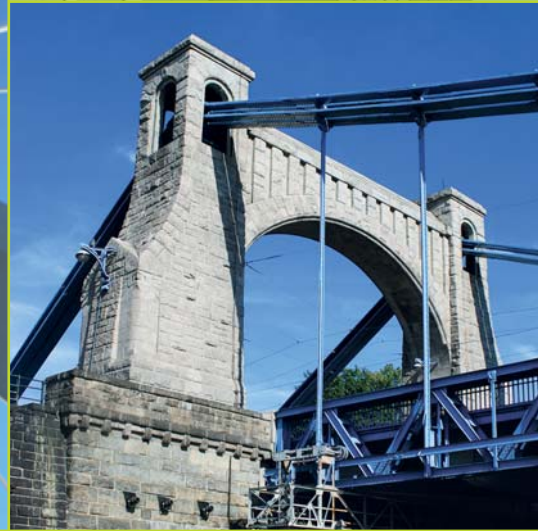


Driven by Knowledge



Take a look!

Wroclaw [vrotswav] is a dynamic cosmopolitan center at the forefront of change in the "new" Europe. As the capital of the province of Lower Silesia and Poland's fourth largest city, Wroclaw is a strong economic, scientific and cultural center. Why Wroclaw? Take a look!

Five key factors make Wroclaw a superb place to do business:

1. People – at its highly regarded universities the city educates approximately 140 000 students. Almost everybody speaks English and the majority speak at least one more foreign language. The inhabitants' potential and creativity make the city really unique. Moreover, Wroclaw's citizens are hard-working, ambitious, and open to change.

2. Knowledge Economy – according to ABSL* Wroclaw is the most dynamically developing in the business services sector in the years 2009–2011. The city is the largest R&D center in Poland. It shall also be underlined that Wroclaw can boast the biggest number of Knowledge Process Outsourcing investments in our country.

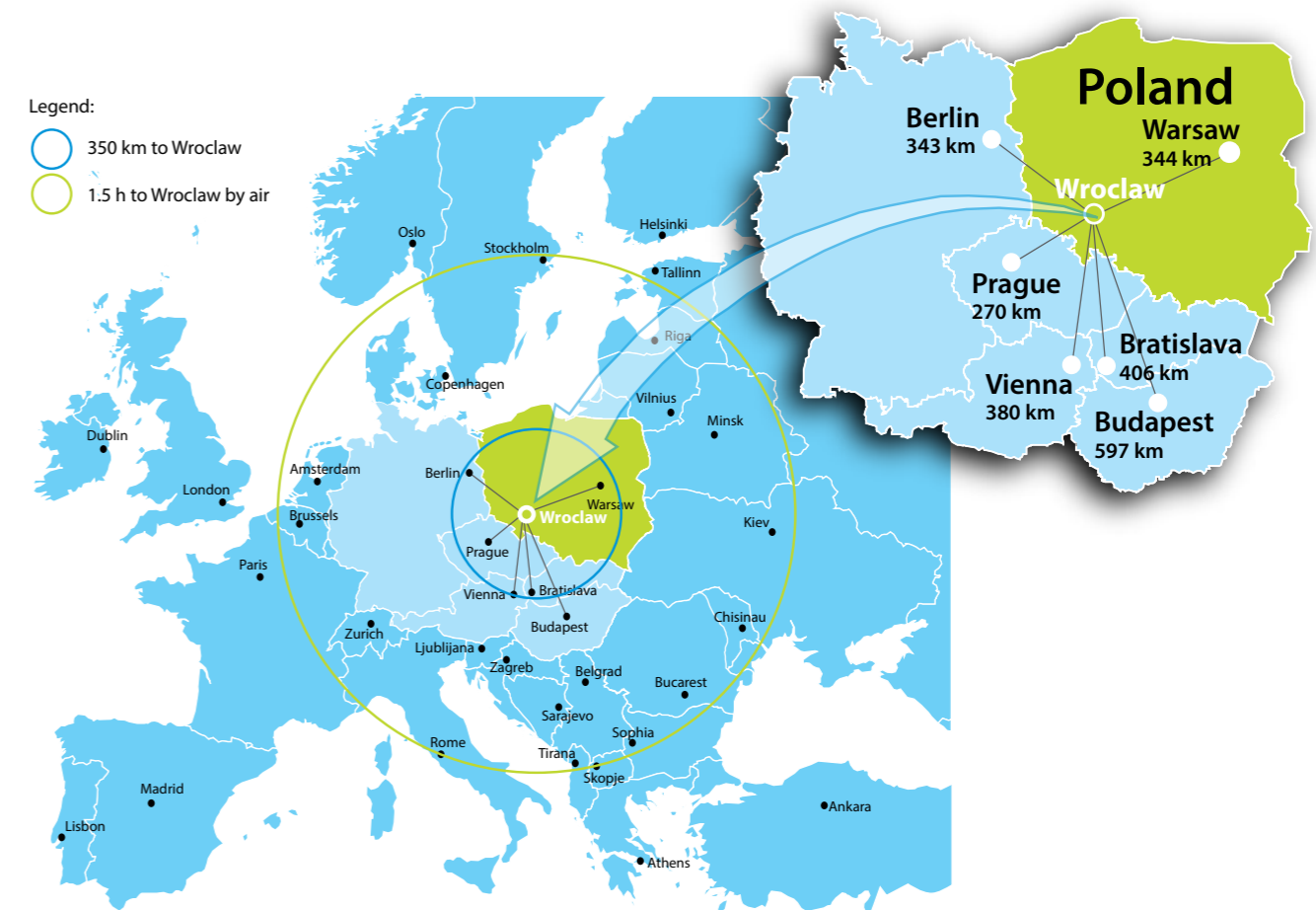
3. Quality of Life – Wroclaw has won the contest of hosting events of European Capital of Culture (ECC) in 2016. It is one of the most rapidly developing cultural centers on the cultural map of Poland and Europe. Wroclaw's multicultural past opens a dialog about the identity of the New Europe.

4. Location – situated strategically between Prague, Warsaw and Berlin, Wroclaw boasts a developed transportation infrastructure that connects the metropolis with the whole of the continent and beyond.

5. Support – Wroclaw was selected as the best city regarding co-operation between local authorities (and their subordinate entities) and service centers. What the city offers for an investor is a broad scope of assistance during an investment process. But what is most important, the contact with the companies is retained after their foundation in the form of post investment care.

Basic facts:

- Area:
 - Wroclaw: 293 km²
 - Wroclaw Agglomeration: 2,118 km²
 - Lower Silesia: 19,947 km²
- Population:
 - Wroclaw: 632 thousand
 - Wroclaw Agglomeration: approx. 1 million
 - Lower Silesia: approx. 3 million



* Association of Business Service Leaders in Poland

Poland: a Heaven for Investors

“Poland is sexy”, proclaimed Sławomir Majman, the head of the Polish Information and Foreign Investment Agency (PAIIZ).

Poland has overcome the crisis relatively unscathed and may now offer a product which has lately been in short supply all over Europe, namely economic stability.

The country's economic growth rate in 2012 was one of the highest out of EU's members. Today Poland is more attractive than it used to be before the crisis. It sends out many bright spots making it easy to see that Poland should be billed as the EU's leading emerging economy.

Investment Potential

- Poland will be the beneficiary of the highest amount of EU structural funds during the 2014-2020 budget period (EUR 105,8 billion)
- Poland grew by 2% in 2012, while the EU average was -0,3%
- Poland boasts 2nd place in Europe in terms of attractiveness for Foreign Direct Investment (E&Y European Attractiveness Survey 2012)
- Poland ranks as the third most attractive location for offshoring activities (The Hackett Group)
- Poland is named as the only mature BPO destination in Central and Eastern Europe (The Everest Group)
- Poland is the define leader with the respect to number of employees (approx. 100 000) in Business Service Sector in Central and Eastern Europe

Human Capital

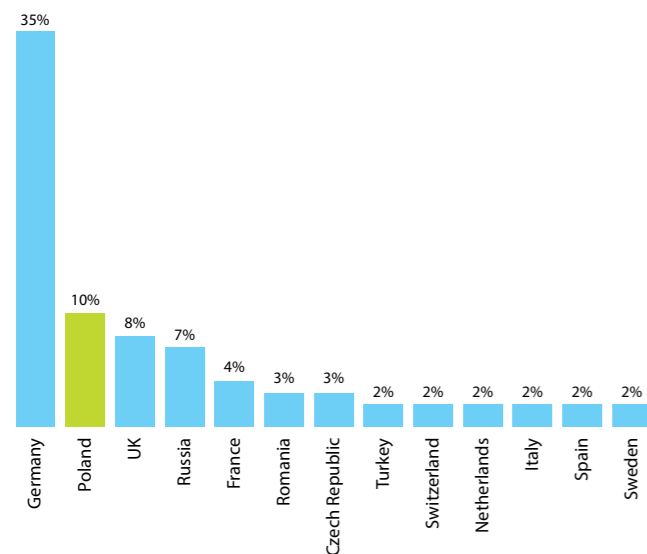
- Academic Hub: Poland accounts for 11% of all university students in the EU
- Over 2 million students enrolled in 470 universities & high education schools
- 11,4 million Poles are less than 25 years old
- Talent shortage problem in Poland does not exist: only 4% of employers have trouble filling vacancies

- Language proficiency – more than 90% of students speak foreign languages (according to the global survey of English language skills by EF Education First, Poland is ranked 10th out of 54 countries)
- Proud history of achievement in mathematics: Poland is definitely becoming an obvious choice for R&D centers in software development and computer science
- Poland offers one of the best quality/wage ratio

Forecasts

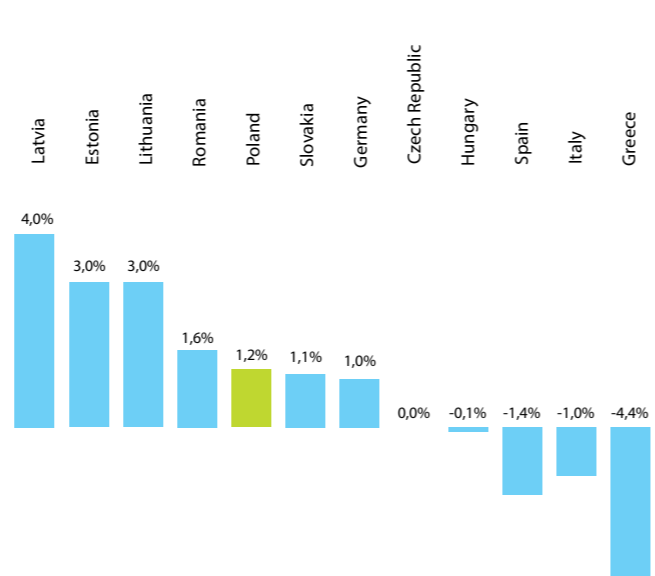
- Polish GDP assumed growth in 2013 is 1,2%, while the EU average is 0,1% (Eurostat),
- Polish GDP assumed growth in 2014 is 2,2%, while the EU average is 1,6% (Eurostat),
- By 2014, Poland will enter the ranking of the world's 20 largest economies
- Poland is also seen as the largest construction site in Europe due to its rapidly expanding infrastructure network of roads, airports, seaports and railway, which have massively improved its accessibility

What are the most attractive countries for FDI in the next 3 years?



