

STRONG OPERATING PERFORMANCE ALLOWS TO PROPOSE DIVIDEND OF PLN 0.27 PER SHARE

EPRA NAV/SHARE	TOTAL PROPERTY	GROSS MARGIN FROM RENTAL ACTIVITY	FFO I	PROFIT FOR THE PERIOD
PLN 8.62	€1,624m	€86M	€43M	€160M
+20%	+23%	+10%	+13%	+266%

2016 HIGHLIGHTS

- **Total investment of €255m** (including €162m of acquisitions)
- **Revaluation gain of €85m** (€26m in 2015) driven by projects under construction includes also modest 3% revaluation gain on income generating properties on improved performance
- **EPRA NAV increased to €897m** (€779m as of 31 December 2015)
- **EPRA NAV / share increased 20% to PLN 8.62** from PLN 7.21 as of 31 December 2015
- **Gross margin from rental activity increased by 10% to €86m** (€79m in 2015)
- **13% FFO I improvement to €43m** (€38m in 2015)
- **FFO I / share at PLN 0.39** (PLN 0.38¹ in 2015) and FFO I yield of 5%
- **Profit after tax at €160m** (€44m in 2015)
- Earnings per share up by 183% to €0.34 (€0.12 in 2015)

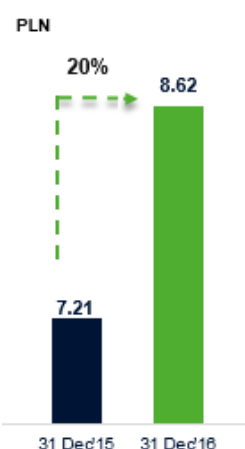
OPERATING PERFORMANCE

2016	Reported	V%
GMRA	€86m	+10%
Rental margin	76%	+100bps
EBITDA	€72m	+7%
Profit for the period	€160m	+266%
FFO I	€43m	+13%
Total property	€1,624m	+23%
Net debt	€703m	+35%
Net LTV	43%	+400bps
EPRA NAV/share	PLN 8.62	+20%

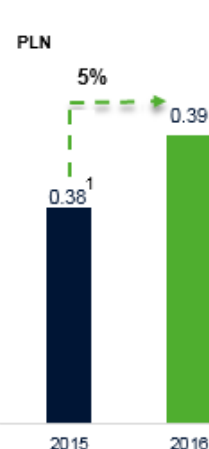
PORTFOLIO UPDATE

- **Acquisition of income generating assets of €140m and land for development of €22m** (total acquisitions in 2015 of €53m)
- **Investment in assets under construction of €93m** (€34m in 2015)
- **23% growth in total property value to €1,624m** (€1,324m as of 31 December 2015)
- **20% growth in income generating portfolio to €1,261m** (€1,052m as of 31 December 2015)
- **139,000 sq. m NLA under construction** in five projects with over 83,000 sq. m to be completed in 2017
- **181,000 sq. m NLA in planning stage**
- **144,000 sq. m of new lettings and lease renewals** for office and retail space in 2016
- **Occupancy rate at 94%**

EPRA NAV/share



FFO I/share



¹ Based on GTC's 59% share in FFO I of City Gate to present GTC's fair economical interest in generated funds from operations

"GTC delivered solid results in 2016, several value accretive acquisitions and completions of office projects contributed significant to NAV and NOI growth. We will deliver a strong performance over the next years to come as our income-generating portfolio will expand and boost rent income through further accretive acquisitions and completion of development projects. Over 139,000 sq. m GLA of retail and office space under construction and an additional 181,000 sq. m at planning stages supported by a strong cash position are the ingredients of a substantial NAV growth to come." – **Thomas Kurzmann, GTC's CEO** said.

"Thanks to the growth achieved in 2016, the board recommended dividend distribution from 2016 profits of PLN 0.27 per share. Recognizing profit distribution to shareholders as one of management's goals, we are committed to execute appropriate, performance-based dividend payments, whilst continuing to pursue our NAV and FFO I growth strategy. The dividend policy is therefore guided by our cash resources, planned investment and expected FFO I growth." – **commented Erez Boniel, GTC's CFO**.

"We are confident that we will generate a double-digit dividend and NAV growth in years to come as we deliver on our total return investment strategy." – **added Thomas Kurzmann**.

