

GLOBE TRADE CENTRE S.A.

**IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE-MONTH PERIODS ENDED
30 SEPTEMBER 2006 AND 2005**

Globe Trade Centre S.A.
Condensed Consolidated Balance Sheets
As of 30 September 2006, 2005 and 31 December 2005
(in thousands of US Dollars)

	<u>Note</u>	<u>30 September</u> <u>2006</u> <i>(unaudited)</i>	<u>30 September</u> <u>2005</u> <i>(unaudited)</i>	<u>31 December</u> <u>2005</u>
ASSETS				
Non current assets				
Investment property	24	702,419	626,581	682,928
Property, plant and equipment		151,092	140,733	150,249
Investment in associates	10	22,633	20,311	19,527
Loans granted	19	3,752	-	-
Investment in marketable securities		-	22,703	-
Deferred tax asset		2,992	5,432	3,585
Advances to contractors		7,554	11,399	6,618
Goodwill		11,717	4,521	16,702
Other non-current assets	11	1,176	4,114	1,075
		903,335	835,794	880,684
Current Assets				
Inventory		90,519	23,169	37,485
Debtors		3,229	1,938	2,677
Accrued income	12	10,455	4,423	29,179
Derivatives		279	-	-
VAT and other tax receivable		10,531	13,146	14,809
Income tax recoverable		1,928		1,959
Prepayments, deferred expenses, and other receivables		9,576	2,349	2,281
Short-term deposits		32,169	19,714	16,185
Cash and cash equivalents		227,363	100,716	73,204
		386,049	165,455	177,779
Assets classified as held for sale	23	286,200	-	-
TOTAL ASSETS		1,575,584	1,001,249	1,058,463

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

Globe Trade Centre S.A.
Condensed Consolidated Balance Sheets
As of 30 September 2006, 2005 and 31 December 2005
(in thousands of US Dollars)

	<u>Note</u>	<u>30 September</u> <u>2006</u> <i>(unaudited)</i>	<u>30 September</u> <u>2005</u> <i>(unaudited)</i>	<u>31 December</u> <u>2005</u>
EQUITY AND LIABILITIES				
Capital attributable to equity holders of the parent				
Share capital	14	6,195	5,632	5,632
Share premium	14	290,463	139,864	140,198
Capital reserve		1,988	1,231	1,231
Hedge reserve		248	(1,326)	(284)
Net unrealized provision on investment in marketable securities		-	4,185	-
Foreign currency translation		(1,024)	(8,533)	(6,743)
Accumulated profit		627,326	345,321	405,564
		925,196	486,374	545,598
Minority Interest		(135)	8,833	801
Total Equity		925,061	495,207	546,399
Long-term Liabilities				
Long-term portion of long-term loans	13	436,802	383,895	401,513
Deposits from tenants		2,130	3,041	3,513
Long term payable		4,163	3,655	1,102
Financial liability	22	14,200	-	-
Provisions		-	50	-
Provision for deferred tax liability		86,096	31,896	40,914
		543,391	422,537	447,042
Current Liabilities				
Trade and other payables		26,072	31,225	23,999
Current portion of long-term loans	13	35,645	31,145	19,971
Credit line		3,744	-	-
Current portion of long term payable		4,188	3,378	6,052
VAT and other taxes payable		1,076	788	1,908
Income tax payable		300	-	3,920
Accruals		21,079	6,619	4,732
Advances received		12,962	5,289	1,844
Deferred income		233	444	536
Derivatives		432	4,617	2,060
		105,731	83,505	65,022
Liabilities classified as held for sale	23	1,401	-	-
TOTAL EQUITY AND LIABILITIES		1,575,584	1,001,249	1,058,463

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

Globe Trade Centre S.A.
Condensed Consolidated Income Statements
for the nine-month period ended 30 September 2006, 2005 and year ended 31 December 2005
(in thousands of US Dollars)

	Note	<u>Nine-month period</u> <u>ended 30 September</u>		<u>Three-month period</u> <u>ended 30 September</u>		<u>Year ended</u> <u>31 December</u>
		<u>2006</u> <i>(unaudited)</i>	<u>2005</u> <i>(unaudited)</i>	<u>2006</u> <i>(unaudited)</i>	<u>2005</u> <i>(unaudited)</i>	<u>2005</u>
Revenues from operations	7	76,143	67,696	23,292	22,167	95,639
Cost of operations	8	(28,772)	(25,576)	(7,938)	(8,378)	(38,581)
Gross margin from operations		47,371	42,120	15,354	13,789	57,058
Selling expenses		(2,421)	(2,625)	(784)	(859)	(3,452)
Administration expenses		(14,124)	(6,389)	(6,566)	(1,943)	(9,013)
Profit from revaluation of investment property		252,515	86,325	115,914	43,704	150,901
Other income/(expenses)net	20	3,098	284	(99)	(11)	289
Profit from continuing operations before tax and financial related income / (expense)		286,439	119,715	123,819	54,680	195,783
Foreign currency gain/(loss), net		7,449	(1,188)	1,452	973	(2,459)
Interest income		5,467	2,405	2,255	747	3,582
Other financial expenses, net		(18,564)	(17,525)	(8,202)	(5,080)	(23,219)
Profit on sale of investment in marketable securities		-	-	-	-	4,091
Profit on sale of subsidiaries	16	1,672		-		-
Share of profit/ (losses) from associates		5,194	282	5,074	322	533
Profit before taxation		287,657	103,689	124,398	51,642	178,311
Taxation		(53,125)	(19,497)	(24,468)	(8,963)	(34,248)
Profit for the period		234,532	84,192	99,930	42,679	144,063
Attributable to:						
Equity holders		230,903	79,902	100,000	37,667	140,145
Minority interest		3,629	4,290	(70)	5,012	3,918
Basic earnings per share (USD)	15	1.089	0.40	0.459	0.189	0.702
Diluted earnings per share (USD)	15	1.082	0.397	0.456	0.187	0.695

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

Globe Trade Centre S.A.
Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 2006, 2005 and year ended 31 December 2005
(in thousands of US Dollars)

