

LAMDA Development: First Semester 2016 Financial Results

CONTINUOUS IMPROVEMENT IN THE PROFITABILITY

Reaffirming the positive trend that started in mid-2013 and despite the adverse economic environment this year, **EBITDA of our three Shopping Centers posted a remarkable increase of 8%** versus last year, reaching €21,5 million in the first semester of 2016. **Consolidated EBITDA before valuations reached €17,9 million**, posting an **increase of 11,9%** compared to the equivalent period last year. It must also be noted, that **net consolidated result after valuations**, turned to **€1,5 mil. profit**, for the first time since 2009.

SIGNS OF RECOVERY IN OUR RETAIL INDICATORS

Aggregate shopkeepers' **turnover** in our three malls **increased by 4,3%** versus the first semester of 2015, while total **customer visits** posted an **increase of 1,9%**. **Average occupancy** of our Shopping Centres' approximates **99%**, while demand for retail spaces is still strong.

The favourable performance of our Shopping Centres compared to the rest of the retail market in Greece proves the fact that they have overwhelmingly won the preference of the consumer public. Shopkeepers continue to enjoy ample support via marketing, promotional and communication activities which procure growth in customer visits as evidenced by actual data.

Operational profitability of **“The Mall Athens”** reached €13,3 mil., showing a remarkable increase of 7,3%. It is also noted that shopkeepers' turnover was increased by 3,2%, while customer visits increased by 1,7%. Operational profitability of **“Mediterranean Cosmos”** in Thessaloniki posted an increase of 4,5% reaching €6,9 mil. Shopkeepers' turnover and customer visits were increased by 3,5% and 1,5% respectively, while the Centre is fully occupied. As far as **“Golden Hall”** is concerned, its operational profitability for the first semester reached €7,9 mil., showing also a remarkable increase by 11,3%. Shopkeepers turnover as well as customer visits were increased by 7,1% and 3,3% respectively. All the above indicators reaffirm the leading status of our shopping centers in the retail market and their strong resilience to the unfavorable economic environment.

FINANCIAL RESULTS ANALYSIS

Following IFRS standard 11 that is effective from 1/1/2014, our company has been obliged to discontinue consolidating joint ventures by the proportional method and henceforth, joint ventures have been consolidated with the equity method. It must be stressed that, in the balance sheet, consolidation with the equity method does not have any effect on the Group Equity or Net Result after Taxes.

The following table summarizes the **Group's Retail EBITDA**:

(amount in € mil.)	H1 2016	H1 2015	%
“The Mall Athens” (50%)	6,7	6,2	7,3%
“Mediterranean Cosmos”	6,9	6,6	4,5%
“Golden Hall”	7,9	7,1	11,3%
Retail EBITDA	21,5	19,9	8,0%

Office buildings had a positive contribution of €0,8 million to the Group profitability, marginally reduced compared to the first semester of 2015.

Total EBITDA before valuations reached €17,9 million, showing an increase of 11,9% which is mainly attributed to the increase in the operational profitability of our Shopping Centers. **At a consolidated level, net profit for the first semester of 2016 reached €1,5 mil.** versus €14,3 mil. losses in the equivalent period last year. The improvement in financial results is mainly attributed to the significant reduction by €19,5 mil. in fair value losses of our investment portfolio.

Net Asset Value reached €407,2 million (€5,26 per share), almost unchanged versus 31/12/2015.

Summary of consolidated financial figures

(amount in € mil.)	H1 2016	H1 2015	%
Pro – Forma EBITDA before valuations	17,9	16,0	
Fair value losses	-1,1	-20,6	
Net interest expense	-11,3	-10,7	
Depreciation	-0,6	-0,6	
Taxes	-3,5	1,6	
Net Profit (Loss)	1,5	-14,3	

LAMDA Development stock is still trading at a discount compared to its Net Asset Value. Since the beginning of the year our share has a positive return of c. 11%, while the General Index has a negative return of c.10,5%. More precisely, with a share price of €4,49 on 26/08/2016, the discount versus NAV per share approximates 14%.

The **Net Loan to Value Ratio (Net LTV)** of the Group’s investment portfolio stands at 40,7%, a level that can be deemed very satisfactory.

Finally, as of 30/06/2016 the Company has acquired a total of 2.320.397 treasury shares, representing 2,91% of the entire share capital, with an average acquisition price per share of €3,87.

Regarding the announcement of the financial results, CEO of Lamda Development Mr. Odysseas Athanasiou stated:

“The continuous improvement in the financial results of our company reflects the positive trend of our Shopping Centers – and most important – the on-going confidence of the consumer public. With growth potential as the common denominator of our activities, we continue our efforts for further improvement in our future results”.

The summary of the first semester financial figures for 2016 will be posted on the company’s website (www.lamdadev.com) and on the website of the Athens Exchange.