

**GLOBE TRADE CENTRE S.A.**

**IFRS CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE THREE-MONTH PERIODS ENDED  
31 MARCH 2006 AND 2005**

**Globe Trade Centre S.A.**  
**Condensed Consolidated Balance Sheets**  
**as of 31 March 2006, 2005 and 31 December 2005**  
**(in thousands of US Dollars)**

	<b>Note</b>	<b>31 March 2006</b> <i>(unaudited)</i>	<b>31 March 2005</b> <i>(unaudited)</i>	<b>31 December</b> <b>2005</b>
<b>ASSETS</b>				
<b>Non current assets</b>				
Investment property		769,427	563,380	682,928
Property, plant and equipment		91,931	125,736	150,249
Investment in associates	10	8,803	7,005	8,461
Loans granted to associates		8,379	10,516	11,066
Investment in marketable securities		-	17,762	-
Deferred tax asset		2,470	1,693	3,585
Advances to contractors		19,444	-	6,618
Goodwill		13,217	8,195	16,702
Other non-current assets	11	770	4,259	1,075
		<b>914,441</b>	<b>738,546</b>	<b>880,684</b>
<b>Current Assets</b>				
Inventory		37,917	21,507	37,485
Debtors		2,459	2,029	2,677
Accrued income and other receivables	12	6,882	1,053	29,179
Derivatives		120	119	-
VAT and other tax recoverable		11,247	9,457	14,809
Income tax recoverable		2,546	871	1,959
Prepayments, deferred expenses		4,607	3,541	2,281
Short-term deposits		17,262	11,072	16,185
Cash and cash equivalents		258,555	98,864	73,204
		<b>341,595</b>	<b>148,513</b>	<b>177,779</b>
<b>Assets classified as held for sale</b>	17	<b>88,710</b>	-	-
<b>TOTAL ASSETS</b>		<b>1,344,746</b>	<b>887,059</b>	<b>1,058,463</b>

The accompanying notes are an integral part of these Condensed Consolidated Balance Sheets

**Globe Trade Centre S.A.**  
**Condensed Consolidated Balance Sheets**  
**as of 31 March 2006, 2005 and 31 December 2005**  
**(in thousands of US Dollars)**

	<b>Note</b>	<b>31 March 2006</b> <i>(unaudited)</i>	<b>31 March 2005</b> <i>(unaudited)</i>	<b>31 December</b> <b>2005</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital attributable to equity holders of the parent</b>				
Share capital	14	6,157	5,632	5,632
Share premium	14	288,253	138,995	140,198
Capital reserve		1,988	1,231	1,231
Hedge reserve		(42)	(1,259)	(284)
Net unrealized provision on investment in marketable securities		-	610	-
Foreign currency translation		(4,513)	39	(6,743)
Amounts recognized directly in equity relating to assets held for sale	17	857	-	-
Accumulated profit		489,306	302,215	405,564
		<b>782,006</b>	<b>447,463</b>	<b>545,598</b>
<b>Minority Interest</b>		<b>4,510</b>	<b>8,866</b>	<b>801</b>
<b>Total Equity</b>		<b>786,516</b>	<b>456,329</b>	<b>546,399</b>
<b>Long-term Liabilities</b>				
Long-term portion of long-term loans	13	400,874	337,029	401,513
Deposits from tenants		3,244	2,993	3,513
Long term payable		-	6,810	1,102
Provisions		-	443	-
Provision for deferred tax liability		49,780	16,177	40,914
		<b>453,898</b>	<b>363,452</b>	<b>447,042</b>
<b>Current Liabilities</b>				
Trade and other payables		17,857	20,843	23,999
Current portion of long-term loans	13	19,220	25,227	19,971
Credit line		3,028	-	-
Current portion of long term payable		-	903	6,052
VAT and other taxes payable		974	805	1,908
Income tax payable		67	-	3,920
Accruals		7,125	13,633	4,732
Advances received		4,670	1,437	1,844
Deferred income		313	373	536
Derivatives		654	4,057	2,060
		<b>53,908</b>	<b>67,278</b>	<b>65,022</b>
<b>Liabilities classified as held for sale</b>	17	<b>50,424</b>	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,344,746</b>	<b>887,059</b>	<b>1,058,463</b>

The accompanying notes are an integral part of these Condensed Consolidated Balance Sheets

**Globe Trade Centre S.A.**  
**Condensed Consolidated Income Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(in thousands of US Dollars)**

		<u>Three-month period</u> <u>ended 31 March 2006</u> <i>(unaudited)</i>	<u>Three-month period</u> <u>ended 31 March 2005</u> <i>(unaudited)</i>	<u>31 December</u> <u>2005</u>
	Note			
Revenues from operations	7	26,830	21,384	95,639
Cost of operations	8	(10,903)	(11,703)	(38,581)
<b>Gross margin from operations</b>		<b>15,927</b>	<b>9,681</b>	<b>57,058</b>
Selling expenses		(940)	(741)	(3,452)
Administration expenses		(4,109)	(2,417)	(9,013)
Profit from revaluation of investment property		96,688	42,621	150,901
Other income/ (expenses)		(291)	73	289
<b>Profit from continuing operations before tax and finance income / (expense)</b>		<b>107,275</b>	<b>49,217</b>	<b>195,783</b>
Foreign exchange differences gain/(loss),		2,368	(483)	(2,459)
Financial income/(expense), net		(3,959)	(4,931)	(19,637)
Profit on sale of investment in marketable		-	-	4,091
Share of profit in associates		126	41	533
<b>Profit before taxation</b>		<b>105,810</b>	<b>43,844</b>	<b>178,311</b>
Taxation		(17,601)	(7,358)	(34,248)
<b>Profit for the period</b>		<b>88,209</b>	<b>36,486</b>	<b>144,063</b>
<b>Attributable to:</b>				
Equity holders		84,499	36,796	140,145
Minority interest		3,710	(310)	3,918
Basic earnings per share (USD)	15	4.20	1.84	7.02
Diluted earnings per share (USD)	15	4.15	1.83	6.95

The accompanying notes are an integral part of these Condensed Consolidated Income Statements

**Globe Trade Centre S.A.**  
**Condensed Consolidated Statements of Changes in Equity**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(in thousand of US Dollars)**

