

3/2016

Regus

International office operator moves in to Europort at Prague Airport

New Services, Offices & Architecture

CTPark Bor gets facelift

Expo Real 2016 Special

Overview of CEE investment

Focus: Ponāvka

IBM opens new R&D centre in Brno's dynamic business park



IN MEMORIAM: EDDY MAAS

1953-2016

Born in Hoogezand-Sappemeer, Holland, and living out his days in Groningen, where he earlier studied law, Eddy opened his law firm in the 1980's and later joined forces with Johann Brakema and Remon Vos to establish CTP in the Czech Republic.

Eddy had a keen mind, and eye for the deal, and took pleaseure in growing through acquisitions.

Eddy was a smart and strategic businessman, tough, straightforward and always ready to help. Because of his innovation and never-give-up attidute, we much enjoyed working with Eddy over the years, and will continually be inspired by him to grow CTP further.

He will be missed.

On behalf of CTP, Remon L. Vos

On Target and Stable: Financing 2016

At the end of 1H 2016, CTP booked income of EUR 95 million, and thus on target to reach EUR 200 million by the end of the year. The financial results were driven primarily by income from new completions and from acquisitions completed in 2015 being fully incorporated during this year.

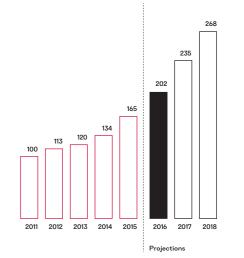
By the end of Q2, CTP refinanced almost 50%— EUR 750 million—of our EUR 1.6 million loan portfolio. During refinancing, we were able to improve interest rates, negotiate generally better loan terms, while improving the ovearall cash flow position of the company. Additionally, we secured new lines of credit to support our strong pipeline of projects across all markets.

The portfolio continued to grow, primarily through new construction and acquisitions in the new markets of Hungary and Romania as planned. In 1H, we grew the portfolio by over 200,000 $\rm m^2$ of new space, and plan a total of over 400,000 $\rm m^2$ by year end. While we continue to pursue acquisitions which fit our portfolio and investment goals, we plan to focus on growing mainly through new construction.

CTP continues to focus on optimisation of our core industrial business, by building new, premium-quality buildings, acquiring assets which fit our portfolio profile, and through the divestment of non-strategic assets.

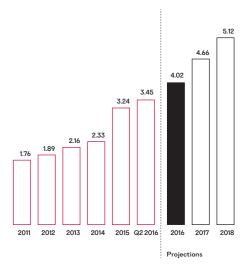


Radek Zeman CFO radek.zeman@ctp.eu



Gross Rental Income 2011–20

(In EUR million)



Lettable Area 2011-2018

(In m² million)
CTP's lettable area projections are on target to reach our goal of 5 milllion m² by 2018, with

expected rental income to reach nearly EUR 270 million over the same period.

215
CTP People



THE BIG DEAL

Take-up across the network remains strong, with vacancy currently standing at under 6%. With new construction activity coming online, we have space available immediately in the new markets of Hungary, Romania, and additionally at new locations in our home market of the Czech Republic.

Since the last edition of CTP News, we have signed many 20,000+ m² deals, which demonstrates the willingness of companies to invest in central Europe, and the flexibility of the CTPark Network to accommodate client requirements.

Major deals include:

CTPark Planá	confidential	28,000 m ²
CTPark Tatabánya	confidential	25,000 m²
CTPark Aš	Petainer (American)	20,000 m²
CTPark Teplice (pictured)	Kuehne+Nagel (German)	18,000 m²
CTPark Sibiu	Grupo Antolin (Spanish)	13,000 m²
CTPark Bratislava	HP Pelzer (German)	7,000 m²

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MWATSONILO

Promise or Problem: Artificial Intelligence is now so ubiquitous that we have no choice but to deal with it. The past few years has seen a boom in both investment into, as well as products of, Ai. We see it in movies, read about it on the internet, and actually use it when dictating into our smartphone or searching on Google. It seems almost every week a new discovery is made, or a new record is broken, all with the help of Ai.

For decades, since Isaac Asimov's 1950's influential sci-fi book of short stories, "I, Robot' introduced the world to the promise—and dilemmas—of a world enhanced with Artificial Intelligence, the actual progress in the study of this field vaunted much promise, with almost nothing to show for the research.

