

CONSOLIDATED QUARTERLY REPORT  
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP  
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2012

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GLOBE TRADE CENTRE S.A.

MANAGEMENT BOARD'S REPORT ON ACTIVITIES OF CAPITAL GROUP  
IN THE THREE MONTH PERIOD ENDED 31 MARCH 2012

## Table of content

Item 1.	Introduction.....	4
Item 2.	Selected financial data .....	5
Item 3.	Presentation of the Group .....	7
Item 3.1.	Structure of the Group .....	7
Item 3.2.	Changes to the principal rules of the management of the Company and the Group .....	7
Item 4.	Main events .....	7
Item 5	External and internal factors impacting the Group's business.....	7
Item 6.	Specific factors affecting financial and operating results in three month period ended 31 March 2012	10
Item 7.	Operating and financial review .....	10
Item 7.1.	Presentation of differences between achieved financial results and published forecasts .....	10
Item 7.2.	Statement of financial position .....	10
Item 7.2.1.	Key items of the statement of financial position.....	10
Item 7.2.2.	Financial position as at 31 March 2012 compared to 31 December 2011 .....	11
Item 7.3.	Consolidated income statement.....	12
Item 7.3.1.	Key items of the consolidated income statement.....	12
Item 7.3.2.	Comparison of financial results for the three month period ended 31 March 2012 with the result for the corresponding period of 2011 .....	13
Item 7.4.	Consolidated cash flow statement.....	14
Item 7.4.1.	Key items from consolidated cash flow statement.....	14
Item 7.4.2.	Cash flow analysis .....	15
Item 7.5.	Future liquidity and capital resources.....	15
Item 8.	Information on granted and received guarantees with a particular emphasis on guarantees granted to related entities .....	16
Item 9.	Major investments, local and foreign (securities, financial instruments, intangible assets, real estate), including capital investments outside the Group and its financing method.....	16
Item 10.	Shareholders who, directly or indirectly, have substantial shareholding.....	16
Item 11.	Shares and rights to shares of GTC held by members of the Management Board and the Supervisory Board .....	16
Item 12.	Material transactions with related parties concluded on terms other than market terms .....	18
Item 13.	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 .....	18

## Item 1. Introduction

GTC Group is a leading real estate developer in CEE and SEE and currently operates in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia, the Czech Republic, Russia and Ukraine. The Group was established in 1994 and has been present in the real estate market for approximately 18 years.

The Group's portfolio comprises: (i) completed office buildings and office parks as well as retail and entertainment centres (commercial real estate); (ii) residential projects; and (iii) undeveloped plots of land and suspended projects (landbank).

Since its establishment, the Group has developed approximately 900 thousand sqm of NRA and approximately 276 thousand sqm of residential space. The Group has sold approximately 260 thousand sqm of NRA in completed commercial properties and approximately 215 thousand sqm of residential space.

As of the date of this Report the Group's portfolio comprises the following properties:

- completed commercial properties with a combined NRA of approximately 631 thousand sqm, of which the Group's proportional interest amounts to 556 thousand sqm;
- two commercial properties under construction with a total built area of approximately 48 thousand sqm of NRA following completion;
- inventory of 75 thousand sqm of which the Group's proportional interest amounts to 53 thousand sqm of residential units; and
- landbank designed for future development, with estimated building rights of approximately 1,200 thousand sqm of NRA for commercial use and approximately 640 thousand sqm for residential use, of which the Group's proportional interest amounts to approximately 1,050 thousand sqm and approximately 400 thousand sqm, respectively.

The Group's commercial properties comprise office and retail properties that account for approximately 91% of the total book value of the Group's portfolio as of 31 March 2012. The Group's completed properties in its three most significant markets, i.e. Poland, Romania and Croatia, constitute 46%, 17% and 13% of the total value of the Group's real estate portfolio, respectively.

The Company's shares have been listed on the WSE and included in the WIG20 index since 20 September 2004. The Company's shares are also included in the international MSCI index; the Dow Jones STOXX Eastern Europe 300 average; the GPR250 index, which comprises the 250 largest and most liquid real estate companies in the world; and the FTSE EPRA/NAREIT Emerging Index.

The Group's headquarters are located in Warsaw at 5 Wołoska Street.

In the Management Board's report on the activities of the Capital Group, references to the Company apply to Globe Trade Centre S.A. and all references to the Group apply to Globe Trade Centre S.A. and its consolidated subsidiaries. Expressions such as "Shares" relate 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 assigned the code PLGTC0000037; "the Report" refers to the Quarterly Report on the activities of the Capital Group prepared pursuant to Art 82 section 1 of the Decree of the Finance Minister of 19 February 2009 on current and periodical information published by issuers of securities and the conditions for 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 and Eastern Europe; "SEE" refers to the group of countries that are within the region of South-eastern Europe; "EUR", "€" or "euro" refer 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.

## 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 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 the three month periods ended 31 March 2012 and 2011. The historical financial data should be read in conjunction with Item 7. "Operating and Financial Review" and the interim condensed consolidated financial statements for the three month period ended 31 March 2012 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the interim condensed consolidated financial statements for the three month period ended 31 March 2012.

Selected financial data is derived from the interim condensed consolidated financial statements for the three month periods ended 31 March 2012 and 31 March 2011 prepared in the Polish language and based on the 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.

(in thousands)	For the three month period ended 31 March			
	2012		2011	
	€	PLN	€	PLN
<b>Consolidated Income Statement</b>				
Revenues from operations	36,485	154,435	34,743	137,153
Cost of operations	(13,607)	(57,596)	(12,421)	(49,034)
Gross margin from operations	22,878	96,839	22,322	88,119
Selling expenses	(1,766)	(7,475)	(1,500)	(5,921)
Administrative expenses	(4,284)	(18,133)	(4,828)	(19,059)
Profit/(loss) from revaluation/impairment of assets, net	2,345	9,759	13,691	54,927
Share of profit in associates	(592)	(2,506)	(883)	(3,486)
Financial income/(expense), net	(16,868)	(71,400)	(15,483)	(61,122)
Net profit	3,052	12,636	8,499	34,054
Basic and diluted earnings per share (not in thousands)	0.03	0.12	0.05	0.19
Weighted average number of issued ordinary shares (not in thousands)	219,372,990	219,372,990	219,372,990	219,372,990
<b>Consolidated Cash Flow Statement</b>				
Cash flow from operating activities	12,442	52,586	16,776	66,560
Cash flow used in investing activities	(20,682)	(87,543)	(77,694)	(306,708)
Cash flow from financing activities	(7,546)	(31,942)	(6,567)	(25,925)
Cash and cash equivalents at the end of the period	127,616	531,087	123,346	494,852
<b>Consolidated balance sheet</b>				
Investment property	1,723,174	7,171,161	2,192,349	8,795,485
Inventory	103,315	429,956	202,741	813,377
Cash and cash equivalents	127,616	531,087	123,346	494,852
Total assets	2,311,444	9,619,306	2,748,292	11,025,875
Non-current liabilities	1,275,420	5,307,788	1,472,375	5,907,021
Current liabilities	297,481	1,238,000	197,845	793,737
Equity	738,543	3,073,518	1,078,072	4,325,117
Share capital	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 31 March 2012 is presented in the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2012 in Note 5 *Investment in subsidiaries, associates and joint ventures*.

On 29 March 2012, the Company purchased the 49.9% non controlling interest in Sasad Resort Ltd. and Sasad II Ltd. from the minority for consideration of €2. Sasad Resort Ltd. and Sasad II Ltd. Are the owners of a residential project in Budapest, Hungary. After this transaction the Group owns 100% of those two entities.

#### **Item 3.2. Changes to the principal rules of the management of the Company and the Group**

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

#### **Item 4. Main events**

The following events took place during the three months ended 31 March 2012 as well as post the balance sheet date:

- On 16 April 2012, the Annual Shareholders Meeting approved a resolution on the issuance of up to 100,000,000 shares. The Company plans to increase its equity via a rights issue. Its timing depends on the administrative process necessary for its preparation as well as market conditions.
- In April 2012, the Group signed a loan facility agreement for Corius, its office building located in Warsaw with Berlin-Hannoversche Hypothekenbank AG. The total amount of the loan is €13,000.
- In February 2012, the Company concluded an annex to the loan agreement for construction of Varna Mall. The annex resets the loan covenants which result in the reclassification of €24,259 to long term liabilities.
- Intensified leasing activities led to increased overall occupancy to 89% as at 31 March 2012 from 87% as at 31 December 2011. Assets under construction also showed significant improvement, with Galleria Burgas and Platinum V being both 90% pre let.
- In April 2012, the Company repaid the first tranche of its bonds of €21,177 (including hedges).

#### **Item 5. External and internal factors impacting the Group's business**

The key factors affecting the Group's financial and operating results are discussed below. The Group believes that the following factors and important market trends have significantly affected the Group's results of operations for the periods under review, and the Group expects that such factors and trends will continue to have a significant impact on the Group's results of operations in the future.

##### Economic conditions in CEE and SEE

The Group conducts all of its activities in CEE and SEE. Cyclical economic developments in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and other jurisdictions in which the Group conducts business activities, which are beyond the Group's control, such as economic growth, unemployment rates, price trends and interest rate levels, have a material impact on rental income levels, the potential for property sales, opportunities for acquisitions, purchase prices and the valuation of real estate. In general, demand for real estate tends to increase when interest rates are low and debt financing is easily available, which can lead to higher valuations of the Group's existing portfolio investments. Adverse economic conditions or a recession may, however, have a negative impact on the demand for real estate irrespective of a low interest rate environment. On the other hand, increasing interest rates can adversely affect the valuation of the Group's properties, which can result in the

Group being required to recognize a valuation impairment charge, which would negatively affect its income. Increases in interest rates also increase the Group's refinancing costs.

