CONSOLIDATED QUARTERLY REPORT
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE TREE MONTH PERIOD ENDED 31 MARCH 2014

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Content of the consolidated quarterly report:

Management Board's report on the activities of Globe Trade Centre S.A. Capital Group in the three month period ended 31 March 2014

Unaudited interim condensed consolidated financial statements as of 31 March 2014

MANAGEMENT BOARD'S REPORT ON THE ACTIVITIES OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
IN THE THREE MONTH PERIOD ENDED 31 MARCH 2014

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Item 1. Introduction

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

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

Since its establishment, the Group has developed approximately 950 thousand sq m of NRA of commercial space (office and retail) and approximately 300 thousand sq m of residential space. The Group has sold approximately 344 thousand sq m of NRA in completed commercial properties and approximately 256 thousand sq m of residential space.

As of 31 March 2014, the Group's portfolio in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and Russia comprises the following properties:

- 27 completed commercial properties with a combined NRA of approximately 583 thousand sq m of which the Group's proportional interest amounts to 534 thousand sq m of NRA
- 1 property under construction with NRA of approximately 6 thousand sq m
- inventory of residential units totalling 44 thousand sq m, and
- landbank designated for future development, with approximately 1.1 million sq m NRA designated for commercial use and approximately 516 thousand sq m NRA designated for residential use.

Additionally, the Group conducts operations in the Czech Republic, through its associates. The Group's proportional interest in assets in Czech Republic amounts to approximately 24 thousand sq m of NRA in two office buildings and a shopping mall. The Group is also the co-owner of a 140 thousand sq m land plot located in Ukraine, of which the Group's proportional interest is 70 thousand sq m, a 43 thousand sq m land plot located in Russia, of which the Group's proportional interest is 27.5 thousand sq m and a 10 thousand sq m land plot designated for Ana Tower, located in Romania, of which the Group's proportional interest is 5 thousand sq m.

The Group's completed commercial properties comprise 19 office and 8 retail properties that account for approximately 75% of the total book value of the Group's portfolio as of 31 March 2014. The Group's completed properties in its three most significant markets, i.e. Poland, Romania and Hungary, constitute 39%, 17% and 14% of the total value of the Group's completed real estate portfolio, respectively.

The Company's shares are listed on the WSE and included in the WIG30 index.

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

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

In the Management Board's report references to the Company are to Globe Trade Centre S.A. and all references to the Group or the Capital Group are references to Globe Trade Centre S.A. and its consolidated subsidiaries. Expressions such as: "Shares" relate to the shares in Globe Trade Centre S.A., which were introduced to public trading on the Warsaw Stock Exchange in May 2004 and later and are marked under the PLGTC0000037 code; "Bonds", "Existing Bonds" refers to the bonds issued by Globe Trade Centre S.A. in 2007, 2008 and bonds issued in 2012 and introduced to alternative trading market in December 2012 and January 2013 and marked with the ISIN codes PLGTC0000144 and PLGTC0000151; “New Bonds” refers to the bonds issued by Globe Trade Centre S.A. in 2014 and market under the GTCSA032019 code; „the Report” refers to the consolidated quarterly report prepared pursuant to art 87 section 1 of the Decree of the Finance Minister of 19 February 2009 on current and periodical information published by issuers of securities and conditions of qualifying as equivalent the information required by the provisions of law of a country not being a member state; “CEE” refers to the group of countries that are within the region of Central and Eastern Europe (Czech Republic, Hungary, Poland and Slovakia); “SEE” refers to the group of countries that are within the region of South-eastern Europe (Bulgaria, Croatia, Romania and Serbia); “net rentable area”, “NRA”, or “net leasable area”, “NLA” refer to the metric of the area of a given property as indicated by the real property appraisal experts for the purposes of the preparation of the relevant real property valuations. With respect to commercial properties, net leasable (rentable) area is all the leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates; “Commercial properties” refer to properties with respect to which GTC Group derives revenue from rent and includes both office and retail properties; “EUR”, “€” or “euro” refers to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; “PLN” or “zloty” refers to the lawful currency of Poland.

Presentation of financial information

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

All the financial data in this Report is presented in euro and expressed in thousands unless indicated otherwise.

Certain financial information in this Report was adjusted by rounding. As a result, certain numerical figures show as totals in this Report may not be exact arithmetic aggregations of the figures that precede them.

Forward-looking statements

This Report contains forward-looking statements relating to future expectations regarding the Group’s business, financial condition and results of operations. You can find these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this Report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by forward-looking statements. The Group cautions you not to place undue reliance on such statements, which speak only as at the date of this Report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that the Group or persons acting on its behalf may issue. The Group does not undertake any obligation to review or confirm analysts’ expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Report.

The Group discloses important risk factors that could cause its actual results to differ materially from its expectations under Item 3. “Key risk factors” in consolidated annual report for financial year 2013, Item 5. “Operating and financial review”, and elsewhere in this Report. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on behalf of the Group. When the Group indicates that an event, condition or circumstance could or would have an adverse effect on the Group, it means to include effects upon its business, financial situation and results of operations.

Item 2. Selected financial data

The following tables set forth the Group's selected historical financial data for the three-month periods ended 31 March 2014 and 2013. The historical financial data should be read in conjunction with Item 5. "Operating and Financial Review" and the unaudited interim condensed consolidated financial statements as of 31 March 2014 (including the notes thereto). The Group has derived the financial data presented in EUR and in accordance with IFRS from the unaudited interim condensed consolidated financial statements as of 31 March 2014.

Selected financial data presented in PLN is derived from the unaudited interim condensed consolidated financial statements as at 31 March 2014 presented in accordance with IFRS and in PLN.

The reader is advised not to view such conversions as a representation that such zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

	For the three-month period ended 31 March			
	2014		2013	
(in thousands)	€	PLN	€	PLN
Consolidated Income Statement				
Revenues from operations	30,961	129,555	30,998	128,831
Cost of operations	(11,107)	(46,477)	(11,375)	(47,276)
Gross margin from operations	19,854	83,078	19,623	81,555
Selling expenses	(612)	(2,561)	(792)	(3,292)
Administrative expenses	(1,857)	(7,771)	(337)	(1,401)
Loss from revaluation/impairment of assets, net	(1,961)	(8,205)	(25,466)	(106,382)
Share of profit in associates and joint ventures	423	1,770	411	1,708
Financial income/(expense), net	(11,496)	(48,105)	(11,606)	(48,236)
Net loss	(1,760)	(7,364)	(26,192)	(109,553)
Basic and diluted earnings per share (not in thousands)	(0.00)	(0.01)	(0.07)	(0.30)
Weighted average number of issued ordinary shares (not in thousands)	345,568,760	345,568,760	319,372,990	319,372,990
Consolidated Cash Flow Statement				
Net cash from operating activities	16,650	69,671	12,291	50,542
Net cash used in investing activities	(11,347)	(47,480)	(8,181)	(33,686)
Net cash from/(used in) financing activities	132,410	553,030	(31,707)	(131,778)
Cash and cash equivalents at the end of the period	192,231	801,853	197,151	823,579
Consolidated balance sheet				

Investment property	1,385,900	5,781,005	1,479,709	6,181,336
Inventory	37,010	154,380	79,163	330,696
Cash and cash equivalents	192,231	801,853	197,151	823,579
Total assets	1,865,804	7,782,829	2,005,763	8,378,877
Non-current liabilities	1,023,289	4,268,445	1,012,011	4,227,575
Current liabilities	215,804	900,183	276,230	1,153,927
Equity	626,711	2,614,201	717,522	2,997,375
Share capital	7,849	35,131	7,082	31,937

Item 3. Presentation of the Group

Item 3.1. General information about the Group

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

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The Company's shares are listed on the WSE and included in the WIG30 index.

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

Item 3.2. Structure of the Group

The structure of Globe Trade Centre S.A. Capital Group as at 31 March 2014 is presented in the unaudited interim condensed consolidated financial statements as of 31 March 2014 in Note 6 Investment in subsidiaries, associates and joint ventures.

On 27 February 2014, GTC Group acquired remaining 30% in GTC Real Estate Developments Bratislava BV. The consideration involved 100% sale of Park Project (GTC Real Estate Park s.r.o.) and mutual settlement on debt instruments. As a result, the impact of on the equity attributable to equity holders of the parent amounted to a decrease of €6,800. As of 31 March 2014, GTC Real Estate Investments Slovakia BV was the sole owner of all its current projects in Slovakia.

Item 3.3. Changes to the principal rules of the management of the Company and the Group

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

Item 4. Main events

Following events took place during the three months ended 31 March 2014:

On 30 January 2014, the private placement of 31,937,298 series J ordinary bearer shares (the "Series J Shares") has been completed. The Series J Shares were subscribed for pursuant to Resolution No. 3 of the General Meeting of the Company dated 9 January 2014 regarding the increase of the Company's share capital through the issuance of ordinary series J bearer shares, the exclusion of all of the pre-emptive rights of the existing shareholders to all of the Series J Shares, the amendment of the Company's statute, the application for the admission and introduction of the Series J Shares and rights to Series J Shares to trading on the regulated market operated by the Warsaw Stock Exchange, and the dematerialization of the Series J Shares and rights to Series J Shares. Subscription price was PLN 7.00 (not in thousands) per each Series J Share. On 14 March 2014 Series J Share was registered by the KDPW and assigned the code PLGTC0000037.

On 10 March 2014, the Company issued 20,000 bearer, unsecured GTCSA032019 series bonds in dematerialized form recorded with Krajowy Depozyt Papierów Wartościowych S.A. (the National Depository of Securities), with a total nominal value of PLN 200,000. The nominal value and the issue price of each Bond is PLN 10. The Bonds will be subject to partial redemption in 1/3 of their nominal value on 12 March 2018, 10 September 2018 and 11 March 2019 (date of full redemption). The interest on the Bonds will be payable semi-annually, and is based on the 6M WIBOR and margin of 4.5% p.a.

Item 5. Operating and financial review

Item 5.1. General factors affecting operating and financial results

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

The Group believes that the following factors and noteworthy market trends have significantly affected the Group's results of operations for the periods under review, and the Group expects that such factors and trends will continue to have a significant impact on the Group's results of operations in the future.

Economic conditions in CEE and SEE

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

The recent global financial crisis has had and continues to have an impact on the economies of CEE and SEE member countries and consequently impacts the Company's operations. More specifically, the global financial crisis has led to disruptions in the international and domestic capital markets, which has resulted in reduced liquidity and increased credit risk premiums for certain market participants causing a reduction of available financing or a "credit crunch" as well as the Eurozone sovereign debt crisis. Companies located in CEE and SEE countries have been particularly susceptible to these disruptions and reductions in the availability of credit or increases in financing costs. This has resulted in many companies in these countries experiencing financial difficulty. Similarly, in many cases, the public finances of such countries have been impacted from the resulting economic slowdown and decrease in demand for sovereign debt. The impact of the global economic and financial crisis on the Group's business in 2013 and in previous years highlights the Group's exposure to general economic trends.

Similarly, in many cases, the public finances of the countries affected by the turmoil in the financial markets have been impacted from the resulting economic slowdown and decrease in demand for sovereign debt. This has made it difficult (as, for example, was the case in Ireland, Italy, Portugal and Spain) or impossible (as was the case in Greece) for certain governments to refinance their debt without third-party assistance and has been referred to as the Eurozone sovereign debt crisis. In effect, certain countries in which the Group conducts its operations, including Romania and Bulgaria, have been adversely affected by decreased trade exchange with their traditional partners, including Italy and Greece. The impact of the global economic and financial crisis as well as the Eurozone sovereign debt crisis on the Group's business in the years ended 31 December 2009, 2010, 2011 and 2012 as well as in 2013 highlights the Group's exposure to general economic trends. The Group recorded a material loss from the revaluation of investment properties and the impairment of residential projects in the years ended 31 December 2009, 2011, 2012 and 2013 amounting to €772,580 (not restated) and a loss from the revaluation of investment properties and the impairment of residential projects of €1,961 in the first quarter of 2014. The downward revaluations of investment properties resulted from decreases in actual and expected rent levels in certain countries in which the Group conducts its operations, notably Romania and Bulgaria, as well as expansion of yields in Romania, Hungary, Croatia and Bulgaria. The impairment of the residential land bank was the result of certain projects being suspended or postponed.

