CONSOLIDATED INTERIM REPORT
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE THREE AND SIX MONTH PERIODS ENDED 30JUNE 2011

Place and date of publication: Warsaw, 22 August 2011

REPORT ON GROUP'S ACTIVITIES

IN THE THREE AND SIX MONTH PERIODS ENDED 30 JUNE 2011

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Item 1. Introduction

Globe Trade Centre S.A. Capital Group ("GTC") is one of the leading developers in Central, Eastern and Southern Europe. It was established in 1994 in Warsaw. Currently it operates in Poland, Hungary, the Czech Republic, Romania, Serbia, Croatia, Slovakia, Bulgaria, Russia and Ukraine. It develops properties and manages completed properties in three key sectors of real estate: office buildings and retail centers for rent, and residential units for the sale.

The Group has developed about 900,000 sq m of net space and currently is an owner of completed commercial propertis with a combined net area of approximately 536,000 sq m (after sale of Galeria Mokotów effective 1 August 2011). It also holds a portfolio of investment properties under development at various stages of development which will facilitate construction of net rentable sealable area of 1.7 m sq m of commercial and residential space.

Its total assets amounted to €2,694,047 as at 30 June 2011, while its consolidated revenues were €40,858 in the second quarter and €75,601 in half year 2011

The Group's headquarter is located in Warsaw, at 5 Wołoska Street.

In the consolidated interim report references to the Company apply to Globe Trade Centre S.A. and all references to the Group or Capital Group apply to Globe Trade Centre S.A. and its consolidated subsidiaries. Expressions such as: „Shares" relates to the shares of Globe Trade Centre S.A., which were introduced to public trading on the Warsaw Stock Exchange in May 2004 and are marked with a code PLGTC0000037; „the Report" refers to the consolidated interim report prepared pursuant to art 90 section 1 of the Decree of the Finance Minister of 19 February 2009 on current and periodical information published by issuers of securities and conditions of qualifying as equivalent information required by provisions of law of a country not being a member state; "CEE" refers to the group of countries that are within the region of Central-Eastern Europe; "SEE" refers to the group of countries that are within the region of South-East Europe; "EUR", "€" or "euro" refers to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; "PLN" or "zloty" refers to the lawful currency of Poland.

Presentation of financial information

Unless otherwise indicated, financial information presented in the Report was prepared pursuant to International Financial Reporting Standards ("IFRS") as approved for use in the European Union.

All financial data in this document is presented in euro and expressed in thousands unless otherwise indicated. Certain financial information in this Report was adjusted by rounding. As a result, certain numerical figures shown as totals in this Report may not be exact arithmetic aggregations of the figures that precede them.

Item 2. Selected financial data

The following tables set forth the Group's selected historical financial data for 3 and 6 month periods ended 30 June 2011 and 30 June 2010. The historical financial data should be read in conjunction with Item 4. "Presentation of operating and financial results" and the interim condensed consolidated financial statements for the six month period ended 30 June 2011 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the interim condensed consolidated financial statements for six month period ended 30 June 2011.

Selected financial data expressed in Polish zloty is derived from consolidated financial statements for six month period ended 30 June 2011 prepared in Polish language and in Polish zloty.

The reader is advised not to view such conversions as a representation that such zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

	For the three month period ended 30 June				For the six month period ended 30 June			
	2011		2010		2011		2010	
(in thousands)	€	PLN	€	PLN	€	PLN	€	PLN
Consolidated Income Statement								
Revenues from operations	40,858	161,754	40,799	163,508	75,601	298,907	77,918	311,729
Cost of operations	(16,219)	(64,201)	(17,069)	(68,384)	(28,640)	(113,235)	(29,643)	(118,594)
Gross margin from operations	24,639	97,553	23,730	95,124	46,961	185,672	48,275	193,135
Selling expenses	(1,818)	(7,198)	(1,253)	(5,022)	(3,318)	(13,119)	(2,431)	(9,726)
Administrative expenses	(8,478)	(33,550)	(4,046)	(16,221)	(13,306)	(52,609)	(8,537)	(34,154)
Profit/(loss) from revaluation/impairment of assets, net	(51,282)	(204,786)	13,092	54,152	(37,591)	(149,859)	12,651	52,449
Share of profit in associates	(99)	(397)	1,307	5,239	(982)	(3,883)	2,632	10,530
Financial income/(expense), net	(16,811)	(66,560)	(18,444)	(73,893)	(32,294)	(127,682)	(32,121)	(128,507)
Profit for the period	(46,507)	(185,406)	(1,246)	(4,682)	(38,008)	(151,352)	2,761	11,359
Basic and diluted earnings per share (not in thousands)	(0.17)	(0.67)	0.01	0.05	(0.12)	(0.47)	0.04	0.16
Weighted average number of issued ordinary shares (not in thousands)	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990	219,372,990
Consolidated Cash Flow Statement								
Net cash flow from operating activities	-	-	-	-	26,837	93,702	25,959	119,056
Net cash flow used in investing activities	-	-	-	-	(128,247)	(491,855)	(77,769)	(306,860)
Cash flow used in financing activities	-	-	-	-	(4,866)	(19,239)	41,818	163,030
Cash and cash equivalents at the end of the period	-	-	-	-	90,491	360,751	174,251	722,410

	As of 30 June 2011		As of 31 December 2010		As of 30 June 2010	
	€	PLN	€	PLN	€	PLN
Consolidated balance sheet						
Investment property	1,947,132	7,762,436	2,117,609	8,386,267	2,016,937	8,361,817
Inventory	195,360	778,822	201,807	799,216	218,964	907,781
Cash and cash equivalents	90,491	360,751	191,732	759,316	174,251	722,410
Total assets	2,694,047	10,740,087	2,728,428	10,805,393	2,702,069	11,202,238
Non-current liabilities	1,349,943	5,381,682	1,486,945	5,888,747	1,489,447	6,174,949
Current liabilities	206,867	824,699	188,625	747,015	220,005	912,101
Equity	1,032,474	4,116,058	1,052,858	4,169,631	992,617	4,115,188
Share capital	4,741	21,937	4,741	21,937	4,741	21,937

Item 3. Presentation of the Group

Item 3.1. Structure of the Group

The structure of Globe Trade Centre Capital Group as at 30 June 2011 is presented in the Interim Condensed Consolidated Financial Statements for the 3 and 6 month periods ended 30 June 2011 in Note 5, "*Investment in Subsidiaries, Associates and Joint Ventures"*.

In May 2011, the Company signed preliminary agreement on the sale of shares in Rodamco CH1 Sp. z o.o., the owner of the Galeria Mokotow shopping center in Warsaw. As a result as of 30 June 2011, the Company stopped to consolidate assets and liabilities of Rodamco CH1 Sp. z o.o. The assets and liabilities in Rodamco CH1 Sp. z o.o. are presented as assets/liabilities held for sale.

Item 3.2. Changes to the principle rules of management of the Company and the Group

There were no changes to the principle rules of management of the Company and the Group.

Item 4. Presentation of operating and financial results

Item 4.1. Sources of revenues from operations

Revenues from operations consist of:

Rental income

Rental income consist of monthly rental payments paid by tenants of the Group's investment properties for the office or retail space that is rent by the tenants. Rental income is recognized as income over the lease term. Rental income was respectively 64% and 66% of the Group's revenues from operations in the three and six month periods ended 30 June 2011 as compared to respectively 59% and 61% in the corresponding periods of 2010.

Service income

Service income comprise fees paid by the tenants of the Group's investment properties to cover the cost of services provided by the Group in relation to their leases. Service income was 20% of the Group's revenues from operations in the three and six month periods ended 30 June 2011 as compared to respectively 16% and 17% in the corresponding periods of 2010.

Residential revenue

Residential income comprise sale of houses or apartments. Income from the sale of houses and apartments is recognized when the houses or apartments have been substantially constructed, accepted by the customer and significant amount resulting from the sale agreement was paid by the buyer. Residential income was respectively 16% and 14% of the Group's revenues from operations in the three and six month periods ended 30 June 2011 as compared to respectively 25% and 21% in the corresponding periods of 2010.

Item 4.2. Sources of cost of operations

Costs of operations consist of:

Service cost

Service cost consist of all the costs that are related to the management services provided to the individual tenants within the Group's properties. This cost is covered by service income. Service costs were respectively 61% and 63% of the Group's cost of operations in the three and six month periods ended 30 June 2011 as compared to respectively 40% and 46% in the corresponding periods of 2010.

Residential costs

Residential costs consist of costs that are related to the development of residential properties sold. The costs related to the development of residential properties incurred during the construction period are capitalized in inventory. Once income is recognized, the costs in respect of sold units are expensed. Residential costs were respectively 39% and 37% of the Group's cost of operations in the three and six month periods ended 30 June 2011 as compared to respectively 60% and 54% in the corresponding periods of 2010.

Item 4.3. Sources of selling expenses

Selling expenses include:

(i) brokerage and similar fees incurred to originate lease or sale of space;

(ii) marketing and advertising costs; and

(iii) payroll and related expenses directly related to leasing or selling personnel.

Item 4.4. Sources of administration expenses

Administration expenses include:

(i) payroll, management fees and other expense that include salaries of all employees that are not directly involved in sale or leasing activities;

(ii) provisions made to account for share based incentive program that was granted to key personnel;

(iii) cost related to the sale of investment properties;

(iv) cost of audit, legal and other advisors;

(v) office expenses and

(vi) depreciation and amortization expenses include depreciation and amortization of the Group's property, plant and equipment.

Item 4.5. Sources of financial income and financial expenses

Financial income include interest on loans granted to associate companies and interest on bank deposits.

Financial expenses includes interest on borrowings and deferred debt rising expenses. Borrowing costs are expensed in the period in which they are incurred except for those that are directly attributable to construction. In such a case, borrowing costs are capitalized as part of the cost of the asset. Borrowing costs include interest and foreign exchange differences.

Additionally, financial income or expenses include settlement of financial assets and gain or losses arising from changes in fair value of derivatives that do not qualify for hedge accounting.

Item 4.6. The main events that impacted the Group's business and its results in the six month period ended 30 June 2011

1. Macro economic environment

Euro debt crisis and its contagion to European financial markets resulted in unexpected delay in economic recovery particularly in South-Eastern Europe and contributed to volatility in asset prices, as long as all underlying issues remain unresolved.

