



Cologne



Mannheim



London

GRAND CITY

Properties S.A.

PRESENTATION OF THE FINANCIAL RESULTS FOR H1 2018

AUGUST 2018



Essen



Berlin



Bremen

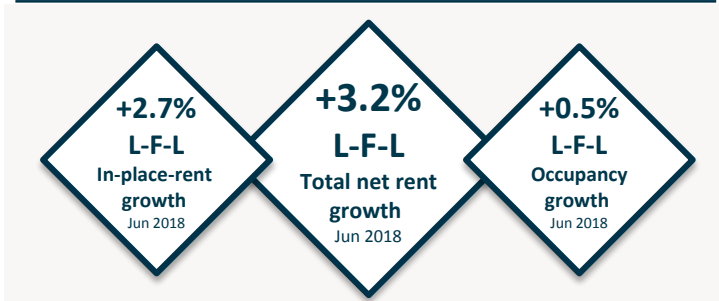


Hannover

- 1 Achievements and Highlights**
- 2 Financial and Portfolio performance**
- 3 ESG Outperformer**
- 4 Guidance**
- 5 Appendix**

CONSISTENLY EXTRACTING THE HIGH REVERSIONARY POTENTIAL

Maintaining substantial like-for-like performance



ACCRETIVE CAPITAL RECYCLING

Increasing portfolio quality through accretive capital recycling



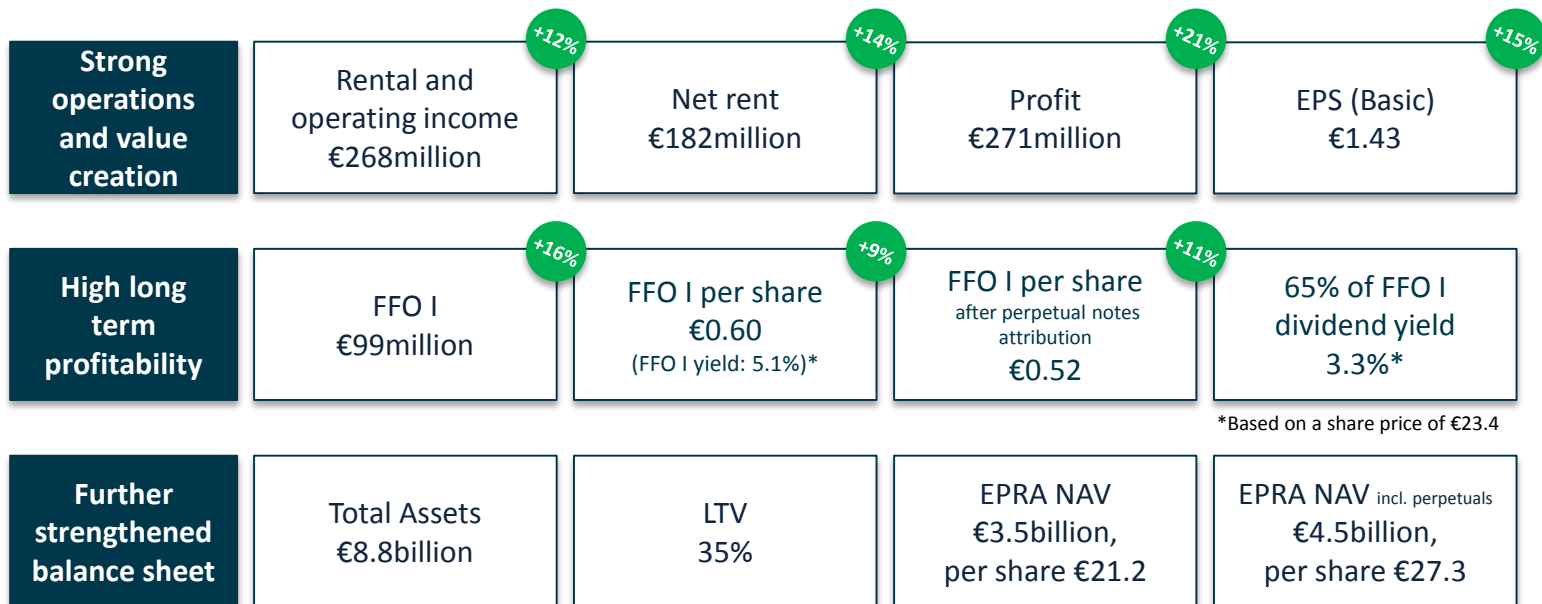
The London portfolio grew further through the acquisition of newly built apartments in high quality locations, to comprise a total of 5% of GCP's portfolio by value as of June 2018

Pro-active debt management to extend debt maturity profile, locking in low interest environment and diversifying investor base

Strong access to capital markets at various currencies with €1.3 billion raised in 2018 year-to-date

1.6%
Average Cost of Debt

8.3 years
Average Debt Maturity

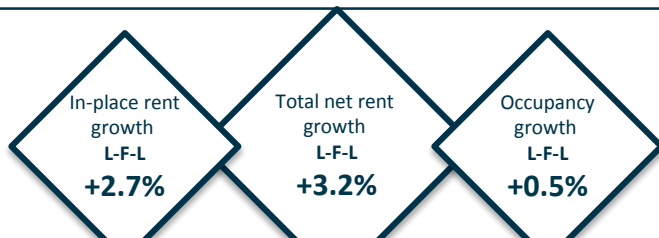


*Based on a share price of €23.4

Confirming guidance for 2018

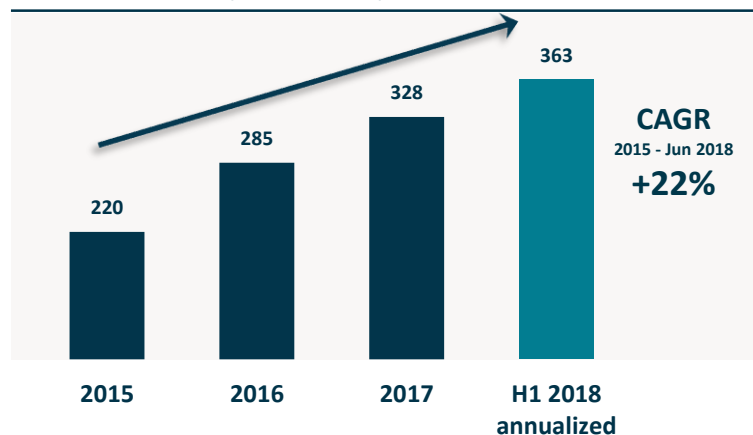
Selected Income Statement Data	1-6/2018	1-6/2017
	€ '000	
Revenue	268,525	240,123
Rental and operating income	268,275	239,383
Net rent	181,682	159,306
Capital gains, property revaluations and other income	249,985	168,450
Property operating expenses	(127,076)	(114,100)
Administrative & other expenses	(6,062)	(5,800)
Share of profit from investment in equity-accounted investees	1,350	7,302
EBITDA	387,544	296,450
Adjusted EBITDA	136,749	120,905
Finance expenses	(23,322)	(19,622)
Other financial results	(24,061)	(4,578)
Current tax expenses	(13,600)	(15,294)
Deferred tax expenses	(54,088)	(30,999)
Profit for the period	271,457	224,991
Earnings per share (basic) in €	1.43	1.24
Earnings per share (diluted) in €	1.33	1.14

JUNE 2018 L-F-L NET RENTAL INCOME DEVELOPMENT

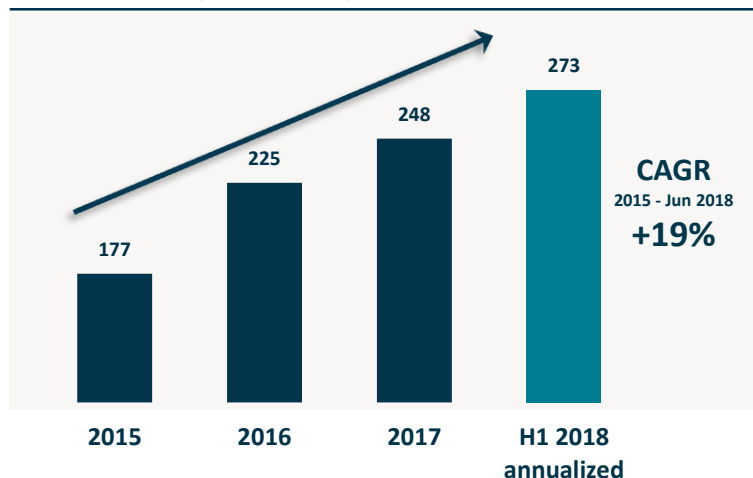


Capturing the strong rent reversionary potential of the portfolio

NET RENTAL INCOME (IN € MILLIONS)



