LAMDA Development S.A.

Condensed consolidated and company interim financial statements

in accordance with International Financial Reporting Standards («IFRS»)

1 January – 30 June 2017

G.E.MI.: 3379701000

37A Kifissias Ave.

15123, Maroussi

These financial statements have been translated from the original statutory financial statements that have been prepared in the Greek language.

In the event that differences exist between this translation and the original Greek language financial statements, the Greek language financial statements will prevail over this document.

Semi-annual financial report's index

STATEMENT OF THE BOARD OF DIRECTORS OF

"LAMDA Development S.A." for the condensed consolidated and company financial statements for the six month period ended June 30, 2017

(according to the article 5 par.2 of the Law 3556/2007)

We state to the best of our knowledge, that the semi-annual condensed Consolidated and Company financial statements for the six month period ended June 30, 2017, which have been prepared in accordance with the international accounting standards in effect, reflect fairly the assets, liabilities, equity and the results of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole.

Furthermore, we state to the best of our knowledge that the Semi-Annual Report of the Board of Directors reflects fairly the development, the performance and the status of LAMDA Development S.A., as well as of the companies that are included in the consolidation taken as a whole, and includes a description of the main risks and uncertainties they confront.

Maroussi, September 6, 2017

The undersigned

Anastasios K.Giannitsis	Odyssefs E.Athanasiou	Dimitrios Ch.Politis
Chairman of the BoD	Chief Executive Officer	Member of the BoD

SEMI-ANNUAL BOARD OF DIRECTORS' REPORT OF "LAMDA Development S.A." FOR THE CONDENSED CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS FOR THE SEMI-ANNUAL PERIOD ENDED JUNE 30, 2017

Dear Shareholders,

According to the provisions of the laws 3556/2007 and 2190/1920 and the decisions 8/754/14.4.2016 of the Hellenic Capital Market Commission, we present the semi-annual Board of Directors' report of "LAMDA Development S.A." concerning the Consolidated and Company Financial Statements for the six-month period that ended on June 30, 2017.

FINANCIAL POSITION OF THE GROUP

According to the International Financial Reporting Standards, the main financial results for the Group and the Company for the six-month period that ended 30.06.2017 are the following:

Consolidated results after tax was amount to losses €10.370 thousands compared to profits €1.474 thousands in the comparative period of 2016.

The Company starting from 1/1/2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

According to the new presentation method, there have been net gains from fair value adjustment on investment property that reached €135 thousands compared to a negative figure of €1.202 thousands in the respective period of 2016. Also, the Group impaired the value of the inventories by €7.338 thousands compared to €540 thousands in the comparative period of 2016. This impairment mainly concerns a Group's land plot in Belgrade in the region of Kalemegdan.

Consolidated turnover showed a slight decrease by 0.3% reaching €22.880 thousands compared to €22.960 thousands in the comparative period of 2016 mainly due to the loss of income resulting from a temporary cease of operations of an anchor tenant using a significant amount of space.

The Net Asset Value as exported from the internal information of the Group (Group Management Accounts) that is attributable to the Company's owner reached €391.149 thousands at 30.06.2017 compared to €403.699 thousands at 31/12/2016. It should be noted that the calculation of Net Asset Value takes the deferred tax based on the interest held in the joint ventures into account which due to IFRS 11 are consolidated with the equity method.

(amounts in € thousands)	**2016**	**2015**	**Variation**
NET ASSET VALUE (NAV) (as exported by the internal information of the Group)	391.149	403.699	-3.2%
Shareholders' Equity	348.266	355.262	-2%
Earnings before valuations (as exported by the internal information of the Group)	18.614	17.942	3.9%
Fair Value Gains from investment property	135	1.202	-
Profit/losses before tax	-2.450	4.235	-
Net Losses after tax & non-controlling interests	-10.370	1.490	-
Turnover	22.880	22.960	-0.3%

Within 2016, "The Mall Athens" recorded an increase in EBITDA by 3% reaching €13.7m. Mediterranean Cosmos" in Pylaia Thessaloniki recorded an increase in EBITDA by 4.3% reaching €7.2m and "Golden Hall" increased its EBITDA by 1.3% reaching €8.0m.

Total Group debt has been reduced by €6.6m during the current period. The financial ratios NET DEBT / TOTAL ASSETS and NET / EQUITY reached 19.1% and 25.6% accordingly.

The Group uses certain Alternative Performance Measures (APMs) due to certain special features of the business category but also due to the application of IFRS 11 according to which the Group will account for LAMDA Olympia Village, owner of The Mall Athens, on an equity basis. The participation of the aforementioned company in the APMs is significant since its EBITDA contributes approximately 37% in the total Group pro-forma EBITDA.

Definitions (APMs)

1. **Net Asset Value:** Group Equity adjusted by the deferred tax liability and asset increased by the deferred tax liability of the joint venture Lamda Olympia Village which is accounted for on an equity basis due to IFRS 11 (note 7 of the financial statements)
2. **Total Group operating results (EBITDA) before valuations:** Group operating results (EBITDA) which derive from the proportional method of consolidation without taking into account the fair value gains/losses that occur from the valuations of the investment property as well as the impairment losses of the other assets.

Condensed Group financial figures (all amounts in € thousands)	**01.01.2017 to 30.06.2017**	**Share of net profit of investments in joint ventures**	**Pro-Forma 01.01.2017 to 30.06.2017**
EBITDA before valuations	**13.320**	**5.295**	**18.614**
Net loss from fair value adjustment on investment property and land	(7.203)	(71)	(7.274)
Depreciation	(384)	(191)	(575)
Net interest	(8.183)	(3.347)	(11.530)
Taxes	(7.920)	(1.686)	(9.606)
Group Results	**(10.370)**		**(10.370)**

3. **Pro-Forma EBITDA before valuations.** It is an alternative name of the previously mentioned measure.
4. **Retail EBITDA.** Sum of each EBITDA of the shopping centers Golden Hall, Mediterranean Cosmos and 50% of The Mall Athens' EBITDA.
5. **EBITDA of the shopping centers (The Mall Athens, Mediterranean Cosmos and Golden Hall). Individual EBITDA of the companies** Lamda Olympia Village SA, PYLAIA SA και Lamda Domi SA, which are involved in the exploitation of the shopping centers The Mall Athens, Mediterranean Cosmos and Golden Hall respectively.
6. **Change in EBITDA of the shopping centers (The Mall Athens, Mediterranean Cosmos, Golden Hall).** Percentage change of the current year vs last year.
7. **Net Debt / Total Assets.** (Debt minus Cash and cash equivalents minus Financial instruments held at fair value through profit or loss) over (Investment property plus Property, plant and equipment plus Investment in joint ventures and associates plus Inventories).
8. **Net Debt / Equity** (Debt minus Cash and cash equivalents minus Financial instruments held at fair value through profit or loss) over Equity.

SIGNIFICANT EVENTS

The Company in accordance with its strategy towards strengthening its position in the real estate sector, has signed an agreement with Värde Partners for the participation in the share capital of the newly established subsidiary company LAMDA Malls S.A, which holds the shares of LAMDA Domi S.A. and Pylea S.A. The above mentioned companies are owners of Golden Hall and Mediterranean Cosmos Shopping Centers respectively. In accordance with the agreement, on 1.6.2017 Värde (through its wholly owned subsidiary Wert Blue SarL) paid the amount of €61.3m for the acquisition of 31.7% of LAMDA MALLS S.A. whereas it intends to support the expansion of the new company through acquisitions and new asset of commercial character developments.

The Company signed an agreement with “IRERE PROPERTY INVESTMENTS LUXEMBOURG” former “HSBC PROPERTY INVESTMENTS LUXEMBOURG SARL” for the transfer from IRERE and acquisition of the 50% of the share capital of LAMDA OLYMPIA VILLAGE S.A. by the Company. The transaction was completed on 17.7.2017. The Company now holds the 100% of LOV share capital. The total value for the 100% of the Shopping Center “The Mall Athens”, amounts to €381.2 m. Taking into consideration the bank loan of €193 m., the liabilities and other assets of LAMDA OLYMPIA VILLAGE S.A. (hereinafter “LOV”) owner of The Mall Athens, the Company paid the amount of €85 m. for the acquisition of the 50% of LOV share capital.

PROSPECTS

The Company observes the performance of the shopping centers through ratios, which, according to international standards, are mainly the customer visits ratio and the ratio of the shopkeepers’ turnover. According to these ratios there is a decrease in the period of 01.01.2017-30.06.2017 in customer visits by 2.6% in relation to the comparative period of 2016. Also, there is a similar picture in the shopkeepers’ turnover which is decreased by 4.4%. It must be noted that the picture during the second quarter of 2017 has been improved significantly compared to the first quarter. Apart from the deterioration of the economic situation, the cease of the operations of an anchor tenant occupying many shops especially in Golden Hall played a key role in the deterioration of the afore mentioned ratios. However, it has to be pointed out that the vacant spaces have been now occupied and the ratio chart shows signs of improvement. In particular, during July the customer visits increase by 7% and the shopkeepers’ turnover by 2.1%. The Company is not able to accurately predict the course of shopkeepers’ turnover in the medium term period of time.

Despite the negative picture of the performance ratios during the period of 01.01.2017-30.06.2017, the profitability of the shopping malls has increased in relation to the comparative period of 2016. The occupancy of the shopping malls during the last quarter of 2017 is expected to revert to the levels of 2016 due to the fact that the case that was created due to the cease of the operations of an anchor tenant occupying many shops has now been fully recovered. The occupancy of the shopping malls in 2016 reached 98%.

SIGNIFICANT RISKS FOR YEAR 2017

Fluctuations in property values

Fluctuations in property values are reflected in the income statement and balance sheet according to their fair value. An increase in yields would have a significant impact on the Group’s profitability and assets. However, due to the successful performance of Shopping and Leisure Centers “The Mall Athens”, “Golden Hall” in Maroussi and “Mediterranean Cosmos” in Pylaia Thessaloniki, their market value is less likely to be reduced. In this context, we note that despite the existing factors of increased uncertainty, the values reported provide the best estimate for the Company’s investment property. The complete impact of the consequences of the economic situation may affect the value of the Group’s investment property in the future.

Credit risk

Income will be significantly affected in case the tenants are unable to fulfil their contractual obligations due to either restriction in their financial activities or instability of the local banking system.

However, the Group has a well-diversified tenant mix consisting mainly of profitable companies with good reputation. The customers’ financial condition is monitored on a recurring basis. The Company’s management does not expect significant losses from impaired receivables except for those that have been provided for.

Foreign exchange risk

The Group operates mainly in Greece and the Balkans and is therefore exposed to foreign exchange risk arising from various currencies. The majority of the Group's transactions are carried out in Euro. Foreign exchange risk arises from future commercial transactions as well as the assets, liabilities and net asset value of investments operating in foreign countries.

The Group's standard practice is not to pre-purchase foreign exchange, not to enter into forward foreign exchange contracts with external counterparties and not to enter into currency hedging transactions.

Interest rate risk

The Group’s interest rate risk derives mainly from bank loans with floating interest rates based on Euribor. The risk is partially hedged with cash held at floating rates.

The group analyses its interest rate exposure and manages the interest rate risk through refinancing, renewal of existing loans, alternative financing and hedging. The interest rate risk is disclosed in note 2.11 of the annual consolidated and company financial statements of 2016.

Inflation risk

The Group’s exposure to inflation risk is limited as the Group enters into long term operating lease arrangements for a minimum of 6 years that are adjusted annually according to the Consumer Price Index plus margin up to 2%.

Liquidity risk

Liquidity needs are satisfied in full by the timely forecasting of cash needs in conjunction with the prompt receipt of receivables and by using sufficient and available cash resources.

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. Cash and cash equivalents are considered assets with high credit risk since the current macroeconomic environment in Greece affects significantly the local banks. We do not anticipate any losses deriving from the banks’ credit ratings where the Group holds its accounts.

External factors

The Company has investments in Greece, Romania, Serbia, Bulgaria and Montenegro. The Group can be affected by external factors such as political instability, economic uncertainty and changes in local tax regimes. The financial risk factors are disclosed in note **Error! Reference source not found.** of the annual consolidated and company financial statements of 2016.

PENDING LITIGATION

1. THE MALL ATHENS

1.1 Pending litigation

With regard to the legal issues relating to the particular investment, the following should be noted:

In total, five (5) petitions for annulment have been filed before the Council of State, relating to the area where the Olympic Press Village (or “Olympiako Chorio Typou”) and the Shopping Center "The Mall Athens" were built, whose legal owner is the Company’s subsidiary “LAMDA OLYMPIA VILLAGE S.A.” (hereinafter, “L.O.V.”). Specifically:

(a) The first petition for annulment directly contests the validity of Law 3207/2003, which is in lieu of the building permit for all the buildings constructed on this particular area. The petition aims to have the Law declared null and void, on the basis that it is allegedly not compatible with the provisions of the Constitution of the Hellenic Republic. The petition was heard on 03.05.2006 and the Fifth Section of the Council of State sent the case to the court’s Plenary Session by means of its decision No 391/2008. The petition was heard before the Plenary Session on 05.03.2010, further to successive postponements of hearings previously scheduled for 05.02.2010, 09.10.2009, 08.05.2009 and 07.11.2008.

