

GLOBE TRADE CENTRE S.A.

**IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2010
TOGETHER WITH INDEPENDENT AUDITORS' REVIEW
REPORT**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2010
(in thousands of Euro)

	Note	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
ASSETS				
Non current assets				
Investment property	11	2,058,634	1,959,310	1,971,915
Residential landbank	4	54,201	-	-
Investment in associates	10	51,107	50,149	49,482
Loans granted and other receivables	13	25,623	39,600	53,990
Property, plant and equipment		1,043	1,217	1,119
Deferred tax asset		5,857	839	5,420
Long-term deposits		1,250	-	1,250
Goodwill		2,741	-	-
Other non-current assets		107	181	87
		2,200,563	2,051,296	2,083,263
Current Assets				
Inventory		218,044	284,395	270,848
Advances to contractors		5,598	24,184	7,898
Debtors		9,178	3,632	8,013
Accrued income		1,255	818	2,188
VAT and other tax recoverable		31,291	36,985	32,044
Income tax recoverable		836	1,954	1,163
Prepayments, deferred expenses		5,049	3,758	2,139
Short-term deposits		18,039	74,663	29,375
Cash and cash equivalents		192,926	117,054	185,648
		482,216	547,443	539,316
TOTAL ASSETS		2,682,779	2,598,739	2,622,579

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

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2010
(in thousands of Euro)

	Note	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
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		16,735	14,213	16,296
Hedge reserve		(53,668)	(33,624)	(37,807)
Foreign currency translation		4,233	12,196	143
Accumulated profit		772,772	896,933	766,567
		959,093	1,108,739	964,220
Non-controlling interest		39,122	67,005	46,511
Total Equity		998,215	1,175,744	1,010,731
Non current Liabilities				
Long-term portion of long-term loans and Bonds	12	1,336,683	932,061	1,234,037
Deposits from tenants		5,299	3,470	4,826
Long term payable		1,196	7,951	1,361
Derivatives		61,003	98,990	62,491
Financial liability		200	400	200
Provision for deferred tax liability		115,136	169,509	117,339
		1,519,517	1,212,381	1,420,254
Current liabilities				
Trade and other payables		61,628	103,860	85,596
Current portion of long-term loans and bonds	12	58,520	47,164	59,651
Financial liability		200	11,647	200
Current portion of long term payable		2,000	391	5,400
VAT and other taxes payable		1,298	2,987	1,371
Income tax payable		2,770	973	4,492
Derivatives		19,236	7,588	14,284
Advances received		19,395	36,004	20,600
		165,047	210,614	191,594
TOTAL EQUITY AND LIABILITIES		2,682,779	2,598,739	2,622,579

The accompanying notes are an integral part of this interim Statement of Financial Position

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 31 March 2010
(in thousands of Euro)

		<u>Three-month</u> <u>period ended</u> <u>31 March 2010</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March 2009</u> <i>(unaudited)</i>	<u>Year ended 31</u> <u>December</u> <u>2009</u>
	Note			
Revenues from operations	7	37,119	45,209	156,362
Cost of operations	8	(12,574)	(23,884)	(71,172)
Gross margin from operations		24,545	21,325	85,190
Selling expenses		(1,178)	(1,215)	(5,040)
Administration expenses		(4,491)	(5,114)	(20,050)
Profit (loss) from revaluation/ impairment of assets	11	(441)	24,143	(172,252)
Other income		256	195	1,913
Other expenses		(164)	(6,271)	(11,909)
Profit (loss) from continuing operations before tax and finance income / (expense)		18,527	33,063	(122,148)
Foreign exchange differences loss, net		(464)	(122)	(3,085)
Interest income		1,202	1,475	7,169
Financial expense		(14,879)	(13,103)	(44,241)
Share of profit (loss) of associates		1,325	163	(2,516)
Profit (loss) before tax		5,711	21,476	(164,821)
Taxation		(1,704)	(17,098)	25,381
Profit (loss) for the period		4,007	4,378	(139,440)
Attributable to:				
Equity holders of the parent		6,205	2,067	(128,299)
Non-controlling interest		(2,198)	2,311	(11,141)
Basic earnings per share (Euro)	15	0.03	0.01	(0.58)
Diluted earnings per share (Euro)	15	0.03	0.01	(0.58)

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 31 March 2010
(in thousands of Euro)

