

Annual Report 2011

CTP |

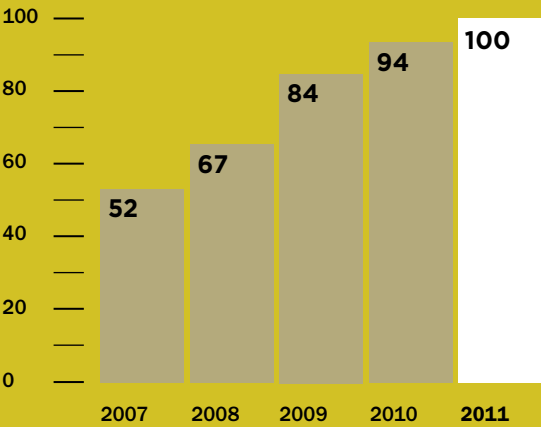
This is CTP

Annual Report 2011

CTP in numbers — 2011

100

Rental income (in EUR million)



1.8

Value of assets under ownership
(in EUR billion)

583

Value of own equity
(in EUR million)

159

Operating profit before financial expenses and tax
(in EUR million)

1.76

Total leasable area (in million m²)

6%

Vacancy rate

350

Hectares in land bank, with over 1.4 mil. m²
of potential build-up.

72%

Market share in new construction

40%

Market share

Industrial properties / Czech Republic

1

Market position

9

Banking partners

4

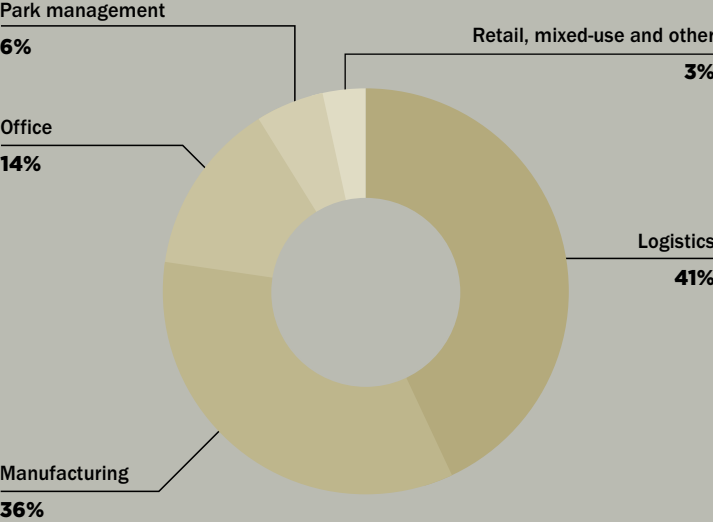
New banking partners

117

Number of CTP employees, with
AVERAGE AGE OF 36 and 59%
FEMALE employees.

5

Sectors of income, with OVER 400 CLIENTS.



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Open 2011

Operational highlights 2011

ights 2011

January

Tieto signs for 15,000 m² of office space at IQ Ostrava.



February

Loan agreement (€47.8 mil.) with ČSOB/KBC for construction of CTPark Brno – Phase II.



March

Construction starts at CTPark Brno – Phase II; 100,000 m² (three buildings, for Kompan and Wistron).

Presentation of CTP's 2010 annual results.

Loan agreement (€34.5 mil.) with UniCredit for construction of IQ Ostrava – Phase I (22,000 m² of A-class offices in two towers, with over 5,000 m² of landscaping and greenery). This marks CTP's first financing agreement with UniCredit.



April

Construction starts on a 3,986 m² extension for IMI Norgren at CTPark Modřice (handover: end-September 2011).



May

ABB signs for an additional 5,248 m² at CTPark Ostrava (handover: 1 May 2012).

PST, a long-standing CTP client, signs for a 19,179 m² CTFit warehouse facility at CTPark Pohořelice.

IQ Buildings at Spielberk Office Centre in Brno win 2nd place at the Czech “Best of Realty 2011”.

CTP is invited to represent the Czech Republic at the European Business Awards.



June

CB&I signs for a 5,544 m² R&D facility at Spielberk Office Centre.

Loxness signs for a 23,006 m² extension at CTPark Bor.

Property management team receives ISO 14001 certification for environmental standards.

Legal Dept. restructures and expands from three to nine lawyers.



July

Construction starts at IQ Ostrava – Phase I.
Total investment: €50 mil.; completion: 2012.

IQ Ostrava receives a BREEAM energy efficiency rating, the first building in Ostrava to be BREEAM certified.



August

Medi-Globe signs for a 5,087 m² CTFlex multi-use facility at CTPark Hranice.

Purchase of land for CTPark Mladá Boleslav (total land area: 192,000 m², with plans to develop up to 65,000 m² of leasable area in the first phase).



September

Loan agreement with ČSOB/KBC (€12 mil.) to finance new projects, including ViskoTeepak, ABB and Kuehne + Nagel, among others.



October

Loan agreement with VUB/Intesa (€20 mil.) for the purchase/development of CTPark Mladá Boleslav. This marks CTP's first financing agreement with VUB/Intesa.



November

Completion of CTPark Brno – Phase II (100,000 m² completed in less than six months).

CTPark Brno – Phase II wins “Best Warehouse/Logistics Development” at the 2011 CIJ Awards.



December

Tower B at Spielberg Office Centre is completed, with 20,000 m² of A-class office space available; at 90 metres, the tallest building in Brno.



**CTP designs,
builds and manages
premium-class
business properties
in strategic locations
in Central Europe.**

**With over 15 years
in business, CTP is
a trusted partner to
some of the world's
largest multinationals
and leading domestic
companies.**



Construction work at IQ Ostrava.



CTSpace, CTPark Pohořelice.



Distribution centre, CTPark Brno – Phase II.



IQ Buildings at Spielberg Office Centre, Brno.

This is CTP

A cut above

CTP is an award-winning, full-service property developer and asset manager. Since our start in 1998, we have grown rapidly to become the number-one developer/operator of business parks in the Czech Republic, with a balanced portfolio that includes A-class office developments and retail holdings.

Unique business model

Unique among its competitors in Central Europe, CTP is a vertically integrated business with dedicated in-house teams focused on core capabilities. These include all development and construction activities from concept to completion, in-house legal and permitting teams, full-service property management and client after-care.

Local knowledge, regional coverage, global expertise

CTP is Dutch-led and international. The Czech Republic is our home market. We have expanded our successful business model to Slovakia and Romania and plan further regional growth based on market conditions. We work tirelessly to maintain and extend our competitive advantages.

Balanced portfolio

CTP is the owner and operator of the CTPark Network, the largest integrated system of premium business parks in Central Europe. CTP develops and manages A-class office/ mixed-use properties in regional cities, such as Spielberk Office Centre in Brno, IQ Ostrava, and CTZone Brno. Our investment portfolio includes retail holdings across the Czech Republic, office holdings in Prague, and select properties in Austria and Germany. CTP is further broadening its portfolio in 2012 with plans to develop Brno Retail Park, the company’s first large-scale retail development. To further enhance asset value and help reduce CO₂ emissions, CTP also develops alternative energy projects, such as the installation of solar power plants within the CTPark Network. Looking ahead, CTP’s strategic plan calls for additional energy projects and increased investment in energy efficient technologies.

CTP structure

TWO LINES OF BUSINESS, ONE SEAMLESS SERVICE

CTP carries out its activities via two related companies: CTP Invest and CTP Property.

CTP Invest (Czech Republic) is a full-service property development company. The principle activity of the company and its subsidiaries is entrepreneurial: CTP Invest purchases land and develops A-class business properties in the Czech Republic and elsewhere in Central Europe. CTP Invest handles all activities relating to property development until project completion—at which point, the properties are transferred to the ownership of CTP Property.

CTP Property (Netherlands) is an asset manager, with a standing portfolio of nearly 200 properties financed by different banks. The principal activity of the company and its subsidiaries is the lease and management of investment property in the Czech Republic and elsewhere in Central Europe. CTP Property holds all operating lease agreements and receivables from leasing and asset management. Company subsidiaries each have a sub-portfolio of assets and financial partners. CTP Property provides full-service asset management and after-care services to tenants.

CTP Invest and CTP Property are majority owned by the same shareholders and operate as in a group structure. This annual report presents combined, pro-forma financial results based on separate IFRS audits of CTP Invest and CTP Property, and of their respective subsidiaries.

See page 287 for more information on CTP’s group structure.

Overview of development and investment portfolio

CTPark Network – Our core business

The CTPark Network is the largest integrated system of premium business parks in Central Europe, with over 1.6 mil. m² of built-up properties. Five unique building types provide the ideal platform to support a wide range of business activities, including light manufacturing, logistics, R&D and back-office operations. Unique to the market, the CTPark Network includes the CTBox concept, which provides smaller-scale, superior-standard facilities for SMEs.

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Spielberk Office Centre, Brno

Spileberk Office Centre in Brno is CTP’s flagship office development, with over 90,000 m² of A-class office and mixed-use space. The unique combination of three property types (Villas, IQ buildings and Towers), city-centre location, and its relaxed, people-friendly work environment make Spielberk Brno’s premium business address. Completion of Phase III in 2012 (Tower A) will further enhance Spielberk’s appeal.

94



IQ Office Concept

Based on the success of the IQ office buildings at Spielberk Office Centre, CTP is expanding the IQ concept to new locations. IQ Ostrava (Phase I) is currently under construction, with 22,000 m² of A-class offices scheduled for handover in 2012.

100



CTZones

Ideal for small- and medium-sized enterprises (SMEs), CTZones are inner-city business parks designed to support a range of activities—from showrooms, small warehousing, and “last-mile” logistics to laboratories, offices and light manufacturing. CTZone Brno, the flagship development, combines A-class CTBox units with refurbished historic properties to create a unique business environment.

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Retail

To strengthen portfolio diversity, CTP has acquired a portfolio of supermarket holdings (Penny Market, Albert) in the Czech Republic. In 2012, CTP will begin preparatory works at Brno Retail Park, the company’s first large-scale retail development. Launch of the project will further enhance CTP’s retail portfolio.

109



Other portfolio investments

CTP has acquired several additional portfolio properties, including four office buildings in Prague and several acquisitions in Austria and Germany. Additionally, CTP owns numerous infrastructure assets servicing company properties, including those relating to solar power installations within the CTPark Network.

109

View
from

Message from the CEO

from
top

[View from the top](#)

2011 was a record year for CTP. We generated over €100 mil. in rental income, a year-on-year gain of 6.4%. We launched construction of several major projects, and we completed on-time handover of several new facilities and extensions for our clients. In 2011, the value of CTP's total assets increased year-on-year by more than 11% to nearly €1.8 bil., in line with our plan to grow annually by 7-12%. With several new financing agreements secured in 2011, CTP is well positioned for continued success as we expand our portfolio with pipeline projects in 2012 and beyond.



STRONG RESULTS

CTP's financial and business results in 2011 confirm our position as a strong and stable partner. Operating profit grew by over 33% year-on-year, to €159 mil. The value of CTP's investment properties under construction increased by more than 25% year-on-year, to over €190 mil. In 2011, over 65% of new business came from existing clients—either with extensions of current facilities, or brand-new facilities, often in a new location. Our vacancy rate remains low at 6%. CTP ended the year with after-tax net profit of nearly €77 mil., a 21% gain over 2010 results. Net profit was driven by the major development projects carried out in 2011 and was also positively influenced by low interest rates.

Financial results (in EUR thousands)

	2011	2010
Gross rental income	100,169	94,147
Net profit before finance costs	159,290	118,993
Profit before tax	89,521	82,448
Net profit	76,953	63,445

THE RIGHT PLACE

The Czech Republic continues to attract new investment despite the general downturn in Western European economies. Investors are drawn to the country for a variety of reasons, including its strategic location, well-developed infrastructure, and its motivated, educated workforce. New companies are entering the market, and investors with current activities in the Czech Republic are increasingly re-locating other operations to the country. Ten to 15 years ago, the majority of investors were seeking low-cost operations. Today, investors are seeking high-tech, state-of-the-art facilities.

Results in 2011 confirm CTP's strong financial position.

YEAR OF ACHIEVEMENTS

CTP achieved much in 2011. Major milestones include:

Launch and completion of CTPark Brno – Phase II, which involved the construction of three buildings with a combined area of 100,000 m² in less than six months.

Completion of Tower B at Spielberk Office Centre, CTP's flagship A-class office development. CTP broke ground at Spielberk in 2005, and we are on schedule to finish the final development phase in 2012 with the completion of Tower A. Spielberk offers 90,000 m² of A-class office and mixed-use facilities.

Launch of construction work at IQ Ostrava—the first building in Ostrava to receive a BREEAM certification for energy efficiency. IQ Ostrava offers 22,000 m² of A-class office space in the centre of Ostrava. Completion: 2012.

Acquisition of a 34,000 m² site in the centre of Brno, which enables us to further expand our office portfolio in the city.

Several new land acquisitions in the Czech Republic and elsewhere in Central Europe, particularly in the core markets of Brno, Ostrava and Plzen, where we have a strong position, existing clients, an onsite team of people, and years of experience. New land acquisitions allow us to continue to provide property solutions to our clients and enable us to build upon the strengths of our organisation to secure our market position today, and for the future.

PLANNING AHEAD

CTP's total land bank is approximately 350 hectares. This is sufficient to build 1.4 mil. m² of new facilities, which would nearly double the size of our portfolio. By 2016, we plan to build between 800,000 m²–900,000 m² of new leasable properties, which represents organic portfolio growth of approximately 7% per year. Most land plots are extensions of our existing business parks and are being prepared for future developments, mainly for our current clients, who continue to bring more business to the Czech Republic.

Investment property (in EUR thousands)

	2011	2010
Investment property – land bank	92,970	74,753
Investment property – under development	190,525	152,216
Investment property – standing portfolio	1,384,939	1,278,846
Investment property – total	1,668,434	1,505,815

We project our total asset value to continue to increase by 10–15% each year. Rental income is projected to grow annually by approximately 7%, in line with current trends. We foresee our vacancy rate to continue to decrease, as we strengthen our focus on current clients and asset management. CTP's strong cash position serves as a guarantee for our continued long-term relationships with our financial partners as we continue to expand our investment portfolio.

By 2016, we plan to build between 800,000 m²–900,000 m² of new leasable properties, which is annual growth of approximately 7%.

TEAMWORK IS THE SECRET

CTP's strong success is built each day by our dedicated team of over 115 experts, who provide seamless development and asset management services to our clients. Our business philosophy of hard work, commitment, competitiveness and transparency is what got us to where we are today. In 2011, we continued to strengthen our team. We streamlined internal operations with a focus on quality, environmental sustainability and client service. During the year our in-house Legal Dept. expanded, as did our Property Management and Business Development teams. I am proud of what CTP has achieved, together with the support of our clients, financial partners, and the local authorities in the regions where we operate. I would like to thank my colleagues at CTP and our business and community partners for helping us to reach our goals.

Remon L. Vos, CEO
Humpolec, March 2012

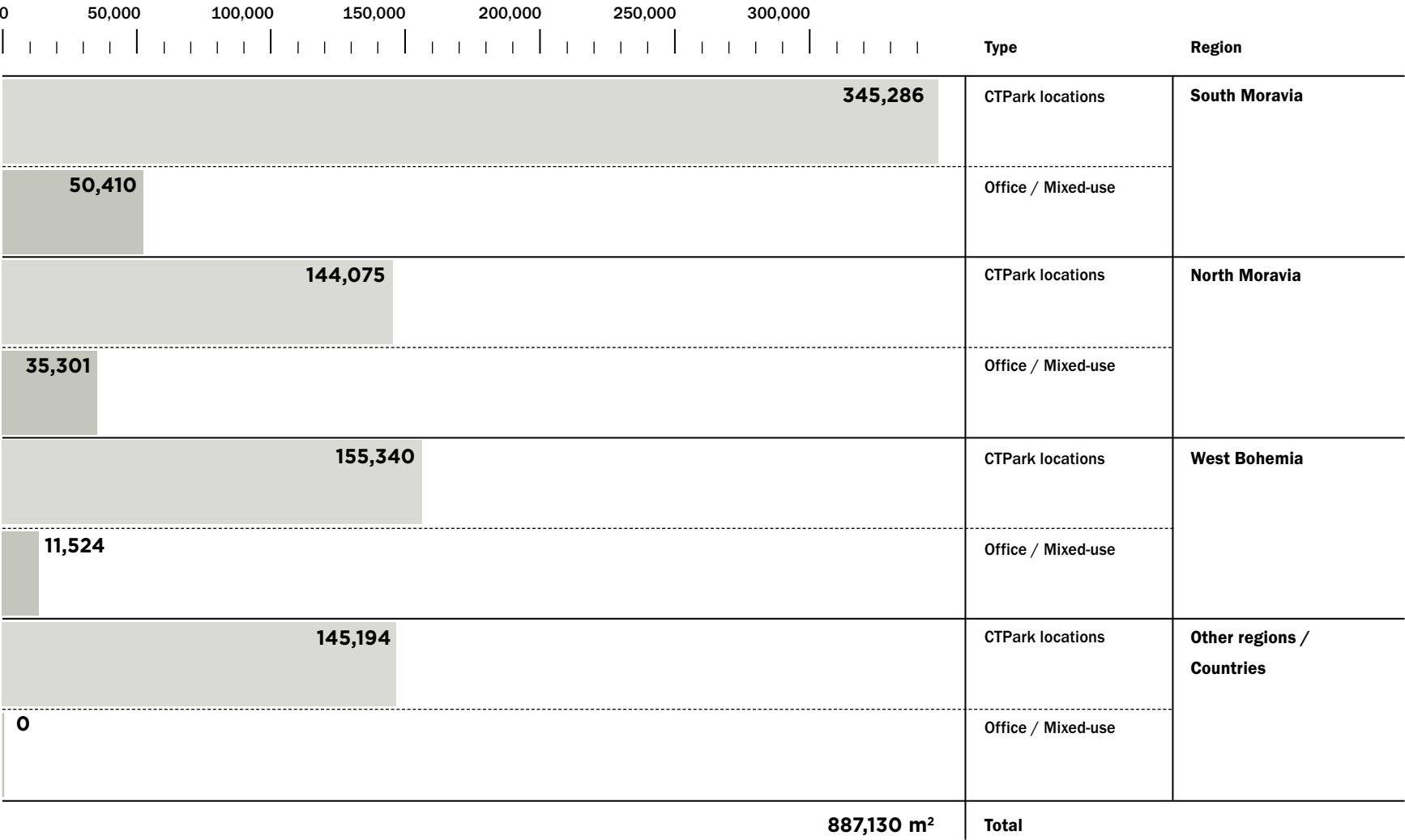
Targets 2012–2016

- » Grow the portfolio and rental income by an average of 7% per year to achieve annual rental income of approximately €140 mil. by 2016
- » Maintain portfolio vacancy of 6%
- » Sustain loan to property value ratio of approximately 55%
- » Utilise growth opportunities via acquisitions
- » Increase market share
- » Continue expansion of after-care services
- » Continue with sustainability programmes in line with ISO 14001 and BREEAM standards



CTP’s investment pipeline totals 887,130 m² of properties to be built and completed in 2012–2016.

CTP Pipeline: 2012–2016 (m² of new developments)



Expansion at CTPark Ostrava.

More
mat

Message from the CFO

Money
atters

Money matters

CTP operates a successful and profitable business model focused on long-term property ownership and asset management. Significant take-up of premises delivered to the market in previous years, and in particular new projects delivered in 2011, had a positive impact on our financing and the number of new banks financing our projects.



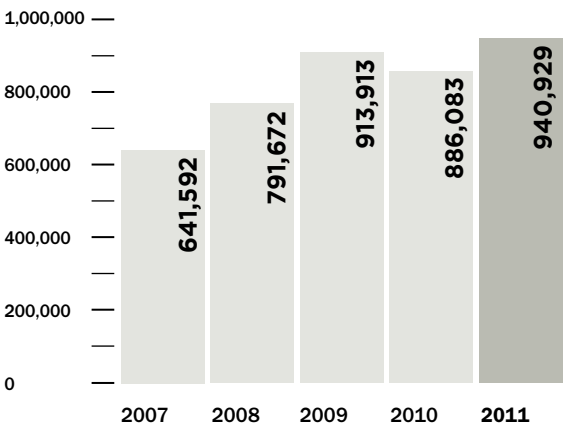
SOLID FINANCIAL BASE

In 2011, CTP's portfolio generated rental income in excess of €100 mil. This strong performance, combined with CTP's successful track record and long-term approach to development, created a solid base for extending cooperation with banks. CTP signed several new loan agreements with both existing and new financial partners in 2011, and we successfully renegotiated existing loans to reduce mezzanine financing. This resulted in newly agreed financing in 2011 of €242 mil.

STRENGTHENING RELATIONSHIPS

CTP continued to strengthen its relationships with its long-standing financial partners in 2011, including the conclusion of new loans for new projects with both Erste Bank and Raiffeisenlandesbank (Vienna). With Erste Bank, we successfully negotiated new financing for existing projects that were previously underfinanced. This reduced the €100 mil. mezzanine loan facility agreed with Erste Bank in 2009. CTP maintains a close and positive business relationship with Erste Bank concerning repayment of the mezzanine loan.

Interest-bearing loans (in EUR thousands)



The value of interest-bearing loans increased in 2011, thanks to the conclusion of new financing agreements.

CTP successfully negotiated loans with four new banking partners in 2011, resulting in over €242 mil. of new financing.

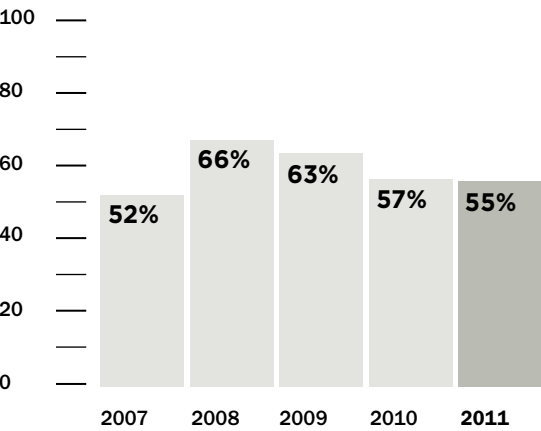
STRENGTH IN DIVERSITY

To diversify the creditor portfolio and raise additional financing for several new, large-scale projects, CTP successfully negotiated loan agreements with four new banking partners in 2011. These are: Československá obchodní banka (KBC)—€60 mil., for the construction of CTPark Brno – Phase II; UniCredit Bank Czech Republic—€34.5 mil., for the construction of IQ Ostrava; Všeobecná úverová banka (Intesa)—€22 mil. for land acquisition and construction of CTPark Mladá Boleslav; and Raiffeisenbank Czech Republic—€9 mil., in relation to a specific acquisition. Despite the increase of loans, our debt-equity ratio increased only marginally, from 47% to 49%, thanks to the concurrent increase in the value of CTP's equity.

CONSOLIDATION

In 2011, CTP continued with the sale of non-core assets. This included the sale of electricity grids owned by CTP to a consortium led by E.On and Lumen, which had a positive effect on the balance sheet. CTP's finances also benefit from currently low Euribor/Pribor rates and previously agreed loan margins. The sale of the electricity grid and the volume of new financing in 2011 enabled CTP to achieve its highest-ever positive cash flow of €50 mil., up from €25 mil. in 2010. In line with our long-term strategy, this will be used to further strengthen CTP's position as the market leader in the Czech Republic via the development of new projects, acquisitions and the expansion of our land bank.

Loan to property value ratio



CTP's loan to property value ratio decreased in 2011 to 55%, a result of the increase in the valuation of our portfolio and successful renegotiation of long-term debt.



RISK MANAGEMENT

CTP faces certain inherent risks through the course of its operations. To mitigate these risks, CTP has sophisticated systems in place for financial risk management. These include:

Credit risk – CTP has a credit policy in place to ensure that exposure to credit risk is monitored on an on-going basis. Receivables against clients are secured by guarantees.

Capital risk – CTP maintains creditor and market confidence with a strong capital base. In 2011, thanks to the expansion of our property portfolio and successful refinancing, CTP’s loan to property value ratio decreased to 55%, down from 57% in 2010.

Foreign exchange risk – To lessen the impact of foreign exchange fluctuations, CTP whenever possible makes investments in the same currency in which financing is denominated. We also make use of derivatives to hedge against exposure in foreign currency transactions.

Interest rate risk – To secure against the risk of interest rate fluctuations, in 2011 CTP entered into agreements with financial institutions to hedge interest rate risks. This is achieved by holding caps, swaps and collars on interest rate fluctuations. In 2011, CTP’s hedging rate quota was 73%, i.e., 73% of CTP’s loans are hedged against interest rate fluctuations.

Asset value (in EUR thousands)

	2011	2010
Total asset value	1,782,705	1,605,489
Net asset value	710,066	624,266

Financial highlights

Financial highlights 2011

Financial highlights

House in order

CTP's financial managers do more than just keep a watchful eye on the company's day-to-day cash flow—they make sure that current commitments are met and that plans for the future go forward. To manage a multi-million-euro stream of income and expenses requires diligence, know-how and attention to detail. Sound financial management is the foundation of our long-term relationships with our financial partners.



ERSTE BANK

Erste Bank is one of CTP's first and largest financial partners. In January 2009, CTP agreed on a five-year, €100 mil. mezzanine loan facility with Erste Bank to help shore up company finances as the global financial crisis began to impact Central Europe. As part of the loan agreement, CTP provides Erste Bank with quarterly liquidity statements and must obtain approval for disbursements relating to construction projects and major expenses. Since the conclusion of the mezzanine loan, relations between CTP and Erste have strengthened. As a sign of their confidence in CTP, Erste Bank agreed to provide CTP new loans in 2011 and to re-finance several standing projects with no or low financing, including for the completion of Tower B at Spielberk Office Centre in Brno. CTP is currently negotiating a two-year extension of the mezzanine loan facility.

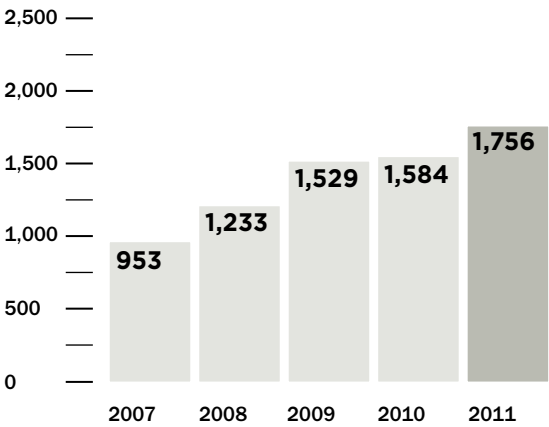
BANK LOANS: THE FINE PRINT

CTP signed new financing and refinancing agreements in 2011 worth a cumulative €242 mil. Interest rates on loans are based on Euribor and Pribor, plus margins that vary from 0.95%–3.15%. Loans are usually secured with pledges of shares, real estate, receivables and bank accounts. Borrowings for some assets have loan to property value covenants, and these have sufficient headroom to maintain current financing. In 2011, CTP's loan to property value ratio decreased to 55% (down from 57% in 2010), which is seen as an appropriate level in our markets. CTP remains in close contact with its financial partners to immediately resolve any issues that may arise.

Interest-bearing loans and borrowings from financial institutions / Finance lease liabilities (in EUR thousands)

	2011	2010
Non-current liabilities		
Interest-bearing loans and borrowings from financial institutions	627,313	554,523
Finance lease payables	226,534	225,252
	853,847	779,775
Current liabilities		
Interest-bearing loans and borrowings from financial institutions	70,108	82,071
Finance lease payables	16,974	24,237
	87,082	106,308

CTP rentable area (in thousand m²)



Loan repayments

Balance as at 31 December 2011					
	Due in				Total
	1 year	2 years	3–5 years	+ 5 years	
	87,082	193,889	248,568	411,390	940,929

In general, CTP agrees to loans with a maturity date of 1–5 years and longer. Current liabilities to banks in 2011 decreased year-on-year by over 18% as a result of successful refinancing. Liabilities are spread evenly over time, with over 43% of loans payable after five years. In 2011, CTP re-paid €39 mil. to its banking partners.

FINANCIAL POSITION

CTP achieved after-tax profit in 2011 of nearly €77 mil., an increase of over 21% compared to 2010. Financial results have been positively influenced by significant investments in new properties, and CTP as well profited from low interest rates.



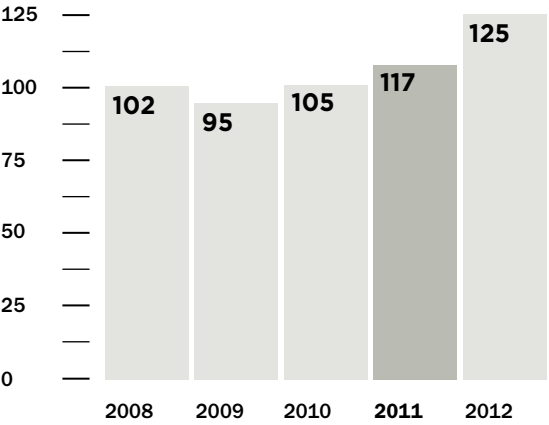
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CTP of the future

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At CTP, we don’t rest on our laurels.
We plant the seeds for future success.

Number of CTP employees (as of 1 March 2012)



All permanent employees, without temporary staff.

Energy in action

Passion, enthusiasm, new ideas—this is energy in action. To keep our edge and build for the future, we recruit the best and brightest to join our team. We’re always on the lookout for talented young people hungry for a challenge and eager to show us what they can do.

People are our strongest asset. That’s why we continue to invest in people, to give them opportunities to develop their skills and grow their career. CTP brings together the right mix of experienced leadership and youthful energy to ensure the success of our company today—and to build new strength for tomorrow.

CTP of the future (from left): Jiří Kostečka, Ondřej Radil, Tomáš Budař, Remon L. Vos, Petra Kučerová, David Chládek, Martin Dočekal, Stanislav Pagáč, Robert Doležal.

Smart
choice

Business Benefits of the Czech Republic

Smart
choice



Smart choice

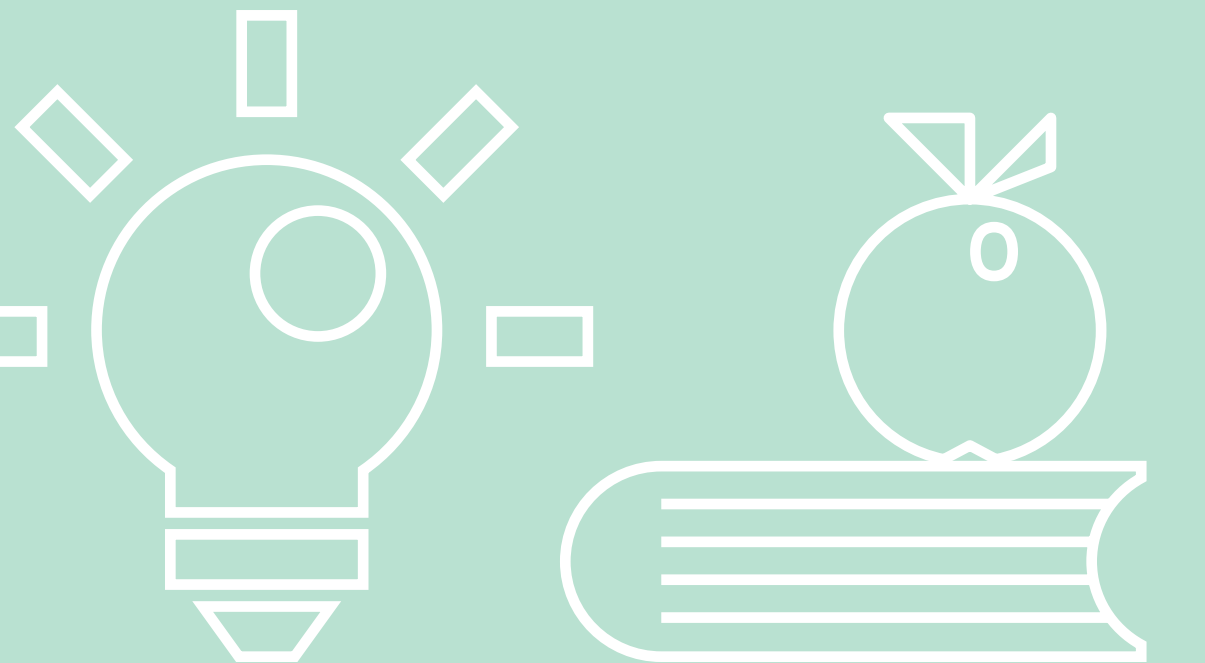
CTP chose the Czech Republic as its home market for the right reasons. The country’s strong macroeconomic fundamentals and its strategic location at the heart of Europe, combined with its highly skilled and educated workforce, focus on innovation, and cost-effective and pro-business environment, make the Czech Republic a smart choice for a wide range of business activities.