By means of decision No 4076/2010 of the Plenary Session, the hearing of the petition was postponed until the issuance of a decision by the Court of Justice of the European Union over another case, in which– according to the Council of State – similar legal issues were raised. The Court issued in decision in October of 2011, further to which the petition was heard before the Plenary Session of the Council of State on 05.04.2013, following postponements on 11.01.2013 and 01.03.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003.

The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, and LOV has already initiated the procedure required further to the issuance of the said decision. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

(b) The second petition seeks annulment of the deemed approval of the designs submitted by L.O.V. to the Ministry of Environment, Planning and Public Works, pursuant to article 6 paragraph 2 of Law 3207/2003. By means of its decision No 455/2008, the Fifth (E') Section of the Council of State postponed the hearing of the case, until the issuance of the decision by the Court's Plenary Session on the first petition for annulment. The petition was heard on 02.04.2014, further to a postponement of the hearing previously scheduled for 02.12.2009, 02.06.2010, 03.11.2010, 08.06.2011, 02.11.2011, 11.01.2012, 07.03.2012, 02.05.2012, 07.11.2012, 06.03.2013, 02.10.2013 and 05.02.2014. The Fifth Section issued its decision No 4932/2014, whereby the court cancelled the proceedings.

(c) The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution. The said petitions have been scheduled to be heard before the Fourth (D) Section of the Council of State on 28.11.2017, further to successive postponements of hearings previously scheduled for 09.01.2007, 23.10.2007, 08.01.2008, 07.10.2008, 16.06.2009, 12.10.2010, 29.03.2011, 14.02.2012, 09.10.2012, 12.02.2013, 04.06.2013, 19.11.2013, 06.05.2014, 11.11.2014, 16.06.2015, 08.12.2015 and 07.06.2016, 06.12.2016, 21.03.2017 and 13.06.2017.

In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the third and fourth petitions for annulment will be accepted.

(d) The fifth petition for annulment contests the validity of the decision of the Board of Directors of OEK (Worker's Housing Organization or "Organismos Ergatikis Katoikias"), which authorized the sale to L.O.V. of the plot of land where the Shopping Center was erected. Similar to the foregoing cases, the legal basis of the petition for annulment is the alleged incompatibility of Law 3207/2003 with the provisions of the Constitution. The said petition was heard on 21.03.2017, further to successive postponements of hearings previously scheduled for 09.01.2007, 23.10.2007, 08.01.2008, 07.10.2008, 16.06.2009, 12.10.2010, 29.03.2011, 14.02.2012, 09.10.2012, 12.02.2013, 04.06.2013, 19.11.2013, 06.05.2014, 11.11.2014, 16.06.2015, 08.12.2015 and 07.06.2016, 06.12.2016 and 21.03.2017.

The fifth petition for annulment will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (the decision under annulment not being an enforceable administrative act).

It is noted that L.O.V. has intervened in all cases as a third party in the proceedings to support the validity of the acts contested.

Finally, in the event that any of the above petitions for annulment is accepted, L.O.V. will be entitled to seek redress for any damages it may suffer against the Greek State.

1.2 Potential impact of pending litigation on the existing contracts

(a) L.O.V. sold the office building "ILIDA BUSINESS CENTRE" to the company "EUROBANK Leasing S.A." on 26.06.2007. "EUROBANK Leasing S.A." entered into a financial lease agreement with "Blue Land S.A." regarding the said office building. The respective deed of transfer includes a provision specifying that, if either of the first two petitions is irrevocably accepted on the grounds that Law 3207/2003 is not compatible with the provisions of the Constitution, then the transaction shall be reversed by reinstatement of the property to its original status, in which case the buyer "EUROBANK Leasing" shall be entitled to the full buying price and the ownership of the office building shall return to L.O.V. Two opposing lawsuits were filed; the first one was filed by the Company and L.O.V. and is seeking to have identified that the conditions for the said provision have not been fulfilled and the second one was filed by “EUROBANK Leasing S.A.” (and “BLUE LAND S.A.” intervened as a third party in the proceedings to support the validity of EUROBANK Leasing’s claims) and is seeking to have identified that the conditions have been met and that the purchase price be returned to “EUROBANK Leasing S.A.”. The case was heard (further to postponement) on 11.10.2016. The Multimember First Instance Court issued decision No, 1522/2017, whereby the Company’s and L.O.V.’s lawsuit was rejected and the opposing lawsuit filed by Eurobank Leasing was partially accepted.

The Company intends to file an appeal against the aforementioned decision; pursuant to the Company’s legal counsels’ assessment, which is also based on the opinions of Professors of the Athens University, the said provision of the deed of transfer is not applicable, as it regulates issues that may not be rectified, whereas the Council of State identified matters that could be remedied. It should be noted that, in any case, the Company will not be obligated to disburse any of the amounts set out in the Court’s ruling until a final decision is issued by the Court of Appeals.

Further, pursuant to the aforementioned deed of transfer, in the event of any other ruling of the Council of State regarding the said Law’s non-compatibility to the Constitution, including the acceptance of the third, fourth or fifth petition, then the purchaser will be entitled to repudiate the contract and demand restoration of the aforementioned actual damages, following the lapse of a period of two years from the date of issuance of the decision on the annulment petitions, on condition that any defects or deficiencies resulting from said decision have not been remedied in the meantime.

(b) In any case, as already mentioned, L.O.V. is entitled to seek redress for any damages it may suffer against the Greek State as a result of the aforementioned petitions for annulment.

2. MEDITERRANEAN COSMOS

With regard to the legal issues relating to the particular investment, the following should be noted:

Contractor “MICHANIKI S.A.” undertook a significant part of the construction works for the “Mediterranean Cosmos” Shopping Center in Pylaia, Thessalokini. Both “PYLAIA S.A.”, a subsidiary of the Company, and “MICHANIKI S.A.” have filed actions and counter-actions, which were jointly heard on 01.04.2009, following a postponement of the hearing initially set for 02.04.2008. The total claims of “PYLAIA S.A.” against “MICHANIKI S.A.” stand at € 18,340,931.49 (including the amount of € 2,000,000 as compensation for moral distress). On the basis of the actions it has filed, “MICHANIKI S.A.” claims the amount of € 34,826,329.14 (including the amount of € 10,000,000 as compensation for moral distress).

By virtue of its decision 8172/2009, the Athens Multi-Member 1st Instance Court:

(i) Rejected the claims of “PYLAIA S.A.”, adopting the false reasoning that “PYLAIA S.A.” had assigned its claims under the contracts in question (with “MICHANIKI S.A.”) to the bondholder agent further to a respective agreement and, therefore, was not entitled to seek redress for its pertinent claims.

(ii) Rejected certain claims of “MICHANIKI S.A.” as vague or unfounded and ordered a continuance hearing, to follow the issuance of an expert opinion on certain allegations of one of the actions.

“PYLAIA S.A.” had lodged an appeal against the above decision, seeking to reverse it to the extent that it rejected “PYLAIA S.A.”’s actions as per point (i) above. The appeal was heard before the Athens Court of Appeal on 28.02.2013 (following a postponement of the initial hearing date which was the 27.09.2012) and rejected by virtue of the court’s decision No. 3977/ 2013. The court ruled that since “PYLAIA S.A.” had assigned its claims from said contracts with “MICHANIKI S.A.” to the bondholder agent under respective contract, it was not legally entitled to achieve the satisfaction of those claims. The Company submitted an appeal on points of law in front of the Supreme Court, which was heard on 11.05.2015. The Court recently accepted the appeal of “PYLAIA S.A.” by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. That hearing in the Court of Appeals has been set for 26.10.2017. Further to the above and following the submission to the Court of the expert’s report which is favorable to “PYLAIA SA”, the hearing of the lawsuits of “MICHANIKI SA” had been set on 13.03.2013, was postponed for 27.05.2015 and then cancelled.

In addition, "PYLAIA SA" filed a third lawsuit against "MICHANIKI SA" on 24.12.2010 claiming additional compensation of € 2,073,123.13 (which includes the amount of €500,000 for moral damages). The hearing had been scheduled for 25.02.2015, following a postponement on 21.11.2012, but it was cancelled.

Moreover, on 28.12.2010 “PYLEA S.A.” filed the nr13132, 13134 and 13129/2010 lawsuits to the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement of the hearing of the case on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company “EUROHYPO S.A.”, to address the event where the Court rules that "PYLAIA SA" is not entitled to file these lawsuits in its name. This is the reason why the hearing of those lawsuits was cancelled on 13.02.2013 and was reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, but the hearing was postponed for 25.01.2017 and then cancelled. A new hearing for these lawsuits has been set for 21.02.2018.

Finally, on 09.11.2012 “MICHANIKI S.A.” filed a lawsuit before the Athens Multimember Court of First Instance, claiming additional compensation amounting to € 2,293,016.59, namely the amount that “PYLAIA S.A.” collected from Alpha Bank by forfeiture of “MICHANIKI S.A.”’s bank bonds, and an additional amount of € 500,000.00 as moral damages. The lawsuit was set to be heard on 28.05.2015, but was postponed for 12.10.2017.

In general, pursuant to the assessment of Company’s legal counsels, the substantiated claims of “PYLAIA S.A.” against “MICHANIKI S.A.” significantly exceed the substantiated counterclaims of the latter against “PYLAIA S.A.”.

RELATED-PARTY TRANSACTIONS

The related-party transactions according to IAS 24 of the Company and the Group are disclosed in the note 17 of the consolidated financial statements for the six-month period ended on 30 June 2017. It is noted that the transactions with the related parties are intra-group transactions and there are not significant transactions with related parties outside Group.

Maroussi, September 6, 2017

The Board of Directors

Anastasios K.Giannitsis	Odyssefs E.Athanasiou	Dimitrios Ch.Politis
Chairman of the BoD	Chief Executive Officer	Member of the BoD

Condensed Interim Consolidated and Company Financial Statements for the six month period ended June 30, 2017

Statement of financial position

		GROUP		COMPANY	
all amounts in € thousands	**Note**	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
ASSETS					
Non-current assets					
Investment property	5	380.090	379.955	1.840	1.840
Property, plant and equipment	6	3.516	3.761	410	371
Investments in subsidiaries	7	-	-	161.286	190.500
Investments in joint ventures and associates	7	113.220	109.457	37.135	37.135
Deferred tax assets		13.872	17.601	6.965	10.903
Receivables		869	869	77.089	77.089
		511.567	**511.643**	**284.726**	**317.839**
Current assets					
Inventories		50.861	58.186	-	-
Trade and other receivables		29.730	29.299	26.495	25.683
Current tax assets		3.009	3.074	2.718	2.732
Financial instruments held at fair value through profit or loss	9	38.776	5.224	38.776	5.224
Cash and cash equivalents	10	119.159	98.644	85.037	71.703
		241.535	**194.427**	**153.025**	**105.342**
Total assets		**753.102**	**706.070**	**437.752**	**423.181**
EQUITY AND LIABILITIES					
Equity					
Share capital and share premium	11	374.863	374.863	374.863	374.863
Other reserves		5.868	6.545	2.999	2.999
Retained earnings/(Accumulated losses)		(32.466)	(26.147)	(100.569)	(120.667)
Equity attributable to equity holders of the parent		348.266	355.262	277.293	257.195
Non-controlling interest		60.395	(191)	-	-
Total equity		**408.660**	**355.071**	**277.293**	**257.195**
LIABILITIES					
Non-current liabilities					
Borrowings	12	179.083	248.642	116.851	123.201
Deferred tax liabilities		35.238	34.172	-	-
Derivative financial instruments	13	-	651	-	-
Employee benefit obligations		1.005	1.005	714	714
Other non-current liabilities		15.808	15.969	18.636	18.977
		231.134	**300.440**	**136.202**	**142.892**
Current liabilities					
Trade and other payables		25.882	30.013	15.139	17.580
Current tax liabilities		3.467	581	-	-
Derivative financial instruments	13	442	-	-	-
Borrowings	12	83.517	19.965	9.118	5.513
		113.308	**50.560**	**24.257**	**23.094**
Total liabilities		**344.442**	**350.999**	**160.459**	**165.986**
Total equity and liabilities		**753.102**	**706.070**	**437.752**	**423.181**

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on September 6, 2017.