	Issued and Paid in Share Capital	Share Premium	Capital reserve	Hedge reserve	Foreign currency translation	Net unrealized provision on Investment in Marketable securities	Accumulated Profit	Minority interest	Total
<b>Balance as of 1 January 2005</b>	<b>5,602</b>	<b>138,209</b>	<b>1,231</b>	<b>(1,719)</b>	<b>4,762</b>	<b>1,699</b>	<b>265,419</b>	<b>11,131</b>	<b>426,334</b>
Issuance of shares	30	98	-	-	-	-	-	-	128
Share base payment	-	688	-	-	-	-	-	-	688
Currency translation differences	-	-	-	-	(4,723)	-	-	(1,171)	(5,894)
Net change in investment in marketable securities	-	-	-	-	-	(1,089)	-	-	(1,089)
Acquisition of shares	-	-	-	-	-	-	-	(784)	(784)
Hedge transactions	-	-	-	460	-	-	-	-	460
Profit for the three-months period ended 31 March 2005 (unaudited)	-	-	-	-	-	-	36,796	(310)	36,486
<b>Balance as of 31 March 2005 (unaudited)</b>	<b>5,632</b>	<b>138,995</b>	<b>1,231</b>	<b>(1,259)</b>	<b>39</b>	<b>610</b>	<b>302,215</b>	<b>8,866</b>	<b>456,329</b>

  

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Amounts recognized directly in equity relating to assets held for sale	Net unrealized gain/loss on investment in marketable securities	Accumulated profit	Minority interest	Total
<b>Balance as of 1 January 2005</b>	<b>5,602</b>	<b>138,209</b>	<b>1,231</b>	<b>(1,719)</b>	<b>4,762</b>	<b>-</b>	<b>1,699</b>	<b>265,419</b>	<b>11,131</b>	<b>426,334</b>
Issuance of shares	30	98	-	-	-	-	-	-	-	128
Share base payment	-	1,891	-	-	-	-	-	-	-	1,891
Currency translation differences	-	-	-	-	(11,826)	-	-	-	(2,420)	(14,246)
Sale of subsidiary	-	-	-	417	321	-	-	-	-	738
Net change in investment in marketable securities	-	-	-	-	-	-	(1,699)	-	-	(1,699)
Acquisition of shares	-	-	-	-	-	-	-	-	(11,828)	(11,828)
Hedge transactions	-	-	-	1,018	-	-	-	-	-	1,018
Profit for the year ended 31 December 2005	-	-	-	-	-	-	-	140,145	3,918	144,063
<b>Balance as of 31 December 2005</b>	<b>5,632</b>	<b>140,198</b>	<b>1,231</b>	<b>(284)</b>	<b>(6,743)</b>	<b>-</b>	<b>-</b>	<b>405,564</b>	<b>801</b>	<b>546,399</b>
Issuance of shares	525	147,608	-	-	-	-	-	-	-	148,133
Share base payment	-	447	-	-	-	-	-	-	-	447
Increase in capital reserve	-	-	757	-	-	-	-	(757)	-	-
Currency translation differences	-	-	-	-	3,084	-	-	-	(1)	3,083
Hedge transactions	-	-	-	245	-	-	-	-	-	245
Amounts recognized directly in equity relating to assets held for sale	-	-	-	(3)	(854)	857	-	-	-	-
Profit for the three-month period ended 31 March 2006 (unaudited)	-	-	-	-	-	-	-	84,499	3,710	88,209
<b>Balance as of 31 March 2006 (unaudited)</b>	<b>6,157</b>	<b>288,253</b>	<b>1,988</b>	<b>(42)</b>	<b>(4,513)</b>	<b>857</b>	<b>-</b>	<b>489,306</b>	<b>4,510</b>	<b>786,516</b>

The accompanying notes are an integral part of these Condensed Consolidated Statements of Changes in Equity

**Globe Trade Centre S.A.**  
**Condensed Consolidated Cash Flow Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(In thousands of US Dollars)**

	<u>Three-month</u> <u>period ended</u> <u>31 March 2006</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March 2005</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December</u> <u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit from continuing operations	107,275	49,217	195,783
<b>Adjustments for:</b>			
Revaluation of investment properties	(96,688)	(42,621)	(150,901)
Share based payment	447	687	1,891
Depreciation and amortization	67	58	241
<b>Operating cash before working capital changes</b>	<b>11,101</b>	<b>7,341</b>	<b>47,014</b>
Decrease/(increase) in debtors and prepayments and other current assets	(6,281)	649	(5,156)
Decrease/(increase) in inventory	1,081	3,949	(3,615)
Increase in provisions	-	(8)	(450)
Increase in advances received	2,814	(1,315)	(287)
Increase in other non-current assets	(28)	(113)	(78)
Increase/(decrease) in short-term payables and accruals	2,333	(1,068)	785
Cash generated from operations	11,020	9,435	38,213
Interest paid	(4,801)	(4,372)	(23,006)
Interest received	990	1,069	3,272
Tax paid in the period	(4,725)	(2,101)	(2,892)
<b>Net cash from operating activities</b>	<b>2,484</b>	<b>4,031</b>	<b>15,587</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of property, plant and equipment	(28,987)	(29,619)	(136,560)
Sale of investment properties and fixed assets	24,459	-	(14,060)
Sale of investment in marketable securities			23,067
Lease origination expenses		(563)	-
Purchase of shares in subsidiaries	(21)	(714)	(990)
Loans granted		(325)	(28,128)
Loans repayments	2,876	-	(2,912)
Increase in short term deposits		-	850
Decrease in short term deposits	(3,267)	578	(4,646)
Dividend received		-	100
			122
<b>Net cash from / (used) in investing activities</b>	<b>(4,940)</b>	<b>(30,643)</b>	<b>(163,157)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from the issuance of share	149,591	128	128
Proceeds from long-term borrowings	40,552	31,012	175,814
Repayment of long-term borrowings	(5,796)	(19,839)	(63,108)
Loans and shares origination cost	(583)	(204)	(749)
Deposits received from tenants	113	203	723
<b>Net cash from / (used) financing activities</b>	<b>183,877</b>	<b>11,300</b>	<b>112,808</b>
<b>Effect of foreign currency translation</b>	<b>3,930</b>	<b>(1,553)</b>	<b>(7,763)</b>
<b>Net increase in cash and cash equivalents</b>	<b>185,351</b>	<b>(16,865)</b>	<b>(42,525)</b>
<b>Cash and cash equivalents, at the beginning of the year</b>	<b>73,204</b>	<b>115,729</b>	<b>115,729</b>
<b>Cash and cash equivalents, at the end of the period</b>	<b>258,555</b>	<b>98,864</b>	<b>73,204</b>

