

GLOBE TRADE CENTRE S.A.

**IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
30 SEPTEMBER 2009**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2009
(in thousands of Euro)

	Note	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
ASSETS				
Non current assets				
Investment property	11	2,002,259	1,147,395	1,827,789
Property, plant and equipment		1,036	491,144	1,350
Investment in associates	10	48,718	41,599	44,869
Loans granted and other receivables		51,871	49,904	52,292
Deferred tax asset		1,851	7,853	3,229
Derivatives		-	775	-
Goodwill		-	7,983	1,343
Other non-current assets		400	2,339	559
		2,106,135	1,748,992	1,931,431
Current Assets				
Inventory		289,882	309,393	322,012
Advances to contractors		11,294	32,951	26,915
Debtors		8,784	3,628	3,094
Accrued income		921	2,583	3,257
Derivatives		-	31,316	-
VAT and other tax recoverable		37,784	42,253	38,243
Income tax recoverable		810	2,663	2,355
Prepayments, deferred expenses		2,412	5,324	3,631
Short-term deposits	6	35,318	32,343	26,704
Cash and cash equivalents		139,506	209,774	200,762
		526,711	672,228	626,973
TOTAL ASSETS		2,632,846	2,421,220	2,558,404

The accompanying notes are an integral part of Interim Condensed Consolidated Statement of Financial Position

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2009
(in thousands of Euro)

	Note	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	14	4,741	4,741	4,741
Share premium		214,280	214,280	214,280
Capital reserve		15,628	12,568	13,056
Hedge reserve		(39,369)	(1,804)	(32,547)
Foreign currency translation		(3,868)	6,377	4,537
Accumulated profit		852,120	862,942	894,866
		1,043,532	1,099,104	1,098,933
Minority Interest		57,714	35,648	56,990
Total Equity		1,101,246	1,134,752	1,155,923
Non current Liabilities				
Long-term portion of long-term loans and Bonds	12	1,114,720	910,112	926,110
Deposits from tenants		4,790	2,912	3,055
Long term payable		2,594	9,247	8,938
Derivatives		71,363	2,957	67,856
Financial liability		400	19,208	400
Provision for deferred tax liability		138,875	119,657	154,429
		1,332,742	1,064,093	1,160,788
Current liabilities				
Trade and other payables	18	81,013	116,936	109,632
Current portion of long-term loans	12	54,594	26,877	50,681
Credit line		-	1,500	-
Financial liability	6,13	12,000	-	17,200
Current portion of long term payable		6,015	5,290	3,625
VAT and other taxes payable		1,253	1,482	3,163
Income tax payable		2,818	903	870
Derivatives		16,235	-	5,163
Advances received		24,930	69,387	51,359
		198,858	222,375	241,693
TOTAL EQUITY AND LIABILITIES		2,632,846	2,421,220	2,558,404

The accompanying notes are an integral part of this Interim Condensed Consolidated Statement of Financial Position

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 30 September 2009
(in thousands of Euro)

		<u>Nine-month period ended</u> <u>30 September</u>		<u>Three-month period ended</u> <u>30 September</u>		<u>Year ended</u> <u>31</u> <u>December</u> <u>2008</u>
	Note	2009 (<i>unaudited</i>)	2008 (<i>unaudited</i>)	2009 (<i>unaudited</i>)	2008 (<i>unaudited</i>)	
Revenues from operations	7	116,941	70,899	33,410	35,774	114,539
Cost of operations	8	(57,092)	(28,760)	(15,281)	(18,390)	(51,878)
Gross margin from operations		59,849	42,139	18,129	17,384	62,661
Selling expenses		(2,999)	(2,943)	(855)	(787)	(4,325)
Administration expenses		(13,995)	(14,064)	(3,963)	(6,178)	(18,096)
Profit (loss) from revaluation of investment property	11	(48,452)	145,125	(43,861)	71,272	235,620
Other income		1,457	7,286	1,069	523	8,011
Other expenses	13	(10,475)	-	(365)	-	-
Profit (loss) from continuing operations before tax and finance income / (expense)		(14,615)	177,543	(29,846)	82,214	283,871
Foreign exchange differences loss, net		(2,727)	(13,651)	(347)	8,027	(9,546)
Interest income		5,907	9,792	1,642	3,180	12,794
Financial income/(expense), net		(34,091)	(5,431)	(13,403)	(20,709)	(18,167)
Share of profit (loss) of associates		(1,790)	(1,146)	(4,154)	(878)	(1,041)
Profit (loss) before tax		(47,316)	167,107	(46,108)	71,834	267,911
Taxation		3,667	(31,170)	12,014	(13,576)	(78,813)
Profit (loss) for the period/year		(43,649)	135,937	(34,094)	58,258	189,098
Attributable to:						
Equity holders of the parent		(42,746)	133,320	(32,927)	55,470	165,244
Minority interest		(903)	2,617	(1,167)	2,788	23,854
Basic earnings per share (Euro)	15	(0.19)	0.61	(0.15)	0.26	0.75
Diluted earnings per share (Euro)	15	(0.19)	0.61	(0.15)	0.26	0.75

The accompanying notes are an integral part of this Interim Condensed Consolidated Income Statement

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the three-month period ended 30 September 2009
(in thousands of Euro)

	<u>Nine-month period ended</u> <u>30 September</u>		<u>Three-month period ended</u> <u>30 September</u>		<u>31 December 2008</u>
	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	
Profit (loss) for the period/year	(43,649)	135,937	(34,094)	58,258	189,098
Gain/(loss) on hedge transactions	(8,422)	(2,736)	(436)	(3,792)	(40,645)
Income tax	1,600	520	117	663	7,686
Net gain/loss on hedge transactions	(6,822)	(2,216)	(319)	(3,129)	(32,959)
Exchange differences on translation of foreign operations	(8,371)	9,135	(6,348)	18,387	7,400
Total comprehensive income for the period/year, net of tax	(58,842)	142,856	(40,761)	73,516	163,539
Attributable to:					
Owners of the Company	(57,973)	139,348	(39,625)	70,752	138,689
Minority interest	(869)	3,508	(1,136)	2,764	24,850

The accompanying notes are an integral part of this Interim Condensed consolidated Statement of Comprehensive Income

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 2009
(in thousand of Euro)

	Issued and paid in share capital	Share premium (*)	Capital reserve (*)	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Minority interest	Total
Balance as of 1 January 2008	4,741	214,280	11,483	412	(1,867)	729,622	958,671	29,434	988,105
Other comprehensive income	-	-	-	(2,216)	8,244	-	6,028	891	6,919
Profit for the nine month period ended 30 September 2008	-	-	-	-	-	133,320	133,320	2,617	135,937
Total comprehensive income for the period	-	-	-	(2,216)	8,244	133,320	139,348	3,508	142,856
Acquisition of subsidiary	-	-	-	-	-	-	-	2,706	2,706
Share based payment	-	-	1,085	-	-	-	1,085	-	1,085
Balance as of 30 September 2008 (unaudited)	4,741	214,280	12,568	(1,804)	6,377	862,942	1,099,104	35,648	1,134,752