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Income Statement

Continuing operations *(all amounts in € thousands)*	Note	GROUP 01.01.2017 to 30.06.2017	GROUP 01.01.2016 to 30.06.2016	COMPANY 01.01.2017 to 30.06.2017	COMPANY 01.01.2016 to 30.06.2016
Revenue		22.880	22.960	847	678
Dividends		-	-	420	5.449
Net gains/(loss) from fair value adjustment on investment property	5	135	1.202	-	-
Loss from inventory impairment		(7.338)	(540)	-	-
Other direct property operating expenses		(4.795)	(5.011)	-	-
Employee benefits expense		(4.355)	(4.004)	(2.947)	(2.787)
Depreciation of property, plant and equipment	6	(384)	(392)	(61)	(55)
Operating lease payments		(346)	(280)	(478)	(484)
Provision for impairment of investments in subsidiaries, joint ventures and associates		-	-	-	(2.054)
Profits/(losses) from sale of participations in subsidiaries	7	-	-	33.831	-
Loss from sale/valuation of financial instruments		(171)	(135)	(171)	(36)
Other operating income / (expenses) - net		(3.410)	(2.313)	(2.462)	(1.338)
Operating profit/(loss)		**2.215**	**11.487**	**28.977**	**(625)**
Finance income		45	58	594	631
Finance costs		(8.228)	(7.984)	(5.406)	(5.108)
Share of net profit of investments accounted for using the equity method	7	3.517	675	-	-
Profit/(loss) before income tax		**(2.450)**	**4.235**	**24.165**	**(5.103)**
Income tax expense		(7.920)	(2.761)	(4.067)	1.382
Profit/(loss) for the period from continuing operations		**(10.370)**	**1.474**	**20.098**	**(3.721)**
Profit/(loss) attributable to:					
Equity holders of the parent		(10.906)	1.490	20.098	(3.721)
Non-controlling interest		536	(16)	-	-
		(10.370)	**1.474**	**20.098**	**(3.721)**
Earnings/(losses) per share from continuing operations attributable to the equity holders of the Parent during the periodr (expressed in € per share)					
Basic earnings/(losses) per share	18	(0,14)	0,02	0,26	(0,05)
Diluted earnings/(losses) per share	18	(0,14)	0,02	0,26	(0,05)

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Income Statement

Continuing operations *(all amounts in € thousands)*		GROUP 01.04.2017 to 30.06.2017	GROUP 01.04.2017 to 30.06.2017	COMPANY 01.04.2017 to 30.06.2017	COMPANY 01.04.2017 to 30.06.2017
Revenue		11.498	11.574	507	339
Dividends		-	-	420	5.449
Net gains/(loss) from fair value adjustment on investment property	5	135	1.202	-	-
Loss from inventory impairment		(7.338)	(540)	-	-
Other direct property operating expenses		(2.809)	(2.786)	-	-
Employee benefits expense		(2.309)	(2.032)	(1.520)	(1.423)
Depreciation of property, plant and equipment		(200)	(204)	(38)	(33)
Operating lease payments		(175)	(108)	(238)	(242)
Profits/(losses) from sale of participations in subsidiaries	7	-	-	33.831	-
Loss from sale/valuation of financial instruments		(146)	(99)	(146)	-
Other operating income / (expenses) - net		(2.293)	(1.323)	(1.864)	(797)
Operating profit/(loss)		**(3.636)**	**5.685**	**30.953**	**3.293**
Finance income		33	(3)	299	290
Finance costs		(4.111)	(3.968)	(2.692)	(2.555)
Share of net profit of investments accounted for using the equity method		2.275	(394)	-	-
Profit/(loss) before income tax		**(5.440)**	**1.320**	**28.561**	**1.028**
Income tax expense		(6.638)	(1.492)	(4.803)	671
Profit/(loss) for the period from continuing operations		**(12.078)**	**(172)**	**23.758**	**1.699**
Profit/(loss) attributable to:					
Equity holders of the parent		(12.617)	(159)	23.758	1.699
Non-controlling interest		540	(13)	-	-
		(12.078)	**(172)**	**23.758**	**1.699**
Earnings/(losses) per share from continuing operations attributable to the equity holders of the Parent during the periodr (expressed in € per share)					
Basic earnings/(losses) per share		(0,16)	(0,00)	0,31	0,02
Diluted earnings/(losses) per share		(0,16)	(0,00)	0,31	0,02

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Total Comprehensive Income Statement

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Profit/(loss) for the period	**(10.370)**	**1.474**	**20.098**	**(3.721)**
Cash flow hedges, after tax	149	(26)	-	-
Currency translation differences	66	(10)	-	-
Items that may be subsequently reclassified to profit or loss	**215**	**(36)**	**-**	**-**
Total comprehensive income for the period	**(10.155)**	**1.438**	**20.098**	**(3.721)**
Profit/(loss) attributable to:				
Equity holders of the parent	(10.691)	1.454	20.098	(3.721)
Non-controlling interest	536	(16)	-	-
	(10.155)	**1.438**	**20.098**	**(3.721)**

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Statement of changes in equity (Consolidated)

all amounts in € thousands	Note	Attributable to equity holders of the parent				Non-controlling interests	Total equity
		Share capital	Other reserves	Retained earnings / (Accumulated	Total		
GROUP							
1 January 2016		**377.289**	**5.807**	**(22.323)**	**360.773**	**(168)**	**360.605**
Total Income:							
Profit/(loss) for the period		-	-	1.490	1.490	(16)	1.474
Other comprehensive income for the period:							
Cash flow hedges, after tax		-	(26)	-	(26)	-	(26)
Currency translation differences		-	(10)	-	(10)	-	(10)
Total comprehensive income for the period:		**-**	**(36)**	**1.490**	**1.454**	**(16)**	**1.438**
Transactions with the shareholders:							
Reserves		-	310	(310)	-	-	-
Purchase of treasury shares		(2.233)	-	-	(2.233)	-	(2.233)
		(2.233)	**310**	**(310)**	**(2.233)**	**-**	**(2.233)**
30 June 2016		**375.056**	**6.081**	**(21.142)**	**359.995**	**(185)**	**359.810**
1 January 2017		**374.863**	**6.545**	**(26.147)**	**355.262**	**(191)**	**355.071**
Total Income:							
Profit/(loss) for the period		-	-	(10.906)	(10.906)	536	(10.370)
Other comprehensive income for the period:							
Cash flow hedges, after tax		-	122	-	122	27	149
Currency translation differences		-	66	-	66	-	66
Total comprehensive income for the period:		**-**	**188**	**(10.906)**	**(10.718)**	**563**	**(10.155)**
Transactions with the shareholders:							
Transfer of interest held in participation	7	-	(865)	4.587	3.722	60.023	63.745
		-	(865)	4.587	3.722	60.023	63.745
30 June 2017		**374.863**	**5.868**	**(32.466)**	**348.266**	**60.395**	**408.660**

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Statement of changes in equity (Company)

all amounts in € thousands	Note	Share capital	Other reserves	Retained earnings / (Accumulated	Total equity
COMPANY					
1 January 2016		**377.289**	**3.053**	**(90.971)**	**289.371**
Total Income:					
Loss for the period		-	-	(3.721)	(3.721)
Total comprehensive income for the period:		**-**	**-**	**(3.721)**	**(3.721)**
Transactions with the shareholders:					
Purchase of treasury shares		(2.233)	-	-	(2.233)
30 June 2016		**375.056**	**3.053**	**(94.692)**	**283.418**
1 January 2017		**374.863**	**2.999**	**(120.667)**	**257.195**
Total Income:					
Profit for the period		-	-	20.098	20.098
Total comprehensive income for the period:		**-**	**-**	**20.098**	**20.098**
30 June 2017		**374.863**	**2.999**	**(100.569)**	**277.293**

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Cash Flow Statement

		GROUP		COMPANY	
all amounts in € thousands	Note	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016
Cash flows from operating activities					
Cash generated from / (used in) operations	14	5.169	11.367	(7.786)	(4.541)
Interest paid		(7.045)	(7.167)	(4.464)	(4.410)
Income taxes paid		(232)	158	(116)	-
Net cash inflow/(outflow) from operating activities		**(2.109)**	**4.358**	**(12.366)**	**(8.951)**
Cash flows from investing activities					
Purchase of property, plant and equipment	6	(140)	(320)	(100)	(52)
Dividends received		-	-	-	4.634
Loans to related parties	17	(360)	-	-	1.166
Interest received		49	58	84	34
Proceeds from sale/liquidation of participation		430	706	430	706
(Purchase)/sale of financial instruments held at fair value through profit or loss		(33.728)	7.932	(33.728)	7.932
Sale/(acquisition) of interest held in participations	7	61.300	(2.437)	61.300	(3.600)
(Increase)/decrease in the share capital of participations	7	(247)	(844)	(700)	(5.080)
Net cash inflow from investing activities		**27.305**	**5.096**	**27.286**	**5.742**
Cash flows from financing activities					
Purchase of treasury shares		-	(2.233)	-	(2.233)
Repayment of borrowings from related parties		-	-	(350)	-
Repayment of borrowings	12	(6.556)	(10.495)	(3.349)	-
Finance lease payments	12	-	(4.346)	-	-
Borrowings transaction costs	12	(239)	-	-	-
Net cash outflow from financing activities		**(6.795)**	**(17.073)**	**(3.699)**	**(2.233)**
Net increase (decrease) in cash and cash equivalents		**18.402**	**(7.619)**	**11.221**	**(5.442)**
Cash and cash equivalents at the beginning of the period	10	98.644	107.173	71.703	76.388
Restricted cash reclassified from receivables		2.113	-	2.113	-
Cash and cash equivalents at end of period	10	**119.159**	**99.554**	**85.037**	**70.945**

The notes on pages 18 to 42 form an integral part of this condensed interim financial information.

Notes to the condensed consolidated and company interim financial statements

1. General information

These financial statements include the company financial statements of the company LAMDA Development S.A. (the "Company") and the consolidated financial statements of the Company and its subsidiaries (together "the Group") for the six month period ended June 30, 2017. The names of the subsidiaries are presented in note 7 of these financial statements.

The main activities of the Group comprise investment, development, leasing and maintenance of innovative real estate projects.

The Group operates in Greece, as well as in other neighbouring Balkan countries mainly Romania, Bulgaria, Serbia, Montenegro and the Company's shares are listed on the Athens Stock Exchange.

The Company is incorporated and domiciled in Greece. The address of its registered office is 37^{A} Kifissias Ave., 15123, Maroussi with the Number in the General Electronic Commercial Registry: 3379701000 and its website address is www.lamdadev.com. The Company Consolidated Lamda Holdings S.A., which is domiciled in Luxembourg, is the main shareholder of the Company as at 30.06.2017 with interest held at 50.87% of the share capital and therefore the Group's financial statements are included in its consolidated financial statements.

The Group activities, and consequently its revenues are not expected to be substantially impacted by seasonal fluctuations.

These condensed consolidated and Company interim financial statements of LAMDA Development SA have been approved for issue by the Company's Board of Directors on September 6, 2017.

2. Basis of preparation and summary of significant accounting policies

2.1. Basis of preparation

These consolidated and company financial statements have been prepared by Management in accordance with International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union, and specifically in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting". These consolidated and company financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016 which are available on the website address www.lamdadev.com.

The accounting principles that have been used in the preparation and presentation of these interim financial statements are in accordance with those used for the preparation of the Company and Group annual financial statements as of December 31, 2016.

These consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and Interpretations by the International Financial Reporting Interpretations Committee (IFRIC), as they have been adopted by the European Union, and present the financial position, results of operations and cash flows on a going concern basis which assumes that the Company has plans in place to avoid material disruptions to its operations and available financial resources to meet its operating requirements. In this respect Management has concluded that (a) the going concern basis of preparation of these financial statements is appropriate, and (b) all assets and liabilities are appropriately presented in accordance with the Company's accounting policies.

On that basis, the following specific matters may impact the operations of the Group in the foreseeable future:

- **Macroeconomic conditions in Greece**

The imposition of capital controls has created an uncertain economic situation, which may affect the Group's business, financial condition and prospects. The Group's operations in Greece are significant and the current macroeconomic conditions may affect the Group as follows:

- Decrease in consumption may impact the amount of shop sales in the shopping centers.
- Possible failure of tenants to fulfil their obligations due to either a reduction in their operating activities or instability of the local banking system.
- Possible further decrease in the fair value of the Group's investment property.

Despite the aforementioned uncertainties, the Group's operations continue without any disruption; however Management is not able to accurately predict the likely developments in the Greek economy and its impact on the Group activities.

- **LAMDA Malls SA – transfer of 31.7% in participations**

The Company in accordance with its strategy towards strengthening its position in the real estate sector, has signed an agreement with Värde Partners for the participation in the share capital of the newly established subsidiary company LAMDA Malls S.A, which holds the shares of LAMDA Domi S.A. and Pylea S.A. The above mentioned companies are owners of Golden Hall and Mediterranean Cosmos Shopping Centers respectively. In accordance with the agreement, on 1.6.2017 Värde (through its wholly owned subsidiary Wert Blue SarL) paid the amount of €61.3m for the acquisition of 31.7% of LAMDA MALLS S.A. whereas the price is expected to be adjusted upwards due to the companies' profitability during the period of time from the signing of the agreement until its completion.

- **"The Mall Athens" - Lamda Olympia Village S.A.**

As described in detail in note 16 "Contingent liabilities and assets", in January 2014, the Hellenic Council of State approved the petition for annulment of Codified Law 3207/2003, according to the provisions of which the Olympic Press Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were constructed. This decision by the Hellenic Council of State has no direct impact on the operations of "The Mall Athens" and it is anticipated that the operations will continue unhindered for the foreseeable future. Management has assessed the required actions that have been indicated by the Group's legal advisors as imposed following the decision in order to cope with this situation and therefore has undertaken already all necessary actions to this direction. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

The factors above have been taken into account by Management when preparing the financial statements for the period ended June 30, 2017. In this uncertain economic environment, management continually assesses the situation and its possible future impact to ensure that all necessary actions and measures are taken in order to minimize any impact on the Group's Greek operations. In note 3 "Financial risk management" of the annual financial statements as of December 31, 2016, there is information on the approach of the total risk management of the Group, as well as on the general financial risk that the Group faces on an ongoing basis.

These consolidated and Company condensed interim financial statements have been prepared under the historical cost convention, except for the investment property, the financial instruments held at fair value through profit or loss and the derivative financial instruments which are presented at fair value.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the group's accounting policies. In addition, the use of certain estimates and assumptions is required that affect the balances of the assets and liabilities, the disclosure of contingent assets and liabilities as at date of preparation of the financial statements and the amounts of income and expense during the reporting period. Although these estimates are based on the best knowledge of management in relation to the current conditions and actions, the actual results can eventually differ from these estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 of the annual financial statements as of December 31, 2016.

