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GRAND CITY PROPERTIES S.A. ANNOUNCES H1 2015 INTERIM RESULTS DISPLAYING STRONG GROWTH AND HIGHER PROFITS

- **Rental and operating income increased to €143 million, up 51% YOY**
- **EBITDA at €235 million, up 64% compared to H1 2014**
- **Adjusted EBITDA increased to €75 million, up 51% YOY**
- **FFO I increased to €55 million, up 61% compared to H1 2014;**
- **FFO I per share after Hybrid Notes attribution at €0.41, up 41% YOY**
- **Net profit at €195 million, up 60% YOY; EPS at €1.47 +56% YOY**
- **Equity rose to €1.64 billion, up 58% YTD; Equity ratio up to 45% from 40% year-end 2014**
- **EPRA NAV climbed to €1.64 billion, up from €1.44 billion year-end 2014**
- **Leverage decreased to an LTV of 39%, compared to 45% year-end 2014**
- **LTV assuming conversion of the convertible bond is at 32% (share price is 70% premium to the conversion price)**
- **Conservative financing approach with ICR of 6.1 and DSCR of 4.5**
- **Cash and liquid assets at €454 million, supported by Hybrid Notes issuance in Q1 and Series E issuance in Q2. Hybrid Notes tap up of €100 million in July provided further acquisition firepower**
- **Like-for-like in-place rent growth is 2.5% p.a., I-f-I occupancy growth is 2.6% p.a.**

Luxembourg, August 18, 2015 – Grand City Properties S.A. (the "Company", "GCP") announces the interim results for the first half of 2015. The figures display strong portfolio growth and the fruit borne by the successful refinancing activities of the Company.

Substantial portfolio growth and capital structure improvement

GCP's portfolio grew strongly from investment property value of €2.2 billion from year-end 2014 to €3 billion in the first 6 months of 2015. Currently, as of July 2015, GCP owns 66 thousands units, up from 43 thousands units at the end of 2014. Adding the 22 thousands units owned by third parties, the total number under management amounted to 88 thousands units. The effect of this growth combined with the operational improvements in terms of rent and occupancy increase of the existing portfolio boosted rental income, with the July portfolio generating rental

and operating income at a run rate of €355 million. This in turn fed down to the bottom line, substantially increasing the net profit, and further to the EPRA NAV.

Throughout the strong growth the Company held on to its conservative capital structure approach and was able to further improve upon its excellent financial ratios. Its LTV of 39%, ICR of 6.1 together with the high firepower of cash and liquid assets will support its external portfolio growth strategy in the foreseeable future.

Successful refinancing activities boost profits

With the aim of lowering financing costs and retaining a high degree of flexibility in the future, GCP succeeded in progressing its refinancing activities, raising €800 million through the issuance of perpetual notes and Series E straight bonds (1.5% coupon) in the first 6 months of the year. This, combined with the refinance of the Series B straight bonds (6.25% coupon) with Series D straight bonds (2.0% coupon) at the end of 2014, significantly reduced the proportional financing costs of the Company in the first half of 2015.

GCP had a sharp rise in profits from operations, with FFO growing by 61%, substantially above the 51% increase in rental income. Main drivers behind the increase were operational increases and improvements and proportionally lower cost of debt achieved through the refinancing of the Company's liabilities.

Christian Windfuhr, CEO of Grand City Properties, comments: "We are pleased with our progress over the first half of 2015, having exceeded growth and operational expectations. Now we look towards the future, will continue the successful turnaround of our assets and use our improved financial profitability to generate market-leading returns for our investors."

The full H1 2015 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.

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