The recent global financial crisis has had, and continues to have, an impact on the economies of CEE and SEE member countries and consequently impacts the Group's operations. More specifically, the global financial crisis has led to disruptions in the international and domestic capital markets, which has resulted in reduced liquidity and increased credit risk premiums for certain market participants causing a reduction of available financing. Companies located in CEE and SEE countries have been particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs. This has resulted in many companies in these countries experiencing financial difficulty.

Similarly, in many cases, the public finances of the countries affected by the turmoil in the financial markets have been impacted from the resulting economic slowdown and decrease in demand for sovereign debt. This has made it difficult (as, for example, was the case in Ireland, Italy, Portugal and Spain) or impossible (as was the case in Greece) for certain governments to refinance their debt without third-party assistance and has been referred to as the Eurozone sovereign debt crisis. Consequently, certain countries in which the Group conducts its operations, including Romania and Bulgaria, have been adversely affected by decreased trade exchange with their traditional partners, including Italy and Greece.

#### Real estate market in CEE and SEE

The Group derives the majority of its revenue from operations from rental activities, including rental and service revenue. For the years ended 31 December 2010 and 2011, respectively, the Group derived 57.6% and 65.2% of its revenues from operations as rental revenue, which greatly depends on the rental rates per sqm and occupancy rates. The amount the Group can charge for rent largely depends on the property's location and condition and is influenced by local market trends and the state of local economies. The Group's revenue from rent is particularly affected by the new supply of rental space, changes in vacancy rates and the Group's ability to implement rent increases. Rental income is also dependent upon the time of completion of the Group's development projects as well as on its ability to let such completed properties at favourable rent levels.

The vast majority of the Group's lease agreements are concluded in Euro and include a clause that provides for the full indexation of the rent linked to the EICP (European Index of Consumer Prices).

In the Polish office market, yields tightened in 2011 and are expected to widen by 20 basis points to 6.6% and 10 basis points to 6.7% in 2012 and 2013, respectively. Office vacancies are expected to remain relatively stable at around 5.5% until 2014. A cautious market has led to a reduction in the availability of financing and limited development lending, which has resulted in a low level of projects in the pipeline. Moreover, prime rent levels in Budapest, Hungary decreased by approximately 2% in 2011. However, the Romanian office market saw a decrease in vacancy rates from 18.3% in 2010 to 13.6% in 2011.

The Group also generates part of its revenue from the sale of residential finished units. This revenue is influenced by multiple factors, among others, the overall state of local economies, unemployment rate, the purchasing power of families, availability of retail mortgage financing from the local banks and the fit of each residential development to the key features demanded by the local market.

#### Real estate valuation

The Group's results of operations depend heavily on the fluctuation of the value of assets on the property markets. The Group revalues its investment properties at least twice a year. Any change in fair value of investment property is thereafter recognised as a gain or loss in the income statement.

Two significant factors influence the valuation of the Group's properties. The first is the cash flow arising from operational performance and the second is the discount rates and capitalization rates that result from the interest rates in the market and the risk premiums applied to the Group's business. The cash flow arising from operational performance is primarily determined by current gross rental income per square meter, vacancy rate trends, total portfolio size, maintenance and administrative expenses, and operating expenses. Capitalization and discount rates are influenced by prevailing interest rates and risk premiums. When discount rates and capitalization rates increase, market value decreases and vice versa. Even small changes in one or some of these factors can have a considerable effect on the fair value of the Group's investment properties and on the results of its operations.



Moreover, the valuation of the Group's landbank additionally depends on the building rights and the expected timing of the projects.

Two significant factors influence the valuation of the Group's finished residential units and residential landbank. The first one is the expected sale price of the final units. The second one is the expected timing of initiation of the development and completion. This second factor depends on several assumptions or facts, including the commercial status of the market (demand, supply, etc.) and the status of urban permits. Residential assets are typically valued by appraisers using the residual or the comparison methodologies. For both of these, the previous key factors apply.

#### Impact of interest rate movements

Substantially all of the loans of the Group, as well as the bonds issued by the Company, have a variable interest rate, mainly connected to Euribor (although the bonds are denominated in PLN and bear interest connected to WIBOR, swap transactions were concluded which effectively converted this indebtedness into EUR at fixed rates). Approximately 63% of the Group's loans are hedged or partially hedged. Increases in interest rates generally increase the Group's financing costs. In addition, in an economic environment in which availability of financing is not scarce, demand for investment properties generally tends to increase when interest rates are low, which can lead to higher valuations of the Group's existing investment portfolio. Conversely, increased interest rates generally adversely affect the valuation of the Group's properties, which can result in recognition of a valuation impairment that negatively affects the Group's income. The derivative financial instruments used by the Group to hedge interest rate risk are recorded as independent transactions and not as hedge transactions.

Historically, Euribor rates have demonstrated significant volatility, changing from 2.859% as of 2 January 2009, through 0.7% as of 4 January 2010, 1.001% as of 3 January 2011, to 1.343% as of 2 January 2012.

#### Impact of foreign exchange rate movements

Even though for the year ended 31 December 2011 more than 80% of the Group's revenues and more than 80% of its costs were incurred or derived in Euro and the Group reports its financial statements in euros, its operations are impacted by the movements in the exchange rates of local currencies against the Euro.

Moreover, the income tax expense (both actual and deferred) in the jurisdictions in which the Group conducts its operations is incurred in such local currencies. Consequently, such income tax expense was and may continue to be materially affected by foreign exchange rate movements.

#### Availability of financing

In the CEE and SEE markets, real estate development companies, including the companies of the Group, usually finance their real estate projects with proceeds from bank loans, loans extended by their holding companies or the issuance of debt securities. The availability and cost of procuring financing are of material importance to the implementation of the Group's projects, its development prospects, as well as its ability to repay existing debt. Finally, the availability and cost of financing may impact the Group's sales dynamics and the Group's net profit.

In the past, the main sources of financing for the Group's core business included, apart from proceeds from asset disposals, bank loans and proceeds from bonds issued by the Company.

#### Regulatory environment and taxation

The current state of and changes to the regulatory requirements and applicable laws (including in relation to taxation, planning and zoning) in the jurisdictions in which the Group operates impact the Group's operations. This is especially true as part of the operations of the Group are in emerging economies with relatively less developed legal systems and whose laws and regulations are generally subject to rapid change. For example, in 2009 amendments to certain Romanian regulations had the effect of curbing demand for larger flats, which affected the Group's revenues from the sale of residential assets in Romania.

Changes in tax rates in the jurisdictions in which the Group conducts its operations may affect its results of operations. For example, the increase of the corporate income tax in Hungary in 2011 resulted in an increase in the Group's income tax expense. Increases in tax rates for individuals, as well as VAT increases, may limit the disposable income of the customers of the Group's retail properties, as was the case in Romania following the

increase in the VAT rate in July 2010, or curb demand for the Group's office space. In addition, being a holding company, the Company's liquidity depends upon the ability of its subsidiaries to pay dividends and advance funds to the Company. Depending on a particular jurisdiction, dividend taxation may hinder such payments, thus affecting the Company's results of operations and liquidity.

#### **Item 6. Specific factors affecting financial and operating results in three month period ended 31 March 2012**

During the three month period ended 31 March 2012 the following factors affected financial results:

1. An improvement in overall occupancy to 89% as at 31 March 2012 which resulted in an improvement of rental and service revenues.
2. Additional sales of residential in Osiedle Konstancja, a project of villas in Warsaw, made during the three months periods ended 31 March 2012.

#### **Item 7. Operating and financial review**

##### **Item 7.1. Presentation of differences between achieved financial results and published forecasts**

The Group did not present forecasts for first quarter of 2012.

##### **Item 7.2. Statement of financial position**

###### **Item 7.2.1. Key items of the statement of financial position**

###### Investment property

Investment properties that are owned by the Group comprise office and commercial space, including property under construction. Investment property can be split up into: (i) completed investment property; (ii) investment property under construction presented at fair value; and (iii) investment property under construction presented at cost.

###### Residential landbank

The Group classifies its residential inventory as current or non-current assets based on their development stage within the business operating cycle. The normal operating cycle in most cases falls within a period of one to five years. The Group classifies residential inventory the development of which is planned to be commenced in a period longer than the operating cycle as residential landbank, which is part of its non-current assets.

###### Investment in associates

Investment in associates is accounted for under the equity method. The investment is carried in the statement of financial position at cost plus post-acquisition changes in the Group share of net assets of the associate.

###### Assets held for sale

Assets held for sale comprise office or retail space that is designated for sale.

###### Inventory

Inventory relates to residential projects under construction and is stated at the lower of cost and net realisable value. Expenditures relating to the construction of a project are included in inventory.

The Group classifies its residential inventory as current or non-current assets based on their development stage within the business operating cycle. The normal operating cycle in most cases falls within period of one to five years. Residential projects which are active are classified as current inventory.

###### Short-term deposits

Short-term and long-term deposits can be used only for certain operating activities as determined by underlying contractual commitments.

## Derivatives

Derivatives include instruments held by the Group that hedge the risk involved in the fluctuations of interest and currency rates. In relation to the instruments qualified as cash flow hedges, the portion of gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in net profit or loss. The classification of hedges in the statement of financial position depends on their maturity. For derivatives that do not qualify for hedge accounting, any gain or losses arising from changes in fair value are recorded directly in net profit and loss for the year. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

### **Item 7.2.2. Financial position as at 31 March 2012 compared to 31 December 2011**

## Assets

Total assets increased by €1,736 and amounted to €2,311,444 as at 31 March 2012. Such increase was mainly due to an increase in non-current assets of €21,094 which was partially offset by a decrease in current assets of €20,901.

## Investment property

The value of investment property increased by €19,285 to €1,723,174 as at 31 March 2012, which resulted mainly from capitalisation of expenditure on real estate development of €18,143 which was primarily dedicated to Galeria Burgas, Corius and Platinum Business Park V (Galleria Burgas and Platinum Business Park V are scheduled for completion in the second quarter of 2012).