2.2. Accounting principles

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

There are no new standards, amendments to standards and interpretations that are mandatory for periods beginning on 1.1.2017.

Standards and Interpretations effective for subsequent periods

IFRS 9 "Financial Instruments" and subsequent amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its financial statements.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2018)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. The Group is currently investigating the impact of IFRS 15 on its financial statements.

IFRS 16 "Leases" (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The Group is currently investigating the impact of IFRS 16 on its financial statements. The standard has not yet been endorsed by the EU.

IAS 12 (Amendments) "Recognition of Deferred Tax Assets for Unrealised Losses" (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealised losses on debt instruments measured at fair value. The amendments have not yet been endorsed by the EU.

IAS 7 (Amendments) "Disclosure initiative" (effective for annual periods beginning on or after 1 January 2017)

These amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments have not yet been endorsed by the EU.

IAS 40 (Amendments) "Transfers of Investment Property" <u>(effective for annual periods beginning on or after 1 January 2018)</u>

The amendments clarified that to transfer to, or from, investment properties there must be a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition and the change must be supported by evidence. The amendments have not yet been endorsed by the EU.

IFRIC 22 "Foreign currency transactions and advance consideration" <u>(effective for annual periods beginning on or after 1 January 2018)</u>

The interpretation provides guidance on how to determine the date of the transaction when applying the standard on foreign currency transactions, IAS 21. The Interpretation applies where an entity either pays or receives consideration in advance for foreign currency-denominated contracts. The interpretation has not yet been endorsed by the EU.

IFRIC 23 "Uncertainty over income tax treatments" <u>(effective for annual periods beginning on or after 1 January 2019)</u>

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. IFRIC 23 applies to all aspects of income tax accounting where there is such uncertainty, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The interpretation has not yet been endorsed by the EU.

Annual Improvements to IFRSs 2014 (2014 – 2016 Cycle)

The amendments set out below describe the key changes to two IFRSs. The amendments have not yet been endorsed by the EU.

<u>*IFRS 12 "Disclosures of Interests in Other Entities"*</u>

The amendment clarified that the disclosures requirement of IFRS 12 are applicable to interest in entities classified as held for sale except for summarised financial information. The amendment is effective for annual periods beginning on or after 1 January 2017.

<u>*IAS 28 "Investments in associates and Joint ventures"*</u>

The amendments clarified that when venture capital organisations, mutual funds, unit trusts and similar entities use the election to measure their investments in associates or joint ventures at fair value through profit or loss (FVTPL), this election should be made separately for each associate or joint venture at initial recognition. The amendment is effective for annual periods beginning on or after 1 January 2018.

There are no other new standards or amendments to standards, which are mandatory for periods beginning during the current period and subsequent periods that may have significant impact on the Group's financial statements.

3. Fair value estimation

The Group and the Company use the following hierarchy for determining and disclosing the fair value of the assets and liabilities by valuation method.
Level 1: based on quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: based on valuation techniques whereby all inputs having a significant effect on the fair value are observable, either directly or indirectly and includes quoted prices for identical or similar assets or liabilities.

Level 3: based on valuation techniques whereby all inputs having a significant effect on the fair value are not observable market data.

The financial instruments that are measured at fair value are the investment property (note 5), the derivative financial instruments (note 13) and the financial instruments held at fair value through profit or loss (note 9).

4. Segment information

The Group is operating into the business segment of real estate in Greece and in other neighbouring Balkan countries. The BoD (which is responsible for the decision making) defines the segments according to the use and of the investment property and their geographical location.

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue and EBITDA (Earnings before interest, tax, depreciation and amortization). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the performance of the operating segment. Group financing, including finance costs and finance income, as well as income taxes are monitored on a group basis and are included within the administration segment without being allocated to the profit generating segments.

A) Group's operating segments

The segment results for the six month period ended 30 June 2017 were as follows:

all amounts in € thousands	**Real estate**			
	GREECE		**BALKANS**	**Total**
	Shopping centers	**Other investment property**	**Other investment property**	
Revenue from third parties	20.281	2.596	4	**22.880**
Net gains/(losses) from fair value adjustment on investment property and inventories	1.320	(985)	(7.538)	**(7.203)**
EBITDA	16.150	83	(7.956)	**8.278**

The segment results for the six month period ended 30 June 2016 were as follows:

all amounts in € thousands	**Real estate**			
	GREECE		**BALKANS**	**Total**
	Shopping centers	**Other investment property**	**Other investment property**	
Revenue from third parties	20.257	2.698	5	**22.960**
Net gains/(losses) from fair value adjustment on investment property and inventories	2.550	(1.648)	(240)	**662**
EBITDA	17.082	(244)	(591)	**16.247**

The segment results for the three month period ended 30 June 2017 were as follows:

all amounts in € thousands	**Real estate**			
	GREECE		**BALKANS**	**Total**
	Shopping centers	**Other investment property**	**Other investment property**	
Revenue from third parties	10.152	1.345	2	**11.498**
Net gains/(losses) from fair value adjustment on investment property and inventories	1.320	(985)	(7.538)	**(7.203)**
EBITDA	8.312	(501)	(7.751)	**60**

The segment results for the three month period ended 30 June 2016 were as follows:

all amounts in € thousands	Real estate GREECE		BALKANS	Total
	Shopping centers	Other investment property	Other investment property	
Revenue from third parties	10.167	1.405	3	**11.575**
Net gains/(losses) from fair value adjustment on investment property and inventories	2.550	(1.648)	(240)	**662**
EBITDA	9.030	(347)	(420)	**8.263**

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	Real estate GREECE		BALKANS	Total
30 June 2017	Shopping centers	Other investment property	Other investment property	
Assets per segment	**367.914**	**317.413**	**67.775**	**753.102**
Expenditure of non-current assets	38	101	1	**140**
Liabilities per segment	**190.765**	**152.638**	**1.039**	**344.442**

	Real estate GREECE		BALKANS	Total
31 December 2016	Shopping centers	Other investment property	Other investment property	
Assets per segment	**359.411**	**270.914**	**75.745**	**706.070**
Expenditure of non-current assets	386	306	2	**695**
Liabilities per segment	**177.851**	**172.170**	**978**	**350.999**

The reconciliation of the segments' EBITDA to total profit after tax for the Group is as follows:

all amounts in € thousands		
Adjusted EBITDA for reportable segments	**30.06.2017**	**30.06.2016**
EBITDA	8.278	16.247
Corporate overheads	(5.507)	(4.234)
Depreciation	(384)	(392)
Share of profit / (loss) from joint ventures and associates	3.517	675
Loss from sale/valuation of financial instruments	(171)	(135)
Finance income	45	58
Finance costs	(8.228)	(7.984)
Profit/(loss) before income tax	**(2.450)**	**4.235**
Income tax expense	(7.920)	(2.761)
Profit/(loss) for the period	**(10.370)**	**1.474**

B) Geographical segments

The segment information for the six month period ended 30 June 2017 were as follows:

	Total revenue	Non-current assets
Greece	22.876	490.537
Balkans	4	21.030
	22.880	**511.567**

The segment information for the annual period ended 31 December 2016 were as follows:

31 December 2016	Total revenue	Non-current assets
Greece	46.402	489.966
Balkans	2.756	21.677
	49.158	**511.643**

5. Investment property

all amounts in € thousands	GROUP 30.06.2017	GROUP 31.12.2016	COMPANY 30.06.2017	COMPANY 31.12.2016
Balance at 1 January	379.955	379.362	1.840	1.840
Subsequent expenditure on investment property	-	130	-	-
Acquisition of subsidiary - goodwill (note 7)	-	643	-	-
Net gains/(loss) from fair value adjustment on investment property	135	(180)	-	-
Balance at the end of the period	**380.090**	**379.955**	**1.840**	**1.840**

The investment property includes property operating lease that amounts to €147.5m.

The fair value for all investment property was determined on the basis of its highest and best use by the Group taking into account each property's use which is physically possible, legally permissible and financially feasible. This estimate is based on the physical characteristics, the permitted use and the opportunity cost for each investment of the Group.

Investment property is valued each semester by independent qualified valuers using the Discounted Cash Flows (DCF) method. The cash flows are based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (where possible) external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect each tenant's sector (food and restaurants, electronic appliances, apparel etc.) as well as the current market assessments of the uncertainty in the amount and timing of the cash flows. In some cases, where necessary, the valuation is based on the Comparative Method. The aforementioned valuation methods come under hierarchy level 3 as described in note 3.

More precisely, taking into consideration the investment property of "The Mall Athens" of the joint venture Lamda Olympia Village SA, which is disclosed in the financial statements using the equity method as described in note 7), 91% of total fair value of the Group's investment property relates to Shopping Centres and 4% to Office Buildings. For both type of property, the valuation was determined using the DCF approach with the following significant assumptions:

- With regards to the Shopping Centres, The Mall Athens has a freehold status, Mediterranean Cosmos is held under a lease that expires in Q4 2035 and Golden Hall has a 87 year exploitation period. As far as the office buildings are concerned, they are owned by the Group.

- In short, the yields according to the latest valuations at June 30, 2017 are as follows:

	Yield
Malls	
The Mall Athens	7,6%
Med.Cosmos	10,8%
Golden Hall	9,1%
Office buildings	
Cecil, Kefalari	9,0%
Kronos Building, Maroussi	8,8%

- In relation to the annual consideration that every tenant of the Malls pays (Base Consideration – fixed consideration that is set in the contract), it is adjusted annually according to the CPI plus a slight indexation which is differentiated between the tenants. The average CPI that has been used over the period is 1.75%.

The most significant valuation assumptions of the investment property are the assumption regarding the future EBITDA (including the estimations related to the future monthly lease) of each investment property as well as the estimated yields that are applied for the investment property's valuation. As a result, the table below presents two basic scenarios in relation to the impact on the valutions of the following investment properties of an increase in the yields by 25 basis points (+ 0,25%) or a decrease in EBITDA by €1m per Shopping Mall.

Interest held in the Group *(all amounts in € thousands)*	Yield +0,25%	EBITDA/NOI -€1 mln.
The Mall Athens	-6,5	-7,0
Med.Cosmos	-4,1	-10,1
Golden Hall	-8,8	-14,3
Malls	**-19,4**	**-31,3**
Cecil, Kefalari	-0,4	
Kronos Building, Maroussi	-0,2	
Office buildings	**-0,6**	
Total	**-20,0**	**-31,3**

The above mentioned valuations of the investment property as at 30 June 2017 have taken into account the uncertainty of the current economic conditions in Greece (as described in note 2.1). It has to be noted that this situation is unprecedented and therefore the consequences cannot be accurately assessed at this point. In this context, we note that despite the existence of an increased level of valuation uncertainty, the values reported provide the best estimate for the Group's investment property. Management will observe the trends that will be formed in the investment property market in the next few months since the complete impact of the consequences of the economic situation in Greece may affect the value of the Group's investment property in the future.

On the amount of €380.1m of the total investment property, there are real estate liens and pre-notices over these assets.

6. Property, plant and equipment

all amounts in € thousands	Lease hold land and buildings	Vehicles and machinery	Furniture, fittings and equipment	Software	Assets under construction	Total
GROUP - Cost						
1 January 2016	**640**	**5.270**	**4.169**	**2.677**	**1.343**	**14.098**
Additions	-	18	48	28	105	200
Disposals / Write-offs	-	-	(14)	-	-	(14)
Purchase of share in participations	65	-	67	9	-	141
30 June 2016	**705**	**5.288**	**4.269**	**2.714**	**1.447**	**14.425**
1 January 2017	**705**	**5.287**	**4.449**	**2.780**	**1.557**	**14.778**
Additions	-	6	116	8	9	140
Disposals / Write-offs	-	(4)	(12)	-	-	(17)
30 June 2017	**705**	**5.289**	**4.553**	**2.788**	**1.566**	**14.901**
Accumulated depreciation						
1 January 2016	**(298)**	**(3.634)**	**(3.624)**	**(2.532)**	**-**	**(10.088)**
Depreciation charge	(20)	(163)	(182)	(27)	-	(392)
Disposals / Write-offs	-	-	14	-	-	14
Purchase of share in participations	(35)	-	(59)	(8)	-	(102)
30 June 2016	**(354)**	**(3.797)**	**(3.851)**	**(2.566)**	**-**	**(10.568)**
1 January 2017	**(374)**	**(3.958)**	**(4.087)**	**(2.598)**	**-**	**(11.017)**
Depreciation charge	(20)	(161)	(180)	(22)	-	(384)
Disposals / Write-offs	-	4	12	-	-	17
30 June 2017	**(394)**	**(4.115)**	**(4.255)**	**(2.619)**	**-**	**(11.384)**
Closing net book amount at 30 June 2016	**352**	**1.491**	**418**	**148**	**1.447**	**3.857**
Closing net book amount at 30 June 2017	**311**	**1.173**	**298**	**169**	**1.566**	**3.516**

all amounts in € thousands	Lease hold land and buildings	Vehicles and machinery	fittings and equipment	Software	Total
COMPANY - Cost					
1 January 2016	**367**	**88**	**1.076**	**2.639**	**4.171**
Additions	-	5	20	27	52
30 June 2016	**367**	**93**	**1.096**	**2.666**	**4.222**
1 January 2017	**367**	**93**	**1.181**	**2.675**	**4.316**
Additions	-	6	87	7	100
Disposals / Write-offs	-	(4)	(2)	-	(6)
30 June 2017	**367**	**95**	**1.266**	**2.682**	**4.410**
Accumulated depreciation					
1 January 2016	**(229)**	**(68)**	**(971)**	**(2.504)**	**(3.771)**
Depreciation charge	(6)	(4)	(24)	(21)	(55)
30 June 2016	**(234)**	**(71)**	**(995)**	**(2.525)**	**(3.826)**
1 January 2017	**(240)**	**(75)**	**(1.080)**	**(2.550)**	**(3.945)**
Depreciation charge	(6)	(4)	(35)	(17)	(61)
Disposals / Write-offs	-	4	2	-	6
30 June 2017	**(246)**	**(75)**	**(1.112)**	**(2.567)**	**(4.000)**
Closing net book amount at 30 June 2016	**132**	**22**	**101**	**141**	**396**
Closing net book amount at 30 June 2017	**121**	**20**	**153**	**115**	**410**