The accompanying notes are an integral part of these Condensed Consolidated Cash Flow Statements

**Globe Trade Centre S.A.**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(in thousand of US Dollars)**

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**1. Principal activities**

Globe Trade Centre S.A. (the “Company”, “GTC”) was registered in Warsaw on December 19, 1996, having previously operated under the name of Globe Trade Centre Sp. z o.o. The Company’s registered office is in Warsaw at 41 Domaniewska Street. The Company owns, through subsidiaries and associates, commercial and residential real estate companies in Poland, Hungary, Romania, Serbia and Montenegro (Serbia), Croatia, Slovakia and Czech Republic. The Company is developing, and leasing or selling space to commercial and individual tenants, through its directly and indirectly owned subsidiaries.

Globe Trade Centre S.A. is the parent company of the capital group Globe Trade Centre (the “Group”).

The Group’s business activities are:

- a) Development and rental of office and retail space, and
- b) Development and sale of residential units.

As of 31 March 2006 and 2005 the number of full time equivalent working in the Group companies was 79 and 77 respectively.

GTC is listed on the Warsaw Stock exchange.

The parent entity of the Company is GTC Real Estate N.V (“GTC Real Estate”) of the Netherlands that holds 46.7% of the Company’s shares (see note 14). On 27 April 2006, GTC International B.V (“GTC International”), the previous parent entity, has been merged into its parent company and ceased to exist. The ultimate parent of the Company is Kardan N.V of the Netherlands.

**Globe Trade Centre S.A.**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(In thousands of US Dollars)**

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**2. Basis of preparation**

The Company maintains its books of account in accordance with accounting principles and practices employed by enterprises in Poland as required by Polish accounting regulations. The accompanying condensed consolidated financial statements reflect certain adjustments not reflected in the Company's books to present these statements in accordance with standards issued by the International Accounting Standards Board, and the International Financial Reporting Interpretations Committee ("IFRIC").

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment properties, land and buildings, derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged (cash flow hedge) are adjusted to record changes in the fair values attributable to the risks that are being hedged.

Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards have been condensed or omitted pursuant to International Accounting Standard No. 34, "Interim Financial Reporting" (IAS 34).

The accompanying condensed consolidated balance sheet, condensed consolidated income statements, condensed consolidated statement of cash flows and condensed consolidated statement of changes in equity are unaudited but, in the opinion of the Company's Management, reflect all adjustments which are necessary for a fair statement of the Company's consolidated results of operations and cash flow for the interim period and the Company's financial position as of 31 March 2006. The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto for the year ended 31 December 2005. The interim financial results are not necessarily indicative of the full year results.

**Impairment of assets**

The carrying value of assets is periodically reviewed by Management to determine whether impairment may exist. Based upon its most recent analysis, management believes that no material impairment of assets exists as of 31 March 2006.

Goodwill impairment is tested annually at year end. Impairment is determined by assessing the recoverable amount of the cash generating unit, to which the goodwill relates.



**Globe Trade Centre S.A.**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(In thousands of US Dollars)**

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**3. Accounting policies**

Held for sale

An asset is classified as held for sale, if the carrying amount of an asset (or a disposal group) will be recovered principally through a sale transaction rather than through continuing use. Disposal group is a group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction. Assets or disposal groups that are classified as held for sale are carried at the lower of carrying amount and fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset (or disposal group), excluding finance costs and income tax expense.

An asset classified as held for sale, or included within a disposal group that is classified as held for sale, is not depreciated.

Investment properties that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) are measured at the lower of carrying amount and fair value less costs to sell (in accordance with IFRS 5)

**Globe Trade Centre S.A.**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(In thousands of US Dollars)**

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**3. Accounting policies (continued)**

The Company applied to the condensed consolidated financial statements for the three-month period ended 31 March 2006 all International Financial Reporting Standards (IFRS) effective for accounting periods beginning on or after 1 January 2006.

Effective 1 January 2005, the change in the Polish Accounting Act requires the Group to prepare its consolidated financial statement in accordance with IFRS that have been adopted by European Union ("EU"). At this particular time, due to the endorsement process of the EU, and activities of the Company, there are no differences in the policies applied by the Company between IFRS and IFRS that have been endorsed by the Commission of the European Communities.

The interim condensed consolidated financial statements have been prepared in accordance with IFRS and all applicable IFRS that have been adopted by EU.

The Company followed the same accounting policies and methods of computation in these condensed consolidated financial statements as compared with the consolidated financial statements for the year ended 31 December 2005.

With the effect from 1 January 2006, the IASB revised existing International Accounting Standards, as described below:

IAS 1 Presentation of financial statements

IAS 19 Employee Benefits

IAS 21 The effects of Changes in Foreign Exchange Rates

IAS 39 Financial Instruments: Recognition and Measurements

The IASB issued new standards, as described below:

IFRS 6 Explorations for and Evaluation of Mineral Resources

IFRIC 4 Determining whether an Arrangement contains a Lease

IFRIC 5 Rights to Interests arising from Decommissioning Restoration and Environmental Rehabilitation Funds

IFRIC 6 Liabilities arising from Participation in a Specific Market-Waste Electrical and Electronic Equipment

The Company reviewed the new standards, and the changes to the existing standards. They are not affecting these condensed consolidated financial statements.

The IASB also issued further new standards and interpretations which will be effective in the subsequent financial years:

IFRS 7 Financial Instruments: Disclosures

IFRIC 7 Applying Restatement Approach under IAS 29

IFRIC 8 Scope of IFRS 2

IFRIC 9 Reassessment of embedded derivatives

The Company reviewed these new standards. As a result of implementation of IFRS 7 in the year beginning 1 January 2007 the disclosure of financial instruments may change. The new interpretation will not affect the financial statements of the Group.