ON THE GROUND, HERE TO STAY

CTP’s home market is the Czech Republic, and we are here to stay. CTP is a major landowner and owns and operates all of its development projects. We have a vested interest to ensure that our properties are built to last and return value over the long term. Our manufacturing/logistics facilities have an active-use lifespan of 50 years. Our A-class office developments are landmark properties that make a lasting contribution to the cities where they are located.

Czech Republic: 10 good reasons

- 1 Strategic location
- 2 Safe investment environment
- 3 Skilled workforce
- 4 High percentage of secondary and tertiary education in the workforce
- 5 Competitive labour costs and price stability
- 6 High-quality infrastructure
- 7 Strong focus on R&D
- 8 EU membership
- 9 Close proximity to Western Europe
- 10 High quality of life



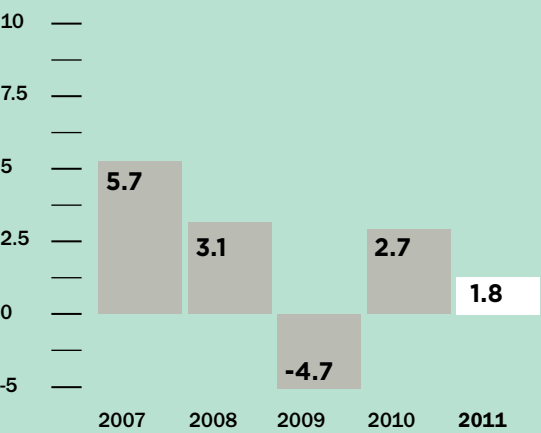
Sound investment — The Czech Republic boasts strong macroeconomic fundamentals and continues to attract new investment across several key sectors despite the downturn in the European economy. In fact, the Czech Republic has started to see a benefit from the downturn, as pressures intensify on companies to streamline operations and focus on boosting returns on investment. Companies already present in the Czech Republic are increasingly locating other operations to the country. Since 1993, the Czech Republic has received over €77 bil. in foreign investment. While GDP and FDI declined slightly in 2011 because of the worsening euro-zone crisis, the medium-term forecast is for renewed growth and increasing investor confidence.

Smart people — The Czech Republic boasts a highly educated workforce that is particularly strong in IT, engineering, applied sciences, life sciences and foreign languages. The country is home to 24 state universities and numerous private colleges, with nearly 400,000 students enrolled. In 2011, there were over 80,000 students studying for technical degrees. Excellence in higher education is not restricted to Prague, as there are top-rated universities in several regional cities, including Brno, Ostrava and Plzen.

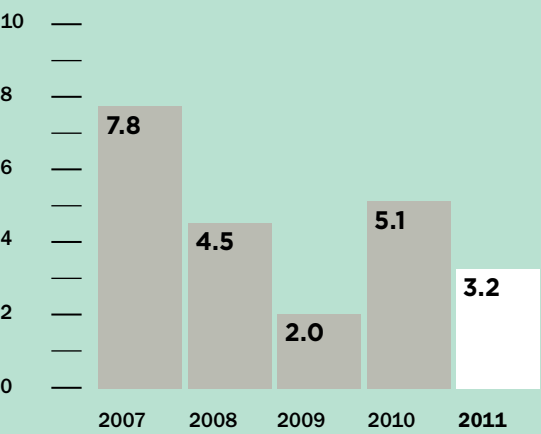
Innovation hub — As the Czech economy matures, greater emphasis is placed on the development of the country as a world-class centre for knowledge-based industries and innovation. The regional centres of Brno and Ostrava in particular are leading the way, with several R&D/innovation centres established in cooperation with local universities and regional administrations focusing on such areas as information technology, applied sciences and bio-technology. Investment incentives are in place to support qualifying investments into knowledge-based industries and technologies.

Naturally strategic — The Czech Republic’s geographic position at the heart of Europe provides strategic location for logistics, supply chain and manufacturing activities. The country has extensive and compact transportation infrastructure, with over 700 km of dual-carriage motorways, over 400 km of expressways, and over 55,000 km of roadways in total. Brno and Ostrava are each serviced by international airports, and an extensive rail network criss-crosses the country. Plzen and Western Bohemia provide strategic access to Western European markets. Brno and South Moravia are the gateway to both the Mediterranean and Black Sea. Ostrava and the Moravian-Silesian region sit at the crossroads of the main North-South transportation corridor, with close proximity to Slovakia and Poland.

GDP growth (% annual change)



FDI inflow (in EUR bil.) *



* Based on average annual exchange rates.

COMMUNITY PARTNER

CTP's close and collaborative relationship with local, regional and national authorities is one of the company's key strengths. The trust and confidence we engender have been built over many years. We work closely with regional municipalities to coordinate our developments with their urban master plans, directly addressing all local community concerns—including traffic, residential development, roads, employment and the local environment. Good corporate citizenship is integral to CTP's mission, and we actively support local charities and community initiatives.

MAKING THINGS HAPPEN

CTP's activities help attract foreign investment and are decisive for job creation and economic growth. CTP builds the infrastructure modern business needs to succeed. We help international companies capitalise on the benefits of locating operations in the Czech Republic/CEE and provide local companies with facilities meeting the highest international standards. Companies leasing CTP facilities currently employ over 35,000 people. Total investment by CTP tenants is in excess of €1 bil. CTP plays an active role promoting regions and cities in the Czech Republic and elsewhere in CEE at international exhibitions and industry trade fairs. We are proud that our activities have made, and continue to make, strong contributions to the economic development of the regions where we operate.

“CTP is a key partner of the City of Brno.”

CTP is a key partner of the City of Brno in the area of industrial development. In 2011, during a period of global business stagnation, CTP was able to attract new investors to the Brno area. Among its many activities, CTP successfully completed the construction of new production halls at CTPark Brno – Phase II.

The City of Brno has been successful in further developing the city as an important centre for research and development. In 2011, two “mega-projects” in Brno—the Central European Technology Institute (CEITEC) and the International Centre for Clinical Research—received funding from the EU.

I believe that the City of Brno can look to the current year and beyond with confidence and optimism, particularly when we have a prosperous partner like CTP on our side.

Roman Onderka
Mayor of Brno



Brno and surroundings.

When I arrived in the Czech Republic in December 2009, I had to learn fast about the Czech economy and the Dutch business community in the Czech Republic. It didn't take long before I heard of the reputation of CTP as a successful, strong and expanding company. One of my predecessors assisted at the opening of the Spielberk Office Centre in Brno. CTP director Remon Vos invited me in 2010 at its fifth anniversary and at the launching of Spielberk Tower, where we had an unforgettable experience together at its highest level, some 90 metres above the ground.

From this height we had the widest possible view of the environment, and Remon Vos shared with me his vision to set up logistical hubs across the Czech Republic. The geographical position, the accessibility and the design of these parks have already attracted several larger foreign companies to establish a part of their business in the Czech Republic. In September 2011, I personally visited some of them at IQ Ostrava. Their managers explained to me how satisfied they were with the location, their activities and their contribution also to the local economy.

Jan C. Henneman
Dutch Ambassador to the Czech Republic

Having visited several CTP office projects, my impression is that CTP fits well in the profile of Dutch entrepreneurship and reliability, which contributes to the positive view of Dutch business in the Czech Republic and to doing business with the Netherlands.

Dutch society is, furthermore, based on building bridges, seeking consensus and ensuring alignment between politics, business and civil society. I recognized such attitudes when visiting Spielberk Office Centre in Brno and IQ Ostrava. Innovation, sustainability and design are other words that come to mind while visiting these business parks. I believe CTP truly combines the functionality and practicality of offices with urban planning and design, which results in an open and pleasant working environment, attracting economic activity.

“CTP fits well in the Dutch profile of entrepreneurship and reliability.”



CTP builds the infrastructure modern business needs to succeed.

Our vision is to develop the City of Ostrava as a centre with great potential for the most modern investments. Ensuring high-quality education and a supportive environment for innovation and research activities are essential to further strengthen the competitiveness of our city and region.

In 2011, Ostrava took great strides toward achieving this goal. We have increased opportunities at Ostrava's Research and Technology Park for innovative companies to cooperate with our universities.

VŠB-Technical University of Ostrava has expanded the size and curriculum of its Faculty of Electrical Engineering and Computer Science, which further enhances the top-quality level of graduates and R&D capabilities. Also exciting is the plan to unite the Technical University and the University of Ostrava, which will establish the city as a major research centre.

Despite the credit crunch, Ostrava's development continues. Several new administrative buildings have recently been built, and the multi-functional New Carolina urban renewal project will open to the public this year. We are working hard to further develop and improve our city. Ostrava deserves it.

“Our vision is to develop the City of Ostrava as a centre with great potential for the most modern investments. In 2011, we took great strides toward achieving this goal.”

Petr Kajnar
Mayor of Ostrava

Our port

Our Portfolio

Our folio

**CTP has a balanced
portfolio, with
nearly 1.8 million
m² of built-up
properties.**

Branded developments

The CTPark Network



Our core business is the CTPark Network, the largest integrated system of premium business parks in Central Europe. Five unique development types can be customised to meet the most demanding requirements and are available for immediate move-in.

Spielberk Office Centre



Stand-alone developments include our flagship office development, Spielberk Office Centre in Brno, as well as IQ Office Concept buildings and purpose-built CTZones for SMEs.

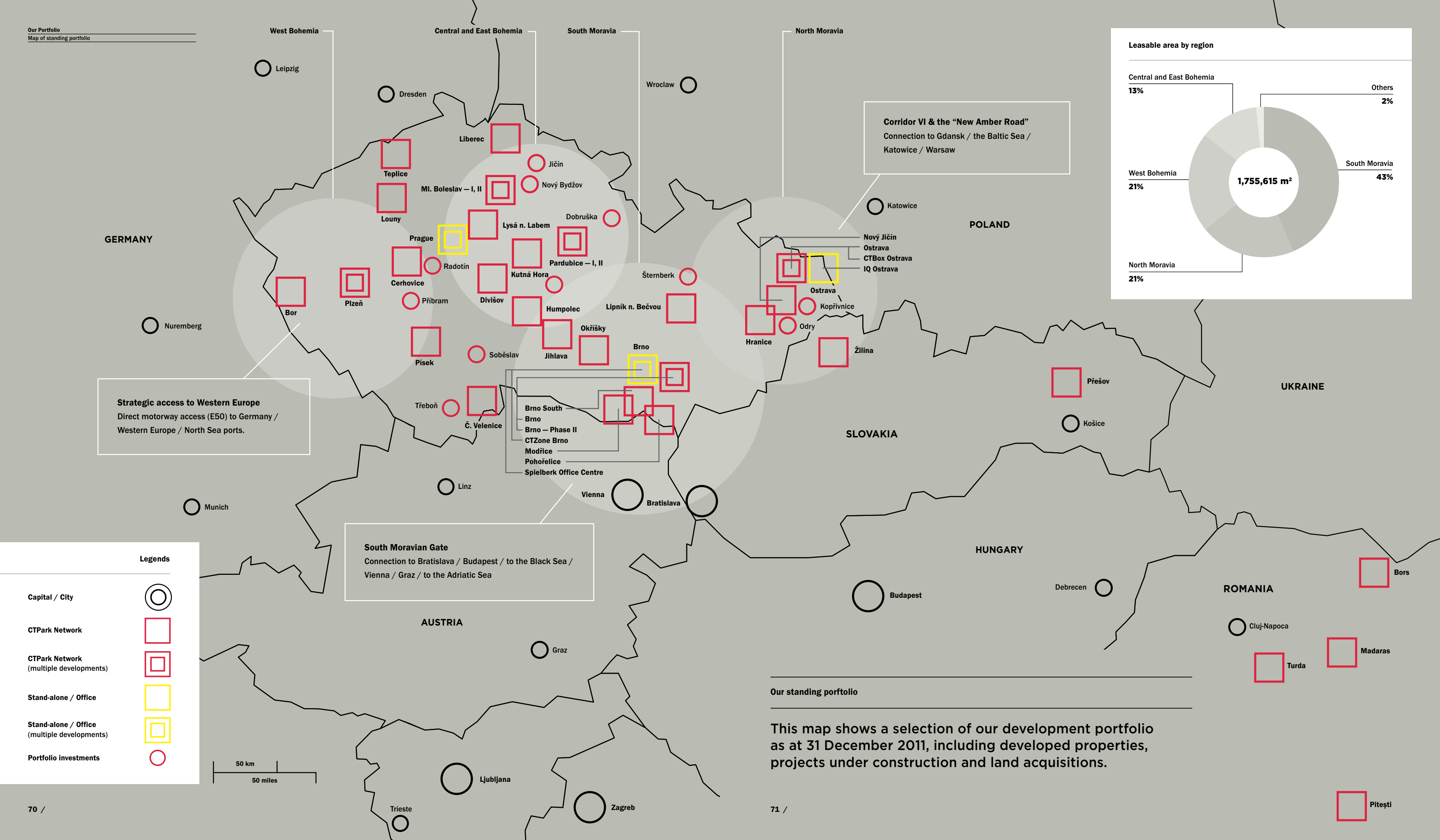
IQ Office Concept



Portfolio investments in retail and office holdings further broaden and strengthen CTP's position. All development properties are A-class and built in strategic locations to help businesses succeed.

CTZones







The CTPark Network

THE CTPARK NETWORK IS AN AWARD-WINNING SYSTEM OF FULL-SERVICE PREMIUM BUSINESS PARKS DESIGNED AS THE IDEAL PLATFORM FOR VIRTUALLY ANY BUSINESS ACTIVITY.

Flexible

The CTPark Network combines the highest construction standards with maximum flexibility and strategic location to meet the needs of modern business in Central Europe. Each CTPark is home to a diverse group of users, from the largest multinationals to local small- and medium-sized enterprises (SMEs).

Focused

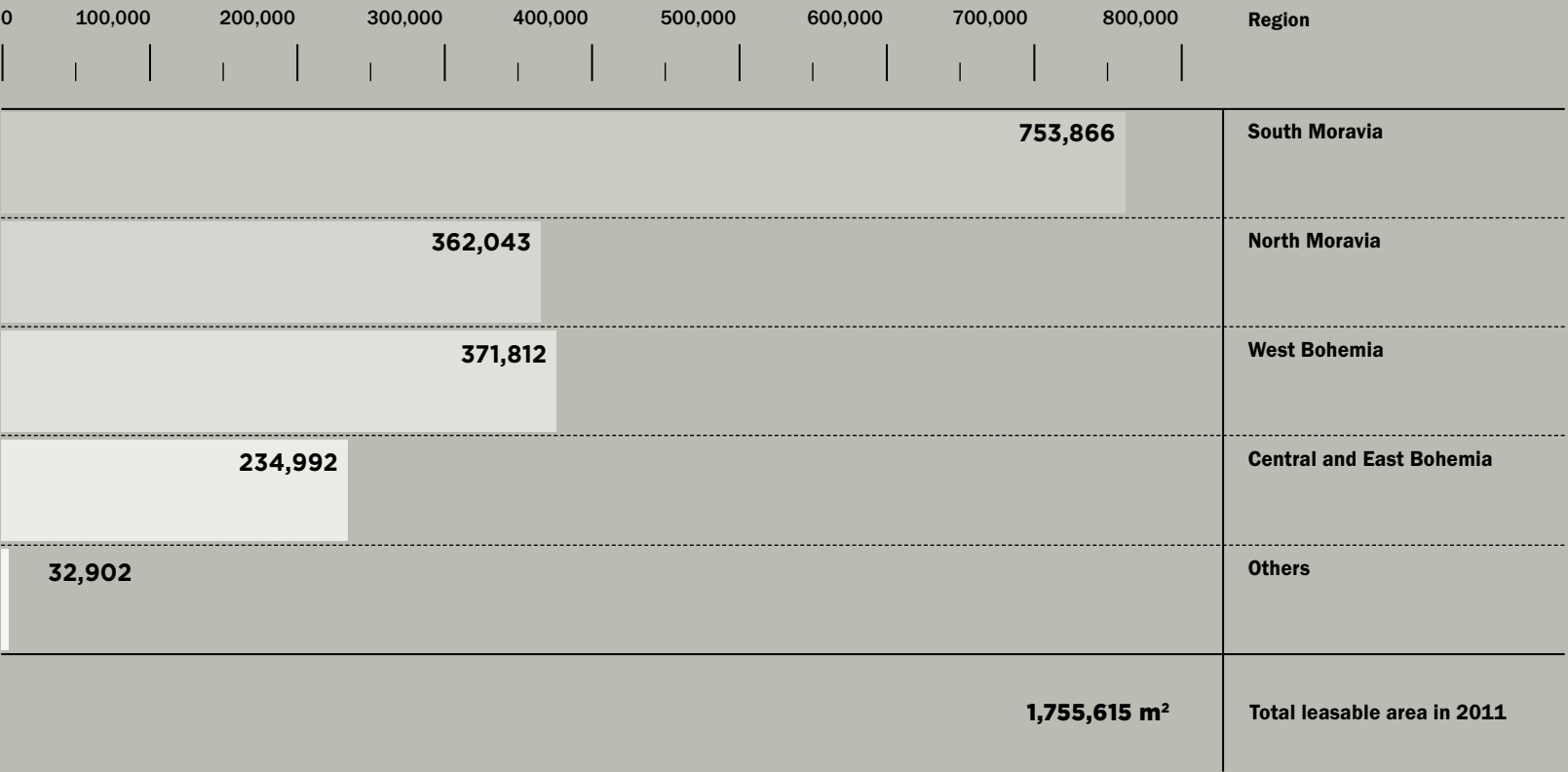
Five unique development types provide focused solutions for manufacturing, logistics and supply-chain operations, research and development (R&D) labs, call centres and back-office operations.

Fast

With pre-built facilities and pre-zoned greenfield land available for development, the CTPark Network enables current tenants to expand their operations quickly and provides new market entrants with the ideal first-step solution.

The CTPark Network is our core business—and the largest system of premium business parks in CEE.

The CTPark Network — leasable area by region (in m²)





41

Number of locations
in the CTPark Network
across CEE.





5

The CTPark Network
Five development types



Five types

The CTP Network — Five development types

ment types





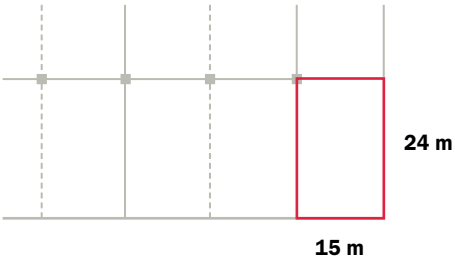
CTBox

450 – 800 m²

THINKING INSIDE THE BOX

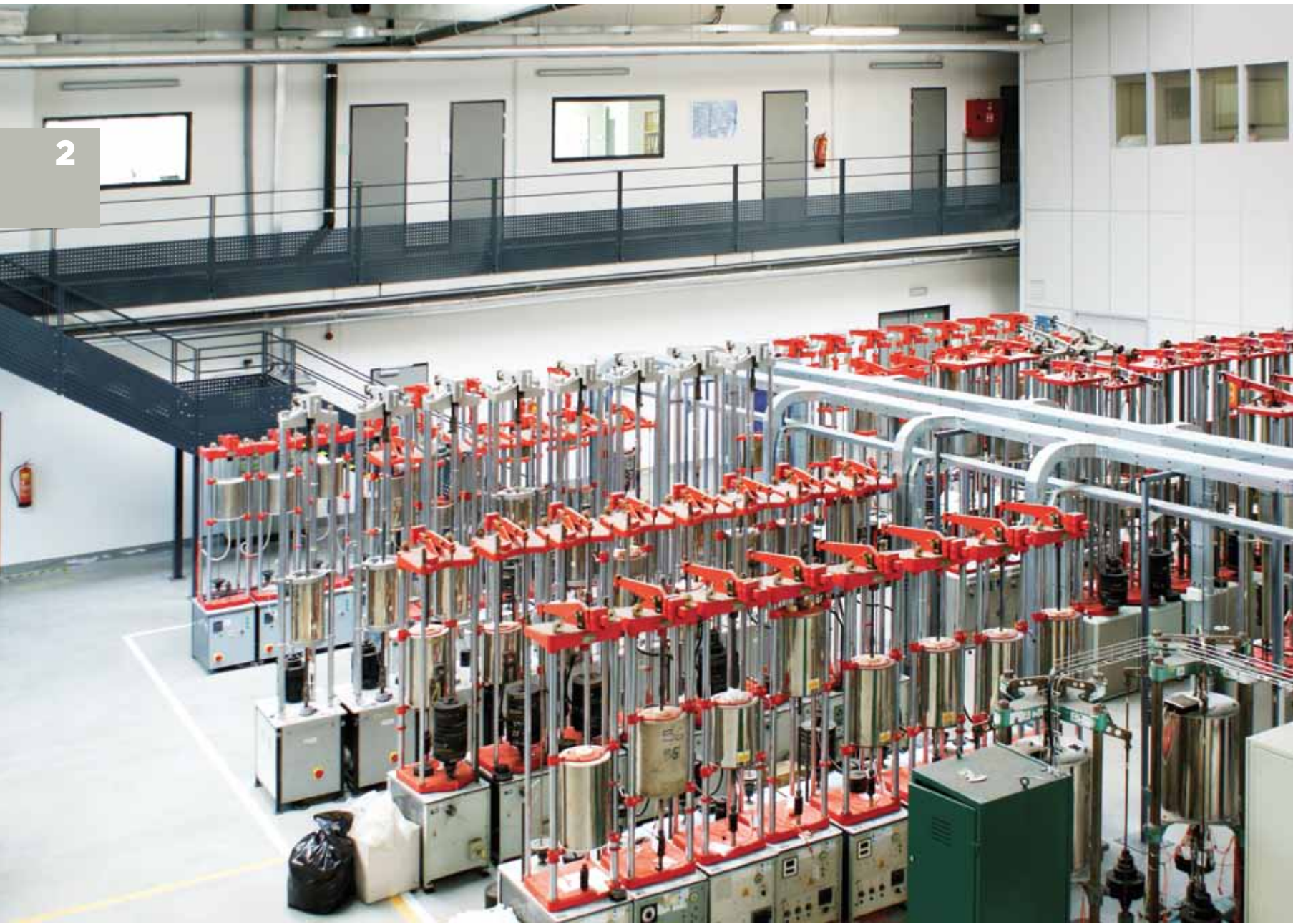
The three-in-one functionality of the CTBox concept provides showroom, warehousing and office space in one efficient unit. CTBoxes are designed to support a wide range of activities, from test facilities and light manufacturing to R&D and wholesale/retail operations. Built-in flexibility makes it easy to expand or customise CTBox units as business grows.

Characteristics
Showroom, warehouse and office space in one
Ideal for SMEs
Multiple locations
Expansion options
Immediate move-in

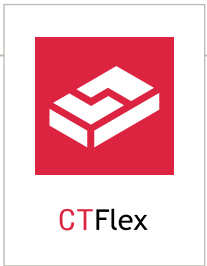


Typical column grid





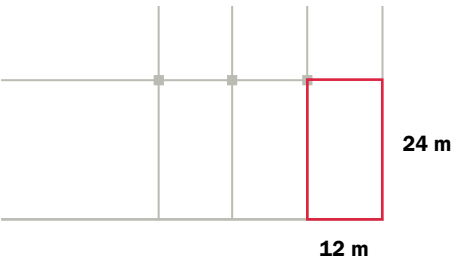
2



CTFlex1,150 — 3,000 m²

FLEXIBLE SPACE FOR FLEXIBLE NEEDS
CTFlex buildings are multi-purpose facilities pre-built throughout CEE to support diverse business activities. This product is ideal for light manufacturing, test/repair centres and R&D, with built-in office space and warehousing. Moveable partition walls enable easy modification for seasonal overflows or the expansion of business.

- Characteristics**
- Light industrial and office space
 - Modular design
 - 7 m clear height
 - Moveable partition walls
 - First-step solution



Typical column grid



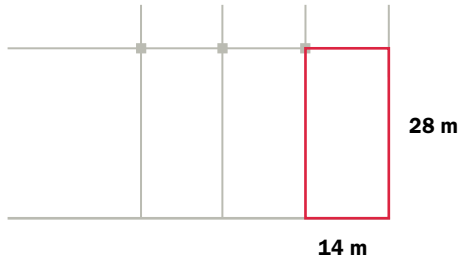
CTSpace

3,000 – 20,000 m²

ROOM FOR GLOBAL BUSINESS

CTP builds and maintains high-quality, modern warehouses throughout the CTPark Network to accommodate the storage, distribution and supply-chain needs of global business. On-stock availability enables companies to find the right building to meet their location and operational requirements without delay. This product is ideal for logistics operators or for distribution centres and supply-chain hubs.

- Characteristics
- Flexible loading bay options
 - 10.5 m clear height
 - Custom fit-outs
 - Sprinkler system as standard
 - High-quality design and building materials





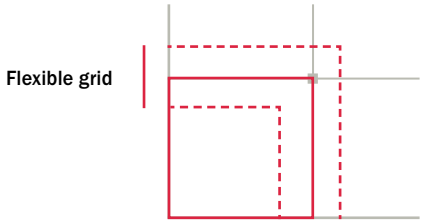
CTFit

from 5,000 m²

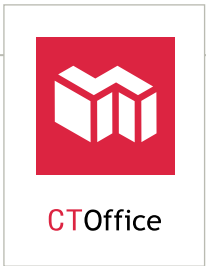
TAILOR-MADE SOLUTIONS

CTP specialises in custom-built properties and fit-outs to meet even the most demanding, industry-specific requirements. This product is ideal for large-scale distribution centres and chilled warehousing; high-tech manufacturing operations requiring special technical parameters; and R&D labs with special safety needs. CTP's ability to plan and manage the construction process in-house ensures that the facility meets all expectations and is delivered on time.

- Characteristics**
- On-demand locations
 - Complete design and build
 - Fit-out financing and installation
 - In-house team
 - CTP remains the landlord



Typical column grid



CTOffice

194 — 2,550 m²

INTEGRATED OFFICE ENVIRONMENT

Developed exclusively within the CTPark Network to provide companies with high-quality, cost-effective office facilities that support a range of activities. Ideal for customer and service centres, software and equipment design, R&D and back-office operations. Flexible floor plans allow for customised space design and future expansion. CTOffice features state-of-the-art infrastructure, landscaped gardens and onsite amenities, with 24-hour security and ample parking.

Characteristics
Office park concept
Modern, energy efficient and cost effective
Secure parking, public transport
Ideal for office, laboratory, customer support
Onsite amenities



Stand
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Stand-alone developments

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Spielberk Office Centre

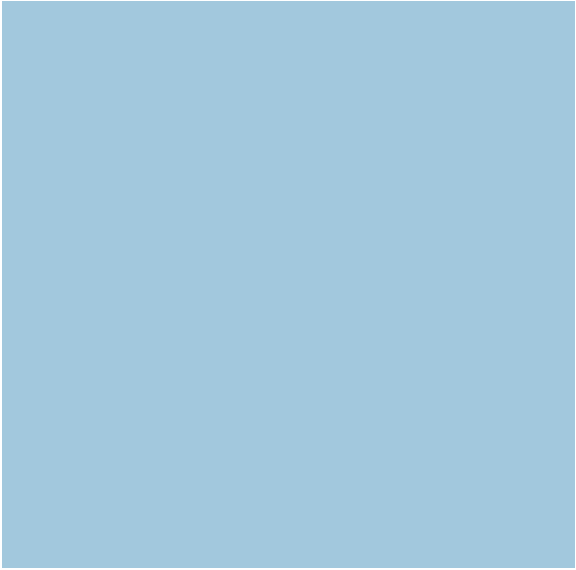
AWARD-WINNING SPIELBERK OFFICE CENTRE IN BRNO IS OUR FLAGSHIP OFFICE DEVELOPMENT.

LANDMARK ADDRESS

Spielberk Office Centre is an A-class office park located in the heart of Brno, the Czech Republic's second-largest city and one of Europe's fastest-growing business destinations. Spielberk is Brno's premier business address, with over 90,000 m² of A-class office space ideally suited for knowledge-based companies, high-tech firms, regional HQs and representative offices.

THE RIGHT MIX

Spielberk offers three building types to suit any size of operation: Lakeside Villas, high-rise IQ buildings, and The Towers, a multi-use skyscraper complex under construction and scheduled for completion in 2012. Spielberk is a diverse business community that brings modern companies together. Tenants include Monster Worldwide, GE Money Bank, Infosys, Lufthansa, Miele and AVG, among many others.





Tower B at Spielberk Office Centre is completed – at 90 metres, the tallest building in Brno.

WORK & PLAY

Spielberk is a campus-style office park designed for the people who work there. Carefully landscaped gardens and onsite amenities create a relaxed, people-friendly work environment. Spielberk’s city-centre convenience makes it part of Brno city life both during, and after, office hours.

WELL-CONNECTED

It’s a five-minute walk from Spielberk to Brno’s historic city centre via a purpose-built, award-winning pedestrian bridge—and even faster by bike or rollerblade. Spielberk has ideal road access, with onsite bus service and close proximity to the main railway terminal, a major north-south motorway junction, and Brno’s international airport.



IQ Office Concept

CTP IS EXPANDING THE IQ CONCEPT TO OSTRAVA, BASED ON ITS SUCCESS AT SPIELBERK OFFICE CENTRE.

CLEVER CHOICE

IQ Ostrava is the first stand-alone IQ development. Phase I includes 22,000 m² of flexible, A-class office space in two towers, with over 5,000 m² of landscaping and a city-centre address. Construction is underway and scheduled for completion in 2012.

Ostrava, the Czech Republic's third-largest city, is an emerging hub for high-tech industries.

