



Cologne



Berlin

GRAND CITY

Properties S.A.



Leipzig



Munich

PRESENTATION OF THE FINANCIAL RESULT
FOR THE YEAR 2016
MARCH 2017



Berlin



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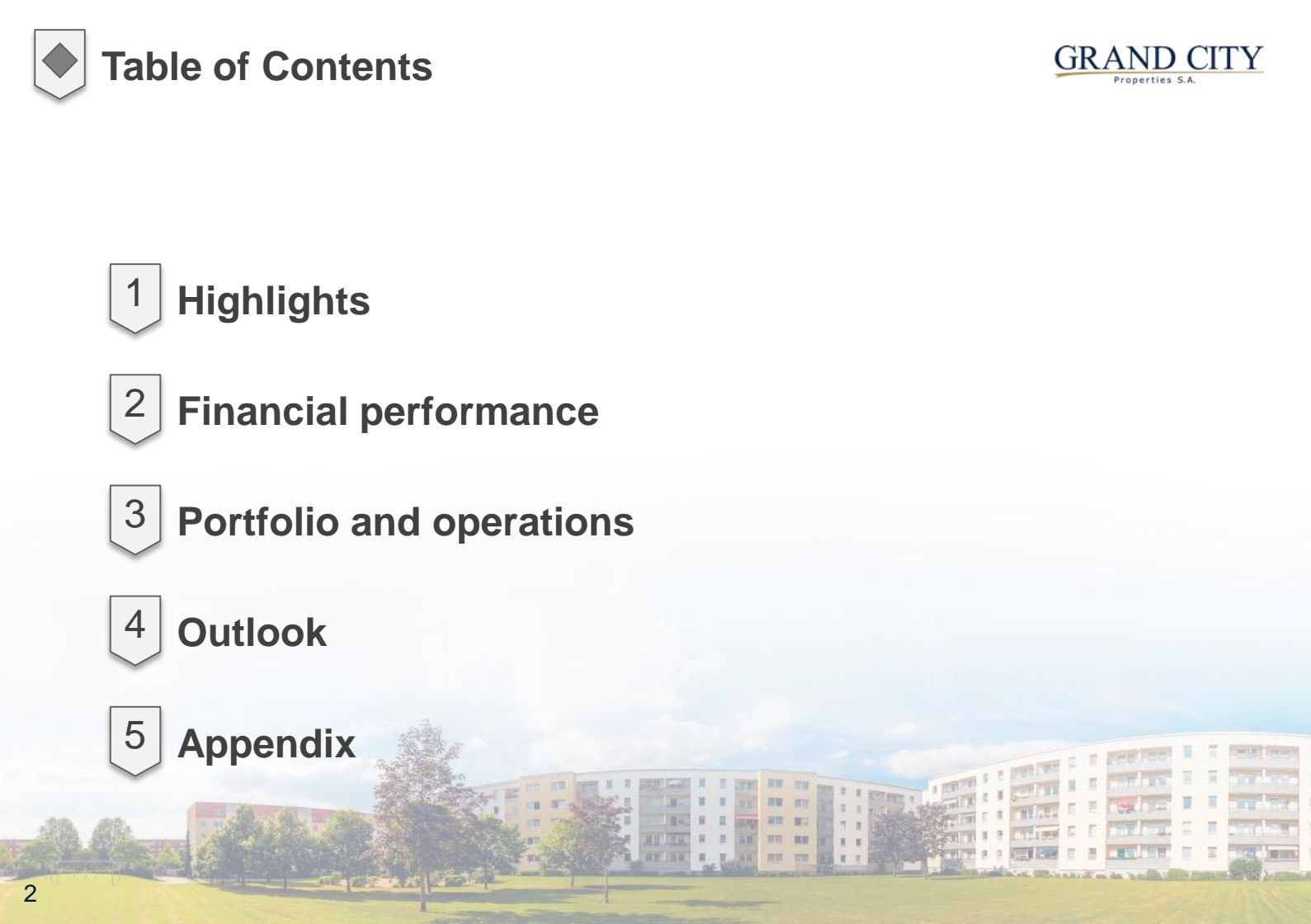
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**Outstanding
operational
results**

 Rental and operating
income €436 million

+31%

 Adjusted EBITDA
€225 million

+27%

 FFO I
€160 million

+25%

 FFO II
€229 million

+34%

**Excellent
Bottom-line
results**

 Profit over
€653 million

+66%

 EPS (basic)
of €3.56

+31%

 FFO I per share
€1.05

+4%

 Updated dividend policy
to 65% of FFO I
Dividend per share
€0.68*

+172%

**Strong
balance
sheet**

 Investment Property
€4.8 billion

+24%

LTV of 35%

-7%

 EPRA NAV over
€2.5 billion
EPRA NAV per share
€16.4

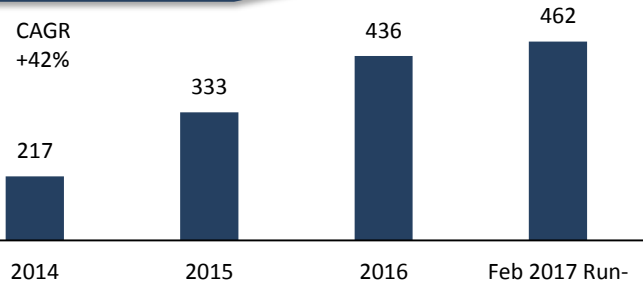
+32%

 EPRA NAV Including
Perpetual notes
over €3.2 billion
Per share €20.7

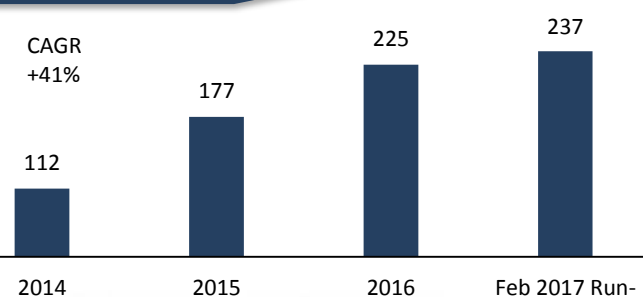
+34%

Selected Income Statement Data	2016	2015
	€ million	
Revenue	443	333
Revenue from sale of inventories	7	-
Rental and operating income	436	333
Capital gains, property revaluations and other income	598	311
Property operating expenses	(204)	(152)
Administrative & other expenses	(10)	(7)
EBITDA	825	488
Adjusted EBITDA	225	177
Finance expenses	(36)	(26)
Current tax expenses	(27)	(23)
Deferred tax expenses	(96)	(44)
Profit for the period	653	394