ADJUSTED EBITDA (IN € MILLIONS)

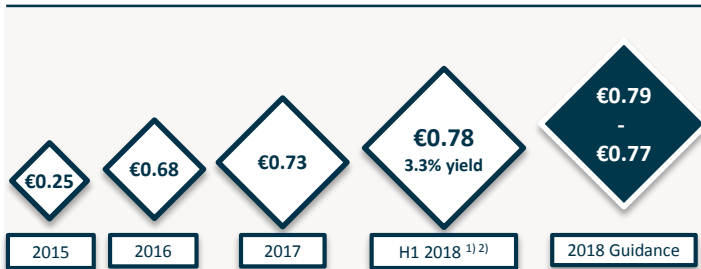


	1-6/2018	1-6/2017
	€ '000	
Adjusted EBITDA	136,749	120,905
Finance expenses	(23,322)	(19,622)
Current tax expenses	(13,600)	(15,294)
Contribution to minorities	(714)	(801)
FFO I	99,113	85,188
Result from disposal of properties	87,893	249
FFO II	187,006	85,437
FFO I per share in €	0.60	0.55
FFO I yield ¹⁾	5.1%	
Dividend yield ¹⁾²⁾	3.3%	
FFO I per share in € after perpetual notes attribution	0.52	0.47

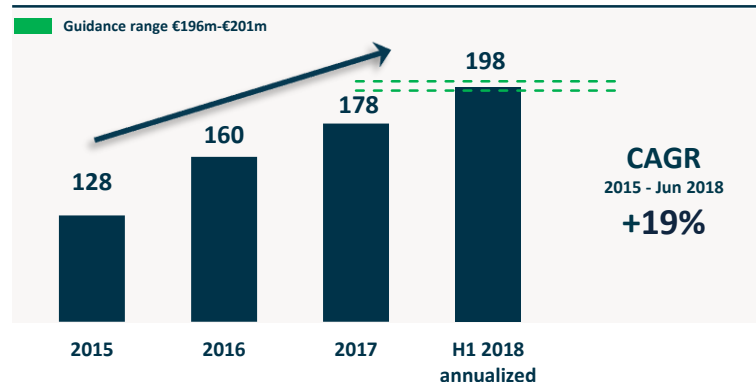
1) annualized, based on a share price of €23.4

2) based on a payout ratio of 65% of FFO I per share

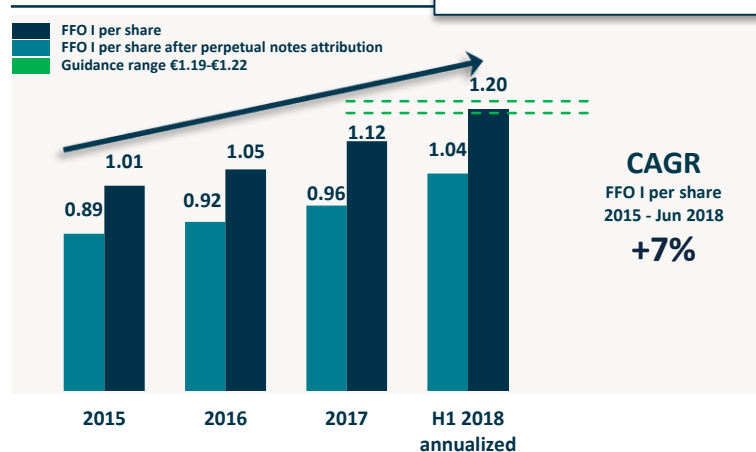
DIVIDEND PER SHARE (in €)



FFO I (IN € MILLIONS)



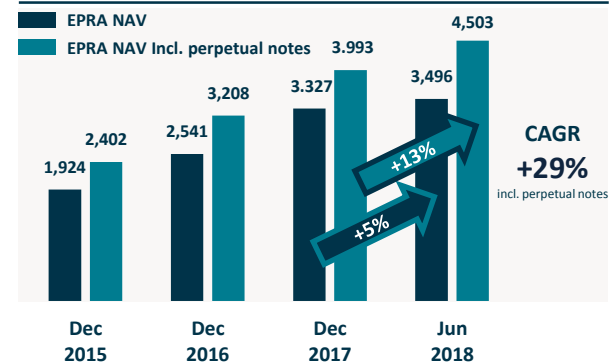
FFO I PER SHARE (IN €)



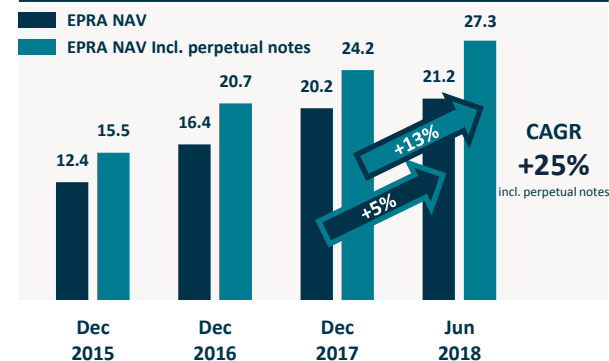
	Jun 2018		Dec 2017	
	€ '000	Per share	€ '000	Per share
Equity per the financial statements	4,301,788		3,849,662	
Equity attributable to perpetual notes investors	(1,006,792)		(665,871)	
Equity excluding perpetual notes	3,294,996		3,183,791	
Effect of derivative financial instruments	16,323		5,885	
Deferred tax liabilities	539,606		501,999	
NAV	3,850,925	€23.3	3,691,675	€22.4
Non-controlling interests	(354,929)		(364,489)	
EPRA NAV	3,495,996	€21.2	3,327,186	€20.2
Equity attributable to perpetual notes investors	1,006,792		665,871	
EPRA NAV including perpetual notes	4,502,788	€27.3	3,993,057	€24.2
Basic amount of shares, including in-the-money dilution effects in thousands	165,040		165,004	
Total Assets	8,789,189		7,508,292	
Equity Ratio	49%		51%	

€ '000	NAV	EPRA NAV	EPRA NAV including perpetual notes	EPRA NNAV
Jun 18	3,850,925	3,495,996	4,502,788	3,403,729
Jun 18 per share €	23.3	21.2	27.3	20.6
Per share growth	+4%	+5%	+13%	+6%
Dec 17	3,691,675	3,327,186	3,993,057	3,206,966
Dec 17 per share €	22.4	20.2	24.2	19.4

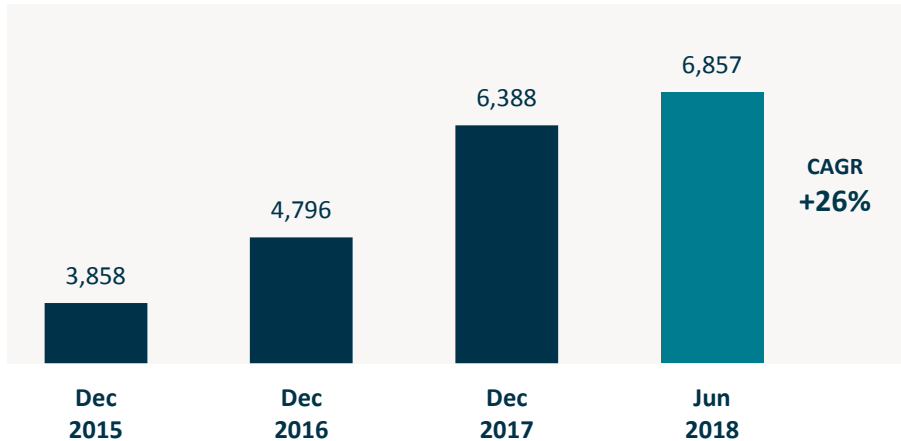
EPRA NAV (IN € MILLIONS)



EPRA NAV per share (IN €)



INVESTMENT PROPERTIES (IN € MILLIONS)



ACQUISITIONS & DISPOSALS

CHERRY PICKING ACCRETIVE DEALS

H1 2018 acquisitions of around 900 units at an average multiple of 25x, of which 400 units in London, and the remaining units mainly in core locations such as Berlin and Frankfurt. In addition, over 400 units, which are pre-marketed and newly built, were acquired in London, expected to be marketed and rented in the coming quarters, bringing London's share of the June portfolio to approx. 850 units and 5% of the portfolio value. GCP used the current market opportunity to cherry pick accretive properties in London following our **acquisition criteria**.