	<u>Three-month</u> <u>period ended 31</u> <u>March 2010</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended 31</u> <u>March 2009</u> <i>(unaudited)</i>	<u>31 December 2009</u>
Profit (loss) for the period/year	4,007	4,378	(139,440)
Gain/(loss) on hedge transactions	(19,581)	(1,238)	(6,464)
Income tax	3,720	161	1,204
Net gain/loss on hedge transactions	(15,861)	(1,077)	(5,260)
Exchange differences on translation of foreign operations	4,102	7,702	(5,325)
Total comprehensive income for the period/year, net of tax	(7,752)	11,003	(150,025)
Attributable to:			
Equity holders of the parent	(5,566)	8,649	(137,953)
Non-controlling interest	(2,186)	2,354	(12,072)

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 three-month period ended 31 March 2010
(in thousand of Euro)

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2009	4,741	214,280	13,056	(32,547)	4,537	894,866	1,098,933	56,990	1,155,923
Other comprehensive income	-	-	-	(1,077)	7,659	-	6,582	43	6,625
Profit for the three month period ended 31 March 2009	-	-	-	-	-	2,067	2,067	2,311	4,378
Total comprehensive income for the period	-	-	-	(1,077)	7,659	2,067	8,649	2,354	11,003
Issuance of shares	-	-	-	-	-	-	-	1,404	1,404
Shares allocation	-	-	-	-	-	-	-	6,258	6,258
Share based payment	-	-	1,157	-	-	-	1,157	-	1,157
Balance as of 31 March 2009	4,741	214,280	14,213	(33,624)	12,196	896,933	1,108,739	67,005	1,175,744

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2009	4,741	214,280	13,056	(32,547)	4,537	894,866	1,098,933	56,990	1,155,923
Other comprehensive income				(5,260)	(4,394)		(9,654)	(931)	(10,585)
Profit for the year ended 31 December 2009						(128,299)	(128,299)	(11,141)	(139,440)
Total comprehensive income for the year	-	-	-	(5,260)	(4,394)	(128,299)	(137,953)	(12,072)	(150,025)
Issuance of shares to non-controlling interest								1,593	1,593
Share based payment			3,240				3,240		3,240
Balance as of 31 December 2009	4,741	214,280	16,296	(37,807)	143	766,567	964,220	46,511	1,010,731
Other comprehensive income				(15,861)	4,090		(11,771)	12	(11,759)
Profit for the year ended 31 March 2010						6,205	6,205	(2,198)	4,007
Total comprehensive income for the year				(15,861)	4,090	6,205	(5,566)	(2,186)	(7,752)
Change due to acquisition of shares in subsidiaries								(5,203)	(5,203)
Share based payment			439				439		439
Balance as of 31 March 2010	4,741	214,280	16,735	(53,668)	4,233	772,772	959,093	39,122	998,215

The accompanying notes are an integral part of this interim Condensed Consolidated Statement of Changes in Equity

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2010
(In thousands of Euro)

	<u>Three-month</u> <u>period ended</u> <u>31 March</u> <u>2010</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March</u> <u>2009</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31</u> <u>December</u> <u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before tax	5,711	21,476	(164,821)
Adjustments for:			
Revaluation/Impairment of assets	441	(24,143)	172,252
Share of (profit) loss of associates	(1,325)	(163)	2,516
Foreign exchange differences loss, net	465		3,085
Other expenses/ (income)	-	6,257	-
Finance income	(1,202)	(1,475)	(7,169)
Finance expenses	14,879	13,103	44,241
Share based payment	439	1,157	3,240
Depreciation and amortization	156	126	430
Operating cash before working capital changes	19,564	16,338	53,774
Decrease/(increase) in debtors and prepayments and other current assets	(1,704)	(888)	8,298
Increase in short term deposits	(295)	-	3,202
Increase in inventory	2,958	2,637	4,515
Increase/(decrease) in advances received	(2,402)	(16,054)	(31,369)
Increase/(decrease) in trade and other payables	(3,413)	(1,410)	(7,332)
Cash generated from/ (used in) operations	14,708	623	31,088
Tax paid in the period	(2,636)	(1,551)	(7,689)
Net cash from (used) in operating activities	12,072	(928)	23,399
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non current assets	(59,784)	(60,018)	(267,708)
Sale of shares in subsidiaries, net of cash disposed of	(b)	-	5,081
Acquisition of subsidiaries, net of cash acquired	(a)	-	
Interest received	967	1,763	7,059
Lease origination expenses	(524)	-	(1,829)
Loans granted	-	(10,317)	(22,788)
Loans repayments	848	-	
Decrease in short term deposits for investing	2,352	3,163	8,382
Net cash used in investing activities	(55,634)	(65,409)	(271,803)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of share to non-controlling interest	-	1,404	1,593
Proceeds from long-term borrowings	53,069	100,107	418,065
Repayment of long-term borrowings	(4,027)	(46,723)	(93,266)
Purchase of shares in subsidiaries	16	(5,667)	(27,948)
Proceeds/ (repayments) of short-term loan	-	612	-
Interest paid	(9,460)	(7,946)	(37,693)
Loans origination cost	-	(586)	(1,370)
Increase (decrease) in short term deposits for financing	9,326	(52,768)	(12,657)
Deposits received from tenants	308	340	1,179
Net cash from (used in) financing activities	49,216	(11,227)	247,903
Effect of foreign currency translation	1,624	(6,144)	(14,613)
Net decrease in cash and cash equivalents	7,278	(83,708)	(15,114)
Cash and cash equivalents, at the beginning of the year	185,648	200,762	200,762
Cash and cash equivalents, at the end of the period/year	192,926	117,054	185,648