	Issued and paid in share capital	Share premium (*)	Capital reserve (*)	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Minority interest	Total
Balance as of 1 January 2008	4,741	214,280	11,483	412	(1,867)	729,622	958,671	29,434	988,105
Other comprehensive income	-	-	-	(32,959)	6,404	-	(26,555)	996	(25,559)
Profit for the year ended 31 December 2008	-	-	-	-	-	165,244	165,244	23,854	189,098
Total comprehensive income for the year	-	-	-	(32,959)	6,404	165,244	138,689	24,850	163,539
Acquisition of subsidiary	-	-	-	-	-	-	-	2,706	2,706
Share based payment	-	-	1,573	-	-	-	1,573	-	1,573
Balance as of 31 December 2008	4,741	214,280	13,056	(32,547)	4,537	894,866	1,098,933	56,990	1,155,923
Other comprehensive income				(6,822)	(8,405)		(15,227)	34	(15,193)
Profit for the nine month period ended 30 September 2009						(42,746)	(42,746)	(903)	(43,649)
Total comprehensive income for the period				(6,822)	(8,405)	(42,746)	(57,973)	(869)	(58,842)
Issuance of shares								1,593	1,593
Share based payment			2,572				2,572		2,572
Balance as of 30 September 2009 (unaudited)	4,741	214,280	15,628	(39,369)	(3,868)	852,120	1,043,532	57,714	1,101,246

(*) Reclassified

Globe Trade Centre S.A.
Interim Condensed Consolidated Cash Flow Statement
for the nine-month period ended 30 September 2009
(In thousands of Euro)

	<u>Nine-month period ended 30 September 2009</u> (unaudited)	<u>Nine-month period ended 30 September 2008 (*)</u> (unaudited)	<u>Year ended 31 December 2008 (*)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before tax	(47,316)	167,107	267,911
Adjustments for:			
Revaluation of investment properties	48,452	(145,125)	(235,620)
Other expenses/ (income)	9,805	(7,879)	(7,879)
Share of (profit) loss of associates	1,790	1,146	1,041
Finance income	(5,907)	(9,792)	(12,794)
Finance expenses	34,091	5,431	18,167
Share based payment	2,572	1,085	1,573
Depreciation and amortization	355	498	461
Operating cash before working capital changes	43,842	12,471	32,860
Decrease/(increase) in debtors and prepayments and other current assets	11,597	(14,000)	(18,822)
Increase in short term deposits	2,651	(9,457)	-
Increase in inventory	981	(84,012)	(89,744)
Increase/(decrease) in advances received	(26,584)	9,468	(11,141)
Increase/(decrease) in short-term payables and accruals	(3,266)	14,137	(5,577)
Cash generated from/ (used in) operations	29,221	(71,393)	(92,424)
Tax paid in the period	(4,162)	(2,517)	(3,607)
Net cash from (used) in operating activities	25,059	(73,910)	(96,031)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non current assets	(227,627)	(257,283)	(325,291)
Sale of non current assets	-	-	713
Sale of shares in subsidiaries, net of cash disposed of	(b) 5,016	-	-
Acquisition of newly consolidated subsidiaries, net of cash acquired	(a) -	(46,603)	(49,862)
Purchase of shares in associates	-	(3,622)	(3,545)
Purchase of shares in subsidiaries	6 (17,000)	(504)	-
Interest received	6,180	9,909	11,852
Lease origination expenses	(1,325)	(2,653)	(2,583)
Loans granted	(19,595)	(43,139)	(48,023)
Loans repayments	-	1,060	1,602
Increase in short term deposits	-	(15,378)	(1,973)
Decrease in short term deposits for investing	4,330	-	-
Net cash used in investing activities	(250,021)	(358,213)	(417,110)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of share to minority	1,593	-	-
Proceeds from long-term borrowings	279,283	338,768	466,535
Repayment of long-term borrowings	(64,645)	(34,321)	(58,924)
Proceeds/ (repayments) of short-term loan	60	-	(2,723)
Interest paid	(35,476)	(17,713)	(35,806)
Loans origination cost	(600)	(2,534)	(3,156)
Increase in short term deposits for financing	(15,000)	-	-
Deposits received from tenants	1,176	1,067	947
Net cash from financing activities	166,391	285,267	366,873
Effect of foreign currency translation	(2,685)	11,000	1,400
Net decrease in cash and cash equivalents	(61,256)	(135,856)	(144,868)
Cash and cash equivalents, at the beginning of the year	200,762	345,630	345,630
Cash and cash equivalents, at the end of the period/year	139,506	209,774	200,762

(*) restated (see note 18)

The accompanying notes are an integral part of this Interim Condensed Consolidated Cash Flow Statement

Globe Trade Centre S.A.
Interim Condensed Consolidated Cash Flow Statement
for the nine-month period ended 30 September 2009
(in thousand of Euro)

(a) Acquisition of newly consolidated subsidiaries, net of cash acquired

	<u>Nine-month period ended 30 September 2009 (unaudited)</u>	<u>Nine-month period ended 30 September 2008 (unaudited)</u>	<u>Year ended 31 December 2008</u>
Real estate under construction	-	50,570	53,845
Investment property	-	3,766	3,766
Acquisition of majority shares in associates	-	(4,403)	(4,403)
Inventory	-	2,706	2,706
Working capital	-	(3,210)	(3,187)
Minority interests	-	(2,706)	(2,706)
Total Fair Value of Assets Acquired	-	46,723	50,021
Cash in subsidiary acquired	-	(120)	(159)
Total paid net of cash acquired	-	46,603	49,862

(b) Selling of shares in subsidiaries, net of cash disposed of

	<u>Nine-month period ended 30 September 2009 (unaudited)</u>	<u>Nine-month period ended 30 September 2008 (unaudited)</u>	<u>Year ended 31 December 2008</u>
Investment property	10,035	-	-
Working capital	(261)	-	-
Total Fair Value of Assets sold	9,774	-	-
Long term receivable	(4,758)	-	-
Cash in subsidiary disposed of	-	-	-
Total paid net of cash disposed of	5,016	-	-

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 30 September 2009
(In thousands of Euro)

1. Principal activities

Globe Trade Centre S.A. (the “Company”, “GTC”) was registered in Warsaw on December 19, 1996. The Company’s registered office is in Warsaw at Wołoska 5 Street. The Company owns through subsidiaries, joint ventures and associates commercial and residential real estate companies in Poland, Hungary, Romania, Serbia, Croatia, Ukraine, Slovakia, Bulgaria, Russia 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.

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

GTC is listed on the Warsaw Stock exchange.

The major shareholder of the Company as of 30 September 2009 was GTC Real Estate Holding N.V (“GTC Real Estate Holding”), with total number of shares held 94,629,180 which constitute 43.1% of total shares. The ultimate parent of the Company is Kardan N.V of the Netherlands.

2. Functional and reporting currencies

The currency of Polish economy is the Polish Zloty.

The functional currency of GTC Group is Euro. The functional currency of some of GTC’s subsidiaries is a currency different from Euro.

The financial statements of those companies prepared in their functional currencies are included in the interim condensed consolidated financial statements by translation into Euro using the closing rate method outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as “Foreign currency translation” without affecting earnings for the period.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 30 September 2009
(In thousands of Euro)

3. 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. These 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, derivative financial instruments and available-for-sale financial assets that have been measured at fair value.

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

This interim condensed consolidated statement of financial position, interim condensed consolidated statement of income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated cash flow statement and interim condensed consolidated statement of changes in equity are unaudited. These 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 2008. The interim financial results are not necessarily indicative of the full year results.

The interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future.

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 2009.

Goodwill impairment is tested periodically. Impairment is determined by assessing the recoverable amount of the cash generating unit or group of cash generated units, to which the goodwill relates.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 30 September 2009
(In thousands of Euro)

4. Significant accounting policies

The Group applied to these interim condensed consolidated financial statements (“interim condensed consolidated financial statements”) for the nine-month period ended 30 September 2009 all International Financial Reporting Standards (IFRS) effective for accounting periods beginning on or after 1 January 2009.

