CONSOLIDATED INTERIM REPORT
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE TREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2014

Place and date of publication: Warsaw, 13 November 2014

GLOBE TRADE CENTRE S.A.

MANAGEMENT BOARD'S REPORT ON ACTIVITIES OF CAPITAL GROUP
IN THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2014

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Item 1. Introduction

The GTC Group is a leading real estate company in CEE and SEE, operating in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, and Slovakia. Additionally, it holds land in Ukraine and Russia and operating in Czech Rep. throught its associates and joint ventures. The Group was established in 1994 and has been present in the real estate market for approximately 20 years.

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

Since its establishment and as at 30 September 2014 the Group: (i) has developed approximately 950 thousand sq m of NRA and approximately 300 thousand sq m of residential space and (ii) has sold approximately 344 thousand sq m of NRA in completed commercial properties and approximately 261 thousand sq m of residential space.

As of 30 September 2014 the Group's portfolio comprises, in particular, the following properties:

- 28 completed commercial properties, including 20 office and 8 retail properties with a combined NRA of approximately 589 thousand sq m, of which the Group's proportional interest amounts to approximately 540 thousand sq m of NRA;
- inventory of residential units totaling 39 thousand sq m;
- landbank designated for future development, with approximately 1.1 million sq m NRA designated for commercial use and approximately 483 thousand sq m NRA designated for residential use; and
- asset held for sale, which were disposed post balance sheet date. .

As of 30 September 2014, the book value of the Group's portfolio of all projects amounts to €1,418,621 with: (i) the Group's completed commercial properties accounting for 78% thereof; (ii) completed residential units accounting for 2% and (iii) a landbank designated for future development accounting for 20% and (iv) asset held for sale accounting for remaining 0.2% (assets were disposed post balance sheet date).

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 28 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 properties in its three most significant markets, i.e. Poland, Romania and Hungary, constitute 41%, 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 GTC are to Globe Trade Centre S.A. and all references to the Group or the GTC 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" refers to the bonds issued by Globe Trade Centre S.A. and introduced to alternative trading market and marked with the ISIN codes PLGTC0000144, PLGTC0000151 and PLGTC0000177; „the Report" refers to the consolidated interim report prepared pursuant to art 87 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 of 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 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 and nine-month periods ended 30 September 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 for the nine-months period ended 30 September 2014 (including the notes thereto). The Group has derived the financial data presented in EUR and in accordance with IFRS from its unaudited interim condensed consolidated financial statements for the nine-months period ended 30 September 2014.

Selected financial data presented in PLN is derived from the Group's unaudited interim condensed consolidated financial statements for the nine-months period ended 30 September 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 nine-month period ended 30 September				For the three-month period ended 30 September			
	2014		2013		2014		2013	
(in thousands)	EUR	PLN	EUR	PLN	EUR	PLN	EUR	PLN
Consolidated Income Statement								
Revenues from operations	94,524	394,705	91,833	385,846	30,783	128,548	30,567	129,839
Cost of operations	(33,070)	(138,091)	(32,119)	(134,951)	(10,248)	(42,795)	(9,984)	(42,457)
Gross margin from operations	61,454	256,614	59,714	250,895	20,535	85,753	20,583	87,382
Selling expenses	(2,087)	(8,715)	(2,348)	(9,865)	(707)	(2,953)	(762)	(3,238)
Administrative expenses	(6,233)	(26,027)	(5,923)	(24,886)	(1,141)	(4,765)	(1,833)	(7,795)
Profit/(loss) from revaluation/impairment of assets, and impairment of residential projects	(68,291)	(284,210)	(85,791)	(369,718)	(934)	(3,899)	(15,834)	(66,820)
Share of profit in associates	(11,392)	(47,570)	2,860	12,017	(404)	(1,689)	4,647	19,484
Financial income/(expense), net	(31,282)	(130,624)	(32,003)	(134,464)	(9,070)	(37,875)	(10,361)	(44,031)
Net profit /(loss)	(67,290)	(279,893)	(76,623)	(332,384)	4,609	19,327	(2,205)	(9,222)
Basic and diluted earnings per share (not in thousands)	(0.17)	(0.70)	(0.21)	(0.90)	0.01	0.06	(0.01)	(0,01)
Weighted average number of issued ordinary shares (not in thousands)	349,321,519	349,321,519	319,372,990	319,372,990	351,310,288	319,372,288	319,372,990	319,372,990
Consolidated Cash Flow Statement								
Cash flow from operating activities	56,807	237,209	50,536	211,521	-	-	-	-
Cash flow used in investing activities	(9,267)	(38,697)	(20,988)	(87,724)	-	-	-	-
Cash flow from financing activities	(7,998)	(35,216)	(182,251)	(763,907)	-	-	-	-
Cash and cash equivalents at the end of the period as per Interim Condensed Consolidated Statement of Financial Position	94,828	395,954	70,549	297,456	-	-	-	-

Consolidated balance sheet (in thousands)	As of 30 September 2014		As of 31 December 2013		As of 30 September 2013	
	EUR	PLN	EUR	PLN	EUR	PLN
Investment property	1,325,318	5,533,865	1,375,738	5,705,461	1,443,759	6,087,321
Inventory	26,900	112,321	40,434	167,688	50,940	214,778
Cash and cash equivalents	94,828	395,954	56,439	234,064	70,749	297,456
Total assets	1,676,781	7,001,399	1,722,519	7,143,633	1,832,137	7,724,848
Non-current liabilities	984,635	4,111,343	918,116	3,807,610	925,311	3,901,388
Current liabilities	126,278	527,282	228,522	947,730	232,755	981,372
Equity	565,868	2,362,774	575,881	2,388,293	674,071	2,842,088
Share capital	7,849	35,131	7,082	31,937	7,082	31,937

Item 3. Presentation of the Group

Item 3.1. Structure of the Group

The structure of Globe Trade Centre S.A. Capital Group as of 30 September 2014 is presented in the unaudited interim condensed consolidated financial statements for the nine-months period ended 30 September 2014 in Note 6 "Investment in subsidiaries, associates and joint ventures".

Item 3.2. Changes to the principal rules of the management of the Company and the Group

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

Item 4. Main events

Following events took place during the nine-month period ended 30 September 2014:

On 30 January 2014, the 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 were registered by the KDPW and assigned the code PLGTC0000037.

On 10 March 2014, the Company issued 20,000 series GTCSA032019 bearer bonds in dematerialized form, 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. The bonds are traded on Catalyst (GTC0319) and signed ISIN code PLGTC0000177.

On 12 May 2014, the Supervisory Board of the Company appointed Thomas Kurzmann as the President of the Management Board of the Company for a three-year term, effective as of 12 August 2014. Simultaneously, on the same day, the Supervisory Board released Alain Ickovics from his duties as the President of the Management Board, effective as of 12 August 2014.

On 16 May 2014, LSREF III GTC Investments B.V. dismissed Olivier Brahin from the function of a member of the supervisory board of the Company and appointed Jan Düdden as a member of the supervisory board of the Company.

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 the following factors and important market trends have significantly affected the Group's results of operations since the end of period covered by the latest published audited financial statements, 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's business results have been affected by the global financial crisis, which started in 2008/2009. The global crisis on the financial markets impacted the condition of many financial institutions, and governments were often forced to intervene on the capital markets on an unprecedented scale. Such turbulence resulted in businesses having restricted access to bank financing, an increase in interest rates charged on bank loans and a decrease in consumer spending with many tenants making requests for temporary or permanent rent reduction or downsizing of rental space. All these factors impacted the real estate market as well as resulted in a decrease in the value of real estate.

The crisis experienced by the financial markets slowed down the general economy in many countries, including Poland, Hungary, and Romania, where the Group operates. The economic downturn in those countries resulted in reduced demand for property, growth of vacancy rates, and increased competition in the real estate market, which adversely affected the Group's ability to sell or let its completed projects at their expected yields and rates of return.

The reduced demand for property that, on the one hand, resulted in a drop in sales dynamics, and, on the other, an increase in vacancy rates and lower rent revenues from leased space, significantly impacted the results of operations of the Group. Specifically, the Group was forced to change some of its investment plans, for example numerous projects in Bulgaria, Romania and Croatia, as those projects did not meet the initially assumed returns targets. Additionally, the Group was not able to develop numerous plans in the countries where it operates.

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 year ended 31 December 2013 and for the nine-month period ended 30 September 2014, the Group derived 68% and 66% 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 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 2013 and for the nine-month period ended 30 September 2014, respectively, the Group derived 21% and 20% of its revenues from operations as service revenue, which reflects certain costs the Group passes on to its tenants.

The vast majority of the Group's lease agreements are concluded in Euro and include a clause that provides for the full indexation of the rent linked to the European Index of Consumer Prices. When a lease is concluded in another currency, it is typically linked to the consumer price index of the relevant country of the currency.

To a certain extent, the Group's operational results are influenced by its ability to sell residential units, which for the year ended 31 December 2013 and for the nine-month period ended 30 September 2014, amounted for 11% and 13% of the Group's total revenues, respectively. 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 last few years 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 of operations depend heavily on the fluctuation of the value of assets on the property markets. The Group revalues its investment properties at least twice per year. Any change in fair value of investment property is thereafter recognised as a gain or loss in the income statement.

