Grivalia Properties REIC

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General
Comm.Registry 000239101000
Reg. act 11/352/21.9.2005

Maroussi, July 29th, 2016

Press Release

Net profit of €5.0m for the first semester of 2016 for Grivalia Properties

Grivalia Properties' net profit reached €5.0m for the first semester of 2016.

Adjusted net profit excluding fair value adjustments and provision for doubtful debt reached €20.8m for the period vs. €20.3m for the respective period.

During the period the Group recorded a provision for doubtful debt relating to Marinopoulos S.A. and Marinopoulos Bros S.A. amounting to €4.0m (100% of the rent receivable due), from the operating lease of four (4) commercial properties, part of it is covered by bank guarantees. It is noted that the Group has for more than a decade these properties in its possession. Additionally, the Group on June 29, 2016 proceeded to the forfeiture of a bank guarantee in favor of Marinopoulos S.A. of €1.4m as penalty for the non-performance of its contractual obligations, which was collected on July 1, 2016.

Group's main operational metrics for the first semester of 2016 vs. the respective period are as follows:

1. Rental income increased by 10% (€30.3m vs. €27.6m) mainly due to the incorporation of revenues deriving from 2015 investments and the new investment on the property located at 68, Vasilissis Sofias Av. in Athens acquired during the period.
2. Net loss from fair value adjustments on investment property for the first semester of 2016 amounted to €11.7m compared to gains €0.1m for the previous period. The decrease is reasonable considering the macroeconomic problems in the real economy and the real estate sector.
3. The decrease in interest expense (€0.78m vs. €0.94m) and interest income (€0.15m vs. €0.28m) is attributable to decreased capital as well as decreasing interest rates.
4. Property taxes increased by 53% (€2.9m vs. €1.9m) mainly due to the increase in aggregate tax on property (ENFIA) from the incorporation of 2015 investments as well as the increase in supplementary tax on real estate (ENFIA) due to the change in the tax law.
5. Taxes increased by 75% (€1.4m vs. €0.8m) mainly due to the change in the tax rate used for the calculation of current tax, where the tax due for REICs cannot be less than 0.75% on an annual basis.

The basic ratios of the Group are formulated as following:

- Current ratio: **4.3x**
- Loans to total Assets: **6%**
- Loans to Value (LTV): **7%**
- Funds from Operations (FFOs): **€16.7m**

The financial information for the period ended June 30th, 2016 is available at the website of the Company: www.grivalia.com

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As at June 30th, 2016 Group's cash and short term deposits amounted to €76m vs. €112m as at December 31st, 2015, while outstanding loans amounted to €56m compared to €59m as at December 31st, 2015. The reduction in cash and short term deposits is mainly attributable to the distribution of dividend from profits of the year 2015 amounting to €30.9m as well as the acquisition of the abovementioned asset.

As at June 30th, 2016 Group's NAV amounted to €846m or €8,35 per share.

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