



BUSINESS MODEL

**GTC Investor Day
November 2014**



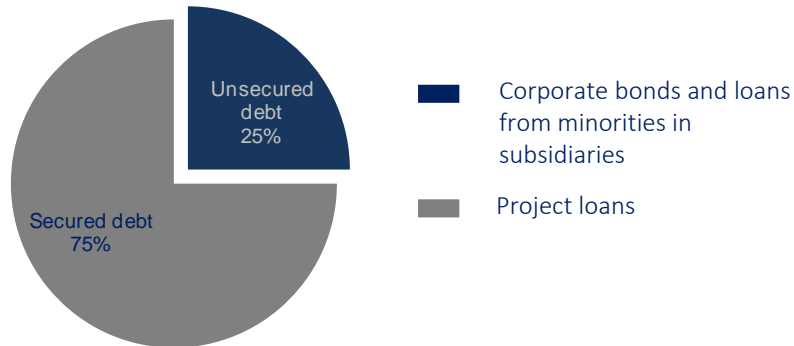
KEY FINANCIAL RESULTS | CASH FLOW HIGHLIGHTS

	9M 2014 (€ m)	9M 2013 (€ m)	FY 2013 (€ m)
Operating cash before w. capital changes	51	46	61
Add/deduct:			
Decrease in residential inventory	10	8	12
Interest paid, net	(26)	(32)	(45)
Effect of currency translation	(1)	(2)	-
Tax	(2)	(1)	(2)
Cash flow from operating activities	33	19	26
Investment in real estate and related	(19)	(20)	(30)
Changes in working capital	(3)	(3)	(1)
Sale of assets	8	33	33
VAT	-	(36)	(35)
Investment in real estate and related	(14)	(25)	(33)
Finance activity			
Proceeds from issuance of shares, net	53	-	-
Proceeds from long term borrowings net of cost	74	1	43
Repayment of long term borrowings/bonds	(156)	(150)	(205)
Finance activity	(29)	(149)	(162)
Net change	(10)	(155)	(169)
Loan from JV (GK)	49	-	-
Cash at the beginning of the period	56	225	225
Cash at the end of the period	95	70	56

KEY FINANCIAL RESULTS | DEBT AND MATURITY SCHEDULE

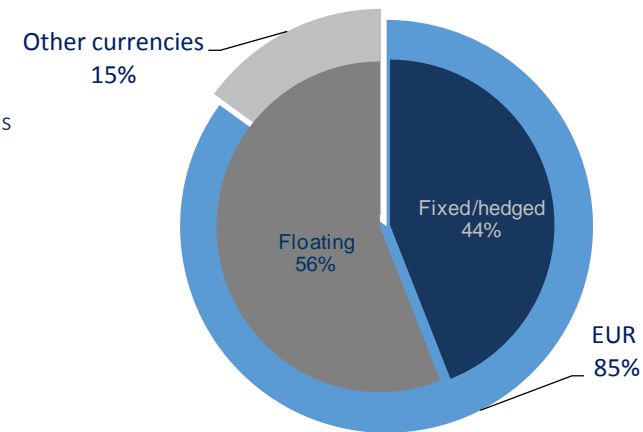
Debt split

As of 30 September 2014



Interest rate split

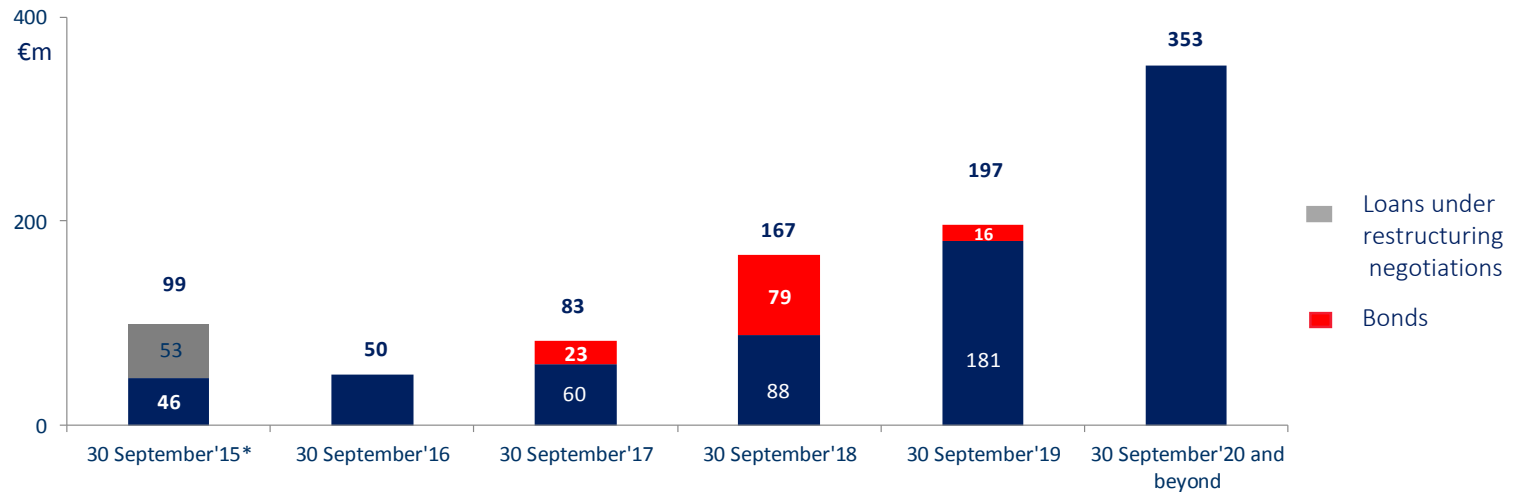
As of 30 September 2014



* Other currencies include PLN and HUF

Debt maturity

As of 30 September 2014



*Including hedges

BUSINESS MODEL (1) | ANALYSIS OF PROFITABILITY STRUCTURE

$$\frac{\text{Profit Before Tax}}{\text{Rental revenue}} \times \frac{\text{Rental revenue}}{\text{RE assets}} \times \frac{\text{RE assets}}{\text{Equity}} = \frac{\text{Profit Before Tax}}{\text{Equity}}$$

**Profit
Margin**

ROA

Leverage

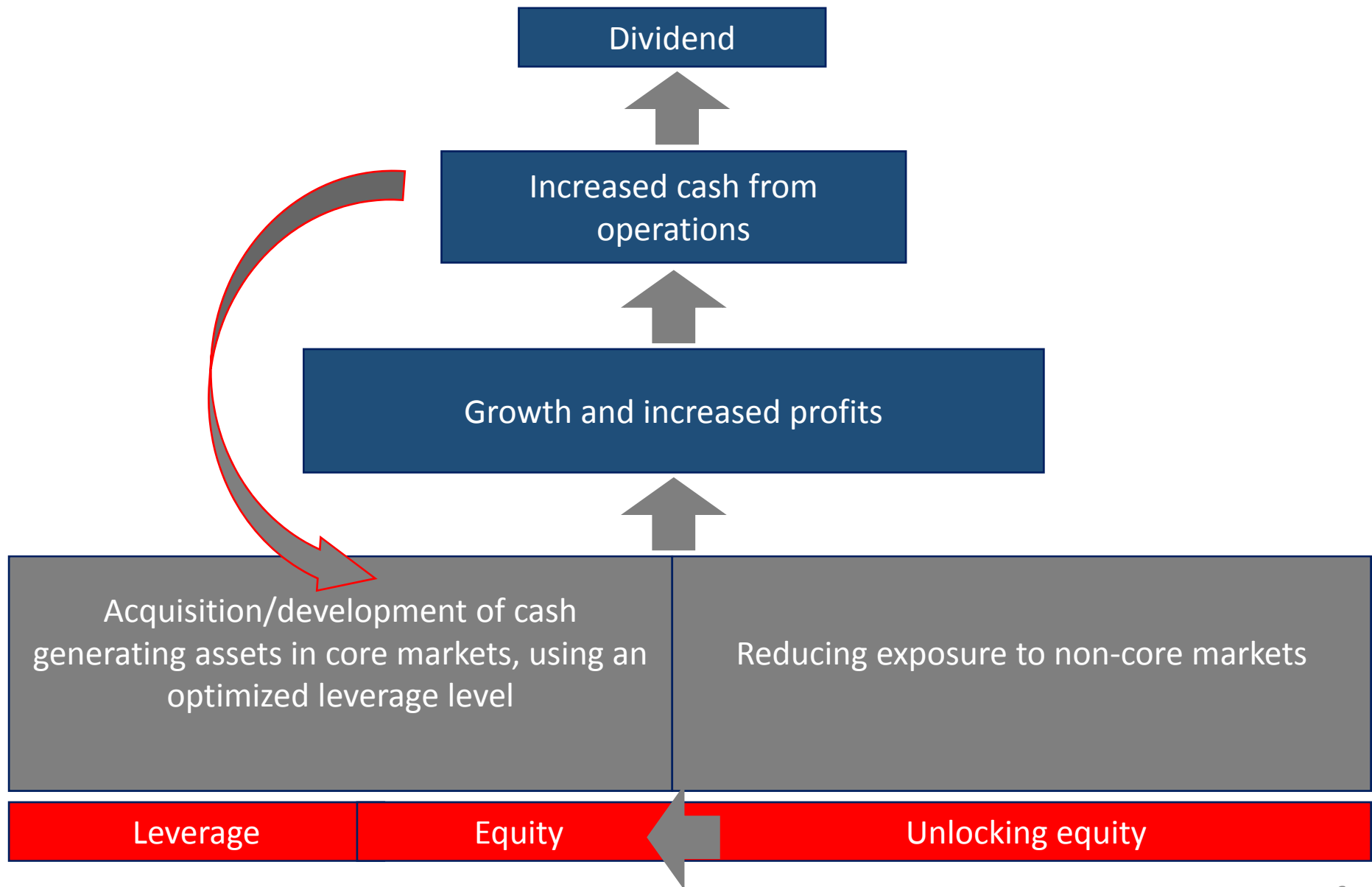
ROE

BUSINESS MODEL (2) | PROFITABILITY STRUCTURE BULLS AND BEARS



Profit Margin	ROA	Leverage	ROE
<div><div>42.4</div><div>96.2</div></div>	<div><div>96.2</div><div>999.9</div></div>	<div><div>999.9</div><div>447.3</div></div>	<div><div>42.4</div><div>447.3</div></div>
44%	9.6%	224% =55%	9.5%
<div><div>27.8</div><div>108.8</div></div>	<div><div>108.8</div><div>1,325.3</div></div>	<div><div>1,325.3</div><div>565.9</div></div>	<div><div>27.8</div><div>565.9</div></div>
26%	8.2%	234% =57%	4.9%

BUSINESS MODEL (3) | ACCRETIVE GROWTH



Thank you



Real Estate Market Overview

Romania update for GTC – Warsaw 27 November 2014

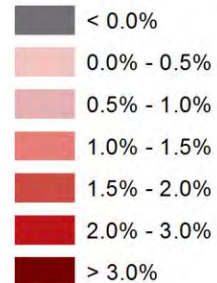


GDP Growth Forecast 2014 - 2016

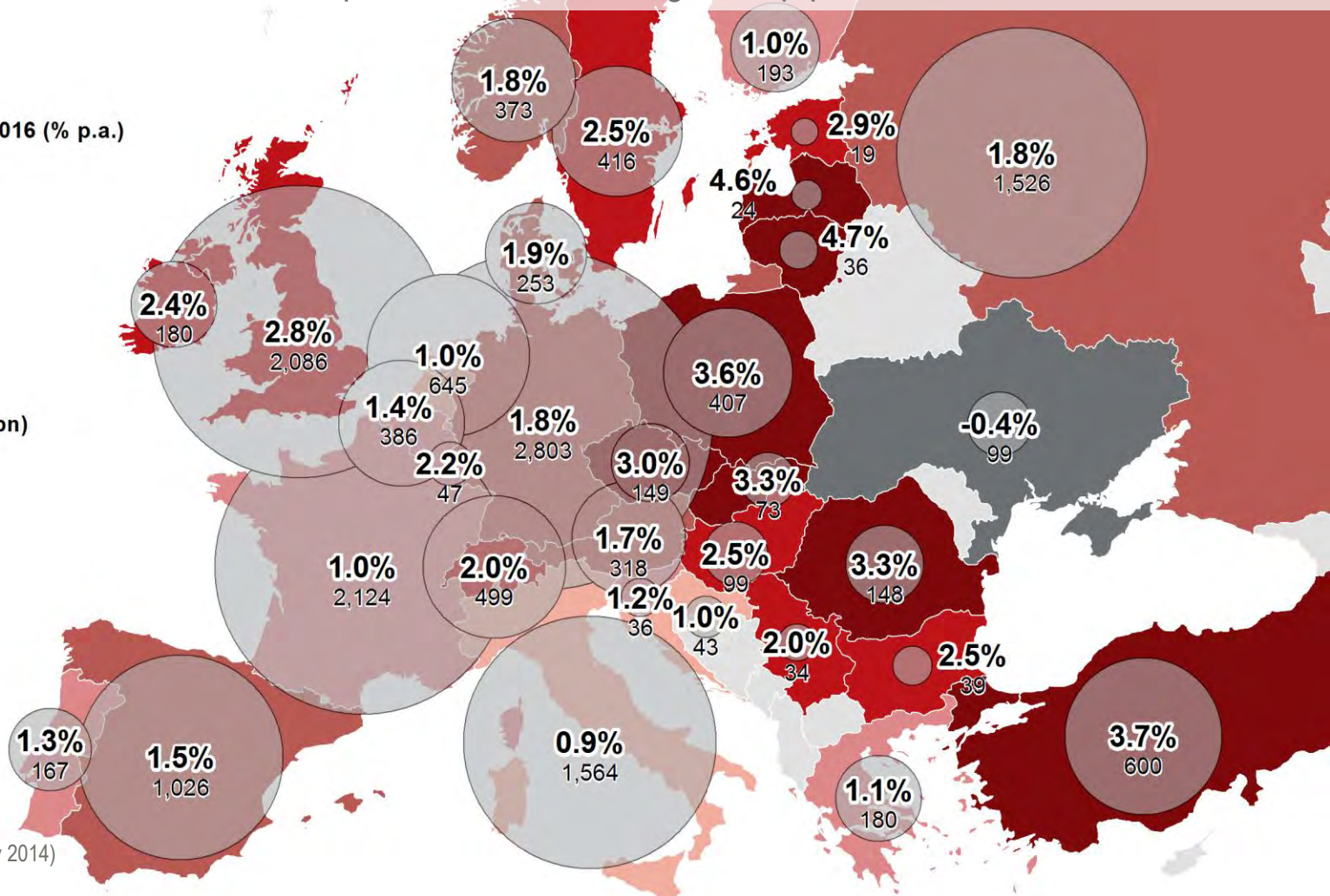
Multi-speed growth forecast across Europe. Romania is among the top performers

GDP

Growth Forecast 2014 -2016 (% p.a.)



○ Total GDP 2014 (€ bn)



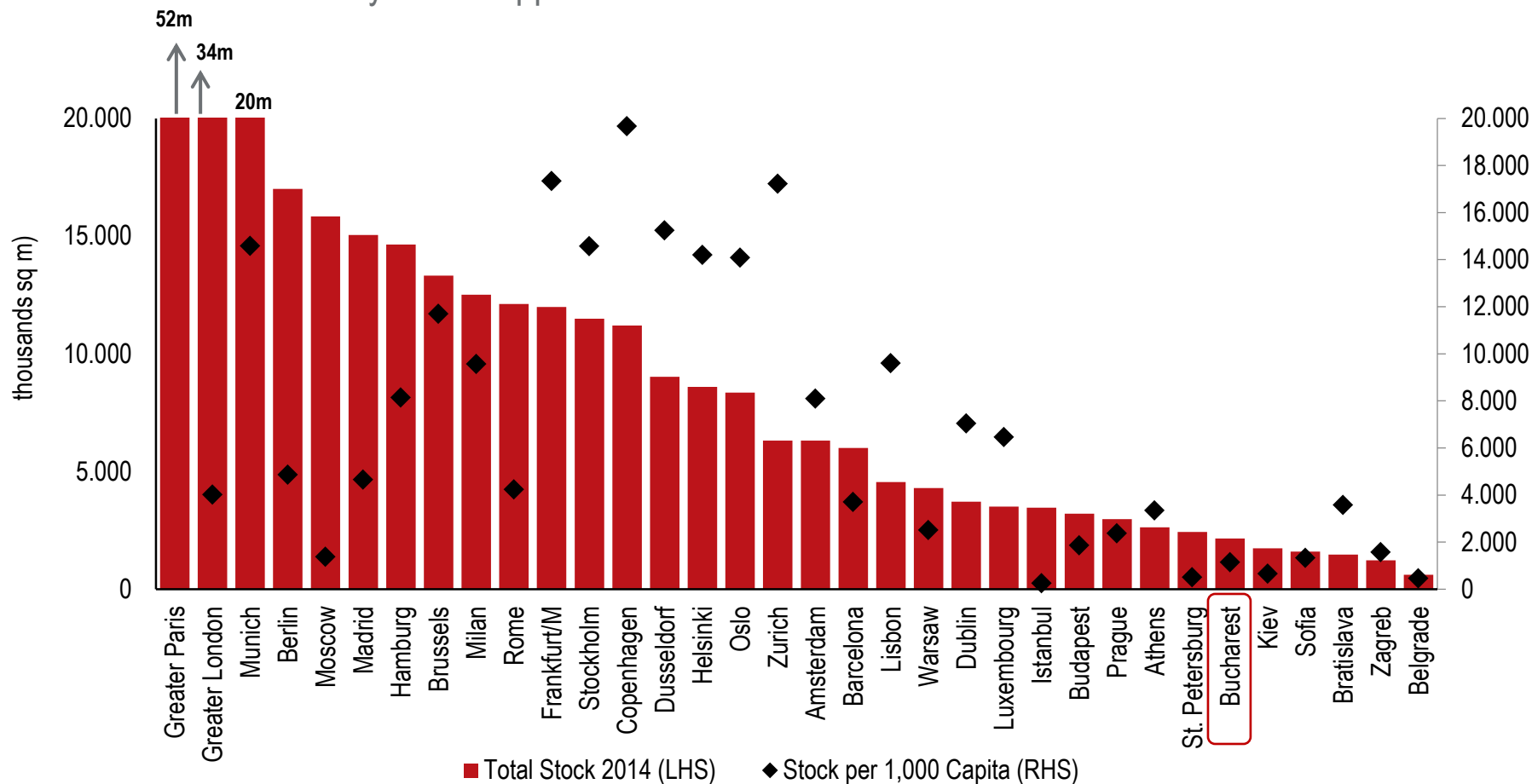
Source: Oxford Economics (July 2014)

Romania – Strong Fundamentals for Growth in 2014

- 2013 GDP growth for Romania was 3.5%, significantly outperforming EU average (0.1%);
- Romania registered a **GDP growth** in H1 2014 of 2.6% y-o-y;
- According to Oxford Economics (July 2014 forecast), the Romanian economy is expected to register a **healthy and steady growth** of 3.0% in 2014 and 3.3% in 2015;
- Industrial production and household consumption expected to contribute most to the GDP in 2014. In the first 8 months, **retail sales went up** by 7.6% y-o-y (11.3% in non-food segment)
- The **record low monetary policy rate** (3.0% currently) starts to positively affect borrowing costs in local currency;
- Inflation rate and exchange rate expected to remain **stable**;
- **Government debt is the 3rd lowest in EU** (38.5% of GDP).

Office Market Sizes Across Europe

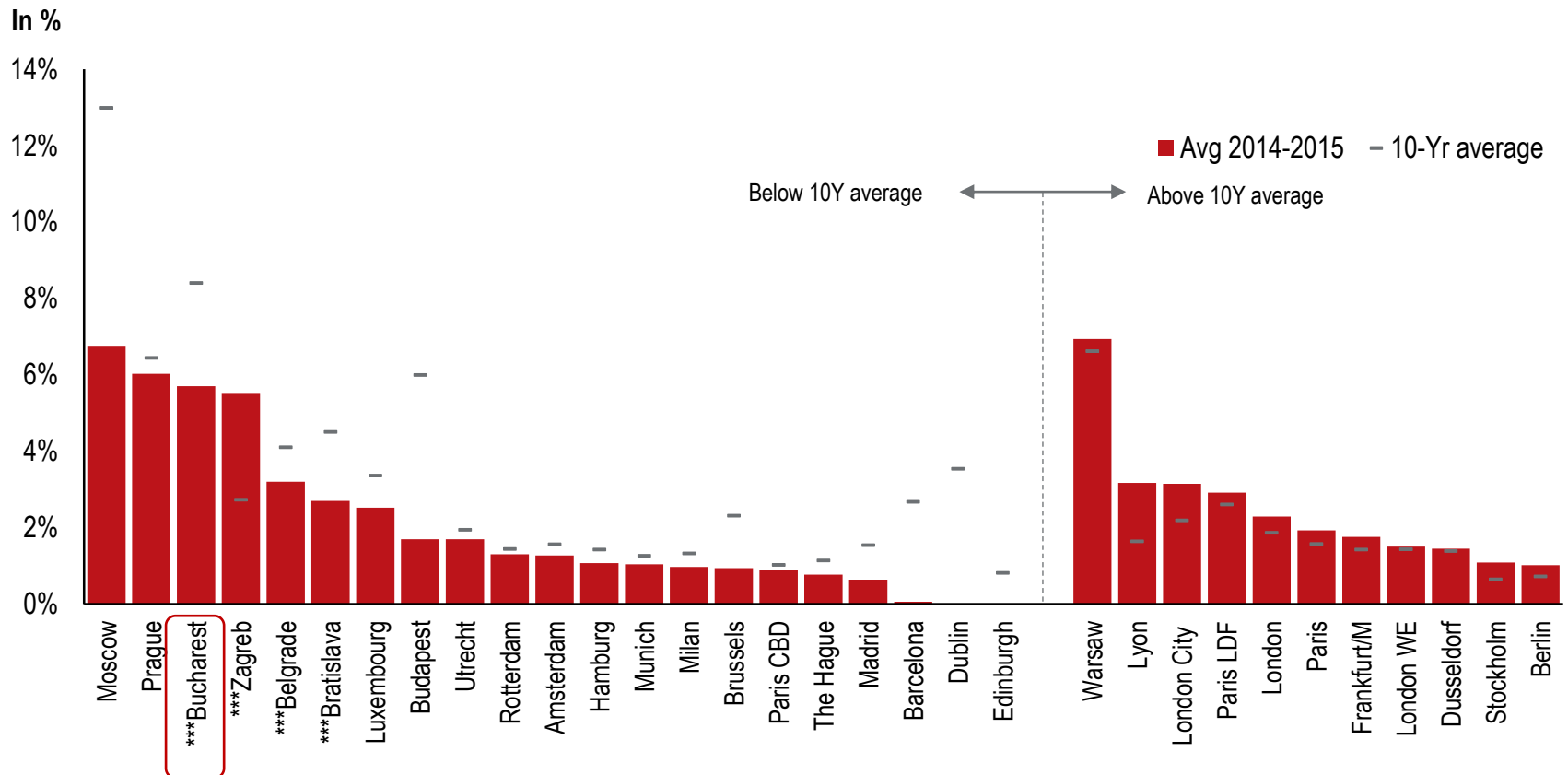
Bucharest still relatively undersupplied



Source: Jones Lang LaSalle, July 2014

Supply in 2014/2015 in most markets below 10y average levels

Average Annual Office Completions 2014** & 2015 as % of current stock and 10Y Avg* completions as % of stock. 10Y Avg in Bucharest is high as market development started rather late

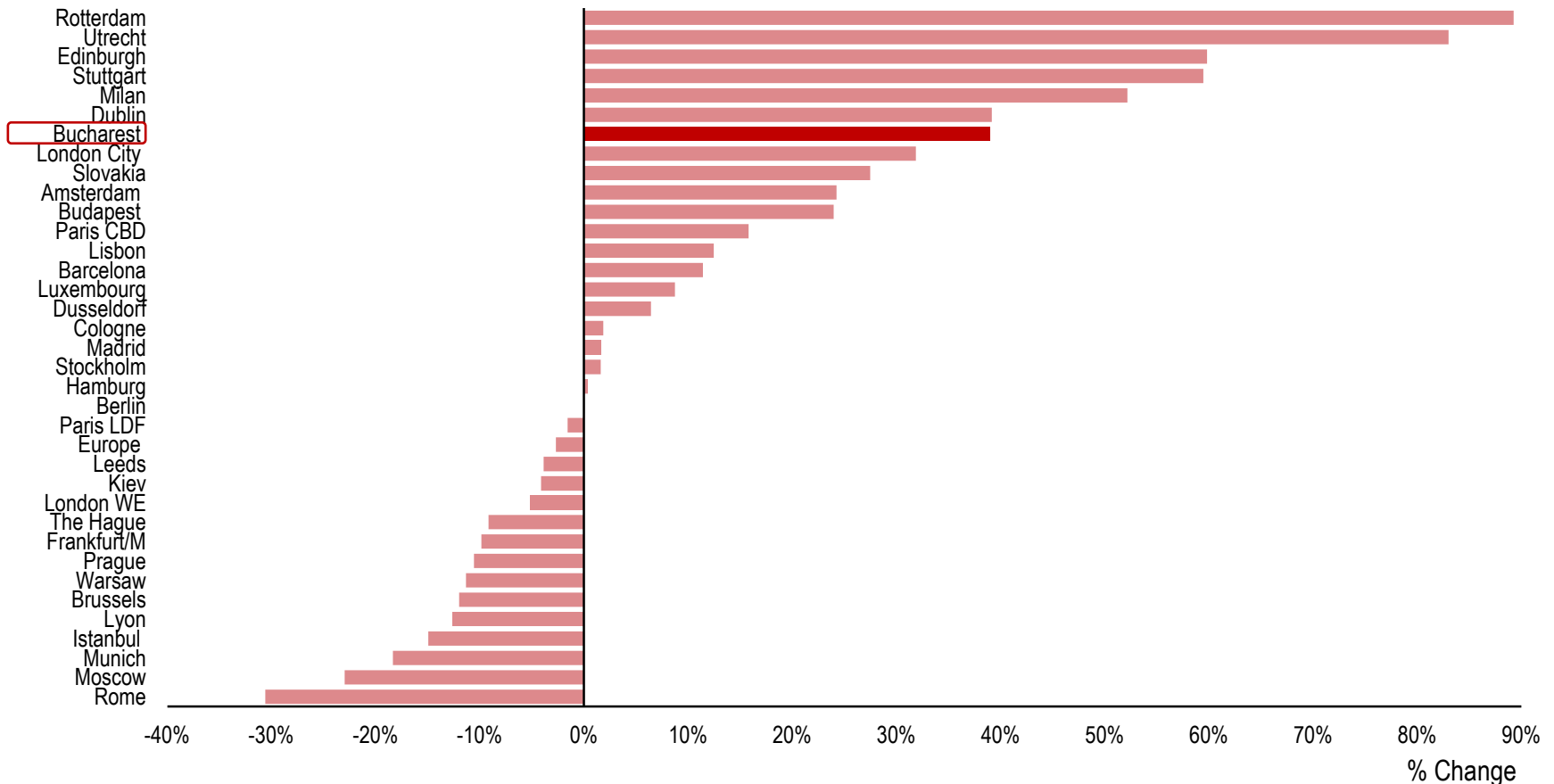


Source: JLL, July 2014

*10 Year Average (2004-2013); **includes Q1-Q2 ***5 Year Average

Leasing Market Activity Gradually Increasing

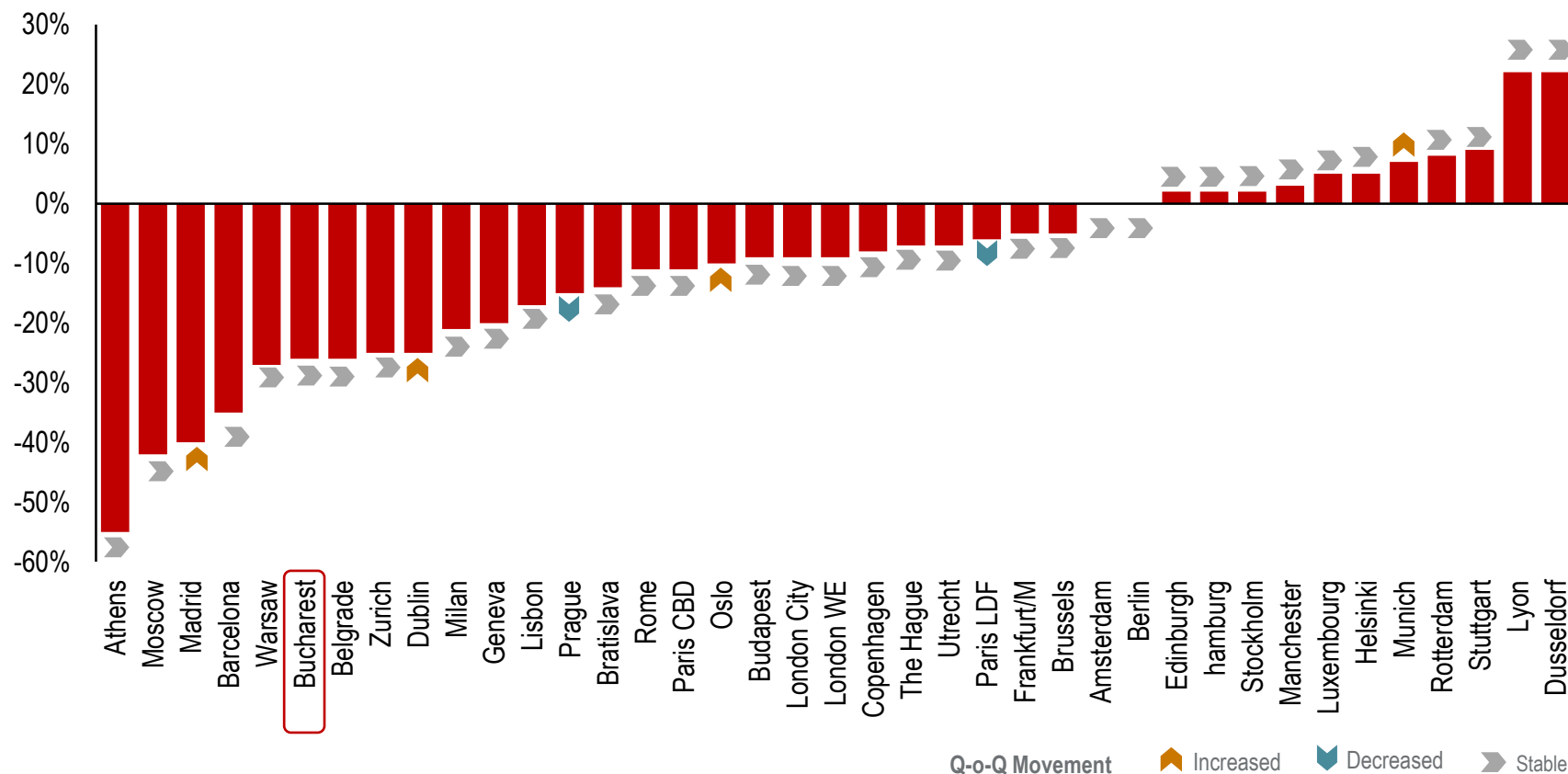
Office gross take-up change (Q3'13-Q2'14 vs Q3'12-Q2'13)



