2012

CTP Annual Report

Contents

2012 CTP Annual Report

Contents

3 **Inside CTP**

Company Overview

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 business park developer in the Czech Republic, with a balanced portfolio that includes premium-class office developments and retail holdings.

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.

“CTP is the number one developer/operator of business parks in the Czech Republic.”

CTP is Dutch-led and international. The Czech Republic is our home market. We have aquired land plots in Slovakia, Germany, Austria and Romania and plan further regional growth based on market conditions.

Group Structure

CTP provides full-service property development and asset management via two business entities: **CTP Invest spol., s r.o.** (Czech Republic) and **CTP Property N.V.** (Netherlands).

CTP Invest is a full-service property development company. The principle activity of the company and its subsidiaries is entrepreneurial: CTP Invest purchases land and develops premium-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 as part of fund management. CTP Invest provides full-service asset management and after-care services to tenants following transfer of ownership to CTP Property.

CTP Property is a property fund 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 Invest and CTP Property are privately held and 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 212 for more information on CTP’s group structure.

1998

Ground-break at CTPark Humpolec
Construction of CTP headquarters and the company's first business park gets underway.

2004

CTP Purchases Land for CTPark Brno
CTP wins tender to purchase an 80-ha land plot in Brno for the construction of CTPark Brno.

2005

Ground-break at Spielberk Office Centre
CTP launches construction of its flagship office park, Spielberk Office Centre in Brno.

2006

CTP Named Developer of the Year
CTP wins the prestigious CIJ "Developer of the Year Award".

2006

GE Money Bank Moves in to Ostrava
GE Money Bank signs for 5,000 m^2 of premium-class office space at CTPark Ostrava.

2009

€100 mil. from Erste Bank
CTP signs €100 mil. senior loan agreement with Erste Bank for new development projects.

2011

Rental Income Reaches €100 mil.
For the first time, CTP's annual income from rental activity reaches €100 mil.

Operational Highlights 2012

Q1

Kompan launches production at its 25,000 m² custom-built facility at **CTPark Brno – Phase II.**

Brembo launches full operations at **CTPark Ostrava.**

CTP completes acquisition of land plots in Brno for a future business park, with 80,000 m² of premium-class office space.

Q2

FEI Company signs for a 40,000 m² custom-built R&D and production facility for electron microscopes at **CTPark Brno.**

CTP opens its Prague office as a base for its Business Development, Legal and Marketing departments.

CTP expands CTPark Brno with the acquisition of a standing building and land for future development from Heitman.

CTP signs €33 mil. financing agreement with ČSOB for the construction of over 55,000 m² of new properties **at CTPark Brno – Phase II**, bringing the total of ČSOB financing at CTPark Brno – Phase II to €95 mil. for seven projects.

CTP sells electricity grids servicing the CTPark Network to a consortium of E.On and Lumen.

CTP sells gas grids servicing the CTPark Network to RWE.

CTP purchases additional 60 ha of land for further expansion of **CTPark Bor.**

Q3

ABB launches operations at **CTPark Ostrava.**

CTP wins tender to purchase land in Nošovice next to the Hyundai automotive assembly plant. Work on the construction of CTPark Nošovice begins.

CTP voted "Best Overall Developer" in the Czech Republic by Euromoney Magazine.

Tieto moves in to its new regional headquarters at **IQ Ostrava.**

Construction work starts on 26,000 m² custom-built facility for car parts maker **Faurecia** at **CTPark Mladá Boleslav.**

Spielberk Office Centre in Brno hosts gala "Connection in Action" event.

Completion of refurbishment of **CTP's headquarters** at **CTPark Humpolec.**

CTP signs €40 mil. loan agreement with UniCredit for the refinancing and construction of properties at **CTPark Hranice.**

ViskoTeepak launches operations at its new 11,000 m² custom-built production facility at **CTPark Brno – Phase II.**

CTP expands its portfolio with the acquisition of properties in the Czech Republic from WDP, including an industrial park in Mladá Boleslav, rebranded as **CTPark Mladá Boleslav II.**

Tomáš Kult, Construction Manager, and Radka Veletová, Office Manager, **celebrate 10 years at CTP.**

Q4

The Tower at Spielberk Office Centre in Brno is awarded a BREEAM Excellent certificate for overall energy efficiency and construction sustainability.

CTP restructures €200 mil. long-term loan facility with Erste Bank for further development of **Spielberk Office Centre** and **CTPark Modřice.**

ND Logistics prolongs lease agreement for chilled warehousing, which it operates for Danone at **CTPark Divišov.**

CTP participates in the "New York – Brno Days" road-show in New York, to promote Brno as an investment destination.

Construction work starts at **CTPark Hranice** for **Smiths Medical**, a leading producer of precision medical equipment.

Tech Data signs for 16,000 m² extension of its existing warehouse at **CTPark Bor,** making it the largest distribution centre in the company's global supply chain.

ABB expands its operations within the CTPark Network with a 14,000 m² custom-built production space at **CTPark Brno.**

Home Credit International, part of the PPF Group, agrees to lease 5,000 m² of office space at **The Tower at Spielberk Office Centre in Brno**, representing nearly one-third of the building's total office area.

> The Tower at Spielberk Office Centre features a special, dual-layer glass facade that lets in ample natural light and helps reduce energy costs.

Hands On.

Foreword: CEO

Dear Friends,

2012 was another good year for CTP. We managed to achieve profit before tax of €51 mil. (EPRA) and collected €113 mil. of rental income, which is a 13% increase over 2011. We expanded our portfolio through acquisitions in addition to new constructions, adding 16 buildings for a total of 188 properties comprising nearly 1.9 mil. m^2 of total rentable area. Our level of vacancy at around 7% provides sufficient flexibility to accommodate immediate tenant needs while keeping rents stable at approximately €5.50/m^2/month. Additionally, our portfolio has long-term value, with an average building age of 6.3 years and a weighted unexpired lease term of 6.1 years.

We are proud of our results and the positive impact we have on our communities, with our 400 long-term clients who together employ over 26,000 people. CTP has been active on the market for approximately 12 years, with a special focus on the Czech Republic. We have secured the position as market leader and plan to remain so. In 2012, we were recognised among the top 10 developers in Europe, having doubled in size since 2008.

Many of our long-term clients established themselves in Central Europe 15–20 years ago, and I am pleased to see that, as for CTP, it was a good decision. They continue to move higher added-value operations to the CEE region. CTP's existing clients represent approximately 70% of new business. In 2012 we successfully agreed lease renewals with some of our tenants for an additional 10 years, many of whom required extensions to accommodate their growing operations. On average, 3% of our lease agreements end in a given year, and for more than 50% of these, we agree renewals. For 2013, the lease period for only 56,928 m^2 of rentable space will expire.

CTP got its start in Humpolec back in 1998. Midway between Prague and Brno we built a small, full-service business park to accommodate foreign manufacturing and warehousing companies. We have since learned a lot, become stronger and smarter, and have grown with our clients. In 1999 we built our first two buildings—one for a tenant (IMI) and one for ourselves. We built other properties for IMI later at CTPark Modřice and CTPark Brno South. We have used our building intensively for more than 10 years, and after refurbishment in 2012, our office is ready for the next decade. It looks and feels good and is not only our headquarters but also the heart of the company.

In 2012 we celebrated the 10-year anniversary of a few of our first employees—Radka Veletová, Petr Svoboda and Tomáš Kult—and am proud of our achievements and our work together over the years. For example with Tomáš, the visit to Pat Beirne of Mergon in Ireland, Brembo in Bergamo, Italy and Tieto in Helsinki, stand out. The many flights, taxis, rental cars, but also good dinners, and meetings at client facilities are what we excel at in order to understand not only our client's basic requirements, but also how they run their company, how they feel about their company, and to understand the way they work. This hands-on attitude is behind CTP's success.

CTP would not be what is today without Radka Veletová. She joined when there were only a few of us at CTP. Radka handled most of the correspondence from our headquarters in Humpolec and was the first point of contact for many people who later became our business partners. Radka is now a proud mother and shares her job with Ivana Škodová. CTP currently employs 130 people, and am proud that our employees hold shares in the company through our CTP Partners scheme.

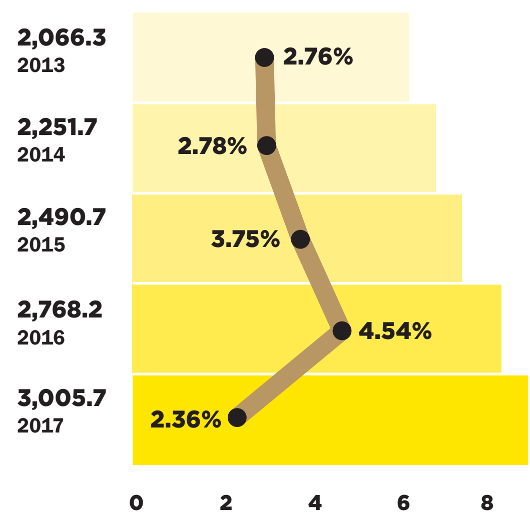
I regret that external market conditions continue to prevent us from developing our land in Slovakia and Romania, but we expect to leverage these opportunities as the market improves. Additionally, we are disappointed at the downward pressure of the market on the value of our completed properties, which resulted in a €112 mil. valuation loss despite our strong fundamentals and growth in rental income. While market conditions continue to keep values low, our total asset value grew from €1.78 bil. in 2011 to €1.87 bil. in 2012.

We will continue to reduce vacancy, construct new properties and make acquisitions that will support the growth of our company. We will continue to create long-term value and quality. We take a hands-on approach and look after our company carefully. We like opportunities and challenges, but are not prepared to risk what we have achieved. We enjoy the changing environment, which creates numerous opportunities for us all. We are committed to being part of the community and take our responsibilities seriously. We actively support, both individually and as a company, other people and businesses in the communities where we operate.

It has been a pleasure working with you. Thank you for your trust and support.

Remon L. Vos **CEO**

Projected Total Rentable Area (in thousand m^2) and Lease Expiration (as % of TRA)



Jobs Created by CTP Tenants

South Moravia	13,845
North Moravia	6,649
Central Bohemia	3,248
West Bohemia	1,677
Other regions	698
Total	**26,117**

A Selection of Portfolio Expansion in 2012 (m^2)

Major Construction Starts

40,000
Production and administration building for FEI Company.

26,000
Production facility for Faurecia.

9,000
CTOffice, CTZone Brno.

9,000
Production facility for Smiths Medical.

7,000
Production facility for Fraenkische.

7,000
Production facility for BJS.

5,000
Administrative and testing facility for Honeywell.

Major Completions

17,000
The Tower at Spielberk Office Centre in Brno (anchor tenants Home Credit and Honeywell). The Tower has achieved a BREEAM 'Excellent' rating.

24,000
Office building IQ Ostrava (anchor tenant Tieto). The project has achieved a BREEAM 'Very Good' rating.

14,000
Production/warehouse for Dachser.

14,000
Custom-built robot servicing facility for ABB.

7,000
Custom-built production facility for Henniges.

3,000
Production facilities for Fresenius & Rexel.

2,500
Warehouse for Valeo.

Major Building Acquisitions

24,000
Existing production facility from the company Heitman occupied by Honeywell, to be incorporated into CTPark Brno.

40,000
WDP property portfolio totalling 40,000 m^2 of existing buildings and land plots, including an industrial park in Mladá Boleslav and commercial properties in Prague.

Major Land Plot Acquisitions

85,000
Land acquisition for future development located close to the Hyundai factory in Nošovice.

600,000
Land acquisition at CTPark Bor.

37,000
Land acquisition at CTPark Ostrava.

25,000
Land acquisition at CTPark Brno.

25,000
Land acquisition at CTPark Mladá Boleslav.

	Major Construction Starts	Major Completions	Major Building Acquisitions	Major Land Plot Acquisitions
Total (m^2)	**103,000**	**81,500**	**64,000**	**772,000**

In 2012, CTP's portfolio of rentable properties grew by 145,500 m^2 through the combination of new developments and, for the first time, strategic acquisitions, bringing total size of the portfolio to nearly 1.9 mil. m^2.

"We project annual rental income to reach €200 mil. by 2017, with average annual portfolio expansion of 200,000 m² over the next five years."

Five-year Plan

Remon L. Vos **CEO**

Looking to 2013, we have secured rental income of €125 mil. and have already signed future lease agreements to build 180,000 m² of new A-class properties. In addition, we are looking at various acquisition opportunities. Our portfolio, therefore, will grow by more than 8% per year. Based on this, by 2017, we expect annual rental income to reach €200 mil. and our portfolio to grow to approximately 3,000,000 m². We plan to achieve this growth together with our long-term business partners.

With almost 70% of new projects to be constructed for existing clients who are bringing additional added-value business to their Czech sites, our growth does not wholly depend on the economic growth of either the Czech Republic or Europe. Extending activities in the Czech Republic is often a strategic decision by our clients to consolidate in order to achieve cost savings. CTP has optimal land holdings prepared within our business parks to accommodate these extensions, and we have the organisation to realise these opportunities. Our clients appreciate CTP's ability to finance properties and fit-out, preferring that a knowledgeable partner—CTP—handle these activities, which allows them to focus on their core business activities.

Strategically, CTP has the pieces in place to continue our controlled, planned growth. Our banking partners are comfortable with our plans and methods, and our shareholder policies support company growth and acquisition strategies. Additionally, we are preparing for alternative financing opportunities outside traditional loans, such as approaching the capital markets.

Our strategy is conservative and based on proven capabilities, with much of our growth coming from existing clients. We expect to grow in the locations that have proven to be successful and remain attractive for investment and in which we have a strong operational network. While we plan on growing, we are under no external pressure to do so. We expect most growth to arise organically, and all new developments will only be undertaken once a property is more than 60% leased and financing is secured. CTP is interested in constructing or acquiring only A-class properties in prime locations, and therefore acquisitions will be carefully chosen. Improved care will be provided to our existing tenant base to ensure our target of renewals for long-term leases.

To continue to derive value out of the life our buildings, we have invested in our Property Management department, which has demonstrated outstanding performance, resolving nearly 90% of all issues within five working days. CTP is investing more money per m² in order to create high-quality properties that are cost effective to operate with low maintenance costs.

We will continue to build on our success doing what we are good at: developing premium-class office and custom-built industrial properties for existing and new clients throughout the Czech Republic, in particular in the core regions around the cities of Brno, Ostrava and Plzeň, with technical universities and where strategic investors have established themselves. We see opportunities in the E-commerce segment, the automotive industry, applied sciences, R&D, IT, the office sector and shared-service businesses in the core locations where we operate, which are business smart, have a continuous supply of qualified labour and well developed infrastructure.

Further, in 2014 we will begin development of a new office park in Brno, which ultimately will offer more than 80,000 m² of premium-class office space in the city centre. Taking into account market opportunities, we estimate that it will take us five years to develop this project, and we will bring to it all the experience gained from our successful Spielberk project.

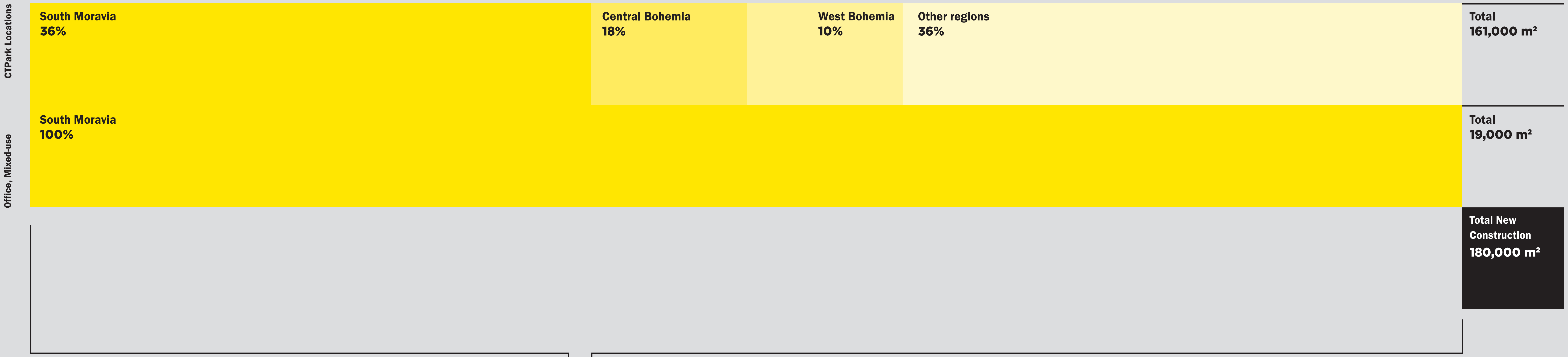
CTP seeks stable business partners and long-term cooperation with local governments. As we grow, we have proven to be more cost effective and efficient. We look forward to utilising our skills, enthusiasm and entrepreneurship to capitalise on the opportunities that we see, especially now.

Our detailed pipeline for the next three years, and a clear plan for next five, have the full support of all people involved. We look forward to taking CTP to the next level.

Ivana Škodová, assistant to CEO, and her Office management team, CTP headquarters, CTPark Humpolec.

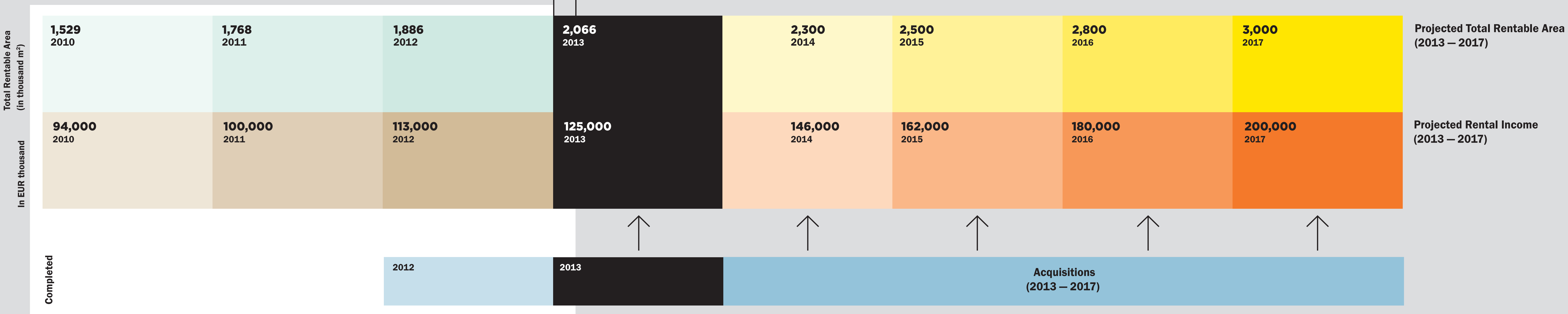
Pipeline 2013

This graph shows planned expansion of CTP's portfolio in 2013, broken down by region and development sector.



Projections 2013 — 2017

This graph presents projected total rentable area per year with projected rental income (2010–2012 values are for reference).



Message from the CFO

Radek Zeman **CFO**

CTP operates a profitable business model that brings dependable results. In 2012 this proved crucial to the strengthening of our financial position and the further development of our relationships with our banking partners. With secured income in 2013 in excess of €120 mil., CTP is in a strong position to meet its strategic growth targets.

Financial Results

In 2012, CTP achieved strong operational results buttressed by a solid cash flow position. Gross rental income in 2012 reached nearly €113 mil., in line with our long-term plans. Income growth is primarily attributable to the handover of several new developments, combined with increasing revenue from asset management and stable market rents. In addition, by working closely with our financial partners, CTP was able to free up cash through the refinancing of long-term debt at low interest rates as well as through the disposal of non-core assets. These operational and financial achievements resulted, at end 2012, in CTP's investment portfolio being valued at €1.9 bil. EPRA net asset value (EPRA NAV) reached €730 mil. in 2012, up from €710 mil. in 2011.

In 2012, CTP focused on operational efficiency and successfully reduced overhead costs as a percentage of gross rental income to 8.1%.

CTP also benefited from its strong tenant base, with several long-term tenants expanding operations with new CTP facilities in 2012. In total, we delivered eight new properties in 2012, backed by €80 mil. of external financing. The average lease term for CTP's entire portfolio is 6 years. Most lease agreements have a fixed indexation of 1.5%–2.0% p.a. and are secured by parent company and/or bank guarantees.

Despite CTP's strong operational results, overall net profit in 2012 declined year-on-year. This is primarily the result of a decrease in investment activity in the CEE region and increased yields. On the other hand, external market conditions helped to push down long-term interest and swap rates. This enabled CTP to secure new financing at lower cost and to re-finance existing loans at lower rates.

Financial Results (in EUR thousand)

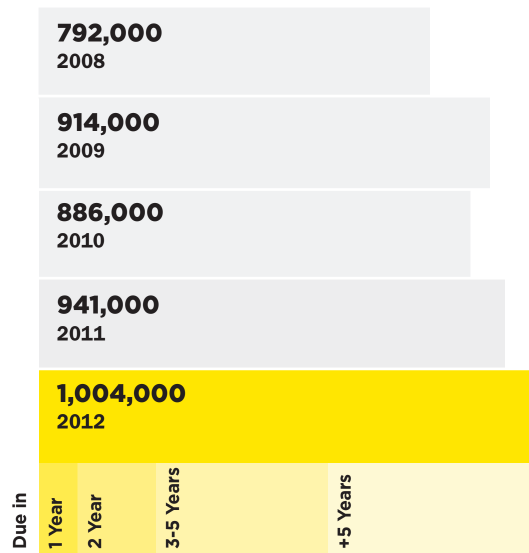
	2012	2011	2010
Gross rental income	**112,867**	100,169	94,147
Net profit before finance costs	**79,776**	159,290	118,993
Asset value			
Total asset value	**1,870,618**	1,782,705	1,605,489
Total Investment property	**1,783,261**	1,668,434	1,505,815

Loans

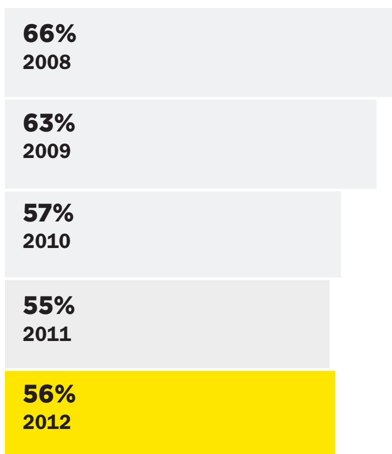
CTP agreed new or extended bank facilities totalling €350 mil. in 2012. Total senior debt reached €1 bil. at end-2012. Prior to 2012, to mitigate risk and expand opportunities, CTP diversified its loan portfolio and currently cooperates with nine banking partners. Due to our open and good working relationships and CTP's strong performance, we did not seek alternative sources of financing in 2012.

In 2012, CTP refinanced a large senior debt facility with Erste Bank at lower swap rates and restructured €200 mil. worth of loans for longer payment terms (eight years on average). The average interest rate, including margin, is approximately 3.6%.

Loan Growth over Time and Maturity of Interest-bearing Loans at end 2012 (in EUR thousand)



Loan to Property Value Ratio (LTV)



In 2012, CTP successfully secured new financing and at end-year senior debt increased to over €1 bil. At the same time, CTP successfully renegotiated and extended the maturity dates for a significant portion of its loan portfolio, with less than 8% of loans payable in 2013 and over 40% due in over five years. CTP's loan-to-property-value ratio remained stable in 2012, while valuation yields rose slightly.

Valuation yields

	2012	2011	2010
Industrial	7.75 – 8.50%	7.5 – 8.25%	7.5 – 8.25%
Office	7.4 – 8%	7.25 – 7.75%	7.25 – 7.75%

Financial Risk Management

Effective financial risk management is essential to delivering CTP's strategic priorities.

	Capital Structure	Availability & Cost of Borrowings	Solvency & Breach of Covenant	Foreign Exchange Rates
Risk	CTP must react to market fluctuations in order to maintain an appropriate capital structure. If the market is falling, excessive debt increases the risk of covenant breach. If the market is rising, holding too little debt would disadvantage CTP vis-à-vis its competitors.	External conditions, such as a rise in interest rates or deterioration of the debt market, or internal factors such as a worsening of CTP's credit profile, could negatively impact the availability and cost of borrowing.	A worsening of economic and market conditions could have a negative impact on CTP's cash flow and ability to meet its debt obligations.	Adverse change to the CZK:EUR exchange rate could affect profits on new developments and earnings.
Mitigation	CTP is targeting an LTV ratio of 55% over the medium term. This is achieved mainly through repayment of existing loans and effective use of free cash flow.	CTP monitors changes to credit market conditions and the broader financial environment and seeks to diversify debt funding with an appropriate mix of bank, capital market and debt financing. We seek to spread debt maturities and to refinance debt well ahead of maturity. To mitigate risks relating to interest rate fluctuations, CTP enters various hedging agreements including holding caps, swaps and collars on rate fluctuations.	CTP has a strong tenant base of over 400 companies, the majority of which are major multinationals in diversified industries with strategic operations at CTP facilities. Lease agreements are secured by parent company and/or bank guarantees. CTP maintains multiple income and financing streams with adequate liquidity in line with the company's medium and long-term strategy.	The majority of new constructions are matched by borrowings denominated in the same currencies to lessen the impact of foreign exchange risks. Financial instruments are used to mitigate risk during construction.

Disposals & Acquisitions

In 2012, CTP followed its strategy to dispose of non-core assets to free up capital for strategic acquisitions in the company's core business area. Thus, during the year, CTP sold electricity and gas grid assets servicing a number of our CTPark Network locations for a total of €29 mil.

Funds from the sale of non-core assets were used to help finance two strategic acquisitions during the year. In Q2 2012, CTP acquired a property occupied by Honeywell in addition to 2.5 hectares of land immediately adjacent to CTPark Brno from property developer Heitman for €16 mil. Because of its strong cash position, CTP was able to partially finance the transaction from its own resources.

In Q3 2012, CTP acquired several industrial properties and retail holdings from property developer WDP, including a significant automotive supply park near the Škoda Auto assembly plant in Mladá Boleslav. CTP financed one-third of the €25 mil. transaction from its own sources, with the remainder covered by senior financing.

Looking Ahead

New projects under construction to be finalised in 2013 total 180,000 m^2 and are already 90% financed, with term sheets from a number of banks available to finance the remaining 10% expected to be signed in the first half of 2013.

During 2013, CTP will continue to restructure its loan portfolio and seek new institutional investors for loan portfolios relating to completed and operating properties. This is in line with our strategy, working together with our banking partners, to capitalise on new development opportunities and strategic acquisitions.

CTP maintains a solid and dependable financial position that continues to strengthen via a combination of increased revenues, enhanced efficiencies, and conservative financial management.

> "For the second half of 2012, CTP ranked number one on the M&A property market in the Czech Republic in terms of size of acquisitions, and number two in terms of deal value."

CTP Management Team.

Arno van Hummel **Financial Manager**

Stefan de Goeij **Head of Property Management**

Remon Vos **CEO**

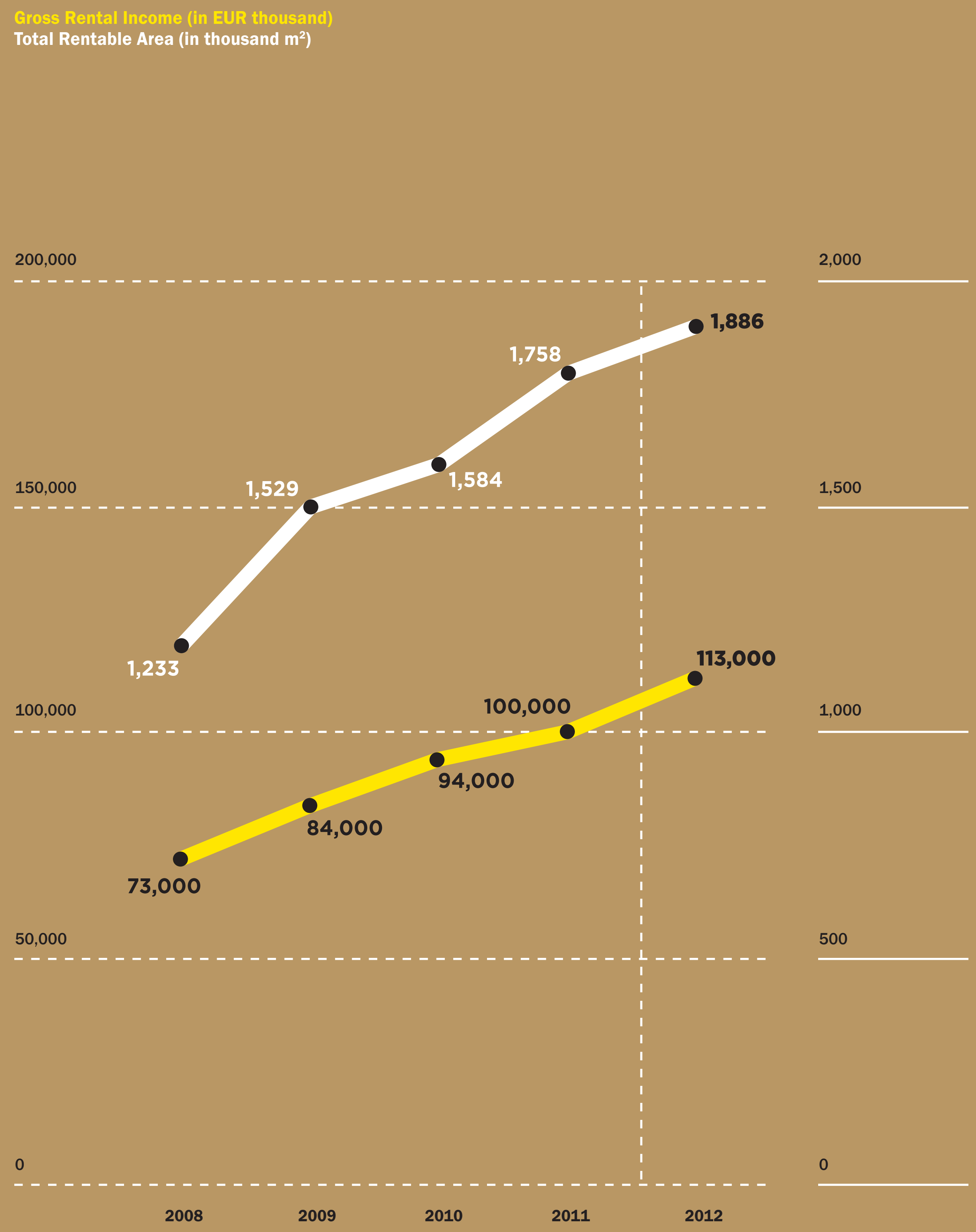
Luboš Zajíček **Head of Legal Dept.**

Radek Zeman **CFO**

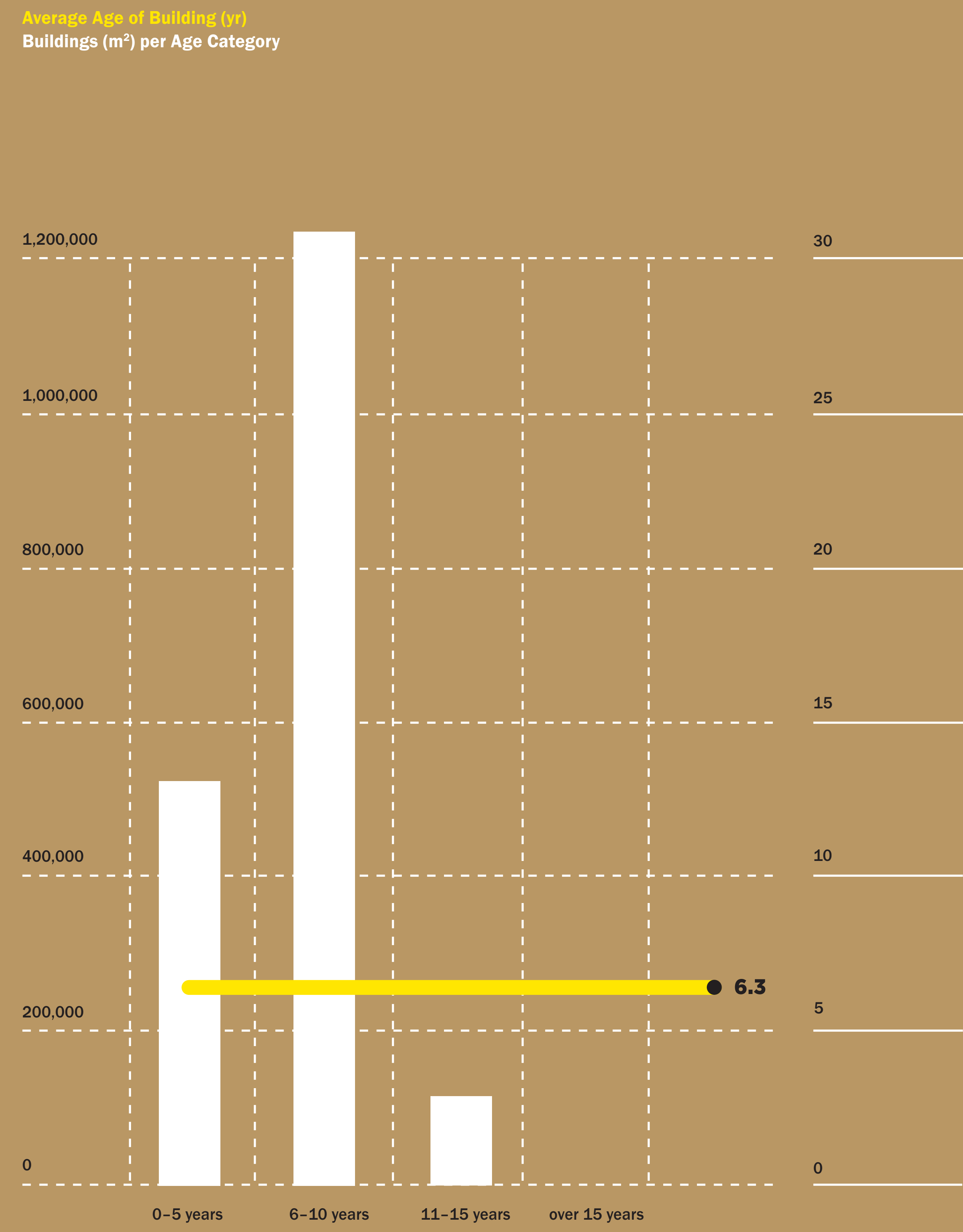
Zdeněk Raus **Financial Manager**

Total rentable area increased over 7.3% in 2012, the result of completion of new facilities and extensions and strategic acquisitions.

