

GTC | 
Q3 2016 RESULTS

28 NOVEMBER 2016

CONTENTS

1

Key highlights Q3 & 9M 2016

2

Portfolio overview

3

Projects in development and pipeline

4

Operations and financials

1 KEY HIGHLIGHTS Q3 & 9M 2016

Portfolio and operations – a significant growth momentum

- **Acquisition and development drove GAV of income generating portfolio to €1,222m**
 - €152m acquisition of 5 office buildings with NLA of 59,000 sq. m
 - Completion of University Business Park B (Łódź) and FortyOne II (Belgrade)
- **Currently 106,000 sq. m under construction with over 82,000 to be completed in 2017**
 - Construction of **Galeria Północna** progressing as planned with the opening scheduled for summer 2017 (prelease at 63%)
 - Construction of **FortyOne III** progressing as planned with the opening scheduled for Q1 2017 (prelease at 70%)
 - Construction of **Artico** according to the initial plan. Opening is scheduled for Q3 2017
 - **White House** is expected to be launched in early Q1 2017 after the completion of the pre-construction works
- **160,000 sq. m in the planning stage and another 39,000 sq. m in the pre-planning stage**
- **Completion of disposal of non core completed assets. Disposal of land bank is progressing**
- **Leasing activity**
 - 94,000 sq. m of office and retail space newly leased and renewed in the 9M 2016, including 13,000 sq. m of Romtelecom lease prolongation in City Gate and 12,200 sq. m of IBM in Korona Office Complex
 - Stable occupancy level at 91%

1 KEY HIGHLIGHTS Q3 & 9M 2016

Financial highlights

- **NOI** increased by 10% to €65m in 9M 2016 (€59m in 9M 2015)
- Completion of a merger between GTC SA and its Dutch entities
- **Profit after tax** at €107m in 9M 2016 of which €71m in Q3 2016 (€17m in 9M 2015 of which €11m in Q3 2015)
- **Acquisitions amounted to** €152m in 9M 2016
- **Investment in assets under construction** of €64m in 9M 2016 (€17m in 9M 2015)
- **EPRA NAV** increased by 8% to €837m (€779m as of 31 December 2015); **EPRA NAV / share of** €1.82 [PLN 7.85] as of 30 Sept 2016 (€1.69 [PLN 7.29] as of 31 December 2015)
- Project financing raised in the amount of €175m, resulted in an increase in LTV to 45%
- **14% FFO** improvement to €33m (€29m in 9M 2015)
- €29m of Euro denominated bonds issued in November on the Polish market

Calculated at 4.3120 exchange rate (NBP, 30 September 2016)

CONTENTS

1

Key highlights Q3 & 9M 2016

2

Portfolio overview

3

Projects in development and pipeline

4

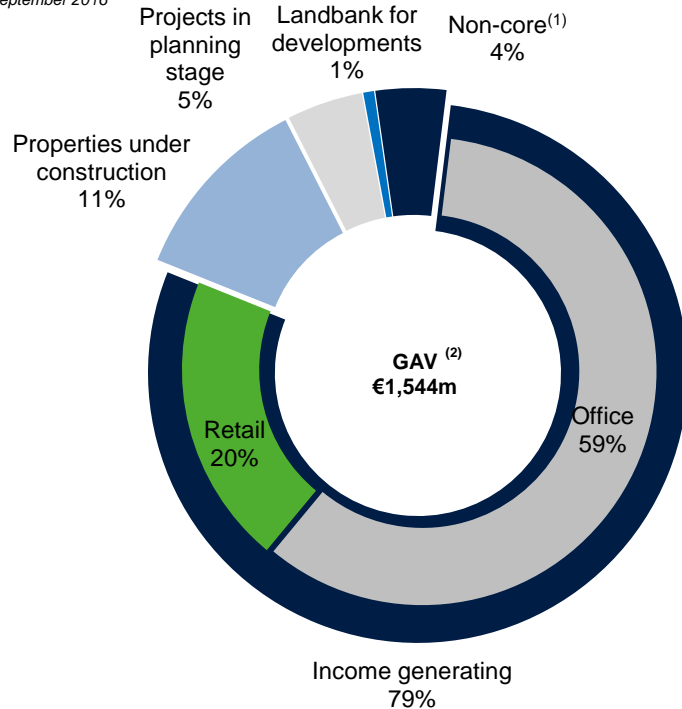
Operations and financials

2 PORTFOLIO OVERVIEW

Balanced portfolio provides stable rental income and significant growth potential from secured developments

Regional diversification (income generating portfolio)

