



# Q1 2014 RESULTS

## INVESTORS PRESENTATION

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14 May 2014



# AGENDA

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### **Significant improvement in liquidity situation:**

- Capital increase of €52m
- Bonds issue of €48m

### **Repayment of €105m bonds in April**

### **Operating results sustained from Q4 2013**

- Rental margin at 72%
- Cash generated from operation at €12m

### **Progress in Galeria Wilanów and Galeria Północna projects**

- Galeria Północna - further land acquisition
- Galeria Wilanów - SKO rejected environmental protests

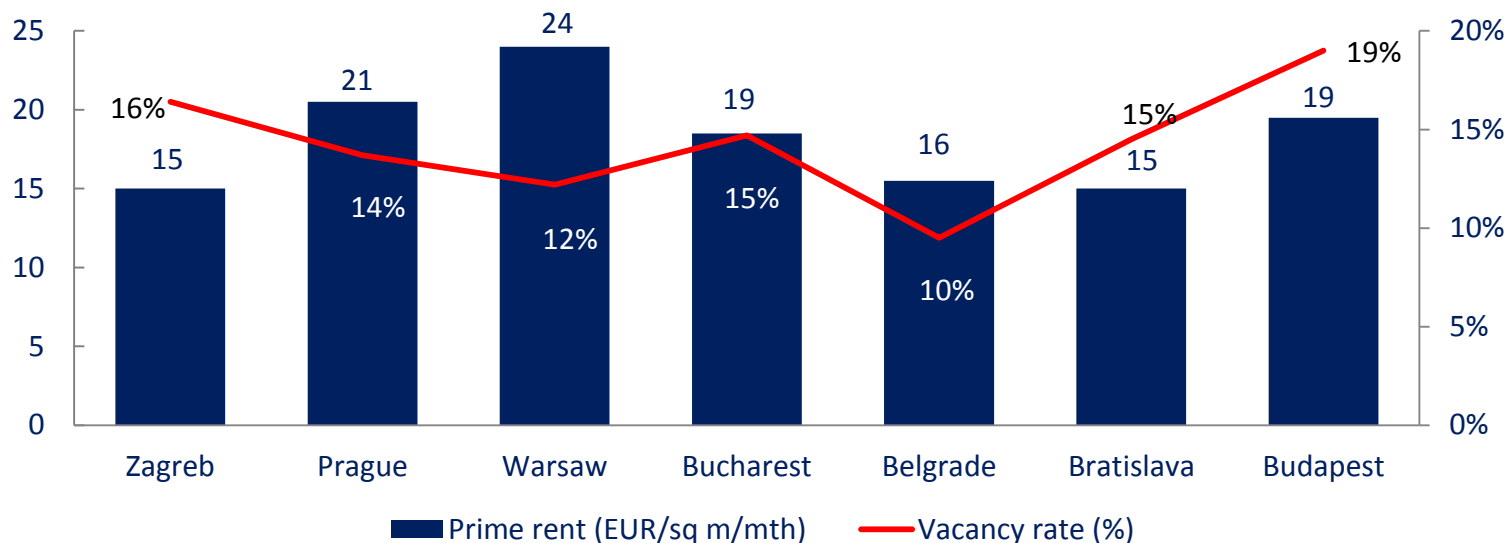
# AGENDA

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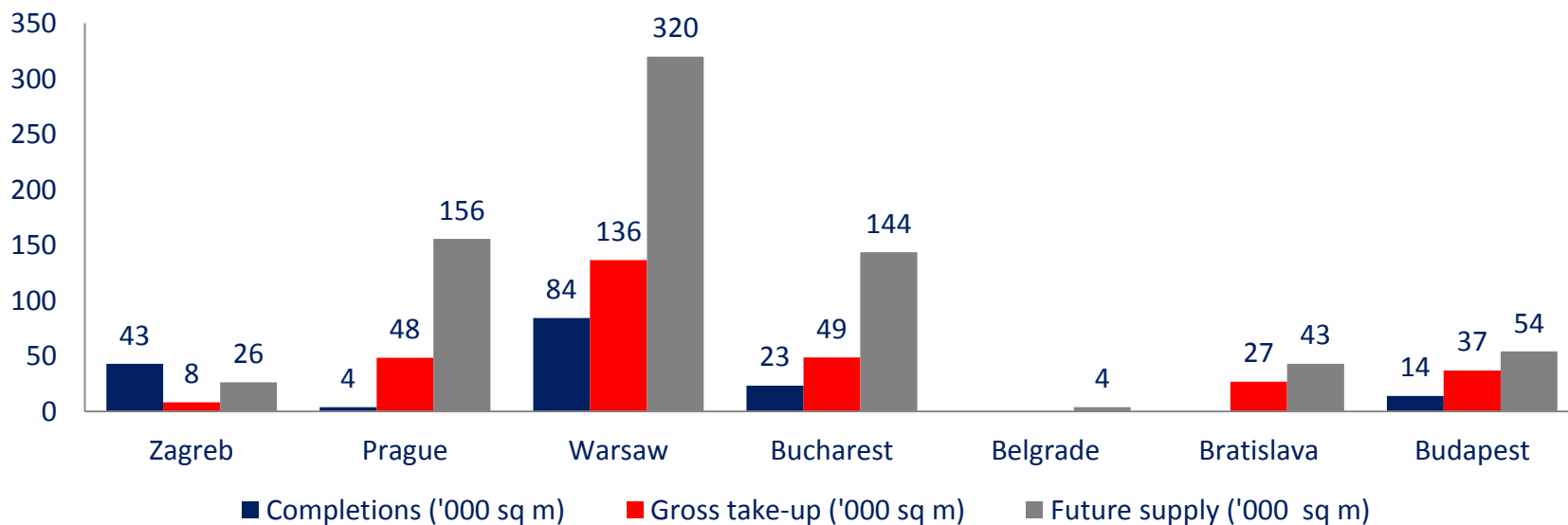
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# MARKET OVERVIEW | OFFICE MARKET

## Prime rent (€/sq m/mth) and vacancy rate (%)\*



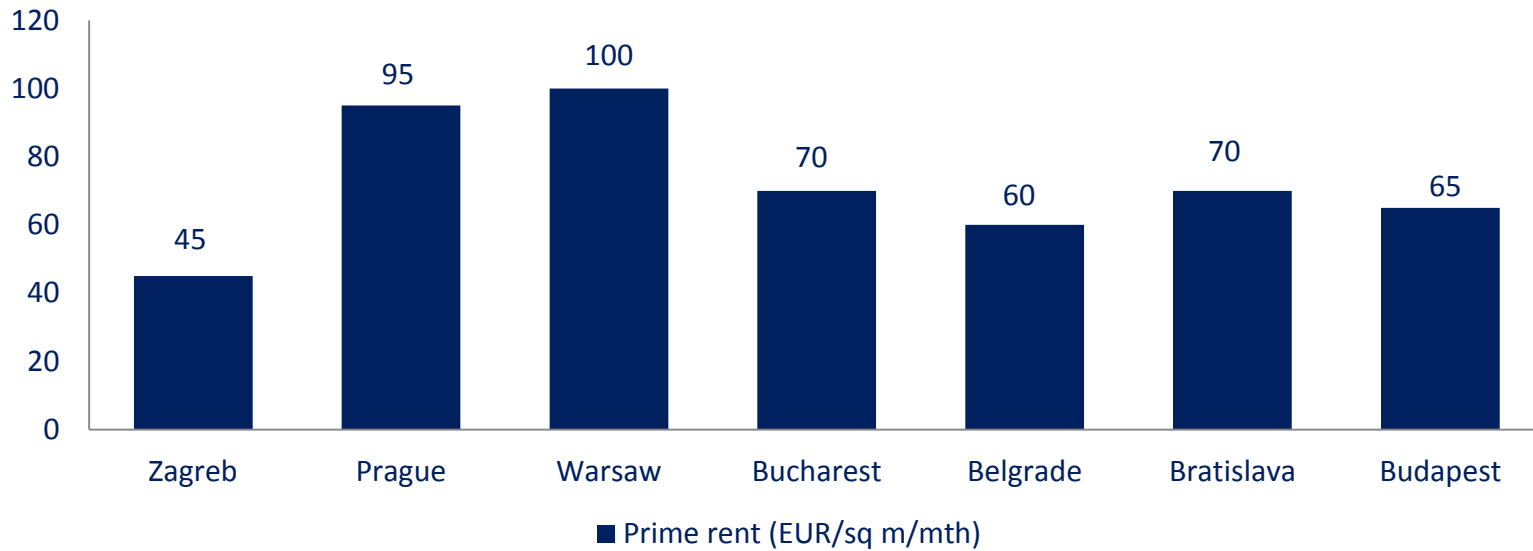
## Completions, gross take-up and future supply ('000 sq m)\*