## Assets held for sale

The value of assets held for sale was €135,643 as of 31 March 2012. The recognition of assets held for sale resulted from the reclassification of the Platinum Business Park property following the conclusion of the Head of Terms with Allianz Real Estate Germany GmbH. The increase of €1,543 of value of assets held for sale comes from upward revaluation of Platinum Business Park.

## Inventory and residential landbank

The value of inventory decreased by €3,901, or 4% to €103,315 as of 31 March 2012, mainly due to the sale of apartment and houses.

## Liabilities

The value of trade and other payables decreased by €13,714 to €38,596 as of 31 March 2012 as a result of works performed under contracts for the construction of investment properties which were carried out during the three month period ended 31 March 2012 and not paid in such period.

The total value of loans and bonds (both non-current and current) increased by €15,099 to €1,308,373 as of 31 March 2012 as a result of two refinancing agreements signed during the period (one in Bucharest and one in Serbia)

The long-term portion of loans and bonds represented 82% of total debt as of 31 March 2012, as compared to 80% as of 31 December 2011.

## Derivatives

The value of the Group's derivatives decreased by €14,021 to €87,513 as of 31 March 2012 mostly due to an increase in the EUR/PLN exchange rate from 4.4168 as of 31 December 2011 to 4.1616 as of 31 March 2012.

## Equity

Equity increased by 2%, or €14,893, to €738,543 as of 31 March 2012 from €723,650 as of 31 December 2011 primarily due to a decrease in minority interest, an increase in the capital reserve and an increase in accumulated profit resulting from net profit recognized in the period.

### Item 7.3. Consolidated income statement

#### Item 7.3.1. Key items of the consolidated income statement

##### Revenues from operations

Revenues from operations consist of:

- (i) rental income, which consists of monthly rental payments paid by tenants of the Group's investment properties for the office or retail space rented by such tenants. Rental income is recognized as income over the lease term;
- (ii) service income, which comprises fees paid by the tenants of the Group's investment properties to cover the cost of the services provided by the Group in relation to their leases; and
- (iii) residential revenue, which comprises proceeds from the sales of houses or apartments, which is recognized when such houses or apartments have been substantially constructed, accepted by the customer and a significant amount resulting from the sale agreement has been paid by the purchaser.

##### Cost of operations

Costs of operations consist of:

- (i) service costs, which consist of all the costs that are related to the management services provided to the individual tenants within the Group's properties. Assuming a 100% occupancy rate, service costs should be fully covered by service income; and
- (ii) residential costs, which comprise the 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 related to sold units are expensed.

##### Gross margin from operations

Gross margin from operations is equal to the revenues from operations less the cost of operations.

##### 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 sales personnel.

##### Administrative expenses

Administration expenses include:

- (i) payroll, management fees and other expenses that include the salaries of all employees that are not directly involved in sales or rental activities;
- (ii) provisions made to account for the share-based incentive program that was granted to key personnel;
- (iii) costs of audit, legal and other advisors;
- (iv) office expenses;
- (v) depreciation and amortization expenses, which include depreciation and amortization of the Group's property, plant and equipment; and
- (vi) others.

#### Profit/(loss) from the revaluation/impairment of assets

Net valuation gains (losses) on investment property and investment properties under development reflect the change in the fair value of investment properties, investment property under development and the residential landbank.

#### Financial income/(expense), net

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

Financial expenses include interest on borrowings and deferred debt raising expenses, such as arrangement fees or commitment fees. 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.

#### Taxation

Income tax on profit or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted as at the balance sheet date and any adjustments to tax payable in respect of previous years. Generally, the Group disposes of property holding companies rather than the real estate itself, in part because in certain jurisdictions the sale and disposal of real estate is generally subject to real estate transfer tax and/or VAT.

### **Item 7.3.2. Comparison of financial results for the three month period ended 31 March 2012 with the result for the corresponding period of 2011**

#### Revenues from operations

Revenues from operations increased by €1,742 to €36,485 in three month period ended 31 March 2012, mainly due to a increase of €955 in residential revenues, which resulted from sale of residential units (villas) in Osiedle Konstancja in Warsaw following the completion of the fifth phase of the project. Rental and service revenues increased by €787 as a result of an overall increase in occupancy rate and revenues from newly completed investment properties which offset loss of revenues after the Group sold its remaining stake in the Galeria Mokotów project in Warsaw in August 2011.

#### Cost of operations

Cost of operations increased by €1,186 to €13,607 in the three month period ended 31 March 2012, due to an increase in rental and service costs by €683 resulting from an increase in a number of income generating properties and an increase in the residential expenditures recognized in the income statement by €503 as a result of an increase in sales of residential units. This is due to the fact that following the sale of residential real estate, which the Group classifies as inventory, the Group recognizes in its income statement the costs which were incurred in connection with the completion of such residential assets but capitalized in the value of inventory

#### Gross margin from operations

The gross margin (profit) from operations increased by €556 to €22,878 in the three month period ended 31 March 2012. The increase was primarily attributed to the increase in residential activities. In particular, the gross margin (profit) on residential activities increased to €79 in the three month period ended 31 March 2012 from a loss in the amount of €373 in the three month period ended 31 March 2011. Gross margin on residential activities for the three month period ended 31 March 2012 amounted to 2%. The gross margin (profit) on rental activities increased by €104 to €22,799 for the three month period ended 31 March 2012 from € 22,695 for the three month period ended 31 March 2011. Gross margin on rental activities for the three month period ended 31 March 2012 amounted to 72%.

#### Selling expenses

Selling expenses increased by €266 to €1,766 in the three month period ended 31 March 2012, mainly due to an increase in sale and leasing activities, in line with an increase in occupancy and sale of residential units.

#### Administrative expenses

Administrative expenses decreased by €544 to €4,284 in the three month period ended 31 March 2012, mainly due to mark-to-market of phantom shares.

#### Profit/(loss) from the revaluation/impairment of assets, net

Profit from the revaluation of the Group's investment properties and impairment of residential projects amounted to €2,345 in the three month period ended 31 March 2012, as compared to €13,691 in the three month period ended 31 March 2011.

#### Financial income/(expense), net

Net financial expense increased by €1,385 to €16,868 in the three month period ended 31 March 2012 vs. €15,483 in the three month period ended 31 March 2011.

Financial expenses increased by €1,676 to €18,260, mainly due to an increase in debt following the completion of investment properties as during the construction process, the Group capitalizes interest expense. Once a building is completed, the capitalized interest expense is recognized in the income statement.

The average effective interest rate (including hedging arrangements related thereto) on the Group's loans during the three month period ended 31 March 2012 amounted to 5.0% and in the period ended 31 March 2011 amounted to 5.5%. The average effective interest rate is calculated as the average of the nominal interest rates under the outstanding loan facilities, weighted by the drawn down amount.

#### Share of profit (loss) of associates

Share of loss of associates amounted to €592 for the three month period ended 31 March 2012, as compared to a share of loss of €883 in the three month period ended 31 March 2011.

#### Taxation

Taxation benefit amounted to €1,242 in the three month period ended 31 March 2012, mainly due to a decrease in EUR/ PLN rate during the three month period ended 31 March 2012, which decreases the asset value in PLN for the purpose of tax.

#### Net profit

Net profit amounted to € 3,052 in the three month period ended 31 March 2012, as compared to a net profit of €8,499 in the three month period ended 31 March 2011 and is attributable to profit on revaluation of investment properties combined with a recognition of tax benefit.

### ***Item 7. 4. Consolidated cash flow statement***

#### **Item 7.4.1. Key items from consolidated cash flow statement**

##### Net cash from (used in) operating activities

The operating cash flow is the cash that the Group generates through running its business.

##### Net cash used in investing activities

The investing cash flow is the aggregate change in the Group's cash position resulting from any gains (or losses) from investments in the financial markets, investment properties and operating subsidiaries, as well as changes resulting from amounts spent on investments in capital assets, such as property, plant and equipment.

##### Net cash from (used in) financing activities

The cash flow from (used in) financing activities accounts for, inter alia, the payment of cash dividends, receiving proceeds from loans or bond and issuing stock, as well as the interest paid on financial liabilities.

#### Cash and cash equivalents

Cash balance consists of cash in banks. Cash in banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. All cash is deposited in banks regardless of the amount. Cash equivalents are short-term investments which are highly liquid and readily convertible into a known amount of cash; moreover, they are subject to an insignificant amount of risk of changes in value. All cash and cash equivalents are available for use by the Group. The amounts which are not available for use by the Group or restricted for any is classified in the financial statements as deposits and not as cash and cash equivalents.

#### **Item 7.4.2. Cash flow analysis**

The table below presents an extract of the cash flow for the period of three months ended on 31 March 2012 and 2011:

	Three months ended	
	31 March 2012	31 March 2011
Cash flow from operating activities	12,442	16,776
Investment in real-estate and related	(20,682)	(60,472)
Cash flow from sale of investment	-	(17,222)
Finance expenses	(12,236)	(10,797)
Proceeds from financing activities, net	6,372	3,329
Net change	(14,104)	(68,386)
Cash at the beginning of the period	141,720	191,732
Cash at the end of the period	127,616	123,346

Cash flow from operating activities was €12,442 in the three month period ended 31 March 2012, as compared to €16,776 in the three month period ended 31 March 2011, which mainly resulted from increase / decrease in trade payables.

Investment in real-estate and real estate related amounted to €20,682 in the three month period ended 31 March 2012 and was related mainly to investment in Platinum Business Park V, Corius, and Galleria Burgas.

Cash flow used in financing activities amounted to €6,372 in the three month period ended 31 March 2012, compared to €3,329 for the three month period ended 31 March 2011, mostly due to increase in interest paid.