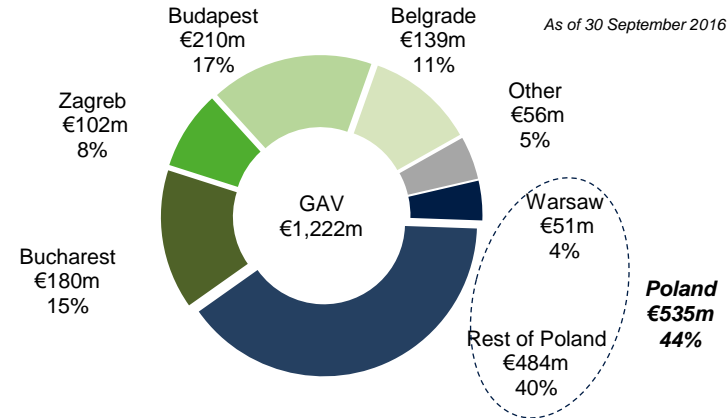
As of 30 September 2016



- Income generating assets of €1,222m (79% of total portfolio)
- 11% of portfolio under construction
- 5% of portfolio in planning stage
- 1% of portfolio in secured landbank for future development
- Poland remains key country with 44% of income generating assets

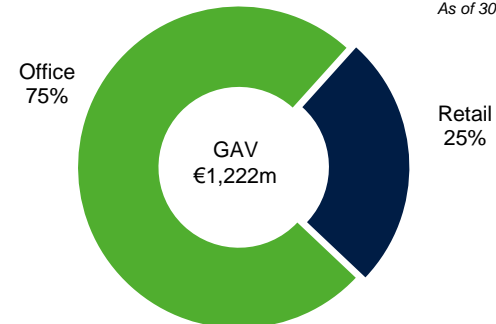
Note (1) Includes Residential Landbank & Inventory (1%) and Assets held for sale (1%); (2) Excludes €5m of investment in associates and 50% Joint Ventures

As of 30 September 2016

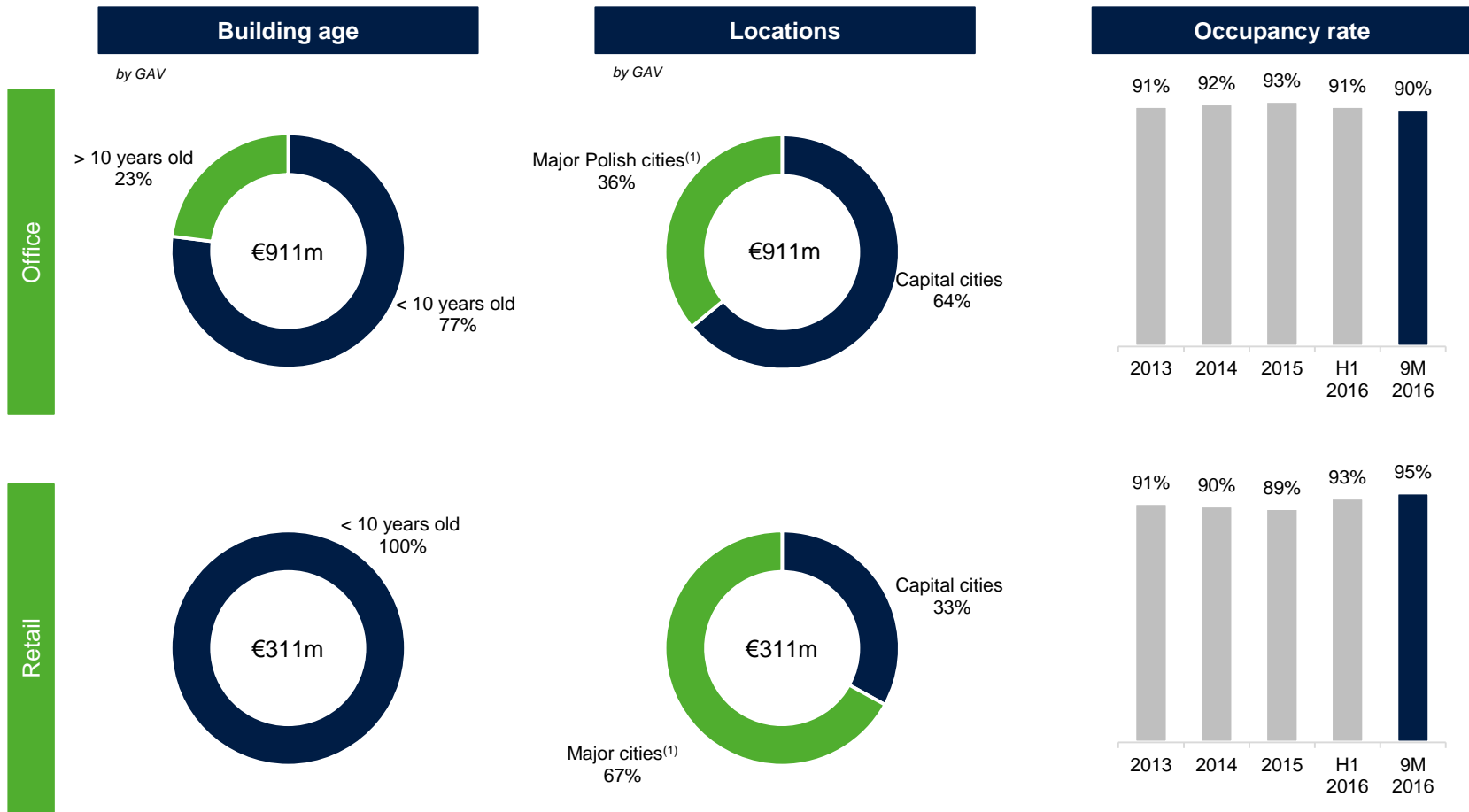


Portfolio by asset class (income generating)

