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**GRAND CITY PROPERTIES S.A. ANNOUNCES RATING UPGRADE TO ‘Baa1’ BY MOODY’S,
INCLUSION IN MDAX AND EPRA AWARDS**

Luxembourg, September 7, 2017 – Moody’s Investors Service (“Moody’s”) has increased Grand City Properties S.A.’s (“GCP” or the “Company”) long-term issuer rating to Baa1 with a stable outlook. Accordingly, the rating of GCP’s straight and convertible bonds have been upgraded as well to Baa1 rating and the subordinated perpetual instruments have been upgraded respectively to Baa3.

The upgrade is due to GCP’s lower effective leverage according to Moody’s, excellent fixed charge cover ratio, ample liquidity and financial flexibility and best-in-class unencumbered assets ratio. Further, Moody’s acknowledges GCP’s ability and track record in reducing vacancies and increasing rental income successfully. Moody’s points out GCP’s geographic diversification across multiple metropolitan areas as well as the lower exposure to regulatory risk and rental caps compared to other German residential landlords as rental growth comes also from increasing occupancies.

The Moody’s research on Grand City Properties S.A. is available on the Company’s website:

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

Moreover, the Deutsche Börse has announced that GCP will be included in the MDAX index, constituting of the 50 companies that rank immediately below the companies included in the DAX index. The inclusion will be effective as of 18 September 2017 and will result in higher market visibility and accessibility.

In addition, on 6 September 2017, the European Public Real Estate Association (“EPRA”) has acknowledged the Company’s high transparency and EPRA best practice reporting by awarding GCP with a Gold Award, which is the highest standard award. Additionally, GCP received the Most Improved Annual Report Award. For sustainability, GCP was also awarded by EPRA with the sBPR Gold Award and Most Improved Award on sustainability. EPRA also awarded the Company’s Outstanding Contribution to Society with the 1st place for its outstanding services provided to its tenants through its Social Tenant Manager program.

Christian Windfuhr, CEO of Grand City Properties: “We are very pleased to have accomplished these corporate milestones, which strongly support our equity, perpetual notes and our debt. Looking forward we reiterate our long term goal of achieving an A-/A3 credit rating. We will continue on this path by further improving our performance on all fronts. We are also pleased that our exceptional tenant service was acknowledged by EPRA, which is the result of maintaining a high dedication to our tenants.”

About the Company:

Grand City Properties 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

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 1, Avenue du Bois, L 1251 Luxembourg and being registered with the Luxembourg trade and companies register (Registre de Commerce et des Sociétés Luxembourg) under number B 165 560. Since May 2012, Grand City Properties is listed on the Frankfurt Stock Exchange.

Contact:

Grand City Properties S.A.
1, Avenue du Bois
L-1251 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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