Watson, IBM's friendly Al robot is considered one of th smartest in the world

That's all changed now. The past 5 years has seen the emergence of AI being put to use, both in industry and in the home. AI startups have taken in more investment in the past 5 years, than the previous 50 combined. And the investment is paying off. Major breakthroughs with a technique called 'deep learning'-where computers are trained to recognise patterns in enormous datasets – are now commonplace. AlphaGo's recent defeat of Lee Sedol at Go, is a case in point: the board game is so complex that analysts didn't expect this breakthrough for another decade. Uber, Tesla – and all other players in the automobile industry are using AI to both teach their cars how to drive, but also using AI to find out which is the best route in real time. Facebook and Findface are using facial recognition to help find 'friends' in both pictures and in the wild. Doctors are using AI to better diagnose X-rays and sequence DNA to prescribe remedies – all better than humans can handle-thanks to the massive size of the underlying data that AI can digest.

But What is Al

Various definitions arise, but basically AI is computer based problem solving. Also various techniques exist to come up with a 'computed' answer to a question. Software engineers can write programs which tell a computer what to do. But the recent development of using 'neural networks' to analyse input to determine the correct 'output' is growing in importance thanks to the ubiquity of large data sets and the low cost of computing scale. Computers are 'trained' to recognise certain patterns in data, and the networks 'tweaked' on the training input to come up with the correct result. The more data they can scour, the more nuanced

This combination of sports

car and light sports aircraft

is a true flying car. Orders

are being taken already

and accurate are the results. Feed a computer a series of pictures tagged 'tennis ball', then have the computer scan millions of images looking for tennis ball. When it chooses a picture with a tennis ball, the computer is rewarded, when it chooses a picture that shows a basketball, it gets a slap on the hand. Eventually the computer, through this simple 'yes/no exercise can become more accurate than a human in identifying specific objects/people/faces etc. The more layers of 'neutrons' in a neutron network, the more precise and subtle the AI can be. This method was influenced by the study of the brain, and like the brain, neural networks are discovered to 'process' signals in a very similar way that the human brain does, where individual neutrons or neutron zones store information, like the brain processes language information in the Broca area.

Specific v general

We see all around us the advent of what is called 'Specific' AI: That is Ai that is used to focus on one question, and one question only. An AI that can recognise faces, will not be able to direct a car on the road, nor tell if a mail is 'spam' or not. To create a machine that equates to 'human intelligence', requires input from a variety of sources, and this area of research is called 'General AI'. While the horizon for creating a General AI is considered still far off – 2050 and beyond – researchers are collaborating like never before to come up with a method that, taken together, can digest all the messy data which is real life and respond in a way that is 'human' like

ALL GOOD: GOOD AI

CTP reporters caught up with Marek Rosa, visionary, founder & CEO of GoodAl, the Prague- based research centre focused on developing General Artificial Intelligence.



CTP: What is GoodAi, and why did you start the company?

MR: Our mission is to build a general artificial intelligence (GAI), as fast as possible to help humanity, and to understand the universe. Speed is important because we are missing opportunities to solve problems that can help humanity. The universe is too complex for the human brain to comprehend, so we need GAI to find answers our biased human brain cannot conceive. We are working on the 'big questions' like what is intelligence, and how to create a GAI that is ethically safe and feasible.

CTP: Can Al be 'Creative'?

MR: Creativity is very important for AI. I view creativity as connecting things in a new and novel way—finding patterns where you didn't see them before. It's especially important when facing a problem you have never faced before. Then you have to be creative. GAI will be able to find these patterns between various domains of knowledge that are impossible for people to identify.

CTP: Who works at GoodAl

MR: We have 30 people here, coming form all countries: the UK, Korea, and about half come from CZ & Slovakia. They come from the fields of computer science, machine language, cognitive science, neuroscience, because we need to incorporate different perspectives, and therefore we can be more creative.

CTP: Describe the landscape in CEE in terms of Al research?

MR: There are many companies working on specific AI in the CEE, using programmatic methodologies to solve specific problems which they can sell to clients. We have many well known antivirus companies who use machine learning to detect viruses. You have heard of companies like AVG, & Avast (recently merged—ed.) in the Czech Republic, as well as Esset in Slovakia.

CTP: Where will people begin to see AI in the short/near term.

