

**GTC** |   
**Q1 2016 RESULTS**

INVESTORS PRESENTATION

12 MAY 2016

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# 1 KEY HIGHLIGHTS Q1 2016

## Portfolio and operations

- Acquisition of Pixel office building completed (14,500 sq. m, January 2016)
- Acquisition of land plot for office development in Budapest CBD
- 90,000 sq. m NLA under construction in three projects
- 126,000 sq. m NLA in advance pre-construction phase
- 25,500 sq. m of office and retail space newly leased and renewed, including 13,000 sq. m of Romtelecom lease prolongation in City Gate
- Occupancy level kept at 92%

## Financial highlights

- Profit before tax at €19m (€4m in Q1 2015)
- Revaluation gain of €7m (loss of €0.4m in Q1 2015) driven by projects under construction
- FFO improved to €11m (€9m in Q1 2015)
- Net LTV of 43.2% (39.4% as of 31 December 2015) driven by an increase in investment loans and deployment of cash
- EPRA NAV at €797m (€779m as of 31 December 2015) corresponding to an EPRA NAV per share at €1.73 (€1.69 as of 31 December 2015)
- Refinancing of University Business Park, Pixel and Globis Poznań completed

# 1 EXECUTION OF THE GROWTH STRATEGY: USE OF FUNDS

Acquisitions	Purchase price (€m)	Equity invested (€m)	Expected loan (€m)	Current NOI (€m)	NOI upon stabilisation (€m)
Acquisition of completed properties and land plots	95.7	74.2	Exp. 28	6.1	7.2
Acquisition of minority stake in City Gate	18.1	18.1	-	3.9	3.9
<b>Total</b>	<b>113.8</b>	<b>92.3</b>	<b>Exp. 28</b>	<b>10.0</b>	<b>11.1</b>

Developments	Total investment (€m)	Equity invested (€m)	Expected loan (€m)	Expected NOI (€m)
Developments financed through the capital increase proceeds	14.3	6.2	Exp. 20	3.9
<b>Total</b>	<b>14.3</b>	<b>6.2</b>	<b>Exp. 20</b>	<b>3.9</b>
<b>Total</b>	<b>128.1</b>	<b>98.5</b>	<b>Exp. 48</b>	<b>13.9</b>

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Portfolio

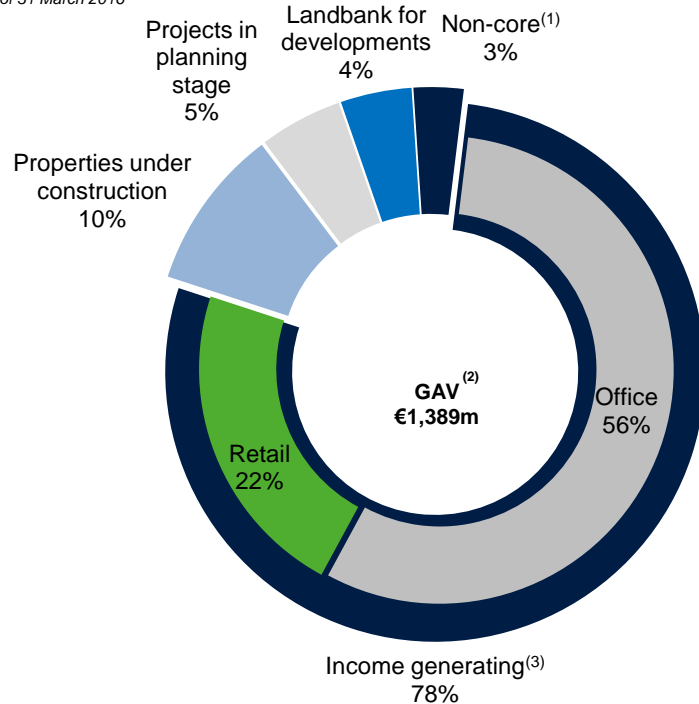
3

Operations and financials

# 2 PORTFOLIO OVERVIEW

Balanced portfolio providing stable rental income and significant growth potential from secured developments