7. Investments in subsidiaries, joint ventures and associates

The Group's structure on June 30, 2017 is as follows:

Company	Country of Incorporation		% interest held
LAMDA Development SA - Parent	Greece		
Subsidiaries			
PYLAIA SA	Greece	Indirect	68,3%
LAMDA Domi SA	Greece	Indirect	68,3%
LAMDA Malls SA	Greece		68,3%
LAMDA Estate Development SA	Greece		100,0%
LAMDA Prime Properties SA	Greece		100,0%
MALLS MANAGEMENT SERVICES SA	Greece		100,0%
MC Property Management SA	Greece		100,0%
KRONOS PARKING SA	Greece	Indirect	100,0%
LAMDA Erga Anaptyxis SA	Greece		100,0%
LAMDA Leisure SA	Greece		100,0%
GEAKAT SA	Greece		100,0%
LD Trading SA	Greece		100,0%
LAMDA Development DOO Beograd	Serbia		100,0%
Property Development DOO	Serbia		100,0%
Property Investments DOO	Serbia		100,0%
LAMDA Development Montenegro DOO	Montenegro		100,0%
LAMDA Development Romania SRL	Romania		100,0%
Robies Proprietati Imobiliare SRL	Romania	Indirect	90,0%
SC LAMDA Properties Development SRL	Romania	Indirect	95,0%

Company	Country of Incorporation		% interest held
LAMDA Development Sofia EOOD	Bulgaria		100,0%
TIHI EOOD	Bulgaria	Indirect	100,0%
Hellinikon Global I SA	Luxembourg		100,0%
LAMDA Development (Netherlands) BV	Netherlands		100,0%
Lamda Singidunum Netherlands BV	Netherlands	Indirect	100,0%
Robies Services Ltd	Cyprus		90,0%
Joint ventures			
LAMDA Olympia Village SA	Greece		50,0%
Lamda Dogus Marina Investments SA	Greece		50,0%
LAMDA Flisvos Marina SA	Greece	Indirect	32,2%
LAMDA Flisvos Holding SA	Greece	Indirect	41,7%
LAMDA Akinhta SA	Greece		50,0%
LOV Luxembourg SARL	Luxembourg	Indirect	50,0%
Singidunum-Buildings DOO	Serbia	Indirect	56,8%
GLS OOD	Bulgaria	Indirect	50,0%
Associates			
ATHENS METROPOLITAN EXPO SA	Greece		11,7%
METROPOLITAN EVENTS	Greece	Indirect	11,7%
SC LAMDA MED SRL	Romania	Indirect	40,0%

Notes on the above mentioned participations:

- The country of the establishment is the same with the country of operating.
- The interest held corresponds to equal voting rights.

- The investments in joint ventures correspond to the Group's strategic investments mainly due to the exploitation of investment property inside Greece and abroad.
- The investments in associates do not have significant impact to the Group's operations and results however they are consolidated with the equity method since the Group has control over their operations.
- The Group has contingencies in respect of bank guarantees as well as pledged shares deriving from its borrowings.

(a) Investments of the Company in subsidiaries

The Company's investment in subsidiaries is as follows:

all amounts in € thousands			30.06.2017			31.12.2016		
Name	**Country of incorporation**	**% interest held**	**Cost**	**Impairment**	**Carrying amount**	**Cost**	**Impairment**	**Carrying amount**
LAMDA ESTATE DEVELOPMENT SA	Greece	100%	52.047	25.024	27.022	52.047	25.024	27.022
LAMDA PRIME PROPERTIES SA	Greece	100%	9.272	-	9.272	9.272	-	9.272
LAMDA DOMI SA	Greece	100%	-	-	-	77.075	-	77.075
LAMDA MALLS SA	Greece	100%	51.496	-	51.496	-	-	-
PYLAIA SA	Greece	60,1%	-	-	-	4.035	-	4.035
GEAKAT SA	Greece	100%	14.923	10.030	4.893	14.923	10.030	4.893
LAMDA ERGA ANAPTYXIS SA	Greece	100%	9.070	-	9.070	8.870	-	8.870
LD TRADING SA	Greece	100%	1.110	910	200	910	910	-
LAMDA LEISURE SA	Greece	100%	1.050	-	1.050	1.050	-	1.050
MC PROPERTY MANAGEMENT SA	Greece	100%	745	-	745	745	-	745
MALLS MANAGEMENT SERVICES SA	Greece	100%	1.224	-	1.224	1.224	-	1.224
LAMDA DEVELOPMENT SOFIA E.O.O.D.	Bulgaria	100%	363	363	-	363	363	-
LAMDA DEVELOPMENT D.O.O. (BEOGRAD)	Serbia	100%	992	992	-	992	992	-
PROPERTY DEVELOPMENT D.O.O.	Serbia	100%	11.685	11.685	-	11.685	11.685	-
PROPERTY INVESTMENTS LTD	Serbia	100%	1	-	1	1	-	1
LAMDA DEVELOPMENT ROMANIA SRL	Romania	100%	741	741	-	741	741	-
ROBIES SERVICES LTD	Cyprus	90%	1.724	1.724	-	1.724	1.724	-
LAMDA DEVELOPMENT (NETHERLANDS) BV	Netherlands	100%	75.178	18.900	56.278	75.178	18.900	56.278
LAMDA DEVELOPMENT MONTENEGRO D.O.O.	Montenegro	100%	800	800	-	800	800	-
HELLINIKON GLOBAL I SA	Luxembourg	100%	36	-	36	36	-	36
Investment in subsidiaries			**232.455**	**71.168**	**161.286**	**261.669**	**71.168**	**190.500**

The movement in investment in subsidiaries is as follows:

	COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**
Balance at 1 January	**190.500**	**192.290**
Additions	300	3.804
Increase in share capital	400	8.010
Provision for impairment	-	(11.024)
Sale of interest held in participations	(29.914)	-
Dividends effect	-	(2.580)
Balance at the end of the period	**161.286**	**190.500**

The Company in the first quarter of 2017 established the company LAMDA Malls SA contributing its participation in the subsidiaries LAMDA Domi SA and Pylea SA and then contributed an initial amount of €300k. The contribution in kind was completed following the valuation reports that were prepared for the two above mentioned companies, according to the article 9 of the Law 2190/1920. The Company in accordance with its strategy towards strengthening its position in the real estate sector has signed an agreement with Värde Partners for the participation by Värde in the share capital of the newly established subsidiary company LAMDA Malls S.A, which holds the shares of LAMDA Domi S.A. and Pylea S.A. The above mentioned companies are owners of Golden Hall and Mediterranean Cosmos Shopping Centers respectively. In accordance with the agreement, on 1.6.2017 Värde (through its wholly owned subsidiary Wert Blue SarL) paid the amount of €61.3m for the acquisition of 31.7% of LAMDA MALLS S.A. whereas the price is expected to be adjusted upwards due to the companies' profitability during the period of time from the signing of the agreement until its completion. Therefore, at 30.6.2017 the Group holds 68.3% both in LAMDA Malls SA directly and indirectly in LAMDA Domi S.A. and Pylea S.A.

respectively. At Company level the profit for the above mentioned transaction amounts to €33.8m and is recognized in "Profits from sale of participations" in the income statement whereas at Group level the profit from the transaction amounts to €3.7m and is presented in the statement of changes in equity.

In addition, the Company increased its participation in the share capital of its subsidiaries LAMDA Erga Anaptyxis SA and LD Trading SA by €200k and €200k respectively.

(b) Investments of the Company and the Group in joint ventures

The Company's investment in joint ventures is as follows:

COMPANY			30.06.2017			31.12.2016		
Name	Country of incorporation	% interest held	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
LAMDA Olympia Village SA	Greece	50,00%	28.681	-	28.681	28.681	-	28.681
LAMDA Akinhta SA	Greece	50,00%	4.454	1.673	2.781	4.454	1.673	2.781
Lamda Dogus Marina Investments SA	Greece	50,00%	4.022	-	4.022	4.022	-	4.022
Investment in joint-ventures			**37.157**	**1.673**	**35.484**	**37.157**	**1.673**	**35.484**

The Group's investment in joint ventures is as follows:

GROUP			30.06.2017			31.12.2016		
Name	Country of incorporation	% interest held	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
LAMDA Olympia Village SA	Greece	50,00%	28.681	63.751	**92.432**	28.681	60.094	**88.775**
LAMDA Akinhta SA	Greece	50,00%	4.454	(1.684)	**2.771**	4.454	(1.671)	**2.784**
Lamda Dogus Marina Investments SA	Greece	50,00%	4.022	(2.117)	**1.906**	4.022	(2.927)	**1.095**
SINGIDUNUM-BUILDINGS DOO	Serbia	57,63%	27.738	(16.602)	**11.136**	27.291	(15.623)	**11.668**
GLS OOD	Bulgaria	50,00%	3.631	(2.607)	**1.024**	3.631	(2.559)	**1.072**
TOTAL			**68.527**	**40.742**	**109.269**	**68.080**	**37.314**	**105.394**

The movement of the Company and the Group in investment in joint ventures is as follows:

	GROUP		COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Balance at 1 January	**105.394**	**101.210**	**35.484**	**35.884**
Increase in share capital	447	3.153	-	-
Share in profit/(loss)	3.428	1.032	-	-
Provision for impairment	-	-	-	(400)
Balance at the end of the period	**109.269**	**105.394**	**35.484**	**35.484**

Notes on the above mentioned **joint ventures**:

- The Company starting from 1/1/2014 applies IFRS 11 according to which the Group will account for joint ventures on an equity basis because it provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form
- The Group increased its participation in the joint-venture Singidunum Buildings DOO from 56.81% to 57.63%, however the control remains 50%-50% between the two shareholders according to the terms of the current shareholders agreement
- The Group's most significant joint-ventures is LAMDA Olympia Village SA and Singidunum Buildings DOO as follows:

LAMDA Olympia Village SA

Statement of financial position

all amounts in € thousands	**30.06.2017**	**31.12.2016**
Investment property	381.900	381.100
Other non-current assets	37.554	37.575
Trade and other receivables	8.441	8.233
Cash and cash equivalents	26.451	24.930
	454.946	**451.838**
Deferred income tax liabilities	65.338	64.010
Other non-current liabilities	582	582
Short-term borrowings	193.000	200.000
Trade and other payables	11.161	9.696
	270.081	**274.289**
Total equity	**184.865**	**177.549**
Total equity (Group's interest 50%)	**92.432**	**88.775**

Income statement

all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Revenue	16.041	15.903
Net gains/(loss) from fair value adjustment on investment property	800	(3.050)
Other operating income / (expenses) - net	(671)	(2.837)
Finance costs - net	(5.528)	(5.542)
Profit before income tax	**10.641**	**4.474**
Income tax expense	(3.325)	(1.420)
Profit for the period	**7.316**	**3.053**
Profit/(loss) for the period (Group's interest 50%)	**3.658**	**1.527**

Cash flow statement

all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Cash flows from operating activities	8.609	6.345
Cash flows from investing activities	(21)	(66)
Cash flows from financing activities	(7.066)	(4.671)
Net increase in cash and cash equivalents	**1.522**	**1.608**

In relation to "Lamda Olympia Village" joint venture, following a bond repayment of €7m in the first semester of 2017, the remaining principal of the bond loan stands at €96.5m (amounts are quoted at 50% based on current ownership percentage) whereas it has been agreed with the bondholders an extension till 27/7/2017, so that a medium term agreement can be finalized.

Bank borrowings are secured on the property "The Mall Athens" owned by the joint venture "LAMDA Olympia Village SA" for the value of €336m.

Also, regarding the joint-venture LAMDA Olympia Village SA there is a reference in note 16 "Contingent liabilities and assets" regarding the decision by the Council of State which accepted the petition for annulment according to the Law 3207/2003 in relation to the plot of land where the Commercial and Leisure Centre "The Mall Athens" was built. This note describes in full details the course of action for this case.