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

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2010
(In thousands of Euro)

(a) Purchase of shares in subsidiaries, net of cash acquired

	<u>Three-month period</u> <u>ended</u> <u>31 March 2010</u> <i>(unaudited)</i>	<u>Three-month period</u> <u>ended</u> <u>31 March 2009</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December 2009</u>
Investment property	(50,375)	-	-
Working capital (net of cash acquired)	(483)	-	-
Interest bearing loans and borrowings	30,502	-	-
Long term receivables	28,807	-	-
Goodwill	(2,741)	-	-
Non controlling interests	(5,203)	-	-
		-	-
Purchase of shares in subsidiaries, net of cash acquired	507	-	-

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

	<u>Three-month</u> <u>period ended</u> <u>31 March 2010</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March 2009</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December</u> <u>2009</u>
Investment property	-	-	8,517
Working capital	-	-	(196)
Total Fair Value of Assets sold	-	-	8,321
Long term receivable	-	-	(3,240)
Cash in subsidiary disposed of	-	-	-
Total received net of cash disposed of	-	-	5,081

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 31 March 2010
(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 31 March 2010 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 31 March 2010
(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 2009. 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 31 March 2010.

Goodwill impairment is tested at the year end or when indication for impairment arises. 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
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(In thousands of Euro)

Significant accounting policies, estimates and judgments

Significant accounting policies

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.

These interim condensed financial statements are prepared based on the same the accounting policies as for the financial statements of the Company for the year ended 31 December 2009, except for the amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2010:

- 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). The adoption of these amendments did not have an impact on the financial position or performance of the Company
- IFRS 1R First-time Adoption of International Financial Reporting Standards (restructured in November 2008) - The adoption of these revised standard had no impact on the financial position or performance of the Company.
- IFRS 1R Amendments relating to oil and gas assets and determining whether an arrangement contains a lease (revised in July 2009). The adoption of these amendments did not have an impact on the financial position or performance of the Company.
- IFRS 2 Amendments relating to group cash-settled share-based payment transactions. The adoption of these amendments did not have an impact on the financial position or performance of the Company.

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
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4. Significant accounting policies estimation and judgments (continued)

- IFRIC 12 Service Concession Arrangements. Application of this interpretation did not have impact on the financial statements of the Company.
- IFRIC 17 Distributions of Non-cash Assets to Owners - Application of this interpretation did not have impact on the financial statements of the Company,
- IFRIC 18 Transfers of Assets from Customers. Application of this interpretation did not have impact on the financial statements of the Company.
- Amendments to IAS 39 and IFRS 7 - Reclassification of Financial Assets: Effective Date and Transition (issued in November 2008) – effective on or after 1 July 2009. Application of these amendments did not have impact on the financial statements of the Company.
- Embedded derivatives – changes to IFRIC 9 and IAS 39 – effective for financial years ended on or after 30 June 2009. Application of this interpretation did not have impact on the financial statements of the Company.
- Amendments to IFRS 2 Share-based Payments – Group Cash-settled Share-based Payment Transactions (amended in June 2009) – effective for financial years beginning on or after 1 January 2010.

There are other changes in International Financial Reporting Standards, which were issued by IASB or IFRIC but are not yet effective:

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Additional Exemptions for First-time Adopters – effective for financial years beginning on or after 1 January 2010 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- First-time Adoption of International Financial Reporting Standards- Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters - effective for financial years beginning on or after 1 July 2010 - not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- IFRS 9 Financial Instruments – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- IAS 24 Related Party Disclosures (revised in November 2009) – effective for financial years beginning on or after 1 January 2011 – not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- IAS 32 Financial Instruments: Presentation - Amendments relating to classification of rights issues - effective for financial years beginning on or after 1 February 2010.

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- Amendments to IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction: Prepayments of a Minimum Funding Requirements – effective for financial years beginning on or after 1 January 2011 - not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments - effective for financial years beginning on or after 1 July 2010 - not endorsed by EU till the date of approval of these interim condensed consolidated financial statements.
- Improvements to IFRSs (issued in May 2010) – unless otherwise specified, the amendments are effective for annual periods beginning on or after 1 January 2011.