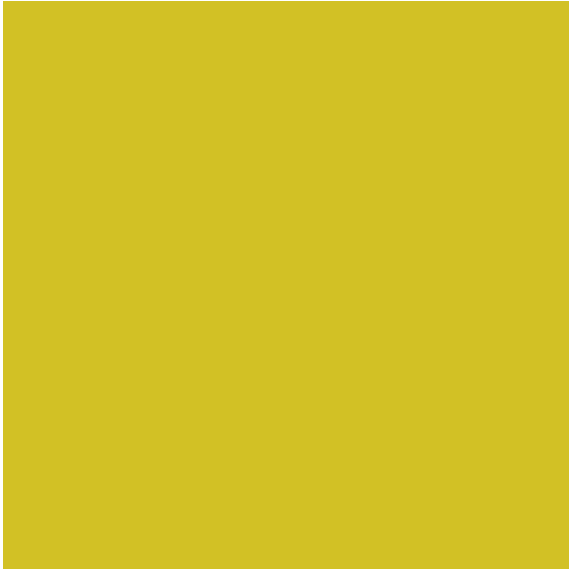
“TIETO TOWERS”

Tieto, one of Europe's largest IT service companies, is the flagship tenant at IQ Ostrava. Tieto is consolidating their operations in the Ostrava area into a regional HQ at IQ Ostrava, with 15,000 m² of state-of-the-art facilities.



OSTRAVA

With city-centre convenience and state-of-the-art construction, the IQ concept is the intelligent solution for a wide range of office activities.





SMART BUILDING

IQ Ostrava has been awarded the prestigious BREEAM energy efficiency rating, the first building in Ostrava to receive this international certification. IQ Ostrava is wired for the future, with the latest backbone data transfer technology. The flexible design enables custom floor plans to support the full suite of office activities, including R&D, software design and customer service centres.

FORWARD-THINKING

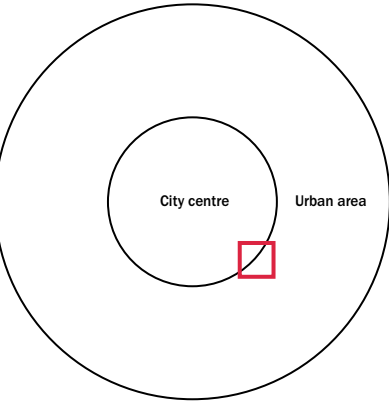
IQ Ostrava – Phase II is planned for 2014 and will provide an additional 16,000 m² of premium office space in downtown Ostrava. CTP plans to bring the IQ Office Concept to new cities based on a careful analysis of market demand.

CTZones

SMALLER-SCALE, SUPERIOR-STANDARD BUSINESS PARKS LOCATED
DIRECTLY IN CITY CENTRES.

UNIQUE INNER-CITY BUSINESS PARKS

CTZones are ideal for both SMEs and multinationals that seek superior-standard facilities in strategic, city-centre locations. Incorporating the CTBox concept, CTZones provide the ideal platform for a wide range of activities, from showrooms, small warehousing, and “last-mile” logistics to laboratories, offices and light manufacturing. CTZone Brno, the flagship development, combines A-class CTBox units with refurbished historic properties to create a unique business environment.





NOT JUST FOR SMES

CTZones are not just for SMEs—they are also utilised by larger companies that need smaller, highly efficient facilities in city centres for direct customer deliveries or service. New investors to the Czech Republic also choose CTZones as a first-step solution, with a view toward expansion.

BRNO, PLZEN, OSTRAVA—AND BEYOND

Based on the success of CTZone Brno, the CTBox concept has been expanded to Plzen and Ostrava. CTP plans to continue expanding the CTBox / CTZone concept to other regional cities, based on a careful analysis of market demand.



CTZone Brno is a unique urban revitalisation project that combines modern CTBox units and refurbished historic properties to create a dynamic business park environment.

Port inve

Portfolio investments

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Portfolio investments

CTP MAKES STRATEGIC INVESTMENTS IN RETAIL AND OFFICE HOLDINGS TO ENHANCE PORTFOLIO DIVERSITY.

RETAIL

CTP has acquired strategic ownership interest in a portfolio of retail properties in the Czech Republic. These include Penny Market and Albert supermarkets in regional population centres. To strengthen its retail portfolio, CTP is preparing to launch its first large-scale retail development, Brno Retail Park. At completion, the development will offer 250,000 m² of retail space, with strategic location at the major motorway junction at the edge of Brno near existing retail outlets. In 2011 CTP began the permitting process for the project. Construction is expected to start in the second half of 2012.

OTHER PORTFOLIO INVESTMENTS

To further strengthen and diversify its portfolio, CTP makes strategic investments in other property and business assets. These include the acquisition of four office buildings in Prague, as well as select assets in Austria and Germany. CTP also owns certain infrastructure assets at its development properties, including those relating to solar power installations within the CTPark Network.

Portfolio investments enhance revenue streams—and strengthen CTP’s position.



Team
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Team-spirited

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ited

CTP's success is built by a talented team of over 115 dedicated professionals working together.

Strength in numbers

CTP has brought together a diverse, international team of the best and brightest. People who take satisfaction in a job well done. People with a fun-loving, entrepreneurial spirit, who bring enthusiasm, experience and new ideas to the table.

We are proud of the people who work at CTP and of the many successes we have achieved together. Going forward with the team we have assembled, we are confident of our continued success.

Lead
pack

Management team

ders
back

Management team (from left):
Stefan de Goeij (NL), *Head of Property Management*;
Luboš Zajíček (CZ), *Head of Legal Dept.*; William Zach (CA),
Head of Marketing; Hana Mancová (CZ), *Head of Purchase Dept.*;
Paul Deverell (UK), *Head of Business Development*.



Steady hands

CTP’s management team is experienced and international. As seasoned professionals, they understand the in’s and outs of the property development business and have years of experience helping companies implement their business plans in Central Europe with new facilities.

CTP managers bring much more than simply expertise in their respective fields: they bring in-depth understanding of our clients’ business objectives. Their day-to-day leadership is essential to the smooth running of our operations and to our continued, long-term success.

It takes decisive leadership to get the job done.

“As head of CTP’s Purchase Dept., I am responsible for the tendering process for construction supplies and services. This requires close coordination with project managers responsible for construction. The main focus of the Purchase Dept. is to lower investment costs by sourcing from the most cost-effective suppliers, while at the same time ensuring that all materials and sub-contractors meet CTP’s demanding quality and ecological standards. For projects in the Czech Republic, we primarily source from local suppliers, as this enables CTP to have even greater control over quality and price. To ensure that CTP maintains its competitive advantages, we are always on the lookout for new suppliers and keep a close watch on the latest trends in new materials and building methods. Among our important responsibilities is to ensure that the construction process stays within budget and is completed on schedule without delay.”

Hana Mancová
Head of Purchase Dept.

Eye on costs

“Emphasis on quality design is a hallmark of CTP. This is true not only for the buildings and projects we develop, but for company and product presentation as well. My job as Head of Marketing is to make sure that our branding clearly communicates the scope of CTP’s activities and products to the market. CTP is unique among developers in the region in that we place great emphasis on our portfolio of branded developments. This is not simply about placing logos on buildings and brochures, but rather demonstrating to the outside world the exact product that goes with the service. A logo is only as strong as the company that stands behind it—CTP’s strength on the market is second to none. When a company has grown to this level, it is essential to show people on the outside what the organisation and products are really like.”

William Zach
Head of Marketing

Brand power



Hunt
down

Message from the Business Director

ring
own



**“In 2011, over 65% of new business
came from existing tenants.”**



Hunkering down

GROWING THE BUSINESS

CTP has travelled far since our early days as a start-up developer of greenfield projects. Today, CTP is a major asset manager and the number-one developer of industrial properties in the Czech Republic. My changing role as head of CTP's Business Development team mirrors the growth of CTP. While before my main job was marketing new developments, today my primary focus is to support our current clients with their growth strategies—as well as being active in attracting new business. Our ability to anticipate client needs and react quickly to their requests is essential for our continued success.

2011: A RECORD YEAR

One of CTP's key strengths is its diversified client base. We have long-term lease agreements in place with over 400 companies representing a broad spectrum of business activities. In 2011, CTP generated record income from leasing activities of over €100 mil.

The fact that we signed new lease agreements with a total of 25 new clients in 2011 demonstrates that even in difficult times, investors are looking to capitalise on the business benefits of locating operations at CTP facilities. New clients signing lease agreements in 2011 include Tieto (15,000 m² of A-class offices at IQ Ostrava), CB&I (R&D centre at Spielberg Office Centre in Brno), and Medi-Globe (CTFlex multi-use facility at CTPark Hranice).

Gross rental income, by property type (in EUR thousands)

	2011	2010
Logistic premises	41,207	37,463
Production premises	36,299	34,516
Offices	13,638	13,432
Retail premises	1,777	1,791
Mixed-use	134	136
Plots and infrastructure	773	724
Park management income	6,341	6,085
	100,169	94,147

FOCUSING ON CURRENT CLIENTS

CTP is currently home to over 400 diverse companies. Listening to our current clients and reacting quickly to their needs is a major part of business development. A strong indication of our success is the number of tenants who expand existing operations at CTP. In 2011, over 65% of new business came from existing tenants. This included new facilities such as three large CTSpace warehousing units for Kompan and Wistron at CTPark Brno – Phase II, and a CTFit custom-built facility for logistics operator PST, one of our long-standing clients. We also delivered major extensions of existing facilities for clients such as Loxxess, IMI Norgren and ABB.

LOOKING AHEAD

In line with current trends, we expect that a majority of new contracts signed in 2012 will be with existing tenants. We continue to work hard to win new clients, particularly companies who are active in core sectors such as high-tech manufacturing, IT and R&D, as well as logistics and distribution. I am particularly excited by the completion of The Towers at Spielberg Office Centre in Brno and the launch of construction at our newest CTPark in Mladá Boleslav in 2012. Both projects offer exciting new opportunities for expansion going forward.

CTP has over 400 clients active in diverse business sectors.

Selected client list

<div><div>A</div><div>ABB</div><div>Acer</div><div>Adestra</div><div>AVG Technologies</div><div>B</div><div>BJS</div><div>Brembo</div><div>Bridgestone Europe</div><div>Brose</div><div>C</div><div>CB&I</div><div>CCI</div><div>CEVA Logistics</div><div>Coca-Cola</div><div>ČSOB</div><div>D</div><div>D.A.S. pojišťovna právní ochrany</div><div>Dascher</div><div>Damco</div><div>DET NORSKE VERITAS</div><div>DHL Express</div><div>DHL Solutions</div><div>E</div><div>Eaton Elektrotechnika</div><div>EWALS Cargo Care</div><div>G</div><div>GE Money Bank</div><div>GEBRÜDER WEISS</div><div>GEODIS BRNO</div><div>Global Tele Sales (Lufthansa)</div><div>Grupo Antolin</div></div>	<div><div>H</div><div>Henniges</div><div>Honeywell</div><div>I</div><div>IMI International</div><div>Infosys BPO</div><div>ING Bank Czech Republic</div><div>ITT</div><div>K</div><div>Komerční banka</div><div>Kompan</div><div>Konica Minolta Business Solutions</div><div>Kühne + Nagel</div><div>Kwesto</div><div>L</div><div>Lear Corporation</div><div>LogicaCMG</div><div>Loxxess</div><div>M</div><div>Maurice Ward</div><div>Miele</div><div>Monster Worldwide</div><div>N</div><div>NetShape</div><div>Norbertdentressangle</div><div>Norgren</div><div>O</div><div>Oerlikon</div><div>P</div><div>Panalpina Czech</div><div>PPG Industries</div><div>Q</div><div>Quehenberger Logistics</div><div>R</div><div>Raben Logistics</div><div>Rhenus Freight (IHG Logistics)</div><div>Ringier Axel Springer Print</div></div>	<div><div>S</div><div>SAP</div><div>Schenker</div><div>SGL</div><div>Sumitomo Corporation Europe</div><div>T</div><div>Tatung</div><div>Tech Data</div><div>Telefónica O2 Czech Republic</div><div>ThyssenKrupp</div><div>T-Mobile Czech Republic</div><div>Tieto</div><div>TNT Express Worldwide</div><div>Tyco Fire & Integrated Solutions</div><div>U</div><div>UniCredit Bank Czech Republic</div><div>UPS SCS</div><div>V</div><div>Valeo Compressor Europe</div><div>W</div><div>Wistron InfoComm</div></div>
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Business Development team

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Focused attention

BUSINESS DEVELOPMENT IS ABOUT CREATING OPPORTUNITIES
AND OPENING NEW CHANNELS FOR GROWTH.

CTP's Business Development team combines in-depth local market knowledge and a strategic understanding of what companies want to achieve with new facilities in Central Europe. Our job is to listen to the client, understand their objectives, and provide solutions that work.

At CTP, business development means not only seeking new business relationships, but also strengthening relationships with current clients. In 2011, over 65% of new business came from existing clients. This is no coincidence. This is the result of our focused efforts to ensure that our clients have the facilities they need not only for today, but also for tomorrow.

Our job is to listen to the client, understand
their objectives, and provide solutions that work.

Forw
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Message from Head of Property Management

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“In 2011, our property management team received ISO 14001 certification for high environmental standards.”



Forward-leaning

BUILDING THE FUTURE

As head of Property Management at CTP, I am responsible for a team of over 20 professionals who take care of the day-to-day needs of our clients and their leasehold properties. Looking back at 2011, I see growth and more maturity in the provision of services to our clients. For a company like CTP with its high standards, this is an on-going process and will keep advancing as we keep streamlining internal processes. Our efforts in 2011 resulted in a 12% decrease in property management expenses. Part of my job is making sure that CTP stays ahead of the curve as we continue to deliver and manage world-class properties that meet the highest industry standards.

CLEAR COMMUNICATION,
RAPID RESPONSE

Clear communication—with clients, with our onsite property managers, and with the heads of other departments at CTP—is the key to successful property management. To support this, in 2011 we launched our 24/7 Help Desk hotline service, which has proven to be very successful. We have also expanded our Property Management team with more facility managers and staff, to ensure that each client request is handled promptly and effectively. Our goal in 2012 is to fulfill at least 80% of Help Desk requests within five days. We know that having satisfied tenants is crucial for our long-term success.

SUSTAINABLE SYSTEMS

We take sustainability and responsible environmental stewardship seriously at CTP. I am proud that in 2011, our Property Management team received ISO 14001 certification for high environmental standards. We carried out energy audits for our buildings, resulting in environmental certificates, and we are working hard to have our entire industrial portfolio certified in accordance with a green rating system. A major milestone in 2011 was the receipt of a BREEAM energy efficiency rating for IQ Ostrava. Going forward, all new office buildings will now be BREEAM certified.

HERE COMES THE SUN

Another distinction that sets CTP apart is our solar power initiative. To date, CTP has installed photovoltaic panels on the rooftops of 13 buildings across the CTPark Network, which together currently generate over 6 MW of electricity. At full deployment, CTP's solar installation will generate up to 60 MW of electricity—enough to meet one-third of the energy needs of our industrial properties. In 2011, power generated by our solar installations eliminated 8.6 mil. kg of CO₂ emissions. Our commitment to solar power is part of our long-term commitment to sustainable development in the 21st century.

Park management expenses (In EUR thousands)

	2011	2010
Park management expenses	2,983	3,400

Help hand

Business park management

oping
mand

Helping hand

SMOOTH OPERATOR

As Park Manager, I am responsible for the smooth, day-to-day operation of CTPark Ostrava. CTPark Ostrava is currently home to 46 clients, and it's important to look after them carefully and to resolve quickly any issues that may arise. I am also responsible for permitting—not only for land and construction, but also for client technologies. In 2011, we extended our team in Ostrava to further strengthen our service to our clients.





“We have seen many extensions lately, and I am convinced that it means we are doing our job well, and that our clients are happy with our work and see CTP as a reliable partner.”

Petra Pivovarová
Park Manager, CTPark Ostrava

MANAGING GROWTH

CTPark Ostrava has been growing rapidly since the park first opened in 2005. In 2011, we welcomed several new clients, including Brembo, DHL and Rexel, and we successfully completed major extensions for ITT and Grupo Antolin. We also secured additional land for the expansion of the park to 90 hectares and are preparing for the construction of three new buildings in 2012. To date, over 3,700 new jobs have been created at CTPark Ostrava, and the number is growing.

NO PLACE LIKE HOME

I have been at CTPark Ostrava since the very beginning. I know our clients here personally, and I have a well-established and good working relationship with the local authorities. As an Ostrava native, I know that CTP is seen here as a long-term and reliable partner that is playing a positive role in the city's development.



We have built a strong working relationship with the local authorities to ensure that the permitting process is speedy and trouble-free.

On your side

CTP’S EXPERIENCED PERMITTING TEAM BRINGS HANDS-ON UNDERSTANDING OF LOCAL LAWS AND LOCAL PRACTICE.

Each stage of the development process—from land purchase to construction to customised fit-out—requires special permitting and administrative approvals. For foreign investors, these bureaucratic hurdles can often seem daunting. We have built a strong working relationship with the local authorities to ensure that the permitting process is speedy and trouble-free.

In 2011, our team was busy with a variety of projects. Notable successes include permitting for the purchase of land and construction start at CTPark Brno – Phase II; new land acquisitions at CTPark Ostrava and at other locations in Northern Moravia; and the acquisition of land for construction of CTPark Mladá Boleslav. We assisted several new clients as well as existing clients with all necessary permitting for the construction of new facilities and customised fit-outs. Our job is to ensure that no delays are caused by the permitting process, to enable both CTP and its clients to move quickly to market.





After-care

CTP'S PROPERTY MANAGEMENT TEAM LOOKS AFTER THE DAY-TO-DAY NEEDS OF OUR CLIENTS.

Our team of over 20 professionals maintains close contact with clients to ensure that everything is as it should be and that operations at leased facilities are running smoothly. This includes routine maintenance, utility services, and handling any issues that may arise. Clear communication is essential for property management and the provision of after-care services. For CTP, it is essential that our clients are satisfied with their new facilities, and that they know we are here to help them quickly should the need ever arise.

In 2011, the full launch of our 24/7 Help Desk greatly facilitated a rapid response time to client requests. As we continue to streamline operations, our goal in 2012 is to maintain an 80% response rate within the first week of a request. A major milestone for the Property Management team in 2011 was receipt of ISO 14001 certification for environmentally sound processes. This is in line with company strategy to focus on sustainable development and the construction and operation of state-of-the-art facilities.



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Message from Head of Legal Dept.

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Razor sharp

SOLUTIONS THAT WORK

From the legal perspective, 2011 was an active and challenging year. One significant achievement was the successful conclusion of all necessary agreements to launch construction at CTPark Brno – Phase II. This involved complex legal work, including reconciling the interests of financial partners and the City of Brno. Swift resolution of contractual issues allowed CTP to launch construction and complete three buildings by end-2011. This enabled CTP to begin earning rental income from the properties from 1 January 2012.

LANDMARK DEALS

CTP lawyers were involved in the conclusion of several customised lease agreements with both current and new clients in 2011. For new clients, this included a long-term lease agreement with IT services provider Tieto for 15,000 m² of office space at IQ Ostrava—the largest office lease agreement signed in the Czech Republic in 2011. We negotiated several other important contracts with new clients, as well as extensions for new facilities and prolongations of existing lease agreements for current clients.



“My job is to ensure that contractual terms are clearly understood and mutually agreed within the shortest timeframe possible.”

Luboš Zajíček
Head of Legal Dept.

THE FINE PRINT

One change that was apparent in 2011 is that, because of the general economic downturn, clients are focusing more on the details of their lease agreements. For this reason, negotiations on average take longer than they did in previous years. As head of the legal team, my job is to ensure that contractual terms are clearly understood and mutually agreed within the shortest timeframe possible. It is in everyone's interest to conclude deals quickly, so that work can get underway.

LOOKING AHEAD

Looking ahead to 2012, we expect trends from 2011 to continue. Increasingly, CTP's business is generated by existing clients, and we expect more prolongations of rental contracts with existing clients, as well as new agreements for extensions of current facilities.



Attention to detail

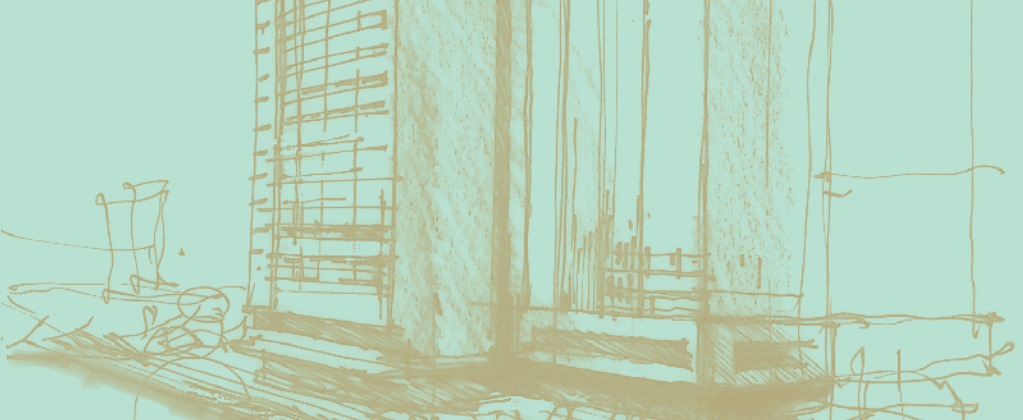
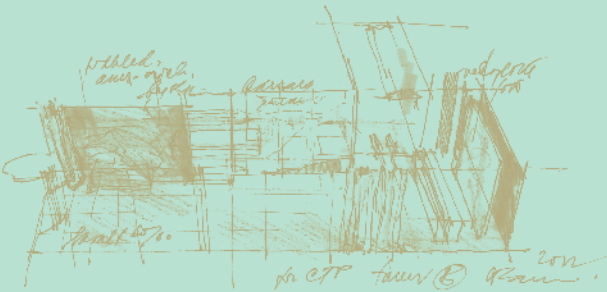
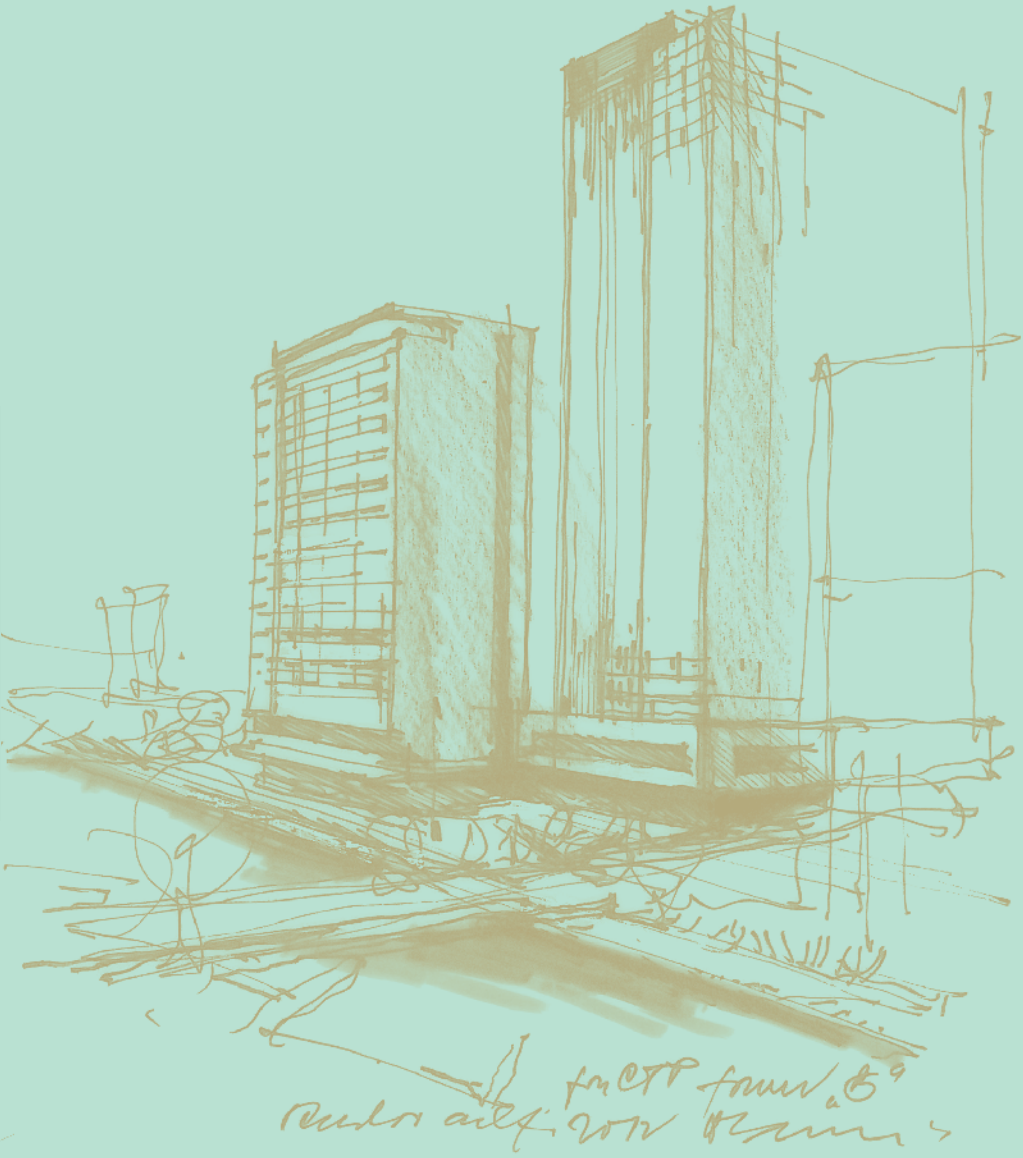
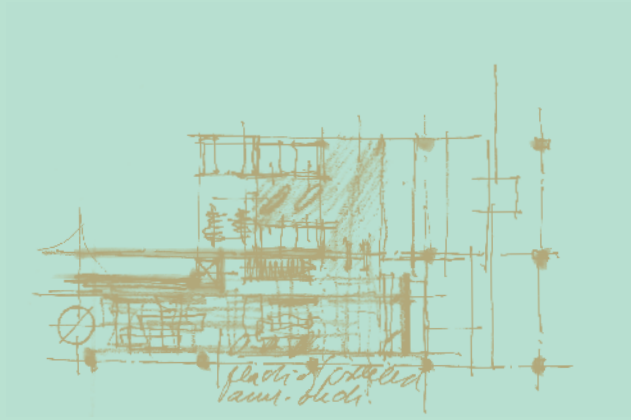
CTP’S TEAM OF EXPERIENCED, IN-HOUSE LAWYERS HANDLES ALL LEGAL ASPECTS OF CTP’S DEVELOPMENT AND ASSET MANAGEMENT ACTIVITIES.

This includes the preparation of customised lease agreements for new facilities and machinery; contracts for the purchase of land; and negotiations and agreements with CTP’s banking partners. CTP lawyers combine local law expertise with in-depth understanding of our clients’ business objectives to ensure that transactions are handled quickly to mutual satisfaction.

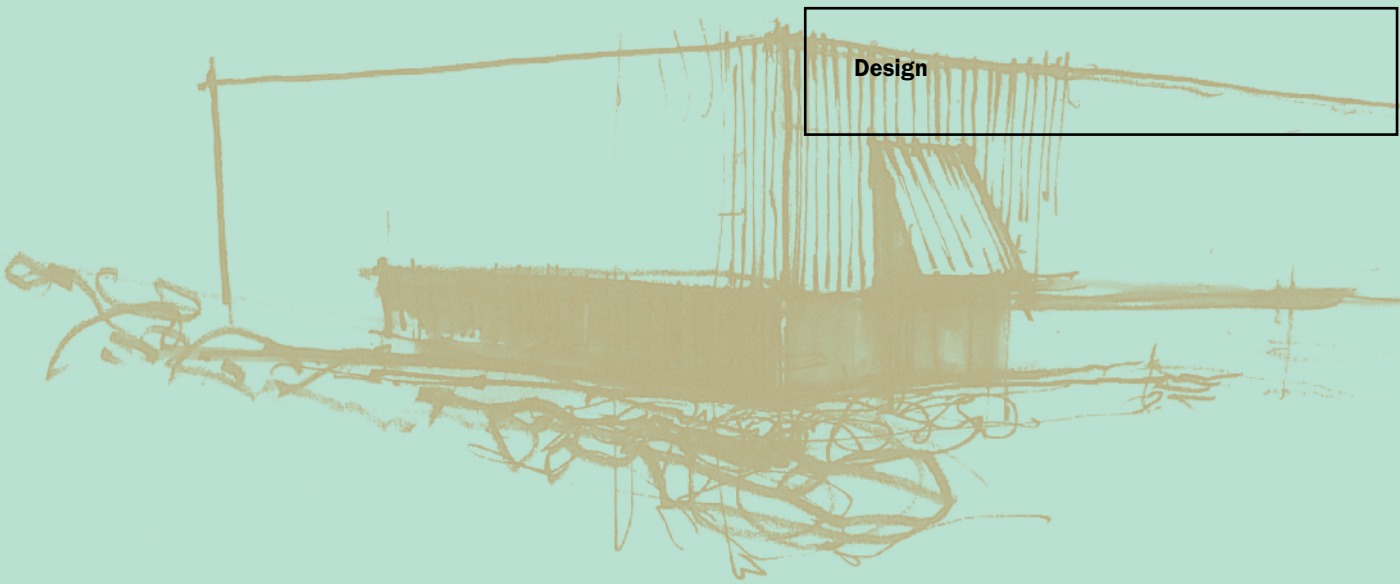
CTP’s Legal Dept. underwent significant changes in 2011. CTP expanded the team to nine lawyers with expertise in corporate, finance and real estate law. We work closely with clients’ legal counsel throughout the negotiation process to ensure that contracts are clearly understood and meet all business objectives. CTP lawyers, together with the finance team, monitor all receivables and ensure that all obligations are met.



CTP lawyers combine local law expertise with in-depth understanding of our clients’ business objectives.

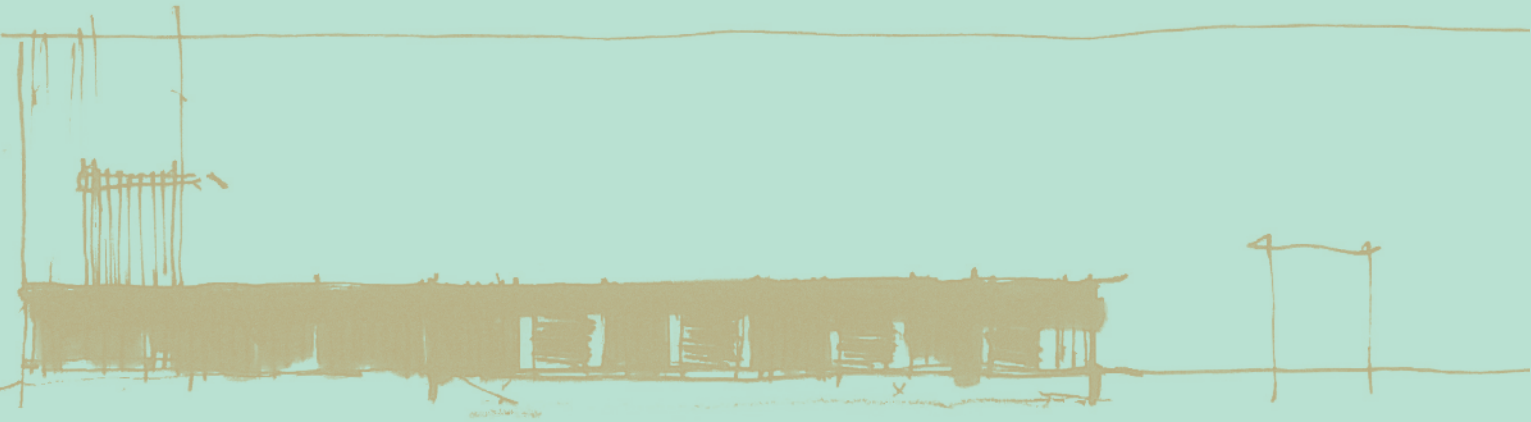


Sketches for The Towers at Spielberg Office Centre



CTFit, sketch for custom-built project

“Architecture is a mixture of aesthetics, function and cost. My role is to bring the balance and harmony between these elements.”