KEY OPERATING ACHIEVEMENTS IN 2016

Growth of the income generating portfolio through accelerated acquisitions and completions

- In 2016 GTC increased its income generating portfolio by expanding its asset base by **20% to €1,261m** through the **investment of €140 million** in value accretive office properties and completion of assets
- GTC's latest acquisitions and efficient refinance successfully strengthened its position in the CEE and SEE regions
 - **Pixel**, an iconic and unique office building located in Poznań (Poland),
 - **Premium Plaza** and **Premium Point**; two A-class office buildings in Bucharest (Romania)
 - **Neptun Office Center**, a high-rise office building in Gdańsk (Poland)
 - **Sterlinga Business Center** in Łódź (Poland)
- GTC's last office completions further strengthen its position in Belgrade and secondary cities in Poland
 - **FortyOne II** in Belgrade (Serbia)
 - **University Business Park B** in Łódź (Poland)

Growth of the property portfolio through accelerated development; Currently 139,000 sq. m under construction with over 83,000 sq. m to be completed in 2017, 181,000 sq. m under development

- Construction of **FortyOne III**, a modern class A office building in Belgrade is progressing as planned with the opening scheduled for Q1 2017 (pre-leased at 70%)
- Construction of **Galeria Północna**, a modern shopping mall in Warsaw is progressing as planned with the opening scheduled for summer 2017 (tenants commitments for 82%)
- Construction of **Artico**, a modern A-class office building in Warsaw, according to the initial plan. Opening is scheduled for Q3 2017 (pre-leased at 100%)
- **White House**, a modern A-class office building, was launched in early 2017 after the completion of the pre-construction works and securing a significant pre-lease
- **Ada Mall**, a modern shopping center in Belgrade has commenced and is scheduled for completion in the second half of 2018
- **Budapest City Tower**, a modern A-class office building in Budapest, concept design is currently ongoing
- **Green Heart**, a modern A-class office building in Belgrade, concept design is completed and we commenced permitting process

Ongoing letting activity	<ul style="list-style-type: none"> ● Galeria Wilanów is in the building permit application procedure continues ● GTC X, a modern A-class office building in Belgrade, concept design is being prepared ● Avenue Park, a modern A-class office building in Zagreb is undergoing a design refreshment, building permit is expected soon ● Advanced Business Center, a modern A-class office building in Sofia is concept design is currently ongoing
Dividend of PLN 0.27 / share, 3.3% dividend yield	<ul style="list-style-type: none"> ● Further improvement of overall occupancy currently exceeding 94% ● During 2016 newly leased or renewed 144,000 sq. m of office and retail space, including prolongation of 13,000 sq. m of Romtelecom lease in City Gate, 12,200 sq. m of IBM lease in Korona Office Complex and 8,400 sq. m of Ericsson new lease in University Business Park B ● As part of our strategy, we are developing an income-generating portfolio through acquisition and development of income-generating assets. This leads to accretive FFO I and NAV growth that provides for growing dividend potential ● Dividend will be based on the availability of cash, the FFO I growth plans, capital expenditure requirements and planned acquisitions as well as the share of external financing in the Company's overall equity ● Results of achieved in 2016 allow us to recommend to distribute PLN 0.27 per share, which translates into 3.3% dividend yield ● We believe that implemented growth strategy will enable us to recommend a double-digit dividend growth in the years from 2017 onward

KEY FINANCIAL HIGHLIGHTS

Rental and service revenues	<ul style="list-style-type: none"> ● Increased to €114m in from €105m in 2015 Reflects mainly acquisition of Duna Tower, Pixel, Premium Plaza, Premium Point, Sterlinga Business Center and Neptun Office Center and completion of University Business Park B and FortyOne II
Net profit from revaluation and impairment	<ul style="list-style-type: none"> ● €85m in 2016 as compared to €26m in 2015 Reflects mainly progress in the construction of Galeria Północna, University Business Park B and Fortyone II&III as well as modest 3% profit from the revaluation of income generating portfolio mainly Galeria Jurajska, Duna Tower, Premium Point and Premium Plaza and Galleria Burgas following an improvement in their operating results.
Financial expenses	<ul style="list-style-type: none"> ● Decrease to €30m in 2016 from €33m in 2015 Resulting mainly from refinancing activity, and the repayment of more expensive loans. Reduction also supported by change in hedging strategy that allowed to benefit from a low EURIBOR environment and therefore resulted in a decrease in the average borrowing cost to 3.2% in 2016 from 3.4% in 2015
Taxation	<ul style="list-style-type: none"> ● Tax benefit amounted to €35m in 2016 Reflects reversal of temporary deferred tax differences related to intra-group loans and reduction of tax rate in Hungary and Croatia