\*Based on Jones Lang LaSalle market reports

## MARKET OVERVIEW | RETAIL MARKET

Prime rent (€/sq m/mth)\*



\*Based on Jones Lang LaSalle market reports

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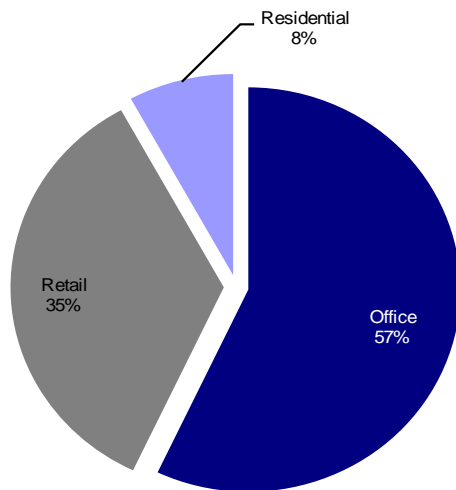
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# PORTFOLIO OVERVIEW

## Total portfolio by sector

Total: €1,501m\*

As of 31 March 2014



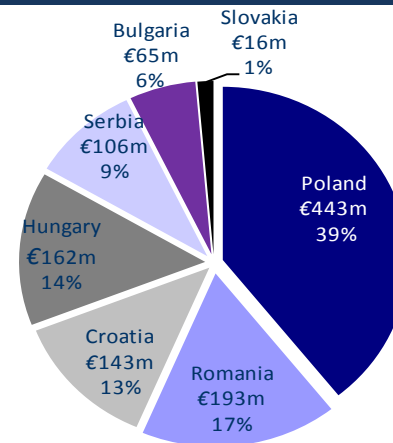
- Income generating assets amounted to €1.1 billion (75% of total portfolio)
- Poland remains key country with 39% of income generating assets

\* Excludes € 118m of investment in associates and 50% joint ventures (Russia, Ukraine, Czech Rep., Ana Tower)

## Income generating assets\*\* - value by country

Total: 1,127m

As of 31 March 2014

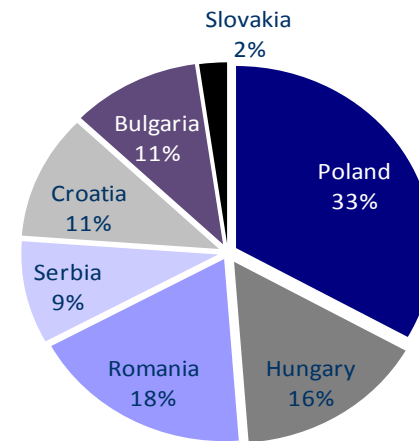


\* Excludes attributable value for assets in Czech Republic where GTC holds minority stakes

## Income generating assets\*\* – NLA by country

Total: 584k sq m

As of 31 March 2014



\*\* Excludes attributable value for assets in Czech Republic where GTC holds minority stakes