ACQUISITIONS

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

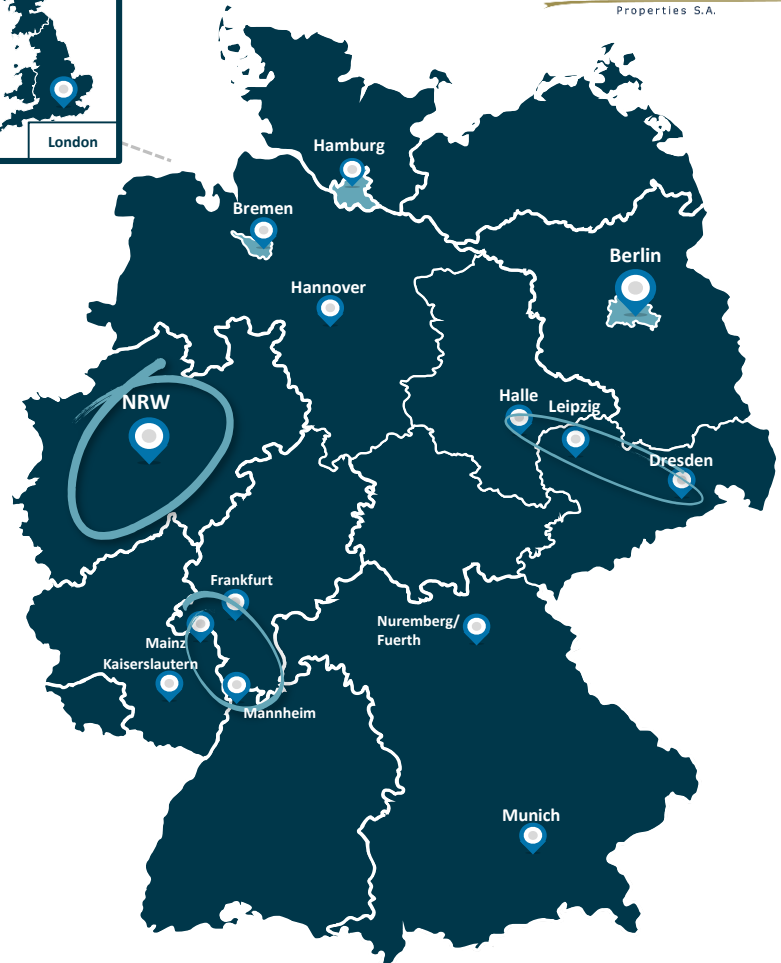
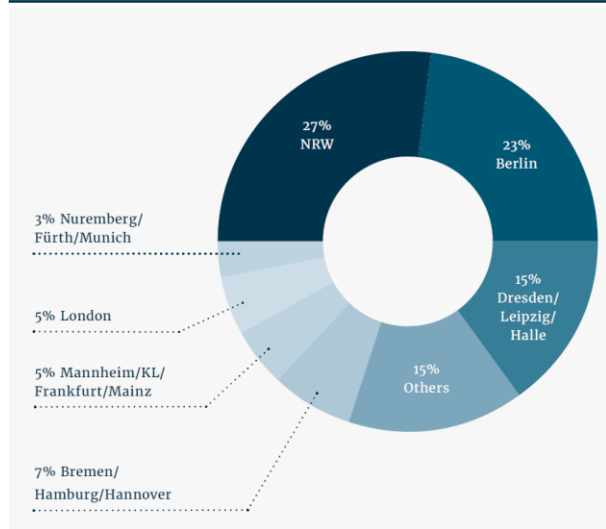
CAPITAL RECYCLING

Portfolio growth was partly offset by disposals and reclassification of non-core properties to assets held for sale. Following its capital recycling strategy GCP disposed non-core assets in the first half of 2018 at a value of €142 million, generating a profit of €88m over the total cost, reflecting a profit margin of 160%. The were disposal created a 12% profit over the net book value. After the reporting period, in the third quarter of 2018, GCP executed further disposals for approx. €35 million.

DISPOSALS

2 PORTFOLIO DISTRIBUTION

DISTRIBUTION BY VALUE JUNE 2018



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

Diversification among areas of sustainable economic fundamentals and demographic prospects

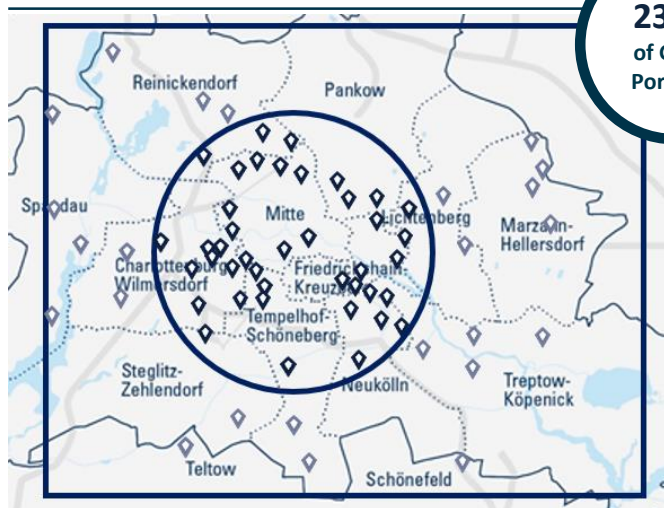
PORTFOLIO OVERVIEW JUNE 2018

	Value (in €M)	Area (in k sqm)	EPRA Vacancy	Annualized net rent (in €M)	In-place rent per sqm (in €)	Number of units	Value per sqm (in €)	Rental yield
NRW	1,873	1,832	7.9%	112	5.4	27,386	1,022	6.0%
Berlin	1,448	629	6.0%	53	7.4	8,100	2,301	3.7%
Dresden/Leipzig/Halle	968	1,076	8.7%	58	5.0	18,537	900	6.0%
Mannheim/KL/Frankfurt/Mainz	348	251	5.0%	19	6.6	4,146	1,388	5.6%
Nuremberg/Fürth/Munich	205	102	4.7%	10	7.8	1,471	2,011	4.7%
Bremen/Hamburg/Hannover	477	365	4.3%	26	6.1	5,460	1,305	5.4%
London	156	25	34.9%	4	27.1	393	6,245	2.8%
Others	1,044	1,168	7.0%	71	5.6	19,658	894	6.8%
Development rights and new buildings*	338							
Total	6,857	5,448	7.5%	353	5.8	85,151	1,197	5.4%

*including land for development, building rights on existing buildings (€138 million) and pre-marketed new buildings in London (€200 million)

Berlin is the single largest city in the portfolio...

