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## **GRAND CITY PROPERTIES S.A. ANNOUNCES ROBUST FULL YEAR 2018 RESULTS SUPPORTED BY A STRONGER PORTFOLIO**

- Rental and operating income grew 10% to €545 million from €495 million the previous year
- Adjusted EBITDA for 2018 was €276 million, up 11% YOY
- Steady FFO I growth continued with an 11% increase to €198 million from €178 million in 2017
- FFO I per share of €1.19, as compared to €1.12 a year earlier, reflecting an FFO I yield of 5.3%. FFO I after perpetual attribution was €1.01, 5% increase YOY
- Dividend of €0.77 per share based on a payout ratio of 65% of FFO I per share (subject to AGM approval), reflecting a dividend yield of 3.4%. Net Profit amounting to €583 million resulting in an EPS (basic) of €2.95
- FFO II increased 64% YOY to €334 million driven by disposals of nearly half a billion euros
- EPRA NAV including perpetual notes expands 20% to €4.8 billion as of Dec 2018; €28.7 per share up 19% from €24.2 as of Dec 2017
- EPRA NAV per share as of Dec 2018 was €22.5, up 11% from Dec 2017
- Total Equity at €4.7 billion was 21% higher than Dec 2017 with a strong equity ratio of 53%
- Conservative financial structure maintained with a low LTV of 34%, compared to 36% in Dec 2017
- Robust financial platform reinforced with substantial debt issuances leading to long average debt maturity of over 8.3 years, low cost of debt of 1.6%, a strong ICR of 6.0x and substantial unencumbered ratio of 65% (€4.8 billion in value)
- Top-line progress driven by sustained organic growth, displayed in the like-for-like rental growth of 3.4%; in-place rent accounting for 3.1% of the growth, while occupancy growth contributing 0.3% to the like-for-like growth

**Luxembourg, March 18, 2019** - Grand City Properties S.A. ("**GCP**" or the "**Company**") is pleased to present its results for the full year 2018, completing another year of strong operational profitability demonstrated by the 11% increase in Adjusted EBITDA as well as FFO I to €276 million and €198 million respectively, compared to the previous year. GCP was also successful in realizing some of the portfolio's rent reversionary potential, driving strong top-line growth with like-for-like rent increases of 3.4% during the year. The Company's value creation credentials were demonstrated with the EPRA NAV per share (including perpetual notes) growing 19% to €28.7 from €24.2 as of December 2017.

During the year, the Company executed capital recycling measures leading to the disposal of half a billion euros of assets which were mature and/or non-core in nature. These disposals were executed at a 38% profit over total costs and 4% above the net book value, validating GCP's conservative valuations. Accordingly the FFO II increased by 64% to €334 million as compared to 2017. On the other hand, GCP has acquired over 2,200 units in London, Berlin and NRW. Additionally further 735 units in London have been acquired which are in the pre-letting and final snagging stage. The improved asset quality is demonstrated by a higher value per square meter of €1,257 (up 9%) as well as an improved average in-place rent per square meter of €6.0 (up 6%).

GCP maintains a conservative financial structure which is displayed by the long average debt maturity of over 8.3 years as well as a low average cost of debt of 1.6%. The long maturity profile is the result of issuing long term debt while repaying shorter maturities. GCP's commitment to sustainability was once again recognized by Sustainalytics, an independent sustainability rating agency in February 2019. The Company was ranked in the 95<sup>th</sup> percentile, moving up by 4 notches as compared to 2017. In addition, for the second year running, EPRA awarded GCP with the EPRA BPR Gold Award as well as the EPRA sBPR Gold Award in September 2018 for its high standards of transparency and reporting in the 2017 annual financial report as well as for its sustainability reporting.

Christian Windfuhr, CEO of Grand City Properties: "2018 has been yet another successful year for GCP, with a robust operational performance, an improved asset quality as well as strong gains on disposals. We remain committed to realizing the significant growth potential inherent in our portfolio while also evaluating attractive acquisition opportunities based on our acquisition criteria. I am thankful for the invaluable contributions of the entire team at GCP and look forward to another rewarding year in 2019."

The financial statements for FY 2018 are available on the Company's website:

<https://www.grandcityproperties.com/investor-relations/publications/financial-reports/>

For definitions of the alternative performance measures please see the relevant section in the pages 70-75 of the financial statements for FY 2018 which you can find on the website under investor relations > publications > financial reports or follow this link:

[https://www.grandcityproperties.com/fileadmin/user\\_upload/03\\_investor\\_relations/Downloads/2018/GCP\\_FY\\_2018\\_Report.pdf](https://www.grandcityproperties.com/fileadmin/user_upload/03_investor_relations/Downloads/2018/GCP_FY_2018_Report.pdf)

### **About the Company**

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas primarily in Germany. 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](http://www.grandcityproperties.com)

Grand City Properties S.A. (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 1, Avenue du Bois, L-1251 Luxembourg, Grand Duchy of Luxembourg and being registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés Luxembourg*) under number B 165 560. The shares of the Company are listed on the Prime Standard segment of Frankfurt Stock Exchange.

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