### IFRS 11 was introduced as of 1 January 2014 with restatement of 2013 financials:

- Investment in 50% JVs is no longer proportionally consolidated but presented as investment in associates and joint ventures
- The main impact on 2013 financials:

	(€ m)
Investment property	(21)
Investment in associates and joint ventures	85
Cash	(74)
Total equity and liabilities	(32)
Gross margin from operations	(6)
Loss from revaluation/ impairment of assets	5
Profit (loss) before tax	11

## KEY FINANCIAL RESULTS | FINANCIAL HIGHLIGHTS

	Q1 2014 (€ m)	Q1 2013 (€ m)	FY 2013 (€ m)
Underlying PBT*	7	6	19
Cash flow from operating activities	12	10	26
Total property	1,501	1,639	1,497
Net debt	(783)	(899)	(881)
NAV	666	738	622
NAV per share	1.9	2.3	1.9
Underlying PBT/share	0.02	0.02	0.06
EPRA NAV/share	2.2	2.6	2.3
EPRA NNNAV/share	1.9	2.3	1.9

\* Profit before taxes, movement in valuation of investment assets, depreciation and change in fair value of hedges

## KEY FINANCIAL RESULTS | BALANCE SHEET

### Investment property increased due to:

- Progress of Pascal construction
- Acquisition of land for Galeria Północna

**Average occupancy:** 91% (91% on 31 Dec 2013)

### Liquidity situation has significantly improved

- €52m of new capital
- €48m of new bonds
- €47m proceeds from sale of Galeria Kazimierz

**Cash balance** of €192m (€34m deposits)

**Current liabilities** include €105m bonds (and hedges) repaid in April 2014

**Residential inventory** is gradually being sold

- €3m in Q1 2014

(€ m)	31 March 2014	December 2013
Investment property and L.T. assets (inc. IPUC)	1,386	1,376
Investment in shares and associates	118	120
Cash	192	56
Deposits	34	32
Inventory	115	121
Other current assets	21	18
<b>TOTAL ASSETS</b>	<b>1,866</b>	<b>1,723</b>
Equity	627	576
Long term financial debt	881	780
Other long term provisions & payables	142	138
Current portion of long term loans	184	197
Trade payables	31	31
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,866</b>	<b>1,723</b>

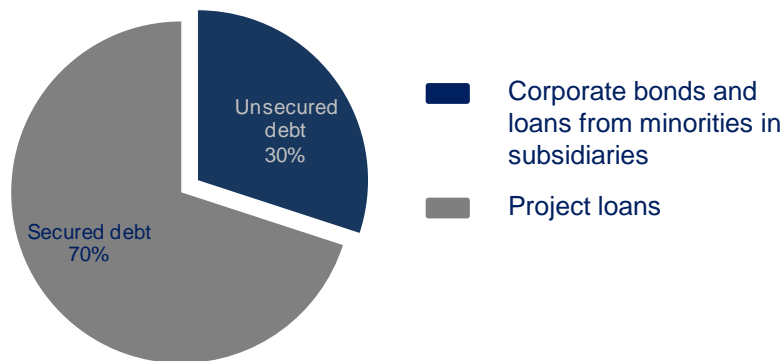
## KEY FINANCIAL RESULTS | DEBT AND LTV

As at	31 March 2014 (€ m)	31 December 2013 (€ m)
Long-term bank debt and financial liabilities	885	784
Short-term bank debt and financial liabilities	184	197
<b>Total bank debt and financial liabilities</b>	<b>1,070</b>	<b>981</b>
Cash & cash equivalents and deposits	226	88
Loans from Galeria Kazimierz	61	12
<b>Net debt and financial liabilities</b>	<b>783</b>	<b>881</b>
<b>Total property</b>	<b>1,501</b>	<b>1,497</b>
<b>Loan to value ratio</b>	<b>52%</b>	<b>59%</b>
<b>Average interest rate</b>	<b>4.3%</b>	<b>4.3%</b>
<b>Interest cover</b>	<b>3.14</b>	<b>1.68</b>