**Globe Trade Centre S.A.**  
**Notes to the Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2006, 2005 and year ended 31 December 2005**  
**(In thousands of US Dollars)**

**4. Investment in Subsidiaries, Associates and Joint Ventures**

**Investment in Subsidiaries and Joint Ventures**

The condensed consolidated financial statements include the financial statements of the Company, its subsidiaries and jointly controlled entity listed below together with direct and indirect ownership of these consolidated subsidiaries as at the end of each period:

Name	Holding Company	Country of incorporation	31 March 2006 **	31 March 2005 **	31 December 2005 **
GTC Mars Sp. z o.o. („GTC Mars”)	GTC S.A	Poland	100%	100%	100%
GTC Galeria Sp. z o.o. („GTC Galeria”) (***)	GTC S.A	Poland	-	100%	-
GTC Taurus Sp. z o.o. („GTC Taurus”)	GTC S.A	Poland	100%	100%	100%
GTC CH Galeria Sp. z o.o („GTC CH Galeria”) (****)	GTC S.A	Poland	100%	100%	100%
Darat Sp. z o.o. („Darat”)	GTC S.A	Poland	100%	100%	100%
GTC Konstancja Sp. z o.o. („GTC Konstancja”)	GTC S.A	Poland	100%	100%	100%
GTC Korona S.A („GTC Korona”)	GTC S.A	Poland	100%	100%	100%
Globis Poznań Sp. z o.o („Globis Poznań”)	GTC S.A	Poland	100%	100%	100%
GTC Alp Sp. z o.o (formerly „GTC Topaz”), („GTC Alp”)	GTC S.A	Poland	-	100%	-
GTC Vega Sp. z o.o. („GTC Vega”)	GTC S.A	Poland	100%	100%	100%
GTC Aeropark Sp. z o.o. („GTC Aeropark”)	GTC S.A	Poland	100%	100%	100%
GTC Topaz Office Sp. z o.o. („GTC Topaz Office ”) (formerly „GTC Neptune”)	GTC S.A	Poland	100%	100%	100%
Globis Wrocław Sp. z o.o („Globis Wrocław”)	GTC S.A	Poland	100%	100%	100%
GTC Galeria Kazimierz Sp. z o.o. (formerly „GTC Merkury”) („GTC Galeria Kazimierz”)	GTC S.A	Poland	100%	100%	100%
GTC Orion Sp. z o.o. („GTC Orion”)	GTC S.A	Poland	100%	100%	100%
GTC Satellite Sp. z o.o. („GTC Satellite”) (formerly “GTC Saturn”)	GTC S.A	Poland	100%	100%	100%
GTC Sonata Sp. z o.o. („GTC Sonata ”)	GTC S.A	Poland	100%	100%	100%
GTC Kazimierz Hotel Sp. z o.o. („previously GTC Platinum”)	GTC S.A	Poland	100%	100%	100%
Rodamco CH1 Sp. z o.o. („Rodamco CH1”)*	GTC CH Galeria	Poland	50%	50%	50%
GTC Com 1 Sp. z o.o. („GTC Com 1”)	GTC S.A	Poland	100%	-	100%
GTC Kazimierz office Sp. z o.o. (previously GTC Com 2)	GTC S.A	Poland	100%	-	100%
GTC Com 3 Sp. z o.o. („GTC Com 3”)	GTC S.A	Poland	100%	-	-
GTC Com 4 Sp. z o.o. („GTC Com 4”)	GTC S.A	Poland	100%	-	-
GTC Galeria CTWA Sp. z o.o. („Galeria CTWA ”) (formerly „GTC Galaxy-Jupiter”)	GTC S.A	Poland	100%	100%	100%
GTC Hungary Real Estate Development Company Ltd. (“GTC Hungary”)	GTC S.A	Hungary	97.5%	65.6%	97.5%
Váci Ut 81-85 Ltd.	GTC Hungary	Hungary	97.5%	65.6%	97.5%
Riverside Apartments Ltd. (“Riverside”)	GTC Hungary	Hungary	97.5%	65.6%	97.5%
Vector-H Ltd.	GTC Hungary	Hungary	97.5%	65.6%	97.5%
INVentures Vagyonkezelő Kft.	GTC Hungary	Hungary	97.5%	-	97.5%
Residential Auto Kft.	GTC Hungary	Hungary	97.5%	-	97.5%
Office Auto Kft.	GTC Hungary	Hungary	97.5%	-	97.5%
Center Point I. Ltd. (“Center Point I”)	GTC Hungary	Hungary	97.5%	65.6%	97.5%
Center Point II. Ltd. (“Center Point II”)	GTC Hungary	Hungary	97.5%	65.6%	97.5%
River Loft Ltd.	GTC Hungary	Hungary	97.5%	65.6%	97.5%
GTC Real Estate Investments Romania B.V. (“GTC Romania”)	GTC S.A	Netherlands	94.6%	54.4%	94.6%
Complexul Multifunctional Victoria S.R.L.	Titulescu Investments B.V	Romania	94.6%	54.4%	94.6%
Arura Business Complex S.R.L	GTC Romania	Romania	94.6%	-	94.6%
Jasmin Residential Complex S.R.L	GTC Romania	Romania	94.6%	-	94.6%
Towers International Property S.R.L	GTC Romania	Romania	94.6%	54.4%	94.6%
International Hotel and Tourism S.R.L	GTC Romania	Romania	94.6%	54.4%	94.6%
International Shopping Centre S.R.L	GTC Romania	Romania	94.6%	54.4%	94.6%
Titulescu Investments B.V (“Titulescu”)	GTC Romania	Romania	94.6%	54.4%	94.6%
GTC Real Estate Investments Serbia B.V. (“GTC Serbia”)	GTC S.A	Netherlands	97.5%	65.6%	97.5%
GTC Business Park Doo	GTC Serbia	Serbia and Montenegro (Serbia)	97.5%	65.6%	97.5%
GTC Commercial Centres Doo	GTC Serbia	Serbia and Montenegro (Serbia)	97.5%	65.6%	97.5%
GTC Real Estate Developments Doo	GTC Commercial Centres Doo	Serbia and Montenegro (Serbia)	97.5%	-	97.5%
GTC International Development Doo	GTC Serbia	Serbia and Montenegro (Serbia)	97.5%	65.6%	97.5%
GTC Real Estate Investments Slovakia BV („GTC Slovakia”)	GTC S.A	Netherlands	95%	-	-
GTC Real Estate Investments Croatia BV („GTC Croatia”)	GTC S.A	Netherlands	97.2%	82.5%	97.2%
Euro Structor Doo.	GTC Croatia	Croatia	68.0%	57.8%	68.0%
GTC Nekretnine Zagreb Doo.(“GTC Zagreb”)	GTC Croatia	Croatia	97.2%	82.5%	97.2%

\* Proportionate consolidation.