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Net unrealized gain/loss on investment in marketable securities	Accumulated profit	Total equity attributable to equity holders	Minority interest	Total equity
Balance as of 1 January 2005	5,602	138,209	1,231	(1,719)	4,762	1,699	265,419	415,203	11,131	426,334
Issuance of shares	30	99	-	-	-	-	-	129	-	129
Share base payment	-	1,556	-	-	-	-	-	1,556	-	1,556
Currency translation differences	-	-	-	-	(13,295)	-	-	(13,295)	(2,184)	(15,479)
Net change in investment in marketable securities	-	-	-	-	-	2,486	-	2,486	-	2,486
Acquisition of shares	-	-	-	-	-	-	-	-	(4,404)	(4,404)
Hedge transactions	-	-	-	393	-	-	-	393	-	393
Profit for the nine-month period ended 30 September 2005 (unaudited)	-	-	-	-	-	-	79,902	79,902	4,290	84,192
Balance as of 30 September 2005 (unaudited)	5,632	139,864	1,231	(1,326)	(8,533)	4,185	345,321	486,374	8,833	495,207

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Net unrealized gain/loss on investment in marketable securities	Accumulated profit	Total equity attributable to equity holders	Minority interest	Total equity
Balance as of 1 January 2005	5,602	138,209	1,231	(1,719)	4,762	1,699	265,419	415,203	11,131	426,334
Issuance of shares	30	99	-	-	-	-	-	129	-	129
Share base payment	-	1,890	-	-	-	-	-	1,890	-	1,890
Currency translation differences	-	-	-	-	(11,826)	-	-	(11,826)	(2,420)	(14,246)
Sale of subsidiary	-	-	-	417	321	-	-	738	-	738
Net change in investment in marketable securities	-	-	-	-	-	(1,699)	-	(1,699)	-	(1,699)
Acquisition of shares	-	-	-	-	-	-	-	-	(11,828)	(11,828)
Hedge transactions	-	-	-	1,018	-	-	-	1,018	-	1,018
Profit for the year ended 31 December 2005	-	-	-	-	-	-	140,145	140,145	3,918	144,063
Balance as of 31 December 2005	5,632	140,198	1,231	(284)	(6,743)	-	405,564	545,598	801	546,399
Issuance of shares	563	147,676	-	-	-	-	-	148,239	-	148,239
Share base payment	-	2,589	-	-	-	-	-	2,589	-	2,589
Increase in capital reserve	-	-	757	-	-	-	(757)	-	-	-
Currency translation differences	-	-	-	-	7,504	-	-	7,504	51	7,555
Hedge transactions	-	-	-	533	-	-	-	533	-	533
Disposal of subsidiary	-	-	-	(1)	(1,785)	-	-	(1,786)	-	(1,786)
Put option granted to minority (see note 22)	-	-	-	-	-	-	(8,384)	(8,384)	(4,616)	(13,000)
Profit for the Nine-month period ended 30 September 2006	-	-	-	-	-	-	230,903	230,903	3,629	234,532
Balance as of 30 September 2006 (unaudited)	6,195	290,463	1,988	248	(1,024)	-	627,326	925,196	(135)	925,061

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 nine-month period ended 30 September 2006, 2005 and year ended 31 December 2005
(In thousands of US Dollars)

	<u>Nine-month period ended 30 September 2006 (unaudited)</u>	<u>Nine-month period ended 30 September 2005 (unaudited)</u>	<u>Year ended 31 December 2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit from continuing operations before tax and financial related income / (expense)	286,439	119,715	195,783
Adjustments for:			
Revaluation of investment properties	(252,515)	(86,325)	(150,901)
Share based payment	2,589	1,556	1,890
Depreciation and amortization	201	292	242
Operating cash before working capital changes	36,714	35,238	47,014
Decrease in debtors and prepayments and other current assets	(11,373)	(2,605)	(5,156)
Decrease/(increase) in inventory	(33,850)	1	(3,615)
Decrease in provisions	-	(400)	(450)
Increase/ (decrease) in advances received	10,927	2,769	(287)
Increase in other non-current assets	(246)	(808)	(78)
Increase in short-term payables and accruals	3,665	1,310	785
Cash generated from operations	5,837	35,505	38,213
Interest paid	(16,137)	(16,387)	(23,006)
Interest received	5,238	2,236	3,272
Tax paid in the period	(762)	(2,633)	(2,892)
Net cash from / (used) in operating activities	(5,824)	18,721	15,587
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment	(102,385)	(86,047)	(136,560)
Purchase of shares in subsidiaries, net of cash acquired	17 (17,532)	(8,572)	(28,128)
Sale of subsidiary	16 72,776	-	(14,060)
Tax paid in the period	(11,712)	-	-
Sale of investment in marketable securities	-	-	23,067
Lease origination expenses	(601)	(986)	(990)
Loans granted	(4,759)	(3,034)	(2,912)
Loans repayments	3,840	-	850
Increase in short term deposits	(9,152)	(8,073)	(4,646)
Decrease in short term deposits	-	-	100
Dividend received	-	156	122
Net cash used in investing activities	(69,525)	(106,556)	(163,157)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from the issuance of shares	149,737	129	129
Proceeds from long-term borrowings	88,692	106,562	175,813
Repayment of long-term borrowings	(17,557)	(36,944)	(63,108)
Proceeds from short term loan	3,659	-	-
Shares origination cost	(1,849)	-	-
Loans origination cost	(1,045)	(363)	(749)
Deposits received from tenants	393	251	723
Net cash from financing activities	222,030	69,635	112,808
Effect of foreign currency translation	7,478	3,187	(7,763)
Net increase in cash and cash equivalents	154,159	(15,013)	(42,525)
Cash and cash equivalents, at the beginning of the year	73,204	115,729	115,729
Cash and cash equivalents, at the end of the period	227,363	100,716	73,204

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 Nine-month periods ended 30 September 2006, 2005 and year ended 31 December
2005
(in thousand of US Dollars)

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, Croatia, Slovakia, Ukraine, Bulgaria 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 30 September 2006 and 2005 the number of full time equivalent working in the Group companies was 90 and 77 respectively.