As of 30 September 2016



2 QUALITY PROPERTIES










- GTC owns some of the highest quality assets in capitals of major CEE and SEE countries
- Significant strengthening of retail portfolio through development and acquisitions

Source: GTC

Note: (1) Cities with more than 100,000 inhabitants

2 TOP PROPERTIES

Top properties	Asset class	Country	City	Book Value €m	NLA ths. sq. m	Rent €/sq. m/month	Occupancy %
Galeria Jurajska		Poland	Czestochowa	153	49	19.7	92%
City Gate		Romania	Bucharest	147	48	18.2	97%
Avenue Mall Zagreb		Croatia	Zagreb	102	36	19.6	97%
Center Point I&II		Hungary	Budapest	79	37	13.9	98%
Korona Office Complex		Poland	Cracow	77	37	14.2	94%
University Business Park		Poland	Łódź	63	39	12.5	73%
Duna Tower		Hungary	Budapest	54	31	13.7	81%
TOTAL				675	277		

Office



City Gate, Bucharest, Romania



Center Point, Budapest, Hungary



Korona Office Complex, Cracow, Poland



Duna Tower, Budapest, Hungary

Retail



Galeria Jurajska, Czestochowa, Poland



Avenue Mall Zagreb, Zagreb, Croatia

CONTENTS

1

Key highlights Q3 & 9 M 2016

2

Portfolio overview

3

Projects in development and pipeline

4

Operations and financials

3 106,000 SQ. M UNDER CONSTRUCTION WITH OVER 82,000 SQ. M TO BE COMPLETED ALREADY IN 2017

Projects under construction



Galeria Północna
Warsaw, Poland



NLA (sq. m) 64,000

Parking units 2,000

Total investment cost (€m) 178

Expected year of completion 2017



FortyOne III
Belgrade, Serbia



NLA (sq. m) 10,700

Parking units 490⁽¹⁾

Total investment cost (€m) 17

Expected year of completion 2017



Artico
Warsaw, Poland



NLA (sq. m) 7,600

Parking units 153

Total investment cost (€m) 19

Expected year of completion 2017



White House
Budapest, Hungary



NLA (sq. m) 23,000

Parking units 299

Total investment cost (€m) 45

Expected year of completion 2018

Source: GTC

Note: (1) Whole complex

3 160,000 SQ. M IN PLANNING STAGE



Description

SHOPPING MALL
 The new destination spans over five floors of commercial space, and three levels of underground parking linked together by the mall.

NLA (sq. m)	31,100
Parking units	1,000
Completion year	2019
GTC share (%)	100%

Location

Belgrade, Serbia
 situated at the intersection of the residential neighbourhood of Banovo Brdo, the Ada Ciganlija Island, the old city of Belgrade and New Belgrade.



Project description

- Location in Belgrade, in the main city recreation area (lake, park, water sports, golf course, etc.)
- The increasingly popular recreational zone often has over 100,000 visitors daily and up to 300,000 at weekends, which makes Ada Mall one of the best located malls in Serbia.
- Total GLA of more than 34,000 sq. m
- More than 1,000 car parking spaces
- Zoning – completed



Source: GTC

3 PROJECTS IN PLANNING STAGE

GREEN HEART



Description

OFFICE BUILDING

Green Heart is office development project in Belgrade which offers over 25,500 sq. m premium office space

NLA (sq. m)	25,500
Parking units	886
Completion year	2019
GTC share (%)	100%

Location

Milutina Milankovica
Belgrade
Serbia

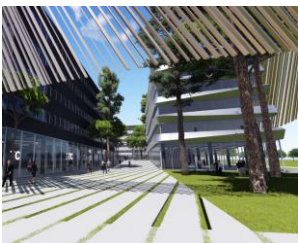


GREEN HEART
NEW BELGRADE



Project description

- Three class A office building
- Land size – 19,500 sq. m
- 25,500 sq. m premium office space
- 886 parking
- Restaurant and shops in complex
- 5 min. to city center
- 15 min. to airport



Source: GTC

3 PROJECTS IN PLANNING STAGE BUDAPEST CITY TOWER (V-RK)



Source: GTC

Description

OFFICE BUILDING

The Budapest City Tower will be the tallest A class office building in Budapest once completed. A unique place for tenants who will want to stand out of the crowd with their HQ 23 floors above Budapest.

