



# Yearbook 2014

CTP |



## About this Yearbook

As our company continues to expand, we have also augmented this year's Yearbook to include exclusive content available only through a new CTP application for iOS and Android devices.

The new **CTP App** allows us to provide information in a more engaging format than previously. In this Yearbook, you can learn more through interviews with our clients, partners and CTP executives.

The **CTP App** also allows you to learn more about our company, stay abreast of company news, and get in touch with key people at CTP. We will be adding more features to the **CTP App** in the coming year, so watch for updates.

The **CTP App** includes a “Smart Reader” which recognises specially-encoded imagery. The icon below indicates which image is “scannable” by the Smart Reader. Use the Smart Reader to scan the image to retrieve the exclusive content.





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# Leveraging Market Opportunities for Growth



## 2014 in Brief

For CTP, 2014 was a year of expansion, during which we exceeded many of our goals. We successfully increased the size of our portfolio through planned construction and new acquisitions; we continued to strengthen the CTPark Network with six new locations, including expansion to Slovakia and Romania; and we significantly grew our presence in Prague in both the industrial and office sectors. In addition to expanding our portfolio, we also improved on our high quality standards in terms of materials, park surroundings and, importantly, our management of these properties. These have all contributed to the improved financial results presented herein and reaffirm our position as a leading player in premium developments across Central Europe.

### Selected Financial Results

In EUR thousands

	2014	2013	2012	2011
Gross rental income	133,698	120,440	112,867	100,169
Net valuation result on investment property	212,571	28,222	-19,349	77,297
Personnel expenses	4,936	5,024	4,345	3,812
EPRA profit before tax	62,235	58,235	51,076	36,356
Profit/loss before income tax	275,235	99,234	25,882	89,521
Profit/loss after income tax	228,523	103,005	48	76,953
Total asset value	2,356,951	1,987,611	1,870,618	1,782,705
Total investment property	2,239,949	1,905,655	1,783,261	1,668,434
Total equity	900,863	671,949	588,497	582,788
Total financing	1,156,359	1,071,257	1,004,096	940,929



# Operational Highlights 2014

**Operational success in 2014 reflects the strength of the CTP platform. Highlights include expansion of the industrial and office portfolio in the target markets of Prague, Romania and Slovakia; major deals with both long-term and new clients; BREEAM certification for both office and industrial properties; and a record amount of new financing deals during the course of the year.**

## Q1

**CTP acquires a modern business park in Prague**, including buildings and expansion land, located at the strategic D1 motorway / Prague ring-road interchange. The new park, rebranded CTPark Prague East, becomes the first CTPark Network location in Prague and CTP's second industrial acquisition in the Czech capital.

**CTP signs a total of five loan agreements for an excess of EUR 194 million** in Q1 2014, with funds to be used to refinance existing loans and for the construction of new buildings and extensions.

**Zodiac Aerospace signs for a 4,100 m<sup>2</sup>, custom-built CTFit facility at CTPark Plzeň.** The project includes customisation of an existing 2,300 m<sup>2</sup> production hall and construction of a new, 1,800 m<sup>2</sup> office and production facility, with handover in Q3 2014.

**UFI Filters launches production at CTPark Ostrava.** The Italian company utilises a 10,000 m<sup>2</sup> CTFit facility for the production of filtration systems for the automotive industry.

**IQ Ostrava receives BREEAM Excellent certification** at the final, post-construction stage, making it one of the most modern and efficient office buildings in Central Europe.

**CommScope prolongs its lease at CTPark Modřice.** The company, a long-term CTP tenant, utilises an 11,000 m<sup>2</sup> CTFit facility for the production of telecommunications infrastructure.

**Kollmorgen prolongs its lease at CTPark Modřice.** Another long-term CTPark Modřice tenant, Kollmorgen, utilises a nearly 10,400 m<sup>2</sup> CTFit facility for the production of motion and automated systems.

**BJS signs for 4,000 m<sup>2</sup> at CTPark Humpolec.** The deal follows the 7,000 m<sup>2</sup> extension signed in 2012 and brings the Swedish company's total footprint at CTPark Humpolec to over 17,000 m<sup>2</sup>.

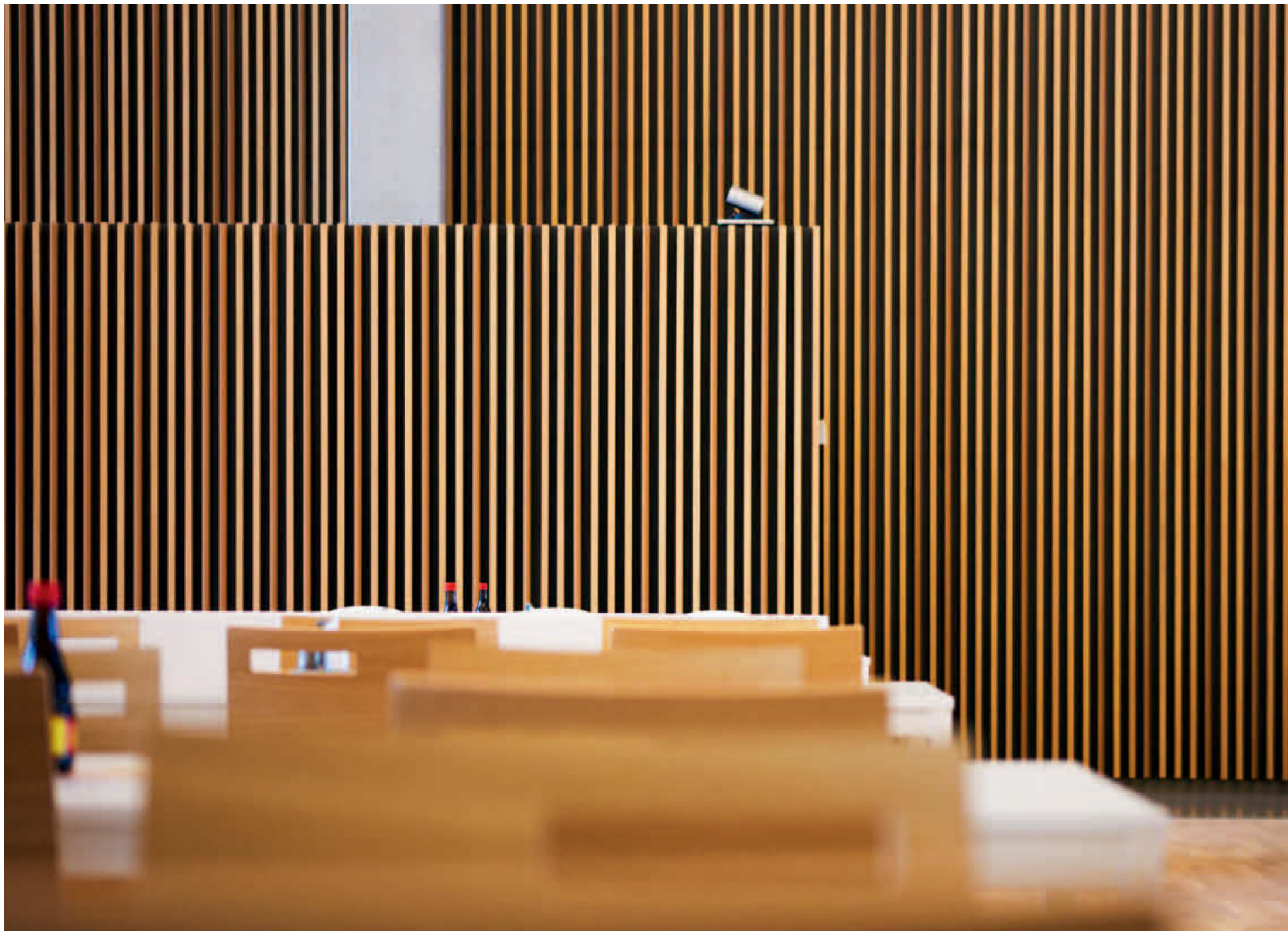
The high-tech facility for electron-microscope manufacturer FEI at CTPark Brno picked up several awards in 2014 thanks to its stand-out design, landscaping and interior fit-out.















## Q2

**FEI launches operations at CTPark Brno.** FEI, the world leader in the design and production of electron microscopes, carries out both manufacturing and R&D at its new 27,000 m<sup>2</sup> custom-built facility. By year-end, operations at CTPark Brno will account for over 60% of the company's global revenue.

**Continental opens Worldwide Competence Centre in Ostrava.** The company's Sensors & Actuators unit, part of the Powertrain division, carries out R&D activities for worldwide operations from CTPark Ostrava.

**Carmel launches automotive supply at CTPark Ostrava.** The Korean company signs for a 7,000 m<sup>2</sup> custom-built CTFit production hall, with handover in May 2014.

**ABB expands test and repair centre at CTPark Ostrava.** The company signs for a new, 1,773 m<sup>2</sup> extension, bringing its total footprint at CTPark Ostrava to nearly 9,000 m<sup>2</sup>.

**Offices at Ponávka receive BREEAM Excellent certification.** This is the first premium-class office building at CTP's unique, mixed-use business centre in Brno, offering over 8,000 m<sup>2</sup> of highly efficient, modern office space.

**CTP launches CTOffice rebranding** throughout the CTPark Network in alignment with Network property types. Office parks receive interior redesigns and other on-site improvements.

**ABB design and production facility in Brno receives BREEAM Excellent rating** at the interim stage. The 12,500 m<sup>2</sup> custom-built CTFit building at CTPark Brno was delivered to the client in 2013.

## Q3

**CTP successfully refinances a total of EUR 300 million of senior debt in Q3 2014,** which represents approximately 25% of the company's portfolio.

**CTP acquires a portfolio of properties, including industrial buildings in Romania and an office property in Prague.** In Romania, CTP acquired 34,000 m<sup>2</sup> of modern, pre-leased industrial property with land for further expansion. The Prague location, at the Nové Butovice metro station, will become CTP's first premium office development in the Czech capital.

**Stahlgruber to expand to CTPark Ostrava.** The company signs for a 1,000 m<sup>2</sup> CTBox unit, following the success of its operations at CTPark Plzeň.

**Regeneris to launch at CTPark Teplice.** The company signs for a 3,320 m<sup>2</sup> custom-built CTFit facility, with handover scheduled for June 2015.

**Elektrometall launches at CTPark Bor.** The Czech unit of the German automotive and aerospace components makers signs for a 3,085 m<sup>2</sup> CTFit production hall, with handover in September 2014.



**Carclo to launch at CTPark Brno.**

The UK-based high-tech plastics producer signs for a 3,000 m<sup>2</sup> production facility, with handover scheduled for September 2014.

**IFE extends lease agreement and signs for new expansion.** The company, a long-term tenant at CTPark Modřice, signs for a new, 3,570 m<sup>2</sup> expansion to its production facility and extends its lease for another ten years.

**Global Logistics Solutions expands at CTPark Pardubice.** The company signs for a 4,000 m<sup>2</sup> extension to its distribution centre, bringing its total footprint at CTPark Pardubice to 29,277 m<sup>2</sup>.

**Valeo Compressor extends its lease at CTPark Humpolec.** The company launched production at Humpolec in 2001 and currently utilises an 18,000 m<sup>2</sup> CTFit production hall.

**FEI office and R&D building receives BREEAM Very Good rating** at the interim stage.

**Q4**

**CTP acquires another industrial business park in Prague.** Branded as CTPark Prague North, the new location includes 20,000 m<sup>2</sup> of modern, pre-leased facilities and land for further expansion.

**Decathlon launches at Brno Retail Park.** The anchor tenant now operates a 27,000 m<sup>2</sup> retail outlet at CTP's first major retail development.

**Fränkische expands to Romania with CTP.** Fränkische, a long-term CTP tenant, signs for a 3,400 m<sup>2</sup> custom-built CTFit manufacturing facility at CTPark Turda, in Romania's central, high-tech Cluj region. This marks CTP's first construction project in Romania.