MR: Today's specific AI is about finding the low hanging fruit, where we have an AI tool that can be applied, where there is low cost of failure, and a high probability of saving money, increasing profits etc. We started GoodAI Consulting because our people can analyse a client's problem from the AI perspective and propose a solution to enhance their business. For example, in real estate you have building management systems which are a good application for AI because of good data and the low cost of failure.

CTP: What are recent accomplishments you think are important?

MR: The recent AlphaGo algorithm truly succeeded in demonstrating that a deep learning program can find efficient strategies to basically a preternatural explosion of options. By finding approximations to narrow the scope of options to compare, it was able to discover strategies much better than any human can.

CTP: Is Al different from Human Intelligence?

MR: I do not see a difference between AI and human intelligence. It is all just intelligence. There is no distinction because we are creating it and we are creating it as only another skill in our repertoire of skills.



Watch the full interview with Marek Rosa on our Youtube channel or scan Watson the robot on this page with our CTP App Smart Reader.

Startup Scene & Great Minds of CEE

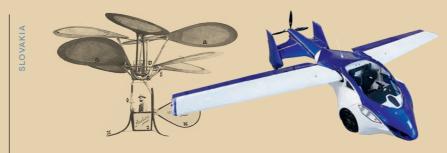
Rubik's Cube, the household match, insulin, parachutes, and contact lenses. These are just some of the innovations that came from the region of Central and Eastern Europe. The region consistently places in the top of world rankings in educational achievement in math, science and technology. A combination of human capital and robust entrepreneurship has led to billions in value creation for the overall regional economy. Today we see in the many new high tech startups the historical legacy handed down by previous generations of innovators in the region.



Josef Ressel (1793–1857) Inventor of the screw propeller and modern compass.



3dsimoA consumer device for 'drawign' 3D objects directly.



Ján Bahýľ (1856–1916) Constructed the first motor-driven helicopter, patented in 1895.



László Bíró (1899–1985) Inventor of the ballpoint pen, or as they say in England, the biro.



Analogy Co
Algorithm based learnign
and promulgation of
business intelligence
throughout a company.
analogy.co



Hermann Oberth (1894–1989) One of the founding fathers of rocketry and astronautics.



Onyx Beacon
Beacons for asset tracking
and logistics management
onyxbeacon.com

CTPark Bor, one of the largest, most successful parks

in the CTPark Network, is undergoing construction of

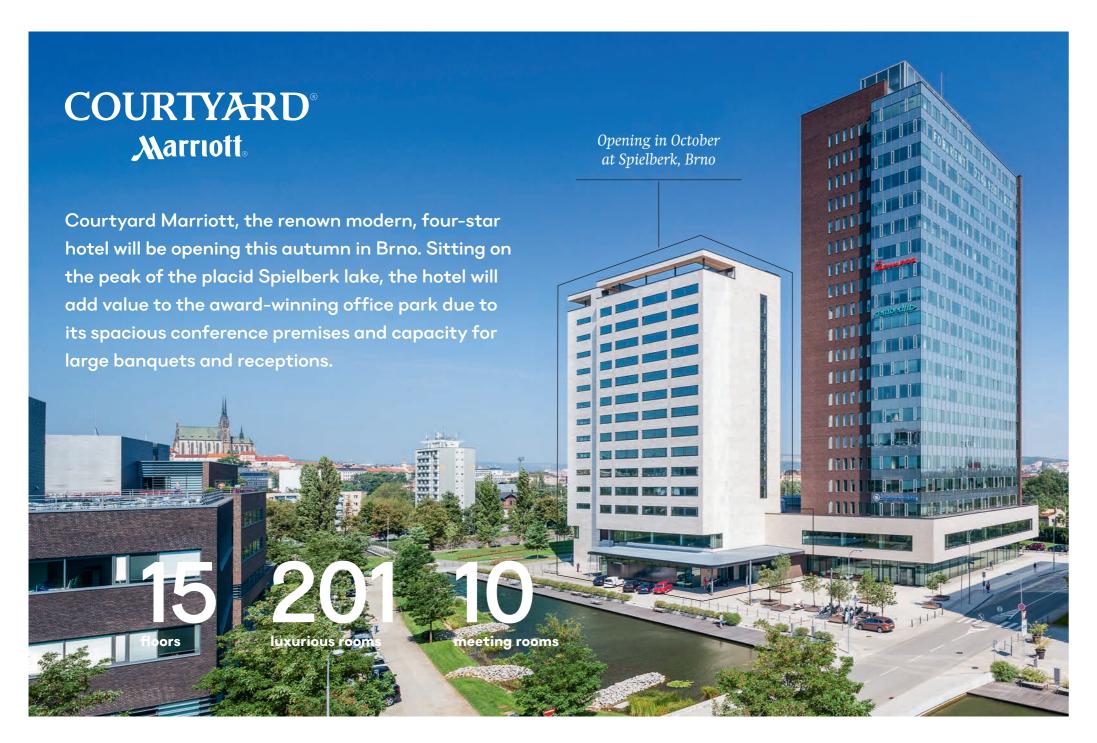
a new CTOffice facility, bringing to the park not only

