CONSOLIDATED INTERIM REPORT
OF GLOBE TRADE CENTRE S.A. CAPITAL GROUP
FOR THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2015

Place and date of publication: Warsaw, 13 November 2015

GLOBE TRADE CENTRE S.A.

MANAGEMENT BOARD'S REPORT ON ACTIVITIES OF CAPITAL GROUP
IN THE THREE AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2015

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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 co-owns land in Ukraine and Russia and operates in the Czech Republic through 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 completed office buildings and office parks as well as retail and entertainment centres (commercial real estate), residential projects, and undeveloped plots of land and suspended projects (land bank).

Since its establishment, the Group has developed approximately 955 thousand sq. m of commercial space and approximately 300 thousand sq. m of residential space and has sold approximately 420 thousand sq. m of commercial space in completed commercial properties and approximately 297 thousand sq. m of residential space.

As of 30 September 2015, the Group owns and manages a portfolio of:

- 26 completed commercial properties, including 20 office properties and 6 retail properties with a combined commercial space of approximately 537 thousand sq. m, of which the Group's proportional interest amounts to approximately 493 thousand sq. m of NRA;

- 3 commercial projects under construction, including 2 office projects and 1 retail project with total NRA of approximately 92 thousand sq. m, of which the Group's proportional interest amounts to 92 thousand of NRA;

- inventory of residential units totaling 3 thousand sq. m;

- land bank designated for future development, with approximately 820 thousand sq. m NRA designated for commercial use and approximately 381 thousand sq. m NRA designated for residential use; and

- land held for sale.

As of 30 September 2015, the book value of the Group's portfolio amounts to €1,231,746 with: (i) the Group's completed commercial properties account for 82% thereof; (ii) completed residential units accounting 2% , (iii) a land bank designated for future development accounts for 15%.

The Group's completed properties in its three most significant markets, i.e. Poland, Romania and Hungary, constitute 41%, 15% and 15% of the total value of the Group's completed real estate portfolio, respectively.

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 and 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.

Additionally, the Group manages third party assets including four office buildings: one in Budapest and three in Warsaw.

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 or 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. 90 section 1 of the Decree of the Finance Minister of 19 February 2009 on current and periodical information published by issuers of securities and conditions of qualifying as equivalent the information required by the provisions of law of a country not being a member state; "CEE" refers to the group of countries that are within the region of Central and Eastern Europe (Czech Republic, Hungary, Poland and Slovakia); "SEE" refers to the group of countries that are within the region of South-eastern Europe (Bulgaria, Croatia, Romania and Serbia); "net rentable area", "NRA", or "net leasable area", "NLA" refer to the metric of the area of a given property as indicated by the real property appraisal experts for the purposes of the preparation of the relevant real property valuations. With respect to commercial properties, net leasable (rentable) area is all the leasable area of a property exclusive of non-leasable space, such as hallways, building foyers, and areas devoted to heating and air conditioning installations, elevators and other utility areas. The specific methods of calculation of NRA may vary among particular properties, which is due to different methodologies and standards applicable in the various geographic markets on which the Group operates; "Commercial properties" refer to properties with respect to which GTC Group derives revenue from rent and includes both office and retail properties; "EUR", "€" or "euro" refers to the single currency of the participating Member States in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time; "PLN" or "zloty" refers to the lawful currency of Poland.

Presentation of financial information

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

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

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

Forward-looking statements

This Report contains forward-looking statements relating to future expectations regarding the Group's business, financial condition and results of operations. You can find these statements by looking for words such as "may", "will", "expect", "anticipate", "believe", "estimate" and similar words used in this Report. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by forward-looking statements. The Group cautions you not to place undue reliance on such statements, which speak only as 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 12. "Key risk factors" in management board's report on activities of Capital Group in the three and six-month periods ended 30 June 2015 , 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 2015 and 2014. 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-month period ended 30 September 2015 (including the notes thereto). The Group has derived the financial data presented in accordance with IFRS from the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2015. Selected financial data presented in PLN is derived from the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2015 presented in accordance with IFRS and prepared in the Polish language and based on the Polish zloty.

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			
	2015		2014		2015		2014	
(in thousands)	EUR	PLN	EUR	PLN	EUR	PLN	EUR	PLN
Interim Condensed Consolidated Income Statement								
Revenues from operations	88,011	365,897	94,524	394,705	27,980	117,249	30,783	128,548
Cost of operations	(28,387)	(118,016)	(33,070)	(138,091)	(8,510)	(35,685)	(10,248)	(42,795)
Gross margin from operations	59,624	247,881	61,454	256,614	19,470	81,564	20,535	85,753
Selling expenses	(1,840)	(7,650)	(2,087)	(8,715)	(610)	(2,555)	(707)	(2,953)
Administrative expenses	(7,536)	(31,330)	(6,233)	(26,027)	(2,597)	(10,873)	(1,141)	4,765)
Profit/(loss) from revaluation/impairment of assets, and impairment of residential projects	(2,234)	(9,469)	(68,291)	(284,210)	(408)	(1,810)	(934)	(3,899)
Share of profit in associates	(3,683)	(15,312)	(11,392)	(47,570)	(102)	(479)	(404)	(1,689)
Financial income/(expense), net	(21,927)	(91,159)	(31,282)	(130,624)	(5,952)	(24,990)	(9,070)	(37,875)
Net profit /(loss)	16,832	69,839	(67,290)	(279,893)	10,768	44,774	4,609	19,327
Basic and diluted earnings per share (not in thousands)	0.05	0.20	(0.17)	(0.70)	0.03	0.12	0.01	0.06
Weighted average number of issued ordinary shares (not in thousands)	351,310,288	351,310,288	349,321,519	349,321,519	351,310,288	351,310,288	351,310,288	351,310,288

Interim Condensed Consolidated Statement of Cash Flow

	For the nine-month period ended 30 September				For the three-month period ended 30 September			
	2015		2014		2015		2014	
(in thousands)	EUR	PLN	EUR	PLN	EUR	PLN	EUR	PLN
Cash flow from operating activities	51,222	212,951	56,807	237,209	-	-	-	-
Cash flow used in investing activities	41,192	171,191	(9,267)	(36,697)	-	-	-	-
Cash flow from financing activities	(102,219)	(425,033)	(7,998)	(35,216)	-	-	-	-
Cash and cash equivalents at the end of the period	72,194	306,001	94,828	395,954	-	-	-	-

Consolidated Statement of Financial Position

	As of 30 September 2015		As of 31 December 2014		As of 30 September 2014	
(in thousands)	EUR	PLN	EUR	PLN	EUR	PLN
Investment property	1,197,658	5,076,393	1,221,319	5,205,628	1,325,318	5,533,865
Inventory	2,484	10,529	23,539	100,330	26,900	112,321
Cash and cash equivalents	72,194	306,001	81,063	345,515	94,828	395,954
Total assets	1,377,792	5,839,909	1,517,064	6,466,183	1,676,781	7,001,399
Non-current liabilities	831,807	3,525,697	944,680	4,026,509	984,635	4,111,343
Current liabilities	92,400	391,653	145,203	618,907	126,278	527,282
Equity	453,585	1,922,559	427,181	1,820,767	565,868	2,362,774
Share capital	7,849	35,131	7,849	35,131	7,849	35,131

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 2015 is presented in the unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2015 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 2015:

On 28 January 2015, the Company was notified that as a result of two subsequent transactions involving the purchase of shares in the Company executed by LSREF III on the regulated market operated by the Warsaw Stock Exchange, LSREF III, directly, and Lone Star, indirectly (through LSREF III), holds 114,179,790 ordinary shares in the Company, which constituted 32.5% of its share capital.

On 19 March 2015, the Supervisory Board of the Company appointed Erez Boniel as member of the management board of the Company for new three-year term.

On 31 March 2015, the Company's subsidiary, GTC GK Office Sp. z o.o., signed with Kazimierz Office Center Sp. z o.o. a preliminary agreement for the sale of the right of perpetual usufruct of a plot of land, situated in Krakow and the ownership of the office building of Kazimierz Office Centre in Krakow erected on the said plot of land as well as the other rights and movable assets attached to the Property. The net price for the property and the other rights and movable assets under the agreement is €42,000.

On 30 March 2015, LSREF III GTC Investments B.V. announced the tender offer for GTC shares. Pursuant to the tender offer circular, Lone Star aimed to increase its stake in GTC to up to 66% of the Company's shares with the intention to take control over GTC. The tender offer was conditional. The subscription period commenced on 18 May 2015 and ended on 3 June 2015. For the first five days, i.e. from 18 May until 22 May, Lone Star offered PLN 6.10 per GTC share, whereas during the remainder of the offer period, i.e. for shares tendered on or after 23 May 2015, the tender offer provides for a price of PLN 5.50 per GTC share.

On 22 April 2015, ING Powszechne Towarzystwo Emerytalne S.A. acting on behalf of ING Otwarty Fundusz Emerytalny re-appointed Krzysztof Gerula to the Company's Supervisory Board.

On 23 April 2015, i.e. on the date of the annual shareholders meeting of the Company approving the financial statements for the last full financial year of their service as members of the management board of the Company, the mandates of management board members Piotr Kroenke and Mariusz Kozłowski expired pursuant to Article 369 § 4 of the Commercial Companies Code.

On 29 May 2015, the Company's subsidiary, GTC GK Office Sp. z o.o., signed with Kazimierz Office Center Sp. z o.o. (a subsidiary of a fund managed by GLL Real Estate Partners) final sale agreement selling real estate that includes office building of Kazimierz Office Centre in Krakow. The net price for the property and other rights and movable assets under the sale agreement was €41,600.

On 8 June 2015, the Company's subsidiary Centrum Światowida Sp. z o.o. received from the President of Capital City of Warsaw a confirmation that the decision approving the building design and containing a building permit for the construction of the Galeria Północna shopping mall in Warsaw has become final on 6 June 2015.

On 15 June 2015, the Company received a notifications from LSREF III GTC Investments B.V. and Lone Star Real Estate Partners III L.P on an increase to 55.24% of the total vote in the Company. The change was a result of the settlement of the tender offer for Company`s shares announced by LSREF III on 30 March 2015.

On 15 June 2015, the Company received a notification from AVIVA OFE AVIVA BZ WBK on a decrease to 7.15% of the total vote in the Company. The change was a result of the settlement of the tender offer for Company`s shares announced by LSREF III on 30 March 2015. Following the decrease, according to Art. 7 paragraph. 7.1.5 Articles of Association, the mandate of Mr. Tomasz Mazurczak acting as a supervisory board member in GTC automatically expired on 10 June 2015.

On 16 June 2015, the Company received from ING OFE a notification on a decrease to 0% of the total vote in the Company. The change was a result of the settlement of the tender offer for Company`s shares announced by LSREF III on 30 March 2015. Following the decrease, according to Art. 7 paragraph. 7.1.5 Articles of Association, the mandates of Mr. Dariusz Stolarczyk and Krzysztof Gerula acting as a supervisory board members in GTC automatically expired on 10 June 2015.

On 26 June 2015, the Company and the European Bank for Reconstruction and Development ("EBRD") entered into an agreement for the restructuring of loans extended by the EBRD to Mars Commercial Center SRL, the owner of a shopping center in Piatra Neamt, and Mercury Commercial Center SRL, the owner of a shopping center in Arad, (together the "Borrowers"), each of which are indirect subsidiaries of the Company (the "Restructured Loans"). Until 26 June 2015, Restructured Loans extended by the EBRD to Borrowers have been guaranteed by the Company. As the day of the agreement, the amounts of €5,778 and €27,836 were outstanding from Mars Commercial Center SRL and Mercury Commercial Center SRL, respectively. Under the terms of the Restructured Loans, the existing guarantee of GTC was released and GTC became a co-borrower, jointly and severally, alongside the existing Borrowers. The restructured loans will be repaid in quarterly tranches, until 31 December 2017.