The main impact of this delay on the retail properties is visible through a decrease in spending power, especially in non-food products, and continued downward pressure on rental rates in shopping centres. The volatility in asset prices leads to an increased risk aversion in the near-term. The above trends and conservative assumptions have been reflected in valuations of Group projects as at 30 June 2011, prepared by the external valuers with the Company's management.

2. Sale of Galeria Mokotów

In April 2011, the Company signed preliminary agreement on the sale of shares in Rodamco CH1 Sp. z o.o., the owner of the Galeria Mokotow Shopping Center in Warsaw. The sale price of the above mentioned shares was agreed at €138.4m is based on the balance sheet of Rodamco CH1 Sp. z o.o as of 31 March 2011 and on the agreed value of Galeria Mokotów of €475 m.

As of 30 June 2011, the Company stopped to consolidate assets and liabilities of Rodamco CH1. The assets and liabilities in Rodamco CH1 Sp. z o.o are presented as assets/liabilities held for sale.

Item 4.7. Presentation of differences between achieved financial results and published forecasts

The Group did not publish forecasts for the year ended 31 December 2011 or for any if its interim periods.

Item 4.8. Review of the financial situation

Comparison of financial situation as of 30 June 2011 and 31 December 2010

The value of investment property decreased by €170,477 to €1,947,132 as at 30 June 2011 from €2,117,609 as at 31 December 2010. This change results mainly from reclassification of Galeria Makotów from investment property to assets held for sale, due conclusion of preliminary agreement to sell of 188,964 shares in Rodamco CH1 Sp. z o.o. to Rodamco Central Europe B.V. and loss on revaluation of investment properties , net of impairment, of €37,591.

The value of deferred tax assets increased by €4,643 to €12,304 on 30 June 2011 from €7,661 on 31 December 2010, mainly due to recognition of loss on revaluation and impairment.

The value of prepayments, deferred expenses increased by €5,718 to €8,864 on 30 June 2011 from €3,146 on 31 December 2010 as a result of payment of annual fee for perpetual usufruct for the properties located in Poland.

The value of cash and cash equivalents decreased by €101,241 to €90,491 on 30 June 2011 from €191,732 on 31 December 2010 as a result of investments conducted during the first half of 2011.

The value of derivatives (current and non current) decreased by €16,151 to €53,144 on 30 June 2011 from €69,295 on 31 December 2010 as a result of revaluation of hedging instruments that were in place as at 30 June 2011.

The value of trade and other payables increased by €7,639 to €64,245 on 30 June 2011 from to €56,606 on 31 December 2010 resulting from works done under the contracts for the construction of investment properties that were done during the six month period ended 30 June 2011 and not paid in the period.

The equity decreased by €20,384 to €1,032,474 on 30 June 2011 from €1,052,858 on 31 December 2010, mainly due to a decrease in accumulated profit and a decrease in hedge reserve.

Comparison of financial results for the three months ended 30 June 2011 with the result for the corresponding period of 2010

Revenues from operations

Revenues from operations increased slightly to €40,858 in the second quarter of 2011 from €40,799 in the corresponding period of 2010.

Rental revenues increased by 9% to €26,060 in the second quarter of 2011 from €24,007 in the corresponding period of 2010. An increase comes from assets that were completed after 30 June 2010, being Galeria Stara Zagora and Avenue Mall Osijek. Some of the buildings are still under occupied or in the lease free period as at 30 June 2011 thus not the full rental revenue is generated by those assets.

Revenues from sale of residential properties decreased by 36% to €6,516 in the second quarter of 2011 from €10,168 in the corresponding period of 2010 resulting from a slowdown of sale of residential properties coupled with an increase in discounts for the apartments.

Service revenues increased by 25% to €8,282 in the second quarter of 2011 from €6,624 in the corresponding period of 2010 resulting from the new space that was completed after 30 June 2010.

Cost of operations

The cost of operation related to rental activity increased by 45% to €9,867 in the second quarter of 2011 from €6,815 in the corresponding period of 2010 resulting mainly from completion of new properties after 30 June 2010.

The cost of operation related to residential activity decreased by 38% to €6,352 in the second quarter of 2011 from €10,254 in the corresponding period of 2010 as a results of slow down in the residential activity.

Gross margin from operations

The gross margin (profit) from operations increased by 4% to €24,639 in the second quarter of 2011 from €23,730 in the corresponding period of 2010.

The gross margin on rental activities increased by 3% to €24,475 in the second quarter of 2011 from €23,816 in the corresponding period of 2010. Gross margin on rental activities was 71%.

Selling expenses

Selling expenses increased by 45% to €1,818 in the second quarter of 2011 from €1,253 in the corresponding period of 2010, mainly due to recognizing cost related to opening of Avenue Mall Osijek.

Administration expenses

Administration expenses increased to €8,478 in the second quarter of 2011 from €4,046 in the corresponding period of 2010, mainly due to recognizing on-off costs related to the sale of Galeria Makotów.

Loss from revaluation of investment properties, net

Loss from revaluation and impairment of the Group's properties was €51,282 in the second quarter of 2011 as compared to profit of €13,092 in the corresponding period of 2010. Loss on investment properties has been recognized mostly due to euro debt crisis that resulted in a delay in economic recovery, particularly in Romania, Bulgaria and Croatia.

Financial income

Interest income decreased by 11% to €996 in the second quarter of 2011 from €1,114 in the corresponding period of 2010, mainly due to lower level of cash and cash equivalents.

Financial expenses

During the period, financial expenses decreased to €17,807 from €19,558 in the corresponding period of 2010, mainly due to the fact that in 2010 the Group recognized one-off loss in the amount of €4,398, related to liquidation of hedges as part of Topaz and Nefryt office buildings sale.

The average effective interest rate (including hedges) on the Group's loans during the three months ended 30 June 2011 was 5.5%.

Share of loss of associates

Share of loss of associate was €99 in the second quarter of 2011 as compared to a profit of €1,307 in the corresponding period of 2010.

Income tax benefit

Income tax benefit was €11,889 in the second quarter of 2011, mainly due to income tax benefit on sale of Galeria Mokotów.

Net loss

Net loss was €46,507 in the second quarter of 2011 as compared to €1,246 in the corresponding period of 2010, mainly due to loss on revaluation and impairment of properties, which was partially offset by income tax benefit.

Comparison of financial results for the six months ended 30 June 2011 with the result for the corresponding period of 2010

Revenues from operations

Revenues from operations decreased by 3% to €75,601 in the six months period ended 30 June 2011 from €77,918 in the corresponding period of 2010.

Rental revenues increased by 5% to €50,187 in the six months period ended 30 June 2011 from €47,781 in the corresponding period of 2010. An increase comes from assets that were completed after 30 June 2010, being Galeria Stara Zagora and Avenue Mall Osijek. Some of the buildings are still under occupied or in the lease free period as at 30 June 2011 thus not the full rental revenue is generated by those assets.

Revenues from sale of residential properties decreased by 38% to €10,411 in the six months period ended 30 June 2011 from €16,663 in the corresponding period of 2010 resulting from a slowdown of sale of residential properties coupled with an increase in discounts for the apartments.

Service revenues increased by 11% to €15,003 in the six months period ended 30 June 2011 from €13,474 in the corresponding period of 2010 resulting from the new assets that were completed after 30 June 2010.

Cost of operations

The cost of operation related to rental activity increased by 34% to €18,020 in the six months period ended 30 June 2011 from €13,496 in the corresponding period of 2010 resulting mainly from completion of new properties after 30 June 2010.

The cost of operation related to residential activity decreased by 34% to €10,620 in the six months period ended 30 June 2011 from €16,147 in the corresponding period of 2010 as a results of slow down in the residential activity.

Gross margin from operations

The gross margin (profit) from operations decreased by 3% to €46,961 in the six months period ended 30 June 2011 from €48,275 in the corresponding period of 2010.

The gross margin on rental activities decreased slightly to €47,170 in the six months period ended 30 June 2011 from €47,759 in the corresponding period of 2010. Gross margin on rental activities was 72%.

Selling expenses

Selling expenses increased by 36% to €3,318 in the six months period ended 30 June 2011 from €2,431 in the corresponding period of 2010, mainly due to recognizing cost related to opening of Avenue Mall Osijek..

Administration expenses

Administration expenses increased by 56% to €13,306 in the six months period ended 30 June 2011 from €8,537 in the corresponding period of 2010, mainly due to recognizing on-off costs related to the sale of Galeria Makotów.

Loss from revaluation of investment properties, net

Loss from revaluation and impairment of the Group's properties was €37,591 in the six months period ended 30 June 2011 as compared to profit of €12,651 in the corresponding period of 2010. Loss on investment properties has been recognized mostly due to euro debt crisis that resulted in a delay in economic recovery, particularly in Romania, Bulgaria and Croatia.

Financial income

Interest income decreased by 9% to €2,097 in the six months period ended 30 June 2011 from €2,316 in the corresponding period of 2010, mainly due to lower level of cash and cash equivalents.

Financial expenses

During the six months period ended 30 June 2011, financial expenses were stable at €34,391 as compare to €34,437 in the corresponding period of 2010.

The average effective interest rate (including hedges) on the Group's loans during the six months period ended 30 June 2011 was 5.5%.

Share of loss of associates

Share of loss of associate was €982 in the six months period ended 30 June 2011 as compared to a profit of €2,632 in the corresponding period of 2010.

Income tax benefit

Income tax benefit was €5,534 in the six months period ended 30 June 2011.

Net loss

Net loss was €38,008 in the six months period ended 30 June 2011 as compared to profit €2,761 in the corresponding period of 2010, mainly due to loss on revaluation and impairment of properties, which was partially offset by income tax benefit.

Other information

Capital expenditure

Capex was €104,112 in the six months period ended 30 June 2011 as compared to €81,195 in the corresponding period of 2010.

Employment

Average number of employees was 163 as at 30 June 2011 as compared to 163 as at 31 December 2010.