Cash and cash equivalents as at 31 March 2012 amounted to €127,616, compared to €123,346 as at 31 March 2011. The Group keeps its cash in the form of bank deposits, mostly in Euro, with various international banks.

#### **Item 7.5. Future liquidity and capital resources**

The Group expects that its principal future cash needs will be: (i) the development of office investment properties; (ii) the development of retail investment properties; (iii) the development of residential properties; (iv) debt servicing; and (v) the purchase of plots for office and retail purposes.

The Group does not currently have sufficient working capital for its present requirements, i.e. for at least the twelve months following the date of this Report. The Management Board is of the opinion that the Group's working capital should be sufficient to cover the Group's present requirements for at least twelve months following the date of this Report, taking into account the proceeds from the Offering

For purposes of the preparation of its most recent financial statements, the Group has prepared a three-year cash flow forecast, on the basis of various assumptions. Such assumptions include, inter alia, proceeds from the Offering in the amount of EUR 100 million, sales of assets that are expected to generate free cash in the amount

of approximately EUR 180 million, as well as the raising of new project loans in the amount of approximately EUR 80 million, or an alternative split thereof.

As at 31 March 2012, the Group's non-current liabilities amounted to €1,275,420, compared to €1,472,375 as at 31 March 2011.

The Group's total debt from long and short-term loans and borrowings as at 31 March 2012 was €1,308,373, as compared to €1,378,387 as at 31 March 2011. The Group's loans and borrowings are denominated in Euro, except for the corporate bonds that are denominated in PLN, however, with respect to such notes, relevant swap transactions were concluded, thus effectively converting such indebtedness into Euro. The loans extended to the Group are project loans, i.e. in each case granted to a specific subsidiary which holds the underlying investment properties and manages a given project.

The Group's loan-to-value ratio amounted to 60% as at 31 March 2012, as compared to 52% as at 31 March 2011. The Group's strategy is to keep its loan-to-value ratio at the level of between 40% and 60%.

#### **Item 8. Information on granted and received guarantees with a particular emphasis on guarantees granted to related entities**

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

#### **Item 9. Major investments, local and foreign (securities, financial instruments, intangible assets, real estate), including capital investments outside the Group and its financing method**

The Group does not have any major local or foreign investments other than direct investments in real estate properties designated for development, or through companies that hold such real estate.

#### **Item 10. Shareholders who, directly or indirectly, have substantial shareholding**

The following table presents the Company's shareholders, who had substantial shareholding as of 31 March 2012. The table is prepared based on last official information published by the pension funds as at 31 December 2011 and on information received directly from the shareholders.

Shareholder	Number of shares held	% of share capital	Number of votes	% of votes
GTC Real Estate Holding B.V. <sup>1</sup>	60,882,815	27.75%	60,882,815	27.75%
ING OFE	23,943,177	10.91%	23,943,177	10.91%
AVIVA OFE	15,861,600	7.23%	15,861,600	7.23%

#### **Item 11. Shares and rights to shares of GTC held by members of the Management Board and the Supervisory Board**

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



### ***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 14 May 2012, the date of publication of this quarterly report, and changes in their holdings since the date of publication of Group's last financial report (annual report for the twelve month period ended 31 December 2011) on 5 March 2012. 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.

<b>Management Board Member</b>	<b>Balance as of 14 May 2012</b>	<b>Change since 5 March 2012</b>
Piotr Kroenke	205,418	No change
Erez Boniel	128,000	Increase of 8,000
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 31 March 2012 since 31 December 2011. The phantom shares granted to the members of the Management Board are subject to Supervisory Board decision on the equity settlement.

<b>Management Board Member</b>	<b>Balance as of 31 March 2012</b>	<b>Change since 31 December 2011</b>
Piotr Kroenke	379,755	Increase of 26,751
Erez Boniel	379,755	Increase of 26,751
Yovav Carmi	125,010	Increase of 18,750
Hagai Harel	379,755	Increase of 26,751
Mariusz Kozłowski	181,755	Increase of 26,751
Jacek Wachowicz	65,630	Increase of 3,126
Witold Zatoński	141,750	Increase of 18,750

### ***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 14 May 2012, the date of publication of this quarterly report, and changes in their holdings since the date of publication of Group's last financial report (annual report for the twelve month period ended 31 December 2011) on 5 March 2012. 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.

<b>Supervisory Board Member</b>	<b>Balance as of 14 May 2012</b>	<b>Change since 5 March 2011</b>
Eli Alroy	276,240*	Increase of 20,000
David Brush	0	No change
Krzysztof Gerula	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

\* Balance as of 6 April 2012  
 \*\* Change from 16 March 2012

### ***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 31 March 2012 since 31 December 2011.

<b>Supervisory Board Member</b>	<b>Balance as of 31 March 2012</b>	<b>Change since 31 December 2011</b>
Eli Alroy	1,900,000*	No change
David Brush	0	No change
Krzysztof Gerula	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

\* Balance as of 6 April 2012  
 \*\* Change from 16 March 2012

### **Item 12. Material transactions with related parties concluded on terms other than market terms**

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

### **Item 13. 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

**GLOBE TRADE CENTRE S.A.**

**IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS  
FOR THE THREE-MONTH PERIOD ENDED  
31 MARCH 2012  
TOGETHER WITH INDEPENDENT AUDITORS' REVIEW  
REPORT**

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Financial Position**  
**as of 31 March 2012**  
**(in thousands of Euro)**

	<u>Note</u>	31 March 2012 <i>(unaudited)</i>	31 March 2011 <i>(unaudited)</i>	<u>31 December 2011</u>
<b>ASSETS</b>				
<b>Non current assets</b>				
Investment property	11	1,723,174	2,192,349	1,703,889
Residential landbank		75,427	56,068	74,326
Investment in associates	10	54,561	54,420	54,471
Loans granted and other receivables		21,819	19,992	21,707
Property, plant and equipment		1,866	1,821	1,840
Deferred tax asset		8,639	7,624	8,283
Long-term deposits		-	625	-
Derivatives		-	1,070	-
Goodwill		-	2,741	-
Other non-current assets		242	125	118
		<b>1,885,728</b>	<b>2,336,835</b>	<b>1,864,634</b>
<b>Assets held for sale</b>				
		<b>135,643</b>	<b>-</b>	<b>134,100</b>
<b>Current Assets</b>				
Inventory		103,315	202,741	107,216
Advances to contractors		-	2,346	-
Debtors		6,704	8,804	4,596
Accrued income		277	482	595
VAT and other tax recoverable		9,456	28,527	13,945
Income tax recoverable		1,566	1,655	1,229
Prepayments, deferred expenses		5,483	6,614	4,512
Short-term deposits		35,656	36,942	37,161
Cash and cash equivalents		127,616	123,346	141,720
		<b>290,073</b>	<b>411,457</b>	<b>310,974</b>
<b>TOTAL ASSETS</b>		<b>2,311,444</b>	<b>2,748,292</b>	<b>2,309,708</b>

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

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Financial Position**  
**as of 31 March 2012**  
**(in thousands of Euro)**

	<u>Note</u>	31 March 2012 ( <i>unaudited</i> )	31 March 2011 ( <i>unaudited</i> )	<u>31 December 2011</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	13	4,741	4,741	4,741
Share premium		214,280	214,280	214,280
Capital reserve		22,057	18,486	18,993
Hedge reserve		(38,225)	(25,590)	(37,265)
Foreign currency translation		7,895	4,929	5,361
Accumulated profit		544,462	818,789	538,139
		<b>755,210</b>	<b>1,035,635</b>	<b>744,249</b>
Non-controlling interest		(16,667)	42,437	(20,599)
<b>Total Equity</b>		<b>738,543</b>	<b>1,078,072</b>	<b>723,650</b>
<b>Non current Liabilities</b>				
Long-term portion of long-term loans and bonds	12	1,078,289	1,281,177	1,029,212
Deposits from tenants		5,367	5,613	4,501
Long term payable		1,503	629	67
Provision for share based payment		521	4,677	685
Derivatives		66,555	44,046	80,775
Provision for deferred tax liability		123,185	136,233	123,616
		<b>1,275,420</b>	<b>1,472,375</b>	<b>1,238,856</b>
<b>Current liabilities</b>				
Trade and other payables		38,596	74,209	52,310
Current portion of long-term loans and bonds	12	230,084	97,210	264,062
Financial liability		-	200	-
VAT and other taxes payable		1,388	2,486	2,136
Income tax payable		1,061	1,459	1,504
Derivatives		20,958	11,493	20,759
Advances received		5,394	10,788	6,431
		<b>297,481</b>	<b>197,845</b>	<b>347,202</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,311,444</b>	<b>2,748,292</b>	<b>2,309,708</b>

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

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Income Statement**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

	Note	<u>Three-month period ended 31 March 2012</u> (unaudited)	<u>Three-month period ended 31 March 2011</u> (unaudited)	<u>Year ended 31 December 2011</u>
Revenues from operations	7	36,485	34,743	153,675
Cost of operations	8	(13,607)	(12,421)	(58,444)
<b>Gross margin from operations</b>		<b>22,878</b>	<b>22,322</b>	<b>95,231</b>
Selling expenses		(1,766)	(1,500)	(7,161)
Administration expenses		(4,284)	(4,828)	(20,871)
Profit (loss) from revaluation/ impairment of assets	11	2,345	14,055	(234,952)
Impairment of residential projects		-	(364)	(61,017)
Other income		141	377	460
Other expenses		(703)	(646)	(2,936)
<b>Profit (loss) from continuing operations before tax and finance income / (expense)</b>		<b>18,611</b>	<b>29,416</b>	<b>(231,246)</b>
Foreign exchange differences gain/(loss), net		659	1,804	(8,628)
Interest income		1,392	1,101	4,850
Financial expense		(18,260)	(16,584)	(80,198)
Share of profit (loss) of associates		(592)	(883)	(4,365)
<b>Profit (loss) before tax</b>		<b>1,810</b>	<b>14,854</b>	<b>(319,587)</b>
Taxation		1,242	(6,355)	(18,337)
<b>Profit (loss) for the period</b>		<b>3,052</b>	<b>8,499</b>	<b>(337,924)</b>
<b>Attributable to:</b>				
Equity holders of the parent		6,323	10,286	(270,364)
Non-controlling interest		(3,271)	(1,787)	(67,560)
Basic earnings per share (Euro)	14	0.03	0.05	(1.23)
Diluted earnings per share (Euro)	14	0.03	0.05	(1.23)