**CTP acquires land in Žilina, Slovakia.** To service the growth plans of existing client Faurecia, CTP acquires a 10-hectare land plot adjacent to the Kia auto assembly plant in Žilina, marking the start of CTP's first major development project in Slovakia.

**Brembo launches expanded production at CTPark Ostrava.** The new, custom-built 8,000 m<sup>2</sup> extension brings the company's total footprint at CTPark Ostrava to over 40,000 m<sup>2</sup>.

**Johnson Controls launches production at CTPark Bor.** CTP delivered a 14,000 m<sup>2</sup> custom-built CTFit manufacturing facility, which Johnson Controls uses to produce automotive components for down-the-line assembly in Germany. The company also agreed to further extensions totalling 16,450 m<sup>2</sup> for delivery in 2015.

**CTP acquires two new parks in western Bohemia.** In order to meet the needs of clients, CTP secures land for the future development of CTPark Odrava close to Karlovy Vary, and an industrial park to be rebranded as CTPark Kadaň.

Long-term CTP client ABB recently expanded operations at their BREEAM-certified CTPark Brno facilities. The power and automation company leases 26,000 m<sup>2</sup> at various locations throughout the CTPark Network, comprising CTOffice, CTSpace and CTFlex units.















CTP completed construction and handed over a number of large projects in 2014 throughout the CTPark Network. One of the largest projects, launched in 2014, is the CTSpace facility for Irish retail chain Primark at CTPark Bor, scheduled for completion in mid-2015.

**CTP launches CTPark Hradec Králové.** Construction gets underway on over 7,500 m<sup>2</sup> of CTFit and CTBox facilities for two clients, with handover scheduled in H1 2015.

**Two Honeywell extensions completed at CTPark Brno.** CTP delivers a 1,000 m<sup>2</sup> custom-built extension to the company's turbo test lab and a 5,000 m<sup>2</sup> extension to its R&D campus. Work continues on a 5,000 m<sup>2</sup> custom-built lab space for the company's ACS division, with handover expected in March 2015.

**Construction starts for a major distribution centre at CTPark Bor.** At completion, the nearly 60,000 m<sup>2</sup> custom-built facility will serve as a European distribution centre for Primark, a major e-commerce retailer.

**CTP completes major landscaping project.** Over 15,000 trees were planted across the property portfolio during the year.

**CTP completes Energy Certification for the entire portfolio.** Following the three-year project, all CTP buildings are now issued a Building Energy Certificate.



## Milestones & Awards

1998

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

2003

**CIJ Awards**  
*Best Warehouse/Logistics Development*  
1 CTPark Brno

**AFI, MPO, CzechTrade**  
*Industrial Zone with Greatest Economic Impact*  
1 CTPark Modřice

2004

**AFI, MPO, CzechTrade**  
*Zone of the Year: Zone with Best Urban Solution*  
1 CTPark Ostrava

2005

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

**CIJ Awards**  
*Best Warehouse/Logistics Development*  
1 CTPark Brno

2011

**Rental income reaches €100 million** CTP's annual income from rental activity exceeds €100 million for the first time.

**CIJ Awards**  
*Best Warehouse/Logistics Development*  
1 CTPark Brno II  
*Industry Leadership Award*  
1 Remon L. Vos

2012

**AFI, MPO, CzechTrade**  
*Industrial Zone of the Year*  
1 CTPark Mladá Boleslav

**Czech Top100**  
*Annual Report of the Year*  
3 Overall, CTP Invest

2013

**CTP enters Prague market**  
Acquisition of Airport Logistics Park is the company's first venture into the Prague region.

**CTP Portfolio reaches 2 million m<sup>2</sup>** Portfolio crosses the 2 million m<sup>2</sup> threshold.

**CTP delivers the first BREEAM**  
Outstanding office building outside the UK – Tower I at Spielberg Office Centre in Brno.

**CIJ Awards**  
*Industry Leadership Award*  
1 Remon L. Vos

**Best of Realty**  
*Industrial/Warehouse Park of the Year*  
1 CTPark Mladá Boleslav  
2 CTZone Brno

**Czech Green Building Council**  
*Certificate Of Merit*  
1 Tower I, Spielberg, Brno

2014

**CTP ranked as 4<sup>th</sup> largest industrial developer in Europe.** In its annual survey of European property developers, European development magazine *PropertyEU* ranks CTP as the fourth-largest industrial developer in Europe and the eighth-largest developer overall. Rankings are compiled based on projects of over 5,000 m<sup>2</sup> completed in 2011 – 2013.



2006

**CTP named Developer of the Year** CTP wins the prestigious CIJ “Developer of the Year Award”.

**CIJ Awards**

*Best Warehouse/Logistics Development*

**1** CTPark Plzeň

2007

**AFI, MPO, CzechTrade**

*Industrial Park of the Year: Park With Greatest Economic Impact*

**1** CTPark Ostrava

*Brownfield of the Year*

**2** CTZone Brno

2008

**AFI, MPO, CzechTrade**

*Industrial Park of the Year: Park with Greatest Economic Impact*

**2** CTPark Brno

*Business Property with The Greatest Contribution to Research and Innovations*

**3** CTPark Brno

2009

**€100 million from Erste Bank**

CTP signs a €100 million loan agreement with Erste Bank for new development projects.

**AFI, MPO, CzechTrade**

*Business Property of the Year: Zone of the Year*

**1** CTPark Ostrava

2010

**ATOZ**

*Best Logistics Park*

**1** CTPark Bor

**CIJ Awards**

*Best Overall Development*

**1** AVG, IQ Buildings, Spielberg Office Centre

**Remon Vos recognised as RICS Fellow.** CTP CEO Remon L. Vos was formally recognised as a Fellow of the Royal Institution of Chartered Surveyors (RICS) at a ceremony in Prague. Fellowship in RICS denotes the highest standards of success, achievement and expertise in the real estate profession.

**Best of Realty Award**

*Industrial/Warehouse Park of the Year*

**1** CTPark Brno, FEI Technology Centre

**CIJ Awards**

*Best Industrial/Warehouse Development of the Year*

**1** CTPark Brno, FEI Technology Centre

*Lease of the Year*

**1** CTPark Brno, FEI Technology Centre

*Industrial Leadership Award*

**1** Remon L. Vos



## Company Overview

CTP is an award-winning, full-service commercial property developer and manager. Since our start in 1998, our strategy has been to develop premium industrial and office facilities for long-term operational lease for local and international clients primarily in regional markets in Central and Eastern Europe (CEE). For companies looking to leverage the lower costs and highly skilled labour found in regional CEE centres, that strategy has proved a success. CTP is the long-term leader in the development of full-service business parks in our core market, the Czech Republic. Following rapid growth in recent years, CTP is currently ranked among the top industrial developers in Europe.

The CTP group provides full-service property development and asset management via two privately held business entities: **CTP Invest, spol. s r.o.** (Czech Republic) and **CTP Property N.V.** (Netherlands). This corporate structure provides a balance between operational risk and long-term financial stability.

**CTP Invest** is a full-service property development company. 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. Upon project completion, the properties are transferred to the ownership of CTP Property as part of fund management. CTP Invest continues to provide full-service property and asset management, as well as tenant after-care services following transfer of ownership to CTP Property.

**CTP Property** is a property fund manager with a standing portfolio of over 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.



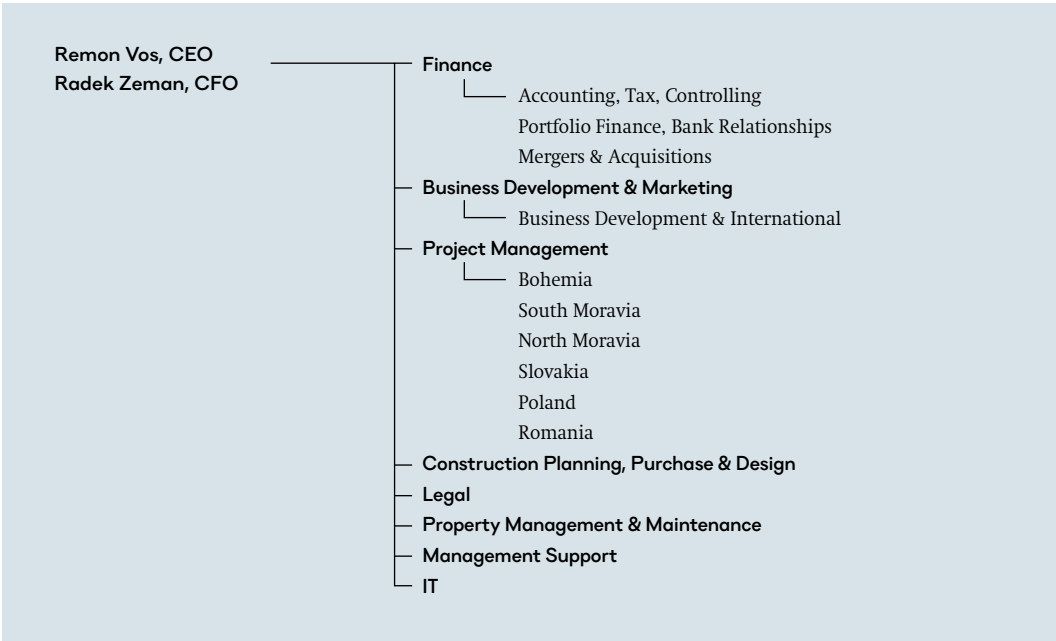
1 CTP Invest and CTP Property are privately held and majority owned by the same shareholders and operate as in a group structure. The financial annual report presents combined, pro-forma financial results based on separate IFRS audits of CTP Invest and CTP Property, and of their respective subsidiaries.

2 CTP's corporate structure (CTP Invest) is the strength of our development process, providing award-winning, vertically integrated property development services to our clients. This Yearbook focuses on the activities of this company and it's achievements in 2014.

1 **Group Structure**  
(CTP)



2 **Corporate Structure**  
(CTP Invest)





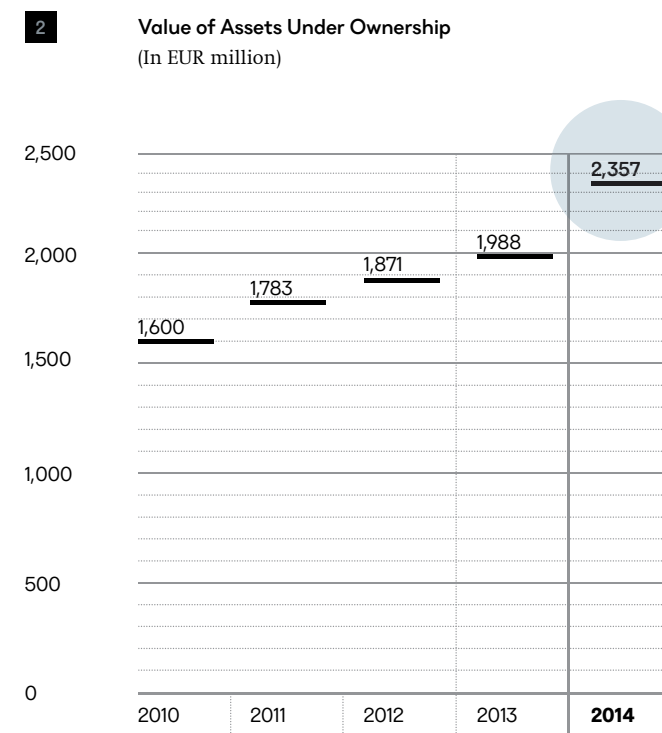
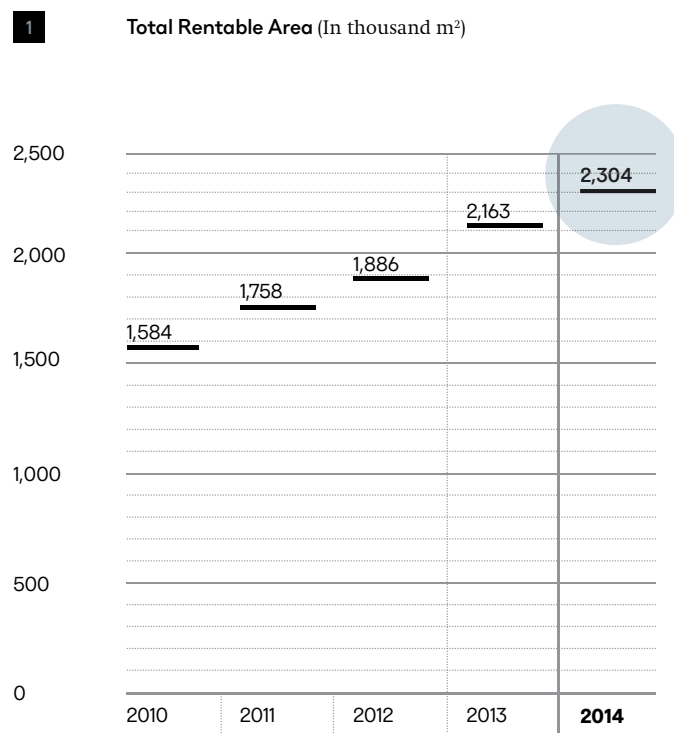
# Foreword: CEO

With nearly EUR 134 million in rental income for 2014, CTP is on schedule to reach targets agreed in the business plan. 2014 has been an excellent year for CTP with profit before tax of EUR 275 million, which is the result of net valuation gains of EUR 213 million. As of 31 December, 2014 total rentable area reached more than 2.3 million m<sup>2</sup>, an increase of 6.5% compared to 2013. CTP improved on other key company indicators throughout the year. Due to general market trends and through our own efforts, CTP reduced overall vacancy to below 7%, and average rental rates remained stable at approximately 5.7 EUR/m<sup>2</sup>/month.