PORTFOLIO OVERVIEW BERLIN



23%*
of GCP's
Portfolio

Berlin - Friedrichshain



Berlin - Mitte



Berlin - Charlottenburg



Berlin - Schöneberg



QUALITY LOCATIONS IN TOP TIER NEIGHBORHOODS OF BERLIN*

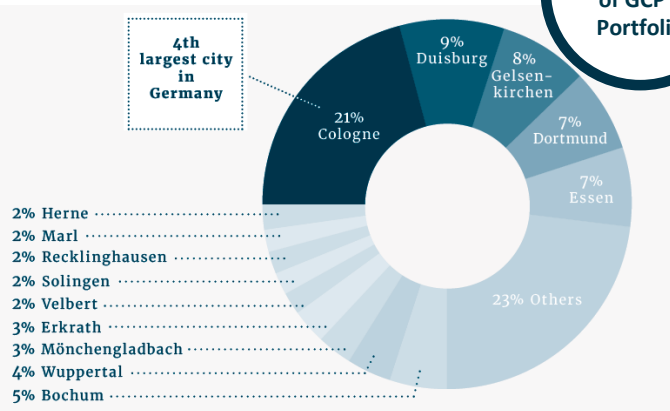
2/3 of the Berlin portfolio is located in top tier neighborhoods:

Charlottenburg, Wilmersdorf, Mitte, Kreuzberg, Lichtenberg, Schöneberg, Neukölln, Steglitz and Potsdam.

1/3 is in affordable locations located primarily in Reinickendorf, Treptow, Köpenick and Marzahn-Hellersdorf.

...and GCP is well positioned in Germany's largest metropolitan area...

PORTFOLIO DISTRIBUTION*

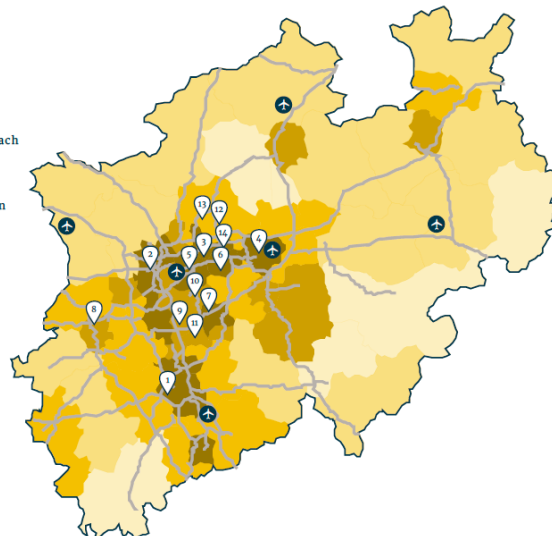
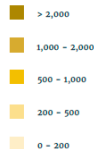


27%*
of GCP's
Portfolio

POPULATION DENSITY IN NRW

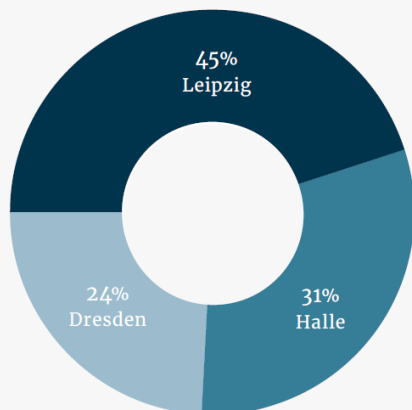
1. Cologne
2. Duisburg
3. Gelsenkirchen
4. Dortmund
5. Essen
6. Bochum
7. Wuppertal
8. Mönchengladbach
9. Erkrath
10. Velbert
11. Solingen
12. Recklinghausen
13. Marl
14. Herne

Inhabitants per sqkm (2015)



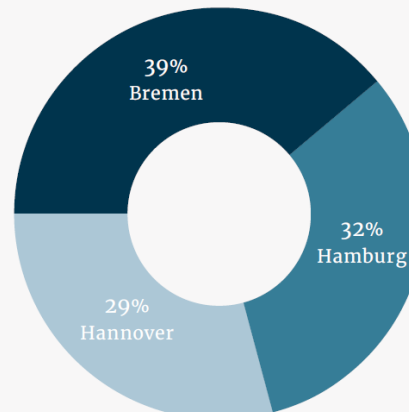
...with further diversification in Germany's fast growing Eastern and largest Northern cities

EAST PORTFOLIO*



15%*
of GCP's
Portfolio

NORTH PORTFOLIO*



7%*
of GCP's
Portfolio



Dresden



Leipzig



Halle



Hamburg



Hannover



Bremen

GCP financial policy**Strive to achieve A- global rating in the long term**

LTV limit at 45%

Debt to debt plus equity ratio at 45% (or lower) on a sustainable basis

Maintaining conservative financial ratios with a strong ICR

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

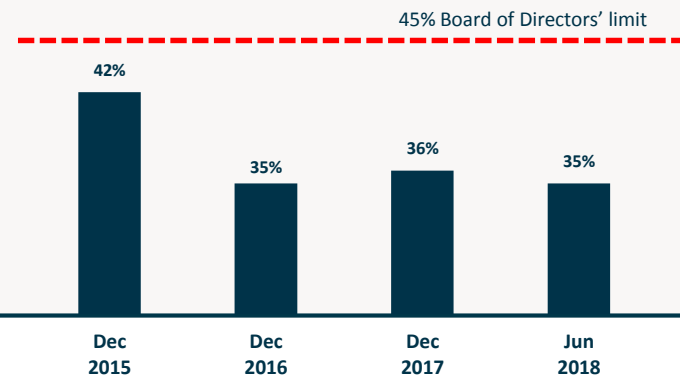
Dividend of 65% of FFO I per share

	Jun 2018	Dec 2017
	€ '000	
Investment property	6,908,465	6,425,430
Assets held for sale	176,473	117,246
Equity accounted investees	27,171	37,261
Total value	7,112,109	6,579,937
Total Debt	3,447,973	2,795,675
Cash and liquid assets	924,837	402,331
Net debt	2,523,136	2,393,344
LTV	35%	36%

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

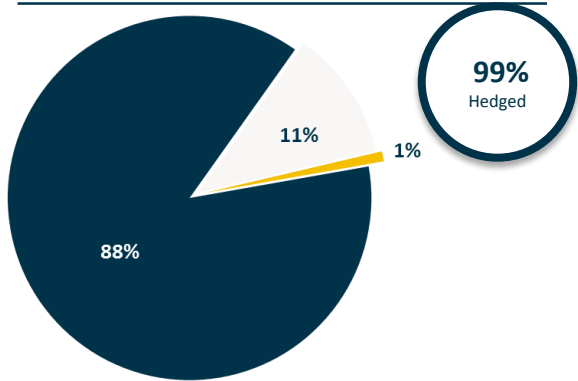
COST OF DEBT
1.6%
Low spreads

Series D 2021	0.34%
Series E 2025	1.00%

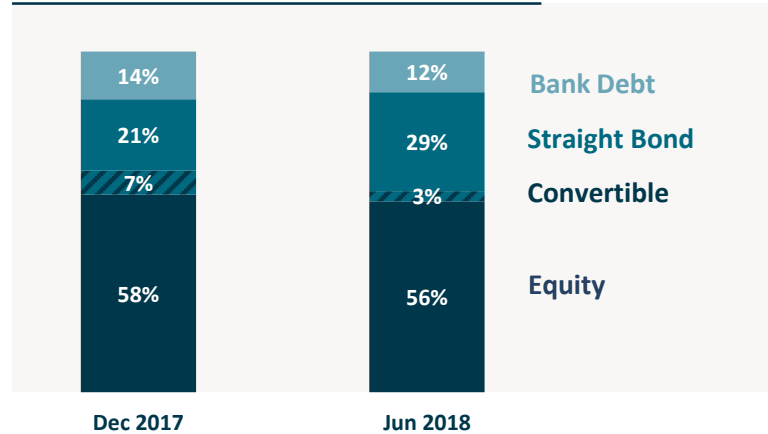
LOAN-TO-VALUE (LTV)