Source: Ernst & Young, 2012 European Attractiveness Survey, 2012

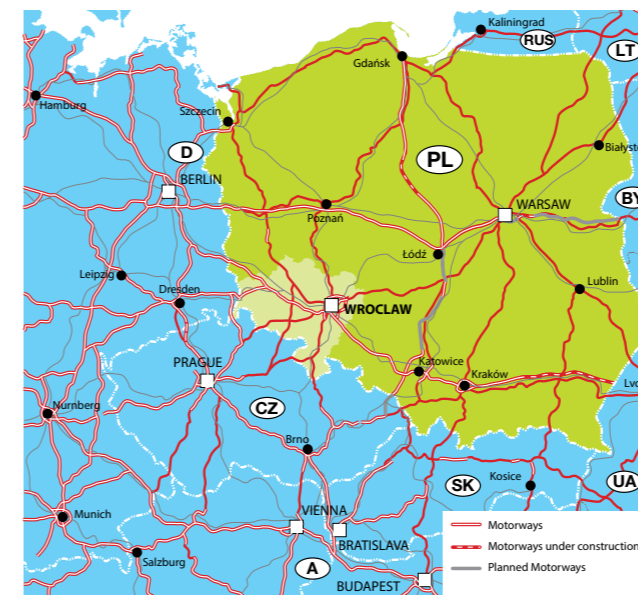
Forecast 2013 GDP in the chosen EU member states



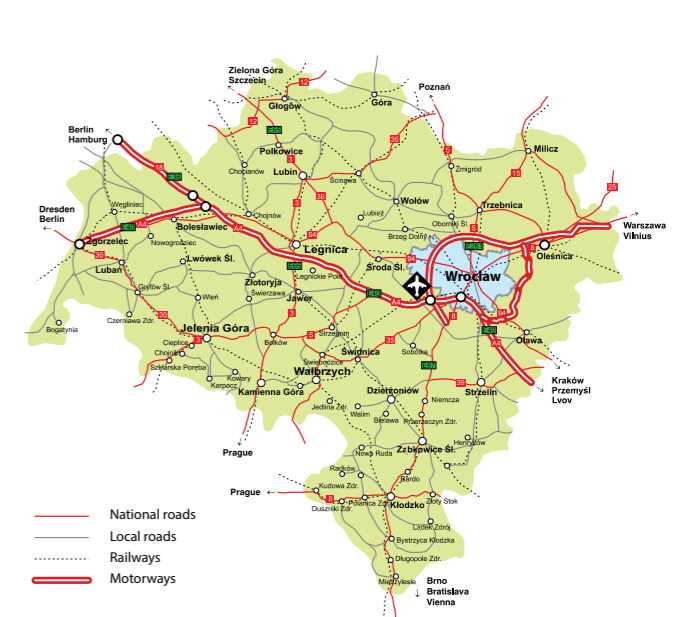
Source: The European Commission's European Economic Forecast – Autumn 2012

Connected

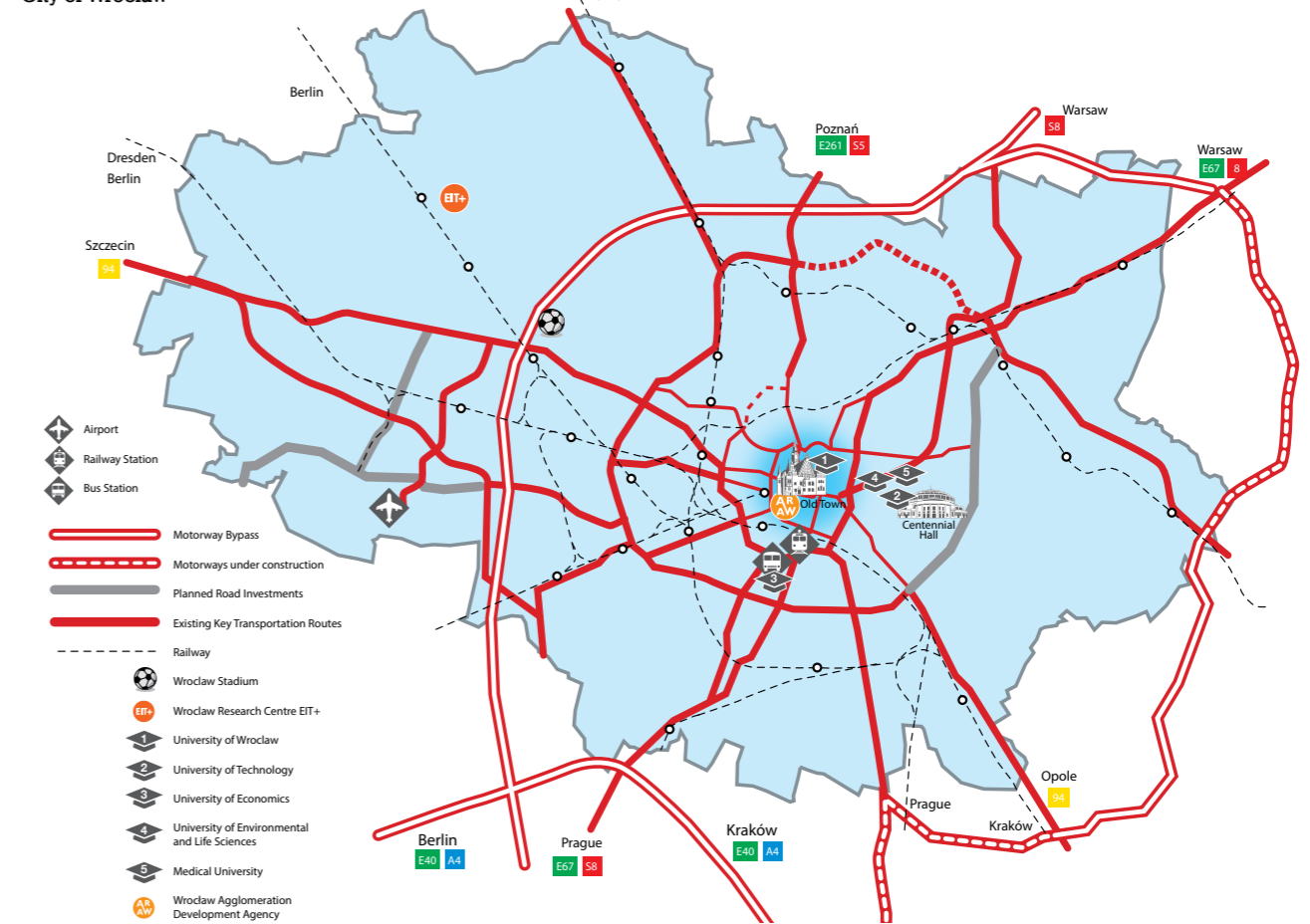
Poland



Lower Silesia Region



City of Wrocław



Infrastructure

Cities Served by the Wrocław Airport

Connections	
Destination	Flights per week
Alicante	2
Barcelona Girona	2
Bologna	2
Bournemouth	2
Bristol	2
Brussels Charleroi	2
Copenhagen	18
Cork	2
Chania (Crete)	2
Doncaster Sheffield	4
Dortmund	2
Dublin	8
Düsseldorf	6
East Midlands	4
Eindhoven	4
Frankfurt	20
Gdańsk	8
Glasgow Prestwick	3
Liverpool	3
London Luton	5
London Stansted	8
Malaga	2
Malmö	2
Malta	2
Milan Bergamo	2
Munich	27
Oslo Rygge	4
Oslo Torp	4
Paris Beauvais	2
Rome Ciampino	4
Shannon	2
Venice Treviso	2
Warsaw	44
Zadar	2
Rome Ciampino	2
Shannon	2
Venice Treviso	2
Warsaw	46
Zadar	2

Flights as of February 2013,
source: www.airport.wroclaw.pl



Wrocław International Airport

Air Transport

Wrocław Copernicus Airport (IATA: WRO), with its modern terminal opened in 2012, is located ten kilometers from the historic centre of the city. Like other regional airports in Poland, Copernicus has grown significantly over last years and continues to expand its services for international business travelers and tourists. In 2012, the airport served 2 million passengers, and this number constantly grows.

Wrocław Airport connects the city with major European transfer hubs (Frankfurt, Munich, Warsaw, Copenhagen) and with many other places in whole Europe.



Rędziński Bridge on the Wrocław Motorway Bypass – photo: Marcin Lenar

Commuting to Wrocław



Telecommunication

The expansion of telecommunication and IT infrastructure in Wrocław has been particularly dynamic. Investments carried out since the 1990's in the fiberoptic networks and digital teletransmission systems brought both the scope and standard of voice and data transmission services provided by the main telecommunication operators to the level of the most affluent West European countries.



Wrocław Motorway Bypass



Tram Plus

Railway

Wrocław Agglomeration railway network is undergoing modernization in order to provide the citizens with another possibility of commuting to the city center. Park&Ride systems are designed to encourage the car drivers to leave their vehicles and use public transport including the Tram Plus, which represents the intelligent public transport system. This relieves the traffic within the city and speeds up the time of getting to work.

Strong Diversified Economy

Major Manufacturing Investments in the Wroclaw Agglomeration

Investor	Country of Origin	Sector
3M	USA	Medical, Chemical
Asplex	Taiwan	Consumer Electronics
Autoliv	Sweden	Automotive
Bama	USA	Food Processing
BASF	Germany	Automotive
Bombardier	Canada	Mechanical
Bosch	Germany	Mechanical
Cadbury	UK	Food Processing
Cargill	USA	Food Processing
Colgate-Palmolive	USA	Consumer Products
Dong Yang	Korea	Consumer Electronics
Dongseo	Korea	Consumer Electronics
Eika	Spain	Electrical
Electrolux	Sweden	White Goods
Eto Magnetic	Germany	Automotive
FagorMastercook	Spain	White Goods
Faurecia	France	Automotive
Foundation Brakes	USA	Automotive
Hamilton Sundstrand	USA	Mechanical
Heesung	Korea	Consumer Electronics
LG Chem	Korea	Chemical
LG Display	Korea	Consumer Electronics
LG Electronics	Korea	Consumer Electronics, White Goods
LG Innotek	Korea	Consumer Electronics
Linde Gaz	Germany	Chemical
MacoPharma	USA	Pharmaceutical
MSI	Taiwan	Consumer Electronics
Parker Hannifin	USA	Mechanical
PCC AG	Germany	Chemical
Pittsburgh Glass Works	USA	Automotive
PPG	USA	Chemical
Remy International	USA	Automotive
Sauer-Danfoss	Denmark	Mechanical
Sitech	Germany	Automotive
Sonoco	USA	Packaging
Starion	Korea	Consumer Electronics
Sumitomo Chemical	Japan	Automotive
Tabiplast	Spain	White Goods
TJX	USA	Logistics
Toshiba	Japan	Consumer Electronics
Toyota	Japan	Automotive
TPV Electronics	Taiwan	Consumer Electronics
Volvo	Sweden	Automotive
Wabco	USA	Automotive
Walki	Finland	Paper Industry
Whirlpool	USA	White Goods

Knowledge-based Investments in Wroclaw

Company	Country of Origin	Description
ACN	USA	BPO (contact centre)
Atos	Germany	R&D IT
Becton Dickinson	USA	BPO (HR)
BNY Mellon	USA	BPO (F&A)
Capgemini	France	IT
Catlin	UK	BPO (F&A)
Credit Suisse	Switzerland	BPO (F&A, HR), R&D
Crisil Irevna	India	KPO
Diehl Controls	Germany	R&D
Dolby	USA	R&D
Ernst & Young	USA	BPO (F&A)
Espotel	Finland	R&D
FagorMastercook	Spain	R&D
Geoban	Spain	BPO (F&A)
Google	USA	BPO (marketing)
Hamilton Sundstrand	USA	R&D
HP	USA	BPO, KPO
IBM	USA	IT
Infusion	USA	IT
Luxoft	Russia	IT
McKinsey & Company	USA	KPO
Mphasis	India	BPO (F&A, HR)
Nokia Siemens Networks	Finland/Germany	R&D
Opera Software ASA	Norway	R&D
QAD	USA	R&D
Qatar Airways	Qatar	BPO (contact centre)
Qiagen	Germany	BPO (F&A)
Parker Hannifin	USA	BPO (F&A)
PPG	USA	R&D
Redknee	Canada	R&D IT
Ruukki	Finland	BPO (F&A)
Siemens	Germany	R&D
Tieto	Finland/Sweden	R&D IT
UPS	USA	BPO (F&A)
Viessmann	Germany	R&D
Volvo	Sweden	BPO (F&A), IT
Wabco	USA	R&D
Whirlpool	USA	R&D

Driving Forces

IT Technologies

World-wide known IT leaders such as **Atos, Dolby, Capgemini, IBM, Nokia Siemens Networks, Opera Software, Siemens, Tieto** and **Volvo**, have transformed southwest Poland into an IT hub. Advanced software design is also the area of actions of home-grown Polish software leaders such as **PGS Software, REC Global, SMT, Sygnity, Teta** or **Yuma**, who are enjoying increasing prestige in the international arena.

R&D, KPO and BPO Centers

Today the key priority is to attract investments that will create a **knowledge based economy**. According to the Association of Business Service Leaders in Poland (www.absl.pl) Wroclaw specializes in R&D centers (including software developers). Famous brands that are already in Wroclaw are **BNY Mellon, Credit Suisse, Crisil Irevna, Ernst & Young Global Services, Geoban, Google, HP, McKinsey&Company, Qatar Airways** and **UPS**.