Singidunum Buildings DOO

Statement of financial position	57,63%	56,81%
	30.06.2017	**31.12.2016**
all amounts in € thousands		
Inventories	73.267	73.267
Receivables	33	536
Cash and cash equivalents	168	459
	73.468	**74.262**
Short-term borrowings	52.520	52.520
Trade and other payables	1.626	1.204
	54.146	**53.723**
Total equity	**19.323**	**20.539**
(Group's interest)	**57,63%**	**56,81%**
Total equity	**11.136**	**11.668**

Income statement

all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Net loss from fair value adjustment on investment property	(743)	-
Other operating income / (expenses) - net	(102)	(125)
Finance costs - net	(800)	(805)
Loss before income tax	**(1.645)**	**(931)**
Income tax expense		
Loss for the period	**(1.645)**	**(931)**
(Group's interest)	**57,63%**	**55,19%**
Loss for the period	**(948)**	**(514)**

Cash flow statement

all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Cash flows from operating activities	(651)	(828)
Cash flows to investing activities	-	-
Cash flows to financing activities	360	400
Net decrease in cash and cash equivalents	**(291)**	**(428)**

(c) Investments of the Group and the Company in associates

The Group participates in the following associates' equity:

GROUP			30.06.2017			31.12.2016		
Name	Country of incorporation	% interest held	Cost	Impairment	Carrying amount	Cost	Impairment	Carrying amount
ATHENS METROPOLITAN EXPO SA	Greece	11,67%	1.559	-	**1.559**	1.559	-	**1.559**
LOV LUXEMBOURG SARL	Luxembourg	25,00%	93	-	**93**	93	-	**93**
S.C. LAMDA MED SRL (Indirect)	Romania	40,00%	1.332	968	**2.300**	1.533	878	**2.411**
TOTAL			**2.983**	**968**	**3.951**	**3.184**	**878**	**4.063**

The movement of associates is as follows:

	GROUP		COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Balance at 1 January	**4.063**	**5.360**	**1.651**	**1.838**
Increase in share capital	-	18	-	18
Share in profit/(loss)	88	(19)	-	-
Decrease in share capital	(200)	(140)	-	-
Acquisition / change in interest held in participations	-	(1.156)	-	(204)
Balance at the end of the period	**3.951**	**4.063**	**1.651**	**1.651**

Notes on the above mentioned associates:

- Although the associates do not have a significant impact in the Group's operations and results, they are consolidated with equity method because the Group exercises control over their operations.
- The decrease of €200k in share capital refers to the company SC LAMDA MED SRL.

8. Financial instruments by category

GROUP - 30.06.2017 **Financial assets**	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
all amounts in € thousands		
Trade and other receivables	2.516	-
Restricted cash	10.538	-
Loans to related parties	1.489	-
Interest reveivable	0	-
Cash and cash equivalents	119.159	-
Other financial receivables	-	38.776
Receivables from related parties	625	-
Total	**134.327**	**38.776**

GROUP - 30.06.2017 **Financial liabilities**	**Derivatives used for hedging**	**Liabilities at amortized cost**
all amounts in € thousands		
Borrowings	-	262.600
Derivative financial instruments	442	-
Trade and other payables	-	3.150
Liabilities to related parties	-	54
Loans from related parties	-	18.302
Interest payable	-	775
Other financial payables	-	11.433
Total	**442**	**296.314**

COMPANY - 30.06.2017 **Financial assets**	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
all amounts in € thousands		
Trade and other receivables	65	-
Restricted cash	10.538	-
Receivables from related parties	445	-
Loans to related parties	86.925	-
Other financial receivables	-	38.776
Cash and cash equivalents	85.037	-
Total	**183.009**	**38.776**

COMPANY - 30.06.2017 **Financial liabilities**	**Liabilities at amortized cost**
all amounts in € thousands	
Borrowings	125.969
Trade and other payables	157
Loans from related parties	21.997
Interest payable	623
Other financial payables	9.088
Total	**157.835**

GROUP - 31.12.2016 **Financial assets**	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
all amounts in € thousands		
Trade and other receivables	1.894	-
Restricted cash	12.651	-
Loans to related parties	1.111	-
Interest reveivable	4	-
Cash and cash equivalents	98.644	-
Other financial receivables	430	5.224
Receivables from related parties	551	-
Total	**115.285**	**5.224**

GROUP - 31.12.2016 **Financial liabilities**	**Derivatives used for hedging**	**Liabilities at amortized cost**
all amounts in € thousands		
Borrowings	-	268.607
Derivative financial instruments	651	-
Trade and other payables	-	4.536
Liabilities to related parties	-	108
Loans from related parties	-	17.947
Interest payable	-	735
Other financial payables	-	13.422
Total	**651**	**305.355**

COMPANY - 31.12.2016 **Financial assets**	**Loans and receivables**	**Financial instruments held at fair value through profit or loss**
all amounts in € thousands		
Trade and other receivables	131	-
Restricted cash	12.651	-
Receivables from related parties	91	-
Loans to related parties	86.414	-
Cash and cash equivalents	71.703	-
Other financial receivables	430	5.224
Total	**185.255**	**5.224**

COMPANY - 31.12.2016 **Financial liabilities**	**Liabilities at amortized cost**
all amounts in € thousands	
Borrowings	128.714
Trade and other payables	172
Liabilities to related parties	7
Loans from related parties	21.974
Interest payable	667
Other financial payables	10.322
Total	**161.856**

9. Financial instruments held at fair value through profit or loss

	GROUP		COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Bonds - Euro	38.776	5.224	38.776	5.224
	38.776	**5.224**	**38.776**	**5.224**

Above financial instruments relate to the placement of the Company's cash in various financial counterparties with high ratings and are measured at fair value through income statement. During the first quarter of 2017, the Company liquidated bonds in the amount of €5.2m. The Company has recognized a loss from the above mentioned liquidation of €25k in the income statement. During the second quarter of 2017, the Company has placed an amount of €38.9m in supranational bonds. The fair value losses through income statement amounts to €146k.

The above mentioned financial instruments are categorized under hierarchy 1 as described in note 3.

10. Cash and cash equivalents

	GROUP		COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Cash at bank	118.684	97.923	84.996	71.648
Cash in hand	475	721	41	55
Total	**119.159**	**98.644**	**85.037**	**71.703**

No significant credit losses are anticipated in view of the credit status of the banks that the Group keeps current accounts. The above comprise the cash and cash equivalents used for the purposes of the cash flow statement.

11. Share capital

all amounts in € thousands	**Number of shares** *(thousands)*	**Ordinary shares**	**Share premium**	**Treasury shares**	**Total**
1 January 2016	**77.976**	**23.917**	**360.110**	**(6.737)**	**377.289**
Purchase of treasury shares	(620)	-	-	(2.426)	(2.426)
31 December 2016	**77.356**	**23.917**	**360.110**	**(9.163)**	**374.863**
1 January 2017	**77.356**	**23.917**	**360.110**	**(9.163)**	**374.863**
Movement during the period	-	-	-	-	-
30 June 2017	**77.356**	**23.917**	**360.110**	**(9.163)**	**374.863**

The share capital of the Company amounts to €23,916,532.50 divided by 79,721,775 shares of nominal value €0.30 each. All the Company's shares are listed on the Athens Stock Exchange.

At 30.06.2017 the Company's treasury shares amount to 2.366.007 shares and represents 2.97% of the Company's issued share capital with average price (after expenses and other commissions) €3.87 per share.

12. Borrowings

all amounts in € thousands	GROUP 30.06.2017	GROUP 31.12.2016	COMPANY 30.06.2017	COMPANY 31.12.2016
Non-current				
Bond borrowings	179.083	248.642	116.851	123.201
Total non-current	**179.083**	**248.642**	**116.851**	**123.201**
Current				
Bond borrowings	83.517	19.965	9.118	5.513
Total current	**83.517**	**19.965**	**9.118**	**5.513**
Total borrowings	**262.600**	**268.607**	**125.969**	**128.714**

The movements in borrowings are as follows:

12 months ended 31 December 2016 *(amounts in € thousands)*	GROUP	COMPANY
Balance at 1 January 2016	289.605	131.959
Borrowings transaction costs - amortization	990	693
Borrowings transaction costs	(589)	(589)
Borrowings repayments	(17.051)	(3.349)
Finance lease repayments	(4.348)	-
Balance at 31 December 2016	**268.607**	**128.714**

6 months ended 30 June 2017 *(amounts in € thousands)*	GROUP	COMPANY
Balance at 1 January 2017	268.607	128.714
Borrowings transaction costs - amortization	788	604
Borrowings transaction costs	(239)	-
Borrowings repayments	(6.556)	(3.349)
Balance at 30 June 2017	**262.600**	**125.969**

Borrowings are secured by mortgages on the Group's land and buildings (note 5), and in some cases by additional pledges of parent company's shares as well as and/or by assignment of subsidiaries' receivables (note 7) and insurance compensations. Regarding the Company's syndicated bond loan, the securities that have been agreed comprise of mortgages on Group assets as well as share pledges on specific Group participations. The bond loan has a three year tenor and is comprised of two tranches. The first tranche of €133.95m was drawn-down on 30th November 2015, while the second tranche (which amounts to €25m) was not drawn-down and has an availability period till 30.09.2017.

Amortization of borrowings transaction costs of €1.8 are included in the total borrowings as at June 30, 2017, out of which €1.4m is applied to current borrowings whereas the rest €0.4m is applied to non-current borrowings.

The maturity of non-current borrowings is as follows:

all amounts in € thousands	GROUP 30.06.2017	GROUP 31.12.2016	COMPANY 30.06.2017	COMPANY 31.12.2016
Between 1 and 2 years	137.452	199.164	116.851	123.201
Between 2 and 5 years	41.631	49.478	-	-
Over 5 years	-	-	-	-
	179.083	**248.642**	**116.851**	**123.201**

The fair value estimation of the total borrowings is based on inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The effective weighted average interest rates at 30.06.2017 are as follows:

	GROUP	COMPANY
Current bond borrowings	5,92%	5,50%
Non-current bond borrowings	3,86%	5,50%

At 30.06.2017, the average base effective interest rate of the Group is 0.09% and the average bank spread is 4.43%. Therefore, the Group total effective borrowing rate stands at 4.52% at 30.06.2017.

The Company's bond loans have the following financial covenants: at Company level (Issuer) the total borrowings (current and non-current) to total equity should not exceed 1.2 and at Group level the total borrowings to total equity should not exceed 2.5 and the ratio of total net debt to investment portfolio must be ≤ 75%.

At Group level, the Company's subsidiary LAMDA DOMI SA's syndicated loan of current balance €65.5m, granted by the following banking institutions: Eurobank Ergasias, Alpha Bank, National Bank of Greece and HSBC has the following covenants: Loan to value <60% and Debt Service Ratio >120%. Also, the bond loan of the Company's subsidiary PYLAIA SA granted by Hypothekenbank Frankfurt, of current balance €64.8m has the following covenants: Loan to value <80% and Debt Service Ratio >120%.

At 30 June 2017, all above mentioned ratios are satisfied at Group and Company level.

During the first semester of 2017, the Company proceeded to payments of €3.3m as described in the syndicated bond loan contract. Regarding the subsidiaries, they proceeded to total payments of €3.2m within current reporting period, as described in their bond loan contracts.

13. Derivative financial instruments

	GROUP				COMPANY			
	30.06.2017		31.12.2016		30.06.2017		31.12.2016	
all amounts in € thousands	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Interest rate swaps - cash flow hedges	-	442	-	651	-	-	-	-
Total	**-**	**442**	**-**	**651**	**-**	**-**	**-**	**-**
Non-current	-	-	-	651	-	-	-	-
Current	-	442	-	-	-	-	-	-
Total	**-**	**442**	**-**	**651**	**-**	**-**	**-**	**-**

The above mentioned derivative financial instruments refer to interest rate swaps.

The nominal value of interest rate swaps that are hedged as at 30.06.2017 was €41.9m, for the Company's subsidiary LAMDA DOMI SA, and their maturity date is June 2018. The interest rate swaps have been measured at fair value stated by the counterpart bank. As at 30.06.2017 the long-term borrowings floating rates are secured with interest risk derivatives (swaps) ranged according to 3-month Euribor plus 6.02%.

The total fair value of the derivative financial instrument, which is described under hierarchy 2 in note 3, is presented in the statement of financial position as long-term liability since the remaining duration of the loan agreement which is hedged, exceeds 12 months.

The movement in fair value is related to the effective portion of the cash flow hedge and is recognised in special reserves in equity. The effectiveness test of the cash flow hedges is based on discounted cash flows according to the forward rates (3-month Euribor) and their volatility rating.

14. Cash generated from operations

		GROUP		COMPANY	
all amounts in € thousands	Note	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016
Profit/(loss) for the period		(10.370)	1.474	20.098	(3.721)
Adjustments for:					
Tax		7.920	2.761	4.067	(1.382)
Depreciation of property, plant and equipment	6	384	392	61	55
Share of profit from associates	7	(3.517)	(675)	-	-
Dividends income		-	-	(420)	(5.449)
Provision for impairment of investments in subsidiaries, joint ventures and associates		-	-	-	2.054
Profits/(losses) from sale of participations in subsidiaries	7	-	-	(33.831)	-
Loss from sale/valuation of financial instruments		171	135	171	36
Interest income		(45)	(58)	(594)	(631)
Interest expense		8.228	7.984	5.406	5.108
Provision for inventory impairment		7.338	540	-	-
Net gains/(loss) from fair value adjustment on investment property	5	(135)	(1.202)	-	-
Other non cash income / (expense)		-	(69)	(58)	-
		9.974	**11.282**	**(5.100)**	**(3.930)**
Changes in working capital:					
(Increase)/decrease in inventories		(13)	1.294	-	-
(Increase)/decrease in receivables		(101)	723	84	(471)
Decrease in payables		(4.691)	(1.933)	(2.771)	(140)
		(4.805)	**85**	**(2.686)**	**(611)**
Cash flows from/(to) operating activities from continuing operations		**5.169**	**11.367**	**(7.786)**	**(4.541)**

15. Commitments

Capital commitments

There is no capital expenditure that has been contracted for but not yet incurred at the balance sheet date.

