



Platinum Business Park, Warsaw, Poland



# Agenda

- **Q1 highlights & performance**
- **Markets update**
- **Portfolio overview**
- **Key financial results**

# Q1 Highlights & Performance



GTC Metro, Budapest, Hungary



# Q1 key highlights

Kazimierz Office Center, Cracow, Poland

## **Stable operating result y-o-y, despite sale of Galeria Mokotów in mid-2011**

- Active asset management
- Further improvement in average occupancy rate

## **Revaluation of the portfolio showed no material result**

- Minor revaluation gain was partly offset by small negative revaluations

## **Annual Shareholders Meeting approved rights issue of up to 100m shares**

- Rights issue is aimed at strengthening of balance sheet and to facilitate deleveraging
- Planned rights issue to generate €100m

## **2012 bonds tranche repaid at maturity, decreasing total debt by €21m**

## **Corius loan signed in April 2012**

- Generated €13m free cash

## **Further renegotiations with banks allowed for reclassification of €25m to long term liabilities**



# Q1 performance

Spiral, Budapest, Hungary

## 51,000 sq m of office and retail space leased in Jan-April 2012

- 15,000 sq m in Kraków prolonged by State Street
- 6,500 sq m leased to various tenants in Francuska Office Centre
- 11,000 sq m prolonged in Platinum Business Park
- New leases in Galleria Burgas filling up the shopping mall for the opening

## Improvements in leasing activities led to increased overall occupancy and increased average length of leases

- Francuska Office Centre 60% leased; First building fully let and second building already with tenants
- Corius 97% leased three months after completion
- Platinum V 90% leased 2 months before completion
- Galleria Burgas 90% leased at the opening scheduled for 15 May 2012
- State Street lease prolonged for 10 years in Korona Office Park in Kraków



# Markets update

## Challenging market conditions affecting SEE economies primarily

Okęcie Business Park, Warsaw, Poland

### Office Markets – GTC's office portfolio proved resilient across CEE and SEE

- A cautious market has led to reduction in the availability of financing and limited development lending, resulting in declining new office completions in the region
- Investor sentiment for Warsaw continues to be positive with transaction volume remaining strong
- Prime rents across the region have remained largely stable and vary between markets from €20 sqm / month in Bucharest to €27 sqm / month in Warsaw

### Retail Markets – Market conditions continue to remain challenging in SEE

- Prime retail rents in Warsaw were flat y-o-y at a level of €90 sqm / month. However, limited pipeline combined with solid market fundamentals may potentially exert an upward pressure on rents in Warsaw

### Residential Markets – GTC residential properties continue to be impacted by deterioration of mortgage availability and economic conditions

- Romania: Stabilisation of prices observed in second half of 2011. However, developers active on the local market still need to cope with existing market offering of unsold apartments
- Prague residential market was supported by upcoming expected VAT increase, resulting in acceleration of acquisitions by buyers

### Investment Markets – Lack of financing and narrowing investor requirements remain the key concerns

- Overall commercial property investment volumes in CEE amounted to €900m during Q1 2012, the lowest volume achieved since Q3 2009
- The main reasons relate to less financing being available and narrowing investor requirements
- Standing investments are clearly favoured with development financing increasingly challenging to obtain, affecting development pipeline
- While the Czech Republic, Poland and Russia saw strong retail investment activity in 2011, total retail investment in CEE in Q1 2012 amounted to less than €200m
- Capital values in CEE remained virtually unchanged in Q1 2012