Source: JLL, July 2014

Prime Rents Mostly Below Last Peak

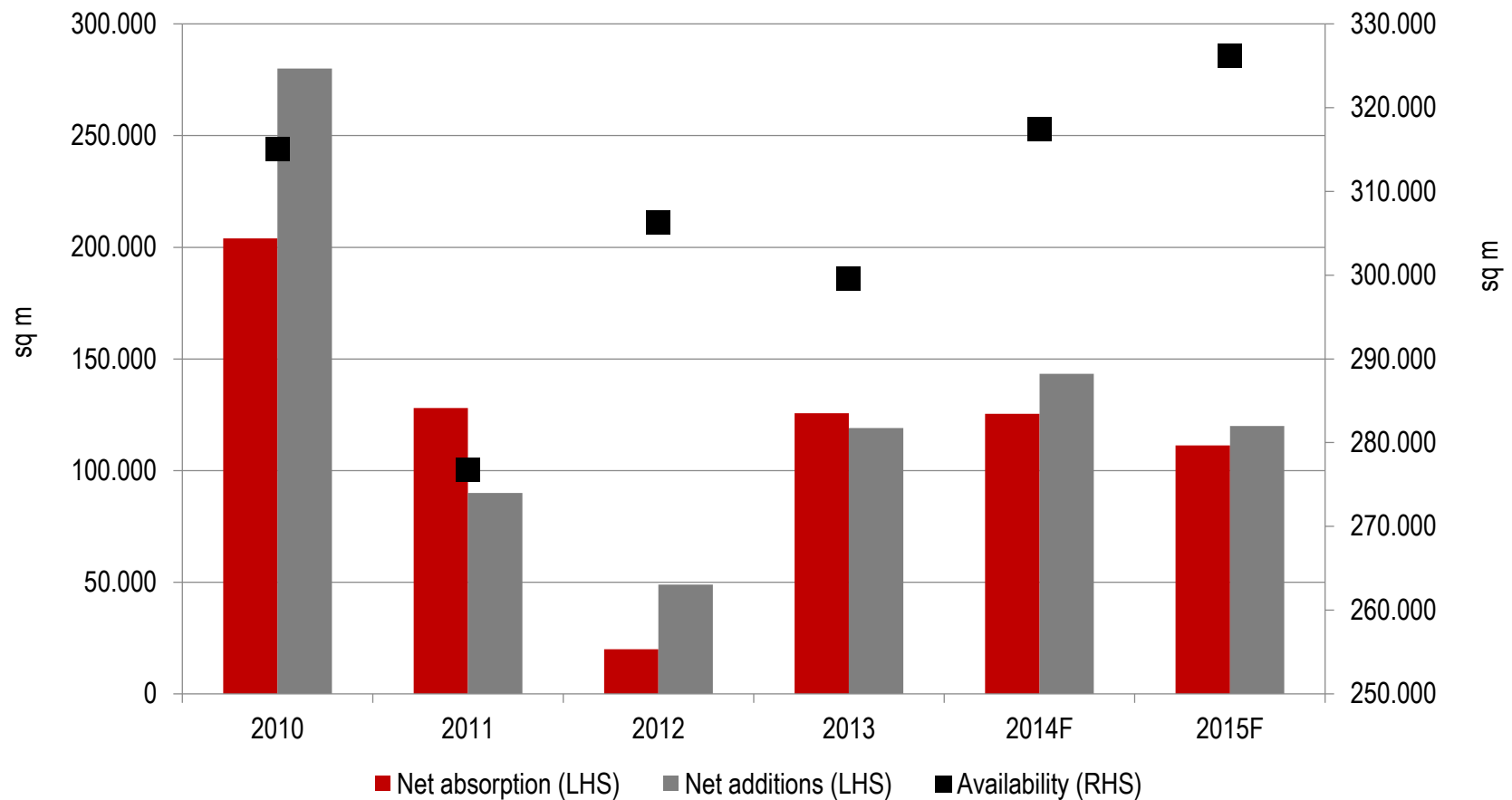
- Nominal prime office rents in Bucharest are well below last peak;
- Market has bottomed out.



Source: JLL, July 2014

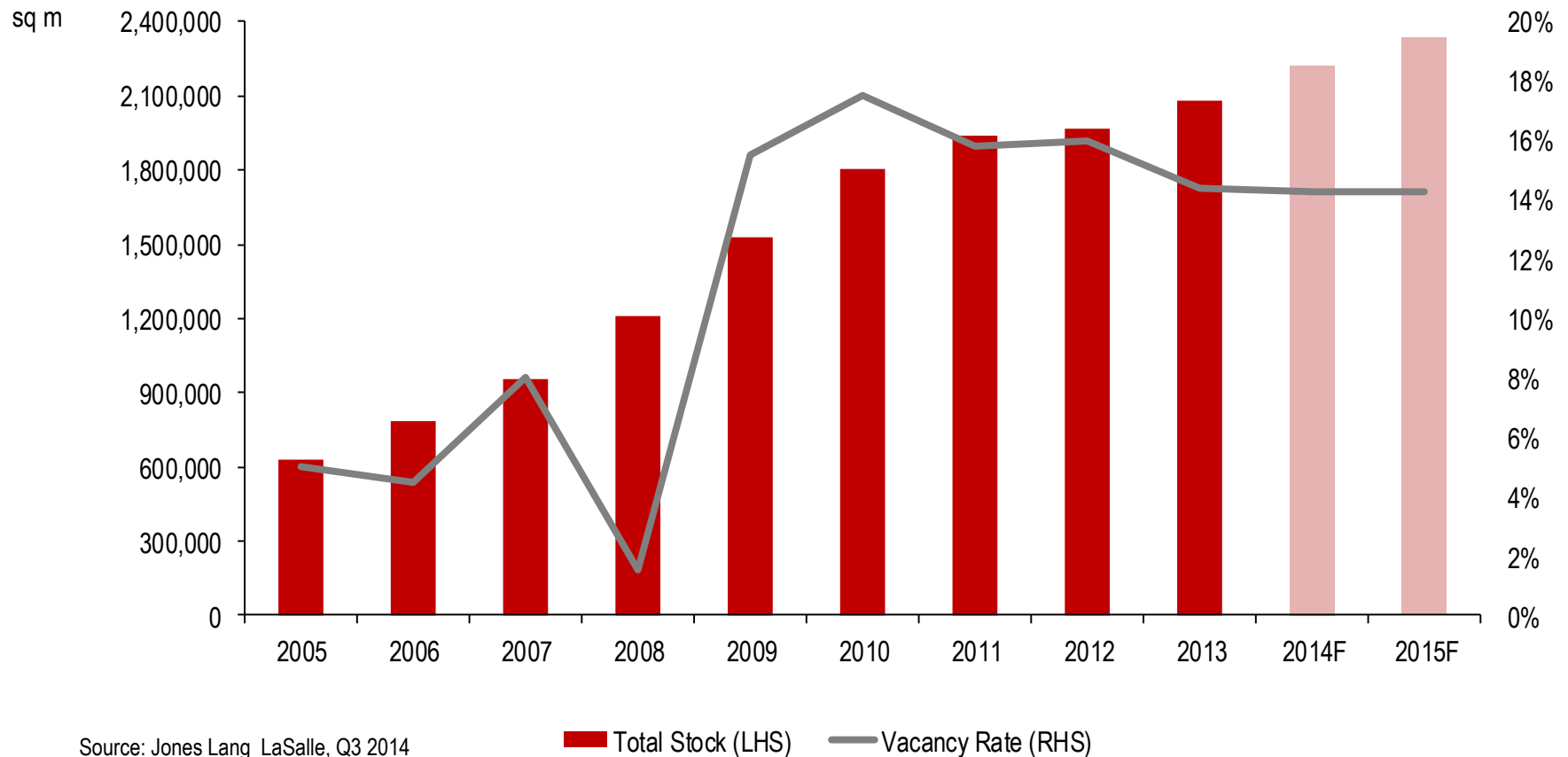
Bucharest Office Market

- In recent years net absorption up and net additions have been balanced, a small increase in availability is caused by office occupiers that are trading up (vacating poor stock)

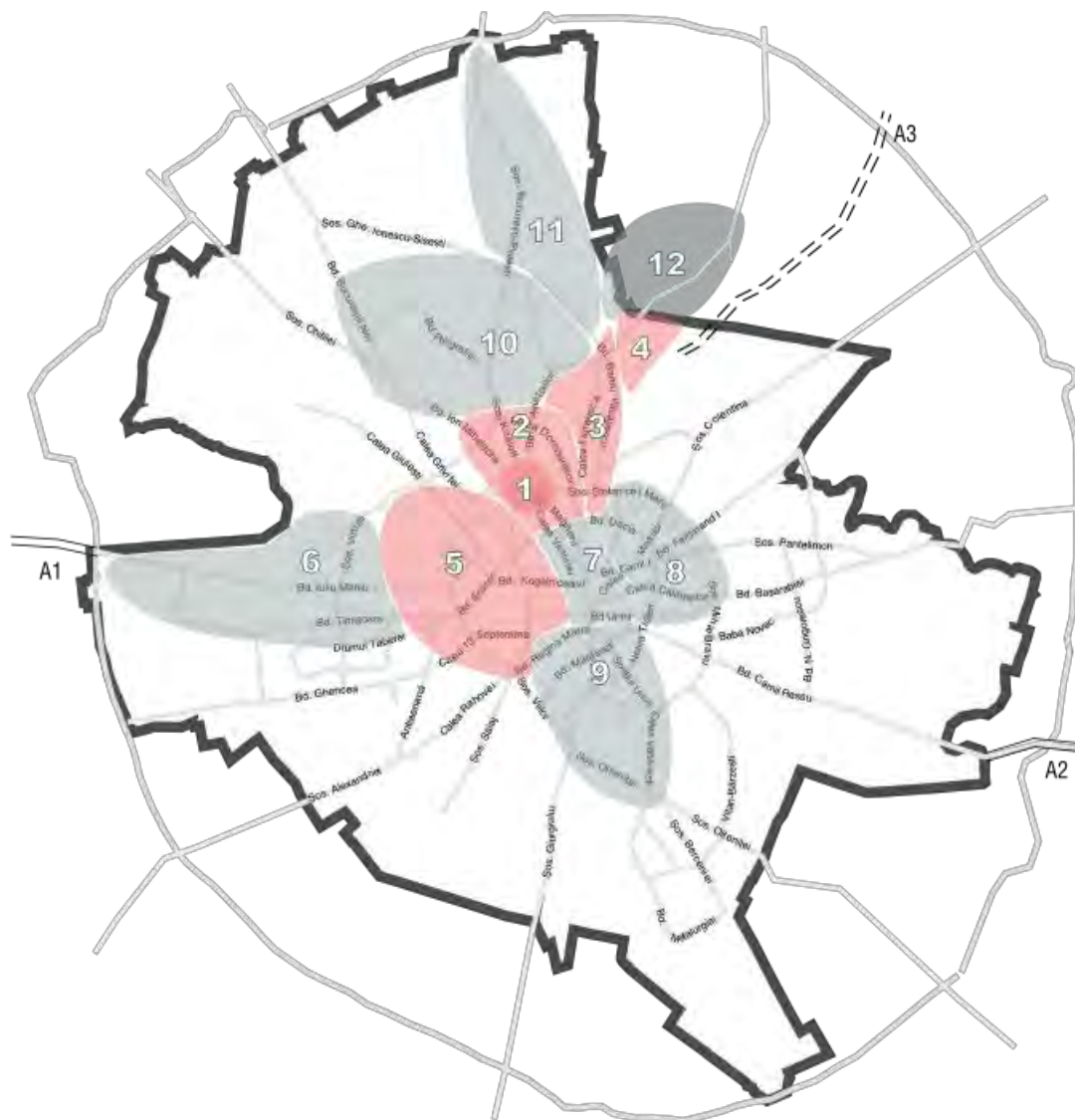


Bucharest Office Market

- Limited increases in net additions combined with strong net absorptions result in sliding vacancy;
- Vacancy is increasingly concentrated in older stock and poor locations.



Bucharest Office Sub-Markets (as of Q3 2014)



Sub-market	Stock (sq m)	Vacancy Rate (%)	Avg. hdl rent (€/sq m/mth)
1. CBD	233,790	11.1	16 – 18.5
2. Centre – North	152,128	9.2	15 - 17
3. Floreasca – BV	271,280	17.2	15 - 16
4. Dimitrie Pompeiu	261,167	6.1	12 -14
5. Centre – West	135,519	12.9	14 -16
6. West	146,500	2.5	10 -13
7. Centre	215,160	12.2	15 -17
8. East	110,867	16.6	12 -14
9. South	43,443	23.5	10 -12
10. North	300,642	9.4	15 -17
11. Baneasa	101,248	34.3	11 -13
12. Pipera North	191,600	35.5	10 -12
TOTAL	2,163,344	14.3	

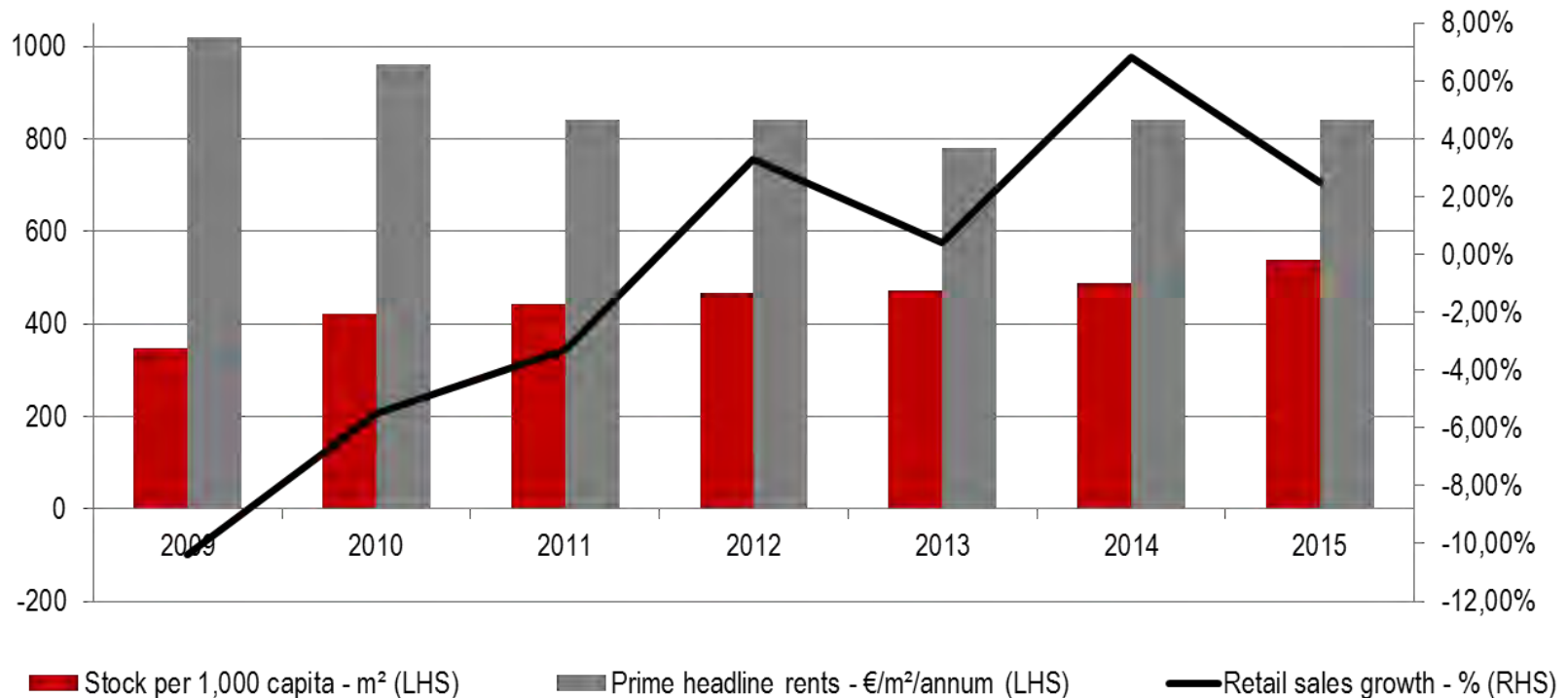
Office – Demand Drivers

The Romanian office market has strong long-term demand drivers

- **Underdeveloped services sector** in the local economy, the share of the service sector within the national economy is just 43% versus 66% in for example Hungary. Romania still has over represented primary (agriculture) and secondary (industrial) sectors;
- **Under represented (semi-) public sector** in office take up. While in the other countries in CEE the (semi-)public sector accounts typically for more than 5% of office take-up (20% in Hungary), in Romania, this percentage is far lower and estimated at cc. 2.2%;
- Romania has become the region's **second most sought after location for Business Process Outsourcing (BPO) and Shared Service Center (SSC) type of business** after Poland as we all as a major IT hub. This sector prefers Romania for the low cost per workstation and the relatively skilled workforce. Growth in this sector is giving the Romanian office market the ability to grow at a pace far above its theoretical capacity as defined by the size of its national economy;
- Romania has one of the **highest work station per sq m of office space** densities. As the Romanian labour market is becoming more competitive, densities will come down fuelling net take up.

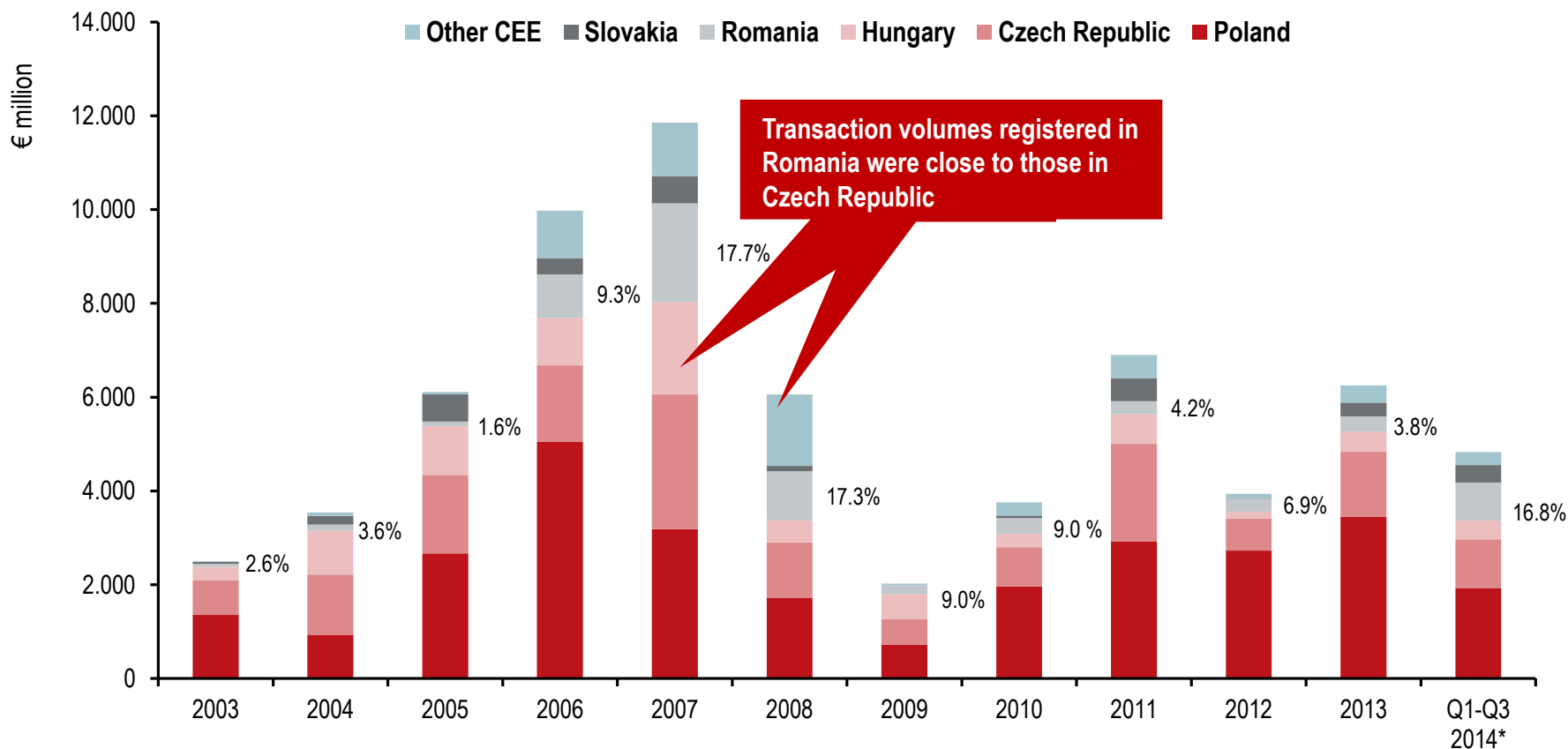
Bucharest Retail Market

- Demand from retailers is mainly focused on shopping centers with proven good performance as high street is massively underdeveloped
- 17 out of the Top 20 international retailers with the largest presence in Europe are active in Romania
- Eastern area of Bucharest still relatively undersupplied, but with 3 large projects in the pipeline
- Vacancy peaked but under pressure as new supply is limited and sales are picking up; rent outlook stable



CEE: Investment Volumes by Countries

2003 - Q3 2014* (excl. Russia)

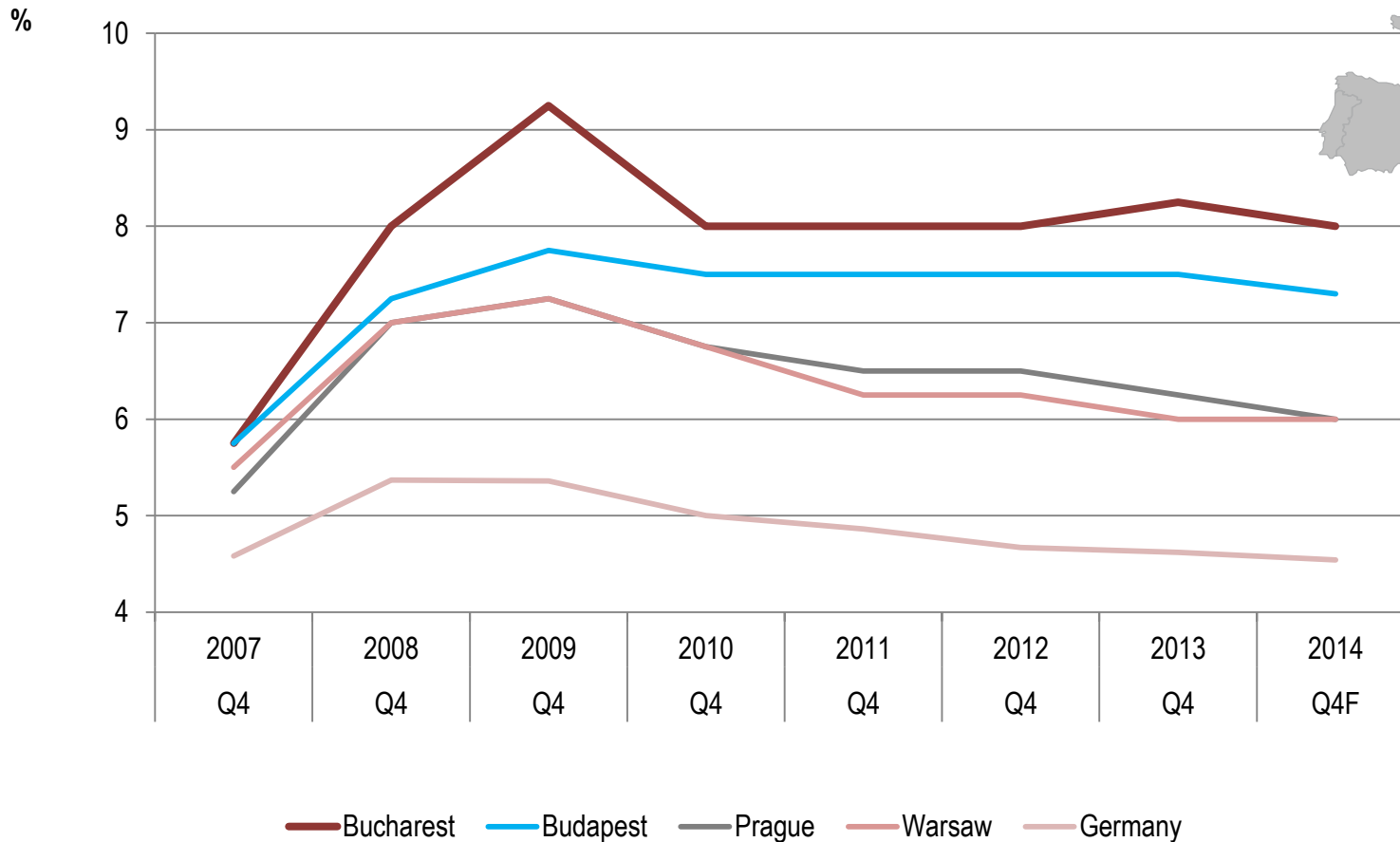


Source: JLL CEE Capital Markets, *Preliminary Q3 2014 Data

Volumes include development transactions.