Liquidity and capital reserves

The table below presents an extract of the cash flow for the period of six months ended on 30 June 2011 and 30 June 2010, as adjusted for the analysis purposes

	Six months ended	
	30 June 2011	**30 June 2010**
Cash flow from operating activities	27,530	29,911
Investment in real-estate and related	(104,112)	(81,721)
Cash flow from sale of investment	(21,025)	-
Cash flow from financing activities	(3,634)	40,413
Net change	(101,241)	(11,397)
Cash at the beginning of the period	191,732	185,648
Cash at the end of the period	90,491	174,251

Cash flow from operating activities

Cash flow from operating activities was €27,530 in the six months period ended 30 June 2011 as compared to €29,911 in the corresponding period of 2010, due to sale of Topaz and Nefryt office buildings in November 2010 and negative results of recently opened shopping centre as it is still in rent free period.

Investment in real-estate and related

Investment in real-estate and related was €104,112 in the six months period ended 30 June 2011 as compared to €81,721 in the corresponding period of 2010. The investment was mostly spent on Avenue Mall Osijek, Galleria Arad, Platinium Business Park development as well as land purchases in Poland and Romania.

Cash flow from sale of investment

Cash flow used in sale of investment was €21,025 in the six months period ended 30 June 2011 resulting from VAT payment done during that period, following the sale of Topaz and Nefryt office buildings in November 2010.

Cash flow from financing activities

Cash flow from financing activities totaled €3,635 outflow in the six months period ended 30 June 2011 compared to €40,413 inflow in the corresponding period of 2010, mostly due to a decrease of new long-term borrowings.

Cash and cash equivalents as at 30 June 2011 was €90,491 when compared to €191,732 as at 31 December 2010. The Group keeps its cash in a form of bank deposits mostly in euro in various international banks.

Item 4.9. Future liquidity and capital resources

The Group expects that its principal future cash needs will be to fund: (i) development of office investment properties, (ii) development of retail investment properties, (iii) development of residential properties for sale, (iv) debt service and (v) purchase of plots for office and retail purposes. The Group believes that its cash balances and cash generated from leasing activities of its investment properties and sale of apartments and villas as well as cash available under its existing and future loan facilities will be the primary source for these needs. Additionally, the Group may generate cash from potential sale of its investment properties or raising funds in the capital market.

Non-current liabilities amounted to €1,349,943 as at 30 June 2011 as compared to €1,486,945 as at 31 December 2010.

The Group’s total debt from long- and short-term loans and borrowings as at 30 June 2011 was €1,289,953. The Group’s loans and borrowings are denominated in euro, except for the corporate bonds that are denominated in PLN, but converted into euro via swap transactions. Each loan, except for the bonds, is borrowed by a specific subsidiary that holds an underlying property.

The Group’s loan to value ratio was 54% as compared to 52% in the corresponding period of 2010. The Group’s strategy is to keep the loan to value ratio at the level of 40-60%.

Item 5. Information on granted guarantees

During the six month period the Group did not grant guarantees of the value that exceeds 10% of its capital.

Item 6. External and internal factors impacting the Group’s business in the coming quarter

Additionally, to the risks described in the risk factors included in Item 11, there is a number of factors that may impact the Group’s business in the quarter ending 30 September 2011, including:

1. economic condition of countries in which the Group operates;
2. condition of the income-producing property market in countries in which the Group operates;
3. condition of the Group’s tenants;
4. sale of shares in in Rodamco CH1 Sp. z o.o.;
5. completion of Gallerie Arad, a shopping mall located in Arad, Romania;
6. availability of financing for the Group’s development projects and
7. interest rate fluctuations.

Item 7. Shareholders who, directly or indirectly, have substantial shareholding

The following table presents the Company’s shareholders, who had substantial shareholding as of 30 June 2011. The table is prepared based on last official information published by the pension funds as at 31 December 2010 and on information received from GTC Real Estate Holding B.V.

Shareholder	Number of shares held	% of share capital	Number of votes	% of votes
GTC Real Estate Holding B.V.[1]	59,529,180	27,14%	59,529,180	27,14%
ING OFE	16,988,700	7.74%	16,988,700	7.74%
AVIVA OFE	15,861,600	7.23%	15,861,600	7.23%

1 GTC Real Estate Holding B.V. is a wholly owned subsidiary of Kardan N.V.

Item 8. Shares and rights to shares of GTC held by members of the Management Board and the Supervisory Board

Shares held by members of the Management Board

The following table presents shares owned directly or indirectly by members of the Company's Management Board as of 22 August 2011, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (quarterly report for the three month period ended 31 March 2011) on 12 May 2011. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Management Board Member	Balance as of 22 August 2011	Change since 12 May 2011
Piotr Kroenke	205,418	No change
Erez Boniel	70,000	No change
Yovav Carmi	0	No change
Hagai Harel	205,470	No change
Mariusz Kozłowski	0	No change
Jacek Wachowicz	0	No change
Witold Zatoński	0	No change

Phantom shares held by members of the Management Board

The following table presents phantom shares owned directly or indirectly by members of the Company's Management Board as of 30 June 2011 since 31 March 2010. The phantom shares granted to the members of the Management Board are subject to Supervisory Board decision on the equity settlement.

Management Board Member	Balance as of 30 June 2011	Change since 31 March 2010
Piotr Kroenke	251,502	Increase of 26,751
Erez Boniel	251,502	Increase of 26,751
Yovav Carmi	50,004	Increase of 25,002
Hagai Harel	251,502	Increase of 26,751
Mariusz Kozłowski	53,502	Increase of 26,751
Jacek Wachowicz	6,252	Increase of 3,126
Witold Zatoński	37,500	Decrease of 29,250

Shares of GTC held by members of the Supervisory Board

The following table presents shares owned directly or indirectly by members of the Company's Supervisory Board as of 22 August 2011, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (quarterly report for the three month period ended 31 March 2011) on 12 May 2011. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Supervisory Board Member	Balance as of 22 August 2011	Change since 12 May 2011
Eli Alroy	211,240	No change
David Brush	0	No change
Mariusz Grendowicz	7,000	No change
Yosef Grunfeld	0	No change
Artur Kucharski	0	No change
Alain Ickovics	0	No change
Jan Slootweg	0	No change

Phantom shares of GTC held by members of the Supervisory Board

The following table presents phantom shares owned directly or indirectly by members of the Company's Supervisory Board as of 30 June 2011 since 31 March 2011.

Supervisory Board Member	Balance as of 30 June 2011	Change since 31 March 2010
Eli Alroy	3,348,000	Increase of 249.000
David Brush	0	No change
Mariusz Grendowicz	0	No change
Yosef Grunfeld	0	No change
Artur Kucharski	0	No change
Alain Ickovics	0	No change
Jan Slootweg	0	No change

Item 9. Material transactions with related parties concluded on terms other than market terms

The Group did not conduct any material transactions the related parties that are not based on arms length basis.

Item 10. Proceedings before a court or public authority of Globe Trade Centre SA or its subsidiaries, with the total value of liabilities or claims of at least 10% of the Company's equity

There are no individual proceeding or group of proceedings before a court or public authority involving Globe Trade Centre SA or its subsidiaries, with the total value of liabilities or claims of 10% or more of the Company's equity.

Item 11. Key risk factors

The Group's business strongly depends on economic situation in the region in which it operates

During 2008 and 2009 there was a significant deterioration in the global financial market, leading to a global economic crisis. Year 2010 was already a more stable year in terms of global economy. However, in first half of 2011 Greek debt crisis and its contagion to European financial markets resulted in unexpected delay in economic recovery particularly in South Eastern Europe. The main impact of this delay on the retail properties in South Eastern Europe is visible through deterioration in spending power, especially in non-food products.

The economic crisis has various levels of adverse impacts on the real estate markets in the countries in which the Group operates, leading to a decrease of the rental rates, a decrease in demand for office space and as a result a decrease in the Group's revenues. The implications of the global financial crisis may adversely affect the Group, inter alia by way of a reduction in financing resources, difficulties in refinancing of existing projects and increase in financing expenses. As of the date of this report, it is not clear whether the direct economic effects of the aforesaid crisis have run their course, but it is thought that the worst of the global economic crisis has passed.

The Group's business is exposed to risks related to developing countries

The Group is active in emerging real estate markets of Central-Eastern Europe. Therefore, it is exposed to typical risks related to business activity in developing countries (including administrative, geopolitical and local economy risks). It should be noted that some of the aforementioned countries are not part of the European Union. The political and economical instability in the countries in which the Group operates may influence the markets in those countries and as a result negatively affect the activity of the Group and its operating results. The Group continues to direct managerial and financial resources to investment in Central-Eastern Europe following the economic growth in this region over recent years and in the expectation that this trend will continue to decrease the general and economical gaps between Eastern Europe and Western Europe. Changes in these trends in Central-Eastern Europe may negatively affect the Group's activity.

The Group's business is exposed to fluctuations in supply and demand on the real estate market

The Group is exposed to fluctuation and changes in supply and demand in real estate markets in the countries in which the Group operates, which may negatively affect occupancy rates in the properties, rental prices, the possibility of disposing of these properties, and the demand for and prices of residential units. Similarly, the occupancy rate in office and commercial properties owned by the Group may decrease as a result of the increase in the supply of space in the market and as a result of high competition for prime lessees (international retail companies and chains with financial stability) and weak performance of economies in the countries in which the Group operates. In light of the foregoing, such fluctuations may affect the Group's operating results, as well as change the rate of return, on the basis of which investment properties are evaluated.

Part of the Group's business depends on mortgage market for housing in Central-Eastern Europe

The mortgage market for housing is not sufficiently developed in the markets in which the Group operates. Difficulty in receiving loans at comfortable conditions for buying apartments may affect the demand for residential units in the projects that the Group develops and as a result may have an impact on its ability to sell completed apartments and/or generate attractive margin on sale of those apartments.

The Group's business depends on stability of its tenants

The value of real estate may depend upon the credit worthiness and financial stability of the tenants. The vast majority of the Group's tenants are big multinationals with good reputation and track record as well as established local enterprises. However, if a significant number of tenants are unable to fulfill their obligations it may adversely affect the Group's revenues and the valuation of the property portfolio. In the event of failure to pay by tenants, the Group may experience delays in enforcing its rights as a landlord, and may incur considerable expenses in pursuing collection. A drop in revenues and / or in asset value may also lead to default on covenants undertaken by the Group as part of its loan agreements to finance the Group's projects.