Operating lease commitments

The Group leases tangible assets, land, buildings, vehicles and mechanical equipment under operating leases. Total future lease payments under operating leases are as follows:

	GROUP		COMPANY	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
No later than 1 year	3.399	3.373	955	944
Later than 1 year and not later than 5 years	13.908	13.857	2.423	2.905
Later than 5 years	55.513	57.276	-	-
Total	**72.820**	**74.506**	**3.378**	**3.849**

The Group has no contractual liability for investment property repair and maintenance services.

16. Contingent liabilities

The Group and the Company have contingencies in respect of bank guarantees, other guarantees and other matters arising in the ordinary course of business, for which no significant additional liabilities are expected to arise as follows:

	GROUP		COMPANY	
Liabilities (*all amounts in € thousands)*	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Letters of guarantee relating to obligations	33.162	33.159	30.004	30.004
Total	**33.162**	**33.159**	**30.004**	**30.004**
Assets (*all amounts in € thousands)*				
Letters of guarantee relating to receivables from tenants	22.049	21.384	-	-
Total	**22.049**	**21.384**	**-**	**-**

In addition to the issues mentioned above there are also the following particular issues:

- Regarding the parent Company, a tax audit by the Greek tax authorities for the fiscal years 2009 and 2010 has been completed and additional taxes of €130k has been applied. Also, a tax audit for the Company's subsidiary Pylea SA for the fiscal year 2010 has been completed and additional taxes of €148k has been applied. For the total amount of the additional taxes, there has been a corresponding provision for differences deriving from unaudited tax years already. In addition, the Company is being conducted again by the tax authorities for the fiscal year 2012.The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. For further information regarding the Group's unaudited fiscal years refer to note 19. As a result, the Group's tax obligations have not been defined permanently.
- A property transfer tax of €10,1m approximately has been imposed on the societe anonyme LAMDA Olympia Village (former DIMEPA, hereinafter referred to as LOV); Out of the forty (40) recourses which have been filed respectively, eight (8), amounting to €5,1m, have been accepted by the Administrative Court of Appeals; while the corresponding to them appeals on points of law of the Hellenic Republic have been rejected. As for the remaining thirty-two (32) recourses, thirty-one (31) have been rejected by first degree courts and one (1), amounting to €100k, has been partially accepted. LOV has filed appeals against all these rejecting decisions, with one exception where an appeal could not be filed, due to the amount of the litigation; LOV has also appealed against the decision partially accepting recourse. Out of these thirty-one (31) appeals: eighteen (18) were initially rejected by the second degree court, but LOV filed appeals on points of law before the Council of State, sixteen (16) of which were accepted, whereas the rest two (2) were rejected due to the amount of the litigation. Hence, these sixteen (16) cases were brought before the Administrative Court of Appeals again and, following their hearing on 06.02.2017. For the time-being, positive decisions have been issued for eight of them, thus annulling the respective audit deeds (amounting approximately to €1,8m), while the rest of the decisions are still pending. Another twelve (12) appeals have been rejected; LOV has filed appeals on points of law for six (6) of them, where such an appeal is allowed taking into account the amount of the litigation, the scheduling of their hearing being pending. Finally, one (1) appeal has been accented by the Administrative Court of Appeals. Consequently out of the forty (40) recourses eight (8), amounting totally to €5,1m, have been irrevocably accepted in favor of LOV, while another nine (9), amounting totally to €480k, have been irrevocably rejected in favor of the Hellenic Republic.

  During the whole term of this litigation, LOV has been obliged to pay to the Hellenic Republic the amount of approximately €836k during 2005, €146k during 2006, €27k during 2007, €2.9m in 2012, €2.2m in 2013, €983k in 2014 and €235k in 2015 (which are registered in the property transfer tax). If the outcome of the case is negative, according to the share sale agreement between the Municipality of Amaroussion and the Company, the total obligation will be on the Municipality, as it relates to transfers of properties before the acquisition of LOV's shares.

  Additionally, LOV had to pay for the transfer of specific real property in the past (on 2006), property transfer tax of approximately €13,7m, reserving its rights with regard to this tax and finally taking recourse to the administrative courts against the silent rejection of its reservations by the competent Tax Authority. In 2013 the said recourse was accepted and the re-calculation of the owed property tax was ordered, which led to the returning to LOV of an amount of approximately €9,5m. Further to appeals on points of law filed by both parties, the Council of State rejected LOV's appeal and accepted the Hellenic Republic's appeal; consequently the case was again relegated to the Administrative Court of Appeals, which, with its decision number 1520/2016, that was served to LOV on 29.09.2016, postponed the issue of a final decision and obliged, within 90 days from its service to each party, on one hand the Tax Office of N. Ionia to carry out an audit in order to determine the market value of the property and to compile a report, and LOV on the other hand to adduce counter-evidence, if it holds comparable data from appraisals of similar property offers. After the submission of the respective information, a new hearing before the Administrative Court of Appeals has been scheduled for 02.10.2017.

- Five (5) petitions for annulment have been filed and were pending before the Council of State related to LOV, regarding the plot of land where the Maroussi Media Village (or "Olympiako Chorio Typou") and the Commercial and Leisure Centre "The Mall Athens" were built. More specifically: the first of these petitions was heard on 3.5.2006 and the decision no 391/2008 of the Fifth Chamber of the Council of State was issued committing for the Plenary Session of the Council of State. Further to successive postponements the case was heard on 05.04.2013. By virtue of its decision No 376/2014, the Plenary Session accepted the said petition and the Court annulled the silent confirmation by the competent planning authority of the Ministry of Environment, Planning & Public Works (namely, DOKK) that the studies of the project submitted to such authority were compliant with article 6 paragraphs 1 and 2 of Law 3207/2003. The Council of State annulled the aforementioned act, because it identified irregularities of a procedural nature in the issuance of the licenses required for the project. In light of such nature of the identified irregularities, it is estimated that they may be rectified, and LOV has already initiated the procedure required further to the issuance of the said decision. The completion of the above mentioned procedure, which of course requires the effective contribution of the involved competent public services, will safeguard the full and unhindered operation of the Shopping Center.

- The second petition was heard on 02.04.2014, further to successive postponements, and the Fifth Section issued its Decision No. 4932/2014, whereby the Court cancelled the proceedings. The hearing for the third and fourth petitions has been set for 28.11.2017 (again, further to successive postponements). The third and fourth petitions for annulment seek the annulment of a series of pre-approvals and operating licenses respectively, issued by the Municipality of Maroussi to a number of stores operating in the aforementioned Shopping Center, on the basis that the law on which said pre-approvals and licenses were issued is not compatible with the provisions of the Constitution. In light of the aforementioned decision of the Court's Plenary Session, the Company's legal advisors believe that the third and fourth petitions for annulment will be accepted. The fifth petition for annulment, which was heard on 21.03.2017, will probably be rejected on the grounds that the matter falls outside of the Court's jurisdiction (since the decision under annulment is the decision of the Board of Directors of OEK (Worker's Housing Organization or "Organismos Ergatikis Katoikias") which is not an enforceable administrative act).

  In addition to the above, LOV sold the office building "ILIDA BUSINESS CENTRE" to the company "EUROBANK Leasing S.A." on 26.06.2007. "EUROBANK Leasing S.A." entered into a financial lease agreement with "Blue Land S.A." regarding the said office building. The respective deed of transfer includes a provision specifying that, if either of the first two petitions is irrevocably accepted on the grounds that Law 3207/2003 is not compatible with the provisions of the Constitution, then the transaction shall be reversed by reinstatement of the property to its original status, in which case the buyer "EUROBANK Leasing" shall be entitled to the full buying price and the ownership of the office building shall return toLOV. Two opposing lawsuits have been filed; the first one was filed by the Company and LOV and is seeking to have identified that the conditions for the said provision have not been fulfilled and the second one was filed by "EUROBANK Leasing S.A." (and "BLUE LAND S.A." intervened as a third party in the proceedings to support the validity of EUROBANK's claims) and is seeking to have identified that the conditions have been met and that the purchase price be returned to "EUROBANK Leasing S.A.". The case was heard (further to postponement) on 11.10.2016. The Multimember First Instance Court issued decision No, 1522/2017, whereby the Company's and the LOV's lawsuit was rejected and the opposing lawsuit filed by Eurobank Leasing was partially accepted.

  The Company and LOV intend to file an appeal against the aforementioned decision; pursuant to the Company's legal counsels' assessment, which is also based on the opinions of Professors of the Athens University, the said provision of the deed of transfer is not applicable, as it regulates issues that may not be rectified, whereas the Council of State identified matters that could be remedied. It should be noted that, in any case, the Company (and LOV) will not be obligated to disburse any of the amounts set out in the Court's ruling until a final decision is issued by the Court of Appeals.

Further, pursuant to the aforementioned deed of transfer, in the event of any other ruling of the Council of State regarding the said Law's non-compatibility to the Constitution, including the acceptance of the third, fourth or fifth petition, then the purchaser will be entitled to repudiate the contract and demand restoration of the aforementioned actual damages, following the lapse of a period of two years from the date of issuance of the decision on the annulment petitions, on condition that any defects or deficiencies resulting from said decision have not been remedied in the meantime.

- Contractor "MICHANIKI SA" undertook a significant part of the construction works for the "Mediterranean Cosmos" shopping centre in Pylaia, Thessaloniki. Both "PYLAIA SA", a subsidiary of the Company, and "MICHANIKI SA" have filed actions and counter-actions against each other, which were jointly heard on 1.4.2009. The Athens Multimember Court of 1st Instance issued decision 8172/2009 according to which the actions of "PYLAIA SA" were rejected whereas an expert was appointed in relation to the actions of "MICHANIKI SA". "PYLAIA SA" appealed against that decision and the hearing of the appeal took place, following postponements, on 28.02.2013 before the Athens Court of Appeal. The Athens Court of Appeal issued decision No. 3977/2013 which rejected the appeal of "PYLAIA S.A.". The Company submitted an appeal on points of law before the Supreme Court, which was heard on 11.05.2015. The Court accepted the appeal of "PYLAIA S.A." by means of its Decision No 208/2016, despite the negative opinion issued by the Judge Rapporteur, and sent the case back to the Court of Appeals for a new hearing. That hearing in the Court of Appeals has been set for 26.10.2017. Moreover, on 28.12.2010 the "PYLEA SA" filed lawsuits No 13132, 13134 and 13129/2010 before the Athens Multi-Member 1st Instance Court against "MICHANIKI SA", the hearing of which took place on 13.02.2013, following a postponement on 14.11.2012. Such lawsuits are identical to the previously presented lawsuits, save that they have been filed jointly with the company "EUROHYPO S.A." to address the event where the Court rules that "PYLAIA SA" is not entitled to file these lawsuits in its name. For this reason, the hearing of such lawsuits was cancelled on 13.02.2013 and had been reenacted so that those lawsuits were scheduled to be heard on 18.03.2015, when hearing was postponed for 25.01.2017 and then again cancelled. A new hearing for these lawsuits has been already set for 21.02.2018.

  Additionally, further to the submission before the Court of the expert's report, which is favorable to "PYLAIA SA", the hearing of the actions of "MICHANIKI SA" had been set for 27.05.2015 (after postponement of 13.03.2013), but it was cancelled. Moreover, "PYLAIA SA" filed an action against "MICHANIKI SA" on 24.12.2010 for additional compensation from the above causes, the hearing of which had been set, following postponements, on 25.02.2015, but it was cancelled. Finally, "MICHANIKI S.A." filed a new lawsuit seeking compensation for amounts that "PYLAIA S.A." had collected from Alpha Bank by forfeiture of "MICHANIKI S.A." bank bonds. The lawsuit was set to be heard on 28.05.2015, but was postponed for 12.10.2017. The amount of total claims of "PYLAIA SA" against "MICHANIKI SA" is €20m (which includes the amount of €2,5m for moral damages), while "MICHANIKI SA" with said actions claims the amount of €37m (including the amount of €10.5m in compensation for moral damages). In any case, the Company's legal advisors believe that the legitimate claims of "PYLAIA SA" against "MICHANIKI SA" significantly exceed the legitimate claims of the latter against "PYLAIA SA".

Additionally, there are various legal cases of the Group's companies, which are not expected to create material additional liabilities.

