

CORPORATE NEWS

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**GRAND CITY PROPERTIES S.A. ANNOUNCES:**

**OFFER TO THE HOLDERS OF ITS OUTSTANDING (I) €500,000,000 2%NOTES DUE 2021 AND (II) €450,000,000 0.25% CONVERTIBLE NOTES DUE 2022 TO TENDER SUCH NOTES FOR PURCHASE FOR CASH AND LAUNCH OF AN ISSUANCE OF SENIOR UNSECURED NOTES**

*19 February 2018.*

Grand City Properties S.A. (the "**Company**") announces today that the board of directors of the Company has decided to offer to the holders of its outstanding (i) €500,000,000 2% Notes due 2021 (ISIN: XS1130507053) (the "**Senior Notes**") and (ii) €450,000,000 0.25% Convertible Notes due 2022 (ISIN: XS1373990834) (the "**Convertible Notes**" and, together with the Senior Notes, the "**Notes**") to tender such Notes for purchase by the Company for cash (each an "**Offer**").

Tender Offer in relation to the Senior Notes

The Offer in relation to the Senior Notes is subject to the terms and conditions set out in the tender offer memorandum dated 19 February 2018 (the "**Tender Offer Memorandum**") prepared by the Company. The Company is under no obligation to purchase any Senior Notes through this Offer process. Settlement of the Offer relation to the Senior Notes is expected to occur on 27 February 2018.

Tender Offer in relation to the Convertible Notes

The purchase price per EUR 100,000 principal amount of the Convertible Notes will be between EUR 100,750 and EUR 101,000 including any accrued interest. The final purchase price and the total number of the Convertible Notes and the total number of the Convertible Notes expected to be acquired will be determined on the basis of a reverse bookbuilding process, expected to close on 19 February 2018 at 18:00 CET, subject to the Company's right to accelerate. Once the holders of the Convertible Notes have submitted offers to sell, the Company will decide whether, to what extent and at what price (if any), it will purchase the Convertible Notes. The Company is under no obligation to purchase any Convertible Notes through this Offer process. Settlement of the Offer in relation to the Convertible Notes is expected to occur on 26 February 2018.

The Company is not under any obligation to accept any tender of any Senior Notes and/or Convertible Notes for purchase pursuant to the Offer, and tenders of Senior Notes and/or Convertible Notes for purchase may be rejected in the sole and absolute discretion of the Company for any reason.

If after the Settlement Date purchases (and corresponding cancellations) and/or redemptions and/or conversion in regards to the Convertible Notes should have been effected in respect of 80 per cent or more in aggregate principal amount of the Senior Notes and/or Convertible Notes, as the case may be, the Company intends to redeem all of the then outstanding Senior Notes and/or Convertible Notes, as the case may be, at their principal amount, together with accrued but unpaid interest, if any, to (but excluding) the redemption date pursuant to the terms and conditions of the Senior Notes and/or Convertible Notes, as the case may be.

The Offers are not open to any persons located or resident in the United States or that are otherwise U.S. Persons (within the meaning of Regulation S under the U.S. Securities Act of 1933, as amended), or persons acting for the account or benefit of any such persons, or in any other jurisdiction where the Offers or any participation therein would be unlawful.

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The Company also announces today that it has launched an issuance of EUR benchmark size senior unsecured notes due 2027 (the "**New Notes**") under the Euro Medium Term Note Programme. The New Notes will be admitted to trading on the regulated market of the Irish Stock Exchange.

The purpose of the Offers is to proactively manage debt redemptions. The Company intends to use the amount raised by the New Notes to re-finance and/or repay existing debt, including in connection with the Offer.

Deutsche Bank AG, London Branch, Goldman Sachs International, BofA Merrill Lynch and Morgan Stanley & Co. International plc are acting as Joint Dealer Managers for the tender offer.

### **About the Company**

The Company is a specialist in residential real estate, value-add opportunities in densely populated areas 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 Grand City Properties are listed on the Prime Standard segment of Frankfurt Stock Exchange.

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