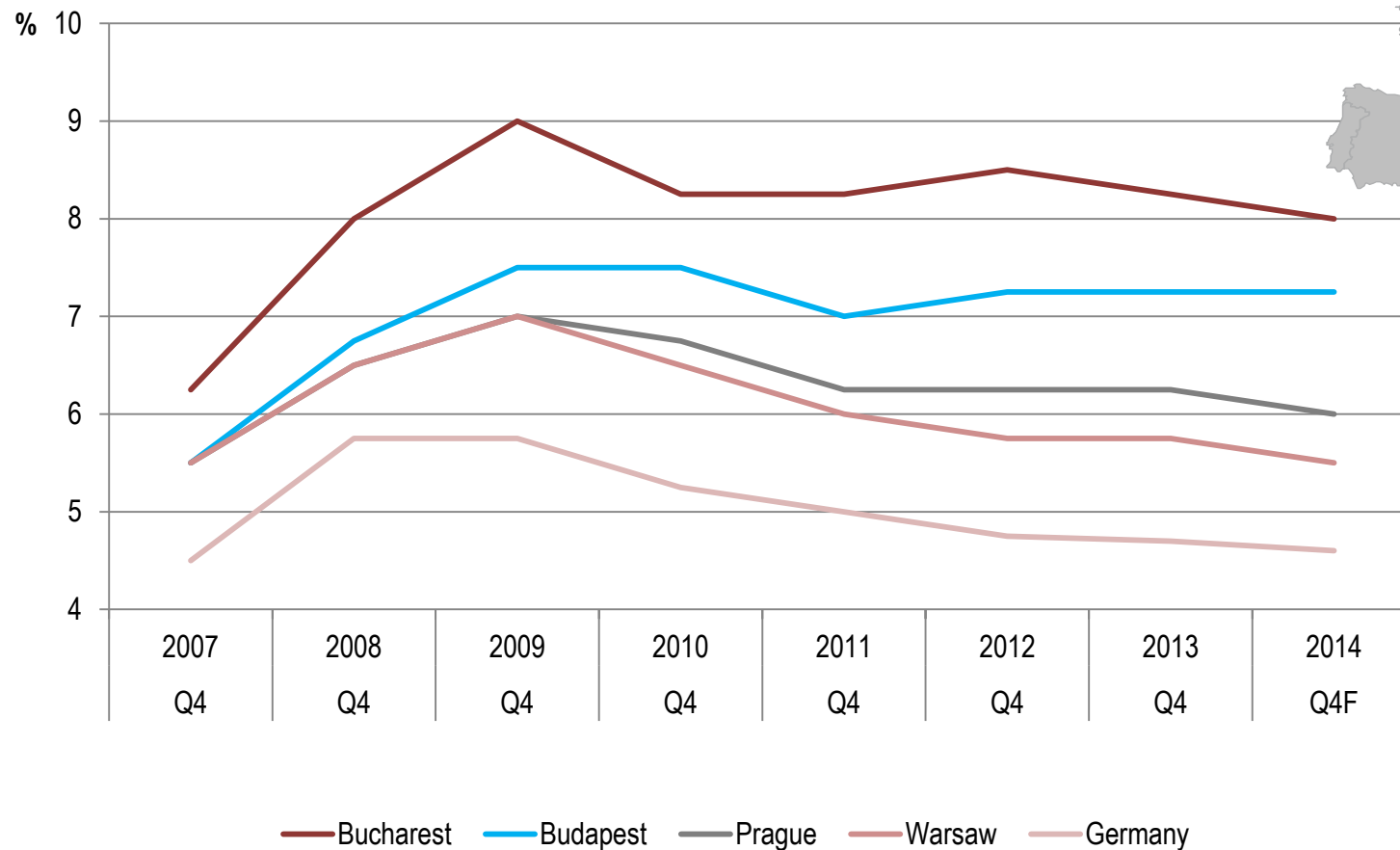
German vs. CEE Prime Office Yields

Yield spread between Romania and the core CEE countries at record level



Source: JLL, October 2014

German vs. CEE Prime Shopping Centre Yields



Source: JLL, October 2014

Romania Financing Availability

- 2006 / 2007 margins were below 100 bps, limited spread (cc. 10-25 bps) with the other countries in the CEE (Poland, Czech Republic) ;
- 2009 / mid-2012 was a period in which banks were very reluctant to new financing in real estate, dealing mainly with the management of the existing portfolio;
- Financing market improved since the second half of 2012, with several new large transactions being financed (AFI Group obtained € 13.4 million from UniCredit to finance the development of the first phase of AFI Office and € 30 million from Raiffeisen for the new shopping mall in Ploiesti);
- During the last two years, banks' sentiment towards real estate financing improved, in line with macroeconomic indicators;
- Margins in Romania are improving (from cc. 450-500bps to around 400bps in 2014 alone) as financing banks are facing downward pressure on margins across CEE.

Conditions	
LTC / LTV	50-65%
DSCR	1.20-1.30
Maturity	5-10 years (with balloon)
Full amortization	10-20 years
Interest risk hedging requirements	Depending on each bank's policy, loan amount and maturity

Romanian – Investment Market Outlook

- Liquidity has increased substantially in 2014, however the diversity of the buyer universe, although widened, remains a concern;
- Demand:
 - Demand for investment product in Romania has diversified since 2013. Investors pursuing value added or opportunistic strategies have stepped up their efforts also boosted by the surge in NPL portfolios offered for sale. Key investors include Global Worth, GTC/Lone Star, Revitas. Several new players are bidding, mainly PE vehicles;
 - Demand for Core product remains restricted to a few names including NEPI for retail and offices and P3 for industrial. A handful of other players is also targeting this segment.
- Availability of product:
 - Core: Several office buildings in the €20 – 100 million ticket size. Few retail and industrial assets, no very large (> €100 million) tickets expected;
 - Non core: NPL portfolios and related sales, quality of the collaterals often arguable.
- Pricing:
 - Core product not expected to show yield compression until costs of funding drop, spread remains high in Romania from a regional perspective.

Thank you



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GTC ROMANIA

**GTC Investor Day
November 2014**



GTC ROMANIA | MAIN FACTS

GTC Romania established in 1999

1st international real-estate developer in Romania and biggest until 2006

Since 1999 GTC Romania developed/delivered:

- 3 office buildings developed/delivered - Europe House, America House (sold), City Gate (operational);
- 4 malls developed/delivered - Galleria Suceava (sold), Galleria Arad, Buzau and Piatra Neamt (operational);
- 2 residential project developed;
- 2 plots for retail development, 2 residential plot, 1 office plots - Green Dream (development), Ana Tower (stand by).

Total GLA developed/delivered 88,800 sq m of office space (41,000 sq m already sold), retail 70,000 sq m, residential GBA 93,600 sq m

Occupancy: Office 93%, Retail 83%, residential - sold/delivered 90%

SOLD ASSETS | EUROPE HOUSE | GTC'S SUCCESSFUL INVESTMENT IN SEE



Description

- Located within the Bucharest CBD, with Victoriei metro and bus station just in front of the property.
- Enjoying a CBD location the property is served by numerous facilities and amenities

Location

Victoria square
Bucuresti, Romania

NLA	sq m	13,500
Floor area:	sq m	1,550 sq m /floor
Construction	year	2000/2002
Initial investment	\$m	25
Sold	year	2003
Selling price	\$m	30
Yield (2003)	%	12%



SOLD ASSETS | AMERICA HOUSE | GTC'S SUCCESSFUL INVESTMENT IN SEE



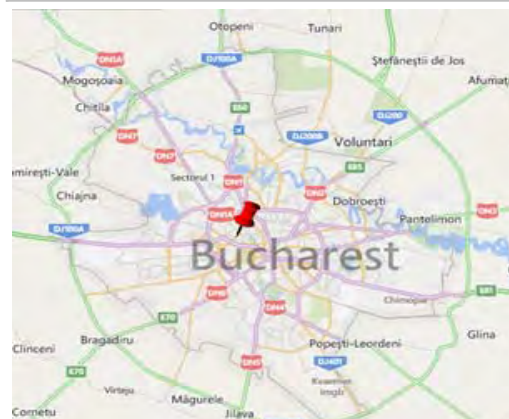
Description

- Located within the Bucharest CBD, with Victoriei metro and bus station in the very close vicinity
- Enjoying a CBD location the property is served by numerous facilities and amenities.

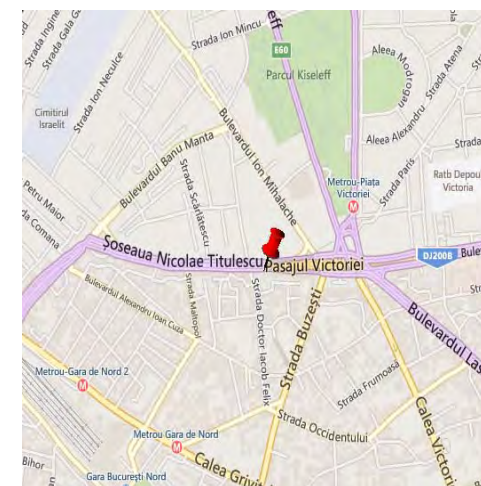
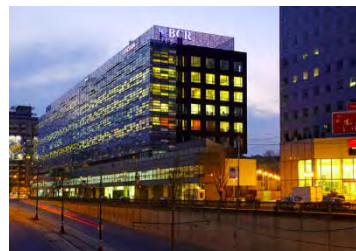
Location

Victoria square
București 011141, Romania

Tenants



NLA	sq m	27,500
Floor area:	sq m	1,540 sq m /floor
Construction	year	2004/2005
Initial investment	€m	32
Sold	year	2007
Selling price	€m	120
Yield (2007)	%	5.5%



GTC ROMANIA | STANDING PORTFOLIO



GALLERIA ARAD



GALLERIA PIATRA NEAMT



Piatra Neamț

Arad

Buzău

Bucharest

ROSE GARDEN (Residentials)



CITY GATE (Core Asset)



GALLERIA BUZAU



YIELDING PORTFOLIO | CITY GATE | A FLAGSHIP OFFICE BUILDING IN BUCHAREST



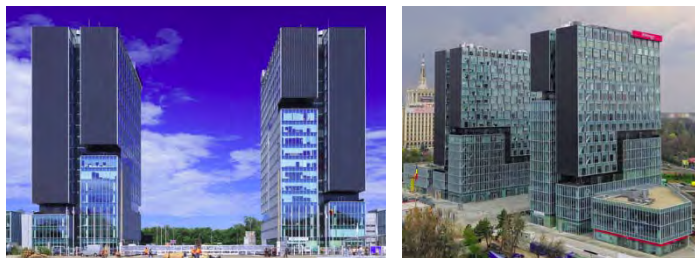
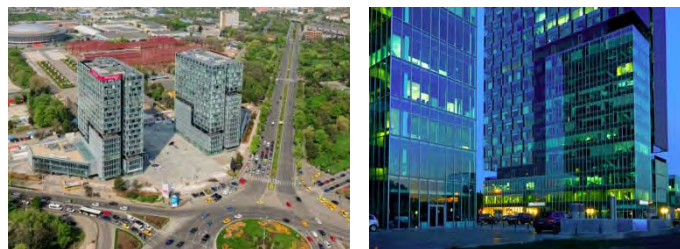
Description

- A class office project located in Bucharest, completed in 2009.
- LEED Certificate (Gold & Silver)
- Total office lettable area 47,800 sq m
- The typical floor has over 1,000 sq m
- Great accessibility from the other areas of the city
- Situated in the vicinity of 5-star hotels and A class office developments, close to the two airports of Bucharest

NLA	sq m	47,800
Parking	#	1,000
Land plot (Leasehold)	sq m	14,469
Occupancy	%	93%
GTC share	%	58.91%
WALT	years	3.5

Location





Piata Presei Square,
Bucharest , District 1



Tenants



NON CORE PORTFOLIO | GALLERIA PIATRA NEAMT/GALLERIA ARAD/GALLERIA BUZAU

			
Description	<p>GALLERIA BUZAU 13,400 sq m</p> <ul style="list-style-type: none"> Opened in September 2008, Galleria Buzau is the first commercial center in Buzau Located on the main boulevard and commercial zone of the city, 5 minutes driving distance to city center 44 units on 2 commercial floors Over 1.3 million annum visit ors 	<p>GALLERIA PIATRA NEAMT 12,800 sq m</p> <ul style="list-style-type: none"> Opened in September 2009, It is the only commercial center in Piatra Located on the main boulevard crossing the city, in a central and residential neighborhood, 5 minutes driving distance to city center 47 units on 2 commercial floors Over 1.6 million annum visitors 	<p>GALLERIA ARAD 32,300 sq m</p> <ul style="list-style-type: none"> Opened in October 2011 Best Retail Development in CEE 2011 Over 2.7 million annum visitors Central offices of Municipality of Arad for ID, Passport and Driving Licence
Location	Buzau 101A Unirii, BLD	Piatra Neamt 2 nd , Plaiesului St.	Arad Calea Aurel Vlaicu 225-235
Tenants			

RESIDENTIAL PROJECT | ROSE GARDEN | ACCELERATE SELLING PROCESS

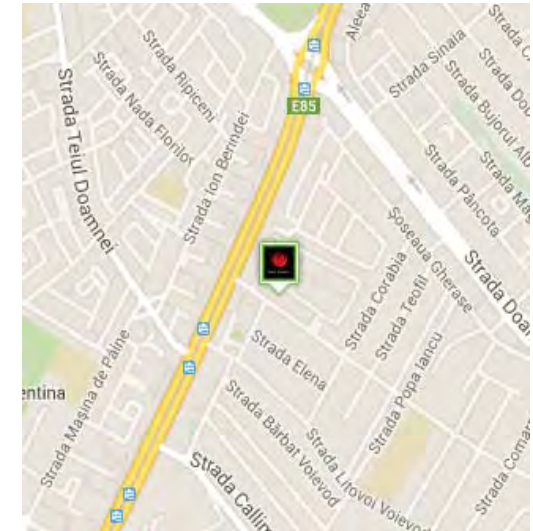


La vie en Rose!
Complex Residential Nou in Colentina, lângă Kaufland

Description

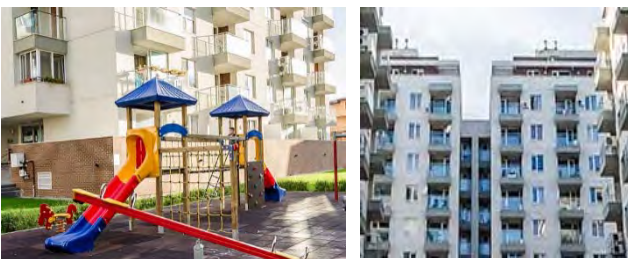
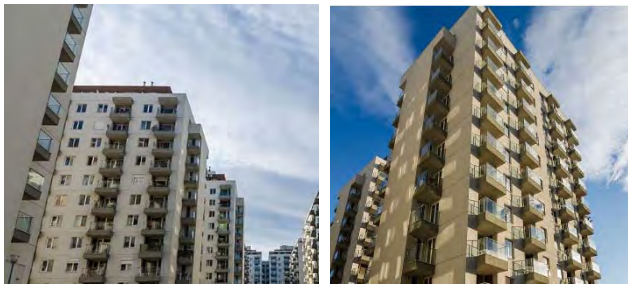
ROSE GARDEN

- North – Eastern part of Bucharest
- Various markets and hypermarkets in the vicinity (Kaufland, Bucur Obor), playground, market inside the compound, green areas, beauty centers
- Number of buildings: 11
- 80 appart. available for sale out of 908 built
- Current selling rate – 11 units/month

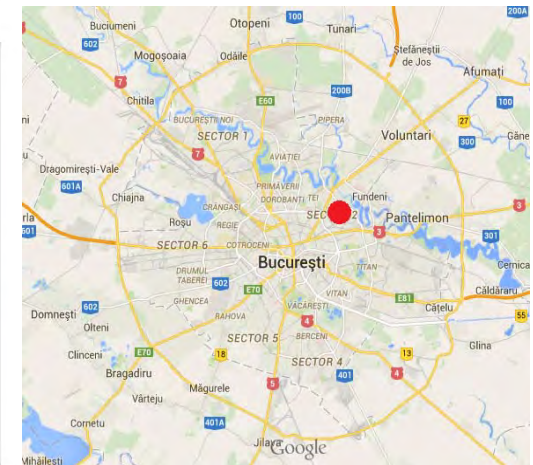


Location

16 Colentina Boulevard
Bucharest, District 2



Map



OPPORTUNITIES | BUCHAREST OFFICE MARKET

Advantages

- Strong international tenants looking for A class buildings
- BPO, SSC and IT Software Development Centers increasingly target Romania due to the availability of quality office product at competitive pricing
- Bucharest continues to consolidate its status as one of the CEE region's key outsourcing locations
- Planned infrastructure improvements (metro network upgrade, improved road access) will open-up new attractive locations in Bucharest
- Various distressed assets potentially available
- Quality professional services available for real estate investors
- Yields below 10%

Weaknesses

- Increasing competition from few powerful developers (e.g., NEPI, Globalworth, AFI) and local players (Liviu Tudor)
- Tenants expectations and demands are high (e.g., high fit-out contributions, longer rent-free periods, flexible contract terms)
- Tenant's consolidations trends threatens multiple locations leases

Opportunities

- Further developments available on exiting plots (Green Dream up to 23,700 sq m GLA)
- Stabilizing land prices and additional land reconversion opportunities (e.g., factories relocations)
- Acquisition opportunities of operational office buildings with relatively high occupancy rates
- Growing service sector in Romania's economy (under-represented compared to CEE countries) should fuel demand for offices
- Decreasing financing costs for bankable projects
- Opportunities to relocate existing tenants in new purpose-built developments

OPPORTUNITIES | GREEN DREAM | DEVELOPMENT PROJECT



Description

- Located in the Northern part of Bucharest.
- Class A office building with total office lettable area of 32,000 sq m
- First phase will have lettable area of 8,000 sq m.
- Will have green building standards

Location

Piata Presei – Poligrafiei Street
(next to the future metro station)

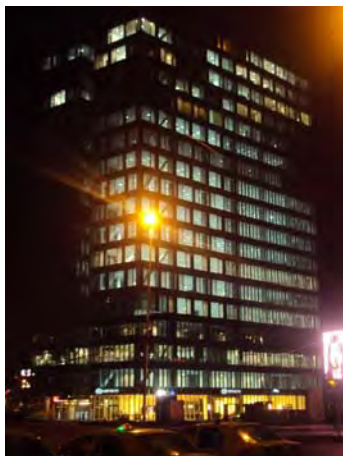
OPPORTUNITIES | SUMMARY

Expand and maintain stable cash generating portfolio

Exit secondary cities

Focus on development and acquisition in the capital city - Bucharest

Thank you !



BUDAPEST OFFICE

MARKET UPDATE



A Cushman & Wakefield Research Publication

19 NOVEMBER 2014





ECONOMIC SNAPSHOT

HUNGARY Q3 2014

CUSHMAN & WAKEFIELD HUNGARY MARKET UPDATE

COUNTRY OVERVIEW

OFFICE MARKET
UPDATE

MARKET OUTLOOK					
GDP	ROBUST GROWTH IN 2014 AND MODERATION IN 2015				
INFLATION	TO TURN MARGINALLY POSITIVE IN H2 AND PICK UP IN 2015				
INTEREST RATE	ON HOLD AT 2,1% UNTIL THE END OF 2014				
EMPLOYMENT	TO CONTINUE TO IMPROVE				
ECONOMIC SUMMARY					
ECONOMIC INDICATORS*	2011	2012	2013	2014 ^F	2015 ^F
GDP growth	1.6	-1.7	1.2	3.1	2.3
Consumer spending	0.4	-1.6	0.2	2.3	2.5
Industrial production	5.7	-1.4	1.7	8.1	5.6
Investment	-5.9	-3.7	5.9	13.4	1.1
Unemployment rate (%)	11.0	10.9	10.3	7.9	8.0
Inflation	3.9	5.7	1.7	0.2	2.5
HUF/€ (average)	279.3	289.3	297.0	309.94	305.72
HUF/US\$ (average)	201.0	225.1	223.7	233.09	247.54
Money market rate (%)	6.2	7.0	4.3	2.4	2.5
Interest rates 10-year (%)	7.6	7.9	5.9	5.0	4.7

NOTE: *annual % growth rate unless otherwise indicated. E estimate F forecast
Source: Oxford Economics Ltd. and Consensus Economics Inc

Forecasts for the Hungarian economy have been upgraded further, with 3.1% now expected for this year – the best performance since 2006 – followed by 2.3% in 2015.

The 2014 performance is expected to exceed the Slovakian, the Czech and the Romanian performance.



BUDAPEST OCCUPATIONAL MARKET

CUSHMAN & WAKEFIELD HUNGARY MARKET UPDATE

BUDAPEST OFFICE MARKET – KEY FACTS

OFFICE MARKET
UPDATE

YEAR	NEW SUPPLY	NET ABSORPTION	VACANCY on spec stock	GROSS TAKE-UP	PRIME HEADLINE RENT
YoY CHANGE	+14.6%	+52.7%	-9,1%	+43,0%	Unchanged
Q3 2014	38 268 sq m	89 078 sq m	16.9%	348 557 sq m	€21.0 per sq m per month

CURRENT AND MAIN EXPECTED FUTURE TRENDS	
MARKET SIZE	<ul style="list-style-type: none"> ✓ Total market size reached 3.22 million sq m. We anticipate the total stock to expand with an additional 20,000 sq m and 3 buildings by the end of 2014. ✓ NEW STOCK IS CONCENTRATED in the Váci corridor.
NEW SUPPLY	<ul style="list-style-type: none"> ✓ New supply in the first 3 quarters reached 49,500 sq m. Annual new supply dropped from the pre-crisis level of 230,000 sq m per annum (av of 2006-2010) to 64,600 sq m per annum projected for this year. ✓ The current level shows significant improvement from the 2012-2013 level. NEW SPECULATIVE STOCK IS BEING DELIVERED ON THE MARKET FROM THIS YEAR. ✓ WE EXPECT THE NEW SUPPLY WILL REACH 60,000 SQ M IN 2015.
VACANCY	<ul style="list-style-type: none"> ✓ Speculative construction has been limited in the last 2 years as developers remained pre-let oriented helping vacancy levels to improve from 21% up to 16.9%, REPRESENTING PRE-CRISIS VACANCY LEVELS. ✓ Vacancy rates are still high in CEE comparison, though we expect vacancy to improve further in 2014-2015 up to 15% which will be in line with the Prague vacancy levels.
NET ABSORPTION	<ul style="list-style-type: none"> ✓ Net absorption was at 89,000 sq m in the first 3 quarters of 2014, which is the highest figure since 2008. Q3 2014 net absorption is at 34,000 sq m which is a 6-year record. ✓ WE EXPECT THE ABSORPTION FOR 2014 TO REACH C. 100,000 SQ M, assuming return to economic growth.
PRIME RENT	<ul style="list-style-type: none"> ✓ PRIME RENTS REMAINED STABLE. CBD rents are at the upper end of rents achieved in other core CEE capitals.
INCENTIVES	<ul style="list-style-type: none"> ✓ In a very tenant-led market LARGE BUT SHRINKING INCENTIVE PACKAGES are general. We expect the level of incentives to shorten further in the near future which should result in pockets of rental growth in the medium term.

In the letting market, as vacancy deteriorates and supply and demand rebalance, incentives and other tenant inducements will gradually be withdrawn and, over the medium term, positive rental growth should follow.

OFFICE OCCUPATIONAL MARKET OUTLOOK

OFFICE MARKET
UPDATE

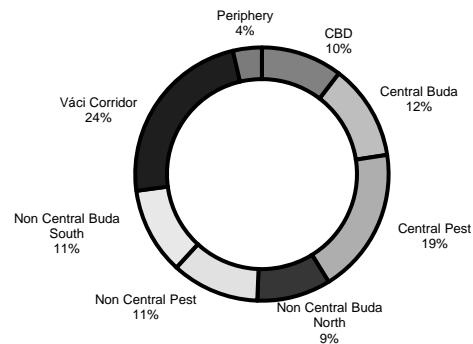
MARKET OUTLOOK	
PRIME RENTS	SHORTENING OF INCENTIVES SHOULD RESULT IN POCKETS OF RENTAL GROWTH IN THE MEDIUM TERM.
PRIME YIELDS	THE TIGHT SUPPLY OF AVAILABLE ASSETS WILL DETRACT FROM HIGHER TRADING VOLUMES.
SUPPLY	AGAINST A SLIM SPECULATIVE PIPELINE, THE OVERALL VACANCY WILL CONTINUE TO DECLINE.
DEMAND	HEALTHY ACTIVITY IS EXPECTED IN THE FINAL QUARTER CONTRIBUTING TO A RECORD ANNUAL TAKE-UP LEVEL.

The positive momentum in the Hungarian office market over H1 2014 continued into Q3 and, as business confidence continues to grow, both the occupational and investment markets reacted to the positive news.

Recent office investment deals brought the Q3 performance to a 3-year high, while the letting activity helped to erode another large portion of the current overhang of supply, thereby reducing the vacancy rate further. Consequently, pockets of rental growth and yield compression were evident in Budapest, typically along the Váci Corridor.

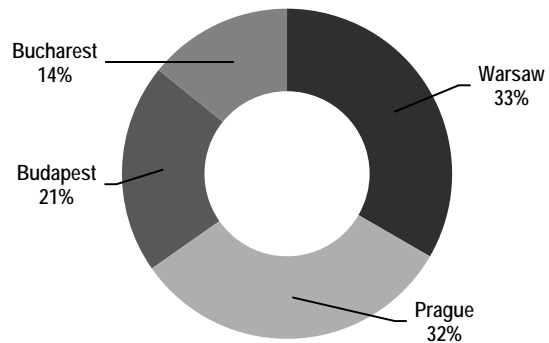
OFFICE OCCUPATIONAL MARKET SIZE

OFFICE MARKET
UPDATE

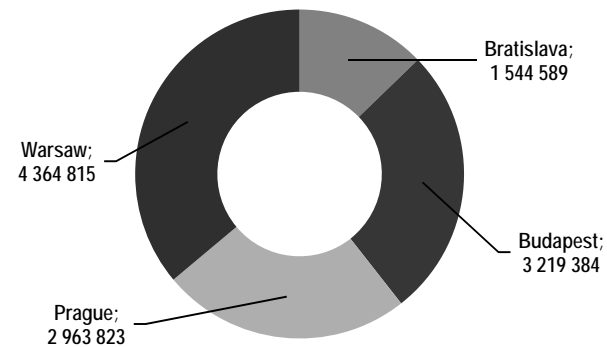


STRUCTURE OF BUDAPEST OFFICE STOCK

Total office stock in BUDAPEST reached 3.20 million square metres.



OFFICE SPACE GLA PER 1,000 POPULATION



SIZE OF OFFICE STOCK IN CEE CAPITALS

Warsaw office market of 4.20 million square metre is still the largest market in the region, followed by Budapest and Prague.