\*\* Share of GTC.

\*\*\*On 9 September 2005, the company was merged with GTC and ceased to exist.

\*\*\*\* As of 31 March 2005 the company was held by GTC Galeria

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**4. Investment in Subsidiaries, Associates and Joint Ventures (continued)**

**Investment in Associates**

The Company has a 31.6% interest in the following associates:

Lighthouse Holdings Limited S.A. ("Lighthouse")  
Vokovice BCP Holding S.A. ("Vokovice")  
Holesovice Residential Holdings S.A. ("Holesovice")  
CID Holding S.A. ("CID")

The above associates hold between 87.5% to 95.5% in companies which are involved in real estate development in Czech Republic (see note 10).

**5. Projects description**

The Company is developing and leasing or selling space to commercial and individual tenants, through its direct and indirect investments in subsidiaries and associates.

Current projects in different stages of development are described in the tables below:

Completed projects:

Country	Property	Total rentable/saleable space (sq.m)	Details
Poland	Mokotow Business Park	107,200	Nine office buildings in Warsaw
	Galeria Kazimierz	36,200	Shopping centre in Krakow
	Galeria Mokotow	58,600	Shopping centre in Warsaw
	Galileo office building	10,300	Office building in Krakow
	Globis Poznan office building	13,000	Office building in Poznan
	Topaz office building	11,000	Office building in Warsaw
Hungary	Center Point I	18,600	Office building in Budapest
	Riverside 1 residential project (over 95% has been sold)	33,500	Residential project in Budapest
Romania	America House	26,000	Office building in Bucharest
Serbia	GTC House- Office	13,500	Office building in Belgrad
Czech	Lighthouse Towers	27,140	Office building in Prague

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**5. Projects description (continued)**

Projects under construction / to be constructed:

<b>Country</b>	<b>Property</b>	<b>Estimated Net Rentable/Saleable space (sq.m)</b>	<b>Details</b>
Poland	Globis Wroclaw	14,000	Office building in Wroclaw
	Newton	10,400	Office building in Krakow
	Edison 1	10,000	Office buildings in Krakow
	Edison 2	3,000	Office buildings in Krakow
	Galeria Kazimierz Hotel+office	24,000	Commercial project in Krakow
	Vega	18,500	Office building in Warsaw
	Nefryt building	15,300	Office building in Warsaw
	Galileo Gardens	23,000	Residential projects in Krakow
	Galeria Czestochowa	49,800	Shopping center in Czestochowa
	Konstancja Residential phase 2	16,000	Residential project in Konstancin
	Konstancja Residential other phases	31,000	Residential project in Konstancin
	Platinum Business Park	45,000	Commercial project in Warsaw
	Konstancja Residential phase 3	8,400	Residential project in Konstancin
	Konstancja Commercial	42,000	Commercial project in Konstancin
	Aeropark (6 buildings)	51,000	Commercial project in Warsaw
Hungary	Centre Point Phase II	23,000	Office project in Budapest
	District 11	42,000	Residential project in Budapest
	Spiral	39,000	Office building in Budapest
	Riverloft – Residential	13,500	Residential project in Budapest
	Riverloft – Commercial	5,800	Commercial project in Budapest
Czech	Bess	7,500	Office building in Prague
	Green City (Jarow)	88,000	Residential project in Prague
	Prague Marine (Holesowice)	205,000	Residential/retail project in Prague
	Sarka BP	23,400	Vokovice (existing logistic center to be converted into residential project)
Romania	Galeria Bucharest	54,000	Shopping centre in Bucharest
	Aurora Business Park/ Jasmin	58,900	Residential and office project in Bucharest
	Rose Garden	58,500	Residential project in Bucharest
	Green Dream	24,800	Residential project in Bucharest
Slovakia	Vinohrady Bratislava	350 units	Residential project in Bratislava
Serbia	19 Aveniyya	16,700	Office project in Belgrade
	Park Apartments	13,100	Residential project in Belgrade
Croatia	Avenue Mall	32,800	Shopping and office centre in Zagreb

There is no seasonality in the business of the Group companies.

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**6. Events in the period**

On 24 March 2006, GTC completed a successful issuance of 1.712 million new shares at a price of PLN 285 (USD 87.4) per share (see note 14).

In February 2006, Topaz office building in Warsaw was successfully completed.

In March 2006, America House office building in Bucharest was successfully completed.

In January 2006, GTC Romania signed a “Principles of Understanding” agreement with a third party, Aura Investments Ltd. (“Aura”).

According to the Agreement, the Company and Aura will establish in a joint venture which will be held in equal parts by the Company and Aura. The joint venture will be engaged in the development, construction, management, promotion and sale of a chain of commercial centers in various cities throughout Romania.

In March 2006, GTC Romania signed a memorandum of understanding for the acquisition of a 105,000 sq.m site in Bucharest in consideration for approximately EUR 12.6 million. The company plans to develop 1,300 high quality apartments over the next five to seven years. The company will hold an 80% share in this project.

GTC purchased its new subsidiary GTC Slovakia.

In March 2006, GTC Slovakia has signed an agreement for the acquisition of 2.8 hectare of land in consideration of EUR 3.7 million in Bratislava, Slovakia. GTC Slovakia is planning to develop 350 high-standard apartments on the land. GTC Slovakia share in this project will be 70%, with the seller of the land retaining 30%.

In March 2006 GTC Serbia agreed on terms for the acquisition of 19,500 sq.m site in Belgrade for a consideration of approximately EUR 10.5 million. The company plans to develop 24,000 sq.m of office and retail space on the site.

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**7. Revenue from operations**

Revenue from operations comprises the following:

	Three-month period ended 31 March 2006 ( <i>unaudited</i> )	Three-month period ended 31 March 2005 ( <i>unaudited</i> )	Year ended 31 December 2005
Office and Commercial revenue	19,093	14,418	70,417
Residential revenue	7,737	6,966	25,222
	26,830	21,384	95,639

The majority of revenue from operations is earned predominantly on the basis of amounts denominated in, directly linked to or indexed by reference to the US Dollar and Euro.