The following three significant factors influence the valuation of the Group's properties: (i) the cash flow arising from operational performance, (ii) the expected rental rates and (iii) the 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. Expected rental values are determined predominantly by expected development of the macroeconomic indicators as GDP growth, disposable income, etc. as well as micro conditions such as new developments in the immediate neighbourhood, competition, etc. Capitalization rates are influenced by prevailing interest rates and risk premium. In the absence of other changes when capitalization rates increase, market value decreases and vice versa. 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 landbank additionally depends on among others the building rights and the expected timing of the projects. The value of landbank which is assessed using a comparative method is determined by referring to the market prices applied in transactions relating to similar properties.

The Group recognized net revaluation losses and impairment of assets and residential projects of €184,685 and €68,291 in the year ended 31 December 2013 and in the nine-month period ended 30 September 2014, respectively.

Impact of interest rate movements

Substantially all of the loans of the Group have a variable interest rate, mainly connected to Euribor. The bonds issued by the Company are denominated in PLN and bear interest connected to WIBOR. Approximately 44% of the Group's loans are hedged or partially hedged. Increases in interest rates generally increase the Group's financing costs. For example, an interest rate increase of 50 basis points for the year ended 31 December 2012 would have increased the Group's interest expense for the year ended 31 December 2012 by approximately €673 and €999 for the year ended 31 December 2013. In addition, in an economic environment in which availability of financing is not scarce, 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 impairment that could negatively affect the Group's income.

Historically, Euribor rates have demonstrated significant volatility, changing from 1.343% as of 2 January 2012, through 0.188% as of 2 January 2013, to 0.287% as of 2 January 2014 and 0.335% as of 30 June 2014 (Euribor for three-month deposits).

Impact of foreign exchange rate movements

For the year ended 31 December 2013 and for the nine-month period ended 30 September 2014 a vast majority of the Group's revenues and costs were incurred or derived in euro. Nonetheless, the exchange rates against 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 euro or local currencies.

The Group reports its financial statements in euro, its operations, however, are based locally in Poland, Romania, Hungary, Croatia, Serbia, Bulgaria, Slovakia and other countries. 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. In particular, the significant portion of the financial costs incurred by the Group includes: (i) the interest on the bonds issued by the Group in Polish zloty and (ii) the interest on the loan taken by the Group in Hungarian forints. The exchange rates between local currencies and 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.

Accordingly, the foreign exchange rate movements have a material impact on the Group's operations and financial results.

Availability of financing

In the CEE and SEE markets, real estate development 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, apart from proceeds from asset disposals, bank loans and proceeds from bonds issued by the Company.

Item 5.2. Specific factors affecting financial and operating results

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 for a nine-month period ended 30 September 2014.

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 30 June 2014, GTC Real Estate Investments Slovakia BV was the sole owner of all its current projects in Slovakia.

On 30 September 2013, Mercury Commercial Center S.R.L. (“Arad”) signed a restructuring amendment to the loan agreement in relation to Galleria Arad, that granted a grace period, during which the principal repayment is suspended. As part of the restructuring amendment, Arad shall maintain a loan-to-value financial covenant (LTV) equal to 110% during the grace period. As at 30 June 2014 the external valuation of the asset was estimated below the threshold set by the LTV covenant. As stipulated on the restructuring amendment, Arad has six months from a notice given by the lender, to remediate the breach. The loan is guaranteed by GTC. The notice has not been served by the lender. Consequently, the loan was classified as current liability according to the remediation period which is less than 12 months. Furthermore, the Company currently explores means to remediate the LTV breach with the lender.

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

The Group did not present forecasts for the nine-month period or full year 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 and land plots that are 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 30 September 2014 compared to 31 December 2013

Total assets decreased by €45,738 (3%) to €1,676,781 as of 30 September 2014. The decrease was mainly due to a decrease in investment property, residential landbank and inventory and was partially offset by an increase in short-term deposits and cash and cash equivalents.

Assets

The value of investment property decreased by €50,420 (4%) to €1,325,318 as of 30 September 2014 from €1,375,738 as of 31 December 2013 mainly due to a devaluation of retail properties in Croatia and Romania following a decrease of expected rental values and expansion of yields and a devaluation of commercial land following further illiquidity of these assets in the CEE and SEE regions.

The value of assets held for sale increased to €3,113 as of 30 September 2014, following conclusion of preliminary sale agreement for the sale of land in Poznań which was designated for office development and was sold post balance sheet date.

The value of residential land bank and inventory decreased by €31,077 (26%) to €90,190 as of 30 September 2014 from €121,267 as of 31 December 2013, mainly due to: sale of apartments of €11,779, and sale of land plots designed for residential project in Kraków and Bratislava of €8,317, as well as decrease of value of certain residential projects in in Slovakia, Romania and Hungary.

The value of the cash and cash equivalents increased by €38,389 (68%) to €94,828 as of 30 September 2014 from €56,439 as of 31 December 2013, mainly due to cash from the sale of Galeria Kazimierz and sale of non-core assets.

Liabilities

The value of loans and bonds decreased by €7,664 to €940,928 as of 30 September 2014 from €948,592 as of 31 December 2013, however it includes a loan between Globe Trade Centre SA and New Havern Sp z o.o. of €48,000 which cannot be consolidated following implementation of IFRS 11. Eliminating this loan, the loans and bonds decreased by €55,664 mainly due to repayment of bonds and loans amortization, which was partially offset by borrowing to fund Pascal office building construction (Poland) and refinance of Spiral office building (Hungary).

The value of derivatives decreased by €23,473 (71%) to €9,417 as of 30 September 2014 from €32,890 as of 31 December 2013, mainly due to expiry of hedging instruments.

Equity

Equity decreased by €10,013 (2%) to €565,898 as of 30 September 2014 from €575,881 on 31 December 2013 due to a decrease recognition of net loss for the nine-month period ended 30 September 2014 partially offset by issuances of J series shares of €52,840.

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 of 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 nine-month period ended 30 September 2014 with the result for the corresponding period of 2013

Revenues from operations

Revenues from operations increased by €2,691 to €94,524 in the nine-month period ended 30 September 2014. Residential revenues increased by €3,947 to €12,684 in the nine-month period ended 30 September 2014, which resulted from an improved sale of residential units in Romania and Poland. Rental and service revenues decreased by €1,256 to €81,840 in the nine-month period ended 30 September 2014 due to softening of rental rents in the Galeria Jurajska and in assets located in Croatia.

Cost of operations

Cost of operations increased by €951 to €33,070 in the nine-month period ended 30 September 2014. Residential costs increased by €2,706 to €11,779 in the nine-month period ended 30 September 2014 resulting from recognition of costs related to improved residential sales in Romania and Poland. Cost of rental operations decreased by €1,755 to €21,291 in the nine-month period ended 30 September 2014 as a result of cost cutting.

Gross margin from operations

Gross margin (profit) from operations increased by €1,740 to €61,454 in the nine-month period ended 30 September 2014, mainly due to an improvement in margin from residential activities. The gross margin (profit) on rental activities increased by €499 to €60,549 in the nine-month period ended 30 September 2014 from €60,050 in the nine-month period ended 30 September 2013. Gross margin on rental activities in the nine-month period ended 30 September 2014 was 74% compared to 72% in the nine-month period ended 30 September 2013. The gross margin (profit) on residential activities increased to €905 in the nine-month period ended 30 September 2014 from €336 loss in the nine-month period ended 30 September 2013. Gross margin on residential activities was 7% in the nine-month period ended 30 September 2014.

Selling expenses

Selling expenses decreased by €261 to €2,087 in the nine-month period ended 30 September 2014 from €2,348 in the nine-month period ended 30 September 2013.

Administrative expenses

Administrative expenses increased by €311 to €8,602 (before provision for stock based program) in the nine-month period ended 30 September 2014. The increase is due to changes in provision for severance payment. In addition, mark-to-market of phantom shares program resulted in de-recognition of provision of €2,369 compared to €2,368 in the nine-month period ended 30 September 2013.

Profit/(loss) from the revaluation/impairment of assets and impairment of residential projects

Net loss from the revaluation of the Group's investment properties and impairment of residential projects amounted to €68,291 in the nine-month period ended 30 September 2014, as compared to a net loss of €85,791 in the nine-month period ended 30 September 2013 mainly due to a devaluation of retail properties in Croatia and Romania following a decrease of expected rental values and expansion of yields, a devaluation of commercial land following further illiquidity of these assets in the CEE and SEE regions.

Other income/(expense), net

Other income (net of other expenses) related to land bank properties increased to €520 in the nine-month period ended 30 September 2014 from €2,877 expenses in the nine-month period ended 30 September 2013.

Foreign exchange profit/(loss)

Foreign exchange loss amounted to €1,538 in the nine-month period ended 30 September 2014, as compared to a foreign exchange loss amounting to €1,543 in the nine-month period ended 30 September 2013.

Financial income/(cost), net

Net financial cost decreased by €721 to €31,282 in the nine-month period ended 30 September 2014 vs. €32,003 in the nine-month period ended 30 September 2013.

The average effective interest rate (including the hedging arrangements related thereto) on the Group's loans amounted to 4.3% in the nine-month period ended 30 September 2014 and 4.3% in the nine-month period ended 30 September 2013.

Share of profit (loss) of associates

Share of loss of associates was €11,392 in the nine-month period ended 30 September 2014 as compared to a share of profit of €2,860 in the nine-month period ended 30 September 2013. The share of profit in 2013 was mainly from Galeria Kazimierz shopping center while the share of loss in 2014 is mainly due to a devaluation of assets in the Czech Republic, Ukraine and Russia.

Taxation

Taxation expense amounted to €8,441 in the nine-month period ended 30 September 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 cannot be created.