and 'relax' space surrounding the facility. The recent

canteen, mini market, as well as introducing new greenery

completion of the first on-site accommodation facilities

high quality, efficient office facilities, but adding a



The new hotel offers 201 luxurious rooms on 15 floors, a sumptuous rooftop suite, a restaurant with a bar for 150 guests and, most importantly, 10 meeting rooms with ample natural daylight and access to the large outdoor terrace. The main conference hall boasts 360 m² of floor space and the capacity for 400 people.

Courtyard Marriott at Spielberk is the ideal setting for business meetings, as well as social and corporate events.

The new hotel at Spielberk is the third CTPowned hotel in the Czech Republic operated by Courtyard Marriott, in addition to those in Plzeň and at Prague airport.

If you are interested in corporate packages, or want to take part in the opening event

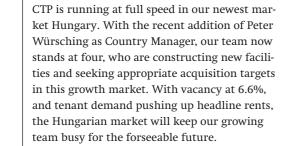
barbora.youssef@ctp.eu



Groundworks underway at CTPark Tatabánya

Shenker Moves in at CTPark Blučina

Long term client DB Schenker took over 9,300 m² of new premises at CTPark Blučina (pictured below) in South Moravia. CTPark Blučina is located just 8km south of Brno on the European route E65 towards Bratislava.





CTP Welcomes Regus to Europort

On September 26, Regus, the largest operator of serviced flexible office space throughout the world, will open a new office centre at CTPowned Europort, directly across from terminals 1 & 2 at Prague's Václav Havel International

CTP is pleased to extend cooperation with our long-term partner with whom we cooperate in both Brno and Ostrava. The new airport facility will offer-fully equipped offices for rent

on both short- and long-term bases, nicely designed business lounges, with professional receptionist services in addition to cleaning and food operations, and of course broadband WiFi.

Regus at Europort will be the company's 10th location in the Czech Republic and is part of the existing network of 2,850 centres

Architecture, **Greenery and Services:** The CTP Vision



"MOTIVATION" DEFINED FOR SUCCESS

All my professional life I have been focusing on hiring motivated people with a positive attitude. These are the employees who drive a company forward and bring the best results.

"Motivated" doesn't mean driven only by external factors such as salary, benefits or work environment. Motivation from within is where I focus. There are several important indicators that I look for to find the roots of a person's motivation – the desire to grow and develop, the need to achieve something better than now, the need to pass on the experience onto others, the need to be helpful and useful, and the desire for success.

CTP is a dynamic company currently growing in several regions. People with high intrinsic motivation and a strong selfactualization need are the ones who move CTP forward and make it the industry leader in the CEE region. Hiring for motivation is key for continued success.

Zuzana Fiantoková HR Specialist zuzana.fiantokova@ctp.eu



Management Initiatives Progress to Plan

In July, CTP was awarded ISO 50001:2012 certification for implementing and documenting a functional energy management system for a number of our parks in the Czech Republic. The certification was awarded for "Development Activities, Construction Management and Letting of non-residential premises" related to nine of our parks. Our certification plan is ongoing, and we will continue to pursue ISO 50001 certification for the rest of our parks

Concurrently, we have made great strides on the path toward our goal to reduce 5% of energy costs annually, by completing the exchange of 70,000 m² of legacy lighting systems to newer LED technologies. We have accomplished 30% of our goal already, and are on schedule to reach the target by year's end.

CEE-10 prepares for the next ten years

More than €9.1bn flowed into the markets of Central and Eastern Europe in 2015, the third highest amount on record. FDI in 2016 is expected to take a slight downturn, not least because the international environment may not support expansion and also economic growth in most of the region will be less robust than last year.

That said, prospects for the region remain strong. New investors are attracted by the theme of central Europe being a low-cost, high-return bet that offers a foothold and training ground for the wider EU market.