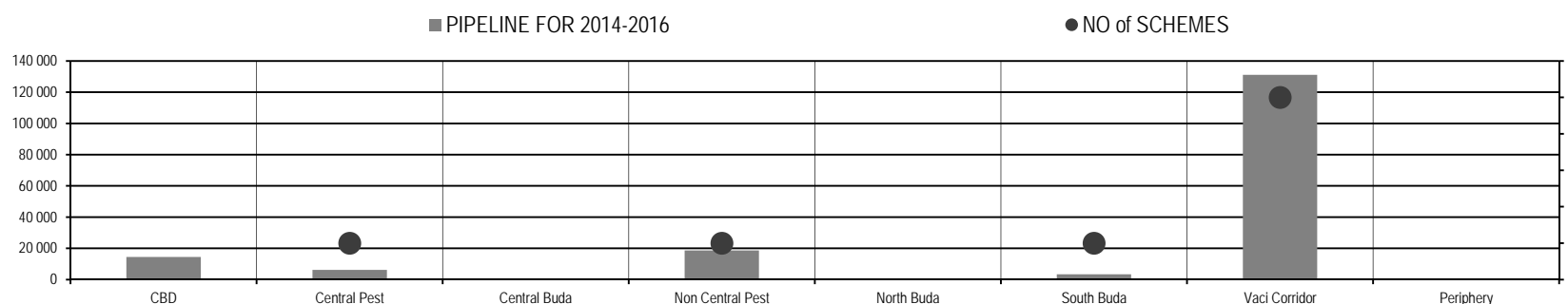
OFFICE OCCUPATIONAL MARKET – NEW SUPPLY

OFFICE MARKET
UPDATE

- ✓ There have limited speculative developments on the market. Vision Tower South by Futureal (9,900 sq m), Váci Greens B and C by Atenor (42,000 sq m) and Nordic Light by Skanska (19,600 sq m) are planned to be handed over the next couple of quarters.
- ✓ Latest completions include the Váci Corner Offices (HB Reavis; 21,000 sq m) handed over in Q2 2014, the Eiffel Palace (Horizon Development; 14,500 sq m) on the edge of CBD, handed over in Q1 2014, and Vision Tower North (Futureal, 11,125 sq m), handed over in Q3 2014.

Váci Corridor continues to deliver most new supply.

On the development side, Budapest market is seeing a slow and gradual delivery of new space, thus enabling the market to re-calibrate.



BUILDING NAME	SUBMARKET	STATUS	DELIVERY YEAR	TOTAL GLA	DEVELOPER
Vision Tower South	Váci corridor	Under construction	2014	9 900	Futureal
Corvin Corner	Central Pest	Under construction	2014	6 200	Futureal
Nordic Light	Váci corridor	Under construction	2015	19 600	Skanska
Váci Greens B / C	Váci corridor	Under construction	2015 /16	42 000	Atenor
V17	Váci corridor	Proposed	2016	12 800	Wing

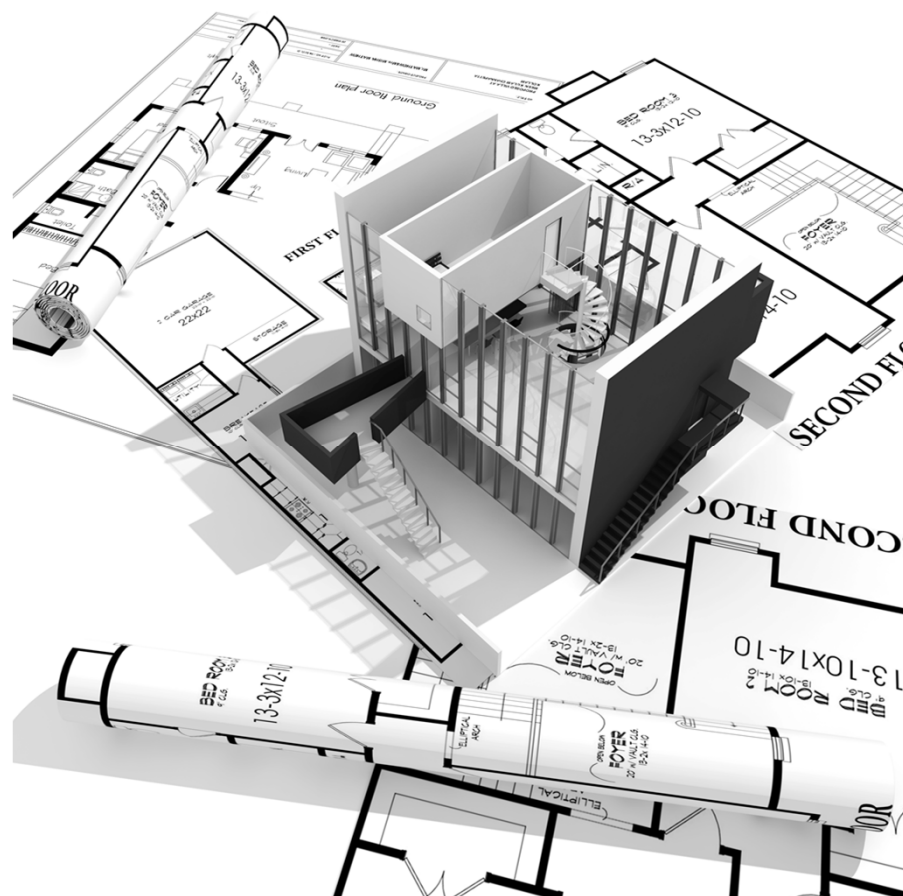
OFFICE OCCUPATIONAL MARKET – NEW SUPPLY

OFFICE MARKET
UPDATE

On the development side, Budapest market is seeing a slow and gradual delivery of new space, thus enabling the market to re-calibrate.

- ✓ Since the peak in oversupply in late 2012, fuelled by the positive absorption of space, the vacancy rate has gradually fallen from 21.5% to as low as 16.9% at the end of September, with even lower vacancy for best in class assets.
- ✓ Future completions are expected to gear-up, and with the existing demand levels being viewed as sustained, the vacancy rate is expected to continue to fall over the next 12 months.

The lack of Grade 'A' space in Budapest available for large occupiers is the real window of opportunity for developers from 2015 onwards.



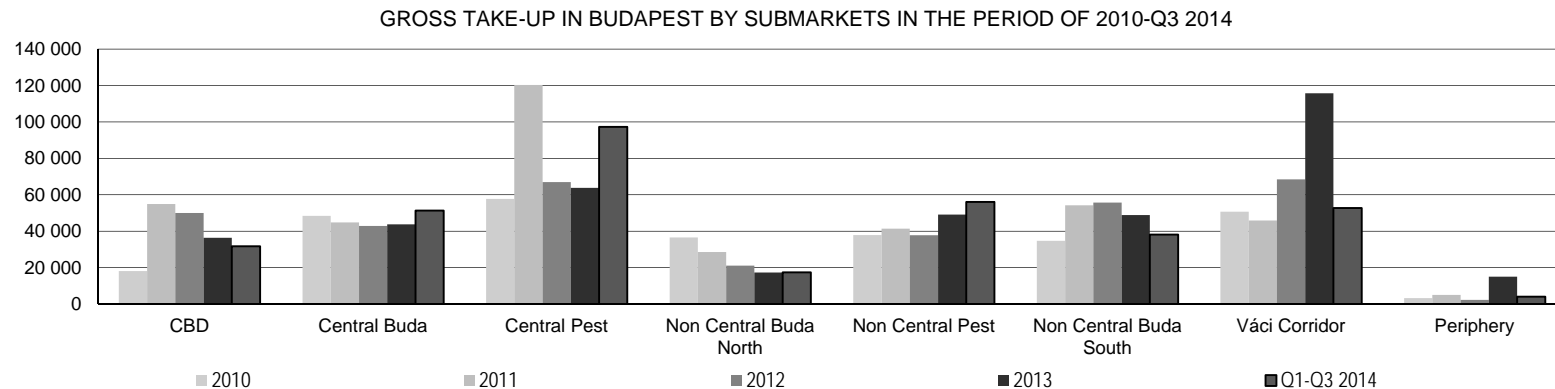
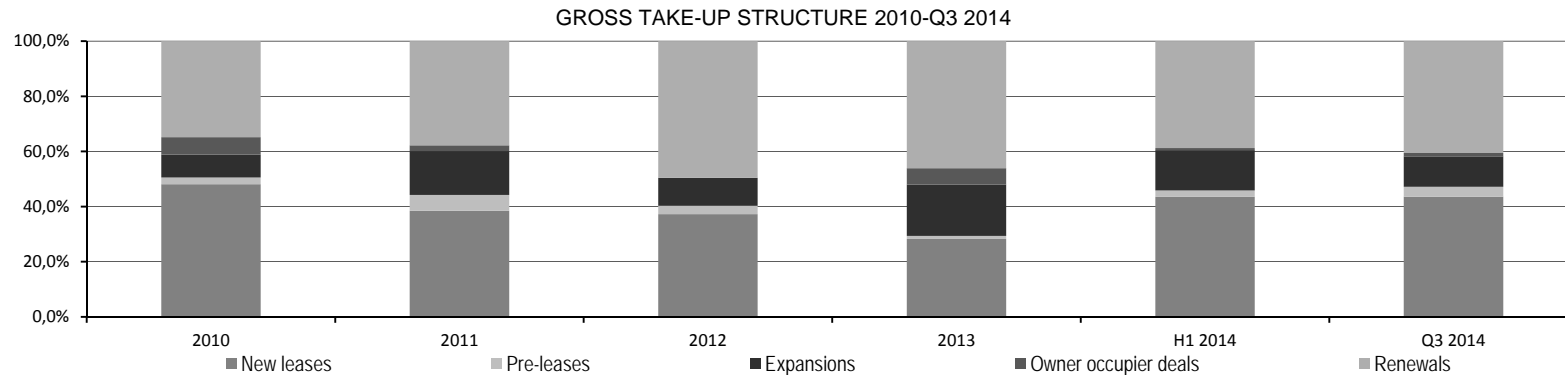
OFFICE OCCUPATIONAL MARKET - DEMAND

OFFICE MARKET
UPDATE

The highest activity is driven by renegotiations in 2014 in the Central Pest submarket; however to some extent this is being forced by a lack of new supply.

Over Q3, tenants committed to nearly 100,000 sq m of office space. This figure – albeit falling behind the exceptionally strong Q2 – is on par with the same quarter in 2013 as well as with the 3-year quarterly average and further supports the signs of a stabilising market.

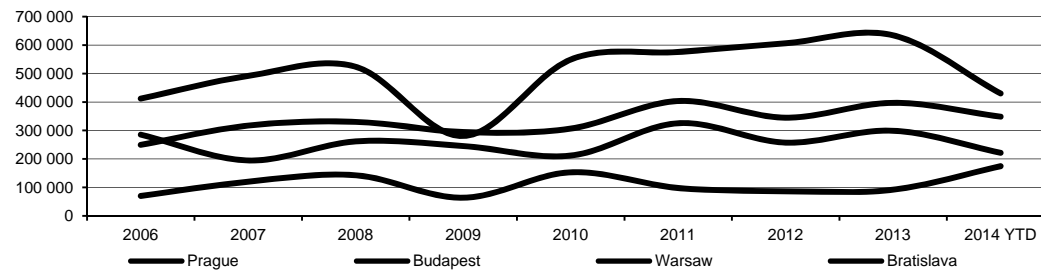
✓ Expansion-based business strategies continues to fuel activity, with SSC's taking more than 15,500 sq m over the quarter. The public sector again posted significant requirements taking a total of 18,800 sq m, although the key driver here remains consolidation rather than expansion.



OFFICE OCCUPATIONAL MARKET - DEMAND

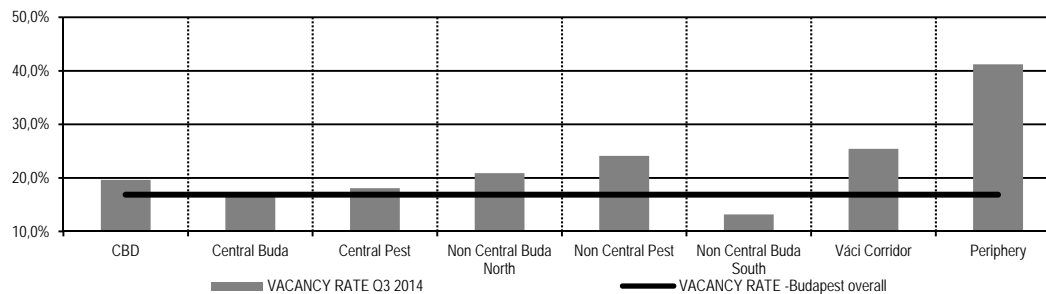
OFFICE MARKET
UPDATE

ANNUAL TAKE-UP LEVEL IN CEE CAPITALS IN THE PERIOD OF 2006-Q3 2014



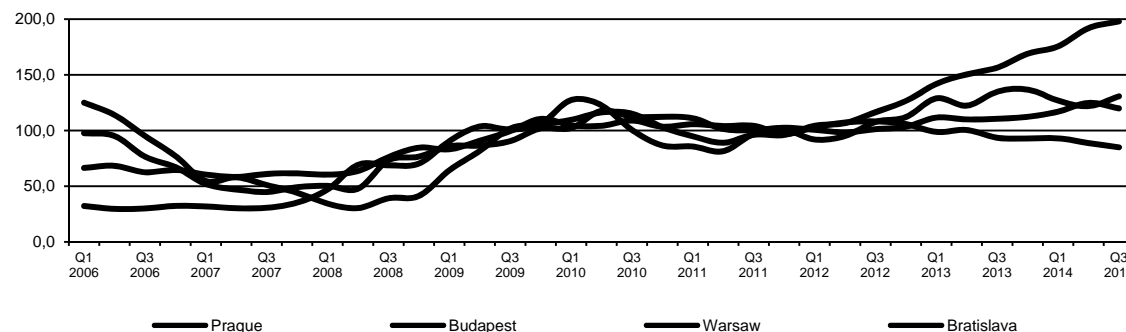
Budapest demand level is the second highest in the CEE region.

VACANCY RATES BY SUBMARKETS Q3 2014 VS BUDAPEST OVERALL



- ✓ Vacancy rates improved in all submarkets over the course of Q3 2014 with the exception of the Periphery submarket, where the net absorption remained negative. The overall Budapest vacancy rate improved from 17.6% to 16.9% (over total stock).

VACANCY RATES IN CEE CAPITALS according to 5-year average



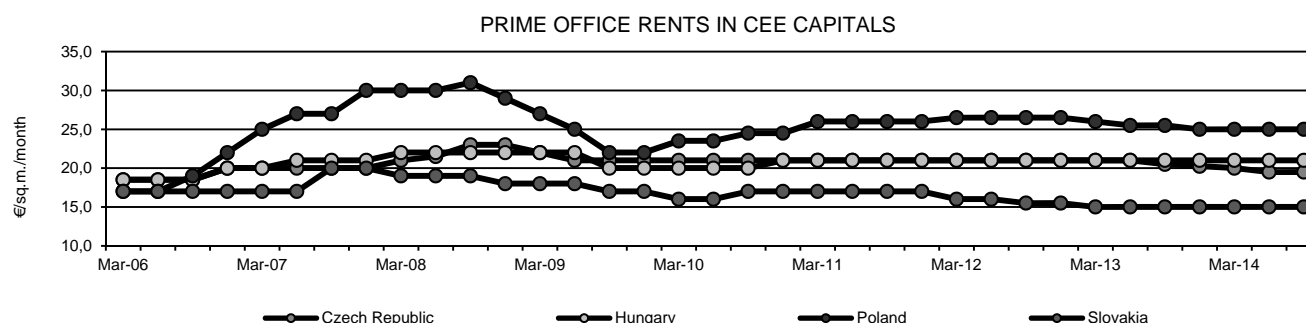
The limited speculative pipeline should keep vacancy on a downward path, being the only market in the CEE on such a trend.

OFFICE OCCUPATIONAL MARKET - RENTS

OFFICE MARKET
UPDATE

Rental levels are generally stable. Headline rents should, in all likelihood, remain unchanged for the year, although the lack of new supply is already reducing incentives given.

PRIME OFFICE RENTS – Q3 2014					
MARKET Submarket	€	€	US\$	Growth %	
	sq m/month	sq m/year	sq ft/year	1Year	5Year CAGR
BUDAPEST CBD	21.00	252	29.6	0.0	1.0
BUDAPEST CENTRAL BUDA	15.00	180	21.1	0.0	-0.7
BUDAPEST VÁCI CORRIDOR	14.50	174	20.4	1.8	0.3
BUDAPEST PERIPHERY	10.00	120	14.1	0.0	-1.9



We anticipate incentives will shrink further therefore headline rents start to grow.



BUDAPEST OFFICE INVESTMENT MARKET

CUSHMAN & WAKEFIELD HUNGARY MARKET UPDATE

OFFICE INVESTMENT FOCUS

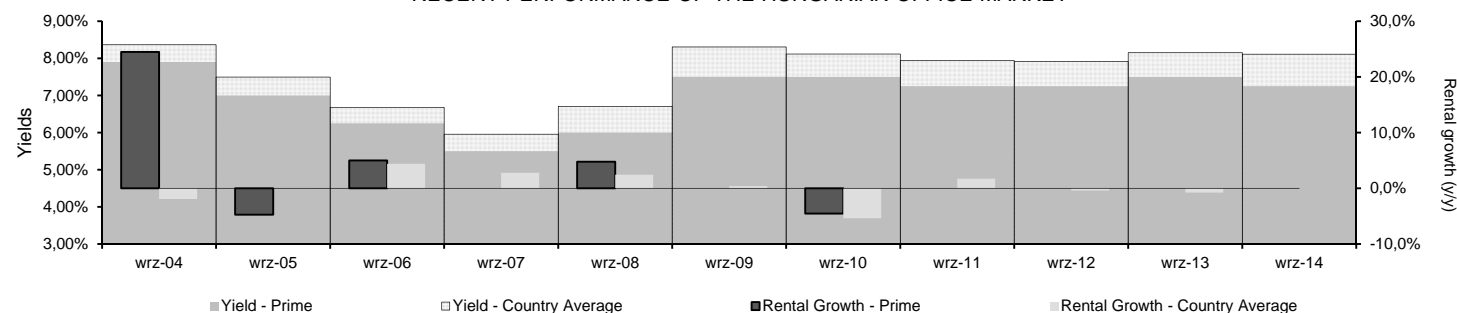
OFFICE MARKET
UPDATE

Investment appetite for newly built prime assets has increased this year, whereby several office buildings were acquired in Budapest's CBD and along the Váci Corridor. The increased levels of interest and the overall lack of prime investment grade stock has finally seen pricing levels move with yields hardening in Q3 2014 for the first time since late 2010.

PRIME OFFICE YIELDS – SEPTEMBER 2014

MARKET SUBMARKET	CURRENT	LAST		10 YEAR	
(figures are gross, %)	QUARTER	QUARTER	YEAR	HIGH	LOW
BUDAPEST CBD	7.25	7.50	7.50	8.00	5.50
BUDAPEST CENTRAL BUDA	8.00	8.00	7.75	8.00	5.75
BUDAPEST VÁCI CORRIDOR	7.75	8.00	8.25	8.50	6.00
BUDAPEST PERIHPERY	9.25	9.25	9.25	10.00	7.00

RECENT PERFORMANCE OF THE HUNGARIAN OFFICE MARKET



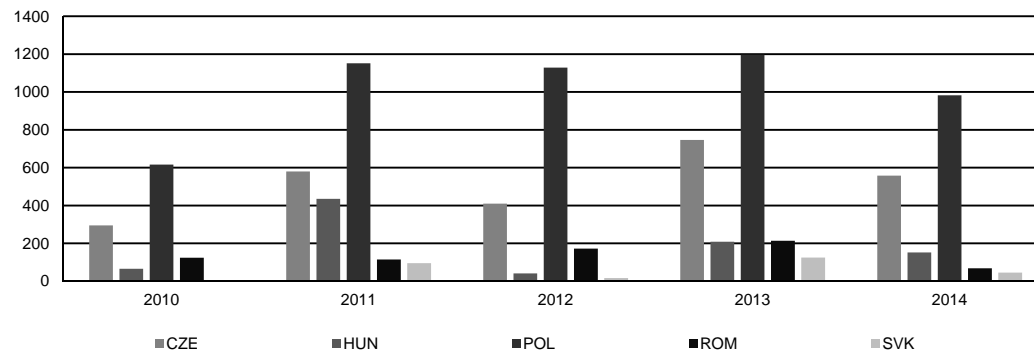
Going forward, the sustained levels of occupancy anticipated to stimulate more activity in the investment market. We expect higher volumes but will be linked to the recovery in the development market.

OFFICE INVESTMENT FOCUS

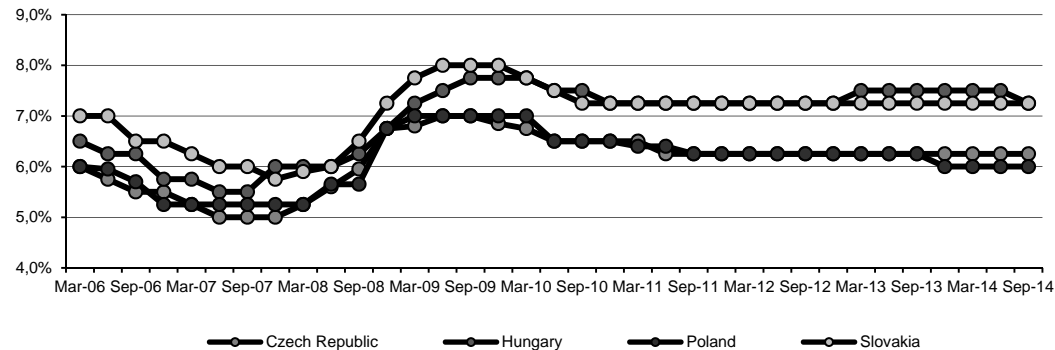
OFFICE MARKET
UPDATE

The main players on the market are opportunistic investors looking mostly in the €20-30 million lot size core, core+ offices with long-term secure income, sustainable rents and no immediate capital expenditure requirements. There is also a category of investors looking to buy asset management opportunities in certain situations. Institutional investors are scouting the market, albeit lack of available institutional grade product has held back transactions.

CEE ANNUAL OFFICE INVESTMENT VOLUMES
(€MN)



CEE OFFICE INVESTMENT YIELDS











Budapest office yields are perceptively higher than the historic peer cities of Prague and Warsaw.

Based upon sentiment rather than transactions, BUDAPEST office yields are comparable to secondary or tertiary cities in Poland.

Some investors are questioning whether this makes sense in the context of real estate fundamentals.

TRANSACTIONS IN THE MARKET

OFFICE MARKET
UPDATE

ASSET	STATUS	LOT SIZE (€ MN)	BUYER
Margit Ház	Sold to owner occupation	10.0	Fővárosi Bíróság (Public body)
Green House	Sold following marketing >12months	35.3	
Vision Tower North	Sold off-market	29.0	
Asbóth 9-11	Sold in vacant possession	1.7	
Zsigmond Ház	Sold to owner occupation	1.3	Private Individual (HU)
Millenium Gate Offices	Sold off-market	11.0	
Dexagon	Sold following 2 year marketing period	7.0	
Eiffel Palace	Sold off-market to state entity	45.3	
Stefania Park	Sold after 12 month marketing process	10	Private Individual (GER)
Office Garden	<i>In DD following 2 year marketing period</i>		
AEW portfolio	<i>Rumoured to be in DD; marketing process started late 2013</i>	170-200	<i>International</i>
Regus House	<i>In DD following 2 year marketing period</i>	6.5	<i>Private Individual (UK)</i>
Óbuda Gate	<i>In due diligence</i>	10 -15	
Buda West	<i>In due diligence</i>		
Eiffel Square	<i>Available off market at 7.3%</i>		

**THANK YOU FOR
YOUR ATTENTION**

GTC HUNGARY

GTC Investor Day

November 2014



HUNGARY AND BUDAPEST



GTC HUNGARY | HUNGARY | GDP GROWTH PEAKED AT 3.7% IN Q2 2014

GDP growth peaked at 3.7% in Q2 2014 (strongest among the EU 28) and is forecast to finish at 3% for full year 2014

Inflation is around 0-0.5%

Central bank sharply reduced the main interest rate to 2.1%

After several years of adjustment of state finances, by 2013 the fiscal deficit became one of the lowest in Europe at 2.7%

The general government gross debt came back under the 80% level of GDP

Unemployment rate fell to 7.4% in Q3 2014, however Budapest records lowest rate of 6.1% for many years

Hungary has one of the highest Economic Sentiment Indicator of the EU 28 and remains on a positive trend

Local demand is complemented by recovering exports

Hungary is one of the most open economies in Europe with an average of total exports and imports representing 75% of GDP (only Ireland scores higher in the OECD with 80%). As such, the country is highly dependent on the economic performance of its export markets

The optimistic economic signs in Germany, the main export market for Hungary with a share of 24% of total exports, come at a good time to amplify the recovery of the local demand

Budapest has asserted itself as a top destination for Business Process Outsourcing and Shared Service Centres and Information and Communication Technology (ICT) sector is driving demand for office space in the capital of this very centralized country

Retail sales are growing with the strongest pace of the past few years

The positive trend echoes the reduction in unemployment and the increase of real wages

Budapest represent 35% of the national GDP in 2007 and its share is expected to reach 40% by 2020. The economic power of the city is reinforced by its role as the centre for administration, university education and culture

Government intervention in banking sector and taxes has not impacted the underlying rental market

The apparent current investor's negative sentiment towards Hungary presents an opportunity, as the investment market is cheaper than Warsaw or Prague

Overall market - over 3 million sq m

Record take up in H1 2014 – 250,000 sq m leased

Decreasing vacancy rates:

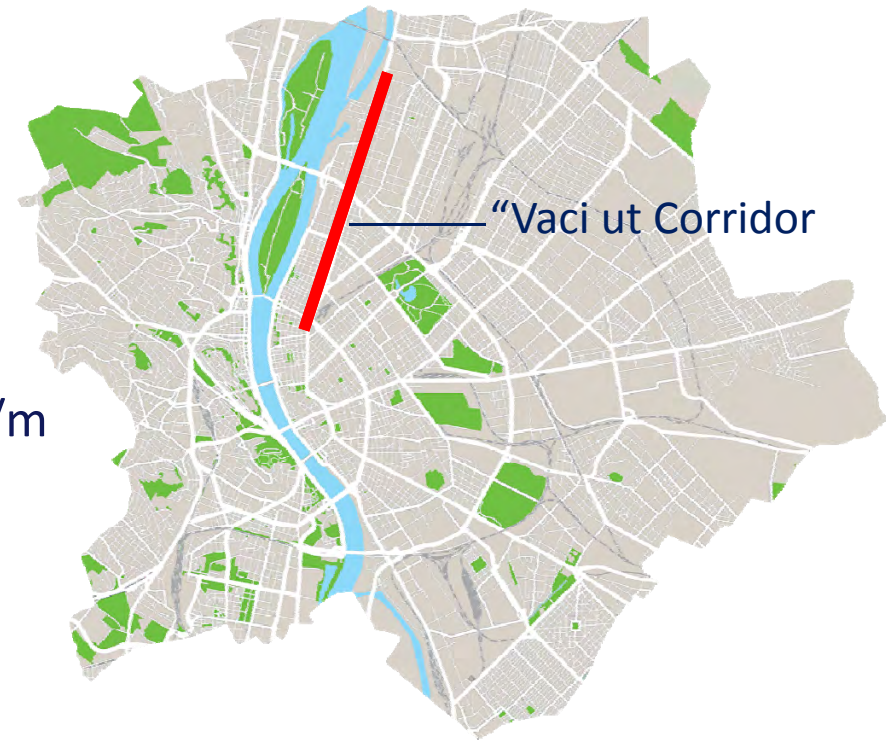
- Class A 10%
- Overall 17%

Stabilised rents heading at €10-12/sq m/m

Reducing tenant incentives

Signs of development recovery

Continued focus on the "Vaci ut corridor"