The Polish law requires the Group to prepare its interim condensed consolidated financial statements in accordance with IFRS applicable to interim financial reporting as adopted by European Union (“EU”) (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 the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by EU.

The Group 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 2008, except for adoption of new standards and interpretations noted below.

With the effect from 1 January 2009 International Financial Reporting Standards have been revised. There are the following new or revised standards and interpretations, which are applicable for the period following 1 January 2009:

- IFRS 8 Operating segments which replaced IAS 14 Segment reporting. IFRS 8 introduces a management reporting approach to the identification and measurement of the operating segments results.
- IAS 1 Presentation of Financial Statements (revised in September 2007) – The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income. The Company has chosen to present it, in two linked statements.
- IAS 23 Borrowing costs (revised in June 2007) – the revised Standard requires capitalisation of borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
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(In thousands of Euro)

4. Significant accounting policies (continued)

- IFRS 2 Share-based payment: Vesting Conditions and Cancellations – the Standard has been amended to clarify the definition of a vesting conditions and to prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.
- Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation: the standard have been revised to allow a limited scope exception for puttable financial instruments to be classified as equity if they fulfill a number of specified criteria.
- Interpretation IFRIC 13 Customer Loyalty Programs- interpretation requires customer loyalty credits to be accounted as separate component of the sales transaction in which they are granted.
- Amendments to IFRS 1 and IAS 27 Cost of an investment in a subsidiary, jointly-controlled entity or associate - effective for financial years beginning on or after 1 January 2009.
- IFRIC 15 Agreements for the Construction of Real Estate - effective for financial years beginning on or after 1 January 2009.
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation - effective for financial years beginning on or after 1 January 2009;
- Improvements to IFRSs – effective for financial years beginning on or after 1 January 2009. Improvements to IFRSs. In May 2008 the Board issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.
- Amendments to IFRS 7 - Improving disclosures about financial statements. It has not been endorsed by the EU till the day of approval of these financial statements,
- IFRIC 12 Service Concession Arrangements – effective for annual periods beginning on or after 1 January 2008 – the interpretation has been endorsed by the EU, however according to the EU regulation the entities shall apply IFRIC 12, at the latest, for annual periods beginning after March 2009.

Globe Trade Centre S.A.
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4. Significant accounting policies (continued)

The amendments except for the disclosures required by IFRS 8, IAS 1, and change related to amended IAS 40, introduced by Improvements to IFRS which is further described below have been analysed by the Group. The changes in the standards and interpretations have no material impact on the financial data presented in these interim condensed financial statements.

- Improvements to IFRSs related to amended IAS 40 – effective for financial years beginning on or after 1 January 2009. The IASB concluded, as part of its Annual Improvement Project, that, in addition to including investment property under construction within the scope of the Standard, it would also amend the Standard to allow investment property under construction to be measured at fair value if and when that fair value can be measured reliably. Until such time as the fair value becomes reliably measurable these properties shall be accounted for at cost until construction is completed (whichever comes earlier).

The Company early adopted the option to fair value investment property under construction. The change had impact on the financial data, and was initially presented in the annual report for the year ended 31 December 2008.

The following standards and interpretations were issued by the International Financial Standards Board or International Financial Reporting Interpretations Committee but are not yet effective:

- IFRS 3R Business Combinations (revised in January 2008) – effective for financial years beginning on or after 1 July 2009,
- Amendments to IAS 27 Consolidated and Separate Financial Statements (issued in January 2008) – effective for financial years beginning on or after 1 July 2009,
- Amendments to IAS 39 Financial Instruments: Recognition and Measurement: Eligible Hedged Items (issued in July 2008) - effective for financial years beginning on or after 1 July 2009.
- IFRS 1R First-time Adoption of International Financial Reporting Standards (revised in November 2008) - effective for financial years beginning on or after 1 July 2009, not endorsed by the EU till the day of approval of these financial statements
- Amendments to IFRS 7 Financial instruments: Disclosures - effective for financial years beginning on or after 1 January 2009; not endorsed by the EU till the day of approval of these financial statements,
- IFRIC 17 Distributions of Non-cash Assets to Owners - effective for financial years beginning on or after 1 July 2009, not endorsed by the EU till the day of approval of these financial statements

Globe Trade Centre S.A.
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(In thousands of Euro)

4. Significant accounting policies (continued)

- IFRIC 18 transfers of Assets from Customers - effective on or after 1 July 2009, not endorsed by the EU till the day of approval of these financial statements
- Embedded derivatives – changes to IFRIC 9 and IAS 39 – effective for financial years ended on or after 30 June 2009, not endorsed by the EU till the day of approval of these financial statements.
- Improvements to IFRS (issued on April 2009) – some improvements are effective for annual periods beginning on or after 1 July 2009, the rest is effective for annual periods beginning on or after 1 January 2010, not endorsed by the EU till the day of approval of these financial statements.
- Amendments to IFRS 2 Group Cash-settled Share-based Payment Transactions (amended in June 2009), effective for financial years beginning on or after 1 January 2010, not endorsed by the EU till the day of approval of these financial statements.
- Amendments to IFRS 1 Additional Exemptions for the first-time Adopters, effective from 1 January 2010, not endorsed by the EU till the day of approval of these financial statements.
- Amendments to IAS 32 *Financial instruments: presentation: Classification of Rights Issues* – effective for financial years beginning on or after 1 February 2010 – not endorsed by EU till the date of approval of these financial statements.
- IAS 24 *Related Party Disclosures* (revised in November 2009) – effective for financial years beginning on or after 1 February 2010 – not endorsed by EU till the date of approval of these financial statements.

Management does not expect the introduction of the above-mentioned amendments and interpretations, which endorsed by EU, to have a significant effect on the accounting policies applied by the Group.

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(In thousands of Euro)

5. Investment in Subsidiaries, Associates and Joint Ventures

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 and joint ventures as at the end of each period (the table presents the effective stake):

Name	Holding Company	Country of incorporation	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
Darat Sp. z o.o. ("Darat") liquidated) (***)	GTC S.A.	Poland	-	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 Aeropark Sp. z o.o. ("GTC Aeropark")	GTC S.A.	Poland	100%	100%	100%
GTC Topaz Office Sp. z o.o. ("GTC Topaz Office ")	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%	50%	50%
GTC Nefryt Sp. z o.o. ("GTC Nefryt ")	GTC S.A.	Poland	100%	100%	100%
GTC Satellite Sp. z o.o. ("GTC Satellite")	GTC S.A.	Poland	100%	100%	100%
GTC Sonata Sp. z o.o. ("GTC Sonata ")	GTC S.A.	Poland	100%	100%	100%
GTC GK Office Sp. z o.o. ("GTC GK Office ")	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%	100%
GTC Wrocław Office Sp. z o.o. („GTC Wrocław Office”)	GTC S.A.	Poland	100%	100%	100%
GTC Byrant Sp. z o.o. ("GTC Byrant")	GTC S.A.	Poland	100%	100%	100%
GTC Diego Sp. z o.o. ("GTC Diego")	GTC S.A.	Poland	100%	100%	100%
GTC Cyril Sp. z o.o. ("GTC Cyril")	GTC S.A.	Poland	100%	100%	100%
GTC Com 3 Sp. z o.o. ("GTC Com 3")	GTC S.A.	Poland	100%	100%	100%
GTC Com 4 Sp. z o.o. ("GTC Com 4")	GTC S.A.	Poland	100%	100%	100%
GTC Com 5 Sp. z o.o. ("GTC Com 5")	GTC S.A.	Poland	100%	100%	100%
Alfa Development Inwestycje sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Sigma Development Inwestycje sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omega Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Delta Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omikron Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Galeria CTWA Sp. z o.o. ("Galeria CTWA ")	GTC S.A.	Poland	100%	100%	100%

* Proportionate consolidation.