CTFlex design

Function + form



“As architects, we can develop infinite concepts. We can, and in the end we must, keep in sight the full scope of the master plan. But it is equally important along the journey to stay focused on details. It is necessary to control tenaciously each step of the process. Each day you are confronted with decisions, how to find the harmony between broad concepts and the specificity of detail. The end result comes only after years, but it’s worth it.”

Václav Hlaváček (on left)
Head of Studio ACHT, Prague

AT CTP, ARCHITECTURE AND DESIGN ARE INTEGRAL TO THE DEVELOPMENT PROCESS. WE BELIEVE THAT AESTHETICS AND FUNCTIONALITY GO HAND IN HAND.

CTP buildings are built to last, and built for the people who work there. For this reason, we place great emphasis on the design process at the start of a project to ensure that that form meets function for today as well as for tomorrow.

Since the start, CTP has worked closely with Studio ACHT, an innovative and highly acclaimed collective of Dutch and Czech architects established by Ben Hoek in Rotterdam. This close collaboration has led to the development of the CTPark Network and its five unique property types; Spielberk Office Centre in Brno; CTZones; the IQ Office Concept, which we are currently expanding to Ostrava; and Brno Retail Park, our first large-scale retail development project. CTP’s close and long-term collaboration with Studio ACHT continues to grow with new projects in the pipeline and our emphasis on energy efficient design.



Built to perfection

UNIQUE AMONG COMPETITORS IN THE REGION, CTP OPERATES A FULL-SERVICE, IN-HOUSE TEAM OF PROFESSIONALS WHO HANDLE EACH STAGE OF THE CONSTRUCTION PROCESS.

This includes everything from initial planning and costing to onsite construction from start to finish and customised installations and fit-outs. Our construction experts have years of experience building state-of-the-art properties that meet the highest quality standards. Working closely with the architects and the Permitting and Purchase teams, CTP construction managers ensure that the entire building process goes smoothly and that new facilities are delivered on time and on budget.

In 2011, CTP's construction team delivered over 150,000 m² of A-class office and industrial properties. Highlights include the handover of 100,000 m² of new industrial facilities at CTPark Brno – Phase II and the completion of Tower B at Spielberk Office Centre—the tallest building in Brno, with 20,000 m² of A-class office space and BREEAM certified for energy efficiency. Projects in progress include Tower A at Spielberk and IQ Ostrava, both BREEAM certified and scheduled for completion in 2012. Major projects in the pipeline include the construction of CTPark Mladá Boleslav. Phase I comprises 80,000 m² of production and warehouse space to create a new supplier park for Škoda Auto.



In 2011, CTP’s construction team delivered over 150,000 m² of A-class office and industrial properties.



Our job is to make sure that day-to-day operations at CTP run smoothly.

Well organised

CTP HEADQUARTERS IS THE HOTLINE FOR REQUESTS AND THE FIRST POINT OF CONTACT WITH CTP.

Our job is to make sure that day-to-day operations at CTP run smoothly. This includes everything from handling the CEO's schedule to taking calls from clients, local municipalities, real estate agents and liaising with other members of the CTP team. We are often the first point of contact at CTP for clients from all over the world, and we pride ourselves on our knowledge of CTP's business and our attention to courtesy.

CTP Headquarters is more than just a front desk. We work closely with the Marketing and Business Development teams to prepare all necessary support materials. We help organise all CTP events, both for clients and within the company, as well as CTP's participation in international trade fairs. We are also part of CTP's HR department and help to train new members of our team.



Inte
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CTP International

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CTP International

From the outset, CTP's long-term strategy has been to establish market dominance in the Czech Republic as its home market, and then to expand the portfolio to Slovakia, Romania, and elsewhere in the CEE region. Despite the general economic downturn in Europe from 2008, CTP has continued to lay the groundwork for expansion to new markets. Based on the financial strength achieved through our focus on our core market during the crisis, CTP is now positioned to grow the business in Slovakia and Romania in 2012, with new buildings under construction. CTP takes a cautious view toward expansion, with new construction based on pre-lease agreements.

CTP in Slovakia

STAYING STRONG

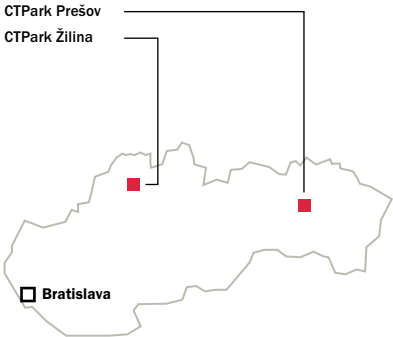
Despite the general economic downturn in Europe, growth in the Slovak economy continues to outpace most other countries in the euro-zone. GDP in 2011 grew by 3%, led by strong foreign investor interest. Slovakia's strong macroeconomic fundamentals, highly skilled workforce, strategic location and pro-business environment have combined to make the country a global player in several sectors, including automotive, high-tech engineering, IT and chemicals. There is strong public-sector support to further develop Slovakia as a hub for R&D and knowledge-based industries.

EXPANSION ON THE HORIZON

CTP has established two CTParks in strategic locations in Slovakia: CTPark Prešov, in the east of the country; and CTPark Žilina, at the heart of Slovakia's automotive cluster. In 2011, we continued preparation work for the launch of construction. CTP also has land holdings in Trenčín (near Bratislava) and in Martin (near Žilina). We also expanded our land bank at CTPark Prešov, which now offers 40 hectares of development land, ideal for both logistics operators and manufacturing activities. CTP's Slovak pipeline includes plans to build over 650,000 m² of industrial properties. Construction works on the first buildings are expected to get underway in 2012.

“The Slovak economy performed better than most others in the euro-zone in 2011, with GDP growth of 3%. Foreign investors are attracted by the country’s educated workforce force and its focus on high-tech and knowledge-based industries.”

Martin Fodor
Business Development Manager, CTP Slovakia



Slovakia: Key sectors

Automotive

Slovakia boasts the highest per capita car production in the world. Volkswagen, PSA Peugeot Citroen and Kia Motors operate large-scale assembly plants in the country. Automotive hubs outside Bratislava (VW), Trnava (Peugeot) and Žilina (Kia) continue to attract major car component suppliers, including Delphi, Dura, Johnson Controls, Faurecia and Visteon.

High-tech

Slovakia is an important and fast-growing centre for high-tech manufacturing and mechanical and electrical engineering. Production is diverse and includes consumer electronic goods, precision medical equipment and industrial machines. Sony, Samsung, Panasonic, Emerson, Leoni, BSH Bosch-Siemens and Delphi are among the leading investors in this sector.

ICT

Slovakia has an excellent educational system with a strong focus on computer sciences and languages. This has attracted numerous ICT companies to Slovakia, including Accenture, Dell, Hewlett Packard, IBM, Lenovo, T-Systems and Siemens, helping to place Slovakia among the world's most innovative and knowledge-intensive service countries.



CTP land acquisition, Žilina



Motorway access, Prešov

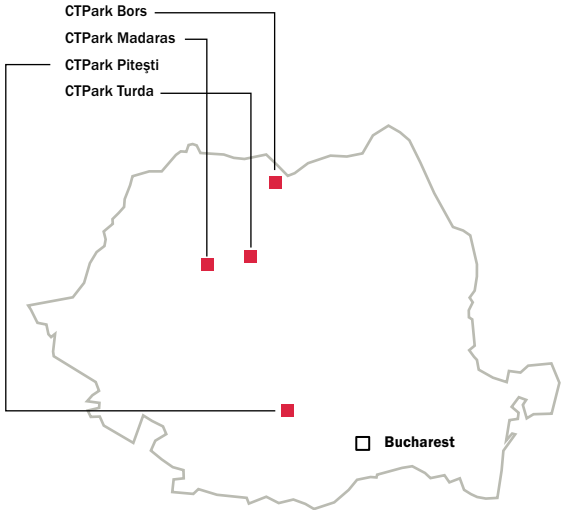
CTP in Romania

GROWTH RETURNS

The Romanian economy returned to growth in 2011 after two years in recession. Recovery was driven in part by the return of foreign investors, who are attracted by the country’s strong fundamentals. These include a low-cost, low-tax environment; geographic position; industrial tradition; an educated workforce; and large internal market. New investors in Romania in 2011 include Robert Bosch and De’Longhi to the Cluj region, where CTP is active with CTPark Turda.

GETTING READY

CTP has large-scale land holdings in four strategic locations in Romania: CTPark Turda, near the IT hub of Cluj-Napoca; CTPark Pitești, at the heart of Romania’s automotive industry; and CTPark Bors and CTPark Madaras, both with strategic location near Romania’s western border. In 2011, preparation works for the start of development were well underway and negotiations with potential clients continued. CTP’s Romanian pipeline includes plans to build over 500,000 m² of industrial properties. The first buildings in Romania are scheduled for completion in 2012.



“Romania is on the rebound. In 2011, the economy returned to growth. CTP is preparing the groundwork for the start of construction in 2012.”

Laurentin Hanu
Business Development Manager, CTP Romania

Romania: Key sectors

Logistics

Romania offers logistics and warehouse operators strategic location at the gateway to south-eastern Europe. Three important pan-European transport corridors cross Romania: corridor IV (east-west); corridor IX (north-south) and corridor VII (the Danube River). Romania has a highly developed industrial infrastructure and is modernising its road infrastructure as a priority area.

CTPark Bors and CTPark Madaras are strategically located to maximise logistics efficiencies.

Automotive

The automotive sector is among the largest and most important for the Romanian economy. Major investments by Renault (Automobile Dacia) Ford (Automobile Craiovo) and Pirelli have transformed the Romanian automotive industry and attract a growing number of suppliers to the country. Romanian expertise in high-tech sectors also includes aerospace and biotechnology.

CTPark Pitești, with location near the Renault-Dacia assembly plant in Mioceni, is ideal for automotive suppliers and other high-tech manufacturing activities.

ICT

Romania boasts Europe’s fastest-growing IT sector. The country’s universities produce the most certified IT experts per capita in Europe. Sector activity is diverse and includes software development, IT services and hardware production. Siemens, Alcatel, Intel, Oracle, Microsoft, HP, Accenture, Sun Microsystems, Nokia, and Ericsson are among the leading ICT companies that are invested in Romania.

CTPark Turda is strategically located 20 km from Cluj-Napoca, Romania’s fourth-largest city and centre of the country’s IT industry.



CTP land acquisition, Pitești



CTP land acquisition, Turda

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Tenant Perspective

Tenant Perspective	
Company	Brembo
Primary sector	Automotive components
Activity at CTP	Production of braking systems
Location	CTPark Ostrava
Property type	CTFit

BREMBO IS AMONG THE WORLD'S LARGEST MANUFACTURERS OF BRAKING SYSTEMS FOR AUTOMOBILES AND MOTORCYCLES.



Ostrava brings new customers

Brembo launched its custom-built CTFit light manufacturing facility at CTPark Ostrava in 2011 to produce braking components for luxury and mid-market automobile manufacturers in central and northern Europe. Since operations began, the company has won several new clients, including Land Rover, BMW, GM, Audi and Mercedes-Benz.

Investing to grow

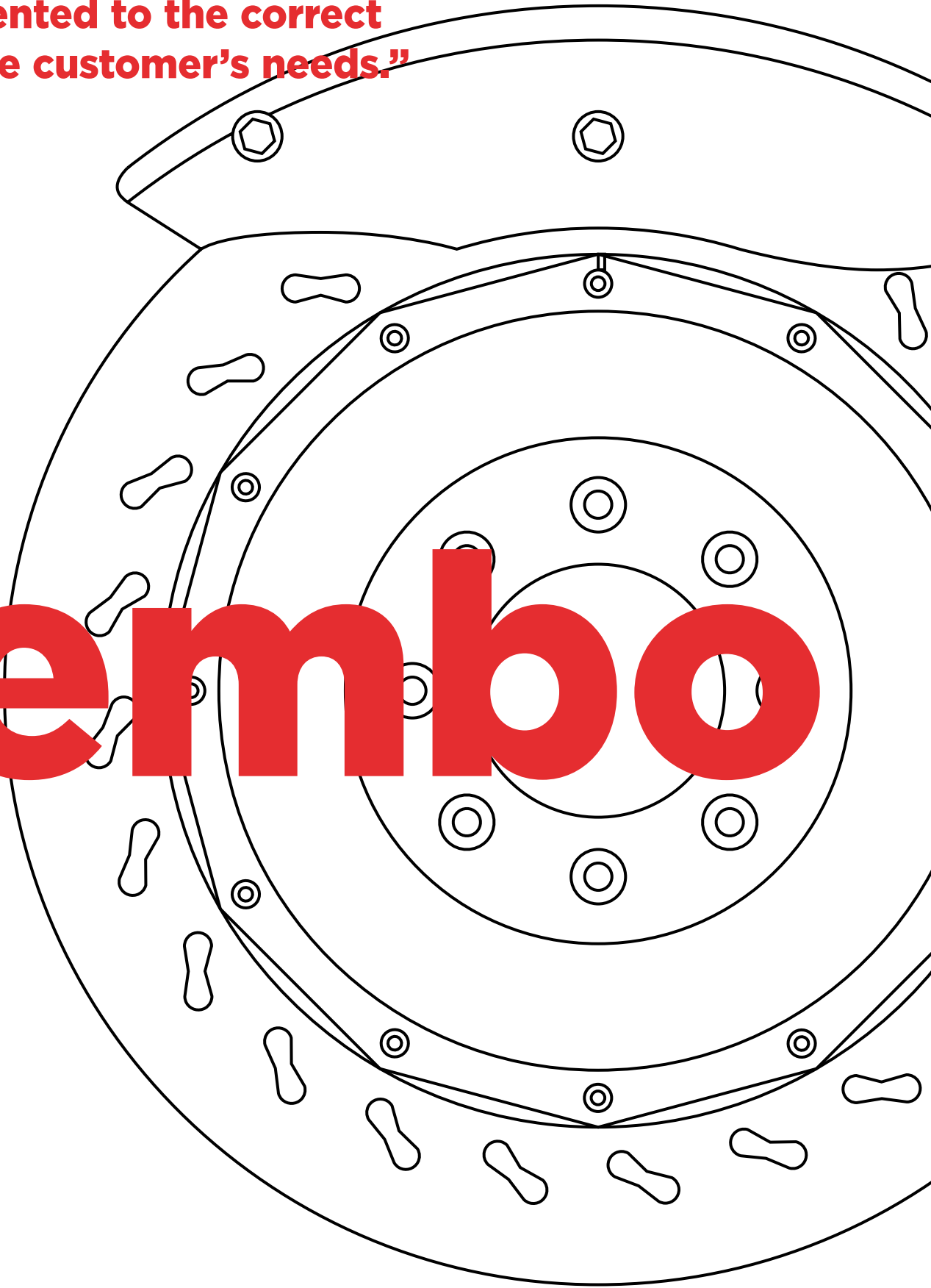
Brembo's facility at CTPark Ostrava is a completely new investment for the company to expand capacity and reach new customers and is not a reallocation of an existing plant from Western Europe. Investment in the new facility is expected to reach €35 mil. Brembo is targeting annual turnover of €55 mil. by 2013. Thus far, the company reports that customer demand has exceeded initial forecasts.

Strategic location

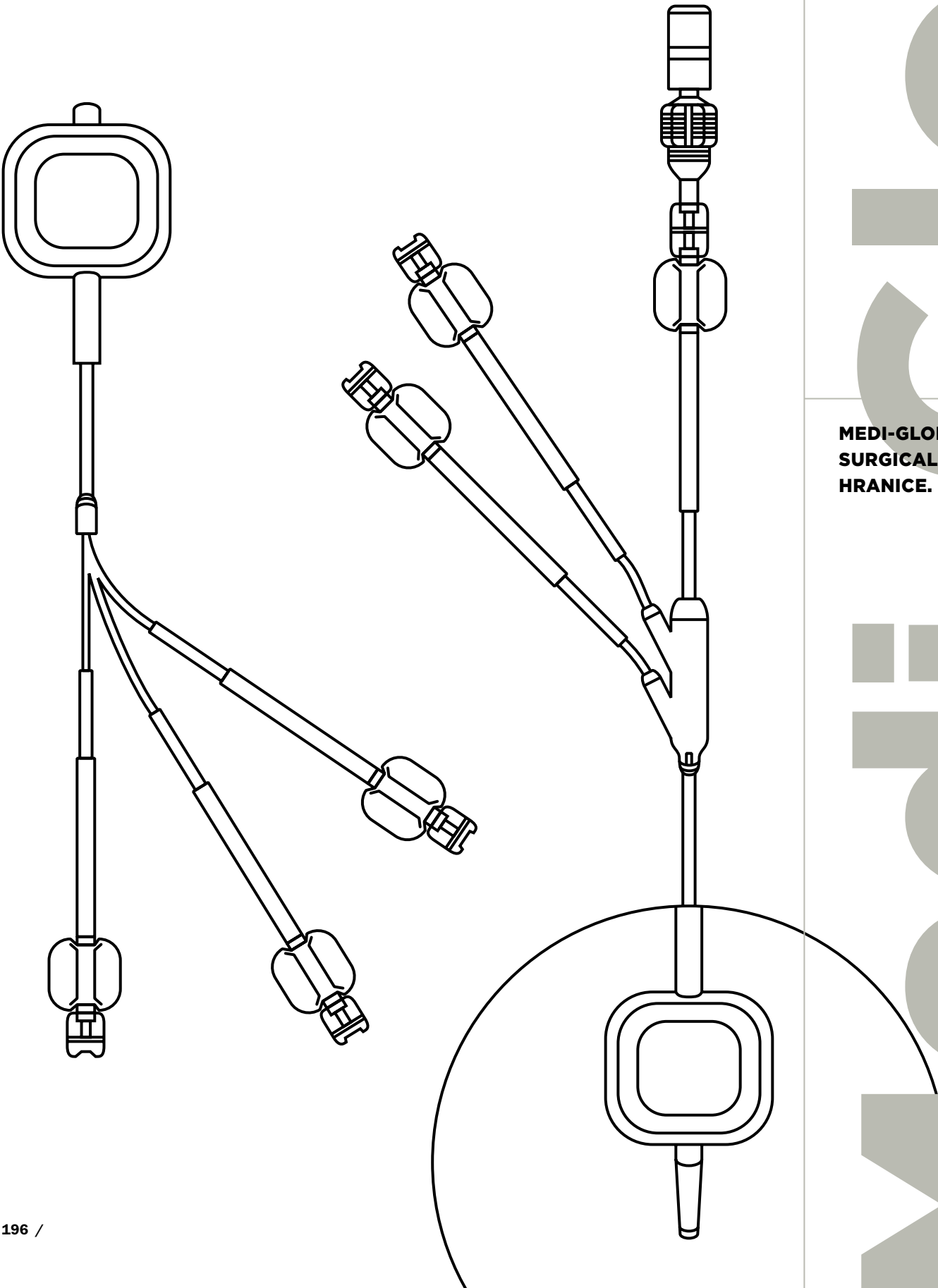
Brembo chose to locate its new business in the Czech Republic for many reasons, including proximity to its target customers, a young and well-educated workforce and modern infrastructure. CTPark Ostrava provides ideal location for Brembo to service the well-established and growing automotive industry in Central Europe.

“Relations with CTP have been very good, transparent and oriented to the correct understanding of the customer’s needs.”

Brembo



Tenant Perspective	
Company	Medi-Globe
Primary sector	Healthcare / Life Sciences
Activity at CTP	Production of surgical equipment
Location	CTPark Hranice
Property type	CTFit



MEDI-GLOBE PRODUCES WORLD-CLASS SURGICAL EQUIPMENT AT CTPARK HRANICE.

“We have been active in the Czech Republic for over 12 years, and our business is constantly growing and developing.”

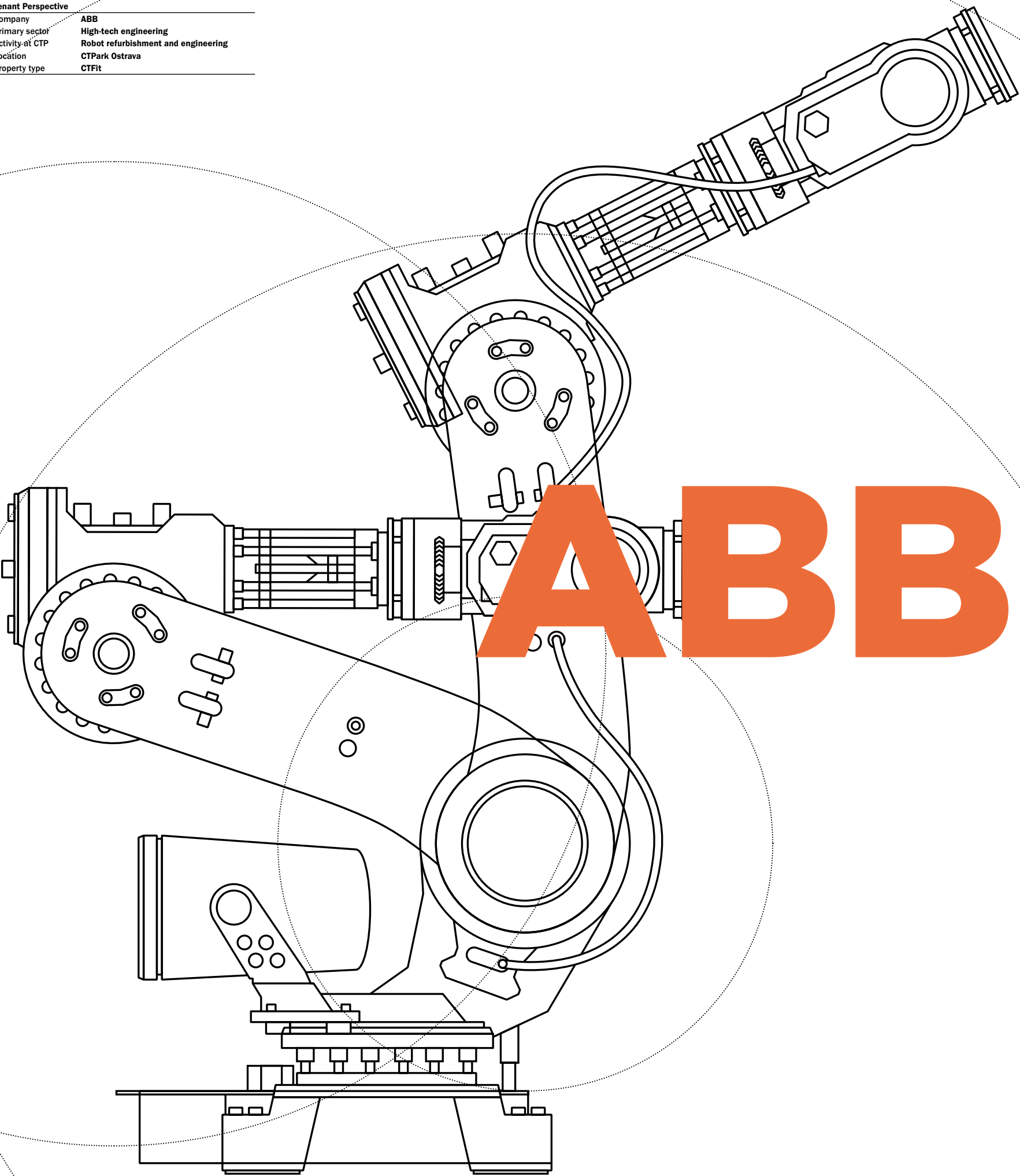


High-tech, high standards
Medi-Globe began production at CTPark Hranice, in northern Moravia, in 2011. The company's high-tech production line is complemented with facilities for final assembly, sterilisation and packaging. Medi-Globe specialises in high-volume production to the highest international quality standards.

Local skills, global markets
Medi-Globe employs 170 people at its custom-built CTFit facility at CTPark Hranice. The company benefits from strategic location and the skilled workforce in the region. End-users for the company's production in Hranice are hospitals and doctors in over 50 countries worldwide.

New facilities help drive growth
Medi-Globe has been present in the Czech Republic for over 12 years. The company's decision to move into new facilities at CTPark Hranice is part of its growth strategy. Turnover grew by 13% in 2011, and the company expects growth of 15% in 2012 as they enter their second year at their new facility.

Tenant Perspective	
Company	ABB
Primary sector	High-tech engineering
Activity at CTP	Robot refurbishment and engineering
Location	CTPark Ostrava
Property type	CTFit



ABB

“It made sense to create one single hub in Ostrava, to have all ABB businesses at the same location.”

ABB IS A GLOBAL LEADER IN POWER AND AUTOMATION TECHNOLOGIES.

European hub for robot repair

ABB utilises a CTFit facility at CTPark Ostrava as the site for one of three Global Application Centres to service its customer base in Europe. ABB’s robotic equipment is used by a variety of companies in different sectors, including automotive, energy, construction and life sciences. The expert team in Ostrava carries out sophisticated diagnostics and can offer customers tailor-made solutions.

Highly skilled, lower cost

ABB started operations in the Czech Republic in 2002, drawn by the highly skilled, lower-cost workforce. Today the company employs over 230 people at its Global Application Centre at CTPark Ostrava, and over 3,000 people across the Czech Republic. ABB decided to expand operations in Ostrava because of the high level of technical expertise among local graduates, as well as for its modern infrastructure.

Consolidation = growth

ABB made a strategic decision to consolidate existing businesses operating at CTPark Ostrava with its new Global Application Centre. This enables the company to maximise synergies and reduce costs. As the market develops, ABB is well placed at CTPark Ostrava for future growth.

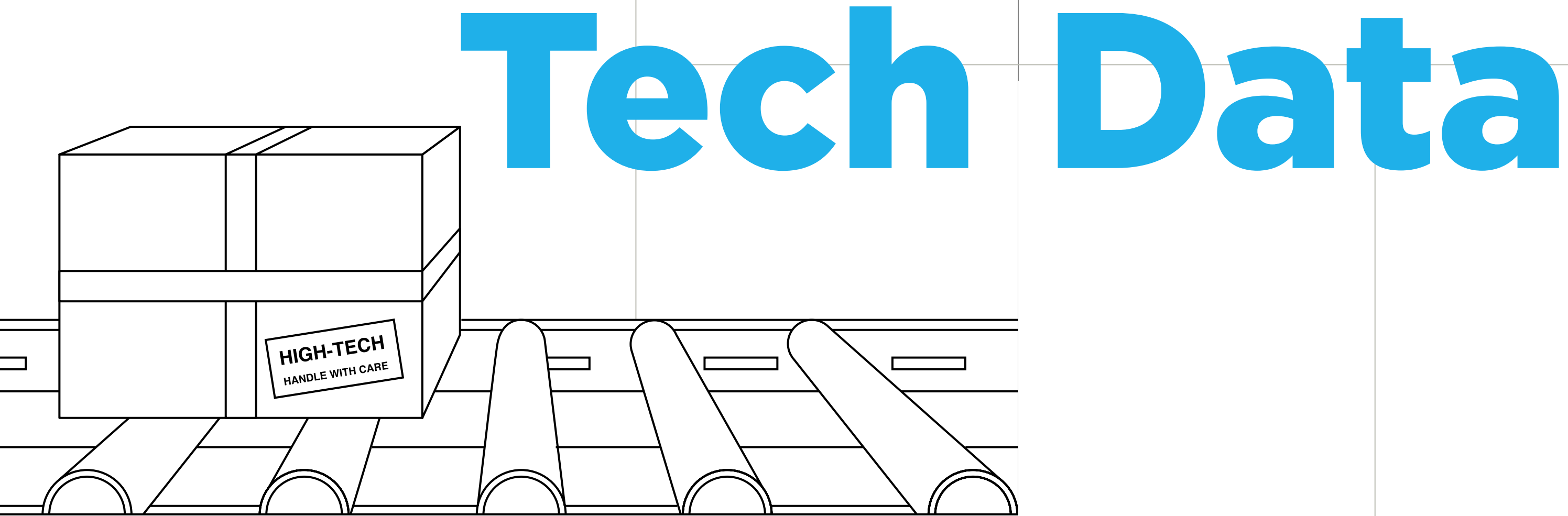
Tenant Perspective	
Company	Tech Data
Primary sector	Computers & Electronics
Activity at CTP	Distribution Centre
Location	CTPark Bor
Property type	CTSpace

**TECH DATA IS EUROPE'S LARGEST
WHOLESALE OF COMPUTER
HARDWARE, SOFTWARE AND
PERIPHERAL ITEMS.**

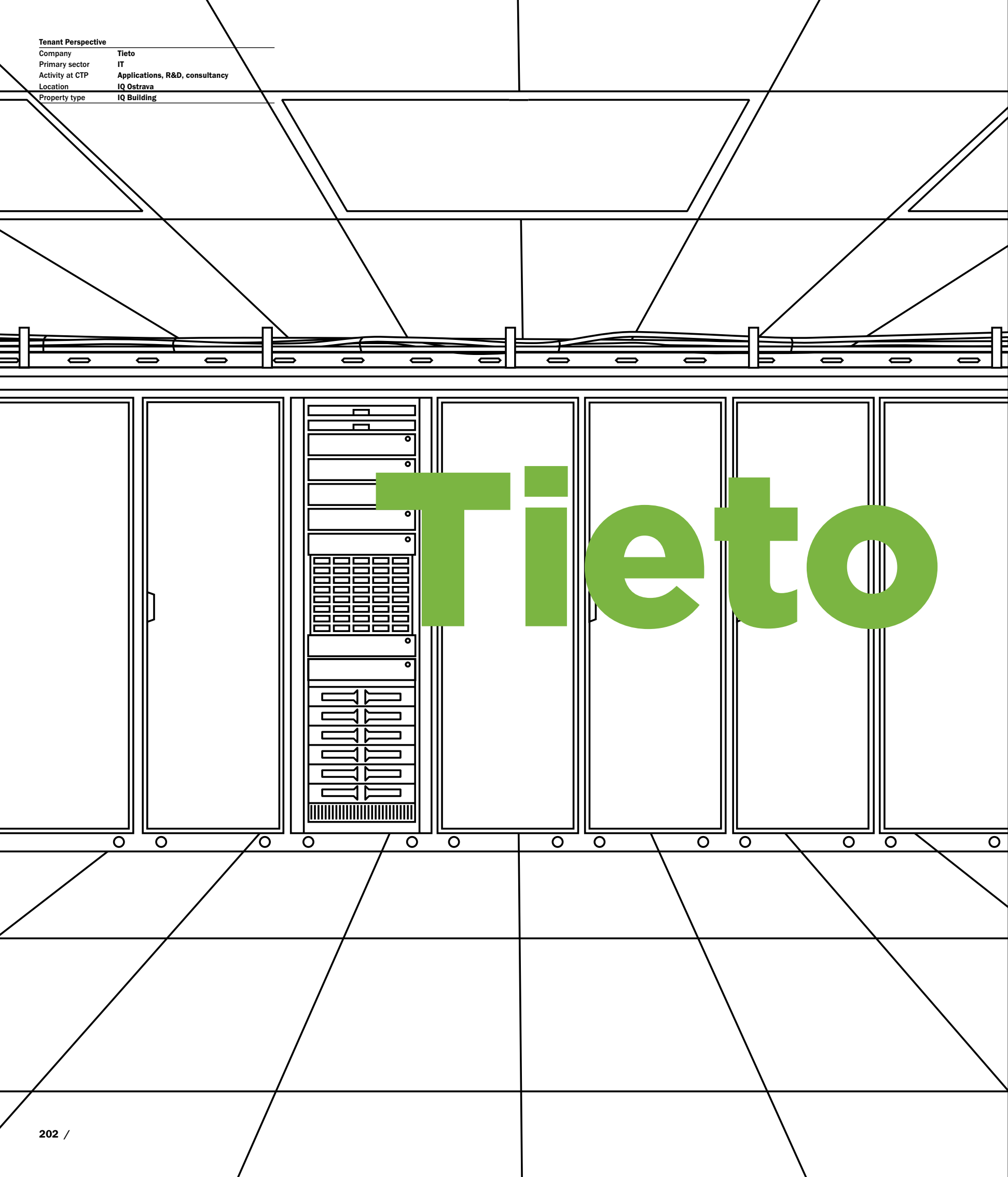
Strategically integrated
Tech Data utilises its custom-built CTSpace warehouse at CTPark Bor to pick, pack and ship orders to customers and subsidiaries throughout Europe. The state-of-the-art Distribution Centre provides next-day delivery to Germany and is an integral part of the company's European distribution network.