GTC HUNGARY | MAIN FACTS

GTC Hungary established in 2000

Among the top five international real-estate developers in Hungary

Three Class A operational office buildings

Total GLA 87,000 sq m of office space under management

97% Occupancy

Small, efficient, dedicated and experienced management team

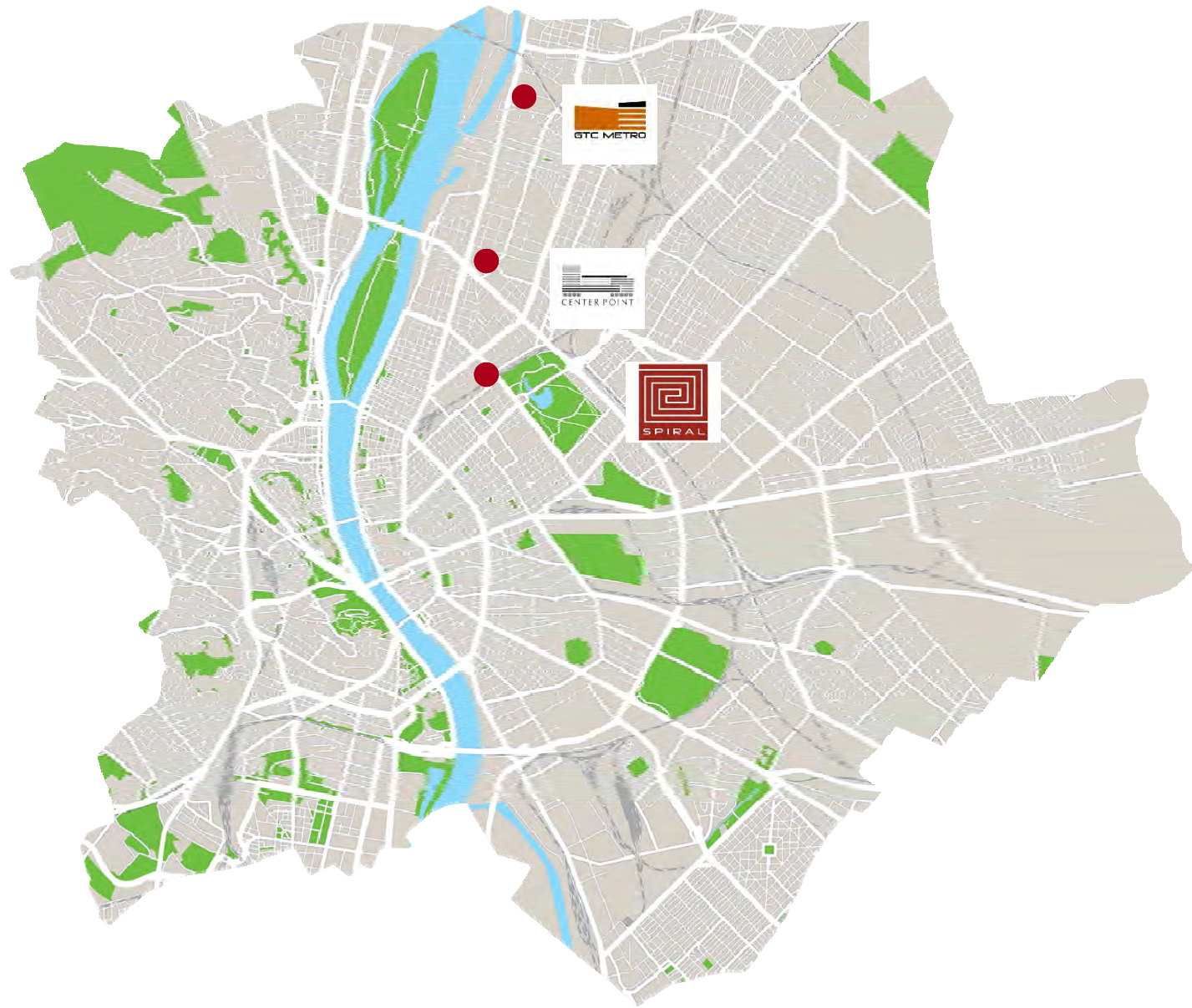
GTC is well reputed for pro active and successful tenant management

All tenants except for one renewed their lease agreements in the last three years

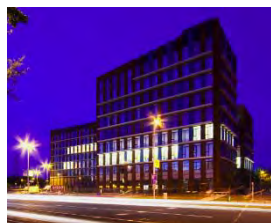
Excellent track record in development and sale of apr. 100,000 sq m of residential and office buildings

GTC Hungary's team has capacity for more.....

GTC HUNGARY | YIELDING PORTFOLIO



YIELDING PORTFOLIO | GTC METRO



Description

GTC METRO is a high quality Class A office building benefiting from high visibility and an attractive location of one of the most popular office submarkets in Budapest with convenient access by both car and public transport.

Budapest Bank, a company of GE Capital has been recently extended the lease until 2020.

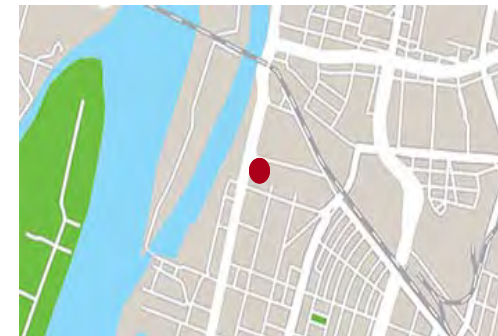
Location

Váci Corridor

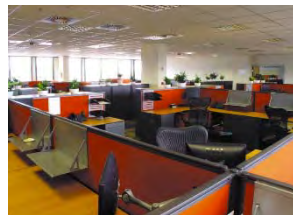
Tenants



NLA	sq m	16,192
Parking	#	222
Land plot (Leasehold)	sq m	4,078
Occupancy	%	100%
GTC share	%	100%
WALT	years	5.7



YIELDING PORTFOLIO | GTC CENTER POINT



Center Point was awarded a LEED Gold Certificate for an existing building in 2014



Description

CENTER POINT has been designed to provide the maximum flexibility for the tenants on a single floor plate of 5,000 sq m offering a unique feature on the Budapest class A office market on eight levels.

The above average occupancy rate is also attributed to successful management of the property, competitive service charges and the abundant services and amenities in the building.

Location

Váci Corridor

Tenants

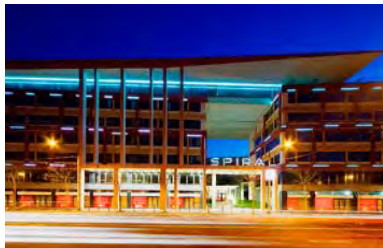
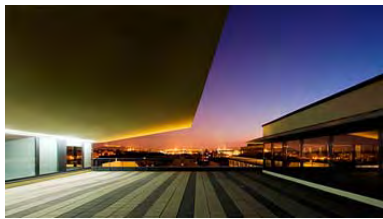


NLA	sq m	42,363
Parking	#	573
Land plot (Leasehold)	sq m	8,166
Occupancy	%	93.4%
GTC share	%	100%
WALT	years	3.5



We expect to lease to 100% in 2015 – ExxonMobil further expansion

YIELDING PORTFOLIO | GTC SPIRAL



Description

SPIRAL I designed by the award winning Zoboki, Demeter and Associate Architects is a unique Class A office building offering a 31,000 sq m fully usable green area with carefully designed landscaping, water features and outside patios.

Adjacent site owned by GTC ready for construction. Pre leasing negotiations ongoing for further expansion of present tenant into Spiral 2.

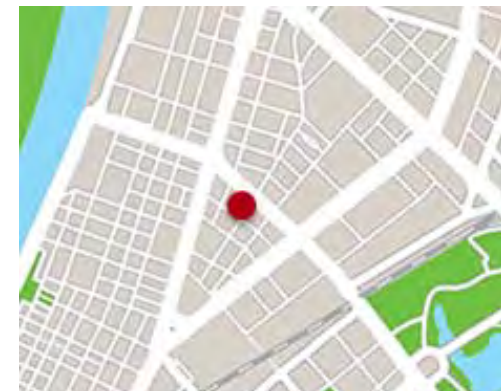
Location

Váci Corridor (Dózsa György út)

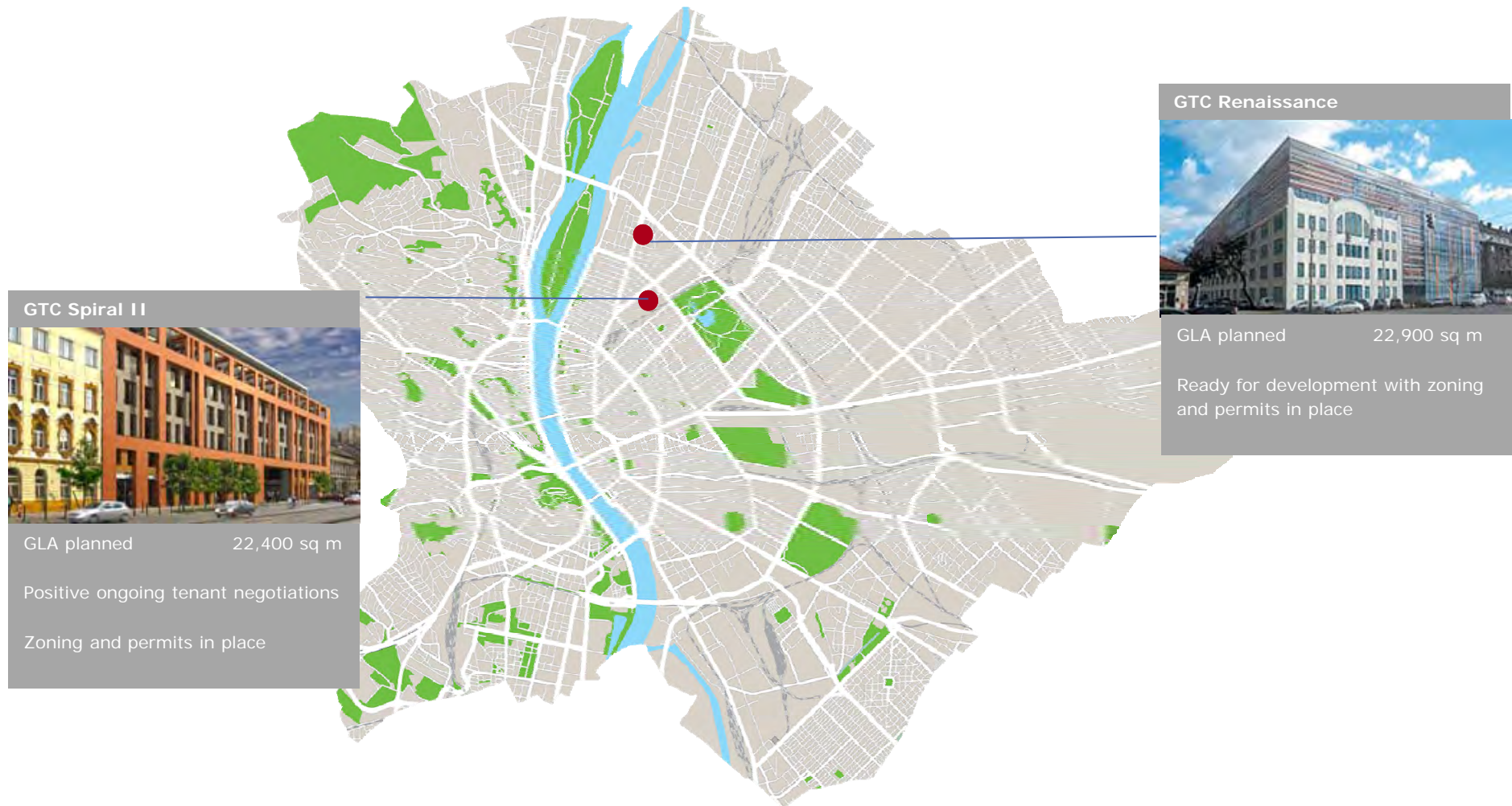
Tenants

Single tenant occupier

NLA	sq m	31,843
Parking	#	443
Land plot (Leasehold)	sq m	9,533
Occupancy	%	100%
GTC share	%	100%
WALT	years	5.5



GTC HUNGARY | PIPELINE PROJECTS



Proactive investors can conclude deals which would be difficult to secure in a more competitive environment.

With the increasingly positive outlook for the country, the easing of financing and the increasing interest of foreign and national investors in the real estate segment, we expect the market to show a sharp recovery of activity in the coming months.

As recently witnessed in Spain and Italy, the re-pricing materialized in a 6 to 9 month time frame and the current Hungarian market configuration therefore offers a rare acquisition window.

Prime yields in Budapest are in the region of 7.5% and are expected to compress by 100 basis points in the following 6 to 12 months and the differential between Warsaw and Prague will continue to reduce

Investments yields are compressing

Market is inexpensive

Vacancies are falling

Rents are stable

New office developments have started.

The window of investment opportunity is short

Deals are being done in Budapest!

Thank you !



Real estate financing in CEE

Our view

GTC Investor Day, Warsaw
November, 2014

Erste Group at a glance

One of the largest financial service providers in CEE

- Founded in 1819 as the first Austrian savings bank
- 44,000 employees serve 16.2 million customers with approx. 2,800 branches in 7 countries in the eastern part of the EU
- Market leadership in AUT, RO, SK and CZ
- No.1 asset manager in CEE with EUR 51.9bn assets under management
- Large corporates loan volume of EUR 19.4bn
- TOP position in debt capital markets in Austria and CEE with more than 10% market share
- Leading Mandated Lead Arranger of syndicated loans in CEE

Key financials as of Q3 2014

Total assets

EUR 197bn

Total equity

EUR 13.7bn

Core Tier 1 ratio (Basel 2.5)

11.4%

Core Tier 1 ratio (Basel 3)

10.8%

Loan to deposit ratio

100.3%

Erste Group Immorent

Real estate & infrastructure specialist in CEE/SEE

- Over 40 years of experience in the real estate industry
- 400 specialists across CEE/SEE supported by Erste Group's strong regional banking network
- Financing portfolio: 11.6bn
- Volume of new deals since 2011: 4.5bn
- No. 2 in CEE/SEE commercial real estate business
- We offer a broad product range along the entire real estate value chain:
 - Real estate financing
 - Infrastructure financing
 - Project development and construction services
 - Real estate asset management
 - Real estate investment

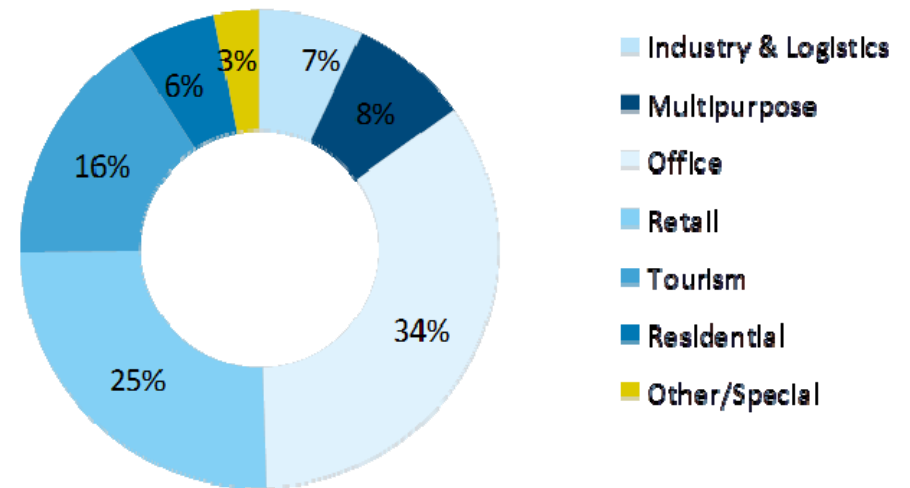


Erste Group Immorent

Our real estate business

- Providing tailored funding solutions & real estate lending for:
 - Investment/refinancing transactions
 - Real estate development projects
 - Acquisition transactions
 - Cross border portfolio transactions
 - F/X and interest hedging instruments
- Supplementary products
 - F/X and interest hedging instruments
 - Loan Syndication Services by acting as Agent & Arranger of large ticket transactions
 - Full range of Transaction Banking Services provided by our local subsidiaries in our markets
 - Full range of construction services provided by our technical division

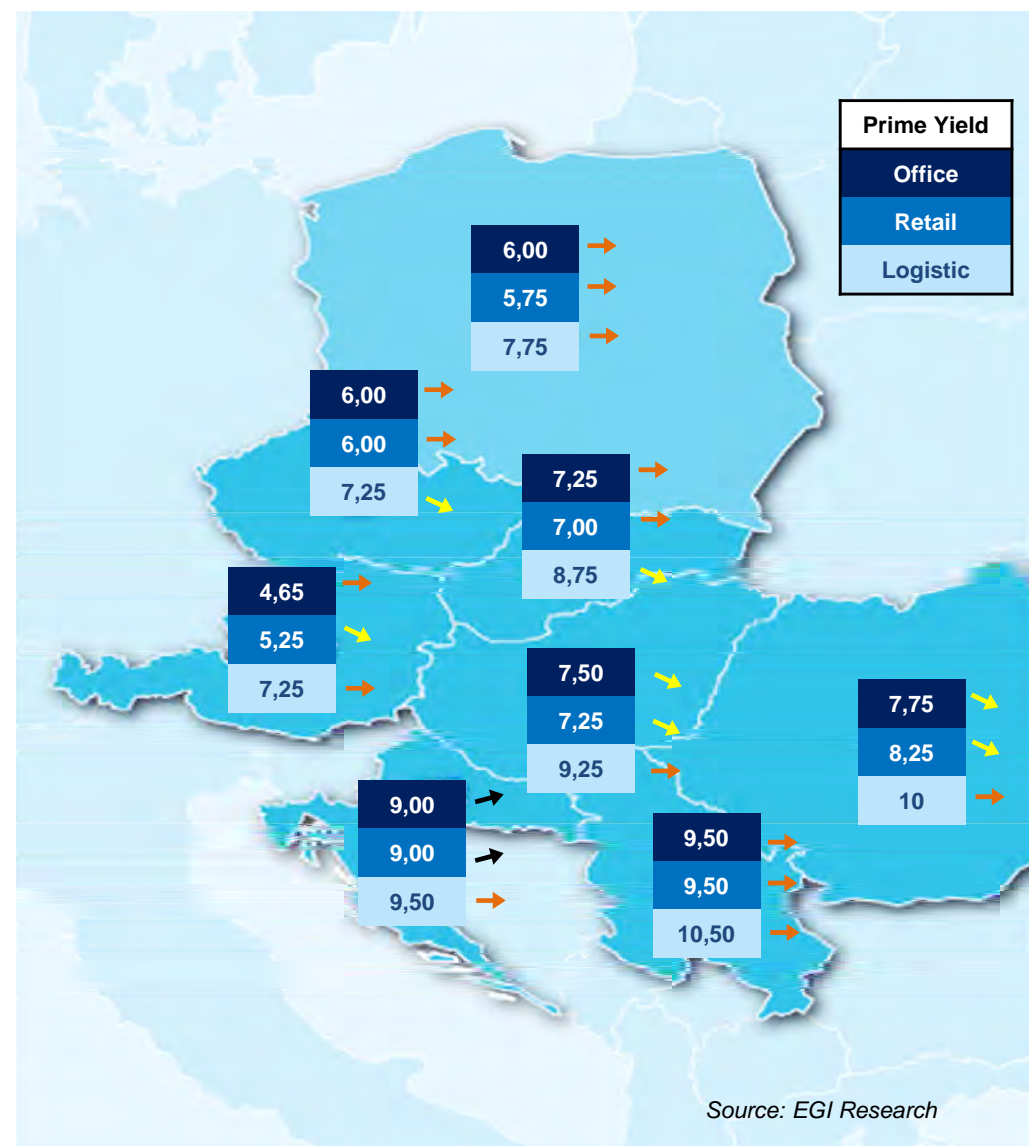
Volume of new business 2014: EUR ~1.5 bn



Erste Group Immorent

Our core markets

- AT:** high level of transactions, increasing interest of foreign investors, prices for prime products reach pre-crisis levels
- CZ:** high level of international investors (66% foreign investors) , huge speculative development in the office sector in Prague
- SK:** dominated by local investors, low but stable activity and prices
- HU:** back again on investors CEE map, investments seem good value for money; prices & competition are still relatively low
- RO:** regaining momentum again although at a low pace, demand is slowly increasing again, higher investment activity, yields decreased slightly
- HR:** local market with limited international influence, low demand, market in a wait-and-see position
- RS:** Investment market in a wait-and-see position, although good performance on vacancy rate (decreased from 20% to 8%)
- PL:** Highly liquid market, crowded by investors & developers consequently high investment & construction activity (vacancy increased from 4%:2008 to 14%:2014 - a decreasing demand may trigger sharper increase)



Erste Group Immorent

Our core segments

Office

- capital cities
- creditworthiness of tenants, high quality lease agreements
- established business locations, CBD
- asset quality: Certificate, marketability for third parties, flexible space, modern technical standards



high-quality offices in demand of international & local tenants

Retail

- well performing retail schemes
- new projects with experienced developers and professional operators who provide sound retail concepts
- location, asset quality and critical size



trend towards large shopping centres with leisure & entertainment concepts (food courts, cinema,...)

Logistic & Industrial

- prime logistic locations along European traffic corridors
- international standards of asset quality/marketability for third parties
- new projects with experienced developers/operators



*increasing demand by online traders
highly relevant asset class for industrialised CEE countries*

Erste Group Immorent

Our core clients

- We finance & advice our clients to support the ongoing development of our region
- We focus on experienced & existing clients with a strong track record & solid financial standing

What our clients say....

“From Belgrad to Bucharest - Erste Group Immorent is a financing partner where we need them.”

Yovav Carmi, Board Member of GTC

„We benefit from a financier that has extensive knowledge of the entire CEE market.“

David Hay, CEO AFI Europe Romania

*„Anyone developing an entire town district needs vision, creativity and perseverance ,
and an experienced and strong financing partner“*

Michael Griesmayr, IC Projektentwicklung

Erste Group Immorent

Selected credentials

Park Postepu
Warsaw (PL)



Atrium Flora
Prague (CZ)



Avenue 19
Belgrade (RS)



Lakeside Park
Bratislava (SK)



Shopping City
Seiersberg (AT)



Arena Centar
Zagreb(HR)



AFI Palace
Pardubice(CZ)



Victoria Center
Bucharest (RO)



Did you know, that...

-investment yields for prime office stand at 7.75 % in Bucharest, 7.5% in Budapest and 6% in Warsaw while Paris and London show less than 4%?
-vacancy rate on Belgrade's office market decreased from 20% to 7% in the past two years, which is on par with Vienna (6.5%)?
-25 years after the fall of communism, GDP per capita in Central and Eastern Europe is now 65% of the Western European average, compared with 49% in 1989?
-car ownership has doubled across CEE and in Poland and the Czech Republic has reached Western European levels? The number of households without a washing machine has also fallen close to Western European levels.

Source: Erste Group & Erste Group Immorent Research

Erste Group Immorent Contact

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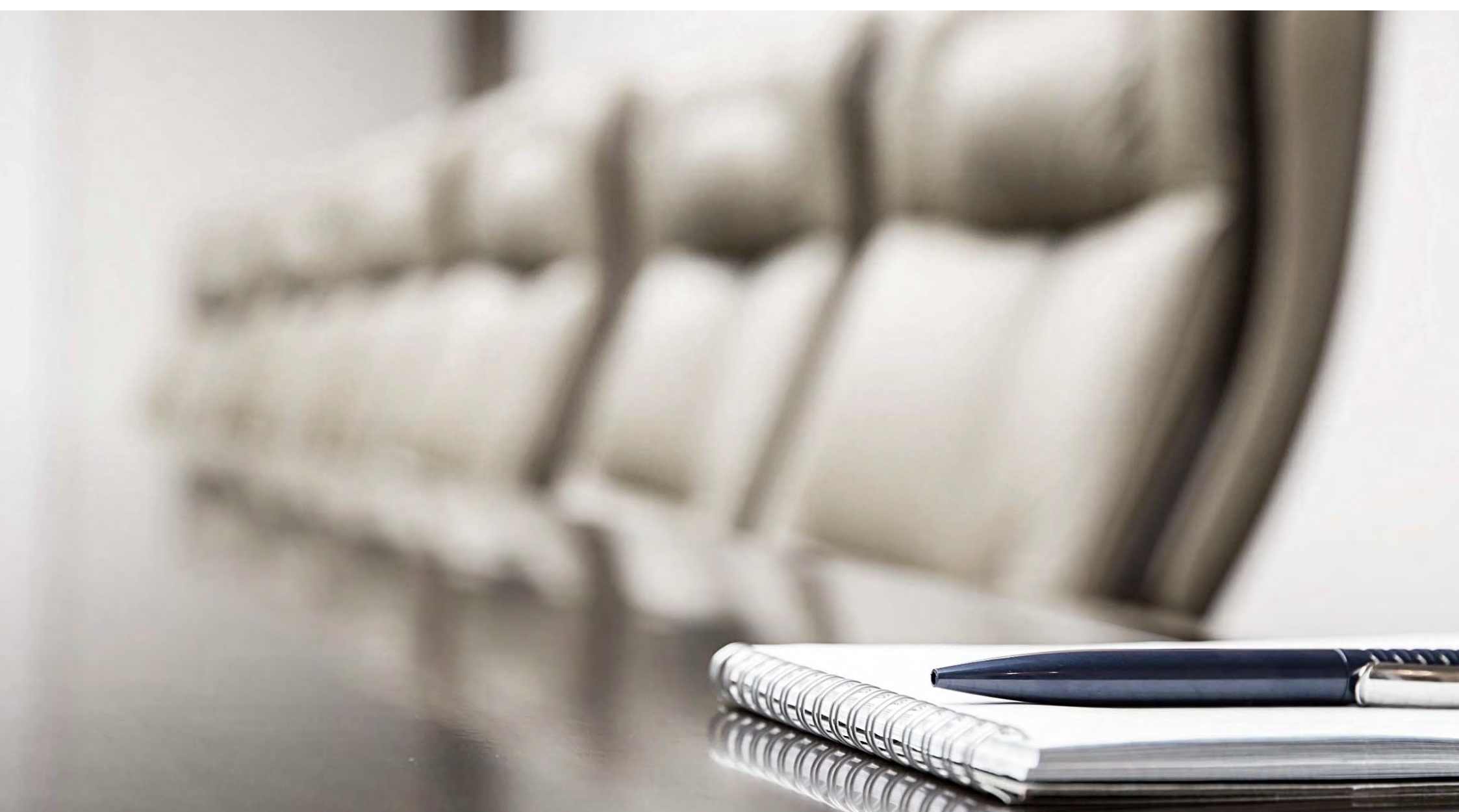
BELGRADE PROPERTY MARKET OVERVIEW

GTC Investors Day, November 27, 2014

SERBIA POSITION and PROPERTY MARKET | INSIGHT

- Serbia is situated in SEE, in the center of Balkan Peninsula
- Serbia links Western Europe and the Middle East via strategic transportation Corridors 10 and 7
- It covers an area of 88,361 km². Serbian market itself is among the largest in the region (7.5 million people)