Net loss

Net loss amounted to €67,290 in the nine-month period ended 30 September 2014, as compared to a net loss of €76,623 in the nine-month period ended 30 September 2013. In the nine-month period ended 30 September 2014 the loss was attributable mostly to loss on revaluation of investment properties and impairment of residential projects.

Item 5.5.3. Comparison of financial results for the three-month period ended 30 September 2014 with the result for the corresponding period of 2013

Revenues from operations

Revenues from operations increased by €216 to €30,783 in the three-month period ended 30 September 2014. Residential revenues increased by €591 to €3,634 in the three-month period ended 30 September 2014, which resulted from an improved sale of residential units in Romania and Poland. Rental and service revenues decreased by €375 to €27,149 in the three-month period ended 30 September 2014 compared to €27,524 in corresponding period of 2013.

Cost of operations

Cost of operations increased by €264 to €10,248 in the three-month period ended 30 September 2014. Residential costs increased by €464 to €3,422 in the three-month period ended 30 September 2014 resulting from recognition of costs as a result of improved residential units sale in Romania and Poland. Cost of rental operation decreased by €200 to €6,826 in the three-month period ended 30 September 2014 as a result of cost cutting.

Gross margin from operations

Gross margin (profit) from operations remained stable and was €20,535 in the three-month period ended 30 September 2014. The gross margin (profit) on rental activities decreased by €175 to €20,323 in the three-month period ended 30 September 2014 from €20,498 in the three-month period ended 30 September 2013. Gross margin on rental activities in the three-month period ended 30 September 2014 was 75% compared to 74% in the three-month period ended 30 September 2013. The gross margin (profit) on residential activities increased to €212 in the three-month period ended 30 September 2014 from €85 loss in the three-month period ended 30 September 2013. Gross margin on residential activities was 6% in the three-month period ended 30 September 2014.

Selling expenses

Selling expenses decreased by €55 to €707 in the three-month period ended 30 September 2014 compared to at €762 in the three-month period ended 30 September 2013.

Administrative expenses

Administrative expenses decreased by €303 to €2,393 (before provision for stock based program) in the three-month period ended 30 September 2014. The decrease is due to cost cutting. In addition, mark-to-market of phantom shares program resulted de-recognition of provision of €1,252 compared to €863 in the three-month period ended 30 September 2013.

Profit/(loss) from the revaluation/impairment of assets and impairment of residential projects

Net loss from the revaluation of the Group's investment properties and impairment of residential projects amounted to €934 in the three-month period ended 30 September 2014, as compared to a net loss of €15,834 in the three-month period ended 30 September 2013.

Other income/(expense), net

Other income (not of other expense) increased to €529 in the three-month period ended 30 September 2014 from €903 expense in the three-month period ended 30 September 2013.

Foreign exchange profit/(loss)

Foreign exchange profit amounted to €182 in the three-month period ended 30 September 2014, as compared to a foreign exchange profit amounting to €1,063 in the three-month period ended 30 September 2013.

Financial income/(cost), net

Net financial cost decreased by €1,291 to €9,070 in the three-month period ended 30 September 2014 vs. €10,361 in the three-month period ended 30 September 2013.

Financial cost decreased by €1,024 to €9,995 in the three-month period ended 30 September 2014, mainly due to repayment of bonds and loans.

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 30 September 2014 and 4.3% in the three-month period ended 30 September 2013.

Share of profit (loss) of associates

Share of loss of associates was €404 in the three-month period ended 30 September 2014 as compared to a share of profit of €4,647 in the three-month period ended 30 September 2013. The share of profit in 2013 was mainly from Galeria Kazimierz, while the share of loss in 2014 is mainly due to a devaluation of assets in the Czech Republic, Ukraine and Russia.

Taxation

Tax expense amounted to €4,381 in the three-month period ended 30 September 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 cannot be created.

Net profit

Net profit amounted to €4,609 in the three-month period ended 30 September 2014, as compared to a net loss of €2,205 in the three-month period ended 30 September 2013. The profit was attributable mostly to profit from operations.

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. Comparison of cash flow for the nine-month period ended 30 September 2014 with the cash flow for the corresponding period of 2013

The table below presents an extract of the cash flow for the period of nine-months ended on 30 September 2014 and 2013:

Condensed report	Nine-month period ended 30 September 14	Nine-month period ended 30 September 13
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash from operating activities	56,807	50,536
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in non-current assets	(18,150)	(21,507)
Sale of asset or shares in subsidiaries	7,512	33,345
Acquisition of shares in associates or subsidiaries, net of cash acquired	(279)	-
Tax/VAT on sale of investment property	-	(35,719)
Other, interest and similar costs	1,650	2,893
Net cash used in investing activities	(9,267)	(20,988)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	53,680	-
Share issuance expenses	(841)	-
Proceeds from long-term borrowings	124,497	1,371
Repayment of long-term borrowings	(153,151)	(144,914)
Interest paid	(27,563)	(33,420)
Loans origination cost	(1,547)	(49)
Increase (decrease) in short term deposits	(3,073)	(5,239)
Net cash from (used in) financing activities	(7,998)	(182,251)
Effect of foreign currency translation	(1,153)	(1,814)
Net increase/(decrease) in cash and cash equivalents	38,389	(154,517)
Cash and cash equivalents, at the beginning of the year	56,439	224,779
Cash classified as part of assets held for sale	-	287
Cash and cash equivalents, at the end of the year	94,828	70,549

Cash flow from operating activities was €56,807 in the nine-month period ended 30 September 2014 compared to €50,536 in the nine-month period ended 30 September 2013 mainly due to working capital changes.

Investment in real-estate amounted to €18,150 in the nine-month period ended 30 September 2014 and was related mainly to investment in Pascal office building and purchase of land for Galeria Północna.

Cash flow used in financing activities amounted to €7,998 in the nine-month period ended 30 September 2014, compared to €182,251 cash flow used in financing activities in the nine-month period ended 30 September 2013. It is mostly composed of net proceeds from issuance of shares of €52,839, proceeds from long term borrowings of €124,497 (out of which an amount of €48,000 represents an inter-company loan that is not consolidated following the introduction of IFRS 11), repayment of long term borrowings of €153,151 and payment of interest in the amount of €27,563.

Cash and cash equivalents as of 30 September 2014 amounted to €94,828 compared to €70,549 as of 30 September 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 will 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 €100,000 to support its liquidity requirements.

As of 30 September 2014, the Group's non-current liabilities amounted to €984,635, compared to €918,116 as of 31 December 2013.

The Group's total debt from long and short-term loans and borrowings as of 30 September 2014 amounted to €940,928, as compared to €948,592 as of 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 were due in the first half of 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 54% as of 30 September 2014, as compared to 59% as of 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 granted and received guarantees with a particular emphasis on guarantees granted to related entities

During the nine-month period the Group did not grant guarantees of the value that exceeds 10% of its capital.

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

The Group gave guarantees to third parties in order to secure construction cost-overrun and loans of its subsidiaries. As of 30 September 2014 and 31 December 2013, the guarantees granted amounted to €168,344 and €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 no less than 5% of votes at the Ordinary Shareholders Meeting of GTC S.A. as of the date of publication of this Report. The table is prepared based on information received directly from the shareholders. It's takes into consideration the changes in the shareholding structure arising from:

- increased number of the shares presented in the deposit certificate attached to written statement according to which the LSREF III GTC Investments B.V appointed Jan Düdden as a member of the supervisory board of the Company (see: Current report no 24/2014); and
- increased number of the shares registered by LSREF III GTC Investments B.V. and ING OFE on the Extraordinary Shareholders Meeting held on 13 October 2014 (see: Current report no 30/2014).

Shareholder	Number of shares held	% of share capital	Number of votes	% of votes
LSREF III GTC Investments B.V[1]	105,959,790	30.16%	105,959,790	30.16%
AVIVA OFE AVIVA BZ WBK	35,898,010	10.22%	35,898,010	10.22%
ING OFE	48,000,000	13.66%	48,000,000	13.66%
OFE PZU "ZŁOTA JESIEŃ"	31,445,571	8.95%	31,445,571	8.95%

[1]LSREF III GTC Investments B.V. is related to Lone Star Funds.

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 of 13 November 2014, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (interim report for the three and six-month period ended 30 June 2014) on 21 August 2014. The information included in the table is based on information received from members of the Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

	Balance as of 13 November 2014	Change since 21 August 2014
Thomas Kurzmann	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 30 September 2014 since 30 June 2014. 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 30 September 2014	Change since 30 June 2014
Thomas Kurzmann[1]	0	N/A
Erez Boniel	824 940	Increase of 32 196
Yovav Carmi	361 087	No change
Mariusz Kozłowski	626 940	Increase of 32 196
Piotr Kroenke	824 940	Increase of 32 196
Jacek Wachowicz	236 964	Increase of 3 762
Witold Zatoński	482 490	Increase of 22 566

1 Thomas Kurzmann succeeded Alain Ickovics on 12 August 2014. He has no vested phantom option as of the balance sheet date.

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 of 13 November 2014, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (interim report for the three and six-month period ended 30 June 2014) on 21 August 2014. The information included in the table is based on information received from members of the Management Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

	Balance as of 13 November 2014	Change since 21 August 2014
Alexander Hesse	0	No change
Philippe Couturier	0	No change
Michael Damnitz	0	No change
Jan Düdden	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 members of the Company's Supervisory Board did not own directly or indirectly phantom shares as at 30 September 2014. There have been no changes in their holdings since 30 June 2014.