Custom-built
Designed to accommodate cutting-edge technologies, Tech Data's custom-built facility contains no internal partitions to optimise flexibility, a special free span and a unique fire safety system. CTP purchased land specifically for Tech Data and handled all aspects of development, from concept to completion.

A premier location
Tech Data launched operations at CTPark Bor in 2006. A 15,000 m² extension was delivered in 2008, less than seven months after the company's request. Tech Data chose CTPark Bor for its strategic location, excellent infrastructure, available labour pool, "and the belief that CTP would make this one of the premier logistics parks in the Czech Republic." Tech Data anticipates further growth at CTPark Bor as economic conditions improve.



**“CTP has exceed our expectations
in terms of quality, cooperation,
and cost effectiveness.”**



Tenant Perspective	
Company	Tieto
Primary sector	IT
Activity at CTP	Applications, R&D, consultancy
Location	IQ Ostrava
Property type	IQ Building

“The minimal environmental impact of the building was a decisive factor for us, and CTP’s project fulfills all our requirements.”



TIETO IS THE ANCHOR TENANT AT IQ OSTRAVA.

Vertical expansion

Tieto, northern Europe’s largest IT service company, employs nearly 2,000 people in Ostrava. This makes it one of the company’s largest delivery centres and one of the largest IT groups in the Czech Republic. To streamline operations and prepare for future growth, Tieto decided to consolidate its activities in the Czech Republic at IQ Ostrava, with 15,000 m² of A-class office and R&D space in two high-rise towers.

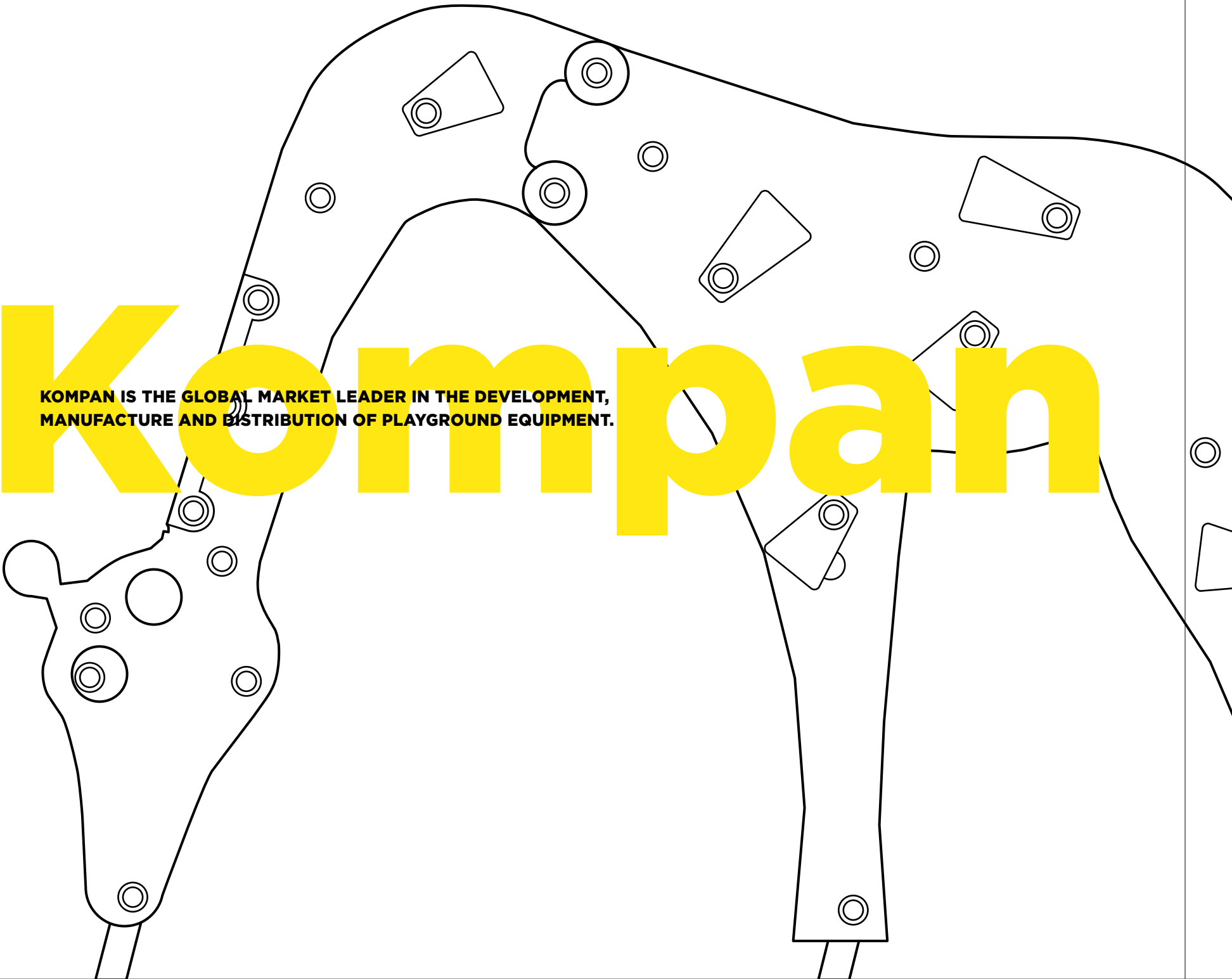
Near-shore solution

With its HQ in Finland, Tieto chose Ostrava as an ideal near-shore location. The city boasts excellent technical universities, a large number of skilled graduates and offers ease of communication and lower costs. Tieto’s move to new facilities at IQ Ostrava is part of its business strategy to deliver high-quality, cost-effective solutions to its customers across Europe and to support the expected growth of its business and operations.

Building power

IQ Ostrava’s flexible, modern office design creates a dynamic work environment for Tieto’s employees and encourages interaction and teamwork. Added benefits like city-centre location, onsite amenities and high-quality landscaping make IQ Ostrava an attractive place to work. The company expects its new facilities to assist in recruitment and to support its plans for future growth.

Tenant Perspective	
Company	Kompan
Primary sector	Playground equipment
Activity at CTP	Distribution centre / Light manufacturing
Location	CTPark Brno – Phase II
Property type	CTFit



Global distribution centre

Kompan's custom-built CTFit facility at CTPark Brno – Phase II serves as the main distribution centre for the Kompan Group worldwide and handles 75% of the company's production. Finished and semi-finished goods from the manufacturing chain are consolidated at Kompan's facility at CTPark Brno – Phase II. Here they undergo testing, pre-assembly and packaging prior to distribution to customers around the world.

Expanding operations

Kompan chose Brno and the Czech Republic because of its strategic location, proximity to suppliers and customers, and a large and cost-effective skilled workforce. Based on the success of the company's Distribution Centre, Kompan is in the process of re-locating manufacturing operations from Western Europe to Brno. This will further enhance synergies, streamline costs, and strengthen the company's competitiveness.

Strategy for success

Kompan has grown steadily 10% per year over the last decade and expects this growth trend to continue. The company's decision to consolidate activities at CTPark Brno – Phase II, with its state-of-the-art facilities and the possibility to expand rapidly, is central to its success to date and to its strategy going forward.

“As an important business partner, CTP has always been able to provide us with fast, flexible and quality solutions supporting our success.”

Tenant Perspective	
Company	Lufthansa Global Tele Sales
Primary sector	Aviation
Activity at CTP	International customer service / Global Load Control
Location	Spielberk Office Centre, Brno
Property type	Villa



“The employees working for Lufthansa GTS in Brno deliver a high-quality standard, and we are satisfied with labour availability and costs.”

LUFTHANSA GLOBAL TELE SALES (GTS) PROVIDES INTERNATIONAL BACK-OFFICE SUPPORT TO LUFTHANSA GROUP COMPANIES.

Spielberk International
Lufthansa GTS provides a wide range of support services to Lufthansa Group companies in Germany and across the CEE region from Spielberk Office Centre in Brno. A multi-lingual Customer Service Centre provides comprehensive travel support to customers from 13 countries. Lufthansa GTS also operates one of three Global Load Control Centres within the Lufthansa Group from Spielberk, providing weight and balance calculations for aircraft worldwide.

A good decision
Lufthansa GTS has grown rapidly since it was established in Brno in 2005 and today employs over 250 people. Brno offers the company a large number of recent university graduates who are motivated and multi-lingual. The city's high quality of life makes it easy to recruit from abroad when necessary. With its relaxed, modern style and city-centre location, Spielberk Office Centre is the ideal place for the company's young and expanding team.

New technologies, new opportunities
Changes in the airline industry come fast. Lufthansa GTS anticipates further growth as new technologies create new opportunities to service customers and to centralise support functions. The company plans to expand staff numbers by 10% in 2012, as new operations are re-located from Western Europe to Spielberk Office Centre.

Tenant Perspective	
Company	ViskoTeepak
Primary sector	Food
Activity at CTP	Product finalisation / Global distribution
Location	CTPark Brno – Phase II
Property type	CTFit



“We find the geographic location and the spirit of our Czech employees a good base for doing business.”

VISKOTEPAK PRODUCES AND DISTRIBUTES CASINGS FOR PROCESSED MEAT PRODUCERS ACROSS EUROPE.

A good process

ViskoTeepak is a world-leading producer of cellulose, fibrous and plastic casings for the food industry. The company converts cellulose-based casings that are produced in Belgium at CTPark Brno – Phase II and exports the finished products to processed meat producers throughout Western Europe and CEE.

Space to grow

ViskoTeepak utilises a custom-built CTFit facility at CTPark Brno – Phase II to streamline its multiple operations. The rational building design enables a more efficient layout for the manufacturing line. Moveable partition walls enable the company to operate warehousing and manufacturing under one roof, reducing costs and improving efficiencies.

Long-term investor

ViskoTeepak entered the Czech Republic in the 1990s and today employs around 240 people at CTPark Brno – Phase II. With the business advantage of lower costs, strategic location and skilled labour, ViskoTeepak continues to transfer activities from other locations to the Czech Republic. As the company outgrew its previous, out-dated facilities, they turned to CTP to provide a state-of-the-art, modern solution.



Tenant Perspective	
Company	Andrew Telecommunications / CommScope
Primary sector	Telecommunications
Activity at CTP	High-tech manufacturing
Location	CTPark Modřice
Property type	CTFit

ANDREW PRODUCES STATE-OF-THE ART TELECOMMUNICATION AND NETWORK EQUIPMENT AT CTPARK MODŘICE NEAR BRNO.

South Moravia calling

In 2003, Andrew Corporation—acquired by CommScope in 2007—transferred its production from the UK, Germany and Estonia to a custom-built CTFit facility at CTPark Modřice near Brno. The company chose the Brno area over Hungary because of its strategic location, top-quality human resources and the availability of investment incentives.

Connecting the world

Today CommScope operates seven high-tech production lines and employs around 550 people at its Andrew subsidiary at CTPark Modřice. The company specialises in the production of ground microwave antennas for fixed-line networks, wide-ban wireless antennas, cable assemblies and couplers. Customers include the biggest names in the telecoms industry, such as Ericsson, Nokia Siemens Networks, Huawei and Alcatel-Lucent.

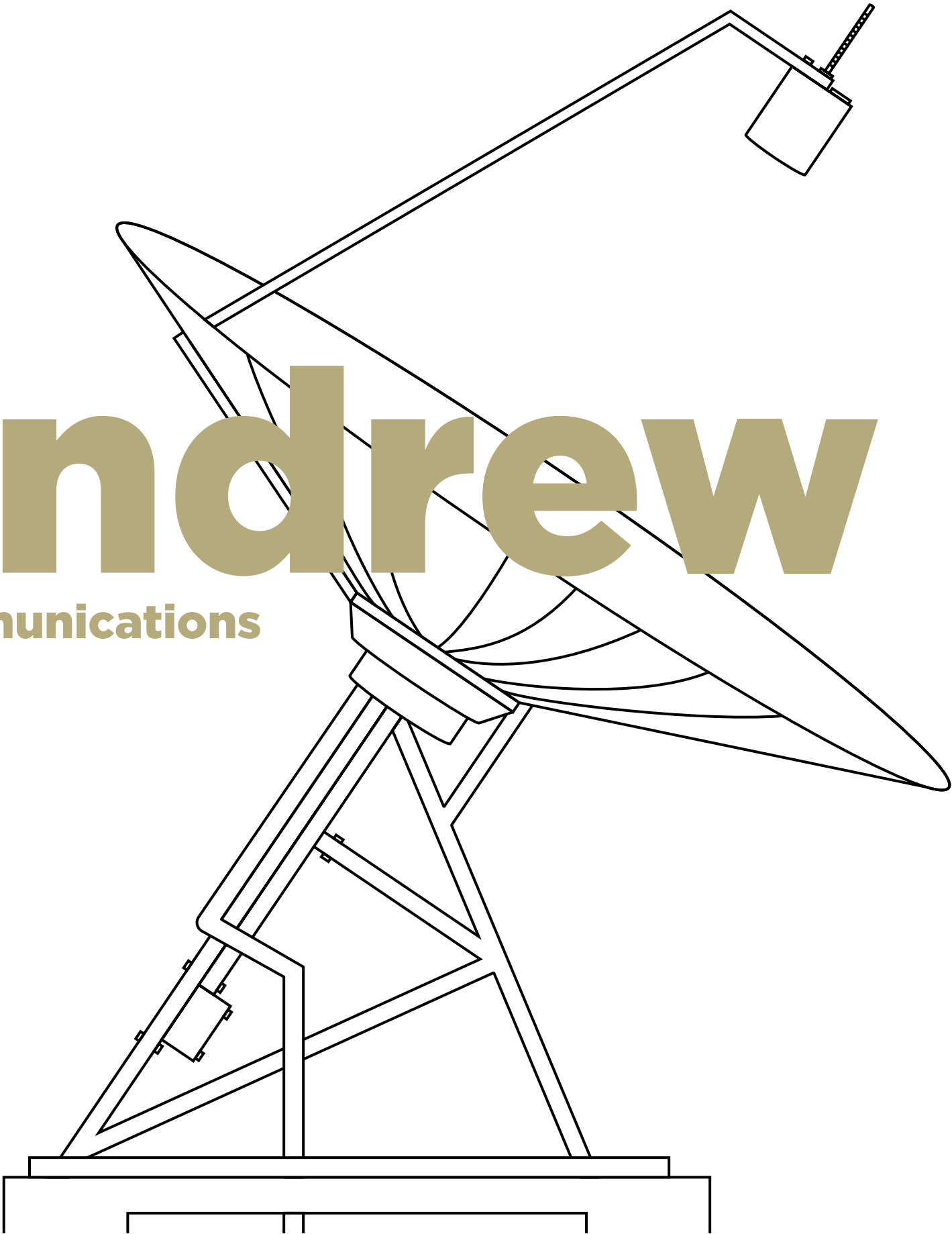
Long-term tenant

Andrew Telecommunications was one of the first tenants at CTPark Modřice, CTP's first large-scale business park and the progenitor of the CTPark Network. CTPark Modřice's close proximity to Brno, and with easy road access and onsite bus service connecting to the city centre, has made it easy for Andrew/CommScope to recruit and retain a skilled workforce from Brno's large pool of technical graduates.



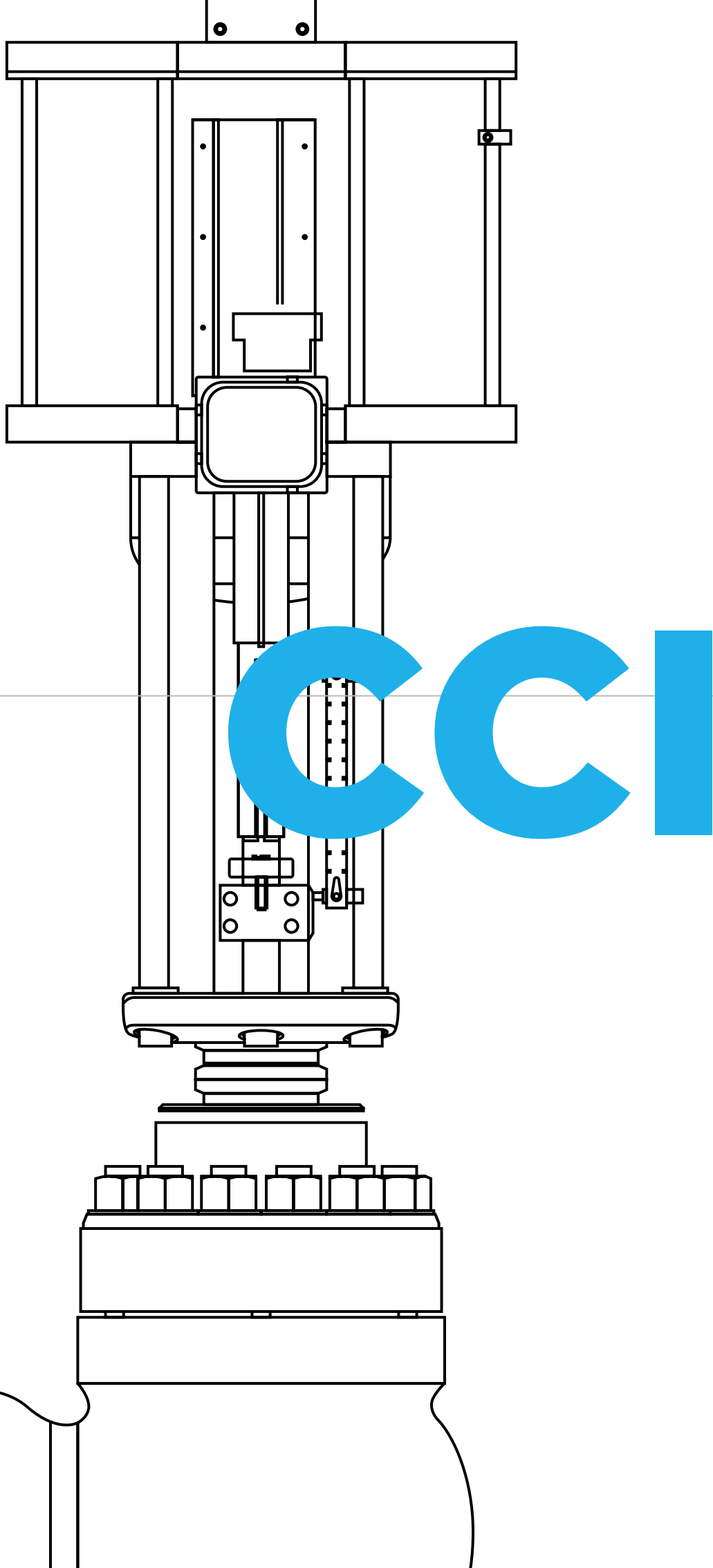
“The role of CzechInvest, the government agency in charge of foreign investments, was a key factor in the arrival of the company to the Czech Republic.”

Andrew
Telecommunications



Tenant Perspective	
Company	CCI
Primary sector	Energy Services
Activity at CTP	High-tech manufacturing
Location	CTPark Brno South
Property type	CTFit

CCI IS A GLOBAL LEADER IN THE DESIGN AND MANUFACTURE OF HIGHLY SOPHISTICATED VALVE SYSTEMS FOR THE POWER, OIL AND GAS AND NUCLEAR INDUSTRIES.



“Our partnership with CTP has lasted more than a decade. Our first investment was a success story, and we have built on this success with the launch of CCI’s operations.”

European manufacturing hub

CCI established operations at CTPark Brno South in 2010 to serve as a major manufacturing hub for Europe. Production at CTPark Brno South consists of highly sophisticated, severe service control and isolation valves for the oil and gas, power and nuclear power industries that meet the highest quality and technical standards.

Brno for the right reasons

With close proximity and easy access to Brno, CCI benefits from the large, highly skilled labour force, developed infrastructure, and access to high-quality suppliers in the area. The company employs over 500 people in operations and design at its custom-built CTFit facility.

Return investor

IMI Severe Service, the parent company of CCI, established its first operations in the Czech Republic at CTPark Modřice in 2002 (IMI Norgren). Based on the success of these operations and their strong business relationship with CTP, the company chose to locate a major manufacturing hub of its CCI division at CTPark Brno South.



CTP
life

CTP Life

CTP
life

CTSKI 2011
ANNUAL CTSKI
TRIP AT THE
HINTERHAG
IN SAALBACH,
AUSTRIA.



Trip to Holland
CTSPORT SAILING TRIP TO
ZEILFABRIEK, HOLLAND.
WITH 80 CTP PEOPLE.



Leadership award
REMON VOS RECEIVES “INDUSTRY
LEADERSHIP AWARD” AT THE 2011
CIJ AWARDS.



Manager of the Year
CEO REMON VOS WINS CZECH “MANAGER OF THE YEAR” AWARD IN THE FIELD DEVELOPMENT AND REAL ESTATE.



Colours of Spielberk
THE LONGEST CONTINUOUS PAINTING IN THE CZECH REPUBLIC (225 METRES LONG) WAS CREATED ONSITE AT SPIELBERK OFFICE CENTRE, AS PART OF THE “COLOURS OF SPIELBERK” EVENT FOR AREA SCHOOL CHILDREN.



Winter Gala
CTP WINTER GALA PARTY IN BESKYDY MOUNTAINS TO CELEBRATE ANOTHER YEAR OF SUCCESS.

Sele biog

Selected Biographies

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ies

Remon L. Vos
CEO

Remon was born in Stadskanaal, Netherlands in September 1970. He moved to the Czech Republic in 1995 and has been Partner and Managing Director of CTP since the company's launch in 1998.



Radek Zeman
CFO

Radek joined CTP in 2008. He earned a Master's degree at the University of Economics in Prague, and after additional studies in Germany, became a member of the Czech Chamber of Auditors and the Czech Chamber of Tax Advisors. Prior to joining CTP, Radek worked for five years at KPMG, specialising in real estate investments.



Tomáš Budař
Construction Manager

Tomáš joined CTP in June 2006. Prior to joining CTP, he worked for five years at IBM as a Real Estate Project Manager at their integrated delivery centre in Brno.



David Chládek
Project Manager

David joined CTP in 2010. He earned an MBA degree in Strategic Management at the International Business School in Brno and a degree in Engineering at the Technical University of Ostrava. David has over 12 years of business experience, including as head of a local construction company, as a civil engineer, and as project manager for expansion at Lidl Czech Republic.



Paul Deverell
Business Director

Paul joined CTP in 2003. Prior to joining CTP, he worked in commercial real estate in Melbourne, Australia and worked nearly two years as an industrial agent with Colliers International in Prague.



Martin Dočekal
Financial Analyst, Controller

Martin joined CTP in September 2008. He earned a Master's degree in Business and Economics at Johannes Kepler University in Linz, Austria. Prior to joining CTP, he worked as a tax advisor and accountant at the Czech branch of the company Auditor.



Robert Doležal
Project Manager

Robert joined CTP in 2006. He holds a degree in Civil Engineering from the Technical University of Brno.



Stefan de Goeij
Head of Property Management

Stefan joined CTP in August 2010. He earned a degree in Real Estate Management at The Hague University in the Netherlands. Prior to joining CTP, he worked as a property management consultant and designer.



Arno van Hummel
Financial Manager

Arno joined CTP in July 2006. He earned a degree in Economics at the HEAO in Arnhem, Netherlands. Prior to joining CTP, he worked for nine years as head of accounting for a Czech company that builds motorways (now part of the Strabag group).



Jiří Kostečka
Business Development

Jiří joined CTP in February 2007. He earned a Bachelor's degree at the Business Academy and College of Business in Brno. Prior to joining CTP, he worked at Giga-Byte Technology as an HR and operations manager.



Petra Kučerová
Financial Analyst, Controller

Petra joined CTP in 2008. She earned her Master's degree in Public Administration at the Economics Faculty of Masaryk University in Brno. Prior to joining CTP, she worked as head accountant for Asseco in the Czech Republic.



Tomáš Kult
Senior Construction Manager

Tomáš joined CTP in 2002. He earned a degree in Civil Engineering from the Technical University of Brno. In 2006, he became Senior Construction Manager overseeing all major construction projects.



Josef Lhotský
Senior Project Manager

Josef joined CTP in 2003. He earned a degree in Civil Engineering at the Technical University of Brno. In 2008, he became head of all CTP development projects in the South Moravian region.



Hana Mancová
Head of Purchase Dept.

Hana joined CTP in 2007. She earned a Master's degree in Economics at the Technical University of Brno and an advanced diploma in Retail Management and Business from ASPECT ISBT College in Sydney, Australia. Prior to joining CTP, she worked in the purchase department at Foxconn in the Czech Republic.



Tomáš Novotný
Construction Manager / Regional Director

Tomáš joined CTP in April 2011. He earned a degree in Civil Engineering at Heriot-Watt University in Edinburgh, Scotland; a degree in Business Management at Union College in New York; and a degree in Construction at the Czech Technical University in Prague. Prior to joining CTP, he worked as a project manager for Peter Brett Associates, Pinnacle REI, and Point Park Properties, where he served as Czech managing director and then head of European operations.



Stanislav Pagáč
Project Manager

Stanislav joined CTP in May 2008. He earned an MBA degree in General Management at the City University of Seattle and a Master's degree in Material Engineering at the Slovak University of Technology. Prior to joining CTP, he worked for two years as a project engineer for a Belgian-based industrial developer, and as a project manager for a Slovak construction company.



Petra Pivovarová
Park Manager, CTPark Ostrava

Petra joined CTP in October 2005. She earned a Bachelor's degree in English Literature at the University of Ostrava and during her studies spent six months in the United States. She has worked previously as a translator and for the Czech Ministry of Interior.



Lucie Poláková
Business Development

Lucie joined CTP in 2010. She earned a Master's degree in Marketing and Trade and in EU Studies at the Economics Faculty of the Technical University in Ostrava. Prior to joining CTP, she worked for shopping centres and hypermarket chains both in the Czech Republic and abroad.



Ondřej Radil
Corporate Lawyer

Ondřej joined CTP in June 2011. He earned an LL.M. degree in International Trade and Business Law at Fordham University in New York, and his law degree at Masaryk University in Brno. Prior to joining CTP, he worked as a lawyer at Clifford Chance in Prague.



Zdeněk Raus
Financial Manager

Zdeněk joined CTP in June 2010. He earned a Master's degree at the Faculty of International Relations of the University of Economics in Prague. Prior to joining CTP, he worked for seven years in the audit department of KPMG, starting there as an assistant and finishing as a manager. He is a member of the International Association of Chartered Accountants.



Karel Smejkal
Construction Manager

Karel joined CTP in 2007. He earned a degree in Civil Engineering at the Czech Technical University in Prague and is an authorised building engineer. Prior to joining CTP, he worked for five years as a construction manager at two Czech construction companies.



Radka Veletová
Office Manager

Radka joined CTP in 2002, after completing her studies in English and hotel and tourism management.



William Zach
Art Director / Head of Marketing

William joined CTP as Art Director in April 2007. He earned a degree in Graphic Design in Canada. Prior to joining CTP, he worked as a freelance designer and artist in Canada, the US and Australia before settling in Prague.



Luboš Zajčěk
Head of Legal Dept.

Luboš joined CTP in October 2006. He earned his law degree at the Charles University Faculty of Law and obtained a Master's in law in 2003. Prior to joining CTP, he worked as a lawyer at the Land Fund of the Czech Republic.



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Selected Awards

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Selected Awards

CTP,
an award-
winning
company.

Selected awards	
<div><div><div>CIJ AWARDS 2011</div><div>Best Business Park, CTPark Brno – Phase II</div></div><div><div>BEST OF REALTY 2011</div><div>2nd place, Spielberk Office Centre – IQ Buildings</div></div><div><div>EUROPEAN BUSINESS AWARDS 2011</div><div>CTP represented the Czech Republic</div></div><div><div>PROPERTY OF THE YEAR 2010 – ZONE OF THE YEAR</div><div>2nd place, CTPark Ostrava</div><div>3rd place, CTPark Brno</div></div><div><div>CIJ AWARDS 2010</div><div>Best Overall Development</div><div>2010, Spielberk Office Centre</div></div><div><div>BUSINESS PROPERTY OF THE YEAR 2007</div><div>1st place, CTPark Ostrava</div></div><div><div>BUSINESS PROPERTY OF THE YEAR 2007</div><div>2nd place, CTZone Brno</div></div><div><div>BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2007</div><div>CTPark Brno</div></div></div>	<div><div><div>DEVELOPER OF THE YEAR 2006</div><div>CTP Invest</div></div><div><div>BEST OF REALTY 2006</div><div>2nd place, Spielberk Office Centre, Brno</div></div><div><div>BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2006</div><div>CTPark Plzeň</div></div><div><div>BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2005</div><div>CTPark Brno South</div></div><div><div>INDUSTRIAL ZONE OF THE YEAR 2004</div><div>CTPark Ostrava</div></div><div><div>BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2003</div><div>CTPark Modřice</div></div><div><div>INDUSTRIAL ZONE OF THE YEAR 2003</div><div>CTPark Modřice</div></div></div>
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Financial part

Combined pro-forma financial information
for the year ended 31 December 2011

Financial part

CTP Invest, spol. s r.o.
Central Trade Park D1 1571
Humpolec
Czech Republic

CTP Property N.V.
Locatellikade 1
1076 AZ Amsterdam
The Netherlands

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Internet www.kpmg.cz

To: The shareholders of CTP Property N.V. and CTP Invest, spol. s r.o.

Review report

We report on the combined pro-forma financial information (the " pro-forma financial information") of CTP Property N.V. and CTP Invest, spol. s r.o. ("the Group"), which comprise the combined pro-forma statement of financial positions as at 31 December 2011, the combined pro-forma statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory notes.

The basis of compilation is described in Note 3. The pro-forma financial information has been compiled for illustrative purposes only, to provide information about the combined operations of CTP Property N.V. and CTP Invest, spol. s r.o., as at and for the year ended 31 December 2011.

Because of its nature, the pro-forma financial information addresses a hypothetical situation and therefore does not represent the actual financial position or results had the transaction (or event) occurred at the beginning of, or during the reporting period, or at the reporting date. Management is responsible for the compilation of the pro-forma financial information. As requested by you, our responsibility is to express an opinion, as to the proper compilation of the pro-forma financial information. In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the pro-forma financial information.