On 30 June 2015, the Extraordinary Shareholders Meeting approved resolution regarding an increase of the Company's share capital by way of rights issue to ordinary bearer shares, on conducting a public offering of newly-issued shares, on setting the record date for pre-emptive rights related to newly-issued shares as 10 September 2015, on the dematerialization and seeking the admission and introduction to trading on the regulated market operated by the Warsaw Stock Exchange of pre-emptive rights, rights to shares and newly-issued shares.

On 3 July 2015, the Company and the European Bank for Reconstruction and Development ("EBRD") entered into an agreement for the restructuring of a loan extended by the EBRD to Galleria Stara Zagora AD, the owner of a shopping center in Stara Zagora, Bulgaria (the "Borrower"), which is an indirect subsidiary of the Company (the "Restructured Loan"). Until 3 July 2015, the Restructured Loan extended by the EBRD to Borrowers have been guaranteed by the Company. As the day of the agreement, the amount of €22,799 was outstanding from Galleria Stara Zagora AD. Under the terms of the Restructured Loan, the existing guarantee of GTC was released and GTC became a co-borrower, jointly and severally, alongside the existing Borrower. The restructured loan will be repaid in quarterly tranches, until 31 December 2017.

On 8 July 2015, Company's subsidiary Centrum Światowida Sp. z o.o., concluded an agreement with Unibep S.A., concerning the construction work involved in the construction of Galeria Północna. Under this agreement, Unibep S.A. will act as the general contractor for the construction of a retail shopping and entertainment centre consisting of three above-ground storeys, with a commercial area of approximately 64,000 sq m. The agreement states that the investment is to be completed between the third quarter of 2015 and the second quarter of 2017. The sum assuming that all work associated with the indicative amount will have been performed, is €85,300 net. The construction of Galeria Północna commenced in June 2015.

On 21 July 2015, Witold Zatoński resigned from his function of a Member of the Management Board of GTC SA.

In July 2015, the Group sold the shares of GTC Nekretnine Istok d.o.o (Avenu Mall Osijek) for the amount of €1,300.

In July 2015, the Group sold the shares of Galeria Varna AD (Galleria Varna) for the amount of €5,500.

In July 2015, the Group has completed the first building in its new office complex in Belgrade – FortyOne. Very good leasing results and an increasing interest from the tenants allowed GTC to take a decision on the investment into the second building in this project. The second phase is currently under construction and is planned for completion in the third quarter of 2016.

In August 2015, the Group signed conditional sale agreement for GTC Jarossova OC s.r.o.

In August 2015, the Group signed credit facility agreements with Bank Polska Kasa Opieki S.A, concerning financing and refinancing of total project costs of the construction of Galeria Północna. These facilities comprise a construction loan facility for the amount of up to €116,000 and investment loan facility for the amount of up to €150,000 or €175,000, subject to the satisfaction of a certain conditions precedent indicated in the agreement.

On 3 September 2015, the Management Board of the Company adopted a resolution regarding the determination of the issue price of the series K shares at the level of PLN 5.47 each. The number of the Series K Shares to be issued was set at 108,906,190. The share price and number of shares were approved by the Supervisory Board on 4 September 2015.

On 30 September 2015, the National Depository of Securities (Krajowy Depozyt Papierów Wartościowych) informed that the exercise of the pre-emptive rights resulted in 1,095 principal subscriptions for 107,874,581 Series K Shares. Simultaneously, 145 instructions for additional subscriptions were issued for 38,353,154 Series K Shares. The level of reduction of the additional subscriptions for the Series K Shares amounted to 97.31%. Investors placed valid subscriptions and paid for 146,227,735 shares. As a result on 30 September 2015 108,906,190 Series K Shares were allocated.

In September 2015, the Group signed a contract with a general contractor, Strabag Sp. z o.o., to proceed with the construction of University Business Park II. The building is currently under construction and is planned for completion in April 2016.

On 21 October 2015, the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered the amendment to the Company's articles of association, as well as the increase of the Company's share capital from PLN 35,131,028.80 to PLN 46,021,647.80 through the issuance of 108,906,190 series K ordinary bearer shares in the Company with a nominal value of PLN 0.10 each.

As of 21 October 2015, the overall number of votes attached to all of the issued shares in the Company following the registration of the share capital increase amounts to 460,216,478, while the share capital is divided into 460,216,478 shares in the Company having a nominal value of PLN 0.10 each, including: (i) 139,286,210 series A shares; (ii) 1,152,240 series B shares; (iii) 235,440 series B1 shares; (iv) 8,356,540 series C shares; (v) 9,961,620 series D shares; (vi) 39,689,150 series E shares; (vii) 3,571,790 series F shares; (viii) 17,120,000 series G shares; (ix) 100,000,000 series I shares; (x) 31,937,298 series J shares; and (xi) 108,906,190 series K shares.

On 5 November 2015, the Warsaw Stock Exchange introduced 108,906,190 ordinary bearer series K shares in the Company to trading on the same regulated market which the remaining shares in the Company and assigned the code PLGTC0000037.

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 nine-month period ended 30 September 2014 and for the nine-month period ended 30 September 2015, the Group derived 66% and 68% 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 favorable rent levels. Moreover, for the nine-month period ended 30 September 2014 and for the nine-month period ended 30 September 2015, respectively, the Group derived 20% and 21% of its revenues from operations as service revenue, which reflects certain costs the Group passes on to its tenants.

The vast majority of the Group's lease agreements are concluded in Euro and include a clause that provides for 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 nine-month period ended 30 September 2014 and for the nine-month period ended 30 September 2015, amounted for 13% and 11% 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 recognized 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 neighborhood, 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 land bank additionally depends on among others the building rights and the expected timing of the projects. The value of land bank 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 €68,291 and €2,234 in the nine-month period ended 30 September 2014 and in the nine-month period ended 30 September 2015, 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. Increases in interest rates generally increase the Group's financing costs. Currently approximately 40% of the Group's loans are hedged or partially hedged. As of 31 December approximately 31% of the Group's loans are hedged or partially hedged. For example, an interest rate increase of 50 basis points for the year ended 31 December 2014 would have increased the Group's interest expense for the year ended 31 December 2014 by approximately €1,585. 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 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 0.280% as of 3 January 2014 and 0,076% as of 2 January 2015 (EURIBOR for three-month deposits).

Impact of foreign exchange rate movements

For the nine-month period ended 30 September 2014 and for the nine-month period ended 30 September 2015 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

As of 31 December 2014, the loan agreements with Unicredit related to the Felicity residential project with an outstanding loan amount of €25,600 exceeded the fair value of related asset. In March 2015, the Company transferred the Felicity project to a subsidiary of Unicredit. Unicredit released the Company from any payment obligations arising from the loan agreements.

On 29 May 2015, the Company's subsidiary, GTC GK Office, signed with Kazimierz Office Center Sp. z o.o., a subsidiary of a fund managed by GLL Real Estate Partners, an agreement for the sale of an office building Kazimierz Office Centre in Krakow. The net price for the property and the other rights and movable assets under the sale agreement is €41,600.

In June 2015, the Group fully repaid the loan from OTP and MKB (Galleria Varna) in the amount of €17,000. At the same time, MKB and OTP granted GTC S.A a new loan in the amount of €12,600.

On 26 June 2015, the Company and EBRD entered into an agreement for the restructuring of a loan to Mars Commercial Center SRL (Galleria Piatra Mall), and Mercury Commercial Center SRL (Galleria Arad), in Romania. Furthermore, om 30 September 2015, the Company and EBRD agreed the restructuring of a loan granted to Galleria Stara Zagora AD, the owner of Galleria Stara Zagora, Bulgaria.

On 30 June 2015, the shareholders of the Company approved a resolution regarding the issuance of up to 140,000,000 new shares at a price of not less than PLN 5.0 per share to existing shareholders. On 30 September 2015, the exercise of the pre-emptive rights resulted in 108,906,190 Series K Shares at a price of 5.47 PLN per share.

In June 2015, the Group fully repaid the loan from EBRD and Raiffeisen Bank Austria (Avenue Mall Osijek) in the amount of €15,800.

During Q2 2015, the Group acquired remaining 35% in Galeria Ikonomov GmbH (owner of Galleria Varna) and remaining 20% in GTC Nekretnine Istok d.o.o. (owner of Avenue Mall Osijek) As a result, the impact of on the equity attributable to equity holders of the parent amounted to a decrease of €35,800.

During Q2 2015 as a result of liquidation of one of the joint venture companies investment in joint ventures decreased by €67,000 and long term liabilities decreased by €63,000.

In July 2015, the Group sold the shares of GTC Nekretnine Istok d.o.o (Avenue Mall Osijek) for the amount of €1,300.

In July 2015, the Group sold the shares of Galleria Varna AD (Galleria Varna) for the amount of €5,500.

In July 2015, the Group commenced the construction of Galeria Połnocna shopping centre, Warsaw.

In July 2015, the Group has completed the first building in its new office complex in Belgrade – FortyOne. Very good leasing results and an increasing interest from the tenants allowed GTC to take a decision on the investment into the second building in this project. The second phase is currently under construction and is planned for completion in the third quarter of 2016.

In August 2015, the Group signed a credit facility agreement with Bank Polska Kasa Opieki S.A., concerning financing and refinancing of total project costs of the construction of Galeria Północna. These facilities comprise a construction loan facility in the amount of up to €116,000 and investment loan facility in the amount of up to €150,000. (Under certain conditions the investment facility may be increased up to €175,000.)

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 2015.

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 2015 compared to 31 December 2014

Total assets decreased by €139,272 (9%) to €1,377,792 as of 30 September 2015. The decrease was mainly due to sale of Kazimierz Office Centre and sale of residential landbank and inventory in Felicity project as part of the restructuring arrangement with the lender. Additionally, the Group derecognized an asset (and a corresponding liability) in the amount of €66,637 related to liquidation of a joint venture company (Galeria Kazimierz) which was included in Investment in associates and joint ventures in the balance sheet.

Assets

The value of investment property decreased by €23,661 (2%) to €1,197,658 as of 30 September 2015 from €1,221,319 as of 31 December 2014 mainly due to sale of Kazimierz Office Centre, partially offset by investment in FortyOne office building in Belgrade, University Business Park II office building in Łódź, Galeria Północna shopping mall in Warsaw and capital expenditure in various projects.

The value of assets held for sale of €1,778 as of 30 September 2015 includes land in Serbia and Slovakia that is under a preliminary sale agreement.

The value of residential landbank and inventory decreased by €32,673 (50%) to €32,310 as of 30 September 2015 from €64,983 as of 31 December 2014, mainly due to disposal of residential landbank and inventory in Felicity project as part of the restructuring arrangement with the lender, as well as sale of completed apartments in other projects in the amount of €9,254.

The value of the investment in associates and joint ventures decreased by €68,368 to €27,678 as of 30 September 2015 from €96,046 as of 31 December 2014 mainly due to liquidation of a joint venture company (Galeria Kazimierz). The Galeria Kazimierz asset was sold in prior year whilst the joint venture company was liquidated in the second quarter of 2015 following dividend distribution to the joint venture shareholders.

The value of cash and cash equivalents decreased by €8,869 (11%) to €72,194 as of 30 September 2015 from €81,063 as of 31 December 2014, mainly due repayment of long term borrowing in the restructuring process.