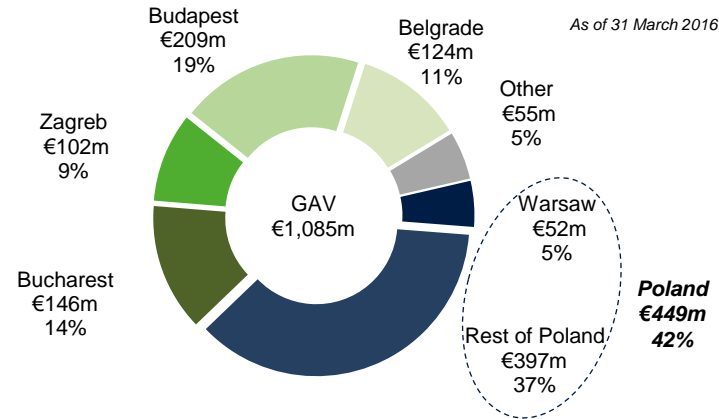
As of 31 March 2016



- Income generating assets of €1,085m (78% of total portfolio)
- 10% of portfolio under construction
- 5% of portfolio in advanced planning stage
- 3% of portfolio secured landbank for future development
- Poland remains key country with 42% of income generating assets

Regional diversification (income generating portfolio)<sup>(3)</sup>

As of 31 March 2016



Portfolio by asset class (income generating)<sup>(3)</sup>

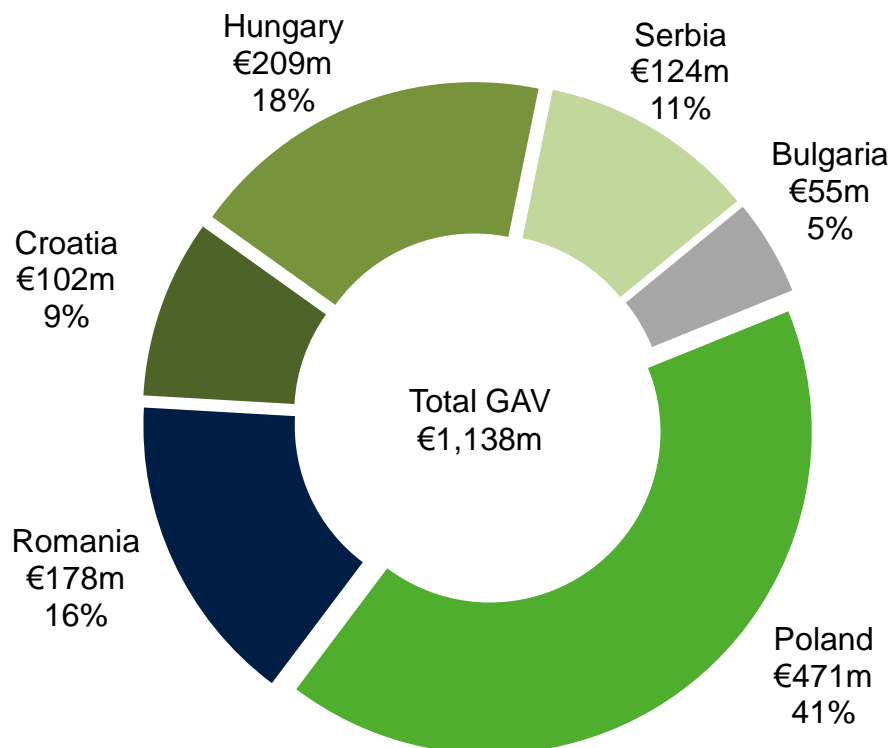
As of 31 March 2016



Note (1) Includes Residential Landbank & Inventory (2%) and Assets held for sale (1%); (2) Excludes €22m of investment in associates and 50% Joint Ventures; (3) Excludes attributable value for assets held for sale and completed assets in associates (Czech Rep.) and non-core assets;

## 2 INCOME GENERATING ASSETS BY COUNTRY POST ACQUISITIONS AND COMPLETIONS REALIZED IN APRIL 2016

- Completion of University Business Park B (19,200 sq. m, anchor tenants moved in)
- Acquisition of Premium Point and Premium Plaza (15,000 sq. m)



Note: (1) Excludes attributable value for assets held for sale and completed assets in associates (Czech Rep.)