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

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Comprehensive Income**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

	<u>Three-month</u> <u>period ended 31</u> <u>March 2012</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended 31</u> <u>March 2011</u> <i>(unaudited)</i>	<u>31 December 2011</u>
<b>Profit (loss) for the period/year</b>	<b>3,052</b>	<b>8,499</b>	<b>(337,924)</b>
Gain/(loss) on hedge transactions	(1,567)	18,485	3,099
Income tax	265	(3,495)	(440)
Net gain/loss on hedge transactions	<b>(1,302)</b>	<b>14,990</b>	2,659
Exchange differences on translation of foreign operations	2,499	1,539	1,678
<b>Total comprehensive income for the period/year, net of tax</b>	<b>4,249</b>	<b>25,028</b>	<b>(333,587)</b>
<b>Attributable to:</b>			
Equity holders of the parent	7,897	26,655	(265,238)
Non-controlling interest	(3,648)	(1,627)	(68,349)

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

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Changes in Equity**  
**for the three-month period ended 31 March 2012**  
**(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
<b>Balance as of 1 January 2011</b>	<b>4,741</b>	<b>214,280</b>	<b>18,300</b>	<b>(40,580)</b>	<b>3,550</b>	<b>808,503</b>	<b>1,008,794</b>	<b>44,064</b>	<b>1,052,858</b>
Other comprehensive income	-	-	-	14,990	1,379	-	16,369	160	16,529
Profit (loss) for the period ended 31 March 2011	-	-	-	-	-	10,286	10,286	(1,787)	8,499
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,990</b>	<b>1,379</b>	<b>10,286</b>	<b>26,655</b>	<b>(1,627)</b>	<b>25,028</b>
Share based payment	-	-	186	-	-	-	186	-	186
<b>Balance as of 31 March 2011</b>	<b>4,741</b>	<b>214,280</b>	<b>18,486</b>	<b>(25,590)</b>	<b>4,929</b>	<b>818,789</b>	<b>1,035,635</b>	<b>42,437</b>	<b>1,078,072</b>

  

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
<b>Balance as of 1 January 2011</b>	<b>4,741</b>	<b>214,280</b>	<b>18,300</b>	<b>(40,580)</b>	<b>3,550</b>	<b>808,503</b>	<b>1,008,794</b>	<b>44,064</b>	<b>1,052,858</b>
Other comprehensive income	-	-	-	3,315	1,811	-	5,126	(789)	4,337
Profit (loss) for the year ended 31 December 2011	-	-	-	-	-	(270,364)	(270,364)	(67,560)	(337,924)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,315</b>	<b>1,811</b>	<b>(270,364)</b>	<b>(265,238)</b>	<b>(68,349)</b>	<b>(333,587)</b>
Other transactions	-	-	167	-	-	-	167	192	359
Issuance of shares to non controlling interest	-	-	-	-	-	-	-	3,494	3,494
Share based payment	-	-	526	-	-	-	526	-	526
<b>Balance as of 31 December 2011</b>	<b>4,741</b>	<b>214,280</b>	<b>18,993</b>	<b>(37,265)</b>	<b>5,361</b>	<b>538,139</b>	<b>744,249</b>	<b>(20,599)</b>	<b>723,650</b>
Other comprehensive income	-	-	-	(960)	2,534	-	1,574	(377)	1,197
Profit (loss) for the period ended 31 March 2012	-	-	-	-	-	6,323	6,323	(3,271)	3,052
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(960)</b>	<b>2,534</b>	<b>6,323</b>	<b>7,897</b>	<b>(3,648)</b>	<b>4,249</b>
Other transactions	-	-	168	-	-	-	168	-	168
Purchase of shares from non controlling interest (6)	-	-	2,758	-	-	-	2,758	7,580	10,338
Share based payment	-	-	138	-	-	-	138	-	138
<b>Balance as of 31 March 2012</b>	<b>4,741</b>	<b>214,280</b>	<b>22,057</b>	<b>(38,225)</b>	<b>7,895</b>	<b>544,462</b>	<b>755,210</b>	<b>(16,667)</b>	<b>738,543</b>

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



**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

	<u>Three-month</u> <u>period ended</u> <u>31 March 2012</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March</u> <u>2011</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December</u> <u>2011</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit (loss) before tax	1,810	14,854	(319,587)
<b>Adjustments for:</b>			
Revaluation/Impairment of assets	(2,345)	(13,691)	295,969
Share of (profit) loss of associates	592	883	4,365
Foreign exchange differences loss, net	(1,789)	(695)	3,549
Finance income	(1,392)	(1,101)	(4,850)
Finance expenses	18,260	15,987	80,198
Share based payment	(26)	690	(2,964)
Depreciation and amortization	150	245	557
<b>Operating cash before working capital changes</b>	<b>15,260</b>	<b>17,172</b>	<b>57,237</b>
Decrease/(increase) in debtors and prepayments and other current assets	-	1,009	1,852
Increase in inventory	4,091	2,447	11,048
Increase/(decrease) in advances received	(518)	(420)	(5,781)
Increase/(decrease) in trade and other payables	(6,021)	(2,447)	6,271
<b>Cash generated from/ (used in) operations</b>	<b>12,812</b>	<b>17,761</b>	<b>70,627</b>
Tax paid in the period	(370)	(985)	(2,973)
<b>Net cash from (used) in operating activities</b>	<b>12,442</b>	<b>16,776</b>	<b>67,654</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of non current assets	(21,350)	(62,450)	(179,299)
Sale of shares in joint venture, net of cash disposed of	(b)		133,967
Sale of investment property			
Acquisition of shares in associates	(198)	(200)	(389)
Acquisition of subsidiaries, net of cash acquired	(a)	(21)	(4,650)
Tax / VAT on sale of investment property		(17,222)	(36,846)
Dividend received		1,682	1,682
Interest received	1,085	752	2,557
Lease origination expenses	(219)	(43)	(808)
Loans granted		(192)	(1,811)
Loans repayments			
<b>Net cash used in investing activities</b>	<b>(20,682)</b>	<b>(77,694)</b>	<b>(85,597)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long-term borrowings	35,907	32,917	212,203
Repayment of long-term borrowings	(32,206)	(29,517)	(175,514)
Repayment of financial liability	-	(200)	(609)
Interest paid	(12,236)	(10,797)	(61,935)
Loans origination cost	(670)	(141)	(4,299)
Increase (decrease) in short term deposits	1,659	1,433	(232)
Increase (decrease) in deposits received from tenants	-	(262)	-
<b>Net cash from (used in) financing activities</b>	<b>(7,546)</b>	<b>(6,567)</b>	<b>(30,386)</b>
<b>Effect of foreign currency translation</b>	<b>1,682</b>	<b>(901)</b>	<b>(1,683)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(14,104)</b>	<b>(68,386)</b>	<b>(50,012)</b>
<b>Cash and cash equivalents, at the beginning of the period/year</b>	<b>141,720</b>	<b>191,732</b>	<b>191,732</b>
<b>Cash and cash equivalents, at the end of the period/year</b>	<b>127,616</b>	<b>123,346</b>	<b>141,720</b>

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

**Globe Trade Centre S.A.**  
**Interim Condensed Consolidated Statement of Cash Flows**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

	<u>Three-month period ended</u> <u>31 March 2012</u> <i>(unaudited)</i>	<u>Three-month period ended</u> <u>31 March 2011</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December 2011</u>
Investment property	-	(21,091)	(29,251)
Working capital (net of cash acquired)	-	21,070	24,601
<b>Purchase of shares in subsidiaries, net of cash acquired</b>	<b>-</b>	<b>(21)</b>	<b>(4,650)</b>

**(b) Selling of shares in joint venture, net of cash disposed of**

	<u>Three-month period ended</u> <u>31 March 2012</u> <i>(unaudited)</i>	<u>Three-month period ended</u> <u>31 March 2011</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December 2011</u>
Investment property	-	-	237,565
Other assets (net of cash)	-	-	2,412
Cash	-	-	5,010
Derivatives	-	-	(2,572)
Interest bearing loans and borrowings	-	-	(99,640)
Provision for deferred tax liability	-	-	(674)
Other liabilities	-	-	(3,124)
<b>Total Carrying Value of Assets sold</b>	<b>-</b>	<b>-</b>	<b>138,977</b>
Cash in subsidiary disposed of	-	-	(5,010)
<b>Total received net of cash disposed of</b>	<b>-</b>	<b>-</b>	<b>133,967</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**1. Principal activities**

Globe Trade Centre S.A. (the “Company”, “GTC”) was registered in Warsaw on December 19, 1996. The Company’s registered office is in Warsaw at Wołoska 5 Street. The Company owns through subsidiaries, joint ventures and associates commercial and residential real estate companies in Poland, Hungary, Romania, Serbia, Croatia, Ukraine, Slovakia, Bulgaria, Russia and Czech Republic. The Company is developing and leasing or selling space to commercial and individual tenants, through its directly and indirectly owned subsidiaries.

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

The Group’s business activities are:

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

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

GTC is listed on the Warsaw Stock exchange.

The major shareholder of the Company as of 31 March 2012 is GTC Real Estate Holding N.V., which holds 60,882,815 shares (27.75% 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 is Euro. The functional currency of some of GTC’s subsidiaries is a currency different from Euro.

