

STRONG GROWTH MOMENTUM

NOI	PROFIT BEFORE TAX	FFO	EPRA NAV	TOTAL PROPERTY
€65M	€71M	€33M	€837M	€1,544m
+10%	+220%	+14%	+8%	+17%

9M 2016 HIGHLIGHTS

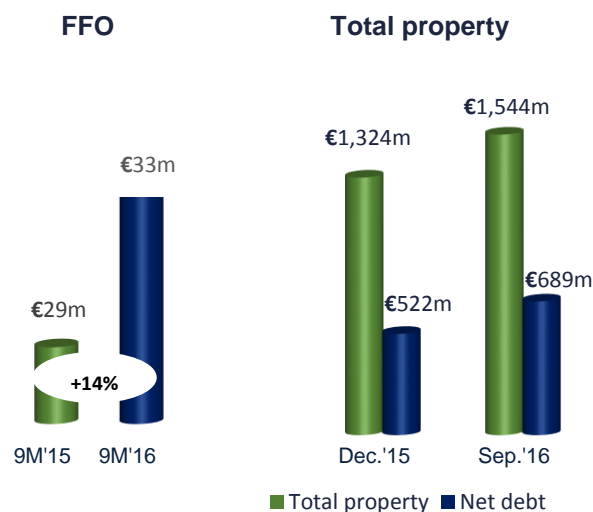
- NOI increased by 10% to €65m (€59m in 9M 2015)
- Revaluation gain of €39m (loss of €2m in 9M 2015) mainly driven by ongoing projects under construction
- Profit after tax of €107m (€17m in 9M 2015), positively impacted by successful merger of GTC SA with its Dutch entities
- 14% FFO improvement to €33m (€29m in 9M 2015)
- €175m of new project financing raised
- EPRA NAV increased by 8% to €837m (€779m as of 31 December 2015), corresponding to an EPRA NAV per share of € 1.82 [PLN 7.85] (€1.69 [PLN 7.29] as of 31 December 2015)

OPERATING PERFORMANCE

9M 2016	Reported	V%
NOI	€65m	+10%
Rental margin	76%	+100bps
EBITDA	€54m	+7%
Profit before tax	€71m	+220%
FFO	€33m	+14%
Total property	€1,544m	+17%
Net debt	€689m	+32%
Net LTV	45%	+600bps
EPRA NAV	€837m	+8%

PORTFOLIO UPDATE

- Total property value of €1,544m as of 30 September 2016 (€1,324m as of 31 December 2015)
- 16% growth in income generating portfolio to €1,222m (€1,052m as of 31 December 2015)
- Total investment volume of €221m (thereof €152m of acquisitions)
- Disposal of non-core standing assets successfully executed; ongoing land bank disposal; total sales of €29m in 9M 2016
- 106,000 sq. m NLA under construction in four projects with over 82,000 sq. m to be completed in 2017
- 160,000 sq. m in planning stage and another 39,000 sq. m in pre-planning stage
- 94,000 sq. m of new lettings and lease renewals for office and retail space
- Stable occupancy rate at 91%



"We are very pleased to report solid results for Q3 2016. Several new acquisitions of value accretive office buildings over the last 9 months have contributed to our NOI and will further boost results in the quarters to come. GTC has over 106,000 sq. m of office and retail GLA under construction. These projects will contribute significantly to the NAV growth in 2017. Additional 200,000 sq. m of retail and office developments at the planning stage, guarantee further growth over the next 3 years to come. With our strong cash position, we are ready for more acquisitions within our target markets." – **Thomas Kurzmann, GTC's CEO** said.

"We completed the disposal of non-core assets with negative cash flow stabilizing our asset base. A major simplification in the structure of our non-Polish holding structure combined with refinancing activities further decreasing interest cost increase significant the efficiency and profitability of our operations." – **commented Erez Boniel, GTC's CFO**.

KEY OPERATING ACHIEVEMENTS IN 9M 2016

Growth of the income generating portfolio through accelerated acquisitions and completions

- In 9M 2016 GTC increased its income generating portfolio by expanding the company's asset base by 16% to €1,222m through the investment of €152 million in value accretive office properties
- GTC's latest acquisitions 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) with 13,900 sq. m of leasable office

Growth of the property portfolio through accelerated development; Currently 106,000 sq. m under construction with over 82,000 to be completed in 2017, 160,000 sq. m in the planning stage and another 39,000 sq. m in the pre-planning stage

- Completion of University Business Park B, a modern A-class office building in Łódź
- Completion of FortyOne II, a modern A-class office building in Belgrade
- Construction of Galeria Północna progressing as planned with the opening scheduled for summer 2017 (pre-leased at 63%)
- Construction of FortyOne III progressing as planned with the opening scheduled for Q1 2017 (pre-leased at 70%)
- 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, is expected to be launched in early at the beginning of Q1 2017 after the completion of the pre-construction works
- Ada Mall, a modern shopping center in Belgrade, is in the permitting stage with building permit expected by the end of the year; commercialization has already started
- Budapest City Tower, a modern A-class office building in Budapest, concept design and all related works in order to obtain a building permit currently ongoing
- Green Heart, a modern A-class office building in Belgrade, concept design and zoning process have commenced
- Galeria Wilanów is in the building permit procedure
- "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 in place