Financial Services

Wroclaw ranks second only to Warsaw as a **financial services center**. Five nationwide banks have established their headquarters here: **BZ WBK (Santander Group), Credit Agricole, Eurobank (Societe Generale), Getin Holding, Santander Consumer Bank**. The following financial services companies also have their headquarters in Wroclaw: **EFL, Kaczmarek Inkasso, Kruk, Ultimo** and **VB Leasing**.

Hi-Tech Electronics

In 2005 the South Korean Company **LG Philips LCD** (today **LG Display**) along with the suppliers created a major cutting-edge production complex just south of Wroclaw. The facility that produces liquid-crystal display (LCD TFT) modules for televisions was the first of its kind in Europe (over **€780 million** invested). Such companies as **Toshiba, ETO Magnetic**, and **TPV Displays** have also chosen Wroclaw Agglomeration as the right venture for development.

Automotive Industry

Wroclaw is the European bus manufacturing center for **Volvo** and it is also home to **Volvo's global production center for backhoe loaders**. Toyota investments in Lower Silesia have made the region a major world hub for the production of automotive components. Also, **Volkswagen** has been manufacturing engines for several years in Polkowice near Wroclaw. Industry partners such as **Autoliv, Bosch, Faurecia, GKN, Metzeler, NSK, Pittsburgh Glass Works, Sumitomo Chemical, Wabco** and very recently **BASF** have set up their facilities in the Wroclaw Agglomeration.

Success Stories

Volvo started its activity in Wroclaw in 1995 with a simple assembling. After a few years the factory in Wroclaw had become Volvo's largest European plant manufacturing buses. Moreover, an R&D center was created on-site. The factory in Wroclaw is the only plant of Volvo Construction Equipment which produces compact construction equipment such as Volvo backhoe-loaders. They are sold to customers all over the world. The Swedish company has also developed an IT and Business Services CE Centers in Wroclaw. The number of Volvo employees is constantly rising.

Household Appliances

Lower Silesia has become a **major European household goods production center**. **Whirlpool** produces washing machines, refrigerators and dishwashers. **FagorMastercook** operates cookers, gas hobs, refrigerators, washing machines factories. Sweden's **Electrolux** manufactures cookers, dishwashers and washing machines in Żary, Olawa and Świdnica. **LG Electronics** produces washing machines and two-door refrigerators. **FagorMastercook, Diehl Controls** and **Whirlpool** have established their R&D centers, making Lower Silesia region a major European household goods production center and knowledge cluster.

Life Sciences

The emergence of several important biotechnology companies is closely connected with the **rapidly developing R&D infrastructure** in the medical, pharmaceutical, food and IT areas. **Wroclaw Research Center EIT+** and the **Wroclaw Technology Park** have proven suitable partners for companies operating in this sector. Major investors include: **3M, Hasco-Lek, Herbapol, MacoPharma** and **US Pharmacia**.

Multimedia Hub

Wroclaw boasts game development studios as well as producers of digital animations and special effects. Companies such as **Can't Stop Games, Techland, Tequila Mobile** and **Xantus** have a proven track record in designing, developing and delivering world-class quality titles for the most demanding publishers, applications and mobile operators. Wroclaw is also home to **ATM System** that serves as the integrator of the entire technical infrastructure for **ATM Grupa SA** and other companies. ATM System offers state-of-the-art technology, equipment, logistic services and professional staff.



Hasco-Lek Headquarters in Wroclaw

Selena Group was founded in 1992 as one of the first Polish companies to offer modern construction chemicals: polyurethane mounting foams and silicone sealants. At present the company is a globally-operating holding which manufactures and distributes construction chemicals for both professionals and individual users. The Group comprises of 30 companies in 18 countries, and operates manufacturing plants in Poland, Spain, China, South Korea, Brazil, USA and Turkey. Selena distributes its products in more than 70 countries worldwide and is the world's fourth largest manufacturer of PU foam used for door and window installation.

Business Maturity

The Capital of New Media

Over the past decade knowledge and culture of innovation have been the major drivers of the city of Wroclaw economy. The city ranks high in most reports concerning talents, quality of life and creative skills.

Given the European Capital of Culture 2016 title awarded to Wroclaw, late 2011 Wroclaw Agglomeration Development Agency founded Creativro, the first Polish cluster of multimedia leaders in computer games, digital animation, interactive entertainment and mobile applications development. The city aims then at showcasing its companies and building connections with strategic international decision-makers to build their reputation as leaders in creative industries and communicate culture through the most cutting-edge IT tools.

Its founders and members are world-class companies like the animation studio **Xantus**, **Can't Stop Games**, **JOJO Mobile Polska SA**, Poland's leader in multitouch and kinetic technologies **Aduma** and the **University of Lower Silesia**, which boasts its own multimedia studio.

Throughout 2012 we have organized and supported a number of events dedicated to attitudes inspiring entrepreneurship and careers offering the best prospects for the future. Thanks to the tight relations of Creativro companies with the latest technologies the project is expected to support cross-industrial collaborations, provide ideas for content-based innovative products and services as well as to create an environment conducive to innovation that further attracts creative talents, new investors and visitors. The ultimate goal is to turn Wroclaw into Poland's capital of new media and its creative class into companies capable of outperforming their international rivals.

For further information please visit www.creativro.pl.



Polish Economy is Becoming International

The Polish Champion programme is carried out on behalf of Wroclaw by the Wroclaw Agglomeration Development Agency in cooperation with the Ministry of Economy, Polish Information & Foreign Investment Agency and PWC.

Our economy is becoming international as a result of two trends – the acquisition of complex foreign investment projects as well as the expansion of local companies onto markets worldwide. Both these trends are material for placing Wroclaw in the world network of economic relations.

For years now, the capital of Lower Silesia has effectively attracted foreign investments – Wroclaw houses the Polish centres of companies such as Google, IBM, HP, Nokia Siemens Networks or McKinsey & Company. It is time for our companies, already successful on other markets, to be purposely supported in their further development.

Businesses participating in the Polish Champion programme have to be at least of a multilocal character in Europe and established global strategy. In the programme there are 11 Wroclaw-based companies enrolled: **AB, Clarena, Hasco-Lek, Koelner, Kruk, Impel, REC Global, Selena, TelForceOne, Toya and Xantus**.

Areas that the programme is aimed to support, where declared crucial by all the participants. First set of these strategic matters was selected at a series of seminars – they all evolve around the human resources, promotion, research and development. On the grounds of first experiences, we have created a platform of communication that continuously allows for new ideas of projects supporting development of Wroclaw's economy.

From the City's point of view the purpose of this project is to have a couple of global companies around in ten years time. Such fact will significantly stabilize the economy and its innovative potential. It will also enable a higher circulation of capital in the SME (small and medium-sized enterprises) sector.

COMPANIES
WITH GLOBAL
PERSPECTIVES

POLISH BUSINESS SUPPORT PROGRAMME

polishchampion.pl



Wroclaw Innovation Strategy

Local Response to European Policy

The European Union is currently implementing a pro-innovation strategy aimed at modernizing the continent. Wroclaw was quick to respond to the European policy challenge put out in 2005. That same year the city launched, in close cooperation with the academic community, its own broad initiative to boost not only Wroclaw's, but the entire region's, long-term competitiveness by stimulating development through research and innovation.

Wroclaw Research Center EIT+



The Wroclaw Research Center EIT+ is a company integrating the scientific-research potential of the Lower Silesian academic environment. The shareholders of the Company are the biggest Wroclaw universities and self-governments of Wroclaw and Lower Silesia.

Research areas:

- Nanotechnologies
- Biotechnology and Medicine
- Climate
- Information and Communication Technology

EU Funds received by the Wroclaw Research Center EIT+ for the realization of its projects: **EUR 200 mln.**

www.eitplus.pl

Wroclaw Academic Hub



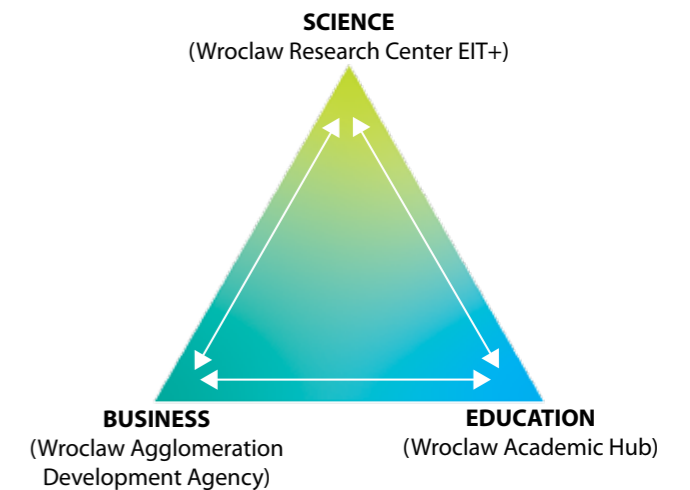
Wroclaw Academic Hub (WAH) is a venture of Wroclaw Municipality and the first initiative of this kind in Poland. It is a **cooperation platform** for **local government** and **academic environment** in Wroclaw. Its goal is to support activities which foster development of science and university education in the city.

The purpose of Wroclaw Academic Hub is to watch over constant and effective cooperation between university schools and city authorities. Together we conduct projects intending to **boost scientific development of the city**, which means **attracting scientists, researchers and gifted youth to Wroclaw** as well as gathering information about science and research accomplishments in the world. This data concerns both local and world research units.

Facilitation of cross-sectoral communication and reinforcement of cooperation became the key factors behind creating **Institutional Support System**, which incorporates Wroclaw Agglomeration Development Agency, Wroclaw Research Center EIT+ and Wroclaw Academic Hub.

www.wca.wroc.pl

Institutional Support System



Human Resources

Strong Industrial Roots

Competency levels in business also derive from industrial tradition. The accumulation of social capital in Wrocław and its environs is the outcome of a longer continuum of forward-looking industry. Companies operating today in Wrocław Agglomeration benefit from a technology-oriented society where a strong work-based culture ensures ripe conditions for generating innovations.

Traditional Industry Meets the New Economy

There has been a striking transition in the region for years renowned for its strong industrial roots and extensively-developed traditional sectors, which today boasts a thriving economy benchmarked with innovation, knowledge and a growing number of R&D centers. With the technology parks, special economic zones, industrial parks and impressive local institutional support network, the Wrocław Agglomeration has successfully built technologically advanced industry reinforced by information society.

Culture of Experiment and Innovation

Having a great respect for its heritage, Wrocław offers a unique atmosphere of openness and experimentation that fuels the region's innovative economy. The local courage to experiment is perfectly illustrated by the impressive number of eleven Nobel Prize winners and today's outstanding achievements of the region's academic circles that have earned them renown.

Higher Education

The city boasts itself with a rich academic history that has continued for over three centuries. : With 35,300 graduates in 2011, 11 public and almost 20 private universities Wrocław is a leading academic center in Poland.



University of Wrocław

Major Universities		
University	Number of students	Number of graduates
University of Wrocław	31,500	8,600
University of Technology	33,700	6,900
University of Economics	16,100	3,900
University of Environmental and Life Sciences	10,800	2,300
Medical University	5,600	1,500
Others	39,700	12,100
Total	137,400	35,300

Major Fields of Education		
Field	Number of students	Number of graduates
Finance and accounting	14,500	4,400
IT	13,600	3,300
Engineering	16,000	3,200
Philologies: English, German, Spanish, Italian, Dutch, Russian, Ukrainian, Czech, French, Indian	6,500	1,600

Data as of November 2011. Source: Statistical Office

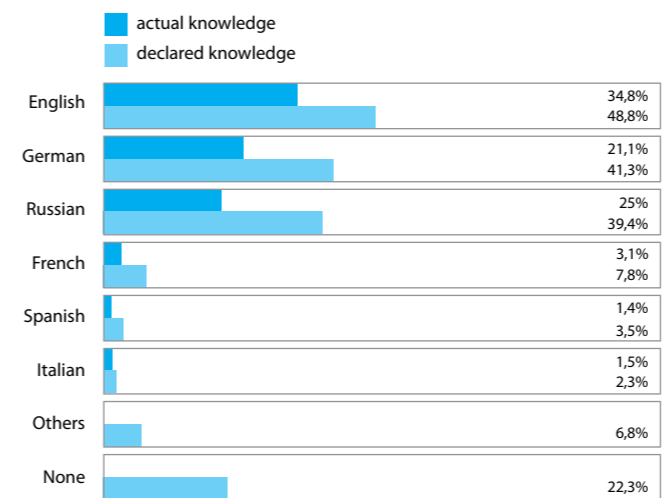


Wrocław University of Technology

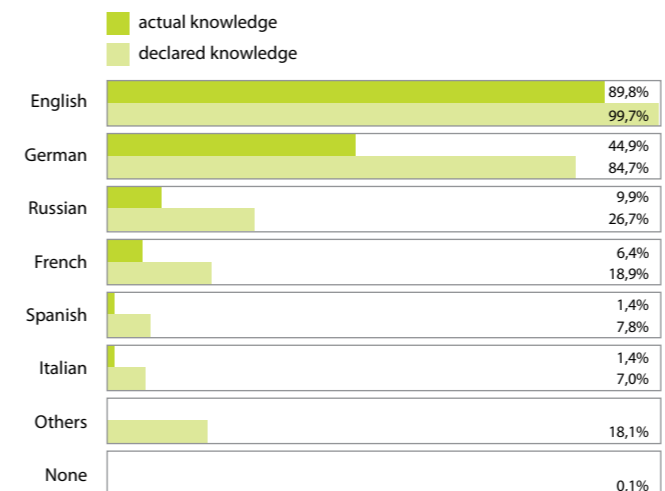
Knowledge of Foreign Languages

The Municipality of Wrocław commissioned an extensive survey to assess the degree to which Wrocław citizens command foreign languages. The results of the research, carried out by the Pentor Institute, are based on a pool of 1,000 respondents. Here we present the results of that survey.

