

CONSOLIDATED QUARTERLY REPORT
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2013

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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 2013

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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 almost 19 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 (including suspended projects) (landbank).

Since its establishment, the Group has developed approximately 950 thousand sq m of NRA of commercial space (office and retail) and approximately 300 thousand sqm of residential space. The Group has sold approximately 314 thousand sq m of NRA in completed commercial properties and approximately 239 thousand sqm of residential space.

As of the date of this Report the Group's portfolio in Poland Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and Russia comprises the following properties:

- completed commercial properties with a combined NRA of approximately 612 thousand sq m (575 thousand sq m without assets held for sale), of which the Group's proportional interest amounts to 559 thousand sq m of NRA (522 thousand sq m without assets held for sale);
- inventory of residential units totalling 61 thousand sq m; and
- landbank designated for future development, with approximately 1.1 million sq m NRA designated for commercial use and approximately 618 thousand sq m NRA designated for residential use.

Additionally, the Group conducts operations in the Czech Republic, through its associates. The Group's proportional interest in assets in Czech amounts to approximately 27 thousand sq m of NRA in two office buildings and a shopping mall. The Group is also the co-owner of a 140 thousand sq m land plot located in Ukraine, of which the Group's proportional interest is 70 thousand sq m of NRA.

The Group's commercial properties comprise office and retail properties that account for approximately 74% of the total book value of the Group's portfolio as of 31 March 2013. The Group's completed properties in its three most significant markets, i.e. Poland, Romania and Croatia, constitute 42%, 15% 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 ul. Woloska 5.

In the consolidated quarterly report references to the Company are to Globe Trade Centre S.A. and all references to the Group or the Capital Group are references to Globe Trade Centre S.A. and its consolidated subsidiaries. Expressions such as: "Shares" relate to the shares in Globe Trade Centre S.A., which were introduced to public trading on the Warsaw Stock Exchange in May 2004 and are marked under the PLGTC0000037 code; "Bonds", "Existing Bonds" refers to the bonds issued by Globe Trade Centre S.A. in 2007 and 2008; "New bonds" refers to the bonds issued by Globe Trade Centre S.A. in 2012 and introduced to alternative trading market in December 2012 and January 2013 and marked with the ISIN codes PLGTC0000144 and PLGTC0000151; „the Report” refers to the consolidated quarterly report 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 conditions of qualifying as equivalent the information required by the 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 (Czech Republic, Hungary, Poland and Slovakia); “SEE” refers to the group of countries that are within the region of South-eastern Europe (Bulgaria, Croatia, Romania and Serbia); “net rentable area”, “NRA”, or “net leasable area”, “NLA” refer to the metric of the area of a given property as indicated by the real property appraisal experts for the purposes of the preparation of the relevant real property valuations. With respect to commercial properties, net leasable (rentable) area is all the leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates.; “Commercial properties” refer to properties with respect to which a real estate company derives revenue from rent and includes both office and retail properties; “EUR”, “€” or “euro” refers to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time.; “PLN” or “zloty” refers to the lawful currency of Poland.

Presentation of financial information

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

All the financial data in this Report is presented in euro and expressed in thousands unless indicated otherwise. Certain financial information in this Report was adjusted by rounding. As a result, certain numerical figures show 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 2012. The historical financial data should be read in conjunction with Item 5. “Operating and Financial Review” and the interim condensed consolidated financial statements for the three month period ended 31 March 2013 (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 2013.

Selected financial data is derived from the interim condensed consolidated financial statements for the three month periods ended 31 March 2013 and 31 march 2012 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			
	2013		2012	
	€	PLN	€	PLN
Consolidated Income Statement				
Revenues from operations	33,209	138,020	36,485	154,435
Cost of operations	(11,965)	(49,728)	(13,607)	(57,596)
Gross margin from operations	21,244	88,292	22,878	96,839
Selling expenses	(842)	(3,499)	(1,766)	(7,475)
Administrative expenses	(492)	(2,045)	(4,284)	(18,133)
Profit/(loss) from revaluation/impairment of assets, and impairment of residential projects	(25,469)	(106,395)	2,345	9,759
Share of profit in associates	(185)	(769)	(592)	(2,506)
Financial income/(expense), net	(13,836)	(57,504)	(16,868)	(71,400)
Net profit	(26,192)	(109,553)	3,052	12,636
Basic and diluted earnings per share (not in thousands)	(0.07)	(0.30)	0.03	0.12
Weighted average number of issued ordinary shares (not in thousands)	319,372,990	319,372,990	219,372,990	219,372,990
Consolidated Cash Flow Statement				
Cash flow from operating activities	13,403	55,705	12,442	52,586
Cash flow used in investing activities	(8,239)	(33,926)	(20,682)	(87,543)
Cash flow from financing activities	(32,384)	(134,591)	(7,546)	(31,942)
Cash and cash equivalents at the end of the period	200,618	838,062	127,616	531,087
Consolidated balance sheet				
Investment property	1,594,023	6,658,872	1,723,174	7,171,161
Inventory	79,163	330,696	103,315	429,956
Cash and cash equivalents	200,618	838,062	127,616	531,087
Total assets	2,070,815	8,650,624	2,311,444	9,619,306
Non-current liabilities	1,075,516	4,492,861	1,275,420	5,307,788
Current liabilities	277,777	1,160,388	297,481	1,238,000
Equity	717,522	2,997,375	738,543	3,073,518
Share capital	7,082	31,937	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*.

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

Following events took place during the three months ended 31 March 2013:

- On 28 February 2013, the Group, (via Diego sp. z o.o.), signed final sale agreements with Calobra Investments Sp. z o.o. of the Allianz Real Estate Group, regarding the sale of Platinum Business Park V project at ul. Domaniewska in Warsaw.

Item 5. Operating and financial review

Item 5.1. General factors affecting operating and financial results

The key factors affecting the Group's financial and operating results are discussed below. The Management believes that these factors had an impact on the business, operating and financial results and financial condition of the Group.

The Group believes that the following factors and noteworthy 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 even a recession may, however, have a negative impact on the demand for real estate or certain parts thereof 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 Company'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 or a “credit crunch” as well as the Eurozone sovereign debt crisis. 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 such countries have been impacted from the resulting economic slowdown and decrease in demand for sovereign debt. The impact of the global economic and financial crisis on the Group’s business in 2012 highlights the Group’s exposure to general economic trends.

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. In effect, 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. The impact of the global economic and financial crisis as well as the Eurozone sovereign debt crisis on the Group’s business in the years ended 31 December 2009, 2010, 2011 and 2012 highlights the Group’s exposure to general economic trends. The Group recorded a material loss from the revaluation of investment properties and the impairment of residential projects in the years ended 31 December 2009, 2011 and 2012 amounting to €643,899 . The downward revaluations of investment properties resulted from decreases in actual and expected rent levels in certain countries in which the Group conducts its operations, notably Romania and Bulgaria, as well as a slight expansion of yields in Romania, Hungary, Croatia and Bulgaria. The impairment of the residential land bank was the result of certain projects being suspended or postponed.

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 2011 and 2012, respectively, the Group derived 65% and 67% of its revenues from operations as rental revenue, which greatly depends on the rental rates per sq m 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 the local economies. The Group’s revenue from rent is particularly affected by the delivery of new rent spaces, 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 favorable rent levels. Moreover, for the years ended 31 December 2011 and 2012, respectively, the Group derived 19% and 20% of its revenues from operations as service revenue, which reflects certain costs the Group passes on to its tenants. The vast majority of the Group’s lease agreements are concluded in Euro and include a clause that provides for full indexation of the rent, linked to the EICP (European Index of Consumer Prices) when a lease is concluded in Euro. The vast majority of leases are concluded in Euro. When a lease is concluded in another currency, it is typically linked to the consumer price index of the relevant country of the currency.

Moreover, to a certain extent, the Group’s operational results are influenced by its ability to sell residential units. The supply of new apartments in the different markets in which the Group operates and the demand on such markets affect apartment prices. The demand for apartments is further impacted by fluctuations in interest rates, the availability of credit and the mortgage market in general. For example, the Group’s residential revenues decreased steadily over the years ended 31 December 2011 and 2012 due to the slowdown in the sale of residential properties coupled with an increase in discounts which had to be granted to purchasers of the Group’s apartments in order to facilitate sales.