Annual rental income is continuously growing following new developments, acquisitions and improvements in occupancy.

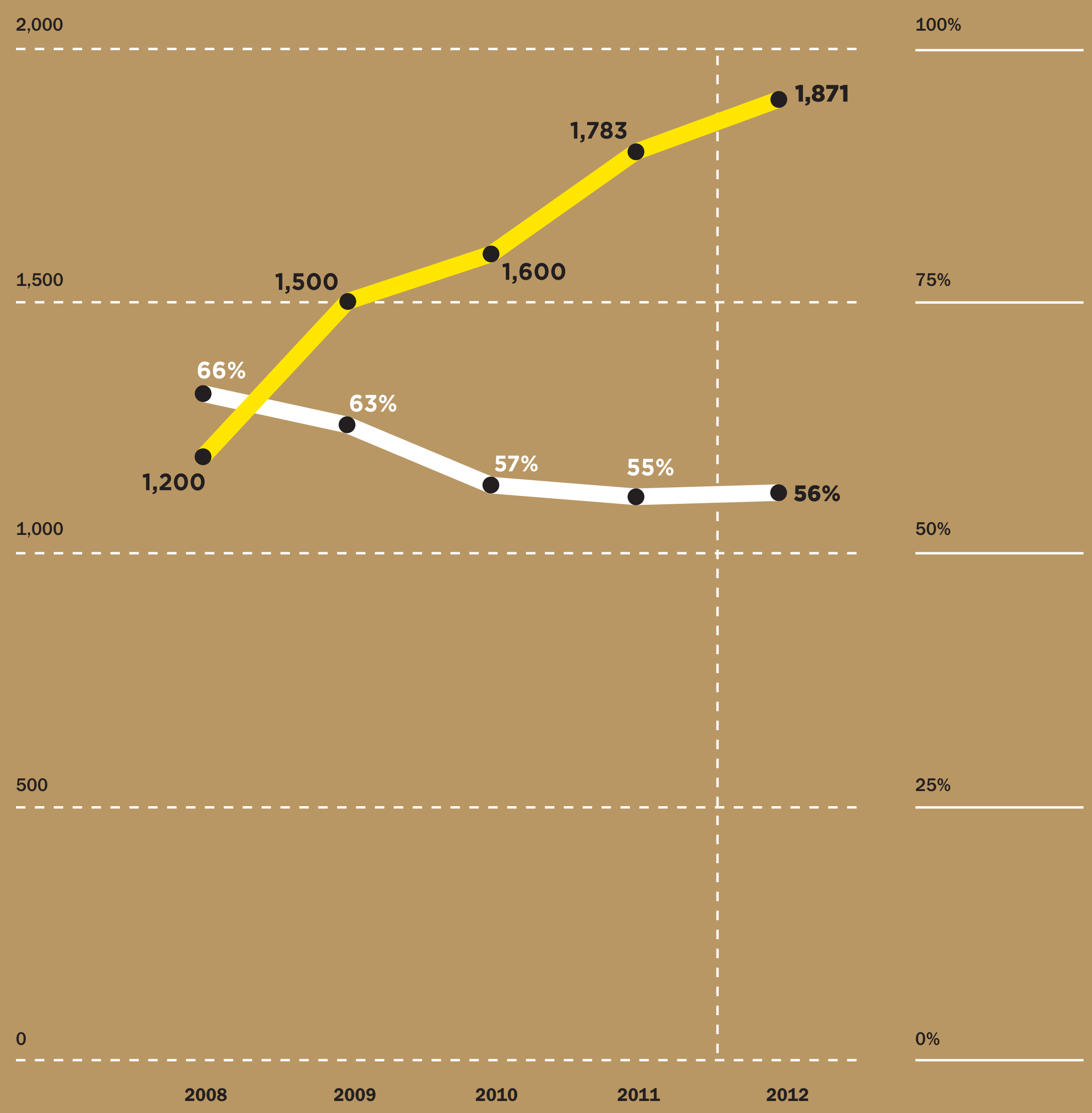


Average building age in CTP's portfolio is 6.3 years. With nearly one-third of the portfolio younger than five years, CTP's premium-class properties ensure stable, long-term income streams and provide a solid basis for investment.



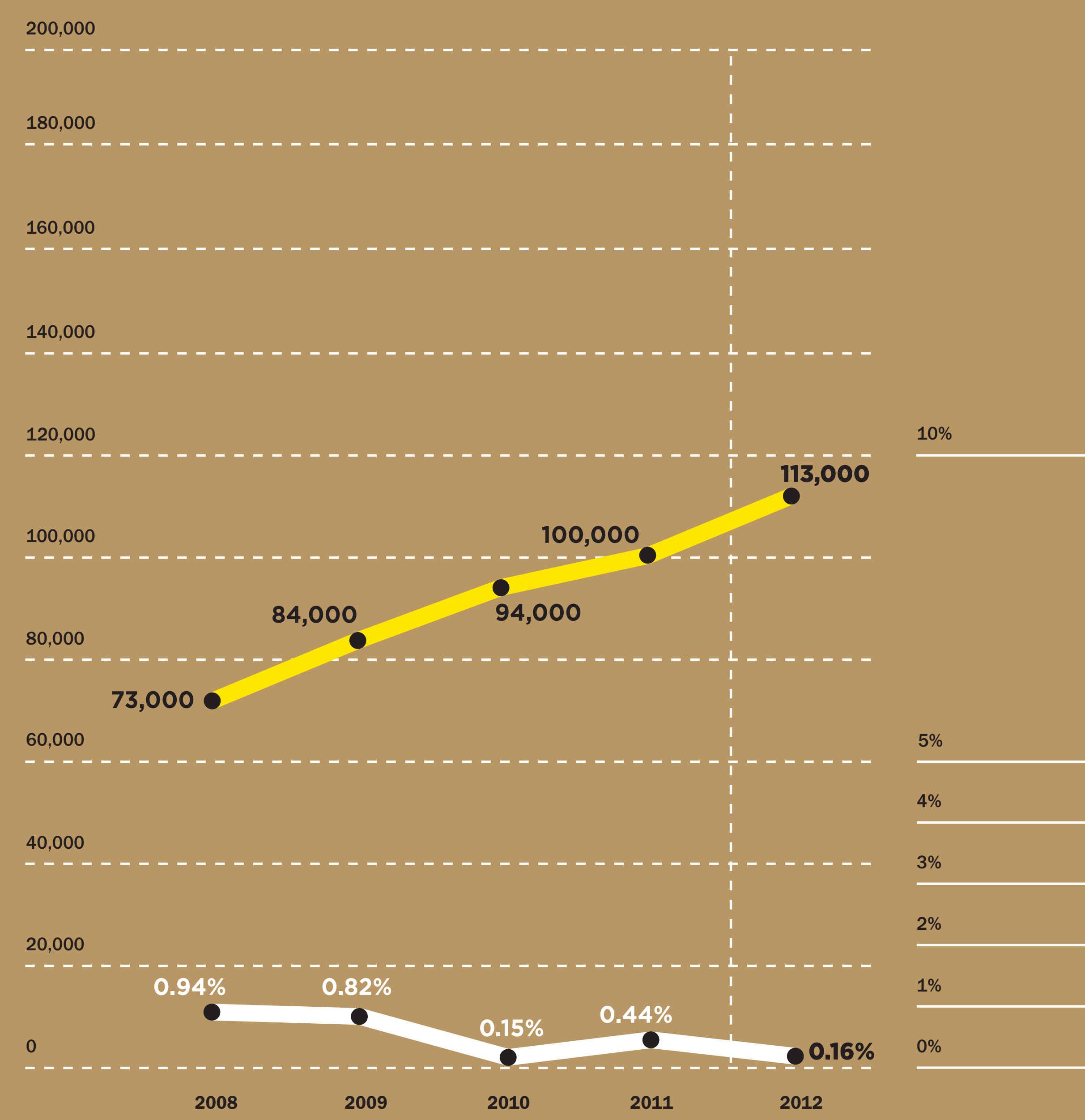
Total assets under ownership include income-generating assets in addition to land plots and others. Despite market pressures in 2012, the value of CTP's assets under ownership grew 4.9% year-on-year. At the same time, CTP maintained a stable LTV ratio.

Value of Assets Under Ownership (In EUR million)
Loan to Property Value Ratio (%)



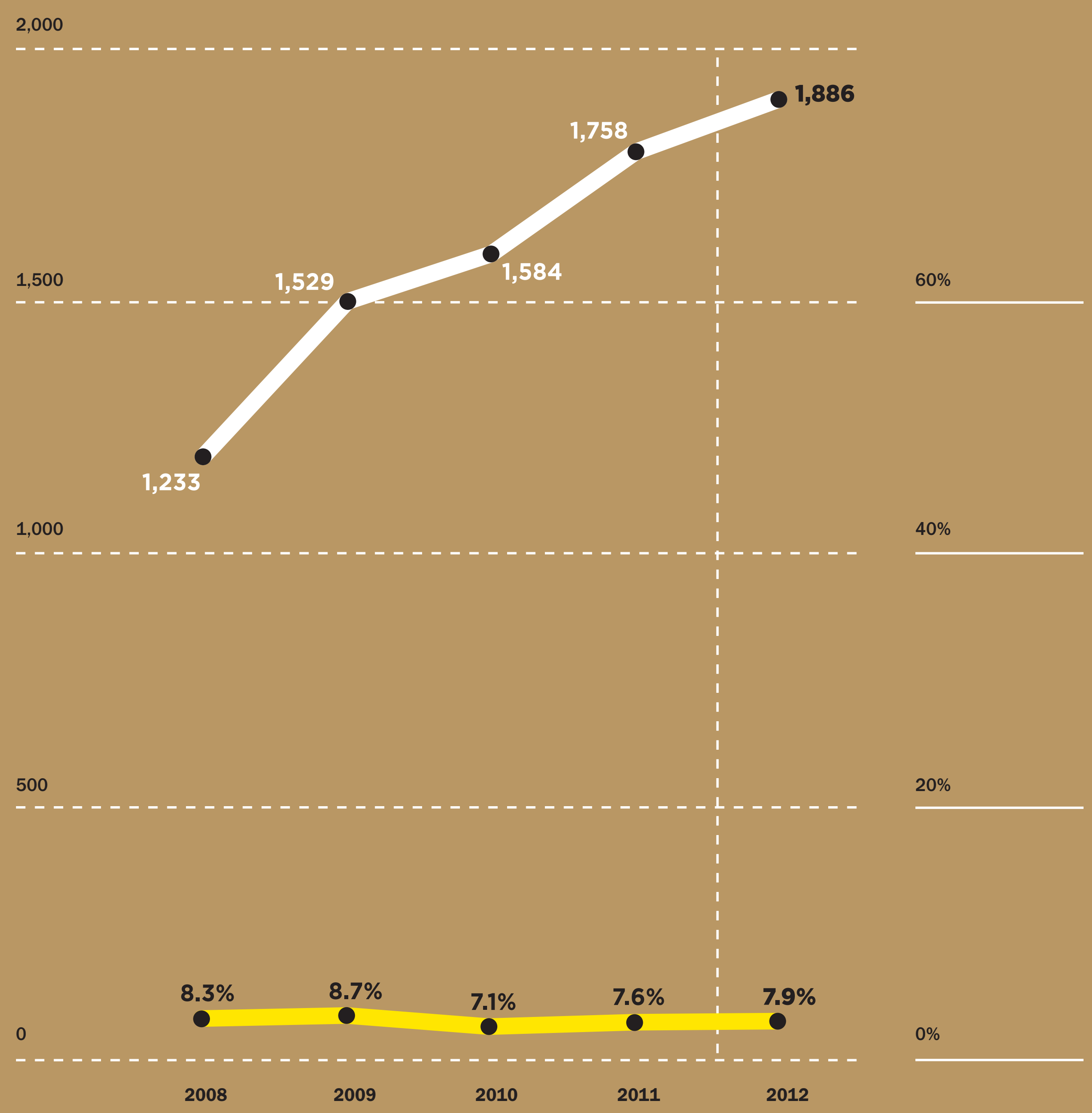
Despite the increase in gross rental income, CTP was able to reduce the tenant default rate on lease payments to 0.16%. This is due to both increased financial diligence regarding receivables, and the number of long-term, successful tenants leasing CTP facilities. Lease agreements are secured by parent company and/or bank guarantees.

Gross Rental Income (In EUR thousand)
Tenant Default Rate (%)



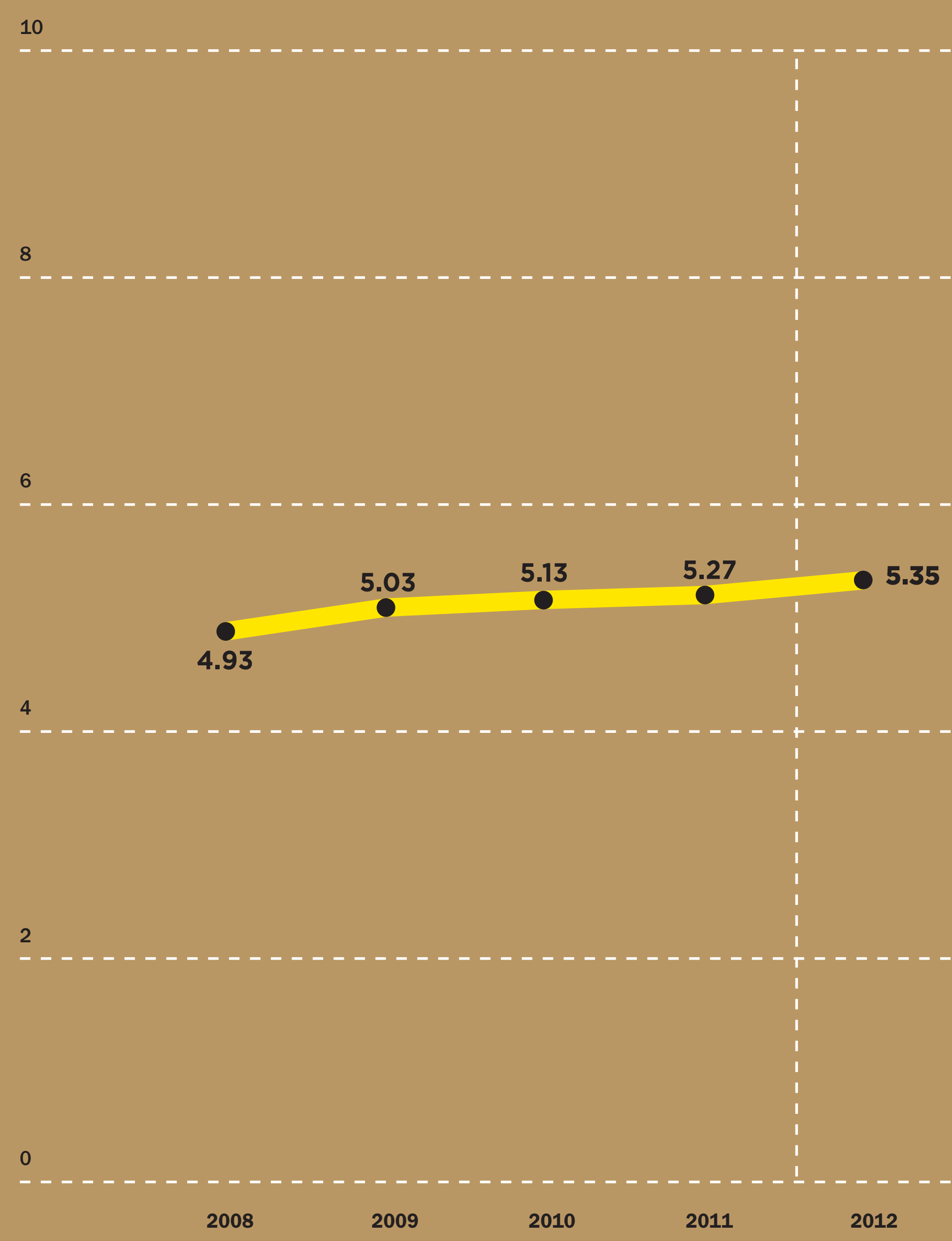
Vacancy Rate (%)
Total Rentable Area (in thousand m²)

CTP's goal is to keep long-term vacancy rates below 8% in order to maintain stable cash flow. This level of vacancy is also necessary to ensure ample availability of expansion space for our current tenants.



Average rent (EUR/m²)

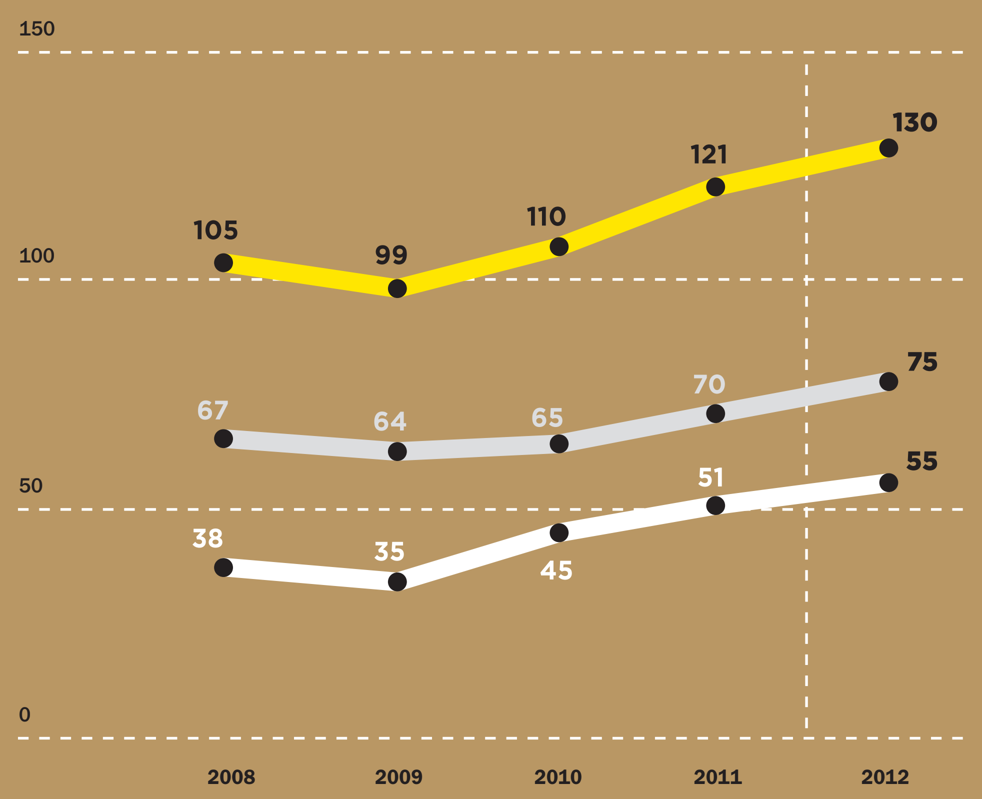
Average rents increased marginally in 2012, largely due to the expansion of our premium-class office portfolio. The majority of lease agreements are signed for an average of 7.5 years, with fixed indexation of 1.5%–2.0% annually.



Number of CTP Employees

CTP continues to hire additional, highly qualified professional staff and at end-2012 employed 130 full- and part-time people. Average employee age is 36.

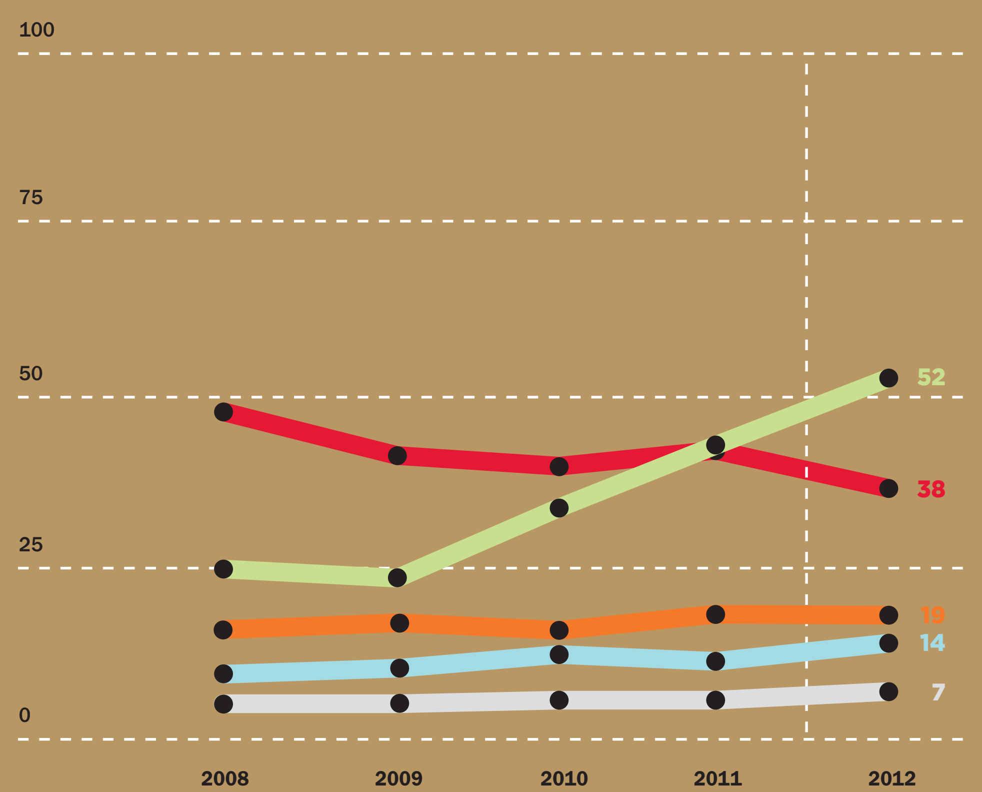
- Male
- Female
- Total



Employees by Department

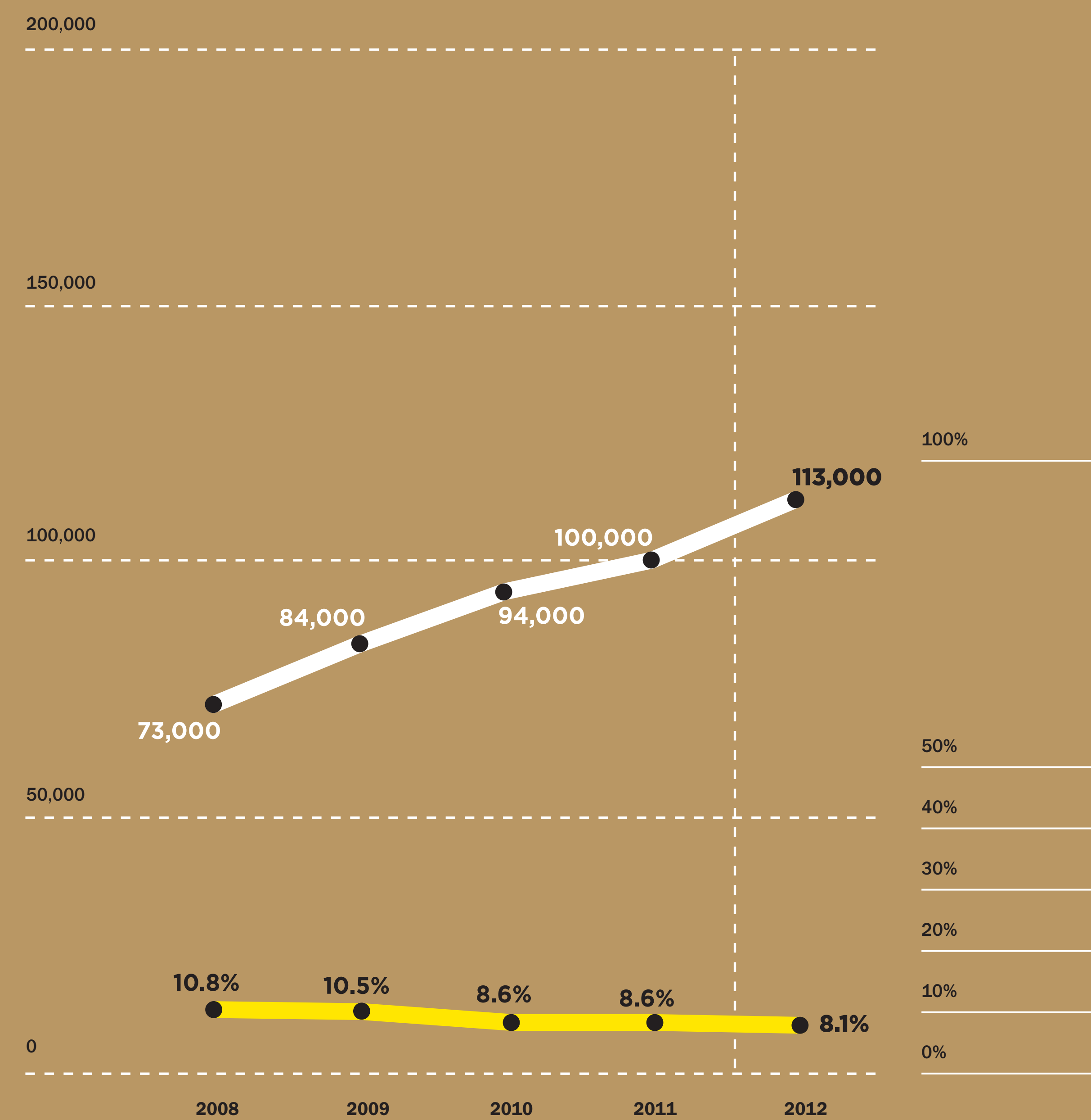
This chart shows the development over time of CTP's departments and highlights the growth of our Property Management team.

- Property Management
- Construction, Purchase & Design
- Accounting
- Business, IT & Management Support
- Legal



Overhead, as % of Gross Rental Income
Gross Rental Income (In EUR thousand)

Overhead costs as a percentage of gross rental income decreased in 2012, despite the expansion of development activities and company staff. Overhead costs include all staff and related costs, costs relating to construction activities, advisory costs, marketing and maintenance expenses.



Market Overview

CTP's home market is the Czech Republic. From the start, it was clear that the country's mix of strategic benefits—location at the heart of Europe, academic excellence, high-level technical skills, developed infrastructure, and cost-effectiveness vis-à-vis Western Europe—would make it ideal for a wide range of business operations. Our results prove the point: the Czech Republic is the smart place to do business.

Hub for the 21st Century

In recent years, the Czech Republic has experienced an influx of new investment into the high-tech, bio-tech and R&D sectors. An increasing number of the world's leading high-tech companies, drawn by the country's academic and technical excellence and focus on innovation, are making the smart choice to locate cutting-edge operations in the Czech Republic.

The regional centres of Brno, Ostrava and Plzeň, in particular, are leading the way, with several world-class applied R&D and innovation clusters established in cooperation with local universities and state-funded research institutes. Areas of expertise include information technology, applied sciences and bio-technology. Investment incentives are in place to support qualifying investments into knowledge-based industries and technologies.

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 26 state universities and numerous private colleges, with nearly 400,000 students enrolled. In 2012, 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 Plzeň.

Strong Fundamentals

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 2012 because of the worsening euro-zone crisis, the forecast is for renewed growth and increasing investor confidence.

Strategic Regions

From the beginning, CTP's business strategy has been to dominate the strategic business regions of the Czech Republic outside the capital, Prague. This strategy has proven successful, and today CTP is the number-one developer of industrial properties in the Czech Republic. CTP's core regions are Brno and South Moravia; Ostrava and North Moravia; Plzeň and West Bohemia; and key locations in Central Bohemia supporting the automotive, high-tech and logistics industries.

Czech Republic: 10 good reasons

1. Strategic location
2. Safe investment environment
3. Long tradition of industrial excellence
4. High level of higher education
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

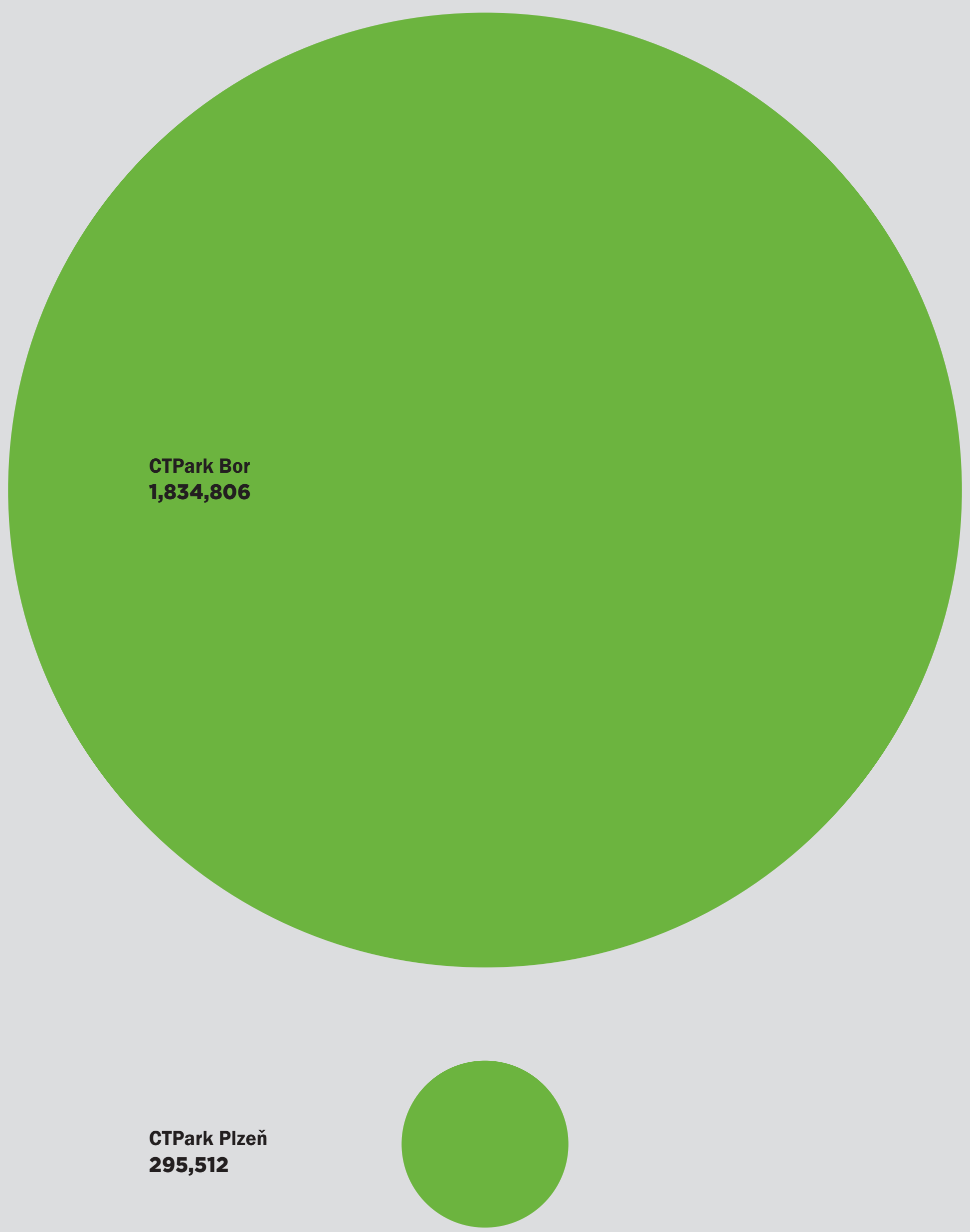
See page 99 for more specific information on Strategic Regions.

