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GRAND CITY PROPERTIES S.A. ANNOUNCES FIRST QUARTER 2016 RESULTS SHOWING CONSIDERABLE OPERATIONAL ACHIEVEMENTS

- Rental and operating income at €101 million, up 54% YOY
- EBITDA at €122 million, up 30% YOY
- Adjusted EBITDA increased by 56% YOY to €53 in Q1 2016
- FFO I increased by 50% YOY to €38 million
- FFO I per share after Hybrid Notes attribution at €0.22, up 10% YOY
- Net profit increased to €90 million, earning per share at €0.47
- Equity at €2.4 billion, up 11% since year end 2015; Equity ratio at 46%
- EPRA NAV increased to €2.18 billion, and €2.66 billion including perpetual hybrid notes
- LTV at 40%, down from 42% as of December 2015
- Sustaining a conservative financial structure with ICR of 5.8x, and DSCR of 4.6x, up from 5.7x and 4.3x respectively in Q1 2015
- Like-for-like occupancy growth at 3.3% p.a., I-f-I in-place rent growth at 2.3% p.a.

Luxembourg, May 17, 2016 – Grand City Properties S.A. (the "Company", "GCP") started 2016 with successful portfolio growth and operational improvements. The portfolio increased to 80 thousand units as of May 2016, generating an annualized rental and operating income run rate of €423 million and an FFO I run rate of €155m.

Turnaround efforts bearing fruit, further internal growth complementing the external growth by acquisitions

The Company's significant efforts in improving the operational aspects of its assets are materializing continuously in improved occupancy rates and rental income level, supporting strong profitability. Vacancy decreased to below 10% of rentable area as of May 2016, down from 12.3% year-over-year and in-place rent at 5.3 €/sqm compared to 5.2 €/sqm as of May 2015.

The Company's efficient corporate structure allows to maintain its high profitability in parallel to the significant growth. The Adjusted EBITDA in the first quarter 2016 amounted to €53 million, increasing by 56% compared to Q1 2015, and higher than the 54% increase in rental and operation income over the same period.

Strong and well balance capital and debt structure

GCP maintains its conservative debt structure and ends the first quarter of 2016 with an LTV of 40% and an equity ratio of 46%, providing substantial financial headroom. Strong operational achievements with low interest expenses result in strong cover ratios as GCP is maintaining a highly diversified financing structure resulting in a lower cost of debt of 1.6%.

Christian Windfuhr, CEO of Grand City Properties: "Grand City is in the right path of making 2016 a strong and profitable year, capitalizing on our tremendous growth in 2015 and the steadily unfolding potential in our portfolio."

The full Q1 2016 interim report is available on the Company's website:

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

About the Company:

Grand City Properties is a specialist real estate company focused on investing in and managing turnaround 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 165560. Since May 2012, Grand City Properties is listed on the Frankfurt Stock Exchange.

Contact:

Grand City Properties S.A.
24, Avenue Victor Hugo
L-1750 Luxembourg
T: +352 28 77 87 86
E: info@grandcity.lu
www.grandcityproperties.com

Press Contact:

Katrin Petersen
Grand City Properties S.A.
T: +49 (30) 374 381 5218
E: katrin.petersen@grandcity.lu

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