Real estate market in CEE and SEE

The Group derives the majority of its revenue from operations from rental activities, including rental and service revenue. For the years ended 31 December 2012 and 2013, respectively, the Group derived 67% and 69% of its revenues from operations as rental revenue, which greatly depends on the rental rates per sq m and occupancy rates. The amount the Group can charge for rent largely depends on the property's location and condition and is influenced by local market trends and the state of the local economies. The Group's revenue from rent is particularly affected by the delivery of new rent spaces, changes in vacancy rates and the Group's ability to implement rent increases. Rental income is also dependent upon the time of completion of the Group's development projects as well as on its ability to let such completed properties at favourable rent levels. Moreover, for the years ended 31 December 2012 and 2013, respectively, the Group derived 20% and 21% of its revenues from operations as service revenue, which reflects certain costs the Group passes on to its tenants. The vast majority of the Group's lease agreements are concluded in Euro and include a clause that provides for full indexation of the rent, linked to the EICP (European Index of Consumer Prices) when a lease is concluded in Euro. When a lease is concluded in another currency, it is typically linked to the consumer price index of the relevant country of the currency.

Moreover, to a certain extent, the Group's operational results are influenced by its ability to sell residential units. The supply of new apartments in the different markets in which the Group operates and the demand on such markets affect apartment prices. The demand for apartments is further impacted by fluctuations in interest rates, the availability of credit and the mortgage market in general. For example, the Group's residential revenues decreased steadily over the years ended 31 December 2012 and 2013 due to the slowdown in the sale of residential properties coupled with an increase in discounts which had to be granted to purchasers of the Group's apartments in order to facilitate sales.

Real estate valuation

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

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

The Group recognized revaluation profit of €43,167(not restated) in the year ended 31 December 2010 while it incurred a revaluation loss of €295,969 (not restated) in the year ended 31 December 2011, a loss of €114,661(not restated) in the year ended 31 December 2012, a loss of €184,585 in 2013 and a loss of €1,961 in the first quarter of 2014. The main factors influencing the valuation of the Group's properties between 2011 and 31 March 2014 were a decrease in rental rates and expected rental values and the expansion of yields mainly in Bulgaria, Romania, Croatia and Hungary which were mostly related to the Group's retail investment properties, but also office properties.

Substantially all of the loans of the Group, as well as the bonds issued by the Company, have a variable interest rate, mainly linked to EURIBOR (although the bonds are denominated in PLN and bear interest connected to WIBOR, swap transactions were concluded which effectively converted this indebtedness into EUR at fixed rates). Approximately 45% of the Group's loans are hedged or partially hedged. Increases in interest rates generally increase the Group's financing costs. In addition, demand for investment properties generally tends to increase when interest rates are low, which can lead to higher valuations of the Group's existing investment portfolio. Conversely, increased interest rates generally adversely affect the valuation of the Group's properties, which can result in recognition of a valuation impairment that negatively affects the Group's income. The derivative financial instruments used by the Group to hedge interest rate risk are separated from the debt instrument and are accounted separately.

Historically, EURIBOR rates have demonstrated significant volatility, changing from 2.859% as of 2 January 2009, through 0.7% as of 4 January 2010, 1.001% as of 3 January 2011, 1.343% as of 2 January 2012, as of 0.188% as of 3 January 2013 to 0.287% as of 2 January 2014.

Impact of foreign exchange rate movements

Though for the year ended 31 December 2012 and 31 December 2013 a vast majority of the Group's revenues and costs were incurred or derived in Euro and the Exchange rates against the euro of the local currencies of the countries in which the Group operates are an important factor as the credit facilities that are obtained may be denominated in either euros or local currencies. The Group reports its financial statements in euros, its operations are impacted by the movements in, however, are based locally in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and other geographic markets. The Group receives the majority of its revenue from rent denominated in euro, however, it receives a certain portion of its income (including the proceeds from the sales of residential real estate) and incurs most of its costs (including the vast majority of its selling expenses and administrative expenses) in local currencies, including the Polish zloty, Bulgarian leva, Czech korunas, Croatian cunas, Hungarian forints, Romanian lei and Serbian dinars. The exchange rates between local currencies and the euro have historically fluctuated. The income tax expense (both actual and deferred) in the jurisdictions in which the Group conducts its operations is incurred in such local currencies. Consequently, such income tax expense was and may continue to be materially affected by foreign exchange rate movements.

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

Availability of financing

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

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

Item 5.2. Specific factors affecting financial and operating results

On 27 February 2014, GTC Group acquired remaining 30% in GTC Real Estate Developments Bratislava BV. The consideration involved 100% sale of Park Project (GTC Real Estate Park s.r.o.) and mutual settlement on debt instruments. As a result, the impact of on the equity attributable to equity holders of the parent amounted to a decrease of €6,800. As of 31 March 2014, GTC Real Estate Investments Slovakia BV was the sole owner of all its current projects in Slovakia.

IFRS 11 has been applied starting from 1 January 2014. Under IFRS 11, investment in joint ventures, which was previously consolidated using the proportionate consolidation method, is now presented under the equity method. Presentation of comparable periods presented in the financial statements has been restated. The equity and the result for comparable periods not have been changed due to above restatements. The full disclosure on IFRS 11 implementation is included in note 16 to unaudited interim condensed consolidated financial statements as of 31 March 2014.

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

The Group did not present any financial forecasts for the three-month period ended 31 March 2014.

Item 5. 4. Statement of financial position

Item 5.4.1. Key items of the statement of financial position

Investment property

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

Residential land bank

The Group classifies its residential inventory as current or non-current assets based on their development stage within the business operating cycle. The normal operating cycle in most cases falls within a period of one to five years. The Group classifies residential inventory the development of which is planned to be commenced at least one year after the balance sheet date as residential land bank, which is part of its non-current assets.

Investment in associates and joint ventures

Investment in associates and joint ventures is accounted for pursuant to the equity method. Such investment is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of the net assets of the associate and joint ventures.

Assets held for sale

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

Inventory

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

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

Short-term deposits

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

Derivatives

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

Item 5.4.2. Financial position as at 31 March 2014 compared to 31 December 2013

Total assets increased by €143,285 to €1,865,804 as at 31 March 2014. The increase was mainly due to an increase in cash following share issue conducted in January 2014, bonds issue conducted in March 2014 and the sale of Galeria Kazimierz at the end of 2013.

Assets

The value of investment property increased by 1% (€10,162) to €1,385,900 as at 31 March 2014 from €1,375,738 as at 31 December 2013 mainly due to purchase of land designated for Galeria Północna and capital expenditure related to construction of Pascal office building.

The value of residential land bank and inventory decreased by €6,560 to €114,707 as at 31 March 2014 from €121,267 as at 31 December 2013, mainly due to sale of apartments and sale of Park residential project in Bratislava.

The value of the cash and cash equivalents increased by €135,792 to €192,231 as at 31 March 2014 from €56,439 as at 31 December 2013, mainly due to share issue conducted in January 2014, bonds issue conducted in March 2014 and receiving cash from the sale of Galeria Kazimierz at the end of 2013.

Liabilities

The value of loans and bonds increased by €89,671 to €1,038,263 as at 31 March 2014 from €948,592 as at 31 December 2013 mainly due to bonds issue €47,947 and recognition of loan from Galeria Kazimierz Sp z o.o. which is no longer consolidated, following introduction of IFRS 11.

Equity

Equity increased by €50,830 to €626,711 as at 31 March 2014 from €575,881 on 31 December 2013 due to private placement of 31,937,298 shares conducted in January 2014.

Item 5.5. Consolidated income statement

Item 5.5.1. Key items of the consolidated income statement

Revenues from operations

Revenues from operations consist of:

- rental income, which consists of monthly rental payments paid by tenants of the Group's investment properties for the office or retail space rented by such tenants. Rental income is recognized as income over the lease term;

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

- residential revenue, which comprises proceeds from the sales of houses or apartments, which is recognized when such houses or apartments have been substantially constructed, accepted by the customer and a significant amount resulting from the sale agreement has been paid by the purchaser.

Cost of operations

Costs of operations consist of:

- service costs, which consist of all the costs that are related to the management services provided to the individual tenants within the Group's properties — service costs should be covered by service income; and

- residential costs, which comprise the costs that are related to the development of residential properties sold. The costs related to the development of residential properties incurred during the construction period are capitalized in inventory. Once income is recognized, the costs in respect of sold units are expensed.

Gross margin from operations

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

Selling expenses

Selling expenses include:

- brokerage and similar fees incurred to originate the lease or sale of space;

- marketing and advertising costs; and

- payroll and related expenses directly related to leasing or sales personnel.

Administrative expenses

Administration expenses include:

- payroll, management fees and other expenses that include the salaries of all employees that are not directly involved in sales or rental activities;

- provisions made to account for the share-based incentive program that was granted to key personnel;

- costs related to the sale of investment properties;
- costs of audit, legal and other advisors;
- office expenses;
- depreciation and amortization expenses include depreciation and amortization of the Group's property, plant and equipment;
- exchange gains or losses; and
- others.

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

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

Financial income/(expense), net

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

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

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

Taxation

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

Item 5.5.2. Comparison of financial results for the three-month period ended 31 March 2014 with the result for the corresponding period of 2013

Revenues from operations

Revenues from operations marginally decreased by €37 to €30,961 in the three-month period ended 31 March 2014. Residential revenues increased by €793 to €3,683 in the three-month period ended 31 March 2014, which resulted from an improved sale of residential units in Poland. Rental and service revenues decreased by €830 to €27,275 in the three-month period ended 31 March 2014, following reduction in rents mainly in Romania, Hungary and Poland (including sale of Platinum 5 building).

Cost of operations

Cost of operations decreased by €268 to €11,107 in the three-month period ended 31 March 2014. Residential costs increased by €509 to €3,464 in the three-month period ended 31 March 2014resulting from recognition of costs as a result of improved residential units sale in Poland. Cost of rental operation decreased by €777 to €7,643 in the three-month period ended 31 March 2014 as a result of sale of Platinum 5 and cost cutting exercise.

Gross margin from operations

Gross margin (profit) from operations increased by €231 to €19,854 in the three-month period ended 31 March 2014, mainly due to an improvement in residential activities margin. The gross margin (profit) on rental activities decreased marginally by €53 to €19,632 in the three-month period ended 31 March 2014 from €19,685 for the in the three-month period ended 31 March 2013. Gross margin on rental activities in the three-month period ended 31 March 2014 was 72% compared to 70% in the three-month period ended 31 March 2013.

Selling expenses

Selling expenses decreased by €180 to €612 in the three-month period ended 31 March 2014, mainly due to cost cutting and slow down in sale of residential units.

Administrative expenses

Administrative expenses increased by €340 to €3,015 (before SBP) in the three-month period ended 31 March 2014. The increase is due to changes in provision for severance payment. In addition, mark-to-market of phantom shares program resulted in an income of €1,158 compared to €2,338 in the three-month period ended 31 March 2013.

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

Net loss from the revaluation of the Group's investment properties and impairment of residential projects amounted to €1,967 in the three-month period ended 31 March 2014, as compared to a net loss of €25,466 in the three-month period ended 31 March 2013 mainly due to capital expenditures made during the quarter.

Other income/(expense), net

Other expenses related to land bank properties decreased by €292 to €556 in the three-month period ended 31 March 2014.

Foreign exchange profit/(loss)

Foreign exchange loss amounted to €783 in the three-month period ended 31 March 2014, as compared to a foreign exchange loss amounting to €1,533 in the three-month period ended 31 March 2013.

Financial income/(cost), net

Net financial cost decreased by €110 to €11,496 in the three-month period ended 31 March 2014 vs. €11,606 in the three-month period ended 31 March 2013.