CTP Land Holdings

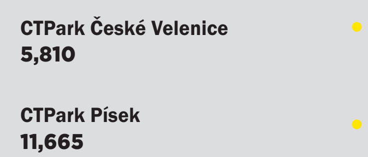
The graphs below show the relative size in m² of CTPark (land) and stand-alone office developments (leasable area) by region.

CTPark Network
Office/Mixed-use

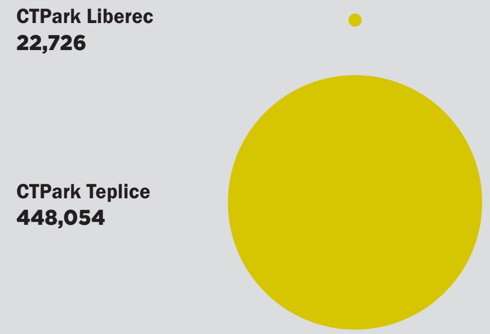
West Bohemia



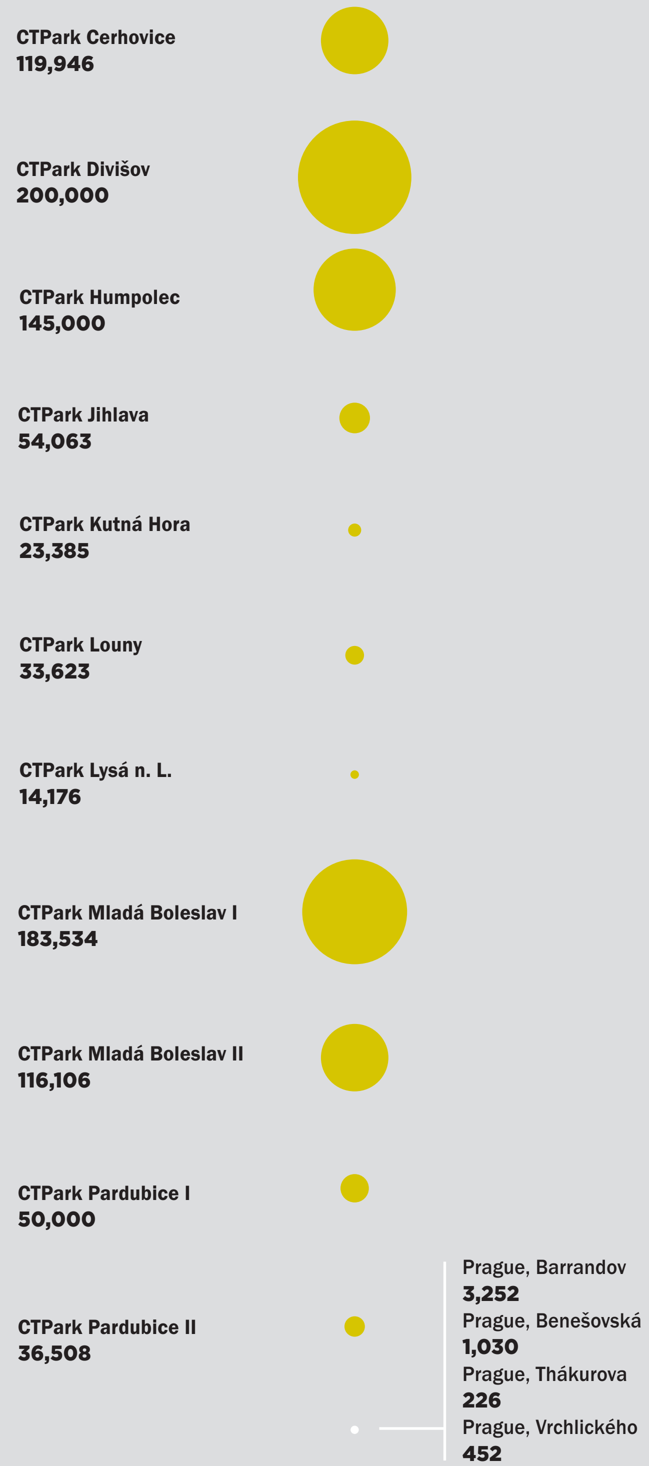
South Bohemia



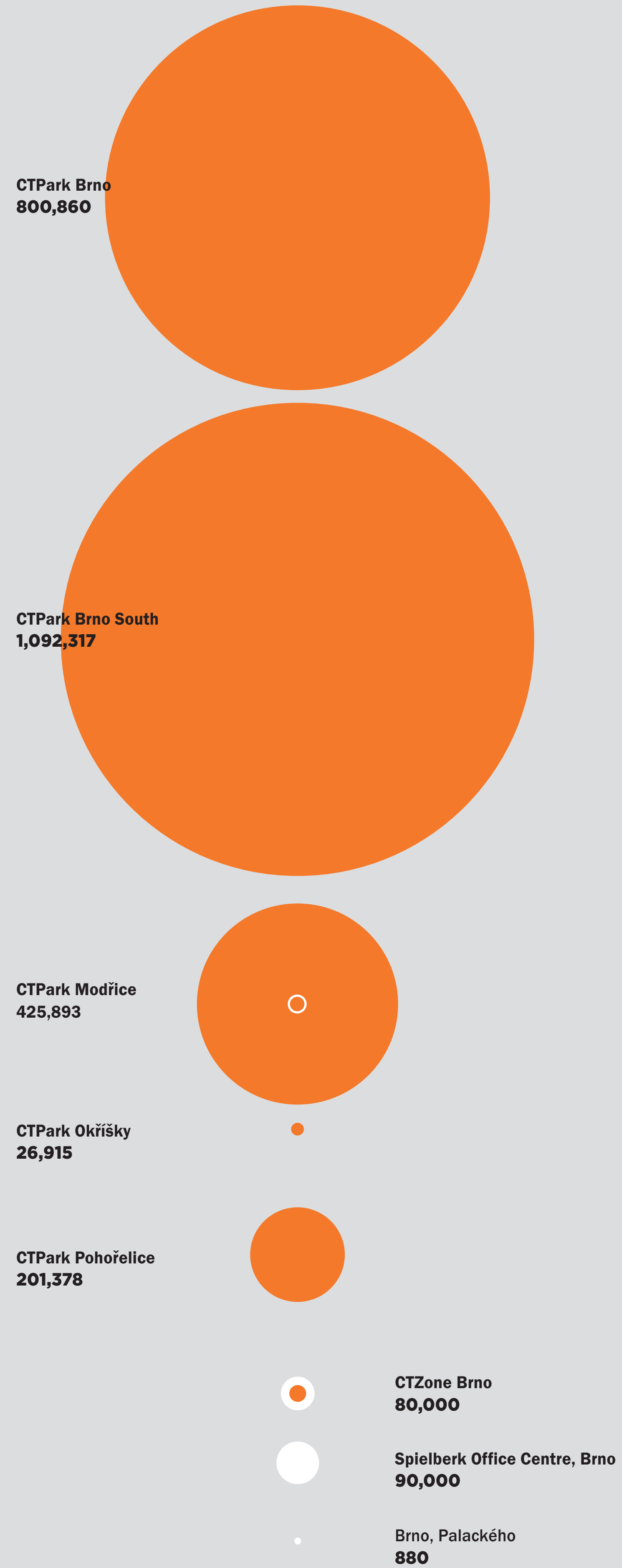
North Bohemia



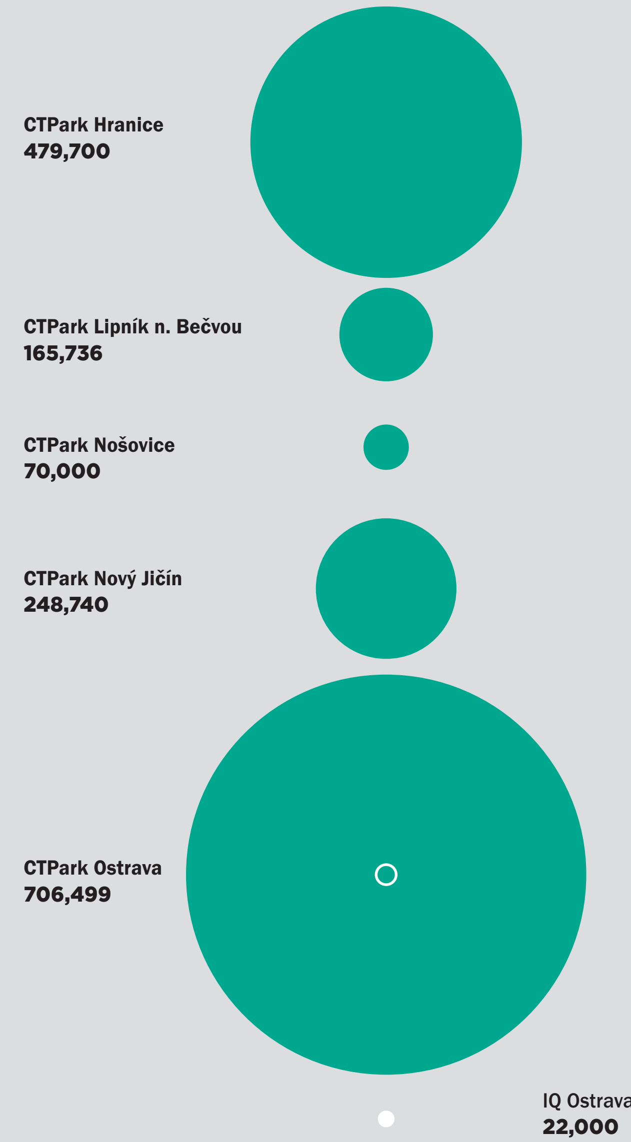
Central/East Bohemia



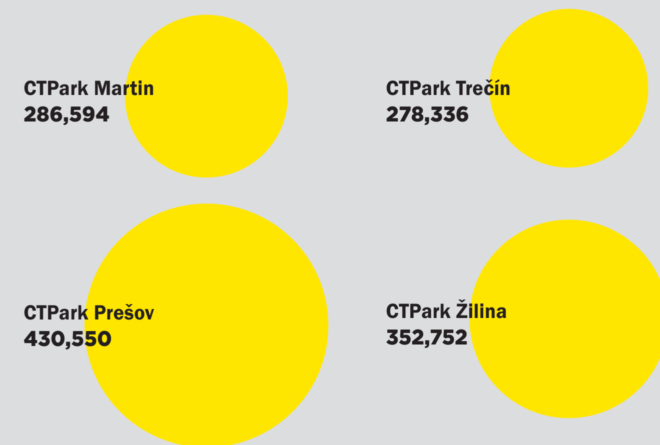
South Moravia



North Moravia

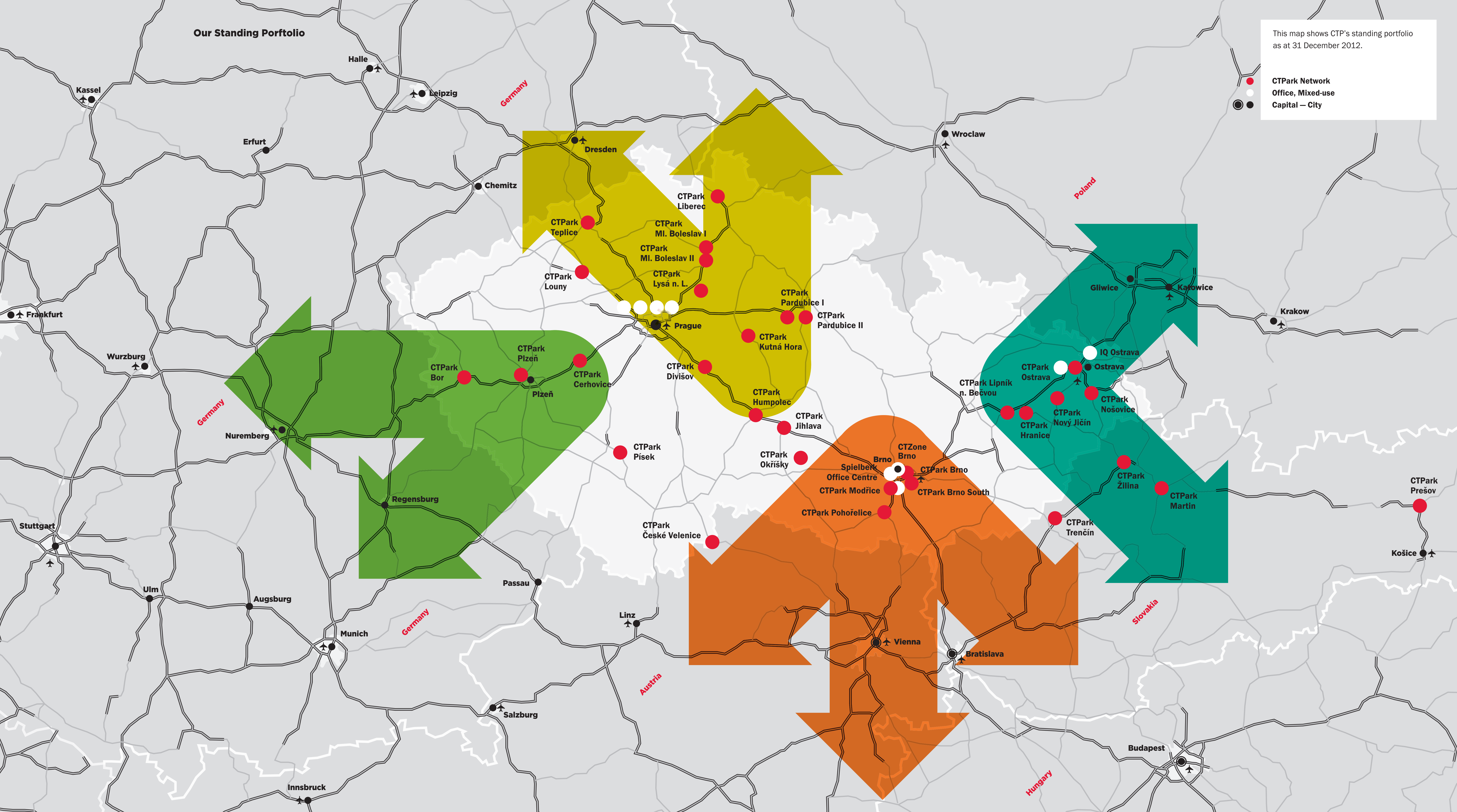


CTP Slovakia



CTP Romania

Our Standing Porftolio



BJS, CTFit, CTPark Humpolec.

CTP's portfolio consists of nearly 1.9 million m² of high-tech, premium-class facilities for global business in Central Europe.

Five unique development types

1. **CTBox**
450 – 800 m²
The three-in-one functionality of the CTBox concept provides showroom, warehousing and office space in one efficient unit.

2. **CTFlex**
1,150 – 3,000 m²
CTFlex buildings are multi-purpose facilities pre-built throughout CEE to support diverse business activities.

3. **CTSpace**
3,000 – 20,000 m²
CTP builds and maintains high-quality, modern warehouses throughout the CTPark Network to accommodate the storage, distribution and supply-chain needs of global business.

4. **CTFit**
from 5,000 m²
CTP specialises in custom-built properties and fit-outs to meet even the most demanding, industry-specific requirements.

5. **CTOffice**
from 195 m²
A-class, cost-effective office space developed in strategic locations to support a range of activities.

CTPark NETWORK

Overview of Portfolio: The CTPark Network

The CTPark Network is our core business —and the largest system of high-tech business parks in Central Europe.

The CTPark Network boasts premium-class business properties in strategic locations across Central Europe, with nearly 1.8 mil. m² of built-up properties. Five unique building types provide the ideal platform to support a wide range of business activities, including high-tech manufacturing, logistics, R&D and back-office operations.

www.ctpark.eu

Core business.

Spielberk Office Centre is CTP's flagship premium-class office park.

Spielberk Office Centre in Brno offers over 90,000 m² of premium-class office and mixed-use space. The unique combination of three property types (Villas, IQ buildings and The Tower), city-centre location, and its relaxed, people-friendly work environment make Spielberk Brno's landmark business address.

www.spielberk.cz

Premium office park.

< The Tower lobby,
Spielberk Office Centre.

The IQ Concept expands CTP's offer of premium-class office space in city centres.

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) opened for business in 2012, with 22,000 m² of premium-class, BREEAM-certified offices and onsite amenities.

www.iqostrava.cz

Smart urban office.

> The IQ lobby, IQ Ostrava.

CTZone

CTZones are unique, mixed-use, city-centre business parks.

CTZones are designed to support a range of activities—from showrooms, small warehousing, and "last-mile" logistics to laboratories, offices and light manufacturing. CTZone Brno, the first CTZone development, combines A-class CTOffice buildings, CTBox units (ideal for SMEs) and refurbished historic properties to create a unique business environment.

www.ctzone.cz

Mixed-use. City centre.

< The first premium-class CTOffice building at CTZone Brno.

Selected Client List

Top 20 Clients

1 Honeywell
2 Wistron InfoComm
3 Bridgestone Europe NV/SA
4 Tech Data Distribution
5 Tieto
6 ModusLink
7 ND Logistics
8 Valeo Compressor
9 AVG Technologies
10 DHL Express
11 Sumisho Global Logistics Europe GmbH
12 ITT Holdings
13 Brembo
14 Electro World (Wholesale) k.s.
15 PPL
16 Henniges Hranice
17 Kompan
18 ABB
19 GE Money Bank
20 ADC Czech Republic

400
Number of clients we worked with in 2012.

Front-desk reception, CTP headquarters, CTPark Humploec.

Financial Managers

Stefan de Goeij

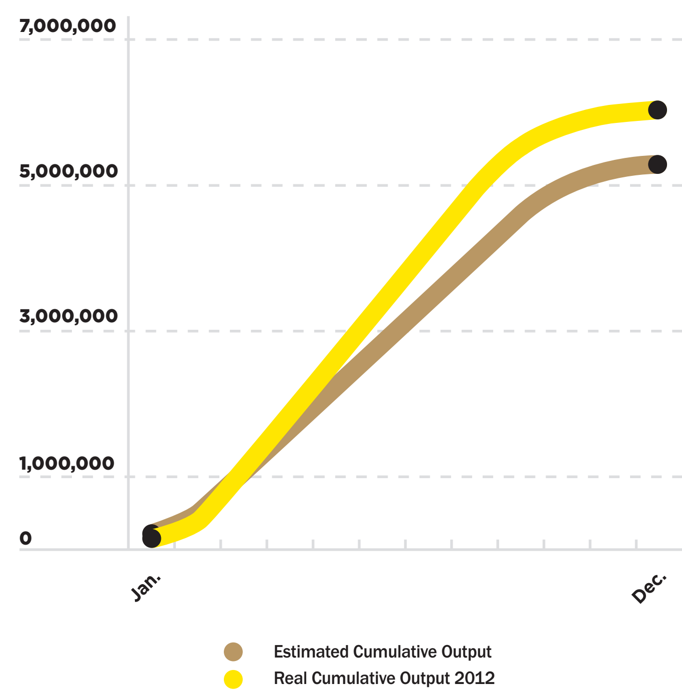
Head of Property Management

The main goals of the Property Management department are to maintain our portfolio to the highest possible standards and to ensure that our tenants' needs are met, so that they can focus 100% on their core activities.

Expenditures

In 2012, the property management team took care of 200 properties and over 400 tenants across the Czech Republic. CTP invested a total of €3.5 mil. on park management services in 2012, which represents 3–4% of annual rental income, as in other years. Capital expenditures, relating primarily to building management systems upgrades and landscaping, reached €500,000 in 2012. The planned investment target for 2013 is €800,000.

Real vs. Estimated Energy output (kWh) of CTP's 6 Solar power station installations

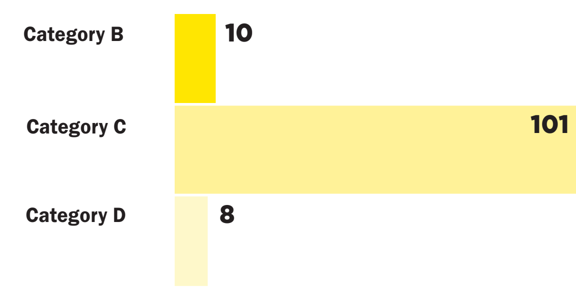


Energy Efficiency & BREEAM

In 2012, the Property Management department carried out an energy audit on the majority of the properties in our portfolio. The results are being utilised by CTP's Design department to help design more energy-efficient buildings and reduce utility costs. CTP uses the latest energy-saving technologies and techniques, including efficient lighting solutions and insulation materials.

To further enhance both asset value and cost-savings for our tenants, all of CTP's premium-class office buildings are now designed and built to internationally recognised BRE Environmental Assessment Method (BREEAM) standards. This means that CTP's office buildings are constructed to global standards for energy efficiency and overall sustainability. In 2012, CTP had six office buildings at various stages of BREEAM certification, including The Tower at Spielberk Office Centre ('Excellent') and IQ Ostrava ('Very Good'). All CTP premium-class office buildings will receive BREEAM certification during 2013. Construction according to BREEAM standards and energy management systems result in buildings that are up to 30% more energy efficient.

Sample of CTP energy efficiency ratings for CTP buildings (number of building per category)



Energy ratings are prepared by the Czech Standards Institute to rank the energy efficiency of buildings. A ranking of "C" is "good". Starting in 2011, all CTP office buildings are designed and built to ensure a high BREEAM sustainability rating.

Milena Uhrová **Property Manager, Spielberk Office Centre**

ISO Certification

In July, CTP's Property Management team passed an internal audit for ISO14001 certification for Facility Management, in line with our commitment to high standards. In 2013 we will continue to further strengthen performance levels until the next internal audit and apply for re-certification of our department in 2014.

Client Management Meetings

In 2012 CTP held a series of management meetings at our business parks at which we informed client managers about our future plans at their specific location. We elicited feedback for park improvements and several suggestions have already been put into place. The meetings were successful and will continue to take place in 2013.

Full-service Package

In 2010, CTP began to offer an enhanced, full-service package to our tenants for comprehensive property management services. As part of the arrangement, CTP takes over full responsibility for the maintenance and upgrades of building equipment such as heating and cooling devices, fire safety equipment and automatic doors. Coverage includes ensuring compliance with building and workplace safety requirements. The number of tenants taking advantage of the full-service package grew to 12 in 2012. The goal for 2013 is to increase take-up by 40%. By creating larger volumes for this service, we are able to reduce costs and pass these savings on to our tenants.

Total property management expenditures (in EUR thousand)

3,700	2010
4,100	2011
3,500	2012

Capital expenditures (in EUR thousand)

500	2012
800	2013

"In July, CTP's Property Management team passed an internal audit for ISO14001 certification for Facility Management."

Zdeněk Apeltauer **Construction & Property Manager**

The Team

CTP's Property Management department grew to 52 employees during 2012, up from 43 people at the start of the year—a 21% increase. Most of the team is based onsite throughout CTP's portfolio of properties, in order to be on-hand to handle property maintenance issues and tenant requests. At CTP headquarters at CTPark Humpolec, we have centralised administrative support including orders, invoicing and HelpDesk requests.

HelpDesk

A milestone for the Property Management team was the successful launch of our online HelpDesk, where clients can post facility management requests 24/7 in an easy-to-use interface. At launch, the target was to fulfil 80% of all HelpDesk requests within five working days. The team exceeded this target and ended the year with an 85% fulfilment rate. With facility managers onsite at each location, we are close to our clients and are able to react to requests in real-time. We continue to work to maintain and exceed our benchmark fulfilment rate in 2013.

HelpDesk 2012

Repair requests/month	Solved under 5 days	Solved under 7 days	Solved over 7 days
105	80%	9%	11%

In 2012, the HelpDesk fulfilled over 80% of requests within five working days. Only 0.39% were repeat requests.

"CTP's HelpDesk handles facility management requests from tenants, with over 80% of requests fulfilled in less than five working days."

Paul Deverell **Business Director**

2012 was a challenging and successful year for CTP's Business Development department. We signed several new lease agreements and extensions and maintained CTP's overall low vacancy rate. As more high-tech companies are making the strategic decision to locate more value-added operations to the Czech Republic, CTP is able to offer these companies the high-quality premises and services they require.

New Clients

In 2012, the business development team was involved in several large-scale prelease agreements. These include new, custom-built facilities for FEI Company, Faurecia, Honeywell and ABB—all of which are creating high value-added services and manufacturing capabilities in the Czech Republic. During the year several successful project completions and handovers took place. New tenants moving in to new facilities in 2012 include Kompan, Wistron, ViskoTeepak, Raben, Dachser, Tieto and Brembo, representing a total of nearly 170,000 m^2. We also welcomed several new tenants to existing facilities, including Boshoku, Hellmann and Lear Corporation. In 2012, the Business Development department was involved in negotiations for several expansion contracts with existing tenants.

New Trends

Perhaps the strongest trend in 2012 and recent years is the increasing awareness among foreign investors of the strategic advantages of the Czech Republic for high-tech and value-added activities. The Czech Republic is now a core part of more and more of our clients' European operations. We are also seeing investors from outside Western Europe, including Asian investors seeking manufacturing/warehousing facilities for European markets. As online sales continue to grow across Europe, we are seeing more demand for strategic distribution facilities, as rapid delivery times become the norm.

"The most important aspect of business development is the personal approach. As the world becomes more 'online,' you can't beat the good old-fashioned way of jumping in the car, picking up the phone, and meeting one on one."

Jiří Kostečka

Business Development

We have also witnessed an increase in the number of companies choosing to consolidate multiple business operations in the Czech Republic as part of their strategy to streamline efficiencies and reduce costs. Companies that may have invested in the Czech Republic initially in one business line discover the added-value the Czech Republic offers, and thus are re-locating other business activities to the country, including production, distribution, R&D, IT and sales.

Another driving factor in consolidation is the number of OEMs either located directly in the Czech Republic or in the near vicinity. The Czech Republic boasts several major automotive and high-tech hubs—particularly in Brno, Ostrava and Plzeň. Strategic location in the centre of Europe places the Czech Republic close to both customers and suppliers.

Communication

CTP's Business Development department is constantly engaged in communicating the business benefits of the Czech Republic and CTP's property portfolio to the marketplace. This includes participation at trade fair events such as MIPIM and Expo Real and other industry-specific events.

In October 2012 CTP attended the "New York – Brno Days" event in New York City, and we made frequent client trips to Germany and elsewhere in Western Europe to meet with business directors and heads of European operations. CTP is an active partner to international chambers of commerce in the Czech Republic.

Legal Department

CTP's team of in-house lawyers handles a diverse range of legal tasks for the company, from the preparation of lease and sublease agreements to financing contracts and handling strategic company acquisitions and divestments. Having a dedicated in-house legal team that is specialised in property development activities strengthens CTP's business position and enables the timely conclusion of lease agreements.

Luboš Zajíček **Head of Legal Department**

Lease Agreements

In 2012, CTP's Legal department drafted and concluded a total of 266 lease documents with tenants, which is on average more than one contract per working day. This included 84 lease agreements and 115 contracts for renewals or extensions. One trend we noted in 2012 is that clients are concentrating more closely on contractual elements, and this makes our work time-sensitive and demanding. We work closely with client counsel to ensure transparency and that agreements are agreed and concluded without delay.

Acquisitions & Disposals

In 2012, the Legal department was involved in negotiations and drafting purchase agreements for several strategic acquisitions. These include the purchase of land and existing buildings at CTPark Mladá Boleslav II and at CTPark Brno, as well as the purchase of additional zoned land at CTPark Bor, at IQ Ostrava, and in Nošovice, near the Hyundai auto assembly plant, for the construction of CTPark Nošovice. During the year, the Legal department was also involved in the sale of non-core assets, such as the electricity and gas grids servicing several CTPark locations. These disposals helped to ensure additional equity for future investments into CTP's core development activities.

Yvette van der Ploeg **Corporate Lawyer**

Financing & Restructuring

The Legal department works closely with the CFO and Finance team to review and prepare all loan and other financing agreements on behalf of the company. In 2012, the Legal department was involved in nine large-scale loan agreements and 85 security transactions in order to secure financing of €350 mil. Legal work in the financial area also involves handling intragroup transactions.

Team Development

In 2012, the Legal department grew and at end-year numbered five lawyers and two assistants. As part of the ongoing development of our team, in 2012 we improved our internal database of contracts, which now serves as a central library for intra-company knowledge. The database contains all pertinent information regarding our buildings, tenants and lease history. In 2013, we plan to further enhance and streamline this important internal resource, which accelerates the preparation of lease contracts and increases overall efficiency within CTP.

"In 2012, CTP's Legal department concluded 266 lease agreements with clients, which is more than one contract per working day."

CTP's Design team came together when, after years of external collaboration on CTP projects, Radek Maar and Tomáš Nenutil joined CTP.

The Design department is part of CTP's comprehensive service. Our main focus is the design of buildings and their adaptation to meet the demanding needs of our clients. In cooperation with architects from CTP's long-term partner Studio Acht, the Design department defines the architectural and technical parameters of CTP buildings to ensure that they meet the highest quality standards.

We work actively with the client in all phases of development, from the selection of land and building placement to building design and customisation. We also help clients identify and source manufacturing technology. Working closely with CTP's Purchase department enables us to source latest-technology solutions and the highest-quality materials from best-of-breed producers at the most effective prices.

At end-2012, the Design team numbered five people. As part of our activities we also collaborate with several external providers with whom we have worked for many years: co-designers, specialists in various construction professions, and specialised teams for the environmental assessment of buildings, construction technologies and the energy performance of buildings.

Building Space for Nanotechnology

Among the largest and most demanding projects started in 2012 is the new design and manufacturing facility for FEI Company at CTPark Brno – Phase II. We are preparing all project documentation for construction to start in 2013. The high-tech nature of FEI's operations require that the building and all technical equipment meet exceptionally high standards in terms of both design and materials.

Raising the Bar: Higher Standards

As part of the on-going process to enhance the quality of CTP facilities, we are actively analysing the results of the BREEAM certificates for office buildings in Brno and Ostrava that CTP received in 2012. Our goal is to ensure that CTP's building standards meet or exceed the current requirements for overall sustainable construction.

"Our goal is to ensure that CTP's building standards meet or exceed the current requirements for overall sustainable construction."

Design department (from left): Jaroslav Hamrla, Radek Maar, Tomáš Nenutil and Lukáš Ingr.