Market recovery across Central Europe was the main driver of increased asset values, as specified in our 2014 valuation report. The higher valuations put downward pressure on our loan-to-value ratio, and allowed us to borrow more, at lower rates. This additional liquidity helped CTP to extend the portfolio. The improved economic climate in 2014 also allowed many of our existing tenants to extend their operations in Central Europe, either by building new high-tech operations or consolidating parts of their other European operations in Central Europe.

**1** Total rentable area grew in line with expectations increasing 6.52% primarily due to the expansion of our current clients. While we expected greater growth for the year, owing primarily to macro- and geopolitical considerations, clients made expansion decisions mostly in H2, resulting in deals being prolonged into 2015. This pent up demand took off, resulting in unprecedented interest, which CTP adjusted to by upwardly projecting our business plan goals beyond the 2017 target of 3 million m<sup>2</sup> in total rentable area, which CTP expects to realise at end 2015.

**2** Due to quantitative easing in the US and investor appetite for higher yields, CEE became a target for investment, boosting property values outside of core markets of western Europe. CTP's asset value grew at an unprecedented rate of over 20% during the year, enabling the company to leverage the opportunity to borrow more at lower cost. The improved conditions also enabled lower acquisition costs and unlocked cash, allowing the company to realize gains and make investments into property improvements across the portfolio.





Remon L. Vos  
Chief Executive Officer

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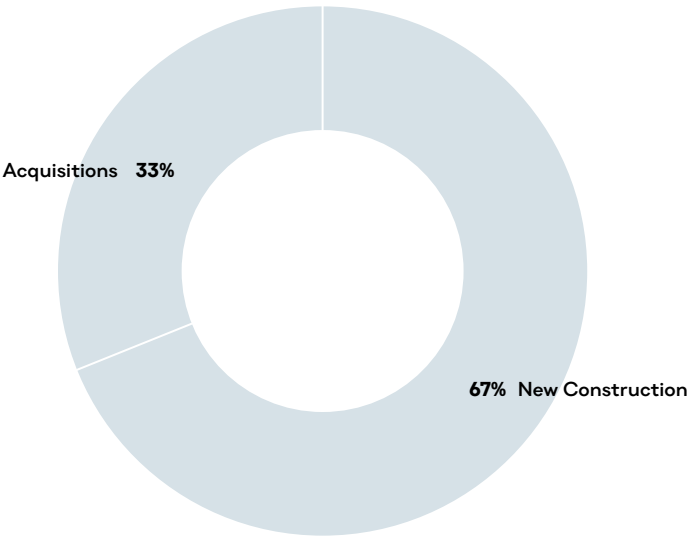
More than two-thirds of all new projects constructed in 2014 were built for our existing tenants. In 2014, CTP began construction of our first property in Romania, utilising CTP's existing land bank in Turda, south of Cluj. The custom-built facility was constructed for CTP's existing client, Fränkische. In the coming years, CTP plans to continue expanding our operations outside of the Czech Republic, in order to satisfy demand from existing business partners who see value in extending their activities throughout the region. To finance these activities, CTP plans to work with our current financial partners in the expansion markets of Romania and Slovakia.

Expansion was a key theme for 2014. In addition to commencing new activities in Romania and Slovakia, we entered the Prague market for the first time, with the acquisition of a number of properties around the city, including the Prague Airport Logistics Park. Due to existing demand from clients, as well as more favourable market conditions, the time was right to address opportunities in the Czech capital city, a strategy that we have continued in Slovakia and Romania. This strategy allowed CTP to be ranked among Europe's largest industrial developers.

To help manage this growth, we also invested in the development of our team. As of the end of 2014, we stood at 152 on-the-ground professionals. A key 2014 hire was CTP Business Director, Jaroslav Kaizr, who came to us from Cushman & Wakefield. He brings a wealth of hands-on experience to the table and within a few months he had the business development team pointed in the right direction and functioning well. We also grew our in-house legal and finance teams in line with expected growth through 2014 and into 2015.

3 Portfolio expansion arose primarily from our clients expanding their operations or relocating higher-added value activities to their current operations already underway in our premises. In 2013 we began a strategy to grow also through acquisitions, and in 2014 we made good on that plan to acquire assets in markets where we we have not been a significant player such as the Prague market, but as well in Slovakia and Romania.

3 Overview of Portfolio Expansion in 2014 (In m²)





4 CTP's top client list continues the trend: companies in the advanced manufacturing and high-added value industries of manufacturing and services demonstrate the maturing market and its relevance to the neighboring western markets that understand the underlying value of a growing Czech Republic and Central Europe.

4 Top Clients 2014

ABB
ADC
AVG
Brembo
Bridgestone
DHL Supply Chain
Epoq Logistics
Faurecia
FEI
GE Money Bank
Henniges
Honeywell
ITT
Kompan
Moduslink
ND Logistics
PPL
Sumisho Global Logistics
Tech Data
Tieto
Wistron

Our customers remain the most important part of our business and I am glad that many existing clients decided to expand operations with us through 2014. We also added a number of new clients our existing base of 450+ customers. For example, we commenced construction on a nearly 60,000 m² property for Primark in CTPark Bor, which is being delivered in mid-2015. We also successfully handed over 27,000 m² of the 40,000 m² CTFit facility for electron-microscope manufacturer FEI, a property which picked up multiple awards including Best of Realty 2014 and Best Development of the Year at CIJ Awards. We continue to maintain high-levels of customer satisfaction and retention, thanks to the efforts of our Property Management team (*see p. 45*).

In the last several years, we have seen consistent growth in the number of companies who are relocating or launching new high-tech production, R&D, and robotics activities in Central Europe, specifically the Czech Republic. As well as FEI, we have completed custom facilities for other customers engaged in R&D activities, such as Continental. The high level of skilled people, know-how and strong scientific base have combined to make the Czech Republic one of Europe's most impressive high-tech hubs. Last year, this trend amplified, and we anticipate further growth in demand for state-of-the-art facilities to house these high-tech projects in 2015 and beyond.

Our core business, the CTPark Network, remains a proven, business-smart choice for high-tech, manufacturing, R&D, major distribution centres, e-commerce hubs, and other added-value investments.

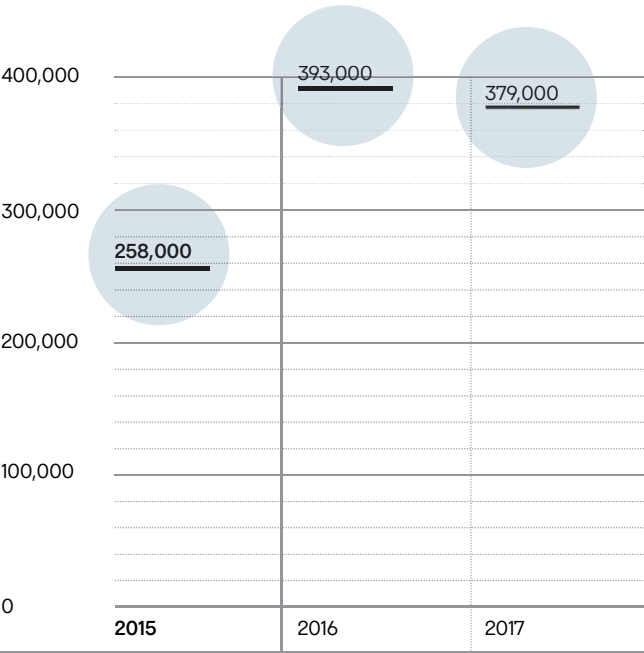
  
**Remon L. Vos**  
Chief Executive Officer



# Commitment to the Future

Even as we expand, CTP is committed to create value for our existing clients and improve our properties so that they remain valuable in the long term. We continue to increase staffing to provide greater care to our clients, as well as invest significantly in order to make our business parks even more attractive as locations, not only by adding trees and green areas but also by building accommodation centres, improving public transportation services and investing in new technologies which lead to significant energy savings. Improved energy consumption and working environments impact our client’s bottom lines. Employee retention is key to our customers’ success; they need to attract—and keep—a talented work force to run and extend their businesses. CTP helps by taking responsibility for creating an enjoyable and comfortable work environment across all our parks so that they meet the demands of our customers not only for today, but for many years into the future.

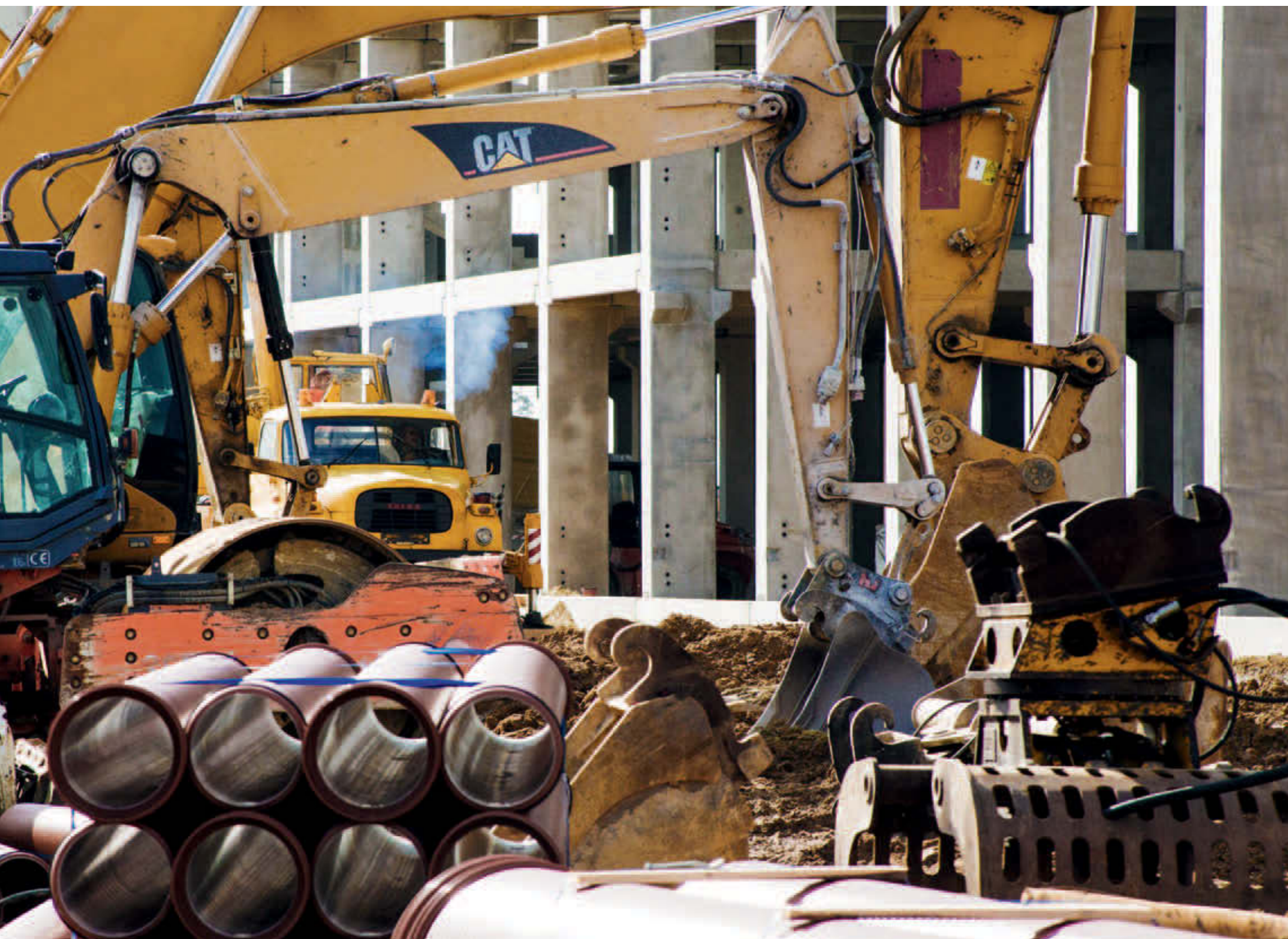
5 CTP Pipeline 2015 – 2016 (In m²)