Financial cost decreased by €223 to €12,390 in the three-month period ended 31 March 2014, mainly due to a decrease in average interest rate.

The average effective interest rate (including the hedging arrangements related thereto) on the Group's loans amounted to 4.3% in the three-month period ended 31 March 2014 and 5.0% in the three-month period ended 31 March 2013.

Share of profit (loss) of associates

Share of profit of associates was €423 in the three-month period ended 31 March 2014 as compared to a share of profit of €411 in the three-month period ended 31 March 2013.

Taxation

Tax expense amounted to €4,772 in the three-month period ended 31 March 2014. The Group's primary tax liability is recognized in connection with the value of its assets expressed in local currency of each jurisdictions in which such assets are located. The major cause for the above expenses is that in most cases deferred tax asset on losses from revaluation was not created.

Net loss

Net loss amounted to €1,760 in the three-month period ended 31 March 2014, as compared to a net loss of €26,192 in the three-month period ended 31 March 2013. In the three-month period ended 31 March the loss was attributable mostly to loss on revaluation of investment properties and impairment of residential projects.

Item 5. 6. Consolidated cash flow statement

Item 5.6.1. Key items from consolidated cash flow statement

Net cash from (used in) operating activities

The operating cash flow is the cash that the Group generates through running its business and comprises cash inflows from rental activities and sale of residential projects.

Net cash used in investing activities

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

Net cash from (used in) financing activities

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

Cash and cash equivalents

Cash balance consists of cash in banks. Cash in banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. All cash is deposited in banks no matter the negligible amount. All cash and cash equivalents are available for use by the Group.

Item 5.6.2. Cash flow analysis

The table below presents an extract of the cash flow for the period of three months ended on 31 March 2014 and 2013:

	Three month period ended 31 March14	Three month period ended 31 March13
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash from operating activities	16,650	12,291
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in non-current assets	(11,595)	(7,756)
Purchase of minority	(279)	-
Sale of investment property	-	32,539
VAT on sale of investment property	-	(35,719)
Other, interest and similar costs	527	2,755
Net cash used in investing activities	(11,347)	(8,181)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of shares	53,680	-
Share issuance expenses	(841)	-
Proceeds from long-term borrowings	95,495	190
Repayment of long term borrowings	(5,834)	(20,217)
Interest paid	(6,318)	(8,332)
Loans origination cost	(1,550)	(19)
Increase (decrease) in short term deposits	(2,222)	(3,329)
Net cash from (used in) financing activities	132,410	(31,707)
Effect of foreign currency translation	(1,921)	(182)
Net increase/(decrease) in cash and cash equivalents	135,792	(27,779)
Cash and cash equivalents, at the beginning of the year	56,439	224,799
Cash classified as part of assets held for sale	-	131
Cash and cash equivalents, at the end of the year	192,231	197,151

Cash flow from operating activities was €16,650 in the three-month period ended 31 March 2014 compared to €12,291 in the three-month period ended 31 March 2013 mainly due working capital changes.

Investment in real-estate and real estate related amounted to €11,595 in the three-month period ended 31 March 2014 and was related mainly to investment in Pascal office building and purchase of land for Galeria Północna.

Cash flow from financing activities amounted to €132,410 in the three-month period ended 31 March 2014, compared to €31,707 cash flow used in financing activities in the three-month period ended 31 March 2013, and is mostly composed of net proceeds from issuance of shares of €52,839, proceeds from long term borrowings of €95,495 (out of which an amount of €48,000 represents loan from Galeria Kazimierz Sp z o.o.), repayment of loans of €5,834 and payment of interest in the amount of €6,318.

Cash and cash equivalents as at 31 March 2014 amounted to €192,231 compared to €197,151 as at 31 December 2013. The Group keeps its cash in the form of bank deposits, mostly in Euro, with various international banks.

Item 5.7. Future liquidity and capital resources

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

The Management Board is of the opinion that the Group's working capital may be sufficient to cover the Group's current liabilities for at least twelve months following the balance sheet date, if its business plan will be successfully realized. In the first quarter of 2014, the Group successfully raised additional €100,000 to support its liquidity requirements.

As at 31 March 2014, the Group's non-current liabilities amounted to €1,023,289, compared to €918,116 as at 31 December 2013.

The Group's total debt from long and short-term loans and borrowings as at 31 March 2014 was €1,038,263, as compared to €948,592 as at 31 December 2013. The Group's loans and borrowings are denominated in Euro, except for the corporate bonds that are denominated in PLN, however, with respect to the notes that are due in 2014, relevant swap transactions were concluded, thus effectively converting the indebtedness into Euro. The loans extended to the Group are project loans, i.e. in each case granted to a specific subsidiary which holds the underlying investment properties and manages a given project.

The Group's loan-to-value ratio amounted to 52% as at 31 March 2014, as compared to 59% as at 31 December 2013. The Group's strategy is to keep its loan-to-value ratio at the level of between 40% and 60%.

Item 6. Information on loans granted with a particular emphasis on related entities

During the three month period ended 31 March 2014, the Group did not grant any new loans to its associates or joint ventures.

Item 7. Information on granted and received guarantees with a particular emphasis on guarantees granted to related entities

The Group gave guarantees to third parties in order to secure construction cost-overrun and loans of its subsidiaries. As of 31 March 2014 and 31 December 2013, the guarantees granted amounted to €173.000and €168.000, respectively. Additionally, in connection with the sale of its assets, the Company gave typical warranties under the sale agreements, which are limited in time and amount. The risk involved in above warranties is very low.

In the normal course of our business activities the Group receive guarantees from the majority of its tenants to secure the rental payments on the leased space.

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

The following table presents the Company's shareholders, who had substantial shareholding as of 31 March 2014. The table is prepared based on information received directly from the shareholders.

Shareholder	Number of shares held	% of share capital	Number of votes	% of votes
LSREF III GTC Investments B.V	105 047 241	30%	105 047 241	30%
AVIVA OFE AVIVA BZ WBK	35 898 010	10%	35 898 010	10%
ING OFE	46 607 394	13%	46 607 394	13%
OFE PZU "ZŁOTA JESIEŃ"	31 445 571	9%	31 445 571	9%

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

Shares held by members of the Management Board

The following table presents shares owned directly or indirectly by members of the Company's Management Board as of 14 May 2014, the date of publication of this quarterly report, and changes in their holdings since the date of publication of Group's last financial report (annual report for the twelve month period ended 31 December 2013) on 20 March 2014. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

	Balance as of 14 May 2014	Change since 20 March 2014
Alain Ickovics	0	No change
Erez Boniel	128,000	No change
Yovav Carmi	0	No change
Mariusz Kozłowski	0	No change
Piotr Kroenke	298,811	No change
Jacek Wachowicz	0	No change
Witold Zatoński	0	No change
Total	426,811	

Phantom shares held by members of the Management Board

The following table presents phantom shares owned directly or indirectly by members of the Company's Management Board as of 31 March 2013 since 31 December 2012. The phantom shares granted to the members of the Management Board are subject to Supervisory Board decision on the equity settlement.

Management Board Member	Balance as of 31 March 2014	Change since 31 December 2013
Alain Ickovics	1,253,708	Increase of 150,444
Erez Boniel	760,548	Increase of 32,196
Yovav Carmi	361,087	No change
Mariusz Kozłowski	562,548	Increase of 32,196
Piotr Kroenke	760,548	Increase of 32,196
Jacek Wachowicz	229,440	Increase of 3,762
Witold Zatoński	437,358	Increase of 22,566

Shares of GTC held by members of the Supervisory Board

The following table presents shares owned directly or indirectly by members of the Company's Supervisory Board as of 14 May 2014, the date of publication of this quarterly report, and changes in their holdings since the date of publication of Group's last financial report (annual report for the twelve month period ended 31 December 2013) on 20 March 2014. The information included in the table is based on information received from members of our Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

	Balance as of 14 May 2014	Change since 20 March 2014
Alexander Hesse	0	No change
Olivier Brahin	0	No change
Philippe Couturier	0	No change
Michael Damnitz	0	No change
Krzysztof Gerula	2,474	No change
Mariusz Grendowicz	7,000	No change
Jarosław Karasiński	0	No change
Tomasz Mazurczak	0	No change
Marcin Murawski	0	No change
Katharina Schade	0	No change
Dariusz Stolarczyk	0	No change
Total	9,474	

Phantom shares of GTC held by members of the Supervisory Board

The following table presents phantom shares owned directly or indirectly by members of the Company's Supervisory Board as of 31 March 2014 since 31 December 2013.

	Balance as of 31 March 2014	Change since 31 December 2013
Alexander Hesse	0	No change
Olivier Brahin	0	No change
Philippe Couturier	0	No change
Michael Damnitz	0	No change
Krzysztof Gerula	0	No change
Mariusz Grendowicz	0	No change
Jarosław Karasiński	0	No change
Tomasz Mazurczak	0	No change
Marcin Murawski	0	No change
Katharina Schade	0	No change
Dariusz Stolarczyk	0	No change
Total	0	

Item 10. Material transactions with related parties concluded on terms other than market terms

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

Item 11. Proceedings before a court or public authority of Globe Trade Centre SA or its subsidiaries, with the total value of liabilities or claims of at least 10% of the Company's equity

There are no individual proceeding or group of proceedings before a court or public authority involving Globe Trade Centre SA or its subsidiaries, with the total value of liabilities or claims of 10% or more of the Company's equity

GLOBE TRADE CENTRE S.A.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2014 TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2014
(in thousands of Euro)

	Note	31 March 2014 (unaudited)	31 March 2013 (unaudited and restated)	31 December 2013 (restated)
ASSETS				
Non current assets				
Investment property	11	1,385,900	1,479,709	1,375,738
Residential landbank	12	77,697	72,327	80,833
Investment in associates and joint ventures	10	118,400	116,759	119,624
Property, plant and equipment		1,822	1,728	1,586
Deferred tax asset		3,963	7,081	4,152
Long term deposits		2,800	2,800	2,800
Other non-current assets		338	315	338
		1,590,920	**1,680,719**	**1,585,071**
Assets held for sale		**-**	**7,878**	**-**
Current Assets				
Inventory	12	37,010	79,163	40,434
Debtors		5,112	5,512	4,032
Accrued income		1,307	640	1,290
VAT and other tax recoverable		3,287	3,533	3,260
Income tax recoverable		729	1,440	697
Prepayments and deferred expenses		4,138	4,352	2,437
Short-term deposits		31,070	25,375	28,859
Cash and cash equivalents		192,231	197,151	56,439
		274,884	**317,166**	**137,448**
TOTAL ASSETS		**1,865,804**	**2,005,763**	**1,722,519**

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 31 March 2014
(in thousands of Euro)

	Note	31 March 2014 (unaudited)	31 March 2013 (unaudited and restated)	31 December 2013 (restated)
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	14	7,849	7,082	7,082
Share premium		364,228	312,155	312,155
Capital reserve		8,391	16,118	15,154
Hedge reserve		(9,469)	(21,708)	(12,344)
Foreign currency translation		755	4,617	4,427
Accumulated profit		294,164	419,332	295,277
		665,918	**737,596**	**621,751**
Non-controlling interest		(39,207)	(20,074)	(45,870)
Total Equity		**626,711**	**717,522**	**575,881**
Non current Liabilities				
Long-term portion of long-term loans and bonds	13	880,989	856,888	779,788
Deposits from tenants		5,652	4,245	5,363
Long term payable		5,980	1,789	6,004
Provision for share based payment		1,702	3,245	2,860
Derivatives		4,417	34,442	4,309
Provision for deferred tax liability		124,549	111,402	119,792
		1,023,289	**1,012,011**	**918,116**
Current liabilities				
Liabilities to be repaid upon sale		-	27,078	-
Trade and other payables		26,597	26,406	26,626
Current portion of long-term loans and bonds	13	157,274	183,074	168,804
Deposits from tenants		-	410	-
VAT and other taxes payable		1,053	1,229	1,153
Income tax payable		565	2,338	685
Derivatives		27,168	32,431	28,581
Advances received		3,147	3,264	2,673
		215,804	**276,230**	**228,522**
TOTAL EQUITY AND LIABILITIES		**1,865,804**	**2,005,763**	**1,722,519**