Construction Department

Tomáš Kult

Senior Construction Manager

CTP's Construction department has years of experience building premium-class business properties. The team manages each stage of the construction process in-house, working closely with clients, our other in-house teams as well as our suppliers to ensure that CTP facilities meet the highest international building standards and that the construction process runs smoothly and on plan. In 2012, CTP's Construction department received ISO 14000 certification for Environmental Standards, which underscores our commitment to sustainable development.

Premium-class Office Construction

Team highlights in 2012 include the completion of two large-scale premium-class office projects with combined rentable area of over 40,000 m^2: The Tower at Spielberk Office Centre in Brno, and IQ Ostrava. Both are built to BREEAM quality and sustainability standards. Construction plans for IQ Ostrava were customised to meet the specific requirements of the anchor tenant, Tieto. The company required the highest environmental standards, which called for the installation of additional technologies that make the building unique in the Czech Republic. Other premium-class projects include a new CTOffice complex at CTZone Brno and an extension of Honeywell's office complex at CTPark Brno.

The CTPark Network: High-tech Buildings

During 2012 the Construction department oversaw the construction of over 15 custom-built high-tech facilities throughout the CTPark Network totalling nearly 185,000 m^2. This includes new development projects as well as expansions for existing tenants. Significant new development projects included the start of construction of a custom-built, 40,000 m^2 production and R&D centre for FEI Company at CTPark Brno; construction of a new, 26,000 m^2 production hall for car parts maker Faurecia at CTPark Mladá Boleslav; a new, production and R&D facility for Smiths Medical at CTPark Hranice; several large-scale buildings at CTPark Brno; and construction of a new test and repair centre for ABB at CTPark Ostrava. Major expansion projects included a new, 16,000 m^2 logistics space for Tech Data at CTPark Bor and a new, 7,000 m^2 production space for BJS at CTPark Humpolec.

Tomáš Novotný **Regional Director**

"In 2012, CTP's Construction department handled over 15 construction projects in various stages, totalling over 180,000 m^2 of leaseable space, including both premium-class office buildings and state-of-the-art high-tech facilities."

Hana Mancová **Head of Purchase Department**

CTP's Purchase department works closely with the Design, Construction and Finance teams to ensure the timely, cost-effective provision of all required construction materials and technologies.

In 2012, the Purchase department was actively involved in providing material support for over 180,000 m^2 of new construction, including over 40,000 m^2 of premium-class office buildings.

Average unit prices for materials were slightly higher in 2012 than in 2011. This is due to certain one-off costs relating to specific projects and because, in 2012, a large percentage of CTP's construction involved premium-class offices at BREEAM standards. The smaller scale of office developments and the generally higher quality of materials used to achieve BREEAM standards increase overall costs.

Nevertheless, on-going cost saving measures helped to ensure that purchasing costs are nearly 30% less compared to 2009–2011, the result of streamlining intragroup processes and coordination.

Eye on Costs

A primary focus of the Purchase department is to ensure cost-effectiveness throughout the procurement process. We work closely with CTP's accounting team and in-house controllers to manage orders and invoices from suppliers and to match these with corresponding invoices to CTP clients. This enables us to have an overview of per-project costs and to amend aspects of the supply chain if problems arise.

Close cooperation between the Purchase and Finance departments allows us to monitor and be able to predict cash flow to ensure the timely payment of purchasing orders and suppliers. In construction, timely payment and advance payment to sub-contractors and suppliers helps to reduce costs, and we are able to pass these savings on to our tenants.

Efficient management of purchases and supplier costs enables CTP's financial managers to maintain an accurate overview of the overall economic performance of the company, which, in turn, informs strategic decision-making.

Focus on BREEAM

CTP has made the strategic decision to ensure that all premium-class office buildings receive a high BREEAM rating. This requires special attention when sourcing materials and technologies to ensure their compliance with BREEAM's strict energy efficiency and quality guidelines.

In 2012 the Purchase department was actively involved in sourcing specialised materials for CTP's portfolio of BREEAM-certified office developments. This included fulfilment of various custom-designed solutions, for example for the R&D facility under construction for FEI Company, which requires special clean rooms and low-vibration walls and flooring. The Tower at Spielberk Office Centre and IQ Ostrava, both of which received high BREEAM certification in 2012, required the procurement of advanced construction materials and specialised systems for water management and climate control.

Working Together

The Purchase department is a vital part of CTP's vertically integrated strategy for project development. To ensure both quality control and cost efficiency, the purchasing department is involved early in the design process. This helps to streamline project development and enables CTP to secure adequate supplies with an appropriate lead time, thereby avoiding problems in the longer supply chain or those caused by larger market externalities. Working in tandem with Construction, the Purchase department ensures the provision of sub-contractors and helps to manage the construction process as it is underway. Working closely with Finance helps ensure cost effectiveness throughout project development.

"In 2012 the Purchase department was actively involved in sourcing specialised materials for CTP's portfolio of BREEAM-certified office developments."

Permitting Department

Petra Pivovarová **Park Manager**

CTP's Permitting department is involved in each aspect of the development process—from the early planning stages through to construction, fit-out and handover to the client. We have years of experience handling all aspects of permitting for project development, technology installation, operations and expansions. In all cases, our goal is to ensure that the permitting process is trouble-free and runs as quickly as possible. Over the years, we have fostered good working relationships with the local authorities, and CTP has earned its reputation as a responsible partner for community development.

During 2012, CTP's permitting department prepared and filed hundreds of applications for various permits relating to the construction and operation of CTP's portfolio. This includes everything from land usage and environmental impact assessments to construction permits and special authorisations for technology fit-out, water and waste usage, and power supplies.

"Permitting is an essential part of the development process. Without building permits, construction cannot start. Without usage permits, the building cannot be handed over to the tenant."

Our on-the-ground understanding and good working relationships with the local authorities enable us to facilitate the permitting process in the shortest timeframe possible. This service is highly valued by our tenants, particularly first-time foreign investors, as it enables them to set up operations quickly and focus on their core business activities.

Support for Portfolio Expansion

The Permitting department actively assists in the expansion of CTP's portfolio. We handle all permitting relating to land acquisitions to ensure that land is zoned for proper usage and that all project infrastructure is approved for use. We are also involved in acquiring the necessary permits for CTP acquisitions and the upgrading of existing facilities to higher-rated energy efficiency standards.

On-going Operations

The need for permitting does not end when the final usage permits are issued. Permits are often required as tenants expand operations and install new technologies. CTP's Permitting team works closely with the Property Management department to ensure that the appropriate permits are pre-approved for tenant expansions.

Five Steps of the Permitting Process

The Permitting department works closely with CTP's Design team, Construction managers and directly with the client to ensure the timely delivery of all appropriate permits at various stages of the development process. In general, there are five main stages of the permitting process.

1. **Environmental impact assessment (EIA)** – The permitting process starts in most cases with an EIA, as CTP purchases land already zoned for our purposes (administrative buildings or light industry). During the EIA the basic parameters and conditions for the relevant activity are established, various development solutions are evaluated, and conditions are proposed.
2. **Planning permit** – Planning permits address specific issues relating to the building in question, its precise location, and sets out the parameters for various technical solutions.
3. **Integrated Pollution Prevention and Control (IPPC)** – This provides detailed binding conditions for the operation of specific facilities in line with relevant legislation. During this stage, the aim is to introduce the best available technologies with maximum efficiency and minimal negative impact on the environment.
4. **Building permit** – During the building permit procedure, technical details are refined and specific technologies are specified. Once the building permit is issued, the construction of the building can start.
5. **Usage permits (trial-use/final-use permits)** – Once construction is finished and technology has been installed, CTP organises a final site inspection with the relevant authorities. In some cases, the authorities will grant trial-use permits. During the trial period, CTP monitors various aspects of operation, including workplace conditions, emissions and noise levels, before final use permits are issued.

Marketing Department

Thomas A. Kostelac (L) **Marketing Director**
William Zach (R) **Art Director**

CTP's Marketing department ensures that company branding is synonymous with our high-quality portfolio of developments and suite of property management services. Our job is to support business development and to communicate CTP's strategy, policy and plans to the marketplace across CEE, Western Europe and the world.

Brand Power

CTP's Marketing department is involved in all levels of corporate communication. This includes everything from preparing road shows, company sales presentations and research to advertising, event planning, sponsorships and community outreach cooperation. In 2012 the Marketing department expanded as part of CTP's consistent drive toward higher levels of professionalism and service.

Highlights from 2012 include the creation of a new website for the CTPark Network, which provides greater ease of use; a well-received redesign of the CTP Newsletter; introduction of a regular eNews bulletin; and creation of the company's 2011 Annual Report, which was recognised among the top annual reports in the Czech Republic for the year.

Clear Communication

We continue to communicate the strategic benefits of locating added-value operations with CTP facilities and deepen brand awareness, not only in our home market but also internationally.

Looking ahead, in line with CTP growth plans, the Marketing team will become increasingly involved in promoting awareness of CTP's activities to both the business and broader community at industry, architectural, art and charity events. CTP is a long-term investor and seeks to be known for its high standards and the positive impact on the communities in which we operate.

Branded Developments

CTP

Industrial Product Brands

The CTPark Network

CTPark NETWORK

Five Development Types

CTBox CTFlex CTSpace CTFit CTOffice

CTZones

CTZone

Office / Mixed-use Product Brands

Spielberk Office Centre

SPIELBERK OFFICE CENTRE

IQ Office Concept

IQ

Spielberk Office Centre, IQ Building entrance.

Section Contents

> Karel Smejkal and Tomáš Kult, Construction Managers.

89 **CTP Year Book**

Building Green at CTP

CTP has taken the lead in the development of state-of-the-art business properties in Central Europe. We make significant investments to ensure the highest construction, safety and energy efficiency standards. Since 2011 all CTP premium-class office properties are designed and built for comprehensive sustainability. Green buildings enhance asset value, minimise environmental impact, enhance long-term economic performance, and satisfy both the workplace environment and bottom-line requirements of our tenants.

BREEAM-certified

CTP follows the internationally recognised BRE Environmental Assessment Method (BREEAM) for sustainable building design, construction and use. BREEAM is a comprehensive assessment system that looks at the full lifecycle of a building and its impact in a variety of areas, including energy efficiency, environmental friendliness, and overall workplace safety and comfort.

BREEAM certification involves several rounds of assessments at various stages of project development. These factor in diverse categories of sustainability, including building design, low-level environmental impact during construction and operation, and the installation of various building management systems to reduce the consumption of natural resources. BREEAM also takes into consideration central location and connectivity to public transportation and bicycle routes, as well as the ability to recycle materials following eventual de-commissioning of the building.

As at end-2012, BREEAM-certified buildings in CTP's portfolio include The Tower at Spielberk Office Centre, IQ Ostrava, the CTOffice complex under construction at CTZone Brno, and the custom-built R&D office building for FEI Company at CTPark Brno. In line with CTP's long-term development strategy, all newly built premium-class office properties will aim to receive high-level BREEAM certification.

Environment & Ecology

To harmonise buildings as much as possible with the environment, CTP ensures the effective and innovative use of natural resources and recycled and recyclable construction materials. Building design maximises the use of natural light and temperature changes to minimise energy consumption and emissions. Sophisticated systems are in place to manage and conserve water usage, including low-water consumption sanitary facilities; automatic shutdown of water mains in the event of leakage; and landscape irrigation utilising recycled rainwater.

Comprehensive sustainability at CTP involves the combination of both high-tech and people-focused solutions to ensure a healthy and safe environment that enhances overall quality of life at the workplace. This includes such features as naturally landscaped gardens, maximum use of natural light within the office, and special in-built features such as shower facilities and changing rooms for those who bike to work.

< The Tower at Spielberk Office Centre in Brno is one of the most advanced office buildings in the Czech Republic.

“CTP’s BREEAM-certified, premium-class office buildings reduce monthly energy consumption by up to 30%.”

Cost Reduction

One of the prime objectives of building to high-standard BREEAM specifications is the overall reduction in operating costs. Energy costs are reduced by as much as 30% at CTP’s BREEAM-certified buildings compared to non-green constructions. As part of CTP’s assurance of operating efficiency, all building services are monitored before the property is put into use to ensure that they are functioning properly and optimised for performance. Electrical lighting and climate control systems are divided into zones so that utilities can be regulated separately and used only when and where they are needed. Detailed sub-metering of energy usage allows constant monitoring to catch any irregular energy consumption or functioning of the system.

Value-added Buildings

In addition to the benefits of cost savings, environmental protection and overall worker comfort, BREEAM certification brings additional added value to CTP and its tenants. Companies are increasingly placing a premium on locating their operations in green buildings as part of corporate culture and overall business strategy. BREEAM-certified buildings are built above current standards and thus pre-empt future statutory requirements concerning energy efficiency and worker safety. Companies locating in CTP’s BREEAM-certified buildings benefit from state-of-the-art business premises designed for long-term sustainability, which helps to bolster community and environmental stewardship credentials.

For CTP, BREEAM certification is part of overall company strategy to expand the portfolio with premium-class office buildings supporting high-tech and knowledge-based businesses in strategic locations. BREEAM certification enhances overall building value by over 8% and further strengthens CTP’s reputation as an innovative, market-leading developer and asset manager. BREEAM is part of CTP’s long-term vision to develop and manage the largest and highest quality portfolio of modern business premises in Central Europe.

What is BREEAM?

The Building Research Establishment Environmental Assessment Method—BREEAM—is the world’s leading environmental assessment method and rating system for the development of new buildings. BREEAM benefits include:

- Market recognition for low environmental impact buildings.
- Confidence that tried and tested environmental practice is incorporated in the building.
- A benchmark that is higher than statutory regulations.
- A system to help reduce running costs.
- A standard that improves the workplace environment.

> Karel Smejkal, Construction Manager, explaining how CTP sourced special Italian marble for The Tower reception and elevator lobbies on each floor.

< The Tower, view of top-floor office space and rooftop terrace.

Spielberk Tower

In 2012, The Tower at Spielberk Office Centre received an “Excellent” BREEAM rating for the design stage, making it one of the most advanced office buildings in the Czech Republic. CTP’s application for a final, post-construction BREEAM assessment for “Outstanding” is currently pending. Receipt of this rating would make The Tower at Spielberk Office Centre one of the most advanced office buildings in Europe.

Special ecological and energy saving features of Spielberk Tower include innovative hybrid cooling towers and advanced climate control technologies using chilled beams and heat recovery systems. An intelligent, motion- and intensity-sensitive lighting system significantly cuts down on electricity use. Overall, The Tower achieves very low energy consumption of 87 kWh/m^2 per year.

IQ Ostrava

IQ Ostava is the most modern office building in Ostrava and one of the most advanced in the Czech Republic. Construction began in 2011 following extensive negotiations with the anchor tenant, Tieto. CTP customised the design to meet Tieto’s requirements, which included a high level of energy efficiency and BREEAM certification. IQ Ostrava received a “Very Good” BREEAM rating during the design phase. Following implementation of recommendations from BREEAM, a final, post-construction assessment for an “Excellent” rating is now pending.

Special ecological and energy saving features of IQ Ostrava include external sun blinds on the façade, which are light sensitive and electronically controlled, together with internal electrical lighting to minimise the use of artificial light during the working day. CTP installed a customised waste management system that utilises refuse to pre-heat hot water supplies. Rooftop collectors filter rainwater for landscape irrigation.

CTOffice

CTP is now applying high BREEAM efficiency and sustainability standards to its premium-class CTOffice branded development. CTOffice buildings are developed as part of the CTPark Network and at other CTP development locations. The first BREEAM-certified CTOffice building, currently under construction at CTZone Brno, is scheduled for handover by mid-2013. CTOffice broadens the scope and range of CTP’s premium-class office buildings and features an innovative atrium-core design that offers expanded floor plates to support a wide variety of workplace layouts. CTP plans continued expansion of BREEAM-certified CTOffice buildings throughout its portfolio.

Custom-built BREEAM

CTP specialises in the design and construction of custom-built business properties. This includes built-to-suit office and R&D facilities that meet high BREEAM efficiency and sustainability standards, such as the BREEAM-certified, custom-built R&D facility for FEI Company at CTPark Brno. CTP is the market leader in the delivery of custom-built, state-of-the art facilities that meet BREEAM’s high standards for sustainability.

The completion and handover of Spielberk Tower and IQ Ostrava, with together over 40,000 m^2 of BREEAM-certified, premium-class office space, was a major milestone for CTP in 2012.

Dual-panel glass facade

Building management systems

Changing room for bicyclists

BREEAM at CTP

CTP's in-house team of experts are involved in every stage of BREEAM certification, from the initial planning and design to construction and property management. CTP's Design department is tasked with finding appropriate and cost-effective solutions to achieve high energy efficiency and overall sustainability. The Purchasing department works closely with the Construction team to secure appropriate, high-quality recyclable materials and technologies, including heavy load-bearing floors and special fire-resistant walls. During the planning and construction process, the Permitting department ensures that all necessary authorisations for the installation of special energy and environmental management systems are in place. Once construction is completed, the Property Management department monitors building performance and makes suggestions for on-going improvements based on BREEAM assessments, ISO quality assurance audits, and the development of new technologies.

Sustainable Development

CTP is fully committed to the highest international standards for sustainable development. This means construction and operation of buildings with minimal environmental impact and maximum energy efficiency. Sustainability at CTP also means long-term investment into high-quality, high-yield assets with proven market demand.

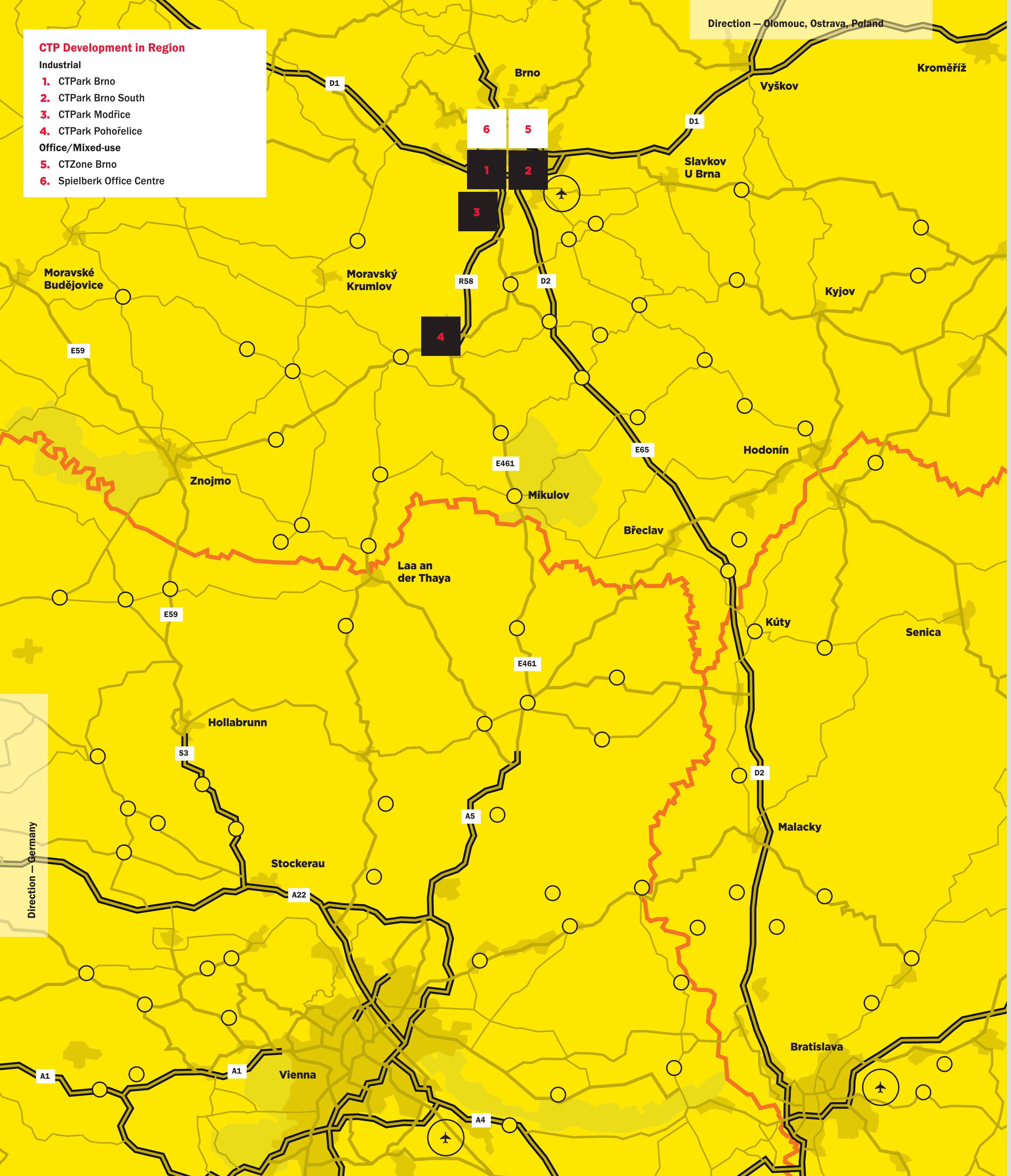
CTP's premium-class office properties have enhanced asset value and a long-term operational lifespan of more than 50 years. The take-up of premium-class properties in the Czech Republic is increasing as the country continues to attract large-scale investment in cutting-edge industries such as nanotechnology, biotechnology and IT. Leading knowledge-based companies are increasingly demanding BREEAM-certified buildings for new facilities, as this greatly enhances both the efficiency and overall comfort and quality of the workplace. CTP is a market leader in the development and management of premium-class office properties in strategic locations to meet the needs of modern business in Central Europe.

CTP Premium Benefits

CTP's premium-class office buildings bring numerous benefits focused on overall sustainability, environmental friendliness, and workplace comfort. These include:

- Cyclist facilities, bicycle paths and excellent access to local public transport.
- Lifecycle cost analysis to minimise building CO_2 footprint.
- Maximum ecological usage of land and natural resources.
- High-quality interior design and furnishings.
- Optimum flexibility of internal floor plans.
- Landscaped gardens with ecological irrigation and land management.

> BREEAM-certified IQ Ostrava is one of the most advanced office buildings in the Czech Republic.



Strategic Region: South Moravia

Brno, the Czech Republic's second-largest city and capital of the South Moravia region, is one of Europe's new centres for IT, bio-tech, nanotechnology and high-tech manufacturing. The city's high concentration of university students, high standard of living and international mix continues to attract a diverse range of foreign investment. South Moravia's strategic position as the gateway between central and south-eastern Europe make it ideal for cross-border business.

Business benefits include:
High-level of FDI
Over 1.1 mil. inhabitants in the region
Brno is the Czech Republic's second largest city
13 Universities, with focus on IT & science
Strategic position near Austria/Slovakia
High-tech manufacturing base
Gateway to southern & eastern Europe
Lower operating costs

Higher Education

With over 17,000 graduates a year, Brno is the ideal location for a wide range of high-tech and knowledge-based investors who need a smart and well-educated workforce. Leading local universities include Masaryk University, with strong faculties in medicine, science, law, economics and IT; and Brno University of Technology, with top-rated electrical engineering, chemistry, and IT faculties.

- Masaryk University (42,000 students)
- Brno University of Technology (24,000 students)
- Mendel University (10,500 students)
- University of Veterinary and Pharmaceutical Sciences (8,000 students)
- Brno International Business School (3,000 students)

21st Century Knowledge Hub

Brno is one of Europe's fastest-growing centres for world-class R&D and innovation. The Central European Institute of Technology (CEITEC) is fast becoming a premier centre for advanced material and life science research. The International Clinical Research Centre, a joint project with Brno's leading universities and the Mayo Clinic in the United States, brings cutting-edge biomedical R&D to Brno.

- CEITEC, material and life sciences
- ICRC, biomedical R&D
- Material Research Centre, inorganic material
- NETME Centre, mechanical engineering
- CESLAB, applied physics

Logistics Gateway

Brno and South Moravia's geographic position makes it the natural gateway between central and south-eastern Europe. The region's high-capacity and high-density transport infrastructure and close proximity to Vienna and Slovakia make it ideal for cross-border supply chains and distribution centres.

- Major pan-European motorway junction
- Close proximity to Vienna
- Proximity to suppliers/producers in Slovakia
- Inter-city rail/freight connections
- Brno International Airport

Investor Overview

South Moravia is a dynamic, fast-moving global business environment.

Major international investors in the region include:
ABB, Andrew, AVG, Bosch, Daikin, DHL, FEI, GTS, Honeywell, IBM, Infosys, Lear, Red Hat, SGI, Siemens, Tyco, Wistron.

Fact Sheet	
Population	1,156,930
– of Brno (capital)	371,371
Labour force	620,202
Pop. density	159.4
GDP (EUR mil.)	15,318
GDP per capita (EUR)	13,288
GDP (% share of CZ)	10.3%
FDI (to 2009, in EUR bil.)	5.1
FDI (CZ average, to 2009, in EUR bil.)	6.24
Unemployment (2012)	9.8%

South Moravia

Lenka Kostrounová **Director of Real Estate Finance, ČSOB**

Working Together with a Long-term Vision to Grow

ČSOB, part of the KBC banking group, is the leader on the Czech banking market. CTP's cooperation with ČSOB dates back to the late 1990's, and over the years the relationship has grown steadily. Today, CTP is one of ČSOB's largest clients in the Czech Republic. Lenka Kostrounová, Director of Real Estate Finance at ČSOB, explains the strengthening relationship and why CTP is a valued business partner.

"CTP is one of ČSOB's most important clients. They are a very professional player, and we have a well-established and growing relationship with them. CTP is particularly strong in Brno, which is also an important area for ČSOB. Based on our proven relationship and their strong market position, we decided to support CTP with further development activities in Brno.

For us, it is important to know in advance that the properties are pre-leased and that the future tenants are known. This is because, as a bank, we are financing against future cash flows. CTP has highly respected tenants in both logistics and high-tech industries, and these are the kinds of clients that we, as a bank, are interested in.

The Czech Republic is an important market for our parent bank, KBC. While many of the loans ČSOB has provided to CTP have been decided at the regional level, KBC as the parent bank is aware of CTP's activities and is involved as guarantor in several transactions. KBC only gets involved with our largest, most important international clients. KBC considers CTP an international player, as they have operations and investments also in Slovakia, Romania and elsewhere in Europe."

"ČSOB has a strong and proven relationship with CTP. They are one of our most important clients."

< Construction work at CTPark Brno for FEI Company's 40,000 m² R&D and high-tech production facility, co-financed by ČSOB. During 2011–2012, ČSOB invested more than €150 mil. into CTP projects.

ČSOB Loans to CTP (in EUR thousand)

Mutual Trust is the Key

"The relationship with CTP has been excellent. We trust one another. CTP are aggressive players, but they should be, because they have a strong track record, they have experience and they know how to do their work. [CFO] Radek Zeman, for example, as a former auditor, has a full understanding of our requirements. He understands the bank's position, which means that our discussions are very balanced. Radek trusts us and we trust Radek and his people.

This kind of mutual trust is key, because guaranteed financing is about relationships. In today's environment, everything is based on trust and on past, proven 100% good performance."

Growing Together

"Despite the economic slowdown in Europe, ČSOB is in a strong position and we continue to seek new investments, including with CTP. Because of the current banking restrictions under Basel III, we are actively working together with CTP to help restructure some of our current investment portfolio, in order to free up capital for new investments. This is good not only for CTP but also for ČSOB, as it allows us to be proactive and participate in new opportunities.

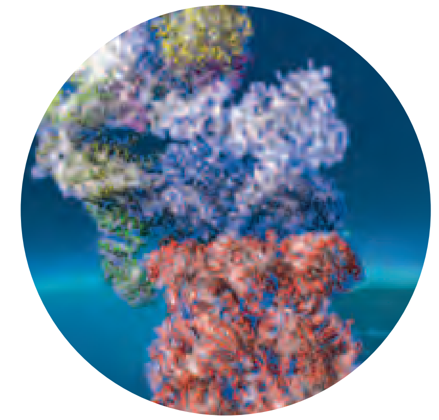
Although the market is more restricted because of the crisis, the crisis is not so relevant for us. ČSOB is historically one of the most conservative banks on the Czech market. With conservative structured financing in place, and by knowing the performance of our client and future cash flow from tenants, we are able to continue to finance new projects. We remain ready to finance with strong partners like CTP. In this sense, we do not see any big issues vis-à-vis the crisis."

"This kind of mutual trust is key, because guaranteed financing is about relationships."

< FEI's electron microscopes are used for a wide range of applications, including biomedicine, IT and material engineering.

Fact Sheet

Company
FEI Company
Sector
Nanotechnology
Activity on Premises
Production, testing and design of electron microscope solutions and technologies
Location
CTPark Brno
Property Type
CTFit
Facility Size
40,000 m² (under construction)
Move-in
2014
Tenant Website
www.fei.com



FEI Consolidating Nanotechnology at CTPark Brno

Nanotechnology is one of the world's fastest-growing high-tech sectors. Governments, research institutions and companies in diverse industries are all making significant investments into nanotechnology and exploring new applications for its use. Electron microscopes are an essential tool in the continuing advancement of nanotechnologies. They are used in an increasingly wide array of applications and industries—from the life sciences to oil & gas, mining, IT, aviation, automotive and more. As the global leader in electron microscopes, it's not surprising that US-based FEI Company has experienced rapid growth in recent years.

In 2012, FEI signed an agreement with CTP to build a 40,000 m² state-of-the-art CTF Fit production and R&D facility at CTPark Brno to consolidate and expand its existing operations in Brno under one roof. The move helps position the company for further growth as nanotechnology applications continue to expand. FEI plans to launch full operations at its new facility at CTPark Brno by early 2014.

In 2012, FEI partnered with National Geographic and invited owners and users of FEI microscopes to submit their best nano-scale images. Over 230 high-quality images from around the world were submitted. The enthusiastic response has inspired a feature-length film exploring the mystery and beauty of the nano world. The above image shows a near-atomic resolution structural model of a yeast proteasome. (Image courtesy, FEI Company.)

Brno is Big in Nanotechnology

FEI Company first came to Brno in the 1990s, attracted by the city's strong university system, large skilled workforce, and its long industrial tradition producing precision optical equipment. Via its former tie-up with Philips in the 1990s, FEI's electron microscope business in the Czech Republic traces its roots back to the 1950s, to the company Tesla and to strong research institutes in Brno at that time.

"For FEI, launching operations in Brno made sense, both from the point of view of existing know-how and technical excellence, and from the point of view of cost effectiveness and strategic location in Central Europe, which helped place FEI at the centre of new markets," Jiří Očadlík, Vice President of manufacturing at FEI, explains.

"At the beginning, we positioned Brno as a manufacturing and development centre for entry-level microscopes and basic systems for customers. But as time went on, and we saw the high level of skills and know-how available here, we began, step by step, to develop more and more competitive products. Today, FEI's operations in Brno account for more than 80% of shipments of microscopy systems for FEI and generate 60% of FEI's total revenues from systems. We have reached a reasonable size now, and the market keeps growing."

Following its move to Brno and the strengthening of its global network, FEI's business began to take off, and within the span of a few years the company has become the global market leader. In Brno, FEI assembles and tests the world's most advanced electron microscopes and delivers these to a range of customers all over the world, including Asia, South America and Africa.

Jiří Očadlík **Vice President of Manufacturing, FEI Company**

"This is an unprecedented move for FEI."

Consolidating with Cutting-Edge Facilities

As FEI's business continued to grow, the need for a new, custom-built facility to consolidate and expand activities in Brno became apparent. Jiří Očadlík explains: **"This is an unprecedented move for FEI. We have over 550 employees in Brno, and as a company, we have never had such a large relocation."**

"FEI has very high technical standards and strict conditions for its buildings. For example, we require absolutely clean rooms, with no dust particles, as dust interferes with the performance of our systems. We also require buildings with very low vibration levels and no electro-magnetic disturbance."