Real estate valuation

The Group’s results depend heavily on the fluctuation of asset values on the property markets. The Group revalues its investment properties at least twice per year. Any change in the fair value of an investment property is thereafter recognized 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 land bank additionally depends on the building rights and the expected timing of the projects.

The Group recognized revaluation profit of €46,668 in the year ended 31 December 2010 while it incurred revaluation losses of €295,969 in the year ended 31 December 2011 and losses of €114,661 in the year ended 31 December 2012. The main factors influencing the valuation of the Group's properties in 2011 and 2012 were a decrease in rental rates and expected rental values and the expansion of yields mainly in Bulgaria, Romania, Croatia and Hungary which were mostly related to the Group's retail investment properties.

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 54% of the Group's loans are hedged or partially hedged. Increases in interest rates generally increase the Group's financing costs. In addition, 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 and 0.188% as of 2 January 2013.

Impact of foreign exchange rate movements

Though for the year ended 31 December 2012 a vast majority of the Group's revenues and costs were incurred or derived in Euro and the Exchange rates against the euro of the local currencies of the countries in which the Group operates are an important factor as the credit facilities that are obtained may be denominated in either euros or local currencies. The Group reports its financial statements in euros, its operations are impacted by the movements in , however, are based locally in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and other geographic markets. The Group receives the majority of its revenue from rent denominated in euro, however, it receives a certain portion of its income (including the proceeds from the sales of residential real estate) and incurs most of its costs (including the vast majority of its selling expenses and administrative expenses) in local currencies, including the Polish zloty, Bulgarian leva, Czech korunas, Croatian cunas, Hungarian forints, Romanian lei and Serbian dinars. The exchange rates between local currencies and the euro have historically fluctuated. 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.

The Group attempts to hedge its risk exposure by, inter alia, obtaining debt financing denominated in the currency in which the rent is denominated for a given property.

Availability of financing

On the CEE and SEE markets, real estate development and investment 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 and for the Group's 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 principal sources of financing for the Group's core business included bank loans and proceeds from bonds issued by the Company. The limited availability of financing in the years ended 31 December 2011 and 2012, which resulted from the financial crisis, did not have a material impact on the development of the Group's real estate projects as it successfully raised the debt financing required for the needs of the development stages of its projects in such period.

Item 5.2. Specific factors affecting financial and operating results

Disposals of material assets

On 31 October 2012, the Group, (via its two subsidiaries: GTC Satellite sp. z o.o. and Diego sp. z o.o.), signed final sale agreements with Calobra Investments Sp. z o.o. of the Allianz Real Estate Group, regarding the sale of Platinum Business Park project at ul. Domaniewska in Warsaw, comprising in total of four the Platinum buildings (i.e. buildings I through IV) and the plot of land where they are situated on.

On 28 February 2013, the Group, (via Diego sp. z o.o.), signed final sale agreements with Calobra Investments Sp. z o.o. of the Allianz Real Estate Group, regarding the sale of Platinum Business Park V project at ul. Domaniewska in Warsaw.

Completion of assets

In the year ended 31 December 2012, the Group completed Galleria Burgas, a shopping centre in Bulgaria and one office building in Poland – Platinum Business Park V, which was sold to the Allianz Real Estate Group on 28 February 2013. Upon completion, the Group reclassifies completed projects from "investment properties under construction measured at fair value" to "investment properties". In case of Galleria Burgas, the Group incurred losses upon its reclassification due to downward adjustments to the fair value of the property, which were mainly resulted from lower than assumed levels of rent in project.

Item 5.3. Presentation of differences between achieved financial results and published forecasts

The Group did not present forecasts for the first quarter/full year 2013.

Item 5. 4. Statement of financial position

Item 5.4.1. 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 land bank

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 at least one year after the balance sheet date as residential land bank, which is part of its non-current assets.

Investment in associates

Investment in associates is accounted for pursuant to the equity method. Such investment is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the 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 realizable 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 a 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 recognized directly in other comprehensive income and the ineffective portion is recognized 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 5.4.2. Financial position as at 31 March 2013 compared to 31 December 2012

Total assets decreased by €82,049 and amounted to €2,070,815 as at 31 March 2013 from €2,152,864 as at 31 December 2012. The decrease was mainly due to a decrease in assets held for sale by €34,575 coupled with a decrease in current assets of €27,883 and a decrease in non-current assets by €19,591 .

Assets

The value of investment property decreased by 1% (€19,722) to €1,594,023 as at 31 March 2013 from €1,613,745 as at 31 December 2012. An amount of €15,100 of that decrease is attributable to a loss due to change of designation of Galeria Bucharest land, €7,673 due to increased yields in Bucharest office market and €2,586 is due to a loss on the revaluation and impairment of other investment properties. The decrease was partially offset by an increase of €3,684 which constitutes investment to improve some of the investment property assets.

The value of residential land bank and inventory decreased by €3,651 to €151,490 as at 31 March 2013 from €155,141 as at 31 December 2012, mainly due to sale of apartments resulting in reclassification of the cost of sold apartments to the income statement of €2,955.

The value of assets held for sale decreased by 81%, or €34,575 to €7,878 as at 31 March 2013 from €42,453 as at 31 December 2012, mostly due to sale of Platinum Business Park V on 28 February 2013.

The value of the cash and cash equivalents decreased by €27,279 to €200,618 as at 31 March 2013 from €227,897 as at 31 December 2012, mainly due to repayment of loan, payment of VAT and investments in real estate properties.

Liabilities

The value of loans and bonds decreased by €19,629 to €1,118,420 as at 31 March 2013 from €1,138,049 as at 31 December 2012, mainly due to repayment of loan associated to Platinum Business Park V following its disposal.

The value of VAT and others payables decreased by €33,490 to €1,360 as at 31 March 2013 from €34,532 as at 31 December 2012, mainly due to payment of VAT on sale of Platinum Business Park.

Equity

Equity decreased by €23,087 to €717,644 as at 31 March 2013 from €740,731 on 31 December 2012 primarily due to a net loss recognized in the first quarter of 2013.

Item 5.5. Consolidated income statement

Item 5.5.1. Key items of the consolidated income statement

Revenues from operations

Revenues from operations consist of:

- 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;
- service income, which comprises fees paid by the tenants of the Group's investment properties to cover the costs of the services provided by the Group in relation to their leases; and
- 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:

- 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 — service costs should be covered by service income; and
- 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 in respect of 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:

- brokerage and similar fees incurred to originate the lease or sale of space;
- marketing and advertising costs; and
- payroll and related expenses directly related to leasing or sales personnel.

Administrative expenses

Administration expenses include:

- payroll, management fees and other expenses that include the salaries of all employees that are not directly involved in sales or rental activities;
- provisions made to account for the share-based incentive program that was granted to key personnel;
- costs related to the sale of investment properties;
- costs of audit, legal and other advisors;
- office expenses;
- depreciation and amortization expenses include depreciation and amortization of the Group's property, plant and equipment;
- exchange gains or losses; and
- others.

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

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

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

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

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 5.5.2. Comparison of financial results for the three month period ended 31 March 2013 with the result for the corresponding period of 2012

Revenues from operations

Revenues from operations decreased by €3,276 to €33,209 in three month period ended 31 March 2013. Residential revenues decreased by €1,957, which resulted from a decrease in sales of residential units. Rental and service revenues decreased by €1,319 as a result of loss of revenues following sale of Platinum Business Park project in Warsaw, which was partially offset by revenues recognised on new projects and improved occupancy.

Cost of operations

Cost of operations decreased by €1,186 to €11,965 in the three month period ended 31 March 2013, due to a decrease in residential costs by €1,816 resulting from a decrease 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 decreased by €1,634 to €21,244 in the three month period ended 31 March 2013. In particular, the gross margin (loss) on residential activities increased to €62 in three month period ended 31 March 2013 from a profit in the amount of €79 in the three month period ended 31 March 2012. The gross margin (profit) on rental activities decreased by €1,493 to €21,306 for the three month period ended 31 March 2013 from €22,799 for the three month period ended 31 March 2012 following sale of Platinum Business Park. Gross margin on rental activities for the three month period ended 31 March 2013 amounted to 70%.

Selling expenses

Selling expenses decreased by €924 to €842 in the three month period ended 31 March 2013, mainly due to a decrease in sale and leasing activities, in line with an increase in occupancy and sale of residential units.