Liabilities

The value of loans and bonds decreased by €165,741 (18%) to €756,450 as of 30 September 2015 from €922,191 as of 31 December 2014, mainly due repayment of the loan in the amount of €25,563 with the inventory and landbank in the Felicity project, repayment of the loan related to Kazimierz Office Centre in the amount of €27,520, repayment of loans in the aggregate amount of €33,654 related to Galleria Varna and Avenue Mall Osijek following the restructuring of the loans with European Bank for Reconstruction and Development, MKB and OTP banks and amortization of the project loans, partially offset by drawings under the bank facilities in the amount of €12,580. Additionally, a liability in the amount of €63,145 related to joint venture partner stake in Galeria Kazimierz was decreased as a result of liquidation of Galeria Kazimierz joint venture.

Equity

Equity increased by €26,404 (6%) to €453,585 as of 30 September 2015 from €427,181 on 31 December 2014 mainly due to an increase in accumulated profit in the amount of €16,834, anincrease in non-controlling interest net of capital reserve in the amount of €9,570 following acquisition for a nominal value of the minority stake and related loans from minority loans, in Avenue Mall Osijek and Galleria Varna prior to disposal of those assets to third parties.

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 2015 with the result for the corresponding period of 2014

Revenues from operations

Revenues from operations decreased by €6,513 to €88,011 in the nine-month period ended 30 September 2015. Residential revenues decreased by €3,430 to €9,254 in the nine-month period ended 30 September 2015. The sale of the remaining residential inventory is scheduled to end by end of March 2016. Rental and service revenues decreased by €3,083 to €78,757 in the nine-month period ended 30 September 2015 due to sale of Kazimierz Office Centre, Galleria Buzau and Avenue Mall Osijek combined with rent free periods and a decrease in rental rates in certain office properties.

Cost of operations

Cost of operations decreased by €4,683 to €28,387 in the nine-month period ended 30 September 2015. Residential costs decreased by €3,164 to €8,615 in the nine-month period ended 30 September 2015 resulting from recognition of costs related to sales of residential properties in Romania and Poland. Cost of rental operations decreased by €1,519 to €19,772 in the nine-month period ended 30 September 2015 as a result of the sale of Kazimierz Office Centre, Galleria Buzau and Avenue Mall Osijek.

Gross margin from operations

Gross margin (profit) from operations decreased by €1,830 to €59,624 in the nine-month period ended 30 September 2015. The gross margin (profit) on rental activities decreased by €1,564 to €58,985 in the nine-month period ended 30 September 2015 from €60,549 in the nine-month period ended 30 September 2014. Gross margin on rental activities in the nine-month period ended 30 September 2015 was 75% compared to 74% in the nine-month period ended 30 September 2014. The gross margin (profit) on residential activities decreased by €266 to €639 in the nine-month period ended 30 September 2015 from €905 in the nine-month period ended 30 September 2014. Gross margin on residential activities was 7% in the nine-month period ended 30 September 2015 as compared to 7% in the nine-month period ended 30 September 2014.

Selling expenses

Selling expenses decreased by €247 to €1,840 in the nine-month period ended 30 September 2015 from €2,087 the nine-month period ended 30 September 2014.

Administrative expenses

Administrative expenses (before provision for stock based program) decreased by €1,391 to €7,211 in the nine-month period ended 30 September 2015. The decrease is due to further cost cutting initiatives. In addition, mark-to-market of phantom shares program resulted in recognition of income of €325 in the nine-month period ended 30 September 2015 compared to € 2,369 recognized expenses in the nine-month period ended 30 September 2014.

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

Net loss from the revaluation of the investment properties and impairment of residential projects amounted to €2,234 in the nine-month period ended 30 September 2015, as compared to a net loss of €68,291 in the nine-month period ended 30 September 2014. The net loss resulted mainly from adjustment of the value of Galleria Arad and residential land plots in Hungary.

Other income/(expense), net

Other expenses (net of other income) related to land bank properties were at €142 in the nine-month period ended 30 September 2015 as compare to an income of €520 in the nine-month period ended 30 September 2014.

Foreign exchange profit/(loss)

Foreign exchange loss amounted to €224 in the nine-month period ended 30 September 2015, as compared to a foreign exchange loss amounting to €1,538 in the nine-month period ended 30 September 2014.

Financial income/(cost), net

Net financial cost decreased by €9,355 to €21,927 in the nine-month period ended 30 September 2015 as compared to €31,282 in in the nine-month period ended 30 September 2014 mainly due to deleveraging activity, restructuring of loans and repayment of loan related to Kazimierz Office Centre following its sale and sale of residential landbank and inventory in Felicity project as part of the restructuring arrangement with the lender.

The average effective interest rate (including the hedging arrangements related thereto) on the Group's loans amounted to 4.2% in the nine-month period ended 30 September 2015 with a decline to 3.6% following the restructuring and deleveraging activity and 4.3% in the nine-month period ended 30 September 2014.

Share of profit (loss) of associates

Share of loss of associates was €3,638 in the nine-month period ended 30 September 2015 as compared to a share of loss of €11,392 in the nine-month period ended 30 September 2014. The share of loss in 2015 is mainly due to impairment of land in Ukraine, and recognition of interest on shareholders loans in favor of the Group in Ukraine, Czech Republic and Ana Tower projects.

Taxation

Provision for tax amounted to €5,206 the nine-month period ended 30 September 2015, due to recognition of a deferred tax liability.

Net profit/ (loss)

Net profit amounted to €16,834 in the nine-month period ended 30 September 2015, as compared to a net loss of €67,290 in the nine-month period ended 30 September 2014, mostly due to no significant movement in the valuation of investment property and impairment of residential projects combined with improved operating results.

Item 5.5.3. Comparison of financial results for the three-month period ended 30 September 2015 with the result for the corresponding period of 2014

Revenues from operations

Revenues from operations decreased by €2,803 to €27,980 in the three-month period ended 30 September 2015. Residential revenues decreased by €1,595 to €2,039 in the three-month period ended 30 September 2015. The sale of the remaining residential inventory is scheduled to end by end of March 2016. Rental and service revenues decreased by €1,208 to €25,941 in the three-month period ended 30 September 2015 due to sale of Kazimierz Office Centre, Galleria Buzau and Avenue Mall Osijek and rent free periods and a decrease in rental rates in certain office properties.

Cost of operations

Cost of operations decreased by €1,738 to €8,510 in the three-month period ended 30 September 2015. Residential costs decreased by €1,606 to €1,816 in the three-month period ended 30 September 2015 resulting from recognition of costs related to sales of residential properties in Romania and Poland. Cost of rental operations decreased by €132 to €6,694 in the three-month period ended 30 September 2015 as a result of sale of Kazimierz Office Centre, Galleria Buzau and Avenue Mall Osijek.

Gross margin from operations

Gross margin (profit) from operations decreased by €1,665 to €18,870 in the three-month period ended 30 September 2015. The gross margin (profit) on rental activities decreased by €1,676 to €18,647 in the three-month period ended 30 September 2015 from €20,323 in the three-month period ended 30 September 2014. Gross margin on rental activities in the three-month period ended 30 September 2015 was 74% compared to 75% in the three-month period ended 30 September 2014. The gross margin (profit) on residential activities increased by €11 to €223 in the three-month period ended 30 September 2015 from €212 in the three-month period ended 30 September 2014. Gross margin on residential activities was 11% in the three-month period ended 30 September 2015 as compared to 6% in the three-month period ended 30 September 2014.

Selling expenses

Selling expenses decreased by €97 to €610 in the three-month period ended 30 September 2015 from €707 the three-month period ended 30 September 2014.

Administrative expenses

Administrative expenses (before provision for stock based program) decreased by €16 to €2,377 in the three-month period ended 30 September 2015. In addition, mark-to-market of phantom shares program resulted in recognition of income of €220 compared to €1,252 recognized expenses in the three-month period ended 30 September 2014.

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

Net loss from the revaluation of the investment properties and impairment of residential projects amounted to €408 in the three-month period ended 30 September 2015, as compared to a net loss of €934 in the three-month period ended 30 September 2014.

Other income/(expense), net

Other expenses (net of other income) related to land bank properties and other activities decreased to €414 in the three-month period ended 30 September 2015 from €529 income in the three-month period ended 30 September 2014 as a result of cost efficiency improvement.

Foreign exchange profit/(loss)

Foreign exchange profit amounted to €1,410 in the three-month period ended 30 September 2015, as compared to a foreign exchange profit amounting to €182 in the three-month period ended 30 September 2014.

Financial income/(cost), net

Net financial cost decreased by €3,118 to €5,952 in the three-month period ended 30 September 2015 as compared to €9,070 in the three-month period ended 30 September 2014 due to deleveraging activity, restructuring of the loans and repayment of loan related to Kazimierz Office Centre, following sale of this asset and sale of residential landbank and inventory in Felicity project as part of the restructuring arrangement with the lender.

Share of profit (loss) of associates

Share of loss of associates was €102 in the three-month period ended 30 September 2015 as compared to a share of profit of €404 in the three-month period ended 30 September 2014.

Taxation

Provision for tax amounted to €29 the three-month period ended 30 September 2015, mostly due to recognition of different tax asset on losses which offset the deferred tax liability.

Net profit/ (loss)

Net profit amounted to €10,768 in the three-month period ended 30 September 2015, as compared to a net profit of €4,609 in the three-month period ended 30 September 2014, mostly due to improved operating results combined with no movement in the valuation of investment property and impairment of residential projects.

Item 5. 6. Consolidated cash flow statement

Item 5.6.1. Key items from consolidated cash flow statement

Net cash from (used in) operating activities

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

Net cash used in investing activities

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

Net cash from (used in) financing activities

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

Cash and cash equivalents

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

Item 5.6.2. Comparison of cash flow for the nine-month period ended 30 September 2015 with the cash flow for the corresponding period of 2014

The table below presents an extract of the cash flow for the period of nine-months ended on 30 September 2015 and 2014:	Nine-month period ended 30 September 2015	Nine-month period ended 30 September 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net cash from operating activities	**51,222**	**56,807**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property under construction	(16,517)	(18,150)
Sale of investment	51,280	7,512
Purchase of minority	5,586	(279)
Selling of subsidiary	6,386	0
Liquidation of Joint ventures	3,890	-
VAT/CIT on sale of investment property	(4,034)	-
Other, interest and similar costs	(3,047)	1;650
Net cash from (used in) investing activities	**41,192**	**(9,267)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	-	53 ,680
Share issuance expenses	-	(841)
Proceeds from long-term borrowings	22,023	124,497
Repayment of long-term borrowings	(104,474)	(153.151)
Repayment of hedge	(1,489)	-
Interest paid	(20,559)	(27.563)
Loans origination cost	-	(1 547)
Decrease (increase) in short term deposits	2,280	(3,073)
Net cash from (used in) financing activities	**(102,219)**	**(7,998)**
Effect of foreign currency translation	936	(1,153)
Net increase/(decrease) in cash and cash equivalents	(8,869)	38,389
Cash and cash equivalents, at the beginning of the period	81,063	56,439
Cash and cash equivalents, at the end of the period	72,194	94,828

Cash flow from operating activities was €51,222 in the nine-month period ended 30 September 2015 compared to €56,807 in the nine-month period ended 30 September 2014 mainly due to working capital changes.

Cash flow from investing activities amounted do €41,192 in the nine-month period ended 30 September 2015 compared to cash flow used in investing activities of €9,267 in the nine-month period ended 30 September 2014.