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

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**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 2011. The interim financial results are not necessarily indicative of the full year results.

The interim condensed consolidated financial statements of the Group describe its business activities as well as financial position, cash flow, liquidity position and borrowing facilities. The Group's objectives, policies and processes are aimed at managing its capital and financial and liquidity risks on a sound basis. The Group meets its day to day working capital requirements through the generation of cash inflow from rental income and sale activity.

The Group's financial operations are based on centralized treasury process implemented in the whole capital group. GTC S.A., the parent company manages the capital inflows (other than working capital) from the subsidiaries and makes capital available to the subsidiaries. The management after review of the group's policy and consultations with directors of the subsidiaries, believes that the centralized policy allows for the most effective and elastic management of group's cash flow and shall continue. Support to the subsidiaries, shall be made on the basis of the financing and capital requirements of the subsidiaries taking into account the subsidiaries particular working capital needs.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**3. Basis of preparation (continued)**

The current macroeconomic conditions create uncertainty about market conditions and in particular over the level of demand for company's commercial space and residential units, that may influence the operating costs and the availability of bank finance in the foreseeable future.

Except for some facilities, described in note 12, as of 31 March 2012 the Group's entities are not in breach of loan covenants.

The management has analyzed the timing, nature and scale of potential financing needs of particular subsidiaries.

The interim condensed consolidated financial statements have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future, for at least 12 months.

In connection with the above assumption, the Company's Management has prepared a cash flow forecast for the years 2012-2014. This forecast indicates that the Company will be able to meet its financial obligations and continue as a going concern. However, the forecast has been prepared on the basis of various assumptions, amongst others, a rights issue in the amount of Eur 100 mln, and, over the these years, sales of assets that are expected to generate free cash in the amount of approximately Eur 180 mln, as well as the raising of new project loans in the amount of approximately Eur 80 mln, or an alternative split thereof. Certain of these assumptions are based on factors, which are beyond the Company's control, including the environment in which the Company operates. As the forecast relates to future events inherently it is subject to uncertainties and therefore, the Management cannot guarantee that all such assumptions will materialize, however it believes that as of the date of the financial statements these assumptions are reasonably achievable.

The Company's Supervisory Board has resolved unanimously to support the rights issue plan proposed by the Management.

**Impairment of assets**

The carrying value of assets is periodically reviewed by Management to determine whether impairment may exist. Based upon its most recent analysis, management believes that no additional material impairment of assets exists as of 31 March 2012.

Goodwill impairment is tested at the year end or when indication for impairment arises. Impairment is determined by assessing the recoverable amount of the cash generating unit or group of cash generated units, to which the goodwill relates.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**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 European Union (“EU”) (IAS 34). At this particular time, due to the endorsement process of the EU, and activities of the Company, there are no differences in the policies applied by the Company between IFRS and IFRS that have been endorsed by the Commission of the European Communities.

The interim condensed consolidated financial statements have been prepared in accordance with IFRS applicable to the interim financial reporting (IAS 34) and all applicable IFRS that have been adopted by EU.

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Company for the year ended 31 December 2011, except for the following amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2012:

Amendment to IFRS 7 Financial Instruments – Disclosures: Transfer of Financial Assets- effective for financial years beginning on or after 1 July 2011

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2012.

The first phase of IFRS 9 Financial Instruments: Classification and Measurement – effective for financial years beginning on or after 1 January 2015 – not yet endorsed by EU

Amendments to IFRS 7 Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities - effective for financial years beginning on or after 1 January 2013– not yet endorsed by EU

Amendments to IAS 12 Income Tax: Deferred Tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012 – not yet endorsed by 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 – not yet endorsed by EU

IFRS 10 Consolidated Financial Statements – effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

IFRS 11 Joint Arrangements – effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

IFRS 12 Disclosure of Interests in Other Entities – effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**4. Significant accounting policies, estimates and judgments**

IFRS 13 Fair Value Measurement - effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

Amendments to IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income - effective for financial years beginning on or after 1 July 2012 – not yet endorsed by EU

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

Amendments to IAS 32 Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities- effective for financial years beginning on or after 1 January 2014 – not yet endorsed by EU

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards: Government Loans – effective for financial years beginning on or after 1 January 2013 – not yet endorsed by EU

The Company 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 Company classifies its residential inventory to current or non-current assets, based on their development stage within the business operating cycle. The normal operating cycle most cases falls within period of 1-5 years. Residential projects, which are active, are classified as current inventory. 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.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(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	31 March 2012	31 March 2011	31 December 2011
GTC Konstancja Sp. z o.o. ("GTC Konstancja")	GTC S.A.	Poland	100%	100%	100%
GTC Korona S.A. ("GTC Korona")	GTC S.A.	Poland	100%	100%	100%
Globis Poznań Sp. z o.o. ("Globis Poznań")	GTC S.A.	Poland	100%	100%	100%
GTC 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 Ogrody Galileo Sp. z o.o. Sp. z o.o. (previously 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%	-
GTC Com 1 Sp. z o.o. ("GTC Com 1")	GTC S.A.	Poland	100%	100%	100%
GTC Karkonowska Sp. z o.o. (previously GTC Wrocław Office)	GTC S.A.	Poland	100%	100%	100%
GTC Ortal Sp. z o.o. (previously Byrant)	GTC S.A.	Poland	100%	100%	100%
Diego Sp. z o.o. ("Diego")	GTC S.A.	Poland	100%	100%	100%
GTC Francuska Sp. z o.o. (previously GTC Cyril)	GTC S.A.	Poland	100%	100%	100%
GTC UBP Sp. z o.o. (previously GTC Com 3)	GTC S.A.	Poland	100%	100%	100%
GTC Wilason Park Sp. z o.o. (previously GTC Com 4)	GTC S.A.	Poland	100%	100%	100%
GTC Moderna Sp. z o.o. (previously GTC Com 5)	GTC S.A.	Poland	100%	100%	100%
CH Wilanow Sp. z o.o. („CH Wilanow") (*)	GTC S.A.	Poland	50%	50%	50%
Alfa Development Inwestycje sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Corius sp. z o.o. (previously Sigma development)	GTC S.A.	Poland	100%	100%	100%
Centrum Światowida sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Światowida Development sp. z o.o.	GTC S.A.	Poland	100%	-	100%
Mieszkania Światowida sp. z o.o.	GTC S.A.	Poland	100%	-	100%
Omega Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Delta Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omikron Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Galeria CTWA Sp. z o.o. ("Galeria CTWA")	GTC S.A.	Poland	100%	100%	100%

\* Proportionate consolidation.



**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

Name	Holding Company	Country of incorporation	31 March 2012	31 March 2011	31 December 2011
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%	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	100%	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	100%	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.

\*\* Further described in note 6

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

Name	Holding Company	Country of incorporation	31 March 2012	31 March 2011	31 December 2011
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%	71.5%	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%	100%	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%	70%
Beaufort Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	70%	70%	70%
Fajos S.R.L.	National Commercial Centers B.V.	Romania	70%	70%	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%	85%	100%
Operetico Enterprises Ltd.	GTC Romania	Cyprus	66.7%	66.7%	66.7%
Bucharest Tower Investments B.V.	GTC Romania	Netherlands	100%	-	100%
Ana Tower Offices S.R.L. (*)	Bucharest Tower Investments B.V.	Romania	50%	-	50%
Deco Intermed S.R.L.	Operetico Enterprises Ltd.	Romania	66.7%	100%	66.7%
GML American Regency Pipera S.R.L.	GTC Romania	Romania	66.7%	66.7%	66.7%

\* Proportionate consolidation.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

Name	Holding Company	Country of incorporation	31 March 2012	31 March 2011	31 December 2011
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%	80%	80%
Galeria Varna JSC	Galeria Ikonovov GmbH	Bulgaria	65%	65%	65%
GTC Business Park EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
NRL EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
Galeria Ikonovov 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%

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

**Investment in Associates**

Name	Holding Company	Country of incorporation	31 March 2012	31 March 2011	31 December 2011
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%	-
Europort Investment (Cyprus) 1 Limited	GTC Ukraine	Cyprus	49,9%	49,9%	49,9%
Europort LTD	Emerging investment	Israel	9.9%	10%	9.9%

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**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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**6.     Events in the period**

On 29 March 2012, the Company purchased the 49.9% non controlling interest holders part in Sasad Resort Ltd. and Sasad II Ltd. from the minority for consideration of EUR 2. All the shareholders' loans provided by the minority were assigned to the Company.

Consequently, the Company became the sole owner of these subsidiaries.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**7     Revenue from operations**

Revenue from operations comprises the following:

	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Three-month period ended 31 March 2011 <i>(unaudited)</i>	Year ended 31 December 2011
Rental revenue	24,514	24,127	100,195
Service revenue	7,121	6,721	28,864
Residential revenue	4,850	3,895	24,616
	<b>36,485</b>	<b>34,743</b>	<b>153,675</b>

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

**8     Cost of operations**

Costs of operations comprise the following:

	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Three-month period ended 31 March 2011 <i>(unaudited)</i>	Year ended 31 December 2011
Rental and service costs	8,836	8,153	35,708
Residential costs	4,771	4,268	22,736
	<b>13,607</b>	<b>12,421</b>	<b>58,444</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**9 Segmental analysis**

The Group 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 gross margin from operations of its business units for the purposes of making performance assessment and decision making. Operating segment performance is evaluated based on gross margin from operations.