Ongoing letting activity

- Further improvement of overall occupancy currently exceeding 91%
- During 9M 2016 newly leased or renewed 94,000 sq. m of office and retail space, including prolongation of 13,000 sq. m of Romtelecom lease in City Gate and 12,200

KEY FINANCIAL HIGHLIGHTS

Revenues	<ul style="list-style-type: none"> ● Rental and service revenues increased by €6m to €85m in 9M 2016 due to the acquisitions of Duna Tower, Pixel, Premium Plaza, Premium Point, Sterlinga Business Center and Neptun Office Center
Net profit from revaluation and impairment	<ul style="list-style-type: none"> ● €39m in 9M 2016 as compared to a loss of €2m in 9M 2015 ● Reflects progress in construction of Galeria Północna, University Business Park B and Fortyone II as well as profit from the revaluation of Galeria Jurajska and Galleria Burgas following an improvement in the respective operating results
Net financial expenses	<ul style="list-style-type: none"> ● Decrease to €20m in 9M 2016 from €22m in 9M 2015 mainly due to 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 9M 2016 from 3.4% 9M 2015
Taxation	<ul style="list-style-type: none"> ● Non-cash reversal of tax provision recognized at €36m in 9M 2016, resulting mainly from a merger of GTC S.A. with GTC Real Estate Investments Ukraine B.V. and GTC RH B.V. which reversed the temporary tax differences related to Euro denominated loans granted by GTC S.A. to GTC RH B.V.
Net profit	<ul style="list-style-type: none"> ● €107m in 9M 2016 compared to €17m in 9M 2015
Funds From Operations (FFO)	<ul style="list-style-type: none"> ● Increased to €33m in 9M 2016 from €29m in 9M 2015 as a consequence of the NOI improvement and a decrease in interest and hedging expenses
Total property value	<ul style="list-style-type: none"> ● At €1,544m as of 30 September 2016 (€1,324m as of 31 December 2015) due to acquisitions, investment into assets under construction and revaluation gain
EPRA NAV	<ul style="list-style-type: none"> ● Up by 8% to €837m in 9M 2016 from €779m in 2015 ● Corresponding to an EPRA NAV per share of €1.82 [PLN 7.85] compared to €1.69 [PLN 7.29]
Financial liabilities	<ul style="list-style-type: none"> ● At €827m as of 30 September 2016 compared to €717m as of 31 December 2015 ● Weighted average debt maturity of 3.9 years and average cost of debt of 3.2% p.a. ● LTV at 45% on 30 September 2016 (39% on 31 December 2015) due to increase in loans of €175m related to acquired properties, construction and refinancing ● Interest coverage at 3.6x on 30 September 2016 (3.0x on 31 December 2015)
Cash and cash equivalents	<ul style="list-style-type: none"> ● Decreased to €107m as of 30 September 2016 from €169m as of 31 December 2015, due to investment activities partially offset by an increase in loans ● €28.9m of euro-denominated bonds issued on the Polish market in November 2016

	30 September 2016 (unaudited)	31 December 2015 (audited)
ASSETS		
Non-current assets		
Investment property	1,394,059	1,163,732
Investment property landbank	119,354	124,797
Residential landbank	14,293	26,773
Investment in associates and joint ventures	4,845	23,067
Property, plant and equipment	5,794	1,070
Deferred tax asset	1,254	647
Other non-current assets	189	386
	1,539,788	1,340,472
Assets held for sale	11,959	5,950
Current assets		
Residential inventory	4,107	3,161
Accounts receivables	4,647	5,505
Receivables from sale of assets	2,743	-
Accrued income	566	1,655
VAT and other tax receivable	20,118	4,985
Income tax receivable	513	316
Prepayments and deferred expenses	2,511	1,323
Short-term deposits	31,075	26,711
Cash and cash equivalents	107,303	169,472
	173,583	213,128
TOTAL ASSETS	1,725,330	1,559,550