# Portfolio Overview



Harfa Office Park, Prague, Czech Republic



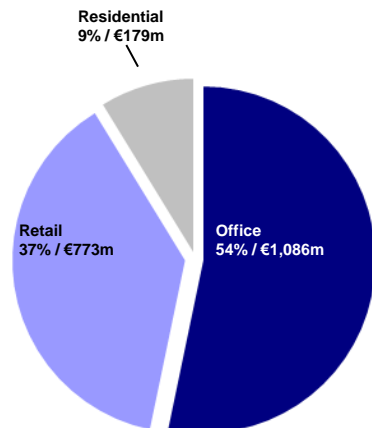
# Balanced portfolio with CEE focus\*

Stable CEE markets and SEE markets with upside potential

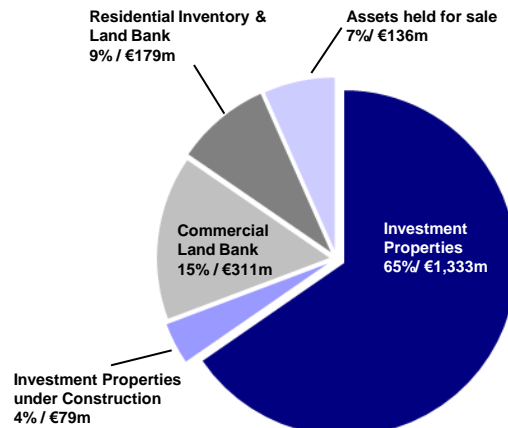
- Standing portfolio with exposure to stable CEE and more opportunistic SEE markets
- Commercial assets continue to account for c. 90% of the total portfolio value
- Completed properties constitute 72% of property portfolio
- Poland remains the largest market

## By asset class

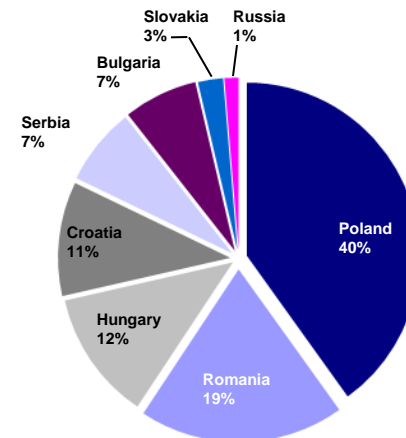
As of 31 March 2012



## By development stage



## By country (total portfolio)



**Total: €2,038m**

\* Includes Platinum 1-4; excludes attributable GAVs for assets in Czech Republic and Ukraine where GTC holds minority stakes