# KEY FINANCIAL RESULTS | DEBT AND MATURITY SCHEDULE

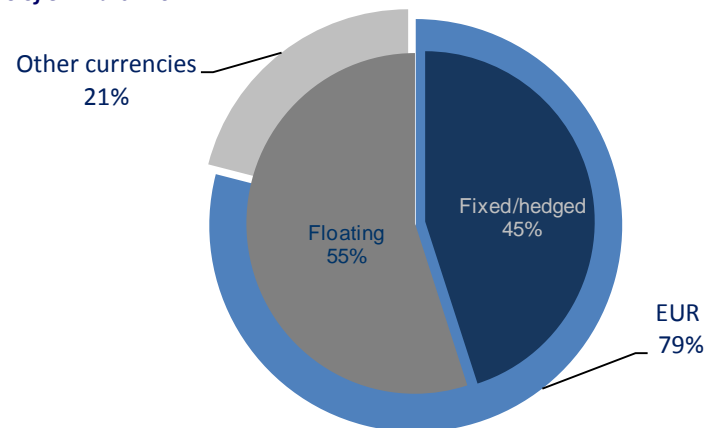
## Debt split

As of 31 March 2014



## Interest rate split

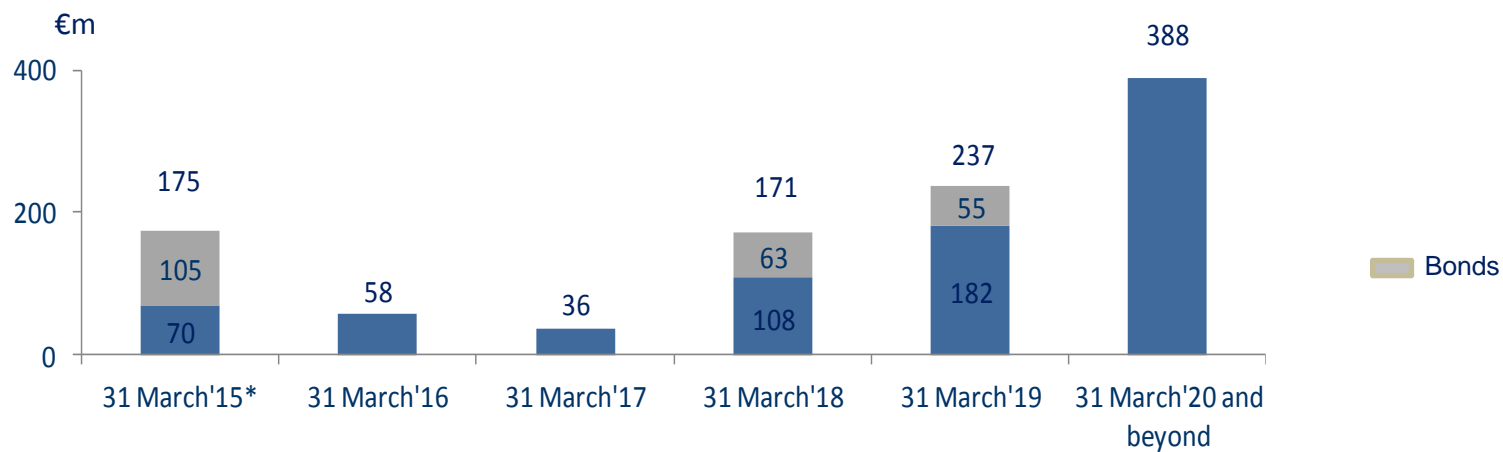
As of 31 March 2014



\* Other currencies include PLN and HUF

## Debt maturity

As of 31 March 2014



\*Including hedges

## KEY FINANCIAL RESULTS | INCOME STATEMENT

	Q1 2014 (€ m)	Q1 2013 (€ m)	FY 2013 (€ m)
Rental and service revenue	27	28	110
Cost of rental operations	(8)	(8)	(31)
<i>Rental margin</i>	72%	70%	71%
Residential sale result	1	-	1
<b>Gross margin from operations</b>	<b>20</b>	<b>20</b>	<b>78</b>
Selling expenses	(1)	(1)	(3)
G&A expenses w/o share based provision	(3)	(3)	(11)
<i>Loss from revaluation of Invest.property and impairment</i>	(2)	(25)	(185)
Financial expenses, net	(11)	(12)	(43)
Share of profit (loss) of associates	-	-	4
<b>Profit/(loss) for the period</b>	<b>(2)</b>	<b>(26)</b>	<b>(177)</b>