The amendments have been analysed by the Company. The changes in the standards have no impact on the financial data presented in these condensed financial statements.

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, estimates and judgments (continued)**

Significant estimates and judgments

Reclassification of inventory

The Company classifies its residential inventory to current or non-current assets, based on their development stage within the business operating cycle. The normal operating cycle most cases falls within period of 1-5 years. Residential projects, which are active, are classified as current inventory. Development of the non current inventory is planned to be commenced at least one year after the balance sheet date.

On the basis of the above policy, the Company has reclassified part of inventory from current assets to residential landbank in non-current assets.

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

5. Investment in Subsidiaries, Associates and Joint Ventures

The 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 entities as at the end of each period (the table presents the effective stake):

Name	Holding Company	Country of incorporation	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
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.

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

Name	Holding Company	Country of incorporation	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%	100%
Budapest Properties B.V.	GTC Hungary	Netherlands	100%	-	100%
Budapest Investments B.V.	GTC Hungary	Netherlands	100%	-	100%
Budapest Offices B.V.	GTC Hungary	Netherlands	100%	-	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%	-
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%	100%
Immo Buda Kft.	GTC Hungary	Hungary	100%	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%	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%	100%
OOO Okkerville (*)	YVL	Russia	50%	50%	50%
ZAO Krasny Mayak (*)	YVL	Russia	50%	50%	50%
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.

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Investment in Subsidiaries, Associates and Joint Ventures (continued)

Name	Holding Company	Country of incorporation	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
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%	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	52%	50%	50%
Mercury Commercial Center S.R.L. (**)	National Commercial Centers B.V.	Romania	84.9%	75%	75%
Venus Commercial Center S.R.L. (**)	National Commercial Centers B.V.	Romania	84.7%	66.7%	66.7%
Mars Commercial Center S.R.L. (**)	National Commercial Centers B.V.	Romania	70.0%	50%	50%
Beaufort Commercial Center S.R.L. (**)	National Commercial Centers B.V.	Romania	70.0%	50%	50%
Fajos S.R.L. (**)	National Commercial Centers B.V.	Romania	70.0%	50%	50%
City Gate S.R.L.	Bucharest City Gate B.V.	Romania	58.9%	58.9%	58.9%
Brightpoint Investments Limited	GTC Romania	Romania	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. (**)	National Commercial Centers B.V.	Romania	72.2%	63.6%	63.6%
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.

** See note 6

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

Name	Holding Company	Country of incorporation	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
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	100%	66.7%	100%
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%	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 Management d.o.o.	GTC Serbia	Serbia	-	100%	-
GTC Metropolitan properties d.o.o	GTC Serbia	Serbia	-	100%	-
Urbam Regeneration Investments d.o.o.	GTC Serbia	Serbia	-	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%
Atlas Centar d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial Centers d.o.o.	GTC Serbia	Serbia	100%	100%	100%

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

Investment in Associates

Name	Holding Company	Country of incorporation	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
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%

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6. Events in the period

In March, 2010, the Company has signed an agreement with its Joint Venture partner in relation with its holdings in companies, which develop shopping centers in Romania (NCC). The agreement regulates conversion of GTC Romania's over-financing into additional shares in the project companies. As result of the agreement, the Company increased its holding in those entities by 8.4%-19.8%, and gain control over them.

As of 31 March 2010, the Company fully consolidates those subsidiaries (proportionate consolidation before the transaction) (see note 13).

In March 2010, the Company and Polnord S.A. (Polnord) have signed a term sheet of a joint venture for the development of a modern shopping centre on a 7 hectare site in Wilanow district in Warsaw, currently owned by Polnord.

The planned project will have an approximate size of 60,000 sq. m of retail area.

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7 Revenue from operations

Revenue from operations comprises the following:

	Three-month period ended 31 March 2010 <i>(unaudited)</i>	Three-month period ended 31 March 2009 <i>(unaudited)</i>	Year ended 31 December 2009
Rental revenue	23,624	16,166	75,209
Service revenue	7,000	5,367	21,024
Residential revenue	6,495	23,676	60,129
	37,119	45,209	156,362

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.