Galeria Wilanów, Warsaw, Poland

# Poland remains as main focus

Poland accounts for over 50% of pro-forma portfolio as of December 2014

## Current commercial investment property portfolio

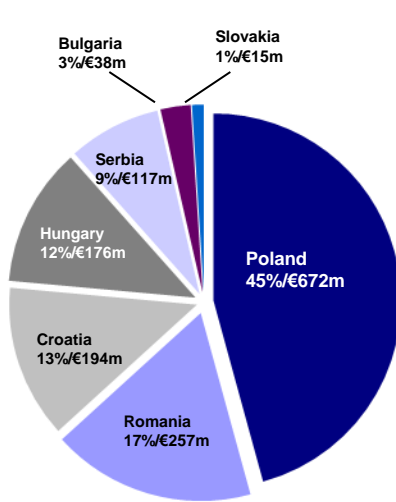
## Going forward

### Value by country \*

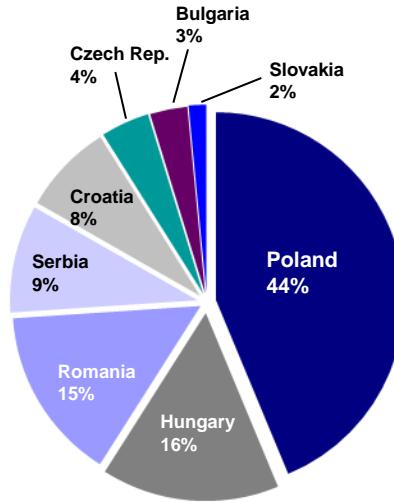
### NRA \*\* by country

### Pro-forma portfolio of YE 2014\*\*\*

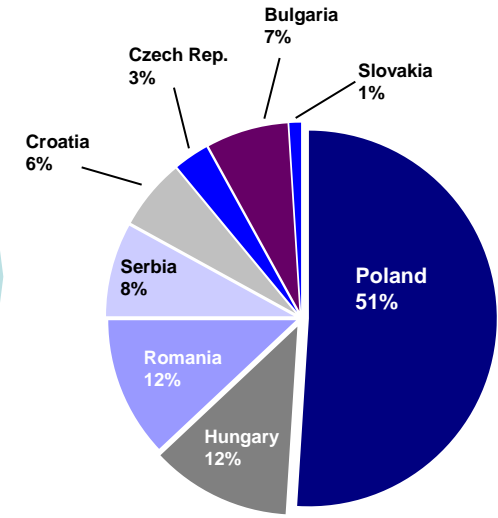
As of 31 March 2012



Total: €1,469m



Total: 579,856 sq m



Total: 718,356 sq m \*\*

\* Includes Platinum 1-4; Excludes attributable value for commercial standing assets in Czech Republic and Ukraine where GTC holds minority stakes

\*\* NRA is pro-rata to GTC holding

\*\*\* Assumes completion of Platinum V, Galleria Burgas, Galeria Wilanów and Galeria Białoleka



# Commercial developments schedule

## Focus on Poland and retail sector

- Quality large-scale retail schemes in Warsaw to be completed by 2014
- Additional quality office and retail projects ready for future development

### Under development

Property	Location	Total NRA (sq m)*	Type	Year of completion	GTC's share
Platinum Business Park 5	Warsaw, Poland	11,000	Office	2012	100%
Galeria Burgas	Burgas, Bulgaria	29,200	Shopping mall	2012	80%

### Pipeline

Property	Location	Total NRA (sq m)*	Type	Year of completion	GTC's share
Galeria Wilanow	Warsaw, Poland	38,300	Shopping mall	tbd	50%
Galeria Bialoleka	Warsaw, Poland	60,000	Shopping mall	tbd	100%

### Future projects

Property	Location	Total NRA (sq m)*	Type	Year of completion	GTC's share
ADA Shopping Mall	Belgrade, Serbia	31,755	Shopping mall	tbd	100%
Ana Tower	Bucharest, Romania	15,000	Office	tbd	50%
Okęcie Business Park 4	Warsaw, Poland	9,140	Office	tbd	100%
Platinum Business Park 6	Warsaw, Poland	14,500	Office	tbd	100%
University Business Park	Łódź, Poland	18,400	Office	tbd	100%
Willson Office Park	Poznań, Poland	15,000	Office	tbd	100%
Avenue Park	Zagreb, Croatia	10,533	Office	tbd	100%
GTC Square 2	Belgrade, Serbia	25,000	Office	tbd	100%
Several office developments	Czech Republic	12,507	Office	tbd	32%

\* Pro-rata to GTC holding



# Update on projects under development

## Galleria Burgas and Platinum Business Park V

- **Galleria Burgas (Burgas, Bulgaria)**

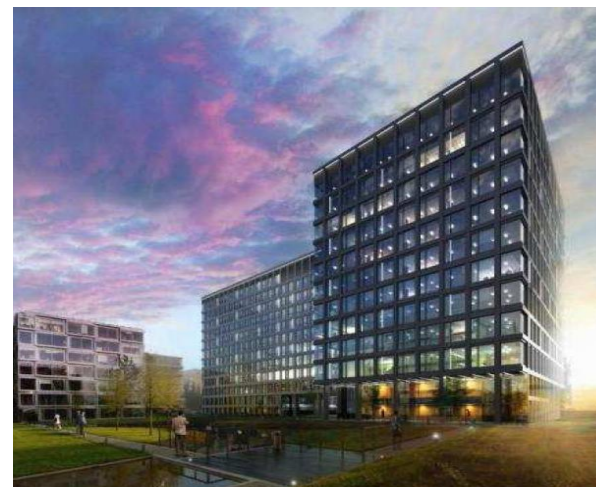
- First modern shopping centre in the city of Burgas
- 36,500 sq m lettable area
- Opening scheduled for 15 May 2012
- 90% let at the opening
- Anchors include Zara and H&M
- Book value of €50m