NLA (sq. m)	42,500
Parking units	623
Completion year	2019
GTC share (%)	100%

Location

VÁCI ÚT/RÓBERT KÁROLY KRT
Budapest
Hungary



Project description

- Class A landmark office tower- 90m high with 24 floors
- Total complex leasable area of 42,500 sq. m
- 1,350 – 4,050 sq. m leasable area per floor
- Located by M3 Metro station on junction of Váci út / Róbert Károly Krt with high visibility and superb accessibility

3 PROJECTS IN PLANNING STAGE



Description

First large shopping centre in South Warsaw, in one of the fastest growing upper-mid residential areas “Miasteczko Wilanów”; with strong and diversified fashion, entertainment and gastronomy

NLA (sq. m)	61,000
Parking units	2,180
Completion year	2019
GTC share (%)	100%

Location

South Warsaw, Poland
Przyczółkowa Street
next to „Miasteczko Wilanów”



Project description

- NLA: 61,000 sqm
- ca. 250 leasable units
- Hypermarket of 7,000 sqm of sales area
- Diversified fashion, sports & electronic offer
- Leisure & entertainment facilities – cinema, fitness, kid’s play area
- Diversified gastronomy offer – food court, cafes, restaurants
- **LEED** certification

Source: GTC

3 PROJECTS IN PRE-PLANNING STAGE



Description

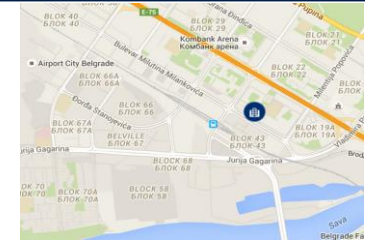
OFFICE BUILDING

An office development project in Belgrade which offers over 16,500 sq. m premium office space

NLA (sq. m)	16,500
Parking units	330
Completion year	2019
GTC share (%)	100%

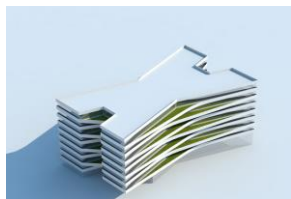
Location

Milutina Milankovica
Belgrade
Serbia



Project description

- Class A office building
- 16,500 sq. m premium office space
- 303 parking
- 5 min. to city center
- 15 min. to airport



Source: GTC

3 PROJECTS IN PRE-PLANNING STAGE

AVENUE PARK ZAGREB



Description

OFFICE BUILDING

An office development project in Zagreb which offers over 22,100 sq. m premium office space

NLA (sq. m) 22,100

Parking units 588

Completion year 2019

GTC share (%) 100%

Location

Slovanska Venue
Zagreb,
Croatia



Project description

- Class A office building
- 22,100 sq. m premium office space
- 588 parking

Source: GTC

CONTENTS

1

Key highlights Q3 & 9M 2016

2

Portfolio overview

3

Projects in development and pipeline

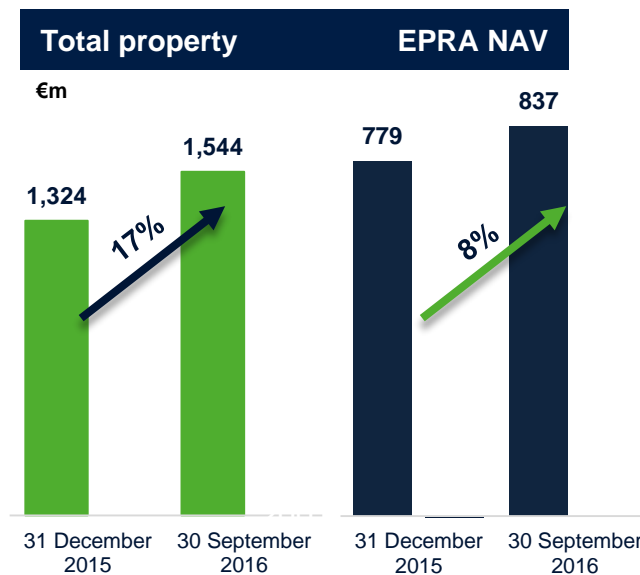
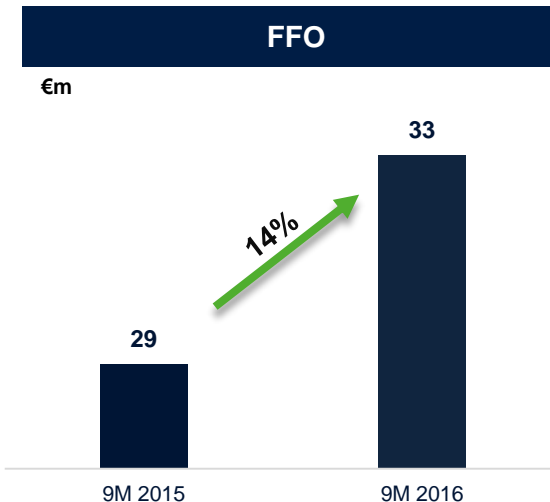
4