## KEY FINANCIAL RESULTS | CASH FLOW HIGHLIGHTS

	Q1 2014 (€ m)	Q1 2013 (€ m)	FY 2013 (€ m)
<b>Operating cash before w. capital changes</b>	16	15	61
Add / deduct:			
Decrease in residential inventory	3	3	12
Interest paid, net	(6)	(8)	(45)
Tax	(1)	-	(2)
<b>Cash flow from operating activities</b>	<b>12</b>	<b>10</b>	<b>26</b>
<b>Investment in real estate and related</b>	<b>(12)</b>	<b>(8)</b>	<b>(30)</b>
VAT	-	(36)	(35)
Changes in working capital	(3)	(3)	(1)
<b>Investment in real estate and related</b>	<b>(15)</b>	<b>(47)</b>	<b>(66)</b>
<b>Finance activity</b>			
Sale of assets	47	33	33
Proceeds from issuance of shares, net	54	-	-
Proceeds from long term borrowings net of cost	48	-	43
Repayment of long term borrowings/bonds	(8)	(24)	(205)
<b>Finance activity</b>	<b>141</b>	<b>9</b>	<b>(128)</b>
Effect of currency translation	(2)	-	-
<b>Net change</b>	<b>136</b>	<b>(28)</b>	<b>(167)</b>
<b>Cash at the beginning of the period</b>	<b>56</b>	<b>225</b>	<b>225</b>
<b>Cash at the end of the period</b>	<b>192</b>	<b>197</b>	<b>56</b>

Cash from operating activities at €12m

Net cash at 31 March 2014 at €192m  
(€34m deposits)

Post balance sheet bonds repayment decreased the cash and liabilities by €105m

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## ADDITIONAL MATERIALS | NET DEBT

As at	31 March 2014 (€ m)	31 March 2013 (€ m)	31 December 2013 (€ m)
Gross debt	1,038	1,067	949
Market value of derivatives	32	67	33
	1,070	1,134	981
Cash and deposits	(226)	(223)	(88)
Loan from Galeria Kazimierz	61	12	12
EPRA adjustments	-	-	-
<b>Net debt (EPRA basis)</b>	<b>783</b>	<b>899</b>	<b>881</b>
Average interest rate	4.3%	5.0%	4.3%
Interest cover during the period	3.14	2.36	1.68

## ADDITIONAL MATERIALS | RECONCILIATION OF UNDERLYING PBT

As at	31 March 2014 (€ m)	31 March 2013 (€ m)	31 December 2013 (€ m)
<b>IFRS Profit/ (Loss) before tax</b>	3	(21)	(162)
Valuation movement (includes disposals)	2	25	185
Foreign exchange differences, net	1	2	1
Amortisation of intangible asset	-	-	2
Loss from associates	-	-	(4)
Other non-recurring items	1	(1)	(3)
<b>Underling profit before tax</b>	<b>7</b>	<b>6</b>	<b>19</b>

## ADDITIONAL MATERIALS | EPRA BALANCE SHEET

As at	31 March 2014 (€ m)	31 March 2013 (€ m)	31 December 2013 (€ m)
Total property	1,501	1,639	1,497
Net debt	(783)	(899)	(881)
Other net liabilities	(91)	(22)	(40)
Non-controlling interest	39	20	46
<b>EPRA NNAV</b>	<b>666</b>	<b>738</b>	<b>622</b>
<b>EPRA NNAV per share (Euro)</b>	<b>1.9</b>	<b>2.3</b>	<b>1.9</b>
Deferred tax arising on revaluation movements	116	104	112
Mark-to-market of debt and derivatives	-	-	-
<b>EPRA NAV</b>	<b>782</b>	<b>842</b>	<b>734</b>
<b>EPRA NAV per share</b>	<b>2.2</b>	<b>2.6</b>	<b>2.3</b>