2 CAPITAL STRUCTURE

HEDGING STRUCTURE

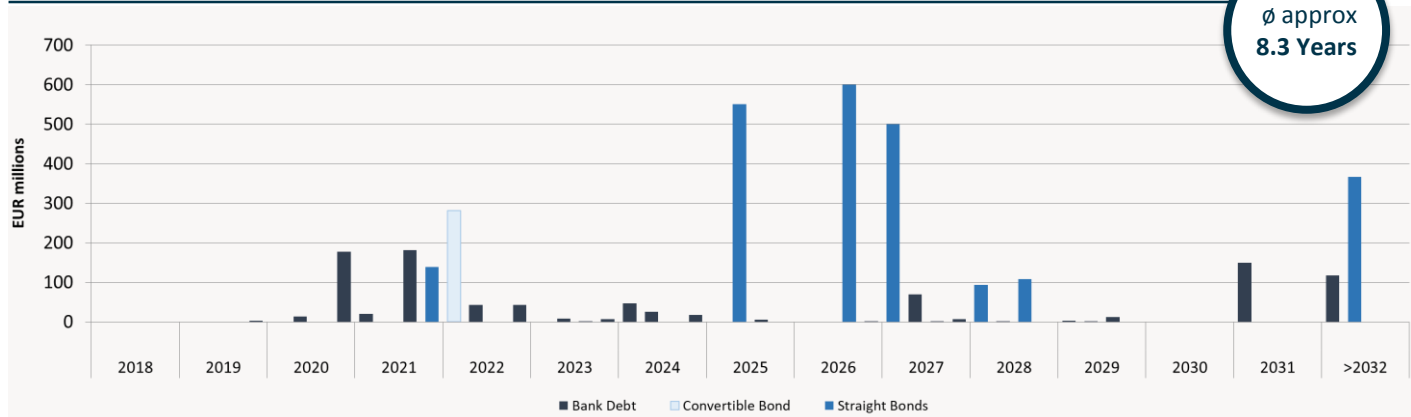


FINANCING SOURCE MIX



■ fixed & swapped ■ capped ■ variable

MATURITY SCHEDULE



CAPITAL MARKET ACTIVITY SUPPORTING EFFECTIVE DEBT MANAGEMENT**Diversifying and strengthening capital structure through strong access to capital markets with €1.3 billion raised in 2018 year-to-date:**

Apr-18 → Issuance of **€350 million** perpetual notes at a coupon of 2.5%, GCP's lowest perpetual notes coupon yet

Jun-18 → Issuance of **€55 million**, 15-year Series M straight bonds due 2033

May-18 → Issuance of JPY 7.5 billion (**€57 million**), 20-year Series L straight bonds due 2038 - with currency hedge of notional amount to maturity

Feb-18 → Issuance of CHF 125 million (**€108 million**) Series K straight bonds due 2026 - with currency hedge of notional amount to maturity

Feb-18 → Issuance of **€500 million** Series J straight bonds due 2027, and simultaneous buy-back of €41 million of the 2% Series D straight bonds due 2021 and €170 million of the Series F convertible bonds due 2022

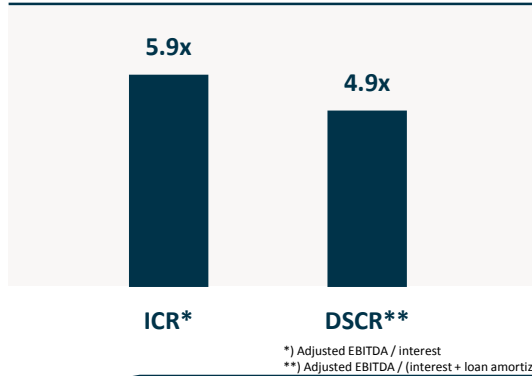
Feb-18 → Issuance of Hong Kong dollar HKD 900 million (**€93 million**), 10-year Series I straight bonds - GCP's first foreign currency issuance - with currency hedge to maturity

Feb-18 → Tap up of **€145 million** of the 15-year Series H straight bonds for an aggregate total amount of **€255 million**

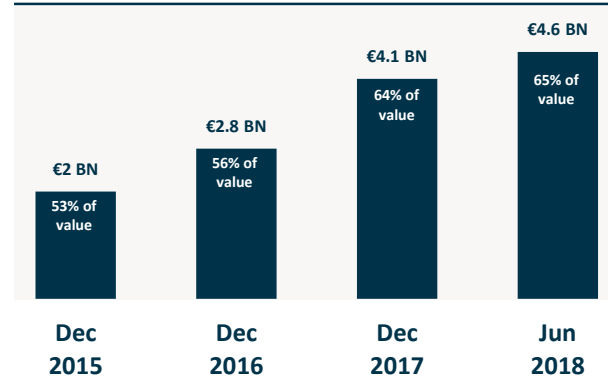
**Further strengthening the
Company's capital structure**

2 DEBT COVERAGE AND CREDIT RATING

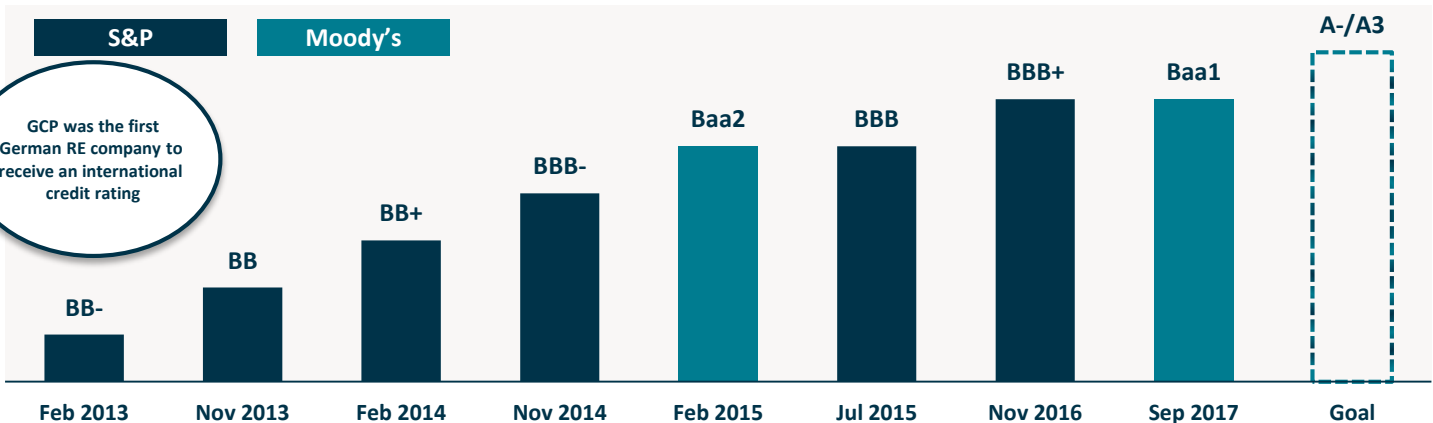
COVER RATIOS - H1 2018



UNENCUMBERED ASSETS



CORPORATE CREDIT RATING



CAPEX STRATEGY

Improve asset
quality and
attractiveness

Repositioning capex:
Aimed at increasing property quality and support value creation, includes upgrading apartments for new rentals, staircases and public areas, installing playground, installing elevators and ramps, and more.

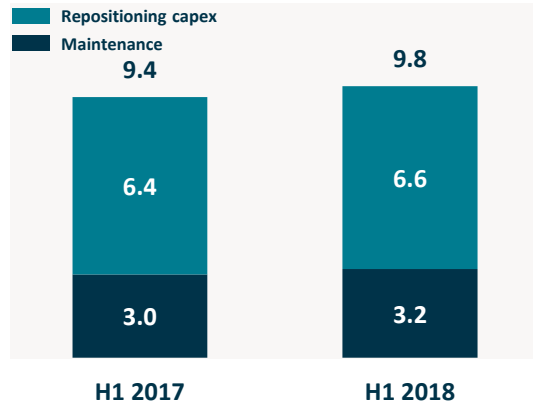
CAPEX

Modernization:
Aimed at improving standards of the apartments and increasing energy saving levels. Targeted to increase rents and includes measures such as adding balconies, improving insulation and façade reconditioning. GCP invested 2.5€/sqm in H1 2018 resulting in 0.7% L-F-L in-place rent growth YOY.

Additional
rent increase
driver

Pre-letting modifications:
Investments in finishing for newly built, snagging and preparation of building prior to letting. In H1 2018 GCP invested €4.6 million in this item

CAPEX AND MAINTENANCE (IN € PER SQM)



Berlin - Before - After



	1-6/2018	1-6/2017
	€ '000	
FFO I	99,113	85,188
Repositioning capex	(35,899)	(34,107)
AFFO	63,214	51,081

3 ESG - OUTPERFORMER



In April 2018, GCP published its first sustainability report, demonstrating the Company's commitment to sustainability by presenting to investors, business partners, employees and other stakeholders its activities and achievements and to embed the high ESG criteria of the Company.