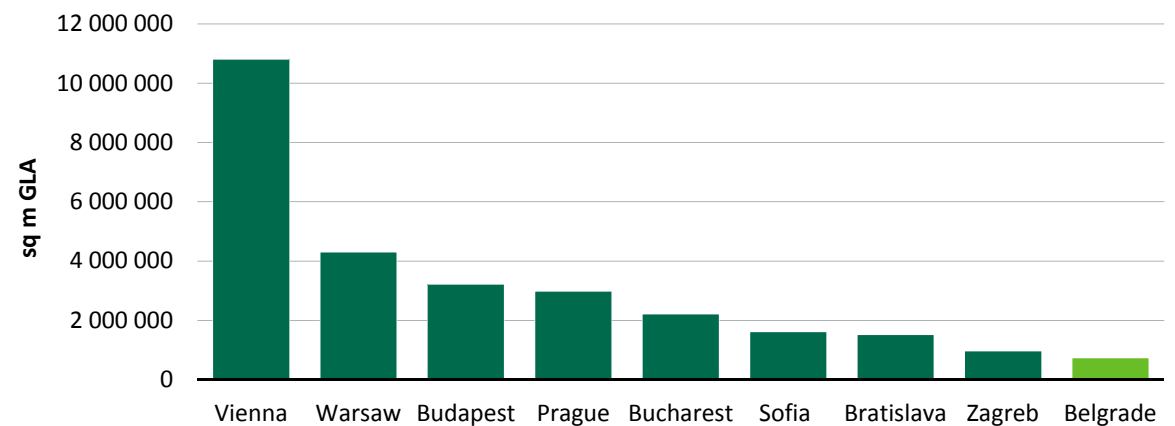
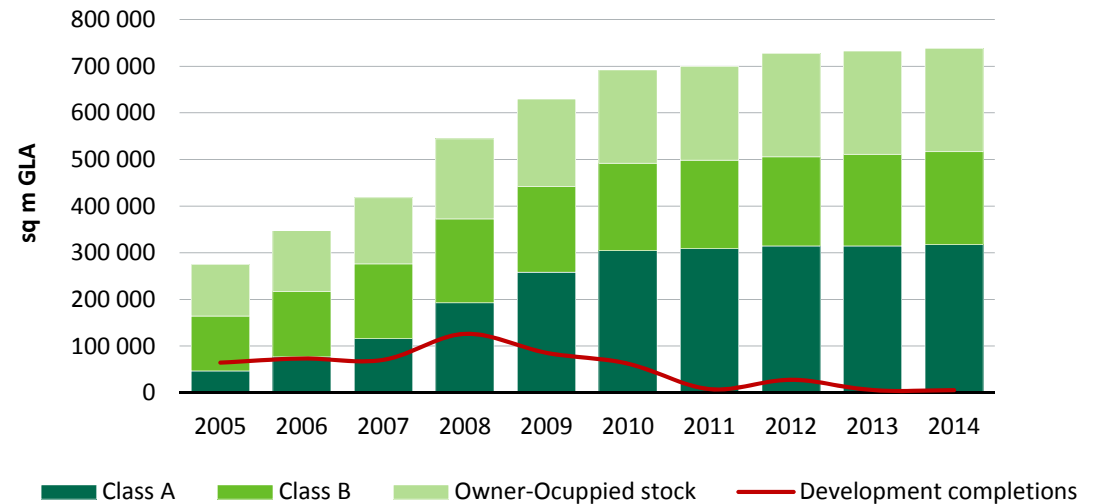




OFFICE MARKET | **OVERVIEW**

OFFICE MARKET | SUPPLY

- Belgrade total contemporary office stock stands at the level of 738,000 sq m of GLA, out of which
 - **516,500 sq m is speculative and**
 - **221,500 sq m owner-occupied office stock**
- An upward trend in construction activity as of 2000. The real expansion phase continued through the period 2006-2010, with min. 50,000 sq m of new supply annually
- As of 2011, the development activity in Belgrade entered the phase of slowing down, with limited number of completed office schemes

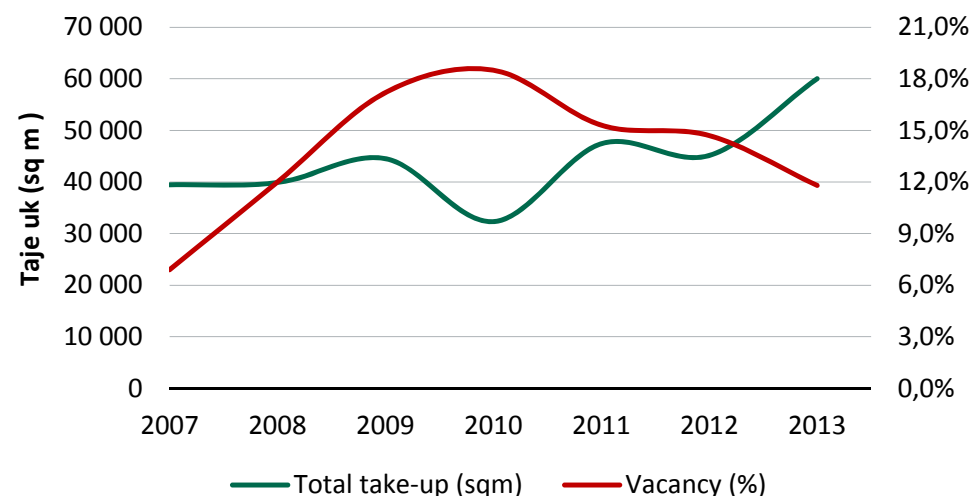


*Total Office stock includes Class A and Class B Speculative office stock and owner-occupied office stock
Source: CBRE Group, Q2 2014

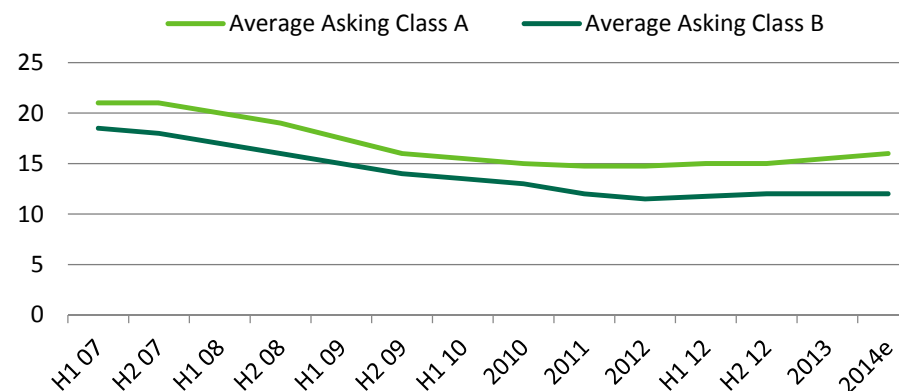
OFFICE MARKET | TRENDS

- As of 2010, the market records the rising trend in the take up
 - More than 60,000 sq m in 2013
 - In the first 3 quarters 2014, take-up exceeded 43,000 sq m
- Demand is driven by IT and telecommunication companies, banks, pharmaceuticals and professional services
- Constant decline of vacancy rate – app. 5% in CBD
- The constant downward trend in vacancy levels and stable demand affects the upward corrections in rental levels

Annual take-up VS Vacancy Rate

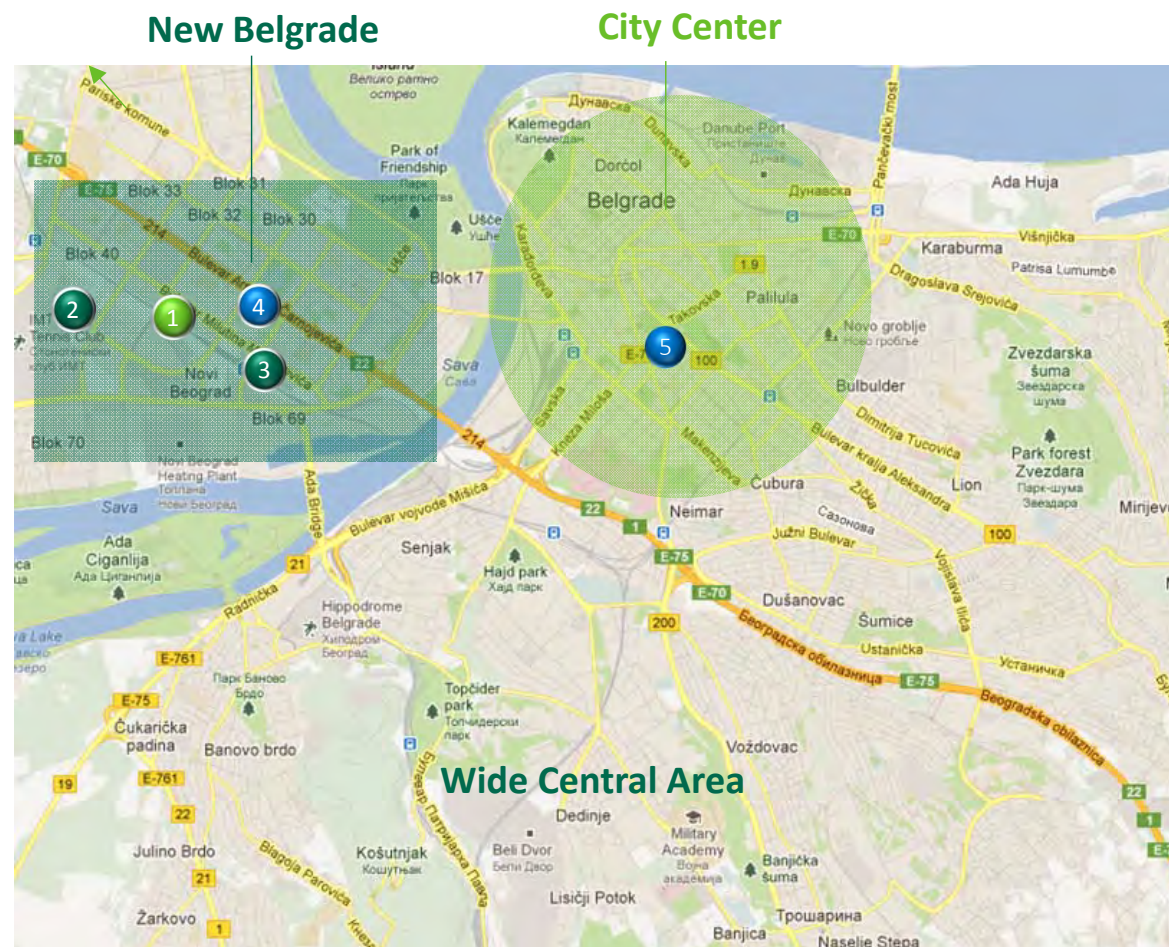


Belgrade asking office rents (EUR/sq m/month)



OFFICE MARKET in SERBIA IS OFFICE MARKET in BGD

1	GTC FortyOne, 27,000 sq m	Under Construction
2	Airport City Belgrade, 15,000 sq m	Planned Projects
3	Immorent Sirius, 15,000 sq m	
4	B23, 35,000 sq m	On hold
5	TLD, 9,000 sq m,	

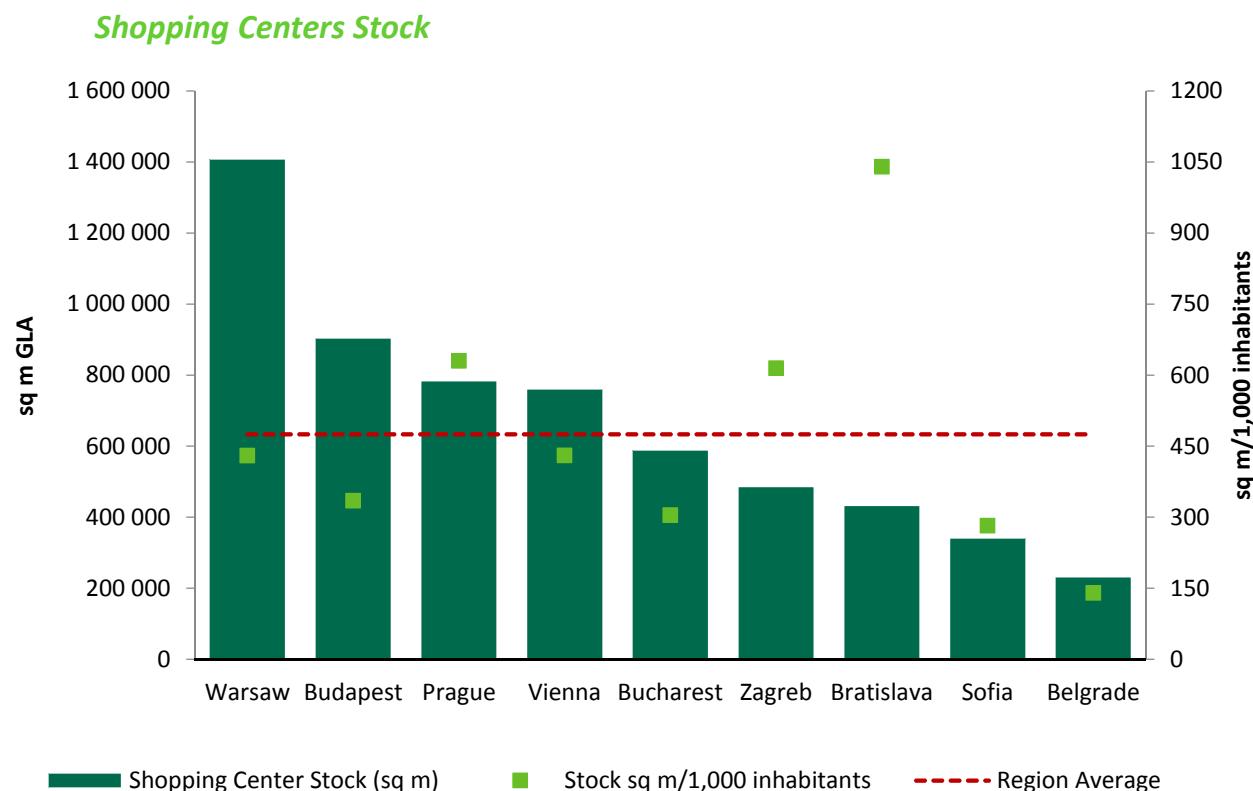




RETAIL MARKET | **OVERVIEW**

RETAIL MARKET | SUPPLY

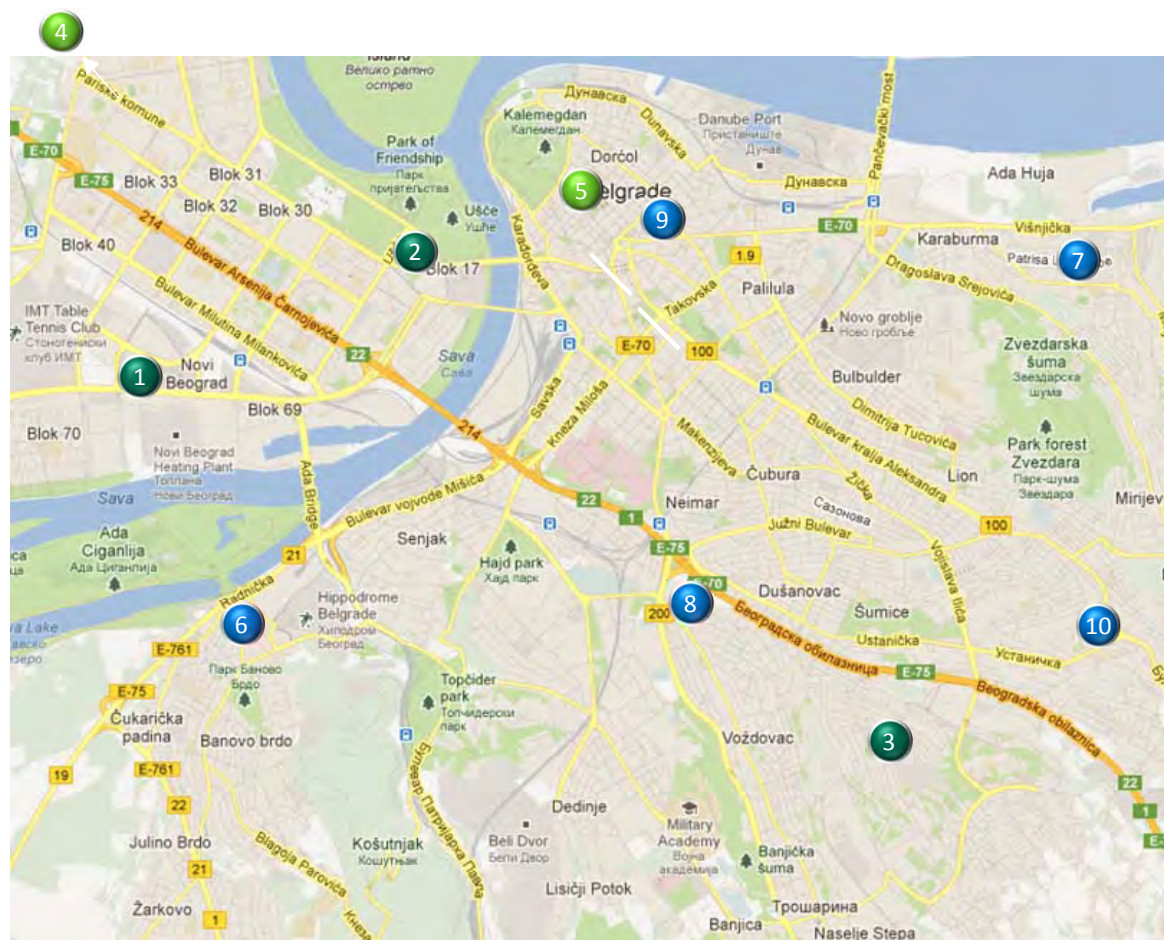
- Belgrade remains under-supplied market given the size of the economy and population – retail stock of app. 230,000 sq m to serve around 2 million people
- Belgrade with its shopping stock of app. 140 sq m of stock per 1,000 inhabitants is significantly below the average of the capital cities of the region (475 sq m per 1,000 inhabitants)
- Only 3 shopping centers in Belgrade can be considered as western-style shopping centers, totalling cca 105,000 sq m GLA
- Having substantial catchment area, Belgrade can support higher shopping centre provision rates



Source: CBRE Group, Q1 2014

RETAIL MARKET | MAP

1	Delta City GLA 30,000	Opened projects
2	Usce shopping center GLA 47,000	
3	Stadion SC GLA 30,000	
4	IBC Retail Park One, GLA 15,000	Under Construction
5	Ashtrom Rajiceva GLA app. 15,000	
6	GTC Ada Mall GLA app. 35,000	
7	Plaza Visnjica GLA 42,000	Planned Projects
8	Delta Planet GLA app. 70,000	
9	Skadarlija Mall GLA app. 35,000	
10	Aviv Park Beograd, GLA 11,000	



RETAIL MARKET | TRENDS

- No vacant space in Western-style shopping centers (Delta City and Usce SC). Waiting lists exist for both shopping centers
- Swedish H&M secured 3 stores in Belgrade, 1 in Novi Sad (BIG CEE) and 1 in Pancevo (Aviv Park), looking for further expansion
- Al-Hokair Group has acquired Delta Fashion Serbia, planning to introduce a number of new brands to the market
- 2014 entrants: Mac Cosmetics, Shana, US Polo ASSN, Gagliardi, Claire's (Novi Sad)
- Expected entrants: Carrefour, LIDL, Kaufland, LC Waikiki, LPP, CineStar, IKEA, Peek&Cloppenburg, Mueller

Average rents per tenant categories in Delta City and Usce shopping center

Tenant category	Base rent (EUR/sq m/month)
Supermarket and entertainment	9-11
Anchor tenants (total above 1,000 sq m)	15-20
Mini-anchors (600-1,000 sq m)	18-30
Medium tenants (100-600 sq m)	35-60
Inline tenants (20-100 sq m)	50-90
Cafes*	25-60
Food court	30-50
Services	35-65

* Sitting part of the common area is charged 50% of the rent
Source: CBS International, part of the CBRE Affiliate Network



INVESTMENT MARKET | **OVERVIEW**

INVESTMENT MARKET | INSIGHT

- No recorded investment transactions for years, only non-income transactions were marked in owner-occupied segments, generated by end-users
- Being an emerging market, Serbia was not recognized as an institutional investment destination
- Visible recovery of investment sentiment for Serbia in the recent period, among international developers and private equity funds, coming for regional countries, Middle East and Asia (Nepi, Mitiska, Ultimate Holding, Strasser Immobilien, Emaar/Eagle Hills, to name a few)

- In 2014, two investment transactions
 - Capitol Park Sabac, 10,000 sq m GLA
 - Plaza Kragujevac, 22,000 sq m GLA
- These transactions increased the attractiveness of Serbia to be considered as possible investment destination
- Stable yields

Type of Property	Yield
Prime shopping centers in Belgrade	8-8.5%
Shopping centers/Retail parks in secondary cities	10%
Prime Office Buildings	9-9.5%

BELGRADE TODAY vs TOMORROW



- Nearly 2-million inhabitants (official figure is 1,659,440)
- Formal EU accession negotiations began in January 2014
- IMF agreement recently signed
- The number of foreign guests constantly grows
 - Permission for direct flights from Belgrade to the United States, as of H2 2015
- Inflation dropped considerably. Foreign trade is another sector that registered positive developments
- The rise in unemployment has been reversed, and there is a trend of decline in unemployment
- The Government started a number of initiatives designed to improve the business environment



GTC SERBIA

**GTC Investor Day
November 2014**



SERBIA | INTRODUCTION - MAIN INDICATORS

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014F
GDP growth rate (%)	5.4	3.6	5.4	3.8	-3.5	1.0	1.6	-1.9	2.5	1.0
Unemployment rate (%)	20.8	20.9	18.1	14.0	16.6	19.2	23.7	22.4	20.1	19.6
FDI (€m)	1,303	4,234	2,848	2,434	1,810	1,139	2,236	239	750	1,000
Inflation (%)	17.7	6.6	11.0	8.6	6.6	10.3	7.0	12.2	2.2	4.0±1.5
Export (€m)	3,608	5,102	6,432	7,429	5,961	7,393	8,441	8,836,8	10,999	12,000
Import (€m)	8,439	10,463	13,951	16,478	11,504	12,622	14,250	14,782,3	15,463,1	16,586

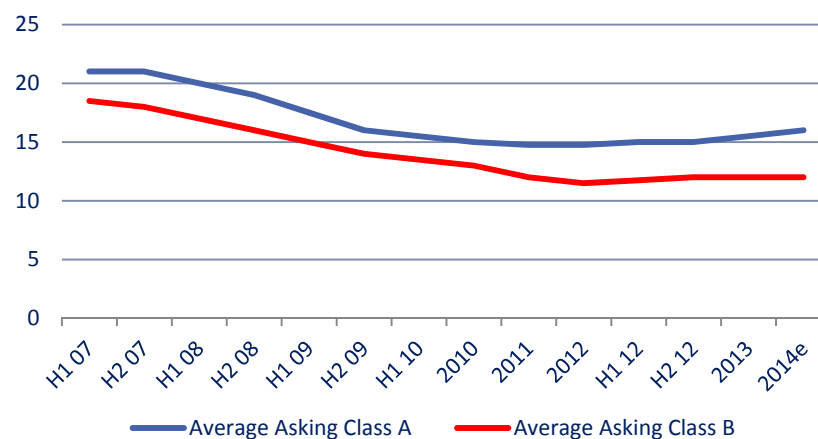
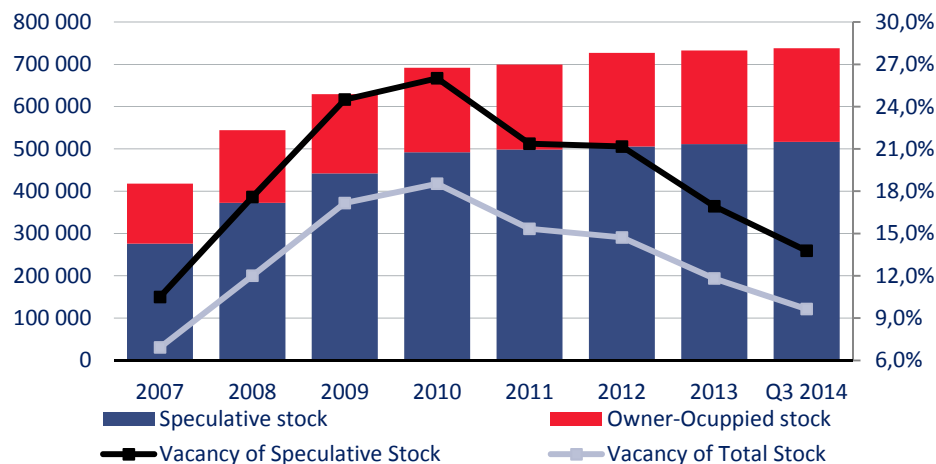
Serbia enjoys Free Trade Agreements with Central European countries, Russia, Turkey, Belarus, Kazakhstan, EFTA countries; Preferential Trade Regime with EU and Generalized System of Preferences with USA which provides opportunity of exporting to a 1 billion people market without paying any customs duties.