** As all companies in liquidation do not possess generating cash flow assets, no disclosures under IFRS 5 are required.

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

Name	Holding Company	Country of incorporation	30 September 2009 (unaudited)	30 September 2008** (unaudited)	31 December 2008 **
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%	100%
Budapest Properties B.V.	GTC Hungary	Netherland	100%	-	-
Vaci Ut 81-85 Kft.	GTC Hungary	Hungary	100%	100%	100%
Riverside Apartments Kft. ("Riverside")	GTC Hungary	Hungary	100%	100%	100%
Centre Point I. Kft. ("Centre Point I")	GTC Hungary	Hungary	100%	100%	100%
Centre Point II. Kft. ("Centre Point II")	GTC Hungary	Hungary	100%	100%	100%
River Loft Kft.	GTC Hungary	Hungary	-	100%	100%
Spiral Holding Kft.	GTC Hungary	Hungary	100%	100%	100%
Spiral I. Kft.	GTC Hungary	Hungary	100%	100%	100%
Spiral II. Kft.	GTC Hungary	Hungary	100%	100%	100%
Spiral III. Kft.	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Kft.	GTC Hungary	Hungary	50.1%	50.1%	50.1%
Albertfalva Kft. ("Gate Way")	GTC Hungary	Hungary	100%	100%	100%
GTC Metro Kft (formerly "Jazmin Ingatlan Kft.")	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Offices Kft	GTC Hungary	Hungary	100%	100%	100%
Toborzó Széplak Kft.	GTC Hungary	Hungary	100%	100%	100%
Mastix Champion Kft.	GTC Hungary	Hungary	100%	100%	100%
GTC Renaissance Plaza Kft.	GTC Hungary	Hungary	100%	100%	100%
SASAD II Kft.	GTC Hungary	Hungary	50.1%	50.1%	50.1%
Amarantan Ltd.	GTC Hungary	Hungary	100%	100%	100%
Abritus Kft.	GTC Hungary	Hungary	100%	100%	100%
River Loft Offices Kft.	GTC Hungary	Hungary	100%	-	100%
Immo Buda Kft.	GTC Hungary	Hungary	100%	-	100%
Szemi Ingatlan Ltd.	GTC Hungary	Hungary	100%	100%	100%
Preston Park Kft.	GTC Hungary	Hungary	100%	100%	100%
GTC Real Estate Investments Ukraine B.V. ("GTC Ukraine")	GTC S.A.	Netherlands	90%	90%	90%
Emerging Investments III B.V.	GTC S.A.	Netherlands	100%	-	100%
GTC Real Estate Management Services Ukraine LLC	GTC Ukraine	Ukraine	90%	90%	90%
GTC Real Estate Investments Russia B.V. ("GTC Russia", formerly GTC Moldova)	GTC S.A.	Netherlands	100%	100%	100%
Yatelsis Viborgskaya Limited of Nicosia ("YVL") (*)	GTC Russia	Cyprus	50%	50%	50%
GTC Development Service Spb	GTC Russia	Russia	100%	-	100%
OOO Okkerville (*)	YVL	Russia	50%	50%	100%
ZAO Krasny Mayak (*)	YVL	Russia	50%	50%	100%
GTC Real Estate Investments Slovakia B.V. ("GTC Slovakia")	GTC S.A.	Netherlands	100%	100%	100%
GTC Real Estate Developments Bratislava B.V. ("GTC Bratislava")	GTC Slovakia	Netherlands	70%	70%	70%
GTC Real Estate Management s.r.o.	GTC Slovakia	Slovakia	100%	100%	100%
GTC Real Estate Park s.r.o.	GTC Bratislava	Slovakia	70%	70%	70%
SPV Opus S.R.O	GTC Bratislava	Slovakia	70%	70%	70%
GTC Jarossova S.R.O	GTC Bratislava	Slovakia	70%	70%	70%
GTC Hill S.R.O	GTC Slovakia	Slovakia	70%	70%	70%
GTC Vinohradis Villas S.R.O	GTC Slovakia	Slovakia	70%	70%	70%
GTC Real Estate Vinohrady s.r.o. ("GTC Vinohrady")	GTC Bratislava	Slovakia	70%	70%	70%
GTC Real Estate Vinohrady 2 s.r.o. ("GTC Vinohrady 2")	GTC Bratislava	Slovakia	70%	70%	70%

* Proportionate consolidation.

** Share of GTC S.A includes, where applicable, share currently held by Eli Alroy, the chairman of the supervisory board, or a company controlled by him ("Alroy"). The value of put held by Alroy is presented as financial liability.

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Investment in Subsidiaries, Associates and Joint Ventures (continued)

Name	Holding Company	Country of incorporation	30 September 2009 (unaudited)	30 September 2008** (unaudited)	31 December 2008 **
GTC Real Estate Investments Croatia B.V. ("GTC Croatia")	GTC S.A.	Netherlands	100%	100%	100%
GTC Nekretnine Zagreb d.o.o. ("GTC Zagreb")	GTC Croatia	Croatia	100%	100%	100%
Euro Structor d.o.o.	GTC Croatia	Croatia	70%	70%	70%
Marlera Golf LD d.o.o.	GTC Croatia	Croatia	80%	80%	80%
GTC Center Point Ltd.	GTC Croatia	Croatia	100%	100%	100%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o.	Croatia	80%	80%	80%
GTC Nekretnine Istok d.o.o.	GTC Croatia	Croatia	100%	100%	100%
GTC Nekretnine Jug. d.o.o.	GTC Croatia	Croatia	100%	100%	100%
GTC Sredisnja tocka d.o.o.	GTC Croatia	Croatia	100%	-	100%
GTC Nekretnine Zapad d.o.o.	GTC Croatia	Croatia	100%	100%	100%
GTC Real Estate Investments Romania B.V. ("GTC Romania")	GTC S.A.	Netherlands	100%	100%	100%
Towers International Property S.R.L.	GTC Romania	Romania	100%	100%	100%
Galleria Shopping Center S.R.L. (formerly "International Hotel and Tourism S.R.L.")	GTC Romania	Romania	100%	100%	100%
Green Dream S.R.L.	GTC Romania	Romania	100%	100%	100%
Titulescu Investments B.V. ("Titulescu")	GTC Romania	Netherlands	100%	100%	100%
Aurora Business Complex S.R.L.	GTC Romania	Romania	50.1%	50.1%	50.1%
Yasmine Residential Complex S.R.L.	GTC Romania	Romania	100%	100%	100%
Bucharest City Gate B.V. ("BCG")	GTC Romania	Netherlands	58.9%	58.9%	58.9%
Mablethompe Investitii S.R.L.	GTC Romania	Romania	100%	100%	100%
National Commercial Centers B.V. (*)	GTC Romania	Netherlands	50%	50%	50%
Mercury Commercial Center S.R.L. (*)	National Commercial Centers B.V.	Romania	75%	75%	75%
Venus Commercial Center S.R.L. (*)	National Commercial Centers B.V.	Romania	66.7%	66.7%	66.7%
Mars Commercial Center S.R.L. (*)	National Commercial Centers B.V.	Romania	50%	50%	50%
Beaufort Commercial Center S.R.L. (*)	National Commercial Centers B.V.	Romania	50%	50%	50%
Fajos S.R.L. (*)	National Commercial Centers B.V.	Romania	50%	50%	50%
City Gate S.R.L.	Bucharest City Gate B.V.	Romania	50.1%	58.9%	58.9%
City Gate Bucharest S.R.L.	Bucharest City Gate B.V.	Romania	50.1%	58.9%	58.9%
Brightpoint Investments Limited	GTC Romania	Cyprus	50.1%	50.1%	50.1%
Complexul Residential Colentina S.R.L.	Brightpoint Investments Limited	Romania	100%	100%	100%
Cefin Galati Real Estate S.R.L. (1) (*)	National Commercial Centers B.V.	Romania	63.8%	63.8%	63.8%
Operetico Enterprises Ltd.	GTC Romania	Cyprus	66.7%	66.7%	66.7%
Deco Intermed S.R.L.	Operetico Enterprises Ltd.	Romania	100%	100%	100%
GML American Regency Pipera S.R.L.	GTC Romania	Romania	66.7%	66.7%	66.7%

* Proportionate consolidation.