The Group's profit depends on valuation of the Group's property portfolio

In the Group's consolidated financial statements the investment properties are measured initially at cost, including transaction costs, and are subsequently presented at fair value, once substantial risk related to their development is eliminated. The fair value is determined twice a year by independent real estate appraisers in accordance with recognized valuation techniques. The independent appraisal values are subject to judgments, estimates and assumptions. Property valuations are based on market conditions that prevails as of the balance sheet date. They do not take into account potential exogenous future changes in market conditions.

In addition to the independent annual and semi-annual valuations, the Company's management adjusts the fair value of assets twice a year, as at 31 March and 30 September, if it believes that the fair value needs to be adjusted. These adjustments constitute management's best estimate of the developments in the asset's market value since the last valuation.

The Group's further development and results depends on its ability to build in compliance with environmental codes

The Group's activity is subject to regulations, limitations and conditions related to environment protection, in the countries in which the Group operates. The Group assesses the property that it acquires for compliance with environmental codes, however such assessment does not ensure the identification of all the potential risks in the area as well as the risks that may arise as a result of possible changes in the applicable policies and laws (especially in light of potential entry of some of countries in which the Group operates within the European Union). The Group may be exposed to expenses if unforeseen limitations be imposed.

The Group's further development and results depends on its ability to develop investment properties in the future

The Group's performance depends on its ability to buy plots and develop them so that they will generate acceptable returns. Acquisition of new plots, development of acquired plots and realization of the planned projects are subject to risks including:

insolvency of a contractor; delays in construction or other unanticipated delays; and construction costs over run, projects; Any of these risks could have an adverse effect on the Group's financial condition and operating results or reputation.

The Group's results depend on its ability to raise external finance

In order to optimize the return on equity, the Group currently relies, and plans to continue relying, on external funding in the future for the purpose of developing its projects. In accordance with the loan agreements the Group has entered into, it is required to continue service the loans during the loan amortization period regardless of its rental revenue. Moreover, high leverage exposes the Group to higher financing expenses. As a security for the loans, the Group pledges its assets and shares in the subsidiaries that hold the asset. In the event that the Group will be unable to repay the interest and/or the principal of its loans, the lenders could sell the properties that were placed as collateral for repayment of the loans. In addition, some of the Group's financing agreements include meeting certain financial restrictions that limit the possibility to continuously manage the company, and the violation of these covenants could make the loans due and payable in full. As of December 31, 2010 and as of the date of the report the Group is not in violation of any obligations to the banks.

The Group's business depend on the interpretation and implementation of tax laws

The calculation of the Group's tax obligations is dependent on the interpretation and implementation of various tax laws and agreements. The Group performs transactions in different countries, mainly via its subsidiaries. Accordingly, its business activity and the applicable tax amount is subject to the tax laws applicable in various jurisdictions The Group calculated its tax obligation based upon its understanding of the laws and agreements and advice from its external tax advisers. Nonetheless, the tax authorities may interpret or implement relevant laws and agreements in a manner that deems the Group responsible for additional tax obligations.

The Group's results depend on fluctuations in interest, foreign exchange and inflation rates

Changes in interest, foreign exchange and inflation rates may affect the Group's results. Since the Group have significant loans at variable interest rates and income that is linked to the consumer price index, and activitiy that is carried out in various currencies, future changes in these rates may affect the financial results.

The Group's success depends on attracting and retaining key personnel

The Group's activity is managed by a small group of highly skilled managerial staff, who has experience in the markets in which the Group is active. As a result, the Group is dependent on services provided by a limited number of directors. Despite the fact that the Group have adopted a policy of remuneration that includes incentives in order to limit the departure of managers, managers may resign. Resignation of executives may adversely affect its operating results. Moreover, it may be difficult for the Group to recruit appropriate directors and other key personnel, both for the purpose of expanding new activity and for replacing those that may resign.

The Group's business depends on external contractors

The Group appoints external entities for execution of numerous projects' elements. Delivery of the projects, timeliness, and their quality, depend to a large extent, on entities, such as general contractors, architects and technical advisers.

The Group's business depends on its ability to maintain liquidity

The Group manages its liquidity risk by consistently maintaining appropriate level of available financial resources comprising cash in bank accounts and/or available credit lines, as well as by continuously monitoring forecast and actual cash flows. The Group is dependant on a stable portfolio of long-term rental projects (shopping centers and offices), which generate lease revenues and contribute to maintaining appropriate liquidity.

Management Board's representations

Pursuant to the requirements of the Regulation of the Council of Ministers of 19 February 2009 on ongoing and periodical information reported by issuers of securities and conditions of recognizing as equivalent information required by the law of a country not being a member state the Management Board of Globe Trade Centre S.A. represented by:

Piotr Kroenke, Member of the Management Board,

Erez Boniel, Member of the Management Board,

Yovav Carmi, Member of the Management Board,

Hagai Harel, Member of the Management Board,

Mariusz Kozłowski, Member of the Management Board,

Jacek Wachowicz, Member of the Management Board,

Witold Zatoński, Member of the Management Board

hereby represents that:

- to the best of its knowledge the consolidated financial statements for six months ended 30 June 2011 and the comparable data were prepared in accordance with the prevailing accounting principles, and they truly, reliably, and clearly reflect the asset and financial standing of the Group and its financial result, and the consolidated interim report on Group's activity contains a true image of the Group's development and achievements and its standing, including the description of basic risks and threats;

- the entity authorized to review the financial statements, which has reviewed the consolidated financial statements, was selected in accordance with the regulations of law. That entity as well as the auditor who has carried out the review fulfilled the conditions for expressing an unbiased and independent opinion about the audit pursuant to relevant provisions of the national law and industry norms.

Warsaw, 21 August 2011

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Report on review of interim condensed consolidated financial statements to the general shareholders meeting of Globe Trade Centre S.A.

Introduction

We have reviewed the attached interim condensed consolidated statement of financial position of Globe Trade Centre S.A. ('the Company') as at 30 June 2011 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the six-month period then ended, and notes ('the attached interim condensed consolidated financial statements').

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the attached interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

We also reported on 22 August 2011 separately on the interim condensed consolidated financial statements of Globe Trade Centre S.A. for the same period prepared in accordance with IAS 34 using PLN as the presentation currency.

Ernst & Young Audit sp z o.o.

Ernst &Young Audit sp. z o.o.

Warsaw, 22 August 2011

ERNST & YOUNG
AUDIT sp. z o.o.
Rondo ONZ 1, 00-124 Warszawa

GLOBE TRADE CENTRE S.A.

IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2011
TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 June 2011
(in thousands of Euro)

	Note	30 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
ASSETS				
Non current assets				
Investment property	11	1,947,132	2,016,937	2,117,609
Residential landbank		56,623	51,710	52,389
Investment in associates	10	55,033	53,815	56,346
Loans granted and other receivables		20,283	26,055	19,644
Property, plant and equipment		1,889	1,573	2,025
Deferred tax asset		12,304	5,529	7,661
Long-term deposits		-	1,250	625
Derivatives		261	-	-
Goodwill		2,741	2,741	2,741
Other non-current assets		95	90	73
		2,096,361	**2,159,700**	**2,259,113**
Assets held for sale	6, 18	**243,803**	**78,900**	-
Current Assets				
Inventory		195,360	218,964	201,807
Advances to contractors		-	4,307	2,116
Debtors		6,795	8,090	7,874
Accrued income		266	266	1,038
VAT and other tax recoverable		30,681	23,011	22,085
Income tax recoverable		1,414	985	1,321
Prepayments, deferred expenses and other receivables	16	8,864	4,651	3,146
Short-term deposits		20,012	28,944	38,196
Cash and cash equivalents		90,491	174,251	191,732
		353,883	**463,469**	**469,315**
TOTAL ASSETS		**2,694,047**	**2,702,069**	**2,728,428**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 June 2011
(in thousands of Euro)

	Note	30 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	13	4,741	4,741	4,741
Share premium		214,280	214,280	214,280
Capital reserve		18,748	17,174	18,300
Hedge reserve		(26,631)	(57,362)	(40,580)
Foreign currency translation		6,440	3,203	3,550
Accumulated profit		782,270	775,271	808,503
		999,848	**957,307**	**1,008,794**
Non-controlling interest		32,626	35,310	44,064
Total Equity		**1,032,474**	**992,617**	**1,052,858**
Non current Liabilities				
Long-term portion of long-term loans and bonds	12	1,169,409	1,269,263	1,294,879
Deposits from tenants		4,471	6,261	5,861
Long term payable		1,429	579	546
Provision for share based payment		4,771	-	4,174
Derivatives		43,107	87,884	54,223
Financial liability		-	200	200
Provision for deferred tax liability		126,756	125,260	127,062
		1,349,943	**1,489,447**	**1,486,945**
Liabilities held for sale	6, 12	**104,763**	**-**	**-**
Current liabilities				
Trade and other payables		64,245	50,803	56,606
Current portion of long-term loans and bonds	12	120,544	126,516	83,229
Financial liability		200	200	200
Current portion of long term payable		-	2,000	-
VAT and other taxes payable		800	1,074	19,989
Income tax payable		1,411	2,137	1,427
Derivatives		10,037	21,167	15,072
Advances received		9,630	16,108	12,102
		206,867	**220,005**	**188,625**
TOTAL EQUITY AND LIABILITIES		**2,694,047**	**2,702,069**	**2,728,428**

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 six-month period ended 30 June 2011
(in thousands of Euro)