5 Healthy economic growth has fueled demand for premium industrial properties by both our current clients and new market entrants, and is reflected in our confirmed pipeline for the medium term.









# Business Plan 2020

Market circumstances have allowed CTP to spring ahead of our current business plan, which expected CTP’s portfolio of premium business properties to reach 3 million m² by 2017. CTP may reach this goal at the end of 2015, a full two years ahead of schedule.

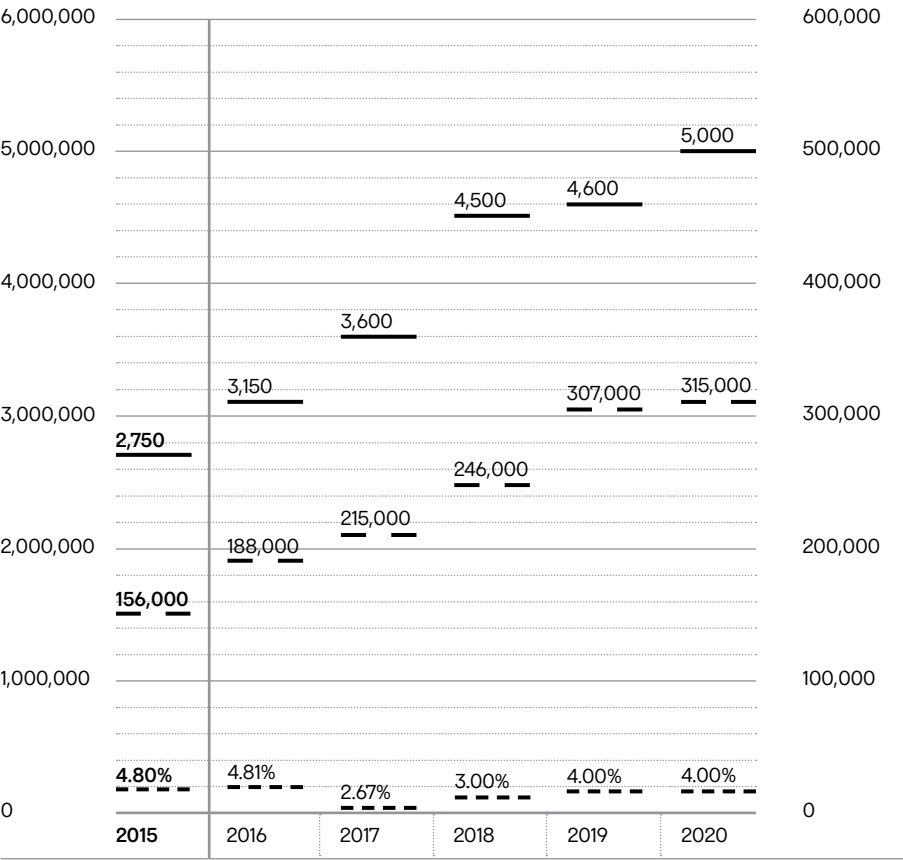
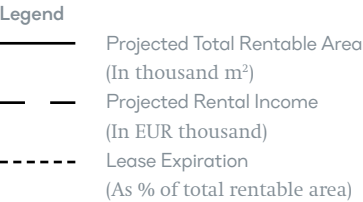
Due to this swift growth, CTP has adjusted its business plan, and is now on schedule to reach 5 million m² of rentable area by 2020, extending the portfolio throughout the region. Because most of our growth comes from our existing client base, CTP expects to reach our goal mainly by constructing extensions to current client facilities, building for them new facilities, or by acquiring assets to fulfil their needs. CTP expects to engage in no—or very little—speculative developments.

6 Based on past results and our business plan, we project total rentable area to reach 3 million m² by 2017, and annual rental income expected to reach over EUR 300 million by the end of the forecast period. Lease expiration rates are expected to remain

roughly flat, as we continue to increase the percentage of renewals with long-term clients, the majority of whom have made significant long-term investments in their facilities.

6

CTP Projections 2015 – 2020





"I'm pleased with our accomplishments and the groundwork we laid in 2014 to hit the ground running in 2015."





Radek Zeman  
Chief Financial Officer

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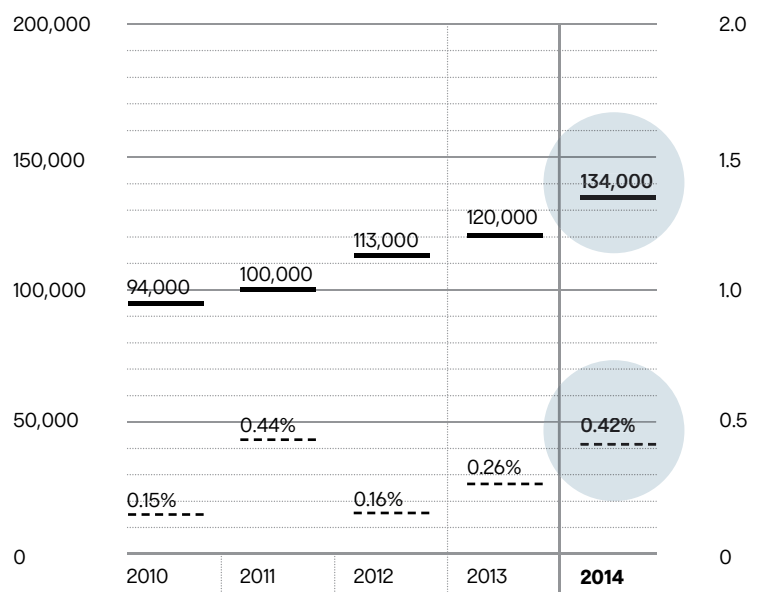
A full-page photograph of Radek Zeman, Chief Financial Officer, smiling and leaning against a textured wall. He is wearing a dark suit, white shirt, and striped tie. The background is a modern interior with large columns and a staircase.

**"Strengthening  
our cash position  
allowed us to  
meet our financial  
and acquisition  
goals for the year."**



**1, 2** Gross rental income hit a new record of almost EUR 134 million in line with predictions and the extended portfolio, up nearly 12% from 2013, while tenant default rates remained very low, thanks to the quality and solidity of our clients, and as well to CTP policies such as parent company guarantees that form part of our standard leasing agreements.

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



## Message from the CFO

In terms of finance, 2014 was an excellent year for CTP. A number of key market indicators lined up, which CTP was able to capitalise on to accomplish our goals. Interest rates hit historical lows and the Czech crown was significantly weakened. The Central European industrial real estate sector drew increased interest from both banks and investors alike, due to its strong returns and high stability. Within this favourable international financing climate, CTP leveraged its opportunities to agree financing for new developments and acquisitions as well as to refinance existing loans under improved conditions and to significantly improve the company's cash-flow position. These factors, combined with improved valuation yields, low overhead and vacancy rates, all helped CTP in 2014 to post record profit before finance costs of EUR 337 million.

### Selected Financial Results 2014

In EUR thousand			
	2014	2013	2012
Gross rental income	133,698	120,440	112,867
Net profit before finance costs	336,680	136,640	79,776

Asset value			
	2014	2013	2012
Total asset value	2,356,951	1,987,611	1,870,618
Total investment property	2,239,949	1,905,655	1,783,261

### Refinancing was the Key

In 2014, CTP undertook significant financial restructuring, and we were able to refinance nearly 63% of our portfolio during the course of the year for a total of EUR 717 million in new loan agreements. Taking advantage of the improved financial climate and lower interest rates, we were able to significantly reduce borrowing costs, freeing up liquidity. We were also able to negotiate improved borrowing terms, extending loan maturities to 2019 through 2022 at the earliest. Refinancing combined with the successful reduction of vacancy across the portfolio enabled CTP to free up EUR 80 million in cash during the year.

A significant restructuring deal was provided through negotiations with Erste Bank, and in 2014 CTP closed out a 2008 mezzanine loan, which allowed us to fully shift all corporate-level financing to project-level financing.

Due to these improved conditions, CTP reduced its overall exposure, lowering our overall loan-to-value (LTV) ratio to 51%, down from 56% in 2013.



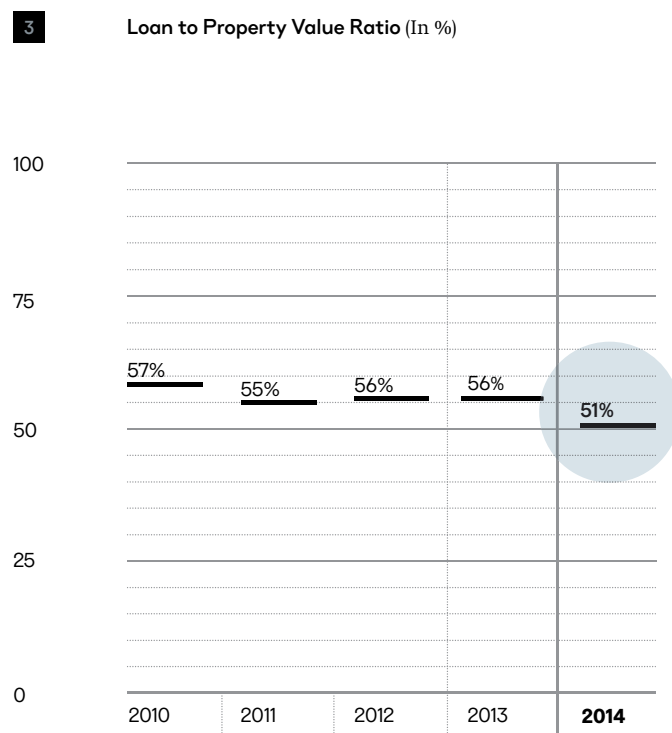
## Cash is King

In 2014, CTP's strong cash-flow position differentiated us from our competitors, and allowed us to step in and take advantage of opportunities in the market to acquire properties to fulfil our business plan. During the year, CTP acquired over 11 new properties throughout the Czech Republic, including three parks around Prague (to the north, east and west of the capital). Additionally, we were able to acquire assets in Romania and Slovakia with a mixture of both industrial and office asset classes.