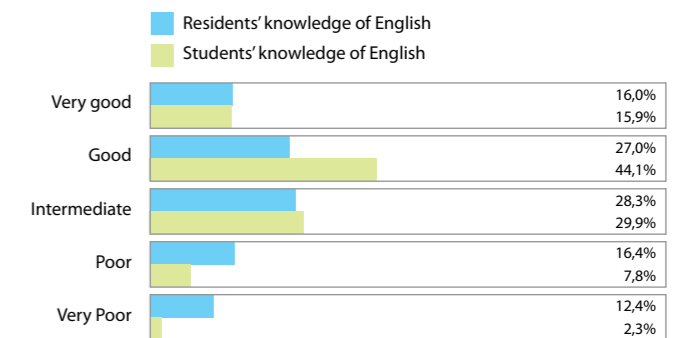
Knowledge of foreign languages among Wrocław Residents



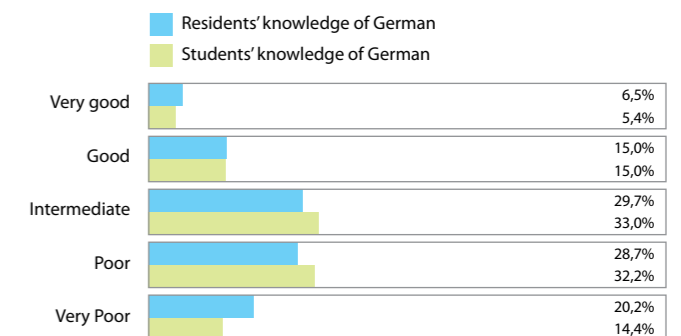
Knowledge of foreign languages among Wrocław Students



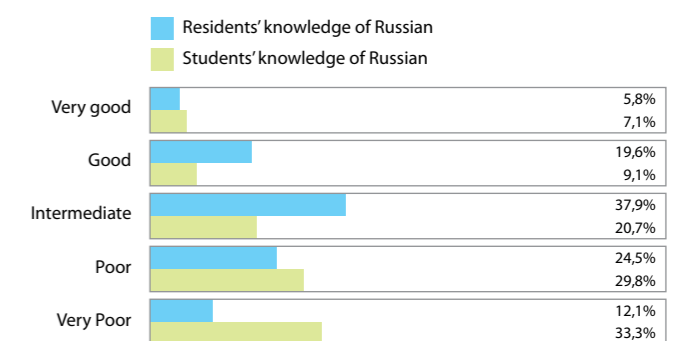
Residents' and Students' knowledge of English



Residents' and Students' knowledge of German



Residents' and Students' knowledge of Russian



Cost of Running a Business

Labour Costs

Minimum wage 4571 euro/annum
(as of year 2013)
National average salary 10 060 euro/annum
(as of year 2012)

EUR 1 = PLN 4,2

Basic information

Working week – 5 days
Number of working hours per week – 40
Number of public (state) holidays – 13
Overtime – no more than 150 hours per person per year

Vacation days

If less than 10 years of working experience* – 20
If more than 10 years of working experience* – 26

*college degree counts as 8 years of working experience

Notice period**, if employed with the same employer

Employed less than 6 months – 2 weeks notice
Employed between 6 months and 3 years – 1 month notice
Employed over 3 years – 3 months notice

**for unlimited time labor contracts



Information Technology

Role	Salary €/annum
Technical Support	10,000-14,300
Technical Support Team Leader	14,300-21,400
Systems Architect	25,700-34,300
Java or .NET Developer (0-2 yrs experience)	10,000-16,300
Java or .NET Developer (3-4 yrs experience)	20,000-25,100
IT Director (5-7 yrs generalist experience)	27,200-43,600

Accounting

Role	Salary €/annum
Accounting Clerk	8,000-10,000
Accounting Specialist (1-2 yrs experience)	9,100-10,600
Accounting Specialist (3-4 yrs experience)	10,900-15,700
Team Leader	20,000-28,600

Production

Role	Salary €/annum
Blue-collar	5,100-8,000
Shift Leader	8,000-11,400
Forklift Operator	6,900-11,400

Other popular roles

Role	Salary €/annum
General Manager (SSC)	57,100-100,000
Assistant to CEO	11,400-20,000
IT Director (5-7 yrs Generalist experience)	31,400-54,300
HR Director (5-7 yrs Generalist experience)	34,300-45,700
HR Manager (3-5 years Generalist experience)	20,000-31,400
HR Specialist (2-4 yrs Specialist experience)	10,000-15,700
Front-desk Assistant	6,300-8,600
Finance Director (5-7 yrs Generalist experience)	40,000-57,100
Controlling Specialist (2-4 yrs Specialist experience)	12,900-20,000

Data as of March 2013 in EUR per annum, EUR/PLN rate = 4,2
Source: HRK SA

Components of Social Security Insurance

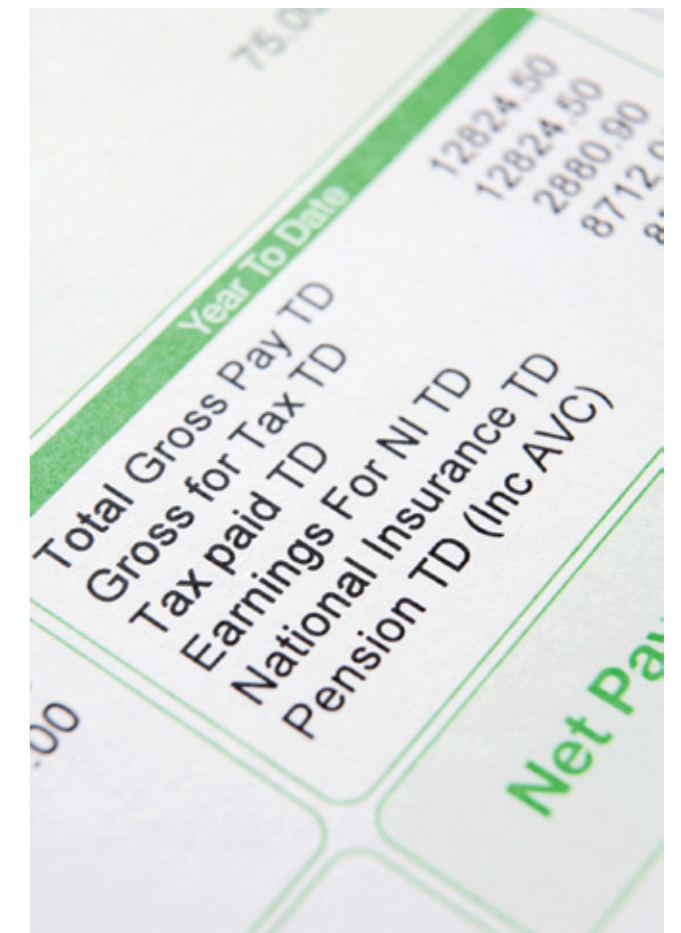
Type of Insurance	Contribution Rate (% of remuneration)	Breakdown of Rate	
		Employer	Employee
Retirement	19,52%	9,76%	9,76%
Disability	6%	4,50%	1,50%
Accident	0,67% to 3,6% depending on occupational risk in a given industry	0,67%-3,6%	-
Sickness	2,45%	-	2,45%
Additional Contributions			
Labour Fund	2,45%	2,45%	-
Guaranteed Employee Benefit Fund	0,10%	0,10%	-

Polish Tax System

Main Taxes	Rates/Comments
PIT – Personal Income Tax	18%, 32% 19% – flat tax for entrepreneurs
CIT – Corporate Income Tax	19%
VAT – Value Added Tax (on goods and services)	23% – basic rate 8%, 5%, 0% – charge on some products and services
Stamp duty	These fees are not high, but mandatory with certain types of contracts, certificates or official documents.

Sample Prices in Wroclaw

Utility	Unit	Price (€)
Water and Sewage	m ³	2
Fixed Phone	1 minute	0,03-0,2
Garbage Disposal	m ³	8
Electricity	1 kWh	0.9
Internet Access 10 Mb/s	monthly fee	14
Gas	m ³	0.2



Quality of Life – The Added Value

Cultural Appeal

An added treat to doing business in Wroclaw is the city's sophisticated cultural life and around-the-clock social scene. For more than half of the century, Wroclaw has forged an international reputation for its lively cultural events, such as T-Mobile International Film Festival International, Dialog International Theatre Festival, Wratislavia Cantans or Brave Festival. In 2016 Wroclaw will hold the title of European Capital of Culture (together with the Spanish city San Sebastian).



Wroclaw conducts several cultural investments. Currently under construction are the National Forum of Music and the Capitol Music Theatre.



National Forum of Music

The existence of dynamic companies along with a large pool of young professionals and students has kept up the demand for high quality cultural and recreational activities. Hundreds of restaurants, pubs and clubs, numerous theatres and cinemas as well as countless fine and hip art galleries located within the vicinity of the Market Square all contribute to the richness of the city's leisure time offer.

The Active Life

Facilities exist for the pursuit of virtually all sports in and around Wroclaw. Fans of golf can take advantage of three professional golf courses in Wroclaw and its immediate environs. Swimming pools and fitness clubs are available in most neighbourhoods across the city. Today Wroclaw is also home to one of the largest water parks in Europe, which includes a wide range of pools and a full-service health spa. One of the most important investments into sport infrastructure is the new Municipal Stadium built for the needs UEFA EURO 2012 European Football Championship, and further sport facilities are planned in the framework of 2017 World Games hosted in Wroclaw.



Municipal Stadium – photo: Marek Przybylo Wroclaw Aeroclub

Explore the Region

One of the lures of life in Wroclaw is the easy access the city offers to the historic sites and unspoiled nature of the surrounding province of Lower Silesia. Whether you want to pop out of town for an evening meal and a drive through the countryside, or pack up and spend a weekend away from home with the family without getting on a plane, Lower Silesia offers everything from rugged mountains to clean lakes; from castles and monasteries to swank spas and health resorts. All year round the beautiful Sudety Mountains, reachable in 1.5 hours by car, tempt lovers of hiking, biking, skiing, rock climbing and paragliding from across Poland and around the world.

A Sense of Community

International Friends of Wroclaw serves as an informal social club and support network for international families living and working in Wroclaw. Club members meet and socialize regularly in spacious premises located on the Market Square provided by the Municipality of Wroclaw. The IFW's message to newcomers to Wroclaw is simple: don't be alone. The IFW offers a great place to make new friends and serves as an invaluable resource that will make getting settled in Wroclaw that much easier.



Aquapark Wroclaw

International Education

A key concern for international families is the availability of quality education opportunities for their children. At present five international schools operate in Wroclaw. However, some international families have placed their children in Polish public and private schools, and they've been pleased with the results. Many expats have discovered that Polish public schools offer excellent teaching standards and work hard to meet specific learning needs of foreign students.