**8. Cost of operations**

Costs of operations comprise the following:

	Three-month period ended 31 March 2006 ( <i>unaudited</i> )	Three-month period ended 31 March 2005 ( <i>unaudited</i> )	Year ended 31 December 2005
Cost of office and commercial operations	5,303	4,810	19,404
Residential costs	5,600	6,893	19,177
	10,903	11,703	38,581

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**9. Segmental analysis**

The Group's business activities, which are the primary segments, can be categorised into two main segments:

1. Development and rental of office space and shopping malls ("rental") and
2. Development and sale of houses and apartment units ("residential").

All the Group's activities and assets are located in Poland, Hungary, Romania, Serbia and Montenegro, Croatia and Czech Republic.

Segment analysis for the three-month periods ended 31 March 2006 and 31 March 2005 is presented below:

	Poland Three months period ended		Hungary Three months period ended		Romania Three months period ended		Serbia Three months period ended		Croatia Three months period ended		Slovakia Three months period ended		Consolidated Three months period ended	
	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005	March 2006	March 2005
Rental income	16,937	13,408	1,132	1,010	168	-	856	-	-	-			19,093	14,418
Residential income	1,627	6,702	6,110	264	-	-	-	-	-	-			7,737	6,966
<b>Total income</b>	<b>18,564</b>	<b>20,110</b>	<b>7,242</b>	<b>1,274</b>	<b>168</b>	<b>-</b>	<b>856</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>26,830</b>	<b>21,384</b>
Rental costs	4,388	4,569	305	241	385	-	225	-	-	-			5,303	4,810
Residential costs	1,008	6,686	4,592	207	-	-	-	-	-	-			5,600	6,893
<b>Total costs</b>	<b>5,396</b>	<b>11,255</b>	<b>4,897</b>	<b>448</b>	<b>385</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>10,903</b>	<b>11,703</b>
Rental result	12,549	8,839	827	769	(217)	-	631	-	-	-			13,790	9,608
Residential result	619	16	1,518	57	-	-	-	-	-	-			2,137	73
<b>Total result</b>	<b>13,168</b>	<b>8,855</b>	<b>2,345</b>	<b>826</b>	<b>(217)</b>	<b>-</b>	<b>631</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>15,927</b>	<b>9,681</b>



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**10. Investment in associates**

The Company has a 31.6% interest in the following associates:

Lighthouse Holdings Limited S.A.  
Vokovice BCP Holding S.A.  
Holesovice Residential Holdings S.A.  
CID Holding S.A.

The above associates are involved in real estate development in Czech Republic.

The investment in associates comprises the following:

	31 March 2006 (unaudited)	31 March 2005 (unaudited)	31 December 2005
Shares	6,308	6,308	6,308
Translation differences	380	(800)	164
Equity profit	2,115	1,497	1,989
Investment in associates	8,803	7,005	8,461

**11. Other non-current assets**

Included within other non-current assets are the following:

	31 March 2006 (unaudited)	31 March 2005 (unaudited)	31 December 2005
Lease origination costs	46	4,259	624
Deferred debt expenses (*)	724	-	451
	770	4,259	1,075

(\*)Expenses related to loan that has not been drawn-down.

**12. Accrued income**

Accrued income consists of the following:

	31 March 2006 (unaudited)	31 March 2005 (unaudited)	31 December 2005
Sale of residential units	6,098	282	1,711
Sale of subsidiary	-	-	26,505
Services and other	784	771	963
	6,882	1,053	29,179

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**13. Long-term loans**

Long-term loans comprise the following:

	<b>31 March 2006 (unaudited)</b>	<b>31 March 2005 (unaudited)</b>	<b>31 December 2005</b>
Loan from BPH Bank (GTC Mars)	112,343	119,259	114,167
Loan from Aareal Bank (Rodamco CH1)	54,344	53,967	53,842
Loan from BPH (GTC Taurus)	18,699	19,724	18,971
Loan from Aareal Bank (GTC Galeria Kazimierz)	39,223	53,765	77,675
Loan from WBK (Globis Poznan)	11,322	10,106	11,212
Loan from WBK (GTC Korona)	11,245	8,775	11,398
Loan from EUROHYPO (GTC Alp)	-	6,993	-
Loan from EUROHYPO (GTC Topaz office)	18,084	-	17,752
Loan from MKB (Centre Point I)	38,112	43,076	37,529
Loan from MKB (Centre Point II)	20,903	4,787	16,077
Loan from MKB (Riverloft 1)	8,286	3,625	7,376
Loan from MKB (Riverloft 2)	2,437	-	1,879
Loan from MKB (Spiral)	8,566	-	8,791
Loans from GTC Real Estate	2,168	7,692	2,097
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	27,715	10,207	11,953
Loan from EBRD and Raiffeisen Bank (GTC Romania)	30,805	3,579	27,774
Loan from OVAG (GTC Croatia)	-	5,229	-
Loan from MKB and Zagrebacka Banka (GTC Croatia)	16,670	-	5,037
Loans from minorities in subsidiaries	4,400	17,381	3,138
Deferred issuance debt expenses	(5,228)	(5,909)	(5,184)
	<b>420,094</b>	<b>362,256</b>	<b>421,484</b>

The loans conditions are described in the consolidated financial statement prepared under IFRS for the year ended 31 December 2005.

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**13. Long-term loans (continued)**

Long-term loans have been separated into the current portion and the long-term portion as disclosed below:

	<b>31 March 2006</b> <i>(unaudited)</i>	<b>31 March 2005</b> <i>(unaudited)</i>	<b>31 December</b> <b>2005</b>
Current portion of long term loans:			
Loan from BPH Bank (GTC Mars)	7,000	6,500	7,000
Loan from Aareal Bank (Rodamco CH1)	2,448	2,450	2,448
Loan from BPH (GTC Taurus)	1,110	1,024	1,092
Loan from Aareal Bank (GTC Galeria Kazimierz)	1,950	3,524	3,811
Loan from WBK (Globis Poznan)	614	518	600
Loan from WBK (GTC Korona)	610	450	610
Loan from EUROHYPO (GTC Topaz office)	418	-	337
Loan from EUROHYPO (GTC Alp)	-	200	-
Loan from MKB (Centre Point I)	1,239	2,321	1,200
Loan from MKB (Centre Point II)	278	-	-
Loan from MKB (Riverloft I )	360	-	314
Loan from MKB (Spiral)	1,175	-	1,206
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	915	588	875
Loan from EBRD and Raiffeisen Bank (GTC Romania)	1,215	-	554
Loans from minorities in subsidiaries	-	7,730	-
Deferred Issuance debt expenses	(112)	(78)	(76)
	<u>19,220</u>	<u>25,227</u>	<u>19,971</u>