GTC is listed on the Warsaw Stock exchange.

The parent shareholder of the Company is GTC Real Estate N.V (“GTC Real Estate”) of the Netherlands that holds 46.4% 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 periods ended 30 September 2006, 2005 and year ended 31 December
2005
(In thousands of US Dollars)

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 interim 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 interim condensed consolidated balance sheet, interim condensed consolidated income statements, interim condensed consolidated statement of cash flows and interim 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 30 September 2006. The accompanying unaudited interim 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 30 September 2006.

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

Globe Trade Centre S.A.
Notes to the Condensed Consolidated Financial Statements
for the three-month periods ended 30 September 2006, 2005 and year ended 31 December
2005
(In thousands of US Dollars)

3. Accounting policies

The Company applied to this interim condensed consolidated financial statements (“interim condensed consolidated financial statements”) for the nine-month period ended 30 September 2006 all International Financial Reporting Standards (IFRS) effective for accounting periods beginning on 1 January 2006, that came into effect prior to 30 September 2006.

Effective 1 January 2005, the change in the Polish Accounting Act requires the Group to prepare its interim consolidated financial statement in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union (‘IAS 34’). 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 applicable to interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by EU.

The Company followed the same accounting policies and methods of computation in these interim 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

Following standards and interpretations came into effect since 1 January 2006:

- 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, interpretations and the changes to the existing standards. They are not affecting these interim 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
- IFRIC 10 Interim financial report and impairment
- IFRIC 11 Group and treasury share transactions

Globe Trade Centre S.A.
Notes to the Condensed Consolidated Financial Statements
for the three-month periods ended 30 September 2006, 2005 and year ended 31 December
2005
(In thousands of US Dollars)

3. Accounting policies (continued)

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 other new standards and interpretations described in the preceding paragraphs will not materially affect the financial statements of the Group.

Globe Trade Centre S.A.
Notes to the Condensed Consolidated Financial Statements
for the three-month periods ended 30 September 2006, 2005 and year ended 31 December
2005
(In thousands of US Dollars)

4. Investment in Subsidiaries and Joint Ventures and associates

The interim condensed consolidated financial statements include the financial statements of the Company, its subsidiaries and jointly controlled entities 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	30 September 2006 **	30 September 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%
Darat Sp. z o.o. („Darat”) (in liquidation)	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 Poznan”)	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 („GTC Galeria Kazimierz”) (*)	GTC S.A	Poland	50%	100%	100%
GTC Nefyt Sp. z o.o. („formerly 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 S.A	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 Com 5 Sp. z o.o. („GTC Com 5”)	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%	75.5%	97.5%
Vaci Ut 81-85 Ltd.	GTC Hungary	Hungary	97.5%	75.5%	97.5%
Riverside Apartments Ltd. (“Riverside”)	GTC Hungary	Hungary	97.5%	75.5%	97.5%
Vector-H Ltd.	GTC Hungary	Hungary	97.5%	75.5%	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%
Centre Point I. Ltd. (“Centre Point I”)	GTC Hungary	Hungary	97.5%	75.5%	97.5%
Lehel út 23 Kft.	GTC Hungary	Hungary	97.5%	-	-
Kékmadár Apartmanok Kft.	GTC Hungary	Hungary	48.8%	-	-
Centre Point II. Ltd. (“Centre Point II”)	GTC Hungary	Hungary	97.5%	75.5%	97.5%
River Loft Ltd.	GTC Hungary	Hungary	97.5%	75.5%	97.5%
GTC Real Estate Investments Romania B.V. (“GTC Romania”)	GTC S.A	Netherlands	94.60%	66.10%	94.60%
Complexul Multifunctional Victoria S.R.L	Titulescu Investments B.V	Romania	94.60%	-	94.60%
Aurora Business Complex S.R.L	GTC Romania	Romania	94.60%	66.10%	94.60%
Yasmine Residential Complex S.R.L	GTC Romania	Romania	94.60%	66.10%	94.60%
Mablethompe Investitij S.R.L.	GTC Romania	Romania	94.60%	-	-
Towers International Property S.R.L	GTC Romania	Romania	94.60%	66.10%	94.60%
Galeria Shopping Center S.R.L (formerly “International Hotel and Tourism S.R.L”)	GTC Romania	Romania	94.60%	66.10%	94.60%
Green Dream S.R.L (formerly named International Shopping Centre S.R.L.)	GTC Romania	Romania	94.60%	66.10%	94.60%
National Commercial Centers B.V	GTC Romania	Netherlands	94.60%	-	-
Mercury Commercial Centers S.R.L	GTC Romania	Romania	94.60%	-	-
Venus Commercial Centers S.R.L	GTC Romania	Romania	94.60%	-	-
Mars Commercial Centers S.R.L	GTC Romania	Romania	94.60%	-	-
Bucharest City Gate B.V	GTC Romania	Netherlands	94.60%	-	-
Titulescu Investments B.V (“Titulescu”)	GTC Romania	Netherlands	94.60%	66.10%	94.60%

Globe Trade Centre S.A.
Notes to the Condensed Consolidated Financial Statements
for the three-month periods ended 30 September 2006, 2005 and year ended 31 December
2005
(In thousands of US Dollars)

4. Investment in Subsidiaries and Joint Ventures and associates (continued)

Name	Holding Company	Country of incorporation	30 September 2006 **	30 September 2005 **	31 December 2005 **
GTC Real Estate Investments Serbia B.V. ("GTC Serbia")	GTC S.A	Netherlands	97.5%		97.5%
GTC Business Park Doo	GTC Serbia	Serbia	97.5%	75.5%	97.5%
Atlas Center Doo	GTC Serbia	Serbia	73.1%	-	-
GTC International Development d.o.o.	GTC Serbia	Serbia	97.5%	75.5%	97.5%
GTC Commercial Centres Doo	GTC Serbia	Serbia	97.5%	75.5%	97.5%
GTC Real Estate Developments Doo	GTC Serbia	Serbia	97.5%	-	97.5%
GTC Commercial Development Doo	GTC Serbia	Serbia	97.5%	75.5%	97.5%
GTC Real Estate Investments Bulgaria BV („GTC Bulgaria")	GTC S.A	Netherlands	95%	-	-
GTC Yuzhen Park EAD ("GTC Yuzhen")	GTC Bulgaria	Bulgaria	95%	-	-
GTC Real Estate Investments Ukraine BV („GTC Ukraine")	GTC S.A	Netherlands	95%	-	-
GTC Real Estate Investments Moldova BV („GTC Moldova")	GTC S.A	Netherlands	95%		
GTC Real Estate Investments Slovakia BV („GTC Slovakia")	GTC S.A	Netherlands	95%	-	-
GTC Real Estate Developments Bratislava B.V. ("GTC Bratislava")	GTC Slovakia	Netherlands	68%	-	-
GTC Real Estate Vinohrady s.r.o ("GTC Vinohrady")	GTC Bratislava	Slovakia	68%	-	-
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.