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the three-month period ended 31 March 2014
(in thousands of Euro)

	Note	Three-month period ended 31 March 2014 (unaudited)	Three-month period ended 31 March 2013 (unaudited and restated)	Year ended 31 December 2013 (restated)
Revenues from operations	7	30,961	30,998	122,861
Cost of operations	8	(11,107)	(11,375)	(44,908)
Gross margin from operations		**19,854**	**19,623**	**77,953**
Selling expenses		(612)	(792)	(3,244)
Administration expenses		(1,857)	(337)	(8,220)
Loss from revaluation/ impairment of assets	11	(1,586)	(25,356)	(162,526)
Impairment of residential projects		(375)	(110)	(22,059)
Other income		81	103	151
Other expenses		(637)	(951)	(3,627)
Profit (loss) from continuing operations before tax and finance income / (expense)		**14,868**	**(7,820)**	**(121,572)**
Foreign exchange differences loss, net		(783)	(1,533)	(1,070)
Finance income		894	1,007	2,903
Finance cost		(12,390)	(12,613)	(45,708)
Share of profit of associates and joint ventures		423	411	3,813
Profit (loss) before tax		**3,012**	**(20,548)**	**(161,634)**
Taxation		(4,772)	(5,644)	(15,163)
Loss for the period		**(1,760)**	**(26,192)**	**(176,797)**
Attributable to:				
Equity holders of the parent		(1,113)	(22,773)	(146,828)
Non-controlling interest		(647)	(3,419)	(29,969)
Basic earnings per share (Euro)	15	(0.00)	(0.07)	(0.46)
Diluted earnings per share (Euro)	15	(0.00)	(0.07)	(0.46)

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the three-month period ended 31 March 2014
(in thousands of Euro)

	Three-month period ended 31 March 2014 (unaudited)	**Three-month period ended 31 March 2013 (unaudited)**	**Year ended 31 December 2013**
Loss for the period	**(1,760)**	**(26,192)**	**(176,797)**
Gain on hedge transactions	3,485	4,267	16,494
Income tax	(668)	(800)	(3,077)
Net gain on hedge transactions	2,817	3,467	13,417
Foreign currency translation	(3,662)	(594)	(616)
Total comprehensive loss for the period, net of tax	**(2,605)**	**(23,319)**	**(163,996)**
Attributable to:			
Equity holders of the parent	(1,910)	(19,977)	(134,858)
Non-controlling interest	(695)	(3,342)	(29,138)

All items from other comprehensive income will be reclassified subsequently to profit and loss, when specific conditions are met.

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the three-month period ended 31 March 2014
(in thousands of Euro)

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 31 December 2012/ as of 1 January 2013	**7,082**	**312,155**	**16,008**	**(25,068)**	**5,181**	**442,105**	**757,463**	**(16,732)**	**740,731**
Other comprehensive income	-	-	-	3,360	(564)	-	2,796	77	2,873
Loss for the period ended 31 March 2013	-	-	-	-	-	(22,773)	(22,773)	(3,419)	(26,192)
Total comprehensive income / (loss) for the year	-	-	**-**	**3,360**	**(564)**	**(22,773)**	**(19,977)**	**(3,342)**	**(23,319)**
Other transactions	-	-	110	-	-	-	110	-	110
Balance as of 31 March 2013	**7,082**	**312,155**	**16,118**	**(21,708)**	**4,617**	**419,332**	**737,596**	**(20,074)**	**717,522**

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumulated profit	Total	Non-controlling interest	Total
Balance as of 1 January 2013	**7,082**	**312,155**	**16,008**	**(25,068)**	**5,181**	**442,105**	**757,463**	**(16,732)**	**740,731**
Other comprehensive income	-	-	-	12,724	(754)	-	11,970	831	12,801
Loss for the period ended 31 December 2013	-	-	-	-	-	(146,828)	(146,828)	(29,969)	(176,797)
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**12,724**	**(754)**	**(146,828)**	**(134,858)**	**(29,138)**	**(163,996)**
Other transactions	-	-	(854)	-	-	-	(854)	-	(854)
Balance as of 31 December 2013/ as of 1 January 2014	**7,082**	**312,155**	**15,154**	**(12,344)**	**4,427**	**295,277**	**621,751**	**(45,870)**	**575,881**
Other comprehensive income	-	-	-	2,875	(3,672)	-	(797)	(48)	(845)
Loss for the period ended 31 March 2014	-	-	-	-	-	(1,113)	(1,113)	(647)	(1,760)
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**2,875**	**(3,672)**	**(1,113)**	**(1,910)**	**(695)**	**(2,605)**
Issuance of shares	767	52,073	-	-	-	-	52,840	-	52,840
Acquisition of non-controlling interest	**-**	**-**	(6,763)	-	-	-	(6,763)	7,358	595
Balance as of 31 March 2014	**7,849**	**364,228**	**8,391**	**(9,469)**	**755**	**294,164**	**665,918**	**(39,207)**	**626,711**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the three-month period ended 31 March 2014
(in thousands of Euro)

	Three-month period ended 31 March 2014	Three-month period ended 31 March 2013	Year ended 31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before tax	3,012	(20,548)	(161,634)
Adjustments for:			
Loss from revaluation/impairment of assets	1,961	25,466	184,585
Share of profit of associates and joint ventures	(423)	(411)	(3,813)
Loss from sale of fixed assets	(4)	204	251
Foreign exchange differences loss, net	686	972	1,098
Finance income	(894)	(1,007)	(2,903)
Finance cost	12,390	12,613	45,708
Share based payment income	(1,195)	(2,338)	(2,724)
Depreciation and amortization	88	130	477
Operating cash before working capital changes	**15,621**	**15,081**	**61,045**
Decrease/(increase) in debtors and prepayments and other current assets	(2,603)	(2,098)	3,827
Decrease/(increase) in inventory	3,330	2,856	11,729
Increase/(decrease) in advances received	486	(718)	(1,316)
Increase (decrease) in deposits from tenants	125	15	102
Increase/(decrease) in trade and other payables	305	(2,611)	(4,247)
Cash generated from/ (used in) operations	**17,264**	**12,525**	**71,140**
Tax paid in the period	(614)	(234)	(1,763)
Net cash from (used) in operating activities	**16,650**	**12,291**	**69,377**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non-current assets	(11,595)	(7,756)	(29,755)
Sale of investment property	-	32,539	32,554
Purchase of minority	(279)	-	-
Acquisition of shares in associates	-	-	2,025
VAT on sale of investment property	-	(35,719)	(35,719)
Interest received	509	771	1,459
Lease origination expenses	(53)	-	(762)
Loans granted	(187)	(390)	(932)
Loans repayments	258	2,374	2,061
Net cash used in investing activities	**(11,347)**	**(8,181)**	**(29,069)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares	53,680	-	-
Share issuance expenses	(841)	-	-
Proceeds from long-term borrowings	95,495	190	43,167
Repayment of long-term borrowings	(5,834)	(20,217)	(198,735)
Interest paid	(6,318)	(8,332)	(46,524)
Loans origination cost	(1,550)	(19)	(323)
Decrease (increase) in short term deposits	(2,222)	(3,329)	(6,804)
Net cash from (used in) financing activities	**132,410**	**(31,707)**	**(209,219)**
Effect of foreign currency translation	**(1,921)**	**(182)**	**284**
Net increase / (decrease) in cash and cash equivalents	**135,792**	**(27,779)**	**(168,627)**
Cash and cash equivalents at the beginning of the period	**56,439**	**224,799**	**224,779**
Cash classified as part of assets held for sale	**-**	**131**	**287**
Cash and cash equivalents at the end of the period	**192,231**	**197,151**	**56,439**

The accompanying notes are an integral part of the Interim Condensed Consolidated Financial Statements

1. Principal activities

Globe Trade Centre S.A. (the “Company” or “GTC”) was registered in Warsaw on 19 December 1996 and is listed on the Warsaw Stock exchange. The Company’s registered office is in Warsaw at 5 Wołoska Street. The Company and its subsidiaries (the “Group” or “GTC Group”) own commercial and residential real estate companies in Poland, Hungary, Romania, Serbia, Croatia, Ukraine, Slovakia, Bulgaria, Russia and the Czech Republic. The Company is developing, and leasing or selling space to commercial and individual tenants, through its directly and indirectly owned subsidiaries. There is no seasonality in the business of the Group companies.

The major shareholder of the Company as of 31 March 2014 is LSREF III GTC Investments B.V. (“LSREF III”), controlled by Lone Star, a global private equity firm, which holds 105,047,241 shares or 29.9% of total share. There is no ultimate controlling party.

Events in the period

In January 2014, the Company raised approximately Euro 53 million through private placement of shares. Numbers of securities issued were 31,937,298. After the above issuance, LSREF III, directly, and Lone Star, indirectly, held 105,047,241 ordinary shares in the Company, which constituted 29.9% of its share capital.

In February 2014, the Company raised PLN 200 million (approximately Euro 47.6 million) through issuance of Bonds to selected Polish institutional investors.

On 27 February 2014, GTC Group acquired remaining 30% in GTC Real Estate Developments Bratislava BV. The consideration involved 100% sale of Park Project (GTC Real Estate Park s.r.o.) and mutual settlement on debt instruments. As a result, the impact of on the equity attributable to equity holders of the parent amounted to a decrease of EUR 6.8 million. As of 31 March 2014, GTC Real Estate Investments Slovakia BV was the sole owner of all its current projects in Slovakia.

2. Functional and reporting currencies

The Group’s Interim Condensed Consolidated Financial Statements are presented in Euro, which is also GTC’s functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using the functional currency.

The financial statements of those entities prepared in their functional currencies are included in the Interim Condensed Consolidated Financial Statements by translation into Euro using appropriate exchange rates outlined in IAS 21. Assets and liabilities are translated at the period end exchange rate, while income and expenses are translated at average exchange rates for the period. All resulting exchange differences are classified in equity as “Foreign currency translation” without affecting earnings for the period.

3. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the three months ended 31 March 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting. At this particular time, due to the endorsement process of the EU, and activities of the Group, there are no differences in the policies applied by the Group between IFRS and IFRS that have been endorsed by the Commission of the European Communities except for IFRIC 21.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's consolidated financial statements and the notes thereto for the year ended 31 December 2013. The interim financial results are not necessarily indicative of the full year results.

4. Going concern

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

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

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

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

The Interim Condensed Consolidated Financial Statements have been prepared on the assumption that the Group companies will continue as a going concern in the foreseeable future, for at least 12 months.

To support the above assumption, the management runs a cash flow forecast, which is updated from time to time. As the forecast relates to future events, inherently it is subject to uncertainties and therefore, the management cannot guarantee that all such assumptions will materialize, however it believes that as of the date of the financial statements these assumptions are reasonably achievable.

5. Significant accounting policies, estimates and judgments

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Company for the year ended 31 December 2013, except for the following amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2014:

- IFRS 10 *Consolidated Financial Statements* – effective for financial years beginning on or after 1 January 2013, – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IFRS for the periods beginning on 1 January 2014,
- IFRS 11 *Joint Arrangements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IFRS for the periods beginning on 1 January 2014, the Group applied this standard that required restatement of previous financial statements.