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**13. Long-term loans (continued)**

	<b>31 March 2006</b> <i>(unaudited)</i>	<b>31 March 2005</b> <i>(unaudited)</i>	<b>31 December</b> <b>2005</b>
Long term portion of long term loans:			
Loan from BPH Bank (GTC Mars)	105,343	112,759	107,167
Loan from Aareal Bank (Rodamco CH1)	51,896	51,517	51,394
Loan from BPH (GTC Taurus)	17,589	18,700	17,879
Loan from Aareal Bank (GTC Galeria Kazimierz)	37,273	50,241	73,864
Loan from WBK (Globis Poznan)	10,708	9,588	10,612
Loan from WBK (GTC Korona)	10,635	8,325	10,788
Loan from EUROHYPO (GTC Alp)	-	6,793	-
Loan from EUROHYPO (GTC Topaz office)	17,666	-	17,415
Loan from MKB (Centre Point I)	36,873	40,755	36,329
Loan from MKB (Centre Point II)	20,625	4,787	16,077
Loan from MKB (Riverloft 1)	7,926	3,625	7,062
Loan from MKB (Riverloft 2)	2,437	-	1,879
Loan from MKB (Spiral)	7,391	-	7,585
Loan from GTC Real Estate	2,168	7,692	2,097
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	26,800	9,619	11,078
Loan from EBRD and Raiffeisen Bank (GTC Romania)	29,590	3,579	27,220
Loan from OVAG (GTC Croatia)		5,229	
Loan from MKB and Zagrebečka Banka (GTC Croatia)	16,670	-	5,037
Loans from minorities in subsidiaries	4,400	9,651	3,138
Deferred Issuance debt expenses	(5,116)	(5,831)	(5,108)
	<u>400,874</u>	<u>337,029</u>	<u>401,513</u>

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**14. Capital and Reserves**

As at 31 March 2006, the shares structure is as follows:

Number of Shares	Share series	Total Value In PLN	Total value in USD
13,928,621	A	13,928,621	4,151,730
115,224	B	115,224	26,660
23,544	B1	23,544	5,849
835,654	C	835,654	183,824
996,162	D	996,162	247,469
3,968,915	E	3,968,915	985,968
96,721	F	96,721	30,422
1,712,000	G	1,712,000	524,880
21,676,841		21,676,841	6,156,802

(\*) All shares are entitles to the same rights

Movement in number of shares:

The reconciliation of the number of shares outstanding as at the beginning and at the end of the respective periods is presented below:

	<b>31 March 2006 (unaudited)</b>	<b>31 March 2005 (unaudited)</b>	<b>31 December 2005</b>
Number of shares as at the beginning of the year	19,964,841	19,868,120	19,868,120
Issuance of shares	1,712,000	96,721	96,721
Number of shares as at the end of the period	21,676,841	19,964,841	19,964,841

Movement in share premium:

	<b>31 March 2006 (unaudited)</b>	<b>31 March 2005 (unaudited)</b>	<b>31 December 2005</b>
Balance at the beginning of the year	140,198	138,209	138,209
Issuance of shares	149,066	98	98
Shares issuance expenses	(1,800)	-	-
Share based payment	447	688	1,891
Tax benefit resulted from shares issuance expenses	342	-	-
Balance at the end of the period	288,253	138,995	140,198

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**14. Capital and Reserves (continued)**

The major shareholder of the Company as of 31 March 2006 was GTC Real Estate N.V. with total number of shares held 10,119,378 which constitute 46.7% of total shares.

Other shareholders who as of 31 March 2006 held above 5% of the Company shares were as follows:

- ING Nationale Nederlanden
- Commercial Union

On 24 March 2006, GTC completed a successful issuance of 1.712 million new shares at a price of PLN 285 (USD 87.4) per share.

Certain key management personnel are entitled to a total of 200,000 Company Phantom Shares executable as follows:

Number of Tranches	Number of Phantom Shares granted	Cumulative Number of Phantom Shares granted	First Exercise Date	Final Exercise Date
1.	50,000	50,000	1 January 2007	31 December 2010
2.	50,000	100,000	1 January 2008	31 December 2010
3.	50,000	150,000	1 January 2009	31 December 2010
4.	50,000	200,000	1 January 2010	31 December 2010

The Phantom Shares grant the entitled persons a right for a settlement from the Company in the amount equal to the difference between the average closing price for the Company's shares on the Warsaw Stock Exchange during the 30-day period prior to the date of delivery to the Company of the exercise notice, and PLN 225 per share. The Company as its discretion may settle in the form of cash. As at the granting date the fair value of share option amounts to USD 19.4 per option.

The settlement of the phantom shares (cash or equity) is the decision of the shareholders of the Company.

Phantom shares expenses have been provided for assuming equity payments will be affected.

The Supervisory Board granted certain employees the rights to purchase 21,000 series B1 shares for its nominal value in 2 equal tranches on May 2006, 2007.

The vesting condition for all share based payments requires from the person entitled to those instruments to remain as a key management personnel.

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**14. Capital and Reserves (continued)**

The total shares based payment expenses in the three month period ended 31 March 2005 and 2004 were USD 447 thousand and USD 687 thousand. Those expenses are included within the Administration expenses.

Movement in shares designated to key management personnel were as follows:

Number of shares	Seria B+B1	Seria F	Phantom shares
Number of options/shares not vested as of 31 December 2005	29,223	297,590	-
Number of options/shares granted in the period	21,000	-	200,000
Number of options exercised in the period	-	-	-
Number of options/shares not vested as of 31 March 2006	50,223	297,590	200,000

On 29 March 2006, the Company concluded an ordinary shareholder meeting. The ordinary shareholder meeting decided that the profit for the year 2005 shall be retained as follows:

An amount consisting of 2,500 thousand PLN (757 thousand USD) transferred to Capital reserve (“Fundusz Zapasowy”).

The remaining profit for the year 2005 is retained as retained earning.