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

The Group did not conduct any material transactions with 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 FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2014
TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2014
(in thousands of Euro)

	Note	30 September 2014 (unaudited)	30 September 2013 (unaudited and restated)	31 December 2013 (restated)
ASSETS				
Non current assets				
Investment property	11	1,325,318	1,443,759	1,375,738
Residential landbank	12	63,290	94,035	80,833
Investment in associates and joint ventures	10	111,214	121,388	119,624
Property, plant and equipment		1,761	1,616	1,586
Deferred tax asset		3,454	6,202	4,152
Long term deposits		800	2,800	2,800
Other non-current assets		636	334	338
		1,506,473	**1,670,134**	**1,585,071**
Assets held for sale	18	**3,113**	**-**	**-**
Current assets				
Residential inventory	12	26,900	50,940	40,434
Debtors		4,507	4,740	4,032
Accrued income		973	522	1,290
VAT and other tax recoverable		1,815	3,378	3,260
Income tax recoverable		404	601	697
Prepayments and deferred expenses		3,851	3,985	2,437
Short-term deposits		33,917	27,288	28,859
Cash and cash equivalents		94,828	70,549	56,439
		167,195	**162,003**	**137,448**
TOTAL ASSETS		**1,676,781**	**1,832,137**	**1,722,519**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2014
(in thousands of Euro)

	Note	30 September 2014 (unaudited)	30 September 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		8,392	16,224	15,154
Hedge reserve		(6,454)	(15,025)	(12,344)
Foreign currency translation		2,469	4,386	4,427
Accumulated profit		236,562	376,035	295,277
		613,046	**700,857**	**621,751**
Non-controlling interest		(47,178)	(26,786)	(45,870)
Total Equity		**565,868**	**674,071**	**575,881**
Non current liabilities				
Long-term portion of long-term loans and bonds	13	842,110	789,611	779,788
Deposits from tenants		5,754	5,208	5,363
Long term payable		5,848	6,030	6,004
Provision for share based payment		490	3,215	2,860
Derivatives		3,564	5,991	4,309
Provision for deferred tax liability		126,869	115,256	119,792
		984,635	**925,311**	**918,116**
Current liabilities				
Trade and other payables		17,921	24,861	26,626
Current portion of long-term loans and bonds	13	98,818	169,147	168,804
VAT and other taxes payable		2,271	1,389	1,153
Income tax payable		407	909	685
Derivatives		5,853	33,264	28,581
Advances received		1,008	3,185	2,673
		126,278	**232,755**	**228,522**
TOTAL EQUITY AND LIABILITIES		**1,676,781**	**1,832,137**	**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 Income Statement
for the nine-month period ended 30 September 2014
(in thousands of Euro)

	Note	Nine-month period ended 30 September 2014 (unaudited)	Nine-month period ended 30 September 2013 (unaudited and restated)	Three-month period ended 30 September 2014 (unaudited)	Three-month period ended 30 September 2013 (unaudited and restated)	Year ended 31 December 2013 (restated)
Revenues from operations	7	94,524	91,833	30,783	30,567	122,861
Cost of operations	8	(33,070)	(32,119)	(10,248)	(9,984)	(44,908)
Gross margin from operations		**61,454**	**59,714**	**20,535**	**20,583**	**77,953**
Selling expenses		(2,087)	(2,348)	(707)	(762)	(3,244)
Administration expenses		(6,233)	(5,923)	(1,141)	(1,833)	(8,220)
Loss from revaluation/ impairment of assets	11	(56,823)	(83,789)	(698)	(15,738)	(162,526)
Impairment of residential projects		(11,468)	(2,002)	(236)	(96)	(22,059)
Other income		2,288	135	1,306	11	151
Other expenses		(1,768)	(3,012)	(777)	(914)	(3,627)
Profit (loss) from continuing operations before tax and finance income / (expense)		**(14,637)**	**(37,225)**	**18,282**	**1,251**	**(121,572)**
Foreign exchange differences income (loss), net		(1,538)	(1,543)	182	1,063	(1,070)
Finance income		3,038	2,397	925	658	2,903
Finance cost		(34,320)	(34,400)	(9,995)	(11,019)	(45,708)
Share of profit (loss) of associates and joint ventures		(11,392)	2,860	(404)	4,647	3,813
Profit (loss) before tax		**(58,849)**	**(67,911)**	**8,990**	**(3,400)**	**(161,634)**
Taxation		(8,441)	(8,712)	(4,381)	1,195	(15,163)
Profit (loss) for the period		**(67,290)**	**(76,623)**	**4,609**	**(2,205)**	**(176,797)**
Attributable to:						
Equity holders of the parent		(58,715)	(66,070)	5,117	(992)	(146,828)
Non-controlling interest		(8,575)	(10,553)	(508)	(1,213)	(29,969)
Basic earnings per share (in Euro)	15	(0.17)	(0.21)	0.01	(0.01)	(0.46)
Diluted earnings per share (in Euro)	15	(0.17)	(0.21)	0.01	(0.01)	(0.46)

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

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Comprehensive Income
for the nine-month period ended 30 September 2014
(in thousands of Euro)

	Nine-month period ended 30 September 2014 (unaudited)	Nine-month period ended 30 September 2013 (unaudited)	Three-month period ended 30 September 2014 (unaudited)	Three-month period ended 30 September 2013 (unaudited)	Year ended 31 December 2013
Profit (loss) for the period	**(67,290)**	**(76,623)**	**4,609**	**(2,205)**	**(176,797)**
Gain on hedge transactions	7,174	12,945	1,295	4,203	16,494
Income tax	(1,370)	(2,418)	(242)	(797)	(3,077)
Net gain on hedge transactions	**5,804**	**10,527**	**1,053**	**3,406**	**13,417**
Foreign currency translation	(1,963)	(780)	520	(64)	(616)
Total comprehensive income (loss) for the period, net of tax	**(63,449)**	**(66,876)**	**6,182**	**1,137**	**(163,996)**
Attributable to:					
Equity holders of the parent	(54,783)	(56,822)	6,651	2,334	(134,858)
Non-controlling interest	(8,666)	(10,054)	(469)	(1,197)	(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 nine-month period ended 30 September 2014
(in thousands of Euro)

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumu-lated 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 (loss)	-	-	-	10,043	(795)	-	9,248	499	9,747
Loss for the period ended 30 September 2013	-	-	-	-	-	(66,070)	(66,070)	(10,553)	(76,623)
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**10,043**	**(795)**	**(66,070)**	**(56,822)**	**(10,054)**	**(66,876)**
Other transactions	**-**	**-**	216	-	-	-	216	-	216
Balance as of 30 September 2013	**7,082**	**312,155**	**16,224**	**(15,025)**	**4,386**	**376,035**	**700,857**	**(26,786)**	**674,071**

	Issued and paid in share capital	Share premium	Capital reserve	Hedge reserve	Foreign currency translation	Accumu-lated 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 (loss)	-	-	-	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 (loss)	-	-	-	5,890	(1,958)	-	3,932	(91)	3,841
Loss for the period ended 30 September 2014	-	-	-	-	-	(58,715)	(58,715)	(8,575)	(67,290)
Total comprehensive income / (loss) for the year	-	**-**	**-**	**5,890**	**(1,958)**	**(58,715)**	**(54,783)**	**(8,666)**	**(63,449)**
Issuance of shares	767	52,073	-	-	-	-	52,840	-	52,840
Acquisition of non-controlling interest	**-**	**-**	(6,762)	-	-	-	(6,762)	7,358	596
Balance as of 30 September 2014	**7,849**	**364,228**	**8,392**	**(6,454)**	**2,469**	**236,562**	**613,046**	**(47,178)**	**565,868**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash Flows
for the nine-month period ended 30 September 2014
(in thousands of Euro)

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Loss before tax	(58,849)	(67,911)	(161,634)
Adjustments for:			
Loss from revaluation/impairment of assets and residential projects	68,291	85,791	184,585
Share of loss (profit) of associates and joint ventures	11,392	(2,861)	(3,813)
Loss from sale of fixed assets	-	-	251
Foreign exchange differences loss, net	1,249	1,433	1,098
Finance income	(3,038)	(2,397)	(2,903)
Finance cost	34,320	34,400	45,708
Share based payment income	(2,369)	(2,368)	(2,724)
Depreciation and amortization	356	367	477
Operating cash before working capital changes	**51,352**	**46,454**	**61,045**
Decrease/(increase) in debtors and prepayments and other current assets	(1,134)	1,824	3,827
Decrease in inventory	10,250	7,671	11,729
Decrease in advances received	(1,451)	(835)	(1,316)
Decrease in deposits from tenants	199	149	102
Decrease in trade and other payables	(516)	(3,692)	(4,247)
Cash generated from operations	**58,700**	**51,571**	**71,140**
Tax paid in the period	(1,893)	(1,035)	(1,763)
Net cash from operating activities	**56,807**	**50,536**	**69,377**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of non-current assets	(18,150)	(21,507)	(29,755)
Sale of investment property and residential landbank	7,512	33,345	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	1,873	1,370	1,459
Lease origination expenses	(131)	(148)	(762)
Loans granted	(379)	(703)	(932)
Loans repayments	287	2,374	2,061
Net cash used in investing activities	**(9,267)**	**(20,988)**	**(29,069)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares	53,680	-	-
Share issuance expenses	(841)	-	-
Proceeds from long-term borrowings	124,497	1,371	43,167
Repayment of long-term borrowings	(153,151)	(144,914)	(198,735)
Interest paid	(27,563)	(33,420)	(46,524)
Loans origination cost	(1,547)	(49)	(323)
Increase in short term deposits	(3,073)	(5,239)	(6,804)
Net cash used in financing activities	**(7,998)**	**(182,251)**	**(209,219)**
Effect of foreign currency translation	**(1,153)**	**(1,814)**	**284**
Net increase (decrease) in cash and cash equivalents	**38,389**	**(154,517)**	**(168,627)**
Cash and cash equivalents at the beginning of the period	**56,439**	**224,779**	**224,779**
Cash classified as part of assets held for sale	**-**	**287**	**287**
Cash and cash equivalents at the end of the period	**94,828**	**70,549**	**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 30 September 2014 is LSREF III GTC Investments B.V. (“LSREF III”), controlled by Lone Star, a global private equity firm, which holds 105,959,790 shares or 30.2% 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 105,064,290 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 on the equity attributable to equity holders of the parent amounted to a decrease of EUR 6.8 million. As of 30 September 2014, GTC Real Estate Investments Slovakia BV was the sole owner of all its current projects in Slovakia.