The following amendments to existing standards and new regulations will be applied in the consolidated financial statements for the year ended 31 December 2014:

- IFRS 12 *Disclosure of Interests in Other Entities* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IFRS for the periods beginning on 1 January 2014,
- Amendments to IFRS 10, IFRS 11 and IFRS 12 *Transition Guidance* - effective for financial years beginning on or after 1 January 2013 in EU effective at the latest for financial years beginning on or after 1 January 2014,
- IAS 27 *Separate Financial Statements* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IAS for the periods beginning on 1 January 2014,
- IAS 28 *Investments in Associates and Joint Ventures* – effective for financial years beginning on or after 1 January 2013 – in EU effective at the latest for financial years beginning on or after 1 January 2014. Entity decided to apply IAS for the periods beginning on 1 January 2014,
- Amendments to IAS 32 *Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities*- effective for financial years beginning on or after 1 January 2014,
- Amendments to IFRS 10, IFRS 12 and IAS 27 *Investment Entities* (issued on 31 October 2012) – effective for financial years beginning on or after 1 January 2014.
- Amendments to IAS 36 *Recoverable Amounts Disclosures for Non-Financial Assets* (issued on 29 May 2013) – effective for financial years beginning on or after 1 January 2014

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

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

- The first phase of IFRS 9 *Financial Instruments: Classification and Measurement* (issued on 12 November 2009) and subsequent amendments (issued on 19 November 2013) – effective date postponed by IASB without proposing potential deadline for endorsement,
- IFRIC 21 *Levies* – effective for financial years beginning on or after 1 January 2014 – not endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions* (issued on 21 November 2013) – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,
- *Annual Improvements to IFRSs 2010-2012* (issued on 12 December 2013) – some amendments effective for financial years beginning on or after 1 July 2014 and some effective prospectively for transactions occurring on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,
- *Annual Improvements to IFRSs 2011-2013* (issued on 12 December 2013) – effective for financial years beginning on or after 1 July 2014 – not yet endorsed by EU till the date of approval of these financial statements,
- IFRS 14 *Regulatory Deferral Accounts* (issued on 30 January 2013) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements,
- Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* (issued on 6 May 2014) – effective for financial years beginning on or after 1 January 2016 - not yet endorsed by EU till the date of approval of these financial statements.

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

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

(in thousands of Euro)

6. Investment in Subsidiaries, Associates and Joint Ventures

The interim condensed consolidated financial statements include the financial statements of the company, its subsidiaries and jointly controlled entities listed below together with direct and indirect ownership of these entities as at the end of each period (the table presents the effective stake):

Name	Holding Company	Country of incorporation	31 March 2014	31 December 2013	31 March 2013
GTC Konstancja Sp. z o.o. ("GTC Konstancja")	GTC S.A.	Poland	100%	100%	100%
GTC Korona S.A. ("GTC Korona")	GTC S.A.	Poland	100%	100%	100%
Globis Poznań Sp. z o.o ("Globis Poznan")	GTC S.A.	Poland	100%	100%	100%
GTC Aeropark Sp. z o.o. ("GTC Aeropark")	GTC S.A.	Poland	100%	100%	100%
GTC Topaz Office Sp. z o.o. ("GTC Topaz Office ") (liquidated)	GTC S.A.	Poland	-	-	100%
Globis Wrocław Sp. z o.o ("Globis Wrocław")	GTC S.A.	Poland	100%	100%	100%
GTC Nefryt Sp. z o.o. ("GTC Nefryt ") (liquidated)	GTC S.A.	Poland	-	-	100%
GTC Satellite Sp. z o.o. ("GTC Satellite")	GTC S.A.	Poland	100%	100%	100%
GTC Ogrody Galileo Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC GK Office Sp. z o.o. ("GTC GK Office")	GTC S.A.	Poland	100%	100%	100%
GTC Com 1 Sp. z o.o. ("GTC Com 1")	GTC S.A.	Poland	100%	100%	100%
GTC Karkonoska Sp. z o.o. (previously GTC Wroclaw Office)	GTC S.A.	Poland	100%	100%	100%
GTC Ortal Sp. z o.o. (previously Byrant)	GTC S.A.	Poland	100%	100%	100%
Diego Sp. z o.o. ("Diego")	GTC S.A.	Poland	100%	100%	100%
GTC Francuska Sp. z o.o (previously GTC Cyril)	GTC S.A.	Poland	100%	100%	100%
GTC UBP Sp. z o.o. (previously GTC Com 3)	GTC S.A.	Poland	100%	100%	100%
GTC Wilson Park Sp. z o.o (previously GTC Com 4)	GTC S.A.	Poland	100%	100%	100%
GTC Moderna Sp. z o.o. (previously GTC Com 5)	GTC S.A.	Poland	100%	100%	100%
CH Wilanow Sp. z o.o. („CH Wilanow")	GTC S.A.	Poland	100%	100%	100%
Alfa Development Inwestycje sp. z o.o	GTC S.A.	Poland	100%	100%	100%
GTC Corius sp. z o.o (previously Sigma development)	GTC S.A.	Poland	100%	100%	100%
Centrum Światowida sp. z o.o. („Centrum Światowida")	GTC S.A.	Poland	100%	100%	100%
Mieszkania Światowida sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Omega Development Inwestycje Sp. z o.o	GTC S.A.	Poland	100%	100%	100%
Epsilon Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Delta Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Glorine investments sp. z o.o.	GTC S.A.	Poland	100%	100%	-
Trinity limited Partnerships	GTC S.A.	Poland	100%	100%	-
Omikron Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Galeria CTWA Sp. z o.o. ("Galeria CTWA")	GTC S.A.	Poland	100%	100%	100%

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	31 March 2014	31 December 2013	31 March 2013
GTC Hungary Real Estate Development Company Ltd. (“GTC Hungary”)	GTC S.A.	Hungary	100%	100%	100%
Budapest Investments B.V.	GTC Hungary	Netherland	100%	100%	100%
Budapest Offices B.V.	GTC Hungary	Netherland	100%	100%	100%
Vaci Ut 81-85 Kft.	GTC Hungary	Hungary	100%	100%	100%
Riverside Apartments Kft. (“Riverside”)	GTC Hungary	Hungary	100%	100%	100%
Centre Point I. Kft. (“Centre Point I”)	GTC Hungary	Hungary	100%	100%	100%
Centre Point II. Kft. (“Centre Point II”)	GTC Hungary	Hungary	100%	100%	100%
Spiral Holding Kft.	GTC Hungary	Hungary	100%	100%	100%
Spiral I.Kft.	GTC Hungary	Hungary	100%	100%	100%
Spiral II. Kft.	GTC Hungary	Hungary	100%	100%	100%
River Loft Ltd.	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Kft.	GTC Hungary	Hungary	100%	100%	100%
Albertfalva Kft. (“Szeremi Gate”)	GTC Hungary	Hungary	100%	100%	100%
GTC Metro Kft (formerly "Jazmin Ingatlan Kft.”)	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Offices Kft	GTC Hungary	Hungary	100%	100%	100%
Toborzó Széplak Kft.	GTC Hungary	Hungary	100%	100%	100%
Mastix Champion Kft.	GTC Hungary	Hungary	100%	100%	100%
GTC Renaissance Plaza Kft.	GTC Hungary	Hungary	100%	100%	100%
SASAD II Kft.	GTC Hungary	Hungary	100%	100%	100%
Amarantan Ltd.	GTC Hungary	Hungary	100%	100%	100%
Abritus Kft.	GTC Hungary	Hungary	100%	100%	100%
Immo Buda Kft.	GTC Hungary	Hungary	100%	100%	100%
Szemi Ingatlan Ltd.	GTC Hungary	Hungary	100%	100%	100%
Preston Park Kft.	GTC Hungary	Hungary	100%	100%	100%
GTC Real Estate Investments Ukraine B.V. (“GTC Ukraine”)	GTC S.A.	Netherlands	90%	90%	90%
Emerging Investments III B.V.	GTC S.A.	Netherlands	100%	100%	100%
GTC Real Estate Management Services Ukraine LLC	GTC Ukraine	Ukraine	90%	90%	90%
GTC Real Estate Investments Russia B.V. (“GTC Russia”, formerly GTC Moldova)	GTC S.A.	Netherlands	100%	100%	100%
GTC Real Estate Investments Slovakia B.V. (“GTC Slovakia”)	GTC S.A.	Netherlands	100%	100%	100%
GTC Real Estate Developments Bratislava B.V. (“GTC Bratislava”)	GTC Slovakia	Netherlands	100%	70%	70%
GTC Real Estate Management s.r.o.	GTC Slovakia	Slovakia	100%	100%	100%
GTC Real Estate Park s.r.o.	GTC Bratislava	Slovakia	-	70%	70%
GTC Vinohradis Piazza S.R.O	GTC Bratislava	Slovakia	100%	70%	70%
GTC Jarossova S.R.O	GTC Bratislava	Slovakia	100%	70%	70%
GTC Hill S.R.O	GTC Bratislava	Slovakia	100%	70%	70%
GTC Vinohradis Villas S.R.O	GTC Bratislava	Slovakia	100%	70%	70%
GTC Real Estate Vinohrady s.r.o. (“GTC Vinohrady”)	GTC Bratislava	Slovakia	100%	70%	70%
GTC Real Estate Vinohrady 2 s.r.o. (“GTC Vinohrady 2”)	GTC Bratislava	Slovakia	100%	70%	70%

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	31 March 2014	31 December 2013	31 March 2013
GTC Real Estate Investments Croatia B.V. ("GTC Croatia")	GTC S.A.	Netherlands	100%	100%	100%
GTC Nekretnine Zagreb d.o.o.("GTC Zagreb")	GTC Croatia	Croatia	100%	100%	100%
Euro Structor d.o.o.	GTC Croatia	Croatia	70%	70%	70%
Marlera Golf LD d.o.o	GTC Croatia	Croatia	80%	80%	80%
Nova Istra Idaeus d.o.o.	Marlera Golf LD d.o.o	Croatia	80%	80%	80%
GTC Nekretnine Istok d.o.o	GTC Croatia	Croatia	80%	80%	80%
GTC Nekretnine Jug. d.o.o	GTC Croatia	Croatia	100%	100%	100%
GTC Sredisnja tocka d.o.o.	GTC Croatia	Croatia	100%	100%	100%
GTC Nekretnine Zapad d.o.o	GTC Croatia	Croatia	100%	100%	100%
GTC Real Estate Investments Romania B.V. ("GTC Romania")	GTC S.A.	Netherlands	100%	100%	100%
Towers International Property S.R.L	GTC Romania	Romania	100%	100%	100%
Galleria Shopping Center S.R.L. (formerly "International Hotel and Tourism S.R.L")	GTC Romania	Romania	100%	100%	100%
BCG Investment B.V	GTC Romania	Netherlands	100%	100%	100%
Bucharest Properties B.V	GTC Romania	Netherlands	100%	100%	100%
Green Dream S.R.L	GTC Romania	Romania	100%	100%	100%
Titulescu Investments B.V. ("Titulescu")	GTC Romania	Netherlands	100%	100%	100%
Aurora Business Complex S.R.L	GTC Romania	Romania	71.5%	71.5%	71.5%
Yasmine Residential Complex S.R.L	GTC Romania	Romania	100%	100%	100%
Bucharest City Gate B.V. ("BCG")	GTC Romania	Netherlands	58.9%	58.9%	58.9%
Bucharest City Gate S.R.L	BCG	Romania	58.9%	58.9%	58.9%
Mablethompe Investitii S.R.L.	GTC Romania	Romania	100%	100%	100%
National Commercial Centers B.V.	GTC Romania	Netherlands	100%	100%	100%
Mercury Commercial Center S.R.L.	GTC Romania	Romania	100%	100%	100%
Venus Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	100%	100%
Mars Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	100%	100%
Beaufort Commercial Center S.R.L.	National Commercial Centers B.V.	Romania	100%	100%	100%
Fajos S.R.L.	National Commercial Centers B.V.	Romania	100%	100%	100%
City Gate S.R.L	Bucharest City Gate B.V.	Romania	58.9%	58.9%	58.9%
Brightpoint Investments Limited	GTC Romania	Romania	50.1%	50.1%	50.1%
Complexul Residential Colentina S.R.L .	GTC Romania	Romania	50.1%	50.1%	50.1%
Cefin Galati Real Estate S.R.L	GTC Romania	Romania	100%	100%	100%
Operetico Enterprises Ltd.	GTC Romania	Cyprus	66.7%	66.7%	66.7%
Bucharest Tower Investments B.V.	GTC Romania	Netherlands	100%	100%	100%
Deco Intermed S.R.L	Operetico Enterprises Ltd.	Romania	66.7%	66.7%	66.7%
GML American Regency Pipera S.R.L	GTC Romania	Romania	66.7%	66.7%	66.7%

