

GTC NOW ON THE GROWTH PATH

NOI MARGIN (YTD)	FFO (YTD)	TOTAL SHAREHOLDERS EQUITY	NET DEBT	NET LTV
75%	€28M	€454M	€613M	50%
+100bps	+30%	+6%	-12%	-400bps

Q3/9M 2015 HIGHLIGHTS

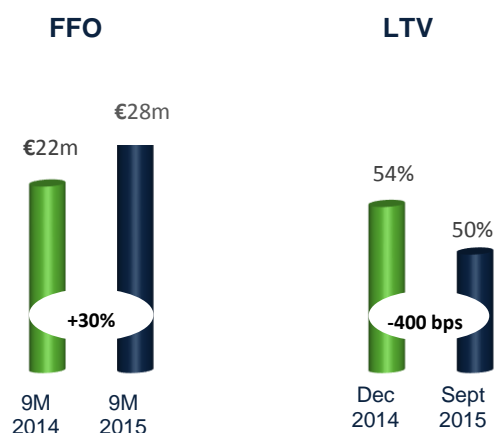
- After successful restructuring GTC focuses on growth
- Capital increase completed with 34% oversubscription
- NOI at €59m in 9M 2015 (€61m in 9M 2014); NOI margin at 75% in 9M 2015 (74% in 9M 2014)
- Stabilized value of commercial assets
- Significant decrease in financial expenses, net to €22m in 9M 2015 (€31m in 9M 2014)
- Profit before tax at €22m in 9M 2015 (loss of €59m in 9M 2014)
- FFO up to €28m in 9M 2015 (€22m in 9M 2014)
- Net debt down to €613m (€698m as of 31 Dec. 2014)
- Net LTV down to 50% (54% as of 31 Dec. 2014)
- Interest cover at 2.9x (2.1x as of 31 Dec. 2014)

OPERATING PERFORMANCE

Q3	Reported	V%
NOI	€19m	-5%
NOI margin	74%	-100bps
Profit before tax	€11m	+20%
YTD	Reported	V%
NOI	€59m	-3%
NOI margin	75%	+100 bps
Profit before tax	€22m	na
FFO	€28m	+30%
LTV	50%	-400 bps

PORTFOLIO UPDATE

- Total property at €1,232m; 82% income generating
- Average occupancy rate at 90%
- First phase of FortyOne office building in Belgrade completed (10,300 sqm)
- Almost 92,000 sq m of office and retail space under construction
 - Galeria Pólnocna in Warsaw (retail; 64,000 sq m)
 - University Business Park in Łódź (office; 19,600 sq m)
 - Second phase of FortyOne project in Belgrade (office; 8,000 sq m)



"The successful execution of the capital increase with proceeds of EUR 140 million now enables GTC to use its expertise in its core markets to realise growth through new developments and selective acquisitions." – **Thomas Kurzmann, GTC's CEO** said. "Over the past months we have successfully continued with the implementation of turnaround measures. In addition to the loan restructuring executed earlier this year, we continue to make significant progress in the disposal of non-core assets, but more importantly we focus on growth. The completion of the FortyOne office building in Belgrade represents the first milestone in the execution of our development pipeline – and there are more projects to come. With the commencement of Galeria Północna construction in Warsaw, one of GTC's prime shopping mall projects, University Business Park in Łódź or the second phase of the FortyOne project in Belgrade, we move full steam ahead with delivery of our development projects. Additionally, we remain focused on growth through acquisition of value add income producing properties and attractive land plots for future development projects across the CEE and SEE regions" – **Mr Kurzmann added.**

FINANCIAL HIGHLIGHTS

Total revenues were at the level of **€28m in Q3 2015** compared to €31m in Q3 2014 and at **€88m in 9M 2015** compared to €95m in 9M 2014, mostly due to disposal of Kazimierz Office Center and non-core assets, as well as slow down of residential sales due to significant decrease in the available inventory.

NOI was at the level of **€19m in Q3 2015** compared to €20m in Q3 2014 and **€59m in 9M 2015** compared to €61m in 9M 2014, mostly due to sale of Kazimierz Office Center and non-core assets. **NOI margin** remained stable at **75% in 9M 2015** compared to 74% in 9M 2014.

Gross profit from operations was at **€19m in Q3 2015** compared to €21m in Q3 2014 and **€60m in 9M 2015** compared to €61m in 9M 2014.

Administrative expenses, excluding provision for stock based program, remained unchanged at **€2m in Q3 2015** compared to €2m in Q3 2014 and declined to **€7m in 9M 2015** compared to €9m in 9M 2014, due to cost management.

Net Financial expenses decreased sharply to **€6m in Q3 2015** compared to €9m in Q3 2014 and to **€22m in 9M 2015** compared to €31m in 9M 2014 due to deleveraging activity and restructuring of loans

Profit before tax was at **€11m in Q3 2015** compared to €9m in Q2 2014 and at **€22m in 9M 2015** compared to a loss of €59m in 9M 2014.

There was no **tax provision Q3 2015** compared to €4m of tax in Q3 2014, as a result the tax provision went down to **€5m in 9M 2015** from €8m in 9M 2014.

Net profit of €11m in Q3 2015 compared to €5m in Q3 2014 and **net profit of €17m in 9M 2015** compared to a net loss of €67m in 9M 2014, due to improved operating results combined with no movement in the valuation of investment property and impairment of residential projects.