	Note	Six-month period ended 30 June *(unaudited)*		Three-month period ended 30 June *(unaudited*		Year ended 31 December
		2011	2010	2011	2010	2010
Revenues from operations	7	75,601	77,918	40,858	40,799	169,008
Cost of operations	8	(28,640)	(29,643)	(16,219)	(17,069)	(72,314)
Gross margin from operations		**46,961**	**48,275**	**24,639**	**23,730**	**96,694**
Selling expenses		(3,318)	(2,431)	(1,818)	(1,253)	(6,297)
Administration expenses	6, 18	(13,306)	(8,537)	(8,478)	(4,046)	(21,681)
Profit (loss) from revaluation/ impairment of assets	11	(35,096)	12,651	(49,151)	13,092	46,668
Impairment of residential projects		(2,495)	-	(2,131)	-	(3,501)
Other income		167	301	-	45	604
Other expenses		(1,364)	(735)	(928)	(571)	(1,889)
Profit (loss) from continuing operations before tax and		**(8,451)**	**49,524**	**(37,867)**	**30,997**	**110,598**
Foreign exchange differences		(1,815)	(3,855)	(3,619)	(3,391)	(1,629)
Interest income		2,097	2,316	996	1,114	4,924
Financial expense		(34,391)	(34,437)	(17,807)	(19,558)	(72,815)
Share of profit (loss) of associates		(982)	2,632	(99)	1,307	4,667
Profit (loss) before tax		**(43,542)**	**16,180**	**(58,396**	**10,469**	**45,745**
Taxation		5,534	(13,419)	11,889	(11,715)	(17,113)
Profit (loss) for the period		**(38,008)**	**2,761**	**(46,507)**	**(1,246)**	**28,632**
Attributable to:						
Equity holders of the parent		(26,233)	8,704	(36,519)	2,499	41,936
Non-controlling interest		(11,775)	(5,943)	(9,988)	(3,745)	(13,304)
Basic earnings per share (Euro)	14	(0.12)	0.04	(0.17)	0.01	0.19
Diluted earnings per share (Euro)	14	(0.12)	0.04	(0.17)	0.01	0.19

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the six-month period ended 30 June 2011
(in thousands of Euro)

	Six-month period ended 30 June		Three-month period ended 30 June		Year ended 31 December
	2011 (unaudited)	*2010 (unaudited)*	*2011 (unaudited)*	*2010 (unaudited)*	2010
Profit (loss) for the period/year	**(38,008)**	**2,761**	**(46,507)**	**(1,246)**	**28,632**
Gain/(loss) on hedge transactions	17,194	(24,162)	(1,291)	(4,581)	(3,470)
Income tax	(3,245)	4,607	250	887	697
Net gain/loss on hedge transactions	**13,949**	**(19,555)**	**(1,041)**	**(3,694)**	**(2,773)**
Exchange differences on translation of foreign operations	3,035	3,005	1,496	(1,097)	3,372
Total comprehensive income for the period/year, net of tax	**(21,024)**	**(13,789)**	**(46,052)**	**(6,037)**	**29,231**
Attributable to:					
Equity holders of the parent	(9,394)	(7,791)	(36,049)	(2,225)	42,570
Non-controlling interest	(11,630)	(5,998)	(10,003)	(3,812)	(13,339)

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the six-month period ended 30 June 2011
(in thousands 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 2010	**4,741**	**214,280**	**16,296**	**(37,807)**	**143**	**766,567**	**964,220**	**46,511**	**1,010,731**
Other comprehensive income	-	-	-	(19,555)	3,060	-	(16,495)	(55)	(16,550)
Profit (loss) for the period ended 30 June 2010 (unaudited)	-	-	-	-	-	8,704	8,704	(5,943)	2,761
Total comprehensive income for the period	**-**	**-**	**-**	**(19,555)**	**3,060**	**8,704**	**(7,791)**	**(5,998)**	**(13,789)**
Change due to acquisition of shares in subsidiaries	-	-	-	-	-	-	-	(5,203)	(5,203)
Share based payment	-	-	878	-	-	-	878	-	878
Balance as of 30 June 2010	**4,741**	**214,280**	**17,174**	**(57,362)**	**3,203**	**775,271**	**957,307**	**35,310**	**992,617**

	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 2010	**4,741**	**214,280**	**16,296**	**(37,807)**	**143**	**766,567**	**964,220**	**46,511**	**1,010,731**
Other comprehensive income	-	-	-	(2,773)	3,407	-	634	(35)	599
Profit (loss) for the year ended 31 December 2010	-	-	-	-	-	41,936	41,936	(13,304)	28,632
Total comprehensive income for the period	**-**	**-**	**-**	**(2,773)**	**3,407**	**41,936**	**42,570**	**(13,339)**	**29,231**
Acquisition of shares in subsidiaries	-	-	-	-	-	-	-	(5,203)	(5,203)
Transactions with non controlling interest	-	-	253	-	-	-	253	16,095	16,348
Share based payment	-	-	1,980	-	-	-	1,980	--	1,980
Exercised share based payment	-	-	(229)	-	-	-	(229)		(229)
Balance as of 31 December 2010	**4,741**	**214,280**	**18,300**	**(40,580)**	**3,550**	**808,503**	**1,008,794**	**44,064**	**1,052,858**
Other comprehensive income	-	-	-	13,949	2,890	-	16,839	145	16,984
Profit (loss) for the period ended 30 June 2011 (unaudited)	-	-	-	-	-	(26,233)	(26,233)	(11,775)	(38,008)
Total comprehensive income for the period	**-**	**-**	**-**	**13,949**	**2,890**	**(26,233)**	**(9,394)**	**(11,630)**	**(21,024)**
Other transactions			(10)	-	-	-	(10)	192	182
Share based payment	-	-	458	-	-	-	458	-	458
Balance as of 30 June 2011	**4,741**	**214,280**	**18,748**	**(26,631)**	**6,440**	**782,270**	**999,848**	**32,626**	**1,032,474**

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 six-month period ended 30 June 2011
(in thousands of Euro)

	Note	Six-month period ended 30 June 2011	Six-month period ended 30 June 2010	Year ended 31 December 2010
		(unaudited)	*(unaudited)*	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit (loss) before tax		(43,542)	16,180	45,745
Adjustments for:				
Revaluation/Impairment of assets		37,591	(12,651)	(43,167)
Share of (profit) loss of associates		982	(2,632)	(4,667)
Foreign exchange differences loss, net		-	-	1,057
Finance income		(2,097)	(2,316)	(4,924)
Finance expenses		34,391	34,437	72,815
Share based payment		1,054	878	6,154
Depreciation and amortization		431	257	547
Operating cash before working capital changes		**28,810**	**34,153**	**73,560**
Decrease/(increase) in debtors and prepayments and other current assets		1,889	1,694	2,479
Increase in inventory		5,664	3,125	17,924
Increase/(decrease) in advances received		(3,174)	(5,719)	(5,734)
Increase/(decrease) in trade and other payables		(5,072)	(3,052)	(1,970)
Cash generated from/ (used in) operations		**28,117**	**30,201**	**86,259**
Tax paid in the period		(1,280)	(4,242)	(8,629)
Net cash from (used) in operating activities		**26,837**	**25,959**	**77,630**
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of non current assets		(102,105)	(81,195)	(135,167)
Acquisition of shares in associates		(200)	-	-
Acquisition of subsidiaries, net of cash acquired	(a)	(2,912)	507	(9,393)
Sale of investment property		-	-	95,943
Tax / VAT on sale of investment property		(17,222)	-	(5,447)
Dividend received		1,682	-	-
Interest received		1,180	2,774	2,968
Lease origination expenses		(546)	(531)	(806)
Loans granted		(518)	(312)	(978)
Loans repayments			988	989
Net cash used in investing activities		**(120,641)**	**(77,769)**	**(51,891)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issuance of share to non-controlling interest			-	759
Proceeds from long-term borrowings		66,264	76,773	188,397
Repayment of long-term borrowings		(55,815)	(9,298)	(129,737)
Repayment of financial liability		(409)		
Interest paid		(32,080)	(26,352)	(67,963)
Loans origination cost		(271)	(2)	(3,841)
Increase (decrease) in short term deposits		17,445	1,228	(8,273)
Increase (decrease) in deposits received from tenants		-	(531)	-
Net cash from (used in) financing activities		**(4,866)**	**41,818**	**(20,658)**
Effect of foreign currency translation		**1,232**	**(1,405)**	**1,003**
Net increase / (decrease) in cash and cash equivalents		**(97,438)**	**(11,397)**	**6,084**
Cash and cash equivalents, at the beginning of the period/year		**191,732**	**185,648**	**185,648**
Cash and cash equivalents, at the end of the period/year		**94,294**	**174,251**	**191,732**
Cash classified as part of Assets held for sale.	**6**	(3,803)	-	-
Cash and cash equivalents, at the end of the period/year as per Interim Condensed Consolidated Statement of Financial Position		**90,491**	**174,251**	**191,732**

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

(in thousands of Euro)

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

	Six-month period ended 30 June 2011 (*) *(unaudited)*	Six-month period ended 30 June 2010 *(unaudited)*	Year ended 31 December 2010
Investment property	(23,982)	(50,375)	(60,275)
Working capital (net of cash acquired)	21,070	(483)	(483)
Interest bearing loans and borrowings		30,502	30,502
Long term receivables		28,807	28,807
Goodwill		(2,741)	(2,741)
Non controlling interests		(5,203)	(5,203)
Purchase of shares in subsidiaries, net of cash acquired	**(2,912)**	**507**	**(9,393)**

*All purchases were asset deal.
* Further described in note 6.

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 June 2011 is GTC Real Estate Holding N.V., which holds 59,529,180 shares (27.14% of total shares) and has an Effective Control over the Company.

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.

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 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 2010. 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 except for the impairment of assets recognized in financial statement, no material impairment of assets exists as of 30 June 2011.
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.

4. 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 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 consolidated financial statements are prepared based on the same accounting policies as for the financial statements of the Company for the year ended 31 December 2010, except for the amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2011.

In 2011, the Company adopted the following new standards, amendments to standards and new interpretations:

- Amendment to IAS 32 “Financial Instruments: Presentation. Classification of Rights Issues” applicable for annual periods beginning on or after February 1, 2010. The amended standard clarifies the classification of rights issues;

- Revised IAS 24 “Related Party Disclosures” applicable for annual periods beginning on or after January 1, 2011. The revised standard simplifies the definition of a related party, clarifies its intended meaning and eliminates inconsistencies from the definition.

- IFRIC 19, "Extinguishing Financial Liabilities with Equity Instruments", effective for annual periods beginning on or after July 1, 2010. This Interpretation addresses the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability.

- Amendments to IFRIC 14 ”Prepayments of a Minimum Funding Requirement”, effective for annual periods ending on or after January 1, 2011. The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset.