	<i>Serbia</i>	<i>Belgrade</i>
Population	7,186,862	1,659,440
Average salary (€)	384	472
Average Household Expenditure (€)	465	588
Unemployment rate	26.5%	19.0%

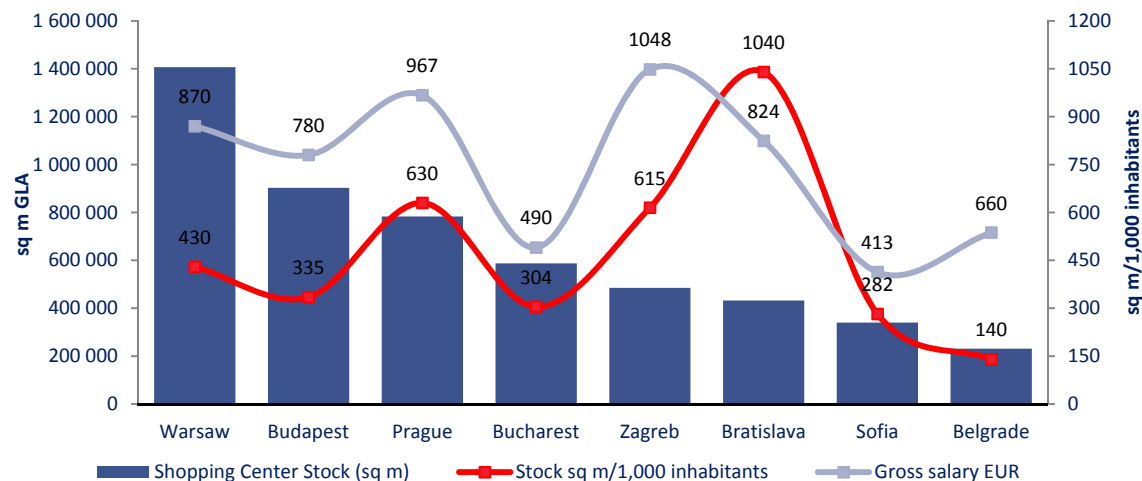
Source: Statistical Office of the Republic of Serbia

BELGRADE OFFICE AND RETAIL MARKET | GENERAL STATUS

Office market



Retail market



- Total office stock Class A CBD – 320,000 sq m
- Vacancy Class A CBD < 5%
- Office yearly take up ~ 50,000 sq m
- Under construction – 10,000 sqm

GTC SERBIA | MAIN FACTS

- GTC Serbia established in 2003
- 2nd biggest international real-estate developer in Serbia
- 3 operational buildings, two plots for retail development and one office development under construction
- Profitable since 2006
- Total GLA 52,600 sq m of office space
- 96% Occupancy
- 98% of the leases with existing tenants are successfully renewed in the last 5 years
- Successful pre-lease of new project – 60%
- Ongoing negotiations for ~ 22,000 sq m of office space

GTC SERBIA | BELGRADE PROPERTIES

GTC Square



GTC House

GTC Fortytone – under construction



ADA Mall – land assembly and design stage



GTC 19 Avenue

YIELDING PORTFOLIO | GTC HOUSE



Description

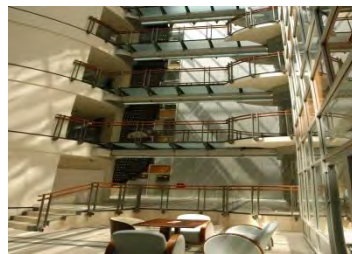
- Total office lettable area 13,500 sq m
- A class office
- Excellent and unique architectural design
- The square shape of the building allows optimum utilization of space and avoidance of any unnecessary losses within office area.
- Optimal floor size 1,500-1,800 sq m

NLA	sq m	13,500
Parking	#	55
Land plot	sq m	3,600
Occupancy	%	92%
GTC share	%	100%
WALT	years	3.5



Location

New Belgrade CBD
Zorana Djindjica Boulevard



Tenants



YIELDING PORTFOLIO | 19 AVENUE



Description

- Total office lettable area 15,350 sq m
- A class office
- Two underground garage levels
- 9 floors in two office towers
- Floor size 1,000 sq m in each tower
- Main tenants - EU delegation and Australian Embassy
- High visibility

NLA	sq m	15,350
Parking	#	242
Land plot	sq m	20,275
Occupancy	%	97%
GTC share	%	100%
WALT	years	3

19AVENUE



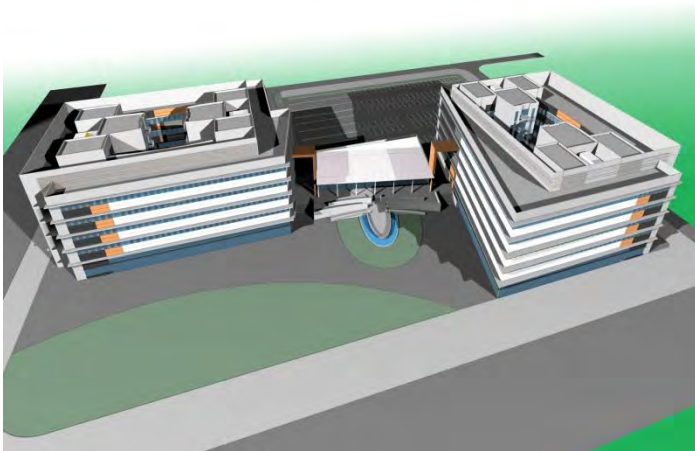
Location

New Belgrade CBD
Vladimira Popovica Street

Tenants



YIELDING PORTFOLIO | GTC SQUARE



Description

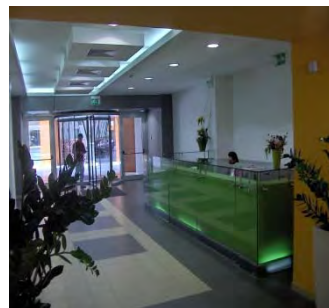
- Total office lettable area 20,900 sq m
- A class office
- Two office buildings of approximately 10,000 sq m connected by a modern restaurant
- Floor size 2,100 sq m in each building

NLA	sq m	20,900
Parking	#	294
Land plot	sq m	19,514
Occupancy	%	97%
GTC share	%	100%
WALT	years	2.2

Location

New Belgrade CBD
Milutina Milankovica Street

Tenants



OPPORTUNITIES | OFFICE MARKET

Advantages

- Underdeveloped market – city of 2 mil people with 350,000 sq m GLA
- Low vacancy - CBD New Belgrade 5%
- Strong international clients – 87% of portfolio are reputable international companies
- Increased demand – yearly take up of 50,000 sq m GLA – new and expansions only
- Renewed interest from investors in last 12 months – UK, South Africa, USA

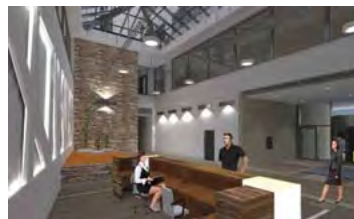
Weaknesses

- Illiquid investment market
- Relatively high yields – 8.75% - 9.15%
- Lack of distressed assets – all operational assets fully occupied

Opportunities

- Further development – negotiations in progress for 22,000 sq m
- Possible acquisition of existing office buildings – fully occupied

OPPORTUNITIES | FORTYONE



Description

- Total office lettable area 27,400 sq m
- First phase (under construction) - lettable area 10,300 sqm
- A class office
- The first office building in Belgrade which will be built according to GOLD LEED standards (all the others have been refurbished in order to meet green building standards)
- The first phase will be completed by end of H1 2015

Location

New Belgrade CBD
Milutina Milankovica Street

Tenants

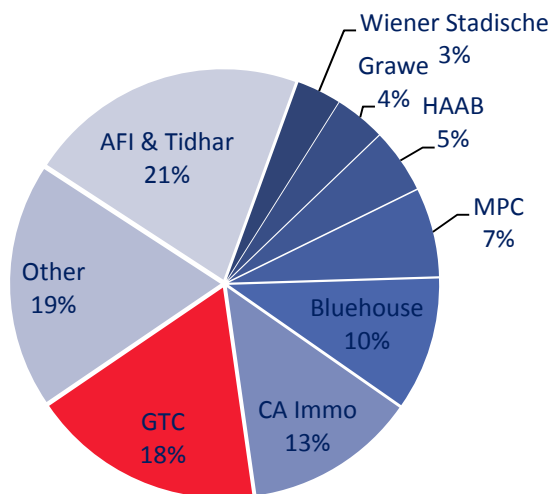


NLA	sq m	10,300
Parking	#	190
Land plot	sq m	13,760 (III phases)
Occupancy	%	60%
GTC share	%	100%
WALT (on signed)	years	6.21

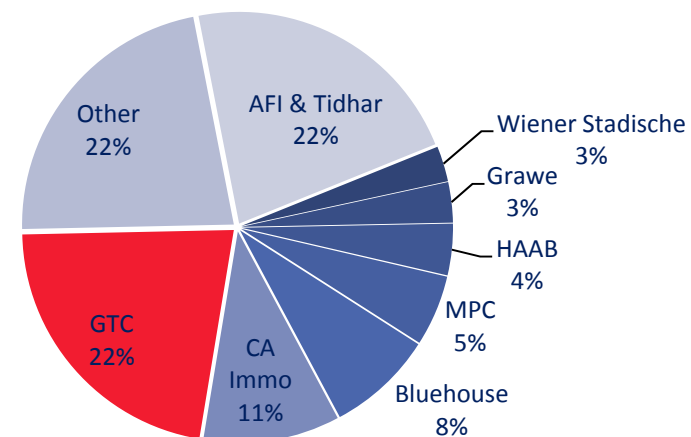


OPPORTUNITIES | FUTURE OFFICE MARKET SHARE

Belgrade CBD class A market share 2014



Belgrade CBD class A market share 2016



Pipeline (building permit)

GTC Fortyone – 29,000 sq m

APC* – 18,000 sq m

Other* – 27,000 sq m

* Still without building permit

OPPORTUNITIES | RETAIL MARKET

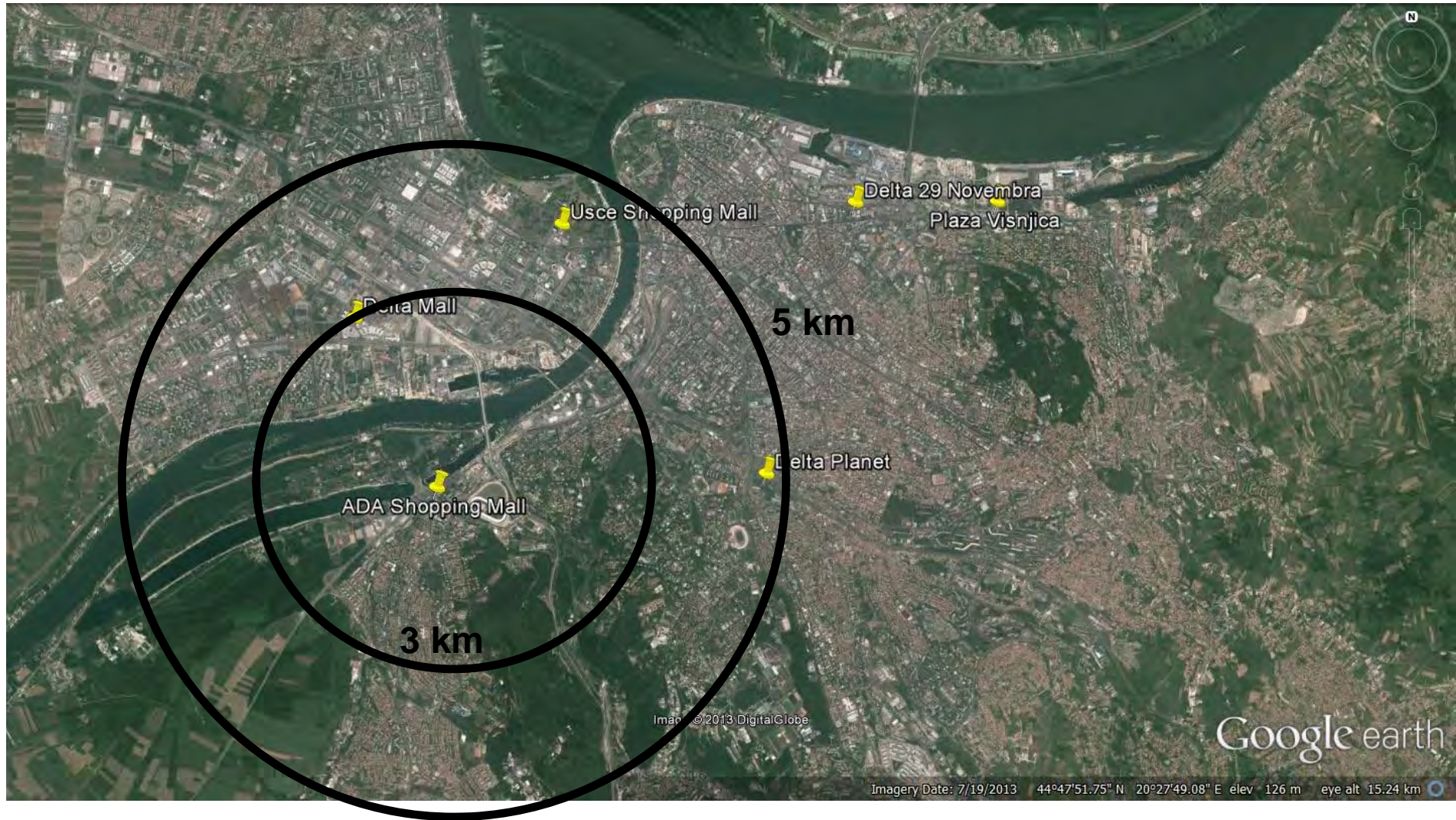
Advantages

- Underdeveloped market – city of 2 million people with 2 3rd generation shopping malls
- NO VACANCY
- High demand from retailers who want to expand / enter the market – P&C, LPP, LC Waikiki, Kaufland...
- Sale of Plaza Shopping Mall in Kragujevac – 22,000 sq m, NOI~ €3.2m, Sales price €38.6m
- Discussions with new funds and investors in last 12 months – UK, South Africa, USA

Weaknesses

- Still illiquid investment market

OPPORTUNITIES | ADA MALL



OPPORTUNITIES | ADA MALL



Description

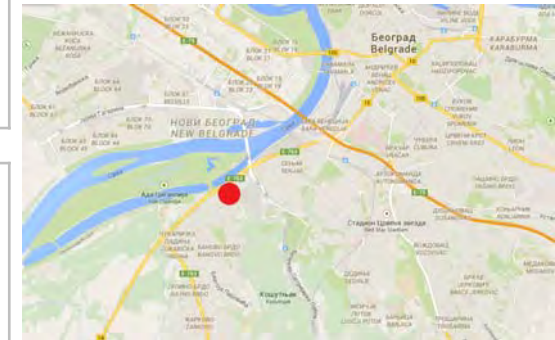
- Location in Belgrade, in the main city recreation area (lake, park, water sports, golf course, etc.). May-September 200-250,000 people/day
- Land in assembly process)
- Development size – 50,000 sq m GBA above the ground (~ 36,000 sq m GLA in 3.5 levels) and ~30,000 sq m garage
- Zoning – completed
- Planned building permit in 2015

NLA	sq m	36,000
Parking	#	900
Land plot	sq m	22,500
GTC share	%	100%
Yield on costs	%	11.3%



Location

Belgrade Cukarica
Radnicka Street Near Ada Ciganlija



OPPORTUNITIES | SUMMARY

- Expanding and maintaining stable cash generating portfolio
- Increase of office buildings NOI by 55% within next 3 years
- Opportunity of valuation gains through yield compression
- Construction of the 3rd Shopping Mall in 2 million people city
- Leader in both office and retail market – top 3 developers

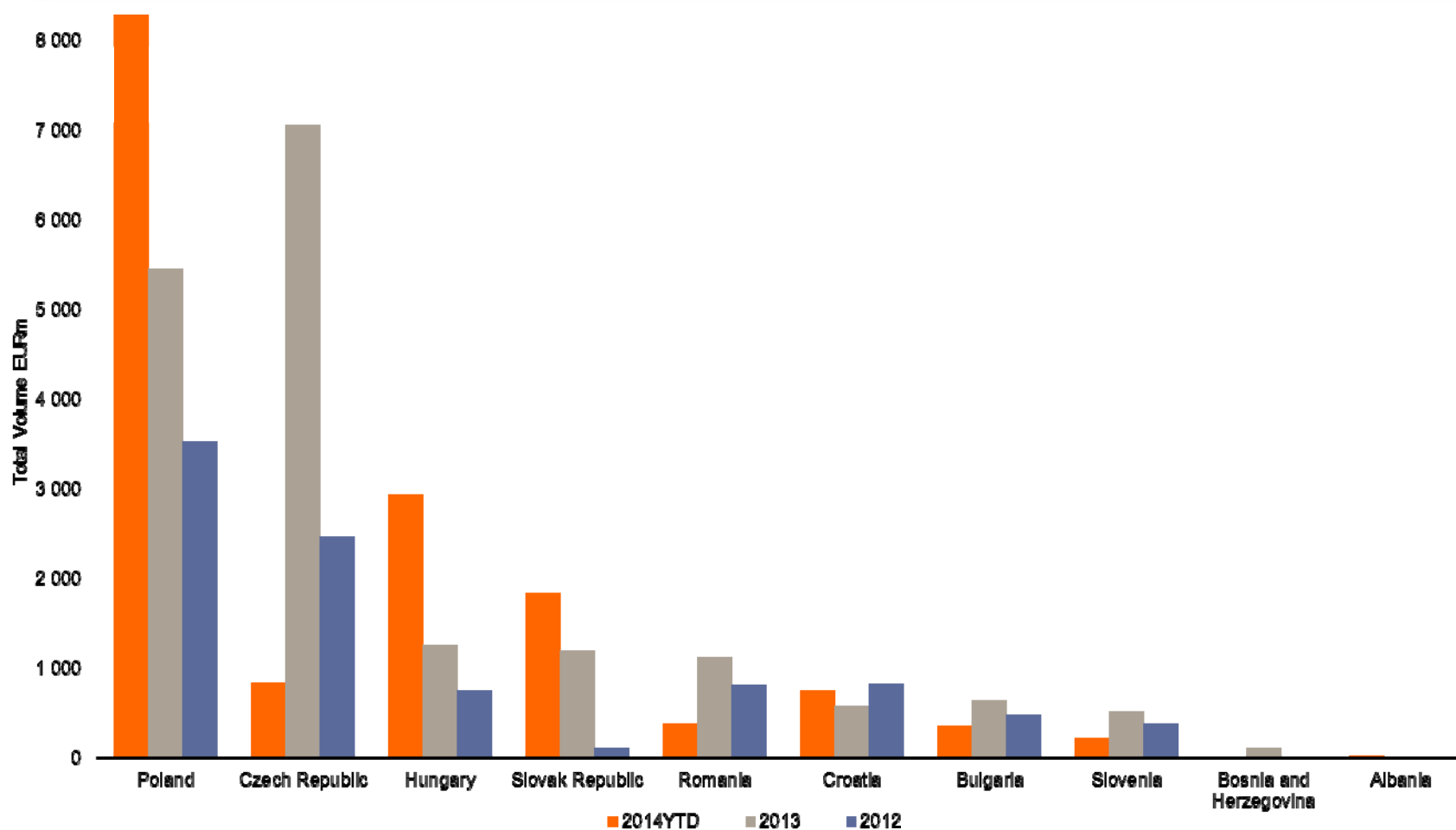


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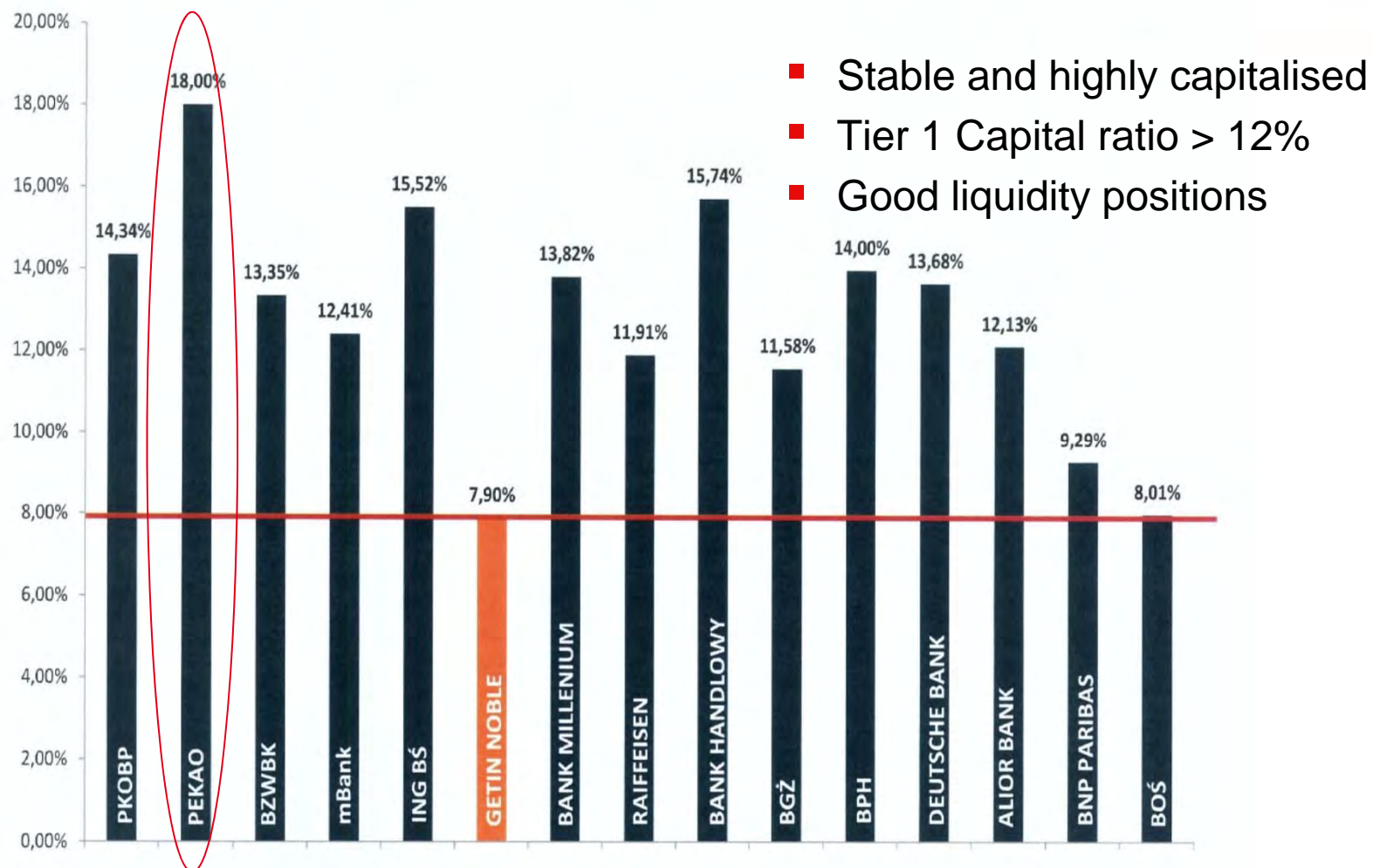


REAL ESTATE LENDING MARKET

Volumes across CEE countries over 2012 – 2014YTD

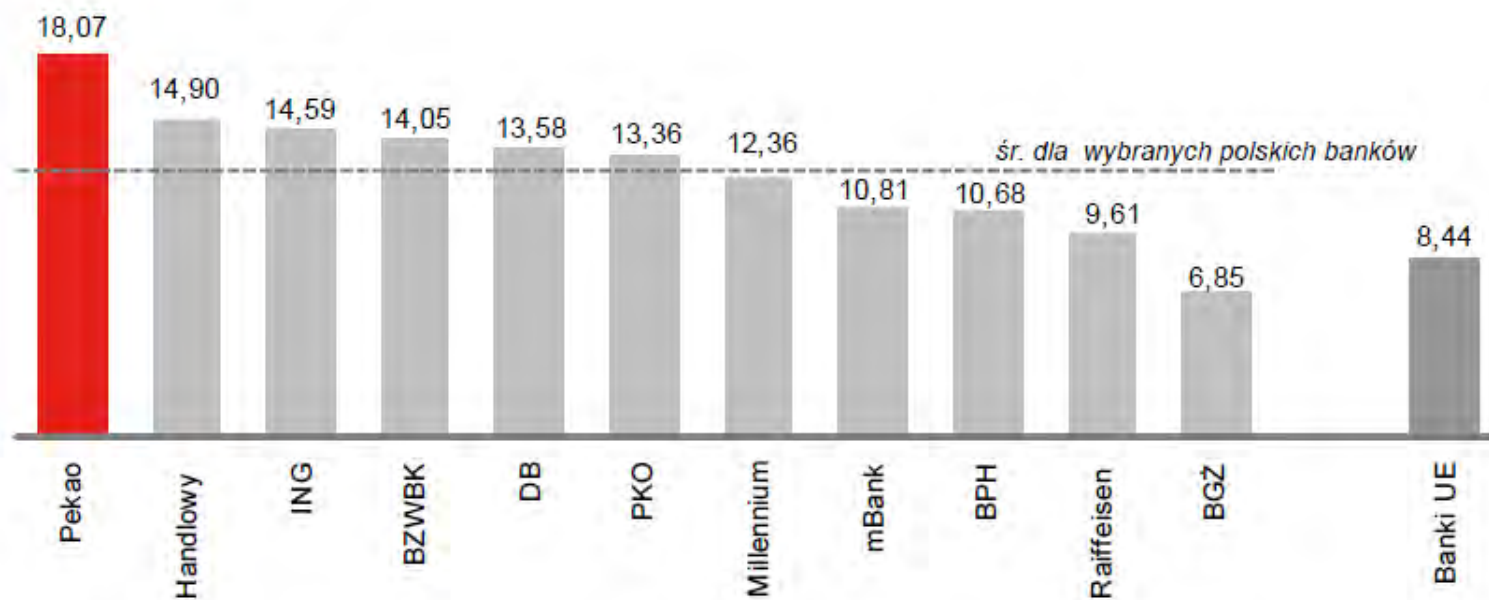


POLISH BANKING SECTOR



STRESS TESTS RESULTS BASIC SCENARIO, SOURCE KNF

PEKAO NB 1 IN STRESS TESTS

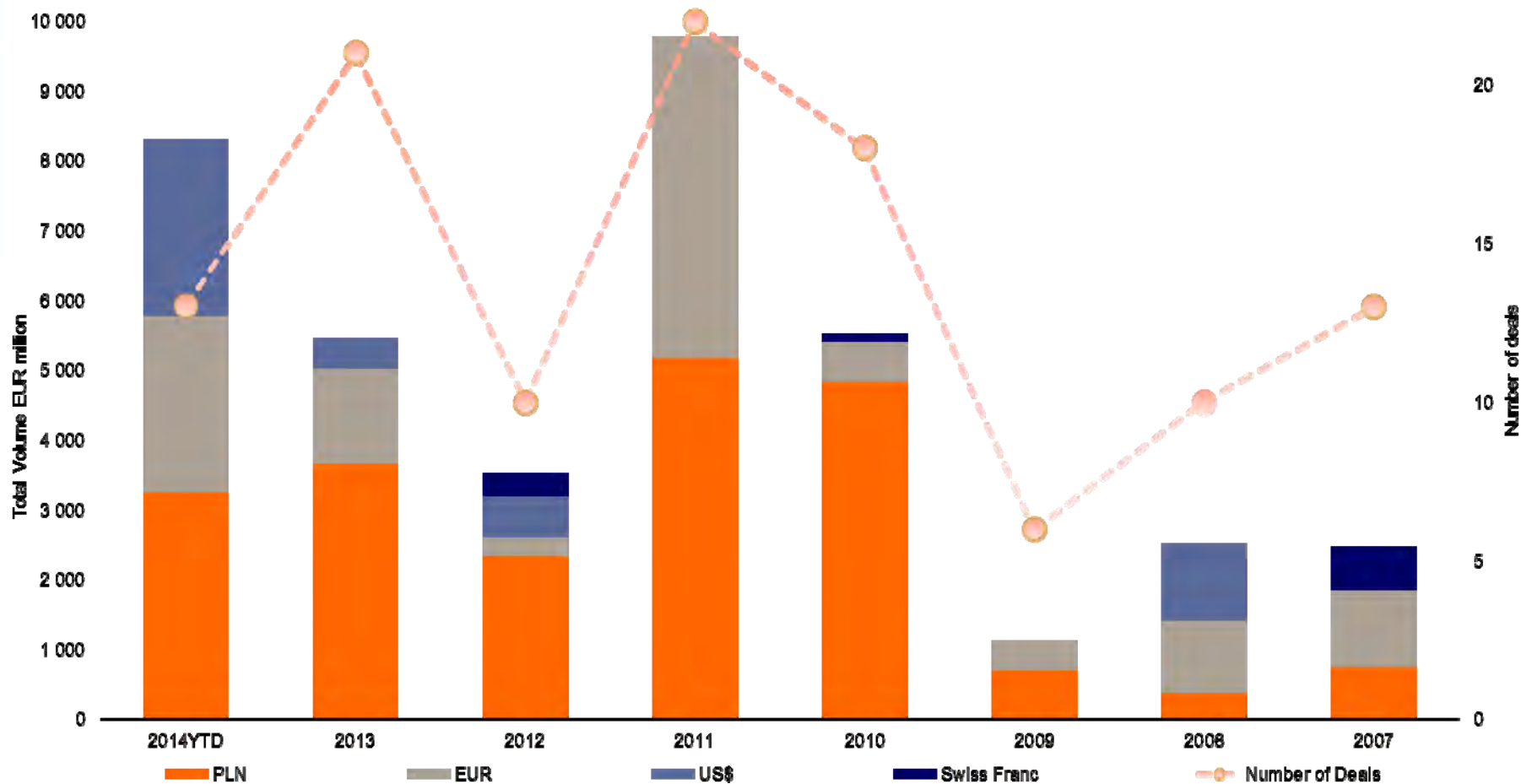


STRESS TESTS RESULTS SHOCK SCENARIO, SOURCE KNF

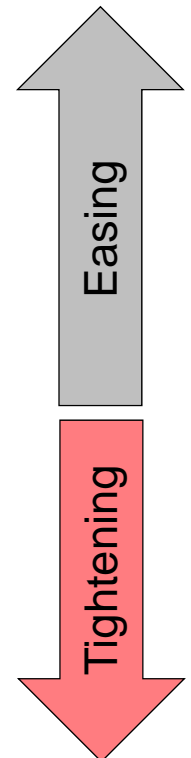
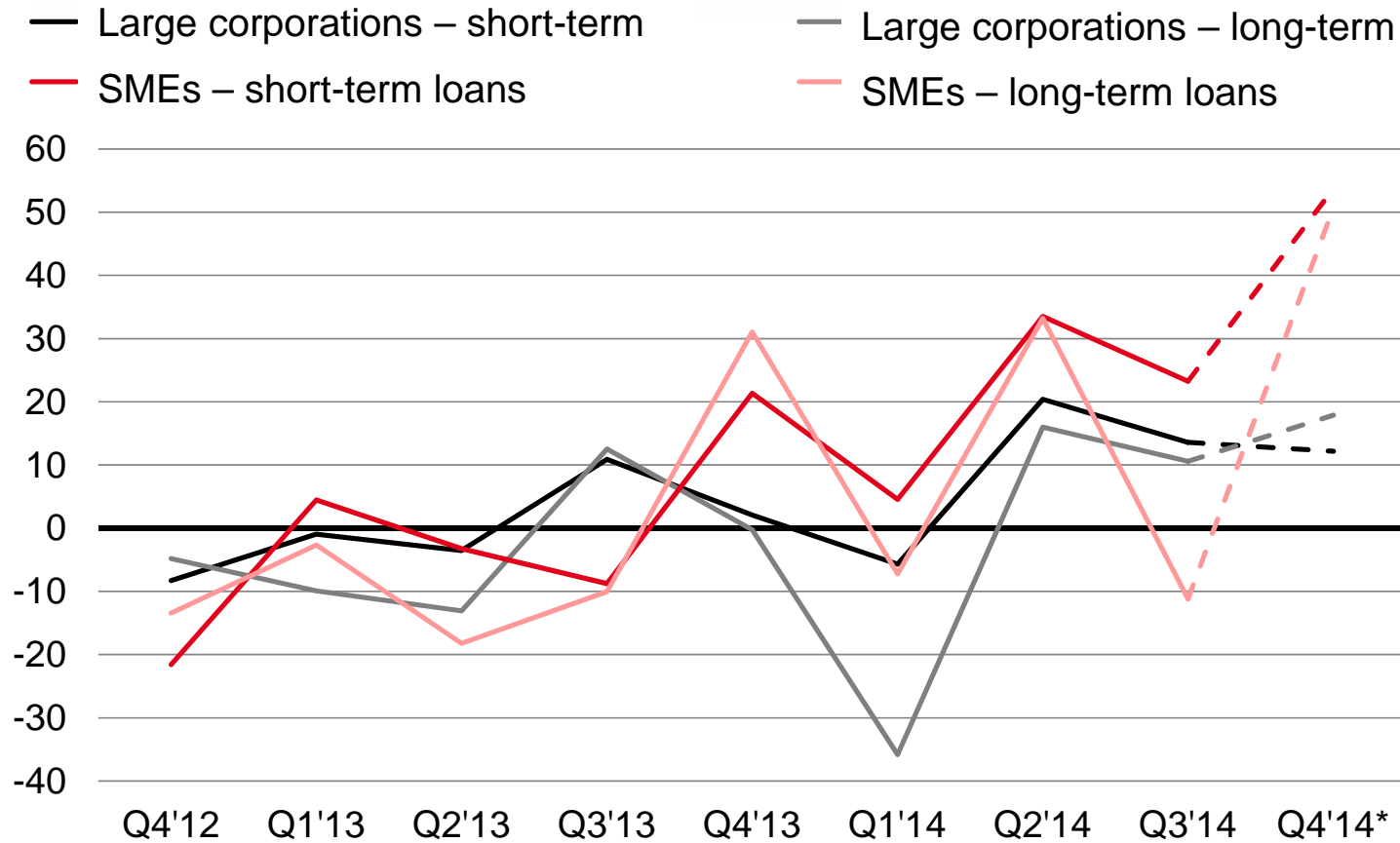