8 Cost of operations

Costs of operations comprise the following:

	Three-month period ended 31 March 2010 <i>(unaudited)</i>	Three-month period ended 31 March 2009 <i>(unaudited)</i>	Year ended 31 December 2009
Service costs	6,681	5,062	22,325
Residential costs	5,893	18,822	48,847
	12,574	23,884	71,172

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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 three-month periods ended 31 March 2010 (unaudited) and 31 March 2009 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Rental and service income	21,466	14,825	2,173	198	6,985	6,510	30,624	21,533
Contract income	2,695	13,890	3,800	5,642	-	4,144	6,495	23,676
Total income	24,161	28,715	5,973	5,840	6,985	10,654	37,119	45,209
Service costs	4,114	2,731	1,071	441	1,496	1,890	6,681	5,062
Contract costs	2,342	11,146	3,551	4,199	-	3,477	5,893	18,822
Total costs	6,456	13,877	4,622	4,640	1,496	5,367	12,574	23,884
Rental result	17,352	12,094	1,102	-243	5,489	4,620	23,943	16,471
Contract result	353	2,744	249	1,443	-	667	602	4,854
Total result	17,705	14,838	1,351	1,200	5,489	5,287	24,545	21,325

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9 Segmental analysis (continued)

Segment analysis for the three-month periods ended 31 March 2010 (unaudited) and 31 December 2009 is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009	31 March 2010	31 December 2009
Rental and service income	21,466	66,654	2,173	1,294	6,985	28,285	30,624	96,233
Contract income	2,695	29,313	3,800	23,312	-	7,504	6,495	60,129
Total income	24,161	95,967	5,973	24,606	6,985	35,789	37,119	156,362
Service costs	4,114	12,823	1,071	3,488	1,496	6,014	6,681	22,325
Contract costs	2,342	23,605	3,551	18,355	-	6,887	5,893	48,847
Total costs	6,456	36,428	4,622	21,843	1,496	12,901	12,574	71,172
Rental result	17,352	53,831	1,102	(2,194)	5,489	22,271	23,943	73,908
Contract result	353	5,708	249	4,957	-	617	602	11,282
Total result	17,705	59,539	1,351	2,763	5,489	22,888	24,545	85,190

10 Investment in associates

The investment in associates comprises the following:

	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
Shares	4,835	8,347	5,259
Translation differences	(104)	(509)	(46)
Equity profit	5,128	3,107	3,378
Investment in shares	9,859	10,945	8,591
Loans granted	41,248	39,204	40,891
Investment in associates	51,107	50,149	49,482

* List of Associates (See note 5)

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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:

	31 March 2010 (<i>unaudited</i>)	31 March 2009 (<i>unaudited</i>)	31 December 2009
Completed investment property	1,494,804	1,148,271	1,457,501
Investment property under construction at fair value	183,989	493,918	158,290
Investment property under construction at cost	379,841	317,121	356,124
Total	2,058,634	1,959,310	1,971,915

The movement in investment property for the periods ended 31 March 2010 and 2009 and 31 December 2009 was as follows:

	Three-month period ended 31 March 2010 (<i>unaudited</i>)	Three-month period ended 31 March 2009 (<i>unaudited</i>)	Year ended 31 December 2009
Carrying amount at beginning of the year	1,971,915	1,827,789	1,827,789
Additions , including:			
Capitalised subsequent expenditure	32,962	90,635	319,033
Purchase of shares in subsidiaries (*)	50,375	-	-
Brokers fees and other incentives	507		1,401
Reversal of impairment			-
Adjustment to fair value	(441)	24,143	(161,475)
Disposals			(8,517)
Translation differences	3,316	16,743	(6,316)
Carrying amount at the end of the year	2,058,634	1,959,310	1,971,915

(*) Full consolidation of companies, previously proportionate consolidated.

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11 Investment Property

Fair value adjustment consists of the following:

	Three-month period ended 31 March 2010 (<i>unaudited</i>)	Three-month period ended 31 March 2009 (<i>unaudited</i>)	Year ended 31 December 2009 *
Fair value of properties completed in prior years	(709)	(13,044)	(137,951)
Fair value of newly completed properties	-	-	26,752
Fair value of property under construction	268	37,187	(16,776)
Impairment adjustment	-		(33,500)
	(441)	24,143	(161,475)

* Not include impairment of inventory

Assumptions used in the valuations as of 31 March 2010 are, presented on the basis of weighted averages, presented below:

	Poland	Other countries
<u>Completed assets</u>		
Average rental rate per sqm (Eur) (*)	21	20
Yield	7.5%	8.2%
ERV per sqm (Eur) (*)	21	20
Vacancy	4%	19%
<u>Assets under construction (only assets at fair value)</u>		
average yield	N/A	9.3%
Average % complete	N/A	76%

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11 Investment Property

Assumptions used in the valuations as of 31 December 2009 are, presented on the basis of weighted averages, presented below:

	Poland	Other countries
<u>Completed assets</u>		
Average rental rate per sqm (Eur) (*)	21	20
Yield	7.5%	8.2%
ERV per sqm (Eur) (*)	21	20
Vacancy	4%	19%
<u>Assets under construction (only assets at fair value)</u>		
average yield	N/A	9.3%
Average % complete	N/A	75%