As long as the markets that make up the CEE-10 continue to pursue fiscal reform and focus on a growth model with strong integration into European Value Chains, the region looks set to enjoy prosperous coming years. It is expected that this integration, high and rising trade openness coupled with increasingly sophisticated trade will continue to support the CEE-10 industry-based growth model. Vehicles, electrical machinery and telecom equipment remain the most important industries.

The EU is expected to remain an important source of FDI for the CEE-10 with total inflows estimated at roughly 3% of GDP per year.

Moreover, Western European parent banks will likely remain committed to CEE with future credit growth increasingly being funded by domestic deposits.

Industry (i.e. manufacturing) accounts for around 30% of gross value added in almost all CEE-10 countries, compared to only around 20% in the EU-12. As most of the CEE-10 are relatively small and open economies, the success

of an industry-based growth model hinges on the competitiveness of their manufacturing output and/or the degree to which they are integrated in global production chains. A considerable share of CEE-10 exports passes through EU-affiliated cross-border production chains. Slovakia, Hungary and the Czech Republic stand out with 40% or more embedded foreign value in their gross exports, the bulk of it coming from the EU-15. While CEE exporters are in general still located further downstream in the production chains than their European partners, countries like Poland or the Czech Republic have already started setting up their own value chains within their region. This shows that the countries are progressing up the global/European value chain.

The degree of trade sophistication among the ten countries differs considerably. Over 80% of Hungary's manufactured goods fall into the category "high-and-medium-skilled and technology-intensive", which is even higher than the respective share for Germany. The Czech Republic and Slovakia also have a very

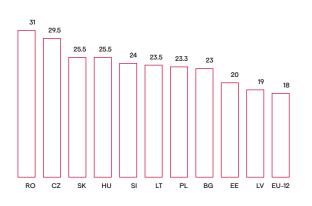
☐ Education☐ ICT

similar trade structure to that of Germany. Vehicles, electrical machinery, telecom equipment and refined petroleum are the most important export goods and together account for 30-40% of total exports in almost all CEE-10 countries. However, the relative importance of these product groups varies across countries. The clustering of the automotive industry is clearly visible in the Slovak and Czech trade data.

Given that the manufacturing sector is seen as the major source of technological progress in the economic literature, the CEE-10's strong industrial base should bode well for future productivity increases. The CEE-10 are well equipped for an additional push towards more knowledge-intensive production and innovation. The CEE-10 score better than any other emerging market region in the World Bank's Knowledge Economy Index. All these factors should contribute towards an acceleration of total factor productivity over the longer term.

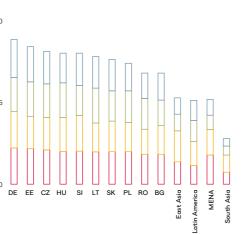
WESTERN BOHEMIA & GERMAN **MARKET INTEGRATION** Whether a manufacturer or rising star in Skoda auto works in Mladdá Boleslav. The strong network of Tier-3 autotmotive suppliers in the CTP: In considering new CEE operations, is labour cost and location the only factors?

Significant share of industry in most CEE economies (% of total gross value added)

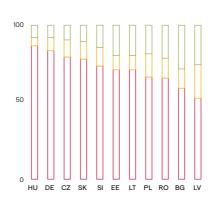


Sources: JLL, FT, OECD, Deutsche Bank Research

CEE on the way to the Knowledge Economy (Knowledge Economy Index)



Technologic Level of Manufactured Goods (% of all manufactured goods)

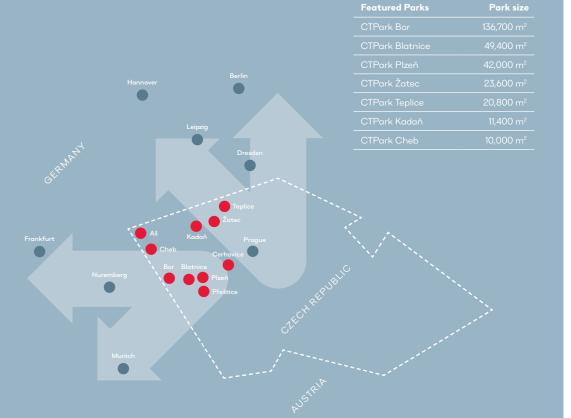


☐ High/medium-skill and tech-intensive☐ Low-skill and tech-intensive

Visit CTP at Expo Real 2016 October 3–5, Munich Hall B1, stand 245

CTP will be sending full team to meet you, including CEO Remon L. Vos and CFO Radek Zeman. Additional participants will be Michal Felcman, Zdeněk Raus, Hendrik Jung, Jaroslav Kaizr and Andra Bizon from Romania.