Očadlík explains the level of detail and consideration that went into the plans for the new building. **"We even measured the distance from the building to the road, to make sure our manufacturing and testing areas are at least 50 metres from the road. A truck passing closer than 50 metres would distort the electromagnetic field. We will also do deliveries directly from the new facility, and so this means that the walls and main structure of the building must absorb vibration. There can be no vibration in the testing area."**

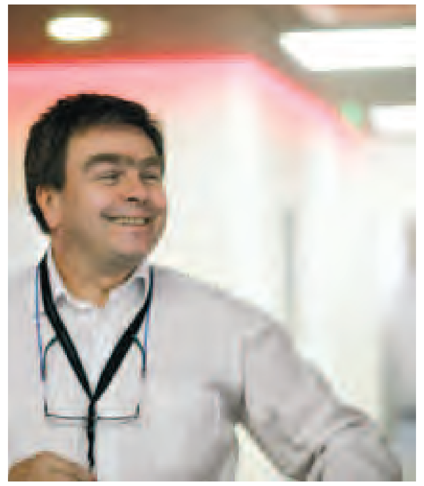
"This means that CTP has to consider things like how thick the floor is, how it is split, and also how to install the proper air conditioning systems that give sufficient air flow. Electron microscopes produce about 2 kw of energy, and that energy needs to go somewhere. The flip side is, we require a constant temperature of 0.3˚ centigrade in the testing area. This is very difficult to achieve, but we have to have it. This requires a system that can produce millions of cubic metres of air, but it cannot be noisy, as noise creates vibrations."

"To solve the problem, CTP is implementing a specialised water-cooling system. This may seem relatively straightforward, if you are doing this for one localised area. But we have 300 testing spots for electron microscopes side by side, and they influence each other. So this is a huge challenge. We consulted with global construction experts, and they told us that our building plans are on the edge of what is feasible. But this is the environment we need for our business."

Nanotechnology Gets Bigger

As technologies advance, nanotechnology is finding its way into more and more commercial and scientific applications. FEI's precision electron microscopes are used to measure surfaces to determine things like the thickness of steel for cars, for layers on mobile devices and computers, to analyze ore samples for the mining industry, and to help find the best ways to package food.

Of course, medicine and life sciences make up a major segment of FEI's customer base. FEI's microscopes are used by researchers to help find cures for cancer, Alzheimer's and other diseases as well as to understand how proteins and viruses develop. **"We have been to the moon and to Mars, but we don't know how to cure the common cold. FEI develops the equipment the world's top researchers need to do their job. It creates opportunities for them,"** Očadlík explains.



The pace of technological advancement means that electron microscopes have a life span of about three years, before they need to be refitted or replaced. **"For us, it is common that we are innovating our products very fast and very often. For example, we supply specialised microscopes to semi-conductor producers, such as Intel and others. Basically, our clients come back to us every 18 months to say that they want to double the speed and reduce the size of their product, and they need new electron microscopy systems to carry this out. So as a result, our instruments are getting more and more complex, and more expensive. But our clients are getting more value and more efficient results."**

FEI is so cutting edge that they have already developed precision equipment that can measure down to 50 picometres—which is the resolution level of quantum physics. **"In the last seven years, there have been huge advancements in resolution. Whereas before we could only see a general picture of an atom, today we can resolve down to the atomic level and actually see the atom and its position. Technologically, we could go even further than that, but there is currently no market for it,"** Očadlík explains.

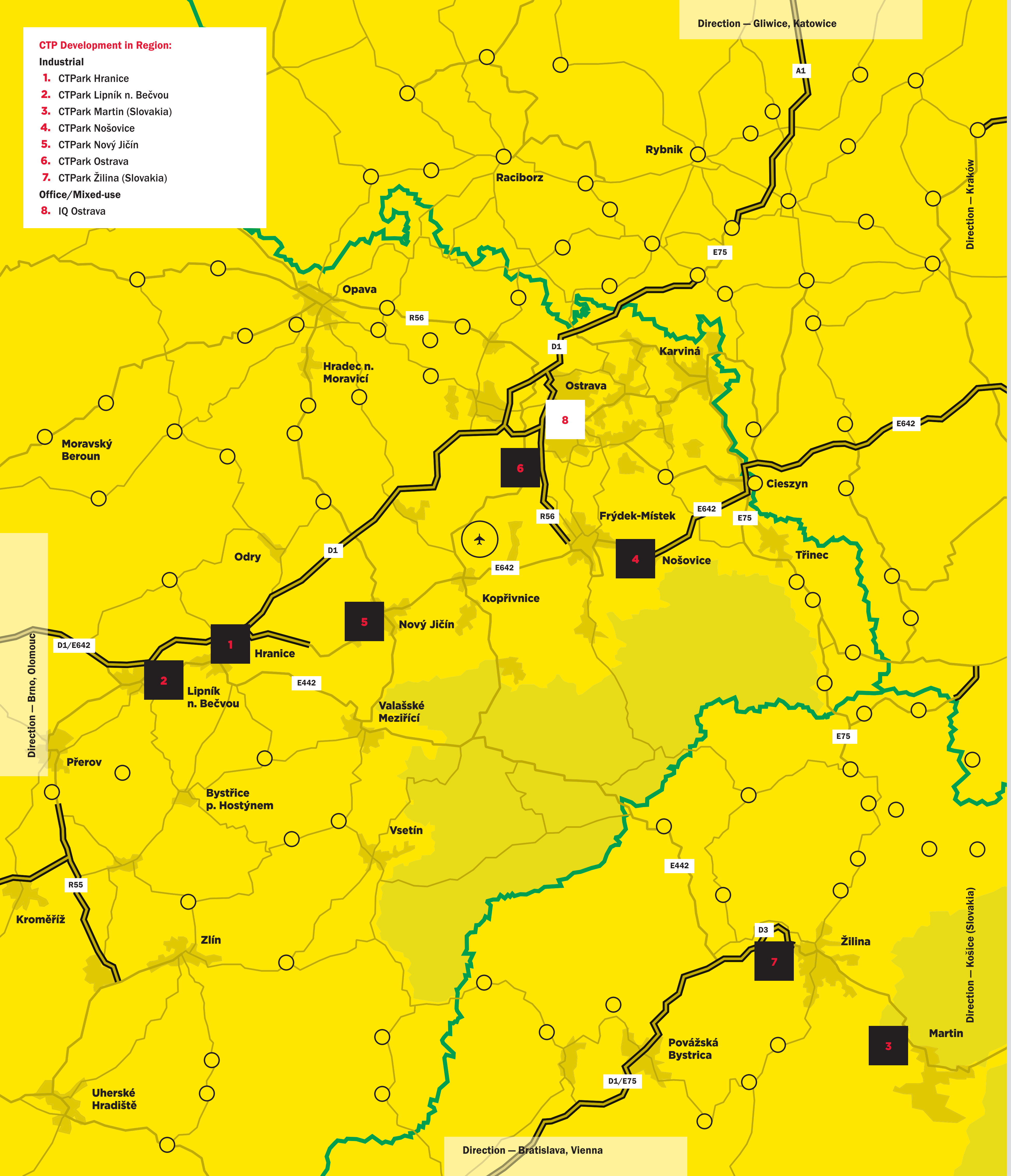
"Operations in Brno account for more than 80% of FEI's shipments of microscopy systems and generate 60% of FEI's total revenues from systems."

The image above shows a Morpho butterfly wing. The colours are not produced by pigment, but are an example of iridescence through structural coloration at the nano level. With FEI microscopes, researchers are seeking ways to replicate Mother Nature's technique to produce colour without pigmentation. (Image courtesy, FEI Company.)

We are excited that FEI Company is consolidating and expanding its Czech operations at CTPark Brno with a major new production and R&D facility. FEI is the latest to join our growing roster of high-tech companies with major operations at CTPark Brno, such as Honeywell, Coavis, ModusLink, BodyCote and Tyco. FEI's new, 40,000 m² custom-built building is one of the most advanced of its kind in the world. It was a huge challenge to meet all of FEI's requirements for both the structure and fit-out of the building—but at CTP, we enjoy a challenge. Construction work progressed through the winter, and we are on schedule to deliver hand-over in 2013.

Tomáš Budař **Special Projects**

Construction of FEI's new production and R&D facility at CTPark Brno.



Strategic Region: North Moravia

Ostrava is the Czech Republic's third-largest city and the capital of the Moravian-Silesian region. Since the start of the millennium, the local economy has shifted and expanded rapidly into high-tech sectors, including precision engineering and manufacturing, automotive, R&D, innovation and the full range of knowledge-based industries.

Business benefits include:
High-level of FDI
Over 1.2 mil. inhabitants, with high population density
Automotive hub centred around Hyundai/Kia
High-tech manufacturing base
8 universities with over 70,000 students
Focus on innovation & new technologies
Lower wage and operating costs
Area with long industrial tradition

International High-tech Hub

With close proximity to industry in Poland and Slovakia, Ostrava sits at the heart of a new "high-tech triangle" focused on state-of-the-art manufacturing, innovation and R&D. With its top-class universities and its high standard of living, Ostrava has emerged as the natural hub of this tri-state area, with excellent infrastructure for cross-border business.

- Near high-tech/automotive industries in Poland and Slovakia
- Direct motorway to Brno/Austria/Prague
- Ostrava international airport
- Inter-city rail/freight connections

Higher Education

Ostrava and North Moravia are home to eight universities and technical schools, with over 70,000 university students and 18,000 graduates a year. The Technical University of Ostrava and Ostrava University run joint programmes to support IT and poly-technical training.

- Technical University of Ostrava (25,500 students)
- University of Ostrava (10,000 students)
- Palacky University, Olomouc (25,000 students).
- Silesian University, Opava (10,000 students).

Focus on Innovation

With the active participation of Ostrava's universities and local governments, Ostrava and the region are fast becoming a hotspot for innovation and R&D, with a strong focus on IT, electrical engineering and renewable energy. These knowledge centres make North Moravia a major hub for investment in new technologies.

- Ostrava Science and Technology Park
- IT4 Innovation "supercomputer" project in Ostrava
- Research Energy Centre, Ostrava
- 4MEDia Biotechnology Centre, Ostrava
- Business Information Centre, Ostrava
- National Biomedical & Biotechnology Park, Olomouc

Investor Overview

Ostrava / North Moravia is a home to a wide range of companies in diverse industries.

Major international investors include: ABB, Arcelor Mittal, Asus, Bang & Olufsen, Behr, Brembo, Continental Automotive Systems, GE Money, HP Pelzer, Hyundai Motor, ITT, Pegatron, Plakor, Siemens, Sungwoo Hitech, Tieto

Fact Sheet

Refers to the Moravian-Silesian statutory region.

Population	1,240,432
– of Ostrava (capital)	303,609
Labour force	637,012
Pop. density	230.4
GDP (EUR mil.)	14,630
GDP per capita (EUR)	11,754
GDP (% share of CZ)	9.8
FDI (to 2009, in EUR bil.)	6.52
FDI (CZ average, to 2009, in EUR bil.)	6.24
Unemployment (2012)	10.6%

North Moravia

Eva Mikesková **Marketing & Communication Specialist, Tieto**

Tieto Chose IQ Ostrava for its Czech Headquarters

Tieto, the largest Nordic IT services company, employs over 1,900 people in Ostrava. This makes it one of the company's largest delivery centres and one of the largest IT companies in the Czech Republic. In 2012, Tieto moved in to 17,000 m² of premium-class office space at its new Czech headquarters, Tieto Towers, at IQ Ostrava, consolidating its existing operations. The move represents a major milestone for Tieto and is part of the company's growth strategy.

Tieto considers both the building itself and its location in Ostrava as major benefits. Ostrava boasts excellent technical universities and a large number of skilled IT graduates. The city's close proximity to Poland enables Tieto to recruit Polish IT specialists to further expand its operations.

"It was very important to us that we could influence the project from the outset and work together with CTP."

Fact Sheet

Company
Tieto
Sector
IT
Activity on Premises
Regional HQ
Development and provision of custom software and network solutions
Location
IQ Ostrava
Property Type
IQ Office Building
Facility Size
17,000 m^2
Move-in
2012
Tenant Website
www.tieto.com

< IQ Ostrava features premium-class amenities, such as the atrium reception with comfortable designer furniture.

Tieto identified several essential requirements when they began the search for new office premises to serve as its Czech headquarters. In addition to geographic location, the building itself was a major consideration. It was necessary for the building to be at the beginning stage of development, so that Tieto could customise its office space to meet specific needs. The building also had to meet high energy efficiency and sustainability standards established by the international standardisation BREEAM. In addition, the building had to be located centrally, with excellent transportation links, to make it easy for employees to commute.

IQ Ostrava, with all these attributes, was the perfect choice for Tieto. “**It was very important to us that we could influence the project from the outset and work together with CTP,**” Marek Kurc, Tieto’s facility manager, explains. “**Tieto’s designers drafted layout ideas, which CTP then had to implement. It was important that we work together. The main driver for this project was to create the ideal space for Tieto teams to be able to communicate with each other and work together.**” Tieto appreciates CTP’s attention to details, such as the special lift that takes visitors directly to Tieto’s reception. Tieto managers made a great effort to explain the move in advance to their employees, so that they would understand the new layout.

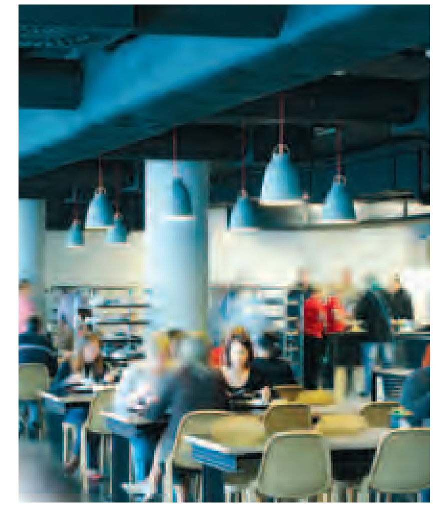
“CTP has done an outstanding job delivering what we expected.”

Investment in the Future

Energy efficiency and sustainable development are paramount for Tieto as part of its corporate culture. IQ Ostrava’s high BREEAM energy efficiency and sustainability rating of ‘Very Good’ was crucial to the company’s decision to locate operations there. As ecological responsibility is part of Tieto’s company approach, allocating its operations in a building that meets high standards for environmental friendliness and overall working comfort is essential.

Location was also a major consideration. Tieto was previously scattered in four buildings in Ostrava. IQ Ostrava’s location in the city centre, with onsite tram and bus connections, makes it easy for people to get to work. Consolidation in one building also saves time and resources that would otherwise be spent travelling to meetings. Because of Ostrava’s close proximity to Poland, around 9% of Tieto’s staff commutes from Poland. Tieto encourages green transportation with its program of “shared cars.” Employees who share a car with at least three colleagues can park in a specific place in the underground garage. Employees who bike to work have special facilities, including a designated indoor parking area and shower and changing room. “**As Tieto settles in to its new home at IQ Ostrava, the company does everything to ensure that the transition period runs smoothly,**” explains Eva Mikesková, Tieto’s marketing and communication specialist. “**We hold meetings with our employees to support them with the adaptation process, and we get their feedback on various issues regarding the building.**”

“**We are very pleased with our new office at IQ Ostrava. CTP has done an outstanding job delivering what we expected,**” comments Petr Lukasík, Tieto Czech Country Manager.



Lenka Urbánková-Jarešová
LBU Manager, Motor Service, Discrete Automation & Motion Division, ABB

ABB Runs A Major European Service Centre from CTPark Ostrava

ABB is a global leader in power and automation technologies providing a wide range of machinery and solutions to diverse industrial users including in the power generation, oil & gas, mining, high-tech production and chemicals sectors. ABB first launched operations in the Czech Republic in the early 1990s. Today, the company employs over 3,000 people in the country and operates several distinct businesses involving production, manufacturing, engineering, R&D and Service Centres. In addition to manufacturing centres at CTPark Modřice and CTPark Brno, ABB operates a major European service centre and R&D lab at CTPark Ostrava. In 2012, ABB consolidated existing operations at CTPark Ostrava at a new, custom-built facility.

Company
ABB
Sector
Power & Automation
Activity on Premises
Service of electric motors, electromagnets and dry transformers
Location
CTPark Ostrava
Property Type
CTFit
Facility Size
7,109 m²
Move-in
2007
Tenant Website
www.abb.com

Fact Sheet

< ABB Robot Service Centre, CTPark Ostrava.

Like many other early investors to the Czech Republic, ABB was initially attracted by the country's strategic position at the centre of new markets and its lower cost base. And like many others, ABB soon discovered that the high level of technical skills and capabilities offered in places like Ostrava enable higher-value, high-tech operations. Lenka Urbánková-Jarešová, ABB manager in Ostrava, explains: **"ABB was looking to create a new service hub for its customers in central Europe. We already had good experience in the Czech Republic, with the level of skills. And Ostrava in particular has a strong tradition in service for motors and generators in connection with the Vitkovice group, which dates back 100 years. ABB made the strategic decision to locate new operations specifically in Ostrava, based on the level of local know-how already in place."**

"It is not easy to establish a new service workshop—it requires specific skilled labour and expertise. It is one thing to construct a new building and purchase technology, but the most important thing is the quality and skill level of the workforce," Urbánková-Jarešová explains. **"Ostrava has an embedded skilled labour pool. We found what we needed right here."**

As ABB's investment and operations in Ostrava grew, the company began to look at further consolidation to maximise operations and results. **"In 2002, after ABB sold its service workshops in Germany, it meant that in Ostrava, we are the sole service hub for central Europe. This creates big opportunities for us."**

"ABB made the strategic decision to locate new operations specifically in Ostrava, based on the level of local know-how already in place."

Expansion Means Consolidation

The growth of ABB's European service meant that the company needed new, custom-built facilities in Ostrava. CTPark Ostrava was the logical place. The company's custom-built facility enabled not only the expansion of its central European service centre, but also supports new lines of business, including a robotics service line. Based on the proven success of Ostrava's skill set, ABB also launched a separate R&D centre at CTPark Ostrava for its Power and Automation division.

"ABB has been able to capitalise on the high-quality workforce in Ostrava to launch new businesses," explains Urbánková-Jarešová. **"This includes robotics, and also centres handling requests from clients in oil and gas and mining and minerals. The decision to consolidate in Ostrava was taken in a series of strategic decisions. The further enlargement of service divisions is still a hot topic for us."**

Since moving in to its new facilities at CTPark Ostrava in 2007, ABB's business continues to grow. As the main service hub for central Europe, the motor service division is expanding rapidly. **"We recently hired 20 new people, and currently, at the machine service centre, we have 107 employees, the majority of which are skilled technicians. Under the current plan, we expect to reach full capacity by 2014 and at that time, to employ 125 people,"** Urbánková-Jarešová explains.

"At the service centre, we repair virtually any kind of specialised heavy machinery. The work required is always different. Right now, we have the luxury of a serial order, repairing coils used in motors for the Milan underground system. But usually each job is unique, and this requires a high level of skill."

Custom-built, Client Care

CTP is actively helping ABB implement its strategic plans in the Czech Republic with new facilities and the ability to expand rapidly. **"I appreciate [CEO] Remon Vos' personal involvement, and that CTP acts very quickly to resolve any issues that may arise,"** Urbánková-Jarešová explains.

"The decision to consolidate in Ostrava was taken in a series of strategic decisions. The further enlargement of service divisions is still a hot topic for us."

CTPark Ostrava

ABB is one of our biggest tenants at CTPark Ostrava, with several business operations. To help keep things running smoothly, ABB signed on for CTP's complete, full-service package. This means that my staff is responsible for a long list of property management issues, including making sure that all permits and safety requirements are up to date, as well as handling any issues that may arise during the course of operations. With onsite park management, we are always available to our tenants, to ensure that they have what they need. CTPark Ostrava is a vibrant business community, with a diverse mix of tenants. I am proud of the role CTP continues to play in bringing new, high-tech investors such as ABB to Ostrava.

Petra Pivovarová **Park Manager**

< CTP is proud to sponsor the science lab at 1st International School of Ostrava.

1st International School of Ostrava – Teaching the World

The 1st International School of Ostrava (ISO) opened its doors in September 2005 with the mission to bring top-quality K-12 English-language education to the Ostrava area. With a student school community representing 17 nationalities, the ISO is truly international.

Ostrava is becoming increasingly international. So it should come as no surprise that there is a first-class school for children ages 3–19 to support the city's expanding expatriate community as well as growing local demand.

In 2011, the ISO became the Czech Republic's first International Baccalaureate World School outside of Prague. The International Baccalaureate Diploma Programme is the most prestigious, internationally recognised secondary school leaving examination in the world. The ISO is also registered with the Network of Czech Schools, and as such works with the curriculum established by the Czech Ministry of Education. The ISO is among a select group of schools in the Czech Republic granted permission to use English as the main language of instruction.

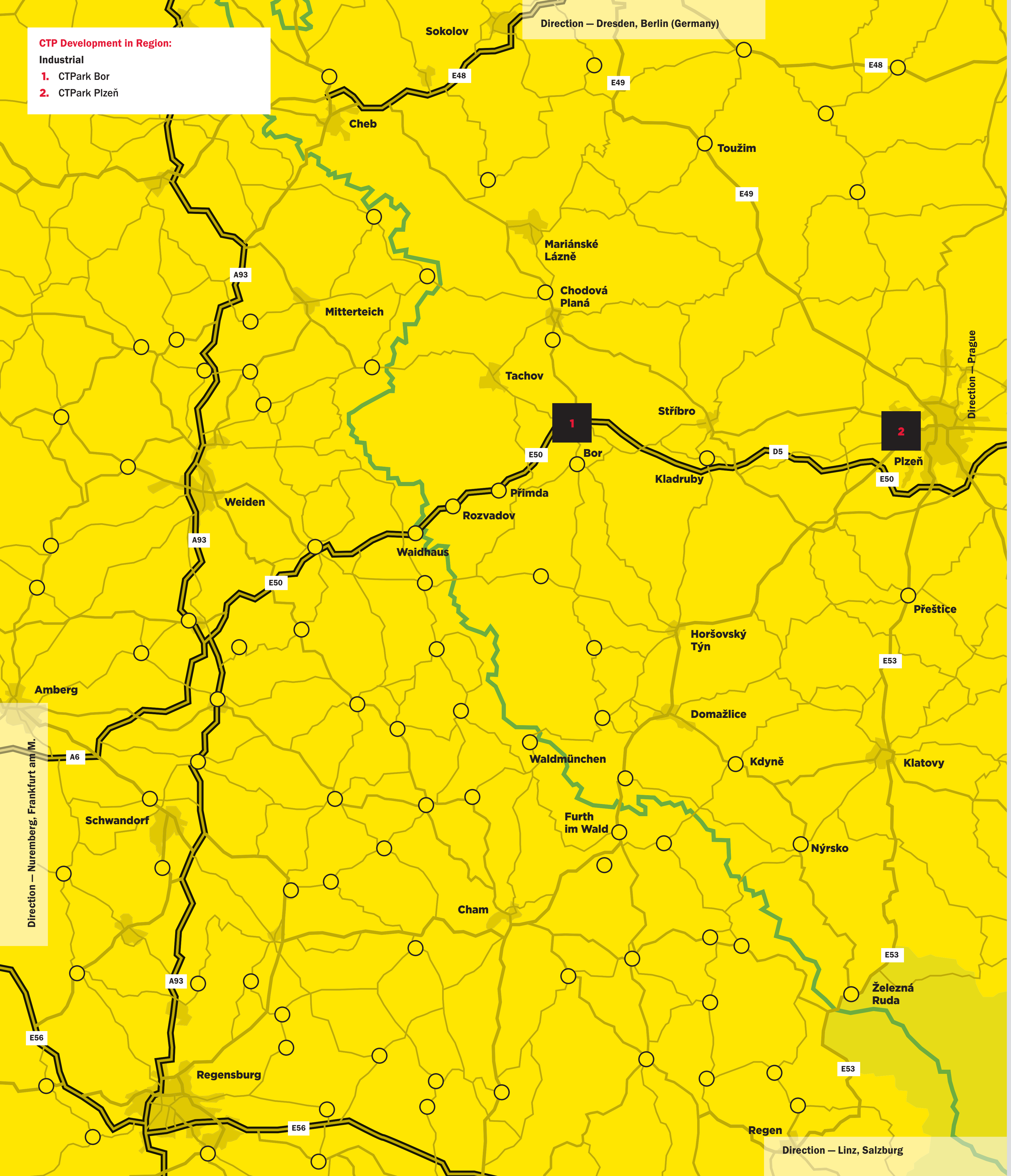
"Company managers consider education options for their children seriously when they are making decisions about relocation. A growing community like Ostrava needs a school like ISO. Our student body is approximately half foreign nationals and half Czechs. Our success lies not only in the fact that our graduates have very high placement rates at universities around the world, but also in the fact that we are part of a widespread effort in the city to raise the level of global-minded education. Foreign investors acknowledge this and see Ostrava as a good place for their families," Brett Gray, ISO Executive Director, explains.

CTP Support for Education

CTP, as a long-term investor in the Ostrava area, knows the value of quality education. To help support ISO and its activities, CTP sponsored the establishment of a new science lab, to help train the geniuses of the future, right here in Ostrava.

"Ostrava is becoming more and more international."

Charles Brett Gray **Director, International School of Ostrava**



Strategic Region: West Bohemia

Plzeň, the Czech Republic's third largest city, is a world-class centre of precision engineering and high-tech manufacturing with a long industrial tradition. With strategic position adjacent to Germany and direct motorway access to western markets and transportation centres, the region is ideal for large-scale, international distribution centres and logistics hubs. Business benefits include a large, highly educated workforce and lower operating costs.

Business benefits include:
Western gateway to CEE
Cross-border logistics hub
High-tech manufacturing base
Long industrial tradition
18,000 university students
Over 570,000 inhabitants in the region
Lower costs vs. Germany

Western Gateway to CEE

Direct motorway access to the German transport network enables rapid deliveries to producers, suppliers and consumers across Western Europe and beyond. With its advanced infrastructure and lower costs, the region is becoming increasingly popular as a location for large-scale distribution and logistics centres that serve as major European hubs for global supply chains.

— E50/D5 motorway (Nuremburg/Munich/Prague)
— Rapid travel time to North Sea/Atlantic ports
— Low-cost area with top infrastructure
— Ideal base for pan-CEE distribution centres
— Ideal hub for supply chains to Germany
— High density of skilled labour
— Proximity to Prague international airport

High-tech Engineering

Plzeň has a long industrial heritage as one of Europe's premier sites for engineering. This tradition remains vibrant, as the city and surrounding area continues to attract investment from a range of high-tech companies in the automotive, heavy machinery, aviation and chemical engineering sectors.

— Centre for high-tech engineering
— Advanced materials testing
— Advanced electronics and IT
— Manufacture base for specialised heavy machinery
— Automotive supply chains
— Highly skilled available local labour

Higher Education / Innovation

The University of West Bohemia in Plzeň is particularly strong in Applied Sciences and Electrical and Mechanical Engineering and is actively engaged in the development of Plzeň as a centre for innovation knowledge transfer. The New Technologies Research Centre at the University is a leading centre for applied research focusing on technological processes, new materials and systems.

— University of West Bohemia (18,000 students)
— New Technologies Research Centre
— IT data hub for scientific research
— Charles University Medical Centre
— Business Innovation Centre Plzeň

Investor Overview

West Bohemia home to a diverse range of companies and industries.

Major international investors in the region include:
Bridgestone/Fiege; Daikin Industries, HP Pelzer, Ideal Automotive, JTEKT Automotive, Maurice Ward, MB Tech Bohemia, Panasonic AVC, Shape, Škoda Electric, Škoda JS, Škoda Power, Škoda Transportation, Tech Data.

Fact Sheet

Refers to the statutory region of Plzeň

Population	572,517
– of Plzeň (capital)	168,808
Labour force	321,954
Pop. density	75.3
GDP (EUR mil.)	6,937
GDP per capita (EUR)	12,127
GDP (% share of CZ)	4.6%
FDI (to 2009, in EUR bil.)	2.7
FDI (CZ average, to 2009, in EUR bil.)	6.2
Unemployment (2012)	7.0%

West Bohemia

Mark White **Vice President for European Operations, Shape Corp.**

Shape Establishes New European Headquarters at CTPark Plzeň

Shape Corp. is a global leader in impact energy management systems for the automotive industry. The company is a recognised pioneer in advanced custom roll forming and injection moulding technologies and provides design, engineering, testing and manufacturing of plastic and metal impact solutions to the world's top automobile makers. In the 2000s, the Michigan-based company made the strategic decision to expand beyond its North American base and seek new opportunities in Europe and Asia. Shape chose CTPark Plzeň as the site for its European headquarters. Mark White, Shape's Vice President for European Operations, explains the company's activities and their decision to locate in Plzeň.

Why did Shape choose the Czech Republic as the site for its European base?
Shape had a strategy that formed around 2001 to expand global operations. I transferred to Germany in 2008 to start Shape Europe. We spent the first two years developing the business and the market and determining how our products fit with European carmakers and to adapt those products to the needs. We were successful in gaining a number of contracts, and then phase two, establishing our production plant, began in 2010.

In terms of site selection, we were looking at locations in eastern Germany, Poland and the Czech Republic. What attracted us to the Czech Republic is its good, central location, the availability of skilled labour and its long industrial history, particularly in Plzeň, in the area of metal forming, which is one of our primary businesses.

When we started site selection, we started to work with CzechInvest. They introduced us to CTP. We wanted a location that was accessible to highways and major roads. We wanted a location in or near one of the larger cities, because of the labour and access to technical universities.

We also wanted a facility that gave us flexibility, so we could expand our facility as our business expands. We wanted a facility that had the image and the look that was consistent with Shape. A professional, clean, well maintained park. I wanted to be able to immediately bring customers in and have a professional image and look that says: Shape is for real here in Europe. CTP had the right kind of facility in the right location.

What attracted Shape to Plzeň in particular?
We were looking for a history of industrial production, particularly in the area of metal forming. We found that in Plzeň. You have the history of Škoda Works, which goes back decades. There is a good history of industrialisation in Plzeň.

We also wanted to be in close proximity to technical universities. We are now partnering with the University of West Bohemia here in Plzeň, bringing in students and doing some co-op programs with them, to continue to develop our technical base of resources with some good young engineers coming from the university.

< The continuous feed roll forming lines press Advanced High Strength Steel (AHSS) into high-end components for the automotive industry.

Fact Sheet

Company
Shape Corp.
Sector
Automotive
Activity on Premises
European HQ
Production and testing of impact energy management systems
Location
CTPark Plzeň
Property Type
CTFlex
Facility Size
8,816 m^2 (additional 5,675 m^2 in 2013)
Move-in
2011
Tenant Website
www.shapecorp.com

We looked in Ostrava and also Brno as well as the Plzeň and Prague area. But we liked Plzeň the most. Most of our product today is shipping to Western Europe, so Plzeň gives us a better location presence close to the border. With this location, the history of the community, the availability of skilled labour and the universities, Plzeň met our needs. We also felt that if we needed to bring in people from other locations, that Plzeň is a good community for people to live. About 10% of our staff comes from regions outside Plzeň, including Germany. Plzeň has a lot to offer.

"Most of our product today is shipping to Western Europe, so Plzeň gives us a better location presence close to the border."

What are the main activities that Shape carries out at CTPark Plzeň? Who are some of your customers?
Our primary product is impact systems, or bumper systems, for automobiles as well as structural parts for the body of the car. Shape has a long history with the major North American and Japanese OEMs, and with our move to Europe, we are looking forward to building strong relationships with leading European OEMs.

How does the Plzeň plant fit in with global operations?
Already today, Plzeň is in effect our European headquarters. We have sales and engineering offices—one in Germany and one in France—to support our customers in the early design and development stages. But all administrative and other support functions for our other European entities are based here in Plzeň, including purchasing, human resources, and quality control. That means, in addition to manufacturing, at Plzeň we also run program management and program launch. We have quality engineers and a quality department. We have a 3-D CMM measurement lab as well as a materials test lab here. While core R&D is still based in the US—where we have our impact test lab—our team in Plzeň can tap into that as a support resource.

As we move forward, our goal is to increase the role of our European regional headquarters here in Plzeň, so we'll be doing more and more developing work and engineering work as the future unfolds. Our presence here and scope of operations will grow. We already have additional space here at CTPark Plzeň reserved, for when our operations ramp-up.