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

Name	Holding Company	Country of incorporation	30 September 2009 (unaudited)	30 September 2008** (unaudited)	31 December 2008 **
GTC Real Estate Investments Bulgaria BV („GTC Bulgaria”)	GTC S.A.	Netherlands	100%	100%	100%
Galeria Stara Zagora AD	GTC Bulgaria	Bulgaria	75%	75%	75%
Galeria Burgas JSC (***)	GTC Bulgaria	Bulgaria	66.7%	66.7%	66.7%
Galeria Varna JSC	Galeria Ikonov GmbH	Bulgaria	65%	65%	65%
GTC Business Park EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
NRL EAD	GTC Bulgaria	Bulgaria	100%	-	100%
Galeria Ikonov GmbH	GTC Bulgaria	Austria	65%	65%	65%
GTC Yuzhen Park EAD (“GTC Yuzhen”)	GTC Bulgaria	Bulgaria	100%	100%	100%
GTC Real Estate Investments Serbia B.V. (“GTC Serbia”)	GTC S.A.	Netherlands	100%	100%	100%
City Properties Serbia B.V.	GTC Serbia	Netherlands	100%	100%	100%
GTC International Development d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Business Park d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial and Residential Ventures d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Real Estate Developments d.o.o.	GTC Serbia	Serbia	95%	95%	95%
Demo Invest d.o.o	GTC Commercial Centres d.o.o	Serbia	100%	100%	100%
GTC Managment d.o.o	GTC Serbia	Serbia	100%	-	100%
GTC Metropolitan properties d.o.o	GTC Serbia	Serbia	100%	-	100%
GTC Urban Regeneration Investments d.o.o	GTC Serbia	Serbia	100%	-	100%
Atlas Centar d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial Centers d.o.o.	GTC Serbia	Serbia	100%	100%	100%

* Proportionate consolidation.

** Share of GTC S.A includes, where applicable, share currently held by Eli Alroy, the chairman of the supervisory board, or a company controlled by him (“Alroy”). The value of put held by Alroy is presented as financial liability.

*** The company acquired the remaining 33.3% shares in October 2009 (see note 17)

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

Investment in Associates

Name	Holding Company	Country of incorporation	30 September 2009 (unaudited)	30 September 2008 * (unaudited)	31 December 2008 *
Lighthouse Holdings Limited S.A. ("Lighthouse")	GTC S.A.	Luxemburg	35%	35%	35%
Vokovice BCP Holding S.A. ("Vokovice")	GTC S.A.	Luxemburg	35%	35%	35%
Holesovice Residential Holdings S.A. ("Holesovice")	GTC S.A.	Luxemburg	35%	35%	35%
CID Holding S.A. ("CID")	GTC S.A.	Luxemburg	35%	35%	35%
ND Holdings S.A. ("ND")	GTC S.A.	Luxemburg	35%	35%	35%
Europort Investment (Cyprus) 1 Limited	GTC Ukraine	Cyprus	49,9%	49,9%	49,9%
Europort LTD	Emerging investment	Israel	10%	10%	10%

* Share of GTC S.A includes, where applicable, share currently held by Eli Alroy, the chairman of the supervisory board, or a company controlled by him ("Alroy"). The value of put held by Alroy is presented as financial liability.

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6. Events in the period

In January 2009, GTC and Eli Alroy, or a company controlled by him (“AYRAD”) signed an agreement. According to the agreement, GTC purchased all shares in its subsidiaries and associates, and assumed all liabilities of the subsidiaries and associates, offset them against AYRAD liabilities to the Company, and cancelled AYRAD’s co-investment rights. In consideration the Put Option ceased to exist and GTC shall pay AYRAD Euro 17.6 million.

Euro 17.2 million shall be paid during 2009. Remaining Euro 0.4 million will be paid during the years 2010-2011. As at 30 September 2009 GTC already paid EUR 17 million.

In May 2009, Bank Pekao S.A. (“Bank”) and the Company signed agreement in which, the Company keeps security deposit (which can be decreased if the PLN/EUR rate will be decreased) and certain other mortgage collaterals, to secure Bank’s exposure related to Cross Currency IRS instruments. As of 30 September 2009, Euro 15 million has been kept as security deposit.

In August 2009, The Company and Unibail Rodamco, each of them holds 50% of Rodamco CH1 sp. z o.o. - a company, which holds Galeria Mokotow Shopping Center in Warsaw, concluded a EUR 205m refinancing loan agreement with the consortium of German banks. The loan will bear interest of Euribor +2.25% p.a., with maturity of 5-7 years.

On 30 September 2009, the Company completed the construction of Galeria Jurajska shopping centre.

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7 Revenue from operations

Revenue from operations comprises the following:

	Nine-month period ended 30 September 2009 <i>(unaudited)</i>	Nine-month period ended 30 September 2008 <i>(unaudited)</i>	Three-month period ended 30 September 2009 <i>(unaudited)</i>	Three-month period ended 30 September 2008 <i>(unaudited)</i>	Year ended 31 December 2008
Office and Commercial revenue	65,616	49,159	22,166	18,087	72,084
Residential income	51,325	21,740	11,244	17,687	42,455
	116,941	70,899	33,410	35,774	114,539

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 Euro and US dollars.

8 Cost of operations

Costs of operations comprise the following:

	Nine-month period ended 30 September 2009 <i>(unaudited)</i>	Nine-month period ended 30 September 2008 <i>(unaudited)</i>	Three-month period ended 30 September 2009 <i>(unaudited)</i>	Three-month period ended 30 September 2008 <i>(unaudited)</i>	Year ended 31 December 2008
Cost of office and commercial operations	15,065	12,210	5,356	4,863	18,561
Residential costs	42,027	16,550	9,925	13,527	33,317
	57,092	28,760	15,281	18,390	51,878

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9 Segmental analysis

The Company's operating segments are carried out through subsidiaries develops real estate projects.

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets and other factors. Reportable segments are divided into two main segments:

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

The activities carried out in the above mentioned operating segments are conducted in the following geographical zones, which has common characteristics:

- a. CE3 countries (Poland and Hungary)
- b. Romania and Bulgaria
- c. Other CEE countries (Serbia, Croatia, Ukraine, Slovakia, and Russia)

Management monitors the operating results of its business units for the purposes of making performance assessment and decision making. Operating segment performance is evaluated based on gross margin from operations.

The resource allocation decisions made by the management are based on analysis of the same segments as for financial reporting purposes.