Administrative expenses

Administrative expenses decreased by €3,792 to €492 in the three month period ended 31 March 2013, mainly due to reversal of provision for mark-to-market of phantom shares project. On a like-for-like basis, after eliminating the stock based program provision, administrative expenses decreased by 34% to €2,830 from €4,310 due to cost cutting.

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

Loss from the revaluation of the Group's investment properties and impairment of residential projects amounted to €25,469 in the three month period ended 31 March 2013, as compared to profit of €2,345 in the three month period ended 31 March 2012. Loss from the revaluation comes mainly from change of designation of Galleria Bucharest land following a change of law in Romania and expansion of yield in Bucharest.

Financial income/(expense), net

Net financial expense decreased by €3,032 to €13,836 in the three month period ended 31 March 2013 vs. €16,868 in the three month period ended 31 March 2012.

Financial expenses decreased by €4,981 to €13,279, mainly due to a decrease in debt level following the repayment of loans related to Platinum Business Park and bonds repayment.

Share of profit (loss) of associates

Share of loss of associates amounted to €185 for the three month period ended 31 March 2013, as compared to a share of loss of €592 in the three month period ended 31 March 2012.

Taxation

Taxation expense amounted to €5,788 in the three month period ended 31 March 2013. The Group's primary tax liability is recognized in connection with the value of its assets expressed in local currency of each jurisdictions in which such assets are located.

Net loss

Net loss amounted to € 26,192 in the three month period ended 31 March 2013, as compared to a net profit of €3,052 in the three month period ended 31 March 2012 and is attributable to loss on revaluation of investment properties.

Item 5. 6. Consolidated cash flow statement

Item 5.6.1. 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 and comprises cash inflows from rental activities and sale of residential projects.

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.

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 no matter the negligible amount. All cash and cash equivalents are available for use by the Group.

Item 5.6.2. Cash flow analysis

The table below presents an extract of the cash flow for the period of three months ended on 31 March 2013 and 2012:

Condensed report	<u>Three-month period ended 31 March 13</u>	<u>Three-month period ended 31 March 12</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash from operating activities	13,403	12,442
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of non-current assets or subsidiaries	(7,829)	(21,350)
Sale of asset or shares in subsidiaries, net of cash disposed of and net of taxes	(3,180)	-
Other dividend, interest and similar costs	2,770	668
Net cash used in investing activities	(8,239)	(20,682)

CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	190	35,907
Repayment of long term borrowings	(20,429)	(32,206)
Interest paid	(8,778)	(12,236)
Loans origination cost	(19)	(670)
Increase (decrease) in short term deposits	(3,348)	1,659
Net cash from (used in) financing activities	(32,384)	(7,546)
Effect of foreign currency translation	(190)	1,682
Net increase/(decrease) in cash and cash equivalents	(27,410)	(14,104)
Cash and cash equivalents, at the beginning of the year	227,897	141,720
Cash and cash equivalents, at the end of the year	200,487	127,616
Cash classified as part of assets held for sale	131	-
Cash and cash equivalents, at the end of the year as per Consolidated Statement of Financial Position	200,618	127,616

Cash flow from operating activities was €13,403 in the three month period ended 31 March 2013, as compared to €12,442 in the three month period ended 31 March 2012, which mainly resulted from the sale of Platinum Business Park project.

Investment in real-estate and real estate related amounted to €7,829 in the three month period ended 31 March 2013 and was related mainly to improvement of existing assets.

Cash flow used in financing activities amounted to €32,384 in the three month period ended 31 March 2013, compared to €7,546 for the three month period ended 31 March 2012, and is mostly composed of the repayment of borrowings of €20,429 as well as interest payments of €8,778. During the quarter, the Group repaid the Platinum Business Park V loan.

Cash and cash equivalents as at 31 March 2013 amounted to €200,615, compared to €127,616 as at 31 March 2012. The Group keeps its cash in the form of bank deposits, mostly in Euro, with various international banks.

Item 5.7. Future liquidity and capital resources

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

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 balance sheet date..

As at 31 March 2013, the Group's non-current liabilities amounted to €1,075,516, compared to €1,275,420 as at 31 March 2012.

The Group's total debt from long and short-term loans and borrowings as at 31 March 2013 was €1,118,420, as compared to €1,308,373 as at 31 March 2012. The Group's loans and borrowings are denominated in Euro, except for the corporate bonds that are denominated in PLN, however, with respect to some of these notes, relevant swap transactions were concluded, thus effectively converting the notes that are due in 2013-2014 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 55% as at 31 March 2013, as compared to 60% as at 31 March 2012. The Group's strategy is to keep its loan-to-value ratio at the level of between 40% and 60%.

Item 6. 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 7. 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 8. Shareholders who, directly or indirectly, have substantial shareholding

The following table presents the Company's shareholders, who had substantial shareholding as of 31 March 2013. The table is prepared based 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. ¹	88,635,914	27.75%	88,635,914	27.75%
ING OFE	39,377,015	12.33%	39,377,015	12.33%
AVIVA OFE	32,060,010	10.04%	32,060,010	10.04%
PZU OFE	21,487,266	6.73%	21,487,266	6.73%

Item 9. Shares and rights to shares of GTC held by members of the Management Board and the Supervisory Board

Shares held by members of the Management Board

The following table presents shares owned directly or indirectly by members of the Company's Management Board as of 14 May 2013, 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 2012) on 11 March 2013. 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.

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

	Balance as of 14 May 2012	Change since 11 March 2012
Piotr Kroenke	298,811	No change
Erez Boniel	128,000	No change
Yovav Carmi	0	No change
Mariusz Kozłowski	0	No change
Jacek Wachowicz	0	No change
Witold Zatoński	0	No change
Total	426,811	

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 2013 since 31 December 2012. The phantom shares granted to the members of the Management Board are subject to Supervisory Board decision on the equity settlement.

Management Board Member	Balance as of 31 March 2013	Change since 31 December 2012
Piotr Kroenke	583,764	Increase of 32,196
Erez Boniel	583,764	Increase of 32,196
Yovav Carmi	270,837	Increase of 30,093
Mariusz Kozłowski	385,764	Increase of 32,196
Jacek Wachowicz	154,214	Increase of 3,762
Witold Zatoński	299,094	Increase of 22,566

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 2013, 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 2012) on 11 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.

	Balance as of 14 May 2012	Change since 11 March 2012
Alain Ickovics	0	No change
David Brush	0	No change
Krzysztof Gerula	2,474	No change
Mariusz Grendowicz	7,000	No change
Yosef Grunfeld	0	No change
Artur Kucharski ¹	0	No change
Wojciech Napiórkowski ¹	0	No change
Shouky Oren	0	No change
Guy Elias	0	No change
Marcin Murawski	0	No change
Jarosław Karasiński	0	No change
Dariusz Stolarczyk	0	No change
Total	9,474	

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 2013 since 31 December 2012.

	Balance as of 31 March 2012	Change since 31 December 2012
Alain Ickovics	651,932	Increase of 651,932
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
Wojciech Napiórkowski	0	No change
Shouky Oren	0	No change
Guy Elias	0	No change
Marcin Murawski	0	No change
Jarosław Karasiński	0	No change
Dariusz Stolarczyk	0	No change
Total	651,932	

Item 10. 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 11. 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 2013
TOGETHER WITH INDEPENDENT AUDITORS' REVIEW
REPORT**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2013
(in thousands of Euro)

	<u>Note</u>	31 March 2013 <i>(unaudited)</i>	31 March 2012 <i>(unaudited)</i>	31 December 2012
ASSETS				
Non current assets				
Investment property	11	1,594,023	1,723,174	1,613,745
Residential landbank	12	72,327	75,427	73,225
Investment in associates	10	40,609	54,561	42,074
Loans granted and other receivables		21,924	21,819	21,932
Property, plant and equipment		1,747	1,866	1,781
Deferred tax asset		7,081	8,639	7,334
Long term deposits		2,800	-	-
Other non-current assets		49	242	60
		1,740,560	1,885,728	1,760,151
Assets held for sale		7,878	135,643	42,453
Current Assets				
Inventory	12	79,163	103,315	81,916
Debtors		5,661	6,704	5,318
Accrued income		673	277	867
VAT and other tax recoverable		3,735	9,456	3,938
Income tax recoverable		1,461	1,566	1,439
Prepayments, deferred expenses		4,580	5,483	2,931
Short-term deposits		26,486	35,656	25,954
Cash and cash equivalents		200,618	127,616	227,897
		322,377	290,073	350,260
TOTAL ASSETS		2,070,815	2,311,444	2,152,864