Net profit	<ul style="list-style-type: none"> ● €160m 2016 compared to €44m in 2015
Funds From Operations (FFO I)	<ul style="list-style-type: none"> ● Increased to €43m in 2016 from €38m in 2015 as a consequence of improvement in the gross margin from rental activity and a decrease in interest and hedging expenses
Total property value	<ul style="list-style-type: none"> ● At €1,624m as of 31 December 2016 (€1,324m as of 31 December 2015) due to acquisitions, investment into assets under construction and revaluation gain
EPRA NAV / share	<ul style="list-style-type: none"> ● Up by 20% to PLN 8.62 in 2016 from PLN 7.21 in 2015 Corresponding to EPRA NAV of €897m compared to €779m
Financial liabilities	<ul style="list-style-type: none"> ● At €881m as of 31 December 2016 compared to €718m as of 31 December 2015 ● Weighted average debt maturity of 4.1 years and average cost of debt of 3.2% p.a. ● LTV at 43% on 31 December 2016 (39% on 31 December 2015) due to an increase in loans related to acquired properties, construction and refinancing ● Interest coverage at 3.5x on 31 December 2016 (3.0x on 31 December 2015) ● €62m of Euro denominated bonds and corporate loans raised in Q4 2016 and Q1 2017
Cash and cash equivalents	<ul style="list-style-type: none"> ● Decreased to €150m as of 31 December 2016 from €169m as of 31 December 2015 due to investment activities

	31 December 2016	31 December 2015
ASSETS		
Non-current assets		
Investment property	1,501,770	1,163,552
Investment property landbank	102,905	124,977
Residential landbank	13,761	26,773
Investment in associates and joint ventures	3,803	23,067
Property, plant and equipment	6,002	1,070
Deferred tax asset	1,075	647
Other non-current assets	353	639
	1,629,669	1,340,472
Assets held for sale	-	5,950
Current assets		
Residential inventory	5,355	3,161
Accounts receivables	5,363	5,505
Accrued income	767	1,655
VAT receivable	17,389	4,985
Income tax receivable	652	316
Prepayments and deferred expenses	2,558	1,323
Short-term deposits	27,925	26,711
Cash and cash equivalents	149,812	169,472
	209,821	213,128
TOTAL ASSETS	1,839,490	1,559,550

	31 December 2016	31 December 2015
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	10,410	10,410
Share premium	499,288	499,288
Capital reserve	(35,702)	(20,646)
Hedge reserve	(3,631)	(4,563)
Foreign currency translation	1,872	1,405
Accumulated profit	315,195	156,647
	787,432	642,541
Non-controlling interest	2,891	(21,339)
Total Equity	790,323	621,202
Non-current liabilities		
Long-term portion of long-term borrowing	739,031	658,744
Deposits from tenants	8,043	6,242
Long term payable	2,730	4,621
Provision for share based payment	2,046	1,152
Derivatives	2,778	2,755
Provision for deferred tax liability	98,237	133,455
	852,865	806,969
Current liabilities		
Investment and trade payables and provisions	36,739	28,774
Payables related to purchase of non-controlling interest	-	18,108
Current portion of long-term borrowing	153,902	80,368
VAT and other taxes payable	1,122	1,572
Income tax payable	530	363
Derivatives	2,553	2,194
Advances received from residential buyers	1,456	-
	196,302	131,379
TOTAL EQUITY AND LIABILITIES	1,839,490	1,559,550