In April 2014, the Company repaid Euro 81.6 million of bonds and its related hedge instrument Euro 22 million. Both were presented in the Interim Condensed Consolidated Statement of Cash Flows under repayment of long term borrowings.

In July 2014, the Company sold Ogrody Galileo land in Cracow, Poland for Eur 5.8 million.

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 nine months ended 30 September 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 which were authorized for issue on 19 March 2014. The interim financial results are not necessarily indicative of the full year results.

Real estate assets were externally valued by independent appraiser as of 30 June 2014 based on open market values, and reconfirmed as of 30 September 2014.

4. Going concern

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

The Group's financial operations are based on centralized treasury process implemented in the whole capital group. GTC, 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 future market conditions and in particular about the level of demand for Group's commercial space and residential units, that may influence the operating costs and the availability of bank financing in the foreseeable future.

The management has analysed 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.

4. Going concern (continued)

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 - application of the standard had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 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,
- 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 - application of the standard had no impact on disclosures, financial situation or the results of the Group for the nine-month period ended 30 September 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 - application of the amendments had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 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 - application of the standard had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 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 - application of the standard had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 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 - application of the amendments had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 2014,

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

- 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 - application of the amendments had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 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 - application of the amendments had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 2014,
- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (issued on 27 June 2013) – effective for financial years beginning on or after 1 January 2014 - application of the amendments had no impact on financial situation or the results of the Group for the nine-month period ended 30 September 2014.

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

- IFRS 9 *Financial Instruments* (issued on 24 July 2014) effective for financial years beginning on or after 1 July 2018 – not yet endorsed by EU till the date of approval of these financial statements, approval by EU project postponed as at the date of approval of these financial statements,
- IFRIC 21 *Levies* – effective for financial years beginning on or after 1 January 2014 – in EU effective at the latest for financial years beginning on or after 17 June 2014,
- 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 2014) – effective for financial years beginning on or after 1 January 2016 – decision about terms of performing particular steps resulting in endorsement of the Standard has not yet been made by EFRAG – 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,
- Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization* (issued on 12 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,

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

- IFRS 15 *Revenue from Contracts with Customers* (issued on 28 May 2014) – effective for financial years beginning on or after 1 January 2017 – not yet endorsed by EU till the date of approval of these financial statements,
- Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants* (issued on 30 June 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,
- Amendments to IAS 27 *Equity Method in Separate Financial Statements* (issued on 12 August 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval these financial statements.
- Annual Improvements to IFRSs 2012–2014 *Cycle* (issued on 25 September 2014) – effective for financial years beginning on or after 1 January 2016– not yet endorsed by EU till the date of approval these financial statements.
- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* (issued on 11 September 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 and its subsidiaries listed below together with direct and indirect ownership of these entities as at the end of each period (the table presents the effective stake):

Subsidiaries

Name	Holding Company	Country of incorporation	30 September 2014	31 December 2013	30 September 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%
Glorine Investments sp. z o.o.	GTC S.A.	Poland	100%	100%	-
Glorine Investments Sp. z o.o. s.k.a.	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	30 September 2014	31 December 2013	30 September 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	30 September 2014	31 December 2013	30 September 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. (“NCC”)	GTC Romania	Netherlands	100%	100%	100%
Mercury Commercial Center S.R.L.	GTC Romania	Romania	100%	100%	100%
Venus Commercial Center S.R.L.	NCC.	Romania	100%	100%	100%
Mars Commercial Center S.R.L.	NCC	Romania	100%	100%	100%
Beaufort Commercial Center S.R.L.	NCC	Romania	100%	100%	100%
Fajos S.R.L.	NCC	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	30 September 2014	31 December 2013	30 September 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 AD	GTC Bulgaria	Bulgaria	80%	80%	80%
Galeria Varna AD	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	30 September 2014	31 December 2013	30 September 2013
GTC Galeria Kazimierz Sp. z o.o ("GTC Galeria Kazimierz")	Delta Development Inwestycje Sp. z o.o.	Poland	50%	50%	50%
New Havern sp. z o.o.	GTC Galeria Kazimierz	Poland	50%	50%	-
Havern Investments sp. z o.o.	GTC Galeria Kazimierz	Poland	50%	50%	-
Delta Development Inwestycje sp. z o.o	GTC S.A	Poland	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

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited and restated)	(unaudited)	(unaudited and restated)	(restated)
Rental revenue	62,804	64,001	20,780	21,291	84,042
Service revenue	19,036	19,095	6,369	6,233	25,589
Residential revenue	12,684	8,737	3,634	3,043	13,230
	94,524	**91,833**	**30,783**	**30,567**	**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

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited and restated)	(unaudited)	(unaudited and restated)	(restated)
Rental and service costs	21,291	23,046	6,826	7,026	31,269
Residential costs	11,779	9,073	3,422	2,958	13,639
	33,070	**32,119**	**10,248**	**9,984**	**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 geographical zones, which were modified. As a result of the change the Company restated comparative data. Previously the geographical zones were divided into:

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

Current operating segments are divided into geographical zones, which have common characteristics and reflect the nature of management reporting structure:

a. Poland and Hungary
b. Capital cities in SEE countries (Romania, Serbia, Croatia, Slovakia)
c. Secondary cities in Bulgaria
d. Secondary cities in Croatia
e. Secondary cities in Romania

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, amongst others, on segmental analysis.

(in thousands of Euro)

9. Segmental analysis (continued)

Segment analysis for the nine-month periods ended 30 September 2014 (unaudited) and 30 September 2013 (unaudited and restated) is presented below:

	Poland and Hungary		Capital cities in SEE countries		Bulgaria-secondary cities		Croatia-secondary cities		Romania-secondary cities		Consolidated	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Rental and service income	44,641	45,938	27,693	28,362	5,455	4,562	1,218	1,587	2,833	2,647	81,840	83,096
Contract income	3,515	1,917	9,169	6,820	-	-	-	-	-	-	12,684	8,737
Total income	**48,156**	**47,855**	**36,862**	**35,182**	**5,455**	**4,562**	**1,218**	**1,587**	**2,833**	**2,647**	**94,524**	**91,833**
Rental and service costs	8,773	9,553	6,756	6,821	1,922	2,023	1,336	1,314	2,504	3,335	21,291	23,046
Contract costs	2,188	1,412	9,591	7,661	-	-	-	-	-	-	11,779	9,073
Total costs	**10,961**	**10,965**	**16,347**	**14,482**	**1,922**	**2,023**	**1,336**	**1,314**	**2,504**	**3,335**	**33,070**	**32,119**
Rental result	35,868	36,385	20,937	21,541	3,533	2,539	(118)	273	329	(688)	60,549	60,050
Contract result	1,327	505	(422)	(841)	-	-	-	-	-	-	905	(336)
Total result	**37,195**	**36,890**	**20,515**	**20,700**	**3,533**	**2,539**	**(118)**	**273**	**329**	**(688)**	**61,454**	**59,714**

Segment analysis for the nine-month periods ended 30 September 2014 (unaudited) and year ended 31 December 2013 (restated) is presented below:

	Poland and Hungary		Capital cities in SEE countries		Bulgaria-secondary cities		Croatia-secondary cities		Romania-secondary cities		Consolidated	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Rental and service income	44,641	60,706	27,693	37,322	5,455	6,121	1,218	2,079	2,833	3,404	81,840	109,631
Contract income	3,515	2,641	9,169	10,589	-	-	-	-	-	-	12,684	13,230
Total income	**48,156**	**63,347**	**36,862**	**47,911**	**5,455**	**6,121**	**1,218**	**2,079**	**2,833**	**3,404**	**94,524**	**122,861**
Rental and service costs	8,773	12,770	6,756	9,288	1,922	3,003	1,336	1,764	2,504	4,444	21,291	31,269
Contract costs	2,188	1,881	9,591	11,758	-	-	-	-	-	-	11,779	13,639
Total costs	**10,961**	**14,651**	**16,348**	**21,046**	**1,922**	**3,003**	**1,336**	**1,764**	**2,504**	**4,444**	**33,070**	**44,908**
Rental result	35,868	47,936	20,937	28,034	3,533	3,117	(118)	315	329	(1,040)	60,549	78,362
Contract result	1,327	760	(422)	(1,169)	-	-	-	-	-	-	905	(409)
Total result	**37,195**	**48,696**	**20,515**	**26,865**	**3,533**	**3,117**	**(118)**	**315**	**329**	**(1,040)**	**61,454**	**77,953**

(in thousands of Euro)

9. Segmental analysis (continued)

Segment analysis for the three-month periods ended 30 September 2014 (unaudited) and 30 September 2013 (unaudited and restated) is presented below:

	Poland and Hungary		Capital cities in SEE countries		Bulgaria-secondary cities		Croatia-secondary cities		Romania-secondary cities		Consolidated	
	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013	30 September 2014	30 September 2013
Rental and service income	14,460	15,079	9,257	9,410	2,067	1,586	384	646	981	803	27,149	27,524
Contract income	712	1,271	2,922	1,772	-	-	-	-	-	-	3,634	3,043
Total income	**15,172**	**16,350**	**12,179**	**11,182**	**2,067**	**1,586**	**384**	**646**	**981**	**803**	**30,783**	**30,567**
Rental and service costs	2,954	2,697	2,117	2,272	657	644	432	435	666	978	6,826	7,026
Contract costs	361	814	3,061	2,144	-	-	-	-	-	-	3,422	2,958
Total costs	**3,315**	**3,511**	**5,178**	**4,416**	**657**	**644**	**432**	**435**	**666**	**978**	**10,248**	**9,984**
Rental result	11,506	12,382	7,140	7,138	1,410	942	(48)	211	315	(175)	20,323	20,498
Contract result	351	457	(139)	(372)	-	-	-	-	-	-	212	85
Total result	**11,857**	**12,839**	**7,001**	**6,766**	**1,410**	**942**	**(48)**	**211**	**315**	**(175)**	**20,535**	**20,583**

10. Investment in associates and joint ventures

The investment in associates and joint ventures comprises the following:

	30 September 2014	30 September 2013	31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
Equity accounting – associates	-	-	-
Loans granted	45,688	42,775	42,555
Loss on investment – associates	(16,690)	(4,406)	(8,330)
Investment in associates	**28,998**	**38,369**	**34,225**
Equity accounting – joint ventures	49,173	51,080	53,187
Loans granted	33,043	31,939	32,212
Investment in joint ventures	**82,216**	**83,019**	**85,399**
Investment in associates and joint ventures	**111,214**	**121,388**	**119,624**

(in thousands of Euro)

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:

	30 September 2014	30 September 2013	31 December 2013
	(unaudited)	(unaudited and restated)	(restated)
Completed investment property	1,102,756	1,183,435	1,127,056
Investment property under construction at fair value	-	2,470	5,492
Investment property under construction at cost	222,562	257,854	243,190
Total	**1,325,318**	**1,443,759**	**1,375,738**

The movement in investment property for the periods ended 30 September 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**
Reclassification (*)	9,468	(9,468)	-
Capitalised subsequent expenditure	2,391	9,248	11,639
Adjustment to fair value / impairment	(2,431)	(54,392)	(56,823)
Disposals	-	(1,678)	(1,678)
Translation differences and other non-cash adjustments	(3,527)	(31)	(3,558)
Carrying amount as of 30 September 2014	**768,256**	**557,062**	**1,325,318**

(*) After the completion of construction of Pascal office building in Cracow, it is qualified as asset in level 2 (inputs are based on observable transactions).

Fair value and impairment adjustment consists of the following:

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited and restated)	(unaudited)	(unaudited and restated)	(restated)
Adjustment to fair value of completed assets	(32,797)	(58,110)	(644)	(14,868)	(117,130)
Adjustment to fair value of property under construction	-	(428)	-	(428)	(220)
Impairment adjustment	(24,026)	(25,251)	(54)	(442)	(45,176)
Total	**(56,823)**	**(83,789)**	**(698)**	**(15,738)**	**(162,526)**

(in thousands of Euro)

11. Investment Property (continued)

The table below includes sensitivity analysis to significant changes in inputs within levels 2 and 3 of the fair value hierarchy, which are yield and ERV.

Assumptions used in the valuations of completed assets as of 30 September 2014 (unaudited) and related sensitivity analysis are presented below:

Potfolio	Book value	NRA thousand	Ocupancy	Yield	Actual rent	ERV	Average duration	Fair Value Hierarchy Level	Impact on PBT of 1% change in yield (*)	Impact on PBT of 1 Euro/sqm change in ERV (*)
	'000 Euro	sqm	%	%	Euro/ sqm	Euro/ sqm	Years		'000 Euro	'000 Euro
Poland retail	150,000	49	89%	7.6%	20.8	19.7	3.6	2	19,841	7,620
Poland office	304,417	150	92%	7.9%	14.6	13.7	3.5	2	38,632	22,178
Serbia office capital city	106,100	53	96%	8.9%	16.3	15.4	3.2	3	11,896	6,887
Croatia retail capital city	110,000	36	96%	8.5%	22.0	23.5	6.4	3	12,941	4,681
Croatia retail secondary cities	12,100	29	80%	10.0%	4.0	9.0	3.8	3	1,210	1,344
Hungary office capital city	158,339	91	93%	8.1%	12.0	12.3	4.6	2	19,579	12,903
Slovakia office capital city	13,600	13	65%	8.8%	9.8	9.6	1.7	3	1,554	1,417
Romania retail secondary cities	29,000	59	87%	10.3%	4.6	8.1	4.3	3	2,815	3,582
Romania office capital city	155,500	48	93%	7.7%	19.1	21.1	3.4	2	20,195	7,370
Bulgaria retail secondary cities	63,700	61	93%	9.1%	7.8	8.7	6.9	3	7,000	7,325
Total	**1,102,756**	**589**	**91%**	**8.6%**	**13.4**	**13.8**	**4.2**			

(*) Actual variations in yield or ERV may vary between different markets.

Investment properties under construction - Information regarding investment properties under construction valued at cost as of 30 September 2014 (unaudited) is presented below:

	Book value	Estimated building rights (GLA)	Average Book value/sqm of building rights	Impact on PBT of change of recoverable amount by Euro 50 below book value/sqm of building rights
	'000 Euro	thousand sqm	Euro/sqm	'000 Euro
Poland	111,655	410	272	20,490
Serbia	40,662	96	422	4,815
Croatia	3,900	21	186	1,050
Hungary	34,900	315	111	15,740
Romania	16,384	66	248	3,300
Bulgaria	15,061	130	116	6,503
Total	**222,562**	**1,038**	**214**	**51,898**

(in thousands of Euro)

11. Investment Property (continued)

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
	'000 Euro	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 office	106,100	53	95%	8.9%	16.6	15.4	3.6		3
Croatia retail	142,900	65	90%	9.2%	14.6	18.9	6.7		2
Hungary office	161,800	91	96%	8.1%	12.2	12.3	3.5	3	
Slovakia office	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 office	157,500	48	93%	8.0%	19.7	22	3.8	1	
Bulgaria retail	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**	**16**	**11**

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 rights GLA	Average book value/sqm of building rights	Impact on PBT of change of recoverable amount by Euro 50 below book value/sqm of building rights
	'000 Euro	Thousand sqm	Euro/sqm	'000 Euro
Poland	119,134	436	273	21,819
Serbia	41,428	93	446	4,644
Croatia	7,800	21	371	1,051
Hungary	42,900	315	136	15,772
Romania	17,720	66	268	3,306
Bulgaria	19,700	130	152	6,480
Total	**248,682**	**1,061**	**234**	**53,072**

(in thousands of Euro)

12. Residential inventory

The movement in residential landbank and inventory for the periods ended 30 September 2014 (unaudited), 30 September 2013 (unaudited and restated) and 31 December 2013 was as follows:

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Year ended 31 December 2013
Carrying amount at the beginning of the period	**121,267**	**155,141**	**155,141**
Construction and foreign exchange differences	487	909	1,824
Impairment to net realisable value	(11,468)	(2,002)	(22,059)
Cost of units sold	(11,779)	(9,073)	(13,639)
Disposal	(8,317)	-	-
Carrying amount at the end of the period	**90,190**	**144,975**	**121,267**

During Q3 2014 a land in Poland in the amount of Euro 2,100 thousand was reclassified from Inventory into Residential landbank.

Completed inventory as of 30 September 2014 (unaudited) consists of the following:

	Book value	Estimated building rights GLA	Average Book value/sqm of building rights	Impact on PBT of change of NRV by Euro 50 below book value/sqm, building rights
	'000 Euro	Thousand sqm	Euro/sqm	'000 Euro
Poland	3,997	<3	1,374	145
Hungary	122	<1	760	8
Serbia	252	<1	741	17
Slovakia	190	<1	1,118	9
Romania	22,339	35	631	1,770
Total/Average	**26,900**	**39**	**690**	**1,949**

Residential landbank as of 30 September 2014 (unaudited) consists of the following:

	Book value	Estimated building rights GLA	Average Book value/sqm of building rights	Impact on PBT of change of recoverable amount by Euro 50 below book value/sqm of building rights
	Euro	Thousand sqm	Euro/sqm	'000 Euro
Poland	2,100	4	512	205
Croatia	15,291	48	319	2,400
Hungary	16,763	138	121	6,900
Slovakia	10,000	72	139	3,600
Romania	19,136	221	86	11,066
Total/Average	**63,290**	**483**	**131**	**24,171**

(in thousands of Euro)

12. Residential Inventory (continued)

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

	Book value	**Estimated building rights GLA**	**Average Book value/sqm of building rights**	**Impact on PBT of change of NRV by Euro 50 below book value/sqm of building rights**
	‘000 Euro	Thousand sqm	Euro/sqm	‘000 Euro
Poland	5,820	4	1,506	193
Hungary	262	<1	817	16
Serbia	252	<1	741	17
Slovakia	685	<1	1,521	23
Romania	31,126	44	709	2,195
Total/Average	**38,145**	**49**	**781**	**2,444**