***The company was merged with GTC and ceased to exist.

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4. Investment in Subsidiaries and Joint Ventures and associates (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).

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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, joint ventures 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 (100% of area) (***)	36,200	Shopping centre in Krakow
	Galeria Mokotow (100% of area) (***)	62,100	Shopping centre in Warsaw
	Galileo office building	10,300	Office building in Krakow
	Konstancja Residential phase 2	16,000	Residential project in Konstancin
	Globis Poznan office building	13,000	Office building in Poznan
	Topaz office building	11,000	Office building in Warsaw
Hungary	Centre Point I	18,600	Office building in Budapest
	Centre Point II	23,000	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

(*) Project located in Czech Republic are operated through associates

(**) Assets held for sale

(***) Operated through joint venture

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5. Projects description (continued)

Projects under construction / to be constructed:

Country	Property	Estimated Net Rentable/Saleable space (sq.m)	Details
Poland	Globis Wroclaw	14,700	Office building in Wroclaw
	Newton	10,400	Office building in Krakow
	Edison	10,000	Office buildings in Krakow
	Pascal	7,000	Office buildings in Krakow
	Karkonoska (2) (3)	30,000	Office buildings in Wroclaw
	Mikolowska (2) (3)	44,000	Office buildings in Katowice
	Francuska (2) (3)	11,000	Office buildings in Katowice
	Galeria Kazimierz office	17,000	Office buildings in Krakow
	Vega (4)	18,500	Office building in Warsaw
	Nefryt building	15,300	Office building in Warsaw
	Galileo Gardens	28,000	Residential projects in Krakow
	Galeria Czestochowa	49,800	Shopping center in Czestochowa
	Konstancja Residential other phases	31,000	Residential project in Konstancin
	Lodz office (2)	27,000	2 Office buildings in Lodz
	Park apartments	14,000	Residential project in Poznan
	Platinum Business Park	44,500	Commercial project in Warsaw
	Konstancja Residential phase 3	8,400	Residential project in Konstancin
	Konstancja Commercial	42,000	Commercial project in Konstancin
Okecie (6 buildings)	48,700	Commercial project in Warsaw	
Hungary	Sasad resort (2)	87,300	Residential project in Budapest
	Spiral	54,800	Office buildings in Budapest
	Gateway (2)	69,600	Office project in Budapest
	Metro (2)	11,900	Office building in Budapest
	Riverloft – Residential	13,500	Residential project in Budapest
	Riverloft – Commercial	6,500	Commercial project in Budapest
Czech (1)	Bess	7,500	Office building in Prague
	Green City (Jarov)	86,000	Residential project in Prague
	Prague Marine (Holesowice)	30,000	Residential/retail project in Prague
	Prague Marine (Holesowice)	125,000	Residential/retail project in Prague
	Smichow/Lieben	30,000	Residential/retail project in Prague
	Sarka BP	44,000	Vokovice (existing logistic center to be converted into residential project)

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5. Projects description (continued)

Projects under construction / to be constructed

Country	Property	Estimated Net Rentable/Saleable space (sq.m)	Details
Romania	Galleria Bucharest	57,000	Shopping centre in Bucharest
	Aurora Business Park	28,900	Office project in Bucharest
	Jasmin park	30,000	Residential project in Bucharest
	Rose Garden	78,000	Residential project in Bucharest
	City Gate	45,000	Office project in Bucharest
	Felicity	129,000	Residential project in Bucharest
	Mid-size Retail Centers (2)	36,400	Shopping centres in Romania
	Green Dream	24,800	Residential project in Bucharest
Slovakia	Vinohrady Bratislava	57,400	Residential project in Bratislava
	Park	14,000	Residential project in Bratislava
Bulgaria	Sofia (2)	8,500	Office project in Bulgaria
Serbia	19 Avenue	16,700	Office project in Belgrade
	Park Apartments	13,100	Residential project in Belgrade
	Block 41	22,600	Office project in Belgrade
Croatia	Istria Golf Estate & resort	15,000	Hotel by the seaside of Croatia
	Istria Golf Estate & resort	20,000	Residential by the seaside of Croatia
	Avenue Mall	32,800	Shopping and office centre in Zagreb

- (1) Project located in Czech Republic are operated through associates
- (2) Plots were not yet purchased, preliminary agreement or memorandum of Understanding has been signed
- (3) Signed after 30 September 2006
- (4) Investment will be sold

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

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6. Events in the period

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

On 24 March 2006, GTC completed a successful issuance of 17.12 million new shares at a price of PLN 28.5 (USD 8.74) per share (see note 14).

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

In March 2006, GTC purchased, for its nominal value being the fair value, 95% stake in GTC Slovakia

In April 2006, GTC purchased, for its nominal value being the fair value, 95% stake in GTC Bulgaria.

In April 2006, GTC established its new subsidiary GTC Ukraine, in which it holds 95%.

In April 2006, Centre Point II office building in Budapest was successfully completed.

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. As of 30 September 2006, the Company proportionally consolidated assets and liabilities of GTC Galeria Kazimierz (see note 16 and note 21).

On 1 May 2006 the Company entered into an agreement with Mr Eli Alroy and AYRAD, a company controlled by him regarding matters further disclosed in notes 18 and 22.