Cash flow from investing activities mostly composed of expenditure on investment property under construction of €16,517 in the nine-month period ended 30 September 2015 and related mainly to investment in FortyOne (Belgrade, Serbia) and Galeria Północna (Warsaw, Poland). Cash from divestment activity relates to the sale in the amount of property €52,280 in the nine-month period ended 30 September 2015; mainly of Kazimierz Office Centre, Galleria Buzau, Avenue Mall Osjiek and residential land plots.

Cash flow used in financing activities amounted to €102,219 in the nine-month period ended 30 September 2015, compared to €7,998 in the nine-month period ended 30 September 2014. Cash flow used in financing activities mostly composed of repayment of long term borrowings of €104,474 (including mostly repayment of loans in the aggregate amount of €27,520 related to Galleria Varna and Avenue Mall Osijek following the restructuring of the loans with European Bank for Reconstruction and Development, repayment of the loan related to Kazimierz Office Centre in the amount of €33,654) and payment of interest in the amount of €20,559, offset partially by proceeds from long term borrowings in the amount of €22,023 related to FortyOne office project.

Cash and cash equivalents as of 30 September 2015 amounted to €72,194 compared to €94,828 as of 30 September 2014. 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

As of 30 September 2015, the Group holds cash and cash equivalent in the amount of approximately €72,194. During the third quarter of 2015, the Group increased its share capital via the rights issue. The proceeds from the share issue amounted to €139,300. The Group attempts to efficiently manage all its liabilities and is currently reviewing its funding plans related to: (i) debt servicing of its existing assets portfolio; (ii) capex; and (iii) development and acquisition of commercial properties. Such funding will be sourced through available cash, operating income, sales of assets and refinancing.

As of 30 September 2015, the Group's non-current liabilities amounted to €831,807 compared to €944,680 as of 31 December 2014.

The Group's total debt from long and short-term loans and borrowings as of 30 September 2015 amounted to €756,450, as compared to €922,191 as of 31 December 2014. The Group's loans and borrowings are mainly denominated in Euro. The corporate bonds are denominated in PLN. 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 was 50% as of 30 September 2015, as compared to 54% as of 31 December 2014. The Group's strategy is to keep its loan-to-value ratio at the level of between 45% and 55% on a Group's level.

As of 30 September 2015, 39% of the Group's loans (by value) were based on fixed rate or hedged against interest fluctuations, mostly through interest rate swaps and currency swap as mentioned above.

Item 6. Information on granted and received guarantees with a particular emphasis on guarantees granted to related entities

During the nine-month period ended 30 September 2015 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 2015 and 31 December 2014, the guarantees granted amounted to €74,000 and €149,000, 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 receives 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

Following the registration of the share capital increase amounts the number of shares in the Company increased to 460,216,478 with a nominal value of PLN 0.10 (ten groszy) each, including: (i) 139,286,210 series A shares; (ii) 1,152,240 series B shares; (iii) 235,440 series B1 shares; (iv) 8,356,540 series C shares; (v) 9,961,620 series D shares; (vi) 39,689,150 series E shares; (vii) 3,571,790 series F shares; (viii) 17,120,000 series G shares; (ix) 100,000,000 series I shares; (x) 31,937,298 series J shares; and (xi) 108,906,190 series K shares.

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 takes into consideration the changes in the shareholding structure arising from:

- notification dated 12 June 2015 on increase above 50% in the total number of votes in the Company received from LSREF III GTC Investments B.V and Lone Star Real Estate Partners III L.P. (see: Current report no 19/2015),

- notification dated 12 June 2015 on decrease in the total number of votes in the Company from Aviva OFE Aviva BZ WBK (see: Current report no 20/2015) and

- notification dated 16 June 2015 on decrease in the total number of votes in the Company from ING OFE (see: Current report no 21/2015).

- notification dated 4 November 2015 on increase in the total number of votes in the Company from OFE PZU "Złota Jesień" (see: Current report no 44/2015).

Shareholder	Number of shares and rights to the shares held	% of share capital	Number of votes	% of votes
LSREF III GTC Investments B.V.[1]	256,528,530	55.74%	256,528,530	55.74%
OFE PZU	46,045,798	10.01%	46,045,798	10.01%
AVIVA OFE	32,922,901	7.15%	32,922,901	7.15%
Other shareholders	124,719,249	27.10%	124,719,249	27.10%
Total	**460,216,478**	**100.00%**	**460,216,478**	**100.00%**

[1]LSREF III GTC Investments B.V. is related to Lone Star Real Estate Partners III L.P.

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 2015, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (consolidated interim report for the three and six-month periods ended 30 June 2015) on 20 August 2015.

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.

Management Board Member	Balance as of 13 November 2015 (not in thousand)	Nominal value of shares in PLN (not in thousand)	Change since 20 August 2015 (not in thousand)
Thomas Kurzmann	0	0	No change
Erez Boniel	143,500	14,350	Increase by 15,500
Total	143,500	14,350	

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 2015 since 30 June 2015.

Management Board Member	Balance as of 30 September 2015 (not in thousand)	Change since 30 June 2015 (not in thousand)
Thomas Kurzmann	512,000	Increase by 512,000
Erez Boniel	0	No change

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 2015, the date of publication of this interim report, and changes in their holdings since the date of publication of Group's last financial report (consolidated interim report for the three and six-month periods ended 30 June 2015) on 20 August 2015.

The information included in the table is based on information received from members of the Supervisory Board pursuant to Art. 160 sec. 1 of the Act on Public Trading.

Members of Supervisory Board	Balance as of 13 November 2015 (not in thousand)	Nominal value of shares in PLN (not in thousand)	Change since 20 August 2015
Alexander Hesse	0	0	No change
Philippe Couturier	0	0	No change
Michael Damnitz	0	0	No change
Jan Düdden	0	0	No change
Mariusz Grendowicz	10,158	1,016	Increase by 3,158
Jarosław Karasiński	0	0	No change
Marcin Murawski	0	0	No change
Katharina Schade	0	0	No change
Total	10,158	1,016	

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 2015. There have been no changes in their holdings since 30 June 2015.

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 2015
TOGETHER WITH INDEPENDENT AUDITORS` REVIEW REPORT

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2015
(in thousands of Euro)

	Note	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
ASSETS				
Non-current assets				
Investment property	12	1,197,658	1,325,318	1,221,319
Residential landbank	13	29,826	63,290	41,444
Investment in associates and joint ventures	11	27,678	111,214	96,046
Property, plant and equipment		1,155	1,761	1,480
Deferred tax asset		1,825	3,454	2,245
Long term deposits		-	800	-
Other non-current assets		276	636	639
		1,258,418	**1,506,473**	**1,363,173**
Assets held for sale		**1,778**	**3,113**	**6,654**
Current assets				
Inventory	13	2,484	26,900	23,539
Debtors		4,780	4,507	5,035
Accrued income		1,701	973	1,358
VAT and other tax recoverable		2,091	1,815	1,840
Income tax recoverable		485	404	429
Prepayments and deferred expenses		4,402	3,851	2,268
Short-term deposits		29,459	33,917	31,705
Cash and cash equivalents		72,194	94,828	81,063
		117,596	**167,195**	**147,237**
TOTAL ASSETS		**1,377,792**	**1,676,781**	**1,517,064**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Financial Position
as of 30 September 2015
(in thousands of Euro)

	Note	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital	15	7,849	7,849	7,849
Share premium		364,228	364,228	364,228
Capital reserve	1	(27,376)	8,392	8,392
Hedge reserve		(3,329)	(6,454)	(3,839)
Foreign currency translation		1,313	2,469	1,128
Accumulated profit		128,289	236,562	111,455
		470,974	**613,046**	**489,213**
Non-controlling interest	1	(17,389)	(47,178)	(62,032)
Total Equity		**453,585**	**565,868**	**427,181**
Non-current liabilities				
Long-term portion of long-term loans and bonds	14	690,430	842,110	802,631
Deposits from tenants		5,727	5,754	5,415
Long term payable		3,530	5,848	3,391
Provision for share based payment		614	490	289
Derivatives		2,885	3,564	2,892
Provision for deferred tax liability		128,621	126,869	130,062
		831,807	**984,635**	**944,680**
Current liabilities				
Trade and other payables		22,427	17,921	19,650
Current portion of long-term loans and bonds	14	66,020	98,818	119,560
VAT and other taxes payable		1,678	2,271	1,736
Income tax payable		408	407	521
Derivatives		1,605	5,853	3,152
Advances received		262	1,008	584
		92,400	**126,278**	**145,203**
TOTAL EQUITY AND LIABILITIES		**1,377,792**	**1,676,781**	**1,517,064**

Globe Trade Centre S.A.
Interim Condensed Consolidated Income Statement
for the nine-month period ended 30 September 2015
(in thousands of Euro)

	Note	Nine-month period ended 30 September 2015 (unaudited)	Nine-month period ended 30 September 2014 (unaudited)	Three-month period ended 30 September 2015 (unaudited)	Three-month period ended 30 September 2014 (unaudited)	Year ended 31 December 2014
Revenues from operations	7	88,011	94,524	27,980	30,783	124,284
Cost of operations	8	(28,387)	(33,070)	(8,510)	(10,248)	(43,155)
Gross margin from operations		**59,624**	**61,454**	**19,470**	**20,535**	**81,129**
Selling expenses		(1,840)	(2,087)	(610)	(707)	(2,884)
Administration expenses	10	(7,536)	(6,233)	(2,597)	(1,141)	(8,781)
Loss from revaluation/ impairment of assets	12	(833)	(56,823)	(387)	(698)	(160,325)
Impairment of residential projects		(1,401)	(11,468)	(21)	(236)	(34,079)
Other income		1,497	2,288	97	1,306	3,145
Other expenses		(1,639)	(1,768)	(511)	(777)	(2,529)
Profit (loss) from continuing operations before tax and finance income / (expense)		**47,872**	**(14,637)**	**15,441**	**18,282**	**(124,324)**
Foreign exchange differences gain (loss), net		(224)	(1,538)	1,410	182	(93)
Finance income		2,885	3,038	968	925	3,904
Finance cost		(24,812)	(34,320)	(6,920)	(9,995)	(46,441)
Share of loss of associates and joint ventures		(3,683)	(11,392)	(102)	(404)	(27,568)
Profit (loss) before tax		**22,038**	**(58,849)**	**10,797**	**8,990**	**(194,522)**
Taxation		(5,206)	(8,441)	(29)	(4,381)	(12,868)
Profit (loss) for the period		**16,832**	**(67,290)**	**10,768**	**4,609**	**(207,390)**
Attributable to:						
Equity holders of the parent		16,834	(58,715)	10,449	5,117	(183,822)
Non-controlling interest		(2)	(8,575)	319	(508)	(23,568)
Basic earnings per share (in Euro)	16	0.05	(0.17)	0.03	0.01	(0.53)

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 2015
(in thousands of Euro)

	Nine-month period ended 30 September 2015 (unaudited)	Nine-month period ended 30 September 2014 (unaudited)	Three-month period ended 30 September 2015 (unaudited)	Three-month period ended 30 September 2014 (unaudited)	Year ended 31 December 2014
Profit (loss) for the period	**16,832**	**(67,290)**	**10,768**	**4,609**	**(207,390)**
Gain (loss) on hedge transactions	971	7,174	(1,100)	1,295	10,549
Income tax	(251)	(1,370)	195	(242)	(2,001)
Net gain (loss) on hedge transactions	**720**	**5,804**	**(905)**	**1,053**	**8,548**
Foreign currency translation	(25)	(1,963)	(340)	520	(3,294)
Total comprehensive income (loss) for the period, net of tax, to be reclassified to profit or loss in subsequent periods	**17,527**	**(63,449)**	**9,523**	**6,182**	**(202,136)**
Attributable to:					
Equity holders of the parent	17,529	(54,783)	9,491	6,651	(178,616)
Non-controlling interest	(2)	(8,666)	32	(469)	(23,520)