More comprehensive information can be found at:
www.bisc.wroclaw.pl
www.ekola.edu.pl
www.fem.org.pl
www.diakonia.pl/education
www.asw.org.pl/en



The Meeting Place

Wroclaw is a prime location in Poland to organise meetings and congresses. In the past the city has organised prestigious international events such as the European Summit of Regions and Cities (May 2005), the 11th International Business Development Forum Futurallia (June 2006), Wroclaw Global Forum or events related to Polish presidency in European Union in 2011.

The increasing number of business meetings and important conferences in Wroclaw has stimulated the development of many top-notch facilities that cater to the specific requirements of business travellers. The city has a wide-range of impressive venues suitable for congresses and conferences.

A key asset to Wroclaw's meeting infrastructure is Centennial Hall, a UNESCO World Heritage Site since 2006. Set in the lush grounds of Szczytnicki Park, one of the oldest municipal parks in Europe, Centennial Hall offers a unique setting for large congresses and events. Centennial Hall and the surrounding exhibition grounds are currently undergoing one of the most ambitious investment programs since their creation 100 years ago. A new open-air feature of the complex is the spectacular multimedia fountain installed in the historic Pergola, which attracts thousands of visitors weekly and is available for organizers to create custom-designed water, light and sound shows to enhance unique conference or corporate events.

In the premises of Centennial Hall was opened a new high capacity, state-of-the-art meeting facility – the Wroclaw Congress Centre.

www.halastulecia.pl/en

< Wroclaw Market Square



Centennial Hall

Who Are We?

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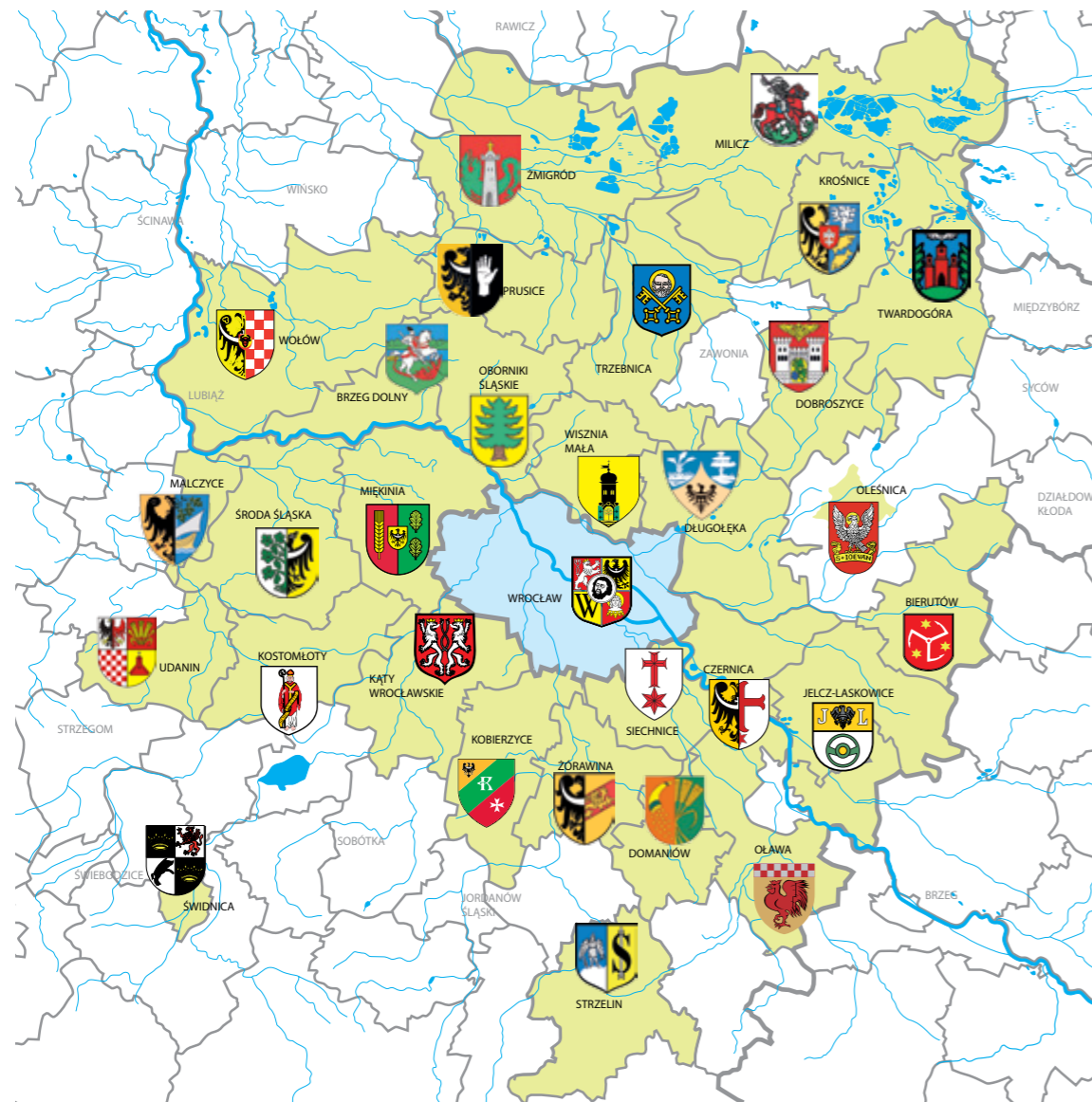


For strategic investors, ARAW serves as a **one-stop-shop** providing **high standard investment support** and help needed to do business in the region. Poland's reputation as a dependable investment partner requires solid governance on multiple levels. For investors in the Wrocław Agglomeration, ARAW has become **a reliable contact and guide** throughout the investment process with the ultimate aim of creating favourable conditions for strong, economic growth in the context of a dynamic, knowledge-driven business center.

Created in 2005 as a purpose-driven institution, the Wrocław Agglomeration Development Agency (ARAW) was founded as a partnership between Wrocław and surrounding communes.

ARAW offers investors effective help throughout the entire investment process as well as dedicated **post investment care** for companies that have settled in Wrocław and the vicinity.

ARAW Shareholders



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Investment Market

■ The volume of transactions in 2012 reached a 5-year high with investment reaching a total of approximately EUR 2.7m, an increase by 0.2% when compared to 2011.

■ 58% of all transactions (EUR 1.6 bn) across all sectors took place in Warsaw, further strengthening its dominant position in the Polish market. This is especially evident in the office sector – of 16 office transactions which took place in 2012, 15 took place in Warsaw.

■ The retail sector has been a favourite target for investors with a 45% share (over EUR 1.2 bn). The largest transaction was the acquisition of landmark shopping center, Złote Tarasy in Warsaw by AXA Group and CBRE Global Investors fund for EUR 475 m. Another landmark transaction in this sector was the EUR 390 m acquisition of Manufaktura Shopping Centre in Łódź by Union Investment. Prime yields for shopping centers located in Poland's major cities remained stable at around 6%, though secondary assets (i.e. retail parks) in smaller cities were traded at around 9%. This is due to concerns over purchasing power and therefore the performance of tenants in secondary locations.



InterContinental, WestInvest InterSelect

Volume of Investment Transactions Closed in 2008-2012 by Sector



Source: Knight Frank

■ The office sector constituted a 34% market share with investment volume of over EUR 0.9bn. The largest transaction in this sector was the acquisition of another landmark building, Warsaw Financial Center by a joint venture between Allianz Real Estate and Tristan Capital Partners for EUR 210 m. Prime yields for core office assets remained stable at around 6.25% as there is high competition for buildings within Warsaw's CBD leased long-term to reputable tenants. New funds entering the Polish market are also seeking such investments and are therefore intensifying competition in the core sector.

■ Conversely only one office transaction took place in a regional city – the 2nd phase of Arkońska Business Park in Gdańsk being acquired by PZU Asset Management. Prime yields in regional cities are at a level of 7.5% though demand for such assets continues to be limited. This is a common feature on European investment market scene - foreign funds are seeking office assets in the capital cities only. A widening gap in yields expectations between prime and secondary assets has been observing, with the difference growing to 100-150 bps or sometimes much more.

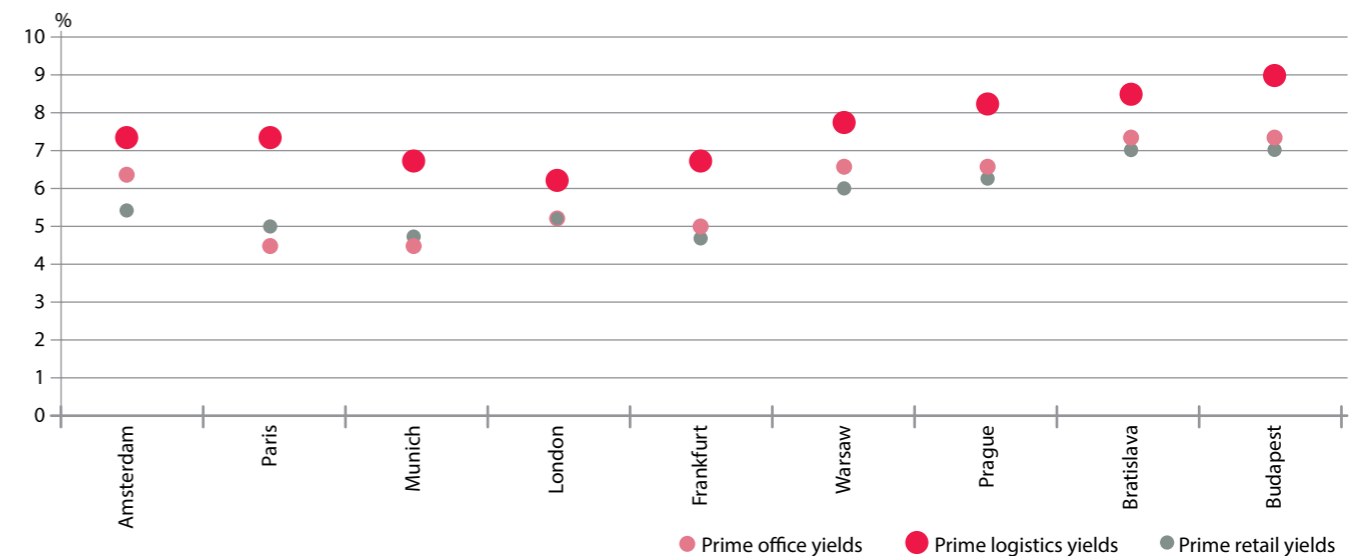
■ The volume of transactions concluded in the industrial sector almost doubled in comparison to 2011, and accounted for 17% of all investment. The largest transactions were concluded by Blackstone Real Estate, a new player in this segment who acquired two portfolios from Panattoni. Prime industrial yields are at the level of 8.00% for built-to-suit (BTS) with long-term leases (15Y+).

■ Despite the intense competition for prime assets, the market should not expect yields to drop significantly below current levels. The reluctance of investors to break these barriers will be influenced mainly by the necessity to maintain the differences in yield levels between Poland and Western Europe.



Manufaktura, Unilmmo Deutschland

Prime Office, Logistics and Retail Yields in Selected European Cities (Q4 2012)



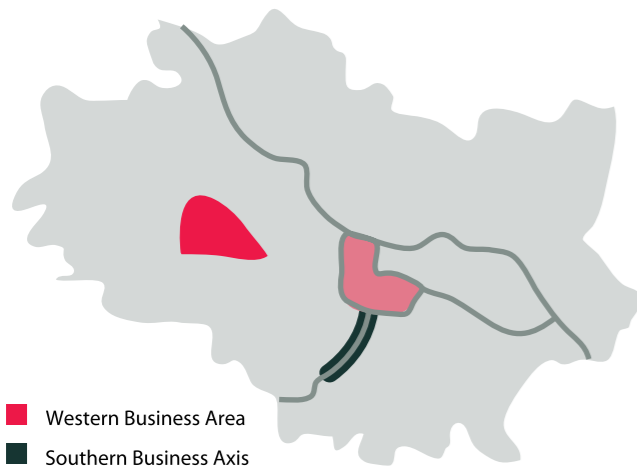
Source: Knight Frank

Office Market

Over the last decade, Wrocław has developed into one of the major office locations in Poland. As of December 2012 the existing total modern office stock in the capital city of Dolnośląskie voivodship approached approximately 395,100 sq m which ranks Wrocław third among the major Polish office markets, after Warsaw (3.14 mln sq m) and Kraków (515,800 sq m).

The significant development potential of the local market stems from a proactive local government policy supporting developer activity in Wrocław and its active involvement in attracting major commercial tenants. Additionally, the city benefits from a significant pool of well-educated workers as well as excellent research and scientific facilities.