We conducted our work in accordance with International Standard on Assurance Engagements 3000, *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. The work that we performed for the purpose of issuing this report, which involved no additional independent audit or review of any of the underlying financial information, no independent audit or review of their adjustments to the Group's accounting policies, nor of the pro-forma assumptions stated in the pro-forma notes, consisted primarily of comparing the unadjusted financial information with the source documents, obtaining evidence regarding the pro-forma adjustments, re-computing the calculation of the pro-forma financial information, discussing the pro-forma financial information with the Group's management and evaluating the overall presentation and disclosure of the pro-forma financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the pro-forma financial information has been properly compiled on the basis stated.

In our opinion, the pro-forma financial information has been properly compiled on the basis stated in Note 3.

We have issued this report in accordance with your request and it is given for the purpose of complying with that requests and for no other purpose.

KPMG Česká republika, s.r.o.
20 March 2012
Prague

COMBINED PRO-FORMA STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

In thousands of EUR			
	Note	2011	2010
Gross rental income	6	100,169	94,147
Property operating expenses	7	-6,183	-5,661
Net rental and related income		93,986	88,486
Income from development activities	8	9,156	4,621
Expenses from development activities	8	-7,507	-4,261
Net income from development activities		1,649	360
Valuation gains on investment property	13, 14, 15	93,287	64,766
Valuation losses on investment property	13, 14, 15	-15,990	-24,221
Net valuation result on investment property		77,297	40,545
Other income	9	2,282	3,729
Operational expenses (including administrative expenses)	10	-15,924	-14,127
Net other income/expenses		-13,642	-10,398
Net profit before finance costs		159,290	118,993
Finance income	11	2,977	9,620
Finance expense	11	-72,746	-46,165
Net finance costs		-69,769	-36,545
Profit before income tax		89,521	82,448
Income tax	12	-12,568	-19,003
Profit for the period		76,953	63,445
Other comprehensive income			
Revaluation reserve		1,114	7,344
Foreign currency translation differences		-6,034	6,529
Total comprehensive income for the year attributable to equity holders of the Company		72,033	77,318

The notes 1 to 30 are an integral part of this combined pro-forma financial information.

COMBINED PRO-FORMA STATEMENT OF FINANCIAL POSITION

As at 31 December

In thousands of EUR			
	Note	2011	2010
Assets			
Investment property	13	1,477,909	1,353,599
Investment property under development	14	190,525	152,216
Property, plant and equipment	16	27,719	54,658
Finance lease receivables		710	1,023
Fair value derivatives	23	391	1,545
Investment in associates and joint venture		644	794
Other long-term receivables		303	304
Long-term receivables due from related parties	26	16,175	9,506
Deferred tax assets	24	-	36
Total non-current assets		1,714,376	1,573,681
Inventory		188	-
Trade and other receivables	18	26,635	18,401
Short-term receivables due from related parties	26	81	221
Finance lease receivables		602	587
Financial derivatives	23	-	139
Cash and cash equivalents	19	16,583	12,460
Assets classified as held for sale	20	24,240	-
Total current assets		68,329	31,808
Total assets		1,782,705	1,605,489
Issued capital		388,133	388,133
Translation reserve		4,316	10,350
Reserves		626,403	624,691
Retained earnings		-521,475	-583,208
Revaluation reserve		8,458	7,344
Net result for the year		76,953	63,445
Total equity attributable to parent		582,788	510,755
Liabilities			
Interest-bearing loans and borrowings from financial institutions	22	627,313	554,523
Finance lease payables	22	226,534	225,252
Trade and other payables		6,765	999
Long-term payables to related parties		42,742	36,639
Financial derivatives	23	25,652	19,031
Deferred tax liabilities	24	127,278	113,511
Total non-current liabilities		1,056,284	949,955
Interest-bearing loans and borrowings from financial institutions	22	70,108	82,071
Interest-bearing loans and borrowings from related parties	26	85	344
Finance lease payables	22	16,974	24,237
Trade and other payables	22	52,620	37,190
Short-term payables to related parties	26	373	381
Financial derivatives	23	3,015	-
Provisions		458	556
Total current liabilities		143,633	144,779
Total liabilities		1,199,917	1,094,734
Total (invested) equity and liabilities		1,782,705	1,605,489

The notes 1 to 30 are an integral part of this combined pro-forma financial information.

COMBINED PRO-FORMA STATEMENT OF CASH FLOWS

For the year ended 31 December

In thousands of EUR			
	Note	2011	2010
Operating activities			
Result for the year		76,953	63,445
Change in value of investment property	15	-77,297	-40,545
Depreciation	10	4,401	3,869
Impairment loss on PPE	10	--	341
Net interest expense and expenses from derivatives		43,149	55,316
Valuation loss/gain on changes in derivatives		10,929	-15,137
Impact of currency translations and other changes		256	-8,846
Write-down of inventory, impairment of IPuD and change in provision	9	-220	617
Income related to sale of electricity grid	9	-231	--
Negative goodwill	9	-27	--
Release of bad debt provision	9	--	-2,626
Income tax benefit/expense	12	12,568	19,003
Operating profit before changes in working capital and provisions		70,481	75,437
Decrease/increase in finance lease receivables		298	590
Decrease/increase in trade and other receivables		-8,667	3,685
Increase/decrease in trade and other payables		20,448	-13,328
Decrease/increase in inventory		-188	--
Cash generated from used in operations		11,891	-9,053
Interest paid and expenses from derivatives		-34,493	-41,978
Interest received		3,059	463
Income taxes paid		-453	-308
Cash flows from used in operating activities		50,485	24,561
Investment activities			
Acquisition of subsidiaries		-1,929	249
Loans and borrowings granted to related companies		--	46,551
Acquisition of property, plant and equipment	16	-3,420	-15,590
Development of investment property		-79,111	-16,877
Cash flows from used in investing activities		-84,460	14,333
Financing activities			
Proceeds from issue of share capital		--	--
Dividends paid and reduction of share premium		--	--
Proceeds from changes in lease liabilities		-5,981	-2,700
Proceeds from interest-bearing loans and borrowings		44,079	-34,991
Cash flows from financing activities		38,098	-37,691
Cash and cash equivalents at 1 January		12,460	11,257
Net increase in cash and cash equivalents		4,123	1,203
Cash and cash equivalents at 31 December		16,583	12,460

COMBINED PRO-FORMA STATEMENT OF CHANGES IN EQUITY

In thousands of EUR							
	Issued capital	Translation reserve	Reserves	Revaluation reserve	Accumulated losses	Net result for the year	Total equity
Balance at 1 January 2010	388,133	3,821	623,422	--	-694,389	112,452	433,439
Total comprehensive income for the period							
Profit for period	--	--	--	--	--	63,445	63,445
Other comprehensive income							
Revaluation of Plant and equipment	--	--	--	7,344	--	--	7,344
Foreign currency translation differences	--	6,529	--	--	--	--	6,529
<i>Total other comprehensive income</i>	--	6,529	--	7,344	--	--	13,873
Total comprehensive income for the period	--	6,529	--	7,344	--	63,445	77,318
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Acquisition of ownership interests in subsidiaries	--	--	--	--	-2	--	-2
<i>Total changes in ownership interests in subsidiaries</i>	--	--	--	--	-2	--	-2
Total transactions with owners	--	--	--	--	-2	--	-2
Other movements							
Transfer of profit 2009	--	--	--	--	111,183	-111,183	--
Addition to the legal reserve	--	--	1,269	--	--	-1,269	--
Total other movements	--	--	1,269	--	111,183	-112,452	--
Balance at 31 December 2010	388,133	10,350	624,691	7,344	-583,208	63,445	510,755
Balance at 1 January 2011	388,133	10,350	624,691	7,344	-583,208	63,445	510,755
Total comprehensive income for the period							
Profit for period	--	--	--	--	--	76,953	76,953
Other comprehensive income							
Revaluation of Plant and equipment	--	--	--	1,114	--	--	1,114
Foreign currency translation differences	--	-6,034	--	--	--	--	-6,034
<i>Total other comprehensive income</i>	--	-6,034	--	1,114	--	--	-4,920
Total comprehensive income for the period	--	-6,034	--	1,114	--	76,953	72,033
Other movements							
Transfer of profit 2010	--	--	--	--	61,733	-61,733	--
Addition to the legal reserve	--	--	1,712	--	--	-1,712	--
Total other movements	--	--	1,712	--	61,733	-63,445	--
Balance at 31 December 2011	388,133	4,316	626,403	8,458	-521,475	76,953	582,788

NOTES TO THE COMBINED PRO-FORMA FINANCIAL INFORMATION

1. General information

The CTP Group (hereinafter referred to as “CTP”) is a Dutch based real estate developer developing and leasing a portfolio of properties (primarily) in the Czech Republic. CTP comprises of the following sub-groups (hereinafter referred to as “the Sub-groups”) that prepare their separate audited consolidated financial statements prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union (hereinafter referred to as “IFRS”):

- (a) CTP Property N.V. domiciled in the Netherlands (hereinafter referred to as “the Sub-group CTP Property”) and
- (b) CTP Invest, spol. s r.o. domiciled in the Czech Republic (hereinafter referred to as “the Sub-group CTP Invest”)

The Sub-groups do not constitute a legal group; however, the Sub-groups were during 2010 and 2011 under the common control of their majority shareholders (hereinafter referred to as “the Majority Shareholders”):

- (a) Multivest B.V. (the Netherlands) and
- (b) Finspel B.V. (the Netherlands)

Therefore, CTP has prepared this pro-forma combined financial information that is a combination of the Sub-groups’ separate audited IFRS consolidated financial statements. The pro-forma financial information has been compiled for illustrative purposes, to provide information about the combined operations of the Sub-groups as at and for the year ending 31 December 2011.

For the structure of CTP as at 31 December 2011 see note 25 and Appendix 1.

Sub-group CTP Property

Principal activities:
The principal operation of the Sub-group CTP Property is the lease of investment property in the Czech Republic. The Sub-group CTP Property leases property to its tenants under operating leases. As at 31 December 2011, the investment property portfolio is held directly by the Sub-group CTP Property and by the finance lease provider.

Registered office:
Locatellikade 1
1076 AZ Amsterdam
The Netherlands

The operating headquarters of the Czech Property holding companies of the Sub-group CTP Property are located at Central Trade Park D1 1571, 396 01, Humpolec, Czech Republic.

Registration number: 02098310

CTP Property N.V. was incorporated on 2 April 2007, for an unlimited period of time.

Shareholders as at 31 December 2011:

Shareholder	Thousands of shares	Share in registered capital	Share in voting rights
Multivest B.V.	58,880	47.5%	47.5%
Finspel B.V.	58,880	47.5%	47.5%
CTP Partners N.V.	5,000	4.0%	4.0%
Erste Group Immorent International Holding GmbH	1,240	1.0%	1.0%
	124,000	100.0%	100.0%

Management as at 31 December 2011:

Directors: Remon Leonard Vos
Radek Zeman

Sub-group entities:

The companies described in the next paragraphs are ultimately owned by CTP Property N.V. through a Luxembourg holding company, CTP Property Lux S.à r.l., which is a 100% subsidiary of CTP Property N.V.

The companies included in the Sub-group CTP Property as at 31 December 2011 are as follows:

CTP Property, a.s., including subsidiary QPR management s.r.o.
CTP Property II, a.s.
CTP Property III, a.s.
CTP Property IV, a.s.
CTP Property V, a.s., including subsidiary CTP Invest VIII, spol. s r.o.
CTP Property VI, a.s.
CTP Property VIII, a.s.
CTP Property IX, a.s.
CTP Property X, spol. s r.o.
CTP Property XI, spol. s r.o.
CTP Property XII, spol. s r.o.
CTP Property XIII, spol. s r.o.
CTP Property XIV, spol. s r.o.
CTP Property XV, spol. s r.o.
CTP Invest IV, spol. s r.o.
CTP INVEST V, spol. s r.o.
CTP Invest IX, spol. s r.o.
CTZone Brno, a.s.
CTZone Ostrava, a.s.
CTP Heršpická, spol. s r.o.
Immorent Ostrava I s.r.o.
CTP Finance, a.s.
CTP Infrastructure, a.s.
CTP Immobilienverwaltung GmbH
CTP Alpha GmbH, including subsidiaries DN Beteiligungs GmbH and TGM GmbH
CTP Invest SK, spol. s r.o.
CTP Alpha SK, spol. s r.o.
CTP Beta SK, spol. s r.o.
CTP Invest Bucharest S.R.L., including subsidiary CTPARK ALPHA S.R.L.
CTPARK BETA S.R.L.
CTP Property Lux S.à r.l.

Sub-group CTP Invest

The principal activity of the Sub-group CTP Invest is the development of investment property in the Czech Republic.

CTP Invest, spol. s r.o. is a company domiciled in the Czech Republic. The registered office is located at Humpolec, Central Trade Park D1 1571, 396 01.

Registration number: 261 66 453

CTP Invest, spol. s r.o. was incorporated on 3 April 2000, for an unlimited period of time.

Shareholders as at 31 December 2011:

Finspel B.V.	49.99%
Multinvest B.V.	49.99%
Multifin B.V.	0.02%

In August 2011 Multifin B.V. purchased the business share of 0,001% from the Ministry of Labor and Social Affairs of the Czech Republic.

Management as at 31 December 2011:

Director:	Remon Leonard Vos
Proxy:	Radek Zeman

Sub-group entities:

The companies included in the Sub-group CTP Invest as at 31 December 2011 are as follows:

CTP Invest 1, spol. s r.o.
IMPORTFLORA, spol. s r.o.
Multidisplay s.r.o.
CTP, spol. s r.o.
CTP Invest VII, spol. s r.o.
Bor Logistics, spol. s r.o.
QTL Assets s.r.o.
CTP Property XVI, spol. s r.o.
CTP Property XVII, spol. s r.o.
CTP Property XVIII, spol. s r.o.
CTP Property XIX, spol. s r.o.
CTP Property XX, spol. s r.o.
CTP Property XXI, spol. s r.o.
CTP Property XXII, spol. s r.o.
CTP Property XXIII, spol. s r.o.
CTP Property XXIV, spol. s r.o.

2. Going concern

During the latter part of 2008, in the light of the difficult economic environment and falling property values, CTP renegotiated its banking facilities with Erste Bank with the result that in January 2009 CTP concluded a new mezzanine loan facility in the amount of EUR 100 million to strengthen the financial position of CTP and related parties. Further, CTP agreed with Erste Bank to postpone the installment payment under finance leases in the total amount up to EUR 46.0 million (the actual amount postponed as at 31 December 2011 is EUR 37.9 million) until 31 December 2013, as described in note 22.

CTP agreed with the provider of the EUR 100 million loan facility reporting of the short- and medium-term liquidity on a quarterly basis and approval process for the main expenditures was duly incorporated; the budgets for construction costs and overhead expenses are being approved beforehand.

To comply with these new requirements of the reporting system, CTP incorporated a rigorous business plan and together with the detailed cash flows ensures the long-term viability and liquidity of CTP.

Some of CTP's borrowings have loan to value covenants which are surveyed by CTP and its financiers on a regular basis. In general CTP is in close contact with its financiers to immediately solve issues when applicable.

CTP's properties are let to a wide range of tenants and there is no significant focus on any one particular group or company. CTP closely monitors the financial stability of its tenants and believes that its rental projections for the coming 12 months are realistic in the light of the current economic climate.

CTP expects to settle its current liabilities as at 31 December 2011 during 2012 as follows:

In thousands of EUR	
Current liabilities as at 31 December 2011	-143,633
Current assets excluding cash and cash equivalents as at 31 December 2011	51,746
Funds required in 2012 to cover the short-term liquidity gap	-91,887
"Short-term payables to related parties for which the maturity will be extended or which will be set-off with long-term receivables"	373
Available cash as at 31 December 2011	14,043
Expected fund to be received in 2012 from operating activities	12,190
Expected funds to be received in 2012 from existing loan agreements	21,084
Expected funds to be received in 2012 from financing of new projects	22,500
Interest bearing loans and borrowings from financial institutions renegotiated to a long term basis	19,757
Sale of non-core assets	7,600
Expected funds to be received in 2012 to cover the short-term liquidity gap	5,660

The management is convinced of rightly using the going concern assumption based on the CTP's projected cash flows for the next 12 months.

3. Basis of combination

The pro-forma combined financial information is prepared by aggregating the separate audited IFRS consolidated financial statements of the Sub-groups. The Sub-groups, that did not constitute a legal group at the date of the balance sheet, were combined in one set of financial information by adding together their assets, liabilities, equity accounts as well as income and expenses.

The following adaptations were carried out to the aggregation of the separate audited IFRS financial statements in order to establish the pro-forma financial information:

- Necessary reclassifications were carried out (see below Reclassifications).
- Inter-group transactions and any unrealised results from inter-group transactions were eliminated (see below Eliminations).
- Impairment of eliminated inter-group receivables was adjusted (see below Adjustments).

In thousands of EUR

	CTP Property N.V.	CTP Invest, spol. s r.o.	Total	Reclassi- fications	Adjust- ments	Elimi- nations	2011	2010
Assets								
Investment property	1,305,707	172,202	1,477,909				1,477,909	1,353,599
Investment property under development	72,580	92,466	165,046	25,479			190,525	152,216
Property, plant and equipment	25,153	2,566	27,719				27,719	54,658
Finance lease receivables	–	710	710				710	1,023
Fair value derivatives	391	–	391				391	1,545
Investment in associates and joint venture	644	1,185	1,829			-1,185	644	794
Other long-term receivables	303	–	303				303	304
Long-term receivables due from related parties	81,305	3,369	84,674		1,629	-70,128	16,175	9,506
Deferred tax assets	–	–	–				–	36
Total non-current assets	1,486,083	272,498	1,758,581	25,479	1,629	-71,313	1,714,376	1,573,681
Inventory	–	25,667	25,667	-25,479			188	–
Trade and other receivables	22,306	4,329	26,635				26,635	18,401
Short-term receivables due from related parties	6,586	20,257	26,843		332	-27,094	81	221
Finance lease receivables	–	602	602				602	587
Financial derivatives	–	–	–				–	139
Cash and cash equivalents	16,290	293	16,583				16,583	12,460
Assets classified as held for sale	946	23,294	24,240				24,240	–
Total current assets	46,128	74,442	120,570	-25,479	332	-27,094	68,329	31,808
Total assets	1,532,211	346,940	1,879,151	–	1,961	-98,407	1,782,705	1,605,489
Issued capital	12,400	375,733	388,133				388,133	388,133
Translation reserve	–	4,316	4,316				4,316	10,350
Reserves	619,528	6,875	626,403				626,403	624,691
Retained earnings	-275,902	-247,045	-522,947		1,463	9	-521,475	-583,208
Revaluation reserve	8,458	–	8,458				8,458	7,344
Net result for the year	51,767	25,261	77,028		125	-200	76,953	63,445
Total equity attributable to parent	416,251	165,140	581,391	–	1,588	-191	582,788	510,755
Non-controlling interest	993	–	993			-993	–	–
Total equity attributable to parent	417,244	165,140	582,384	–	1,588	-1,184	582,788	510,755
Liabilities								
Interest-bearing loans and borrowings from financial institutions	605,368	21,945	627,313				627,313	554,523
Finance lease payables	219,399	7,135	226,534				226,534	225,252
Trade and other payables	5,969	796	6,765				6,765	999
Long-term payables to related parties	38,796	74,074	112,870			-70,128	42,742	36,639
Financial derivatives	21,889	3,763	25,652				25,652	19,031
Deferred tax liabilities	116,261	10,644	126,905		373		127,278	113,511
Total non-current liabilities	1,007,682	118,357	1,126,039	–	373	-70,128	1,056,284	949,955
Interest-bearing loans and borrowings from financial institutions	49,267	20,841	70,108				70,108	82,071
Interest-bearing loans and borrowings from related parties	5,864	6,476	12,340			-12,255	85	344
Finance lease payables	16,971	3	16,974				16,974	24,237
Trade and other payables	20,725	31,895	52,620				52,620	37,190
Short-term payables to related parties	14,458	755	15,213			-14,840	373	381
Financial derivatives	–	3,015	3,015				3,015	–
Provisions	–	458	458				458	556
Total current liabilities	107,285	63,443	170,728	–	–	-27,095	143,633	144,779
Total liabilities	1,114,967	181,800	1,296,767	–	373	-97,223	1,199,917	1,094,734
Total (invested) equity and liabilities	1,532,211	346,940	1,879,151	–	1,961	-98,407	1,782,705	1,605,489

In thousands of EUR

	CTP Property N.V.	CTP Invest, spol. s r.o.	Total	Reclassi- fications	Adjust- ments	Elimi- nations	2011	2010
Gross rental income	97,052	3,381	100,433			-264	100,169	94,147
Property operating expenses	-8,880	-434	-9,314	-1,696		4,827	-6,183	-5,661
Net rental and related income	88,172	2,947	91,119	-1,696	–	4,563	93,986	88,486
Income from development activities	–	77,593	77,593	3,802		-72,239	9,156	4,621
Expenses from development activities	–	-50,654	-50,654			43,147	-7,507	-4,261
Net income from development activities	–	26,939	26,939	3,802	–	-29,092	1,649	360
Valuation gains on investment property	55,380	36,993	92,373			914	93,287	64,766
Valuation losses on investment property	-16,155	-25,106	-41,261			25,271	-15,990	-24,221
Net valuation result on investment property	39,225	11,887	51,112	–	–	26,185	77,297	40,545
Other income	2,248	16,861	19,109	-11,912		-4,915	2,282	3,729
Operational expenses (including administrative expenses)	-17,606	-11,700	-29,306	9,806	216	3,360	-15,924	-14,127
Net other income/expenses	-15,358	5,161	-10,197	-2,106	216	-1,555	-13,642	-10,398
Net profitbefore finance costs	112,039	46,934	158,973	–	216	101	159,290	118,993
Finance income	8,067	1,392	9,459			-6,482	2,977	9,620
Finance expense	-63,744	-15,362	-79,106		-50	6,410	-72,746	-46,165
Net finance costs	-55,677	-13,970	-69,647	–	-50	-72	-69,769	-36,545
Profit before income tax	56,362	32,964	89,326	–	166	29	89,521	82,448
Income tax	-4,824	-7,703	-12,527		-41		-12,568	-19,003
Profit for the period	51,538	25,261	76,799	–	125	29	76,953	63,445
Profit for the period attributable to equity holders of the Company	51,538	25,261	76,799	–	125	29	76,953	63,445
Profit for the period - non controlling interest	-229	–	-229			229	–	–
Profit for the period attributable to equity holders of the Company	51,767	25,261	77,028	–	125	-200	76,953	63,445
Other comprehensive income								
Revaluation reserve	1,114	–	1,114				1,114	7,344
Foreign currency translation differences	–	-6,034	-6,034				-6,034	6,529
Total comprehensive income for the year attributable to equity holders of the Company	52,881	19,227	70,994	–	125	-200	72,033	77,318

4. Basis of preparation of consolidated financial statements of the Sub-groups

a) Statement of compliance

The separate consolidated financial statements of the Sub-groups have been prepared in accordance with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board (IASB) as adopted by the European Union ("IFRS").

The separate IFRS consolidated financial statements of the Sub-group CTP Property were authorized and approved for issue by the management on 13 March 2012.

The separate IFRS consolidated financial statements of the Sub-group CTP Invest were authorized and approved for issue by the management on 15 March 2012.

When preparing the separate IFRS consolidated financial statements, the Sub-groups applied new or amended standards and interpretations that are mandatory for the accounting periods beginning on 1 January 2011.

In 2011 the Sub-groups adopted the following new or amended International Financial Reporting Standards and IFRIC Interpretations. The adoption has no impact on the separate IFRS consolidated financial statements.

- (i) Standards and Interpretations adopted by the EU:
- Annual revision of IAS 1, 7, 17, 36, 38, 39 and IFRS 2, 5, 8 and IFRIC 9 and 16 (effective date 1 January 2010);
 - Amendment to IAS 24 Related party disclosures (effective date 1 January 2011);
 - Amendment to IAS 32 Financial instruments: Classification of Rights issued (effective date 1 February 2010);
 - Amendments to IFRS 1 First-time adoption of International financial reporting standards (effective date 1 January 2010);
 - Amendment to IFRS 2 Share-based payment (effective date 1 January 2010);
 - IFRS 8 Operating segments (effective date 1 January 2010);
 - IFRS 9 Financial Instruments (effective date 1 January 2010);
 - Cancellation of IFRIC 8 and IFRIC 11 as a result of the revised version of IFRS 2 (effective date 1 January 2010);
 - Amendment to IFRIC 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective date 1 January 2011);
 - IFRIC 15 Agreements for the Construction of Real Estate (effective date 1 January 2010);
 - IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (effective date 1 July 2010)

The Sub-groups apply amended IAS 40 Investment property, which became effective as of 1 January 2009. As a result, property under construction or development for future use as investment property is measured at fair value. Any gain or loss arising on the measurement is recognised in the statement of comprehensive income.

- (ii) Standards and Interpretations in issue and endorsed by the EU but not yet effective:
- A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the separate IFRS consolidated financial statements of the Sub-groups.

b) Functional and presentation currency

Sub-group CTP Property

The separate IFRS consolidated financial statements are presented in euros, which is the Sub-group's functional currency. All information presented in euros, has been rounded to the nearest thousands.

Transactions in foreign currencies are translated into euros at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into euros at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rates ruling at the dates the fair values were determined.

Sub-group CTP Invest

In 2011 the Sub-group operated only in the Czech Republic and considered the local currency, the Czech Crown, to be its functional currency.

Transactions in foreign currencies are translated to the functional currency of the Sub-group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

The Sub-group presentation currency is the euro (EUR). The Sub-group has selected a different presentation currency because the owners base their economic decisions on information expressed in EUR. All financial information presented in EUR has been rounded to the nearest thousand.

Assets and liabilities are translated into EUR at the foreign exchange rate applying at the reporting date. Revenues and expenses are translated into EUR at exchange rates approximating those at the date of the transactions. Foreign exchange differences arising on translation into the presentation currency are recognized as part of the translation reserve directly through other comprehensive income.

The following exchange rates were used during translations:

Date	Closing Exchange Rate CZK/EUR	Average Exchange Rate CZK/EUR for the year
31 December 2010	25.060	25.290
31 December 2011	25.800	24.586

c) Basis of measurement

The separate IFRS consolidated financial statements of the Sub-groups are prepared on a historical cost basis, apart from investment property, investment property under development, solar plants and swaps, which are stated at fair value.

d) Use of estimates and judgments

The preparation of the financial statements on the basis of IFRS requires the management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that the management believes to be reasonable under the circumstances, the results of which form the basis of judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimates uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial information are described in note 5b) Investment property and note 5c) Investment property under development.

e) Presentation of financial statements

Revised IAS 1

The Sub-groups apply revised IAS 1 Presentation of Financial Statements, which became effective as of 1 January 2009. As a result, the Sub-groups present in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income.

f) Combined pro-forma financial information

As the combined pro-forma financial information has been prepared by only aggregating the separate audited IFRS financial statements of the Sub-groups all the above statements apply to the pro-forma combined financial information as well.

5. Significant accounting policies

The accounting policies set out below have been consistently applied to all periods presented in this pro-forma combined financial information and have been applied consistently by CTP entities.

Both the Sub-groups apply the same accounting policies when preparing their separate IFRS consolidated financial statements and consequently no adjustments due to aligning different accounting policies were necessary during the combination.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Sub-groups. Control exists when the Sub-group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the potential voting rights that are exercisable or convertible, are taken into account. The financial statements of subsidiaries are included in the separate IFRS financial statements of the Sub-groups from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Sub-groups.

(ii) Acquisition of business from companies under common control

A business combination involving entities or businesses under common control is a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Business combinations arising from transfers of interest in entities that are under the control of the party that controls the Sub-groups are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented, the date the company was founded or, if later, at the date that common control was established.

The assets and liabilities acquired under common control are recognized at the carrying amounts recognized previously in the financial statements of the entities acquired. Any cash or equity paid for the acquisition is recognized directly in the equity. In the absence of more specific guidance, the Sub-groups consistently applied the book value method to account for all common control transactions.

(iii) Goodwill

Business combinations, excluding those commenced between parties under common control, are accounted for by applying the acquisition method. Goodwill represents amounts arising upon the acquisition of subsidiaries. Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets.

In respect of business acquisitions on or after 1 January 2009, the Sub-groups measure goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

In respect of business acquisitions prior to 1 January 2009, goodwill represents the excess of the cost of the acquisition over the Sub-group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

When the excess is negative (negative goodwill), it is recognized immediately in the in the consolidated statement of comprehensive income.

(iv) Transactions eliminated on combination

Intra-group balances and any gains and losses or income and expenses arising from intra-group transactions are eliminated in preparing the separate IFRS consolidated financial statements of the Sub-groups.

Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated against the investment to the extent of the Sub-group's interest in the investee. Unrealised losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b) Investment property

Investment properties are those which are held to earn rental income, for capital appreciation, or for both. Investment properties are stated at fair value. An external, independent valuer having appropriately recognized professional qualifications and recent experience in the location and category of property being valued, values the portfolio of investment property at least annually.

The independent valuation report was obtained as at 31 December 2011 and was incorporated into the separate IFRS consolidated financial statements of the Sub-groups. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuations are prepared by considering the aggregate of the net annual rents receivable from the properties, and where relevant, associated costs. A yield which reflects the risks inherent in the net cash flows is then applied to the net annual rentals to arrive at the property valuation.

In view of the nature of the properties and the bases of valuation, the valuer adopted the Income Approach based on the discounted cash flow technique for a 10-year period. The cash flow assumes a 10-year holding period with the exit value calculated on the 11th year income. The cash flow is based on the rents receivable under existing lease agreements until

their expiry date and the expected rental value for the period remaining in the 10-year period, as applicable. The valuer has based his opinion of the Estimated Rental Value (ERV) on this.

Valuations reflect, where appropriate, the type of tenants actually in occupation or responsible for meeting the lease commitments or likely to be in occupation after letting vacant accommodation and the market’s general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between lessor and lessee; and the remaining economic life of the property. It has been assumed that whenever rent reviews or lease renewals are pending with anticipated reversionary increases, all notices, and where appropriate counter notices, have been served validly and within the appropriate time.

The assumptions used by the independent valuer for the year ended 31 December 2011 were following:

Sub-group CTP Property		
Yield		
	Initial yield	7.25% - 8.45%
	Exit yield	
	Industrial premises	7.50% - 8.00%
	Office properties	7.25% - 7.75%
	Retail properties	8.25%
Ongoing Vacancy		0.00% - 5.00%
ERV per sqm		
	Industrial premises	3.50 - 6.00 EUR
	Office properties	7.50 - 13.00 EUR
	Retail properties	current rent

Sub-group CTP Invest		
Yield		
	Initial yield	7.75% - 9.99%
	Exit yield	
	Industrial premises	7.75% - 8.25%
	Office properties	8.25%
Ongoing Vacancy		0.00% - 15.00%
ERV per sqm		
	Industrial premises	3.50 - 4.00 EUR/mth
	Office properties	7.50 - 8.00 EUR/mth

Any gain or loss arising from a change in fair value is recognized in the statement of comprehensive income. Rental income from investment property is accounted for as described in note 5 m).

The land on which the buildings are being constructed and qualifying as investment property upon construction completion is classified as investment property from the beginning and hence recorded at fair value.

The land bank comprises the land acquired under finance lease and the plots of land in CTP’s ownership, on which development projects are to be carried out. The land bank has been valued by a registered independent valuer with an appropriately recognized professional qualification and with an up –to–date knowledge and understanding of the location and category of the property.

The valuer used the Sales Comparison Approach for the valuation of the land bank. This valuation method is most useful when a number of similar properties have recently been sold or are currently for sale in the subject property market. Using this approach a value indication by comparing the subject property to prices of similar properties is produced.