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 2013
(in thousands of Euro)

	<u>Note</u>	31 March 2013 <i>(unaudited)</i>	31 March 2012 <i>(unaudited)</i>	31 December 2012
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	14	7,082	4,741	7,082
Share premium		312,155	214,280	312,155
Capital reserve		16,118	22,057	16,008
Hedge reserve		(21,708)	(38,225)	(25,068)
Foreign currency translation		4,617	7,895	5,181
Accumulated profit		419,332	544,462	442,105
		737,596	755,210	757,463
Non-controlling interest		(20,074)	(16,667)	(16,732)
Total Equity		717,522	738,543	740,731
Non current Liabilities				
Long-term portion of long-term loans and bonds	13	907,405	1,078,289	916,961
Deposits from tenants		4,709	5,367	4,760
Long term payable		1,789	1,503	1,737
Provision for share based payment		3,245	521	5,583
Derivatives		35,482	66,555	34,866
Provision for deferred tax liability		122,886	123,185	119,777
		1,075,516	1,275,420	1,083,684
Current liabilities				
Liabilities to be repaid upon sale		27,078	-	27,468
Trade and other payables		26,917	38,596	33,688
Current portion of long-term loans and bonds	13	183,937	230,084	193,620
Deposits from tenants		410	-	410
VAT and other taxes payable		1,360	1,388	34,532
Income tax payable		2,380	1,061	2,380
Derivatives		32,431	20,958	32,362
Advances received		3,264	5,394	3,989
		277,777	297,481	328,449
TOTAL EQUITY AND LIABILITIES		2,070,815	2,311,444	2,152,864

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 2013
(in thousands of Euro)

	Note	<u>Three-month period ended 31 March 2013</u> <i>(unaudited)</i>	<u>Three-month period ended 31 March 2012</u> <i>(unaudited)</i>	<u>Year ended 31 December 2012</u>
Revenues from operations	7	33,209	36,485	147,591
Cost of operations	8	(11,965)	(13,607)	(57,174)
Gross margin from operations		21,244	22,878	90,417
Selling expenses		(842)	(1,766)	(3,946)
Administration expenses		(492)	(4,284)	(18,881)
Profit (loss) from revaluation/ impairment of assets	11	(25,359)	2,345	(101,227)
Impairment of residential projects		(110)	-	(13,434)
Other income		103	141	381
Other expenses		(956)	(703)	(4,595)
Profit (loss) from continuing operations before tax and finance income / (expense)		(6,412)	18,611	(51,285)
Foreign exchange differences gain/(loss), net		(1,617)	659	2,886
Interest income		1,060	1,392	5,133
Financial expense		(13,279)	(18,260)	(71,950)
Share of loss of associates		(185)	(592)	(9,992)
Profit (loss) before tax		(20,433)	1,810	(125,208)
Taxation		(5,759)	1,242	(6,986)
Profit (loss) for the period		(26,192)	3,052	(132,194)
Attributable to:				
Equity holders of the parent		(22,773)	6,323	(96,034)
Non-controlling interest		(3,419)	(3,271)	(36,160)
Basic earnings per share (Euro)	15	(0.07)	0.03	(0.36)
Diluted earnings per share (Euro)	15	(0.07)	0.03	(0.36)

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 2013
(in thousands of Euro)

	<u>Three-month</u> <u>period ended 31</u> <u>March 2013</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended 31</u> <u>March 2012</u> <i>(unaudited)</i>	<u>31 December 2012</u>
Profit (loss) for the period/year	(26,192)	3,052	(132,194)
Gain/(loss) on hedge transactions	4,267	(1,567)	13,664
Income tax	(800)	265	(2,697)
Net gain/loss on hedge transactions	3,467	(1,302)	10,967
Exchange differences on translation of foreign operations	(594)	2,499	(295)
Total comprehensive income (loss) for the period/year, net of tax	(23,319)	4,249	(121,522)
Attributable to:			
Equity holders of the parent	(19,977)	7,897	(84,017)
Non-controlling interest	(3,342)	(3,648)	(37,505)

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 2013
(in thousands of Euro)

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2012	4,741	214,280	18,993	(37,265)	5,361	538,139	744,249	(20,599)	723,650
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
Total comprehensive income / (loss) for the period	-	-	-	(960)	2,534	6,323	7,897	(3,648)	4,249
Other transactions	-	-	168	-	-	-	168	-	168
Purchase of shares from non controlling interest	-	-	2,758	-	-	-	-	7,580	10,338
Share based payment	-	-	138	-	-	-	138	-	138
Balance as of 31 March 2012	4,741	214,280	22,057	(38,225)	7,895	544,462	755,210	(16,667)	738,543
	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2012	4,741	214,280	18,993	(37,265)	5,361	538,139	744,249	(20,599)	723,650
Other comprehensive income	-	-	-	12,197	(180)	-	12,017	(1,345)	10,672
Profit (loss) for the period ended 31 December 2012	-	-	-	-	-	(96,034)	(96,034)	(36,160)	(132,194)
Total comprehensive income / (loss) for the year	-	-	-	12,197	(180)	(96,034)	(84,017)	(37,505)	(121,522)
Other transactions	-	-	470	-	-	-	470	-	470
Issuance of shares	2,341	97,875	-	-	-	-	100,216	-	100,216
Purchase of non controlling interest	-	-	(3,593)	-	-	-	(3,593)	41,372	37,779
Share based payment	-	-	138	-	-	-	138	-	138
Balance as of 31 December 2012	7,082	312,155	16,008	(25,068)	5,181	442,105	757,463	(16,732)	740,731
Other comprehensive income	-	-	-	3,360	(564)	-	2,796	77	2,873
Profit (loss) for the period ended 31 March 2013	-	-	-	-	-	(22,773)	(22,773)	(3,419)	(26,192)
Total comprehensive income / (loss) for the year	-	-	-	3,360	(564)	(22,773)	(19,977)	(3,342)	(23,319)
Other transactions	-	-	110	-	-	-	110	-	110
Balance as of 31 March 2013	7,082	312,155	16,118	(21,708)	4,617	419,332	737,596	(20,074)	717,522

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 2013
(in thousands of Euro)

	<u>Three-month period ended 31 March 2013</u>	<u>Three-month period ended 31 March 2012</u>	<u>Year ended 31 December 2012</u>
	<i>(unaudited)</i>	<i>(unaudited)</i>	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before tax	(20,433)	1,810	(125,208)
Adjustments for:			
Revaluation/impairment of assets	25,469	(2,345)	114,661
Share of (profit) loss of associates	185	592	9,992
Loss from sale of fixed assets and other	204	-	216
Foreign exchange differences loss, net	972	(1,789)	(3,197)
Finance income	(1,060)	(1,392)	(5,133)
Finance expenses	13,279	18,260	71,950
Share based payment	(2,338)	(26)	5,036
Depreciation and amortization	130	150	491
Operating cash before working capital changes	16,408	15,260	68,808
Decrease/(increase) in debtors and prepayments and other current assets	(2,160)	-	1,496
Decrease/(increase) in inventory	2,856	4,091	15,897
Increase/(decrease) in advances received	(718)	(518)	(1,306)
Increase (decrease) in deposits from tenants	(17)	-	707
Increase/(decrease) in trade and other payables	(2,608)	(6,021)	(6,065)
Cash generated from/ (used in) operations	13,761	12,812	79,537
Tax paid in the period	(358)	(370)	(2,467)
Net cash from (used) in operating activities	13,403	12,442	77,070
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non current assets	(7,829)	(21,350)	(47,294)
Sale of investment property	32,539	-	142,043
Acquisition of shares in associates	-	(198)	(198)
Acquisition of subsidiaries, net of cash acquired	-	-	(13,957)
Tax / VAT on sale of investment property	(35,719)	-	22,888
Interest received	786	1,085	3,973
Lease origination expenses	-	(219)	(999)
Loans granted	(390)	-	(563)
Loans repayments	2,374	-	4,571
Net cash used in investing activities	(8,239)	(20,682)	110,464
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares	-	-	104,191
Share issuance expenses	-	-	(3,975)
Proceeds from long-term borrowings	190	35,907	133,002
Repayment of long-term borrowings	(20,429)	(32,206)	(276,828)
Interest paid	(8,778)	(12,236)	(68,467)
Loans origination cost	(19)	(670)	(1,414)
Decrease (increase) in short term deposits	(3,348)	1,659	11,408
Net cash from (used in) financing activities	(32,384)	(7,546)	(102,083)
Effect of foreign currency translation	(190)	1,682	1,013
Net increase / (decrease) in cash and cash equivalents	(27,410)	(14,104)	86,464
Cash and cash equivalents, at the beginning of the period/year	227,897	141,720	141,720
Cash and cash equivalents, at the end of the period/year	200,487	127,616	228,184
Cash classified as part of assets held for sale	131	-	(287)
Cash and cash equivalents, at the end of the year/period as per interim Consolidated Statement of Financial Position	200,618	127,616	227,897