On 26 June 2006 Mr Eli Alroy exercised 1,179,170 Subscription Warrants at a price of PLN 0.1 together with 83,960 Subscription Warrants at a price of PLN 4.282; as a result, the remaining 224,820 Subscription Warrants expired and will not be exercised.

On 19 July 2006 the court approved a split of the Company's shares. As result of the split each holder of the company's share with a nominal value of PLN 1 is entitled to 10 shares with a nominal value of PLN 0.1 each. The split took effect on 9 August 2006.

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6. Events in the period (continued)

Following a memorandum of understanding dated 11 August 2006, GTC have signed on 11 October 2006 with Heitman European Property Partners III Fund, a preliminary sale agreement of Mokotow Business Park in Warsaw (see note 23).

7. Revenue from operations

Revenue from operations comprises the following:

	Nine-month period ended 30 September 2006 <i>(unaudited)</i>	Nine-month period ended 30 September 2005 <i>(unaudited)</i>	Three-month period ended 30 September 2006 <i>(unaudited)</i>	Three-month period ended 30 September 2005 <i>(unaudited)</i>	Year ended 31 December 2005
Rental revenue	59,867	49,618	20,834	17,905	70,417
Residential revenue	16,276	18,078	2,458	4,262	25,222
	<u>76,143</u>	<u>67,696</u>	<u>23,292</u>	<u>22,167</u>	<u>95,639</u>

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 or Euro.

8. Cost of operations

Costs of operations comprise the following:

	Nine-month period ended 30 September 2006 <i>(unaudited)</i>	Nine-month period ended 30 September 2005 <i>(unaudited)</i>	Three-month period ended 30 September 2006 <i>(unaudited)</i>	Three-month period ended 30 September 2005 <i>(unaudited)</i>	Year ended 31 December 2005
Rental costs	16,802	13,419	6,157	4,826	19,404
Residential costs	11,970	12,157	1,781	3,552	19,177
	<u>28,772</u>	<u>25,576</u>	<u>7,938</u>	<u>8,378</u>	<u>38,581</u>

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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 Central and East Europe.

Segment analysis for the nine-month periods ended 30 September 2006 and 30 September 2005 is presented below:

	Poland		Hungary		Romania		Serbia		Croatia		Consolidated	
	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)
Rental income	49,185	46,046	3,951	3,078	3,731	-	3,000	397	-	97	59,867	49,618
Residential income	3,500	16,697	12,776	1,381	-	-	-	-	-	-	16,276	18,078
Total income	52,685	62,743	16,727	4,459	3,731	-	3,000	397	-	97	76,143	67,696
Rental costs	13,284	12,508	1,253	752	1,572	-	693	159	-	-	16,802	13,419
Residential costs	2,713	10,927	9,257	1,230	-	-	-	-	-	-	11,970	12,157
Total costs	15,997	23,435	10,510	1,982	1,572	-	693	159	-	-	28,772	25,576
Rental result	35,901	33,538	2,698	2,326	2,159	-	2,307	238	-	97	43,065	36,199
Residential result	787	5,770	3,519	151	-	-	-	-	-	-	4,306	5,921
Total result	36,688	39,308	6,217	2,477	2,159	-	2,307	238	-	97	47,371	42,120

The segment results in Bulgaria, Ukraine, and Slovakia in the reported periods were nil.

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Segment analysis for the three-month periods ended 30 September 2006 and 30 September 2005 is presented below:

	Poland		Hungary		Romania		Serbia		Croatia		Consolidated	
	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)	30 September 2006 (unaudited)	30 September 2005 (unaudited)
Rental income	15,870	16,528	1,557	1,021	2,174	-	1,233	313	-	43	20,834	17,905
Residential income	554	3,966	1,904	296	-	-	-	-	-	-	2,458	4,262
Total income	16,424	20,494	3,461	1,317	2,174	-	1,233	313	-	43	23,292	22,167
Rental costs	4,562	4,367	531	345	800	-	264	114	-	-	6,157	4,826
Residential costs	492	3,342	1,289	210	-	-	-	-	-	-	1,781	3,552
Total costs	5,054	7,709	1,820	555	800	-	264	114	-	-	7,938	8,378
Rental result	11,308	12,161	1,026	676	1,374	-	969	199	-	43	14,677	13,079
Residential result	62	624	615	86	-	-	-	-	-	-	677	710
Total result	11,370	12,785	1,641	762	1,374	-	969	199	-	43	15,354	13,789

The segment results in Bulgaria, Ukraine, and Slovakia in the reported periods were nil.

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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 the real estate development in Czech Republic.

The investment in associates comprises the following:

	30 September 2006 <i>(unaudited)</i>	30 September 2005 <i>(unaudited)</i>	31 December 2005
Shares	6,308	6,308	6,308
Translation differences	238	174	164
Equity profit	7,183	1,738	1,989
Investment in shares	13,729	8,220	8,461
Loans granted	8,904	12,091	11,066
Investment in associates	22,633	20,311	19,527

11. Other non-current assets

Included within other non-current assets are the following:

	30 September 2006 <i>(unaudited)</i>	30 September 2005 <i>(unaudited)</i>	31 December 2005
Lease origination costs	704	4,114	624
Deferred debt expenses (*)	472		451
	1,176	4,114	1,075

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

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12. Accrued income

Accrued income consists of the following:

	30 September 2006 <i>(unaudited)</i>	30 September 2005 <i>(unaudited)</i>	31 December 2005
Sale of residential units	9,353	3,618	1,711
Sale of subsidiary	-	-	26,505
Services and other	1,102	805	963
	10,455	4,423	29,179

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13. Long-term loans

Long-term loans comprise the following:

	30 September 2006 (unaudited)	30 September 2005 (unaudited)	31 December 2005
Loan from BPH Bank (GTC Mars) (***)	108,432	115,792	114,167
Loan from Aareal Bank (Rodamco CH1)	53,658	52,877	53,842
Loan from BPH (GTC Taurus) (***)	18,159	19,224	18,971
Loan from Aareal Bank (GTC Galeria Kazimierz) (*)	46,811	80,124	77,675
Loan from WBK (Globis Poznan)	11,527	11,542	11,212
Loan from WBK 1 (GTC Korona)	10,940	11,550	11,398
Loan from WBK 2 (GTC Korona)	3,890	-	-
Loan from EUROHYPO (GTC Alp) (**)	-	11,081	-
Loan from EUROHYPO (GTC Topaz office)	18,743	3,659	17,752
Loan from MKB (Centre Point I)	39,240	39,204	37,529
Loan from MKB (Centre Point II)	21,874	12,334	16,077
Loan from MKB (Riverloft 1)		7,317	7,376
Loan from MKB (Riverloft 2)	16,509	-	1,879
Loan from MKB (Spiral)	7,509	-	8,791
Loans from GTC Real Estate	2,321	8,345	2,097
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	28,334	12,346	11,953
Loan from EBRD and Raiffeisen Bank (GTC Romania)	34,397	15,525	27,774
Loan from MKB and Zagrebacka Banka (GTC Croatia)	27,403	4,937	5,037
Loan from Raiffeisen Bank (GTC Romania)	8,901	-	-
Loans from minorities in subsidiaries	16,630	14,114	3,138
Deferred issuance debt expenses	(2,831)	(4,931)	(5,184)
	<u>472,447</u>	<u>415,040</u>	<u>421,484</u>

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

(*) Decrease results from the sale of 50% in Galeria Kazmierz

(**) Sold in December 2005

(***) The loans will be repaid at the closing of the sale transaction (see note 23).

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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:

	30 September 2006 (unaudited)	30 September 2005 (unaudited)	31 December 2005
Current portion of long term loans:			
Loan from BPH Bank (GTC Mars) (***)	7,000	7,000	7,000
Loan from Aareal Bank (Rodamco CH1)	2,448	2,450	2,448
Loan from BPH (GTC Taurus) (***)	1,065	1,065	1,092
Loan from Aareal Bank (GTC Galeria Kazimierz) (*)	1,993	4,112	3,811
Loan from WBK (Globis Poznan)	642	601	600
Loan from WBK (GTC Korona)	610	610	610
Loan from EUROHYPO (GTC Topaz office)	589	257	337
Loan from EUROHYPO (GTC Alp) (**)	-	542	-
Loan from MKB (Centre Point I)	1,319	2,147	1,200
Loan from MKB (Centre Point II)	873	-	-
Loan from MKB (Riverloft 1)	-	-	314
Loan from MKB (Riverloft 2)	16,509	-	1,206
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	1,247	918	875
Loan from EBRD and Raiffeisen Bank (GTC Romania)	1,377	52	554
Loans from minorities in subsidiaries	-	11,474	-
Deferred issuance debt expenses	(27)	(83)	(76)
	<u>35,645</u>	<u>31,145</u>	<u>19,971</u>

(*) Decrease results from the sale of 50% in Galeria Kazmierz

(**) Sold in December 2005

(***) The loans will be repaid at the closing of the sale transaction (see note 23).

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13. Long-term loans (continued)

	30 September 2006 (unaudited)	30 September 2005 (unaudited)	31 December 2005
Long term portion of long term loans:			
Loan from BPH Bank (GTC Mars) (***)	101,432	108,792	107,167
Loan from Aareal Bank (Rodamco CH1)	51,210	50,427	51,394
Loan from BPH (GTC Taurus) (***)	17,094	18,159	17,879
Loan from Aareal Bank (GTC Galeria Kazimierz) (*)	44,818	76,012	73,864
Loan from WBK (Globis Poznan)	10,885	10,941	10,612
Loan from WBK 1 (GTC Korona)	10,330	10,940	10,788
Loan from WBK 2 (GTC Korona)	3,890	-	-
Loan from EUROHYPO (GTC Alp) (**)	-	10,539	-
Loan from EUROHYPO (GTC Topaz office)	18,154	3,402	17,415
Loan from MKB (Centre Point I)	37,921	37,057	36,329
Loan from MKB (Centre Point II)	21,001	12,334	16,077
Loan from MKB (Riverloft 1)	-	7,317	7,062
Loan from MKB (Riverloft 2)	-	-	1,879
Loan from MKB (Spiral)	7,509	-	7,585
Loan from GTC Real Estate	2,321	8,345	2,097
Loan from EBRD and Raiffeisen Bank (GTC Serbia)	27,087	11,428	11,078
Loan from EBRD and Raiffeisen Bank (GTC Romania)	33,020	15,473	27,220
Loan from MKB and Zagrebacka Banka (GTC Croatia)	27,403	4,937	5,037
Loan from Raiffeisen Bank (GTC Romania)	8,901	-	-
Loans from minorities in subsidiaries	16,630	2,640	3,138
Deferred issuance debt expenses	(2,804)	(4,848)	(5,108)
	436,802	383,895	401,513

(*) Decrease results from the sale of 50% in Galeria Kazmierz

(**) Sold in December 2005

(***) The loans will be repaid at the closing of the sale transaction (see note 23).

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14. Capital and Reserves

On 19 July 2006 the court approved a split of the Company's shares. As result of the split each holder of the company's share with a nominal value of PLN 1 now holds to 10 shares with a nominal value of PLN 0.1 each.

The split took effect on 9 August 2006. Number of shares and related amounts were adjusted retrospectively.

As at 30 September 2006, the shares structure is as follows:

Number of Shares	Share series	Total value In PLN	Total value in USD
139,286,210	A	13,928,621	4,151,730
1,152,240	B	115,224	26,660
235,440	B1	23,544	5,849
8,356,540	C	835,654	183,824
9,961,620	D	996,162	247,469
39,689,150	E	3,968,915	985,968
2,230,340	F	223,034	69,178
17,120,000	G	1,712,000	524,880
218,031,540		21,803,154	6,195,558

All shares are entitled 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:

	30 September 2006 (unaudited)	30 September 2005 (unaudited)	31 December 2005
Number of shares as at the beginning of the year	199,648,410	198,681,200	198,681,200
Issuance of shares (seria E)	17,120,000	-	-
Issuance of shares (seria F)	1,263,130	967,210	967,210
Number of shares as at the end of the period	218,031,540	199,648,410	199,648,410

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14. Capital and Reserves (continued)

Movement in the share premium:

	30 September 2006 (unaudited)	30 September 2005 (unaudited)	31 December 2005
Balance at the beginning of the year	140,198	138,209	138,209
Issuance of shares	149,174	99	99
Shares issuance expenses	(1,849)	-	-
Share based payment	2,589	1,556	1,890
Tax benefit resulted from shares issuance expenses	351	-	-
Balance at the end of the period	290,463	139,864	140,198

As of 30 September 2006, the major shareholder of the Company was GTC Real Estate N.V. with total number of shares held 101,193,780 which constitute 46.4% of total shares.