**Galleria Burgas, Burgas, Bulgaria**

- **Platinum V (Warsaw, Poland)**

- Fifth building of Platinum Business Park
- Scheduled completion for June 2012
- 11,000 sq m class A office space in 11 floors
- 90% pre-let 2 months before completion
- Book value of €14m



**Platinum V, Warsaw, Poland**

# Key Financial Results



Okęcie Business Park, Warsaw, Poland

# Key indicators

Okęcie Business Park, Warsaw, Poland

€ m	Q1'12	Q1'11	Q4'11	FY 2011
Gross profit from Operations	23	22	23	95
Profit after taxation	3	8	(137)	(338)
Earnings per share	0.03	0.05	(0.62)	(1.23)
Cash, cash equivalents and short term deposits	163	160	179	179
Loans, bonds & derivatives	1,375	1,422	1,374	1,374
<b>LTV</b>	<b>60%</b>	<b>53%</b>	<b>60%</b>	<b>60%</b>
<b>Calculation of NNNAV</b>				
Investment property (incl. assets held for sale) and related*	1,858	2,192	1,838	1,838
Residential inventory and land bank	179	258	181	181
Other items	111	137	130	130
Net debt	(1,269)	(1,416)	(1,281)	(1,281)
<b>NAV</b>	<b>879</b>	<b>1,171</b>	<b>868</b>	<b>868</b>
Deferred tax on revaluation and mark to market of hedges	(123)	(136)	(124)	(124)
<b>NNNAV**</b>	<b>755</b>	<b>1,035</b>	<b>744</b>	<b>744</b>

\* Includes standing commercial assets, assets held for sale, investment property under construction including commercial landbank valued at €311m

\*\* Mark to market of debt is assumed to be zero as interest margin is assumed to be within the market rate



City Gate, Bucharest, Romania

# Balance sheet highlights

- Valuation of property portfolio conducted by the management
  - Average occupancy at c. 89%
- Loan to value ratio net of cash at 60%
- Renegotiations of loans with banks allowed for reclassification of €25m to long-term debt

€ m	Q1'12	Q1'11	FY 2011
Investment property and L.T. assets (inc. IPUC)	1,723	2,192	1,704
Assets held for sale	136	-	134
Investment in shares and associates	55	54	54
Cash and deposits	163	160	179
Inventory	179	259	181
Other current assets	55	83	57
<b>TOTAL ASSETS</b>	<b>2,311</b>	<b>2,748</b>	<b>2,310</b>
Equity	739	1,078	724
Long term financial debt	1,146	1,326	1,110
Other long term liabilities	129	147	129
Current liabilities	251	109	285
Trade payables and advances	46	89	62
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,311</b>	<b>2,748</b>	<b>2,310</b>
<b>Financial ratios</b>			
Loan to value ratio (LTV)	60%	53%	60%

# Bank debt and LTV

Galeria Wilanów, Warsaw, Poland

## Loan to value breakdown as at 31 March 2012

€ m	Q1'12	Q1'11	FY 2011
Long-term bank debt and financial liabilities	1,146	1,326	1,110
Short-term bank debt and financial liabilities	251	109	285
<b>Total bank debt and financial liabilities</b>	<b>1,397</b>	<b>1,435</b>	<b>1,395</b>
Cash & cash equivalents and short term deposits	163	160	179
<b>Net debt and financial liabilities</b>	<b>1,234</b>	<b>1,275</b>	<b>1,216</b>
IP, inventory, assets held for sale	<b>2,038</b>	<b>2,396</b>	<b>2,020</b>
Loan to value ratio	<b>60%</b>	<b>53%</b>	<b>60%</b>

## Loan to value as at 31 March 2012

€ m	Completed commercial	Commercial under construction	Residential inventory	Land	Total
Real estate property	1,469	129	77	362	<b>2,038</b>
Long term debt & fin. liab., net of cash/deposits*	1,061	56	67*	49	<b>1,234</b>
Loan/ to value	72%	43%	87%	14%	<b>60%</b>