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 2013
(in thousands of Euro)

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

	<u>Three-month period</u> <u>ended</u> <u>31 March 2013</u> <i>(unaudited)</i>	<u>Three-month</u> <u>period ended</u> <u>31 March 2012</u> <i>(unaudited)</i>	<u>Year ended</u> <u>31 December</u> <u>2012</u>
Investment property	-	-	(14,541)
Working capital (net of cash acquired)	-	-	584
Purchase of shares in subsidiaries, net of cash acquired	-	-	(13,957)

Globe Trade Centre S.A.
Notes to the Interim Condensed Consolidated Financial Statements
for the three-month period ended 31 March 2013
(in thousands of Euro)

1. Principal activities

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

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

The Group’s business activities are:

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

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

GTC is listed on the Warsaw Stock exchange.

The major shareholder of the Company as of 31 March 2013 is GTC Real Estate Holding N.V., which holds 88,635,914 shares (27.75% of total shares).

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.

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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”) and adopted by EU.

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 2012. 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.

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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 Group'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 13, as of 31 March 2013 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 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.

To support the above assumption, the Management runs a cash flow forecast, which is updated from time to time. 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.

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 2013.

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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 2012, except for the following amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2013:

Amendments to IAS 19 Employee Benefits - effective for financial years beginning on or after 1 January 2013,

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,

Amendments to IAS 12 Income Taxes: Deferred Tax: Recovery of Underlying Assets – effective for financial years beginning on or after 1 January 2012 – in EU effective at the latest for financial years beginning on or after 1 January 2013,

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 – in EU effective at the latest for financial years beginning on or after 1 January 2013,

IFRS 13 Fair Value Measurement - effective for financial years beginning on or after 1 January 2013,

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine - effective for financial years beginning on or after 1 January 2013,

Amendments to IFRS 7 Financial Instruments – Disclosures: Offsetting Financial Assets and Financial Liabilities - effective for financial years beginning on or after 1 January 2013,

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,

Improvements to IFRSs (issued in May 2012) – effective for financial years beginning on or after 1 January 2013

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

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2013.

The first phase of IFRS 9 Financial Instruments: Classification and Measurement – effective for financial years beginning on or after 1 January 2015 – not endorsed by EU till the date of approval of these financial statements. In subsequent phases, the IASB will address hedge accounting and impairment. The application of the first phase of IFRS 9 will have impact on classification and measurement of the financial assets of the Group. The Group will quantify the effect in conjunction with the other phases, when issued, to present a comprehensive picture,

IFRS 10 Consolidated Financial Statements – effective for financial years beginning on or after 1 January 2013, – in EU effective at the latest for financial years beginning on or after 1 January 2014,

IFRS 11 Joint Arrangements – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,

IFRS 12 Disclosure of Interests in Other Entities – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,

Amendments to IFRS 10, IFRS 11 and IFRS 12 Transition Guidance - effective for financial years beginning on or after 1 January 2013 in EU effective at the latest for financial years beginning on or after 1 January 2014

IAS 27 Separate Financial Statements – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,

IAS 28 Investments in Associates and Joint Ventures – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014,

Amendments to IAS 32 Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities- effective for financial years beginning on or after 1 January 2014,

Amendments to IFRS 10, IFRS 12 and IAS 27 Investment Entities (issued on 31 October 2012) – effective for financial years beginning on or after 1 January 2014 – not endorsed by EU till the date of approval of these financial statements.

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

The management is in process of analyzing the impact of the above new standards and amendments on the interim condensed consolidated financial statements in the period of their initial application.

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

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.

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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 2013	31 March 2012	31 December 2012
GTC Konstancja Sp. z o.o. ("GTC Konstancja")	GTC S.A.	Poland	100%	100%	100%
GTC Korona S.A. ("GTC Korona")	GTC S.A.	Poland	100%	100%	100%
Globis Poznań Sp. z o.o. ("Globis Poznan")	GTC S.A.	Poland	100%	100%	100%
GTC Aeropark Sp. z o.o. ("GTC Aeropark")	GTC S.A.	Poland	100%	100%	100%
GTC Topaz Office Sp. z o.o. ("GTC Topaz Office ") (in liquidation)	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 ") (in liquidation)	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.	GTC S.A.	Poland	100%	100%	100%
GTC GK Office Sp. z o.o. ("GTC GK Office ")	GTC S.A.	Poland	100%	100%	100%
GTC Com 1 Sp. z o.o. ("GTC Com 1")	GTC S.A.	Poland	100%	100%	100%
GTC Karkonoska 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 Wilson 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	100%	50%	100%
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. („Centrum Światowida")	GTC S.A.	Poland	100%	100%	100%
Światowida Development sp. z o.o.	GTC S.A.	Poland	-	100%	-
Mieszkania Światowida sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omega Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Epsilon Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Delta Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omikron Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Galeria CTWA Sp. z o.o. ("Galeria CTWA")	GTC S.A.	Poland	100%	100%	100%

* Proportionate consolidation.

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

Name	Holding Company	Country of incorporation	31 March 2013	31 March 2012	31 December 2012
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%	100%
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%	100%	100%
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%
GT Development service SPB	GTC Russia	Russia	-	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%
GTC Vinohradis Piazza 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 Bratislava	Slovakia	70%	70%	70%
GTC Vinohradis Villas S.R.O	GTC Slovakia	Slovakia	70%	70%	70%
GTC Real Estate Vinohrady s.r.o. ("GTC Vinohrady")	GTC Bratislava	Slovakia	70%	70%	70%
GTC Real Estate Vinohrady 2 s.r.o. ("GTC Vinohrady 2")	GTC Bratislava	Slovakia	70%	70%	70%

* Proportionate consolidation.

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

Name	Holding Company	Country of incorporation	31 March 2013	31 March 2012	31 December 2012
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%
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	100%	52%	100%
Mercury Commercial Center S.R.L.	GTC Romania	Romania	100%	100%	100%
Venus Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	84.9%	100%
Mars Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	70%	100%
Beaufort Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	70%	100%
Fajos S.R.L.	National Commercial Centers B.V.	Romania	100%	70%	100%
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.	GTC Romania	Romania	50.1%	50.1%	50.1%
Cefin Galati Real Estate S.R.L.	GTC Romania	Romania	100%	100%	100%
Operetico Enterprises Ltd.	GTC Romania	Cyprus	66.7%	66.7%	66.7%
Bucharest Tower Investments B.V.	GTC Romania	Netherlands	100%	100%	100%
Ana Tower Offices S.R.L. (*)	Bucharest Tower Investments B.V.	Romania	50%	50%	50%
Deco Intermed S.R.L.	Operetico Enterprises Ltd.	Romania	66.7%	66.7%	66.7%
GML American Regency Pipera S.R.L.	GTC Romania	Romania	66.7%	66.7%	66.7%

* Proportionate consolidation.