	30 September 2016 (unaudited)	31 December 2015 (audited)
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	(35,652)	(20,646)
Hedge reserve	(4,715)	(4,563)
Foreign currency translation reserve	1,647	1,405
Accumulated profit	263,317	156,647
	734,295	642,541
Non-controlling interest	1,809	(21,339)
Total Equity	736,104	621,202
Non-current liabilities		
Long-term portion of long-term loans and bonds	728,796	658,744
Deposits from tenants	8,124	6,242
Long term payable	2,669	4,621
Provision for share based payment	1,991	1,152
Derivatives	3,629	2,755
Provision for deferred tax liability	97,809	133,455
	843,018	806,969
Current liabilities		
Trade and other payables and provisions	29,391	28,774
Payables related to purchase of non-controlling interest	400	18,108
Current portion of long-term loans and bonds	104,438	80,368
VAT and other taxes payable	1,782	1,572
Income tax payable	490	363
Derivatives	2,519	2,194
Advances received from buyers	943	-
	139,963	131,379
Liabilities related to asset held for sale	6,245	-
TOTAL EQUITY AND LIABILITIES	1,725,330	1,559,550

	Nine-month period ended 30 September 2016	Three-month period ended 30 September 2016	Nine-month period ended 30 September 2015	Three-month period ended 30 September 2015
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues from rental activity	85,159	30,109	78,757	25,941
Residential revenue	5,306	1,530	9,254	2,039
Cost of rental activity	(20,533)	(7,260)	(19,772)	(6,694)
Residential costs	(4,383)	(1,430)	(8,615)	(1,816)
Gross margin from operations	65,549	22,949	59,624	19,470
Selling expenses	(2,304)	(907)	(1,840)	(610)
Administration expenses	(8,682)	(3,685)	(7,536)	(2,597)
Profit (Loss) from revaluation/ impairment of assets	37,921	13,854	(833)	(387)
Reversal of Impairment (impairment) of residential projects	1,464	1,464	(1,401)	(21)
Other income	1,126	357	1,497	97
Other expenses	(2,456)	(868)	(1,639)	(511)
Profit (loss) from continuing operations before tax and finance income / (expense)	92,618	33,164	47,872	15,441
Foreign exchange differences gain/ (loss), net	2,589	(547)	(224)	1,410
Finance income	1,242	81	2,885	968
Finance cost	(21,690)	(7,803)	(24,812)	(6,920)
Share of profit/(loss) of associates and joint ventures	(4,178)	(375)	(3,683)	(102)
Profit before tax	70,581	24,520	22,038	10,797
Taxation	36,031	46,885	(5,206)	(29)
Profit (loss) for the period	106,612	71,405	16,832	10,768
Attributable to:				
Equity holders of the Company	106,670	71,406	16,834	10,449
Non-controlling interest	(58)	(1)	(2)	319
Basic earnings per share (in Euro)	0.23	0.16	0.05	0.03

	Nine-month period ended 30 September 2016	Nine-month period ended 30 September 2015
	(unaudited)	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax	70,581	22,038
Adjustments for:		
Loss/(profit) from revaluation/impairment of assets	(39,385)	2,234
Share of loss (profit) of associates and joint ventures	4,178	3,683
Profit on disposal of assets	(5)	(1,039)
Foreign exchange differences loss/(gain), net	(2,589)	224
Finance income	(1,242)	(2,885)
Finance cost	21,690	24,812
Share based payment (income) / expenses	839	325
Depreciation and amortization	325	345
Operating cash before working capital changes	54,392	49,737
Increase in accounts receivables, prepayments and other current assets	723	(4,272)
Decrease in inventory and residential land bank	2,768	7,869
Increase/(decrease) in advances received	942	(317)
Increase in deposits from tenants	1,951	553
Decrease in trade and other payables	(1,492)	(230)
Cash generated from operations	59,284	53,340
Tax paid in the period	(3,183)	(2,118)
Net cash flows from operating activities	56,101	51,222
CASH FLOWS FROM INVESTING ACTIVITIES:		
Expenditure on investment property	(63,823)	(16,517)
Purchase of completed assets and land	(133,551)	-
Purchase of subsidiary	(5,601)	-
Sale of investment property	9,614	51,280
Selling of subsidiaries	4,800	6,386
Liquidation of joint venture	-	3,890
Purchase of minority	(18,108)	(800)
Sale of shares in associate	3,334	-
VAT/tax on purchase/sale of investment property	(10,145)	(4,034)
Interest received	319	888
Loans granted to associates	(123)	(38)
Loans repayments from associates	11,347	137
Net cash flows from/(used in) investing activities	(201,937)	41,192
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	174,116	22,023
Repayment of long-term borrowings	(67,572)	(104,474)
Repayment of hedge	-	(1,489)
Interest paid	(18,377)	(20,559)
Loans origination cost	(959)	-
Decrease/(increase) in blocked deposits	(4,408)	2,280
Net cash from/(used in) financing activities	82,800	(102,219)
Effect of foreign currency translation	867	936
Net increase / (decrease) in cash and cash equivalents	(62,169)	(8,869)
Cash and cash equivalents at the beginning of the period	169,472	81,063
Cash and cash equivalents at the end of the period	107,303	72,194

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 36 commercial real estate projects providing approx. 593,000 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 Johannesburg Stock Exchange. The company's shares are also included in the international index: Dow Jones STOXX Eastern Europe 300 Index.

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