Grivalia Properties REIC

117, Kifisias Avenue & Agiou
Konstadinou Street
151 24, Maroussi
Athens-Greece
Tel: (+30) 210 8129 600
Fax:(+30) 210 8129 670

VAT n. GR094048855
General
Comm.Registry 000239101000
Reg. act 11/352/21.9.2005

Maroussi, November 11th, 2016

Press Release

Net profit of €19.0m for the nine month period of 2016 for Grivalia Properties

Grivalia Properties' net profit reached €19.0m for the nine month period of 2016.

Adjusted net profit excluding fair value adjustments and provision for doubtful debt reached €32.2m for the period vs. €31.0m for the respective period.

During the period the Group recorded a provision for doubtful debt relating to receivables from Marinopoulos S.A. General Trade and Marinopoulos Brothers Holdings amounting to €1.5m relating to the operating lease of four (4) commercial properties. It is noted that due to the recent positive developments of the restructuring plan for Marinopoulos S.A. General Trade the relative provision for doubtful debt has been reduced by €2.5m compared to June 30th, 2016.

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

1. Rental income increased by 8% (€45.6m vs. €42.3m) mainly attributable 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 amounted to €11.7m compared to gains €17.0m for the respective previous period. The decrease is reasonable considering the macroeconomic problems in the real economy and the real estate sector.
3. Finance income increased by 67% (€0.5m vs. €0.3m) attributable to the successful cash management.
4. Finance costs decreased by 14% (€1.2m vs. €1.4m) due to partial repayment of outstanding loans as well as decreased Euribor rates.
5. Property taxes increased by 28% (€4.1m vs. €3.2m) 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 due to the change in the tax law.
6. Taxes increased by 167% (€3.2m vs. €1.2m) 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: **4.4x**
- Loans to Total Assets: **6%**
- Loans to Value (LTV): **7%**
- Funds from Operations (FFOs): **€29.3m**

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

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As at September 30th, 2016 Group's cash and short term deposits amounted to €83m vs. €112m as at December 31st, 2015, while outstanding loans amounted to €54m compared to €59m. 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 September 30th, 2016 Group's NAV amounted to €858m or €8.47 per share.

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