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	31 March 2014	31 December 2013	31 March 2013
GTC Real Estate Investments Bulgaria BV („GTC Bulgaria")	GTC S.A.	Netherlands	100%	100%	100%
Galeria Stara Zagora AD	GTC Bulgaria	Bulgaria	75%	75%	75%
Galeria Burgas JSC	GTC Bulgaria	Bulgaria	80%	80%	80%
Galeria Varna JSC	Galeria Ikonomov GmbH	Bulgaria	65%	65%	65%
GTC Business Park EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
NRL EAD	GTC Bulgaria	Bulgaria	100%	100%	100%
Galeria Ikonomov GmbH	GTC Bulgaria	Austria	65%	65%	65%
GTC Yuzhen Park EAD ("GTC Yuzhen")	GTC Bulgaria	Bulgaria	100%	100%	100%
GTC Real Estate Investments Serbia B.V. ("GTC Serbia")	GTC S.A.	Netherlands	100%	100%	100%
City Properties Serbia B.V.	GTC Serbia	Netherlands	100%	100%	100%
GTC Medj Razvoj Nekretnina d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Business Park d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial and Residential Ventures d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Real Estate Developments d.o.o.	GTC Commercial Development d.o.o.	Serbia	95%	95%	95%
Demo Invest d.o.o	City Properties Serbia B.V.	Serbia	100%	100%	100%
Atlas Centar d.o.o.	GTC Serbia	Serbia	100%	100%	100%
GTC Commercial Development d.o.o.	GTC Serbia	Serbia	100%	100%	100%

Investment in Associates and Joint Ventures

Name	Holding Company	Country of incorporation	31 March 2014	31 December 2013	31 March 2013
GTC Galeria Kazimierz Sp. z o.o ("GTC Galeria Kazimierz")	GTC S.A	Poland	50%	50%	50%
Havern Investments sp. z o.o. s.k.a.	GTC S.A	Poland	50%	50%	-
Havern Investments sp. z o.o.	GTC S.A	Poland	50%	50%	-
Yatelsis Viborgskaya Limited of Nicosia ("YVL")	GTC Russia	Cyprus	50%	50%	50%
OOO Okkerville	YVL	Russia	50%	50%	50%
ZAO Krasny Mayak	YVL	Russia	50%	50%	50%
Ana Tower Offices S.R.L	Bucharest Tower Investments B.V.	Romania	50%	50%	50%
Lighthouse Holdings Limited S.A. ("Lighthouse")	GTC S.A.	Luxembourg	35%	35%	35%
Vokovice BCP Holding S.A. ("Vokovice")	GTC S.A.	Luxembourg	-	-	35%
Holesovice Residential Holdings S.A. ("Holesovice")	GTC S.A.	Luxembourg	-	-	35%
CID Holding S.A. ("CID")	GTC S.A.	Luxembourg	35%	35%	35%
Europort Investment (Cyprus) 1 Limited	GTC Ukraine	Cyprus	49,9%	49,9%	49,9%
Europort LTD	Emerging investment	Israel	9.9%	9.9%	9.9%

(in thousands of Euro)

7. Revenue from operations

	Three-month period ended 31 March 2014	**Three-month period ended 31 March 2013**	**Year ended 31 December 2013**
	(unaudited)	(unaudited and restated)	(restated)
Rental revenue	20,975	21,630	84,042
Service revenue	6,300	6,475	25,589
Residential revenue	3,686	2,893	13,230
	30,961	**30,998**	**122,861**

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

8. Cost of operations

	Three-month period ended 31 March 2014	**Three-month period ended 31 March 2013**	**Year ended 31 December 2013**
	(unaudited)	(unaudited and restated)	(restated)
Rental and service costs	7,643	8,420	31,269
Residential costs	3,464	2,955	13,639
	11,107	**11,375**	**44,908**

9. Segmental analysis

The Group operating segments are carried out through subsidiaries that develop real estate projects.

The operating segments are aggregated into reportable segments, taking into consideration the nature of the business, operating markets and other factors. Reportable segments are divided into two main segments:

1. Development and rental of office space and shopping malls (“rental activity”) and
2. Development and sale of houses and apartment units (“residential activity”).

The activities carried out in the above mentioned operating segments are conducted in the following geographical zones, which have common characteristics:

a. Poland and Hungary
b. Romania and Bulgaria
c. Other CEE countries (Serbia, Croatia, Ukraine, Slovakia, and Russia)

(in thousands of Euro)

9. Segmental analysis (continued)

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

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

Segment analysis for the three-month periods ended 31 March 2014 (unaudited) and 31 March 2013 (unaudited and restated) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other CEE countries		Consolidated	
	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013	31 March 2014	31 March 2013
Rental and service income	15,124	15,109	5,716	6,208	6,435	6,788	27,275	28,105
Contract income	1,414	360	2,265	2,205	7	328	3,686	2,893
Total income	**16,538**	**15,469**	**7,981**	**8,413**	**6,442**	**7,116**	**30,961**	**30,998**
Rental and service costs	3,128	3,128	2,482	3,057	2,033	2,235	7,643	8,420
Contract costs	969	264	2,463	2,356	32	335	3,464	2,955
Total costs	**4,097**	**3,392**	**4,945**	**5,413**	**2,065**	**2,570**	**11,107**	**11,375**
Rental and service result	11,996	11,981	3,234	3,151	4,402	4,553	19,632	19,685
Contract result	445	96	(198)	(151)	(25)	(7)	222	(62)
Total result	**12,441**	**12,077**	**3,036**	**3,000**	**4,377**	**4,546**	**19,854**	**19,623**

Segment analysis for the three-month period ended 31 March 2014 (unaudited) and year ended 31 December 2013 (restated) is presented below:

	Poland and Hungary		Romania and Bulgaria		Other countries		Consolidated	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Rental and service income	15,124	60,706	5,716	23,596	6,435	25,329	27,275	109,631
Contract income	1,414	2,641	2,265	8,297	7	2,292	3,686	13,230
Total income	**16,538**	**63,347**	**7,981**	**31,893**	**6,442**	**27,621**	**30,961**	**122,861**
Rental and service costs	3,128	12,770	2,482	10,750	2,033	7,749	7,643	31,269
Contract costs	969	1,881	2,463	9,414	32	2,344	3,464	13,639
Total costs	**4,097**	**14,651**	**4,945**	**20,164**	**2,065**	**10,093**	**11,107**	**44,908**
Rental and service result	11,996	47,936	3,234	12,846	4,402	17,580	19,632	78,362
Contract result	445	760	(198)	(1,117)	(25)	(52)	222	(409)
Total result	**12,441**	**48,696**	**3,036**	**11,729**	**4,377**	**17,528**	**19,854**	**77,953**

(in thousands of Euro)

10. Investment in associates and joint ventures

The investment in associates and joint ventures comprises the following:

	31 March 2014	31 March 2013	31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
Equity accounting – associates	-	-	-
Loans granted	42,924	42,129	42,555
Loss on investment – associates	(10,532)	(1,520)	(8,330)
Investment in associates	**32,392**	**40,609**	**34,225**
Equity accounting – joint ventures	53,526	44,743	53,187
Loans granted	32,482	31,407	32,212
Investment in joint ventures	**86,008**	**76,150**	**85,399**
Investment in associates and joint ventures	**118,400**	**116,759**	**119,624**

11. Investment Property

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

Investment property can be split up as follows:

	31 March 2014	31 March 2013	31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
Completed investment property	1,127,113	1,220,293	1,127,056
Investment property under construction at fair value	8,708	-	5,492
Investment property under construction at cost	250,079	259,416	243,190
Total	**1,385,900**	**1,479,709**	**1,375,738**

The movement in investment property for the periods ended 31 March 2014 (unaudited) and 31 December 2013 (restated) was as follows:

	Level 2	Level 3	Total
Carrying amount as of 1 January 2013	**803,139**	**696,391**	**1,499,530**
Capitalised subsequent expenditure	7,924	32,664	40,588
Adjustment to fair value / impairment	(48,708)	(113,818)	(162,526)
Disposals	-	(1,577)	(1,577)
Translation differences	-	(277)	(277)
Carrying amount as of 31 December 2013	**762,355**	**613,383**	**1,375,738**
Capitalised subsequent expenditure	1,251	10,521	11,772
Adjustment to fair value / impairment	(1,193)	(393)	(1,586)
Translation differences	-	(24)	(24)
Carrying amount as of 31 March 2014	**762,413**	**623,487**	**1,385,900**

(in thousands of Euro)

11. Investment Property (continued)

Fair value and impairment adjustment consists of the following:

	Three-month period ended 31 March 2014	**Three-month period ended 31 March 2013**	**Year ended 31 December 2013**
	(unaudited)	(unaudited and restated)	(restated)
Fair value of properties completed in prior years	(1,368)	(8,880)	(117,130)
Fair value of property under construction	-	-	(220)
Impairment adjustment	(218)	(16,476)	(45,176)
Total	**(1,586)**	**(25,356)**	**(162,526)**

Assumptions used in the valuations of completed assets as of 31 March 2014 (unaudited) are presented below:

Country	**Book value**	**NRA**	**Ocupancy**	**Yield**	**Actual rent**	**ERV**	**Average duration**	**Level 2**	**Level 3**
		thousand sqm	%	%	Euro/sqm	Euro/sqm	Years		
Poland retail	150,000	49	89%	7.6%	20.3	19.5	4.3	1	
Poland office	293,113	144	92%	7.9%	14.9	13.8	3.6	11	
Serbia	106,100	53	95%	8.9%	16.6	15.4	3.6		3
Croatia	142,900	65	90%	9.2%	14.0	18.9	5.5		2
Hungary	161,800	91	93%	8.1%	12.0	12.3	4.7	3	
Slovakia	15,600	13	63%	8.8%	9.8	9.6	2.1		1
Romania (retail)	35,100	59	89%	9.9%	3.8	8.1	3.5		3
Romania (CG)	157,500	48	93%	8.0%	19.7	22.0	3.8		1
Bulgaria	65,000	61	89%	9.1%	7.1	9.1	7.9		2
Total	**1,127,113**	**583**	**91%**	**8.5%**	**13.3**	**14.3**	**4.4**	**15**	**12**

Information regarding investment properties under construction valued at cost and investment properties under construction valued at fair value as of 31 March 2014 (unaudited) is presented below:

	Book value	**Estimated building area rights**	**Book value/sqm**
		thousand sqm	Euro
Poland	129,083	436	296
Serbia	41,584	93	447
Croatia	7,800	21	371
Hungary	42,900	315	136
Romania	17,720	82	216
Bulgaria	19,700	130	152
Total	**258,787**	**1,077**	**240**

(in thousands of Euro)

11. Investment Property (continued)

ERV – Estimated Rent Value applicable upon renewals.