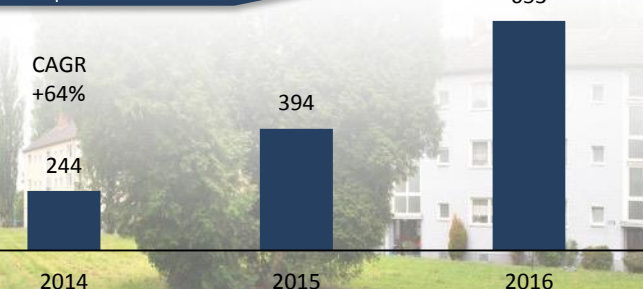
Rental and operating income in €m



Adjusted EBITDA in €m



Profit for the period in €m



2016 L-F-L

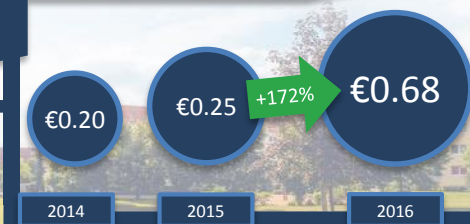
 Occupancy L-F-L
 +2.9%

 In place rent L-F-L
 +2%

	2016	2015
	€ million	
Adjusted EBITDA	225	177
Finance expenses	(36)	(26)
Current tax expenses	(27)	(23)
Contribution to minorities	(1.5)	(0.6)
FFO I	160	128
Total result from disposal of properties	69	43
FFO II	229	171
Capex	(56)	(34)
AFFO	104	94
FFO I per share in €	1.05	1.01
FFO I per share in € after perpetual notes attribution	0.92	0.89
Dividend per share*	0.68	0.25

*2016 dividend subject to AGM approval

Dividend per share*



FFO I in €m

CAGR
+44%

76

128

160

168

2014

2015

2016

Feb 2017
Run-Rate

229

FFO II in €m

CAGR
+33%

129

171

2014

2015

2016

FFO I in € per share

CAGR
+26%

0.66

0.66

1.01

0.89

0.92

1.05

0.93

1.09

2014

2015

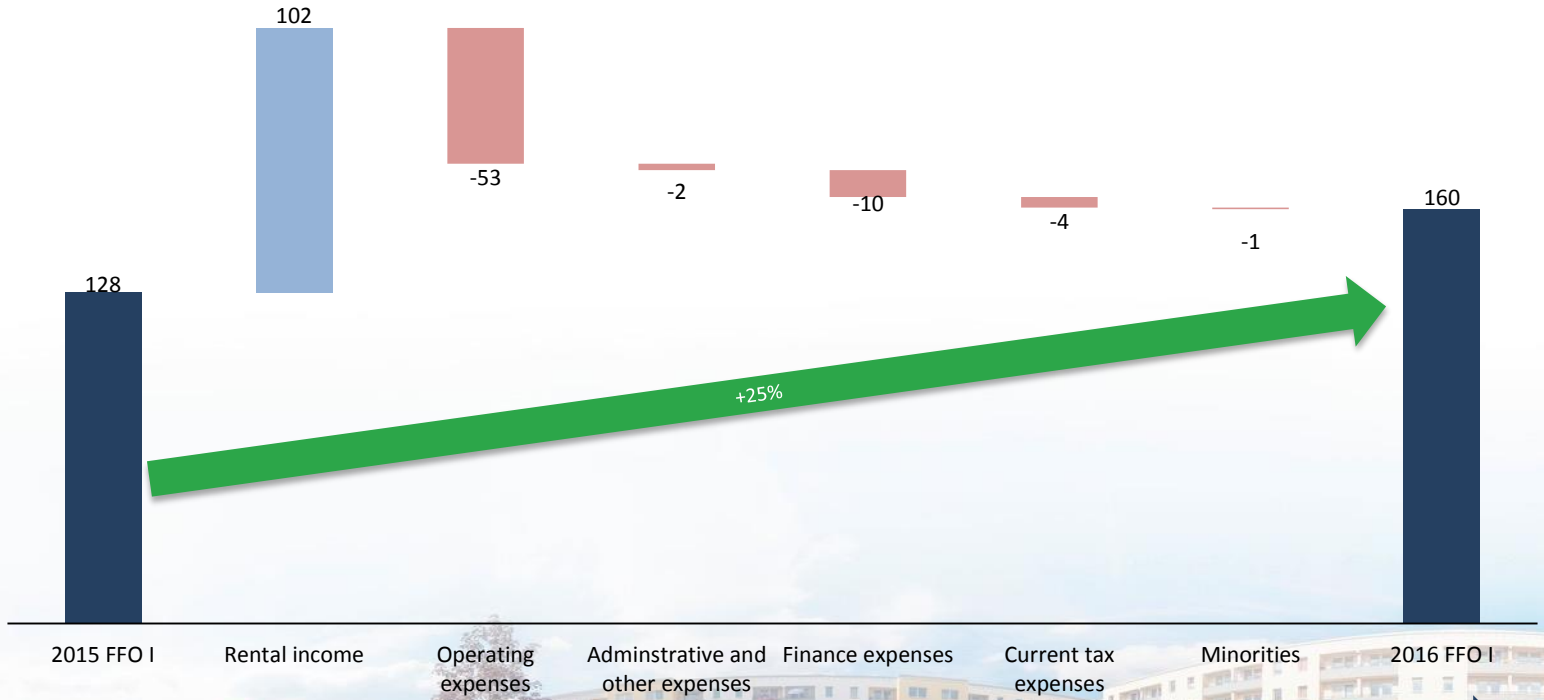
2016

Feb 2017
Run-Rate

FFO I after perpetual notes attribution

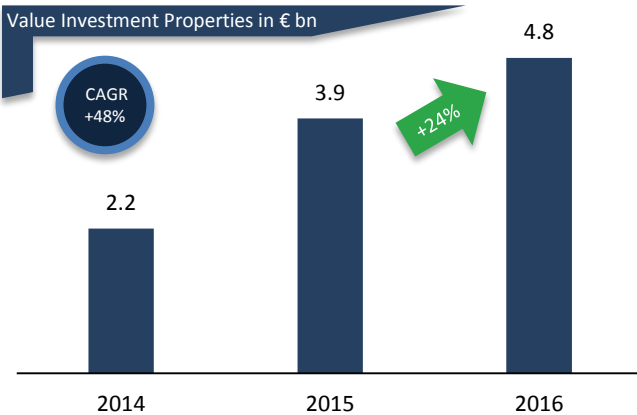
FFO I Per Share

FFO I Bridge (€ millions)

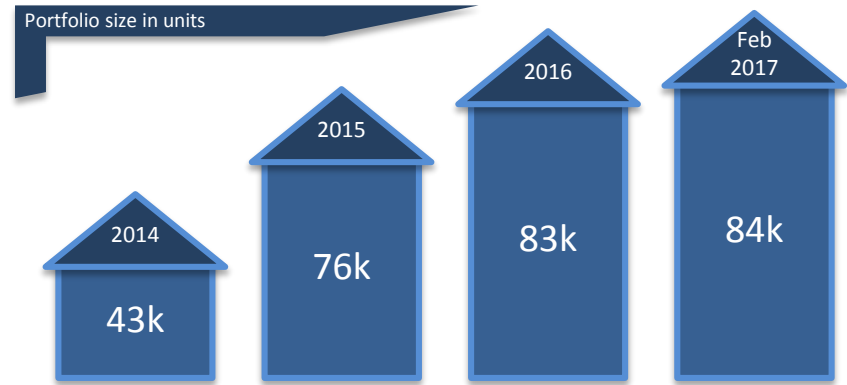


Strong operational growth leading to significant bottom-line result

Value Investment Properties in € bn



Portfolio size in units



Acquisitions

multiple ϕ 14.7x

Acquisitions in strategic focus areas, mainly NRW, Berlin, Dresden, Nuremberg, Leipzig and Halle, following our acquisition **criteria**.