As of 30 September 2006, other shareholders who held at least 5% of the Company shares were as follows:

- ING Nationale Nederlanden
- Commercial Union

On 24 March 2006, GTC completed a successful issuance of 17.12 million new shares at a price of PLN 28.5 (USD 8.74) per share.

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14. Capital and Reserves (continued)

On 26 June 2006 Mr Eli Alroy, the chairman of the Supervisory Board, exercised 1,179,170 Subscription Warrants at a price of PLN 0.1, 83,960 Subscription Warrants at a price of PLN 4.282. The remaining 224,820 Subscription Warrants expired and will not be exercised.

Certain key management personnel is entitled to a total of 2,000,000 of the 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.	500,000	500,000	1 January 2007	31 December 2010
2.	500,000	1,000,000	1 January 2008	31 December 2010
3.	500,000	1,500,000	1 January 2009	31 December 2010
4.	500,000	2,000,000	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 the exercise notice, and PLN 22.5 per share (adjustable for dividend). The Company at its discretion may settle it in the form of cash. As at the granting date the average fair value of share options amounts to USD 2.8 per option.

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

Phantom shares expenses have been provided for assuming payments will be settled in equity instruments.

The Supervisory Board granted key management personnel the rights to purchase 210,000 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 during the vesting period.

The total shares based payment expenses in the nine month period ended 30 September 2006 and 2005 were USD 2,589 thousand and USD 1,556 thousand respectively, and for the three month period ended 30 September 2006 and 2005 were USD 1,561 thousand and USD 383 thousand respectively. Those expenses are included within the administration expenses.

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

Number of shares	Seria B+B1	Seria F	Phantom shares (as described above)
Number of options/shares vested as of 31 December 2005	292,230	2,975,900	-
Number of options/shares granted in the period (subject to vesting period)	210,000	-	2,000,000
Number of options exercised in the period	-	(1,263,130)	-
Number of options expired in the period		(224,820)	
Number of options/shares vested as of 30 September 2006	502,230	1,487,950	2,000,000

On 29 March 2006, the Company concluded an ordinary shareholders meeting, where shareholders decided that the profit accounted under Polish Accounting Standards, in the statutory financial statements for the year 2005, shall be retained as follows:

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

The remaining profit for the year 2005 shall be retained as retained earning.

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15. Earnings per share

	<u>Nine-month period ended 30</u>		<u>Three-month period ended 30</u>		<u>Year ended</u>
	<u>September</u>		<u>September</u>		<u>31 December</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	
Profit for the year attributable to equity holders (USD)	230,903,000	79,902,000	100,000,000	37,667,000	140,145,000
Weighted average number of shares for calculating basic earnings per share (*)	212,035,370	199,584,640	218,031,540	199,648,410	199,600,710
Basic earnings per share (USD)	1.089	0.400	0.459	0.189	0.702
Weighted average number of shares for calculating diluted earnings per share (*)	213,423,490	201,463,450	219,447,110	201,644,380	201,541,790
Diluted earnings per share (USD)	1.082	0.397	0.456	0.187	0.695

	<u>Nine-month period ended 30</u>		<u>Three-month period ended 30</u>		<u>Year ended</u>
	<u>September</u>		<u>September</u>		<u>31 December</u>
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2005</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	
Weighted average number of shares for calculating basic earnings per share (*)	212,035,370	199,584,640	218,031,540	199,648,410	199,600,710
Adjustment for share options	1,388,120	1,878,810	1,451,570	1,995,970	1,941,080
Weighted average number of shares for calculating diluted earnings per share (*)	213,423,490	201,463,450	219,447,110	201,644,380	201,541,790

(*) On 19 July 2006 the court approved a split of the Company's shares. As result of the split each holder of the company's share with a nominal value of PLN 1 is entitled to 10 shares with a nominal value of PLN 0.1 each.

The split took effect on 9 August 2006. In accordance with IAS 33 earning per share calculations of all periods presented was adjusted retrospectively.

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16. Sale of subsidiary

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.

The Company's interest (100%) in GTC Galeria Kazimierz as of 28 April 2006 comprised the following:

	28 April 2006
Non current assets	176,326
Current assets (other than cash)	5,473
Cash	2,653
Current liabilities	(8,660)
Long term liabilities	(96,126)
Net assets	79,666

Cash resulted from sale of subsidiaries comprises the following:

	30 September 2006	30 September 2005	31 December 2005
Cash inflow resulted from sale of GTC Galeria Kazimierz	48,655	-	-
Cash inflow resulted from sale of GTC Alp (*)	25,447	-	-
Cash in GTC Galeria Kazimierz at the sale date	(1,326)	-	-
Cash in GTC Alp at the sale date	-	-	(14,060)
Cash inflow resulted from sale of subsidiaries	72,776	-	(14,060)

(*) GTC Alp sold on 29 December 2005, payment for the shares received in January 2006

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17. Purchase of shares in subsidiaries, net of cash acquired

	30 September 2006
Real estate under construction	9,184
Investment property	2,506
Inventory	12,588
Current liabilities	(2,294)
Long-term loans	(4,451)
Minority interests	(1)
Total paid	17,532

At the end of May 2006 GTC Romania acquired 100% of the shares of the Romanian company, Mablethompe Inestitij S.R.L. Subsequent to the acquisition, Mablethompe sold the land to the subsidiary Green Dream S.R.L., which will develop the project.