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

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Changes in Equity
for the nine-month period ended 30 September 2015
(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 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 period ended 30 September 2014	-	**-**	**-**	**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**

	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 2014	**7,082**	**312,155**	**15,154**	**(12,344)**	**4,427**	**295,277**	**621,751**	**(45,870)**	**575,881**
Other comprehensive income / (loss)	-	-	-	8,505	(3,299)	-	5,206	48	5,254
Loss for the period ended 31 December 2014	-	-	-	-	-	(183,822)	(183,822)	(23,568)	(207,390)
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**8,505**	**(3,299)**	**(183,822)**	**(178,616)**	**(23,520)**	**(202,136)**
Issuance of shares	767	52,073	-	-	-	-	52,840	-	52,840
Other transactions	**-**	**-**	(6,762)	-	-	-	(6,762)	7,358	596
Balance as of 31 December 2014	**7,849**	**364,228**	**8,392**	**(3,839)**	**1,128**	**111,455**	**489,213**	**(62,032)**	**427,181**
Other comprehensive income	-	-	-	510	185	-	695	-	695
Profit / (loss) for the period ended 30 September 2015	-	-	-	-	-	16,834	16,834	(2)	16,832
Total comprehensive income / (loss) for the period	**-**	**-**	**-**	**510**	**185**	**16,834**	**17,529**	**(2)**	**17,527**
Purchase of NCI shares	**-**	**-**	(35,768)	**-**	**-**	**-**	(35,768)	44,645	8,877
Balance as of 30 September 2015 (unaudited)	**7,849**	**364,228**	**(27,376)**	**(3,329)**	**1,313**	**128,289**	**470,974**	**(17,389)**	**453,585**

Globe Trade Centre S.A.
Interim Condensed Consolidated Statement of Cash flows
for the nine-month period ended 30 September 2015
(in thousands of Euro)

	Nine-month period ended 30 September 2015	Nine-month period ended 30 September 2014	Year ended 31 December 2014
	(unaudited)	(unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit (loss) before tax	22,038	(58,849)	(194,522)
Adjustments for:			
Loss from revaluation/impairment of assets and residential projects	2,234	68,291	194,404
Share of profit of associates and joint ventures	3,683	11,392	27,568
Profit/(Loss) on disposal of assets	(1,039)	-	(4)
Foreign exchange differences loss, net	224	1,249	(445)
Finance income	(2,885)	(3,038)	(3,904)
Finance cost	24,812	34,320	46,441
Share based payment expenses (income)	325	(2,369)	(2,538)
Depreciation and amortization	345	356	499
Operating cash before working capital changes	**49,737**	**51,352**	**67,499**
Increase in debtors and prepayments and other current assets	(4,272)	(1,134)	(1,680)
Decrease in inventory	7,869	10,250	12,895
Decrease in advances received	(317)	(1,451)	(2,082)
Increase in deposits from tenants	553	199	17
Decrease in trade and other payables	(230)	(516)	(945)
Cash generated from/ (used in) operations	**53,340**	**58,700**	**75,704**
Tax paid in the period	(2,118)	(1,893)	(2,452)
Net cash from operating activities	**51,222**	**56,807**	**73,252**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Expenditure on investment property	(16,517)	(18,150)	(25,821)
Sale of investment	51,280	7,512	10,614
Purchase of minority	(800)	(279)	(279)
Selling of subsidiary	6,386	-	-
Liquidation of Joint ventures	3,890	-	-
VAT/CIT on sale of investment property	(4,034)	-	-
Interest received	888	1,873	2,019
Lease origination expenses	-	(131)	(208)
Loans granted to associates	(38)	(379)	(566)
Loans repayments from associates	137	287	330
Net cash from (used in) investing activities	**41,192**	**(9,267)**	**(13,911)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issuance of shares	-	53,680	53,680
Share issuance expenses	-	(841)	(841)
Proceeds from long-term borrowings	22,023	124,497	124,494
Repayment of long-term borrowings	(104,474)	(153,151)	(149,409)
Repayment of hedge	(1,489)	-	(20,762)
Interest paid	(20,559)	(27,563)	(38,456)
Loans origination cost	-	(1,547)	(1,561)
Decrease (increase) in short term deposits	2,280	(3,073)	(89)
Net cash from (used in) financing activities	**(102,219)**	**(7,998)**	**(32,944)**
Effect of foreign currency translation	**936**	**(1,153)**	**(1,773)**
Net increase in cash and cash equivalents	**(8,869)**	**38,389**	**24,624**
Cash and cash equivalents at the beginning of the period	**81,063**	**56,439**	**56,439**
Cash and cash equivalents at the end of the period	**72,194**	**94,828**	**81,063**

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, Bulgaria and Slovakia. The Company also holds a non-controlling interest in land in Ukraine and a retail project in the Czech Republic and is partner to joint venture holding land in Russia. 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 majority shareholder of the Company is LSREF III GTC Investments B.V. (“LSREF III”), controlled by Lone Star, a global private equity firm, which held 194,078,187 shares or 55.24% of total share as of 30 September 2015). The ultimate controlling party is Lone Star Real Estate Fund III LP.

Events in the period

As of 31 December 2014, the loan agreements with Unicredit related to the Felicity residential project with an outstanding loan amount of EUR 25.6 million exceeded the fair value of related asset. In March 2015, the Company transferred the Felicity project to a subsidiary of Unicredit. Unicredit released the Company from any payment obligations arising from the loan agreements.

On 29 May 2015, the Company’s subsidiary, GTC GK Office (the “Seller”), signed with Kazimierz Office Center Sp. z o.o., a subsidiary of a fund managed by GLL Real Estate Partners (the “Purchaser”), an agreement for the sale of an office building Centrum Biurowe Kazimierz in Krakow. The net price for the property and the other rights and movable assets under the sale agreement is EUR 41.6 million.

In June 2015, the loan from EBRD and Raiffeisen Bank Austria (Osijek) in the amount of Euro 15.8 million was fully repaid.

In June 2015, the loan from OTP and MKB (Varna) in the amount of Euro 17.7 million was fully repaid. At the same time, MKB and OTP granted to GTC S.A a new loan in the amount of Euro 12.6 million.

On 26 June 2015, the Company and EBRD entered into an agreement for the restructuring of a loan to Mars Commercial Center SRL (Piatra Mall), and Mercury Commercial Center SRL (Arad Mall), in Romania. Furthermore, In June 2015 the Company and EBRD agreed the restructuring of a loan granted to Galleria Stara Zagora AD, the owner of a shopping center in Stara Zagora, Bulgaria.

On 30 June 2015, the shareholders of the Company approved a resolution regarding the issuance of up to 140,000,000 new shares at a price of not less than PLN 5 per share to existing shareholders. On 30 September 2015 the Company was informed that the exercise of the pre-emptive rights resulted in allocation of 108,906,190 Series K Shares at a price of 5.47 PLN per share.

1. Principal activities – Events in the Period (continued)

During Q2 2015, GTC Group acquired remaining 35% in Galeria Ikonomov GmbH (owner of Galeria Varna) and remaining 20% in GTC Nekretnine Istok d.o.o. As a result, the impact of on the equity attributable to equity holders of the parent amounted to a decrease of EUR 35.8 million. In July 2015, GTC Group sold the shares of GTC Nekretnine Istok d.o.o (Galeria Osijek) for the amount of Euro 1.3 million and the shares of Galleria Varna AD (Galeria Varna) for the amount of Euro 5.5 million.

During Q2 2015 as a result of liquidation of one of the joint venture companies investment in joint ventures (Equity accounting – joint ventures) decreased by EUR 67 million and long term liabilities decreased by EUR 63 million.

In July 2015, GTC Group commenced the construction of Galeria Polnocna shopping centre, Warsaw. In August 2015, GTC Group signed a credit facility agreement with Bank Polska Kasa Opieki S.A., concerning the financing of Galeria Północna project. The facility comprise a construction loan in the amount of up to EUR 116 million and investment loan in the amount of up to EUR 150 million. (Under certain conditions the investment facility may be increased up to EUR 175 million).

2. Functional and reporting currencies

The Group's Interim Condensed Consolidated Financial Statements are presented in Euro, which is also the Group'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-month period ended 30 September 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

At the date of authorisation of these Interim Condensed Consolidated Financial Statements, taking into account the EU's ongoing process of IFRS endorsement and the nature of the Group's activities, there is a difference between International Financial Reporting Standards and International Financial Reporting Standards endorsed by the European Union. The Group applied the possibility existing for the companies applying International Financial Reporting Standards endorsed by the EU, to apply IFRIC 21 for reporting periods beginning on or after 1 January 2015 and to apply amendments to IFRS 2 and amendments to IFRS 3, being part of Improvements to IFRSs resulting from the review of IFRS 2010-2012, for reporting periods beginning on or after 1 January 2016.

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 2014, published on 23 March 2015. The interim financial results are not necessarily indicative of the full year results.

4. Going concern

The Group’s policies and processes are aimed at managing the Group’s capital, financial and liquidity risks on a sound basis. The Group meets its day to day working capital requirements through generation of operating cash-flows from rental income and sale of residential properties.

As of 30 September 2015, the Group’s net working capital (defined as current assets less current liabilities) was positive and amounted to Euro 25 million.

The management has analysed the timing, nature and scale of potential financing needs of particular subsidiaries and believes that cash on hand, as well as, expected operating cash-flows will be sufficient to fund the Group’s anticipated cash requirements for working capital purposes, for at least the next twelve months from the balance sheet date. Consequently, the 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 from the balance sheet date.

5. Significant accounting policies, estimates and judgments

New and amended standards and interpretations

These interim condensed consolidated financial statements are prepared based on the same accounting policies as for the consolidated financial statements of the Group for the year ended 31 December 2014, except for the following amendments to existing standards and new regulations that are effective for financial years beginning on or after 1 January 2015:

- 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 2015,
- 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 impact on disclosures,
- 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 2015,
- 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 2015,
- 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 2015,
- 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 2015,
- 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 2015,
- 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 2015,

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

- Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* (issued on 27 September 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 2015.

Standards issued but not yet effective

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,
- 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, in EU effective at the latest for financial years beginning on or after 1 February 2015,
- *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, in EU effective at latest for financial years beginning on or after 1 February 2015,
- 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,
- 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 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,
- 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,
- 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, wherein the effective date was tentatively postponed by IASB – decision about terms of performing particular steps resulting in endorsement of the Amendments has not yet been made by EFRAG – not yet endorsed by EU till the date of approval of these financial statements,

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

- *Annual Improvements to IFRSs 2012–2014* (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 of these financial statements,
- Amendments to IFRS 10, IFRS 12 and IAS 28 *Investment Entities: Applying the Consolidation Exception* (issued on 18 December 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 1 *Disclosure Initiative* (issued on 18 December 2014) – effective for financial years beginning on or after 1 January 2016 – not yet endorsed by EU till the date of approval of these financial statements.