GCP has set acquisition guidelines based on asset quality and value uplift potential rather than broad volume targets.

Acquisition Criteria

Acquisition in densely populated areas and major cities

High cash flow generating assets

Vacancy reduction potential

Rent level per sqm is below market level (under-rented), upside potential and low downside risk

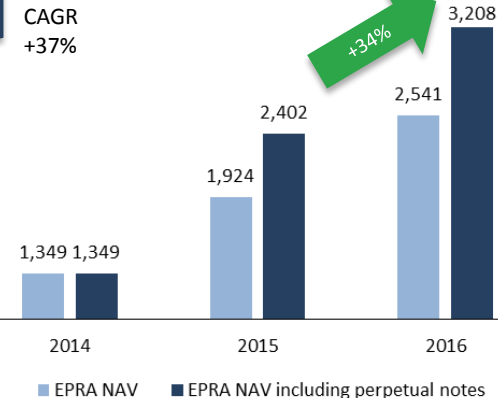
Purchase price below replacement costs and below market values

Potential to reduce the operating cost per sqm

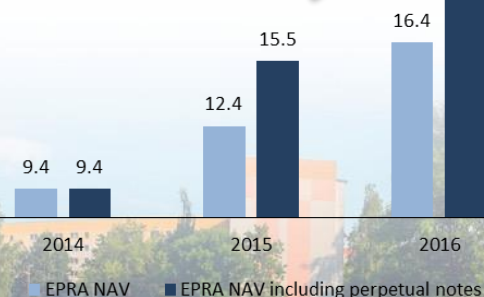
	2016		2015	
	€ million	Per share	€ million	Per share
Equity per the financial statements	3,065		2,172	
Equity attributable to perpetual notes investors	(667)		(478)	
Equity excluding perpetual notes	2,398		1,694	
Effect in-the-money convertible bond	-		126	
Effect of derivative financial instruments	12		7	
Deferred tax liabilities	329		239	
NAV	2,738	€ 17.7	2,066	€ 13.3
Non-controlling interests	(197)		(142)	
EPRA NAV	2,541	€ 16.4	1,924	€ 12.4
Equity attributable to perpetual notes investors	667		478	
EPRA NAV including perpetual notes	3,208	€ 20.7	2,402	€ 15.5
Basic amount of shares, including in-the-money dilution effects in thousands		154,910		154,910
Total Assets	6,154		4,689	
Equity Ratio		50%		46%

	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNAV
€ million				
Dec 16	2,738	2,541	3,208	2,432
Dec 16 per share €	(+33%) 17.7	(+32%) 16.4	(+34%) 20.7	(+29%) 15.7
Dec 15	2,066	1,924	2,402	1,891
Dec 15 per share €	13.3	12.4	15.5	12.2

EPRA NAV in €m

 CAGR
 +37%


EPRA NAV in € per share

 CAGR
 +48%
 incl. perptuals


2 EPRA NAV Bridge (in € million)



Significant shareholder value creation

GCP financial policy

Strive to achieve A- global rating in the long term

LTV limit at 45%

Debt-to-cap ratio at 45% (or lower) on a sustainable basis

Maintaining conservative financial ratios

Unencumbered assets above 50% of total assets

Long debt maturity profile

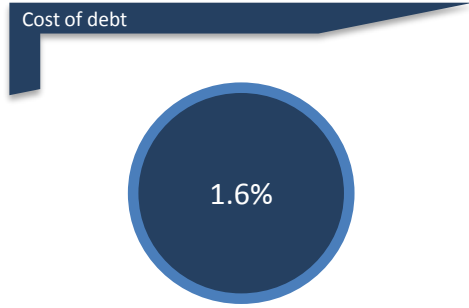
Good mix of long term unsecured bonds & non-recourse bank loans

Maintaining credit lines from several banks which are not subject to Material Adverse Effect

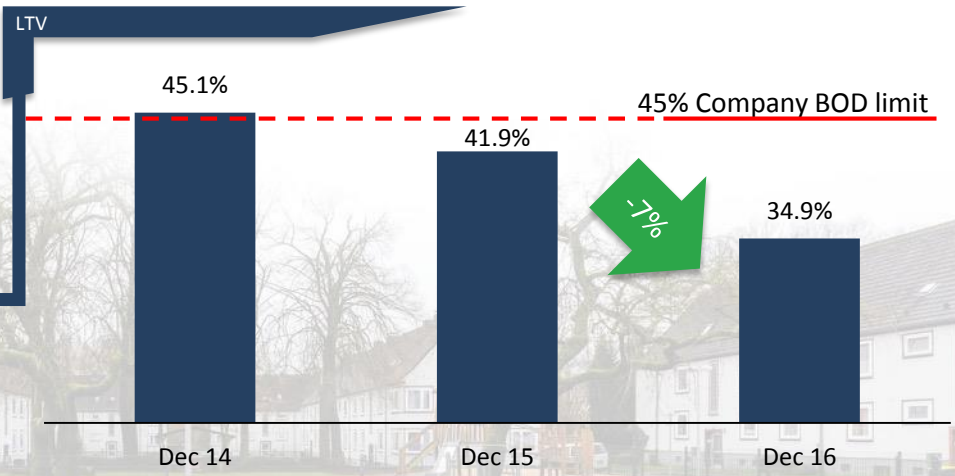
Dividend of 65% of FFO I per share



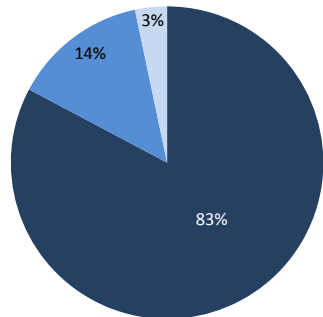
	Dec	
	2016	2015
	€ million	
Investment property	4,851	3,877
Assets held for sale	146	-
Equity accounted investees	118	-
Total value	5,114	3,877
Total Debt	2,415	2,015
Cash and liquid assets	632	389
Net debt	1,783	1,626
LTV	34.9%	41.9%