## ADDITIONAL MATERIALS | PORTFOLIO OF INCOME GENERATING PROPERTIES

As of 31 March 2014

	Poland	Hungary	Serbia	Croatia	Romania	Bulgaria	Slovakia	Subtotal	Czech*	Total
<b>Office properties</b>										
Number of assets	11	3	3	-	1	-	1	19	2	21
GTC consolidated share of NLA, ths. sq m	144	91	53	-	48	-	13	350	11	360
Total, NLA, ths. sq m	144	91	53	-	48	-	13	350	35	385
Book Value, € m	293	162	106	-	158	-	16	734	20	754
Average Rent, €/sq m	14.9	12.0	16.6	-	19.7	-	9.8	14.8	13.3	14.8
Average occupancy	92%	93%	95%	-	93%	-	63%	91%	66%	91%
<b>Retail properties</b>										
Number of assets	1	-	-	2	3	2	-	8	1	9
GTC consolidated share of NLA, ths. sq m	49	-	-	65	59	61	-	234	13	247
Total, NLA, ths. sq m	49	-	-	65	59	61	-	234	41	275
Book Value, € m	150	-	-	143	35	65	-	393	38	431
Average Rent, €/sq m	20.3	-	-	14.6	3.8	7.1	-	11.0	16.2	11.2
Average occupancy	89%	-	-	90%	89%	89%	-	89%	95%	90%
<b>Total</b>								<b>0</b>		<b>0</b>
Number of assets	12	3	3	2	4	2	1	27	3	30
GTC consolidated share of NLA, ths. sq m	193	91	53	65	107	61	13	584	24	608
Total, NLA, ths. sq m	193	91	53	65	107	61	13	584	76	659
Book Value, € m	443	162	106	143	193	65	16	1 127	58	1 185
Average Rent, €/sq m	16.2	12.0	16.6	14.6	10.9	7.1	9.8	13.3	14.9	13.3
Average occupancy	91%	93%	95%	90%	91%	89%	63%	91%	82%	91%

\* pro-rata to GTC Holding

## ADDITIONAL MATERIALS | NEW DEVELOPMENTS

### Galeria Wilanów (Warsaw)



Type	Retail
Leasable area	61,000 sq m
Total costs (1st phase)	€170m
LTC ratio (1st phase)	65%
Loan value (1st phase)	€110m
Total equity invested to date (1st phase)	€26m
Total to invest (1st phase)	€34m
Expected NOI (1st phase)	€19m
Annual return on equity (1st phase)	23%
Cash – on – cash return	11%
Potential developer's pre-tax profit based on 6% exit yield	€146m

### Galeria Północna (Warsaw)



Type	Retail
Leasable area	64,000 sq m
Total costs	€178m
LTC ratio	65%
Loan value	€115m
Total equity invested to date	€39m
Total to invest	€24m
Expected NOI	€18m
Annual return on equity	20%
Cash – on – cash return	10%
Potential developer's profit based on 6% exit yield	€122m

### Investors` calendar

<b>2014-08-21</b>	<b>Consolidated semi-annual report for the 1st half 2014</b>
<b>2014-11-13</b>	<b>Consolidated quarterly reports for Q3 2014</b>

### Contact details

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### Useful links



**Q1 2014 presentation**



**Q1 2014 report**

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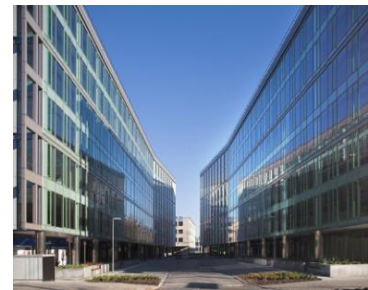
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