Segment analysis for the nine-month periods ended 30 September 2009 (unaudited) and 30 September 2008 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30 September 2009	30 September 2008	30 September 2009	30 September 2008	30 September 2009	30 September 2008	30 September 2009	30 September 2008
Rental income	45,642	33,779	529	55	19,445	15,325	65,616	49,159
Contract income	23,054	4,535	19,400	8,196	8,871	9,009	51,325	21,740
Total income	68,696	38,314	19,929	8,251	28,316	24,334	116,941	70,899
Rental costs	8,342	8,421	1,869	-	4,854	3,789	15,065	12,210
Contract costs	18,475	3,603	16,229	6,147	7,323	6,800	42,027	16,550
Total costs	26,817	12,024	18,098	6,147	12,177	10,589	57,092	28,760
Gross margin from Rental	37,300	25,358	(1,340)	55	14,591	11,536	50,551	36,949
Gross margin from Contract	4,579	932	3,171	2,049	1,548	2,209	9,298	5,190
Total gross margin	41,879	26,290	1,831	2,104	16,139	13,459	59,849	41,853

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9 Segmental analysis (continued)

Segment analysis for the three-month periods ended 30 September 2009 (unaudited) and 30 September 2008 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30	30	30	30	30	30	30	30
	September	September	September	September	September	September	September	September
	2009	2008	2009	2008	2009	2008	2009	2008
Rental income	15,394	12,772	152	55	6,620	5,260	22,166	18,087
Contract income	1,674	482	8,386	8,196	1,184	9,009	11,244	17,687
Total income	17,068	13,254	8,538	8,251	7,804	14,269	33,410	35,774
Rental costs	2,949	3,309	817	-	1,590	1,554	5,356	4,863
Contract costs	1,454	580	7,721	6,147	750	6,800	9,925	13,527
Total costs	4,403	3,889	8,538	6,147	2,340	8,354	15,281	18,390
Gross margin from Rental	12,445	9,463	(665)	55	5,030	3,706	16,810	13,224
Gross margin from Contract	220	(98)	665	2,049	434	2,209	1,319	4,160
Total gross margin	12,665	9,365	-	2,104	5,464	5,915	18,129	17,384

Segment analysis for asset allocation as of 30 September 2009 (unaudited) and 31 December 2008 is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30	31	30	31	30	31	30	31
	September	December	September	December	September	December	September	December
	2009	2008	2009	2008	2009	2008	2009	2008
Segment assets								
Allocated assets rental	1,247,870	1,194,573	452,342	306,042	437,641	453,951	2,137,853	1,954,566
Allocated assets residential	66,284	117,404	153,959	171,393	65,584	55,402	285,827	344,199
Unallocated assets	151,733	183,966	45,219	52,092	12,214	23,581	209,166	259,639
Total assets	1,465,887	1,495,943	651,520	529,527	515,439	532,934	2,632,846	2,558,404

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10 Investment in associates

The investment in associates comprises the following:

	30 September 2009 <i>(unaudited)</i>	30 September 2008 <i>(unaudited)</i>	31 December 2008
Investment in shares	5,667	7,802	7,802
Acquisition/establishment of new associate	-	3,622	3,545
Acquisition of majority shares in associates	-	(3,000)	(3,000)
Translation differences	(125)	98	(366)
Equity profit	3,744	2,610	2,944
Total	9,286	11,132	10,925
Loans	39,432	30,467	33,944
Investment in associates	48,718	41,599	44,869

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11 Investment Property

The investment properties that are owned by the Group are office and commercial space, including property under construction:

Investment property can be split up as follows:

	30 September 2009 (<i>unaudited</i>)	30 September 2008 (<i>unaudited</i>)	31 December 2008
Completed investment property	1,317,265	1,147,395	1,143,116
Investment property under construction at fair value	339,928	-	369,621
Investment property under construction at cost	345,066	-	315,052
Total	2,002,259	1,147,395	1,827,789

(*) As at 30 September 2008 investment properties under construction were presented within Property, Plant and Equipment.

The movement in investment property for the periods ended 30 September 2009 and 2008 and 31 December 2008 was as follows:

	30 September 2009 (<i>unaudited</i>)	30 September 2008 (<i>unaudited</i>)	31 December 2008
Fair value at beginning of the year	1,827,789	860,933	860,933
Additions , including:			
Capitalised/transferred expenditures in the period	242,360	131,894	707,583
Purchase of shares in subsidiaries	-	3,764	3,766
Brokers fees and other incentives	897	2,420	2,722
Adjustment to fair value	(48,452)	145,125	235,620
Reversal of impairment	-	-	7,879
Disposals	(10,035)	(2,984)	(713)
Translation differences	(10,300)	6,243	9,999
Carrying amount at the end of the period	2,002,259	1,147,395	1,827,789

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11 Investment Property

Fair value adjustment consists of the following:

	Nine-month period ended 30 September 2009 (<i>unaudited</i>)	Nine-month period ended 30 September 2008 (<i>unaudited</i>)	Year ended 31 December 2008
Fair value of properties completed in prior years	(96,879)	145,125	32,775
Fair value of newly completed properties	33,187	-	78,113
Fair value of property under construction	15,240	-	124,732
	(48,452)	145,125	235,620

Assumptions used in the valuations as of 30 September 2009 are, presented on the basis of weighted averages, presented below:

	Poland	Other countries
<u>Completed assets</u>		
Average rental rate per sqm (Eur) (*)	22	22
Yield	7.2%	8.3%
ERV per sqm (Eur) (*)	23	21
Vacancy	2%	19%
<u>Assets under construction (only assets at fair value)</u>		
average yield	7.5%	8.5%
Average % complete	81%	73%

(*) Apart from basic rent includes income from parking, ad-on factors, and other income

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11 Investment Property

Assumptions used in the valuations as of 31 December 2008 are, presented on the basis of weighted averages, presented below:

	Poland	Other countries
<u>Completed assets</u>		
Average rental rate per sqm (Eur) (*)	22	23
Yield	6.9%	7.7%
ERV per sqm (Eur) (*)	24	25
Vacancy	1%	18%
<u>Assets under construction (only assets at fair value)</u>		
average yield	7.9%	8.1%
Average % complete	42%	43%

(*) Apart from basic rent includes income from parking, ad-on factors, and other income

The economic slow down continues to impact both credit and real estate markets. Although some stabilization in investment yields is assumed, decrease in market rental rates adversely affects values of commercial properties. Low liquidity level in the real estate market and low investment transactions volume in the region result in less certainty with regard to valuations and lack of clarity as to pricing levels. In such environment market values are subject to high volatility.