	2016	2015
Revenue from rental activity	114,341	104,999
Residential revenue	5,960	12,364
Cost of rental activity	(27,890)	(26,462)
Residential costs	(5,065)	(10,871)
Gross margin from operations	87,346	80,030
Selling expenses	(3,236)	(2,721)
Administration expenses	(12,234)	(11,045)
Profit from revaluation/ impairment of assets	84,604	27,611
Impairment of residential projects	(53)	(1,389)
Other income	1,354	1,645
Other expenses	(2,996)	(2,430)
Profit/(Loss) from continuing operations before tax and finance income / expense	154,785	91,701
Foreign exchange differences gain/(loss), net	2,435	1,394
Finance income	1,324	3,849
Finance cost	(29,500)	(33,205)
Share of loss of associates and joint ventures	(4,474)	(8,163)
Profit/(loss) before tax	124,570	55,576
Taxation	35,005	(11,937)
Profit/(Loss) for the year	159,575	43,639
Attributable to:		
Equity holders of the Company	158,548	45,192
Non-controlling interest	1,027	(1,553)
Basic earnings per share (in Euro)	0.34	0.12

	Year ended 31 December 2016	Year ended 31 December 2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	124,570	55,576
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets and residential projects	(84,551)	(26,222)
Share of loss of associates and joint ventures	4,474	8,163
Loss (Profit) on disposal of asset	65	(1,014)
Foreign exchange differences loss/(gain), net	(2,434)	(1,394)
Finance income	(1,324)	(3,849)
Finance cost	29,500	33,205
Provision for share based payment loss/(profit)	894	863
Depreciation and amortization	468	509
Operating cash before working capital changes	71,662	65,837
Increase in accounts receivables and prepayments and other current assets	374	(1,340)
Decrease in residential inventory	2,303	10,263
Decrease/(increase) in advances received from residential	1,456	(545)
Increase in deposits from tenants	1,801	663
Increase/(decrease) in trade payables	(202)	966
Cash generated from operations	77,394	75,844
Tax paid in the period	(4,113)	(2,735)
Net cash from operating activities	73,281	73,109
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property	(93,259)	(33,519)
Purchase of completed assets and land	(139,646)	(53,080)
Sale of investment property	12,640	42,665
Sale of residential landbank and inventory	-	8,504
VAT/tax on purchase/sale of investment property	(8,900)	(4,571)
Sale of subsidiary	10,179	13,032
Purchase of subsidiary	(9,844)	(191)
Purchase of minority	(18,558)	(800)
Sale of associates and Joint ventures	3,947	-
Interest received	425	1,279
Liquidation of Joint Ventures	-	3,890
Loans granted to associates	(123)	(288)
Loans repayments from associates	11,349	244
Net cash used in investing activities	(231,790)	(22,835)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of shares	-	140,102
Share issuance expenses	-	(2,481)
Proceeds from long-term borrowings	273,517	62,947
Repayment of long-term borrowings	(103,193)	(137,970)
Repayment of hedge	-	(1,928)
Interest paid	(25,075)	(26,708)
Loans origination payment	(2,229)	(1,148)
Decrease/(Increase) in short term deposits	(2,214)	4,558
Net cash from /(used) in financing activities	140,806	37,372
Net foreign exchange difference	(1,957)	763
Net increase/ (Decrease) in cash and cash equivalents	(19,660)	88,409
Cash and cash equivalents at the beginning of the period	169,472	81,063
Cash and cash equivalents at the end of the period	149,812	169,472

The **GTC Group** is one of the leading real estate investors and developers in Central, Eastern and Southern Europe. Since 1994, the Group has been developing high standard, modern office and retail properties through CEE and SEE region. Today, GTC actively manages real estate portfolio of 36 commercial real estate projects providing approx. 596,000 sq. m of office and retail space to its highly demanding tenants and customer in Poland, Serbia, Hungary, Romania, Croatia and Bulgaria.

GTC S.A. is listed on Warsaw Stock Exchange and included in WIG30 index and on inward listed on Johannesburg Stock Exchange. The company's shares are also included in the international index: Dow Jones STOXX Eastern Europe 300 Index.

For further information:

Małgorzata Czaplicka

Globe Trade Centre S.A.

T.: +48 22 166 07 10

e-mail: mczaplicka@gtc.com.pl

Weronika Ukleja

Hill + Knowlton Strategies

M.: +48 601 278 855

e-mail: veronika.ukleja@hkstrategies.com