Major Office Locations in Wrocław



- Western Business Area
- Southern Business Axis
- Central Business Area

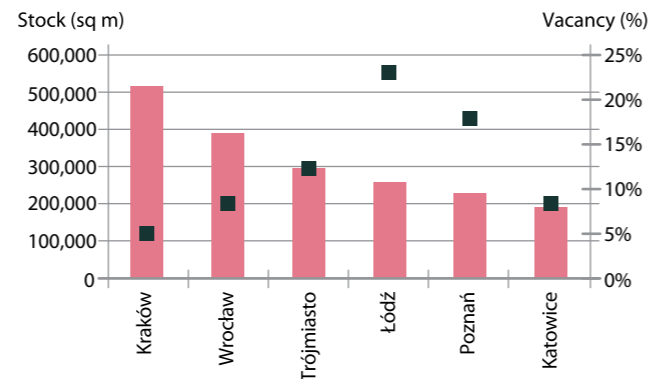
Source: Knight Frank

After a record-breaking 2008 when some 110,000 sq m of new supply was delivered to the market, 2009-2011 saw a gradual yet distinct new supply abatement. This trend came as a consequence of turbulence in global financial markets in 2008/ 2009 resulting in significant limitation in the number of new construction startups. 2012 has brought an inversion of the downward trend.

In 2012 some 62,000 sq m of new offices were delivered to the local market, compared to only 4,100 sq m in 2011.

2013 is expected to be a subsequent period of substantial amount of new office area delivered to the market. Based on the delivery dates of the schemes under construction it is estimated that the annual supply may approach even 71,600 sq m.

Existing Office Stock and Vacancy Rates in Major Regional Markets (Q4 2012)

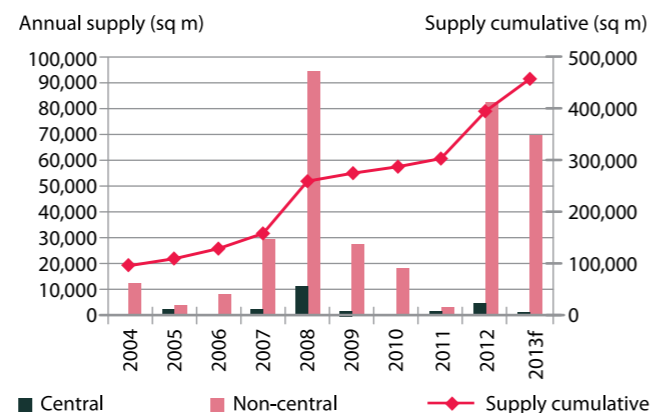


Source: Knight Frank

- Over 75% of the existing modern office stock in Wrocław is situated in three recognized areas of concentration:
 - The Central Business Area (an area covering the strict city centre);
 - The Western Business Area (an area between Legnicka and Strzegomska Streets);
 - The Southern Business Axis (an area along Powstańców Śląskich and Karkonoska Streets);

- The remaining office stock is scattered around the city and does not form any visible office hubs.

Annual and Cumulative Office Supply in Wrocław



f-forecast based on schemes under construction
Source: Knight Frank



Wrocław 101, Crownway Investment

- Overall take-up in 2012 reached some 90,100 sq m and was the highest historical transaction volume in Wrocław. Pre-let agreements accounted for over 50% of total take-up.

- In recent years, office demand in Wrocław has been dominated by companies from the IT sector as well as BPO and KPO centres of large international companies. The list of major office tenants in Wrocław includes e.g.: IBM, Google, Hewlett Packard, Credit Suisse, Nokia Siemens and Tieto.

- In December 2012 an average weighted asking rent in Wrocław was estimated at the level of 14.1 EUR/sq m/month and remained stable when compared to September 2012. Asking rents for office area in A - class buildings ranged between 14 and 16 EUR/sq m/month, while the level of rents quoted in B - class buildings varied between 11 and 14 EUR/sq m/month.

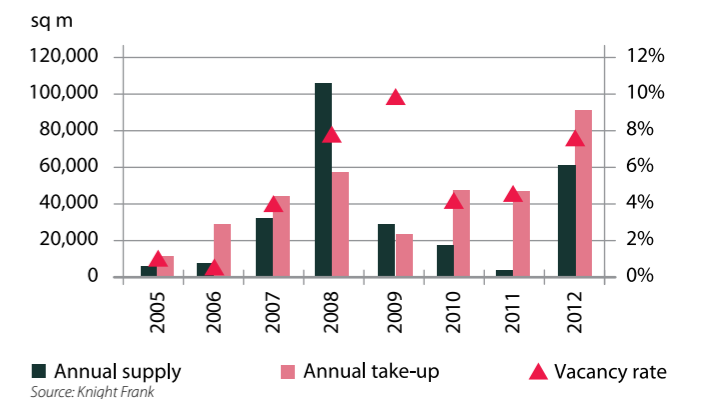
- Apart from a rent, tenants have the obligation to cover additional costs such as:

- Services charges (EUR 3-4.5/sq m per month or PLN 10-20/sq m per month);
- Costs of electricity, water consumption and telephone bills in accordance with the real usage;
- CAM (add-on factor);
- Fees for underground parking spaces – EUR 50-80/space/month depending on location.

- Western Business Area and Southern Business Axis are about to experience the most dynamic development. It has been estimated that approximately 67,000 sq m are currently being developed in these areas.

- Several office schemes at planning stage were identified in Wrocław. According to initial investors' declarations, in 2013 construction of some 79,000 sq m of office space is to be commenced. Nevertheless, the actual output of new investments will be determined by the amount of pre-leased space and availability of project financing.

Annual Supply, Take-up and Vacancy Rate in Wrocław



■ Annual supply ■ Annual take-up ▲ Vacancy rate
Source: Knight Frank

- In December 2012 approximately 30,800 sq m of office space was available in Wrocław, which constituted 7.8% of the local office market. The growth of the amount of vacant space was a consequence of significant volume of new office supply delivered to the market over the course of the recent three months. The lowest vacancy rate was noted in the Southern Business Axis (0%) and in the Western Business Area (2.9%).

- The forthcoming quarters may bring further increase in the percentage of available space in Wrocław office market in connection with a significant amount of office area due for completion in 2013. Nevertheless, it should be noticed that over 50% of that area has been already pre-leased.



West House 1 B, Archicom Group

Retail Market

At the end of 2012, the total rentable area in shopping centres in Wrocław exceeded the level of 690,500 sq m which accounted for 12% of the total combined space for lease located in Warszawa and the seven major regional cities (Trójmiasto, Kraków, Wrocław, Szczecin, Katowice, Łódź, Poznań). The existing stock increased by 55,500 sq m of retail space over the course of the year. Consequently, volume of the new supply noted in 2012 was six times higher than in 2011.

Saturation of modern retail space for lease in Wrocław has remained stable at the level of 552 sq m per 1,000 inhabitants. Therefore Wrocław remains the city with the highest density rate among other markets in Poland.

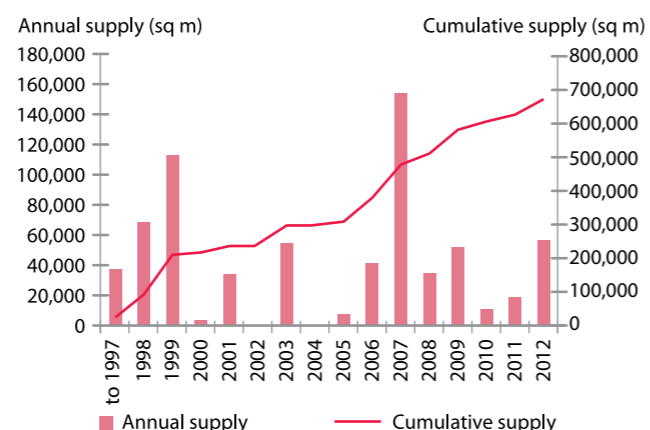


Sky Tower, LC Corp

Sky Tower - a mixed use scheme from LC Corp consists of retail space (24,350 sq m), offices (approx. 22,000 sq m) and 236 apartments. Sky Tower will offer 140 boutiques, a delicatessen, a medical centre, restaurants, cafes as well as a Spa and a sport centre. C&A, Reserved, Piotr i Paweł supermarket, Mohito, Top Secret, Apart, Starbucks and Coffee Heaven are among the confirmed tenants. The shopping gallery was opened in May 2012.

Magnolia Park has been expanded in two phases. In the first phase (completed in Q4 2011) the shopping centre was enlarged by 870 sq m for H&M. The second phase (an additional 10,200 sq m for the Castorama DIY store) was finished in Q1 2012. The owner of Magnolia Park - Blackstone Real Estate Group - plans further expansion of the shopping centre in the future.

Annual and Cumulative Modern Retail Supply in Wrocław (before 1997 to 2012)



Source: Knight Frank

Approximately 37% of Wrocław's retail space is accounted for by 3rd generation shopping centres (shopping centres with supermarket/hypermarkets, shopping galleries and entertainment elements). 2nd generation shopping centres (hypermarkets with small shopping galleries adjacent, such as Marino or Borek shopping centres) and retail parks ranked second and third respectively with 25% and 14% of the share of the total retail stock.

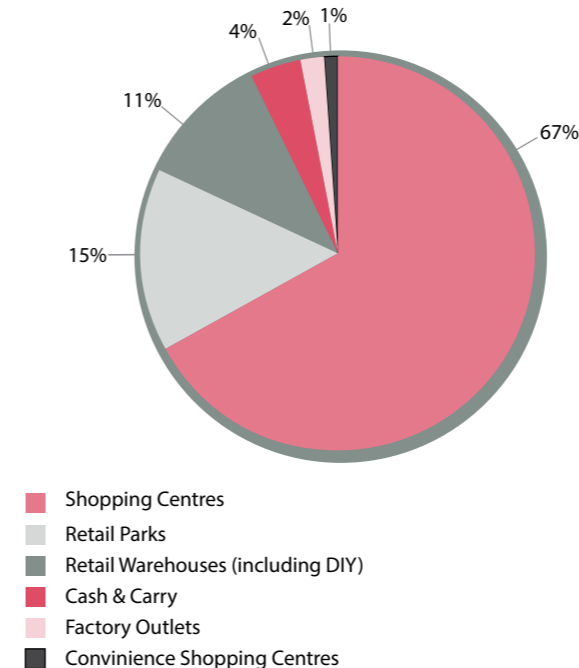
Since the beginning of 2012, five projects (with total GLA of 55,500 sq m) has been delivered to the Wrocław market. Completions include: two 3rd generation shopping centres (Sky Tower, Magnolia Park extension), retail warehouse (Graft Business Centre) and two convenience shopping centres (building at Widna Street, Galeria Kielczowska na Psim Polu).

Currently in Wrocław there is only one retail project under construction which after completion in Q1 2013 should deliver approximately 10,400 sq m of retail space to the market.



Pasaż Grunwaldzki, Echo Investment

Retail Market in Wrocław by Scheme Type (2012)



Source: Knight Frank

The extension of Pasaż Grunwaldzki (Echo Investment) is planned to begin in H1 2013. The new part of the shopping centre will be constructed at the intersection of Rey and Skłodowskiej-Curie Streets and after completion should host an additional 50 tenants.

In 2013 Inter Ikea Centre Group Poland SA plans to begin an extension of the Bielany Retail Park. An additional 60,000 sq m of retail space should be delivered to the market by the end of 2015. The construction of an additional 1,500 parking spaces is also planned. More distant plans also include an extension of the IKEA store increasing its size to approximately 38,000 sq m.

In Q4 2011 Mayland announced revised plans concerning the Idylla shopping centre (on Na Ostatnim Groszu Street). The new project will be smaller than previously expected - 40,000 sq m instead of 120,000 sq m, though it should still consist of a shopping and entertainment centre and a 3* hotel with 200 rooms and office space. Opening of the scheme is planned for Q4 2014, however investor currently suspended design work on the project.

In Spring 2012 in Graft Business Centre (a project developed by ARAW) over 2,500 sq m of retail space and 150 units was opened. Complementary the retail space the scheme will offer office space, a fitness centre, a post office, a tourist office, a hair and beauty salon, a spa lounge and also a food court. The architectural design was prepared by Kuryłowicz & Associates studio.

Among the projects at the planning stage, extensions of existing shopping centres dominates. According to plans revealed by the developers, only one retail project in Wrocław will be delivered by the end of 2013. The other two schemes of total retail space of approximately 100,000 sq m GLA are planned to be opened by the end of 2014.