Did CTP provide any customisation or additional services to Shape as part of its move-in?
CTP brings more than just a building. They also bring a package of services. For example, CTP helped us with all approvals and machinery installation. They also introduced us to the right people here in the community, technology providers, the local authorities—and that really helps us in this ramp-up phase. This kind of service is very helpful, and also I believe unique on the market. If we had to do that on our own, it would be difficult.

How would you describe Shape's relationship with CTP?
We have good relations with CTP. We are in close communication with the onsite park manager. They are responding to what we need. We are in a very competitive business, and for example when we get new business, it starts a big chain of activities. We move our expectations onto our partners. CTP understands and has been very responsive. The relationship is strong and continues to strengthen.

"This kind of service is very helpful, and also I believe unique on the market. If we had to do that on our own, it would be difficult."

> Tech Data's European distribution centre at CTPark Bor is a strategic part of the company's global distribution chain.

New Expansion Creates Tech Data's Largest Distribution Centre at CTPark Bor

Tech Data is one of the world's largest wholesale IT and consumer electronics distributors. The US-based company operates the largest hub of its global distribution supply chain at CTPark Bor. Tech Data was one of the first tenants at CTPark Bor and has been quick to capitalise on the combined benefits of strategic location near Germany, first-class infrastructure, and a competitive cost base. In 2012, based on the rapid growth of its business, Tech Data signed for a major extension of its European distribution centre at CTPark Bor. Ben Godwin, Corporate Vice President, explains Tech Data's decision to base its European distribution hub at CTPark Bor and how its business continues to grow there.

Why did Tech Data choose locate its European distribution hub at CTPark Bor?
Tech Data made the decision to locate at CTPark Bor prior to the Park's creation. I met with [CEO] Remon Vos at the site when it was a grassy field. I shared his vision of a major park and employment base in this location. We felt that the strategic location on the D5 highway would make this a hub for distribution throughout the region. The availability of a solid and dependable workforce was a major factor.

What factors led to the decision to expand your facilities?
The expansion was planned as part of our original vision. We felt that the transportation system, high quality of labor, and excellent operating cost structure would make this logistic centre very efficient. This has led us to build our largest distribution centre yet.

What activities does Tech Data carry out at CTPark Bor?
Tech Data provides logistics services for its operations in Austria, Germany, the Czech Republic and other European locations from CTPark Bor. We are a wholesale distributor of computer hardware, software, peripheral items, and mobility devices. We buy from manufacturers and resell the products to value-added resellers, retailers, and corporate resellers.

How many items does the distribution centre contain?
Our warehouse typically contains between 15,000–20,000 items.

Tech Data is a long-term CTP tenant. How would you describe your relationship with CTP over the years?
We have an excellent relationship. From our first meeting through this expansion, I have found everyone in the organisation to be professional and competent. I have enjoyed working with the executive team as well as with my local park manager.

Overview of Tech Data's loading and sorting area, CTPark Bor.

Fact Sheet

Company
Tech Data
Sector
Wholesale of IT technology products
Activity on Premises
Central European Distribution Centre
Location
CTPark Bor
Property Type
CTSpace
Facility Size
36,000 m^2
(including 16,000 m^2 extension in 2013)
Move-in
2004
Tenant Website
www.techdata.com

< Custom-fit conveyor system to support efficient loading operations.

What are some of the things that CTP has done for Tech Data that you have found to be of particular benefit? Are you satisfied with property and park management services?
CTP has been very much attuned to the economic environment and business conditions. They have worked with us to handle changes in our business as we have responded to changing market conditions. Most importantly, they are experienced developers and managers that have worked their way through good and bad business cycles. They know how to make the best of adverse conditions and take care of their clients in the process.

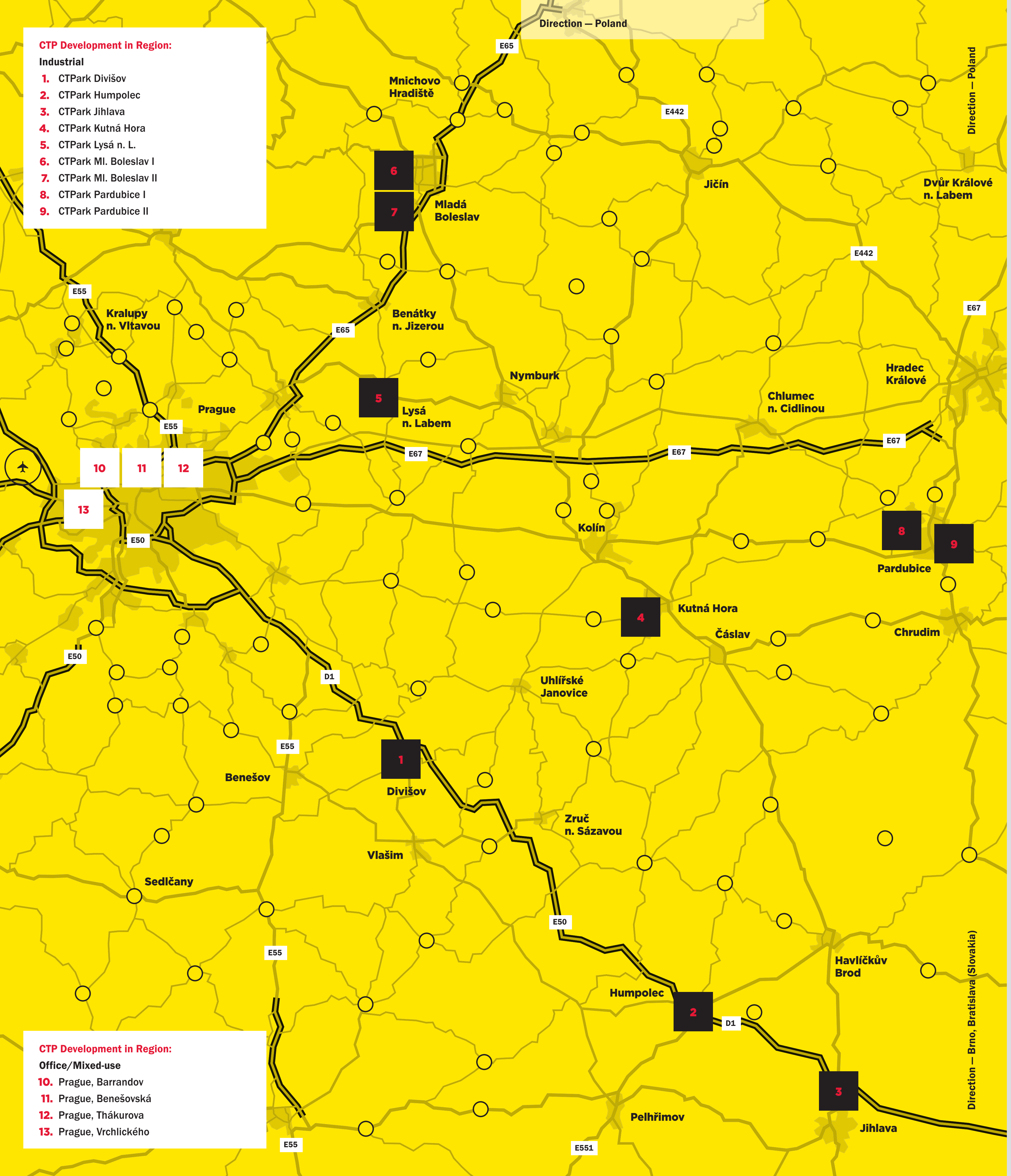
“The transportation system, high quality of labor, and excellent operating cost structure make this logistic center very efficient.”

Can you share with us Tech Data’s current plans at Bor? Do you consider expanding distribution to new markets, or to carry out any new activities?
Bor is our eastern anchor for our European distribution network. It is paired with a similar size facility in Magna Park in the UK. These two facilities and seven other logistic centres provide full product coverage from the Nordics to Italy and from Ireland to Romania. Bor has the capacity to cover additional markets or products as we expand our European footprint.

Can you describe for us any new trends in your business sector? Is Tech Data involved in the e-commerce supply chain?
Tech Data is and has been a key player in e-commerce for many years. Not only is a large portion of our business done electronically, but we provide product and logistic support to many re-sellers and retailers.

What are some of the main benefits, in your view, of doing business in the Czech Republic?
The Czech Republic is well located from a distribution perspective to serve the major markets in the surrounding countries as well as the rest of Europe. The labor force is stable and efficient. Overall, the cost structure is favorable for wholesale logistic operations.

František Grasl, Managing Director at Tech Data’s distribution centre at CTPark Bor.



Strategic Region: Central Bohemia

Central Bohemia is a fast-growing region for high-tech investment. It is a major centre of the Czech automotive industry as well as a prime location for logistics and R&D. The region boasts a highly skilled and available workforce, excellent infrastructure and a diverse business community of manufacturers and suppliers. The region is cost effective, with close proximity to Prague and strategic location near the German and Polish borders.

Business benefits include:
High concentration of industrial, high-tech activity
Premier automotive supply hub
Excellent infrastructure
Cost-effective, strategic location
Large available pool of skilled labour
Long industrial tradition

Premier Automotive Hub

Central Bohemia is home to two major European automotive assembly plants: Škoda Auto and Toyota Peugeot Citroen (TPCA) in Kolín. The supply chains supporting these and other regional auto assembly sites make Central Bohemia one of Europe's premier automotive hubs.

— Škoda Auto (Mladá Boleslav)
— TPCA (Kolín)
— Proximity to German supply chains / assembly
— Strong network of local suppliers

High-tech Manufacturing Base

Central Bohemia's importance as a centre for high-tech investment is growing rapidly, supported by a highly skilled local labour force and excellent infrastructure.

Key sectors include:
— Aerospace
— IT
— Electrical engineering
— Petrochemicals

Central Logistics

Central Bohemia benefits from strategic location with proximity to both Prague and the German and Polish borders. Lower operating costs, a large labour pool and excellent motorway access in all directions make it ideal for both cross-border and local distribution centres.

— Motorway access
— Proximity to Prague
— Lower operating costs
— Prague international airport

Investor Overview

Central Bohemia is home to a diverse range of companies and industries.

Major international investors in the region include:
Areo Vodochody, AVX, Behr, Bosch, Continental Teves, Faurecia, Foxconn, Lego, Iveco, ND Logistis, Panasonic, SAS, Škoda Auto, TPCA, TRW, Tyco and Valeo.

Fact Sheet

Refers to the statutory regions of Central Bohemia, Pardubice, Hradec Králové and Vysočina. Values below are combined or average figures.

Population	2,858,913
Labour force	1,526,114
GDP (EUR mil.)	34,582
GDP per capita (EUR)	11,611
GDP (% share of CZ)	23.1%
FDI (to 2009, in EUR bil.)	15.3
Unemployment (2012)	8.0%

Central Bohemia

> BJS operates a state-of-the-art production facility at CTPark Humpolec.

BJS Expands Operations at CTPark Humpolec

If you've ever bought a piece of bedroom furniture at IKEA, chances are it was made by BJS. And if you made your purchase since 2006, chances are it was made at CTPark Humpolec.

Swedish furniture maker BJS has been a key supplier to IKEA for over 30 years and produces a wide range wooden bed frames and other products for the Swedish retailer. As part of its strategy to reduce costs and boost growth, BJS launched operations at CTPark Humpolec in 2006.

BJS was drawn to the Czech Republic because of its combination of low-costs, highly skilled labour, excellent infrastructure, and strategic location. The company knew that they did not want to purchase their own facility in the Czech Republic, as this would be too costly. So they turned to CTP for the solution.

"**We wanted to be able to focus on our core business and not lose sleep over the development of the project. The whole idea of expansion was for BJS to get 'lean and mean'**," Pär Lidåker, CEO of BJS, explains. "**All of the other properties we looked at were ugly, but at CTPark Humpolec, we found the right place. Location directly on the motorway is also, of course, an advantage.**"

BJS started operations from scratch in the Czech Republic. No business was moved here from their main plant in Sweden. Starting from a team of 25, the company has grown steadily. "**Although the wage costs are lower in the Czech Republic, the quality of the work done here is high; it is even surprising, how well developed the industrial culture is, how well people here understand industry. People in the West often view CEE as 'one club,' but there are significant differences,**" Kaj Johansson, Production Director, BJS Group, explains.

Custom-built for Expansion

BJS's business has grown since launching operations at CTPark Humpolec. In 2012, the company signed for a 7,000 m^2 extension to their production facility. CTP completed construction in less than five months. BJS plans to relocate production from Slovakia as part of its strategy to consolidate operations at its expanded production facility at CTPark Humpolec. BJS's entire output from CTPark Humpolec is production for IKEA.

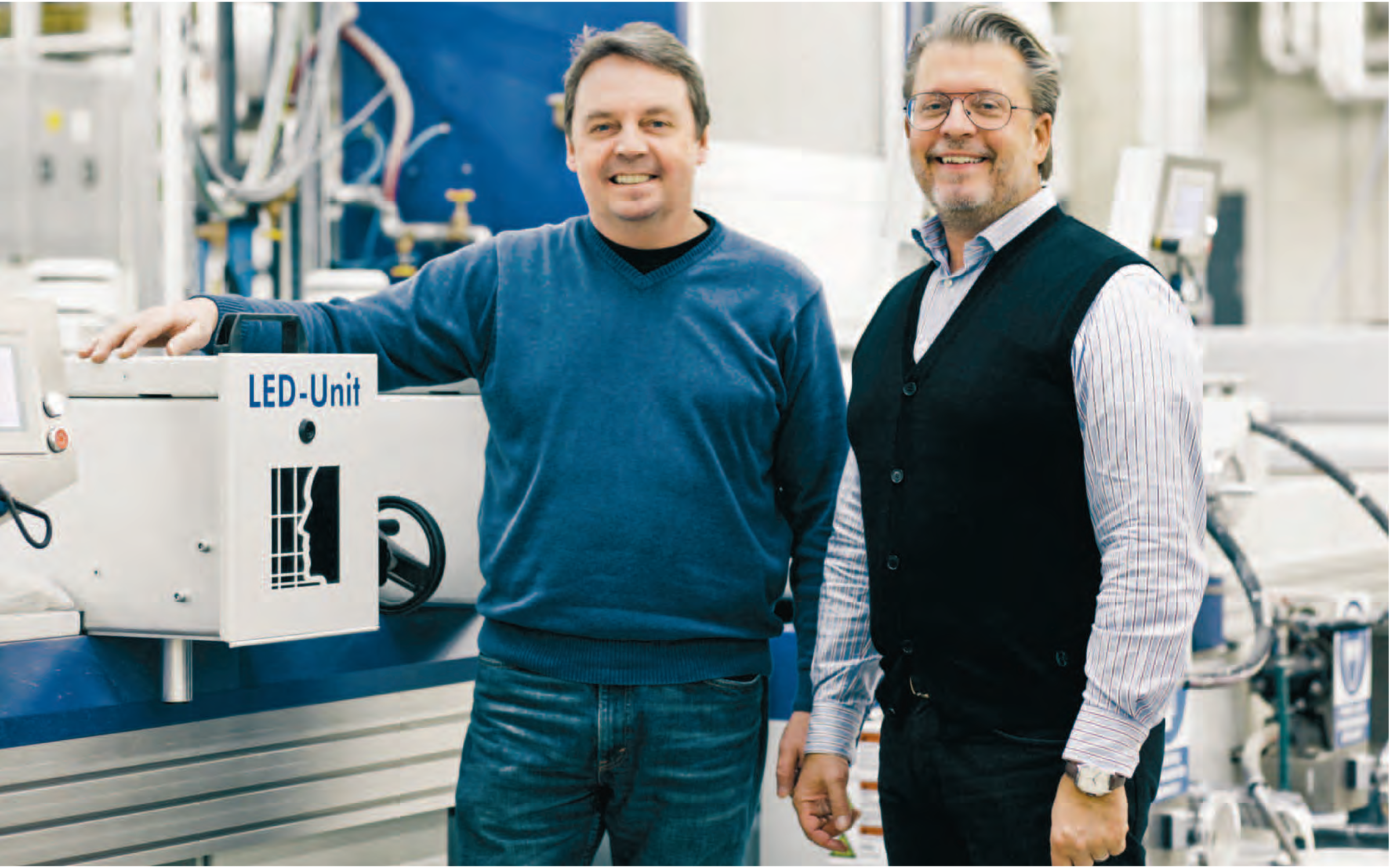
CTP custom built BJS's CTFit production space at CTPark Humpolec with special fire-resistant walls, which was essential to allow BJS to safely store wooden materials. BJS's production hall also features a fully open floor plan with no columns that would obstruct the installation of machines. "**We are very happy with the building,**" Mr Lidåker explains.

With the new extension to its production hall in place, BJS will be able to cut and drill wooden furniture components themselves, which streamlines production and brings added cost benefits. BJS will install a brand-new prototype of a next-generation cutting machine at its expanded production hall in CTPark Humpolec, which reduces waste and helps further cut down costs. Within three years, BJS expects to be running three production shifts, 24/7.

BJS is one Europe's leading furniture makers. The company, which traces its history back to 1917, is a strategic supplier to IKEA, producing a range of wooden bedroom furniture for the company.

Fact Sheet

Company
BJS
Sector
Manufacturing
Activity on Premises
Production of wooden furniture
Paint & pack, cut & mill
Product development
Location
CTPark Humpolec
Property Type
CTFlex
Facility Size
13,280 m^2 (additional 6,120 m^2 in 2013)
Move-in
2006
Tenant Website
www.bjs.cz



Kaj Johansson
Production Director, BJS Group

Pär Lidåker
CEO, BJS Group

"CTP has exceed our expectations in terms of quality, cooperation, and cost effectiveness."

Roman Budík **Plant Manager, Faurecia**

Faurecia Consolidates and Expands at CTPark Mladá Boleslav

Faurecia is one of the world's largest automotive suppliers. The company is the global leader in each of its four core business areas: Automotive Seating, Emissions Control Technologies, Interior Systems and Automotive Exteriors. Faurecia's customers include virtually all the world's major carmakers. Worldwide, Faurecia operates 274 production sites in 34 countries and employs over 94,000 people.

As part of its strategy to invest in growth areas, Faurecia decided to expand its Emissions Control Technologies business in the Czech Republic with a new, 26,000 m² custom-built production facility at CTPark Mladá Boleslav. The new state-of-the-art building will also house an R&D centre and an IT Competence centre supporting Faurecia's global operations. Investment in the project totals €22 mil.

Faurecia is Europe's third-largest automotive supplier. Worldwide, one out of every four passenger cars on the road has a Faurecia-made exhaust system. As part of its long-term growth strategy, the company made the decision to further expand its Emission Control Technologies business in Central Europe with a new, state-of-the-art, custom-built facility.

Faurecia was already well acquainted with the Czech Republic when it began the process of looking for a location for the new facility. The company first invested here in the early 2000s and today operates six production lines covering three of its core business areas at four sites in the country.

"During the decision-making process, Faurecia recognised that, because we already have a small plant here in Mladá Boleslav, this could become the core of the new facility," explains Roman Budík, Faurecia's plant manager in Mladá Boleslav. Faurecia's Emission Control Technologies production plant in Mladá Boleslav currently supplies exhaust systems for several carmakers including Škoda Auto and Toyota, and the company is looking to expand its client base both in central Europe and in western markets.

"Location, of course, was also crucial to the decision. The position of Mladá Boleslav is strategic to serve customers in the Czech Republic and Slovakia. We are also very interested in customers in Germany. In terms of proximity and driving distance, this location is ideal."

Growing the Business

Faurecia's new production plant for emissions systems at CTPark Mladá Boleslav will be among the largest and most modern in the company's global supply chain. During a four-year phase-in period, Faurecia expects to ramp up with new production and to grow its staff from the current 76 to 900 employees.

As part of its consolidation and growth strategy, Faurecia is also re-locating and expanding its Czech R&D centre to CTPark Mladá Boleslav, where CTP is constructing a 4,000 m² custom-built A-class office building connected to the production facility.

Faurecia's new custom-built CTFit production space nears completion. CTP installed over one kilometre of ventilation pipes in the assembly area. CTPark Mladá Boleslav I.

< Faurecia provides high-performance exhaust systems to the world's leading carmarkers.

Fact Sheet

Company
Faurecia
Sector
Automotive
Activity on Premises
Production of exhaust systems
Location
CTPark Mladá Boleslav
Property Type
CTFit
Facility Size
25,915 m²
Move-in
2013
Tenant Website
www.faurecia.com

"For us, this is a big move. And it is definitely a good move, especially for our customers. Having R&D and manufacturing together under one roof provides a good mixture of services for our customers and creates a competitive advantage for the plant itself," Budík explains.

The Czech R&D centre is part of Faurecia's global network of 30 R&D centres, which support Faurecia's global operations across all business lines. The Czech R&D centre launched just over three years ago and will now grow following the move to new, custom-built facilities at CTPark Mladá Boleslav. The expanded R&D centre will focus on development and prototype manufacturing, which is an area of increasing importance for Faurecia.

Faurecia is also taking advantage of its new facility at CTPark Mladá Boleslav to establish an IT Competence Centre to support Faurecia's global operations—the first such IT centre supporting global operations in CEE. Over 100 IT specialists working at the new centre at CTPark Mladá Boleslav will provide IT solutions to Faurecia entities worldwide.

Faurecia made the strategic decision to locate both its Czech R&D Centre and a new, global IT Competence Centre at CTPark Mladá Boleslav.

"The level of skills and the number of skilled workers in and around the Mladá Boleslav area is quite high, and this enables Faurecia to expand its business here, including R&D and the establishment of the IT Competence Centre. In addition, many companies that support our activities, especially in areas like machine and systems repairs, are based in this area," Budík explains. **"We are able to find the level of skilled workers that we require in Mladá Boleslav."**

Custom built

Construction work is currently underway on Faurecia's new custom-built facility at CTPark Mladá Boleslav. The work involves a high level of customisation and detail, including machinery installation. **"When you lease a new facility, it is not the building itself that makes it a production centre, it's the equipment,"** Roman Budík explains. **"CTP worked with us closely concerning the special requirements we have for machinery and installation. We very much appreciate this level of work."**

Custom fit-out includes the installation of special heat transfer and ventilation systems and specialised equipment for technical gases involving more than 1 km of pipes and cables. Energy efficiency and environmental responsibility is essential for Faurecia's operations, and CTP has worked to ensure that the new building meets the highest energy efficiency standards. Special heat exchangers enable heat generated by the production process to be re-distributed within the building. CTP also designed the building to maximise usage of natural light and is installing a special automated light regulation system, which controls the usage of electric lights based on the amount of natural light available.

Safety is another key area for Faurecia, and the new facility at CTPark Mladá Boleslav is built with above-standard fire safety technologies. Roman Budík explains: **"Faurecia takes safety issues very seriously. For this reason, we require our manufacturing facilities to be far above the safety standards of local legislation. Worker safety is a core value at Faurecia. Moreover, because of the nature of our business, we cannot afford a shut-down of operations because of a fire or other safety issue. This would result in immediate stoppages at the world's major automobile assembly plants, and the damage from that would be excessive. Therefore, we demand the highest safety standards in building construction. CTP understands this and is able to deliver the quality standard that we require."**

Building the Business

For Faurecia, the move to its new facility at CTPark Mladá Boleslav is a major step in the further long-term development of the Czech Republic as one its core markets. Already, the country is the sixth most important country in Faurecia's global footprint, and its importance is set to rise with the launch of its new facility. CTP thus plays an important part in the roll-out of this strategy. **"From the very beginning, even in the tender phase, I could sense that CTP had a better understanding of what Faurecia needs and how the new plant fits into the wider strategy,"** Budík explains. **"Because of this level of understanding, and CTP's experience, negotiations were shorter and less complicated. This is very valuable and greatly appreciated."**

CTP is on schedule to finalise all construction works and handover the new facility to Faurecia in the second quarter of 2013. **"CTP provided us with the best possible layout that was closest to our ideal."** Roman Budík explains. **"The new plant will be a much more efficient, and much nicer, work environment. As a French company, Faurecia places great emphasis on not just the safety, but also the quality of the work environment. We are excited to be expanding operations at our new, state-of-the-art production plant, about the expansion of R&D and the introduction of the new IT service centre at Mladá Boleslav."**

"We demand the highest safety standards in building construction. CTP understands this and is able to deliver the quality standard that we require."

CTPark Mladá Boleslav

We are very pleased to welcome Faurecia as our first large-scale tenant at CTPark Mladá Boleslav, one of CTP's newest and fastest-growing parks. Location near the Škoda Auto assembly plant puts companies like Faurecia at the heart of one of Central Europe's largest automotive hubs. Close proximity to Germany puts you close to both customers and suppliers. The region's large educated workforce, excellent infrastructure and cost effectiveness make CTPark Mladá Boleslav an excellent location for other high-tech activities, as well as logistics. CTP is now a major player in the Mladá Boleslav area, following the acquisition of an existing automotive supply park nearby. Central Bohemia is an increasingly active region for CTP, as more investors like Faurecia discover the many benefits the region offers.

Tomáš Novotný **Regional Director**

CTP's company headquarters at CTPark Humpolec has been redesigned by long-term CTP architects Studio Acht and features hand-crafted wood, original artwork and refurbished client meeting areas.

CTP: A Year in the Life

CTP is a vibrant company with a staff of over 100 diverse, talented and motivated individuals. Corporate culture at CTP places a premium on building strong team camaraderie with a series of company-sponsored events and team-building weekends throughout the year. In 2012, CTP celebrated the launch of two premium-class office buildings—The Tower at Spielberk Office Centre, and IQ Ostrava. CTP also hosted several community events at Spielberk during the year. In 2012, CTP carried out major refurbishments of company headquarters at CTPark Humpolec.

The following is a selection of CTP staff and community highlights from 2012.

CTPark Humpolec, 1999.

CTPark Humpolec, 2012.

CTPark Humpolec, 2012.

CTP Refurbishes Company HQ

>

In 2012 CTP carried out a complete redesign and refurbishment out of its corporate premises. Leading Dutch-Czech architect firm and long-term CTP collaborator Studio Acht worked with CTP's Design team to refurbish client reception, meeting rooms and office spaces. Reflecting CTP's and Studio Acht's shared appreciation of natural materials and bright, open spaces, the design combines hand-crafted wood paneling with glass walls that bring sunlight into the building.

CTP commissioned Czech artist Marek Číhal to create site-specific artwork—a vivid and imaginative mural suspended from the ceiling. Premium-class comforts include a new suite of office furniture and refitted washrooms and other public facilities. CTP's headquarters also bears the distinction of being the first CTPark building equipped with solar paneling. The pilot installation continues to generate up to 80% of the buildings power needs. Refurbishment includes upgrades to all building management systems to ensure maximum energy efficiency.

CTP's company headquarters at CTPark Humpolec has been redesigned by long-term CTP architects Studio Acht and features hand-crafted wood, original artwork and refurbished client meeting areas.

Spielberk Tower Officially Opens

>

The Tower at Spielberk Office Centre—one of the most advanced and energy efficient office buildings in the Czech Republic—launches on 1 March with an official opening ceremony followed by a reception with drinks, food and live music.

CTSki

>

CTP staff and Partners enjoy the annual CTSki weekend in Saalbach in the Austrian Alps (18-21 January).

VIP Preview Launch at IQ Ostrava

>

CTP hosts a special pre-opening VIP launch of IQ Ostrava and the new, regional headquarters for Tieto on 10 May. The mayor of Ostrava, the Dutch and Finnish ambassadors to the Czech Republic, and Tieto executives are among the VIPs and invited guests in attendance.

Team Weekend – Sázava

<

CTP Partners and over 70 CTP staff came together on 13–15 September at Hotel Štamberk on the Sázava River for a weekend of sport, camaraderie and fun, including river rafting, bicycling, and several challenging team-building games.

SOC Tower Run Up

<

CTP hosts a run up the 416 steps to the top of The Tower at Spielberk Office Centre. Over 205 participants, including adults, children and company teams, take part in the event, with prizes and live entertainment.

“To finish a race is for me similar to finishing a project for our clients: both require full concentration and preparation, and both have a clearly set goal.”

Tomáš Novotný **Regional Director**

SOC Connection in Action

>

Spielberk Office Centre in Brno plays host to the gala event "Connection in Action" in September. Over 700 guests from across the Czech Republic and the world enjoy a VIP evening of live music and fashion with some of the biggest names on the Czech scene. Stepan de Goeij, head of Property Management, steals the show by running down the façade of Spielberk Tower, spider-man style—a feat of daring and bravery that is spoken of till this day.

"Connection in Action" brought over 700 invited guests to Spielberk Office Centre in Brno for an evening of music, fashion, food and friendship."

"The sky's the limit!"

Martin Dočekal **Financial Controller**

Winter Gala

>

CTP celebrates another year of success with its annual end-of-year Winter Gala party for staff and Partners in the Beskydy Mountains. It is an opportunity to come together as a company, to share highlights from the year in a series of team presentation, and to enjoy the holiday spirit with an evening of dancing.

Anniversaries at CTP

>

2012 marked the celebration of employment milestones for three of CTP's valued employees, Tomáš Kult, Radka Veletová and Petr Svoboda.

As personal assistant (and right hand) to CEO Remon Vos for more than 10 years, **Radka Veletová** (below) has been at the front line of CTP's growth from the beginning. Without her amazing organisational skills, endless patience and ever-present smile, CTP would not be the success that it is today.

In his 10 years at CTP, senior Construction Manager **Tomáš Kult** (top right) has overseen the construction of more square metres of premium-class properties than even he can keep track of. Tomáš joined CTP with a strong construction background and over the years has become something of a legend on the construction scene.

Petr Svoboda (above) was one of CTP's first employees. As a member of the Design department, he has had his hands on virtually all of CTP's developments. Petr is one of CEE's fastest and most accurate CAD (computer-aided design) designers and is responsible for the customisations and modifications to almost all of CTP's buildings and land plots. It is fitting that he was involved in the refurbishment of CTP's company headquarters at CTPark Humpolec, which he originally designed with Remon Vos back in 1998.

Section Contents

161 **Financial Results 2012**

CTP Property N.V.
Luna ArenA, Herikerbergweg 238
1101 CM Amsterdam Zuidoost
The Netherlands

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

KPMG

KPMG Česká republika Audit, s.r.o.
Pobřežní 648/1a
186 00 Praha 8
Česká republika

Telephone +420 222 123 111
Fax +420 222 123 100
Internet www.kpmg.cz

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

Independent Auditors' Report on Review of Combined Financial Statements

We have reviewed the accompanying combined financial statements of CTP Property N.V. and CTP Invest, spol. s r.o. ("the Group"), which comprise the combined statement of financial position as at 31 December 2012, the combined statement of comprehensive income, the combined statement of changes in equity, the combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements compiled on the basis stated in Note 3, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these combined financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements 2400, "Engagements to review historical financial statements". A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying combined financial statements as at and for the year ended 31 December 2012 were not prepared in compliance with the compilation basis as stated in Note 3.

Basis of preparation

Without modifying our opinion, we draw attention to Note 3 of the combined financial statements, which explains the basis of preparation, including the approach to and the purpose for preparing them. The combined financial statements were prepared 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 2012.

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 Audit

KPMG Česká republika Audit, spol. s r.o.
29 April 2013
Prague

KPMG Česká republika Audit, s.r.o., a Czech limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Obchodní rejstřík vedený Městským soudem v Praze oddíl C, vložka 24185.