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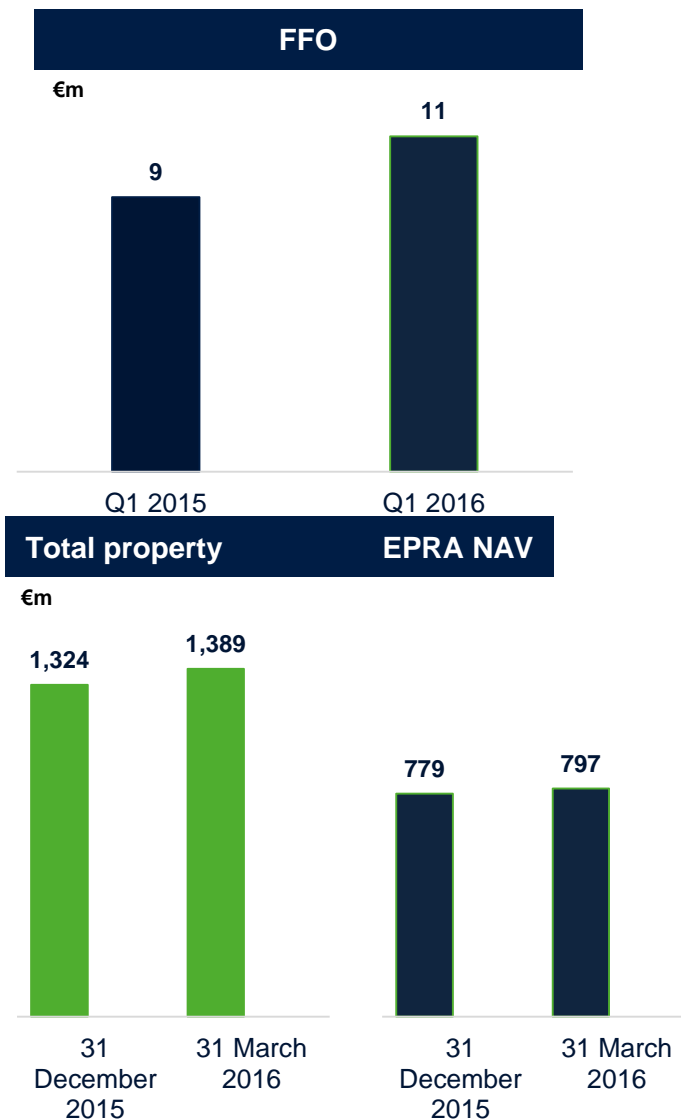


# 3 FINANCIAL HIGHLIGHTS

Key metrics (€m)	Q1 2016	Q1 2015
NOI	21	20
NOI margin	76%	74%
EBITDA	18	18
FFO I	11	9
FFO I / share (€)	0.02	0.02

	31 March 2016	31 December 2015
Total property	1,389	1,324
Net Debt	600	522
Net LTV	43.2%	39.4%
EPRA NAV	797	779
EPRA NAV/share (€)	1.73	1.69



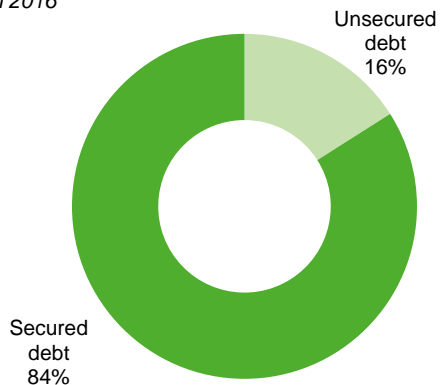
### 3 BALANCE SHEET

(€m)		31 March 2016	31 Dec 2015	Comments
Investment property and L.T. assets (incl. IPUC)	1	1,351	1,289	1 Increase in investment property driven by acquisitions and development activity
Residential landbank and inventory		27	30	
Asset held for sale		11	6	
Investment in shares and associates		22	23	
Cash & cash equivalents	2	118	169	2 Decrease in cash and cash equivalents mainly due to investment activity
Deposits		25	27	
Other non current assets		32	16	
<b>TOTAL ASSETS</b>		<b>1,586</b>	<b>1,560</b>	
Common equity	3	658	643	3 Increase in common equity due to an increase in accumulated profit
Minorities		(19)	(21)	
Short and long term financial debt	4	762	739	4 Increase in short and long term financial debt as a result of refinancing activity and increase in loans related to projects under construction
Derivatives		6	5	
Deferred tax liabilities		135	133	
Other liabilities		44	61	
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,586</b>	<b>1,560</b>	