Significant headroom and low cost of debt provide GCP flexibility to quickly act upon attractive opportunities



Hedging structure

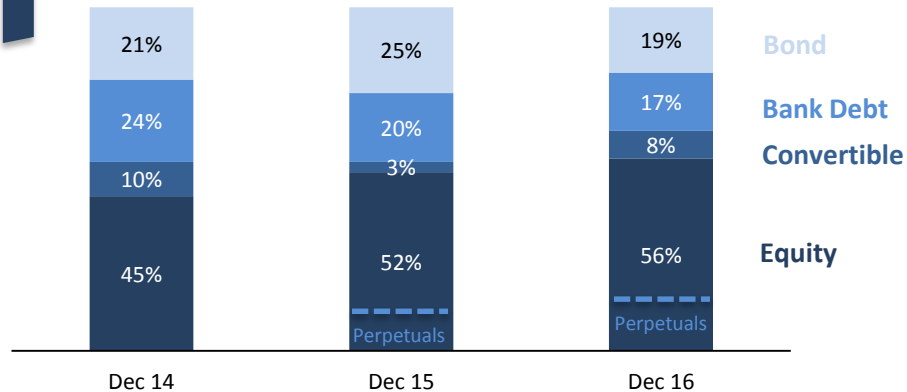


97%

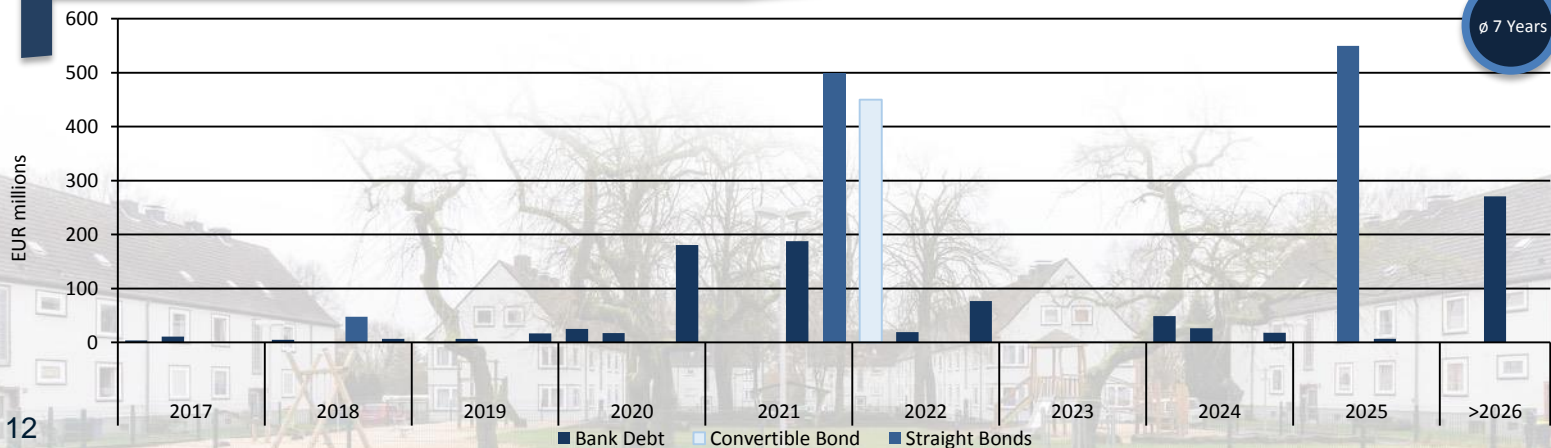
Hedged

■ Fixed & Swapped ■ Capped ■ Variable

Financing source mix



Maturity Schedule



GCP has over 40 non-recourse separate bank loans from over 20 banks



Revolving credit facilities



Deutsche Bank

J.P.Morgan

Morgan Stanley



Strong corporate credit lines with international banking leaders exceeding €200 million

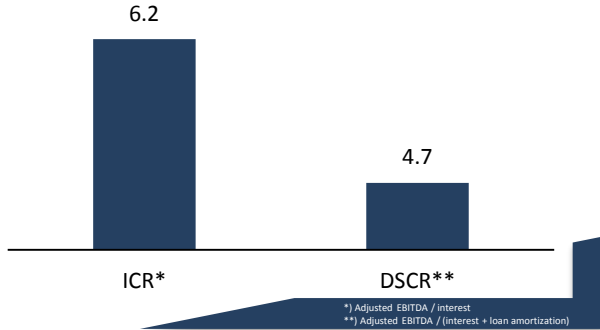


All credit facilities do not have a Material Adverse Change (MAC) clause

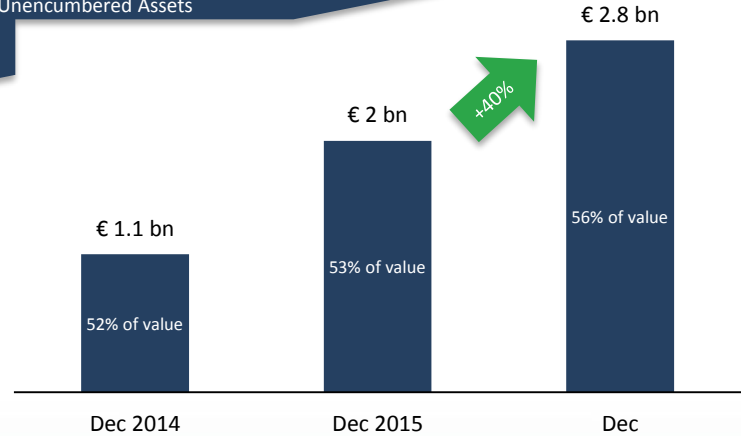
Revolving Credit Facilities as an additional liquidity source, increasing the financial flexibility at a very low cost

2 Debt coverage and rating

Cover Ratios



Unencumbered Assets



Corporate Credit Rating



S&P Anchor rating matrix

Financial risk profile

Business risk profile

	1 Minimal	2 Modest	3 Intermediate	4 Significant	5 Aggressive	6 High Leveraged
1 Excellent	aaa/ aa+	aa	a+/a	a-	bbb	bbb-/bb+
2 Strong	aa/ aa-	a+/a	A- (DW) ← BBB+ (GCP)	(Vonovia- BBB+)* BBB (FDR)	bb+	bb
3 Satisfactory	a/a-	bbb+	(Aroundtown) BBB/BBB- (Alstria)	BBB-/bb+	bb	b+
4 Fair	bbb/ bbb-	bbb-	bb+	bb	bb-	b
5 Weak	bb+	bb+	bb	bb-	b+	b/b-
6 Vulnerable	bb-	bb-	bb-	b+	b	b-

GCP will continue strengthening its position within the business profile

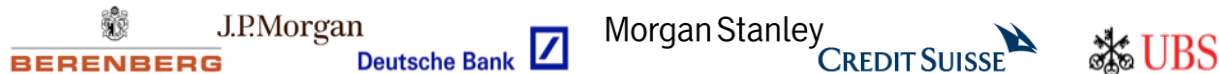
*Vonovia's rating anchor is BBB. Vonovia's final rating, after the effect of modifiers is BBB+.