Operations and financials

4 FINANCIAL INDICATORS

Key metrics (€m)	9M 2016	9M 2015
NOI	65	59
Rental margin	76%	75%
EBITDA	54	51
FFO I	33	29
FFO I /share (€)	0.07	0.08

	30 September 2016	31 December 2015
Total property	1,544	1,324
Net Debt	689	522
Net LTV	45%	39%
EPRA NAV	837	779
EPRA NAV/share (€)	1.82	1.69
EPRA NAV/share (PLN)	7.85	7.29



Note: 1 EURO = 4.3120 PLN

4 BALANCE SHEET

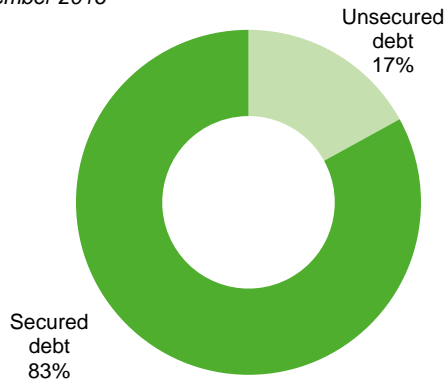
(€m)		30 Sep 2016	31 Dec 2015
Investment property and L.T. assets (incl. IPUC)	1	1,513	1,289
Residential landbank and inventory		18	30
Asset held for sale		12	6
Investment in shares and associates		5	23
Cash & cash equivalents	2	107	169
Deposits		31	27
Other non current assets		39	16
TOTAL ASSETS		1,725	1,560
Common equity	3	734	643
Minorities		2	(21)
Short and long term financial debt	4	833	739
Derivatives		6	5
Deferred tax liabilities	5	98	133
Other liabilities		52	61
TOTAL EQUITY AND LIABILITIES		1,725	1,560

Comments	
1	Increase in investment property driven by acquisitions and development activity
2	Cash investment in acquisitions and development activity
3	Increase in common equity due to an increase in accumulated profit from operations and merger
4	Increase in debt as a result of refinancing activity and raising loans from acquisitions constructions
5	Decrease due to a merger of GTC SA with its Dutch subsidiaries

4 CONSERVATIVE FINANCING STRUCTURE

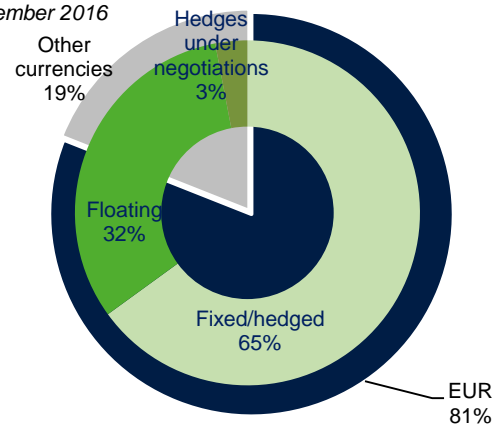
Balanced debt split

As of 30 September 2016



Interest rate split

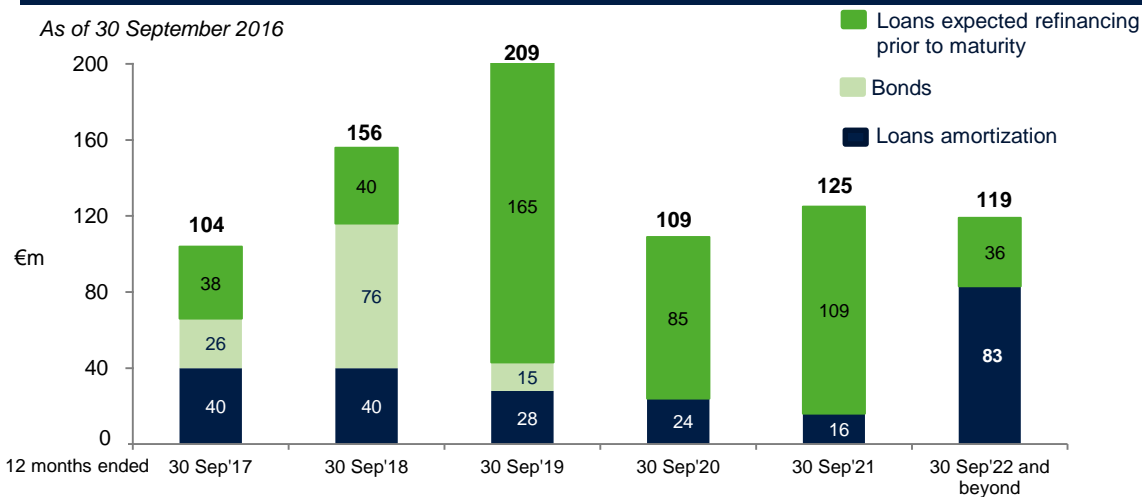
As of 30 September 2016



* Other currencies include PLN and HUF

Debt maturity

As of 30 September 2016



Comments

- Average interest rate of 3.2%
- Interest cover at 3.6x
- Bonds of €29m issued in November 2016