# 3 CONSERVATIVE FINANCING STRUCTURE

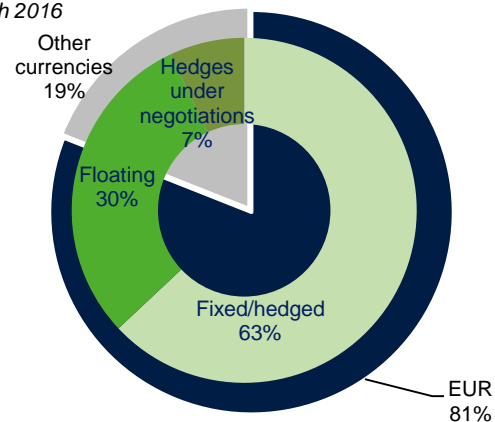
## Balanced debt split

As of 31 March 2016



## Interest rate split

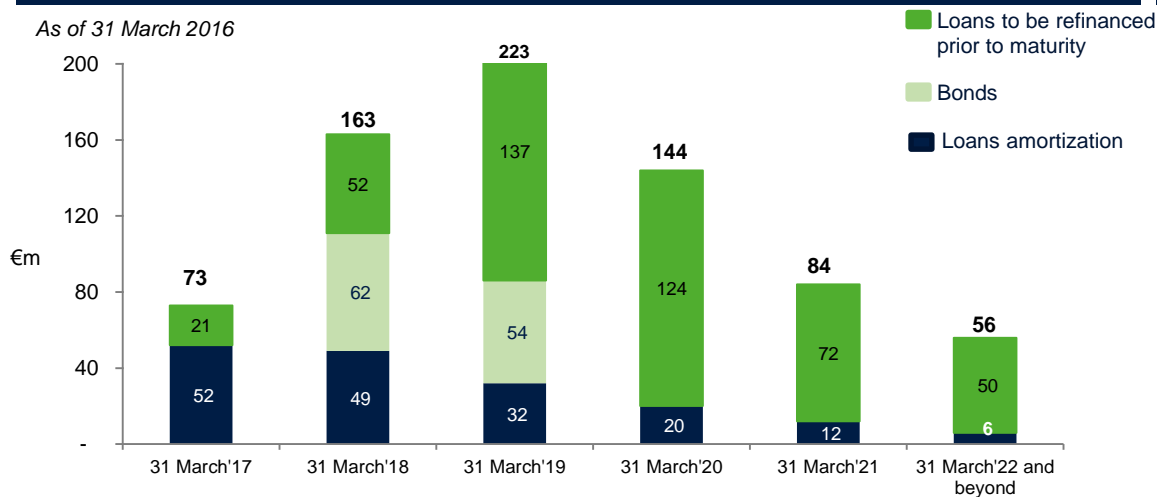
As of 31 March 2016



\* Other currencies include PLN and HUF

## Debt maturity

As of 31 March 2016



## Comments

- Average interest rate of 3.4%
- Interest cover at 3.6x

Conservative financing structure with 43.2% net LTV

### 3 DEBT AND LTV

(€m)	31 March 2016	31 December 2015
Long-term bank debt and financial liabilities	688	659
Short-term bank debt and financial liabilities	73	80
Loans from minorities	(25)	(27)
Deferred issuance debt expense	6	6
<b>Total bank debt and financial liabilities</b>	<b>743</b>	<b>717</b>
Cash & cash equivalents & deposits	143	196
<b>Net debt and financial liabilities</b>	<b>600</b>	<b>522</b>
Total property	1,389	1,324
<b>Loan to value ratio</b>	<b>43.2%</b>	<b>39.4%</b>
Average interest rate	3.4%	3.4%
Interest cover	3.6x	3.0x