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

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

(in thousands of Euro)

6. Investment in Subsidiaries, Associates and Joint Ventures

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

Subsidiaries

Name	Holding Company	Country of incorporation	30 September 2015	30 September 2014	31 December 2014
GTC Konstancja Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Korona S.A.	GTC S.A.	Poland	100%	100%	100%
Globis Poznań Sp. z o.o	GTC S.A.	Poland	100%	100%	100%
GTC Aeropark Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Globis Wrocław Sp. z o.o	GTC S.A.	Poland	100%	100%	100%
GTC Satellite Sp. z o.o.	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 S.A.	Poland	100%	100%	100%
GTC Com 1 Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Karkonoska Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Ortal Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Diego Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Francuska Sp. z o.o	GTC S.A.	Poland	100%	100%	100%
GTC UBP Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Wilson Park Sp. z o.o	GTC S.A.	Poland	100%	100%	100%
GTC Moderna Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
CH Wilanow Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Management sp. z o.o. (*)	GTC S.A.	Poland	100%	100%	100%
GTC Corius sp. z o.o	GTC S.A.	Poland	100%	100%	100%
Centrum Światowida sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Mieszkania Światowida sp. z o.o. (**)	GTC S.A.	Poland	-	100%	-
Omega Development Inwestycje Sp. z o.o (***)	GTC S.A.	Poland	-	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%	-
Glorine investments sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
Glorine investments Sp. z o.o. s.k.a.	GTC S.A.	Poland	100%	100%	100%
Omikron Development Inwestycje Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%
GTC Galeria CTWA Sp. z o.o.	GTC S.A.	Poland	100%	100%	100%

(*) Previously Alfa Development Inwestycje Sp. z o.o.
(**) Merged with Centrum Światowida
(***) Liquidated

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 September 2015	30 September 2014	31 December 2014
GTC Hungary Real Estate Development Company Ltd. ("GTC Hungary")	GTC S.A.	Hungary	100%	100%	100%
Commercial Properties B.V. (formerly 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. ("Sasad")	GTC Hungary	Hungary	100%	100%	100%
Albertfalva Kft. ("Szeremi Gate")	GTC Hungary	Hungary	100%	100%	100%
GTC Metro Kft	GTC Hungary	Hungary	100%	100%	100%
SASAD Resort Offices 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%	-
GTC Real Estate Investments Russia B.V. (*)	GTC RH B.V.	Netherlands	-	100%	-
GTC Real Estate Investments Slovakia B.V. ("GTC Slovakia") (*)	GTC RH B.V.	Netherlands	-	100%	-
GTC Real Estate Developments Bratislava B.V. ("GTC Bratislava") (*)	GTC RH B.V.	Netherlands	-	100%	-
GTC Slovakia Real Estate s.r.o.	GTC RH B.V.	Slovakia	100%	100%	100%
GTC Vinohradis Piazza S.R.O (**)	GTC RH B.V.	Slovakia	-	100%	100%
GTC Jarosova S.R.O	GTC RH B.V.	Slovakia	100%	100%	100%
GTC Hill S.R.O (**)	GTC RH B.V.	Slovakia	-	100%	100%
GTC Vinohradis Villas S.R.O	GTC RH B.V.	Slovakia	100%	100%	100%
GTC Real Estate Vinohrady s.r.o. ("GTC Vinohrady")	GTC RH B.V.	Slovakia	100%	100%	100%
GTC Real Estate Vinohrady 2 s.r.o. ("GTC Vinohrady 2") (**)	GTC RH B.V.	Slovakia	-	100%	100%

(*) In December 2014, the Company merged into GTC RH B.V.
(**) Merged into GTC Slovakia Real Estate s.r.o.

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 September 2015	30 September 2014	31 December 2014
GTC Real Estate Investments Croatia B.V. ("GTC Croatia") (*)	GTC S.A.	Netherlands	-	100%	-
GTC Nekretnine Zagreb d.o.o.("GTC Zagreb")	GTC RH B.V.	Croatia	100%	100%	100%
Eurostructor d.o.o.	GTC RH B.V.	Croatia	70%	70%	70%
Marlera Golf LD d.o.o	GTC RH B.V.	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 ("Osijek")	GTC RH B.V.	Croatia	-	80%	80%
GTC Nekretnine Jug. d.o.o	GTC RH B.V.	Croatia	100%	100%	100%
GTC Sredisnja tocka d.o.o.	GTC RH B.V.	Croatia	100%	100%	100%
GTC Nekretnine Zapad d.o.o (under liquidation)	GTC RH B.V.	Croatia	100%	100%	100%
GTC Real Estate Investments Romania B.V. ("GTC Romania") (*)	GTC S.A.	Netherlands	-	100%	-
Towers International Property S.R.L	GTC RH B.V.	Romania	100%	100%	100%
Galleria Shopping Center S.R.L. (formerly "International Hotel and Tourism S.R.L")	GTC RH B.V.	Romania	100%	100%	100%
BCG Investment B.V.	GTC RH B.V.	Netherlands	100%	100%	100%
Bucharest Properties B.V. (*)	GTC RH B.V.	Netherlands	-	100%	-
Green Dream S.R.L	GTC RH B.V.	Romania	100%	100%	100%
Titulescu Investments B.V. ("Titulescu")(*)	GTC RH B.V.	Netherlands	-	100%	-
Aurora Business Complex S.R.L ("Felicity")	GTC RH B.V.	Romania	71.5%	71.5%	71.5%
Yasmine Residential Complex S.R.L (**)	GTC RH B.V.	Romania	-	100%	100%
Bucharest City Gate B.V. ("BCG")	GTC RH B.V.	Netherlands	58.9%	58.9%	58.9%
Bucharest City Gate S.R.L	BCG	Romania	58.9%	58.9%	58.9%
City Gate Bucharest S.R.L	BCG	Romania	58.9%	58.9%	58.9%
Mablethompe Investitii S.R.L.	GTC RH B.V.	Romania	100%	100%	100%
National Commercial Centers B.V. ("NCC") (*)	GTC RH B.V.	Netherlands	-	100%	-
Mercury Commercial Center S.R.L. ("Galeria Arad")	GTC RH B.V.	Romania	100%	100%	100%
Venus Commercial Center S.R.L.	GTC RH B.V.	Romania	100%	100%	100%
Mars Commercial Center S.R.L. ("Galeria Piatra Neamt")	GTC RH B.V.	Romania	100%	100%	100%
Beaufort Invest S.R.L.	GTC RH B.V.	Romania	100%	100%	100%
Fajos S.R.L.	GTC RH B.V.	Romania	100%	100%	100%
City Gate S.R.L	GTC RH B.V.	Romania	58.9%	58.9%	58.9%
Brightpoint Investments Limited	GTC RH B.V.	Cyprus	50.1%	50.1%	50.1%
Complexul Residential Colentina S.R.L .	GTC RH B.V.	Romania	50.1%	50.1%	50.1%
Operetico Enterprises Ltd.	GTC RH B.V.	Cyprus	66.7%	66.7%	66.7%
Bucharest Tower Investments B.V. (*)	GTC RH B.V.	Netherlands	-	100%	-
Deco Intermed S.R.L	Operetico Enterprises Ltd.	Romania	66.7%	66.7%	66.7%
GML American Regency Pipera S.R.L	GTC RH B.V.	Romania	66.7%	66.7%	66.7%

(*) In December 2014, the Company merged into GTC RH B.V.
(**) Merged

(in thousands of Euro)

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

Name	Holding Company	Country of incorporation	30 September 2015	30 September 2014	31 December 2014
GTC RH B.V. (formerly GTC Bulgaria B.V.)	GTC S.A.	Netherlands	100%	100%	100%
Galeria Stara Zagora AD ("Stara Zagora")	GTC RH B.V.	Bulgaria	75%	75%	75%
Galeria Burgas AD	GTC RH B.V.	Bulgaria	80%	80%	80%
Galeria Varna AD ("Varna")	Galeria Ikonomov GmbH	Bulgaria	-	65%	65%
GTC Business Park EAD	GTC RH B.V.	Bulgaria	100%	100%	100%
NRL EAD	GTC RH B.V.	Bulgaria	100%	100%	100%
Galeria Ikonomov GmbH	GTC RH B.V.	Austria	100%	65%	65%
GTC Yuzhen Park EAD ("GTC Yuzhen")	GTC RH B.V.	Bulgaria	100%	100%	100%
GTC Real Estate Investments Serbia B.V. ("GTC Serbia") (*)	GTC S.A.	Netherlands	-	100%	-
City Properties Serbia B.V. (*)	GTC RH B.V.	Netherlands	-	100%	-
GTC Medj Razvoj Nekretnina d.o.o.	GTC RH B.V.	Serbia	100%	100%	100%
GTC Business Park d.o.o.	GTC RH B.V.	Serbia	100%	100%	100%
GTC Commercial and Residential Ventures d.o.o.	GTC RH B.V.	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	GTC RH B.V.	Serbia	100%	100%	100%
Atlas Centar d.o.o.	GTC RH B.V.	Serbia	100%	100%	100%
GTC Commercial Development d.o.o.	GTC RH B.V.	Serbia	100%	100%	100%

Investment in Associates and Joint Ventures

Name	Holding Company	Country of incorporation	30 September 2015	30 September 2014	31 December 2014
Havern Investments sp. z o.o.	GTC S.A	Poland	50%	50%	50%
Delta Development Inwestycje sp. z o.o (**)	GTC S.A	Poland	-	-	50%
Yatelsis Viborgskaya Limited of Nicosia ("YVL")	GTC RH B.V.	Cyprus	50%	50%	50%
Ana Tower Offices S.R.L	GTC RH B.V.	Romania	50%	50%	50%
Lighthouse Holdings Limited S.A. ("Lighthouse")	GTC S.A.	Luxembourg	35%	35%	35%
CID Holding S.A. ("CID")	GTC S.A.	Luxembourg	35%	35%	35%
Europort Investment (Cyprus) 1 Limited	GTC RH B.V.	Cyprus	49.9%	49.9%	49.9%
Europort LTD	GTC RH B.V.	Israel	9.9%	9.9%	9.9%

(*) In December 2014, the Company merged into GTC RH B.V.
(**) Liquidated

(in thousands of Euro)

7. Revenue from operations

	Nine-month period ended 30 September 2015	Nine-month period ended 30 September 2014	Three-month period ended 30 September 2015	Three-month period ended 30 September 2014	Year ended 31 December 2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Rental revenue	60,106	62,804	19,908	20,780	84,124
Service revenue	18,651	19,036	6,033	6,369	25,511
Residential revenue	9,254	12,684	2,039	3,634	14,649
	88,011	**94,524**	**27,980**	**30,783**	**124,284**

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 2015	Nine-month period ended 30 September 2014	Three-month period ended 30 September 2015	Three-month period ended 30 September 2014	Year ended 31 December 2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Rental and service costs	19,772	21,291	6,694	6,826	28,703
Residential costs	8,615	11,779	1,816	3,422	14,452
	28,387	**33,070**	**8,510**	**10,248**	**43,155**

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").