Conservative financing structure with 45% net LTV

4 DEBT AND LTV

(€m)	30 September 2016	31 December 2015
Long-term bank debt and financial liabilities	729	659
Short-term bank debt and financial liabilities	104	80
Loans from minorities	(18)	(27)
Deferred issuance debt expense	6	6
Liabilities related to assets held for sale	6	-
Total bank debt and financial liabilities	827	717
Cash & cash equivalents & deposits	138	196
Net debt and financial liabilities	689	522
Total property	1,544	1,324
Net loan to value ratio	45%	39%
Average interest rate	3.2%	3.4%
Interest cover	3.6x	3.0x

4 INCOME STATEMENT

(€m)		Q3 2016	Q3 2015	9M 2016	9M 2015	Comments
Rental and service revenue	1	30	26	85	79	1 An increase in rental and services revenue mainly due to acquisition and completion of income generated assets
Cost of rental operations		(7)	(7)	(21)	(20)	
Residential sale result		-	-	1	1	
Gross margin from operations		23	19	66	60	
Selling expenses		(1)	(1)	(2)	(2)	
G&A expenses w/o share based provision		(3)	(2)	(8)	(7)	
Profit/(loss) from revaluation of invest. property and impairment of residential projects	2	15	-	39	(2)	2 Profit from revaluation mainly reflects progress in the construction of Galeria Pótnocna, completion of University Business Park B. FortyOne phases I and II
Other income/ (expenses),net		(1)	(1)	(1)	-	
Profit (loss) from continuing operations before tax and finance income / (expense)		33	15	93	48	
Foreign exchange differences, net		(1)	2	3	-	3 Reversal of temporary deferred tax differences related to interest and exchange rates on Euro denominated loans granted by GTC S.A. to GTC RH B.V. were recognized
Finance expenses, net		(8)	(6)	(21)	(22)	
Share of profit/(loss) of associates		-	-	(4)	(4)	
Profit/(loss) before tax		25	11	71	22	
Taxation	3	47	-	36	(5)	
Profit/(loss) for the period		71	11	107	17	
Attributable to equity holders of the parent		71	10	107	17	
Attributable to non-controlling interest		-	-	-	-	