C.B. Graft, ARAW

Rents in the shopping centres remain stable in comparison with 2011. The Warsaw retail market still stands out among the eight largest Polish cities in terms of asking rents - rates quoted in the most popular shopping centres range from 80 to 100 EUR/sq m/month. In Wrocław, asking rents for prime units (100-150 sq m) in the best shopping centres reach a level of approx. EUR 50 per sq m per month.

Taking into consideration plans revealed by developers, we expect the annual supply of modern retail projects in 2013 in Wrocław to be limited. Most of the projects planned for the next 2-3 years in Wrocław are extensions of existing schemes which have maintained a strong market position.

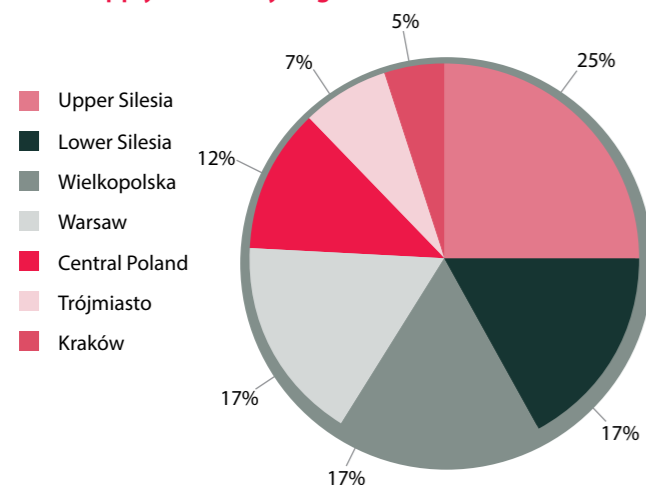
Warehouse Market

■ At the end of 2012, the Lower Silesia market remained the fifth largest warehouse concentration area in Poland (following Warszawa and surroundings, Upper Silesia, Central Poland and Wielkopolska).

■ Over 737,100 sq m of rentable warehouse space was identified in this region, which accounts for 10% of the total Polish industrial area. Over the course of 2011 stock in Lower Silesia increased by 72,400 sq m.

■ Almost 50% of the warehouse space in this region is situated within Wrocław's administrative borders, whereas the remaining 50% is located in close proximity to the A4 highway or other main transportation routes.

New Supply in 2012 by Regions

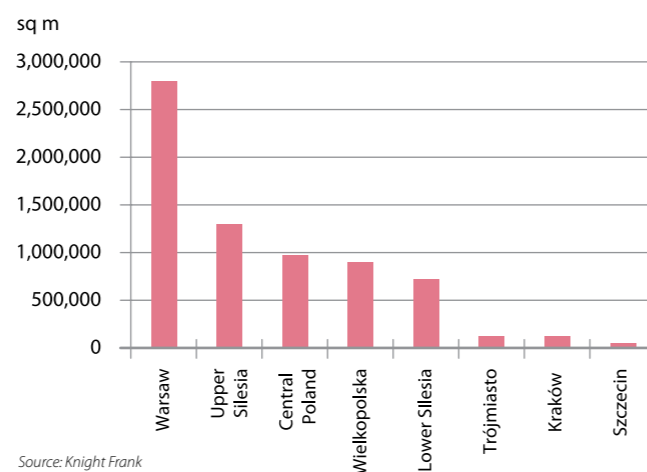


Source: Knight Frank

■ To meet the banks' conditions, developers have generally been concentrating their activity on looking for large tenants for whom they can build BTS (built-to-suit) projects. Deliveries of schemes on speculative basis are rare nowadays.

■ At the end of 2012, over 242,000 sq m was identified at the construction stage on the Polish warehouse market. One of the largest volume – 65,200 sq m (following Warsaw) of space being built was situated in the Lower Silesia region and constituted 27% of total space under construction in Poland. Some 47,400 sq m of this space is to be completed as BTS schemes. All projects should be delivered to the market in H1 2013.

Existing Warehouse Stock in the Largest Concentration Areas in Poland (Q4 2012)



Source: Knight Frank

■ The industrial stock in the Lower Silesia region has been dominated in 2012 by ProLogis, Panattoni, Goodman and Tiner who have already completed almost 84% of all existing schemes in the region.

■ In the whole of 2012, over 72,400 sq m of new warehouse space was completed in the Lower Silesia market, of which almost 36% was delivered in the city of Wrocław. The annual volume of new warehouse space increased by 61% on 2011, although still remained at a relatively low level compared to the period before the global economic turbulence of 2009.

■ The low volume of newly commenced warehouse projects resulted from banks maintaining their strict requirements concerning pre-let agreements in the process of granting project financing.

Warehouse Schemes Under Construction in Lower Silesia (Q4 2012)

Scheme name, Location	Developer	Scheme area (sq m)	Completion date
Panattoni Park Legnica (BTS for Lear Corporation), Legnica	Panattoni	28,400	H1 2013
Prologis Park Wrocław V, Nowa Wieś Wrocławska	Prologis	17,800	H1 2013
Panattoni Park Legnica (BTS for Faurecia), Legnica	Panattoni	12,000	Q1 2013
Segro Industrial Park Wrocław, (BTS for DPD), Wrocław	Segro	7,000	Q1 2013

Source: Knight Frank

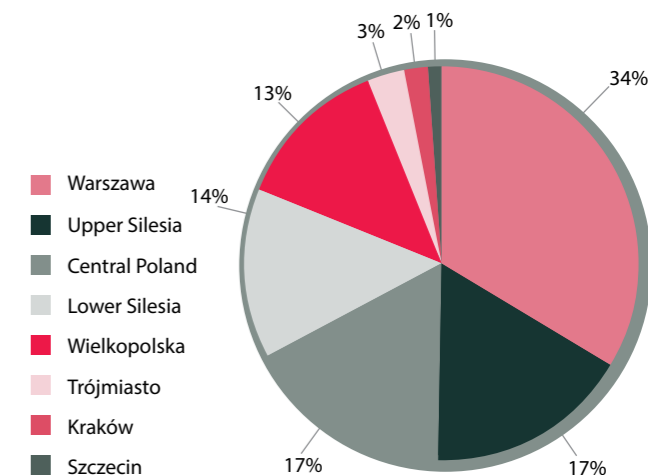
■ Since the beginning of 2012 tenants from the production, distribution, retail and logistic sectors have taken up approximately 221,800 sq m of industrial space in the Lower Silesia region resulting in volume of take-up 5% lower than in the whole 2011.

■ Over 77% of the total leased warehouse space in the Lower Silesia constituted new contracts (171,400 sq m). The remaining volume of 48,400 sq m (22%) were renegotiated agreements and extensions of occupied space – 2,000 sq m (1%).



Goodman Wrocław

Location Structure of Warehouse Transactions in 2012



Source: Knight Frank

■ High tenants' activity in this region in 2012 led to a decline in the warehouse vacancy rate which was at a level of 7.4% at the end of Q4 2012. The proportion slightly increased from 5.9% in Q4 2011. This situation is mainly caused by tenants who vacate a significant warehouse space in Q2 2012.

■ Projects which offer available warehouse space for rent were situated both in Wrocław and in its closest neighbouring towns.

Selected Largest Warehouse Transactions in Lower Silesia (2012)

Scheme name	Developer	Tenant (sector)	Leased area (sq m) / agreement type
Panattoni Park Legnica	Panattoni	Lear Corporation (production)	32,300 / pre-lease
Prologis Park Wrocław V	Prologis	Confidential	17,800 / new
Panattoni Park Legnica	Panattoni	Faurecia (production)	13,600 / pre-lease
Prologis Park Wrocław I	Prologis	Kuehne+Nagel (logistic services)	11,900 / renegotiation
Prologis Park Wrocław IV	Prologis	Gefco (logistic services)	11,100 / new

Source: Knight Frank

■ In 2012 the Lower Silesia logistics market witnessed a rental level stabilisation. Monthly asking rents remained at a level of EUR 3–4.2 per sq m, with a higher rent of EUR 5 per sq m quoted in only one project - Parkridge Business Center Wrocław. The effective rents may be a few percentages lower than asking rents, mainly ensuing from the incentives offered by developers to prospective tenants.

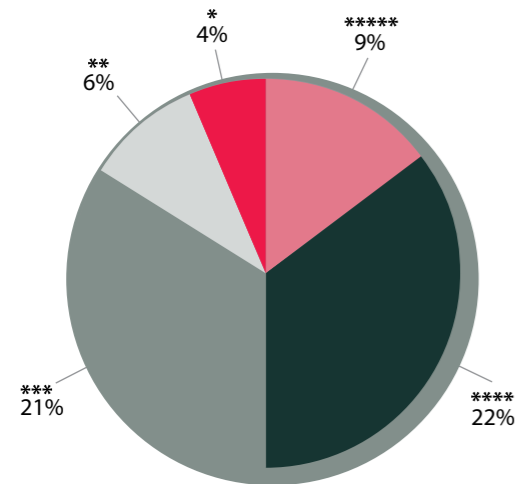
■ Due to the information regarding the unstable economic situation, developers in 2013 may concentrate their activity mostly on commencements of BTS projects, rarely delivering schemes on speculative basis. A decreasing vacancy rate in the Lower Silesia market should effect in a slight growth of warehouse rents in the next quarters if demand for space remains stable.

Hotel Market

Wrocław remains at the forefront of the highly developed hotel market in Poland (alongside Warsaw, Kraków and Poznań). According to the Central Hotel Register in Poland at the end of 2012 in Wrocław there were 46 hotels categorised from 1* to 5* offering 3,864 rooms and 7,265 beds.

Three-star hotels have still the largest share in the Wrocław hotel market in terms of their number (23 projects), nevertheless in terms of the number of rooms four-star hotels have the largest share (36%). Accommodation in three-star hotels accounts for 34% of the total stock.

Structure of Hotel Rooms in Wrocław by Category (Q4 2012)



Source: Knight Frank

According to the CSO, in 2011 all large Polish cities witnessed an increase in the number of overnight stays in comparison to 2010. Wrocław closed 2011 with approximately 938,400 overnight stays, a figure larger by 10% when compared to the previous year.

In Q2 2012 Campanile Hotel (3*) and Premier Class Hotel (1*) were opened in Wrocław. Hotels were constructed at the corner of Ślężna Street and Borowska Street as an economy class projects, offering a total of 300 rooms.

Another hotel completed in 2012, Grape Hotel (5*), is located at Parkowa 8 Street and offers 13 rooms in Exclusive & Excellent service class.

Existing Hotels in Wrocław by Category (2012)

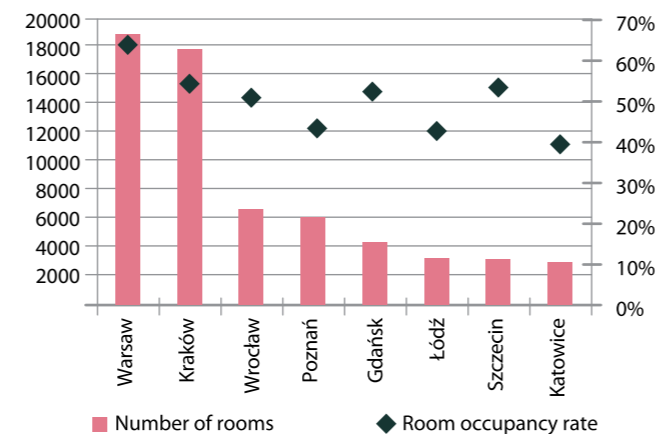
Standard	Number of Hotels	Number of Rooms	Number of Beds
*****	5	580	1,130
****	11	1,372	2,524
***	23	1,295	2,337
**	3	349	710
*	4	268	564
TOTAL	46	3,864	7,265

Source: Knight Frank

According to information released by the Central Statistical Office, the average occupancy rate of rooms in Wrocław in 2011 (the most recent data) amounted to 51.7% (2% higher than in 2010), of which the highest figure was quoted for 5-star schemes (57.6%). Room occupancy in 2- and 1-star hotels was at 51.8% and 51.6% respectively. The lowest occupancy rate (at 53%) was registered both in 3- and 4-star accommodation.