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

Core Investments:
- Poland and Hungary
- Capital cities in SEE countries (Romania, Serbia, Croatia, Slovakia)

None Core Investments
- Secondary cities in Bulgaria
- Secondary cities in Croatia
- 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 2015 (unaudited) and 30 September 2014 (unaudited) is presented below:

	Poland and Hungary		**Capital cities in SEE countries**		**Bulgaria-secondary cities**		**Croatia-secondary cities**		**Romania-secondary cities**		**Consolidated**	
	30 September 2015	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**
Rental and service income	43,626	44,641	26,316	27,693	5,849	5,455	705	1,218	2,261	2,833	78,757	81,840
Contract income	3,634	3,515	5,620	9,169	-	-	-	-	-	-	9,254	12,684
Total income	**47,260**	**48,156**	**31,936**	**36,862**	**5,849**	**5,455**	**705**	**1,218**	**2,261**	**2,833**	**88,011**	**94,524**
	-											
Rental and service costs	9,248	8,773	6,437	6,756	1,491	1,922	695	1,336	1,901	2,504	19,772	21,291
Contract costs	3,110	2,188	5,505	9,591	-	-	-	-	-	-	8,615	11,779
Total costs	**12,358**	**10,961**	**11,942**	**16,347**	**1,491**	**1,922**	**695**	**1,336**	**1,901**	**2,504**	**28,387**	**33,070**
	-											
Rental result	34,378	35,868	19,879	20,937	4,358	3,533	10	(118)	360	329	58,985	60,549
Contract result	524	1,327	115	(422)	-	-	-	-	-	-	639	905
Segment result	**34,902**	**37,195**	**19,994**	**20,515**	**4,358**	**3,533**	**10**	**(118)**	**360**	**329**	**59,624**	**61,454**

Segment analysis for the three-month periods ended 30 September 2015 (unaudited) and 30 September 2014 (unaudited) is presented below:

	Poland and Hungary		**Capital cities in SEE countries**		**Bulgaria-secondary cities**		**Croatia-secondary cities**		**Romania-secondary cities**		**Consolidated**	
	30 September 2015	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**	**30 September 2015**	**30 September 2014**
Rental and service income	14,079	14,460	9,006	9,257	2,194	2,067	-	384	662	981	25,941	27,149
Contract income	1,459	712	580	2,922	-	-	-	-	-	-	2,039	3,634
Total income	**15,538**	**15,172**	**9,586**	**12,179**	**2,194**	**2,067**	**-**	**384**	**662**	**981**	**27,980**	**30,783**
Rental and service costs	3,155	2,954	2,304	2,117	612	657	-	432	623	666	6,694	6,826
Contract costs	1,285	361	531	3,061	-	-	-	-	-	-	1,816	3,422
Total costs	**4,440**	**3,315**	**2,835**	**5,178**	**612**	**657**	**-**	**432**	**623**	**666**	**8,510**	**10,248**
Rental result	10,924	11,506	6,702	7,140	1,582	1,410	-	(48)	39	315	19,247	20,323
Contract result	174	351	49	(139)	-	-	-	-	-	-	223	212
Segment result	**11,098**	**11,857**	**6,751**	**7,001**	**1,582**	**1,410**	**-**	**(48)**	**39**	**315**	**19,471**	**20,535**

(in thousands of Euro)

10. Administration expenses

	Nine-month period ended 30 September 2015	Nine-month period ended 30 September 2014	Three-month period ended 30 September 2015	Three-month period ended 30 September 2014	Year ended 31 December 2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Administration expenses	7,211	8,602	2,377	2,393	11,351
Expenses (income) arising from shares base payments	325	(2,369)	220	(1,252)	(2,570)
	7,536	**6,233**	**2,597**	**1,141**	**8,781**

11. Investment in associates and joint ventures

The investment in associates and joint ventures comprises the following:

	30 September 2015	30 September 2014	31 December 2014
	(unaudited)	(unaudited)	
Equity accounting – associates	-	-	-
Loans granted	49,849	45,688	47,018
Loss on investment – associates	(30,370)	(16,690)	(24,165)
Investment in associates	**19,479**	**28,998**	**22,853**
Equity accounting – joint ventures	(25,903)	49,173	39,896
Loans granted	34,102	33,043	33,297
Investment in joint ventures	**8,199**	**82,216**	**73,193**
Investment in associates and joint ventures	**27,678**	**111,214**	**96,046**

12. 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 2015	30 September 2014	31 December 2014
	(unaudited)	(unaudited)	
Completed investment property	1,008,916	1,102,756	1,029,276
Investment property under construction at fair value (level 3)	-	-	-
Investment property under construction at cost	188,742	222,562	192,043
Total	**1,197,658**	**1,325,318**	**1,221,319**

(in thousands of Euro)

12. Investment Property (continued)

The movement in investment property for the periods ended 30 September 2015 (unaudited) and 31 December 2014 was as follows:

	Level 2	Level 3	Total
Carrying amount as of 1 January 2014	**762,355**	**613,383**	**1,375,738**
Reclassification	9,468	(9,468)	-
Capitalised subsequent expenditure	4,345	16,956	21,301
Adjustment to fair value / impairment	(18,090)	(141,710)	(159,800)
Disposals	-	(4,654)	(4,654)
Reclassified as assets held for sale	-	(6,654)	(6,654)
Translation differences and other non-cash adjustments	(4,502)	(110)	(4,612)
Carrying amount as of 31 December 2014	**753,576**	**467,743**	**1,221,319**
Capitalised subsequent expenditure	3,832	16,517	20,349
Adjustment to fair value	(120)	(634)	(754)
Impairment adjustment	-	(859)	(859)
Disposals (*)	(41,576)	-	(41,576)
Reclassified as assets held for sale	(1,050)	-	(1,050)
Translation differences	207	22	229
Carrying amount as of 30 September 2015	**714,869**	**482,789**	**1,197,658**

(*) The amount relates to sale of Galeria Kazimiez office

Fair value and impairment adjustment consists of the following:

	Nine-month period ended 30 September 2015	**Nine-month period ended 30 September 2014**	**Three-month period ended 30 September 2015**	**Three-month period ended 30 September 2014**	**Year ended 31 December 2014**
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Adjustment to fair value of properties completed assets	(754)	(32,797)	(262)	(644)	(104,780)
Assets held for sale	780	-	(125)	-	(525)
Impairment adjustment	(859)	(24,026)	-	(54)	(55,020)
Total	**(833)**	**(56,823)**	**(387)**	**(698)**	**(160,325)**

(in thousands of Euro)

12. Investment Property (continued)

Assumptions used in the valuations of completed assets as of 30 September 2015 (unaudited) are presented below:

Potfolio	Book value	NRA thousand	Occupancy	Actual rent	ERV	Fair Value Hierarchy Level	Impact on PBT (*) of EUR 1 change in ERV
		sqm	%	Euro /sqm	Euro/sqm		
Poland retail	150,000	49	88%	19.6	19.5	2	7,692
Poland office	261,547	135	90%	14.3	13.6	2	19,240
Serbia office capital city	120,970	63	92%	14.7	14.7	3	6,838
Croatia retail capital city	102,100	36	95%	20.3	22.0	3	4,641
Hungary office capital city	155,322	86	99%	11.5	11.8	2	13,201
Slovakia office capital city	8,277	13	85%	7.8	7.0	3	1,182
Romania retail secondary cities	7,200	46	65%	4.8	4.1	3	1,745
Romania office capital city	148,000	48	91%	19.2	19.6	2	7,551
Bulgaria retail secondary cities	55,500	61	90%	9.1	9.3	3	5,996
Total	**1,008,916**	**537**	**90%**	**13.6**	**13.6**		

Assumptions used in the valuations of completed assets as of 31 December 2014 are presented below:

Potfolio	Book value	NRA thousand	Ocupancy	Actual rent	ERV	Average duration	Fair Value Hierarchy Level	Impact on PBT (*) of EUR 1 change in ERV
		sqm	%	Euro/ sqm	Euro/ sqm	Years		
Poland retail	150,000	50	86%	20.8	19.0	4.3	2	7,907
Poland office	300,711	150	92%	14.7	14.1	3.6	2	21,263
Serbia office capital city	100,200	53	95%	14.7	15.5	3.2	3	6,479
Croatia retail capital city	102,200	36	96%	20.5	22.0	6.4	3	4,645
Hungary office capital city	154,865	91	93%	11.6	12.0	4.6	2	12,913
Slovakia office capital city	9,100	13	65%	9.8	8.6	1.4	3	1,058
Romania retail secondary cities	8,500	45	88%	4.0	4.2	4.5	3	2,033
Romania office capital city	148,000	48	93%	19.5	20.0	3.4	2	7,400
Bulgaria retail secondary cities	55,700	61	92%	8.3	9.2	6.4	3	6,069
Total	**1,029,276**	**547**	**91%**	**13.8**	**13.9**	**4.3**		

Actual variations in yield or ERV may vary between different markets

(*) Profit before tax

ERV – Estimated Rent Value applicable upon renewals.

(in thousands of Euro)

12. Investment Property (continued)

Information regarding investment properties under construction valued at cost and at fair value as of 30 September 2015 (unaudited) is presented below:

	Book value	Estimated building rights (GLA)	Average Book value/sqm of building rights
		thousand sqm	Euro/sqm
Poland	116,938	378	310
Serbia	33,188	71	748
Croatia	2,440	21	117
Hungary	18,970	286	66
Romania	13,359	66	202
Bulgaria	3,848	88	44
Total	**188,743**	**910**	**207**

Information regarding impairment of investment properties under construction valued at cost as of 31 December 2014 is presented below:

	Book value	Estimated building rights (GLA)	Average Book value/sqm of building rights
		thousand sqm	Euro/sqm
Poland	110,093	375	254
Serbia	42,537	87	489
Croatia	2,000	21	95
Hungary	20,170	315	64
Romania	13,363	66	202
Bulgaria	3,880	88	44
Total	**192,043**	**952**	**202**

13. Inventory and residential landbank

The movement in residential landbank and inventory for the periods ended 30 September 2015 (unaudited) and 31 December 2014 was as follows:

	Nine-month period ended 30 September 2015 (unaudited)	**Year ended 31 December 2014**
Carrying amount at the beginning of the period	**64,983**	**121,267**
Construction and foreign exchange differences	767	564
Impairment to net realisable value	(1,401)	(34,079)
Reclassified as assets held for sale	(728)	-
Cost of units sold	(8,615)	(14,452)
Disposal (*)	(22,696)	(8,317)
Carrying amount at the end of the period	**32,310**	**64,983**

(*) Disposal in 2015 relates to Felicity assets disposed of (see Note 1).

(in thousands of Euro)

13. Inventory and residential landbank (continued)

Completed inventory as of 30 September 2015 (unaudited) consists of the following:

	Book value	Estimated building area rights	Book value/sqm
		Thousand sqm	Euro
Poland	1,197	2	798
Hungary	76	<1	474
Serbia	275	<1	810
Slovakia	128	<1	755
Romania	808	1	1,140
Total/Average	**2,484**	**3**	**863**

Residential Landbank as of 30 September 2015 (unaudited) consists of the following:

	Book value	Estimated building area rights	Book value/sqm
		Thousand sqm	Euro
Poland	2,100	4	525
Croatia	6,850	48	143
Hungary	8,140	122	67
Slovakia	5,293	68	89
Romania	7,443	139	53
Total/Average	**29,826**	**381**	**78**

Completed inventory as of 31 December 2014 consists of the following:

	Book value	Estimated building rights GLA	Average Book value/sqm of building rights
		Thousand sqm	Euro/sqm
Poland	3,923	3	145
Hungary	119	<1	8
Serbia	275	<1	17
Slovakia	173	<1	9
Romania	19,049	33	1,666
Total/Average	**23,539**	**37**	**1,845**

Residential landbank as of 31 December 2014 consists of the following:

	Book value	Estimated building area rights	Book value/sqm
		Thousand sqm	Euro
Poland	2,100	4	512
Croatia	6,700	48	143
Hungary	9,431	138	68
Slovakia	6,999	68	103
Romania	16,214	207	79
Total/Average	**41,444**	**465**	**89**

(in thousands of Euro)

14. Long-term loans and bonds

Long-term loans and bonds comprise the following:

	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
Bonds series 2017-2018	47,356	48,078	47,872
Bonds series 2018-2019	71,068	72,450	69,735
Loan from OTP Bank (GTC S.A)	11,794	-	-
Loan from WBK (Globis Poznan)	14,534	15,040	14,914
Loan from WBK (Korona Business Park)	42,611	42,403	41,877
Loan from Pekao (Globis Wroclaw)	24,876	25,589	25,415
Loan from ING (Nothus)	12,736	15,840	13,232
Loan from ING (Zephirus)	12,736	15,840	13,232
Loan from Berlin Hyp (Corius)	11,980	12,398	12,295
Loan from WBK (Kazimierz office)	-	27,520	27,369
Loan from Pekao (Galeria Jurajska)	98,847	101,805	101,203
Loan from Berlin Hyp (UBP)	18,737	19,134	19,035
Loan from ING (Francuska)	15,872	16,412	16,277
Loan from MKB (Centre Point I)	18,801	20,389	20,001
Loan from MKB (Centre Point II)	22,606	24,231	23,825
Loan from CIB (Metro)	18,869	19,803	19,573
Loan from MKB (Spiral)	21,241	22,575	21,992
Loan from Erste (Renaissance)	3,109	4,109	3,859
Loan from MKB (Sasad Resort)	8,327	8,327	8,327
Loan from EBRD and Raiffeisen Bank (GTC House)	9,825	11,500	11,100
Loan from Erste (19 Avenue)	21,850	23,948	22,277
Loan from EBRD and Raiffeisen Bank (Block 41)	14,253	16,146	15,685
Loan from Raiffeisen Bank (Block 41 2nd building)	8,109	-	-
Loan from Unicredit (Felicity)	-	25,563	25,563
Loan from RZBR (Rose Garden)	-	3,787	2,987
Loan from Erste (Citygate)	87,106	91,964	88,782
Loan from EBRD and Raiffeisen Bank (Piatra)	5,595	5,778	5,778
Loan from EBRD and Raiffeisen Bank (Arad)	26,954	27,563	27,575
Loan from MKB and Zagrabecka Banka (AMZ)	22,334	26,788	25,674
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	-	15,750	15,750
Loan from MKB and OTP (Galeria Varna)	-	18,124	17,904
Loan from EBRD and Unicredit (Stara Zagora)	15,799	22,799	22,799
Loan from EBRD (Burgas)	23,307	25,603	25,356
Loan from VUB Bank (Jarosova)	2,971	3,659	3,475
Loans from minorities in subsidiaries and from joint ventures	47,608	117,164	118,268
Deferred issuance debt expenses	(5,361)	(7,151)	(6,815)
	756,450	**940,928**	**922,191**

(in thousands of Euro)

14. 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 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
Current portion of long term loans:			
Bonds series 2017-2018	1,658	1,991	949
Bonds series 2018-2019	171	180	711
Loan from OTP Bank (GTC S.A)	3,145	-	-
Loan from WBK (Globis Poznan)	507	507	507
Loan from WBK (Korona Business Park)	1,166	1,316	1,053
Loan from Berlin Hyp (UBP)	396	397	397
Loan from Pekao (Galeria Jurajska)	3,431	2,408	3,197
Loan from Pekao (Globis Wroclaw)	757	713	724
Loan from ING (Nothus)	732	432	662
Loan from ING (Zephirus)	732	432	662
Loan from Berlin Hyp (Corius)	454	418	421
Loan from WBK (Kazimierz office)	-	619	634
Loan from ING (Francuska)	540	540	540
Loan from MKB (Centre Point I)	1,675	1,588	1,600
Loan from MKB (Centre Point II)	1,626	1,626	1,626
Loan from Erste (Renaissance)	1,000	4,109	1,000
Loan from MKB (Sasad Resort)	8,327	8,327	8,327
Loan from CIB (Metro)	973	934	943
Loan from MKB (Spiral)	1,293	1,168	1,191
Loan from EBRD and Raiffeisen Bank (GTC House)	1,850	1,675	1,700
Loan from Erste (19 Avenue)	569	814	569
Loan from EBRD and Raiffeisen Bank (Block 41)	2,026	1,894	1,926
Loan from Raiffeisen Bank (Block 41 2nd building)	150	-	-
Loan from EBRD and Unicredit (Stara Zagora)	7,175	-	22,799
Loan from MKB and OTP (Galeria Varna)	-	902	918
Loan from EBRD (Burgas)	1,342	1,095	1,150
Loan from MKB and Zagrabecka Banka (AMZ)	4,454	4,454	4,454
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	-	-	964
Loan from EBRD and Raiffeisen Bank (Piatra)	2,512	-	-
Loan from EBRD and Raiffeisen Bank (Arad)	12,102	27,563	27,575
Loan from Erste (Citygate)	2,286	2,803	3,237
Loan from RZBR (Rose Garden)	-	3,787	2,987
Loan from Unicredit (Felicity)	-	25,563	25,563
Loan from VUB Bank (Jarosova)	2,971	563	574
Loans from minorities in subsidiaries and from joint ventures	-	-	-
Deferred issuance debt expenses	-	-	-
	66,020	**98,818**	**119,560**

(in thousands of Euro)

14. Long-term loans and bonds (continued)

	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
Long term portion of long term loans:			
Bonds series 2017-2018	47,185	47,898	46,923
Bonds series 2018-2019	69,410	70,459	69,024
Loan from OTP Bank (GTC S.A)	8,649	-	-
Loan from WBK (Globis Poznan)	14,027	14,533	14,407
Loan from WBK (Korona Business Park)	41,445	41,087	40,824
Loan from Pekao (Globis Wroclaw)	24,119	24,876	24,691
Loan from ING (Nothus)	12,004	15,408	12,570
Loan from ING (Zephirus)	12,004	15,408	12,570
Loan from Berlin Hyp (Corius)	11,526	11,980	11,874
Loan from WBK (Kazimierz office)	-	26,901	26,735
Loan from Pekao (Galeria Jurajska)	95,416	99,397	98,006
Loan from Berlin Hyp (UBP)	18,341	18,737	18,638
Loan from ING (Francuska)	15,332	15,872	15,737
Loan from MKB (Centre Point I)	17,126	18,801	18,401
Loan from MKB (Centre Point II)	20,980	22,605	22,199
Loan from CIB (Metro)	17,896	18,869	18,630
Loan from MKB (Spiral)	19,948	21,407	20,801
Loan from Erste (Renaissance)	2,109	-	2,859
Loan from EBRD and Raiffeisen Bank (GTC House)	7,975	9,825	9,400
Loan from Erste (19 Avenue)	21,281	23,134	21,708
Loan from EBRD and Raiffeisen Bank (Block 41)	12,227	14,252	13,759
Loan from Raiffeisen Bank (Block 41 2nd building)	7,959	-	-
Loan from Erste (Citygate)	84,820	89,161	85,545
Loan from EBRD and Raiffeisen Bank (Piatra)	3,083	5,778	5,778
Loan from EBRD and Raiffeisen Bank (Arad)	14,852	-	-
Loan from MKB and Zagrabecka Banka (AMZ)	17,880	22,334	21,220
Loan from EBRD and Raiffeisen Bank Austria (Osijek)	-	15,750	14,786
Loan from MKB and OTP (Galeria Varna)	-	17,222	16,986
Loan from EBRD (Burgas)	21,965	24,508	24,206
Loan from EBRD and Unicredit (Stara Zagora)	8,624	22,799	-
Loan from VUB Bank (Jarosova)	-	3,096	2,901
Loans from minorities in subsidiaries and from joint ventures	47,608	117,164	118,268
Deferred issuance debt expenses	(5,361)	(7,151)	(6,815)
	690,430	**842,110**	**802,631**

(in thousands of Euro)

14. Long-term loans and bonds (continued)

As securities for the bank loans, the banks have mortgage over the assets and security deposits together with assignment of the associated receivables and insurance rights.

In its financing agreements with banks, the Company undertakes to comply with certain financial covenants that are listed in those agreements; the main covenants are: maintaining a Loan-to-Value and Debt Service Coverage ratios in the company that holds the project.

In addition, substantially, all investment properties and IPUC that were financed by a lender have been pledged to secure the long-term loans from banks. Unless otherwise stated, fair value of the pledged assets exceeds the carrying value of the related loans.

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

	30 September 2015 (unaudited)	**31 December 2014**
First year	83	139
Second year	105	76
Third year	183	172
Fourth year	204	134
Fifth year	111	179
Thereafter	133	302
	819	**1,002**

(in thousands of Euro)

15. Capital and Reserves

As at 30 September 2015 (unaudited) and 31 December 2014, the shares structure was as follows:

Number of Shares	Share series	Total value in PLN	Total value in EUR
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 2015 held above 5% of the Company shares were as follows:

- LSREF III
- 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 23 April 2015, the Company held an ordinary shareholders meeting. The ordinary shareholders meeting decided that the loss for the year 2014 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.

(in thousands of Euro)

15. Capital and Reserves (continued)

Phantom shares

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

The Phantom shares (as presented in below mentioned table) have been accounted for based on future cash settlement.

Strike (PLN)	Blocked	Vested	Total
8.22	-	785,720	785,720
7.09	5,171,200	512,000	5,683,200
Total	**5,171,200**	**1,297,720**	**6,468,920**

16. Earnings per share

Basic and diluted earnings per share were calculated as follows:

	Nine-month period ended 30 September 2015	Nine-month period ended 30 September 2014	Three-month period ended 30 September 2015	Three-month period ended 30 September 2014	Year ended 31 December 2014
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
Profit for the period attributable to equity holders (euro)	16,834,000	(58,715,000)	10,449,000	5,117,000	(183,822,000)
Weighted average number of shares for calculating basic earnings per share	351,310,288	349,321,519	351,310,288	351,310,288	349,822,797
Basic earnings per share (euro)	0.05	(0.17)	0.03	0.01	(0.53)

17. Contingent liabilities and commitments

Guarantees

GTC gave guarantees to third parties in order to secure construction cost-overruns and loans to its subsidiaries. As of 30 September 2015 and 31 December 2014, the guarantees granted amounted to Euro 74 million and Euro 149 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.

Croatia

In relation to Marlera Golf project in Croatia, part of the land is on concession lease from Ministry of Tourism of Croatia (Ministry) and the agreement with the Ministry included a deadline for the completion a golf course that has passed in 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 expressing its good faith and intentions to prolong the abovementioned timeline. Negotiations in this respect are still on-going, however the extension of the lease agreement is no longer at sole discretion of the Group. As a result, the Management decided to revalue the freehold asset in assuming no development of the golf course project. As of 30 September 2015 book value of the investment in Marlera was assessed by an independent valuer at Euro 6.8 million and is assumed to be fully recoverable.

Russia

As of 30 September 2015, the Group holds 50% interest in Yatelsis, which indirectly owns land and buildings in St. Petersburg, Russia.
During the last year, the economic and political uncertainty in Russia remained high. The market uncertainty created an unclear view as for potential future development of the St. Petersburg project and availability of reliable information related to such project. The Group's balance sheet exposure to St. Petersburg amounted to approximately Euro 7.1 million. The above mentioned events could adversely impact the results and financial position of the Group and its St. Petersburg investments in a manner that could not be estimated at this stage.

18. Subsequent events

On 21 October 2015, the share capital increase (in relation to shareholders' resolution from 30 June 2015 as described in note 1) was registered by the district court in Warsaw. The Company increased its share capital from PLN 35,131,028.80 to PLN 46,021,647.80 through the issuance of 108,906,190 series K ordinary bearer shares in the Company with a nominal value of PLN 0.10 (ten groszy) each. On 26 October 2015, the funds from shares issuance in the total amount of PLN 595.7 million (Euro 139.3 million) were received by the Company.

19. Release date

The Interim Condensed Consolidated Financial Statements were authorised for the issue by the Management Board on 12 November 2015.

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Building a better working world

Report on review of interim condensed consolidated financial statements to the General Shareholders Meeting and 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 2015 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 2015 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.

12 November 2015