Strong position within the investment grade scaling with a long term rating of BBB+ (A-2 short term)

GCP's anchor rating positions the company at a good position for further rating improvements

The Board of Directors of GCP has decided to strategically aim for A-rating from S&P, and will continue to implement measures to achieve this target.

Equity and Bond Bookrunners



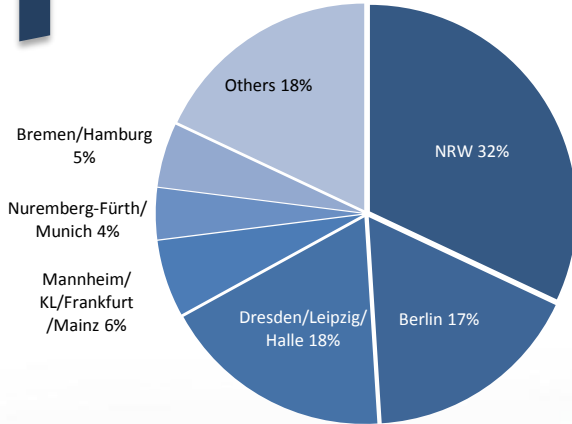
GCP raised in 2016 alone
€650 million and full
conversion Series C

Proven track record

GCP raised over €3.3 billion
of capital since 2012, with
proven track record in 4
different markets: Equity,
Perpetual notes, Convertible
bonds and Straight bonds

Sep-16	Issuance of €200 million perpetual notes, bearing a coupon of 2.75% p.a.
Feb-16	Issuance of Series F, 2022 convertible bonds of € 450m, coupon of 0.25% p.a
Jan-16	Completion of the conversion of Series C convertible bonds (€275m)
Sep-15	Tap issuance of € 150m of 10 year straight bond to an aggregate nominal amount of € 550m
Sep-15	Equity capital increase of € 151m at €15.9 per share
Jul-15	Tap issuance of perpetual notes, (coupon 3.75%), of additional € 100m
Apr-15	Issuance of Series E (2025), 10 year straight bond of € 400m with a coupon of 1.5% p.a.
Mar-15	Tap issuance of perpetual notes of additional € 250m
Feb-15	Issuance of €150m perpetual notes, coupon 3.75%
Oct-14	Redemption of straight bonds with nominal amount of € 350m. Issuance of 7 year (2017) bond of € 500m with a coupon of 2% p.a
Jun-14	Tap issuance of convertible bonds with gross proceeds of € 140m
Apr-14	Tap issuance of existing straight bonds with gross proceeds of € 160m
Feb-14	Issuance of Series C, 5 year convertible bonds of € 150m and a coupon of 1.50% p.a
Dec-13	Equity capital increase of € 175m at €6.5 per share
Oct-13	Full conversion of € 100m Series A convertible bonds into equity
Jul-13	Issuance of Series B, 7 year straight bonds of € 200m with a coupon of 6.25% p.a.
Feb-13	Equity capital increase of € 36m at €4.5 per share
Oct-12	Issuance of Series A, 5 year convertible bonds of € 100m and a coupon of 8% p.a.
Jul-12	Equity capital increase of € 15m at €2.8 per share

Distribution by value (Feb 17)



Focus on value-add opportunities in densely populated areas in Germany



Meaningful diversification among areas of sustainable economic fundamentals and demographic prospects.

Portfolio overview Feb 2017

	Value (in €M)	Rentable area (in k sqm)	EPRA vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm	Rental yield
NRW	1,587	1,861	8.4%	108	5.1	28,029	853	6.8%
Berlin	823	470	5.9%	37	6.8	6,270	1,752	4.6%
Dresden/Leipzig/Halle	887	1,129	8.9%	60	4.9	19,872	786	6.8%
Mannheim/KL/Frankfurt/Mainz	282	243	3.5%	17	5.9	3,981	1,163	6.1%
Nuremberg/Fürth/Munich	173	102	3.9%	9	7.6	1,471	1,697	5.4%
Bremen/Hamburg	236	264	7.3%	16	5.6	3,844	897	6.9%
Others	921	1,230	8.4%	69	5.3	20,635	748	7.5%
Total	4,910	5,298	7.8%	317	5.4	84,102	927	6.5%

Portfolio benefiting from high geographical diversification...