IČ 49619187
DIČ CZ699001996

Combined pro-forma statement of comprehensive income

For the year ended 31 December

In thousands of EUR

	Note	2012	2011
Gross rental income	7	112,867	100,169
Property operating expenses	8	-5,450	-6,183
Net rental and related income		**107,417**	**93,986**
Income from development activities	9	1,754	9,156
Expenses from development activities	9	-1,355	-7,507
Net income from development activities		**399**	**1,649**
Valuation gains on investment property	14, 15, 16	92,671	93,287
Valuation losses on investment property	14, 15, 16	-112,020	-15,990
Net valuation result on investment property		**-19,349**	**77,297**
Other income	10	7,705	2,282
Operational expenses (including administrative expenses)	11	-16,396	-15,924
Net other income/expenses		**-8,691**	**-13,642**
Net profit/loss before finance costs		**79,776**	**159,290**
Finance income	12	2,390	2,977
Finance expense	12	-56,284	-72,746
Net finance costs		**-53,894**	**-69,769**
Profit/loss before income tax		**25,882**	**89,521**
Income tax	13	-25,834	-12,568
Profit /(loss) for the period attributable to equity holders of the Company		**48**	**76,953**
Other comprehensive income			
Revaluation reserve		382	1,114
Foreign currency translation differences		5,280	-6,034
Total comprehensive income for the year attributable to equity holders of the Company		**5,710**	**72,033**

The notes 1 to 31 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	2012	2011
Assets			
Investment property	14	1,621,315	1,477,909
Investment property under development	15	161,946	190,525
Property, plant and equipment	17	26,101	27,719
Finance lease receivables	18	–	710
Financial derivatives	24	66	391
Investment in associates and joint venture		–	644
Other long-term receivables		1,577	303
Long-term receivables due from related parties	27	6,527	16,175
Deferred tax assets	25	4,618	–
Total non-current assets		**1,822,150**	**1,714,376**
Inventory		871	188
Trade and other receivables	19	26,189	26,635
Short-term receivables due from related parties	27	34	81
Finance lease receivables	18	715	602
Cash and cash equivalents	20	18,016	16,583
Assets classified as held for sale	21	2,643	24,240
Total current assets		**48,468**	**68,329**
Total assets		**1,870,618**	**1,782,705**
Issued capital		388,133	388,133
Translation reserve		9,596	4,316
Reserves		626,403	626,403
Retained earnings		-444,523	-521,475
Revaluation reserve		8,840	8,458
Net result for the year		48	76,953
Total equity attributable to parent		**588,497**	**582,788**
Non-controlling interest		**–**	**–**
Total equity attributable to parent		**588,497**	**582,788**
Liabilities			
Interest-bearing loans and borrowings from financial institutions	23	716,208	627,313
Interest-bearing loans and borrowings from other parties		4,000	–
Finance lease payables	23	210,603	226,534
Trade and other payables		4,007	6,765
Long-term payables to related parties	27	29,957	42,742
Financial derivatives	24	34,052	25,652
Deferred tax liabilities	25	147,956	127,278
Total non-current liabilities		**1,146,783**	**1,056,284**
Interest-bearing loans and borrowings from financial institutions	23	58,371	70,108
Interest-bearing loans and borrowings from related parties	27	–	85
Interest-bearing loans and borrowings from other parties		2,000	–
Finance lease payables	23	18,914	16,974
Trade and other payables	23	54,967	52,620
Short-term payables to related parties	27	76	373
Financial derivatives	24	563	3,015
Provisions		447	458
Total current liabilities		**135,338**	**143,633**
Total liabilities		**1,282,121**	**1,199,917**
Total (invested) equity and liabilities		**1,870,618**	**1,782,705**

The notes 1 to 31 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

	2012	2011
Operating activities		
Result for the year	48	76,953
Change in value of investment property	19,349	-77,297
Depreciation	4,065	4,401
Net interest expense and expenses from derivatives	41,385	43,149
Valuation loss/gain on changes in derivatives	12,264	10,929
Other changes and impact of currency translations	-2,433	256
Write-down of inventory, impairment of IPuD and change in provision	36	-220
Income related to sale of electricity grid	-343	-231
Negative goodwill	-2,857	-27
Income tax benefit/expense	25,834	12,568
Operating profit before changes in working capital and provisions	**97,348**	**70,481**
Decrease/increase in finance lease receivables	597	298
Decrease/increase in trade and other receivables	-828	-8,667
Increase/decrease in trade and other payables	-25,248	20,448
Decrease/increase in inventory	-683	-188
Sale of assets classified as held for sale	24,240	–
Cash generated from used in operations	**-1,922**	**11,891**
Interest paid and expenses from derivatives	-36,553	-49,493
Interest received	532	3,059
Income taxes paid	-4,239	-453
Cash flows from used in operating activities	**55,166**	**35,485**
Investment activities		
Acquisition of subsidiaries	-5,744	-1,929
Acquisition of property, plant and equipment	-1,473	-3,420
Development of investment property	-78,705	-79,111
Cash flows from used in investing activities	**-85,922**	**-84,460**
Financing activities		
Proceeds from changes in lease liabilities	-13,991	-5,981
Repayment of borrowings	-65,795	-35,014
Proceeds from interest-bearing loans and borrowings	111,975	94,093
Cash flows from financing activities	**32,189**	**53,098**
Cash and cash equivalents at 1 January	16,583	12,460
Net increase in cash and cash equivalents	1,433	4,123
Cash and cash equivalents at 31 December	**18,016**	**16,583**

The notes 1 to 31 are an integral part of this combined pro-forma financial information.

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 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
Total other comprehensive income	–	*-6,034*	–	*1,114*	–	–	-4,920
Total comprehensive income for the period	**–**	**-6,034**	**–**	**1,114**	**–**	**76,953**	**72,033**
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Acquisition of ownership interests in subsidiaries	–	–	–	–	–	–	–
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	–
Total transactions with owners	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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**
Balance at 1 January 2012	**388,133**	**4,316**	**626,403**	**8,458**	**-521,475**	**76,953**	**582,788**
Total comprehensive income for the period							
Profit for period	–	–	–	–	–	48	48
Other comprehensive income							
Revaluation of Plant and equipment	–	–	–	382	–	–	382
Foreign currency translation differences	–	5,280	–	–	–	–	5,280
Total other comprehensive income	–	5,280	–	*382*	–	48	5,710
Total comprehensive income for the period	**–**	**5,280**	**–**	**382**	**–**	**48**	**5,710**
Changes in ownership interests in subsidiaries that do not result in a loss of control							
Acquisition of ownership interests in subsidiaries	–	–	–	–	-1	–	-1
Total changes in ownership interests in subsidiaries	–	–	–	–	-1	–	-1
Total transactions with owners	**–**	**–**	**–**	**–**	**-1**	**–**	**-1**
Other movements							
Transfer of profit 2011	–	–	–	–	76,953	-76,953	–
Addition to the legal reserve	–	–		–	–	–	–
Total other movements	**–**	**–**	**–**	**–**	**76,953**	**-76,953**	**–**
Balance at 31 December 2012	**388,133**	**9,596**	**626,403**	**8,840**	**-444,523**	**48**	**588,497**

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 2011 and 2012 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 2012.

For the structure of CTP as at 31 December 2012 see note 26 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 2012, the investment property portfolio is held directly by the Sub-group CTP Property and by the finance lease provider.

Registered office:
Luna ArenA, Herikerbergweg 238
1101 CM Amsterdam Zuidoost
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 2012:

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 2012:
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 2012 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, Czech Republic.

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 2012:

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

Management as at 31 December 2012:
Director: Remon Leonard Vos
Proxy: Radek Zeman

Sub-group entities:

The companies included in the Sub-group CTP Invest as at 31 December 2012 are as follows:
CTP Invest, spol. s r.o.
CTP Invest 1, spol. s r.o.
CTP Invest III, 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. (renamed to CTPark Brno II, spol. s r.o. on 25 February 2013)
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.
CTP Property XXV, spol. s r.o.
CTP Products I, spol. s r.o.
WDP CZ, 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 25.3 million) until 31 December 2013, as described in note 23.

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 2012 during 2013 as follows:

In thousands of EUR	
Current liabilities as at 31 December 2012	-135,338
Current assets excluding cash and cash equivalents as at 31 December 2012	30,452
Funds required in 2013 to cover the short-term liquidity gap	-104,886
Short-term payables to related parties for which the maturity will be extended or which will be set-off with long-term receivables	76
Available cash as at 31 December 2012	15,899
Expected fund to be received in 2013 from operating activities	15,414
Expected funds to be received in 2013 from existing loan agreements	77,736
Expected funds to be received in 2013 to cover the short-term liquidity gap	4,239

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:
1. Necessary reclassifications were carried out (see below Reclassifications).
2. Inter-group transactions and any unrealised results from inter-group transactions were eliminated (see below Eliminations).
3. 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	Adjustments	Eliminations	2012	2011
Assets								
Investment property	1,352,529	268,786	1,621,315				1,621,315	1,477,909
Investment property under development	54,838	99,437	154,275	7,671			161,946	190,525
Property, plant and equipment	23,810	2,291	26,101				26,101	27,719
Finance lease receivables	–	–	–				–	710
Financial derivatives	66	–	66				66	391
Investment in associates and joint venture	–	1,216	1,216			-1,216	–	644
Other long-term receivables	303	1,274	1,577				1,577	303
Long-term receivables due from related parties	72,544	13,634	86,178		1,994	-81,645	6,527	16,175
Deferred tax assets	–	4,618	4,618				4,618	–
Total non-current assets	**1,504,090**	**391,256**	**1,895,346**	**7,671**	**1,994**	**-82,861**	**1,822,150**	**1,714,376**
Inventory	–	8,542	8,542	-7,671			871	188
Trade and other receivables	15,083	11,106	26,189				26,189	26,635
Short-term receivables due from related parties	4,298	12,907	17,205		331	-17,502	34	81
Finance lease receivables	–	715	715				715	602
Cash and cash equivalents	14,982	3,034	18,016				18,016	16,583
Assets classified as held for sale	2,643	–	2,643				2,643	24,240
Total current assets	**37,006**	**36,304**	**73,310**	**-7,671**	**331**	**-17,502**	**48,468**	**68,329**
Total assets	**1,541,096**	**427,560**	**1,968,656**	**–**	**2,325**	**-100,363**	**1,870,618**	**1,782,705**
Issued capital	12,400	375,733	388,133				388,133	388,133
Translation reserve	–	9,596	9,596				9,596	4,316
Reserves	619,528	6,875	626,403				626,403	626,403
Retained earnings	-224,135	-221,785	-445,920		1,590	-193	-444,523	-521,475
Revaluation reserve	8,840	–	8,840				8,840	8,458
Net result for the year	-6,008	5,702	-306		295	59	48	76,953
Total equity attributable to parent	**410,625**	**176,121**	**586,746**	**–**	**1,885**	**-134**	**588,497**	**582,788**
Non-controlling interest	**1,082**	**–**	**1,082**	**–**	**–**	**-1,082**	**–**	**–**
Total equity attributable to parent	**411,707**	**176,121**	**587,828**	**–**	**1,885**	**-1,216**	**588,497**	**582,788**
Liabilities								
Interest-bearing loans and borrowings from financial institutions	610,730	105,478	716,208				716,208	627,313
Interest-bearing loans and borrowings from other parties	–	4,000	4,000				4,000	–
Finance lease payables	203,285	7,318	210,603				210,603	226,534
Trade and other payables	4,002	5	4,007				4,007	6,765
Long-term payables to related parties	40,439	71,163	111,602			-81,645	29,957	42,742
Financial derivatives	31,596	2,456	34,052				34,052	25,652
Deferred tax liabilities	129,342	18,174	147,516		440		147,956	127,278
Total non-current liabilities	**1,019,394**	**208,594**	**1,227,988**	**–**	**440**	**-81,645**	**1,146,783**	**1,056,284**
Interest-bearing loans and borrowings from financial institutions	54,136	4,235	58,371				58,371	70,108
Interest-bearing loans and borrowings from other parties	–	2,000	2,000				2,000	–
Interest-bearing loans and borrowings from related parties	2	2,308	2,310			-2,310	–	85
Finance lease payables	18,909	5	18,914				18,914	16,974
Trade and other payables	24,077	30,890	54,967				54,967	52,620
Short-term payables to related parties	12,871	2,397	15,268			-15,192	76	373
Financial derivatives	–	563	563				563	3,015
Provisions	–	447	447				447	458
Total current liabilities	**109,995**	**42,845**	**152,840**	**–**	**–**	**-17,502**	**135,338**	**143,633**
Total liabilities	**1,129,389**	**251,439**	**1,380,828**	**–**	**440**	**-99,147**	**1,282,121**	**1,199,917**
Total (invested) equity and liabilities	**1,541,096**	**427,560**	**1,968,656**	**–**	**2,325**	**-100,363**	**1,870,618**	**1,782,705**

In thousands of EUR

	CTP Property N.V.	CTP Invest, spol. s r.o.	Total	Reclassi-fications	Adjustments	Eliminations	2012	2011
Gross rental income	108,601	4,462	113,063			-196	112,867	100,169
Property operating expenses	-8,002	-806	-8,808	-2,312		5,670	-5,450	-6,183
Net rental and related income	**100,599**	**3,656**	**104,255**	**-2,312**		**5,474**	**107,417**	**93,986**
Income from development activities	–	59,867	59,867			-58,113	1,754	9,156
Expenses from development activities	–	-50,917	-50,917			49,562	-1,355	-7,507
Net income from development activities	**–**	**8,950**	**8,950**			**-8,551**	**399**	**1,649**
Valuation gains on investment property	40,194	52,405	92,599			72	92,671	93,287
Valuation losses on investment property	-66,194	-54,661	-120,855			8,835	-112,020	-15,990
Net valuation result on investment property	**-26,000**	**-2,256**	**-28,256**			**8,907**	**-19,349**	**77,297**
Other income	3,772	12,777	16,549			-8,844	7,705	2,282
Operational expenses (including administrative expenses)	-8,509	-13,611	-22,120	2,312	313	3,099	-16,396	-15,924
Net other income/expenses	-4,737	-834	-5,571	2,312	313	-5,745	-8,691	-13,642
Net profit/loss before finance costs	**69,862**	**9,516**	**79,378**	**–**	**313**	**85**	**79,776**	**159,290**
Finance income	5,328	6,207	11,535	-2,397		-6,748	2,390	2,977
Finance expense	-54,599	-10,757	-65,356	2,397	42	6,633	-56,284	-72,746
Net finance costs	**-49,271**	**-4,550**	**-53,821**	**–**	**42**	**-115**	**-53,894**	**-69,769**
Profit/loss before income tax	**20,591**	**4,966**	**25,557**	**–**	**355**	**-30**	**25,882**	**89,521**
Income tax	-26,510	736	-25,774		-60		-25,834	-12,568
Profit/loss for the period	**-5,919**	**5,702**	**-217**	**–**	**295**	**-30**	**48**	**76,953**
Profit /(loss) for the period attributable to equity holders of the Company	**-5,919**	**5,702**	**-217**	**–**	**295**	**-30**	**48**	**76,953**
Profit for the period - non controlling interest	**89**	**–**	**89**			**-89**	**–**	**–**
Profit /(loss) for the period attributable to equity holders of the Company	**-6,008**	**5,702**	**-306**	**–**	**295**	**59**	**48**	**76,953**
Other comprehensive income								
Revaluation reserve	382	–	382				382	1,114
Foreign currency translation differences	–	5,280	5,280				5,280	-6,034
Total comprehensive income for the year attributable to equity holders of the Company	**-5,626**	**10,982**	**5,356**	**–**	**295**	**59**	**5,710**	**72,033**

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 29 April 2013.

The separate IFRS consolidated financial statements of the Sub-group CTP Invest were authorized and approved for issue by the management on 29 April 2013.

New standards and interpretations not applied

When preparing these financial statements, the Sub-groups used new or amended standards and interpretations which should be applied for accounting periods started after 1 January 2012.

The following new standards and amendments to standards were not yet effective for the year ended 31 December 2012 and were not applied in preparing these financial statements:

- IFRS 10 Consolidated Financial Statements (effective for accounting periods beginning on or after 1 January 2013);
- IFRS 11 Joint Arrangements (effective for accounting periods beginning on or after 1 January 2013);
- IFRS 12 Disclosure of Interests in Other Entities (effective for accounting periods beginning on or after 1 January 2013);
- IFRS 13 Fair Value Measurement (effective for accounting periods beginning on or after 1 January 2013);
- IAS 27 (2011) Separate Financial Statements (effective for accounting periods beginning on or after 1 January 2013);
- IAS 28 (2011) Investments in Associates and Joint Ventures (effective for accounting periods beginning on or after 1 January 2013);
- Amendments to IAS 12 Deferred Tax: Recovery of Underlying Assets (effective for accounting periods beginning on or after 1 January 2013);
- Amendments to IAS 19 Employee Benefits (effective for accounting periods beginning on or after 1 January 2013).

The management of the Sub-groups has not yet completed an analysis of the effect of the above standards and amendments to standards on the separate 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 2012 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 2011	25.800	24.586
31 December 2012	25.140	25.143

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 financial derivatives, 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) 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 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 2012 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 2012 were following:

Sub-group CTP Property

Yield	
Initial yield	7.90% - 8.50%
Exit yield	
Industrial premises	7.75% - 8.25%
Office properties	7.40% - 8.00%
Retail Properties	8.75%
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	7.90% - 8.50%
Exit yield	
Industrial premises	7.75% - 9.50%
Office properties	7.40% - 8.00%
Ongoing Vacancy	0.00% - 10.00%
ERV per sqm	
Industrial premises	3.50 - 4.40 EUR
Office properties	7.50 - 13.00 EUR

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-exercised 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 2012 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 undertaking the scheme.

The assumptions used by the independent valuer for the year ended 31 December 2012 were following:

Capiatalisation rates	7.75% - 9.75%
Ongoing Vacancy	0.00% - 5.00%
ERV per sqm	
Industrial premises	3.50 - 6.00 EUR
Office properties	9.00 - 13.00 EUR

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 business 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 indication 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 2012 was 19% in the Czech Republic (2011 – 19%), 29.48% in Germany (2011 – 19.325%), 23% in Slovakia (2011 – 19%), 16% in Romania (2011 – 16%), 25% in Austria (2011 – 25%), 25% (2011 – 25.5%) in the Netherlands and 28.8% in Luxembourg (2011 – 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 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.

Derivative financial instruments are initially recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. The derivative financial 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.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Fair values are obtained from quoted market prices or discounted cash flow models, as appropriate. The 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. EPRA profit reconciliation

In thousands of EUR

	2012	2011
Gross rental income	112,867	100,169
Property operating expenses	-5,450	-6,183
Net rental and related income	**107,417**	**93,986**
Net income from development activities	**399**	**1,649**
Other income	2,554	928
Operational expenses (including administrative expenses)	-16,396	-15,924
Net other income/expenses	**-13,842**	**-14,996**
EPRA net profit/loss before finance costs	**93,974**	**80,639**
Finance income	1,018	1,547
Finance expense	-43,916	-45,830
Net finance costs	**-42,898**	**-44,283**
EPRA profit/loss before income tax	**51,076**	**36,356**
Adjustments:		
Net valuation result on investment property	-19,349	77,297
Other income - Negative goodwill	2,857	27
Other income - Revaluation of assets held for sale	2,000	–
Other income - Sale of investment property	294	1,327
Change in fair value derivatives	-12,264	-11,267
Net foreign exchange gains/losses	1,268	-7,971
Other financial expenses	–	-6,248
Profit/loss before income tax	**25,882**	**89,521**

EPRA profit before tax is an alternative to its IFRS equivalent. It is calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association (EPRA). This alternative has been used because it highlights the underlying recurring performance of the property rental business that is the CTP's principal activity.

7. Gross rental income

In thousands of EUR

	2012	2011
Logistic premises	44,537	41,207
Production premises	44,290	36,299
Offices	15,218	13,638
Retail premises	384	1,777
Mixed use	1,819	134
Plots and infrastructure	284	773
Park management income	6,335	6,341
	112,867	**100,169**

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.

8. Property operating expenses

In thousands of EUR

	2012	2011
Park management expenses	-2,063	-2,983
Maintenance and repairs	-1,483	-1,117
Real estate tax	-1,275	-1,218
Insurance	-379	-359
Heat, gas and water consumption	-131	-152
Fee for real estate consultants and brokers	–	-126
Other	-119	-228
	-5,450	**-6,183**

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.

9. Net income from development activities

In thousands of EUR

	2012	2011
Income from development activities	1,754	9,156
Expenses connected with development activities	-1,355	-7,507
	399	**1,649**

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

10. Other income

In thousands of EUR

	2012	2011
Negative goodwill	2,857	27
Revaluation of assets held for sale	2,000	–
Income related to sale of electricity grid	1,806	231
Sale of investment property	294	1,327
Commissions received from distributors of utilities	107	167
Income from rent of equipment	84	–
Commissions for guarantees provided	35	–
Coordination fee relating to the service charge	3	3
Release of provisions and liabilities	–	220
Other income	519	307
	7,705	**2,282**

In 2012 the electricity grid (assets constructed until the end of 2010) in CTP's ownership was sold to an electricity distributor in accordance with a sale agreement concluded in 2011. Further, in 2012 CTP sold to the electricity distributor assets constructed and connected to the electricity grid in 2011 and 2012. The income totaling EUR 1,806 thousand (2011 – EUR 231 thousand) related to the sales was recognized in Other income.

Other income includes negative goodwill of EUR 2,857 thousand (2011 – EUR 27 thousand) from the purchases of the subsidiaries CTP Property XXV, spol. s r.o. and WDP CZ, s.r.o. (2011 – QTL Assets s.r.o.) – refer to note 26.

The other income from the revaluation of the assets held for sale represents the revaluations of participations in a German do-it-yourself retailer. The fair value of the participation represents the agreed price for which the shares will be sold in 2013 (refer to note 21).

11. Operational expenses

In thousands of EUR

	2012	2011
Depreciation	-4,485	-4,401
Administrative personnel expenses	-3,538	-3,151
Legal, tax and audit	-2,050	-2,578
Taxes and charges	-1,091	-1,091
Advertising and promotion expenses	-906	-542
Energy cost	-622	-429
Fee for real estate consultants and brokers	-604	-377
Other administration services	-493	-245
Rent	-470	-666
Repair and maintenance, other park services	-245	-192
Telecommunication expenses	-121	-123
IT services	-76	-90
Other	-1,695	-2,039
	-16,396	**-15,924**

The depreciation includes depreciation of the solar plants in the amount of EUR 1,169 thousand (2011 – EUR 1,169 thousand), and the depreciation of other equipment in the amount of EUR 3,316 thousand (2011 – EUR 3,232 thousand).

In 2012, the remuneration for CTP's Auditors amounted to EUR 145 thousand (2011 – EUR 126 thousand).

The taxes and charges include EUR 844 thousand (2011 – EUR 783 thousand) 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

	2012	2011
Project management	-807	-661
Administrative	-3,538	-3,151
	-4,345	**-3,812**

The personnel expenses related to project management are reported as expenses of development activities (refer to note 9). The average number of employees in 2012 was 117 (2011 – 103 employees). In December 2012 the average number of employees was 119 (December 2011 – 108 employees).

In 2012 as well as in 2011 the Board of Directors of CTP Property N.V. did not receive any remuneration.

12. Net finance costs

In thousands of EUR

	2012	2011
Interest income	531	443
Interest income - related parties	289	420
Change in fair value derivatives	–	1,430
Net foreign exchange gains	1,372	–
Other financial income	198	684
Finance income	**2,390**	**2,977**
Interest expense	-35,171	-37,763
Interest expense - related parties	-1,233	-1,587
Net foreign exchange losses	-104	-7,971
Change in fair value derivatives	-12,264	-12,697
Payment made on derivatives	-5,801	-4,662
Other financial expenses	-1,711	-8,066
Finance costs	**-56,284**	**-72,746**
Net finance costs	**-53,894**	**-69,769**

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 9,420 thousand (2011 – EUR 10,548 thousand) which will become due in 2015 (refer to note 23).

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

13. Income tax expense

In thousands of EUR

	2012	2011
Current tax	-13,519	-838
Deferred tax	-12,315	-11,730
Total income tax expense in income statement	**-25,834**	**-12,568**

Reconciliation of effective tax rate

In thousands of EUR

	2012	2011
Result before tax	25,882	89,521
Income tax	25.0%	25.5%
Anticipated income tax in the Netherlands	-6,471	-22,828
Effect of tax rates in foreign jurisdictions	1,442	5,819
Change in unrecognised tax losses	13	170
Additional tax imposed for 2007-2011	-10,739	–
Impact of additional tax imposed on deferred tax	-4,543	–
Other differences	-5,536	4,271
	-25,834	**-12,568**

The income expense include tax expense for previous years in the amount of EUR 10,739 thousand following the decision of the local tax authority. The effect on the deferred tax following this decision due to the effect of change in the losses carried forward is EUR 4,543 thousand (refer to note 25).

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 2012 and 2011 and the tax treatment between CTP Property Lux S.à r.l. and CTP Property N.V.

14. Investment property

In thousands of EUR

	Owned buildings and land	Leased buildings and land	Land Bank	Total
Balance at 1 January 2011	**778,020**	**466,220**	**109,539**	**1,353,599**
Transfer from / to 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	–	-2,914	-4,989
Valuation gain	34,050	10,063	4,784	48,897
Valuation loss	-12,228	–	-1,026	-13,254
Balance at 31 December 2011	**872,594**	**477,739**	**127,756**	**1,477,909**
Balance at 1 January 2012	**872,594**	**477,739**	**127,756**	**1,477,909**
Transfer from / to investment property under development	45,392	–	-3,987	41,405
Transfer from / to property, plant and equipment	-19	–	490	471
Acquisitions	44,853	–	725	45,578
Additions / disposals	42,949	1,158	5,681	49,788
Translation reserve	1,707	–	2,776	4,483
Valuation gain	42,454	360	7,681	50,495
Valuation loss	-27,391	-10,516	-10,907	-48,814
Balance at 31 December 2012	**1,022,539**	**468,741**	**130,215**	**1,621,315**

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.

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.

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.

All owned buildings and land are subject to a registered debenture to secure bank loans (refer to note 23).

15. Investment property under development

In thousands of EUR

	2012	2011
Balance at 1 January	190,525	152,216
Additions/disposals	28,917	27,696
Transfers from/to investment property	-41,405	-28,954
Valuation gains	42,176	44,390
Valuation losses	-36,928	-2,736
Valuation gains recognized in previous years on investment property under development transferred to investment property in current year	-26,278	–
Write off/Impairment / (reversal of impairment) of investment property under development	538	–
Acquisition of subsidiary	1,876	–
Translation reserve	2,525	-2,087
Balance at 31 December	**161,946**	**190,525**

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.

16. Net valuation result on investment property

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

In thousands of EUR

		2012	2011
Valuation gain		92,671	93,287
out of which:	*Investment Property*	*50,495*	*48,897*
	Investment Property under development	*42,176*	*44,390*
Valuation loss		-112,020	-15,990
out of which:	*Investment Property*	*-48,814*	*-13,254*
	Investment Property under development	*-63,206*	*-2,736*
Net valuation gains (- losses) on investment property		**-19,349**	**77,297**

17. Property, plant and equipment

In thousands of EUR

	Plant	Equipment	2012	2011
Balance at 1 January	23,595	4,124	27,719	54,658
Additions	–	1,473	1,473	3,420
Disposals	–	-114	-114	-120
Transfers from/to investment property	–	-471	-471	–
Transfers from/to inventory	–	-369	-369	–
Transfers from/to assets classified as held for sale	–	–	–	-24,240
Valuation gain on solar plants	472	–	472	1,375
Depreciation	-1,169	-2,896	-4,065	-4,401
Impact of sale of electricity grid	–	1,389	1,389	231
Advance received for sale of electricity grid	–	–	–	-2,286
Translation reserve	–	67	67	-918
Balance at 31 December	**22,898**	**3,203**	**26,101**	**27,719**

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.

18. 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

	2012	2011
Less than one year	715	602
Between one and five years	–	710
	715	1,312

19. Trade and other receivables

In thousands of EUR

	2012	2011
Trade receivables	25,404	19,872
Tax receivables	785	6,763
	26,189	26,635

The trade receivables as per 31 December 2012 consist of receivables from rent and rent-related income. As per 31 December 2011 the trade receivables also included a receivable from assets sale in the amount of EUR 2,694 thousand and an estimated insurance claim against an insurance company for the reconstruction of a building which was destroyed by fire in the amount of EUR 2,912 thousand. The total claim paid out by the insurance company was in the end EUR 1,991 thousand.

20. Cash and cash equivalents

Cash and cash equivalents of EUR 18,016 thousand (2011 – EUR 16,583 thousand) entirely consist of bank balances. All cash and cash equivalents are payable on demand with the exception of EUR 2,117 thousand (2011 – EUR 2,540 thousand) which is kept on separate accounts to secure the position of loan providers.

21. Assets classified as held for sale

The assets classified as held for sale in the amount of EUR 2,643 thousand (2011 – EUR 946 thousand) represents the agreed price for which the shares in a German do-it-yourself retailer will be sold in 2013 (refer to note 10). As at 31 December 2011 the assets classified as held for sale in the amount of EUR 24,240 thousand represented the electricity grid (a part of the infrastructure owned by CTP) which CTP sold in 2012. The impact of the sale was recognised in the Consolidated statement of comprehensive income under Other income (see note 10).

22. 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 2012 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 2012 the share premium amounts to EUR 619,528 thousand.

Revaluation reserve

The Revaluation reserve in the amount of EUR 8,840 thousand (2011 – EUR 8,458 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 EUR 375,733 thousand (31 December 2011 – EUR 375,733 thousand).

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 3 (ii)).

Reserves

Reserves comprise legal reserve of CTP Invest, spol. s r.o. of EUR 6,875 thousand (31 December 2011 – EUR 6,875 thousand).

23. Liabilities

Current trade and other payables

In thousands of EUR

	2012	2011
Trade payables	35,644	42,883
Accruals	7,127	6,739
VAT payable	2,450	2,577
Other tax payables	9,746	421
	54,967	**52,620**

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

In thousands of EUR

	2012	2011
Non-current liabilities		
Interest-bearing loans and borrowings from financial institutions	716,208	627,313
Finance lease payables	210,603	226,534
	926,811	**853,847**

In thousands of EUR

	2012	2011
Current liabilities		
Interest-bearing loans and borrowings from financial institutions	58,371	70,108
Finance lease payables	18,914	16,974
	77,285	**87,082**

Pledges related to interest bearing loans are described in detail in note 23.

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 2012					Balance as at 31 Dec. 2011
	Due within			Due in	Total	Total
	1 year	2 years	3-5 years	follow. years		
Erste Group Bank AG	55,722	64,761	183,330	209,680	513,493	535,741
Raiffeisenlandesbank Niederösterreich-Wien AG	2,947	2,694	9,665	101,300	116,606	119,952
Komerční banka, a.s.	4,218	71,972	21	–	76,211	85,693
Československa obchodní banka, a.s.	2,599	2,634	12,594	57,105	74,932	45,524
UniCredit Bank Czech Republic, a.s.	3,259	2,754	68,476	–	74,489	5,793
ING Bank N.V./ING Real Estate Finance N.V.	1,170	1,170	55,304	–	57,644	56,164
Investkredit Bank AG	4,671	2,922	9,208	33,609	50,410	53,760
Raiffeisenbank a.s.	700	6,960	2,280	14,317	24,257	6,200
Commerzleasing und Immobilien AG (via Tech Data GmbH)	1,924	1,042	7,419	–	10,385	10,320
Všeobecná úverová banka, a.s.	75	300	900	4,394	5,669	2,025
Česká spořitelna, a.s.	–	–	–	–	–	19,757
	77,285	**157,209**	**349,197**	**420,405**	**1,004,096**	**940,929**

Finance leases

Finance leases interest rates are based on EURIBOR, PRIBOR or LIBOR plus margins that vary from 1% to 3.50%.

Future minimum lease payments as at 31 December 2012 and 31 December 2011:

In thousands of EUR

	2012	2011
Total minimum lease payments	242,661	268,095
Future finance charges on finance lease	13,144	24,587
Present value of finance lease liabilities	**229,517**	**243,508**

Bank loans

Interest rates for loans and borrowings are based on EURIBOR, LIBOR or PRIBOR, plus margins that vary from 0.95% to 3.20%. 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.

Erste Group Bank AG

In January 2009 CTP signed long-term facility of EUR 100 million with Erste Group Bank AG, which was used for strengthening the financial position of the Group with the maturity date as of 31 December 2013. The agreed maturity date was extended in 2012 until 31 December 2015. One of the components of the facility was postponements on the principal repayment of financial lease obligations. The repayment date of the postponed financial lease obligations was in 2012 also extended to 31 December 2015.