The sale prices of the properties that are judged to be most comparable tend to indicate a range in which the value indication for the subject property will fall. The valuer estimated the degree of similarity or difference between the subject property and the comparable sales by considering various elements of comparison. Percentage adjustments were then applied to the sale prices of the comparables because the prices of these properties are known, while the value of the subject property is not.

c) Investment property under development

Property that is being constructed or developed for future use as investment property, is classified as investment property under development and stated at fair value (including prepayments done for property and incl. land plots with a non-exer-cised purchase option) until construction or development is completed, at which time it is reclassified and subsequently accounted for as investment property. Any gain or loss arising on the measurement is recognised in the statement of comprehensive income.

The independent valuation report was obtained as at 31 December 2011 and was incorporated into the pro-forma combined financial information. Reported estimated figures considered the results of current external valuations. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The valuer used the Residual Value Approach for the valuation of the investment property under development. In order to assess the market value of the sites, the valuer undertook a development appraisal to assess the potential value (Gross Development Value) of the fully completed and leased development as currently proposed, and deducted hard costs, soft costs, financing costs and a developer’s profit to reflect the required level of return to a developer and the risk of undertak-ing the scheme.

The assumptions used by the independent valuer for the year ended 31 December 2011 were following:

Capitatisation rates		
		7.00% - 10.00%
Ongoing Vacancy		0.00% - 5.00%
ERV per sqm		
	Industrial premises	3.50 - 6.00 EUR/mth
	Office properties	9.00 - 13.00 EUR/mth

In assessing the Gross Development Value, the valuer adopted a market approach by estimating the market rental values for the accommodation to be developed, and the appropriate capitalisation rate which a potential investor would require, to arrive at the Market Value of the completed and leased building.

The management judged the Market Value estimated by the valuer for each property and assessed a percentage of this Market Value in the financial information based upon the expected completion dates and anticipated risks within the busi-ness environment.

d) **Property, plant and equipment**

Solar plants which are completed and producing income are classified under Property, plant and equipment. These solar plants are stated at fair value. Any gain or loss arising on the measurement is recognised directly in the equity. An external, independent valuer having appropriately recognized professional qualifications and recent experience in the location and category of the solar plant being valued, values the portfolio of solar plants at least annually.

In view of the nature of the solar plants and the bases of valuation, the valuer adopted the Income Approach based on the discounted cash flow technique for a 20-year period. The cash flow is based on the income receivable under the license provided by the government. The valuer has based his opinion of the Market Value (MV) on this.

Any gain or loss arising on re-measurement of the solar plants is treated as a revaluation under IAS 16, with any gain recorded as part of other comprehensive income, except to the extent that it reverses a previous impairment on the same property, in which case it is recorded in profit or loss. Any loss in respect of the revaluation is recorded into the profit and loss for the period.

Depreciation of the solar plants is recognized into profit or loss on a straight-line basis over the estimated useful life of 20 years.

All other buildings, property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (note 5 h). Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the initial estimate, where relevant, of the costs of dismantling and removing building items and restoring the building site at which they are located, capitalised borrowing costs and an appropriate proportion of production overheads.

When the use of a property changes from owner-occupied to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain or loss arising on re-measurement is treated as a revaluation under IAS 16, with any gain recorded as part of other comprehensive income, except to the extent that it reverses a previous impairment on the same property, in which case it is recorded in profit or loss. Any loss in respect of the revaluation is recorded in to profit and loss for the period.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is recognised into profit or loss on a straight-line basis over the estimated useful life of the equipment. The estimated useful life for equipment varies between 3-8 years and for property and plant between 20-30 years.

The Sub-groups recognize in the carrying amount of an item of property, plant and equipment, the cost of replacing part of such an item when that cost is incurred and it is probable that the future economic benefits embodied with the item will flow to the Sub-group and the cost of the item can be measured reliably. The carrying amount of the replace item is derecognised. All other costs are recognized in the statement of comprehensive income as incurred.

e) **Leased assets**

Leases in terms of which the Sub-groups assume substantially all the risks and rewards of ownership are classified as finance leases. Property held under finance leases and leased out under operating leases is classified as investment property and is stated at fair value as described in note 5 b). Owner-occupied property acquired by way of a finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

f) **Non-derivative financial assets**

The Sub-groups initially recognise loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Sub-group becomes a party to the contractual provisions of the instrument.

The Sub-groups derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Sub-group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-groups have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Sub-groups have the following non-derivative financial assets: finance lease receivables, loans and receivables.

Finance lease receivable represents a repayment of the principal and finance income to reimburse the lessor for its investment and services. Finance lease receivable has fixed determinable payments and is not a derivative.

The initial measurement of the finance lease receivable includes initial direct costs, such as commissions and legal fees that are incremental and directly attributable to negotiating and arranging a lease.

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise loans, trade and other receivables.

g) **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank accounts and call deposits that are repayable on demand and form an integral part of the Sub-group's cash management are included as a component of cash and cash equivalents for the purpose of the cash-flow statement.

h) **Impairment**

The carrying amounts of the Sub-group's assets, other than investment property, investment property under development and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. In respect of goodwill, the recoverable amount is estimated at each reporting date.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognized in profit or loss.

Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (groups of units) and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

The Sub-groups consider evidence of impairment for receivables at both specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Sub-groups use historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management’s judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater than suggested by historical trends. Impairment losses in respect of receivables are primarily determined based on an analysis of the credit status of customers and the period for which the receivable has been overdue.

i) **Reversals of impairment**

An impairment loss is reversed if there has been an indisation that the loss has decreased or no longer exists and a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment losses been recognized.

j) **Equity**

Sub-group CTP Property – issued capital

Ordinary shares are classified as equity. External costs directly attributable to the issue of new shares, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

Sub-group CTP Invest – share capital

Share capital represents the amount of capital registered in the Commercial Register of the Czech Republic and is classified as equity. External costs directly attributable to the issuance of share capital, other than upon a business combination, are shown as a deduction from the proceeds, net of tax, in equity. Share capital issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

k) **Provisions**

A provision is recognized in the statement of financial position when the Sub-groups have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l) **Non-derivative financial liabilities**

The Sub-groups initially recognize debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Sub-group becomes party to the contractual provisions of the instrument.

The Sub-groups derecognize a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Sub-groups have a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Sub-groups has the following non-derivative financial liabilities: loans and borrowings, bank overdrafts, and trade and other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Sub-groups classify as a current portion any part of long-term loans that is due within one year from the reporting date.

As at the reporting date the nominal value of loans is increased by unpaid interest.

Interest and other financial expenses relating to the acquisition of qualifying assets incurred until the asset is put in use are capitalised. Subsequently, they are recorded as financial expenses.

m) **Rental income**

Rental income from investment property leased out under an operating lease is recognized in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income.

n) **Income from development activities**

Income from development activities include revenues relating to construction services. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably. Contract expenses are recognised as incurred unless they create an asset related to future contract activity.

o) **Expenses**

(i) **Service expenses and property operating expenses**

Service expenses for service contracts entered into and property operating expenses are expensed as incurred.

(ii) **Finance lease payments**

The minimum lease payments under finance leases are apportioned between the finance charge and the reduction of the liability. The finance charge is allocated to each period during the lease term so as to produce a periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

(iii) **Operating lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

(iv) Net financial income (expense)

Net finance costs comprise interest payable on borrowings calculated using the effective interest rate method, losses on revaluation or settlement of derivative instruments and foreign exchange gains and losses.

Finance income comprises interest income on fund invested calculated using the effective interest rate method, gains on revaluation or settlement of derivative instruments and foreign exchange gains.

The interest element of finance lease payments is recognized in the statement of comprehensive income using the interest rate method as specified in the lease contract.

p) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the first day of the accounting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the reporting date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes of one entity relate to the same fiscal authority.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax was calculated using the tax rates valid for the periods in which the tax asset or liability is expected to be utilized.

The income tax rate for the period ended 31 December 2011 was 19% in the Czech Republic (2010 – 19%), 19.325% in Germany (2010 – 29.8%), 19% in Slovakia (2010 – 19%), 16% in Romania (2010 – 16%), 25% in Austria (2010 – 25%), 25.5% (2010 – 25.5%) in the Netherlands and 29.63% in Luxembourg (2010 – 29.63%), which are the sole jurisdictions in which CTP operates.

q) Derivative financial instruments

A derivative is a financial instrument or other contract which fulfils the following conditions:

- a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;
- b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- c) it is settled at a future date.

Hedging derivatives, that are applied by the Sub-groups, are defined as derivatives that comply with the Sub-group's risk management strategy, the hedging relationship is formally documented and the hedge is effective, that is, at inception and throughout the period, changes in the fair value or cash flows of the hedged and hedging items are almost fully offset and the results are within a range of 80 percent to 125 percent.

Changes in the fair value of hedging derivative are recognized directly in equity to the extent that the hedge is effective.

Derivative financial instruments are initially recognised at fair value; attributable transaction costs are recognised in profit or loss as incurred. Subsequently, derivative financial instruments that are not designated as hedging instruments are classified as held-for trading and carried at fair value, with changes in fair value included in net profit or loss of the period in which they arise. The Sub-groups has not designated any derivatives as hedging instruments.

Fair values are obtained from quoted market prices or discounted cash-flow models, as appropriate. All non-hedge derivatives are carried as current (those that are expected to be settled in less than 12 months) or non-current assets when their fair value is positive and as current (those that are expected to be settled in less than 12 months) or non-current liabilities when their fair value is negative.

6. Gross rental income

In thousands of EUR		
	2011	2010
Logistic premises	41,207	37,463
Production premises	36,299	34,516
Offices	13,638	13,432
Retail premises	1,777	1,791
Mixed use	134	136
Plots and infrastructure	773	724
Park management income	6,341	6,085
	100,169	94,147

CTP leases out its investment property under operating leases. The operating leases are generally for terms of 5 - 15 years. The rental income was mainly generated in the Czech Republic.

Park management income represents fixed contractual income receivable from tenants for maintenance, cleaning, security, garbage management and usage of infrastructure.

7. Property operating expenses

In thousands of EUR		
	2011	2010
Park management expenses	-2,983	-3,400
Real estate tax	-1,218	-1,078
Maintenance and repairs	-1,117	-256
Insurance	-359	-345
Heat, gas and water consumption	-152	-223
Fee for real estate consultants and brokers	-126	-225
Other	-228	-134
	-6,183	-5,661

The park management expenses represent expenses for utilities, maintenance, cleaning, security and garbage management provided by external suppliers. These expenses are covered by the park management fees charged to the tenants.

The other property operating expenses represent services which are not covered by the park management fees paid by tenants.

8. Net income from development activities

In thousands of EUR		
	2011	2010
Income from development activities	9,156	4,621
Expenses connected with development activities	-7,507	-4,261
	1,649	360

Net income from development activities is income from construction services provided by CTP to third party companies.

9. Other income

In thousands of EUR		
	2011	2010
Sale of investment property	1,327	396
Income related to sale of electricity grid	231	-
Release of provisions and liabilities	220	-
Commissions received from distributors of utilities	167	-
Negative goodwill	27	-
Coordination fee relating to the service charge	3	72
Release of bad debt provision	-	2,626
Income from the reclaimed VAT for previous years	-	282
Income from rent of equipment	-	9
Other income	307	344
	2,282	3,729

Other income out of sale of investment property represent the profit of the sale of an office building to a third party in the amount of EUR 857 thousand and the sale of land plots.

In 2011 CTP concluded a sale agreement with an electricity distributor and will sell the electricity grid in CTP's ownership to the distributor in 2012. Consequently, the assets have been classified as held for sale (see note 20) and the income totaling TEUR 231 related to the assets classified as held for sale was recognized in Other income in 2011.

Other income includes negative goodwill of TEUR 27 from the purchase of the subsidiary QTL Assets s.r.o. Refer to note 25 for the effect of the acquisition on CTP's assets and liabilities and for the calculation of the negative goodwill.

10. Operational expenses

In thousands of EUR		
	2011	2010
Depreciation	-4,401	-3,869
Administrative personnel expenses/ Personnel expenses	-3,151	-2,771
Legal, tax and audit	-2,578	-2,409
Taxes and charges	-1,091	-140
Increase of provisions (bad debts)/Receivables write-offs/adjustments	-747	-406
Rent	-666	-432
Advertising and promotion expenses	-542	-490
Energy cost	-429	-492
Fee for real estate consultants and brokers	-377	-731
Other administration services	-245	-484
Repair and maintenance, other park services	-192	-87
Telecommunication expenses	-123	-152
IT services	-90	-114
Impairment – land under infrastructure	-	-341
Other	-1,292	-1,209
	-15,924	-14,127

The depreciation includes depreciation of the solar plants in the amount of EUR 1 169 thousand (2010 – EUR 0 thousand), and the depreciation of other equipment in the amount of EUR 3 232 thousand (2010 – EUR 3 869 thousand).

In 2011, the remuneration for CTP's Auditors amounted to EUR 126 thousand (2010 – EUR 123 thousand).

The taxes and charges include TEUR 783 (2010 – TEUR 0) of the tax imposed on the income from the solar plants.

Personnel expenses

The split of personnel expenses between project management and administrative is as follows:

In thousands of EUR		
	2011	2010
Project management	-661	-675
Administrative	-2,945	-2,599
	-3,606	-3,274

The personnel expenses related to project management are reported as expenses of development activities (refer to note 8).
The average number of employees in 2011 was 98 (2010 – 95 employees). In December 2011 the average number of employees was 103 (December 2010 – 95 employees).

In 2011 as well as in 2010 the Board of Directors of CTP Property N.V. did not receive any remuneration.

11. Net finance costs

In thousands of EUR		
	2011	2010
Interest income	443	463
Interest income – related parties	420	1,477
Change in fair value derivatives	1,430	2,262
Net foreign exchange gains	--	4,598
Net income from derivatives	--	195
Other financial income	684	625
Finance income	2,977	9,620
Interest expense	-37,763	-35,367
Interest expense – related parties	-1,587	-307
Net foreign exchange losses	-7,971	-1,013
Change in fair value derivatives	-12,697	13,302
Payments made on derivatives	-4,662	-21,582
Other financial expenses	-8,066	-1,198
Finance costs	-72,746	-46,165
Net finance costs	-69,769	-36,545

The interest expenses include the agreed additional interest charge for the EUR 100 000 thousand facility from Erste Bank Group in the amount of EUR 10 548 thousand (2010 – EUR 14 971 thousand) which will become due in 2013 (refer to note 22).

Other expenses comprise standard bank fees as well as arrangement fees for making available new loan facilities and other financial expenses.

12. Income tax expense

In thousands of EUR		
	2011	2010
Current tax	-838	-308
Deferred tax	-11,730	-18,695
Total income tax expense in income statement	-12,568	-19,003

Reconciliation of effective tax rate

In thousands of EUR		
	2011	2010
Result before tax	89,521	82,448
Income tax	25.5%	25.5%
Anticipated income tax in the Netherlands	-22,828	-21,024
Effect of tax rates in foreign jurisdictions	5,819	5,321
Change in unrecognised tax losses	170	3,224
Other differences	4,271	-6,524
	-12,568	-19,003

Other differences mainly relate to the changes in the tax values of assets and liabilities, which are stated in local currencies, based on the foreign exchange rates during the years 2011 and 2010 and the tax treatment between CTP Property Lux S.à r.l. and CTP Property N.V.

13. Investment property

In thousands of EUR				
	Owned buildings and land	Leased buildings and land	Land Bank	Total
Balance at 1 January 2010	708,128	496,056	65,431	1,269,615
Transfer from investment property under development	22,247	–	450	22,697
Transfer from / (to) property, plant and equipment	208	–	–	208
Acquisitions	18,000	–	–	18,000
Additions	7,436	1,530	165	9,131
Translation reserve	3,161	1,923	2,626	7,710
Valuation gain	32,528	3,240	8,097	43,865
Valuation loss	-13,688	-1,923	-2,016	-17,627
Balance at 31 December 2010	778,020	500,826	74,753	1,353,599
Balance at 1 January 2011	778,020	500,826	74,753	1,353,599
Transfer from investment property under development	28,816	–	138	28,954
Acquisitions	–	–	13,287	13,287
Additions / disposals	46,011	1,456	3,948	51,415
Translation reserve	-2,075	-1,023	-1,891	-4,989
Valuation gain	34,050	11,086	3,761	48,897
Valuation loss	-12,228	–	-1,026	-13,254
Balance at 31 December 2011	872,594	512,345	92,970	1,477,909

Owned buildings and land represent assets in CTP's legal ownership. Buildings and land leased under finance lease represent the carrying amount of the leasehold interest as concluded between CTP and the provider of the leasing.

Investment property comprises a number of commercial properties that are leased to third parties. The carrying amount of investment property is the fair value of the property as determined by a registered independent valuer with an appropriately recognized professional qualification and with an up-to-date knowledge and understanding of the location and category of the valued property.

The land bank comprises the land acquired under finance lease and the plots of land in CTP's ownership, on which development projects are carried out. The land bank has been valued by a registered independent valuer with an appropriately recognized professional qualification and with an up-to-date knowledge and understanding of the location and category of the property.

All owned buildings and land are subject to a registered debenture to secure bank loans (refer to note 22).

14. Investment property under development

In thousands of EUR		
	2011	2010
Balance at 1 January	152,216	150,108
Additions	27,696	7,746
Transfers from/to investment property	-28,954	-22,697
Transfers from/to property, plant and equipment	–	-1,929
Valuation gains	44,390	20,901
Valuation losses	-2,736	-6,594
Impairment	–	-565
Translation reserve	-2,087	5,246
Balance at 31 December	190,525	152,216

The investment property under development comprises pipeline projects in several stages of completion and of land with planning permits in place which is still to be constructed. The management estimates the pipeline projects to be built in the coming three years.

The carrying amount of investment property is the fair value of the property as determined by a registered independent valuer with an appropriately recognized professional qualification and with an up-to-date knowledge and understanding of the location and category of the valued property.

15. Net valuation result on investment property

Reconciliation of valuation gain/loss recognized in statement of comprehensive income:

In thousands of EUR		
	2011	2010
Valuation gain	93,287	64,766
out of which: Investment Property	48,897	43,865
Investment Property under development	44,390	20,901
Valuation loss	-15,990	-24,221
out of which: Investment Property	-13,254	-17,627
Investment Property under development	-2,736	-6,594
Net valuation gains (- losses) on investment property	77,297	40,545

16. Property, plant and equipment

In thousands of EUR				
	Plant	Equipment	2011	2010
Balance at 1 January	23,389	31,269	54,658	32,092
Additions	–	3,420	3,420	15,590
Disposals	–	-120	-120	-887
Transfers from/to investment property	–	–	–	-208
Transfers from/to investment property under development	–	–	–	1,929
Transfers from/to assets classified as held for sale	–	-24,240	-24,240	–
Valuation gain on solar plants	1,375	–	1,375	9,067
Depreciation	-1,169	-3,232	-4,401	-3,869
Impact of sale of electricity grid	–	231	231	–
Advance received for sale of electricity grid	–	-2,286	-2,286	–
Impairment	–	–	–	-341
Translation reserve	–	-918	-918	1,285
Balance at 31 December	23,595	4,124	27,719	54,658

Under plant are presented the solar plants installed on the roofs of several buildings. The value represents the market value of the plants based upon the independent valuation report.

Under equipment the real estate infrastructure (roads, greenery, energy transformers etc.) and related equipment are presented. Besides the real estate infrastructure the furnishing of canteens is separately leased to tenants.

17. Finance lease receivables

The Company concluded finance lease contracts on machines. The machines have been re-leased under a finance lease contract for a period of 7-8 years. The maturity date of the finance lease receivables is as follows:

In thousands of EUR		
	2011	2010
Less than one year	602	587
Between one and five years	710	1,023
More than five years	–	–
	1,312	1,610

18. Trade and other receivables

In thousands of EUR		
	2011	2010
Trade receivables	19,872	12,840
Tax receivables	6,763	5,561
	26,635	18,401

The trade receivables as per 31 December 2011 consist, apart from receivables out of rent and rent related income, of a receivable from assets sale in the amount of EUR 2 694 thousand and a receivable against an insurance company for the reconstruction of the building which was destroyed by fire (EUR 2 912 thousand). As of the date of signature of the financial statements the receivable from the assets sale was paid, and the insurance company fulfills its obligation according to construction progress of the new building.

19. Cash and cash equivalents

Cash and cash equivalents of EUR 16 583 thousand (2010 – EUR 12 460 thousand) entirely consist of bank balances. All cash and cash equivalents are payable on demand with the exception of EUR 2 540 thousand (2010 – EUR 4 340 thousand) which is kept on separate accounts to secure the position of loan providers and further to secure a future land acquisition.

20. Assets classified as held for sale

The assets classified as held for sale in the amount of EUR 24 240 thousand represent the part of the infrastructure which the Company will sell in 2012. The effect of the sale was included in the Consolidated statement of comprehensive income under Other income (see note 9).

21. Equity

CTP Property N.V.

Issued capital

The authorized share capital of the Company consists of 500 000 000 ordinary shares with a nominal value of EUR 0.10 each. As of 31 December 2011 the issued share capital consists of 124 000 000 shares of EUR 0.10 each. The issued share capital has been fully paid up.

Share premium reserve

The Share premium reserve represents the difference in the par value and the value at the date of issuance of the shares. As of 31 December 2011 the share premium amounts to EUR 619 528 thousand.

Revaluation reserve

The Revaluation reserve in the amount of EUR 8 458 thousand (2010 – EUR 7 344 thousand) represents the net valuation gain, i.e. the valuation gain after tax, from the revaluation of the solar plants which was directly recognized in equity.

CTP Invest, spol. s r.o.

Share capital

The issued capital comprises the capital of the Company as recorded in the Czech Commercial Register of TEUR 375 733 (2010 – TEUR 375 733).

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements from the functional to the presentation currency (see accounting policy 5(j)).

Reserves

Reserves comprise legal reserve of CTP Invest, spol. s r.o. of TEUR 6 875 (2010 – TEUR 5 163).

22. Liabilities

Current trade and other payables

In thousands of EUR	2011	2010
Trade payables	42,883	18,196
Accruals	6,739	12,607
VAT payable	2,577	5,705
Other tax payables	421	681
	52,620	37,190

Interest-bearing loans and borrowings from financial institutions, Finance lease liabilities

In thousands of EUR	2011	2010
Non-current liabilities		
Interest-bearing loans and borrowings from financial institutions	627,313	554,523
Finance lease payables	226,534	225,252
	853,847	779,775

In thousands of EUR	2011	2010
Current liabilities		
Interest-bearing loans and borrowings from financial institutions	70,108	82,071
Finance lease payables	16,974	24,237
	87,082	106,308

Pledges related to interest bearing loans are described in detail in note 22.

Finance lease liabilities are secured by the leased property. No conditional rental payments have been agreed in the lease contracts.

Interest-bearing loans and finance lease payables relate to the following:

In thousands of EUR	Balance as at 31 December 2011					Balance as at
	Due within			Due in	Total	31 Dec. 2010
	1 year	2 years	3-5 years	follow. years		Total
Commerzleasing und Immobilien AG (via Tech Data GmbH)	710	1,781	7,829	--	10,320	11,389
Československa obchodní banka, a.s.	5,189	1,285	3,858	35,192	45,524	--
Česká spořitelna, a.s.	9,950	--	--	--	9,950	10,800
Česká spořitelna, a.s.	9,807	--	--	--	9,807	9,978
Erste Group Bank AG I	25,583	100,547	24,080	--	150,210	165,345
Erste Group Bank AG II	1,274	1,273	3,822	17,966	24,335	17,833
Erste Group Bank AG III	93	93	279	1,163	1,628	--
Erste Group Bank AG IV	812	829	2,679	3,538	7,858	--
Erste Group Bank AG V	--	5,000	--	--	5,000	--
Erste Group Immorent International Holding GmbH I	1,319	1,220	3,910	51,614	58,063	60,060
Erste Group Immorent International Holding GmbH II	104	143	429	120	796	1,446
Erste Group Immorent International Holding GmbH III	3	7,135	--	--	7,138	8,432
Erste Group Immorent ČR s.r.o. I	16,157	49,217	30,865	129,015	225,254	228,222
Erste Group Immorent ČR s.r.o. II	2,089	2,334	7,291	31,802	43,516	45,586
Erste Group Immorent ČR s.r.o. III	303	303	909	1,417	2,932	--
Erste Group Immorent ČR s.r.o. IV	345	366	1,099	7,201	9,011	9,318
ING Bank N.V./ING Real Estate Finance N.V.	1,170	1,170	53,824	--	56,164	57,334
Investkredit Bank AG I	2,350	2,377	7,580	39,418	51,725	54,054
Investkredit Bank AG II	162	1,873	--	--	2,035	2,185
Komerční Banka, a.s.	4,025	4,216	77,452	--	85,693	88,882
Raiffeisenlandesbank Niederösterreich-Wien AG I	3,559	4,356	13,719	76,544	98,178	102,289
Raiffeisenlandesbank Niederösterreich-Wien AG II	1,339	1,565	4,695	14,175	21,774	12,930
Raiffeisenbank, a.s.	--	6,200	--	--	6,200	--
UniCredit Bank Czech Republic, a.s. I	--	505	3,033	1,516	5,054	--
UniCredit Bank Czech Republic, a.s. II	739	--	--	--	739	--
Všeobecná úverová banka a.s.	--	101	1,215	709	2,025	--
	87,082	193,889	248,568	411,390	940,929	886,083

Finance leases

Finance leases interest rates are based on EURIBOR, PRIBOR or LIBOR plus margins that vary from 1% to 2.25%.

Future minimum lease payments as at 31 December 2011 and 31 December 2010:

In thousands of EUR	2011	2010
Total minimum lease payments	268,095	272,532
Future finance charges on finance lease	24,587	23,043
Present value of finance lease liabilities	243,508	249,489

Bank loans

Interest rates for loans and borrowings are based on EURIBOR and PRIBOR, plus margins that vary from 0.95% to 3.15%. Some of CTP's borrowings have loan to value covenants. CTP believes there is sufficient headroom to meet the covenants.

They are usually secured by pledges of shares, real estate, receivables and bank accounts.

Československá obchodní banka, a.s.

In order to extent the number financing banks of CTP, CTP decided to conclude loan agreements for the construction of new properties in CTPark Brno II with Československá obchodní banka, a.s. The total loan facilities amounted to EUR 60 350 thousand from which EUR 45 524 thousand was drawn as at 31 December 2011. The loans were concluded for a seven year period from the date of conversion into an investment loan with a repayment schedule on the basis of 20 years annuity scheme and they bear interests of 3M EURIBOR+2,40% during the construction period and 3M EURIBOR+2,05% during the investment period.

Raiffeisenlandesbank Niederösterreich-Wien AG

CTP decided to extend the cooperation with Raiffeisenlandesbank Niederösterreich-Wien AG and agreed additional financing for existing properties as well as new financing for a newly built property in the total amount of EUR 10 849 thousand. The loans were concluded for a fifteen year period.

Raiffeisenbank, a.s.

In October 2011, CTP acquired the subsidiary QTL Assets s.r.o. that had a loan facilities agreement agreed with Raiffeisenbank a.s. CTP re-negotiated the agreement and agreed financing up to EUR 9 000 thousand for a real estate development project. As at 31 December 2011 EUR 6 200 thousand has been drawn down.

Erste Group Bank AG

CTP concluded several new loan facilities with Erste Bank Group AG, of up to an amount of EUR 28 976 thousand. The facilities were partly used for financing existing properties in the Czech Republic (CTZone Brno and CTZone Ostrava) but also several properties in Germany Further CTP concluded financing the construction of Tower B at Spielberk Office Center in the amount of EUR 5 000 thousand.

Erste Bank Group AG - bridge loan facility

In January 2009 CTP signed a long-term loan facility of EUR 100 million which was used for strengthening the financial position of CTP and related parties. The contractually agreed final maturity date of the facility provided is 31 December 2013. CTP is currently negotiating with Erste Bank Group about prolongation of the final maturity date until 31 December 2015.

As a part of the loan agreement with Erste Bank Group, the CTP agreed to pay an additional interest charge of 15% p.a. with a maximum of EUR 50 million, payable at the final termination date, i.e. in 2013. The additional interest charge is accrued at the margin of 15% p.a. on the outstanding principal amount until the maximum amount will be reached. For the year 2011 CTP accrued additional interest of EUR 10 546 thousand (2010 – EUR 14 971 thousand).

One of the components of the long-term facility provided by Erste Bank Group is an agreement between CTP and finance lease providers, “Erste Bank Immorent ČR SPV´s”, to postpone the principal repayment obligations for the period 1 July 2008 until 31 December 2010, together with the interest payment for the third quarter 2008. The payment date of these payments was postponed until 31 December 2013. The postponed amount (as at 31 December 2011 EUR 37.9 million) is subject to interest charges of 3M EURIBOR + 225 bps. p.a.

UniCredit Bank Czech Republic, a.s.

In March 2011, CTP agreed a loan facilities agreement with UniCredit Bank Czech Republic, a.s. up to EUR 34 500 thousand for financing of a newly constructed investment property. As at 31 December 2011 EUR 5 054 thousand has been drawn down in line with the progress of the construction works. The outstanding EUR 29 446 thousand will be drawn in 2012.

The loan agreement includes as well a facility of EUR 3 876 thousand for financing the value added tax during the construction – of that EUR 739 thousand has been drawn down as at 31 December 2011. The loan bears interests of 3M EURIBOR+2,40% during the construction period and 3M EURIBOR+1,95% during the investment period.

Všeobecná úverová banka a.s.

In October 2011, CTP agreed a loan facilities agreement with Všeobecná úverová banka a.s. up to EUR 22 350 thousand for financing a land acquisition and for financing newly constructed investment properties. As at 31 December 2011 EUR 2 025 thousand has been drawn down for financing the land acquisition. The loan agreement includes as well a facility of EUR 700 thousand for financing the value added tax during the construction – of that EUR 0 thousand has been drawn down as at 31 December 2011.

23. Financial derivatives

In thousands of EUR		
	2011	2010
Non-current liabilities		
Financial derivatives	25,652	19,031
Current liabilities		
Financial derivatives	3,015	–
	28,667	19,031

In thousands of EUR		
	2011	2010
Non-current receivables		
Financial derivatives	391	1,545
Current receivables		
Financial derivatives	–	139
	391	1,684

Interest rate swaps as at 31 December 2011:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Due in currency	Actual nominal amount	Fair value 2011 (in thousands of EUR)
Interest rate swap 1	31/12/2014	3M EURIBOR	4.62%	EUR	94,731	-9,325
Interest rate swap 2	1/7/2015	3M EURIBOR	5.75%	EUR	56,164	-9,079
Interest rate swap 3	31/12/2018	3M EURIBOR	2.88%	EUR	47,750	-2,828
Interest rate swap 4	31/3/2015	3M PRIBOR	2.61%	CZK	15,695	-18
Interest rate swap 5	30/9/2013	3M EURIBOR	1.38%	EUR	200,000	-1,261
Interest rate swap 6	30/9/2014	3M EURIBOR	1.58%	EUR	150,000	-1,925
						-24,436

The interest rate swaps had a negative fair value of EUR 24 436 thousand as at 31 December 2011 (2010 – EUR 18 975 thousand negative value).

On 6 January 2012 CTP repaid TEUR 1 800 to the bank and the paying leg for the interest rate swap 2 has been changed to 4,80%.