## Valuation Yields (In %)

	2014	2013	2012
Industrial	7.00 – 7.50	7.75 – 8.50	7.50 – 8.25
Office	7.25 – 8.00	7.40 – 8.00	7.25 – 7.75

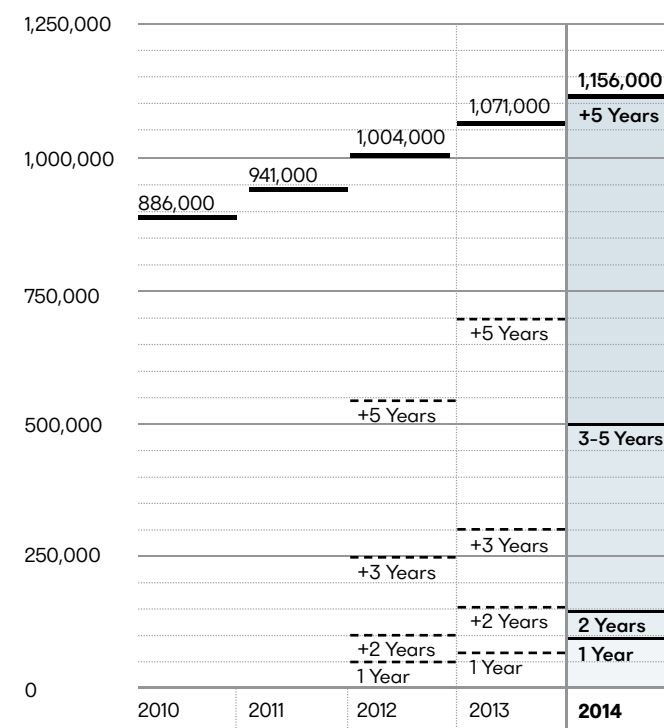
Improved cash flow also allowed CTP to increase investment in property improvements and building standards. During 2014, we invested EUR 2.6 million into our properties, which both improve their efficiency, but also extend the useful lives of the buildings, thereby increasing long-term value for the company and our clients.



**3** Our LTV ratio hit an historic low of 51% owing primarily to market valuation gains, and, despite higher gross debt, loan renegotiations and corporate debt restructuring increased our equity position.

**4** While debt increased marginally year-on-year, we successfully renegotiated approx. 63% of all loans, greatly extending maturity and reducing debt service fees, improving our cash position. 54% of loan maturities were extended to beyond five years.

## **4** Loan Growth over Time and Maturity of Interest-bearing Loans (In EUR thousand)





## Legend 2013

- 1 Erste Group Bank AG  
(incl. Česká spořitelna, a.s.)
- 2 UniCredit Bank Czech Republic  
and Slovakia, a.s.
- 3 Raiffeisenlandesbank  
Niederösterreich-Wien AG
- 4 Československa obchodní banka, a.s.
- 5 Komerční banka, a.s.
- 6 Raiffeisenbank a.s.
- 7 ING Bank N.V./ING Real Estate  
Finance N.V.
- 8 Österreichische Volksbanken-AG
- 9 Všeobecná úverová banka, a.s.
- 10 Other Financing

## Legend 2014

- 1 Erste Group Bank AG  
(incl. Česká spořitelna, a.s.)
- 2 UniCredit Bank Czech Republic  
and Slovakia, a.s.
- 3 Raiffeisenlandesbank  
Niederösterreich-Wien AG
- 4 Československa obchodní banka, a.s.
- 5 ING Bank N.V./ING Real Estate  
Finance N.V.
- 6 Komerční banka, a.s.
- 7 Raiffeisenbank a.s.
- 8 Landesbank Hessen-Thüringen  
Girozentrale
- 9 Všeobecná úverová banka, a.s.
- 10 Oberbank AG - Czech Republic
- 11 Österreichische Volksbanken-AG
- 12 Other Financing

## Finance in 2015

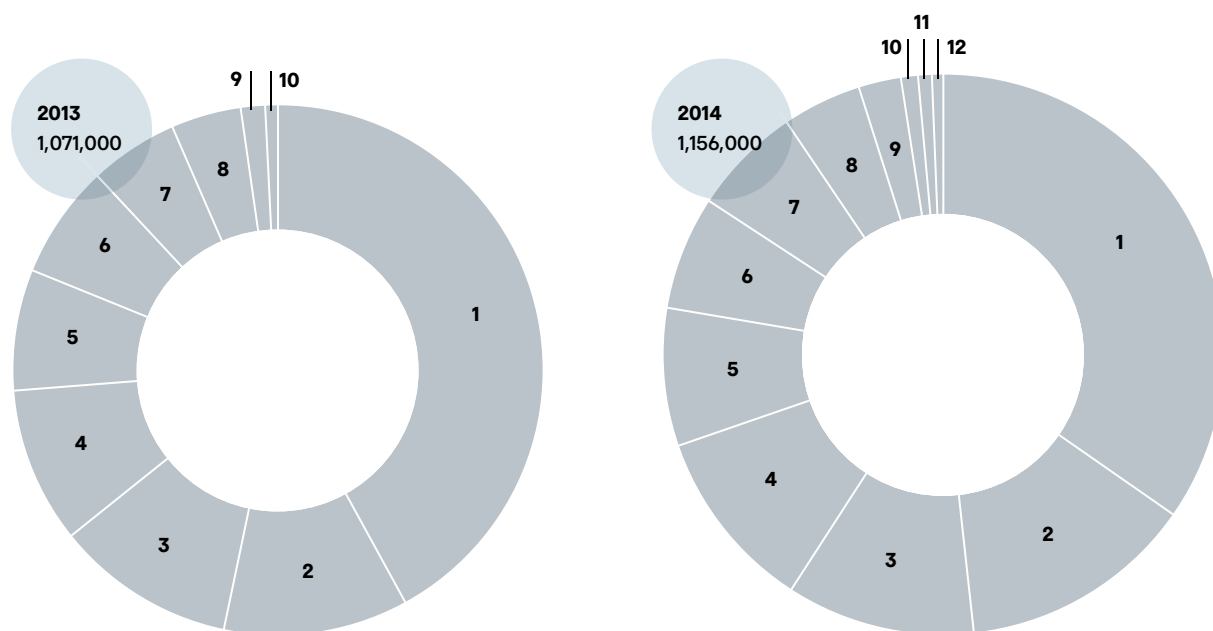
In 2014, we extended our borrowing platform to 12 institutions by entering into relationships with new financial partners such as Oberbank and Landesbank Hessen-Thüringen Girozentrale. During the year, we also deepened relations with our current financial partners. In 2015, to fulfil our new business plan, we expect to continue our strategy to grow both organically and through acquisitions. We look forward to working with our partners to finance new projects in both our home and new markets, as well as to continue refinancing our portfolio.

Current market conditions look to prevail through 2016, with strong projected GDP growth across CEE, particularly in the Czech Republic and Romania. We also anticipate further yield compression, which we expect will increase the value of our portfolio by 5–8%. Owing to the stable economic and financial outlook and the proven business case CTP puts forward, we are confident of a strong 2015 and expect gross rental income to reach over EUR 150 million by the end of the year.



**Radek Zeman**  
Chief Financial Officer

## Total Loan Values 2013 — 2014 (In EUR million)





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

The risk that the counterparty will default on its contractual obligations.

#### *Mitigation Strategies:*

- Credit policy in place
- Exposure is monitored on an on-going basis. Evaluations are performed with respect to a management determined cap.
- Parent company guarantee or solvent tenant group company guarantee are standard.
- Investments made only in liquid securities and only with counterparties that match or better CTP's credit rating.
- CTP maintains bank accounts with stable, low risk banking institutions, where no risk is expected.
- Receivables towards related parties are partially offset by liabilities to, and assets held by, the related parties in case of repayment breach.

#### *Management Opinion:*

Given generally high customer credit ratings, the management does not expect any counterparty to fail to meet its obligations. No significant third-party concentrations of credit risk. CTP does not expect breach of repayment by third parties.

### Capital risk

CTP policy is to maintain a strong capital base to effect creditor and market confidence and to sustain future business development. CTP's overall strategy remains unchanged compared to 2013.

As a property investor CTP finances projects through private bank loans. CTP's financial position is impacted primarily by financial market volatility; not seasonality.

CTP's debt structure is detailed in note 23.\*

#### *Gearing ratio:*

Debt, defined as long-term and short-term liabilities, are detailed in note 23.\* Equity includes all capital and reserves of CTP, disclosed in note 22.\*

The loan-to-value (See note 28\* for FMV calculation methodology) ratio of CTP properties as at 31 December 2014 is seen as an appropriate level within the financial markets.

### Operational risk

The risk of loss arising from the inappropriateness or failure of internal processes, human error, systems failures; or from external events.

#### *Mitigation Strategies:*

CTP assesses these risks on a regular basis and undertakes measures aimed at systematic detection and minimisations of these risks.

During 2014, operational risk management activities concentrated on improving the management information systems containing information about individual projects and related legal documentation.

### Market risk

The risk that changes in market prices, ie. foreign exchange rates or interest rates, will affect CTP's income or the value of financial instruments held.

#### *Mitigation Strategies:*

CTP manages and controls market risk exposure within acceptable parameters while optimizing the return.

#### *Foreign currency risk:*

Currency risk is mitigated mainly by:

- investing in the same currency as the financing source.
- generating revenues denominated in the same underlying currency.

While CTP often purchases using CZK, during the construction phase, CTP uses FX forwards to hedge against the exposure to foreign currency risk arising on forecast transactions.

#### *Management Opinion:*

As at 31 December 2014, an analysis of the foreign exchange rate risk revealed an insignificant impact on the value of assets, liabilities and financial position, as a majority of financial instruments were EUR denominated.



### ***Interest rate risk***

Risk arising mainly from the floating interest rates applicable to debt financing.

- CTP entered into transactions with 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***

The risk that CTP will not be able to meet its financial obligations as they fall due.

CTP manages liquidity risk by:

- monitoring forecast and actual cash flow;
- leveraging long-term financing, and refinancing where appropriate;
- utilising the rental income to settle 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. Detailed analysis of results are disclosed in the table in note 28.\*

i

The information presented here is based on information known at the time of publication and while management continually monitors risks, it must be stated that new risks may yet be identified, therefore this list should not be considered comprehensive.

Management's risk assessment procedures are not always carried out on a specific schedule or frequency, but rather are incorporated as part of the company's overall operational and financial procedures, and may be carried out at the day-to-day level of accounting, operational and financial duties, but also at the strategic level, and are therefore subject to ad-hoc timing and decision making parameters. Knowledge about, and hedging against, the risks inherent in our operational and financial dealings is key to our on-going business success and forms a cornerstone of management decision-making at all times.

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\* Notes to the combined pro-forma financial information can be found beginning on p. 111.



# The CTP Platform

CTP derives a competitive edge thanks to its vertically integrated business model and dedicated team of professionals, which brings extensive, hands-on experience to each project. The CTP Platform provides seamless, full-service coverage at all stages of property development, together with comprehensive property management services.

CTP's in-house team of designers, architects and engineers work closely with clients on the development of customised solutions exactly matching their needs. This includes fit-outs such as clean rooms for electron microscope manufacturer FEI and chilled storage systems for food logistics provider Bakker.

## CTP Property Development Services:

Strategic land identification and acquisition

Project permitting

Building design, engineering and construction

Project and asset acquisition finance

Leasing and contract negotiation

Facility, property and asset maintenance and improvements

Landscaping and infrastructure

After-care and park management







# Attending to Our Client's Needs





Internal Knowledge is the Key to Our Success

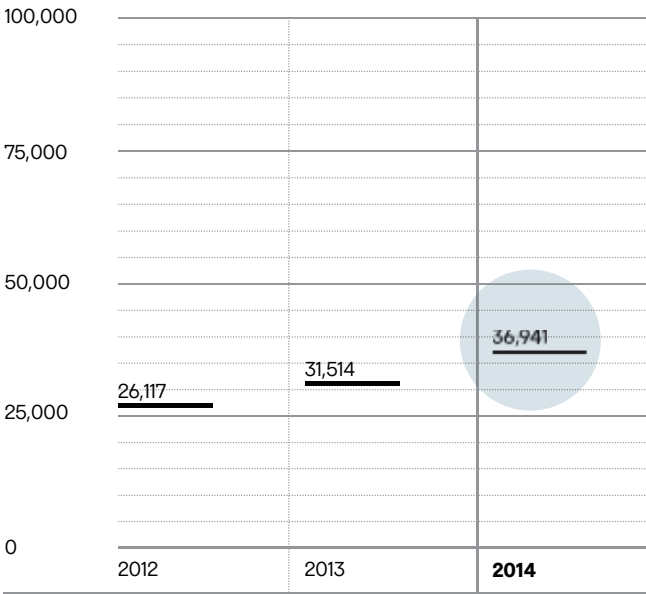
The efficiencies and synergies of our business model create savings in both time and direct costs for our clients. Beyond the bottom line, our in-house services mean we have greater control of project quality during the entire development cycle. By in-sourcing, we increase value and ensure that knowledge is retained in the company and is available for continual improvement and innovation, which allows us to provide better and faster services to our clients, increasing our overall value proposition.