Ponāvka:

PONĀVKA

Attractive Traction

Freshly landscaped last year by our Dutch Ponāvka, Brno's up and coming business destination, continues to surprise and attract. Ponāvka stream, and eclectic mix of CTP recently completed the finishings on a new premium office builidng, expanding the possiblities at the dynamic park.

landscape architects, the greenery, meandering buildings – old and new – make the park even more attractive for high tech busineses. The on-site amenities continue to grow, and the new companies moving in are enjoying the bike share program, canteen and clean lively atmosphere here.

On June 22, IBM and CTP celebrated the grand opening of the new IBM Client Innovations Centre in Ponāvka. The ribbon cutting took place in front of assembled guests from the city and technical universities.

CTP completely customised the offices specifically for the young IBM team, who required a work space that fosters a creative and innovative environment. The building design, with a central terrace, provides natural lighting from all sides, and throughout the entire day, ensuring no 'dark' spaces and reducing the overall need for interior lighting.

architecture studio, for the floorplans in the new IBM offices

creativity and individual expression

See the video of the IBM opening at Ponāvka

The surrounding park, footpaths and public transport connections on-site, make the park an enjoyable and accesible workplace for employees – which not only allows them to work better, but also helps companies retain







Regional Director,



Project Manager

Jana Jonáková

Accountant

Bogdan Ivan







Madas Lázsló Project Manager

Petr Rabušic Tax Specialist

Foldeš Michal

Junior Lawyer Lenka Havelková

Insurance Specialist Valentin Ighian

Project Manager lveta Syková

Receptionist, Spielberk

Accountant Zatloukal Ondřej

Accountant Kristýna Jakešová

Veselková Monika

Receptionist, Spielberk

MEP Construction Manager



UPCOMING EVENTS

September 21, Vienna
CEE Property Forum

September 22–23, Prague **CEDEM**

October 4–6, Munich **ExpoReal**

October 6, Bratislava
Property Investment Forum

October 11–12, Prague **CEE Automotive Forum**

October 19, Brno Future development of automotive industry in Czech Rep. and CE

November 3–4, Prague **Speedchain Czech**

November 11, Prague **Best of Realty**

November 22, Budapest **Property Investment Forum**

November 24, Prague **CIJ Awards Czech**

December 8, Bucharest **CIJ Awards Romania**

March 14–17, 2017, Cannes **Mipim 2017**

Keep up to date and visit our events page: ctp.eu/en/company/events

COMPANY ANNOUNCEMENTS

CiJ Hall of Fame Finalists

CTP is honored to be listed as a finallist in the 1st CIJ Hall of Fame Competion, which will be decided on 22nd Sept. in Prague. We are proud to have received 29 Awards over 13 Years in the real estate business, with parters like CIJ. See you there!



CTP Ups the Ante: Sponors 2 Triathlons

Continuing in the tradition of CTP's favourite sports event, we deepened our cooperation, sponsoring both the Pálava and Doksy Race Triatholons. Pálava took place on 14th Aug. and DoksyRace on 11th Sept. where CTP fielded both individual and relay racers.

1. Hungary	8 3 4 = 15
2. Netherlands	8 7 4 = 19
3. Czech Republic	1 2 7 = 10
4. Slovakia	2 2 0 = 4
5. Romania	008 = 6

Olympic Medals Leaderboard

CTP sends a loud congratulations to the participants in another inspiring olympic games. The table shows each country ranked by medals per capita, with Hungary leading the pack. Well done!



CTP App

The CTP app, available for both iPhone and iPad is a great way to search for available properties, save your favourites and send inquiries directly to our saleas team.

When you see this icon (3), use the built-in Smart Reader to scan the photo to watch related videos.

ABOUT THE ARTIST



Lukáš Vodička

Lukáš Vodička works as a 3D artist, illustrator and animator. His hobbies are technology and sci-fi and so he really enjoyed creating this issue's ilustrations. He creates advertising visuals for renowned brands, live animations at the Signal Festival and animations for one of the largest music events in Europe.

www.lukasvodicka.com | www.drawetc.cz

Colophon