17. Related party transactions

The following transactions were carried out with related parties:

	GROUP		COMPANY	
all amounts in € thousands	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016
i) Sales of goods and services				
- subsidiaries	-	-	653	486
- joint ventures	1.305	1.283	109	108
- associates	-	-	34	34
	1.305	**1.283**	**797**	**628**

ii) Purchases of goods and services				
- subsidiaries	-	-	461	454
- joint ventures	185	176	-	-
	185	**176**	**461**	**454**
iii) Dividend income				
- subsidiaries	-	-	420	8.029
	-	**-**	**420**	**8.029**
iv) Benefits to management				
- salaries and other short-term employment benefits	300	292	300	292
	300	**292**	**300**	**292**

v) Period-end balances from sales-purchases of goods/servises

	GROUP		**COMPANY**	
all amounts in € thousands	**30.06.2017**	**31.12.2016**	**30.06.2017**	**31.12.2016**
Receivables from related parties:				
- subsidiaries	-	-	356	91
- joint ventures	-	-	68	-
- associates	625	551	21	-
	625	**551**	**445**	**91**
Receivables from dividends from related parties:				
- subsidiaries	-	-	420	-
	-	**-**	**420**	**-**
Payables to related parties:				
- subsidiaries	-	-	-	7
- associates	54	108	-	-
	54	**108**	**-**	**7**
vi) Loans to associates:				
Balance at the beginning of the period	**1.111**	**1.536**	**86.414**	**94.550**
Loans granted during the period	360	2.278	-	-
Loan repayments/Transfer to share capital	-	(2.700)	-	-
Interest repayments/Transfer to share capital	-	(27)	-	-
Loan repayments	-	-	-	(2.607)
Loan and interest impairment	-	-	(59)	(6.699)
Interest charged	18	25	569	1.170
Balance at the end of the period	**1.489**	**1.111**	**86.925**	**86.414**

At Company level, the loans to associates refer to loans of initial capital €80m that the parent company has granted to its subsidiaries LAMDA Development Romania SRL, LAMDA Development Sofia EOOD, Robies Services Ltd, LAMDA Development Montenegro DOO and Property Development DOO.

vii) Loans from associates:				
Balance at the beginning of the period	**17.947**	**17.228**	**21.974**	**21.224**
Borrowings received	-	-	(350)	-
Borrowings transaction costs - amortization	-	-	9	18
Interest paid	-	-	(74)	(162)
Interest charged	355	718	438	893
Balance at the end of the period	**18.302**	**17.947**	**21.997**	**21.974**

At Company level, the loans from associates refer to loans of initial capital €19m that the parent company has granted to its subsidiary LAMDA Prime Properties SA and the joint venture LOV Luxembourg SARL. During the current period, the Company repaid the amount of €350k to its subsidiary LAMDA

Prime Properties SA. At Group level, the loans from associates refer to loans of initial capital €15m that the parent company has granted to the joint venture LOV Luxembourg SARL.

Services from and to related parties, as well as sales and purchases of goods, take place based on the price lists in force with non-related parties.

18. Earnings per share

Basic

Basic earnings per share are calculated by dividing profit attributable to ordinary equity holders of the parent entity, by the weighted average number of ordinary shares outstanding during the period

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Profit/(loss) attributable to equity holders of the Company	**(10.906)**	**1.490**	**20.098**	**(3.721)**
Weighted average number of ordinary shares in issue	77.356	77.642	77.356	77.642
Basic earnings/(losses) per share *(in € per share)*	**(0,14)**	**0,02**	**0,26**	**(0,05)**

We note that the increase of share capital that emanates from the employee share option scheme takes place on 31 December of each year and consequently does not influence the weighted average number of shares.

Diluted

	GROUP		COMPANY	
all amounts in € thousands	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**	**01.01.2017 to 30.06.2017**	**01.01.2016 to 30.06.2016**
Profit/(loss) used to determine dilluted earnings/(losses) per share	**(10.906)**	**1.490**	**20.098**	**(3.721)**
Weighted average number of ordinary shares in issue	77.356	77.642	77.356	77.642
Adjustment for share options:				
Employees share option scheme	-	-	-	-
Weighted average number of ordinary shares for dilluted earnings/(losses) per share	**77.356**	**77.642**	**77.356**	**77.642**
Diluted earnings/(losses) per share *(in € per share)*	**(0,14)**	**0,02**	**0,26**	**(0,05)**

Diluted earnings / (losses) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has only one category of dilutive potential ordinary shares i.e. share options. For these share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference that arises is added to the denominator as issuance of common shares with no exchange value. Finally, no adjustment is made in the earnings (nominator).

19. Income tax expense

According to tax law, the corporate income tax rate of legal entities in Greece is set at 29% and intragroup dividends are exempt from both income tax, as well as withholding tax provided that the parent entity holds a minimum participation of 10% for two consecutive years.

In addition, the tax rate for the subsidiaries registered in foreign countries differs from country to country as follows: Greece 29%, Romania 16%, Serbia 15%, Bulgaria 10%, Montenegro 9% and Netherlands 25.5%.

Under Greek tax regulations, an income tax advance calculation on each year's current income tax liability is paid to the tax authorities. Net operating losses which are tax deductible, can be carried forward against taxable profits for a period of five years from the year they are generated.

Tax certificate and unaudited tax years

The unaudited tax years for the Company and the Group's companies are as follows:

Company	Fiscal years unaudited by the tax authorities	Company	Fiscal years unaudited by the tax authorities
LAMDA Development SA	2016		
LAMDA Olympia Village SA	2016		
PYLAIA SA	2016	METROPOLITAN EVENTS	2012-2016
LAMDA Domi SA	2016	LAMDA Development DOO Beograd	2003-2016
LAMDA Flisvos Marina SA	2016	Property Development DOO	2010-2016
LAMDA Prime Properties SA	2016	Property Investments DOO	2008-2016
LAMDA Estate Development SA	2016	LAMDA Development Romania SRL	2010-2016
LD Trading SA	2016	LAMDA Development Sofia EOOD	2006-2016
KRONOS PARKING SA	2014-2016	SC LAMDA MED SRL	2005-2016
LAMDA Erga Anaptyxis SA	2014-2016	LAMDA Development Montenegro DOO	2007-2016
LAMDA Flisvos Holding SA	2014-2016	LAMDA Development (Netherlands) BV	2008-2016
LAMDA Leisure SA	2014-2016	Robies Services Ltd	2007-2016
GEAKAT SA	2014-2016	Robies Proprietati Imobiliare SRL	2007-2016
MALLS MANAGEMENT SERVICES SA	2016	SC LAMDA Properties Development SRL	2007-2016
MC Property Management SA	2016	Singidunum-Buildings DOO	2007-2016
LAMDA Akinhta SA	2014-2016	GLS OOD	2006-2016
LAMDA Dogus Marina Investments SA	2015-2016	LOV Luxembourg SARL	2013-2016
ATHENS METROPOLITAN EXPO SA	2014-2016	TIHI EOOD	2008-2016

For the year ended 31 December 2011 and onwards as the Law 4174/2013 (article 65A) currently stands (and as Law 2238/1994 previously provided in article 82), up to and including fiscal years starting before 1 January 2016, the Greek socιtιs anonymes and limited liability companies whose annual financial statements are audited compulsorily, were required to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 and onwards, the 'Annual Tax Certificate' is optional, however the Group will obtain such certificate. In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within the applicable statute of limitations (i.e. in principle five years as from the end of the fiscal year within which the relevant tax return should have been submitted), irrespective of whether an unqualified tax certificate has been obtained from the tax paying company.

For the fiscal year 2016 tax audit is currently carried out by PriceWaterhouseCoopers SA., and the relevant tax certificate is expected to be issued after the publication of the semi-annual financial statements for the fiscal year 2017.

Up to 31.12.2016 the Company and Pylea SA have been officially served with audit mandate by the competent Greek tax authorities for the year 2010. Consequently, the State is not anymore entitled, due to the lapse of the statute of limitation, to issue assessment sheets and assessment acts for taxes, duties, contributions and surcharges for the years up to 2010, pursuant to the following provisions: (a) para. 1 art. 84 of Law 2238/1994 (unaudited cases of Income taxation), (b) para. 1 art. 57 of Law 2859/2000 (unaudited cases of Value Added Tax), and, (c) para. 5 art. 9 of Law 2523/1997 (imposition of penalties for income tax cases).

Regarding the parent Company, a tax audit by the Greek tax authorities for the fiscal years 2009 and 2010 has been completed and additional taxes of €130k has been applied. Also, a tax audit for the Company's subsidiary Pylea SA for the fiscal year 2010 has been completed and additional taxes of €148k has been applied. For the total amount of the additional taxes, there has been a corresponding provision for differences deriving from unaudited tax years already. In addition, the Company is being conducted again by the tax authorities for the fiscal year 2012. The Group provides, when considered appropriate, and on a company by company basis for possible additional taxes that may be imposed by the tax authorities. For further information regarding the Group's unaudited fiscal years refer to note 19.

As a result, the Group's tax obligations have not been defined permanently.The total amount of the cumulative provision made for the Group's and Company's unaudited, by the tax authorities, years amount to €0.8m and €0.6m respectively.

20. Number of employees

Number of employees at the end of the period: Group 224, Company 74 (six month period ended 30 June 2016: Group 141, Company 66) from which there are no seasonal (three month period ended 30 June 2016: Group 0, Company 0).

21. Events after the financial position date

In July 2017, the Company signed an agreement with "IRERE PROPERTY INVESTMENTS LUXEMBOURG" former "HSBC PROPERTY INVESTMENTS LUXEMBOURG SARL" for the transfer from IRERE and acquisition of the 50% of the share capital of LAMDA OLYMPIA VILLAGE S.A. by the Company. The Company now holds the 100% of LOV share capital. The total value for the 100% of the Shopping Center "The Mall Athens", amounts to €381.2 m. Taking into consideration the bank loan of €193 m., the liabilities and other assets of LAMDA OLYMPIA VILLAGE S.A. (hereinafter "LOV") owner of The Mall Athens, the Company paid the amount of €85 m. for the acquisition of the 50% of LOV share capital. The net asset value of 50% of LOV at 30.06.2017 amounts to €92m (note 7). The disclosure of the transaction's result will be calculated and presented in the financial statements of 30.09.2017.

There are no other events after the balance sheet date considered to be material to the financial position of the Company.

Auditors' Report on Review of Interim Condensed Financial Statements

To the Shareholders of "LAMDA Development S.A."

Introduction

We have reviewed the accompanying condensed consolidated and company statement of financial position of "LAMDA Development S.A. (the "Company") as of 30 June 2017 and the related condensed consolidated and company income statement, statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and the selected explanatory notes, that comprise the interim condensed financial information and which form an integral part of the six-month financial report as required by L.3556/2007. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Financial Reporting Standards as they have been adopted by the European Union and applied to interim financial reporting (International Accounting Standard "IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Reference to Other Legal and Regulatory Requirements

Our review has not revealed any inconsistency or discrepancy of the other information of the six-month financial report, as required by article 5 of L.3556/2007, with the accompanying interim condensed financial information.

pwc

PricewaterhouseCoopers
Auditing Company S.A.
Accountant
268 Kifissias Avenue
Halandri 15232
Athens, Greece
SOEL Reg No 113

Athens, 6 September 2017
The Certified Auditor

Despoina Marinou
SOEL Reg No 17681

USE OF PROCEEDS

LAMDA DEVELOPMENT S.A. HOLDING AND REAL ESTATE DEVELOPMENT COMPANY S.A.
G.E.C.R.3379701000
REGISTERED OFFICE: 37A Kifissias Ave., 151 23 Maroussi

It is hereby notified, in accordance with the decision of 18.7.2014 of the Stock Markets Steering Committee, that from the Company's Share Capital Increase through payment in cash and by pre-emption right in favor of the existing shareholders, at a ratio of 0.794691552779231 new shares for every existing share based on the Resolution of the Company's Extraordinary General Meeting on 29.4.2014, raised €146.1 million (total amount of €150 million less issuance costs of €3,9 million). From the Share Capital increase, 35,294,117 new common shares with voting rights were issued at an issuance price of €4.25 each and of nominal value of €0.30 each, which were listed for trading on the Athens Exchange on 22.7.2014. The Company's Share Capital Increase was certified by the Company's Board of Directors Meeting on 17.7.2014. Until 31.12.2016 the proceeds from the Share Capital Increase were distributed in accordance with the Prospectus, as it was amended with the BoD decisions of 22.05.2015 and 24.05.2016 in conjuction with the Resolution of the Company's Annual General Meetings on 16.06.2015 and 15.06.2016, as follows:

TIME SCHEDULE FOR THE USE OF PROCEEDS FROM THE SHARE CAPITAL INCREASE

(Amounts in thousand €)	**SHARE CAPITAL INCREASE PROCEEDS** (after the deduction of issuance costs)	**Total Invested 30.06.2017**	**Remaining Balance to be invested**
Development of the western part of IBC building	25.000	3.875	21.125
Payment of operating expenses, interest expense, loan amortization and subsidiaries overheads	25.000	25.000	0
Investments in properties and Investments in acquisition of LAMDA subsidiaries' debt in the secondary market	89.083	5.500	83.583
Purchase of treasury shares	7.000	2.426	4.574
Total	**146.083**	**36.801**	**109.282**

Notes:

1. Within this period, the Company proceeded to a Share Capital Increase in the subsidiary Company "LAMDA ERGA ANAPTYXIS S.A. of €5.500k for studies relating to the former Hellinikon Airport project.
2. Within this period, the Company proceeded to a Share Capital Increase in the subsidiary Company "LAMDA DOMI S.A." and "LAMDA Leisure SA" in the total amount of €3.875k, with the purpose of research elaboration regarding the development of the western part of IBC building.
3. The Company within this period, purchased treasury shares in the amount of €2.426k.
4. The Company during current period repaid €30.750k bond loans that were replaced with the same amount committed Tranche of the signed medium term secured in rem syndicated bond loan. The remaining amount of €109.282k on 31.12.2016 was placed in short term investments (time deposits) as well as in prime investment grade supranational bonds.

Maroussı, September 6, 2017

The Chairman of the Board of Directors	The Chief Executive Officer	The Financial Director
ANASTASIOS K.GIANNITSIS	**ODYSSEFS E. ATHANASIOU**	**VASSILIOS A. BALOUMIS**
I.D.No H865601	ID Number AB510661	ID Number AK130062