Assumptions used in the valuations as of 31 March 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	23
Yield	7.0%	7.7%
ERV per sqm (Eur) (*)	24	25
Vacancy	1%	14%
<u>Assets under construction (only assets at fair value)</u>		
average yield	7.6%	8.1%
Average % complete	61%	52%

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

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12 Long-term loans and bonds

Long-term loans and bonds comprise the following:

	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
Bonds seria 0414	186,422	153,165	175,259
Bonds seria 0412	20,714	17,018	19,473
Bonds seria 0513	90,622	74,430	85,195
Loan from Aareal Bank (Galeria Mokotow)	101,768	-	102,116
Loan from Aareal (Rodamco CH1)	-	35,235	-
Loan from Pekao (GTC Galeria Kazimierz)	44,155	44,883	44,340
Loan from WBK (Globis Poznan)	17,320	17,827	17,447
Loan from WBK 1 (Galileo)	6,548	7,092	6,215
Loan from WBK 2 (Newton)	11,328	11,779	10,639
Loan from WBK 3 (Edison)	12,504	12,875	12,597
Loan from EUROHYPO (GTC Topaz office)	12,870	13,486	13,020
Loan from BPH Bank (Globis Wroclaw)	28,319	28,832	28,450
Loan from ING (Nothus)	17,586	17,919	17,676
Loan from ING (Zefirus)	17,586	17,919	17,676
Loan from ING (Platinumium 1)	20,516	20,906	20,622
Loan from ING (Platinumium 2)	20,516	20,906	20,622
Loan from Berlin Hyp (Platinumium 3)	13,578	-	13,499
Loan from Eurohypo (Nefryt)	32,587	32,917	32,670
Loan from WBK (Kazimierz office)	29,563	9,278	29,646
Loan from Pekao (Galeria Jurajska)	111,827	47,943	95,510
Loan from Berlin Hyp (UBP)	24,401	3,221	12,763
Loan from ING (CBK)	19,921	1,484	11,120
Loan from MKB (Centre Point I)	26,914	28,226	27,251
Loan from MKB (Centre Point II)	31,547	33,173	31,954
Loan from CIB (Metro)	14,714	4,800	8,993
Loan from MKB (Spiral)	21,687	9,707	21,686
Loan from Erste (Reinesance)	6,109	6,109	6,109
Loan from MKB (Sasad Resort)	22,770	25,365	23,754
Loan from EBRD and Raiffeisen Bank (GTC House)	17,976	19,598	18,655
Loan from EBRD and Raiffeisen Bank (19 Avenue)	16,450	17,500	16,726
Loan from EBRD and Raiffeisen Bank (Block 41)	23,600	10,500	23,600
Loan from Raiffeisen Bank (Green Dream)	2,818	6,044	3,199
Loan from Unicredit (Felicity)	29,443	29,442	29,442
Loan from RZBR (Rose Garden)	26,820	19,099	26,248
Loan from Alpha (Citygate)	39,430	-	37,911
Loan from EBRD and Raiffeisen Bank (NCC)	40,511	19,343	22,587
Loan from MKB and Zagrebečka Banka (GTC Croatia)	46,830	51,284	47,943
Loan from MKB and OTP (Galeria Varna)	25,006	5,000	22,354
Loan from EBRD and Unicredit (Stara Zagora)	24,063	8,869	17,782
Loan from Unicredit (GTC Slovakia)	14,173	4,989	11,828
Loans from minorities in subsidiaries	133,533	99,016	119,070
Deferred issuance debt expenses	(9,842)	(7,954)	(9,959)
	1,395,203	979,225	1,293,688

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12 Long-term loans and bonds (continued)