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12 Long-term loans

	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
Bonds seria 0414	170,505	211,249	172,562
Bonds seria 0412	18,945	23,472	19,174
Bonds seria 0513	82,894	102,690	83,885
Loan from Aareal Bank (Rodamco CH1)	30,849	33,566	33,903
Loan from Aareal(GTC Galeria Kazimierz)	-	33,784	33,391
Loan from Peko (GTC Galeria Kazimierz)	44,510	-	-
Loan from WBK (Globis Poznan)	17,574	18,080	17,954
Loan from WBK 1 (Galileo)	6,225	6,832	6,792
Loan from WBK 2 (Newton)	10,546	11,037	11,168
Loan from WBK 3 (Edison)	12,721	13,000	12,969
Loan from EUROHYPO (GTC Topaz office)	13,170	13,763	13,620
Loan from BPH Bank (Globis Wroclaw)	28,579	20,937	28,958
Loan from ING (Nothus)	17,757	18,000	18,000
Loan from ING (Zefirus)	17,757	11,206	18,000
Loan from ING (Platinum 1)	20,717	21,001	21,000
Loan from ING (Platinum 2)	20,717	10,072	21,000
Loan from Berlin Hyp (Platinum 3)	11,307	-	-
Loan from Eurohypo (Nefryt)	32,752	21,828	33,038
Loan from WBK (Kazimierz office)	26,000	2,557	6,719
Loan from Pekao (Galeria Jurajska)	88,795	13,207	34,165
Loan from Berlin Hyp (Koscuszki)	10,152	-	-
Loan from ING (Francuska)	6,126	-	-
Loan from MKB (Centre Point I)	27,577	28,827	28,551
Loan from MKB (Centre Point II)	32,360	34,047	33,641
Loan from CIB (Metro)	7,037	2,800	2,800
Loan from MKB (Spiral)	21,925	10,557	10,282
Loan from Erste (Reinesance)	6,109	-	6,078
Loan from MKB (Sasad Resort)	29,544	29,670	31,825
Loan from EBRD and Raiffeisen Bank (GTC House)	18,984	20,201	19,905
Loan from EBRD and Raiffeisen Bank (19 Avenue)	17,000	17,402	17,724
Loan from EBRD and Raiffeisen Bank (Block 41)	23,600	-	10,588
Loan from Raiffeisen Bank (Green Dream)	6,076	6,382	6,042
Loan from Unicredit (Felicity)	29,442	26,078	29,356
Loan from RZBR (Rose Garden)	26,958	14,937	14,724
Loan from Alpha (Citygate)	18,782		
Loan from EBRD and Raiffeisen Bank (NCC)	19,817	13,162	19,388
Loan from MKB and Zagrabecka Banka (GTC Croatia)	50,171	53,424	52,336
Loan from MKB and OTP (Galeria Varna)	20,631	-	-
Loan from EBRD and Unicredit (Stara Zagora)	17,609	-	3,303
Loan from Unicredit (GTC Slovakia)	7,863	5,086	5,024
Loans from minorities in subsidiaries	108,026	93,311	105,677
Deferred issuance debt expenses	(8,795)	(5,176)	(6,751)
	1,169,314	936,989	976,791

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12 Long-term loans (continued)

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

	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
Long term portion of long term loans:			
Bonds seria 0414	170,505	211,249	172,562
Bonds seria 0412	18,945	23,472	19,174
Bonds seria 0513	82,894	102,690	83,885
Loan from Aareal Bank (Rodamco CH1)	28,643	31,655	31,811
Loan from Aareal Bank (GTC Galeria Kazimierz)	-	32,212	31,819
Loan from Peko (GTC Galeria Kazimierz)	43,790	-	-
Loan from WBK (Globis Poznan)	17,067	17,573	17,447
Loan from WBK 1 (Galileo)	5,808	6,408	6,359
Loan from WBK 2 (Newton)	10,258	10,759	10,884
Loan from WBK 3 (Edison)	12,349	12,690	12,597
Loan from EUROHYPO (GTC Topaz office)	12,570	13,193	13,020
Loan from BPH Bank (Globis Wroclaw)	28,075	20,685	28,454
Loan from ING (Nothus)	17,406	17,757	17,676
Loan from ING (Zefirus)	17,406	10,963	17,676
Loan from ING (Platinum 1)	20,303	20,717	20,622
Loan from ING (Platinum 2)	20,303	9,788	20,622
Loan from Berlin Hyp (Platinum 3)	11,307	-	-
Loan from Eurohypo (Nefryt)	32,422	21,580	32,708
Loan from WBK (Kazimierz office)	25,762	2,557	6,719
Loan from Pekao (Galeria Jurajska)	85,998	13,207	34,165
Loan from Berlin Hyp (Kosciuszki)	10,152	-	-
Loan from ING (Francuska)	6,126	-	-
Loan from MKB (Centre Point I)	26,239	27,739	27,301
Loan from MKB (Centre Point II)	30,734	32,421	32,015
Loan from CIB (Metro)	7,037	2,800	2,800
Loan from MKB (Sasad Resort)	15,525	29,670	10,550
Loan from MKB (Spiral)	17,518	6,193	6,275
Loan from Erste (Reinesance)	-	-	6,078
Loan from EBRD and Raiffeisen Bank (GTC House)	17,570	18,983	18,675
Loan from EBRD and Raiffeisen Bank (19 Avenue)	15,936	16,434	16,732
Loan from EBRD and Raiffeisen Bank (Block 41)	22,600	-	10,324
Loan from Unicredit (Felicity)	29,442	26,078	29,356
Loan from RZBR (Rose Garden)	26,958	14,937	14,724
Loan from Alpha (Citygate)	18,782	-	-
Loan from EBRD and Raiffeisen Bank (NCC)	19,306	13,162	18,893
Loan from MKB and Zagrabecka Banka (GTC Croatia)	44,652	49,014	47,926
Loan from MKB and OTP (Galeria Varna)	20,631	-	-
Loan from EBRD and Unicredit (Stara Zagora)	17,609	-	3,303
Loan from Unicredit (GTC Slovakia)	7,863	5,086	5,024
Loans from minorities in subsidiaries	106,680	93,311	104,331
Deferred issuance debt expenses	(8,451)	(4,871)	(6,397)
	1,114,720	910,112	926,110

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12 Long-term loans (continued)

	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
Current portion of long term loans:			
Loan from Aareal Bank (Rodamco CH1)	2,206	1,911	2,092
Loan from Aareal Bank (GTC Galeria Kazimierz)	-	1,572	1,572
Loan from Peko (GTC Galeria Kazimierz)	720	-	-
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK 1 (Galileo)	417	424	433
Loan from WBK 2 (Newton)	288	278	284
Loan from WBK 3 (Edison)	372	310	372
Loan from EUROHYPO (GTC Topaz office)	600	570	600
Loan from Pekao (Galeria Jurajska)	2,797	-	-
Loan from BPH Bank (Globis Wroclaw)	504	252	504
Loan from ING (Nothus)	351	243	324
Loan from ING (Zefirus)	351	243	324
Loan from ING (Platinum 1)	414	284	378
Loan from ING (Platinum 2)	414	284	378
Loan from WBK (Kazimierz office)	238	-	-
Loan from Eurohypo (Nefryt)	330	248	330
Loan from MKB (Centre Point I)	1,338	1,088	1,250
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Reinesance)	6,109	-	-
Loan from MKB (Sasad Resort)	14,019	-	21,275
Loan from MKB (Spiral)	4,407	4,364	4,007
Loan from EBRD and Raiffeisen Bank (GTC House)	1,414	1,218	1,230
Loan from EBRD and Raiffeisen Bank (19 Avenue)	1,064	968	992
Loan from EBRD and Raiffeisen Bank (Block 41)	1,000	-	264
Loan from MKB and Zagrebacka Banka (GTC Croatia)	5,519	4,410	4,410
Loan from EBRD and Raiffeisen Bank (NCC)	511	-	495
Loan from Raiffeisen Bank (Green Dream)	6,076	6,382	6,042
Loans from minorities in subsidiaries	1,346	-	1,346
Deferred issuance debt expenses	(344)	(305)	(354)
	54,594	26,877	50,681

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13. Other expenses

In July 2006 the Company, City Gate Bucharest S.R.L, City Gate S.R.L (“Project Companies”) signed with third party a framework agreement for developing an office building in Bucharest (City Gate office building).

In accordance with the agreement, the Project Companies’ shareholders (“BCG”) undertake to transfer to the third party 15% of the shares of the project company’s shares and the third party undertakes to transfer the concession rights of the land to the Project Companies.

The conditions have been fulfilled and the 15% stake has been transferred.

In addition, as part of the amended framework agreement, the parties have agreed that BCG will grant a Put option to the third party with respect to the 15% it now owns in the Project Companies. The option can be exercised during a 12 months period following the completion of the construction of the City Gate project, as stipulated in the agreement.