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

Name	Holding Company	Country of incorporation	31 March 2013	31 March 2012	31 December 2012
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 Ikonomov GmbH	Bulgaria	65%	65%	65%
GTC Business Park EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
NRL EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
Galeria Ikonomov GmbH	GTC Bulgaria	Austria	65%	65%	65%
GTC Yuzhen Park EAD (“GTC Yuzhen”)	GTC Bulgaria	Bulgaria	100%	100%	100%
GTC Real Estate Investments Serbia B.V. (“GTC Serbia”)	GTC S.A.	Netherlands	100%	100%	100%
City Properties Serbia B.V.	GTC Serbia	Netherlands	100%	100%	100%
GTC Medj Razvoj Nekretnina d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Business Park d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial and Residential Ventures d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Real Estate Developments d.o.o.	GTC Commercial Development d.o.o.	Serbia	95%	95%	95%
Demo Invest d.o.o	City Properties Serbia B.V.	Serbia	100%	100%	100%
Atlas Centar d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial Development d.o.o.	GTC Serbia	Serbia	100%	100%	100%

Investment in Associates

Name	Holding Company	Country of incorporation	31 March 2013	31 March 2012	31 December 2012
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%
Europort Investment (Cyprus) 1 Limited	GTC Ukraine	Cyprus	49,9%	49,9%	49,9%
Europort LTD	Emerging investment	Israel	9,9%	9,9%	9,9%

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6. Events in the period

On 28 February 2013, the Company signed final agreement regarding the sale of Platinum V in the amount of Euro 32.5 million. On the same day, the company fully repaid the loan in amount of Euro 10.1 million related to this asset.

On 12 March 2013, the Romanian Chamber of Deputies has approved a decision, which provides that it will not be possible to designate for other use any lands that are currently classified as green areas. Current law does not allow GTC Group to develop land plot in Bucharest that was intended for shopping mall project (Galleria Bucharest) and is currently classified as green area. As a result, the Company recorded an impairment loss of Euro 15.1 million. The green area land plot recoverable amount mainly represents the future expected expropriation compensation, on the assumption that an average market participant is willing to pay this amount for the land plot based on the future expected expropriation compensation.

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7 Revenue from operations

Revenue from operations comprises the following:

	Three-month period ended 31 March 2013 <i>(unaudited)</i>	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Year ended 31 December 2012
Rental revenue	23,321	24,514	98,690
Service revenue	6,995	7,121	29,872
Residential revenue	2,893	4,850	19,029
	33,209	36,485	147,591

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 2013 <i>(unaudited)</i>	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Year ended 31 December 2012
Rental and service costs	9,010	8,836	38,138
Residential costs	2,955	4,771	19,036
	11,965	13,607	57,174

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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 2013 (unaudited) and 31 March 2012 (unaudited) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Rental and service income	17,320	19,104	6,208	5,514	6,788	7,017	30,316	31,635
Contract income	360	3,596	2,205	480	328	774	2,893	4,850
Total income	17,680	22,700	8,413	5,994	7,116	7,791	33,209	36,485
Rental and service costs	3,718	3,846	3,057	2,795	2,235	2,195	9,010	8,836
Contract costs	264	2,763	2,356	693	335	1,315	2,955	4,771
Total costs	3,982	6,609	5,413	3,488	2,570	3,510	11,965	13,607
Rental and service result	13,602	15,258	3,151	2,719	4,553	4,822	21,306	22,799
Contract result	96	833	(151)	(213)	(7)	(541)	(62)	79
Total result	13,698	16,091	3,000	2,506	4,546	4,281	21,244	22,878

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9 Segmental analysis (continued)

Segment analysis for the three-month period ended 31 March 2013 (unaudited) and year ended 31 December 2012 is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Rental and service income	17,320	77,084	6,208	23,634	6,788	27,844	30,316	128,562
Contract income	360	8,815	2,205	6,108	328	4,106	2,893	19,029
Total income	17,680	85,899	8,413	29,742	7,116	31,950	33,209	147,591
Rental and service costs	3,718	15,840	3,057	12,923	2,235	9,375	9,010	38,138
Contract costs	264	6,687	2,356	7,202	335	5,147	2,955	19,036
Total costs	3,982	22,527	5,413	20,125	2,570	14,522	11,965	57,174
Rental and service result	13,602	61,244	3,151	10,711	4,553	18,469	21,306	90,424
Contract result	96	2,128	(151)	(1,094)	(7)	(1,041)	(62)	(7)
Total result	13,698	63,372	3,000	9,617	4,546	17,428	21,244	90,417

10 Investment in associates

The investment in associates comprises the following:

	31 March 2013 (unaudited)	31 March 2012 (unaudited)	31 December 2012
Shares	5,846	5,846	5,846
Translation differences reserve	813	440	674
Equity profit, net of dividend	(8,179)	1,406	(7,994)
Loans granted	42,129	46,869	43,548
Investment in associates	40,609	54,561	42,074

As of 31 March 2013, a Czech associated entity of the Company that holds Harfa's shopping center in Prague ("CID") has a bank loan outstanding in the amount of Euro 107 million which finance the asset that is valued at Euro 172 million, and which is due to mature on 31 October 2013; however CID currently does not have sufficient funds available to repay the loan in full, nor it secured the loan prolongation. Although CID's management believes that it will be able to successfully solve the situation, there is an uncertainty about its ability to do so. Consequently, the Company may face a need to support CID with an amount that will be required in excess of potential refinancing loan.

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11 Investment Property

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

Investment property can be split up as follows:

	31 March 2013 <i>(unaudited)</i>	31 March 2012 <i>(unaudited)</i>	31 December 2012
Completed investment property	1,302,455	1,333,481	1,308,398
Investment property under construction at fair value	-	79,159	-
Investment property under construction at cost	291,568	310,534	305,347
Total	1,594,023	1,723,174	1,613,745

The movement in investment property for the periods ended 31 March 2013 and 2012 and 31 December 2012 was as follows:

	Three-month period ended 31 March 2013 <i>(unaudited)</i>	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Year ended 31 December 2012
Carrying amount at beginning of the year	1,613,745	1,703,889	1,703,889
Additions, including:			
Capitalised subsequent expenditure	3,684	18,143	46,394
Purchase of shares in subsidiaries			14,541
Adjustment to fair value	(8,883)	2,155	(84,833)
Impairment / reversal of impairment	(16,476)	(1,270)	(20,860)
Reclassified to inventory			(397)
Reclassified to/from held for sale	1,953		(40,899)
Disposals			(4,079)
Translation differences	-	257	(11)
Carrying amount at the end of the period	1,594,023	1,723,174	1,613,745

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11 Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2013 <i>(unaudited)</i>	Three-month period ended 31 March 2012 <i>(unaudited)</i>	Year ended 31 December 2012
Fair value of properties completed in prior years	(8,883)	(2,415)	(85,320)
Fair value of newly completed properties	-	-	(4,083)
Fair value of property under construction	-	4,570	4,570
Impairment adjustment	(16,476)	(1,270)	(20,860)
Fair value of properties held for sale	-	1,460	4,466
Total	(25,359)	2,345	(101,227)

Assumptions used in the valuations of completed assets as of 31 March 2013 are presented below:

Country	Book value	NRA Thousand sqm	Occupancy %	Yield %	Actual rent Euro/sqm	ERV (*) Euro/sqm	Average duration Years
Poland	545,758	211	89%	7.5%	17.7	16.6	3.8
Serbia	116,500	53	91%	8.6%	15.5	14.5	3.3
Croatia	172,500	64	93%	10.2%	15.5	22.2	6.4
Hungary	172,500	91	96%	8.1%	12.5	12.9	2.4
Slovakia	15,600	14	57%	8.8%	9.5	9.3	2.8
Romania	192,197	80	96%	8.5%	14.9	18.2	5.6
Bulgaria	87,400	62	89%	9.1%	6.3	13.1	5.0
Total/Average	1,302,455	575	91%	8.3%	14.6	15.4	4.2

Information regarding investment properties under construction valued at cost as of 31 March 2013 is presented below:

	Book value	Estimated building rights Thousand sqm	Book value Euro/sqm
Poland	115,639	436	265
Serbia	31,200	93	336
Croatia	8,475	42	200
Hungary	47,200	315	150
Romania	24,483	82	297
Bulgaria	36,850	126	292
Russia	27,721	55	504
Total/Average	291,568	1,149	254

ERV- Estimated Rent Value applicable upon renewals

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11 Investment Property (continued)

Assumptions used in the valuations of completed assets as of 31 December 2012 are presented below:

Country	Book value	NRA Thousand sqm	Occupancy %	Yield %	Actual rent Euro/sqm	ERV Euro/sqm	Average duration Years
Poland	544,316	211	89%	7.5%	17.8	16.6	3.8
Serbia	116,500	53	89%	8.6%	17.1	14.5	3.6
Croatia	172,500	64	95%	10.2%	15.8	22.2	6.7
Hungary	172,500	91	95%	8.1%	12.5	12.9	2.7
Slovakia	15,400	14	47%	8.8%	9.2	9.3	2.8
Romania	199,782	80	96%	8.1%	14.6	18.2	6.0
Bulgaria	87,400	62	89%	9.1%	7.3	13.1	5.2
Total/Average	1,308,398	575	91%	8.3%	14.9	15.4	4.2