Interest rate caps as at 31 December 2011:

Operation	Currency	Maturity	Nominal value	Fair value 2011 (in thousands of EUR)
Call option	CHF	31/10/2013	11,848	–
Call option	CHF	11/5/2014	14,516	-44
Call option	EUR	30/11/2015	54,949	161
Call option	EUR	29/12/2017	60,000	-595
Call option	EUR	2/1/2019	10,000	153
Call option	CZK	31/12/2018	153,205	77
				-248

The interest rate caps had a negative fair value of EUR 248 thousand as at 31 December 2011 (2010 – EUR 1 489 thousand positive value).

Interest rate collar as at 31 December 2011:

Derivative financial instruments	Currency	Maturity	Nominal value	Fair value	Fair value 2011 (in thousands of EUR)
Cap	EUR	29/12/2017	24,000	EUR	326
Floor	EUR	29/12/2017	24,000	EUR	-903
					-577

The interest rate collar had a negative fair value of EUR 577 thousand as at 31 December 2011 (2010 – EUR 0).

FX forwards as at 31 December 2011:

Derivative financial instruments	Maturity date	FX forward rate	Currency	Amount in TEUR	Fair value 2011 (in TEUR)
FX forward - sell	21/2/2012	24.3680	EUR/CZK	7,000	-383
FX forward - sell	21/2/2012	24.3680	EUR/CZK	8,000	-438
FX forward - sell	29/2/2012	24.1650	EUR/CZK	15,000	-939
FX forward - sell	30/3/2012	24.4850	EUR/CZK	25,000	-1,255
					-3,015

The FX forwards have been prolonged in 2012 and their current maturity is 30 March 2012 and 31 May 2012.

As at 31 December 2010 CTP held the following financial instruments:

Interest rate swaps

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Due in currency	Amount	Fair value 2010 (in TEUR)
Interest rate swap 1	31/12/2014	3M EURIBOR	4.62%	EUR	110,000	-9,523
Interest rate swap 2	1/7/2015	3M EURIBOR	5.75%	EUR	58,504	-9,452
						-18,975

Interest rate caps

Operation	Currency	Maturity	Nominal value	Fair value 2010 (in TEUR)
Call option	CHF	30/10/2013	11,848	4
Call option	CHF	12/5/2014	14,516	-60
Call option	EUR	11/5/2011	75,000	–
Call option	EUR	29/12/2017	60,000	986
Call option	EUR	30/11/2015	54,949	559
Call option	EUR	21/7/2011	26,250	–
				1,489

FX forwards

Derivative financial instruments	Maturity date	FX forward rate	Currency	Amount in TEUR	Fair value 2010 (in TEUR)
FX forward - sell	30/6/2011	25.15	EUR / CZK	15,000	55
FX forward - sell	30/9/2011	25.15	EUR / CZK	15,000	40
FX forward - sell	30/12/2011	25.15	EUR / CZK	20,000	44
					139

24. Deferred tax liability

Deferred tax assets and liabilities were offset in the consolidation in respect of companies subject to the same tax authority.

The deferred tax liability relates to the following temporary differences between the tax basis and the value presented in the combined pro-forma statement of financial position as at 31 December 2011 and 31 December 2010:

In thousands of EUR	2011	2010
Temporary differences		
Investment property	-667,254	-560,206
Finance lease	-67,604	-65,306
Tax losses	113,794	101,826
Property, plant and equipment	3,909	7,118
Other (receivables, hedge accounting etc.)	-52,731	-80,673
	-669,886	-597,241
<i>Tax rate of the Czech Republic</i>	19%	19%
Deferred tax liability	-127,278	-113,476
Change of deferred tax in period ended 31 December	-13,803	-23,986
Deferred tax recorded in statement of comprehensive income	-11,730	-18,695
Deferred tax recorded in translation reserve	409	-78
Deferred tax arised from revaluation of Property, plant and equipment	-261	-1,723
Deferred tax arised from acquisitions	-2,221	-3,490

Deferred tax assets of TEUR 1 787 (31 December 2010 – TEUR 1 956) have not been recognised from tax losses because it is not certain that future taxable profit will be available against which CTP can utilise the benefits there from.

Tax losses analysis:

In thousands of EUR	
Tax losses of CTP Invest, spol. s r.o.	58,343
Tax losses of Multidisplay s.r.o.	9,403
Tax losses of QTL Assets s.r.o.	478
Tax losses of CTP Invest VII, spol. s r.o.	1,395
Tax losses of CTP Property V, a.s.	16,649
Tax losses of CTP Property IV, a.s.	11,920
Tax losses of CTP Property, a.s.	5,954
Tax losses of CTP Property II, a.s.	6,408
Tax losses of CTZone Brno, a.s.	2,185
Tax losses of CTP Invest IX, spol. s r.o.	1,549
Tax losses of CTP Property VIII, a.s.	132
Tax losses of CTP Property IX, a.s.	364
Tax losses of CTP Property X, spol. s r.o.	8,150
Tax losses of QPR Management s.r.o.	267
	123,197
Tax losses not recognized	-9,403
Tax losses recognized	113,794

Tax losses expire in 2012, 2013, 2014, 2015 and 2016 respectively.

25. Subsidiaries

CTP Invest, spol. s r.o.

CTP Invest, spol. s r.o. owns the following subsidiaries in the Czech Republic:

Subsidiaries	Country	Ownership		Note
		2011	2010	
CTP Invest 1, spol. s r.o.	Czech Republic	100%	100%	
IMPORTFLORA, spol. s r.o.	Czech Republic	100%	100%	
Multidisplay s.r.o.	Czech Republic	100%	100%	
CTP , spol. s r.o. (formerly CTP Invest VI, spol. s r.o.)	Czech Republic	100%	100%	
CTP Invest VII, spol. s r.o.	Czech Republic	100%	100%	
Bor Logistics, spol. s r.o.	Czech Republic	100%	100%	
QTL Assets s.r.o.	Czech Republic	10%	–	1)
CTP Property XVI, spol. s r.o.	Czech Republic	100%	–	2)
CTP Property XVII, spol. s r.o.	Czech Republic	100%	–	2)
CTP Property XVIII, spol. s r.o.	Czech Republic	100%	–	2)
CTP Property XIX, spol. s r.o.	Czech Republic	100%	–	2)
CTP Property XX, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XXI, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XXII, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XXIII, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XXIV, spol. s r.o.	Czech Republic	100%	–	3)

- 1) On 31 October 2011, CTP acquired the 100% ownership interest in QTL Assets s.r.o. for EUR 3 929 thousand. 10% of the shares are owned by CTP Invest, spol. s r.o. and 90% of the shares are owned by CTP Property XVII, spol. s r.o. The acquisition had the following effect on CTP's assets and liabilities at the acquisition date:

In thousands of EUR			
	Acquisition carrying amounts	Fair value adjustments	Recognized values on acquisition
Investment property	10,835	2,452	13,287
Trade and other receivables	66	–	66
Interest-bearing loans and borrowings	-6,536	–	-6,536
Trade and other payables	-641	–	-641
Deferred tax liability	-1,755	-466	-2,221
Net identifiable assets and liabilities	1,969	1,986	3,955
Negative goodwill on acquisition			-27
Net cash outflow			-3,928
Cash acquired			1
Consideration paid, satisfied in cash			-3,929

Negative goodwill on acquisition of TEUR 27 was recognized in Other income (see note 9).

- 2) The subsidiaries were incorporated in August 2011.
3) The subsidiaries were incorporated in December 2011.

CTP Property N.V.

CTP Property N.V. has one 100%-subsidiary in Luxembourg, CTP Property Lux, S.à.r.l. which owns the following subsidiaries in the Czech Republic, the Slovak Republic, Germany, Austria and Romania:

Subsidiaries	Country	Ownership		Note
		2011	2010	
CTP Property, a.s.	Czech Republic	100%	100%	
QPR Management s.r.o.	Czech Republic	0%	0%	1)
CTP Property II, a.s.	Czech Republic	100%	100%	
CTP Property III, a.s.	Czech Republic	100%	100%	
CTP Property IV, a.s.	Czech Republic	100%	100%	
CTP Property V, a.s. including subsidiary CTP Invest VIII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property VI, a.s.	Czech Republic	100%	100%	
CTP Property VIII, a.s.	Czech Republic	100%	100%	
CTP Property IX, a.s.	Czech Republic	100%	100%	
CTP Property X, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XI, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XII, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XIII, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XIV, spol. s r.o.	Czech Republic	100%	–	3)
CTP Property XV, spol. s r.o.	Czech Republic	100%	–	3)
CTP Invest IV, spol. s r.o.	Czech Republic	100%	100%	
CTP INVEST V, spol. s r.o.	Czech Republic	100%	100%	
CTP Invest IX, spol. s r.o.	Czech Republic	100%	100%	
CTZone Brno, a.s.	Czech Republic	100%	100%	2)
CTZone Ostrava, a.s.	Czech Republic	100%	–	2)
CTP Heršpická, spol. s r. o.	Czech Republic	0%	0%	1)
Immorent Ostrava I s. r. o.	Czech Republic	0%	0%	1)
CTP Finance, a.s.	Czech Republic	100%	100%	
CTP Infrastructure, a.s.	Czech Republic	100%	–	3)
CTP Immobilienverwaltung GmbH	Austria	99%	99%	
CTP Alpha GmbH including subsidiaries DN Beteiligungs GmbH and TGM GmbH	Germany	100%	100%	
CTP Invest SK, spol. s r.o.	Slovakia	100%	100%	
CTP Beta SK, spol. s r.o.	Slovakia	100%	100%	
CTP Alpha SK, spol. s r.o.	Slovakia	100%	100%	
CTP INVEST Bucharest S.R.L. including subsidiary CTPARK ALPHA S.R.L.	Romania	100%	100%	
CTPARK BETA S.R.L.	Romania	100%	100%	

- 1) The shares in QPR Management s.r.o., CTP Heršpická, spol. s r.o. and Immorent Ostrava I s.r.o. are currently pledged as security for the QPR Management s.r.o.; CTP Heršpická, spol. s r.o. and Immorent Ostrava I s.r.o. loans. CTP is the beneficial owner of these companies and therefore has prepared the consolidated financial statements on the basis of these companies being wholly-owned subsidiaries.
2) As per 1 January 2011 the company CTZone Ostrava, a.s. was established by demerger from the company Škrobárna Reality, a.s. The remaining part of the company Škrobárna Reality, a.s. was after the demerger renamed to CTZone Brno, a.s.
3) During 2011 the companies CTP Property X, spol. s r.o., CTP Property XI, spol. s r.o., CTP Property XII, spol. s r.o., CTP Property XIII, spol. s r.o., CTP Property XIV, spol. s r.o., CTP Property XV, spol. s r.o. and CTP Infrastructure, a.s. were newly established.

26. Related parties

CTP has a related party relationship with its directors and executive officers and other companies which equity holders are Multivest B.V. and Finspel B.V. These entities are ultimate parents of CTP. The majority of transactions are with Multifin B.V. Group companies.

In 2011 and 2010 CTP had the following revenues and expenses with related parties:

In thousands of EUR	2011		2010	
	Revenues	Expenses	Revenues	Expenses
Multifin B.V. - interest	340	-1,280	1,435	-304
CTP Partners N.V. - interest	39	--	29	--
Finspel B.V. - interest	24	--	5	--
CTP Invest Poland Sp. z o.o. - interest	10	--	6	--
MaVo Lux S.à.r.l. - interest	5	--	4	--
CTP Invest Poland Sp. z o.o. - other	4	--	7	--
Multivest B.V. - interest	1	--	--	--
Boman B.V.	--	-153	--	--
Remon L. Vos	--	-140	--	-118
CTP Alpha Poland Sp. z.o.o. - interest	--	-9	--	-8
CTP Solar, a.s. - interest	--	-4	--	--
CTP Energy TR - development activities	--	--	--	-184
Multifin B.V. - management fee	--	--	--	-104
Others	2	-1	6	-4
	425	-1,587	1,492	-722

As at 31 December 2011 and 2010, CTP has the following receivables from and liabilities to related parties:

In thousands of EUR	2011		2010	
	Receivables	Payables	Receivables	Payables
Current receivables and payables				
MaVo Lux S.à.r.l.	50	--	--	--
Multifin B.V.	31	301	198	307
CTP Invest Poland Sp. z o.o.	--	--	8	--
Orela s.r.o.	--	--	6	--
CTP Partners N.V.	--	--	6	--
CTP Property X, spol. s r.o.	--	--	1	--
CTP Property XI, spol. s r.o.	--	--	1	--
CTP Property XII, spol. s r.o.	--	--	1	--
Finspel B. V.	--	--	--	4
Multivest B.V.	--	--	--	4
CTP Alpha Poland Sp. z o.o.	--	--	--	241
MaVo II, a.s.	--	--	--	87
CTP Solar a.s.	--	86	--	--
CTP Energy TR, a.s.	--	71	--	74
CTP Products I, spol. s r.o.	--	--	--	8
Current receivables and payables	81	458	221	725

Current non-trade receivables from and non-trade liabilities to related parties are interest bearing and bear interest of 3M EURIBOR+3% margin.

In thousands of EUR	2011		2010	
	Receivables	Payables	Receivables	Payables
Non-current receivables and payables				
Multifin B.V.	13,759	37,143	7,782	28,572
CTP Partners N.V.	989	--	924	--
Finspel B. V.	963	8	338	--
Boman B.V.	338	1,184	311	4,016
MaVo LUX s.à.r.l.	58	1	83	3
Multivest B.V.	68	8	68	14
CTP Alpha Poland Sp. z o.o.	--	223	--	--
Remon L. Vos	--	4,175	--	4,034
Non-current receivables and payables	16,175	42,742	9,506	36,639
Total	16,256	43,200	9,727	37,364

As at 31 December 2011 CTP provided loans in the amount of EUR 13 212 thousand to Multifin B.V. (2010 – EUR 7 778 thousand). The interest rate applied for 2011 as well as 2010 was 3M EURIBOR+3%. The loan is unsecured and due on 12 November 2020.

As at 31 December 2011 CTP received loans in the amount of EUR 30 335 thousand from Multifin B.V. (2010 – EUR 21 106 thousand). The interest rate applied for 2011 and 2010 was 3M EURIBOR+3%. The loan is unsecured and due on 12 November 2020.

Other non-current non-trade receivables from and non-trade liabilities to related parties are interest bearing and bear interest of 3M EURIBOR+3% margin.

Executive management

The average number of executives and remuneration paid for the period ended 31 December 2011 and 31 December 2010 were as follows:

In thousands of EUR	2011	2010
Number of employees	8	7
Personnel expenses	977	976

27. Risk policies

Exposure to various risks arises in the normal course of CTP's business. These risks include credit risk, capital risk, operational risk, market risk including foreign currency risk, interest rate and liquidity risk.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to CTP. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed for all customers requiring credit over a certain amount. CTP usually does not require collateral from its tenants. For most of the tenants, a parent company guarantee or a solvent tenant group company guarantee is in place.

Investments can be made only in liquid securities and only with counterparties that have a credit rating equal to or better than CTP. Given their high credit ratings, the management does not expect any counterparty to fail to meet its obligations.

As at the reporting date there were no significant concentrations of credit risk towards third parties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. CTP has bank accounts with prestigious banking institutions, where no risk is expected. CTP monitors regularly the financial position of the related parties and the related credit risk.

Credit risk concentration:

In thousands of EUR				
	On-balance sheet	Off-balance sheet	Total 2011	Total 2010
Amounts due from banks	16,583	--	16,583	12,461
Amounts due from financial derivatives	391	--	391	1,684
Amounts due from related parties	16,256	--	16,256	9,727
Amounts due from third parties	21,485	--	21,485	14,755
Amounts due from tax institutions	6,763	--	6,763	5,561
Total	61,478	--	61,478	44,188

CTP discloses significant amounts of receivables towards related parties. Receivables towards related parties are partly covered by the liabilities to related parties and assets held by the related parties. If the related parties breach the repayment of CTP receivables and CTP is not able to set off receivables against liabilities, CTP will be exposed to significant credit risk. CTP does not expect breach of repayment.

Capital risk

CTP's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of the business. CTP manages its capital to ensure that entities in CTP will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. CTP's overall strategy remains unchanged compared to 2010.

CTP as property investor is mainly influenced by the fact that it leverages its project financing by using bank debts. There is no real seasonality impact on its financial position but rather a volatility of financial markets might positively or negatively influence CTP's financial position.

The capital structure of CTP consists of a debt, which includes the borrowings disclosed in note 22.

Gearing ratio:

In thousands of EUR		
	2011	2010
Debt	1,199,917	1,094,734
Equity	582,788	510,755
Total	49%	47%

Debt is defined as long-term and short-term liabilities as detailed described in note 22. Equity includes all capital and reserves of CTP (see note 21).

The loan to value (value is the fair market value of the properties) ratio of CTP properties (calculated as a share of interest bearing loans from financial institutions and lease payables on investment property, investment property under construction and plant and equipment) is approximately 55% at 31 December 2011 (2010 – 57%) that is seen as appropriate within the financial markets where CTP is operating.

As the properties are leased for a long period and CTP agreed with its financial institutions long-term financing, CTP expects to fulfill financial covenants in the future.

Operational risk

Operational risk is defined as the risk of loss arising from the inappropriateness or failure of internal processes, human errors or failures of systems or the risk of loss from external events. CTP assesses these risks on a regular basis and undertakes measures aimed at systematic detection and minimizations of these risks. During 2011, operational risk management activities concentrated on improving the management information systems containing information about individual projects and related legal documentation.

In respect of areas with an identified significant risk, CTP operates a set of key risk indicators that serve as an early-warning system and as a measurement of operational risks taken.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect CTP's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing the return.

Foreign currency risk

Currency risk is managed mainly by making, when possible, investments in the same currency as the financing sources utilized. The currency risk during the period of repayment of liabilities to third parties is usually offset by generating revenues denominated in the same underlying currency. CTP pays for buildings in CZK and therefore has foreign currency risk during the construction period. CTP uses derivative financial instruments (FX forwards) to hedge against the exposure to foreign currency risk arising on forecast transactions.

As at 31 December 2011 CTP analyzed the impact of the foreign exchange rate variances on its assets and liabilities and on its statement of comprehensive income. The impact would not be significant as majority of financial instruments is denominated in EUR.

Interest rate risk

The interest rate risk arises mainly from the floating interest rates applicable to debt financing. Bank loans usually have flexible interest rates based on EURIBOR rates for the reference period from 3 months to 12 months increased by a fixed margin. In 2010 and 2011, CTP entered into transactions with the financial institutions to hedge the interest rate risk (refer to note 23). CTP mitigated the interest rate risk by holding interest rate swaps, interest rate caps and interest rate collars.

Liquidity risk

Liquidity risk is the risk that CTP will not be able to meet its financial obligations as they fall due. With respect to the nature of its business and its assets, CTP is naturally exposed to a certain amount of liquidity risk. CTP manages liquidity risk by constantly monitoring forecast and actual cash flow, financing its investment property portfolio by long-term financing, and refinancing where appropriate, and to use the rent income to settle the short-term liabilities.

Sensitivity analysis on changes in assumptions of investment property valuation

CTP performed a sensitivity analysis on changes in investment property valuation except for land bank investment property. The table below presents the sensitivity of profit and loss before tax as at 31 December 2011 and 31 December 2010 due to changes in assumptions:

Completed investment properties as at 31.12.2011 in thousands of EUR					
	Current average yield	Current Market Value	Increased yield by 25 bp	FMV based upon increased yield	Effect of increase in yield by 25 bp
Increase of 25 bp in reversionary yield	8.04%	1,363,485	8.29%	1,322,382	-41,104
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income	Effect of decrease in rental income by 5%
Decrease of 5% in estimated rental income	8.04%	109,665	104,182	1,295,311	-68,174

Completed investment properties as at 31.12.2010 in thousands of EUR					
	Current average yield	Current Market Value	Increased yield by 25 bp	FMV based upon increased yield	Effect of increase in yield by 25 bp
Increase of 25 bp in reversionary yield	8.21%	1,248,547	8.46%	1,211,646	-36,901
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income	Effect of decrease in rental income by 5%
Decrease of 5% in estimated rental income	8.21%	102,489	97,365	1,186,120	-62,427

Market value

Market value is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's-length transaction, other than a forced or liquidation sale. Market values are obtained, as appropriate, from quoted market prices, discounted cash flow projections and other valuation models.

To estimate the market value of individual classes of financial instruments, the following methods and assumptions are used:

Cash and cash equivalents, short-term investments

The book value of cash and other short-term investments approximates their fair value, as these financial instruments have a relatively short maturity.

Receivables and payables

The book value of short-term receivables and payables approximates their fair value, as these financial instruments have a short maturity.

Short-term loans

The book value approximates their fair value, as these instruments have a floating interest rate and a short maturity.

Long-term loan

The book value of long-term loans and other liabilities with different interest rates approximates their fair values.

Derivatives

The fair value of derivatives is based on their market value.

Investment property

Investment property is stated at fair market value based upon a discounted cash flow calculation for a 10-year period. The cash flow assumes a 10-year holding period with the exit value calculated on the 11th year income (refer to note 5 b).

Investment property under construction

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion (refer to note 5 c).

28. Contingent liabilities

Issued guarantees

CTZone Brno, a.s. issued guarantees to secure a bank loan provided by Erste Bank Group to CTP Invest, spol. s r.o. The outstanding amount of the bank loan as at 31 December 2011 is EUR 9 950 thousand.

CTP Invest, spol. s r.o. issued guarantees to secure a bank loan provided by Erste Bank Group to CTZone Brno, a.s. The outstanding amount of the bank loan as at 31 December 2011 is TEUR 13 085 (31 December 2010 – TEUR 13 833).

CTP Invest, spol. s r.o. issued guarantees to secure bank loans provided by Investkredit Bank Group to CTP Property, a.s. The outstanding amount of the bank loans as at 31 December 2011 is TEUR 51 726 (31 December 2010 – TEUR 54 054).

Erste Group Bank AG, in favour of CTP Invest, spol. s r.o., issued a bank guarantee to secure due performance of all claims that may arise consequently to a share purchase agreement concluded between a related party (Multifin B.V.) and a third party. The guarantee is limited up to an aggregate maximum amount of MEUR 8 until 30 June 2012. After 30 June 2012 the guarantee will be decreased to MEUR 3 and the guarantee will finally expire on 30 June 2013 (on 30 June 2018 at the latest if a claim will have been notified before 30 June 2013).

Erste Group Bank AG, in favour of CTP Invest, spol. s r.o., issued a bank guarantee to secure due performance of all claims that may arise consequently to a property purchase agreement concluded between a related party (CTP Property XI, spol. s r.o.) and a third party. The guarantee is limited up to an aggregate maximum amount of TEUR 1 400 (plus 5% interest accrued annually) and will finally expire 31 December 2016.

Income tax

CTP is currently subject to a multinational tax audit involving tax offices in the Netherlands and the Czech Republic. The tax audit in the Netherlands was closed in the meanwhile for the years 2007 and 2008 with no findings. The tax audit in the Czech Republic for the years 2007 and 2008 for the following companies are still pending:

- CTP Property, a.s.
- CTP Property II, a.s.
- CTP Property III, a.s.
- CTP Property IV, a.s.
- CTP Property V, a.s.
- CTP Property VI, a.s.

CTP expects to close these tax audits in 2012.

Real estate transfer tax

All real estate transactions in the Czech Republic are subject to a 3% real estate transfer tax, with the exception of share-based transactions. The management expects that investment property will be held, or, when disposed of, then only as a share deal. Therefore, no provision for real estate transfer tax is recorded.

Legal dispute

There was a set of disputes going on, which related to the transfer of land from the Czech Republic – Pozemkový fond České republiky to Karel Wimětal, who subsequently transferred the land plots to CTP’s companies (as of the day hereof this relates to CTP Property VI, a.s.). Pozemkový fond ČR filed a lawsuit against Karel Wimětal to declare that the ownership title pertains to Pozemkový fond ČR, due to invalidity of the Agreement on gratuitous transfer.

The District Court in Tachov and consequently the Regional Court in Plzeň decided that the owner of the land (land plots 803/115 and 803/113, cadastral area Ostrov u Tachova) was the Czech Republic – Pozemkový fond České republiky because the Agreement on gratuitous transfer was invalid. The decision is in legal force.

The negotiations with the parties involved (Ministry of Finance and the Ministry of Agriculture of the Czech Republic, Karel Wimětal and CTP) are currently pending, the Company expects to conclude in the first half 2012 the final agreements with all parties whereby CTP will become definitely the owner of the plots.

29. Pledges

Shares in CTP Property, a.s. are pledged in favour of Investkreditbank AG.

Shares of CTP Property II, a.s. are pledged in favour of Raiffeisenlandesbank Niederösterreich-Wien AG.

Shares in CTP Property IV, a.s. are pledged in favour of ING and the ING loan facility is guaranteed by a guarantee issued by CTP Property Lux S.à r.l.

Shares in CTP Property V, a.s. are pledged in favour of Komerční banka, a.s. and the loan facility is guaranteed by a guarantee issued by CTP Property Lux S.à r.l.

Shares of CTP Property VI, a.s. are pledged in favour of Erste Bank Group.

Shares of CTP Property VIII, a.s. are pledged in favour of Raiffeisenlandesbank Niederösterreich-Wien AG.

Shares of CTP Property X, spol. s r.o. are pledged in favour of Československá obchodní banka, a.s.

Shares of CTZone Brno, a.s. are pledged in favour of Erste Bank Group.

Shares of CTZone Ostrava, a.s. are pledged in favour of Erste Bank Group.

Shares of CTP INVEST V, spol. s r.o. are pledged in favour of Erste Bank Group and the loan facility is guaranteed by guarantees issued by CTP Property Lux S.à r.l. and CTP Property N.V.

Shares of CTP Invest VIII, spol. s r.o. are pledged in favour of Komerční banka, a.s.

Shares of CTP Invest IX, spol. s r.o. are pledged in favour of Raiffeisenlandesbank Niederösterreich-Wien AG.

Shares of CTP Invest Bucharest S.R.L. are pledged in favour of Erste Bank Group.

Shares of DN Beteiligungs GmbH are pledged in favour of Erste Bank Group and the loan facility is guaranteed by guarantees issued by CTP Property Lux S.à r.l. and CTP Property N.V.

Shares, bank accounts and intercompany receivables of CTP Property Lux, S.à r.l. are pledged in favour of Erste Bank Group.

Shares of CTP Property N.V. are pledged in favour of Erste Bank Group.

The shares of Finspel B.V. and Multivest B.V. in CTP Invest, spol. s r.o. are pledged in favour of Česká spořitelna, a.s. to secure a loan facility.

The shares of Multifin B.V. in CTP Invest, spol. s r.o. are pledged in favour of Immorentbank GmbH for securing claims arising from the loan agreement signed on 30 January 2009 between a related company (CTP Property N.V.), Immorentbank GmbH and other banks.

The shares of CTP Invest, spol. s r.o. in CTP, spol. s r.o. are pledged in favour of Všeobecná úverová banka, a.s. to secure a loan facility.

The shares of CTP Invest, spol. s r.o. in CTP Invest VII, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic, a.s. to secure a loan facility.

The shares of CTP Invest, spol. s r.o. and of CTP Property XVII, spol. s r.o. in QTL Assets s.r.o. are pledged in favour of Raiffeisenbank a.s.

30. Subsequent events

On 23 February 2012 the sale of the electricity grid was completed as CTP Invest, spol. s r.o. sold its 100% ownership interest in the subsidiary IMPORTFLORA, spol. s r.o. and disposed of all the assets classified as held for sale as at 31 December 2011.

CTP is not aware of any other events that have occurred since the pro-forma combined statement of financial position date that would have a material impact on this combined pro-forma financial information as at 31 December 2011.

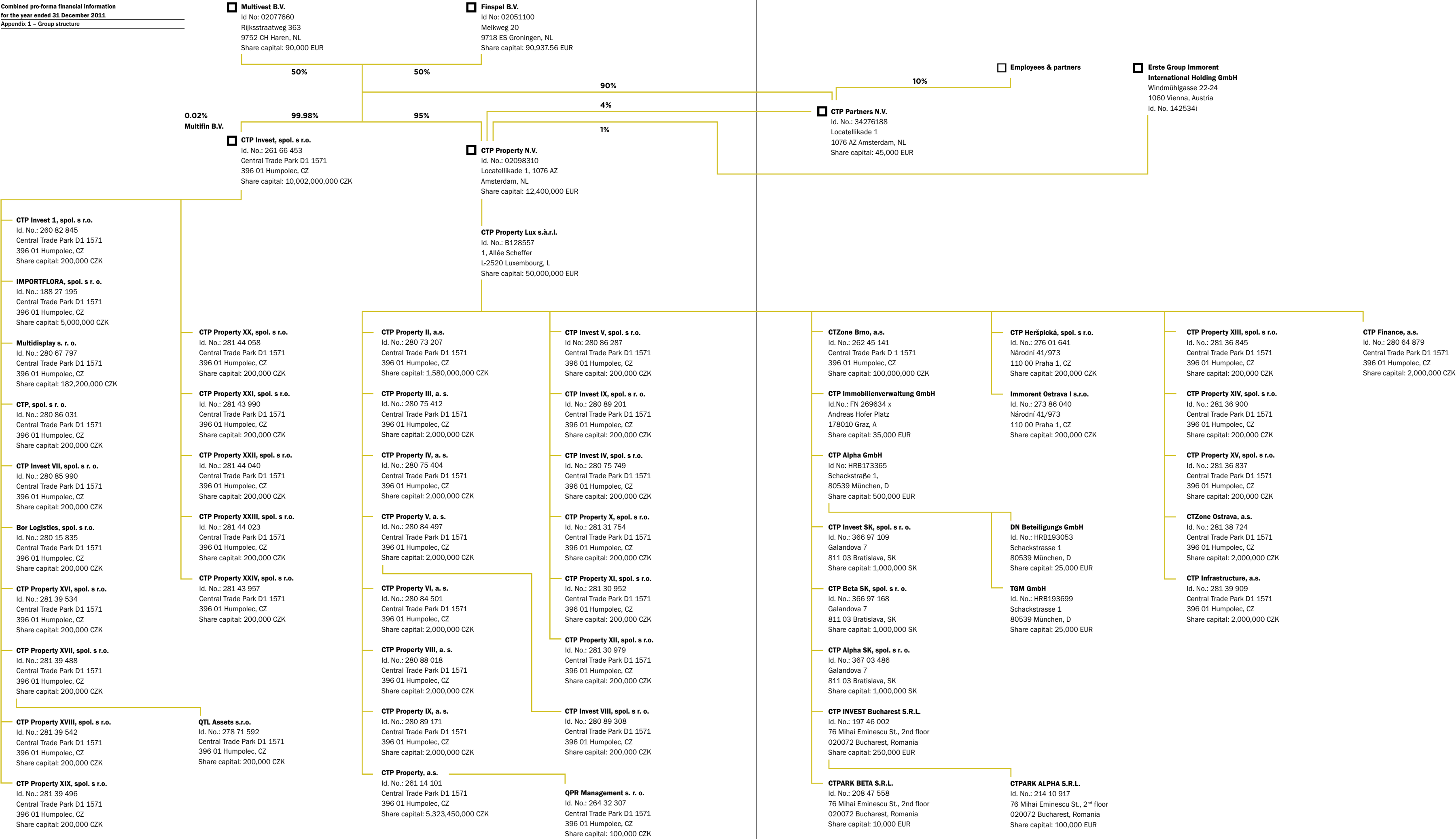
Amsterdam, 20 March 2012



Remon L. Vos



Radek Zeman





From left: Arno van Hummel, Zdeněk Raus,
Financial Managers.



Con

Contacts

Contacts

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This is CTP