FFO up to €28m in 9M 2015 compared to €22m in 2014 mostly due to a significant decrease in interest and hedging expenses.

Value of the properties at **€1,232m as of 30 September 2015** compared to €1,293m as of 31 December 2014 due to the disposal of Kazimierz Office Centre. **82%** of total assets are income generating.

Total bank debt and financial liabilities down to **€714m as of 30 September 2015** from €811m as of 31 December 2014. The weighted average debt maturity was **3.7 years** and the average cost of debt is down to **3.6% p.a.**

Loan to value ratio was at the level of **50% as at 30 September 2015** compared to 54% as at 31 December 2014.

NAV (IFRS, before minority) per share stood at **€1.3 as at 30 September 2015** compared to €1.4 as at 31 December 2014.

Interest coverage was at **2.9x as at 30 September 2015** compared to 2.1x as at 31 December 2014.

KEY ACHIEVEMENTS

Completion of restructuring and focus on growth

Successful completion of capital increase

Completion of FortyOne office building in Belgrade (Serbia)

Almost 92,000 sq m of office and retail space under construction (Poland and Serbia)

Focus on growth

After successful completion of the restructuring process, it is now visible that GTC's portfolio is stabilized and provides a firm foundation for further growth. Its financing structure is solid with room to extend debt maturity and further improve financing cost. Optimized and efficient management structure is in place to manage and implement the new strategy. These features combined with the successful capital increase allow GTC to pursue its growth strategy and proceed with the acquisition and development activities according to its plan.

Successful completion of capital increase to fund acquisition and development program

Following the shareholders' consent, GTC issued 108,906,190 series K shares with pre-emptive rights at PLN 5.47 per share. The share offering was more than 34% oversubscribed. The proceeds from the share issue will fund the development of GTC's promising projects, including Galeria Wilanów in Warsaw, University Business Park in Łódź and the second phase of the FortyOne project in Belgrade. Acquisitions and development projects will enable GTC to further increase its real estate portfolio value and financial results. Additionally, GTC has carefully selected a number of potential acquisition targets that meet its investment criteria. The company plans to invest in properties with value-added potential that can be realized through its regional platform and asset management skills. The acquisition targets are located in Poland and capital cities in the CEE and SEE region. GTC plans to acquire assets in the office and retail sectors.

Completion of FortyOne office building (Belgrade, Serbia)

In October GTC officially opened the first building in its new office complex in Belgrade – FortyOne. The building of over 10,000 sq m has already reached 88% of occupancy.

Almost 92,000 sq m of office and retail space under construction (Poland and Serbia)

GTC returned to development path and has almost 92,000 sq m under construction in one prime retail project and two modern office projects. Following receipt of a building permit, GTC commenced construction of **Galeria Północna**, a 64,000 sq m modern shopping centre. The centre is located in the north-east part of Warsaw, and will attract customers from Białołęka and surrounding districts. As of today Galeria Północna is 36% pre-leased, has financing in place and its construction work progresses as planned.

Furthermore, GTC commenced the construction of **University Business Park** building II following pre-leasing of 9,000 sq m. The building is a modern, class A office complex of 19,600 sq m, situated in the centre of Łódź. The complex offers tenants flexibility and growth opportunities within one office park. The University Business Park features a restaurant, café and other amenities. The tenants will move in April 2016.

In Serbia, very good leasing results of **FortyOne** office project and an increasing interest from the tenants encouraged GTC to commence the development of the second phase of this project. The LEED Gold certified building, of over 8,000 sq m will be completed in the third quarter of 2016. The FortyOne project is one of the most modern office parks, comprising three buildings, in New Belgrade.

	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
ASSETS			
Non-current assets			
Investment property	1,197,658	1,325,318	1,221,319
Residential landbank	29,826	63,290	41,444
Investment in associates and joint ventures	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	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

	30 September 2015 (unaudited)	30 September 2014 (unaudited)	31 December 2014
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	7,849	7,849	7,849
Share premium	364,228	364,228	364,228
Capital reserve	(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	(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	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	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

	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	88,011	94,524	27,980	30,783	124,284
Cost of operations	(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	(7,536)	(6,233)	(2,597)	(1,141)	(8,781)
Loss from revaluation/ impairment of assets	(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 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)	0.05	(0.17)	0.03	0.01	(0.53)

	Nine-month period ended 30 September 2015 <u>(unaudited)</u>	Nine-month period ended 30 September 2014 <u>(unaudited)</u>	Year ended 31 December 2014
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 **GTC Group** is one of the leading commercial real estate companies in Central, Eastern and Southern Europe. Since 1994, the Group has been developing high standard, modern office and retail properties through CEE region. Today, GTC actively manages real estate portfolio of 33 commercial real estate projects providing approx. 613,000 sq m of office and retail space to its highly demanding tenants and customer in Poland, Serbia, Hungary, Romania, Croatia, Bulgaria, Slovakia and the Czech Republic.

GTC S.A. is listed on Warsaw Stock Exchange on WIG30 index. The company's shares are also included in the international indexes: Dow Jones STOXX Eastern Europe 300 index, GPR 250, which comprises the 250 largest and most liquid real estate companies of the world and the FTSE EPRA/NAREIT Emerging Index.

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