4. Significant accounting policies, estimates and judgments (continued)

- Amendment to IFRS 1 ”Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters” , effective for annual periods beginning on or after July 1, 2010. The amendment applies the same transition provisions for first-time adopters as for existing preparers of financial statements included in Amendments to IFRS 7 “Improving Disclosures about Financial Instruments”;

- Amendments to IFRS resulting from the annual improvements project, issued in May 2010 and effective for annual periods beginning the earliest on or after July 1, 2010, depending on which IFRS the amendment relates to.

Adoption of other amendments and interpretations listed above did not have any effect on the financial position of the Company’s operations.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2011.

- IFRS 9 “Financial Instruments” applicable for annual periods beginning on or after January 1, 2013. IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. IFRS 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. This standard has not yet been endorsed by the EU;
- IFRS 10 Consolidated Financial Statements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 11 Joint Arrangements – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- IFRS 12 Disclosure of Interests in Other Entities – effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 January 2013 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 7 ”Disclosures - Transfers of Financial Assets”. Amendments to the IFRS are to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position and will promote transparency in the reporting of transfer transactions, particularly those that involve securitisation of financial assets. Entities are required to apply the amendments for annual periods beginning on or after 1 July 2011. The amendments have not yet been endorsed by the EU.

4. Significant accounting policies, estimates and judgments (continued)

- Amendments to IAS 12 Income Tax: Deferred Tax: Recovery of Underlying Assets, effective for financial years beginning on or after 1 January 2012. The amendments have not yet been endorsed by the EU.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters, effective for financial years beginning on or after 1 July 2011. The amendments have not yet been endorsed by the EU.

- IFRS 13 "Fair Value Measurement" applicable for annual periods beginning on or after 1 January 2013. IFRS 13 defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurement. IFRS 13 applies to IFRSs that require or permit fair value measurement or disclosures about fair value measurements, except in specified circumstances. This standard has not yet been endorsed by the EU.

- Amendments to IAS 27 reissued as IAS 27 "Separate Financial Statements", effective for annual periods beginning on or after 1 January 2013. Consolidation requirements previously forming part of IAS 27 (2008) have been revised and are now contained in IFRS 10. The amendments have not yet been endorsed by the EU.

- Amendment to IAS 1 "Presentation of Financial Statements" effective for annual periods beginning on or after 1 January 2012. The amendments require entities to group items presented in Other Comprehensive Income based on whether they are potentially reclassifiable to profit or loss subsequently. The amendments have not yet been endorsed by the EU.

4. Significant accounting policies, estimates and judgments (continued)

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

Classification as inventory and residential landbank

The Group 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. Residential projects which are planned to be completed in a period longer than the operating cycle are classified as residential landbank under non-current assets.

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

Name	Holding Company	Country of incorporation	30 June 2011	30 June 2010	31 December 2010
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 Wroclaw Office Sp. z o.o. („GTC Wroclaw Office”)	GTC S.A.	Poland	100%	100%	100%
Byrant Sp. z o.o. (“Byrant”)	GTC S.A.	Poland	100%	100%	100%
Diego Sp. z o.o. (“Diego”)	GTC S.A.	Poland	100%	100%	100%
Cyril Sp. z o.o. (“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%
CH Wilanow Sp. z o.o. („CH Wilanow”) (*)	GTC S.A.	Poland	50%	-	50%
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%
Centrum Światowida sp. z o.o. (**)	GTC S.A.	Poland	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.
** Further described in note 6.

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 June 2011	30 June 2010	31 December 2010
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%	100%
Budapest Properties B.V.	GTC Hungary	Netherland	-	100%	-
Budapest Investments B.V.	GTC Hungary	Netherland	100%	100%	100%
Budapest Offices B.V.	GTC Hungary	Netherland	100%	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%
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%
River Loft Ltd.	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Kft.	GTC Hungary	Hungary	50.1%	50.1%	50.1%
Albertfalva Kft. ("Szeremi Gate")	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%
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.

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 June 2011	30 June 2010	31 December 2010
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	80%	80%	80%
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%
Bucharest Properties B.V	GTC Romania	Netherlands	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	71.5%	50.1%	71.5%
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%
Bucharest City Gate S.R.L	BCG	Romania	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%	52%	52%
Mercury Commercial Center S.R.L.	GTC Romania	Romania	100%	84.9%	100%
Venus Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	84.9%	84.9%	84.9%
Mars Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	70%	70.0%	70%
Beaufort Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	70%	70.0%	70%
Fajos S.R.L.	National Commercial Centers B.V.	Romania	70%	70.0%	70%
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	50.1%	50.1%	50.1%
Cefin Galati Real Estate S.R.L	GTC Romania	Romania	100%	72.2%	85%
Operetico Enterprises Ltd.	GTC Romania	Cyprus	66.7%	66.7%	66.7%
Bucharest Tower Investments B.V.	GTC Romania	Netherlands	100%	-	-
Ana Tower Offices S.R.L (*)	Bucharest Tower Investments B.V.	Romania	50%	-	-
Deco Intermed S.R.L	Operetico Enterprises Ltd.	Romania	66.7%	66.7%	66.7%
GML American Regency Pipera S.R.L	GTC Romania	Romania	66.7%	66.7%	66.7%

* Proportionate consolidation.

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 June 2011	30 June 2010	31 December 2010
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	80%	100%	80%
Galeria Varna JSC	Galeria Ikonomov GmbH	Bulgaria	65%	65%	65%
GTC Business Park EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
NRL EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
Galeria Ikonomov 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 Medj Razvoj Nekretnina 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 Commercial Development d.o.o.	Serbia	95%	95%	95%
Demo Invest d.o.o	City Properties Serbia B.V.	Serbia	100%	100%	100%
Atlas Centar d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial Development d.o.o.	GTC Serbia	Serbia	100%	100%	100%

(in thousands of Euro)

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

Investment in Associates

Name	Holding Company	Country of incorporation	30 June 2011	30 June 2010	31 December 2010
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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(in thousands of Euro)

6. Events in the period

In February 2011, the Company acquired 100% of the shares of a company that owns and co-owns approximately 4 hectare of land located in Warsaw. The asset is held as a long term strategic landbank investment and possible development of the site is dependent on factors outside of GTC's control. The purchased land is designated for a shopping mall development. The Company is currently unable to estimate when the site will be developed and what will be its final form.

In March 2011, the Company completed Galeria Osijek shopping centre. The shopping centre was opened to the public.

In May 2011 the Company signed preliminary agreement on the sale of shares in Rodamco CH1, the owner of the Galeria Mokotow Shopping Center in Warsaw. The sale price of the above mentioned shares was agreed at EUR Euro 138.4 million is based on the balance sheet of Rodamco CH1 as of 31 March 2011 and on the agreed value of Galeria Mokotów of EUR 475 million. The sale price is subject to the post-closing adjustment based on the balance sheet of Rodamco CH1 as of the transaction completion date. An expense in amount of Euro 4 million, which relates to this transaction, is included within administration expenses.

As of 30 June 2011, the Company ceased consolidating Rodamco CH1's assets and liabilities. These are presented as assets/liabilities "held for sale".

Contents of Assets held for sale in relation to the transaction described above and liabilities held for sale is presented in the table below:

	30 June 2011 *(unaudited)*
Investment property	237,565
Other assets (net of cash)	2,435
Cash	3,803
Assets held for sale	**243,803**
Derivatives	1,366
Interest bearing loans and borrowings	99,189
Provision for deferred tax liability	1,060
Other liabilities	3,148
Liabilities held for sale	**104,763**

(in thousands of Euro)

7 Revenue from operations

Revenue from operations comprises the following:

	Six-month period ended 30 June 2011 *(unaudited)*	Six-month period ended 30 June 2010 *(unaudited)*	Three-month period ended 30 June 2011 *(unaudited)*	Three-month period ended 30 June 2010 *(unaudited)*	Year ended 31 December 2010
Rental revenue	50,187	47,781	26,060	24,007	97,406
Service revenue	15,003	13,474	8,282	6,624	26,714
Residential revenue	10,411	16,663	6,516	10,168	44,888
	75,601	**77,918**	**40,858**	**40,799**	**169,008**

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:

	Six-month period ended 30 June 2011 *(unaudited)*	Six-month period ended 30 June 2010 *(unaudited)*	Three-month period ended 30 June 2011 *(unaudited)*	Three-month period ended 30 June 2010 *(unaudited)*	Year ended 31 December 2010
Service costs	18,020	13,496	9,867	6,815	29,708
Residential costs	10,620	16,147	6,352	10,254	42,606
	28,640	**29,643**	**16,219**	**17,069**	**72,314**

(in thousands of Euro)

9 Segmental analysis

The Group's operating segments are carried out through subsidiaries that develop 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 have 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 six-month periods ended 30 June 2011 (unaudited) and 30 June 2010 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Rental and service income	42,609	42,977	9,092	4,676	13,489	13,602	65,190	61,255
Contract income	3,999	4,277	3,595	12,386	2,817	-	10,411	16,663
Total income	**46,608**	**47,254**	**12,687**	**17,062**	**16,306**	**13,602**	**75,601**	**77,918**
Rental and service costs	9,156	8,067	5,374	2,350	3,490	3,079	18,020	13,496
Contract costs	3,792	3,703	4,352	12,444	2,476	-	10,620	16,147
Total costs	**12,948**	**11,770**	**9,726**	**14,794**	**5,966**	**3,079**	**28,640**	**29,643**
Rental and service result	33,453	34,910	3,718	2,326	9,999	10,523	47,170	47,759
Contract result	207	574	(757)	(58)	341	-	(209)	516
Total result	**33,660**	**35,484**	**2,961**	**2,268**	**10,340**	**10,523**	**46,961**	**48,275**

(in thousands of Euro)