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**15. Earnings per share**

Basic and diluted earnings per share were calculated as follows:	<u>Three-month period ended 31 March</u>		<u>Year ended</u> <u>31 December</u>
	<u>2006</u> <i>(unaudited)</i>	<u>2005</u> <i>(unaudited)</i>	<u>2005</u>
Net profit after tax (USD)	84,499,000	36,796,000	140,145,000
Weighted average number of shares for calculating basic earnings per share	20,097,997	19,944,422	19,960,071
Basic earnings per share (USD)	4.20	1.84	7.02
Weighted average number of shares for calculating diluted earnings per share	20,351,128	20,125,121	20,154,179
Diluted earnings per share (USD)	4.15	1.83	6.95

	<u>Three-month period ended 31 March</u>		<u>Year ended</u> <u>31 December 2005</u>
	<u>2006</u> <i>(unaudited)</i>	<u>2005</u> <i>(unaudited)</i>	
Weighted average number of shares for calculating basic earnings per share	20,097,997	19,944,422	19,960,071
Adjustment for share options	253,131	180,699	194,108
Weighted average number of shares for calculating diluted earnings per share	20,351,128	20,125,121	20,154,179



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**16. Proportionate consolidation**

The Company proportionally consolidated assets and liabilities of Rodamco CH1.

The Company's interest in Rodamco CH1 comprises the following:

	<b>31 March 2006 (unaudited)</b>	<b>31 March 2005 (unaudited)</b>	<b>31 December 2005</b>
Cash	4,327	3,945	3,373
Blocked deposits	1,088	774	1,084
Non current assets	136,691	100,109	136,634
Current assets (other than cash and blocked deposits)	489	585	521
Long term liabilities	(63,218)	(55,348)	(62,527)
Current liabilities	(3,190)	(3,083)	(4,337)
Net assets	76,187	46,982	74,748

(\*) Total share in income of Rodamco CH1 for the three month periods ended 31 March 2006 and 2005 was USD 3.8 and 3.5 million, and total share in expenses was USD 2.4 and 2.6 million respectively.

**17. Held for sale disposal group**

On 21 December 2005, GTC and Fellstone Limited signed a conditional Preliminary Share Purchase Agreement for the sale of 50% stake in the company that holds Galeria Kazimierz shopping centre.

On 28 April 2006 the share purchase agreement of 50% of the registered capital of GTC Galeria Kazimierz was concluded between GTC and Fellstone Limited (see note 20).

As of 31 March 2006, 50% of all assets and liabilities of GTC Galeria Kazimierz were reclassified as assets and liabilities held for sale. The Company also presented separately the cumulative income and expenses recognized directly in equity that relates to those assets and liabilities.

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**18. Related party**

Certain key management personnel are entitled to a total of 200,000 Company Phantom Shares (see note 14)

In addition, certain Company's related parties are entitled to an annual bonus, in aggregate, as following:

- 0.36% of the Group's net profit after tax
- 2% of the Group's annual profits before tax excluding (i) any pre-tax influence of revaluations, (ii) any pre-tax influence of capital gains, and (iii) the effects of minority interests on all the above;
- 1.2% of the net increase (after tax) in the value of any capital asset sold during the year, calculated as the gap between the net proceeds from the sale and the total cost of the asset sold, excluding the effects of minority interests.

The Supervisory Board granted certain employees the rights to purchase 21,000 series B1 shares for its nominal value in 2 equal tranches on May 2006, 2007.

**19. Selected financial information translated into Euro**

According to the statutory reporting requirements selected financial information of the Group that was translated into Euro comprises the following:

<u>In thousands of</u> <u>Euro</u>	<b>31 March 2006</b> <i>(unaudited)</i>	<b>31 March 2005</b> <i>(unaudited)</i>	<b>31 December 2005</b>
Revenues from operations	22,312	16,324	76,837
Gross margin from operations	13,245	7,390	45,841
Profit from continuing operations before tax and finance costs	89,210	37,570	157,293
Profit for the period	73,355	27,852	115,741
Assets	1,110,149	682,353	894,350
Liabilities	460,844	331,331	432,669
Total equity	649,305	351,022	461,681
Current assets	282,002	114,241	150,215
Current liabilities	44,504	51,752	54,940

The USD/Euro rates used for translation the above information, were as follows:

	<b>31 March 2006</b>	<b>31 March 2005</b>	<b>31 December 2005</b>
Average rate for the period	1.20	1.31	1.24
Rate at the end of period	1.21	1.30	1.18

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**20.     Subsequent events**

On 21 December 2005, GTC and Fellstone Limited signed a conditional Preliminary Share Purchase Agreement for the sale of 50% stake in the company that holds Galeria Kazimierz shopping centre. On 28 April 2006 the share purchase agreement of 50% of the registered capital of GTC Galeria Kazimierz was concluded between GTC and Fellstone Limited. According to the agreement, GTC will continue to manage the shopping centre.

On 25 April 2006, GTC Hungary purchase 100% of “Lehel út 23 Kft” shares, a company which owns an office building, which is located beside the planned Spiral project in Budapest. Total purchase price was EUR 2.2 Million. The company plan to demolish the building in the future in order to expand the Spiral project. In the mean time the building will continue operating and generate annual rent income.

In April 2006, the Company established GTC Bulgaria. The Company holds 95% of the subsidiary’s shares. Remaining 5% shares are held by Mr. Eli Alroy, the president of the supervisory board. GTC Bulgaria will start its activity in Bulgaria with an office-retail development in Sofia. The Company has signed an agreement to acquire 3,800 sqm. of land in Bulgaria’s capital. The acquisition price is EUR 2.4m. The current planning conditions allow GTC to develop office and retail space on the site.

In April 2006, the Company established GTC Real Estate Investments Ukraine B.V. The Company holds 95% of the subsidiary’s shares. Remaining 5% shares are held by Mr. Eli Alroy, the president of the supervisory board.

On 26 April 2006, the Company informed about a shares’ split plan. According to the proposed plan, each 1 PLN share will be split into 10 shares of 0.1 PLN each. The shares’ split plan is subject to shareholder approval.

In May 2006, GTC Romania signed a share purchase agreement with a company holding the land title related to the Green Dream residential project, a high-end residential project located in the north of Bucharest. The purchase price amounts to EUR 10.2 million. The company intends to develop on this site a total of 225 apartments.

**21.     Other**

The condensed consolidated financial statements were authorised for issue by the Management Board on 11 May 2006