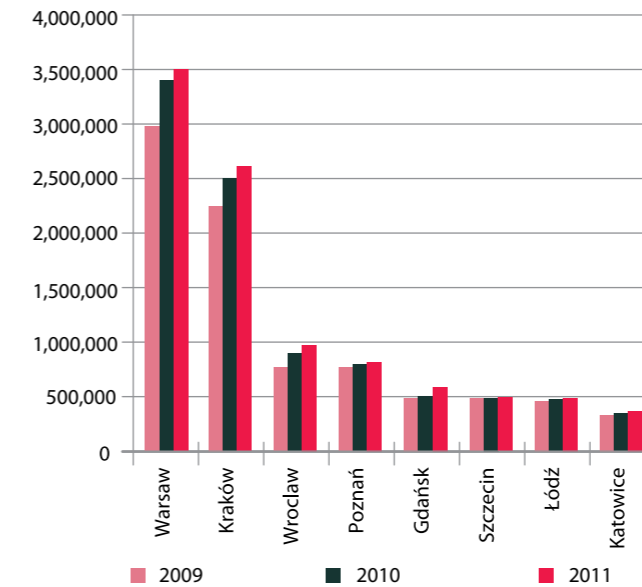
Wrocław's average occupancy rate at the level of 51.7% remained in line with the largest regional cities in Poland: Kraków (54.5%), Gdańsk and Szczecin (52% each). The highest occupancy rate was registered in Warsaw and amounted to 64%.

Number of Hotel Rooms and Average Room Occupancy Rates in Major Polish Cities in 2011



Source: Central Statistical Office

Number of Overnight Stays in Wrocław and Other Large Cities in Poland (2009–2011)



Source: Central Statistical Office



Campanile Hotel

Four hotels were identified at construction stage in Wrocław. Two of them should be opened by the end of 2013:

- 3-star hotel, being built by Piastowska Park Sp. z o.o. near Zaolziańska Street and PowstańcówŚląskich Street and will offer 127 rooms,
- 3,5-star hotel constructed by Wisner Enterprise at Konstytucji 3 Maja Square, as a part of multifunction complex,
- 3-star Malachit Hotel will be built at Sikorskiego 34 Street by D.P.I. Malachit Sp. z o.o. and will offer 33 rooms,
- 2-star B&B Hotel will be constructed in Piotra Skargi Street by B&B Hotels Polska Sp. z o.o. and will host 140 rooms.



Haston City Hotel

Additionally construction of three hotels was suspended:

- 3-star Margott Hotel (38 rooms) at Sztabowa 100 Street is being constructed by Korona Investor. Inspector of Building Control ordered the suspension of construction works due to discrepancy between the project and the building permit,
- 4-star Hilton Garden Inn (120 rooms) will be realized at Piłsudskiego 69/73 Street by McCarthy Harte Polska Sp. z o.o. The investor plans to change the project and does not have a financing yet,
- 5-star Hilton Hotel (200 rooms) will be constructed as a part of Ovo Apartments complex at Podwale 82/91 Street. Due to the lack of financing, investor has not yet disclosed any exact construction dates.

Corporate Overview

Knight Frank Sp. z o.o. is the Polish subsidiary of the Knight Frank Group, one of the largest independent full-service real estate firms in the world.

Its global network, including US based Newmark Knight Frank, encompasses **244 offices in 43 countries across six continents**. More than **7,067** professionals handle in excess of **USD 817 billion** (more than EUR 596 billion) worth of commercial, agricultural and residential real estate annually, advising clients ranging from individual owners and buyers to major developers, investors and corporate tenants.

Knight Frank officially entered Poland in 1998 by acquiring an interest in a former subsidiary of the large consultancy firm Price Waterhouse, Price Waterhouse Nieruchomości (Real Estate), present on the Polish market since 1991. Over the last 20 years, the team at Knight Frank in Poland has developed expertise and offers services in valuations, market and feasibility studies, due diligence, finance raising for commercial and residential developments, agency, property searches and acquisitions, investment as well as property and asset management.

Service Lines

Asset Management

Professional services spanning a number of service lines are offered under the Asset Management umbrella. Dedicated teams are created for specific asset management projects which may include rent reviews, lease renewals or restructuring, agency work, loan restructuring, investment advice and portfolio strategies.

We are the market leader in providing Asset Management services on behalf of landlords, primarily relating to offices and mixed use office/retail/leisure properties in Poland with the following track record:

- Lease renegotiations/extensions/expansions: in the last few years we have renegotiated and restructured over 400 lease agreements on behalf of landlords with units ranging from 100 sq m to 14,000 sq m thus maintaining full occupancy of the properties under our management.

The above services are provided under the following service lines:

- Asset and Property Management
- Capital Markets
- Commercial Agency
- Investment & Finance Raising
- Valuations
- Market Research.

Knight Frank is headquartered in Warsaw with 6 offices in regional cities, namely Kraków, Poznań, Wrocław (since 1998), Katowice (since 2004), Tri-City and Łódź (since 2006).

The company currently employs over 100 staff including professionals with Polish licenses for brokerage, property management and valuations as well as members of the Royal Institution of Chartered Surveyors (RICS) and The Royal Town Planning Institute (RTPI).

- Operating costs savings: we have achieved savings of the properties' operating costs which were subsequently passed on to tenants through lower service charge levels.

- Project management: we have undertaken project management work in connection with office space fit-outs, refurbishments and new construction.

- Distressed assets: we have repositioned and re-gearred problematic mixed use commercial properties on behalf of financial institutions, totaling 65,000 sq m.

- Asset value enhancement strategies: we have defined and implemented property or portfolio strategies that have resulted in appreciation of values (excluding yield movements) of many properties within our management portfolio.

Capital Markets

Investment

We have experience of evaluating and structuring investment acquisitions and sales of individual or portfolio properties in different market sectors, providing advice on comparative returns, yield analysis, property swaps and sale and leaseback options.

- Property acquisition on behalf of international funds and high net worth individuals
- Sale of single assets and portfolios
- Structuring investment vehicles
- Raising equity/mezzanine funding for standing investment and new developments.

In 2010 the Investment team has advised and completed development and investment transactions valued at over EUR 100 million.

Corporate Finance & Advisory

The team is one of the leaders in advising on property finance and investment. In the current fast changing market conditions we have the knowledge, skills and resources to meet the requirements of the most demanding clients.

Our services include:

- Debt finance raising for real estate ventures across various property types
- Cash flow analyses and feasibility studies
- Corporate property portfolios' reviews and assessments
- Positioning development projects
- Commercial due diligence process: leading on behalf of clients.

Commercial Agency

We represent property owners both on an exclusive and non-exclusive basis. The scope of our involvement may include the following services:

- Advising on development configuration in the market context
- Co-ordinating and implementing marketing campaigns
- Developing marketing strategies
- Preparing tenant information packages
- Providing draft lease agreements
- Negotiating lease agreements with potential tenants.

In the case of an exclusive tenant representation the scope of our involvement comprises:

- Defining space requirements of our client
- Search and selection of available space in line with the client's criteria
- Advising on the available space options
- Selecting space solutions
- Negotiating lease terms on client's behalf.

Our Commercial Agency team leased over 80,000 sq m of office space in Warsaw and selected regional cities.

Property Management

Knight Frank has been managing commercial properties in Poland since 1998, with the first being the headquarters of PriceWaterhouse in Poland, class-A office building in Warsaw. Currently Knight Frank manages property portfolios of 15 clients, predominantly international and Polish investment funds, totalling some 1,000,000 sq m (65 buildings). The properties in our portfolio are spread over the cities in Poland, namely Warsaw, Trójmiasto, Poznań, Wrocław, Kraków, Katowice and Łódź.



Service Lines

Our Property Managers formulate the property management strategies based on the landlord's requirements. Strategies are geared towards maximising the property value and investment returns. The property management process comprises a range of operational management tasks incorporating as follows:

- Building and plant maintenance
- Energy maintenance
- Insurance management
- Fire and health safety
- Environmental control
- Rent collection
- Operating costs budgeting
- Service charge management
- Rent/service charge accounting
- Tenant liaison.

We utilise comprehensive software solutions to produce accurate and transparent reporting formats for clients.

Research

Our Research team provides strategic advice, forecasting and consultancy services to a wide range of commercial and residential clients including developers, investors, financial and corporate institutions. We provide:

- Up-to-date market data and analysis of commercial and residential markets in Poland set out in the European context
- Regular market reports
- Due diligence support.

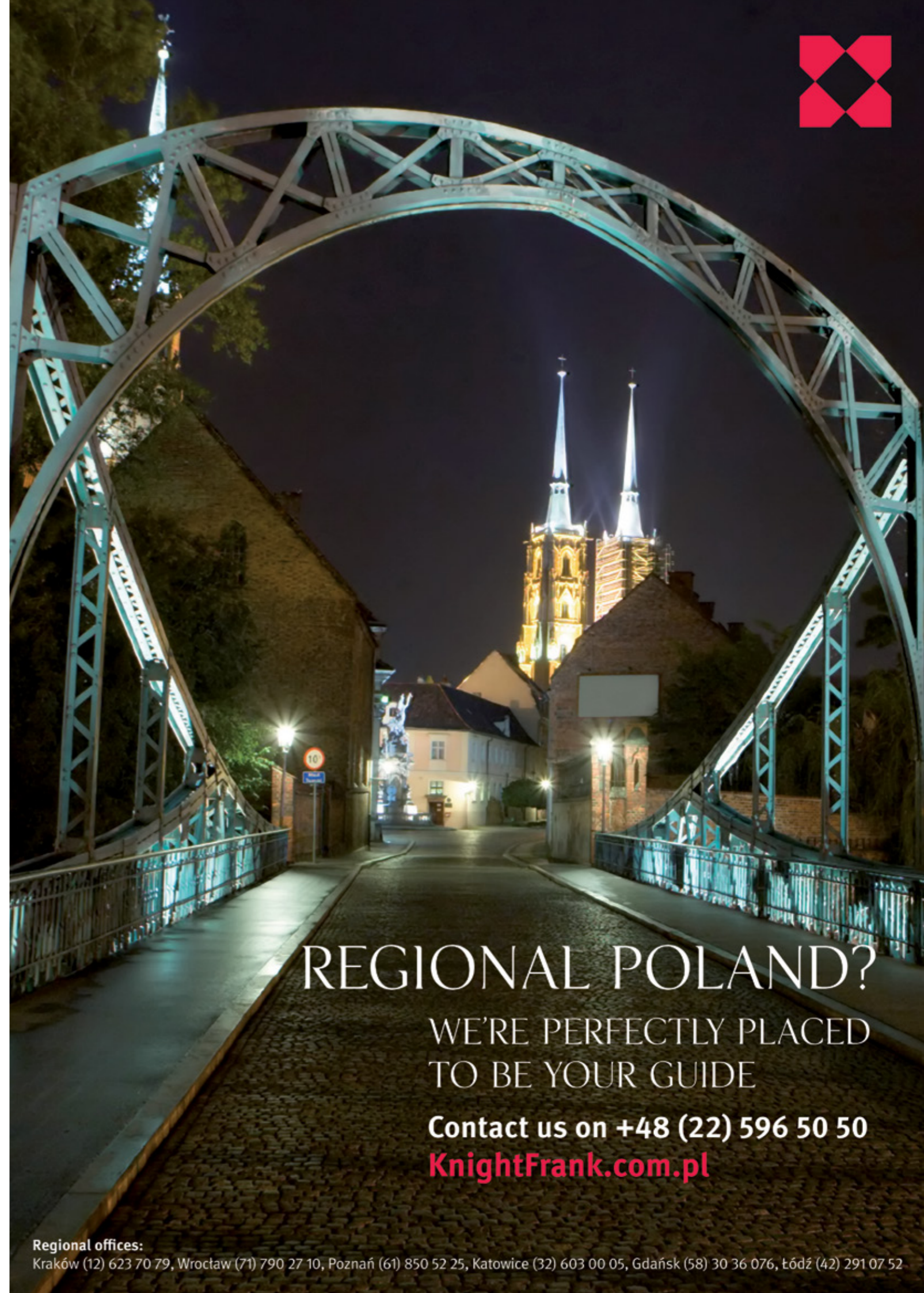
Valuations

Knight Frank in Poland has developed a specialist team of licensed property valuers and consultants including members of the Royal Institution of Chartered Surveyors (RICS) with extensive experience in both commercial and residential valuations as well as due diligence work throughout Poland.

Our team undertakes property valuations in accordance with the following professional standards:

- Polish Federation of Property Valuers
- European Group of Valuers' Association (TEGoVA)
- Royal Institution of Chartered Surveyors (RICS).

In 2011 our Valuation team valued properties totalling EUR 4.8 billion.



REGIONAL POLAND?

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