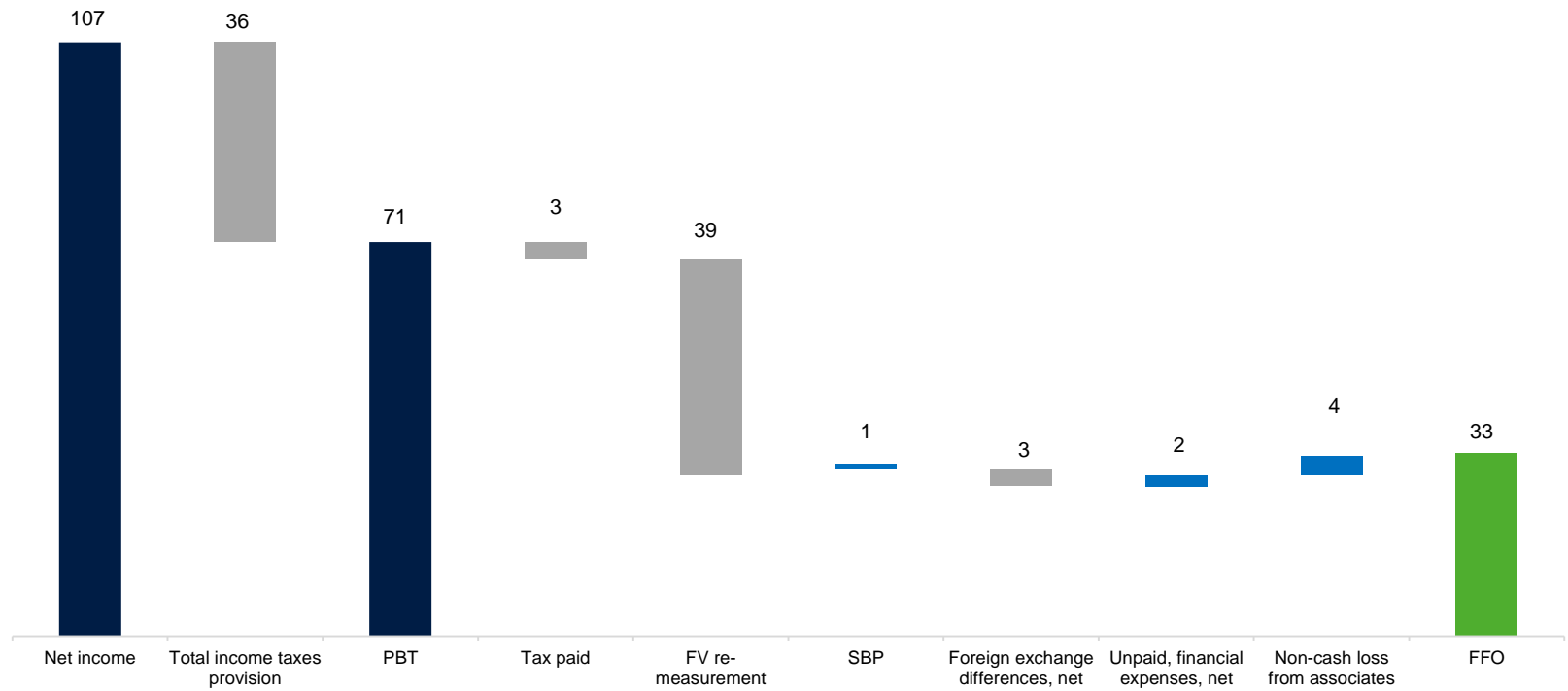
4 CASH FLOW STATEMENT

(€m)		9M 2016	9M 2015	Comments
Operating activities				
Operating cash before working capital changes		54	50	
Add / deduct:				
Decrease in residential inventory		3	8	
Interest paid, net		(18)	(20)	
Effect of currency translation		1	1	
Tax		(3)	(2)	
Cash flow from operating activities		37	37	
Investing activities				
Investment in real estate and related (incl. purchase of shares in SPVs)	1	(221)	(18)	1 Investment in real estate includes: acquisition of Pixel, Premium Point, Premium Plaza, Neptune Office Center, Sterlinga Business Center and land in Budapest as well as expenditure on investment property under construction (FortyOne, UBP and Galeria Północna)
VAT/CIT on sales of investments		(10)	(4)	
Sale of assets (incl. related loans)		29	62	
Changes in working capital		2	(4)	
Investment in real estate and related		(200)	36	Purchase of non-controlling interest reflects an investment in remaining stake in City Gate
Finance activity				
Proceeds from long term borrowings net of cost	2	174	22	2 Proceeds from long term borrowings reflect drawdowns under loans on assets under constructions, acquisitions and refinancing
Repayment of long term borrowings - related to project amortization		(23)	(26)	
Repayment of long term borrowings / bonds – related to corporate or refinance bullet payments, or asset sale		(50)	(78)	
Finance activity		101	(82)	
Net change		(62)	(9)	
Cash at the beginning of the period		169	81	
Cash at the end of the period		107	72	