The report can be found on our company website in the Sustainability section;

grandcityproperties.com/sustainability

SUSTAINALYTICS

Overall score

November 2017

91st Percentile

GCP is ranked #30 among 311 Real Estate Peers

GCP's continuous ESG efforts have been recognized by Sustainalytics, one of the leading sustainability rating agencies, ranking the Company's performance in the top 10% among over 300 international real estate peers, and rates the company as a leader in social metrics



August 2017

EPRA BPR GOLD + MOST IMPROVED for financial reporting standards

EPRA sBPR GOLD + MOST IMPROVED for sustainability reporting

1ST PLACE AWARD for outstanding contribution to society

	H1 2018 annualized	FY 2018e
FFO I (in € million)	198	196-201
FFO I per share (in €)	1.20	1.19-1.22
Dividend per share (in €)	0.78	0.77-0.79
Rent like-for-like growth	3.2%	Over 3%
LTV	35%	<40%

Continuous FFO I growth, should result in further value creation and in return in EPRA NAV growth

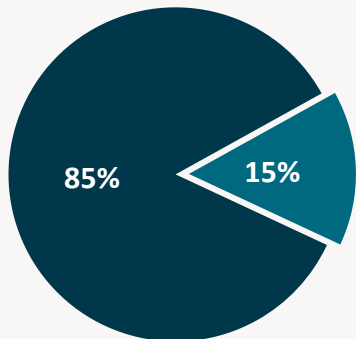
Operational profitability is expected to be translated into per share growth with increasing payout

Conservative financial position is expected to be maintained, remaining well below BoD LTV limit

5 APPENDIX

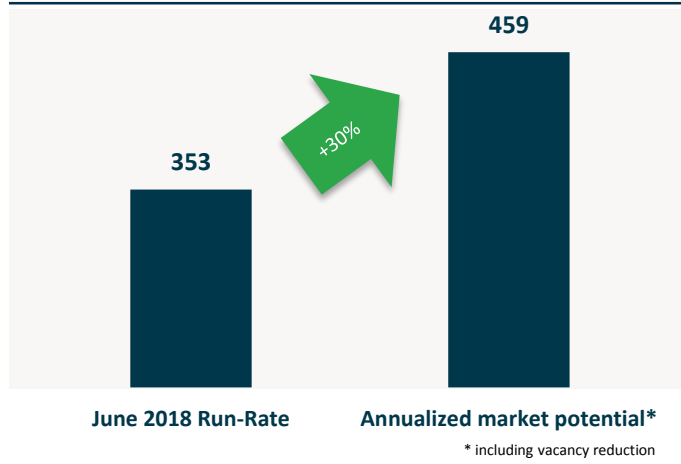
5 PORTFOLIO POTENTIAL

RESIDENTIAL IN-PLACE RENT COMPARED TO MARKET RENT



■ Below market level ■ at market level

CURRENT ANNUALIZED NET RENTAL INCOME VS MARKET POTENTIAL



10 years
Average tenancy length

6% of units
subject to rent
restrictions from
subsidization

Large upside potential with limited downside risk

Strong start in 2018, issuing
€1.3bn YTD

Over **€900m** issued in 2017

Proven track record

GCP raised **€5.5 billion** of capital since 2012, with proven track record in 4 different markets: Equity, Perpetual notes, Convertible bonds and Straight bonds

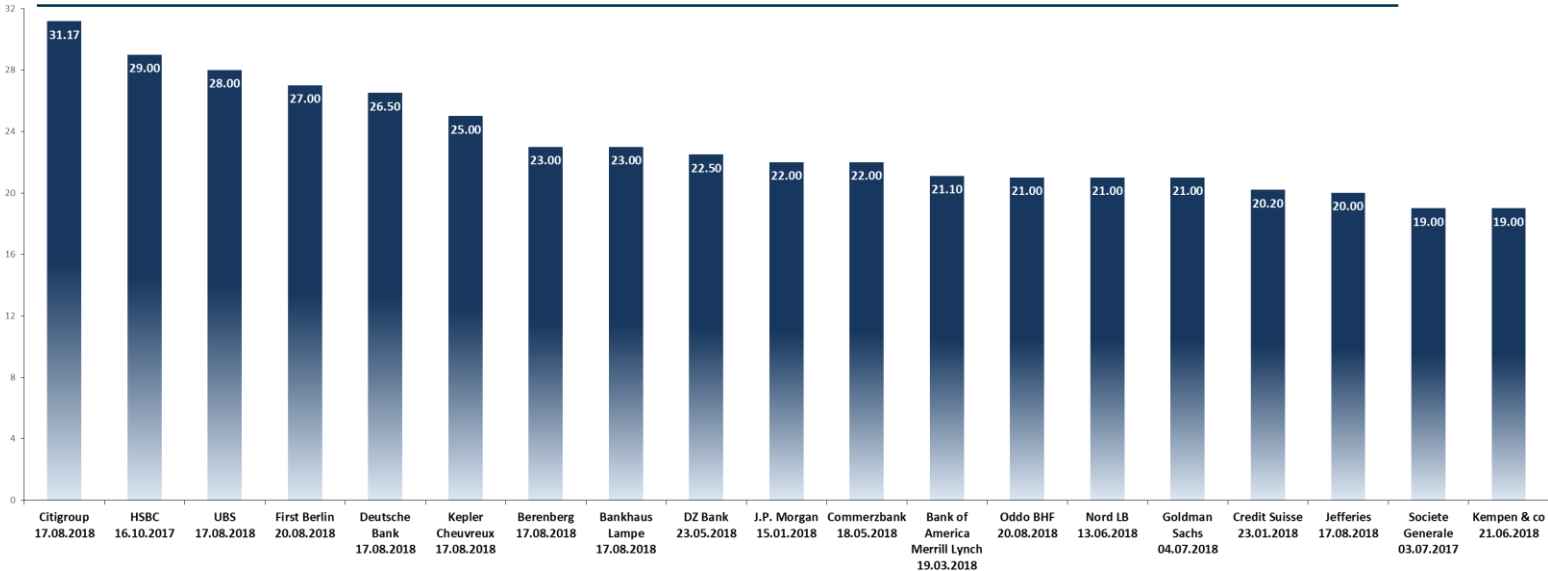
Jun-18	▶ Issuance of Series M, 2033 straight bonds of €55m under the EMTN, coupon of 1.7% p.a. till 2023
May-18	▶ Issuance of Series L, 20-year straight bonds of JPY 7.5bn (€57m) due 2038 under the EMTN, currency hedge, coupon of 1.4% p.a.
Apr-18	▶ Issuance of €350 million perpetual notes, coupon of 2.5% p.a.
Feb-18	▶ Tap issuance of Series H, 2032 straight bonds of € 145m to an aggregate nominal amount of €255m
Feb-18	▶ Issuance of Series K, 2026 straight bonds of CHF 125m under the EMTN, currency hedge, coupon of 0.96% p.a.
Feb-18	▶ Issuance of Series J, 2027 straight bonds of € 500m under the EMTN, coupon of 1.5% p.a. and repayment of €170m of Series F Convertible bonds (4 year maturity) and €41m of Series D (3.5 year maturity) extending the average maturity
Feb-18	▶ Issuance of Series I, 2028 straight bonds of HKD 900m under the EMTN, currency hedge, effective € coupon of 1% p.a. until 2023
Oct-17	▶ Issuance of Series H, 2032 straight bonds of € 110m under the EMTN, coupon of 2.00% p.a
Jul-17	▶ Issuance of Series G 2026, 9-year straight bonds €600 million under the EMTN, coupon of 1.375% p.a. and repayment of €321m of Series D (2% coupon, 4 years to maturity) extending maturity and reducing cost of debt
Jul-17	▶ Established Euro Medium Term Note (EMTN) Programme
Jun-17	▶ Equity capital increase of € 198m at €18 per share
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, 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 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 € 176m 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