Portfolio Detailed Distribution as of Feb 2017*

...With focus on areas with strong fundamentals

Quality Berlin locations

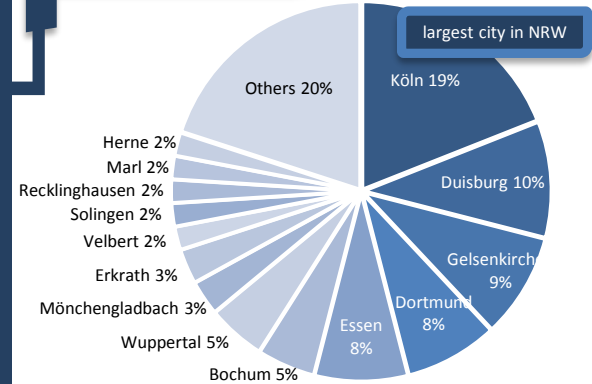


63%
Top neighborhoods

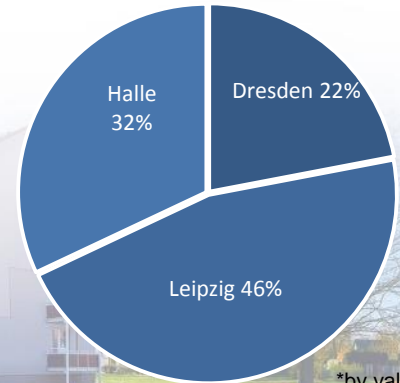
13% strong growth areas

50% inner city locations

Largest European metropolitan area well distributed within NRW

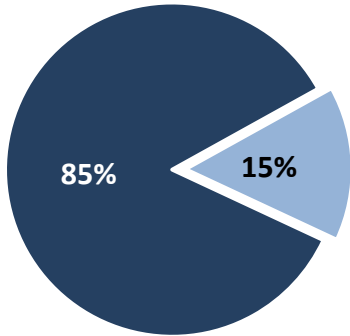


Quality East Portfolio Dresden/Leipzig/Halle



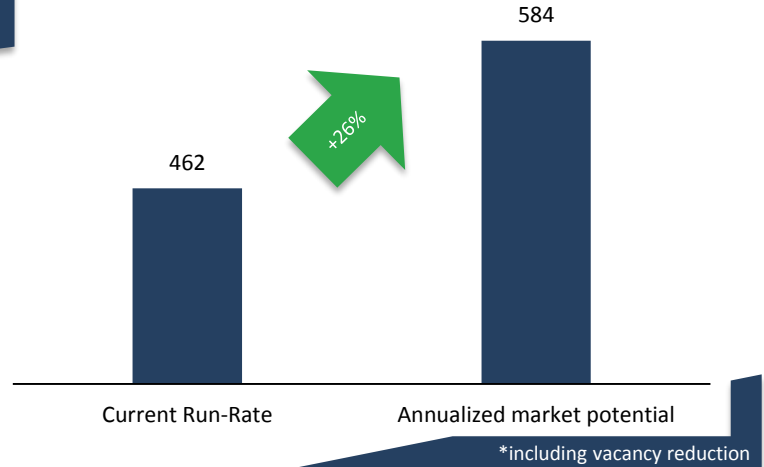
*by value

Residential in-place rent compared to market rent prices



■ Below market level ■ at market level

Current Annualized Rental Income vs. Market Potential*



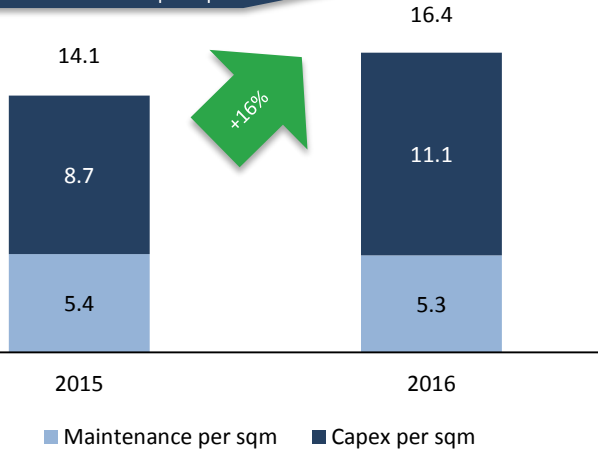
14 years
Average tenancy length

6% of units
subject to rent
restrictions from
subsidization

Large upside potential with limited downside risk

Maintenance Capex

Capex and maintenance per sqm



Halle

Capex strategy



CEO

Christian Windfuhr



Mr. Windfuhr is Grand City Properties's CEO. Before joining Grand City Mr. Windfuhr served as CEO of Maritim Hotels, with 40 hotels in Germany. Prior to this he served as CEO of Mövenpick. He achieved the financial turnaround of Mövenpick, drove international expansion, publicly listed the company, and worked out a strategic partnership with Kingdom Holding (HRH Prince Alwaleed) and JP Morgan. Served as Director of TUI, Europe's largest tour operator. He served high positions in Holiday Inn, Kempinski, & Southern Sun. Graduated at Cornell Uni.

Board of Directors
 Refael Zamir
 CFO


Mr. Zamir is Grand City's CFO. Before joining GCP, Mr. Zamir served as a manager for Ernst & Young in the real-estate and financial institutions sectors. Mr. Zamir is a CPA and holds a BA and MBA in finance and business administration.

 Simone Runge-Brandner
 Independent director


Mrs. Runge is an independent Director and member of the audit committee. Her past positions include Deal Manager (Director) at UBS Deutschland AG, Vice President Real Estate Finance/ Investment Funds, Credit Manager at Dekabank Frankfurt and Credit Manager Real Estate Finance at Helaba Frankfurt. Ms. Runge-Brandner has a Diploma in International business administration.

 Daniel Malkin
 Independent director


Mr. Malkin is an independent Director and member of the audit committee. Before joining Grand City, he served as an Investment & fund Manager of fixed income investment funds at Excellence Investment Bank. Has a BA in Business Administration.

Audit Committee

Consists of the two independent directors Daniel Malkin and Simone Runge-Brandner

Senior Management
 Or Zohar
 Business development


Prior to GCP, Or worked as the head of business development in Mark Hotels GmbH and as a Managing Director in Bluebay GmbH. Or holds a BSc and a MA in real estate and finance

 Sebastian Remmert-Faltin
 Operations manager


15 years professional experience in the real estate industry. Covered positions ranging from asset management and project development to mortgage financing

 Timur Sezgin
 IT Development


More than 20 years of experience in Hard- and Softwaredevelopment as well in managerial aspects. Covered positions worldwide from Chief Information Officer to IT-Manager in leading Enterprises as well as CEO of an IT-Company. Education: Technical Informatics at TU-Berlin

 Mandy Kuebscholl
 Head of Service Center


Past experience include director of Central Reservation at GCH, Director of Revenue & Reservations at Ramada international. Education: Hotel Management from the Management Trainee program at Marriott International

 Andrea Bosch
 Head of Construction


Ms. Bosch is responsible for developing unique investment and capex plans for each property already in the phase before the acquisition. She has 12 years of professional experience in architecture and her prior positions were project managements in public modernization projects in London and Cologne. Ms. Bosch has a diploma in architecture.

 Kenan Wallenstein
 Head of rental and marketing


Mr. Wallenstein's team deal with all new potential tenants and takes care of all kinds of rental activity, marketing and promotion tools to increase the occupancy rate and rents. He has over 20 years of extensive marketing experience. Mr. Wallenstein has an MBA and a BSc in industrial engineering and management

Senior Management (continued)

Uwe Schillinger
Head of Facility
Management



Mr. Schillinger is GCP's Director for Technical Service and responsible for the Facility Management. He has 12 years experience in facility management and joined GCP in 2006. Mr Schillinger is an engineer in electrical engineering.

Michael Bar-Yosef
Senior Financial Analyst



Mr. Bar-Yosef is responsible for financial modeling and co-operates with equity researchers to analyze their financial models. Before joining GCP he served as a financial and corporate analyst for a financial advisory and was an economist. Mr Bar-Yosef holds a MBA in economics

Kathrin Behlau
Head of Legal



Ms. Behlau advises the senior management in the fields of contract and compliance. Prior to joining GCP she served as a legal counsel at Sirius Real Estate. Ms Behlau holds a law degree from the University of Marburg (Germany) and Université de Lausanne (Switzerland).

Advisory Board

Yakir Gabay



Mr. Gabay is the chairman of the Advisory Board. Before GCP, Mr. Gabay was chairman & managing partner of an investment company which managed over \$30 billion of assets, before that he was the CEO of the investment banking of Bank Leumi. Mr. Gabay holds a MBA and BA in Accounting/Economics, and is a CPA.

Andrew Wallis



Vice chairman, Advisory Board Member. Mr. Wallis was owner and CEO of a large German property management company. Previously he spent 10 years as an investment banker in the city of London for Merrill Lynch and JP Morgan. Mr. Wallis holds an MBA and a CFA.

Claudio Jarczyk



Advisory Board member. Prior to GCP, Mr. Jarczyk served as an Executive Director at BerlinHyp Bank specializing in real estate financing with a focus on international clients, as a Chief International Executive at Landesbank Berlin and as an International Division-Department Manager at Bayerische Vereinsbank Munich. Mr. Jarczyk holds a Dipl.Kfm. / M.B.A at Munich University.