# 3 INCOME STATEMENT

(€m)	Q1 2016	Q1 2015
<b>Rental and service revenue</b>	27	27
Cost of rental operations	(7)	(7)
Residential sale result	1	-
<b>Gross margin from operations</b>	<b>21</b>	<b>20</b>
Selling expenses	(1)	(1)
G&A expenses w/o share based provision	(2)	(2)
Profit/(loss) from revaluation of invest. property and impairment of residential projects <b>1</b>	7	-
Other income/ (expenses),net	(1)	3
<b>Profit (loss) from continuing operations before tax and finance income / (expense)</b>	<b>25</b>	<b>17</b>
Foreign exchange differences, net	-	(3)
Finance expenses, net <b>2</b>	(6)	(8)
Share of profit/(loss) of associates	-	(2)
<b>Profit/(loss) before tax</b>	<b>19</b>	<b>4</b>
Taxation	(2)	4
<b>Profit/(loss) for the period</b>	<b>16</b>	<b>8</b>
Attributable to equity holders of the parent	16	8
Attributable to non-controlling interest	-	-

Comments	
<b>1</b>	Profit from revaluation reflects the progress in the construction of Galeria Pólnocna
<b>2</b>	Further decrease in finance expenses due to refinancing, deleveraging and restructuring of debt combined with reduction in average interest rate