9 Segmental analysis (continued)

Segment analysis for the three-month periods ended 30 June 2011 (unaudited) and 30 June 2010 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30 June 2011	30 June 2010	30 June 2011	30 June 2010	30 June 2011	30 June 2010	30 June 2011	30 June 2010
Rental and service income	21,796	21,511	5,180	2,503	7,366	6,617	34,342	30,631
Contract income	2,635	1,582	2,773	8,586	1,108	-	6,516	10,168
Total income	**24,431**	**23,093**	**7,953**	**11,089**	**8,474**	**6,617**	**40,858**	**40,799**
Rental and service costs	4,974	3,953	2,873	1,279	2,020	1,583	9,867	6,815
Contract costs	2,206	1,361	3,158	8,893	988	-	6,352	10,254
Total costs	**7,180**	**5,314**	**6,031**	**10,172**	**3,008**	**1,583**	**16,219**	**17,069**
Rental and service result	16,822	17,558	2,307	1,224	5,346	5,034	24,475	23,816
Contract result	429	221	(385)	(307)	120	-	164	(86)
Total result	**17,251**	**17,779**	**1,922**	**917**	**5,466**	**5,034**	**24,639**	**23,730**

Segment analysis for the six-month period ended 30 June 2011 (unaudited) and year ended 31 December 2010 is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Rental and service income	42,609	86,077	9,092	11,496	13,489	26,547	65,190	124,120
Contract income	3,999	11,566	3,595	16,117	2,817	17,205	10,411	44,888
Total income	**46,608**	**97,643**	**12,687**	**27,613**	**16,306**	**43,752**	**75,601**	**169,008**
Rental and service costs	9,156	16,600	5,374	6,863	3,490	6,245	18,020	29,708
Contract costs	3,792	10,815	4,352	16,127	2,476	15,664	10,620	42,606
Total costs	**12,948**	**27,415**	**9,726**	**22,990**	**5,966**	**21,909**	**28,640**	**72,314**
Rental and service result	33,453	69,477	3,718	4,633	9,999	20,302	47,170	94,412
Contract result	207	751	(757)	(10)	341	1,541	(209)	2,282
Total result	**33,660**	**70,228**	**2,961**	**4,623**	**10,340**	**21,843**	**46,961**	**96,694**

(in thousands of Euro)

10 Investment in associates

The investment in associates comprises the following:

	30 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
Shares	5,462	4,041	5,259
Dividend distribution	(1,682)	-	-
Translation differences reserve	816	(621)	(90)
Equity profit	7,063	7,228	8,045
Investment in shares	**11,659**	**10,648**	**13,214**
Loans granted	43,374	43,167	43,132
Investment in associates	**55,033**	**53,815**	**56,346**

(in thousands of Euro)

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 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
Completed investment Property	1,471,224	1,518,650	1,617,397
Investment property under construction at fair value	175,638	217,040	201,223
Investment property under construction at cost	300,270	281,247	298,989
Total	1,947,132	2,016,937	2,117,609

The movement in investment property for the periods ended 30 June 2011 and 2010 and 31 December 2010 was as follows:

	Six-month period ended 30 June 2011 *(unaudited)*	Six-month period ended 30 June 2010 *(unaudited)*	Three-month period ended 30 June 2011 *(unaudited)*	Three-month period ended 30 June 2010 *(unaudited)*	Year ended 31 December 2010
Carrying amount at beginning of the year	2,117,609	1,971,915	2,192,349	2,058,634	1,971,915
Additions , including:					
Capitalised subsequent expenditure	81,884	56,213	42,218	22,744	114,477
Purchase of shares in subsidiaries and Joint venture (see note 5)	23,982	50,375	2,891	-	60,275
Reversal of impairment	-	-	-	-	2,563
Adjustment to fair value	(35,096)	12,651	(49,151)	13,092	44,105
Reclassified to inventory	(1,151)	-	(1,151)	-	-
Disposals		-	-	-	(78,900)
Reclassified as assets held for sale (*)	(237,565)	(78,900)	(237,565)	(78,900)	
Translation differences	(2,531)	4,683	(2,459)	1,367	3,174
Carrying amount at the end of the year	1,947,132	2,016,937	1,947,132	2,016,937	2,117,609

(*) As of 30 June 2011, assets held for sale, in a total amount of Euro 243.8 million include other assets in amount of Euro 6.2 million..(See also note 6).

(in thousands of Euro)

11 Investment Property (continued)

Fair value adjustment consists of the following:

	Six-month period ended 30 June 2011 *(unaudited)*	Six-month period ended 30 June 2010 *(unaudited)*	Three-month period ended 30 June 2011 *(unaudited)*	Three-month period ended 30 June 2010 *(unaudited)*	Year ended 31 December 2010
Fair value of properties completed in prior years	(5,366)	16,709	(24,134)	17,418	38,161
Fair value of newly completed properties	1,044	(6,760)	775	(6,760)	(4,089)
Fair value of property under construction	(8,642)	7,361	(3,660)	7,093	10,033
Impairment adjustment	(22,132)	(4,659)	(22,132)	(4,659)	2,563
	(35,096)	12,651	(49,151)	13,092	46,668

Assumptions used in the valuations as of 30 June 2011 are, presented on the basis of weighted averages, presented below:

	30 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
Completed assets			
Average rental rate per sqm (Eur) (*)	18.0	21.1	19.7
Yield	8%	7.4%	7.8%
ERV per sqm (Eur) (*)	17.5	18.5	19.1
Vacancy	16%	16%	17%
Assets under construction (only assets at fair value)			
Average yield	8.6%	7.7%	9%
Average % complete	68%	10%	62%

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

(in thousands of Euro)

12 Long-term loans and bonds

Long-term loans and bonds comprise the following:

	30 June 2011 (unaudited)	30 June 2010 (unaudited)	31 December 2010
Bonds seria 0414	180,605	173,669	181,805
Bonds seria 0412	20,067	19,297	20,201
Bonds seria 0513	87,794	84,423	88,377
Loan from Aareal Bank (Galeria Mokotow) (*)	-	101,408	100,593
Loan from Pekao (GTC Galeria Kazimierz)	43,199	43,967	43,590
Loan from WBK (Globis Poznan)	16,687	17,194	16,940
Loan from WBK 1 (Galileo)	5,551	7,084	6,248
Loan from WBK 2 (Newton)	10,124	12,384	11,152
Loan from WBK 3 (Edison)	12,034	12,411	12,224
Loan from EUROHYPO (GTC Topaz office)		12,720	-
Loan from Pekao Bank (Globis Wroclaw)	27,633	28,186	27,914
Loan from ING (Nothus)	17,136	17,496	17,316
Loan from ING (Zefirus)	17,136	17,496	17,316
Loan from ING (Platinium 1)	19,983	20,409	20,196
Loan from ING (Platinium 2)	19,983	20,409	20,196
Loan from Berlin Hyp Bank (Platinium 3)	19,600	20,000	19,800
Loan from ING (Platinium 4)	13,760	-	-
Loan from Eurohypo (Nefryt)	-	32,505	-
Loan from WBK (Kazimierz office)	29,116	29,510	29,309
Loan from Pekao (Galeria Jurajska)	109,204	111,307	110,269
Loan from Berlin Hyp Bank (UBP)	28,121	27,740	28,046
Loan from ING (CBK)	25,271	21,539	25,007
Loan from MKB (Centre Point I)	25,201	26,576	25,901
Loan from MKB (Centre Point II)	29,515	31,141	30,328
Loan from CIB (Metro)	22,599	18,811	20,980
Loan from MKB (Spiral)	20,588	21,536	21,254
Loan from Erste (Reinesance)	6,109	6,109	6,109
Loan from MKB (Sasad Resort)	16,037	21,808	18,708
Loan from EBRD and Raiffeisen Bank (GTC House)	16,350	17,607	16,879
Loan from EBRD and Raiffeisen Bank (19 Avenue)	15,038	16,176	15,613
Loan from EBRD and Raiffeisen Bank (Block 41)	21,496	22,921	22,221
Loan from Raiffeisen Bank (Green Dream)	3,893	2,818	3,891
Loan from Unicredit (Felicity)	27,747	29,442	28,523
Loan from RZBR (Rose Garden)	21,948	26,717	23,448
Loan from Alpha (Citygate)	79,250	39,902	80,000
Loan from EBRD and Raiffeisen Bank (NCC)	44,864	40,161	39,362
Loan from MKB and Zagrabecka Banka (GTC Croatia)	41,262	45,717	43,868
Loan from EBRD and Raiffeisenbank Austria (Osijek)	18,678	-	6,247
Loan from MKB and OTP (Galeria Varna)	25,006	25,006	25,006
Loan from EBRD and Unicredit (Stara Zagora)	29,369	23,300	28,894
Loan from EBRD (Burgas)	2,122	-	999
Loan from VUB Bank (Jarosowa)	3,000	17,144	18,809
Loan from Unicredit (Vinyard)	7,411	-	-
Loans from minorities in subsidiaries	119,888	141,458	116,063
Deferred issuance debt expenses	(10,422)	(9,725)	(11,494)
	1,289,953	**1,395,779**	**1,378,108**

(*) Loans is presented within liabilities held for sale. See note 6

(in thousands of Euro)

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:

	30 June 2011 (unaudited)	30 June 2010 (unaudited)	31 December 2010
Current portion of long term loans:			
Bonds seria 0412	20,067	-	-
Loan from Berlin hyp Bank (Rodamco CH1)	-	1,417	1,362
Loan from Pekao (GTC Galeria Kazimierz)	785	720	785
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK 1 (Galileo)	421	499	457
Loan from WBK 2 (Newton)	351	368	337
Loan from WBK 3 (Edison)	386	337	384
Loan from EUROHYPO (GTC Topaz office)	-	12,720	-
Loan from Berlin Hyp Bank (UBP)	788	-	-
Loan from Pekao (Galeria Jurajska)	2,182	2,077	2,077
Loan from Pekao Bank (Globis Wroclaw)	587	536	570
Loan from ING (Nothus)	360	360	360
Loan from ING (Zefirus)	360	360	360
Loan from ING (Platinium 1)	426	426	426
Loan from ING (Platinium 2)	426	426	426
Loan from Berlin Hyp (Platinium 3)	400	400	400
Loan from ING (Platinium 4)	450	-	-
Loan from WBK (Kazimierz office)	386	370	386
Loan from Eurohypo (Nefryt)	-	32,505	-
Loan from ING (CBK)	379	-	-
Loan from MKB (Centre Point I)	1,425	1,375	1,400
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)	16,037	21,808	18,708
Loan from CIB (Metro)	824	265	809
Loan from MKB (Spiral)	3,923	4,262	4,261
Loan from EBRD and Raiffeisen Bank (GTC House)	1,451	1,525	1,574
Loan from EBRD and Raiffeisen Bank (19 Avenue)	1,188	1,099	1,163
Loan from EBRD and Raiffeisen Bank (Block 41)	1,525	1,391	1,438
Loan from EBRD and Unicredit (Stara Zagora)	815	247	2,438
Loan from MKB and OTP (Galeria Varna)	560	-	274
Loan from EBRD (Burgas)	-	-	999
Loan from MKB and Zagrabecka Banka (GTC Croatia)	5,171	4,943	5,575
Loan from EBRD and Raiffeisenbank Austria (Osijek)	1,107	-	-
Loan from EBRD and Raiffeisen Bank (NCC)	2,273	1,405	1,620
Loan from Alpha (Citygate)	3,000	8,393	2,250
Loan from RZBR (Rose Garden)	4,948	4,398	1,448
Loan from Unicredit (Felicity)	27,747		-
Loan from Raiffeisen Bank (Green Dream)	3,893	2,818	3,891
Loan from VUB Bank (Jarosowa)	250	-	18,809
Loan from Unicredit (Vinyard)	7,411	17,144	-
Deferred issuance debt expenses	-	(211)	-
	120,544	**126,516**	**83,229**

(in thousands of Euro)

12 Long-term loans and bonds (continued)

	30 June 2011 (unaudited)	30 June 2010 (unaudited)	31 December 2010
Long term portion of long term loans:			
Bonds seria 0414	180,605	173,669	181,805
Bonds seria 0412	-	19,297	20,201
Bonds seria 0513	87,794	84,423	88,377
Loan from Berlin Hyp Bank (Rodamco CH1)	-	99,991	99,231
Loan from Pekao (GTC Galeria Kazimierz)	42,414	43,247	42,805
Loan from WBK (Globis Poznan)	16,180	16,687	16,433
Loan from WBK 1 (Galileo)	5,130	6,585	5,911
Loan from WBK 2 (Newton)	9,773	12,016	10,695
Loan from WBK 3 (Edison)	11,648	12,074	11,840
Loan from Pekao Bank (Globis Wroclaw)	27,046	27,650	27,344
Loan from ING (Nothus)	16,776	17,136	16,956
Loan from ING (Zefirus)	16,776	17,136	16,956
Loan from ING (Platinium 1)	19,557	19,983	19,770
Loan from ING (Platinium 2)	19,557	19,983	19,770
Loan from Berlin Hyp (Platinium 3)	19,200	19,600	19,400
Loan from ING (Platinium 4)	13,310	-	-
Loan from WBK (Kazimierz office)	28,730	29,140	28,923
Loan from Pekao (Galeria Jurajska)	107,022	109,230	108,192
Loan from Berlin Hyp Bank (UBP)	27,333	27,740	28,046
Loan from ING (CBK)	24,892	21,539	25,007
Loan from MKB (Centre Point I)	23,776	25,201	24,501
Loan from MKB (Centre Point II)	27,889	29,515	28,702
Loan from CIB (Metro)	21,775	18,546	20,171
Loan from MKB (Spiral)	16,665	17,274	16,993
Loan from Erste (Reinesance)	-	6,109	
Loan from EBRD and Raiffeisen Bank (GTC House)	14,899	16,082	15,305
Loan from EBRD and Raiffeisen Bank (19 Avenue)	13,850	15,077	14,450
Loan from EBRD and Raiffeisen Bank (Block 41)	19,971	21,530	20,783
Loan from Unicredit (Felicity)	-	29,442	28,523
Loan from RZBR (Rose Garden)	17,000	22,319	22,000
Loan from Alpha (Citygate)	76,250	31,509	77,750
Loan from EBRD and Raiffeisen Bank (NCC)	42,591	38,756	37,742
Loan from MKB and Zagrabecka Banka (GTC Croatia)	36,091	40,774	38,293
Loan from EBRD and Raiffeisenbank Austria (Osijek)	17,571	-	6,247
Loan from MKB and OTP (Galeria Varna)	24,446	25,006	24,732
Loan from EBRD and Unicredit (Stara Zagora)	28,554	23,053	26,456
Loan from EBRD (Burgas)	2,122	-	-
Loan from VUB Bank (Jarosowa)	2,750	-	-
Loans from minorities in subsidiaries	119,888	141,458	116,063
Deferred issuance debt expenses	(10,422)	(9,514)	(11,494)
	1,169,409	**1,269,263**	**1,294,879**

(in thousands of Euro)

13. Capital and Reserves

As at 30 June 2011, 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.

In January 2011, GTC Real Estate Holding sold 16.00% of the Company’s share capital. As of 30 June 2011, GTC Real Estate Holding held 59,529,180 shares, which constitute 27.14% of total shares.

Other shareholders who as at 30 June 2011 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 5 May 2011, the Company held an annual shareholders meeting. The annual shareholders meeting decided that the profit for the year 2010 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with the Polish Accounting Standards shall be presented under Retained earnings.

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

(in thousands of Euro)

13. 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).

The expense recognized during the period is shown below:

	Six-month period ended 30 June 2011 (unaudited	Six-month period ended 30 June 2010 (unaudited)	Three-month period ended 30 June 2011 (unaudited	Three-month period ended 30 June 2010 (unaudited)	Year ended 31 December 2010
Expenses arising from equity settled share based payments	458	878	272	439	1,980
Expenses arising from cash settled share based payments	596	-	93	-	4,174
	1,054	**878**	**365**	**439**	**6,154**

Scheme 1- As at 30 June 2011, phantom shares issued were as follows:

Grant Date (*)	Lst.Ex.Date	Strike (PLN/share)		Total units
		18.15	22.50	
17/03/2009	31/12/2012	1,200,000	700,000	1,900,000
17/03/2009	31/12/2014	225,000	225,000	450,000
05/01/2009	31/12/2015	1,104,000		1,104,000
	Total	2,529,000	925,000	3,454,000

(*) Original grant date was 2007; however in 2009 there were changes in the scheme

The Phantom shares (as presented in above mentioned table) have been provided for assuming equity payments will be effected, as the Company assesses that Scheme 1 is more likely to be settled in equity.

(in thousands of Euro)

13. Capital and Reserves (continued)

Scheme 2- As at 30 June 2011, phantom shares issued were as follows:

Grant Date	Lst.Ex.Date	Strike (PLN/share)			Total units
		20.00	22.00	22.50	
15/08/2010	31/12/2013	-		100,000	100,000
29/11/2010	30/06/2014	-	621,000	-	621,000
15/11/2010	31/12/2014	-	3,192,000	-	3,192,000
29/11/2010	31/12/2014	-	1,325,000	-	1,325,000
09/11/2010	31/12/2015	200,000		-	200,000
29/11/2010	31/12/2015	-	2,062,000	-	2,062,000
	Total	**200,000**	**7,200,000**	**100,000**	**7,500,000**

The Phantom shares (as presented in above mentioned table) have been provided for assuming cash payments will be effected, as the Company assesses that Scheme 2 is more likely to be settled in cash.

(in thousands of Euro)

14. Earnings per share

	Six-month period ended 30 June		Three-month period ended 30 June		Year ended 31 December
	2011 *(unaudited)*	2010 *(unaudited)*	2011 *(unaudited)*	2010 *(unaudited)*	2010
Profit for the period attributable to shareholders (Euro)	(26,233,000)	8,704,000	(36,519,000)	2,499,000	41,936,000
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)	(0.12)	0.04	(0.17)	0.01	0.19
Weighted average number of shares for calculating diluted earnings per share	219,695,076	220,015,271	219,598,727	220,042,485	220,031,748
Diluted earnings per share (Euro)	(0.12)	0.04	(0.17)	0.01	0.19

	Six-month period ended 30 June		Three-month period ended 30 June		Year ended 31 December
	2011 *(unaudited)*	2010 *(unaudited)*	2011 *(unaudited)*	2011 *(unaudited)*	2010
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	322,086	642,281	225,737	669,495	658,758
Weighted average number of shares for calculating diluted earnings per share	219,695,076	220,015,271	219,598,727	220,042,485	220,031,748

(in thousands of Euro)

15. 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 June 2011 *(unaudited)*	30 June 2010 *(unaudited)*	31 December 2010
Cash	3,264	8,991	11,298
Non current assets	147,165	324,118	345,869
Current assets (other than cash)	2,242	2,485	3,407
Long term liabilities	(108,456)	(232,707)	(233,703)
Current liabilities	(1,940)	(4,078)	(5,707)
Net assets	**42,275**	**98,809**	**121,164**
Income (1)	47,245	23,291	46,839
Expenses (1)	(15,009)	(11,474)	(22,207)
Profit for the year/period	**32,236**	**11,817**	**24,632**

(1) Includes profit (loss) from revaluation

(2) As of 30 June 2011, the Company ceased proportionate consolidating Rodamco CH1's assets and liabilities. These are presented as assets/liabilities "held for sale".

16. Prepayments, deferred expenses and other receivables

In 2009, the Company sold Riverloft office in Budapest, Hungary.

The selling price was established as a basic price of Euro 5.4 million, which was already paid. The remaining payment, which is based on an earn-out mechanism is planned to be paid by November 2011.

The earn-out mechanism is based on the net present value of future net operating income. Based on the most recent estimation, the recoverable amount of this receivable, if the space will be leased until November 2011, is Euro 2.9 million. The amount is presented within Prepayments, deferred expenses and other receivables.

17. Restatement

The Company reclassified cash flow resulted from change in deposits in amount of Euro 1.1 million, which was presented in the period ended 30 June 2010 in investing activity to financing activity.

18. Subsequent events

On 1 August 2011 the final agreement for sale of shares in Rodamco CH1, the owner of the Shopping Center Galeria Mokotow in Warsaw, was signed (see note 6). The sale price of the above mentioned shares was agreed at EUR 138.4 million based on 31 March 2011 statement of financial position and was paid. This price is subject to post-closing adjustments based on Rodamco CH1's statement of financial position as of 1 August 2011.

19. Other

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 22 August 2011.