Strong board of directors and senior management structure

- Majority of the board of directors is independent
- Audit committee members are independent
- Longevity in the company with high and stable retention rate
- Incentivized to align with the Company's long term goals – like-for-like occupancy and rent increase, operational efficiency, increase in adjusted EBITDA, FFO per share EPS and NAV per share, keeping conservative financial ratios, with the strategic target to further improve the Group's rating to A-

ESG Measures:

Social Responsibility

- ➔ Neighborhood and community building initiatives
 - Family friendly tenant events for Easter, summer and Christmas enhance bonding and strengthen the community
 - Supporting local associations such as a homework initiatives for school children, children soccer club equipment, students art exhibition facilities, back-to-school packages etc.
- ➔ Modernization measures
 - Installations of playgrounds – indoor and outdoor
 - Elderly friendly installations, e.g. elevators, stair lifts, bathrooms
 - Installations of community areas within the premises
- ➔ Employee development
 - Leadership program provides employees the opportunity to develop additional skillsets and internal advancements
 - Regular trainings for all staff (expert in-house and external trainers)
- ➔ Tenant satisfaction
 - See next slide



Best-in-class service for our tenants through professional and 24/7 availability

- 24/7 availability of dedicated and professional service team
- Toll free numbers
- GCP's Service Center is certified with two TÜV service quality certificates
- Ticketing system – each tenant application is documented in detail to allow efficient follow-up on the stages of handling a request – setting up schedule for repairs, visiting master apartments, discussing timetables etc. a ticket is not closed until a request has been followed up on and dealt with to the utmost satisfaction of the tenant
- Connected to proprietary IT/software systems – efficient data collection and processing to support informed decision making.
- Launched a tenant portal smartphone app – a highly accessible tool for prospective and existing tenants, providing overview of available apartments, route to submitting service requests with the option to upload photos related to the request directly, a 24/7 chat service, information on the area such as stores and restaurants and access to administrative forms.



Tenant satisfaction with IT support

- ➔ Fully developed IT/software to monitor the complete portfolio and to identify fluctuations of tenants
- ➔ Immediate control on new portfolios
- ➔ Operational excellence with tenant management software - top service to ensure tenant satisfaction and reduce termination



Cost and consumption saving measures

- ➔ Cost savings & yield improvements through new methods and wireless meters
- ➔ Changing fixed costs into variable costs
- ➔ Reduce costs for tenants and vacancy costs
- ➔ Increase tenant satisfaction



Essen



ESG Measures: Sustainability and environmental

- ➔ HEATING
- Replacing heating systems to district heating with the focus on renewable resources or centralized gas with the focus on climate-neutral produced gas
 - Insulation measures, e.g. windows, cellars

- ➔ RENEWABLE ENERGY
- Majority of properties common areas receive energy from 100% renewable resources with the goal to provide all properties with 100% renewable energy
 - All of GCP's offices are supplied with energy from 100% renewable resources

- ➔ ENERGY EFFICIENCY
- Upgrading energy consuming elevator systems
 - evaluation of the entire portfolio to identify further energy saving potentials for the reduction of heating usage and CO2 emissions
 - Creating awareness among our tenants through handouts, language-independent explanatory videos for energy and heating saving behavior and proper trash disposal
 - Pilot project: Photo voltaic/solar installations in Dresden/Leipzig/Halle in order to supply apartments, public areas technical building equipment with energy. Based on the results of this pilot GCP will extend these modernization to more properties
 - Installation of Energy Modules into our proprietary IT/software systems (Energy-Data-Management-System)



Reducing the carbon footprint

◆ Uplisting

- ◆ Change listing from unregulated market to fully regulated market (Prime standard)
- ◆ Growth and financing requirements have stabilized
- ◆ Potential to be included in strong indices: based on current market cap free float we assume MDAX inclusion as likely
- ◆ Timeframe: within 2017

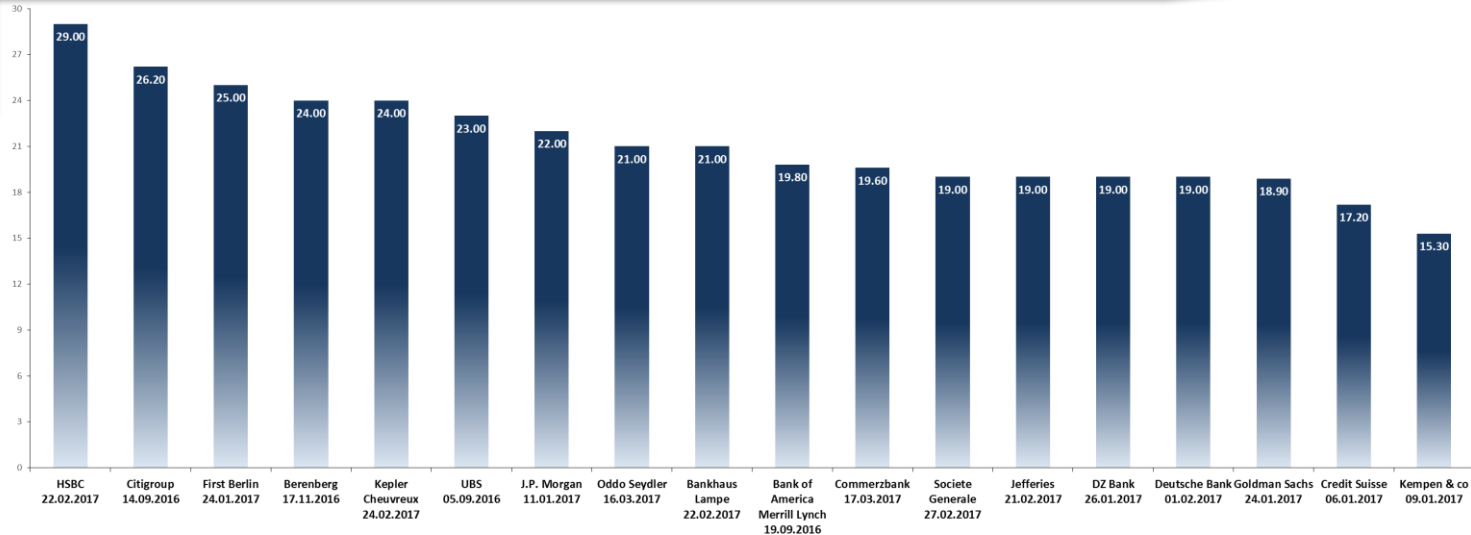


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Appendix



Analyst research target price



GCP's operations are researched by leading real estate market analysts, who conduct independent equity research and target price recommendations