### 3 CASH FLOW STATEMENT

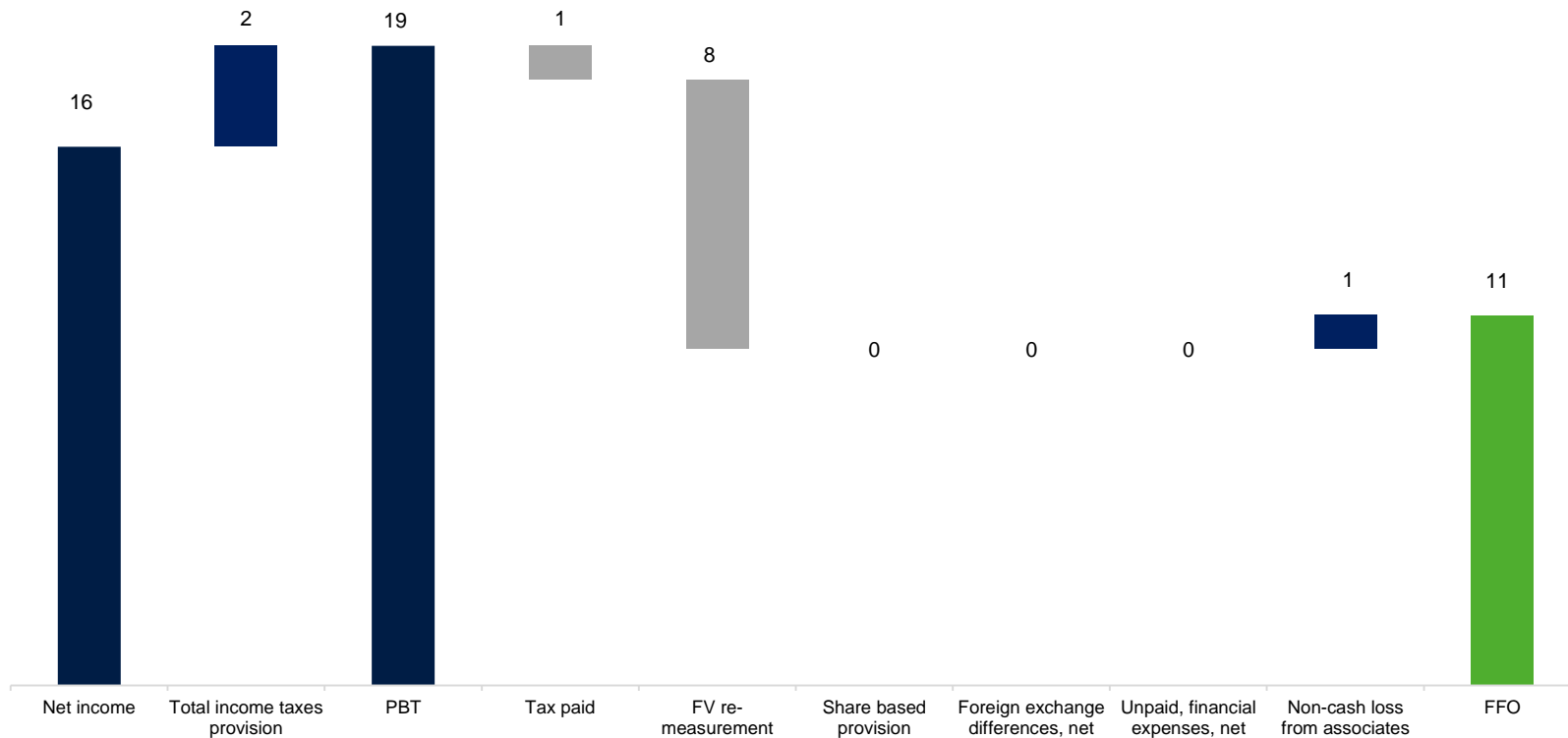
(€m)	Q1 2016	Q1 2015
<b>Operating activities</b>		
Operating cash before working capital changes	18	17
<b>Add / deduct:</b>		
Decrease in residential inventory	3	2
Interest paid, net	(6)	(7)
Effect of currency translation	-	2
Tax	(1)	(1)
<b>Cash flow from operating activities</b>	<b>14</b>	<b>13</b>
<b>Investing activities</b>		
Investment in real estate and related	(64)	(4)
Purchase of non-controlling interest	(18)	-
Liquidation of joint ventures	-	-
Changes in working capital	(2)	1
Sale of assets	3	10
VAT/CIT on sales of investments	(11)	-
<b>Investment in real estate and related</b>	<b>(92)</b>	<b>7</b>
<b>Finance activity</b>		
Proceeds from long term borrowings net of cost	49	1
Repayment of long term borrowings / bonds	(23)	(21)
<b>Finance activity</b>	<b>27</b>	<b>(20)</b>
Net change	(51)	0
<b>Cash at the beginning of the period</b>	<b>169</b>	<b>81</b>
<b>Cash at the end of the period</b>	<b>118</b>	<b>81</b>