EQUITY & BOND BOOKRUNNERS



5 ANALYST COVERAGE

ANALYST RESEARCH TARGET PRICE



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



Key Index inclusions:

- MDAX
- FTSE EPRA/NAREIT
 - Global Developed
 - Europe Developed
 - Eurozone
 - Germany
- Stoxx All Europe 800
- GPR 250
- MSCI World IMI Core Real Estate

MDAX

FTSE Russell
EPRA
EUROPEAN PUBLIC
REAL ESTATE ASSOCIATION

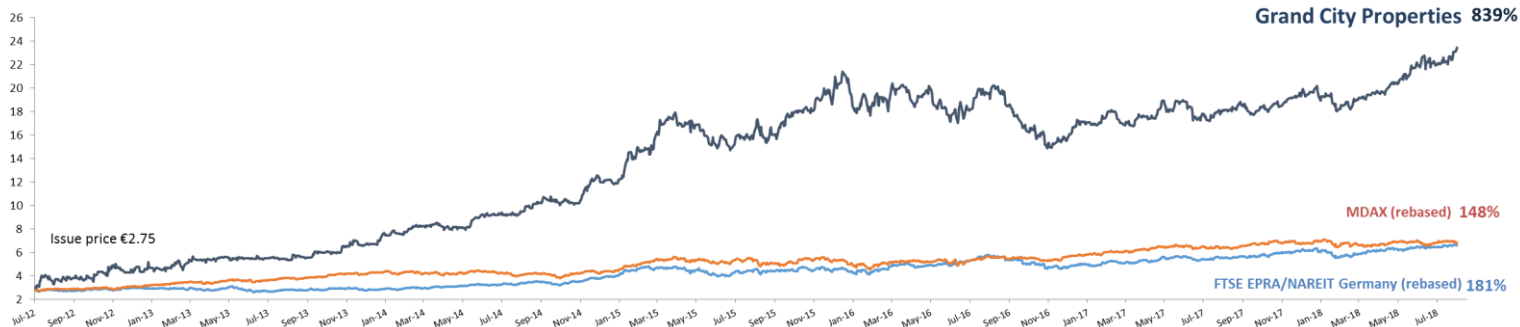
STOXX

Global property research
Solutions for customized property indices

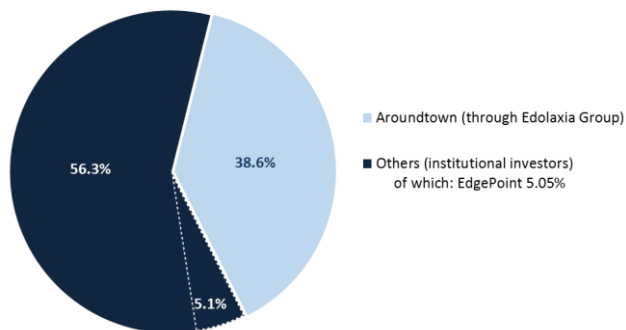
MSCI



SHARE PRICE AND TOTAL RETURN SINCE FIRST EQUITY PLACEMENT (19.7.2012)

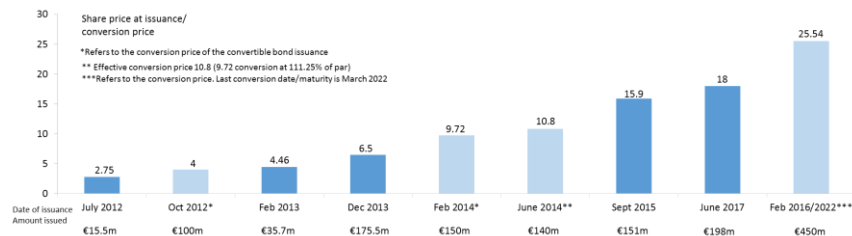


SHARE OWNERSHIP STRUCTURE

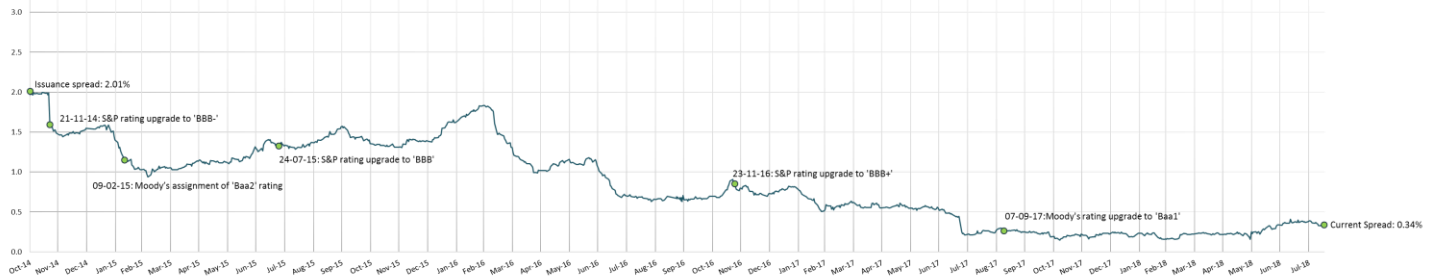


Basic amount of shares: 166.7 million/ Fully diluted amount of shares: 179.1 million

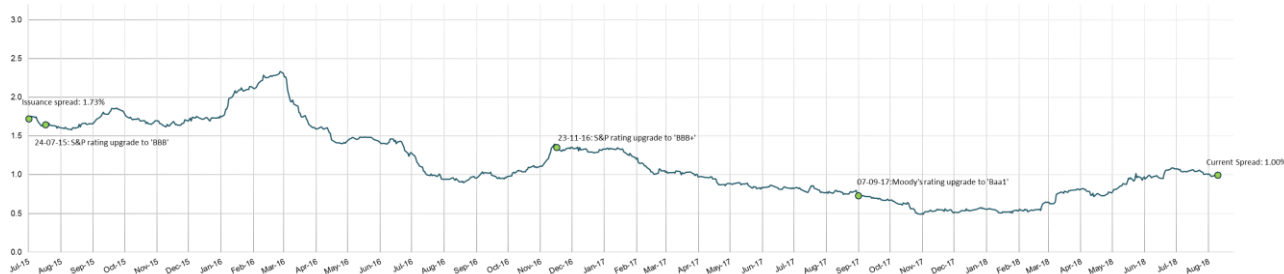
SHARE PRICE/CONVERSION PRICE THROUGHOUT THE COMPANY'S ISSUANCES



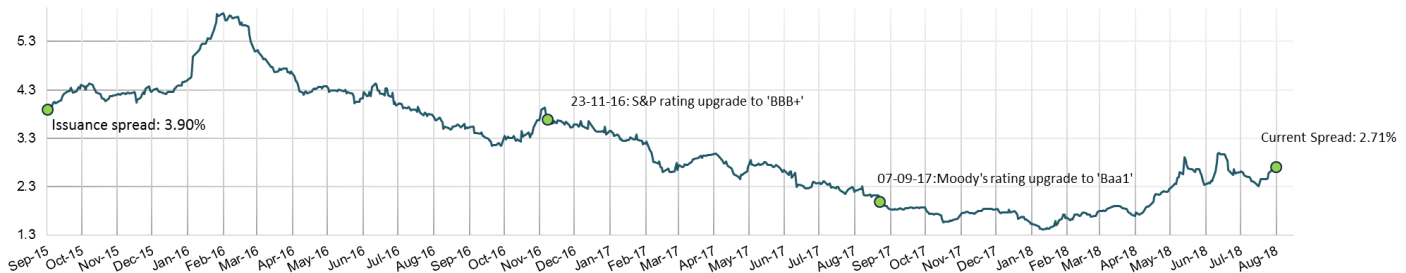
STRAIGHT BOND SERIES D SPREAD OVER MID-€-SWAP, REMAINING 3.5 YEARS



STRAIGHT BOND SERIES E SPREAD OVER MID-€-SWAP, REMAINING 7 YEARS



3.75% PERPETUAL NOTES SPREAD OVER MID-€-SWAP



CEO

Christian Windfuhr



Mr. Windfuhr is Grand City Properties' 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 University.