Syndicated Loan Market in Poland

2007 – 2014YTD (Volumes, number of deals, currency split)

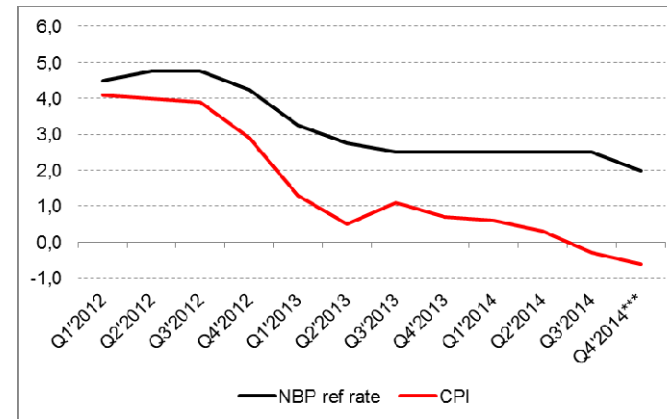
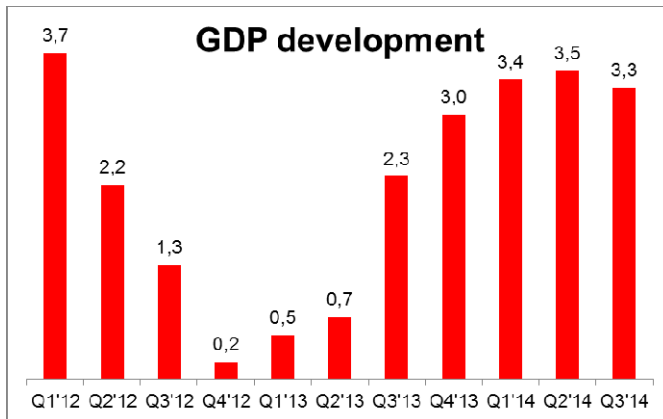


CHANGES TO THE LENDING POLICIES – LOANS TO ENTERPRISES (NET CHANGE) – OPENNESS TO BUSINESS



*expectations, source NBP

GOOD MACROECONOMIC CONDITIONS OF POLISH ECONOMY



- Decrease of interest rates and squeeze of interchange fee put pressure on results
- Stronger competition
- Strong activity in commercial real estate lending



COMMERCIAL REAL ESTATE

- Growing liquidity on european banking market
 - Increasing activity of foreign based banks on Polish market
 - German banks provide financing for completed prime assets
 - Rondo I – Helaba, Metropolitan – Deutsche Hypo, Poznan City Center – Aareal and pbb
 - Polish banks provide financing for construction of commercial real estate and for completed buildings in mid-core cities
 - Apsys Poznania – ING, Berlin Hyp, BGK; Gdański Business Centre – BZWBK; PHN Domaniewska Hub – Pekao; Buma Quattro – Pekao
 - The division is not absolute
-



POLISH INVESTMENT MARKET

- Increase of activity of real estate investors
 - New record of investment transactions will be reached this year
 - Total volume predicted to exceed 3 bln EUR

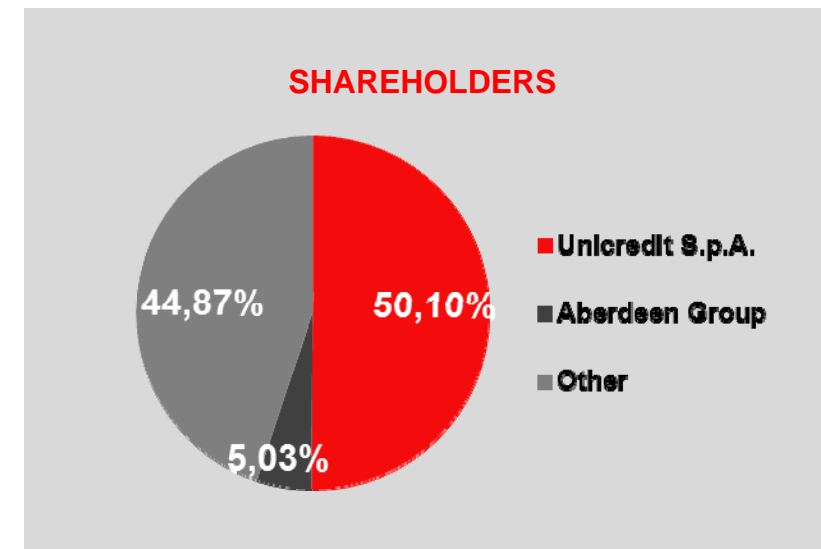


FINANCING CONDITIONS

- Main financing parameters:
 - Investment loans: 65-70% LTV; amortisation 25 years or 2-3% p.a. - subject to leverage, asset type and quality; maturity 5-7 years
 - Construction loans: up to 70% LTC; DSC 1,2; 30-70% prelease + sponsor guarantees to secure debt or interest service
- More relaxed conditions in case of best projects where competition between banks is strong

PEKAO – A BANK WITH SOLID FUNDAMENTALS

- ✓ Leading corporate bank – 15,5% share in corporate loans and 17% in corporate deposits*
- ✓ Second largest bank in Poland with assets of almost PLN 156 bln*
- ✓ Business relationship with 50% of Polish corporates
- ✓ Leading arranger and lender on the Polish market for corporate loans – the high legal lending limit allows to lend as much as PLN 4,5 bln to one capital group
- ✓ Net Profit of Bank Pekao S.A. Capital Group after the 2Q 2014 was PLN 1,32 bln, which allowed for a ROE*** of 11% with a strong capital base Core Tier1: 18,1%.
- ✓ Present on the commercial real estate market for 15 years – in different economic conditions



*as at the end of June 2014






**as at the end of July 2014

***normalised ROE



COMMERCIAL REAL ESTATE FINANCING – CLIENTS' CONFIDENCE AND MARKET APPRECIATION

SELECTED REFERENCE TRANSACTIONS 2014

<p>Zielone Arkady Bydgoszcz</p>  <p>Development and investment financing</p> <p>105.000.000 EUR</p> <p>Facility Agent: UniCredit Bank Austria AG Lenders: Bank Pekao SA and UniCredit Bank Austria AG 2014</p>	<p>Domaniewska Hub Warsaw</p>  <p>Dual Currency Loan</p> <p>68.000.000 EUR 23.000.000 PLN</p> <p>Sole lender</p> <p>2014</p>	<p>Buma Investor Five Kraków</p>  <p>Office, development</p> <p>18.000.000 EUR</p> <p>Sole lender</p> <p>2014</p>	<p>Biuro Inwestycji Kapitałowych Savia Karpaty</p>  <p>Retail park development Bielsko Biała</p> <p>6.200.000 EUR</p> <p>Sole lender</p> <p>2014</p>
<p>International investor Irus Wrocław Futura</p>  <p>Retail park Investment loan</p> <p>15.400.000 EUR</p> <p>Sole lender 2014</p>	<p>International investor</p> <p>UNDISCLOSED</p> <p>Refinancing loan VAT loan</p> <p>217.000.000 PLN</p> <p>Arranger, Agent, Original Lender</p> <p>2014</p>	<p>Polish developer mid-size city</p> <p>UNDISCLOSED</p> <p>Shopping, refinancing and extension development</p> <p>36.000.000 EUR</p> <p>Sole lender</p> <p>December 2013</p>	<p>International investor mid-size city</p> <p>UNDISCLOSED</p> <p>Shopping, refinancing</p> <p>40.000.000 EUR</p> <p>Agent, original lender 50% syndicate participant</p> <p>2014</p>

COMMERCIAL REAL ESTATE FINANCING – CLIENTS' CONFIDENCE AND MARKET APPRECIATION

SELECTED HOTEL TRANSACTIONS

<p>Kraków Airport Hotel</p>  <p>investment financing</p> <p>59.000.000 EUR</p> <p>Sole Lender</p> <p>2013</p>	<p>Louvre Hotels</p>  <p>Refinancing and Capex</p> <p>Undisclosed amount</p> <p>Sole lender</p> <p>2013</p>	<p>International Investor Main city</p> <p>Investment Loan</p> <p>39.000.000 EUR</p> <p>Agent, Original lender</p> <p>2014</p>
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BUSINESS CONTACTS

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Location of Galeria Północna is defined by three aspects of retail development opportunities:



Retail density across 92 urban areas of Warsaw

(First Dimension – Significantly low retail supply comparing to other Warsaw Districts)



Future development of the residential market in Warsaw

(Second Dimension – City's estimations provide for the 200% population growth in the next decade)



Purchasing power broken down to the urban areas

(Third Dimension – Białoleka district Purchasing Power Index 164% of the Poland's average)



Total leasable space 64,000 m²



Number of leasable units ca. 250



2,000 above and underground parking spaces



Hypermarket



Strong and diversified fashion, electronics & sport offer



Leisure & entertainment facilities including multiplex cinema, fitness and kid's play



Diversified gastronomy offer including food court area and additional cafes and restaurants

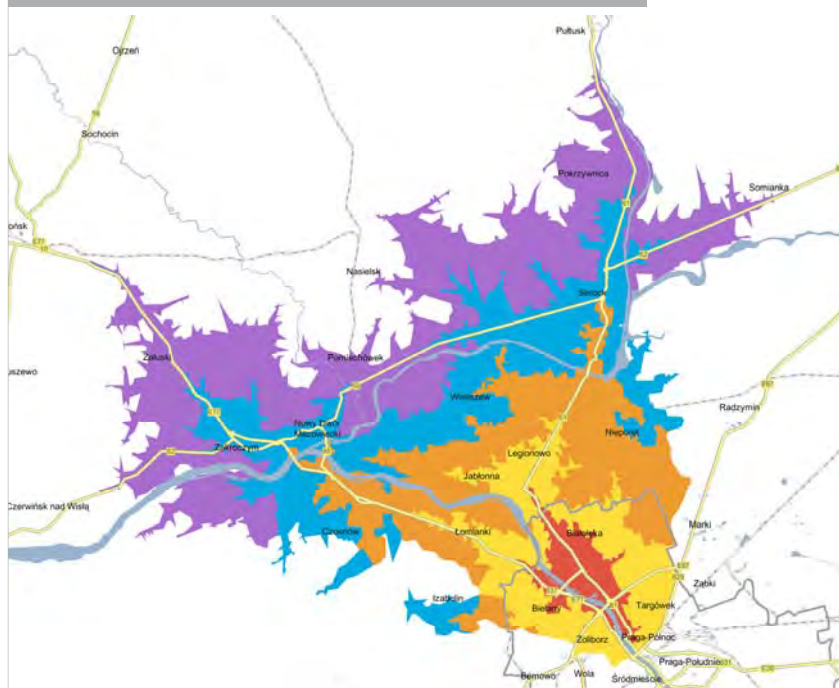


Opening planned for 2H 2016

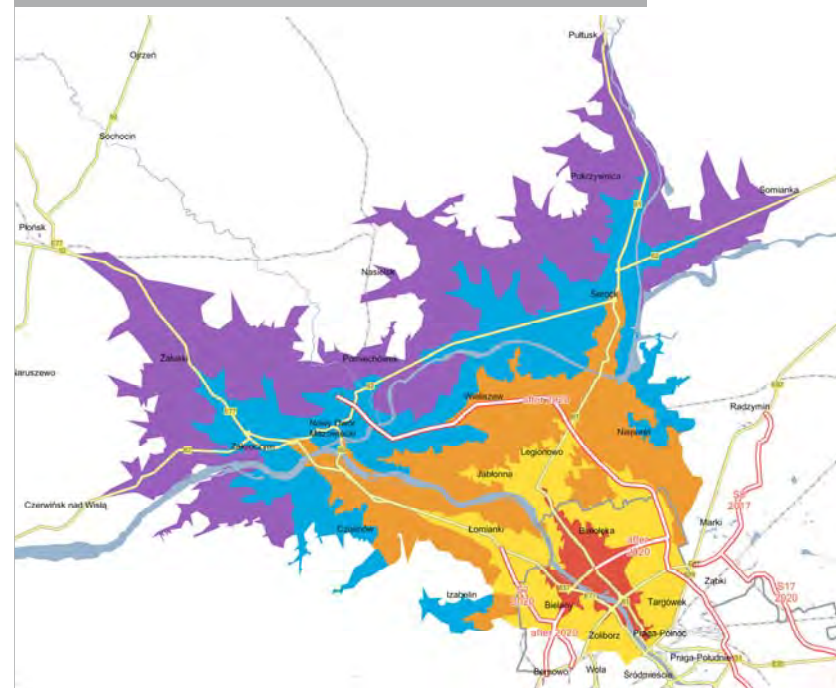


LEED certification

2014 | 710 ths. inhabitants



2020 | 785 ths. inhabitants



■ 10 minutes
 ■ 20 minutes
 ■ 30 minutes
 ■ 40 minutes
 ■ 50 minutes



Young population:



inhabitants under
the age of 19



inhabitants between
the ages of 20 and 29



inhabitants between
the ages of 30 and 49



Constant increase of inhabitants:



Number of children under the age of
15 doubled during the last 10 years



Białoleka District expects the number
of its inhabitants to increase:



98,677 in 2014



to 120,255 in 2030



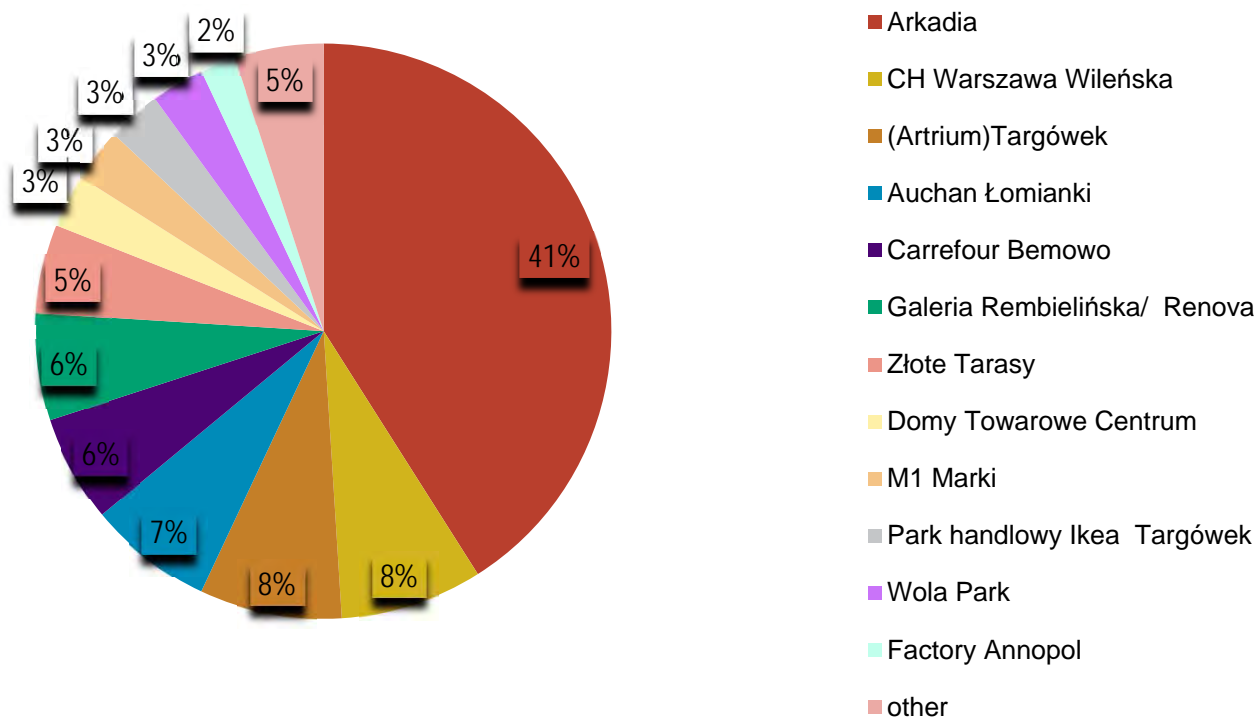
Average price of apartment in Białoleka:



ca. 6,050 PLN/m²

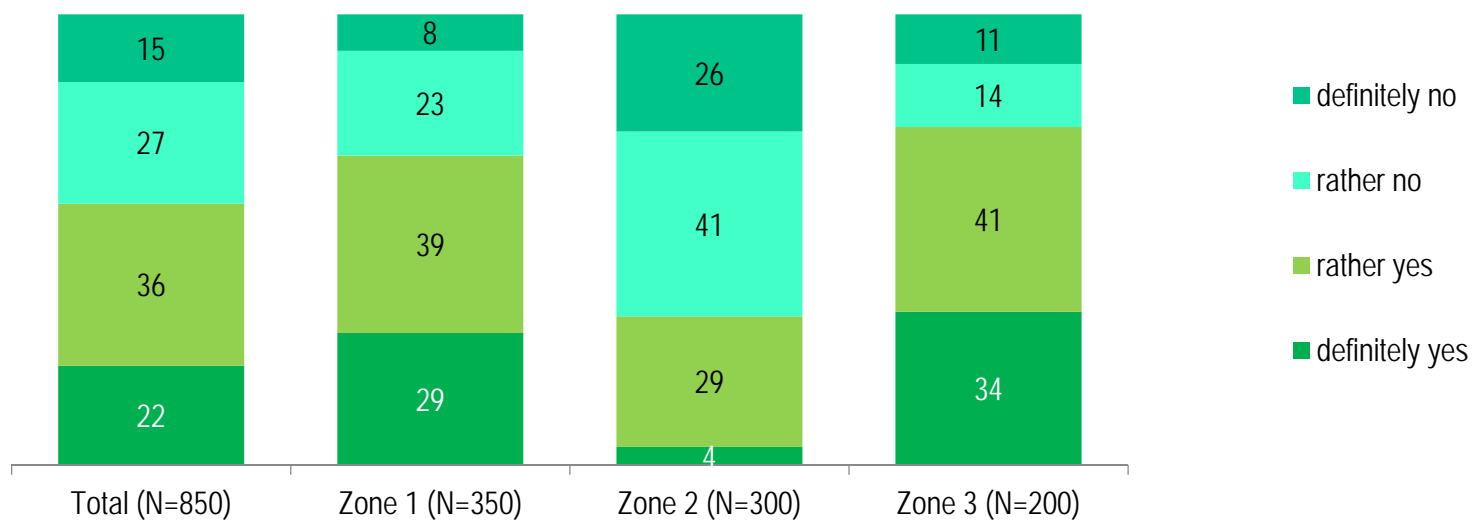
N=850

Galeria Północna target clients today visit



N=850

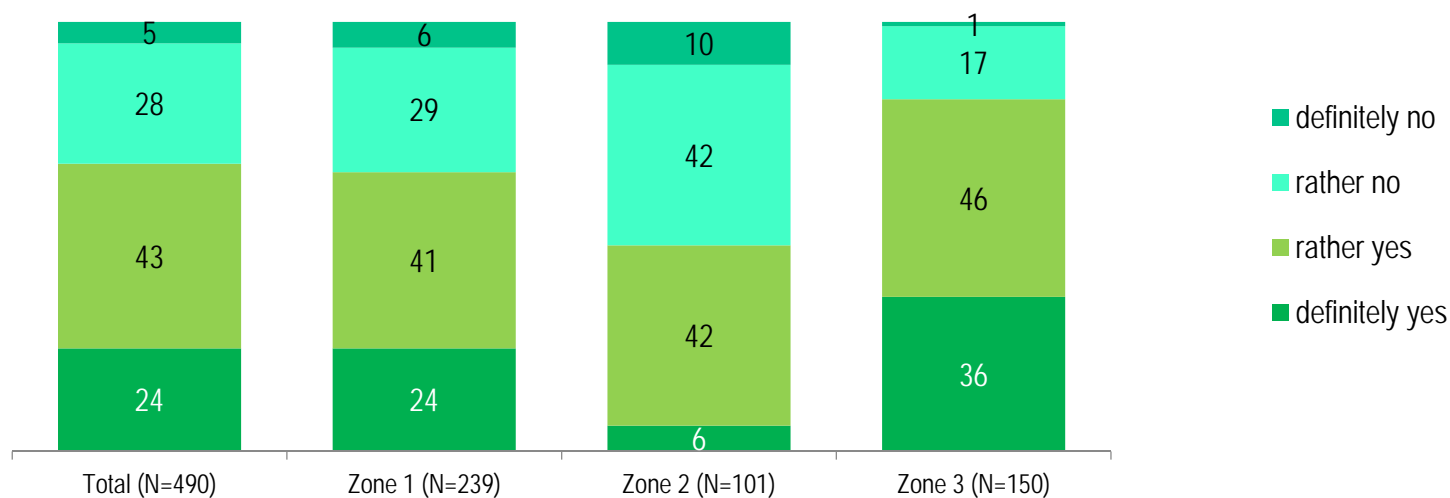
and they would gladly visit Galeria Północna



Catchment area	Population
I	88 648
II	132 122
III	489 593
TOTAL CATCHMENT AREA	710 363

N=850

and are putting Galeria Północna as their shopping destination



Catchment area	Population
I	88 648
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TOTAL CATCHMENT AREA	710 363



Location in the very centre of Białoleka district



One of the most densely populated and fastest growing residential districts



Road Network

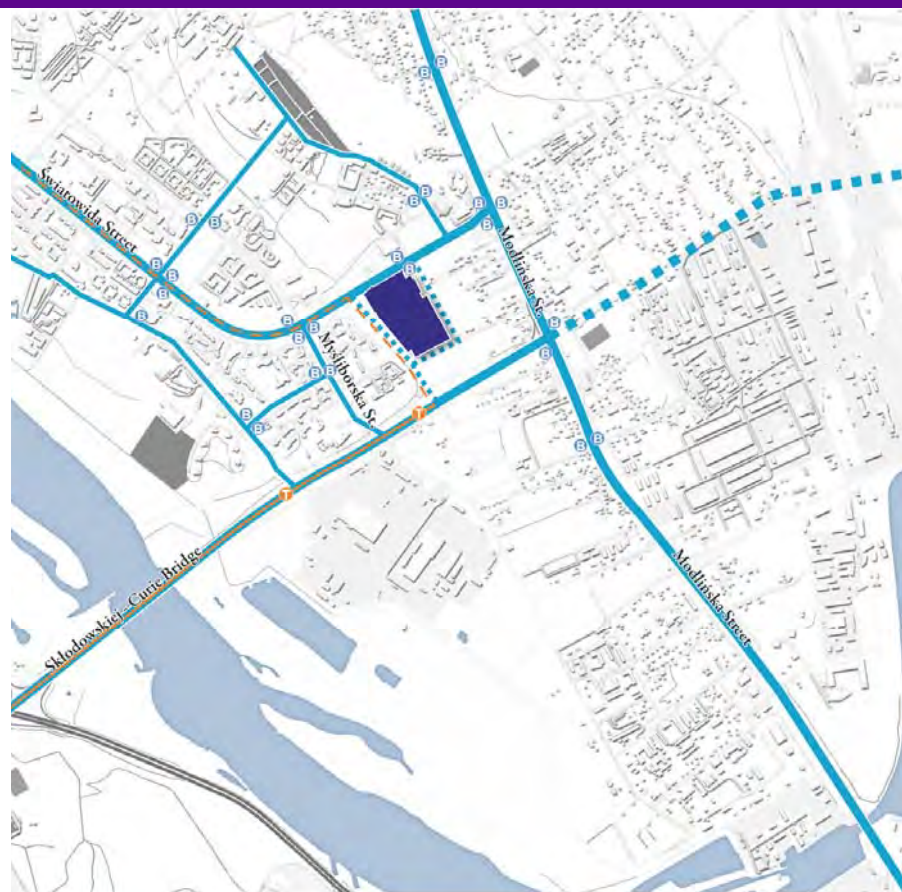
- ✓ Location in the vicinity of the intersection of Światowida and Modlińska streets (National Road No. 61)
- ✓ Located in the vicinity of the exit from Northern Bridge (convenient connection with Łomianki and Bielany districts)
- ✓ Well connected to the neighboring districts of Żoliborz, Bielany, Praga Północ and Targówek (total of 380,000 inhabitants)



Public Transport

- ✓ 19 bus lines passing near the site
- ✓ Easy access to the metro station
- ✓ Metro Młociny via tram link along the Northern Bridge
- ✓ New tram line along Światowida street and a street under development





— Major Access Streets - - - Streets Under Development B Bus Stop T Tram Stop — Existing Tram Line - - - Planned Tram Line



www.galeriapolnocna.com



Thank you