Our relationships with our current clients is a key to our success, and as our operations have expanded in 2014, CTP remained committed to ensure continual and smooth operations. In 2014, we have appropriately scaled our platform across the entire company particularly in key areas of client service, business development, legal, accounting and our property management teams, growing over 5%. In 2014 we brought in strong talent and highly skilled professionals at both top management and operational roles, not only in regions where we have expanded, but also in our core market in the Czech Republic, deepening our on-the-ground knowledge, allowing us to better serve our current clients.

1 This year saw the total number of people employed at our business parks rise to nearly 37,000 people, a 17.2% increase, impacting the local economies where we operate in a positive way, with both new jobs coming into the marketplace, but also increasing investment and infrastructure improvements.

CTP is aware that as a result of businesses locating in a specific region, not only are jobs created directly by our clients—and CTP, because we hire locally—but also indirectly through a greater demand for services required by tenants and employees at their new work facilities.

1 Employment in Our Parks (Cumulative)

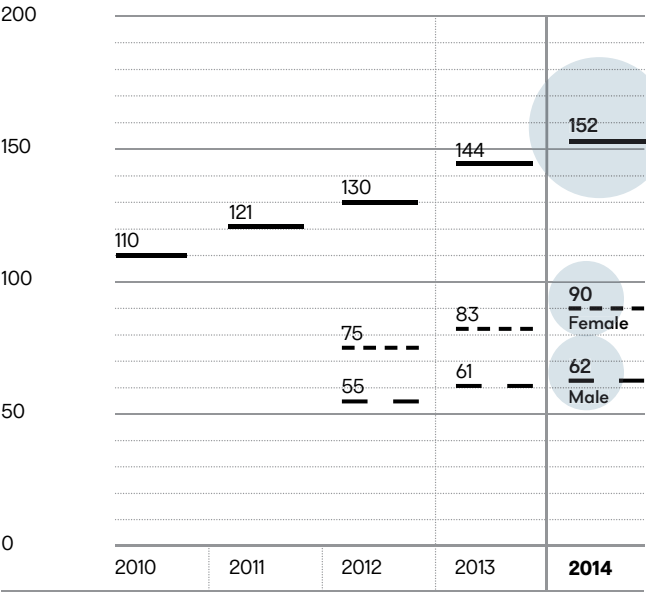




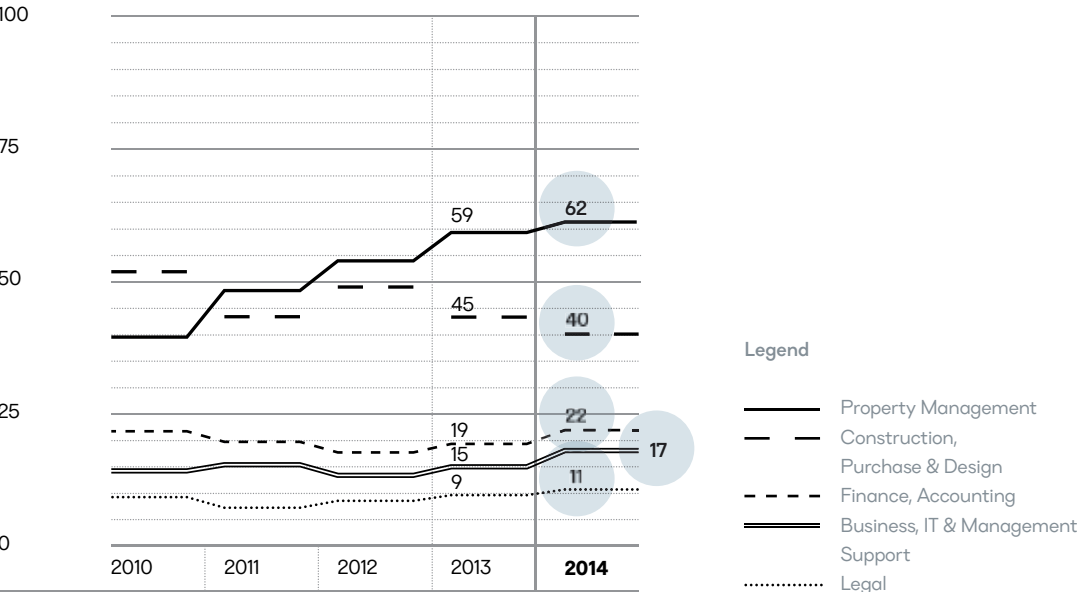
**2, 3** In 2014, the total number of CTP employees grew 5.6% to 152 to ensure the delivery of our high standard of services as we expand. Increasing headcount with key people across almost all departments is key to success, to ensure that our platform

is responsive to client needs at all key touchpoints. CTP is proud that women are employed in key roles across the company, in management positions in legal, park and property management and in accounting.

**2** Number of CTP Employees



**3** Employees by Department





Jaroslav Kaizr  
Business Director

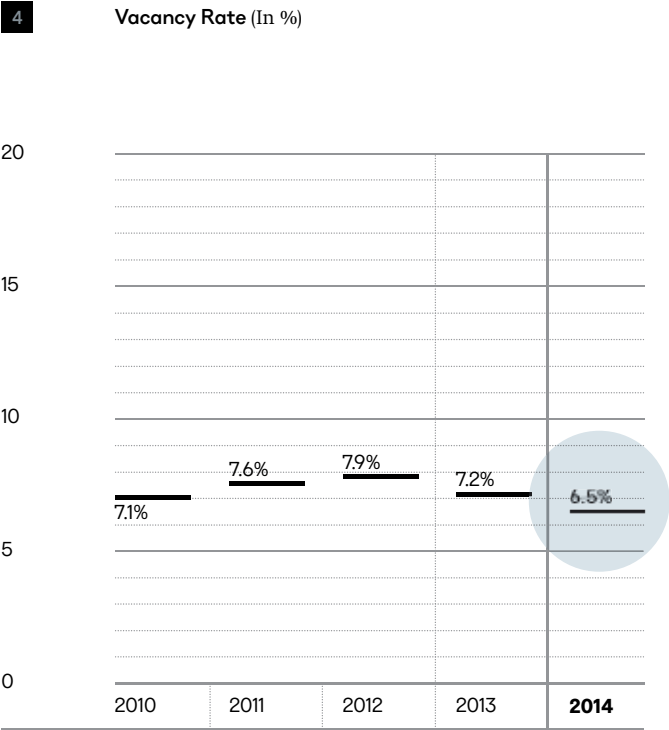
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"Clients expand their operations with CTP because our transparent and professional approach builds long-term trust."



4 We worked hard in 2014 to reduce vacancy across the portfolio, significantly lowering this rate to 6.5%, primarily through our own efforts. CTP tries to maintain a responsible balance between low vacancy—making the most of our current assets—and availability, which allows us to serve clients who require space quickly or in the short term.



**Business Development**

CTP’s Business Development team is responsible for acquiring new customers and reducing vacancy rate across the CTP portfolio. Our team of professionals is on the ground in the locations where our customers want to be, including expansion markets such as Romania, Slovakia and Poland.

Recovery of the Czech real estate market took off in 2014, led by the industrial sector, which outperformed all other asset classes. A record year in terms of takeup, it was the strongest year in market history. New projects, including those undertaken by CTP, were non-speculative and thus new supply did not increase overall market vacancy, which remained stable at 8%.

CTP maintained and reduced our vacancy during the year to a record low, market-beating level of 6.5%, enabling an overall increase in average rents to 5.7 EUR/m<sup>2</sup>/month, above the market headline average of 4.25 EUR/m<sup>2</sup>/month.

CTP was able to achieve this by actively engaging with our current clients, who began looking to expand in the improved economic environment. Similar to market trends, 60% of our leasing activity was the result of either current client expansions or prolongations, again demonstrating the attractiveness of the region to clients who are already present, but also their satisfaction with CTP premises and our services.

Key deals with current clients include Faurecia, for whom we purchased land and agreed to build a new 3,000 m<sup>2</sup> facility in Žilina, near the Kia auto factory on the western Slovak border with the Czech Republic. Key expansions include a new 6,755 m<sup>2</sup> facility by Grupo Antolin in Hranice, which will be completed in 2015, and also for long term client IFE who both prolonged their lease and expanded 3,570 m<sup>2</sup> at CTPark Modřice.

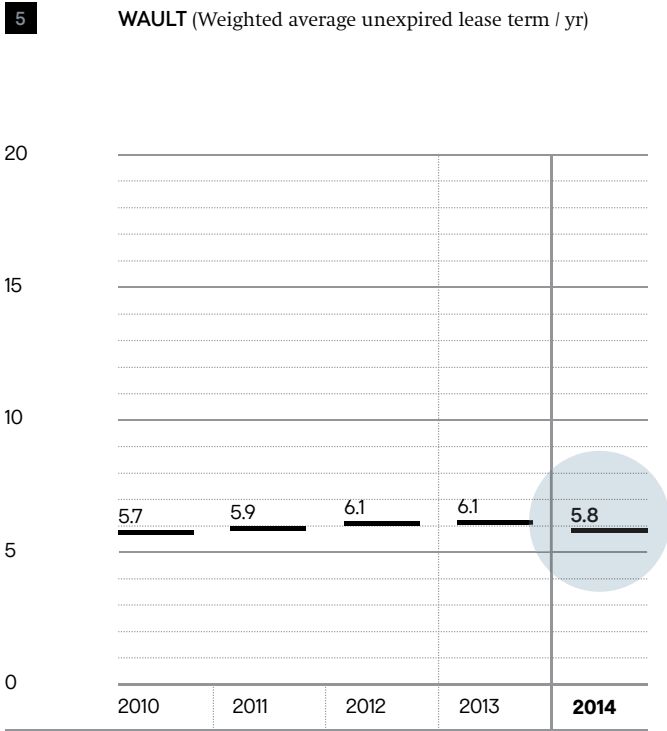


Not satisfied to rest on our laurels, we won contracts with new market entrants such as All You Need, which moved into 9,952 m<sup>2</sup> of available space at CTPark Bor; and Primark, for whom CTP agreed to build, and later expand, a nearly 60,000 m<sup>2</sup> facility at the same park. The growing demand among both traditional and on-line retailers for premises at CTPark Bor—largely because of its cost-effectiveness and strategic location near the markets they serve in Germany—is indicative that demand for high-quality warehouse space will continue in 2015 and beyond, in particular due to the growth of on-line retailers’ distribution needs.

While distribution and logistics in the Czech Republic is primarily centred around Prague and western Bohemia, demand from producers in the automotive and advanced manufacturing sectors continued to look to the regions where CTP is historically strongest.

In 2014, CTP remained the market leader in the Czech Republic with a 37% market share in the regions outside of Prague. We were able to satisfy demand at new CTPark locations in Kadaň for new market entrant Blika, and agreed to build a new facility for IAC at CTPark Přestice, just south of Plzeň. We expect to see this trend continue in 2015, where the impact from German companies relocating to the Czech Republic due to the introduction of a new minimum wage may increase demand for manufacturing facilities near the western borders.