In May 2005 GTC Serbia signed a Share Purchase Agreement with a third party for the acquisition of 100% of the shares of a Serbian company, Atlas Centar d.o.o ('Atlas'), which holds a title to a 19,500 sq.m land site in Belgrade.

In April 2006, GTC Hungary purchased 100% of "Lehel út 23 Kft", a company which owns an office building, which is located beside the planned Spiral project in Hungary.

The amounts of expenditures for the period ended 30 September 2005 and 31 December 2005 amounted to 8,572 and 28,128 respectively. These expenditures relates to the acquisition of minority shares in the subsidiaries

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18. Related party

The Company granted key personnel, a total amount of 2,000,000 (*) (Company Phantom Shares (see note 14).

In addition, a key management personnel is entitled to an annual bonus, in the aggregate, as following:

- 0.36% of the Group's profit for the period
- 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 Company has agreed that in the event that GTC undertakes any investment through a new subsidiary, Mr. Alroy, chairman of the supervisory Board, or AYRAD, a company controlled by him (together "Alroy"), are entitled to acquire shares in such subsidiary in an amount equal to 5% of the combined holding of GTC and Alroy.

GTC undertakes to advance Alroy with loans, in amounts that Alroy is required to invest in a subsidiary (see note 19).

GTC granted Alroy an option (Put Option) to sell to GTC any or all of his shares in GTC's subsidiaries within a certain period following termination of Alroy's relationship with such subsidiary or with GTC.

Alroy granted GTC an option (Call option) to buy any or all of his shares in GTC's subsidiaries within 30 days following the expiration of the above mentioned Put option.

The exercise price of the options shall be the fair value of the shares being transferred, as of the date of the Put or Call exercise notice.

The Supervisory Board granted key personnel the rights to purchase 210,000 (*) series B1 shares for its nominal value in 2 equal tranches on May 2006 (see note 14) and 2007.

(*) On 19 July 2006 the court approved a split of the Company's shares. As result of the split each holder of the company's share with a nominal value of PLN 1 is entitled to 10 shares with a nominal value of PLN 0.1 each.

The split took effect on 9 August 2006. Numbers of shares were adjusted retrospectively.

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19. Loans granted

Loans granted from GTC to Alroy (see note 18) are usually nominated in Euro or USD and carry in interest rate of LIBOR/Euribor +3%, Alroy is required to lend this amount to subsidiaries at the same rate.

The loans will be repaid based on the repayment of shareholders loans by the relevant subsidiary.

20. Other income

GTC Mars received from the city council a decision approving an amount of overpaid property tax. The overpaid property tax will be deducted from future property tax payments or refund in cash during a time schedule to be agreed.

As a result of the above during the second quarter of 2006, USD 3,463 thousand was recognised within other income.

21. Proportionate consolidation

As of 30 September 2006, the Company proportionally consolidated assets and liabilities of Rodamco CH1 and GTC Galeria Kazimierz.

The Company's interest in the above companies comprises the following:

	30 September 2006	30 September 2005*	31 December 2005*
Cash	7,578	2,538	3,373
Blocked deposits	3,603	759	1,084
Non current assets	278,112	135,496	136,634
Current assets (other than cash and blocked deposits)	723	351	521
Long term liabilities	(127,541)	(61,321)	(62,527)
Current liabilities	(7,901)	(3,742)	(4,337)
Net assets	154,574	74,081	74,748

*Relates only to Rodamco CH1

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22. Financial liability

On 1 May 2006, GTC granted Alroy an option (Put Option) to sell to GTC any or all of his shares in GTC's subsidiaries within a certain period following termination of Alroy's relationship with such subsidiary or with GTC (see note 18).

As of 1 May 2006, GTC recognized a financial liability under the above contract at its fair value. The minority interest reported in the financial statements was reclassified to a financial liability and the difference between the fair value of that liability and the minority interest as of 1 May 2006, was charged against retained earnings.

Any subsequent re-measurement of financial liability is accounted for through the profit and loss account (financial expenses).

The main assumptions applied in determining the fair value of the financial liability were as follows:

In determining the fair value of the financial liability management have estimated the expected fair value of each project taking into account the current development of the project using market information.

23. Held for sale disposal group

Following a memorandum of understanding dated 11 August 2006, GTC have signed on 11 October 2006 with Heitman European Property Partners III Fund, a preliminary sale agreement of Mokotow Business Park in Warsaw.

The property being sold is the largest office complex in Poland and includes nine buildings with 107,000 sqm of net rentable area, and the right to perpetual usufruct of 7.3 hectares of land. The execution of the final transaction is subject to the obtainment of relevant permits and financing by the Buyer, and should be completed before 31st March 2007.

As of 30 September 2006, Mokotow Business Park and related liabilities was reclassified as asset and liabilities held for sale. The bank loans related to the assets will be repaid at closing.

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24. Investment property

The investment properties of the Group are presented based on the fair value model. The fair values are determined based on qualified independent appraisers valuation. Valuation is prepared initially at completion and after that on annual basis.

The following assets were completed in 2006:

In February 2006, Topaz office building in Warsaw was completed.
 In March 2006, America House office building in Bucharest was completed.
 In April 2006, Centre Point II office building in Budapest was completed.

25. 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>	30 September 2006 <i>(unaudited)</i>	30 September 2005 <i>(unaudited)</i>	31 December 2005
Revenues from operations	61,203	53,580	76,837
Gross margin from operations	38,077	33,337	45,841
Profit from continuing operations before tax and finance income / (costs)	230,238	94,752	157,293
Profit for the period	188,515	66,637	115,741
Assets	1,242,966	832,778	894,350
Liabilities	513,193	420,895	432,669
Total equity	729,774	411,883	461,681
Current assets	304,551	137,615	150,215
Current liabilities	83,410	69,454	54,940

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

	30 September 2006	30 September 2005	31 December 2005
Average rate for the period	1.24	1.26	1.24
Rate at the end of period	1.27	1.20	1.18

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26. Subsequent events

There have been no events subsequent to 30 September 2006 which would require disclosure in these interim condensed consolidated financial statements.

27. Other

The interim condensed consolidated financial statements were authorised for issue by the Management Board on 13 November 2006