Comments	
<b>1</b>	Investment in real estate includes: acquisition of Pixel and land in Budapest as well as expenditure on investment property under construction (Fortyone, UBP and Galeria Północna) and investment in remaining stake in City Gate
<b>2</b>	Proceeds from long term borrowings reflect drawdowns under loans on assets under constructions and refinancing
<b>3</b>	Repayment of long term borrowings include standard amortization and accelerated repayment

### 3 FFO BRIDGE Q1 2016, TOTALLING €11M

#### FFO reconciliation Q1 2016

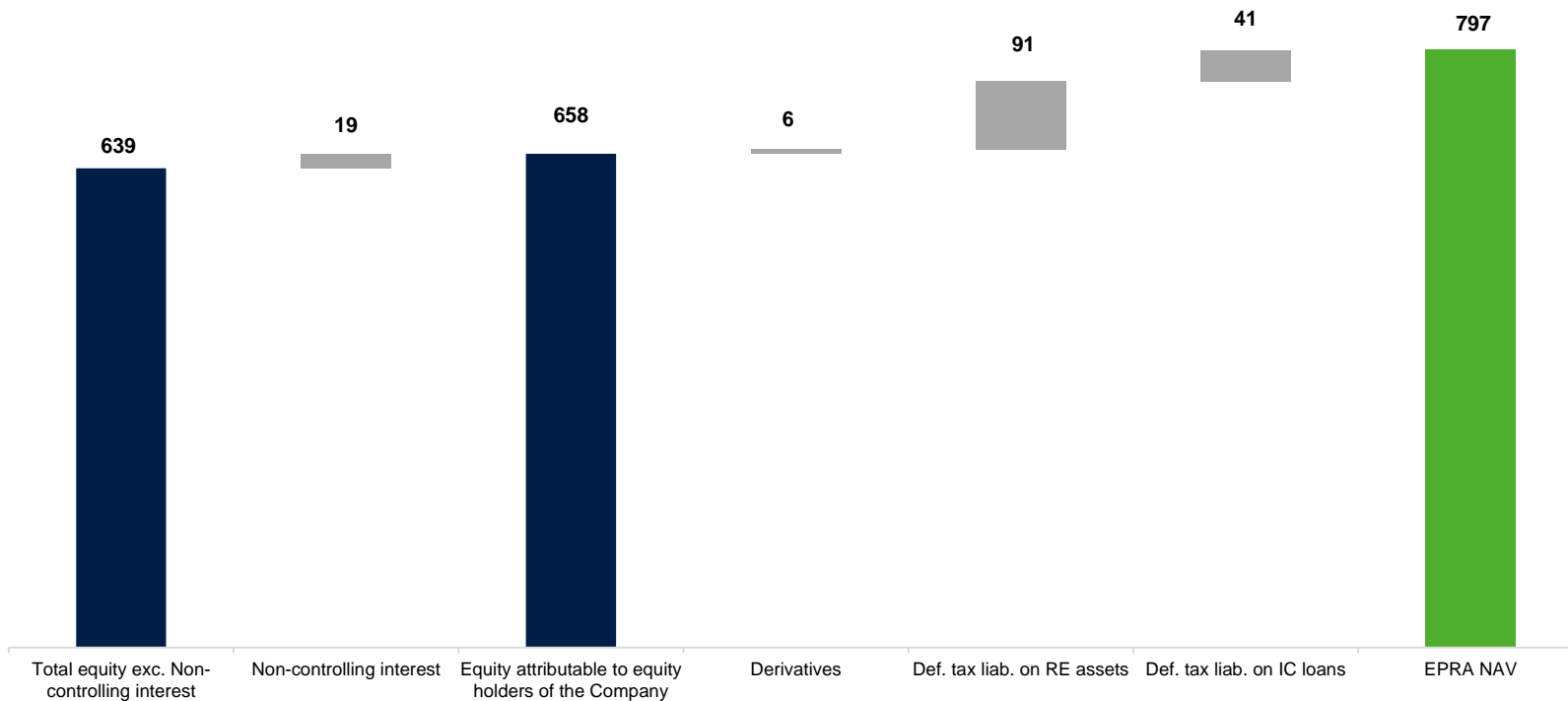
in €m



# 3 EPRA NAV BRIDGE Q1 2016

## EPRA NAV reconciliation Q1 2016

in €m





# ADDITIONAL MATERIALS

# PORTFOLIO OF INCOME GENERATING PROPERTIES

As of 31 March 2016	Poland	Hungary	Serbia	Croatia	Romania	Bulgaria	Subtotal	Czech <sup>(1)</sup>	Total
<b>Office projects</b>									
Number of assets	12	4	4	-	1	-	21	2	23
GTC consolidated share of NLA (ths. sqm)	150	117	64	-	48	-	380	11	391
Total NLA (ths. sqm)	150	117	64	-	48	-	380	35	415
Book value (€m)	299	209	124	-	146	-	778	18	796
Average rent (€/sqm)	14.1	11.7	14.7	-	19.0	-	14.1	13.2	14.1
Average occupancy (%)	91%	93%	92%	-	93%	-	92%	85%	92%
<b>Retail projects</b>									
Number of assets	1	-	-	1	-	2	4	1	5
GTC consolidated share of NLA (ths. sqm)	49	-	-	36	-	61	146	13	159
Total NLA (ths. sqm)	49	-	-	36	-	61	146	41	187
Book value (€m)	150	-	-	102	-	55	307	32	339
Average rent (€/sqm)	19.5	-	-	20.0	-	9.4	15.4	14.5	15.4
Average occupancy (%)	90%	-	-	97%	-	87%	90%	92%	90%
<b>Total</b>									
Number of assets	13	4	4	1	1	2	25	3	28
GTC consolidated share of NLA (ths. sqm)	199	117	64	36	48	61	526	24	550
Total NLA (ths. sqm)	199	117	64	36	48	61	526	76	602
Book value (€m)	449	209	124	102	146	55	1,085	50	1,135
Average rent (€/sqm)	15.4	11.7	14.7	20.0	19.0	9.4	14.4	13.9	14.4
Average occupancy (%)	91%	93%	92%	97%	93%	87%	92%	89%	92%

Note: (1) pro-rata to GTC Holding

# USEFUL INFORMATION

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