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

	Book value	**Estimated building rights GLA**	**Average Book value/sqm of building rights**	**Impact on PBT of change of recoverable amount by Euro 50 below book value/sqm of building rights**
	‘000 Euro	Thousand sqm	Euro/sqm	‘000 Euro
Poland	8,350	37	225	1,856
Croatia	15,243	48	318	2,397
Hungary	19,677	138	143	6,880
Slovakia	17,000	82	206	4,126
Romania	22,852	309	74	15,441
Total/Average	**83,122**	**614**	**135**	**30,700**

(in thousands of Euro)

13. Long-term loans and bonds

Long-term loans and bonds comprise the following:

	30 September 2014 (unaudited)	**30 September 2013** (unaudited and restated)	**31 December 2013** (restated)
Bonds series 0414	-	83,843	83,928
Bonds series 2017-2018	72,450	71,845	71,733
Bonds series 2018-2019	48,078	-	-
Loan from WBK (Globis Poznan)	15,040	15,547	15,420
Loan from WBK (Korona Business Park)	42,403	26,074	38,737
Loan from Pekao (Globis Wroclaw)	25,589	26,261	26,097
Loan from ING (Nothus)	15,840	16,272	16,164
Loan from ING (Zefirus)	15,840	16,272	16,164
Loan from Berlin Hyp (Corius)	12,398	12,800	12,698
Loan from WBK (Kazimierz office)	27,520	28,071	27,943
Loan from Pekao (Galeria Jurajska)	101,805	104,177	103,597
Loan from Berlin Hyp (UBP)	19,134	19,531	19,432
Loan from ING (Francuska)	16,412	16,951	16,817
Loan from MKB (Centre Point I)	20,389	21,927	21,551
Loan from MKB (Centre Point II)	24,231	25,857	25,451
Loan from CIB (Metro)	19,803	20,701	20,480
Loan from MKB (Spiral)	22,575	17,005	16,543
Loan from Erste (Renaissance)	4,109	5,109	4,859
Loan from MKB (Sasad Resort)	8,327	8,727	8,727
Loan from EBRD and Raiffeisen Bank (GTC House)	11,500	13,075	12,700
Loan from Erste (19 Avenue)	23,948	25,873	25,634
Loan from EBRD and Raiffeisen Bank (Block 41)	16,146	17,918	17,487
Loan from Unicredit (Felicity)	25,563	26,013	25,563
Loan from RZBR (Rose Garden)	3,787	11,942	10,342
Loan from Erste (Citygate)	91,964	94,930	94,262
Loan from EBRD and Raiffeisen Bank (NCC)	5,778	18,266	5,778
Loan from EBRD and Raiffeisen Bank (Arad)	27,563	27,836	27,836
Loan from MKB and Zagrabecka Banka (AMZ)	26,788	31,241	30,128
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	15,750	15,750	15,750
Loan from MKB and OTP (Galeria Varna)	18,124	23,932	23,763
Loan from EBRD and Unicredit (Stara Zagora)	22,799	27,798	22,799
Loan from EBRD (Burgas)	25,603	24,006	26,288
Loan from VUB Bank (Jarosova)	3,659	3,312	3,067
Loans from minorities in subsidiaries and joint ventures	117,164	66,973	67,861
Deferred issuance debt expenses	(7,151)	(7,077)	(7,007)
	940,928	**958,758**	**948,592**

(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:

	30 September 2014 (unaudited)	30 September 2013 (unaudited and restated)	31 December 2013 (restated)
Current portion of long term loans:			
Bonds series 0414	-	83,843	83,928
Bonds series 2017-2018	1,991	2,068	794
Bonds series 2018-2019	180	-	-
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK (Korona Business Park)	1,316	1,270	1,053
Loan from Berlin Hyp (UBP)	397	397	397
Loan from Pekao (Galeria Jurajska)	2,408	2,372	2,394
Loan from Pekao (Globis Wroclaw)	713	672	682
Loan from ING (Nothus)	432	432	432
Loan from ING (Zefirus)	432	432	432
Loan from Berlin Hyp (Corius)	418	404	408
Loan from WBK (Kazimierz office)	619	559	574
Loan from ING (Francuska)	540	540	540
Loan from MKB (Centre Point I)	1,588	1,538	1,550
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Renaissance)	4,109	1,000	4,859
Loan from MKB (Sasad Resort)	8,327	-	8,727
Loan from CIB (Metro)	934	898	907
Loan from MKB (Spiral)	1,168	1,783	16,543
Loan from EBRD and Raiffeisen Bank (GTC House)	1,675	1,575	1,600
Loan from Erste (19 Avenue)	814	766	778
Loan from EBRD and Raiffeisen Bank (Block 41)	1,894	1,772	1,802
Loan from EBRD and Unicredit (Stara Zagora)	-	5,703	-
Loan from MKB and OTP (Galeria Varna)	902	808	859
Loan from EBRD (Burgas)	1,095	809	932
Loan from MKB and Zagrabecka Banka (AMZ)	4,454	4,454	4,454
Loan from EBRD and Raiffeisen Bank Austria (Osijek) (see p.28)	-	-	-
Loan from EBRD and Raiffeisen Bank (NCC)	-	12,488	-
Loan from EBRD and Raiffeisen Bank (Arad) (see p.28)	27,563	-	-
Loan from Erste (Citygate)	2,803	2,658	2,694
Loan from RZBR (Rose Garden)	3,787	11,942	3,342
Loan from Unicredit (Felicity)	25,563	26,013	25,563
Loan from VUB Bank (Jarosova)	563	521	427
Deferred issuance debt expenses	-	(703)	-
	98,818	**169,147**	**168,804**

(in thousands of Euro)

13. Long-term loans and bonds (continued)

	30 September 2014 (unaudited)	30 September 2013 (unaudited and restated)	31 December 2013 (restated)
Long term portion of long term loans:			
Bonds series 2017-2018	70,459	69,777	70,939
Bonds series 2018-2019	47,898	-	-
Loan from WBK (Globis Poznan)	14,533	15,040	14,913
Loan from WBK (Korona Business Park)	41,087	24,804	37,684
Loan from Pekao (Globis Wroclaw)	24,876	25,589	25,415
Loan from ING (Nothus)	15,408	15,840	15,732
Loan from ING (Zefirus)	15,408	15,840	15,732
Loan from Berlin Hyp (Corius)	11,980	12,396	12,290
Loan from WBK (Kazimierz office)	26,901	27,512	27,369
Loan from Pekao (Galeria Jurajska)	99,397	101,805	101,203
Loan from Berlin Hyp (UBP)	18,737	19,134	19,035
Loan from ING (Francuska)	15,872	16,411	16,277
Loan from MKB (Centre Point I)	18,801	20,389	20,001
Loan from MKB (Centre Point II)	22,605	24,231	23,825
Loan from CIB (Metro)	18,869	19,803	19,573
Loan from MKB (Sasad Resort)	-	8,727	-
Loan from MKB (Spiral)	21,407	15,222	-
Loan from Erste (Renaissance)	-	4,109	-
Loan from EBRD and Raiffeisen Bank (GTC House)	9,825	11,500	11,100
Loan from Erste (19 Avenue)	23,134	25,107	24,856
Loan from EBRD and Raiffeisen Bank (Block 41)	14,252	16,146	15,685
Loan from RZBR (Rose Garden)	-	-	7,000
Loan from Erste (Citygate)	89,161	92,272	91,568
Loan from EBRD and Raiffeisen Bank (NCC)	5,778	5,778	5,778
Loan from EBRD and Raiffeisen Bank (Arad) (see p.28)	-	27,836	27,836
Loan from MKB and Zagrabecka Banka (AMZ)	22,334	26,787	25,674
Loan from EBRD and Raiffeisen Bank Austria (Osijek) (see p.28)	15,750	15,750	15,750
Loan from MKB and OTP (Galeria Varna)	17,222	23,124	22,904
Loan from EBRD (Burgas)	24,508	23,197	25,356
Loan from EBRD and Unicredit (Stara Zagora)	22,799	22,095	22,799
Loan from VUB Bank (Jarosova)	3,096	2,791	2,640
Loans from minorities in subsidiaries and joint ventures	117,164	66,973	67,861
Deferred issuance debt expenses	(7,151)	(6,374)	(7,007)
	842,110	**789,611**	**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):

	30 September 2014 (unaudited)	**31 December 2013** (restated)
First year	122	193
Second year	71	55
Third year	101	75
Fourth year	178	168
Fifth year	202	190
Thereafter	360	364
	1,034	**1,045**

On 30 September 2013 GTC Nekretnine Istok d.o.o ("Osijek") signed a restructuring amendment to the loan agreement in relation to Avenue Mall in Osijek, that granted a grace period, during which the principal repayment is suspended. As part of the restructuring amendment, Osijek shall maintain a loan-to-value financial covenant (LTV) equal to 100% during the grace period. As at 30 September 2014 the external valuation of the asset was estimated below the threshold set by the LTV covenant. As stipulated in the restructuring amendment, Osijek has twelve months from a notice given by the lender, to remediate the breach. The loan is guaranteed by GTC. The notice has not been served by the Lender. Consequently, the loan was classified as non-current liability according to the remediation period. Furthermore, the Company currently explores means to remediate the LTV breach with the lender.

On 30 September 2013 Mercury Commercial Center S.R.L. ("Arad") signed a restructuring amendment to the loan agreement in relation to Galleria Arad that granted a grace period, during which the principal repayment is suspended. As part of the restructuring amendment, Arad shall maintain a loan-to-value financial covenant (LTV) equal to 110% during the grace period. As at 30 September 2014 the external valuation of the asset was estimated below the threshold set by the LTV covenant. As stipulated on the restructuring amendment, Arad has six months from a notice given by the lender, to remediate the breach. The loan is guaranteed by GTC. The notice has not been served by the lender. Consequently, the loan was classified as current liability according to the remediation period which is less than 12 months. Furthermore, the Company currently explores means to remediate the LTV breach with the lender.

