

*Maroussi, February 3rd, 2017***Press Release****Net profit of €26.4m for the year 2016 for Grivalia Properties**

Grivalia Properties' net profit reached €26.4m for the year 2016.

Adjusted profit before tax excluding fair value adjustments, provision for doubtful debt and negative goodwill from participation in joint ventures reached €45.5m for the year vs. €43.7m of the previous year.

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 the Group has for more than a decade these properties in its possession.

Group's main operational metrics for 2016 vs. the previous year are as follows:

1. Rental income increased by 6% (€1.3m vs. €7.6m) due to the incorporation of revenues deriving from 2015 investments as well as new investments acquired during the year.
2. Net loss from fair value adjustments on investment property amounted to €13.6m compared to gains €19.8m of the previous year. This decrease is mainly attributed to the pressure on real estate rental values from the prolonged recession.
3. Finance income was doubled and amounted to €0.8m compared to €0.4m of the previous year attributable to the successful cash management.
4. Finance costs increased by 55% (€2.8m vs. €1.8m). The increase is mainly due to financial expenses relating to the €50m long-term loan with the International Finance Corporation.
5. Property taxes increased by 34% (€5.5m vs. €4.1m) mainly due to the increase in aggregate tax on property (ENFIA) where the supplementary tax on real estate increased by 120% in accordance to the new tax law as well as the incorporation of 2015 investments.
6. Taxes increased by 227% (€4.9m vs. €1.5m) 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: **3.1x**
- Loans to Total Assets: **6%**
- Loans to Value (LTV): **6%**
- Funds from Operations (FFOs): **€37.7m**

The financial information for the year ended December 31st, 2016 is available at the website of the Company: www.grivalia.com

As at December 31st, 2016 Group's cash and short term deposits amounted to €62m vs. €12m as at December 31st, 2015, while outstanding loans amounted to €52m compared to €9m. The reduction in cash and short term deposits is mainly attributable to the acquisition of the new investments during 2016 as well as the distribution of dividend from profits of the year 2015.

As at December 31st, 2016 Group's NAV amounted to €62m or €8.52 per share.