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

	31 March 2010	31 March 2009	31 December 2009
	(unaudited)	(unaudited)	
Long term portion of long term loans and bonds:			
Bonds seria 0414	186,422	153,165	175,259
Bonds seria 0412	20,714	17,018	19,473
Bonds seria 0513	90,622	74,430	85,195
Loan from Berlin Bank (Rodamco CH1)	100,372	-	100,757
Loan from Aareal Bank (Galeria Mokotow)	-	33,015	-
Loan from Pekao (GTC Galeria Kazimierz)	43,435	44,163	43,620
Loan from WBK (Globis Poznan)	16,813	17,320	16,940
Loan from WBK 1 (Galileo)	6,094	6,632	5,792
Loan from WBK 2 (Newton)	10,996	11,478	10,338
Loan from WBK 3 (Edison)	12,162	12,503	12,234
Loan from EUROHYPO (GTC Topaz office)	12,270	12,886	12,420
Loan from BPH Bank (Globis Wroclaw)	27,783	28,328	27,914
Loan from ING (Nothus)	17,226	17,595	17,316
Loan from ING (Zefirus)	17,226	17,595	17,316
Loan from ING (Platinum 1)	20,090	20,528	20,196
Loan from ING (Platinum 2)	20,090	20,528	20,196
Loan from Berlin Hyp (Platinum 3)	13,578	-	13,499
Loan from Eurohypo (Nefryt)	32,257	32,587	32,340
Loan from WBK (Kazimierz office)	29,212	9,278	29,309
Loan from Pekao (Galeria Jurajska)	109,750	47,943	93,606
Loan from Berlin Hyp (UBP)	24,401	3,221	12,763
Loan from ING (CBK)	19,921	1,484	11,120
Loan from MKB (Centre Point I)	25,551	26,976	25,901
Loan from MKB (Centre Point II)	29,921	31,547	30,328
Loan from CIB (Metro)	14,449	4,800	8,831
Loan from MKB (Sasad Resort)	-	7,225	-
Loan from MKB (Spiral)	17,425	6,275	17,568
Loan from Erste (Reinesance)	-	6,109	-
Loan from EBRD and Raiffeisen Bank (GTC House)	16,476	18,307	17,179
Loan from EBRD and Raiffeisen Bank (19 Avenue)	15,363	16,484	15,650
Loan from EBRD and Raiffeisen Bank (Block 41)	21,904	10,060	22,254
Loan from Unicredit (Felicity)	29,443	29,442	29,442
Loan from RZBR (Rose Garden)	26,820	19,099	26,248
Loan from Alpha (Citygate)	39,430		37,911
Loan from EBRD and Raiffeisen Bank (NCC)	39,120	18,313	21,762
Loan from MKB and Zagrebacka Banka (GTC Croatia)	43,575	46,874	43,528
Loan from MKB and OTP (Galeria Varna)	25,006	5,000	22,113
Loan from EBRD and Unicredit (Stara Zagora)	24,063	8,869	17,782
Loan from Unicredit (GTC Slovakia)	14,173	4,989	11,828
Loans from minorities in subsidiaries	132,372	97,670	117,724
Deferred issuance debt expenses	(9,842)	(7,675)	(9,615)
	1,336,683	932,061	1,234,037

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12 Long-term loans and bonds (continued)

	31 March 2010 (unaudited)	31 March 2009 (unaudited)	31 December 2009
Current portion of long term loans:			
Loan from Berlin Bank (Rodamco CH1)	1,396	-	1,359
Loan from Aareal Bank (Galeria Mokotow)	-	2,220	-
Loan from Pekao (GTC Galeria Kazimierz)	720	720	720
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK 1 (Galileo)	454	460	423
Loan from WBK 2 (Newton)	332	301	301
Loan from WBK 3 (Edison)	342	372	363
Loan from EUROHYPO (GTC Topaz office)	600	600	600
Loan from Pekao (Galeria Jurajska)	2,077	-	1,904
Loan from BPH Bank (Globis Wroclaw)	536	504	536
Loan from ING (Nothus)	360	324	360
Loan from ING (Zefirus)	360	324	360
Loan from ING (Platinum 1)	426	378	426
Loan from ING (Platinum 2)	426	378	426
Loan from WBK (Kazimierz office)	351	-	337
Loan from Eurohypo (Nefryt)	330	330	330
Loan from MKB (Centre Point I)	1,363	1,250	1,350
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Reinesance)	6,109	-	6,109
Loan from MKB (Sasad Resort)	22,770	18,140	23,754
Loan from CIB (Metro)	265	-	162
Loan from MKB (Spiral)	4,262	3,432	4,118
Loan from EBRD and Raiffeisen Bank (GTC House)	1,500	1,291	1,476
Loan from EBRD and Raiffeisen Bank (19 Avenue)	1,087	1,016	1,076
Loan from EBRD and Raiffeisen Bank (Block 41)	1,696	440	1,346
Loan from MKB and OTP (Galeria Varna)	-	-	241
Loan from MKB and Zagrebacka Banka (GTC Croatia)	3,255	4,410	4,415
Loan from EBRD and Raiffeisen Bank (NCC)	1,391	1,030	825
Loan from Raiffeisen Bank (Green Dream)	2,818	6,044	3,199
Loans from minorities in subsidiaries	1,161	1,346	1,346
Deferred issuance debt expenses	-	(279)	(344)
	58,520	47,164	59,651

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13. Business combinations

In March, 2010, the Company has signed an agreement with its Joint Venture partner in relation with its holdings in companies, which develop shopping centers in Romania. The agreement regulates conversion of GTC Romania's over-financing into additional shares in the project companies. As result of the agreement, the Company increased its holding in those subsidiaries by 8.6%-19.8%, and gain control over those subsidiaries.