(in thousands of Euro)

14. Capital and Reserves

As at 30 September 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 30 September 2014 held above 5% of the Company shares were as follows:

- LSREF III
- 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/(expenses) recognized during the period is shown below:

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Income arising from cash settled share based payments	2,369	2,368	1,252	863	2,724

As at 30 September 2014 (unaudited), phantom shares issued were as follows:

Last exercise date	Strike (in PLN)	Amount of phantom shares
31/12/2014	8.36	1,248,065
11/08/2015	8.36	1,805,355
31/12/2015	8.36	601,799
30/06/2016	8.36	3,521,739
31/12/2016	8.36	361,068
31/05/2018	7.23	1,500,000
Total		**9,038,026**

In May 2014, the company granted 1,500,000 new phantom shares.

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.

(in thousands of Euro)

15. Earnings per share

Basic and diluted earnings per share were calculated as follows:

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Profit for the period attributable to equity holders (euro)	(58,715,000)	(66,070,000)	5,117,000	(992,000)	(146,828,000)
Weighted average number of shares for calculating basic earnings per share	349,321,519	319,372,990	351,310,288	319,372,990	319,372,990
Basic earnings per share (euro)	(0.17)	(0.21)	0.01	(0.01)	(0.46)
Weighted average number of shares for calculating diluted earnings per share	349,321,519	319,372,990	351,310,288	319,372,990	319,372,990
Diluted earnings per share (euro)	(0.17)	(0.21)	0.01	(0.01)	(0.46)

	Nine-month period ended 30 September 2014	Nine-month period ended 30 September 2013	Three-month period ended 30 September 2014	Three-month period ended 30 September 2013	Year ended 31 December 2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Weighted average number of shares for calculating basic earnings per share	349,321,519	319,372,990	351,310,288	319,372,990	319,372,990
Adjustment for phantom shares	-	-	-	-	-
Weighted average number of shares for calculating diluted earnings per share	349,321,519	319,372,990	351,310,288	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:

	30 September 2013 (unaudited)			31 December 2013		
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	Restated	Reported	Adjustment	Restated	Reported	Adjustment
ASSETS						
Investment properties	1,443,759	1,475,885	(32,126)	1,375,738	1,396,647	(20,909)
Investment in associates and joint ventures	121,388	38,370	83,018	119,624	34,225	85,399
Other	104,987	127,003	(22,016)	89,709	111,896	(22,187)
Non current assets	1,670,134	1,641,258	28,876	1,585,071	1,542,768	42,303
Assets HFS	-	88,500	(88,500)			-
Cash and cash equivalents	70,549	74,252	(3,703)	56,439	130,336	(73,897)
Other	91,454	93,621	(2,167)	81,009	81,709	(700)
Current assets	162,003	167,873	(5,870)	137,448	212,045	(74,597)
Total Assets	**1,832,137**	**1,897,631**	**(65,494)**	**1,722,519**	**1,754,813**	**(32,294)**
EQUITY AND LIABILITIES						
Equity	674,071	674,071	-	575,881	575,881	-
Non current liabilities	925,311	948,853	(23,542)	918,116	928,178	(10,062)
Current liabilities	232,755	274,707	(41,952)	228,522	250,754	(22,232)
Total equity and liabilities	**1,832,137**	**1,897,631**	**(65,494)**	**1,722,519**	**1,754,813**	**(32,294)**

(in thousands of Euro)

16. Restatement (continued)

	Nine months ended 30 September 2013 (unaudited)			Year ended 31 December 2013		
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Restated	Reported	Adjustment	Restated	Reported	Adjustment
Revenues from operations	91,833	98,236	(6,403)	122,861	131,114	(8,253)
Cost of operations	(32,119)	(33,899)	1,780	(44,908)	(47,124)	2,216
Gross margin from operations	**59,714**	**64,337**	**(4,623)**	**77,953**	**83,990**	**(6,037)**
Loss from revaluation/ impairment of assets	(83,789)	(77,727)	(6,062)	(162,526)	(167,639)	5,113
Other	(13,150)	(13,757)	607	(36,999)	(37,786)	787
Loss from continuing operations before tax and finance income / (expense)	**(37,225)**	**(27,147)**	**(10,078)**	**(121,572)**	**(121,435)**	**(137)**
Finance expenses, net	(33,546)	(36,087)	2,541	(43,875)	(46,675)	2,800
Share of profit (loss) of associates and joint ventures	2,860	(3,304)	6,164	3,813	(4,474)	8,287
Profit (loss) before tax	**(67,911)**	**(66,538)**	**(1,373)**	**(161,634)**	**(172,584)**	**10,950**
Taxation	(8,712)	(10,085)	1,373	(15,163)	(4,213)	(10,950)
Loss for the period	**(76,623)**	**(76,623)**	**-**	**(176,797)**	**(176,797)**	**-**
CONSOLIDATED STATEMENT OF CASH FLOWS						
Net cash from (used) in operating activities	**50,536**	**54,087**	**(3,551)**	**69,377**	**73,776**	**(4,399)**
Sale of investment property	33,345	33,345	-	32,554	120,784	(88,230)
Tax/VAT on sale of investment property inflow	-	-	-	-	21,190	(21,190)
Other	(54,333)	(54,725)	392	(61,623)	(61,851)	228
Net cash used in investing activities	**(20,988)**	**(21,380)**	**392**	**(29,069)**	**80,123**	**(109,192)**
Repayment of long-term borrowings	(144,914)	(145,558)	644	(198,735)	(240,719)	41,984
Proceeds from long-term borrowings	1,371	1,371	-	43,167	43,167	-
Interest paid	(33,420)	(35,285)	1,865	(46,524)	(48,781)	2,257
Other	(5,288)	(5,757)	469	(7,127)	(6,035)	(1,092)
Net cash from (used in) financing activities	**(182,251)**	**(185,229)**	**2,978**	**(209,219)**	**(252,368)**	**43,149**
Effect of foreign currency translation	(1,814)	(1,410)	(404)	284	621	(337)
Net increase / (decrease) in cash and cash equivalents	**(154,517)**	**(153,932)**	**(585)**	**(168,627)**	**(97,848)**	**(70,779)**
Cash and cash equivalents, at the beginning of the period/year	224,779	227,897	(3,118)	224,779	227,897	(3,118)
Cash classified as part of assets held for sale	287	287	-	287	287	-
Cash and cash equivalents, at the end of the year/period as per Interim Condensed Consolidated Statement of Financial Position	70,549	74,252	(3,703)	56,439	130,336	(73,897)

17. Contingent liabilities and commitments

Investment properties in secondary cities

In certain real estate markets in which the Company is active, including especially non-capital cities of SEE, there are indications of slower than expected recovery and revival of demand, as well as absence of liquidity and transactions, resulting in a lack of clarity and uncertainty as to estimated rental values, yields and property values. There are also markets with rising vacancies due to oversupply of real estate product and lack of economic growth that would create appropriate demand. Therefore property values are going through a period of increased volatility. This has resulted in a continual devaluation of commercial property values, especially in SEE. As a result there is less certainty with regard to market values that change rapidly in the current market environment.

Guarantees

GTC gave guarantees to third parties in order to secure construction cost-overruns and loans to its subsidiaries. As of 30 September 2014 and 31 December 2013, the guarantees granted amounted to Euro 168 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. Case was resolved in Q3 2014 and after the balance sheet date GTC received net amount of approx. Euro 0.6 million.

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, a deadline for the completion a golf course component in the project by 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. Management believes that the probability that the agreement would not be prolonged is remote. However, in case there should be no prolongation of the agreement, as a result of legal proceeding the Group might eventually lose control over the land. The investment in Marlera amounts to Euro 15,3 million and is fully recoverable.

17. Contingent liabilities and commitments (continued)

Ukraine

As of 30 September 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 resulting in civil unrest in parts of the country. Furthermore, between 1 January 2014 and 30 September 2014, the Ukrainian Hryvnia devalued to major foreign currencies by approximately 62% 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 30 September 2014, the Group's balance sheet exposure to Ukrainian risk amounted to approximately Euro 4.6 million (the full amount of investment), consisting of the aggregate value of unimpaired investments in equity and loans, granted to the Ukrainian associates. In the nine month period ended 30 September 2014 the impairment amounted to Euro 2.8 million. 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.

Russia

As of 30 September 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 caused by international sanctions 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 30 September 2014, the Group's balance sheet exposure to St. Petersburg amounted to approximately Euro 14.9 million (the full amount of investment). In the nine month period ended 30 September 2014 the impairment amounted to Euro 1.7 million. The above mentioned events could adversely impact the results and financial position of the Group and its St. Petersburg investments in a manner not currently determinable.

18. Subsequent events

As of 30 September 2014, a land plot in Poznan was presented within assets held for sale. Subsequently on 14 October 2014 the land was sold for Euro 3.1 million.

19. Release date

The Interim Condensed Consolidated Financial Statements were authorised for the issue by the Management Board on 12 November 2014.

Building a better
working world

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Globe Trade Centre S.A. (the "Company") as at 30 September 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 nine-month period then ended and other explanatory notes (the "interim condensed consolidated financial statements").

Management is responsible for the preparation and fair 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 12 November 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.

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

Warsaw, 12 November 2014