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GRAND CITY PROPERTIES S.A. ANNOUNCES RESULTS FOR Q3 2016, REFLECTING STRONG OPERATIONAL PERFORMANCE AND PROFITABILITY

- **Rental and operating income up 36% YOY, at €320 million for the first 9 months 2016**
- **EBITDA increased 78% YOY to €630 million**
- **Adjusted EBITDA at €165 million for the 9 months 2016, up 35% YOY**
- **FFO I for the 9 months 2016 increased to €117 million, up 33% YOY**
- **FFO I per share at €0.76, FFO I per share after perpetual notes attribution at €0.67 (up 7% and 6% YOY, respectively)**
- **FFO II at €153 million for the first 9 months 2016, following disposals of non-core properties over the period**
- **Net profit increased by 73% YOY, reaching €495 million; earnings per share at €2.66, 29% increase YOY**
- **Equity at €3 billion, up 36% since December 2015; Equity ratio at 48%**
- **EPRA NAV including perpetual notes increased to €3.3 billion, EPRA NAV €2.6 billion**
- **LTV at 38%, down from 42% as of year-end 2015**
- **Maintaining a conservative financial position with ICR of 6.2x, and DSCR of 4.6x**
- **Like-for-like occupancy growth at 2.9% p.a., I-f-I in-place rent growth at 2.1% p.a.**

Luxembourg, November 17, 2016 – Grand City Properties S.A. (the "Company") concludes the first 9 months of 2016 with high profitability of a net profit of €495 million and an FFO I of €117 million. Fundamental operational achievements over the period coupled with prudent acquisitions of assets complementing the quality of the portfolio have positioned the Company towards sustaining this operational momentum going forward. The portfolio increased to 84k units as of October 2016, with EPRA vacancy at 8.1%. Annualized rental and operating income run rate generated by the portfolio amounts to €452 million, FFO I run rate at €164 million.

Continue to benefit from incremental achievements in the portfolio while solidifying a diverse financing structure to support its long term operation

GCP is diligently and in an ongoing manner investing its efforts in extracting more and more of the potential embedded in its current portfolio, driving vacancy down, directing capex to where is it best utilized and improving tenant satisfaction. The adjusted EBITDA in the first 9 months of 2016 amounted to €165 million, an increase of 35% from the same period in 2015, attributed to

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the operational improvements achieved, coupled with contribution of newly acquired assets over the period, which in turn increase the pool of future profitability drivers available to the Company to sustain its internal growth momentum.

At the end of Q3 2016 the EPRA NAV amounted to €2.6bn, an increase of 27% from December 2015. EPRA NAV including the equity of perpetual notes amounts to €3.3bn at September 30, 2016, an increase of 30% compared to December 2015.

GCP views its financial position as of September 2016 as highly favorable with an LTV at 38%, significantly below Board of Directors LTV limit of 45%, a level recently reduced from previously 50%.

Christian Windfuhr, CEO of Grand City Properties: “2016 is shaping up to be an excellent year for the company. Our adherence to highly conservative financial policy and acquisition criteria directed by quality guidelines is having an incremental effect that is becoming ever more evident as time progresses, solidifying the company’s profitability level based on a well-constructed, diverse and high quality portfolio”.

The full Q3 2016 interim report is available on the Company’s website:

<http://www.grandcityproperties.com/en/downloads.html>

About the Company:

Grand City Properties is a specialist real estate company focused on investing in and managing value-add opportunities in the real estate property market in Germany, primarily in densely populated areas. The Company’s strategy is to improve its properties through targeted modernization and intensive tenant management, and then create value by subsequently raising occupancy and rental levels. Further information: www.grandcityproperties.com

Grand City Properties (ISIN: LU0775917882) is a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 24, Avenue Victor Hugo, L 1750 Luxembourg and being registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés Luxembourg) under number B 165 560. Since May 2012, Grand City Properties is listed on the Frankfurt Stock Exchange.

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