Assumptions used in the valuations of completed assets as of 31 December 2013 (restated) are presented below:

Country	Book value	NRA thousand	Ocupancy	Yield	Actual rent	ERV	Average duration	Level 2	Level 3
		Sqm	%	%	Euro/sqm	Euro/sqm	Years		
Poland retail	150,000	49	89%	7.6%	22.0	19.5	4.3	1	
Poland office	293,056	144	92%	7.9%	14.9	13.8	3.6	11	
Serbia	106,100	53	95%	8.9%	16.6	15.4	3.6		3
Croatia	142,900	65	90%	9.2%	14.6	18.9	6.7		2
Hungary	161,800	91	96%	8.1%	12.2	12.3	3.5	3	
Slovakia	15,600	13	61%	8.8%	9.7	9.6	2.2		1
Romania (retail)	35,100	59	90%	9.9%	4.1	8.1	7.8		3
Romania (CG)	157,500	48	93%	8.0%	19.7	22.0	3.8		1
Bulgaria	65,000	61	89%	9.1%	7.1	9.1	7.9		2
Total	**1,127,056**	**583**	**91%**	**8.5%**	**13.6**	**15.2**	**4.8**	**15**	**12**

Information regarding impairment of investment properties under construction valued at cost and investment properties under construction valued at fair value as of 31 December 2013 (restated) is presented below:

	Book value	Estimated building area rights	Book value/sqm
		Thousand sqm	Euro/sqm
Poland	119,134	436	273
Serbia	41,428	93	446
Croatia	7,800	21	371
Hungary	42,900	315	136
Romania	17,720	66	268
Bulgaria	19,700	130	152
Total	**248,682**	**1,061**	**234**

(in thousands of Euro)

12. Inventory

Completed inventory as of 31 March 2014 (unaudited) consists of the following:

	Book value	**Estimated building area rights**	**Book value/sqm**
		Thousand sqm	Euro
Poland	4,468	3	1,536
Croatia	142	<1	811
Hungary	252	<1	741
Slovakia	678	<1	1,506
Romania	28,717	40	718
Total/Average	**34,257**	**44**	**781**

Residential Landbank and uncompleted inventory as of 31 March 2014 (unaudited) consists of the following:

	Book value	**Estimated building area rights**	**Book value/sqm**
		Thousand sqm	Euro
Poland	8,768	37	237
Croatia	15,257	48	318
Hungary	19,073	138	138
Slovakia	14,500	72	201
Romania	22,852	221	103
Total/Average	**80,450**	**516**	**156**

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

	Book value	**Building area rights**	**Average book value**
		Thousand sqm	Euro/sqm
Poland	5,820	4	1,506
Hungary	262	<1	817
Serbia	252	<1	741
Slovakia	685	<1	1,521
Romania	31,126	44	709
Total/Average	**38,145**	**49**	**781**

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

	Book value	**Estimated building area rights**	**Average book value**
		Thousand sqm	Euro/sqm
Poland	8,350	37	225
Croatia	15,243	48	318
Hungary	19,677	138	143
Slovakia	17,000	82	206
Romania	22,852	309	74
Total/Average	**83,122**	**614**	**135**

(in thousands of Euro)

13. Long-term loans and bonds

Long-term loans and bonds comprise the following:

	31 March 2014 (unaudited)	**31 March 2013** (unaudited and restated)	**31 December 2013** (unaudited and restated)
Bonds series 0414	84,738	84,513	83,928
Bonds series 2017-2018	72,497	72,782	71,733
Bonds series 2018-2019	48,124	-	-
Bonds series 0513	-	79,724	-
Loan from WBK (Globis Poznan)	15,294	15,800	15,420
Loan from WBK (Korona Business Park)	38,474	-	38,737
Loan from WBK 1 (Galileo)	-	5,442	-
Loan from WBK 2 (Newton)	-	10,724	-
Loan from WBK 3 (Edison)	-	11,354	-
Loan from Pekao (Globis Wroclaw)	25,930	26,582	26,097
Loan from ING (Nothus)	16,056	16,488	16,164
Loan from ING (Zefirus)	16,056	16,488	16,164
Loan from Berlin Hyp (Corius)	12,604	13,000	12,698
Loan from WBK (Kazimierz office)	27,802	28,334	27,943
Loan from Pekao (Galeria Jurajska)	103,010	105,337	103,597
Loan from Berlin Hyp (UBP)	19,333	19,729	19,432
Loan from ING (Francuska)	16,682	17,221	16,817
Loan from MKB (Centre Point I)	21,164	22,677	21,551
Loan from MKB (Centre Point II)	25,044	26,670	25,451
Loan from CIB (Metro)	20,257	21,136	20,480
Loan from MKB (Spiral)	23,346	17,326	16,543
Loan from Erste (Reinesance)	4,609	5,858	4,859
Loan from MKB (Sasad Resort)	8,327	8,727	8,727
Loan from EBRD and Raiffeisen Bank (GTC House)	12,300	13,825	12,700
Loan from Erste (19 Avenue)	25,389	26,351	25,634
Loan from EBRD and Raiffeisen Bank (Block 41)	17,047	18,760	17,487
Loan from Unicredit (Felicity)	25,563	26,603	25,563
Loan from RZBR (Rose Garden)	9,500	13,722	10,342
Loan from Erste (Citygate)	93,494	96,236	94,262
Loan from EBRD and Raiffeisen Bank (NCC)	5,778	-	5,778
Loan from EBRD and Raiffeisen Bank (Arad)	27,836	28,755	27,836
Loan from MKB and Zagrabecka Banka (Eurostructor)	29,015	33,468	30,128
Loan from EBRD and Raiffeisenbank Austria (Osijek)	15,750	16,650	15,750
Loan from MKB and OTP (Galeria Varna)	18,554	24,258	23,763
Loan from EBRD and Unicredit (Stara Zagora)	22,799	28,131	22,799
Loan from EBRD (Burgas)	26,068	24,730	26,288
Loan from VUB Bank (Jarosova)	2,965	2,410	3,067
Loans from minorities in subsidiaries and joint ventures	115,086	67,619	67,861
Deferred issuance debt expenses	(8,228)	(7,468)	(7,007)
	1,038,263	**1,039,962**	**948,592**

As of 31 March 2014 the Group's entities are not in breach of loan covenants.

(in thousands of Euro)

13. Long-term loans and bonds (continued)

Long-term loans and bonds have been separated into the current portion and the long-term portion as disclosed below:

	31 March 2014 (unaudited)	**31 March 2013** (unaudited and restated)	**31 December 2013** (unaudited and restated)
Current portion of long term loans:			
Bonds series 0414	84,738	2,117	83,928
Bonds series 2017-2018	1,967	2,355	794
Bonds series 0513	-	79,724	-
Bonds series 2018-2019	177	-	-
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK (Korona Business Park)	1,053	-	1,053
Loan from WBK 1 (Galileo)	-	476	-
Loan from WBK 2 (Newton)	-	429	-
Loan from WBK 3 (Edison)	-	395	-
Loan from Berlin Hyp (UBP)	397	400	397
Loan from Pekao (Galeria Jurajska)	2,408	2,328	2,394
Loan from Pekao (Globis Wroclaw)	692	652	682
Loan from ING (Nothus)	432	432	432
Loan from ING (Zefirus)	432	432	432
Loan from Berlin Hyp (Corius)	412	300	408
Loan from WBK (Kazimierz office)	589	395	574
Loan from ING (Francuska)	540	540	540
Loan from MKB (Centre Point I)	1,563	1,513	1,550
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Reinesance)	4,609	1,249	4,859
Loan from MKB (Sasad Resort)	8,327	-	8,727
Loan from CIB (Metro)	916	880	907
Loan from MKB (Spiral)	1,099	1,769	16,543
Loan from EBRD and Raiffeisen Bank (GTC House)	1,625	1,525	1,600
Loan from Erste (19 Avenue)	790	743	778
Loan from EBRD and Raiffeisen Bank (Block 41)	1,832	1,713	1,802
Loan from EBRD and Unicredit (Stara Zagora)	-	28,131	-
Loan from MKB and OTP (Galeria Varna)	873	704	859
Loan from EBRD (Burgas)	986	1,106	932
Loan from MKB and Zagrabecka Banka (Eurostructor)	4,454	4,454	4,454
Loan from EBRD and Raiffeisenbank Austria (Osijek)	-	1,800	-
Loan from EBRD and Raiffeisen Bank (Arad)	-	1,857	-
Loan from Erste (Citygate)	2,731	2,584	2,694
Loan from RZBR (Rose Garden)	5,500	13,722	3,342
Loan from Unicredit (Felicity)	25,563	26,603	25,563
Loan from VUB Bank (Jarosova)	436	363	427
Deferred issuance debt expenses	-	(750)	-
	157,274	**183,074**	**168,804**

(in thousands of Euro)

13. Long-term loans and bonds (continued)

	31 March 2014 (unaudited)	**31 March 2013** (unaudited and restated)	**31 December 2013** (restated)
Long term portion of long term loans:			
Bonds series 0414	-	82,396	-
Bonds series 2017-2018	70,530	70,427	70,939
Bonds series 2018-2019	47,947	-	
Loan from WBK (Globis Poznan)	14,787	15,293	14,913
Loan from WBK (Korona Business Park)	37,421	-	37,684
Loan from WBK 1 (Galileo)	-	4,966	-
Loan from WBK 2 (Newton)	-	10,295	-
Loan from WBK 3 (Edison)	-	10,959	-
Loan from Pekao (Globis Wroclaw)	25,238	25,930	25,415
Loan from ING (Nothus)	15,624	16,056	15,732
Loan from ING (Zefirus)	15,624	16,056	15,732
Loan from Berlin Hyp (Corius)	12,192	12,700	12,290
Loan from WBK (Kazimierz office)	27,213	27,939	27,369
Loan from Pekao (Galeria Jurajska)	100,602	103,009	101,203
Loan from Berlin Hyp (UBP)	18,936	19,329	19,035
Loan from ING (Francuska)	16,142	16,681	16,277
Loan from MKB (Centre Point I)	19,601	21,164	20,001
Loan from MKB (Centre Point II)	23,418	25,044	23,825
Loan from CIB (Metro)	19,341	20,256	19,573
Loan from MKB (Sasad Resort)	-	8,727	-
Loan from MKB (Spiral)	22,247	15,557	-
Loan from Erste (Reinesance)	-	4,609	-
Loan from EBRD and Raiffeisen Bank (GTC House)	10,675	12,300	11,100
Loan from Erste (19 Avenue)	24,599	25,608	24,856
Loan from EBRD and Raiffeisen Bank (Block 41)	15,215	17,047	15,685
Loan from RZBR (Rose Garden)	4,000	-	7,000
Loan from Erste (Citygate)	90,763	93,652	91,568
Loan from EBRD and Raiffeisen Bank (NCC)	5,778	-	5,778
Loan from EBRD and Raiffeisen Bank (Arad)	27,836	26,898	27,836
Loan from MKB and Zagrabecka Banka (Eurostructor)	24,561	29,014	25,674
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	15,750	14,850	15,750
Loan from MKB and OTP (Galeria Varna)	17,681	23,554	22,904
Loan from EBRD (Burgas)	25,082	23,624	25,356
Loan from EBRD and Unicredit (Stara Zagora)	22,799	-	22,799
Loan from VUB Bank (Jarosova)	2,529	2,047	2,640
Loans from minorities in subsidiaries and joint ventures	115,086	67,619	67,861
Deferred issuance debt expenses	(8,228)	(6,718)	(7,007)
	880,989	**856,888**	**779,788**

(in thousands of Euro)

13. Long-term loans and bonds (continued)

Repayments of long-term debt and interest are scheduled as follows (Euro million):

	31 March 2014 (unaudited)	**31 December 2013** (restated)
First year	183	193
Second year	60	55
Third year	81	75
Fourth year	186	168
Fifth year	243	190
Thereafter	397	364
	1,150	**1,045**

(in thousands of Euro)

14. Capital and Reserves

As at 31 March 2014, the shares structure was as follows:

Number of Shares	Share series	Total value in PLN	Total value in euro
139,286,210	A	13,928,621	3,153,995
1,152,240	B	115,224	20,253
235,440	B1	23,544	4,443
8,356,540	C	835,654	139,648
9,961,620	D	996,162	187,998
39,689,150	E	3,968,915	749,022
3,571,790	F	357,179	86,949
17,120,000	G	1,712,000	398,742
100,000,000	I	10,000,000	2,341,372
31,937,298	J	3,193,729	766,525
351,310,288		**35,131,028**	**7,848,947**

All shares are entitled to the same rights.

Shareholders who as at 31 March 2014 held above 5% of the Company shares were as follows:

- LSREF III GTC Investments B.V.
- ING OFE
- AVIVA OFE BZ WBK
- OFE PZU

The statutory financial statements of GTC S.A are prepared in accordance with Polish Accounting Standards. Dividends may be distributed based on the net profit reported in the standalone annual financial statements prepared for statutory purposes.