\* Mainly loans from JV partners

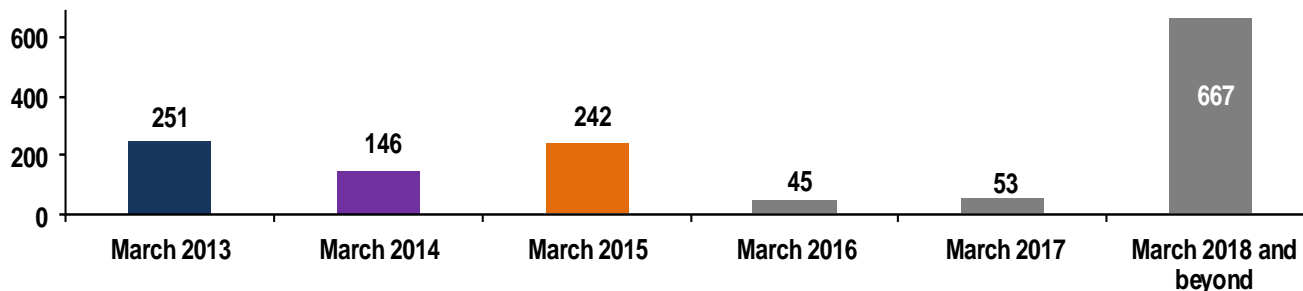


# Debt maturity profile

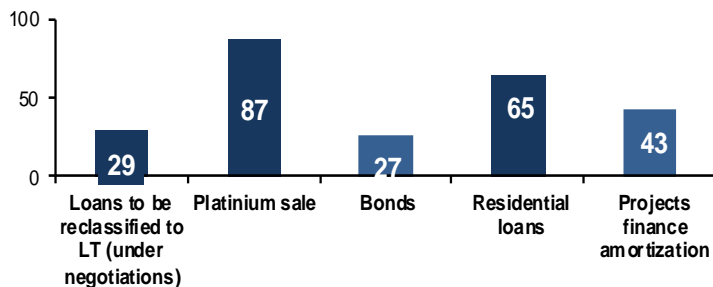
Center Point, Budapest, Hungary

## Debt maturity schedule as at 31 March 2012

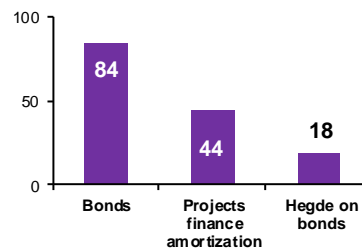
- March 2013 includes a loan of € 29m that is under negotiations; upon successful covenant reset it will be reclassified to long term debt



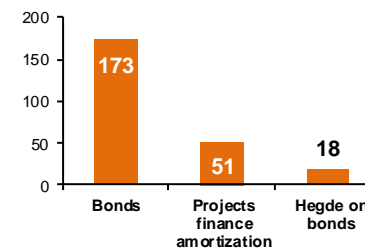
### March 2013



### March 2014



### March 2015





# Income statement highlights

Wilson Office Park, Poznań, Poland

- Stable rental and service revenues
- Sale of residential properties focused on cash repatriation rather than profit maximization
- Stable operating profit before revaluation and impairment despite sale of Galeria Mokotów

(€ m)	Q1'12	Q1'11	Q4'11	FY 2011
Rental and service revenue	32	31	32	129
Residential sales revenue	5	4	4	25
Operating revenue	<b>36</b>	<b>35</b>	<b>36</b>	<b>154</b>
Cost of rental operations	(9)	(8)	(10)	(37)
Cost of residential sale	(4)	(4)	(3)	(24)
<b>Gross margin from operations</b>	<b>23</b>	<b>22</b>	<b>23</b>	<b>95</b>
Selling expenses	(2)	(2)	(2)	(7)
G&A expenses	(4)	(5)	(6)	(21)
Other income/(expenses)	(1)	-	-	(3)
<i>Rental Margin</i>	<i>72%</i>	<i>74%</i>	<i>70%</i>	<i>72%</i>
<b>Operating profit before revaluation and impairment</b>	<b>16</b>	<b>15</b>	<b>16</b>	<b>64</b>
<i>Profit (loss) from revaluation of Invest.property and impairment</i>	2	14	(118)	(296)
<b>Operating profit</b>	<b>18</b>	<b>29</b>	<b>(103)</b>	<b>(231)</b>
Financial expenses, net	(17)	(15)	(22)	(88)
<b>Profit before tax</b>	<b>2</b>	<b>15</b>	<b>(125)</b>	<b>(320)</b>
Tax	1	(6)	(12)	(18)
<b>Profit for the period</b>	<b>3</b>	<b>8</b>	<b>(137)</b>	<b>(338)</b>
<b>Attributable to:</b>				
Equity holders	6	10	(112)	(270)
Minority interest	3	2	(25)	(68)