5 WAULT declined slightly during the year but stayed on trend, demonstrating our ability to both renew with current clients and replace tenants which move out. Our strong tenant base of manufacturers tends to push this average up.

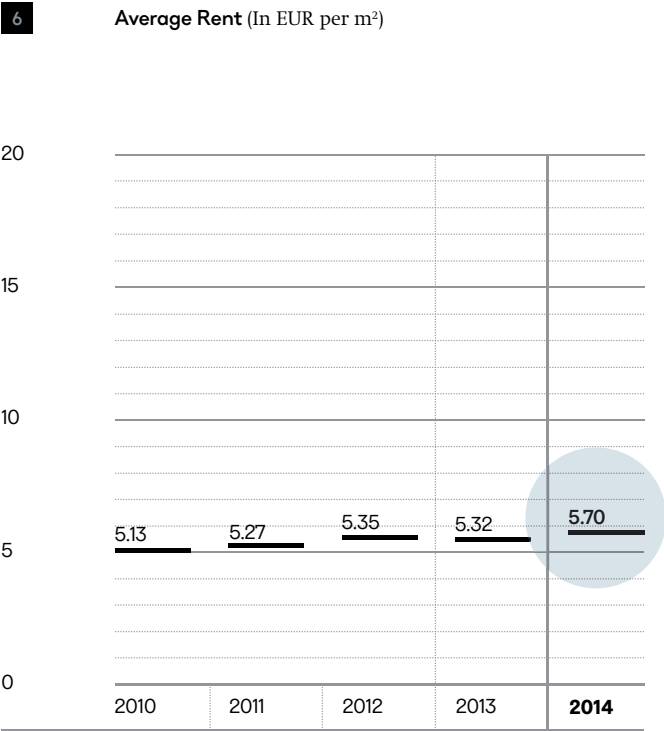




6 Due to market conditions as well as CTP's position in the regional markets, CTP saw an increase in our weighted average rental KPI to 5.7 EUR/m<sup>2</sup>/month, up 7.1% for the year, outperforming the overall market.

To reach our growth goals, CTP deepened our Business Development department with two new hires during 2014, one of which, Jaroslav Kaizr, MRICS, brings a wealth of market knowledge and experience to the company as the new Head of CTP Business Development. Since taking the helm he has introduced an action plan to tackle vacancy across the portfolio and dampen client turnover. Success in driving down vacancy was a key accomplishment for the department and comes from our increased focus on existing clients, on-going work to incentivise estate agencies, increased flexibility of terms during negotiations, and increased direct and indirect marketing activities. Attention to client retention was also key in maintaining the weighted average unexpired lease term (WAULT) to 5.8 years.

Key deals during the year include contracts with such companies as Primark, DHL, IAC, Automotive Lighting, HVCC, Regeneris and Česká spořitelna, among others, which laid the groundwork for a strong development pipeline in 2015.





A portrait of Arno van Hummel, a middle-aged man with short hair, wearing a dark suit, white shirt, and a blue and white striped tie. He is standing in a modern, dimly lit interior space with large concrete pillars and windows in the background. He is leaning his right hand against a large concrete pillar. The lighting is dramatic, with strong highlights and deep shadows.

Arno van Hummel  
Financial Manager

"Company growth  
accelerated through  
2014, lending weight to  
the axiom, 'cash is king'."



A portrait of Zdeněk Raus, a middle-aged man with dark hair, wearing a dark suit, light blue shirt, and patterned tie. He is standing with his arms crossed, leaning against a large, light-colored concrete pillar. The background features large windows with black frames, looking out onto a cityscape with trees and buildings. The lighting is soft, coming from the windows.

Zdeněk Raus  
Financial Manager

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"We restructured much of our portfolio in 2014 to make it more attractive when negotiating refinancing with current and new bank partners."



Finance

CTP’s in-house Finance team is responsible for managing all aspects of company financing, including development projects and acquisitions as well as cash flow and day-to-day operations. Finance follows the IFRS rulebook to ensure transparency of income and expenditures at all levels. In 2014, CTP refinanced 63% of the portfolio, giving us an excellent springboard from which to expand through 2015.

In order to reach growth targets, we undertook significant restructuring of the company, transforming all corporate debt into a project financing structure, creating more than 10 new entities to effect the change. Our in-house accounting team presided over the establishment of transparent accountancy for all entities, covering a portfolio of over 200 buildings.

Moving completely to a project-level financing model allowed us to bring all assets under full CTP ownership, providing greater control over the assets and lowering the administrative burden of managing these assets, ultimately lowering costs.

7 Rental income was split similarly to previous years with logistics premises slightly rising due to an increase in demand by 3PL and ecommerce retailers, from both large internationals as well local players.

7 Rental Income Split (In %)

43%	Production Premises	42%	Production Premises
33%	Logistic Premises	35%	Logistic Premises
15%	Offices	15%	Offices
6%	Park Management	6%	Park Management
2013		2014	

Retail Premises  
Plots & Infrastructure  
Other

3%

2%



8 Even as CTP expanded our operations, increasing headcount and expanding into Slovakia and Romania, we were able to maintain a low overhead as a percentage of rental income due to economies gained through centralisation of financial, marketing, IT and other administrative roles.

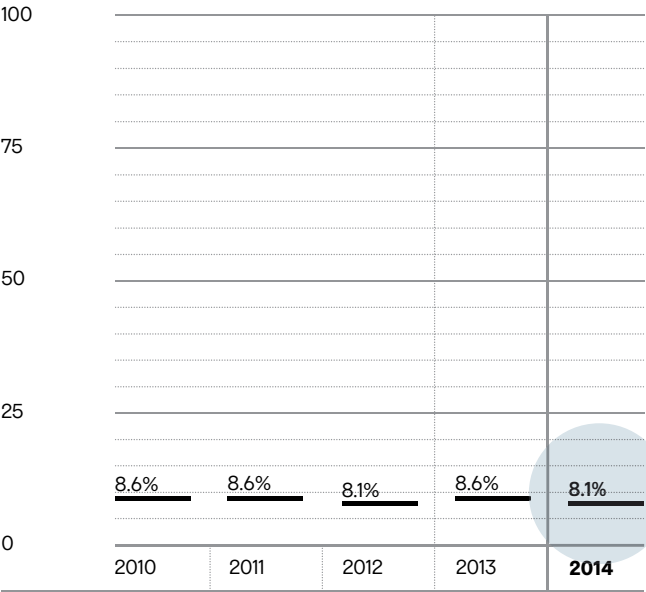
9 Revenue from solar plants on our buildings continue to perform well and generate income. In 2014, solar installations performed at 102% of expected yield.

Restructuring enabled us to close out a corporate loan from 2009, which removed all corporate debt and generated cash to fuel further growth and acquisitions. From this position, CTP will be able to leverage further equity for future acquisitions.

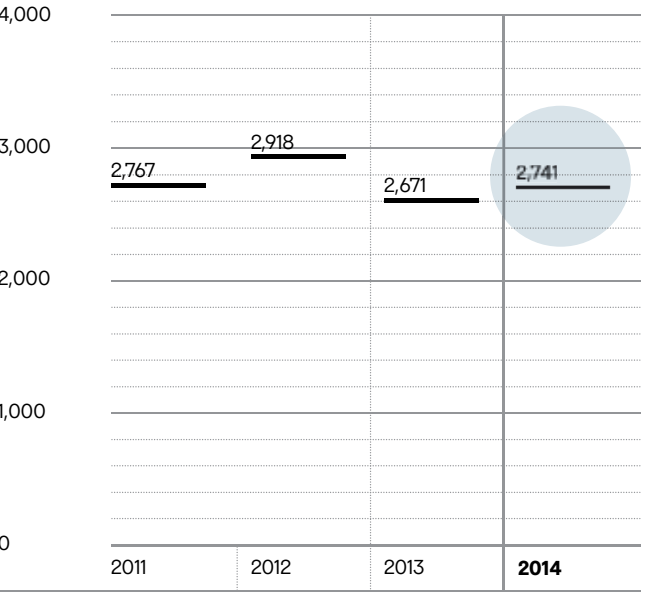
With every acquisition, both in our home market and internationally—Romania and Slovakia—we were obliged to grow local accounting and finance teams to manage newly acquired assets. We plan to further develop our financing team in Prague, and create a specific department focusing on Mergers & Acquisitions, responsible for seeking out and managing the acquisition of new targets.

Despite aggressive growth and extra administrative burdens, we kept overhead low; in fact, overhead decreased slightly year-on-year, the result of good internal controls.

8 Overhead (As % of Total Rental Income)



9 Annual Solar Revenue  
(In EUR thousands)





## Legal

A key element to the CTP Platform is our in-house legal team. CTP's legal team consists of experienced local experts who understand how to communicate and work with both local administrative authorities and our international clients. We specialise in lease agreements which ensures the professional and efficient conclusion of client requests, modifications and special requirements, reducing negotiation times as well as legal costs for all parties.

CTP's ability to quickly secure all necessary permits for facility construction, infrastructure development and special fit-outs is a major benefit for our clients, as it supports short turnaround times for the entire development process.

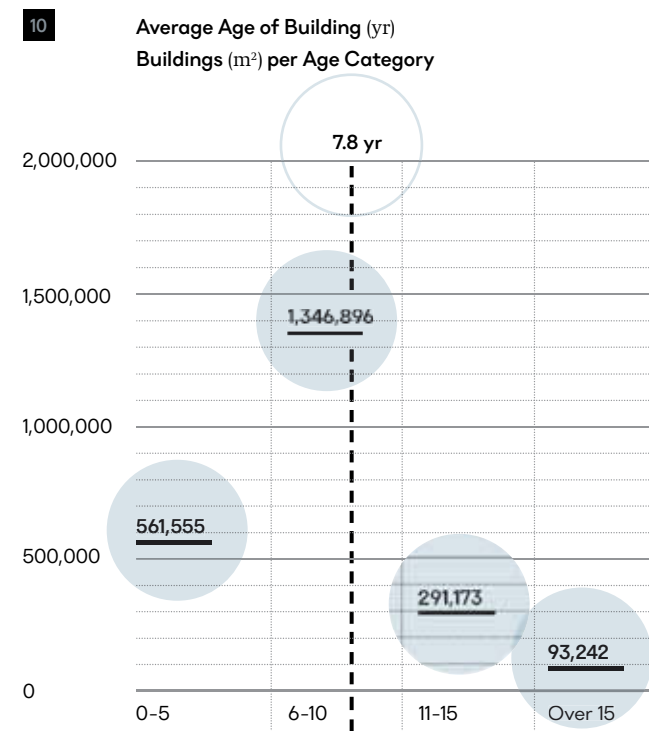
CTP's legal team is also responsible for negotiations and effecting contracts for land and building acquisitions both in the Czech Republic and in our growth markets. Due to our legal team's knowledge of both our clients and local legal regulations, we are able to support the growth of existing clients within the network and to secure opportunities for new tenants.

The legal department grew to a staff of 11 to support our growth plan, and in 2014 concluded 343 agreements including lease, sublease, and future lease agreements in addition to handling modifications and terminations with individual clients. Assisting the company with acquisitions was of major importance for CTP, and the legal team negotiated and concluded 105 contracts for land acquisitions at 27 locations in 3 countries, dealing with nearly 1.5 million m<sup>2</sup>. CTP's legal team was a major contributor to our first project in Romania for our long term client Fränkische's expansion there, in addition to securing the key site near the Kia factory in Žilina for our client Faurecia's expansion into Slovakia.


## Design & Construction

In order to streamline costs and ensure rapid response times, CTP maintains an in-house design, engineering and construction team which allows us to operate as general contractor for all new-build projects. Project design is handled by in-house designers and engineers in tandem with external architects and clients to develop custom-made facilities and fit-outs. Close cooperation between clients, project managers, property management and the finance teams enables our in-house design team to develop tailored solutions while incorporating best-practices at all stages of the development process. Our centralised sourcing, tendering and purchasing for multiple projects enables us to reduce costs while integrating the latest technologies into our standards.