Information regarding impairment of investment properties under construction valued at cost as of 31 December 2012 is presented below:

	Book value	Estimated building rights Thousand sqm	Book value Euro/sqm
Poland	114,280	436	262
Serbia	31,300	93	337
Croatia	8,475	42	200
Hungary	47,200	315	150
Romania	39,561	120	329
Bulgaria	36,849	126	292
Russia	27,683	55	503
Total/Average	305,348	1,187	257

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12 Inventory

Completed inventory as of 31 March 2013 consists of the following:

	Book value	Thousand sqm	Book value/sqm Euro
Poland	7,185	4	1,626
Hungary	800	1	889
Serbia	252	<1	741
Slovakia	3,000	1	2,679
Romania	43,475	53	813
Total/Average	54,712	60	908

Residential Landbank and uncompleted inventory as of 31 March 2013 consists of the following:

	Book value	Estimated building rights Thousand sqm	Book value/sqm Euro
Poland	9,056	37	244
Croatia	15,179	48	316
Hungary	20,491	138	148
Slovakia	22,750	86	265
Romania	29,302	309	95
Total/Average	96,778	618	157

Completed inventory as of 31 December 2012 consists of the following:

	Book value	Thousand sqm	Book value/sqm Euro
Poland	7,342	4	1,661
Hungary	988	1	823
Slovakia	3,054	2	1,636
Romania	45,496	56	818
Total/Average	56,880	63	901

Residential Landbank and uncompleted inventory as of 31 December 2012 consists of the following:

	Book value	Estimated building rights Thousand sqm	Book value/sqm Euro
Poland	9,348	37	252
Croatia	15,164	48	316
Hungary	21,362	138	155
Slovakia	23,100	86	269
Romania	29,287	309	95
Total/Average	98,261	618	159

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13 Long-term loans and bonds

Long-term loans and bonds comprise the following:

	31 March 2013	31 March 2012	31 December 2012
Bonds seria 0414	84,513	177,617	85,101
Bonds seria 2017-2018	72,782	-	72,633
Bonds seria 0412	-	19,702	-
Bonds seria 0513	79,724	86,296	80,163
Loan from Pekao (GTC Galeria Kazimierz)	41,771	42,602	41,984
Loan from WBK (Globis Poznan)	15,800	16,307	15,927
Loan from WBK 1 (Galileo)	5,442	5,685	5,403
Loan from WBK 2 (Newton)	10,724	10,711	10,526
Loan from WBK 3 (Edison)	11,354	11,746	11,453
Loan from Pekao (Globis Wroclaw)	26,582	27,196	26,739
Loan from ING (Nothus)	16,488	16,866	16,596
Loan from ING (Zefirus)	16,488	16,866	16,596
Loan from Berlin Hyp (Corius)	13,000	-	13,000
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)	-	21,186	-
Loan from Berlin Hyp (Platinum 5)	-	6,902	10,146
Loan from WBK (Kazimierz office)	28,334	28,802	28,458
Loan from Pekao (Galeria Jurajska)	105,337	107,581	105,904
Loan from Berlin Hyp (UBP)	19,729	27,301	19,828
Loan from ING (Francuska)	17,221	17,761	17,356
Loan from MKB (Centre Point I)	22,677	24,139	23,051
Loan from MKB (Centre Point II)	26,670	28,296	27,077
Loan from CIB (Metro)	21,136	21,984	21,352
Loan from MKB (Spiral)	17,326	19,041	17,482
Loan from Erste (Reinesance)	5,858	6,109	6,109
Loan from MKB (Sasad Resort)	8,727	11,727	8,727
Loan from EBRD and Raiffeisen Bank (GTC House)	13,825	15,213	14,200
Loan from Erste (19 Avenue)	26,351	27,000	26,586
Loan from EBRD and Raiffeisen Bank (Block 41)	18,760	20,361	19,171
Loan from Raiffeisen Bank (Green Dream)		3,869	-
Loan from Unicredit (Felicity)	26,603	27,203	27,203
Loan from RZBR (Rose Garden)	13,722	19,973	15,182
Loan from Erste (Citygate)	96,236	98,820	96,926
Loan from EBRD and Raiffeisen Bank (NCC)		28,746	-
Loan from EBRD and Raiffeisen Bank (Arad)	28,755	30,100	29,203
Loan from MKB and Zagrabecka Banka (Eurostructor)	33,468	37,922	34,582
Loan from EBRD and Raiffeisenbank Austria (Osijek)	16,650	18,000	17,100
Loan from MKB and OTP (Galeria Varna)	24,258	24,725	24,417
Loan from EBRD and Unicredit (Stara Zagora)	28,131	28,677	28,282
Loan from EBRD (Burgas)	24,730	14,857	25,073
Loan from VUB Bank (Jarosova)	2,410	2,875	2,542
Loan from Unicredit (Vinyard)	-	6,411	-
Loans from minorities in subsidiaries	77,357	101,196	76,437
Deferred issuance debt expenses	(7,597)	(8,626)	(7,934)
	1,091,342	1,308,373	1,110,581

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13 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 2013	31 March 2012	31 December 2012
Current portion of long term loans:			
Bonds seria 0414	2,117	4,607	907
Bonds seria 2017-2018	2,355	-	670
Bonds seria 0513	79,724	2,194	80,163
Bonds seria 0412	-	19,702	-
Loan from Pekao (GTC Galeria Kazimierz)	863	831	860
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK 1 (Galileo)	476	457	462
Loan from WBK 2 (Newton)	429	409	417
Loan from WBK 3 (Edison)	395	392	395
Loan from Berlin Hyp (UBP)	400	788	400
Loan from Pekao (Galeria Jurajska)	2,328	2,244	2,307
Loan from Pekao (Globis Wroclaw)	652	614	642
Loan from ING (Nothus)	432	384	426
Loan from ING (Zefirus)	432	384	426
Loan from Berlin Hyp (Corius)	300	-	300
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)	-	21,186	-
Loan from Berlin Hyp (Platinum 5)	-	-	10,146
Loan from WBK (Kazimierz office)	395	433	395
Loan from ING (Francuska)	540	540	540
Loan from MKB (Centre Point I)	1,513	1,463	1,500
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Reinesance)	1,249	6,109	1,250
Loan from MKB (Sasad Resort)	-	3,000	-
Loan from CIB (Metro)	880	847	872
Loan from MKB (Spiral)	1,769	1,732	1,764
Loan from EBRD and Raiffeisen Bank (GTC House)	1,525	1,388	1,500
Loan from Erste (19 Avenue)	743	523	732
Loan from EBRD and Raiffeisen Bank (Block 41)	1,713	1,602	1,684
Loan from EBRD and Unicredit (Stara Zagora)(1)	28,131	28,677	28,282
Loan from MKB and OTP (Galeria Varna)	704	466	654
Loan from EBRD (Burgas)	1,106	255	1,253
Loan from MKB and Zagrabebka Banka (Eurostructor)	4,454	4,454	4,454
Loan from EBRD and Raiffeisenbank Austria (Osijek)	1,800	1,350	1,800
Loan from EBRD and Raiffeisen Bank (NCC)	-	1,565	-
Loan from EBRD and Raiffeisen Bank (Arad)	1,857	1,345	1,836
Loan from Erste (Citygate)	2,584	2,434	2,550
Loan from RZBR (Rose Garden)	13,722	19,973	15,182
Loan from Unicredit (Felicity)	26,603	27,203	27,203
Loan from Raiffeisen Bank (Green Dream)	-	3,869	-
Loan from VUB Bank (Jarosova)	363	334	288
Loan from Unicredit (Vinyard)	-	6,411	-
Deferred issuance debt expenses	(750)	(842)	(773)
	183,937	230,084	193,620

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13 Long-term loans and bonds (continued)