Index inclusions

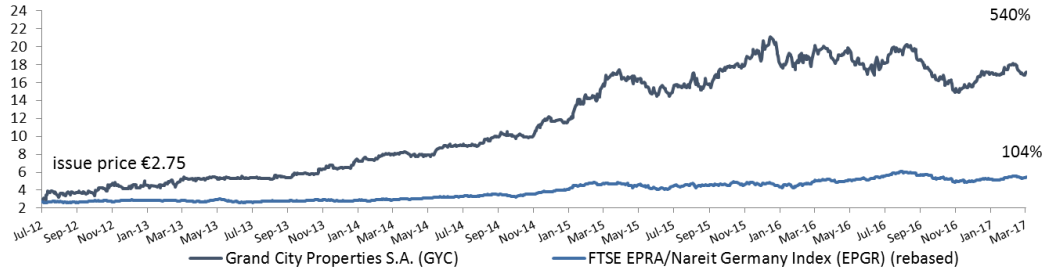
FTSE EPRA/NAREIT:

Global Developed Developed Europe

GPR (Global Property Research) 250 Index

I. Outperforming

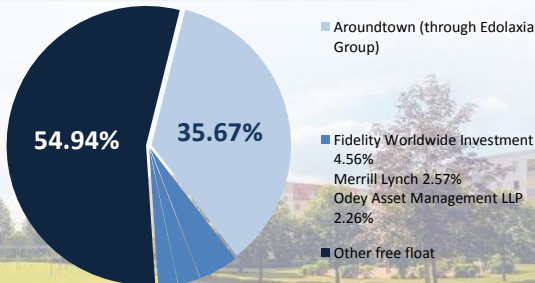
Share Price Since First Equity Placement (19.7.2012)



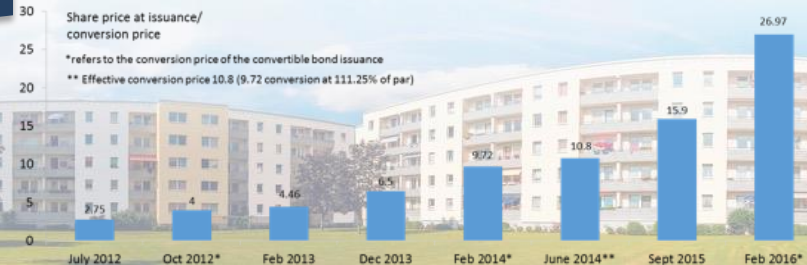
Straight Bond Series D Spread over mid-€-swap, remaining 5 years



Share ownership structure



Share price/conversion price throughout the Company's issuances

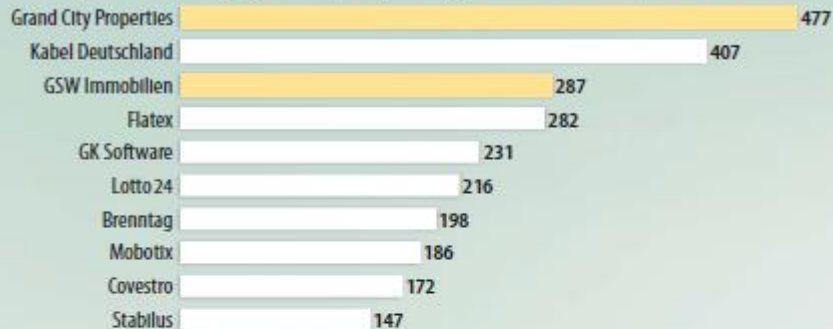


5 I. Most successful IPO since 2007*

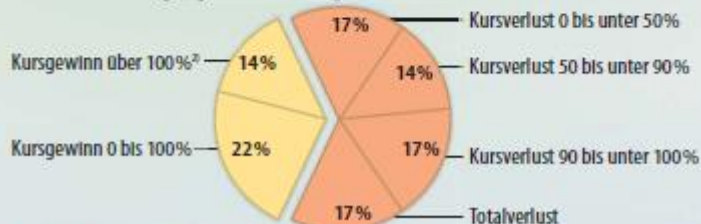
According to the Frankfurter Allgemeine Zeitung Grand city properties is the most successful IPO in Germany since 2007 among 106 IPOs

Immobilien sind an der Börse gefragt

Die erfolgreichsten Börsengänge seit 2007, Kursgewinn gegenüber dem Emissionspreis in Prozent¹⁾



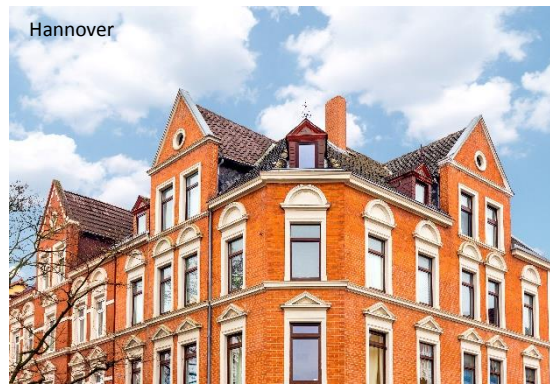
So haben Börsengänge seit 2007 abgeschnitten



1) In Deutschland. 2) Jeweils Kursveränderung zum Emissionspreis.
Quellen: Bloomberg; F.A.Z. - Berechnung / Foto Deutsche Wohnen / F.A.Z. - Grafik Brocker

Source:
Frankfurter Allgemeine Zeitung
February 9, 2017
Nr. 34, page 23

Hannover



Mannheim



Berlin



Dresden



Essen



Duisburg



Hamburg

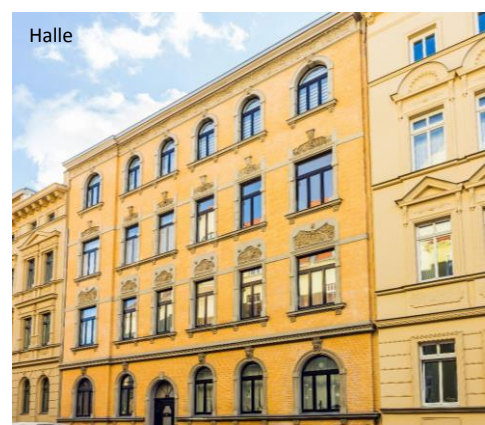
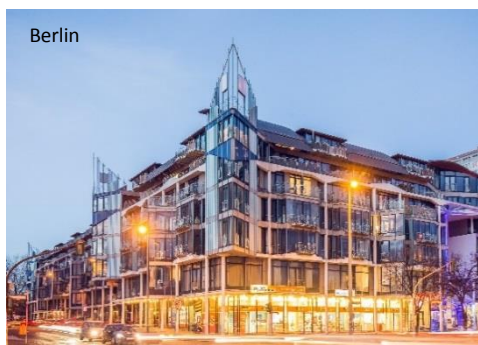


Leipzig



Berlin







Berlin



Leipzig



Munich



Wuppertal



Bremen



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