On 13 May 2014, the Company held an ordinary shareholders meeting. The ordinary shareholders meeting decided that the loss for the year 2013 presented in the financial statements of Globe Trade Centre S.A. prepared in accordance with the Polish Accounting Standards shall be presented under Retained earnings.

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

<u>Phantom shares</u>

Certain key management personnel are entitled to the Company Phantom Shares.

The Phantom Shares grant the entitled persons a right for a settlement from the Company in the amount equal to the difference between the average closing price for the Company's shares on the Warsaw Stock Exchange during the 30–day period prior to the date of delivery to the Company of the exercise notice, and settlement price ("strike") amount per share (adjustable for dividend).

(in thousands of Euro)

14. Capital and Reserves (continued)

The income recognized during the period is shown below:

	31 March 2014	31 March 2013	Year ended 31 December 2013
	(unaudited)	(unaudited)	
Income arising from cash settled share based payments	(1,158)	(2,338)	(2,724)

As at 31 March 2014 (unaudited), phantom shares issued were as follows:

Last exercise date	Amount of phantom shares
30/06/2014	120,358
31/12/2014	1,248,065
31/12/2015	4,123,538
29/02/2016	1,805,355
31/12/2016	361,068
Total	**7,658,384**

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

15. Earnings per share

Basic and diluted earnings per share were calculated as follows:

	Three-month period ended 31 March 2014	Three-month period ended 31 March 2013	Year ended 31 December 2013
	(unaudited)	(unaudited)	
Profit for the period attributable to equity holders (euro)	(1,113,000)	(22,773,000)	(146,828,000)
Weighted average number of shares for calculating basic earnings per share	345,568,760	319,372,990	319,372,990
Basic earnings per share (euro)	(0.00)	(0.07)	(0.46)
Weighted average number of shares for calculating diluted earnings per share	345,568,760	319,372,990	319,372,990
Diluted earnings per share (euro)	(0.00)	(0.07)	(0.46)

(in thousands of Euro)

15. Earnings per share (continued)

	Three-month period ended 31 March 2014	**Three-month period ended 31 March 2013**	**Year ended 31 December 2013**
	(unaudited)	(unaudited)	
Weighted average number of shares for calculating basic earnings per share	345,568,760	319,372,990	319,372,990
Adjustment for phantom shares	-	-	-
Weighted average number of shares for calculating diluted earnings per share	345,568,760	319,372,990	319,372,990

(in thousands of Euro)

16. Restatement

IFRS 11 has been applied starting from 1 January 2014. Under IFRS 11, investment in joint ventures, which was previously consolidated using the proportionate consolidation method, is now presented under the equity method. Presentation of comparable periods presented in the financial statements has been restated. The equity and the result for comparable periods haven't been changed due to above restatements.

Selected lines from financial statements were restated as following:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	31 March 2013 (unaudited)			31 December 2013		
	Restated	Reported	Adjustment	Restated	Reported	Adjustment
ASSETS						
Investment properties	1,479,709	1,594,023	(114,314)	1,375,738	1,396,647	(20,909)
Investment in associates and joint ventures	116,759	40,609	76,150	119,624	34,225	85,399
Other	84,251	105,928	(21,677)	89,709	111,896	(22,187)
Non current assets	1,680,719	1,740,560	(59,841)	1,585,071	1,542,768	42,303
Assets HFS	7,878	7,878	-			-
Cash	197,151	200,618	(3,467)	56,439	130,336	(73,897)
Other	120,015	121,759	(1,744)	81,009	81,709	(700)
Current assets	317,166	322,377	(5,211)	137,448	212,045	(74,597)
Total Assets	**2,005,763**	**2,070,815**	**(65,052)**	**1,722,519**	**1,754,813**	**(32,294)**
EQUITY AND LIABILITIES						
Equity	717,522	717,522	-	575,881	575,881	-
Non current liabilities	1,012,011	1,075,516	(63,505)	918,116	928,178	(10,062)
Current liabilities	276,230	277,777	(1,547)	228,522	250,754	(22,232)
Total equity and liabilities	**2,005,763**	**2,070,815**	**(65,052)**	**1,722,519**	**1,754,813**	**(32,294)**

(in thousands of Euro)

16. Restatement (continued)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Three months ended 31 March 2013 (unaudited)			Year ended 31 December 2013		
	Restated	Reported	Adjustment	Restated	Reported	Adjustment
Revenues from operations	30,998	33,209	(2,211)	122,861	131,114	(8,253)
Cost of operations	(11,375)	(11,965)	590	(44,908)	(47,124)	2,216
Gross margin from operations	**19,623**	**21,244**	**(1,621)**	**77,953**	**83,990**	**(6,037)**
Loss from revaluation/ impairment of assets	(25,356)	(25,359)	3	(162,526)	(167,639)	5,113
Other	(2,087)	(2,297)	210	(36,999)	(37,786)	787
Profit (loss) from continuing operations before tax and finance income / (expense)	**(7,820)**	**(6,412)**	**(1,408)**	**(121,572)**	**(121,435)**	**(137)**
Finance expenses, net	(13,139)	(13,836)	697	(43,875)	(46,675)	2,800
Share of profit of associates and joint ventures	411	(185)	596	3,813	(4,474)	8,287
Profit (loss) before tax	**(20,548)**	**(20,433)**	**(115)**	**(161,634)**	**(172,584)**	**10,950**
Taxation	(5,644)	(5,759)	115	(15,163)	(4,213)	(10,950)
Loss for the period	**(26,192)**	**(26,192)**	**-**	**(176,797)**	**(176,797)**	**-**
CONSOLIDATED STATEMENT OF CASH FLOWS						
Net cash from (used) in operating activities	12,291	13,403	(1,112)	69,377	73,776	(4,399)
Sale of investment property	32,539	32,539	-	32,554	120,784	(88,230)
Tax/VAT on sale of investment property inflow	-		-	-	21,190	(21,190)
Other	(40,720)	(40,778)	58	(61,623)	(61,851)	228
Net cash used in investing activities	(8,181)	(8,239)	58	(29,069)	80,123	(109,192)
Repayment of long-term borrowings	(20,217)	(20,429)	212	(198,735)	(240,719)	41,984
Interest paid	(8,332)	(8,778)	446	(46,524)	(48,781)	2,257
Other	(3,158)	(3,177)	19	36,040	37,132	(1,092)
Net cash from (used in) financing activities	(31,707)	(32,384)	677	(209,219)	(252,368)	43,149
Effect of foreign currency translation	(182)	(190)	8	284	621	(337)
Net increase / (decrease) in cash and cash equivalents	**(27,779)**	**(27,410)**	**(369)**	**(168,627)**	**(97,848)**	**(70,779)**
Cash and cash equivalents, at the beginning of the period/year	224,799	227,897	(3,098)	224,779	227,897	(3,118)
Cash classified as part of assets held for sale	131	131	-	287	287	-
Cash and cash equivalents, at the end of the year/period as per Interim Condensed Consolidated Statement of Financial Position	197,151	200,618	(3,467)	56,439	130,336	(73,897)

17. Contingent liabilities and commitments

Construction commitments

As of 31 March 2014 and 31 December 2013, the Group had commitments contracted in relation to future building construction without specified date, amounting to Euro 9 million and Euro 18 million, respectively. These commitments are expected to be financed from available cash, current financing facilities, other external financing or future instalments under already contracted sale agreements and yet to be contracted sale agreements.

Guarantees

GTC gave guarantees to third parties in order to secure construction cost-overruns and loans to its subsidiaries. As of 31 March 2014 and 31 December 2013, the guarantees granted amounted to Euro 173 million and Euro 168 million, respectively. Additionally, in connection with the sale of its assets, the Company gave typical warranties under the sale agreements, which are limited in time and amount. The risk involved in above warranties is very low.

Litigations

Following the completion of Avenue 19 and GTC Square in Serbia, two Serbian subsidiaries and the general contractor raised mutual claims. The general contractor initiated arbitration proceedings before the commercial court against the subsidiaries claiming additional payment of Euro 15.8 millions for both projects. The subsidiaries refused this payment and filled a counterclaim of Euro 18.6 millions in respect of amounts overpaid, contractual penalties and additional damages for delay of the construction. The independent supervisory engineer that has been appointed in accordance with the original agreement between the parties supports the position taken by the subsidiaries. As the independent supervisory engineer is supporting the subsidiaries claim and based on the assumption that the supervisory engineer is best placed to assess the positions of the parties, we and our legal advisers believe that the subsidiaries are more likely to prevail in arbitration proceedings. Consequently, the Group has not recorded a provision for the claims.

Croatia

In relation to Marlera Golf project in Croatia, the agreement with the Ministry of Tourism of Croatia to acquire the land provided as a condition for the sale, certain deadline for the completion a golf course component in the project. The Company's view, as supported by its legal advisers, is that the completion deadline for the development of the golf course shall be 14 September 2014. The Company has taken steps to achieve extension of the period for completing the project. In February 2014, the Company received a draft agreement from the Ministry of Tourism of Croatia expressing its good faith and intentions to prolong the abovementioned timeline. Negotiations in this respect are on-going.

17. Contingent liabilities and commitments (continued)

Ukraine

As of 31 March 2014, the Group holds 49.9% interest in Europort Investment 1 Limited, which indirectly owns undeveloped land in Odessa, Ukraine.

Subsequent to 31 December 2013, the economic and political uncertainty in Ukraine increased significantly. Furthermore, between 1 January 2014 and the date of the authorization of the financial statements, the Ukrainian Hryvnia devalued to major foreign currencies by approximately 48% calculated based on the NBU exchange rate of US$ as of the respective date, and the National Bank of Ukraine imposed certain restrictions on purchase of foreign currencies at the inter-bank market. International rating agencies have downgraded sovereign debt ratings for Ukraine. The combination of the above events has resulted in a deterioration of liquidity and much tighter credit conditions where credit is available.

At 31 March 2014, the Group's balance sheet exposure to Ukrainian risk amounted to approximately Euro 5.4 million (the full amount of investment), consisting of the aggregate value of unimpaired investments in equity and loans, granted to the Ukrainian associates. These and any further negative developments in Ukraine could adversely impact results and financial position of the Group and its Ukrainian investments in a manner not currently determinable, however not more than Euro 5.4 million.

Russia

As of 31 March 2014, the Group holds 50% interest in Yatelsis, which indirectly owns land and buildings in St. Petersburg Russia.

Subsequent to 31 December 2013, the economic and political uncertainty in Russia increased significantly. The Moscow Stock Market decreased, the Russian ruble devalued and there has been evidence of capital outflow. Furthermore, international sanctions are being considered against Russia. The above events have resulted in a deterioration of liquidity and much tighter credit conditions where credit is available. The market uncertainty created an unclear view as for potential future development of the St. Petersburg project.

At 31 March 2014, the Group's balance sheet exposure to St. Petersburg amounted to approximately Eur 16.7 million (the full amount of investment). The above mentioned events could adversely impact the results and financial position of the Group and its St. Petersburg investments in a manner that could not be estimated at this stage.

18. Subsequent events

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

19. Release date

The interim condensed consolidated financial statements were authorised for the issue by the Management Board on 13 May 2014.

Building a better working world

Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa
Tel. +48 22 557 70 00
Faks +48 22 557 70 01
warszawa@pl.ey.com
www.ey.com/pl

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Globe Trade Centre S.A. ('the Company') as of 31 March 2014 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the three-month period then ended and other explanatory notes ('the interim condensed consolidated financial statements').

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting' as adopted by the European Union ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

We also reported on 13 May 2014 separately on the interim condensed consolidated financial statements of Globe Trade Centre S.A. for the same period, prepared in accordance with IAS 34 using PLN as the presentation currency.

ERNST & YOUNG AUDYT POLSKA SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ SP. K. (FORMERLY: ERNST & YOUNG AUDIT SP. Z O.O.)

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.
(formerly: Ernst & Young Audit sp. z o.o.)

Warsaw, 13 May 2014