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

Segment analysis for the three-month periods ended 31 March 2012 (unaudited) and 31 March 2011 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011	31 March 2012	31 March 2011
Rental and service income	19,104	20,813	5,514	3,912	7,017	6,123	31,635	30,848
Contract income	3,596	1,364	480	822	774	1,709	4,850	3,895
Total income	<b>22,700</b>	<b>22,177</b>	<b>5,994</b>	<b>4,734</b>	<b>7,791</b>	<b>7,832</b>	<b>36,485</b>	<b>34,743</b>
Rental and service costs	3,846	4,182	2,795	2,501	2,195	1,470	8,836	8,153
Contract costs	2,763	1,586	693	1,194	1,315	1,488	4,771	4,268
Total costs	<b>6,609</b>	<b>5,768</b>	<b>3,488</b>	<b>3,695</b>	<b>3,510</b>	<b>2,958</b>	<b>13,607</b>	<b>12,421</b>
Rental and service result	15,258	16,631	2,719	1,411	4,822	4,653	22,799	22,695
Contract result	833	(222)	(213)	(372)	(541)	221	79	(373)
Total result	<b>16,091</b>	<b>16,409</b>	<b>2,506</b>	<b>1,039</b>	<b>4,281</b>	<b>4,874</b>	<b>22,878</b>	<b>22,322</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**9 Segmental analysis (continued)**

Segment analysis for the three-month period ended 31 March 2012 (unaudited) and year ended 31 December 2011 is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011	31 March 2012	31 December 2011
Rental and service income	19,104	82,352	5,514	19,194	7,017	27,513	31,635	129,059
Contract income	3,596	11,429	480	7,389	774	5,798	4,850	24,616
Total income	<b>22,700</b>	<b>93,781</b>	<b>5,994</b>	<b>26,583</b>	<b>7,791</b>	<b>33,311</b>	<b>36,485</b>	<b>153,675</b>
Rental and service costs	3,846	17,749	2,795	10,048	2,195	7,911	8,836	35,708
Contract costs	2,763	9,954	693	8,205	1,315	4,577	4,771	22,736
Total costs	<b>6,609</b>	<b>27,703</b>	<b>3,488</b>	<b>18,253</b>	<b>3,510</b>	<b>12,488</b>	<b>13,607</b>	<b>58,444</b>
Rental and service result	15,258	64,603	2,719	9,146	4,822	19,602	22,799	93,351
Contract result	833	1,475	(213)	(816)	(541)	1,221	79	1,880
Total result	<b>16,091</b>	<b>66,078</b>	<b>2,506</b>	<b>8,330</b>	<b>4,281</b>	<b>20,823</b>	<b>22,878</b>	<b>95,231</b>

**10 Investment in associates**

The investment in associates comprises the following:

	31 March 2012 (unaudited)	31 March 2011 (unaudited)	31 December 2011
Shares	5,846	5,462	5,648
Translation differences reserve	440	696	25
Equity profit, net of dividend	1,406	5,580	1,998
Investment in shares	7,692	11,638	7,671
Loans granted	46,869	42,782	46,800
<b>Investment in associates</b>	<b>54,561</b>	<b>54,420</b>	<b>54,471</b>



**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(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:

	31 March 2012 ( <i>unaudited</i> )	31 March 2011 ( <i>unaudited</i> )	31 December 2011
Completed investment property	1,333,481	1,702,141	1,330,614
Investment property under construction at fair value	79,159	167,651	64,195
Investment property under construction at cost	310,534	322,556	309,080
<b>Total</b>	<b>1,723,174</b>	<b>2,192,349</b>	<b>1,703,889</b>

The movement in investment property for the periods ended 31 March 2012 and 2011 and 31 December 2011 was as follows:

	Three-month period ended 31 March 2012 ( <i>unaudited</i> )	Three-month period ended 31 March 2011 ( <i>unaudited</i> )	Year ended 31 December 2011
Carrying amount at beginning of the year	1,703,889	2,117,609	2,117,609
Additions, including:			
Capitalised subsequent expenditure	18,143	39,666	154,537
Purchase of shares in subsidiaries		21,091	29,251
Adjustment to fair value	2,155	14,055	(121,911)
Impairment / reversal of impairment	(1,270)		(105,339)
Reclassified to inventory			1,989
Reclassified to held for sale			(134,100)
Disposals			(237,565)
Translation differences	257	(72)	(582)
<b>Carrying amount at the end of the period</b>	<b>1,723,174</b>	<b>2,192,349</b>	<b>1,703,889</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**11 Investment Property (continued)**

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2012 ( <i>unaudited</i> )	Three-month period ended 31 March 2011 ( <i>unaudited</i> )	Year ended 31 December 2011
Fair value of properties completed in prior years	(2,415)	18,768	(71,075)
Fair value of newly completed properties	-	269	(47,972)
Fair value of property under construction	4,570	(4,982)	(2,864)
Impairment adjustment	(1,270)	-	(105,339)
Fair value of properties held for sale	1,460	-	-
Impairment of goodwill, receivable and accruals	-	-	(7,702)
<b>Total</b>	<b>2,345</b>	<b>14,055</b>	<b>(234,952)</b>

Assumptions used in the valuations as of 31 March 2012 are, presented on the basis of weighted averages, presented below:

	31 March 2012 ( <i>unaudited</i> )	31 March 2011 ( <i>unaudited</i> )	31 December 2011
<b><u>Completed assets</u></b>			
Average rental rate per sqm (Eur) (*)	16.1	18.8	15.9
Average yield	8.1%	7.9%	8.1%
Average ERV per sqm (Eur) (*)	16.2	18.9	16.2
Average current vacancy	11%	16%	13%
<b><u>Assets under construction (only assets at fair value)</u></b>			
Average yield	8.7%	9.1%	8.7%
Average % complete	84%	62%	53%

There were no significant changes in the assumptions used in the valuations as of 31 March 2012 in compare with the ones used in the year end.

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

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**12      Long-term loans and bonds**

Long-term loans and bonds comprise the following:

	31 March 2012	31 March 2011	31 December 2011
Bonds seria 0414	177,617	179,466	164,823
	19,702	19,941	18,301
Bonds seria 0412			
Bonds seria 0513	86,296	87,240	79,937
Loan from Berlin Bank (Rodamco CH1)	-	100,231	-
Loan from Pekao (GTC Galeria Kazimierz)	42,602	43,396	42,806
Loan from WBK (Globis Poznan)	16,307	16,814	16,434
Loan from WBK 1 (Galileo)	5,685	5,766	5,987
Loan from WBK 2 (Newton)	10,711	10,405	11,155
Loan from WBK 3 (Edison)	11,746	12,129	11,843
Loan from BPH Bank (Globis Wroclaw)	27,196	27,774	27,344
Loan from ING (Nothus)	16,866	17,226	16,956
Loan from ING (Zefirus)	16,866	17,226	16,956
Loan from ING (Platinum 1)	19,664	20,090	19,770
Loan from ING (Platinum 2)	19,664	20,090	19,770
Loan from Berlin Hyp (Platinum 3)	19,300	19,700	19,400
Loan from ING (Platinum 4)	21,186	5,780	21,321
Loan from Berlin Hyp (Platinum 5)	6,902	-	2,858
Loan from WBK (Kazimierz office)	28,802	29,211	28,913
Loan from Pekao (Galeria Jurajska)	107,581	109,743	108,127
Loan from Berlin Hyp (UBP)	27,301	28,211	27,827
Loan from ING (Francuska)	17,761	25,129	17,895
Loan from MKB (Centre Point I)	24,139	25,552	24,501
Loan from MKB (Centre Point II)	28,296	29,922	28,702
Loan from CIB (Metro)	21,984	22,800	22,192
Loan from MKB (Spiral)	19,041	20,861	20,286
Loan from Erste (Reinesance)	6,109	6,109	6,109
Loan from MKB (Sasad Resort)	11,727	17,552	13,475
Loan from EBRD and Raiffeisen Bank (GTC House)	15,213	16,485	15,550
Loan from Erste Bank (19 Avenue)	27,000	15,325	14,450
Loan from EBRD and Raiffeisen Bank (Blok 41)	20,361	21,861	20,746
Loan from Raiffeisen Bank (Green Dream)	3,869	3,892	3,893
Loan from Unicredit (Felicity)	27,203	28,523	28,103
Loan from RZBR (Rose Garden)	19,973	21,948	20,748
Loan from Erste (Citygate)	98,820	80,000	99,428
Loan from EBRD and Raiffeisen Bank (NCC)	28,746	42,715	29,130
Loan from EBRD and Raiffeisen Bank (Arad)	30,100	-	33,042
Loan from MKB and Zagrabacka Banka (Eurostructor)	37,922	42,712	39,036
Loan from EBRD and Raiffeisenbank Austria (Osijek)	18,000	14,500	18,000
Loan from MKB and OTP (Galeria Varna)	24,725	25,006	24,725
Loan from EBRD and Unicredit (Stara Zagora) (1)	28,677	30,637	28,792
Loan from EBRD (Burgas)	14,857	751	12,386
Loan from VUB Bank (Jarosova)	2,875	-	2,938
Loan from Unicredit (Vinyard)	6,411	9,444	6,411
Loans from minorities in subsidiaries	101,196	117,885	111,340
Deferred issuance debt expenses	(8,626)	(11,661)	(9,132)
	<b>1,308,373</b>	<b>1,378,387</b>	<b>1,293,274</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(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:

	31 March 2012	31 March 2011	31 December 2011
Current portion of long term loans:			
Bonds seria 0414	4,607	-	1,809
Bonds seria 0513	2,194	-	694
Bonds seria 0412	19,702	-	18,301
Loan from Berlin Bank (Rodamco CH1)	-	1,385	-
Loan from Pekao (GTC Galeria Kazimierz)	831	785	822
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK 1 (Galileo)	457	429	472
Loan from WBK 2 (Newton)	409	349	413
Loan from WBK 3 (Edison)	392	383	390
Loan from Berlin Hyp (UBP)	788	-	788
Loan from Pekao (Galeria Jurajska)	2,244	2,162	2,230
Loan from BPH Bank (Globis Wroclaw)	614	578	605
Loan from ING (Nothus)	384	360	360
Loan from ING (Zefirus)	384	360	360
Loan from ING (Platinum 1)	19,664	426	19,770
Loan from ING (Platinum 2)	19,664	426	19,770
Loan from Berlin Hyp (Platinum 3)	19,300	400	19,400
Loan from ING (Platinum 4)	21,186	-	21,321
Loan from WBK (Kazimierz office)	433	383	455
Loan from ING (Francuska)	540	-	-
Loan from MKB (Centre Point I)	1,463	1,413	1,450
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Reinsance)	6,109	6,109	6,109
Loan from MKB (Sasad Resort)	3,000	17,552	13,475
Loan from CIB (Metro)	847	816	840
Loan from MKB (Spiral)	1,732	4,012	2,827
Loan from EBRD and Raiffeisen Bank (GTC House)	1,388	1,512	1,350
Loan from Erste Bank (19 Avenue)	523	1,175	1,225
Loan from EBRD and Raiffeisen Bank (Block 41)	1,602	1,462	1,576
Loan from EBRD and Unicredit (Stara Zagora) (1)	28,677	683	28,792
Loan from MKB and OTP (Galeria Varna)	466	274	24,725
Loan from EBRD (Burgas)	255	-	135
Loan from MKB and Zagrabebka Banka (Eurostructor)	4,454	4,915	4,454
Loan from EBRD and Raiffeisenbank Austria (Osijek)	1,350	-	1,350
Loan from EBRD and Raiffeisen Bank (NCC)	1,565	1,469	1,533
Loan from EBRD and Raiffeisen Bank (Arad)	1,345	400	3,839
Loan from Erste (Citygate)	2,434	3,000	2,400
Loan from RZBR (Rose Garden)	19,973	-	20,748
Loan from Unicredit (Felicity)	27,203	28,523	28,103
Loan from Raiffeisen Bank (Green Dream)	3,869	3,892	3,893
Loan from VUB Bank (Jarosova)	334	-	325
Loan from Unicredit (Vinyard)	6,411	9,444	6,411
Deferred issuance debt expenses	(842)	-	(1,591)
	<b>230,084</b>	<b>97,210</b>	<b>264,062</b>

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**12 Long-term loans and bonds (continued)**

	31 March 2012	31 March 2011	31 December 2011
Long term portion of long term loans:			
Bonds seria 0414	173,010	179,466	163,014
Bonds seria 0412	-	19,941	-
Bonds seria 0513	84,102	87,240	79,243
Loan from Berlin Bank (Rodamco CH1)	-	98,846	-
Loan from Pekao (GTC Galeria Kazimierz)	41,771	42,611	41,984
Loan from WBK (Globis Poznan)	15,800	16,307	15,927
Loan from WBK 1 (Galileo)	5,228	5,337	5,515
Loan from WBK 2 (Newton)	10,302	10,056	10,742
Loan from WBK 3 (Edison)	11,354	11,746	11,453
Loan from BPH Bank (Globis Wroclaw)	26,582	27,196	26,739
Loan from ING (Nothus)	16,482	16,866	16,596
Loan from ING (Zefirus)	16,482	16,866	16,596
Loan from ING (Platinum 1)	-	19,664	-
Loan from ING (Platinum 2)	-	19,664	-
Loan from Berlin Hyp (Platinum 3)	-	19,300	-
Loan from ING (Platinum 4)	-	5,780	-
Loan from Berlin Hyp (Platinum 5)	6,902	-	2,858
Loan from WBK (Kazimierz office)	28,369	28,828	28,458
Loan from Pekao (Galeria Jurajska)	105,337	107,581	105,897
Loan from Berlin Hyp (UBP)	26,513	28,211	27,039
Loan from ING (Francuska)	17,221	25,129	17,895
Loan from MKB (Centre Point I)	22,676	24,139	23,051
Loan from MKB (Centre Point II)	26,670	28,296	27,076
Loan from CIB (Metro)	21,137	21,984	21,352
Loan from MKB (Sasad Resort)	8,727	-	-
Loan from MKB (Spiral)	17,309	16,849	17,459
Loan from EBRD and Raiffeisen Bank (GTC House)	13,825	14,973	14,200
Loan from Erste Bank (19 Avenue)	26,477	14,150	13,225
Loan from EBRD and Raiffeisen Bank (Block 41)	18,759	20,399	19,170
Loan from RZBR (Rose Garden)	-	21,948	-
Loan from Erste (Citygate)	96,386	77,000	97,028
Loan from EBRD and Raiffeisen Bank (NCC)	27,181	28,746	27,597
Loan from EBRD and Raiffeisen Bank (Arad)	28,755	12,100	29,203
Loan from MKB and Zagrabebka Banka (Eurostructor)	33,468	37,797	34,582
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	16,650	14,500	16,650
Loan from MKB and OTP (Galeria Varna)	24,259	24,732	-
Loan from EBRD and Unicredit (Stara Zagora) (1)	-	29,954	-
Loan from EBRD (Burgas)	14,602	751	12,251
Loan from VUB Bank (Jarosova)	2,541	-	2,613
Loans from minorities in subsidiaries	101,196	117,885	111,340
Deferred issuance debt expenses	(7,784)	(11,661)	(7,541)
	<b>1,078,289</b>	<b>1,281,177</b>	<b>1,029,212</b>

- (1) With respect to a €28.7 million loans from EBRD and Unicredit granted to a subsidiary (Stara Zagora Mall, Bulgaria), covenants relating to DSCR ratio of the financed project were not met as of the balance sheet date. As a result, the Company reclassified the loan as a current liability. The Company and the subsidiary currently conduct discussions with the lending Banks for possible amendments to the loan agreement.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**13. Capital and Reserves**

As at 31 March 2012, 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
<b>219,372,990</b>		<b>21,937,299</b>	<b>4,741,050</b>

All shares are entitled to the same rights

There was no change in the number of shares in the reported period.

Other shareholders who as at 31 March 2012 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 16 April 2012, the Company held an ordinary shareholders meeting. The ordinary shareholders meeting decided that the loss for the year 2011 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with the Polish Accounting Standards shall be covered with retained earnings. (see also note 16).

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

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(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:

	Three-month period ended 31 March 2012 (unaudited)	Three-month period ended 31 March 2011 (unaudited)	Year ended 31 December 2011
Expenses arising from equity settled share based payments	138	186	525
Expenses arising from cash settled share based payments	(164)	503	(3,489)
	<u>(26)</u>	<u>689</u>	<u>(2,964)</u>

Scheme 1- As at 31 March 2012, 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
<b>Total</b>		<b>2,529,000</b>	<b>925,000</b>	<b>3,454,000</b>

(\*) 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.

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

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

Scheme 2- As at 31 March 2012, 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
29/11/2010	31/12/2014	-	1,125,000	-	1,125,000
09/11/2010	31/12/2015	200,000	-	-	200,000
29/11/2010	31/12/2015	-	2,062,000	-	2,062,000
13/07/2011	31/12/2016	-	300,000	-	300,000
<b>Total</b>		<b>200,000</b>	<b>4,108,000</b>	<b>100,000</b>	<b>4,408,000</b>

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.



**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(in thousands of Euro)**

**14. Earnings per share**

Basic and diluted earnings per share were calculated as follows:

	<u>Three-month period ended 31 March</u>		<u>Year ended</u> <u>31 December</u>
	<u>2012</u> <i>(unaudited)</i>	<u>2011</u> <i>(unaudited)</i>	<u>2011</u>
Profit for the period attributable to equity holders (euro)	6,323,000	10,286,000	(270,364,000)
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990
Basic earnings per share (euro)	0.03	0.05	(1.23)
Weighted average number of shares for calculating diluted earnings per share	219,372,990	219,798,804	219,372,990
Diluted earnings per share (euro)	0.03	0.05	(1.23)

	<u>Three-month period ended 31 March</u>		<u>Year ended</u> <u>31 December</u>
	<u>2012</u> <i>(unaudited)</i>	<u>2011</u> <i>(unaudited)</i>	<u>2011</u>
Weighted average number of shares for calculating basic earnings per share	219,372,990	219,372,990	219,372,990
Adjustment for phantom shares	-	425,814	-
Weighted average number of shares for calculating diluted earnings per share	219,372,990	219,798,804	219,372,990

**Globe Trade Centre S.A.**  
**Notes to the Interim Condensed Consolidated Financial Statements**  
**for the three-month period ended 31 March 2012**  
**(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:

	<b>31 March 2012</b> <i>(unaudited)</i>	<b>31 March 2011</b> <i>(unaudited)</i>	<b>31 December</b> <b>2011</b>
Cash	4,081	12,800	3,586
Non current assets	147,172	346,564	146,448
Current assets (other than cash)	2,352	4,214	2,187
Long term liabilities	(111,590)	(231,833)	(111,334)
Current liabilities	(1,939)	(5,267)	(1,725)
<b>Net assets</b>	<b>40,076</b>	<b>126,478</b>	<b>39,162</b>
Income (*)	2,248	26,340	79,890
Expenses (*)	(1,613)	(7,735)	(23,052)
<b>Profit for the year/period</b>	<b>635</b>	<b>18,605</b>	<b>56,838</b>

(\*) includes profit (loss) from revaluation

**16. Subsequent events**

On 16 April 2012, the Company held an ordinary shareholders meeting, which approved issuance of up to 100m new shares through a right issue.

**17. Other**

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 11 May 2012.

**Report on review of interim condensed consolidated financial statements  
to the Supervisory Board of Globe Trade Centre S.A.**

*Introduction*

We have reviewed the accompanying interim condensed consolidated statement of financial position of Globe Trade Centre S.A. ('the Group') as at 31 March 2012 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 three-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 11 May 2012 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.

**ERNST & YOUNG  
AUDIT sp. z o.o.**

Rondo ONZ 1, 00-124 Warszawa

Warsaw, 11 May 2012