# Cash flow statement highlights

Galeria Kazimierz, Cracow, Poland

(€ m)	Q1'12	Q1'11	FY 2011
Cash flow from operating activities	13	17	68
Investment in real-estate and related	(21)	(61)	(179)
Cash flow from asset disposals (investment)	-	(17)	93
Financial expenses	(12)	(11)	(62)
Proceeds from financing activities, net	6	3	30
<b>Net change</b>	<b>(14)</b>	<b>(69)</b>	<b>(50)</b>
Cash at the beginning of the period	142	192	192
Cash at the end of the period	128	123	142

- Cash from operations decreased as a result of a shift in increase/decrease in payables
- Investment activity is selective and adjusted to global economy circumstances
- Average interest rate of ca. 5.0% p.a.

# Additional Materials



Francuska Office Center, Katowice, Poland



# Completed commercial properties

## Segmental analysis

As of 31 March 2012

	Poland	Hungary	Serbia	Croatia	Romania	Bulgaria	Slovakia	Subtotal	Czech*	Total	
Office	Pro rata to GTC holding, NRA, sq m	184,990	88,630	53,900	4,900	28,218	-	8,820	<b>369,458</b>	10,989	<b>380,447</b>
	Total NRA sq m	184,990	88,630	53,900	7,000	47,900	-	12,600	<b>395,020</b>	35,502	<b>430,522</b>
	Number of assets	16	5	3	1	2		1	<b>28</b>	2	<b>30</b>
	Average Rent, €/sq m	17	13	16	-	22	-	9	<b>16</b>	11	<b>16</b>
	Average occupancy	86%	91%	93%	-	96%	-	46%	<b>88%</b>	25%	<b>86%</b>
	Book Value, € m	429	177	117	-	173	-	15	<b>911</b>	8	<b>914</b>
Retail	Pro rata to GTC holding, NRA, sq m	68,600	-	-	40,500	58,400	18,707	-	<b>186,207</b>	13,202	<b>199,409</b>
	Total NRA sq m	87,700	-	-	54,000	69,500	24,943	-	<b>236,143</b>	41,500	<b>277,643</b>
	Number of assets	2	-	-	2	4	1	-	<b>9</b>	1	<b>10</b>
	Average Rent, €/sq m	24	-	-	17	9	7	-	<b>16</b>	19	<b>16</b>
	Average occupancy	96%	-	-	89%	87%	82%	-	<b>92%</b>	94%	<b>92%</b>
	Book Value, € m	243	-	-	194	84	38	-	<b>559</b>	58	<b>617</b>
Total	Pro rata to GTC holding, NRA, sq m	253,590	88,630	53,900	45,400	86,618	18,707	8,820	<b>555,666</b>	24,190	<b>579,856</b>
	Total NRA sq m	272,690	88,630	53,900	61,000	117,400	24,943	12,600	<b>631,163</b>	77,002	<b>708,165</b>
	Number of assets	18	5	3	3	6	1	1	<b>37</b>	3	<b>40</b>
	Average Rent, €/sq m	19	13	16	17	15	7	9	<b>16</b>	18	<b>16</b>
	Average occupancy	88%	91%	93%	89%	90%	82%	46%	<b>89%</b>	63%	<b>86%</b>
	Book Value, € m	672	177	117	194	257	38	15	<b>1,469</b>	66	<b>1,535</b>