CTP agreed in 2012 increased financing for its project Spielberk Office Centre with the Erste Group Bank AG by EUR 23,000 thousand to the total amount of EUR 94,659 thousand. The additional loan was executed in the beginning of 2013. The increased financing was used to repay the above mentioned EUR 100 million loan facility. Further CTP agreed in 2012 with Erste Group Bank AG new financing for CTPark Modřice in the amount of EUR 99,617 thousand until 31 December 2020. The new financing replaces the existing financing with a total amount of EUR 59,219 thousand. From the proceeds were repaid apart from the existing financing also short-term loans provided by Erste Group Bank AG. The new loan was executed in 2013.

The outstanding amount of the EUR 100 million facility as of the date of this report is EUR 42,000 thousand and the outstanding amount of the postponed obligations is EUR 25,253 thousand.

CTP is currently negotiating extension of other facilities with Erste Group Bank AG in the amount of EUR 192 million.

Raiffeisenlandesbank Niederösterreich-Wien AG

CTP decided to extend the cooperation with Raiffeisenlandesbank Niederösterreich-Wien AG and agreed financing for the construction of three buildings in the total amount of EUR 7,600 thousand from which EUR 2,028 thousand was drawn as at 31 December 2012. The loan will mature on 31 December 2016.

Československá obchodní banka, a.s.

CTP decided to conclude a new loan agreement for the construction of new properties in CTPark Brno II with Československá obchodní banka, a.s. The total loan facilities amounted to EUR 8,532 thousand and CZK 610,318 thousand from which EUR 4,535 thousand was drawn as at 31 December 2012. These loans will mature on 31 December 2018.

Further CTP concluded a new loan agreement for the financing of existing buildings in CTPark Plzeň. The total loan facility amounted to EUR 6,500 thousand, the full amount was drawn during 2012. The loan will mature on 30 April 2016.

In April 2012, CTP agreed a loan facilities agreement with Československá obchodní banka, a.s. up to EUR 7,500 thousand for financing a newly constructed investment property. As at 31 December 2012 EUR 5,410 thousand has been drawn down in line with the progress of the construction works. The outstanding EUR 2,090 thousand will be drawn in 2013.

UniCredit Bank Czech Republic, a.s.

In July 2012, CTP acquired the subsidiary Slatina Property s.r.o. (later re-named to CTP Property XXV, spol. s r.o.) that had a loan facilities agreement agreed with UniCredit Bank Czech Republic, a.s. CTP re-negotiated the agreement and agreed financing up to USD 13,930 thousand for the acquisition and for re-financing of the investment property owned by the subsidiary. As at 31 December 2012 USD 13,930 thousand has been drawn down. In addition, the Group agreed with UniCredit Bank Czech Republic, a.s. financing up to EUR 8,400 thousand for financing a newly constructed investment property. As at 31 December 2012 EUR 0 has been drawn down. The outstanding EUR 8,400 thousand will be drawn in 2013.

In November 2012, CTP agreed a loan facilities agreement with UniCredit Bank Czech Republic, a.s. up to EUR 41,000 thousand for re-financing standing investment properties. As at 31 December 2012 EUR 30,000 thousand has been drawn down. The outstanding EUR 11,000 thousand will be drawn in 2013.

ING Bank N.V./ING Real Estate Finance N.V.

CTP concluded an amendment to the existing loan agreement in order to secure financing for the construction of the extension of one building in CTPark Brno I with ING Bank N.V./ING Real Estate Finance N.V. The total loan facility amounted to EUR 5,300 thousand from which EUR 2,650 thousand was drawn as at 31 December 2012.

Raiffeisenbank a.s.

In October 2011, CTP agreed with Raiffeisenbank a.s. financing up to EUR 9,000 thousand for a real estate development project. As at 31 December 2012 EUR 6,200 thousand has been drawn down. The outstanding EUR 2,800 thousand will be drawn in 2013.

In September 2012, CTP agreed a loan facilities agreement with Raiffeisenbank a.s. up to EUR 4,000 thousand for financing newly constructed investment properties. As at 31 December 2012 EUR 2,056 thousand has been drawn down in line with the progress of the construction works. The outstanding EUR 1,944 thousand will be drawn in 2013.

In October 2012, CTP agreed an overdraft loan agreement with Raiffeisenbank a.s. up to EUR 5,172 thousand. As at 31 December 2012 EUR 0 has been drawn down.

In November 2012, CTP acquired the subsidiary WDP CZ, s.r.o. CTP agreed with Raiffeisenbank a.s. financing up to EUR 18,750 thousand for the acquisition and for re-financing of investment properties owned by the subsidiary.

Všeobecná úverová banka, a.s.

In October 2011, the Group 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 2012 EUR 5,669 thousand has been drawn down for financing the land acquisition and the progress of the construction works. The outstanding EUR 16,681 thousand will be drawn in 2013.

24. Financial derivatives

In thousands of EUR	2012	2011
Non-current liabilities		
Financial derivatives	34,052	25,652
Current liabilities		
Financial derivatives	563	3,015
	34,615	**28,667**

In thousands of EUR	2012	2011
Non-current receivables		
Financial derivatives	66	391
Current receivables		
Financial derivatives	–	–
	66	**391**

As at 31 December 2012 and as at 31 December 2011 CTP held the following financial instruments:

Interest rate swaps as at 31 December 2012:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Due in currency	Actual nominal amount (in EUR thousand)	Fair value 2012 (in EUR thousand)
Interest rate swap 1	31/12/14	3M EURIBOR	4.620%	EUR	75,398	-6,425
Interest rate swap 2	31/12/18	3M EURIBOR	1.290%	EUR	50,000	-1,487
Interest rate swap 3	31/12/18	3M EURIBOR	1.290%	EUR	15,000	-446
Interest rate swap 4	31/12/18	3M EURIBOR	2.880%	EUR	46,308	-5,311
Interest rate swap 5	31/12/18	3M EURIBOR	1.305%	EUR	8,532	-206
Interest rate swap 6	01/07/15	3M EURIBOR	4.800%	EUR	55,872	-6,755
Interest rate swap 7	30/09/14	3M EURIBOR	1.580%	EUR	70,000	-1,684
Interest rate swap 8	31/12/18	3M EURIBOR	1.340%	EUR	65,000	-2,967
Interest rate swap 9	30/06/19	3M EURIBOR	1.750%	EUR	80,000	-4,509
Interest rate swap 10	31/03/15	3M PRIBOR	2.610%	CZK	467	-17
Interest rate swap 11	31/12/18	3M PRIBOR	1.135%	CZK	15,911	-241
Interest rate swap 12	30/07/18	3M EURIBOR	1.1450%	EUR	16,700	-296
Interest rate swap 13	29/06/18	3M EURIBOR	1.04%	EUR	3,000	-24
Interest rate swap 14	29/12/17	3M EURIBOR	0.807%	EUR	30,000	-298
Interest rate swap 15	30/06/15	3M LIBOR	0.555%	USD	7,580	-21
					539,768	**-30,688**

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 (in EUR thousand)	Fair value 2011 (in EUR thousand)
Interest rate swap 1	31/12/14	3M EURIBOR	4.62%	EUR	94,731	-9,325
Interest rate swap 2	01/07/15	3M EURIBOR	5.75%	EUR	56,164	-9,079
Interest rate swap 3	31/12/18	3M EURIBOR	2.88%	EUR	47,750	-2,828
Interest rate swap 4	31/03/15	3M PRIBOR	2.61%	CZK	608	-18
Interest rate swap 5	30/09/13	3M EURIBOR	1.38%	EUR	200,000	-1,261
Interest rate swap 6	30/09/14	3M EURIBOR	1.58%	EUR	150,000	-1,925
					549,253	**-24,436**

Interest rate caps as at 31 December 2012:

Operation	Currency	Maturity	Actual nominal amount (in EUR thousand)	Fair value 2012 (in EUR thousand)
Call option	CHF	31/10/13	121	–
Call option	CHF	11/05/14	232	-22
Call option	EUR	30/11/15	47,940	2
Call option	EUR	29/12/17	60,000	-1,467
Call option	EUR	02/01/19	10,000	30
Call option	EUR	30/12/16	3,800	21
Call option	EUR	29/04/16	5,000	-58
Call option	CZK	31/12/18	5,606	13
Call option	EUR	31/03/17	5,650	-68
			138,350	**-1,549**

Interest rate caps as at 31 December 2011:

Operation	Currency	Maturity	Actual nominal amount (in EUR thousand)	Fair value 2011 (in EUR thousand)
Call option	CHF	31/10/13	558	–
Call option	CHF	11/05/14	684	-44
Call option	EUR	30/11/15	54,949	161
Call option	EUR	29/12/17	60,000	-595
Call option	EUR	02/01/19	10,000	153
Call option	CZK	31/12/18	5,938	77
			132,130	**-248**

Interest rate collar as at 31 December 2012:

Derivative financial instruments	Currency	Maturity	Actual nominal amount (in EUR thousand)	Fair value 2012 (in EUR thousand)
Cap	EUR	29/12/17	24,000	41
Floor	EUR	29/12/17	24,000	-1,790
			24,000	**-1,749**

Interest rate collar as at 31 December 2011:

Derivative financial instruments	Currency	Maturity	Actual nominal amount (in EUR thousand)	Fair value 2011 (in EUR thousand)
Cap	EUR	29/12/17	24,000	326
Floor	EUR	29/12/17	24,000	-903
			24,000	**-577**

FX forwards as at 31 December 2012:

Derivative financial instruments	Maturity date	FX forward rate	Currency	Actual nominal amount (in EUR thousand)	Fair value 2012 (in EUR thousand)
FX forward - sell	28/02/13	24.2120	EUR/CZK	15,000	-563
				15,000	**-563**

The FX forward has been prolonged in 2013 and its current maturity is 30 May 2013.

FX forwards as at 31 December 2011:

Derivative financial instruments	Maturity date	FX forward rate	Currency	Actual nominal amount (in EUR thousand)	Fair value 2011 (in EUR thousand)
FX forward - sell	21/02/12	24.3680	EUR/CZK	7,000	-383
FX forward - sell	21/02/12	24.3680	EUR/CZK	8,000	-438
FX forward - sell	29/02/12	24.1650	EUR/CZK	15,000	-939
FX forward - sell	30/03/12	24.4850	EUR/CZK	25,000	-1,255
				55,000	**-3,015**

25. Deferred tax liability

Deferred tax assets and liabilities were offset in the consolidation with respect to 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 2012 and 31 December 2011:

In thousands of EUR	2012	2011
Temporary differences		
Investment property	-675,404	-667,254
Finance lease	-81,103	-67,604
Tax losses	53,888	113,794
Property, plant and equipment	25,249	3,909
Other (receivables, hedge accounting etc.)	-77,041	-52,731
Total temporary differences	**-754,411**	**-669,886**
Tax rate of the Czech Republic	*19%*	*19%*
Deferred tax liability	**-143,338**	**-127,278**
Change of deferred tax in period ended 31 December	**-16,061**	**-13,803**
Deferred tax recorded in statement of comprehensive income	-12,315	-11,730
Deferred tax recorded in translation reserve	-258	409
Deferred tax arised from revaluation of Property, plant and equipment	-90	-261
Deferred tax arised from acquisitions	-3,398	-2,221

Deferred tax assets of EUR 1,820 thousand (31 December 2011 – EUR 1,787 thousand) 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 therefrom.

Tax losses analysis:

In thousands of EUR	
Tax losses of CTP Invest, spol. s r.o.	19,194
Tax losses of Multidisplay s.r.o.	9,534
Tax losses of CTP Property XXIV, spol. s r.o.	3,142
Tax losses of CTP Property XXV, spol. s r.o.	1,077
Tax losses of CTP Property XXI, spol. s r.o.	274
Tax losses of CTP Property XVIII, spol. s r.o.	75
Tax losses of CTP Invest VII, spol. s r.o.	3,217
Tax losses of CTP, spol. s r.o.	541
Tax losses of CTP Property XVII, spol. s r.o.	281
Tax losses of other group companies	47
Tax losses of QPR Management s.r.o.	126
Tax losses of CTP Property IV, a.s.	9,328
Tax losses of CTP Property V, a.s.	1,095
Tax losses of CTP Property IX, a.s.	557
Tax losses of CTP Property X, spol. s r.o.	11,025
Tax losses of CTZone Brno, a.s.	1,768
Tax losses of CTP Invest V, spol. s r.o.	889
Tax losses of CTP Invest IX, spol. s r.o.	1,299
Total tax losses	**63,469**
Tax losses not recognized	**-9,581**
Tax losses recognized	**53,888**

Tax losses expire in 2013, 2014, 2015, 2016 and 2017 respectively.

26. Subsidiaries

CTP Invest, spol. s r.o.

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

Subsidiaries	Country	Ownership	
		2012	2011
CTP Invest 1, spol. s r.o.	Czech Republic	100%	100%
IMPORTFLORA, spol. s r.o. (2)	Czech Republic	–	100%
CTP Invest III, spol. s r.o. (3)	Czech Republic	100%	–
Multidisplay s.r.o.	Czech Republic	100%	100%
CTP, 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. (4)	Czech Republic	–	10%
CTP Property XVI, spol. s r.o.	Czech Republic	100%	100%
CTP Property XVII, spol. s r.o. (4)	Czech Republic	100%	100%
CTP Property XVIII, spol. s r.o.	Czech Republic	100%	100%
CTP Property XIX, spol. s r.o.	Czech Republic	100%	100%
CTP Property XX, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXI, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXII, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXIII, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXIV, spol. s r.o. (5)	Czech Republic	100%	100%
CTP Property XXV, spol. s r.o.	Czech Republic	100%	–
CTP Products I, spol. s r.o. (3)	Czech Republic	100%	–
WDP CZ, s.r.o. (1) (7)	Czech Republic	–	–

(1) As at 31 December 2012, the Group is the beneficial owner of WDP CZ, s.r.o. and therefore has prepared the consolidated financial statements on the basis of this company being a wholly-owned subsidiary.

(2) In February 2012, IMPORTFLORA, spol. s r.o. was disposed.

(3) In October 2012, the Group acquired the 100% ownership interests in CTP Invest III, spol. s r.o. and CTP Products I, spol. s r.o. through common control transactions. 100% of the shares are owned by CTP Invest, spol. s r.o.

(4) In July 2012, QTL Assets s.r.o. merged with CTP Property XVII, spol. s r.o.

(5) In August 2012, certain assets and liabilities were de-merged from CTP Invest, spol. s r.o. to CTP Property XXIV, spol. s r.o.

(6) In July 2012, the Group acquired the 100% ownership interest in Slatina Property s.r.o. (later re-named to CTP Property XXV, spol. s r.o.) for EUR 3,744 thousand.
100% of the shares are owned by CTP Invest, spol. s r.o. Negative goodwill on acquisition of EUR 1,034 thousand was recognized in Other income (see note 10).

(7) In November 2012, the Group acquired the 100% ownership interest in WDP CZ, s.r.o. for EUR 13,778 thousand. 99.96% of the shares are owned by CTP Property XX, spol. s r.o. and 0.04% are owned by CTP Invest, spol. s r.o. Negative goodwill on acquisition of EUR 1,823 thousand was recognized in Other income (see note 10).

CTP Property N.V.

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

Subsidiaries	Country	Ownership		Note
		2012	2011	
CTP Property, a.s. including subsidiary QPR Management s.r.o.	Czech Republic	100%	100%	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%	100%	
CTP Property XI, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XIII, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XIV, spol. s r.o.	Czech Republic	100%	100%	
CTP Property XV, spol. s r.o.	Czech Republic	100%	100%	
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%	
CTZone Ostrava, a.s.	Czech Republic	100%	100%	
CTP Heršpická, spol. s r. o.	Czech Republic	0%	0%	2)
Immorent Ostrava I s. r. o.	Czech Republic	0%	0%	2)
CTP Finance, a.s.	Czech Republic	100%	100%	
CTP Infrastructure, a.s.	Czech Republic	100%	100%	
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) In 2012 CTP Property, a.s. acquired the shares in QPR Management s.r.o. As the Group was already the beneficial owner of this company it prepared the consolidated financial statements also in 2011 on the basis of this company being a wholly-owned subsidiary.

2) The shares in CTP Heršpická, spol. s r.o. and Immorent Ostrava I s.r.o. are currently pledged as security for the CTP Heršpická, spol. s r.o. and Immorent Ostrava I s.r.o. loans. The Group 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.

27. Related parties

CTP has a related-party relationship with its 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 2012 and 2011 CTP had the following revenues and expenses with related parties:

In thousands of EUR

	2012		2011	
	Revenues	Expenses	Revenues	Expenses
Multifin B.V. - interest	216	-916	340	-1,280
CTP Partners N.V. - interest	35	–	39	–
Finspel B.V. - interest	1	–	24	–
CTP Invest Poland sp. z o.o. - interest	9	–	10	–
MaVo Lux S.a.r.L. - interest	5	–	5	–
CTP Invest Poland sp. z o.o. - other	5	–	4	–
Remon L. Vos	–	-225	–	-140
Multivest B.V. - interest	–	-40	1	–
Boman B.V.	–	-26	–	-153
Jade Dienst GmbH - interest	–	-15	–	–
CTP Alpha Poland sp. z.o.o. - interest	–	-8	–	-9
CTP Solar, a.s. - interest	–	-3	–	-4
Others	1	–	2	-1
	272	**-1,233**	**425**	**-1,587**

As at 31 December 2012 and 2011, CTP has the following receivables from and liabilities to related parties:

In thousands of EUR

	2012		2011	
	Receivables	Payables	Receivables	Payables
Current receivables and payables				
CTP Invest Poland Sp. z o.o.	17	–	–	–
Remon L. Vos	17	–	–	–
CTP Energy TR, a.s.	–	75	–	71
Finspel B.V.	–	1	–	–
MaVo Lux S.a.r.l.	–	–	50	–
Multifin B.V.	–	–	31	301
CTP Solar a.s.	–	–	–	86
CTP Products I, spol. s r.o.	–	–	–	–
Current receivables and payables	**34**	**76**	**81**	**458**

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

	2012		2011	
	Receivables	Payables	Receivables	Payables
Non-current receivables and payables				
Multifin B.V.	5,297	20,100	13,759	37,143
CTP Partners N.V.	1,084	–	989	–
MaVo LUX s.à.r.l	132	1	58	1
Boman B.V.	14	863	338	1,184
Multivest B.V.	–	4,652	68	8
Remon L. Vos	–	3,483	–	4,175
Jade Dienst GmbH	–	515	–	–
CTP Alpha Poland Sp. z o.o.	–	252	–	223
CTP Solar, a.s.	–	91	–	–
Finspel B. V.	–	–	963	8
Non-current receivables and payables	**6,527**	**29,957**	**16,175**	**42,742**
Total	**6,561**	**30,033**	**16,256**	**43,200**

As at 31 December 2012 CTP provided loans in the amount of EUR 5,297 thousand to Multifin B.V. (2011 – EUR 13,212 thousand). The interest rate applied for 2012 as well as 2011 was 3M EURIBOR+3%. The loan is unsecured and due on 12 November 2020.

As at 31 December 2012 CTP received loans in the amount of EUR 16,569 thousand from Multifin B.V. (2011 – EUR 30,335 thousand). The interest rate applied for 2012 and 2011 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 2012 and 31 December 2011 were as follows:

In thousands of EUR

	2012	2011
Number of employees	8	8
Personnel expenses	981	977

28. 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 2012	Total 2011
Amounts due from banks	18,016	–	18,016	16,583
Amounts due from financial derivatives	66	–	66	391
Amounts due from related parties	6,561	–	6,561	16,256
Amounts due from third parties	27,696	–	27,696	21,485
Amounts due from tax institutions	785	–	785	6,763
Total	**53,124**	**–**	**53,124**	**61,478**

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 2011.

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 the volatility of financial markets that 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 23.

Gearing ratio:

In thousands of EUR

	2012	2011
Debt	1,282,121	1,199,917
Equity	588,497	582,788
Total	**46%**	**49%**

Debt is defined as long-term and short-term liabilities as detailed described in note 23. Equity includes all capital and reserves of CTP (see note 22).

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 56% at 31 December 2012 (2011 – 55%) 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 2012, operational risk management activities concentrated on improving the management information systems containing information about individual projects and related legal documentation.

With respect to 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 2012 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 a 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 2011 and 2012, CTP entered into transactions with the financial institutions to hedge the interest rate risk (refer to note 24). 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 2012 and 31 December 2011 due to changes in assumptions:

Completed investment properties as at 31.12.2012 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	8.39%	1,500,535	8.64%	1,457,130	-43,405
	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	8.39%	125,934	119,638	1,425,506	-75,029

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

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 loans
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 development
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).

29. Contingent liabilities

Issued guarantees
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 EUR 3 million and 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 EUR 1,400 thousand (plus 5% interest accrued annually) and will finally expire 31 December 2016.

Income tax
CTP Group 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 was closed during 2012 by the local tax authority:

- 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.

The local tax authority decided that CTP is obliged to pay tax including late payment interest and penalties in the amount of EUR 10,739 thousand. CTP did file petitions at the regional court in České Budějovice against this decision. The court proceedings are still pending. Further CTP notificated the Ministery of Finance of the Czech republic of a rising dispute under the agreement between the Government of the Czech Republic and the Government of the Kingdom of the Netherlands for the Mutual Promotion and Protection of Investments dated 29 April 1991. According to this agreement the parties are obliged to seek amicable settlement of claims. The process of settlement seeking is currently ongoing.

In compliance with the principle of prudence CTP included the amount of EUR 10,739 thousand in the tax expenses. The income tax including late payment interest and penalties due for the years 2007 and 2008 in the amount of EUR 3,633 thousand was paid until year end.

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.

30. Pledges

Shares in CTP Property, a.s. are pledged in favour of Investkreditbank AG and the loan facility is guaranteed by a guarantee CTP Invest, spol. s r.o.

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 IX, a.s. are pledged in favour of Československá obchodní banka, a.s.

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 and the loan facility is guaranteed by a guarantee CTP Invest, spol. s r.o.

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 of a related party (CTP Property VI, a.s.).

The shares of Multifin B.V. in CTP Invest, spol. s r.o. are pledged in favour of Immorentbank GmbH to secure a loan facility of a related party (CTP Property N.V.).

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. in CTP Property XXIV, 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. in CTP Property XXV, 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. in CTP Property XVII, spol. s r.o. are pledged in favour of Raiffeisenbank a.s. to secure a loan facility.

The shares of CTP Invest, spol. s r.o. in CTP Property XVIII, spol. s r.o. are pledged in favour of Raiffeisenbank a.s. to secure a loan facility.

The shares of CTP Invest, spol. s r.o. in CTP Property XXI, spol. s r.o. are pledged in favour of Československá obchodní banka, a.s. to secure a loan facility.

31. Subsequent events

CTP is not aware of any 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 2012.

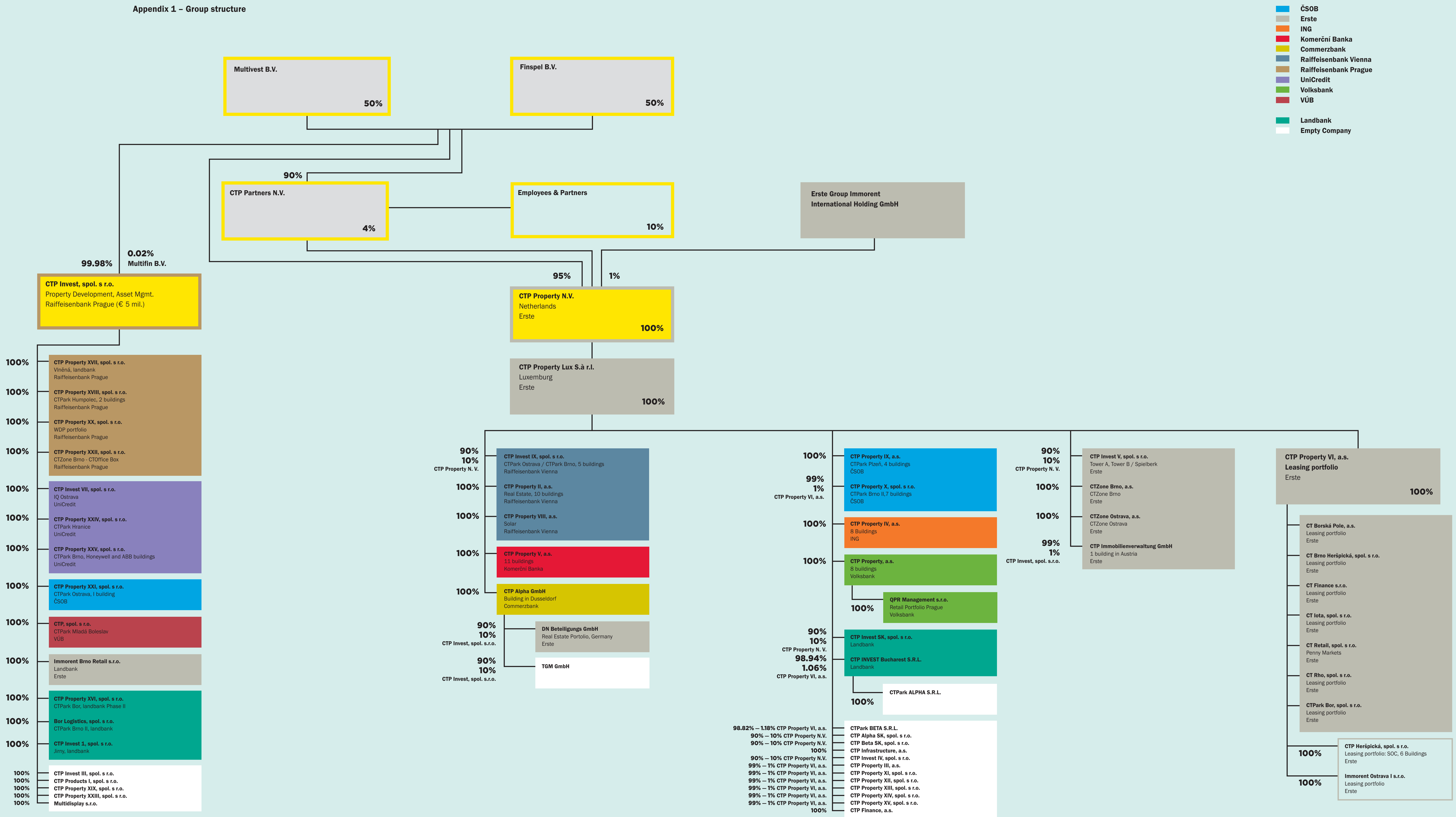
Amsterdam, 29 April 2013

Remon L. Vos

Radek Zeman

211 Appendix 1 — Group structure

Appendix 1 – Group structure



215 Selected Biographies

Selected Biographies

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.

A

Zdeněk Apeltauer **Construction & Property Manager**

<

Zdeněk joined CTP in 2012. He worked previously for Valeo as a Division Facility Manager for the Czech Republic and Germany. At CTP he is responsible for construction and property management in the Central Bohemia region.

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 12 years at KPMG, specialising in real estate investments.

B

Tomáš Budař **Construction Manager**

>

Tomáš joined CTP in June 2006. He has been involved in development projects in Brno and is now working closely with CEO Remon Vos to secure new business in the area.

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.

D

Paul Deverell **Business Director**

<

Paul joined CTP in 2003. He worked previously in commercial real estate in Melbourne, Australia and for 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. He has worked his way up and has taken on more responsibility and now heads the controlling department at CTP.

K

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.

H

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).

Thomas A. Kostelac **Marketing Director**

>

New to the CTP team, Tom had been actively involved in corporate branding for CTP since the early 2000s as head of a boutique graphic design company in Prague. In addition to design and corporate communication, Tom has been involved in start-ups in the US. He earned a degree in International Relations and has been living in Prague since the early 1990s.

CH

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.

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.

Tomáš Novotný **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.

M

Hana Mancová **Head of Purchase Department**

>

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.

L

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 Moravia region.

N

Tomáš Nenutil **Head of Design Department**

<

Tomáš joined CTP in June 2006. Prior to joining CTP, he worked for 13 years as chief designer at the companies SÚRPMO, TECHNOART and K4 in Brno.

P

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.

Yvette van der Ploeg **Corporate Lawyer**

<

Yvette joined CTP in 2011. She earned a Master's degree in Law at Leiden University in the Netherlands. Prior to joining CTP, she worked as lawyer and corporate lawyer in the Czech Republic and the Netherlands.

Hynek Rajský **Corporate Lawyer**

<

Hynek joint CTP in early 2012. He holds a Masters degree in law from the Masaryk University Faculty of Law and a BA in economics and management from the Brno International Business School. Prior to joining CTP he worked at KMPG, followed by nearly two years at a leading Czech law firm, Havel, Holasek and Partners, as part of the banking and finance team.

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.

Zdeněk Raus **Financial Manager**

>

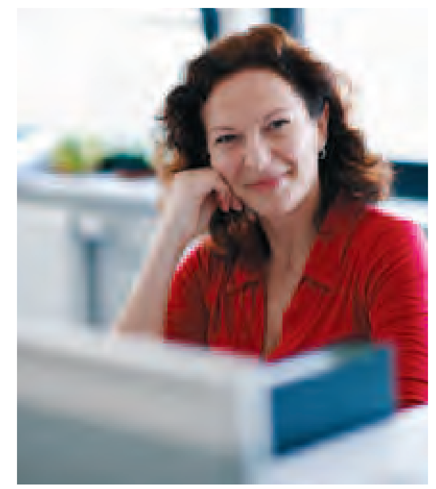
Zdeněk joined CTP in June 2010. He earned a Master's degree at the Faculty of International Relations of the University of Economics in Prague. Prior to joining CTP, he worked for seven years in the audit department of KPMG, starting there as an assistant and finishing as a manager. He is a member of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

R

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.



S

Hana Šimonová **Financial Manager**

<

Hana joined CTP in October 2012. Prior to joining CTP, she worked for 10 years at Valeo, starting as a Chief accountant at their plant at CTPark Humpolec and finishing as an SSC Czech Republic Chief accountant managing accountancy on the national level.

Ivana Škodová **CTP Headquaters**

<

Ivana joined CTP in 2008 to become part of management support. She is currently responsible for running the office and supporting the CEO.

V

Radka Veletová **Office Manager**

<

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

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. Currently Karel is in charge of construction at CTP's flagship development, Spielberk Office Centre in Brno.

Z

William Zach **Art Director**

>

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.

U

Milena Uhrová **Property Manager, Spielberk Office Centre**

<

Milena joined CTP in 2006. She earned a BTEC national diploma in business and finance in London. She is currently responsible for construction at CTP's flagship office development, Spielberk Office Centre in Brno.

Luboš Zajíček **Head of Legal Department**

<

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.

221 Selected Awards

Selected Awards

2003

BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2003
CTPark Modřice

INDUSTRIAL ZONE OF THE YEAR 2003
CTPark Modřice

2004

INDUSTRIAL ZONE OF THE YEAR 2004
CTPark Ostrava

2005

BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2005
CTPark Brno South

2006

DEVELOPER OF THE YEAR 2006
CTP Invest

BEST OF REALTY 2006
2nd place, Spielberk Office Centre, Brno

BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2006
CTPark Plzeň

2007

BUSINESS PROPERTY OF THE YEAR 2007
1st place, CTPark Ostrava

BUSINESS PROPERTY OF THE YEAR 2007
2nd place, CTZone Brno

BEST WAREHOUSE / LOGISTIC DEVELOPMENT 2007
CTPark Brno

2010

PROPERTY OF THE YEAR 2010 – ZONE OF THE YEAR
2nd place, CTPark Ostrava
3rd place, CTPark Brno

CIJ AWARDS 2010
Best Overall Development 2010, Spielberk Office Centre

2011

CIJ AWARDS 2011
Best Business Park, CTPark Brno – Phase II

BEST OF REALTY 2011
2nd place, Spielberk Office Centre – IQ Buildings

EUROPEAN BUSINESS AWARDS 2011
CTP represented the Czech Republic

CTP
CTPark Humpolec
396 01 Humpolec
Czech Republic

General Information
(+420) 565 535 565
www.ctp.eu

CTP Annual Report 2012
Published by CTP — 2013

CTP
CTPark Humpolec
396 01 Humpolec
Czech Republic

General Information
(+420) 565 535 565
www.ctp.eu