4 FFO BRIDGE 9M 2016, TOTTALLING €33M

FFO reconciliation 9M 2016

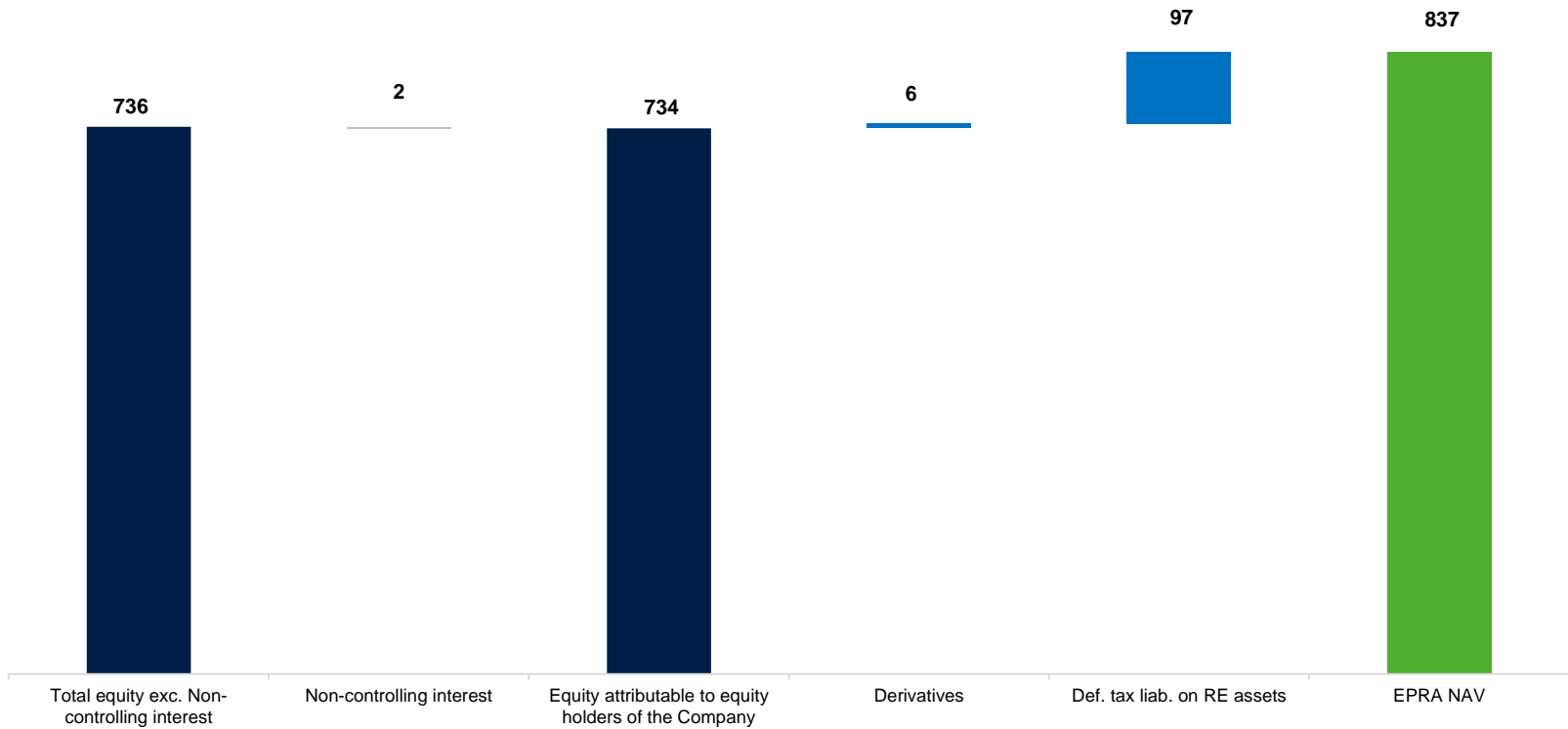
in €m



4 EPRA NAV BRIDGE 9M 2016

EPRA NAV reconciliation 9M 2016

in €m

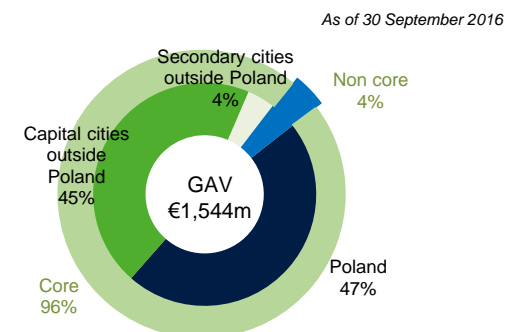


ADDITIONAL MATERIALS

LEADING COMMERCIAL REAL ESTATE PLATFORM

GTC PORTFOLIO (30 September 2016)	#	Book value (€m)	%	Annualised in-place rent (€m)	NLA (ths. sq. m)
Income generating (a+b)	31	1,222	79%	90	592
a) Office	27	911	59%	66	449
b) Retail	4	311	20%	25	143
Investment properties and residential project under construction	5	176	11%	-	106⁽¹⁾
Projects in planning stage	4	70⁽²⁾	5%⁽²⁾	-	160
Landbank for developments	5	10	1%	-	-
<i>Projects in pre-planning stage</i>	2	2 ⁽³⁾	-	-	39
CORE PORTFOLIO	45	1,479	96%		NM
NON-CORE PORTFOLIO⁽⁴⁾	18	65	4%		
TOTAL	63	1,544	100%		NM

Asset location by GAV⁽⁵⁾



Top tenants



- High quality core portfolio of 27 office and 4 retail properties
- 97% of leases and rental income €-denominated
- Top tier tenants, mostly multinational corporations and leading brands

Notes: (1) Excludes 4 ths. sq. m area designated for residential use in Osiedle Konstancja (2) Excludes Green Heart; (3) Excludes X (office building in Serbia) - land plot was purchased in Q4 2016; (4) Includes assets held for sale (€12m), non-core landbank and "Residential Landbank & Inventory"; (5) Excludes €5m of investment in associates and 50% joint ventures;

Source: GTC

PORTFOLIO OF INCOME GENERATING PROPERTIES

As of 30 September 2016	Poland	Hungary	Serbia	Croatia	Romania	Bulgaria	Total
Office projects							
Number of assets	15	4	5	-	3	-	27
GTC consolidated share of NLA (ths. sq. m)	198	117	71	-	63	-	450
Total NLA (ths. sq. m)	198	117	71	-	63	-	450
Book value (€m)	382	210	139	-	180	-	911
Average rent (€/sq. m)	13.9	12.5	16.4	-	18.0	-	14.5
Average occupancy (%)	85%	95%	90%	-	92%	-	90%
Retail projects							
Number of assets	1	-	-	1	-	2	4
GTC consolidated share of NLA (ths. sq. m)	49	-	-	36	-	58	143
Total NLA (ths. sq. m)	49	-	-	36	-	58	143
Book value (€m)	153	-	-	102	-	56	311
Average rent (€/sq. m)	19.7	-	-	19.6	-	10.0	15.7
Average occupancy (%)	92%	-	-	97%	-	96%	95%
Total							
Number of assets	16	4	5	1	3	2	31
GTC consolidated share of NLA (ths. sq. m)	247	117	71	36	63	58	592
Total NLA (ths. sq. m)	247	117	71	36	63	58	592
Book value (€m)	535	210	139	102	180	56	1,222
Average rent (€/sq. m)	15.0	12.5	16.4	19.6	18.0	10.0	14.8
Average occupancy (%)	86%	95%	90%	97%	92%	96%	91%

USEFUL INFORMATION

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Useful links



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