Board of DirectorsRafael Zamir
CFO

Mr. Zamir is Grand City's CFO and Chairman of the Board. Mr. Zamir has over 10 years of international experience in finance and accounting. Before joining GCP at the beginning of 2013, 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

Ms. Runge-Brandner is an independent Director and member of the audit-, remuneration- and nomination 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-, remuneration- and nomination 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 ManagementOr Zohar
Business development

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

Sebastian Remmert-Faltin
COO

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

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

Christian Stiewe
Construction

More than 30 years of experience in construction and project management. Past positions include Vice-President Technical Asset Management, General manager and Head of Development. Mr. Stiewe has an engineering degree 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 cooperates 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. / MBA 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-

5 CREDIT RATING MATRIX

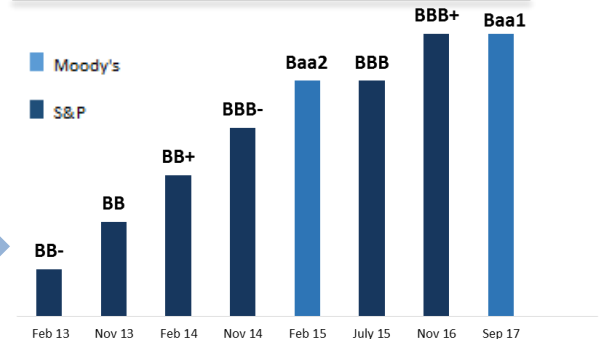
	1 Min-imal	2 Modest	3 Intermediate	4 Significant	5 Aggre-ssive	6 High Lever-aged
1 Excellent	aaa				bbb	bbb- /bb+
2 Strong	aa/ aa-	a+/ a	(Aroundtown) A- (DW) → BBB+ (GCP)	(Vonovia- BBB+)* BBB (FDR)	bb+	bb
3 Satisfactory	a/a-	bbb+	BBB/BBB- (Alstria)	BBB-/bb+	bb	b+
4 Fair	bbb /bbb -	bbb-	bb+	bb	bb-	b
5 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

*rating anchor of Vonovia is BBB, their final rating, after the effect of modifiers is BBB+

Broad Rating Factor	Rating Sub-Factor	Measure (LTM H1 2017)	Score	Measure (12-18 Month Forward View)	Score
Liquidity and Funding	Liquidity Coverage	A	A	A	A
	Debt Maturities ratio	Aa	Aa	Aa	Aa
	FFO Payout ratio	25.7%	Aa	65%-75%	Baa
Leverage and Capital Structure	Amount of Unencumbered Assets	67.5%	Baa	66%-68%	Baa
	Effective Leverage: Debt / Gross Assets	41.8%	Baa	42%-44%	Baa
	Net Debt/EBITDA	10.6x	Caa	9x-10x	B
Market Positioning and Asset Quality	Secured Debt/Gross Assets	14.1%	Baa	14%-15%	Baa
	Access to Capital	A	A	A	A
	Franchise/Brand Name	Baa	Baa	Baa	Baa
Cash Flow and Earnings	Gross Assets	\$7.62 bn	Baa	\$7.5bn-\$8.0bn	Baa
	Diversity	A	A	A	A
	Location/tenant/industry/economic Development % Gross Assets	0%	Aa	0%	Aa
Indicated Rating from Grid	Asset Quality	Ba	Ba	Ba	Ba
	EBITDA/Revenues	75.4%	Aa	70%-75%	A
	EBITDA Margin Volatility	5%	Baa	0%-5%	Baa
Actual Rating Assigned	Fixed Charge Coverage	4.6x	Aa	4.8x-5.5x	Aa
	IV/Fund Business % Revenues	0%	Aa	0%	Aa
Indicated Rating from Grid			A3	A3	
Actual Rating Assigned				Baa1	

Credit Rating development



Strong position within the investment grade scaling with a long term rating of BBB+ (A-2 short term) S&P rating and Baa1 Moody's rating

GCP's anchor rating positions the company well for further rating improvements

The Board of Directors of GCP has decided to strategically aim for A- rating from S&P and A3 rating from Moody's, and will continue to implement measures to achieve this target.

MAINTAINING STRONG AND DIVERSE FINANCING SOURCES

GCP HAS MORE THAN 50 NON-RECOURSE SEPARATE BANK LOANS FROM AROUND 20 BANKS



REVOLVING CREDIT FACILITIES



Strong corporate credit lines
with international banking
leaders of approx. €100
million



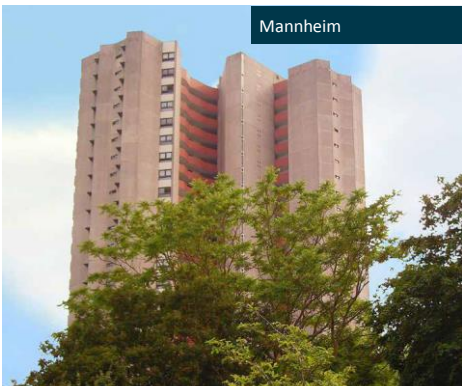
All credit facilities do not
have a Material Adverse
Change (MAC) clause

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

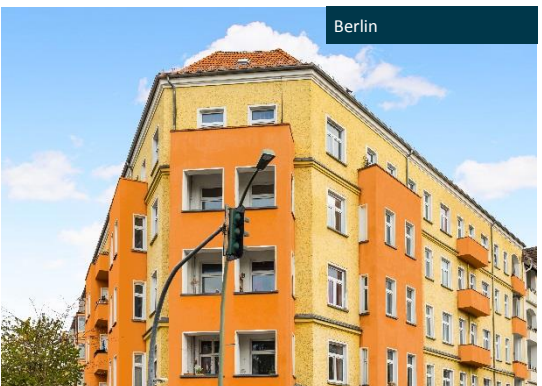
London



Mannheim



Berlin



Dresden



Essen



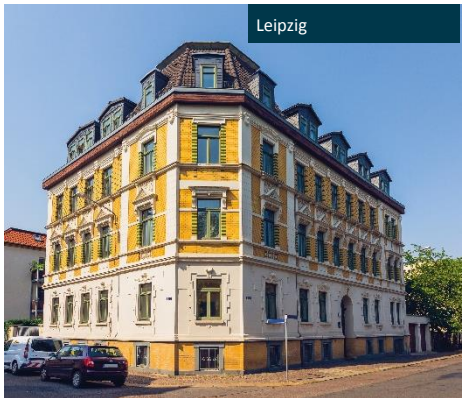
Duisburg



Hamburg



Leipzig



Berlin



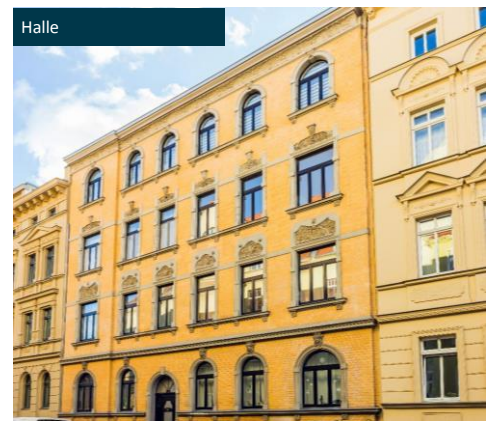
Cologne



Berlin



Halle



Leipzig



Frankfurt am Main



Berlin



Berlin



London



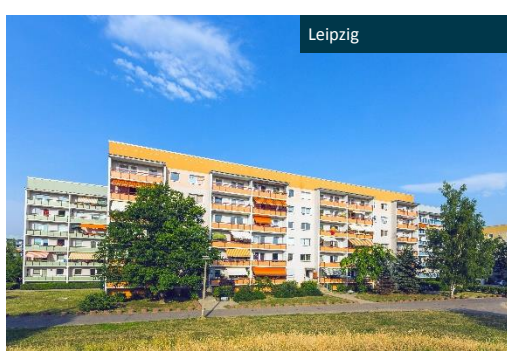
Nuremberg



Berlin



Leipzig



Munich



Bremen



Wuppertal



Dortmund





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