	31 March 2013	31 March 2012	31 December 2012
Long term portion of long term loans:			
Bonds seria 0414	82,396	173,010	84,194
Bonds seria 2017-2018	70,427	-	71,963
Bonds seria 0513	-	84,102	-
Loan from Pekao (GTC Galeria Kazimierz)	40,908	41,771	41,124
Loan from WBK (Globis Poznan)	15,293	15,800	15,420
Loan from WBK 1 (Galileo)	4,966	5,228	4,941
Loan from WBK 2 (Newton)	10,295	10,302	10,109
Loan from WBK 3 (Edison)	10,959	11,354	11,058
Loan from Pekao (Globis Wroclaw)	25,930	26,582	26,097
Loan from ING (Nothus)	16,056	16,482	16,170
Loan from ING (Zefirus)	16,056	16,482	16,170
Loan from Berlin Hyp (Corius)	12,700	-	12,700
Loan from Berlin Hyp (Platinum 5)	-	6,902	-
Loan from WBK (Kazimierz office)	27,939	28,369	28,063
Loan from Pekao (Galeria Jurajska)	103,009	105,337	103,597
Loan from Berlin Hyp (UBP)	19,329	26,513	19,428
Loan from ING (Francuska)	16,681	17,221	16,816
Loan from MKB (Centre Point I)	21,164	22,676	21,551
Loan from MKB (Centre Point II)	25,044	26,670	25,451
Loan from CIB (Metro)	20,256	21,137	20,480
Loan from MKB (Sasad Resort)	8,727	8,727	8,727
Loan from MKB (Spiral)	15,557	17,309	15,718
Loan from Erste (Reinesanbe)	4,609	-	4,859
Loan from EBRD and Raiffeisen Bank (GTC House)	12,300	13,825	12,700
Loan from Erste (19 Avenue)	25,608	26,477	25,854
Loan from EBRD and Raiffeisen Bank (Block 41)	17,047	18,759	17,487
Loan from Erste (Citygate)	93,652	96,386	94,376
Loan from EBRD and Raiffeisen Bank (NCC)	-	27,181	-
Loan from EBRD and Raiffeisen Bank (Arad)	26,898	28,755	27,367
Loan from MKB and Zagrebeka Banka (Eurostructor)	29,014	33,468	30,128
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	14,850	16,650	15,300
Loan from MKB and OTP (Galeria Varna)	23,554	24,259	23,763
Loan from EBRD (Burgas)	23,624	14,602	23,820
Loan from VUB Bank (Jarosova)	2,047	2,541	2,254
Loans from minorities in subsidiaries	77,357	101,196	76,437
Deferred issuance debt expenses	(6,847)	(7,784)	(7,161)
	907,405	1,078,289	916,961

1) In July 2012, the Company received a waiver from the lending banks postponing the requirement to fulfill the loan financial covenants until 31 March 2013. As of March 31, 2013 the Company did not obtain from the banks extension of the waiver, thus currently GTC Bulgaria is in breach of the above those loan covenants. Consequently the Company classified this loan as a current liability. In the second quarter of 2013, the Company expects to sign an amendment to the loan agreement that will adjust the loan covenants and require an early repayment of Euro 5 million. Upon signing the amendment, an estimated amount of Euro 23 million shall be reclassified to Long Term Loans.

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14. Capital and Reserves

As at 31 March 2013, the shares structure was as follows:

Number of Shares	Total value in PLN	Total value in euro
139,286,210	13,928,621	3,153,995
1,152,240	115,224	20,253
235,440	23,544	4,443
8,356,540	835,654	139,648
9,961,620	996,162	187,998
39,689,150	3,968,915	749,022
3,571,790	357,179	86,949
17,120,000	1,712,000	398,742
100,000,000	10,000,000	2,341,372
319,372,990	31,937,299	7,082,422

All shares are entitled to the same rights.

GTC RE holds stake of 27.75%. Other shareholders who as at 31 March 2013 held above 5% of the Company shares were as follows:

- ING OFE
- AVIVA OFE BZ WBK
- OFE PZU

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.

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14. Capital and Reserves (continued)

On 24 April 2013, the Company held an ordinary shareholders meeting. The ordinary shareholders meeting decided that the loss for the year 2012 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with the Polish Accounting Standards shall be presented under Retained earnings.

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

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:

	31 March 2013 (unaudited)	31 March 2012 (unaudited)	Year ended 31 December 2012
Expenses arising from equity settled share based payments	-	138	138
Expenses (income) arising from cash settled share based payments	(2,338)	(164)	4,898
	(2,338)	(26)	5,036

As at 31 March 2013, phantom shares issued were as follows:

Last exercise date	Amount of phantom shares
31/12/2014	647,568
31/12/2015	5,593,119
29/02/2016	361,068
31/12/2016	1,805,355
Total	8,407,110

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

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15. Earnings per share

Basic and diluted earnings per share were calculated as follows:

	<u>Three-month period ended 31 March</u>		<u>Year ended</u>
	<u>2013</u> <i>(unaudited)</i>	<u>2012</u> <i>(unaudited)</i>	<u>31 December</u> <u>2012</u>
Profit for the period attributable to equity holders (euro)	(22,773,000)	6,323,000	(96,034,000)
Weighted average number of shares for calculating basic earnings per share	319,372,990	219,372,990	269,372,990
Basic earnings per share (euro)	(0.07)	0.03	(0.36)
Weighted average number of shares for calculating diluted earnings per share	319,372,990	219,372,990	269,372,990
Diluted earnings per share (euro)	(0.07)	0.03	(0.36)

	<u>Three-month period ended 31 March</u>		<u>Year ended</u>
	<u>2013</u> <i>(unaudited)</i>	<u>2012</u> <i>(unaudited)</i>	<u>31 December</u> <u>2012</u>
Weighted average number of shares for calculating basic earnings per share	319,372,990	219,372,990	269,372,990
Adjustment for phantom shares	-	-	-
Weighted average number of shares for calculating diluted earnings per share	319,372,990	219,372,990	269,372,990

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16. Proportionate consolidation

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

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

	31 March 2013 <i>(unaudited)</i>	31 March 2012 <i>(unaudited)</i>	31 December 2012
Cash	3,485	4,081	3,117
Non current assets	135,697	147,172	135,443
Current assets (other than cash)	1,767	2,352	1,687
Long term liabilities	(111,526)	(111,590)	(111,368)
Current liabilities	(1,597)	(1,939)	(1,608)
Net assets	27,826	40,076	27,271
Income (*)	2,264	2,248	9,063
Expenses (*)	(1,952)	(1,613)	(7,110)
Profit for the year/period	312	635	1,953

(*) includes profit (loss) from revaluation

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17. Contingent liabilities

Following the completion of Avenue 19 and GTC Square in Serbia, two Serbian subsidiaries and the general contractor raised mutual claims. The general contractor initiated arbitration proceedings before the commercial court against the subsidiaries claiming additional payment of € 15.8 millions for both projects. The above subsidiaries refused this payment and filed a counterclaim of € 18.6 millions in respect of amounts overpaid, contractual penalties and additional damages for delay of the construction. The independent supervisory engineer that has been appointed in accordance with the original agreement between the parties supports the position taken by the subsidiaries. As the independent supervisory engineer is supporting the subsidiaries claim and based on the assumption that the supervisory engineer is best placed to assess the positions of the parties, we and our legal advisers believe that the subsidiaries are more likely to prevail in arbitration proceedings.

In relation to Marlera Golf project (Croatia) the land acquisition agreement provided as condition for the sale, a certain deadline for the completion a golf course component in the project. The company's view, as supported by its legal advisers, is that the completion deadline for the development of the golf course shall due on 14 September 2014. The Company believes that this date is feasible to be met however taking into account macroeconomic situation it has taken steps to achieve extension of the period for completing the project. On 3 January 2013, the Company received a letter from the Ministry of Tourism of Croatia (the former land owner) expressing its good faith and intentions to prolong the abovementioned timeline. Negotiations in this respect are on-going.

18. Subsequent events

There have been no events subsequent to the reporting date that would have a material impact on the interim condensed consolidated financial statements.

19. Other

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 13 May 2013.

**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 Company') as at 31 March 2013 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 other explanatory notes ('the 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 accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

We also reported on 13 May 2013 separately on the interim condensed consolidated financial statements of Globe Trade Centre S.A. for the same period, prepared in accordance with IAS 34 using PLN as the presentation currency.

Ernst & Young Audit Sp z o.o.
Ernst & Young Audit sp. z o.o.

Warsaw, 13 May 2013