Following the execution of the above mentioned agreement, the company records its investment in National Commercial Centers (NCC) B.V., Mars Commercial Center S.R.L., Beaufort Commercial Center S.R.L., Fajos S.R.L., Mercury Commercial Center S.R.L., Venus Commercial Center S.R.L and Cefin Galati Real Estate S.R.L at the consolidation method instead of the proportional consolidation method used in previous periods.

As result of the transaction, the Company recognized Euro 2.7 million of goodwill, decreased the non-controlling interest by Euro 5.2 million, and took over liabilities to non-controlling party in the amount of Euro 0.2 million. Management believes that the goodwill is supported by a mix of operational synergies, future projects' potential and gaining control.

The fair values of the identifiable assets and liabilities of NCC and its subsidiaries as at the acquisition date was:

	Fair value recognized on acquisition	Previous Carrying value
Property and equipment	45	45
Investments properties	126,311	126,311
Cash and cash equivalents	1,319	1,319
Trade and Other receivables	4,406	4,406
Interest bearing loans and borrowing	(145,514)	(145,514)
Trade and Other payables	(3,524)	(3,524)
Net assets (100%)	(16,957)	(16,957)

Cash flow on acquisition:

Net cash acquired with the subsidiaries	507
Cash paid	-
Net cash inflow	507

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14. Capital and Reserves

As at 31 March 2010, 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 period.

The major shareholder of the Company as of 31 March 2010 was GTC Real Estate Holding with total number of shares held of 94,629,180 which constitute 43.1% of total shares.

Other shareholders who as of 31 March 2010 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 2010, the Company held an ordinary shareholders meeting. The ordinary shareholder meeting decided that the loss for the year 2009 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with Polish Accounting Standards shall be covered from capital reserve.

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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 31 March 2010, 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)

The settlement of the phantom shares (cash or equity) is the decision of the supervisory board of the Company. As of 31 March 2010, 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 affected.

Reserves are created based on provisions of the Polish Code of commercial companies.

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15. Earnings per share

Basic and diluted earnings per share were calculated as follows:	<u>Three-month period ended 31 March</u>		<u>Year ended</u>
	<u>2010</u> (<i>unaudited</i>)	<u>2009</u> (<i>unaudited</i>)	<u>31 December</u> <u>2009</u>
Net profit after tax (Euro)	6,205,000	2,067,000	(128,299,000)
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990
Basic earnings per share (Euro)	0.03	0.01	(0.58)
Weighted average number of shares for calculating diluted earnings per share	219,986,634	219,372,990	219,659,777
Diluted earnings per share (Euro)	0.03	0.01	(0.58)

	<u>Three-month period ended 31 March</u>		<u>Year ended</u>
	<u>2010</u> (<i>unaudited</i>)	<u>2009</u> (<i>unaudited</i>)	<u>31 December 2009</u> <u>2009</u>
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990
Adjustment for phantom shares	613,644	-	286,787
Weighted average number of shares for calculating diluted earnings per share	219,986,634	219,372,990	219,659,777

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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:

	31 March 2010 <i>(unaudited)</i>	31 March 2009 <i>(unaudited)</i>	31 December 2009
Cash	6,970	6,130	78,367
Non current assets	294,146	402,811	372,781
Current assets (other than cash)	3,106	6,631	5,178
Long term liabilities	(209,052)	(219,838)	(291,364)
Current liabilities	(3,555)	(10,047)	(8,740)
Net assets	91,615	185,687	156,222
Income (*)	6,559	6,087	24,118
Expenses (*)	(4,242)	(11,152)	(48,550)
Profit for the year/period	2,317	(5,065)	(24,432)

(*) includes profit (loss) from revaluation

17. Restatement

After the change of *IAS7 "Statement of Cash Flows"* the Company has changed presentation of purchase of shares in subsidiaries. This presentation is in line with IFRS.

Under the new presentation, Purchase of shares in subsidiaries, which were previously presented within investing activities are currently presented in financing activity.

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18. Subsequent events

In May 2010, the Company signed a letter of intent with an international investor for sale of Topaz and Nefryt office buildings in Warsaw. The transaction is subject to due diligence and approval of statutory organs of both the seller and the buyer and is schedule to be completed by the end of June 2010.

In May, 2010 the EBRD confirmed its intention to become a 20 per cent shareholder in Avenue Mall Osijek, Croatia, and to provide jointly with Raiffeisen Zentralbank Österreich AG a financing package (includes an equity investment) of Euro 40 million.

19. Other

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 14 May 2010.