As a result the Company provided for a financial liability amounting to Euro 9.8 million, an estimated present value of the fixed exercise price (see note 17).

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14. Capital and Reserves

As at 30 September 2009, the shares structure was as follows:

Number of Shares	Share series	Total value In PLN	Total value in Euro
139,286,210	A	13,928,621	3,153,995
1,152,240	B	115,224	20,253
235,440	B1	23,544	4,443
8,356,540	C	835,654	139,648
9,961,620	D	996,162	187,998
39,689,150	E	3,968,915	749,022
3,571,790	F	357,179	86,949
17,120,000	G	1,712,000	398,742
219,372,990		21,937,299	4,741,050

All shares are entitled to the same rights. There was no change in the number of shares in the reported periods.

The major shareholder of the Company as of 30 September 2009 was GTC Real Estate Holding with total number of shares held 94,629,180 which constitute 43.1% of total shares.

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14. Capital and Reserves (continued)

Other shareholders who as of 30 September 2009 held above 5% of the Company shares were as follows:

- ING OFE
- AVIVA OFE BZ WBK (previously Commercial Union OFE BPH CU WBK)

The statutory financial statements of GTC S.A are prepared in accordance with Polish Accounting Standards. Dividends may be distributed based on the net profit reported in the standalone annual financial statements prepared for statutory purposes.

On 17 March 2009, the Company held an ordinary shareholders meeting. The ordinary shareholder meeting decided that the profit for the year 2008 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with Polish Accounting Standards shall be retained as retained earnings.

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14. Capital and Reserves (continued)

Phantom shares

Certain key management personnel are entitled to the Company Phantom Shares.

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 settlement price ("strike") amount per share (adjustable for dividend).

As at 30 September 2009, phantom shares issued were as follows:

Series	Number of Phantom Shares	Strike (PLN)	First Exercise Date	Final Exercise Date
1a first	350,000	22.5	1 January 2007	31 December 2012
1a first	350,000	22.5	1 January 2008	31 December 2012
1a latest	350,000	18.15	1 January 2009	31 December 2012
1a latest	350,000	18.15	1 January 2010	31 December 2012
1b first	150,000	22.5	1 January 2007	31 December 2014
1b first	150,000	22.5	1 January 2008	31 December 2014
1b latest	150,000	18.15	1 January 2009	31 December 2014
1b latest	150,000	18.15	1 January 2010	31 December 2014
2	240,000	18.15	1 January 2011	31 December 2015
2	240,000	18.15	1 January 2012	31 December 2015
2	240,000	18.15	1 January 2013	31 December 2015
2	240,000	18.15	1 January 2014	31 December 2015
2	240,000	18.15	1 January 2015	31 December 2015
3	250,000	18.15	1 January 2011	31 December 2012
3	250,000	18.15	1 January 2012	31 December 2012

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14. Capital and Reserves (continued)

Series 1a first- On 17 March 2009 the final exercise date of above phantom shares was extended from 31 December 2010 until 31 December 2012. Other conditions remained unchanged.

Series 1a latest- On 17 March 2009 the final exercise date of above phantom shares was extended from 31 December 2010 until 31 December 2012. Strike amount was changed from PLN 22.5 to PLN 18.15. Other conditions remained unchanged.

Series 1b first- On 5 January 2009 the final exercise date of above phantom shares was extended from 31 December 2013 until 31 December 2014. Other conditions remained unchanged.

Series 1b latest- On 5 January 2009 the final exercise date of above phantom shares was extended from 31 December 2013 until 31 December 2014. Strike amount was changed from PLN 22.5 to PLN 18.15. Other conditions remained unchanged.

Series 2- On 5 January 2009 the final exercise date of above phantom shares was extended from 31 December 2014 until 31 December 2015. Strike amount was changed from PLN 35 to PLN 18.15. 200,000 new phantom shares were issued. Other conditions remained unchanged.

Series 3 was issued on 17 March 2009.

The settlement of the phantom shares (cash or equity) is the decision of the supervisory board of the Company. As of 30 September 2009, there was no decision regarding the above.

The key management personnel were granted phantom shares, according to the plan.

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

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15. Earnings per share

	<u>Nine-month period ended 30 September</u>		<u>Three-month period ended 30 September</u>		<u>Year ended 31 December</u>
	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2008</u>
Profit for the year attributable to shareholders (Euro)	(42,746,000)	133,320,000	(32,927,000)	55,470,000	165,244,000
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990
Basic earnings per share (Euro)	(0.19)	0.61	(0.15)	0.26	0.75
Weighted average number of shares for calculating diluted earnings per share	219,509,124	220,174,157	220,227,521	219,885,769	219,815,409
Diluted earnings per share (Euro)	(0.19)	0.61	(0.15)	0.26	0.75

	<u>Nine-month period ended 30 September</u>		<u>Three-month period ended 30 September</u>		<u>Year ended 31 December</u>
	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2009</u> <i>(unaudited)</i>	<u>2008</u> <i>(unaudited)</i>	<u>2008</u>
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990
Adjustment for phantom shares	136,134	801,167	854,531	512,779	442,419
Weighted average number of shares for calculating diluted earnings per share	219,509,124	220,174,157	220,227,521	219,885,769	219,815,409

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16. Proportionate consolidation

The Company proportionally consolidated assets and liabilities where it has joint control (see note 5).

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

	30 September 2009 (unaudited)	30 September 2008 (unaudited)	31 December 2008
Cash	6,587	4,402	6,675
Non current assets	369,499	374,264	392,532
Current assets (other than cash)	5,463	7,739	6,410
Long term liabilities	(188,964)	(189,331)	(200,058)
Current liabilities	(39,563)	(9,828)	(11,883)
Net assets	153,022	187,246	193,676
Income (*)	16,708	55,988	68,278
Expenses (*)	(29,566)	(14,113)	(21,440)
Profit for the year/period	(12,858)	41,875	46,838

(*) includes profit (loss) from revaluation

17. Subsequent events

In October 2009, the Company has purchased the remaining 33% of the share of Galeria Burgas JSC in consideration of Euro 6.3 Million. As a result all the shares of Galeria Burgas JSC are held by the Company.

In October 2009, BCG purchased 15% of the shares of City Gate Bucharest S.R.L and City Gate S.R.L (see note 13).

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18. Restatement

The Company restated its Cash Flow Statement for previous years. This presentation is in line with IAS.

Under the new presentation interest paid and interest received which were previously presented within operating activities are currently presented in financing activity and investing activity. Additionally, foreign currency translations previously presented within operating activities were reclassified to the effect of foreign currency translation position.

Cash Flow Statement for the year ended 31 December 2008 was restated as follows:

	Restated	Reported	Difference
Cash used in operating activities	(96,031)	(119,985)	23,954
Cash used in investing activities	(417,110)	(428,962)	11,852
Cash from financing activities	366,873	402,679	(35,806)
Total	(146,268)	(146,268)	-

Cash Flow Statement for the nine-month period ended 30 September 2008 was restated as follows:

	Restated	Reported	Difference
Cash used in operating activities	(73,910)	(68,063)	(5,847)
Cash from (used) in investing activities	(358,213)	(368,122)	9,909
Cash from financing activities	285,267	302,980	(17,713)
Effect of foreign currency translation	11,000	(2,651)	13,651
Total	(135,856)	(135,856)	-

In the current period the Group changed the presentation of accruals in the interim condensed consolidated statement of financial position. In previous years accruals (including also accrued interests on bonds) were presented as separate position within current liabilities. Under new presentation accruals are presented as Trade and other payables within current liabilities.

19. Other

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 10 November 2009.