\* Pro-rata to GTC holding



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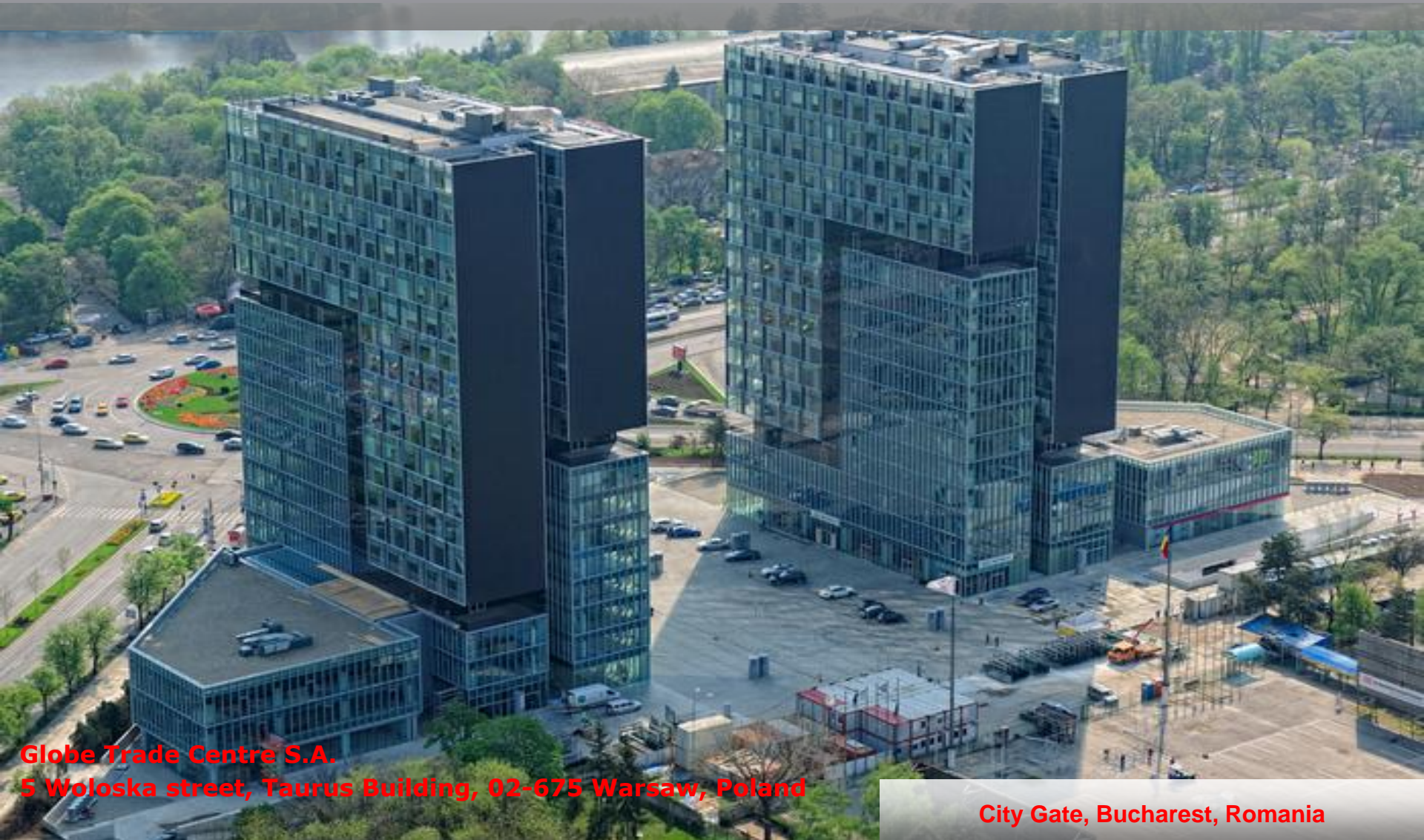
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**Globe Trade Centre S.A.**  
**5 Woloska street, Taurus Building, 02-675 Warsaw, Poland**

**City Gate, Bucharest, Romania**