**10** Owing to the mix of new construction and the age of newly acquired assets, the average age of our portfolio of buildings grew to only 7.8 years, slightly higher than the figure one year ago of 6.99 years.





A portrait of Luboš Zajíček, a man with glasses and a goatee, wearing a dark suit and a striped tie. He is standing in a modern, dimly lit interior space with large concrete pillars and a textured wall. The lighting is dramatic, highlighting his face and suit.

Luboš Zajíček  
Head of Legal Department

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"We saw an uptake in complex international deals through 2014. I grew my legal team to handle the multi-market needs of our clients, which often includes negotiation with national and local authorities on land acquisition and permitting."



Stefan de Goeij  
Head of Property Management  
Department

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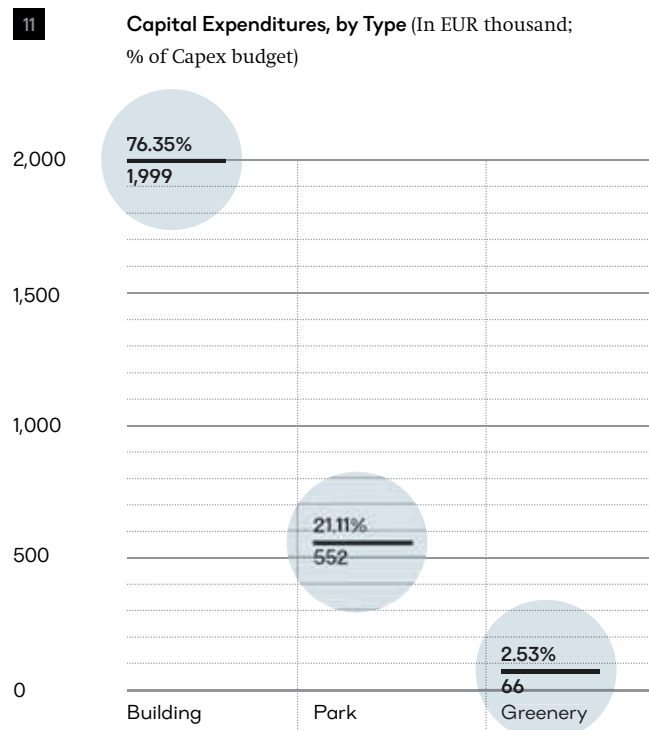


"We upgraded existing and newly acquired buildings to CTP's A-class standards, while maintaining high levels of customer satisfaction and service."





11 We invested over EUR 2.6 million into the maintenance and upkeep of our current portfolio, which is of most concern to our clients, while continuing on-going improvements to the surrounding park, benefitting tenants, clients, employees alike, as well as the local population.



In 2014, the Design & Construction team completed a number of major projects, such as the BREEAM-certified Honeywell Office Campus and award-winning advanced manufacturing FEI facility at CTPark Brno.

Constant innovation by our design team enabled CTP to improve our standards in a number of areas. For example, we added LED lighting, improved concrete and HVAC systems to increase the efficiency and quality of our offering. We also began negotiations with suppliers to improve standards of our gates, loading docs, suspended ceilings, and façade panels, among other technologies in our standard offerings.

Many of these improvements will come into effect in 2015 in addition to other upgrades to our project standards, including kitchenettes, stair railings, interior radiators, ceiling cooling systems, reception and sanitary areas, carpeting, suspended ceiling systems, doors, lockers and flooring, to name a few. Continual evaluation of our standards allows CTP to introduce newer, more cost-effective technologies as they become available, in addition to improving the overall aesthetic of our standard interiors. The ability to provide higher standards and lower development and operational costs is a main reason clients choose to expand with CTP, whether it is at their current facilities or at a new site.

## Property Management

Property Management at CTP is responsible for our parks, buildings and client after-care. CTP's Property Management team is responsible for oversight of capital expenditure for asset improvements throughout the portfolio. This involves not just repairs and on-going maintenance, but also investments to improve and upgrade our business park and office park environments, including landscaping, infrastructure, and building management systems, to ensure long-term performance and return on the company's investment.

### Clients Come First

Property Management at CTP is underlined by the belief that our most important assets are the more than 425 clients who work in our business parks. The Property Management team is responsible for making sure that our clients and their employees are satisfied and comfortable in our properties, allowing them to focus on their core business.

To do this we have grown our team to more than 60 park and facility managers, who meet regularly with clients to assess their current needs as well as to work with them on their future needs. Our clients appreciate a clean and healthy work environment that allows their employees to be more productive, and we work to fulfil that promise.



Property improvements in 2014 included the planting of approximately 15,000 trees across our business parks. Between October and December alone, we planted 4,000 of these in 15 parks under the direction of Dutch landscape architect Lodewijk Baljon, creating a pleasant, low-stress environment for our clients and their employees.

The year 2014 also saw the rollout of full LED light specifications for all new facilities as well as the retrofitting of specific premises upon client request. Long-term business partner Hellmann Worldwide Logistics (*see p. 69*), was looking to both lower energy consumption and improve the overall working environment for their employees at their 19,000 m<sup>2</sup> logistics facility at CTPark Bor as part of their global sustainability efforts.

We maintain an online ServiceDesk application where clients can log in 24/7 to make a service request. Our response rate to these requests is a key performance indicator. In 2014, 90% of ServiceDesk requests were resolved within five working days, meeting our target for the year and successfully responding to company growth while maintaining strong satisfaction levels among both current and new clients.

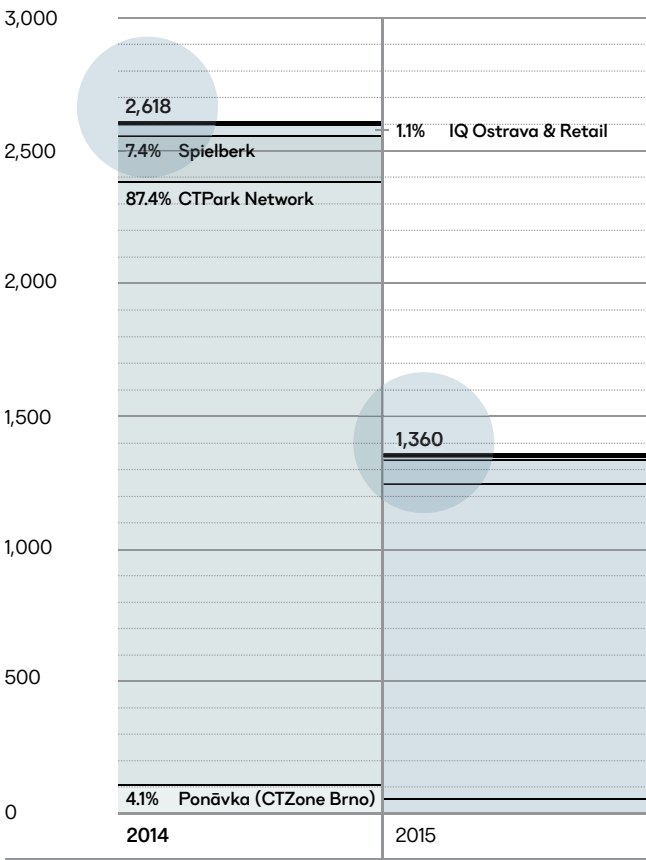
Standard services that we provide at all of our parks include grass cutting and snow clearing, debris removal and regular trash disposal, as well as maintaining and repairing covered bus stops and ensuring that parks are well marked and welcoming to visitors.

**Fostering Community Relations**

To assist our clients in parks located near smaller regional towns and villages, we work with local community leaders to connect the local labour force to the jobs available at our parks. For example, at CTPark Bor, where over 1,200 people are employed, CTP set up and operates a shuttle bus directly connecting the park to the nearby towns and villages that are not adequately served by public transportation. At CTPark Modřice, we run a shuttle service connecting the park directly to Brno’s city centre and to the existing public transportation network.

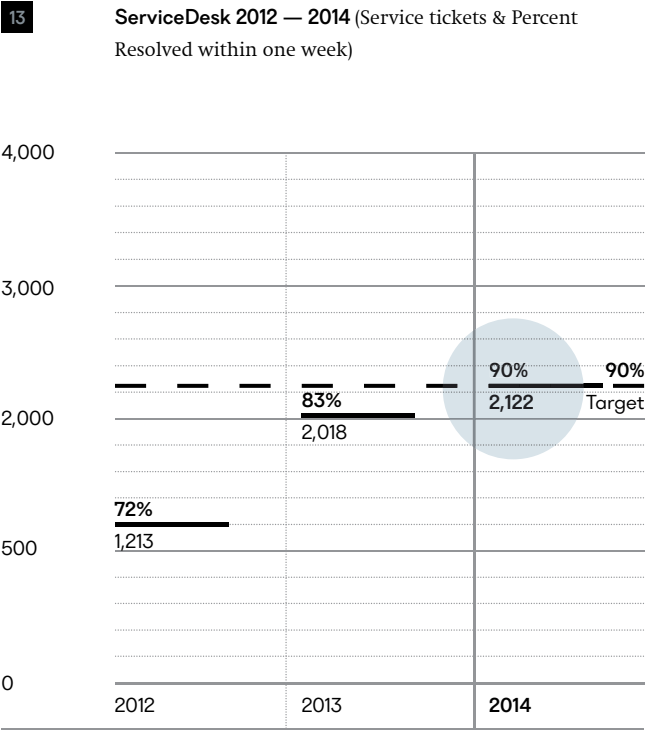
**12** Capital improvements are heavily geared toward our industrial parks, with 55% of investment going toward improving roofing, electric installatings and lighting. Due to large capital investment in 2014, we plan a significant cutback in 2015, with roughly the same allocation as previously.

**12** CAPEX budgets, 2014–2015 (In EUR thousand)





13 Setting the bar higher to 90%, we achieved our goal to continually improve on issue resolution as well as response times by our service team. Incidents include a range of issues from leaky faucets to catastrophic fires.



At CTPark Bor, through consultation with our clients there, in 2014 we began planning for the construction of a new canteen as well as in-park accommodation to ensure adequate facilities for the needs of the local labour force in the park. CTPark Bor is the pilot project for these accommodation facilities, and we plan on extending this option to other parks in locations with a disparate labour force far from larger urban centres.

In another pilot project, in Q4 2014 CTP’s Property Management team developed an internet portal to connect the local labour force to the jobs available at various companies operating at CTPark Bor, ranging from forklift driver to management level positions. The web portal was launched in January 2015, and its success will allow us to extend this program to other parks in the CTPark Network.

**Responding to Client Demand for Energy Efficiency**

Property Management continues to take a leadership role in ensuring that CTP’s new business properties meet the exacting standards of BREEAM certification, which is increasingly required by our clients. In February 2014, IQ Ostrava (*see p. 85*) was certified BREEAM Excellent, making it one of the most efficient buildings in the Czech Republic. CTP worked closely with the anchor tenant and IT leader Tieto, who consolidated part of their European operations there in 2013, to ensure that both the building and the grounds met their exacting standards. During the year CTP also received BREEAM Excellent certification for the CTOffices at Ponávka in Brno, as well as for ABB’s new facilities at CTPark Brno. In Q1 2015, the new office campus for long-term CTP client Honeywell, also at CTPark Brno, received BREEAM Excellent certification under the newer, more exacting BREEAM 2013 standards.









Customers appreciate business parks that function well and are a pleasant working environment for employees. CTP has planted more than 15,000 trees in its parks, some of which you can see here in CTPark Bor.

## Corporate Social Responsibility

**CTP is committed to being a responsible corporate citizen. In 2014, we launched our new Corporate Social Responsibility (CSR) platform focused on three pillars of activity: Education, Environment and Ethics.**

### Education

We continue to invest into the communities in which we operate, specifically through the investment into and support of educational initiatives which increase the profile of the region as a talent destination. Concretely, we partner with educational institutions such as CEITEC in Brno, in order to position the city of Brno as a world-leading destination for the study of high-tech and material sciences. We also cooperate with local schools and universities throughout the regions where we operate to match talent coming out of school with job opportunities within our developments. To date, nearly 37,000 people are employed by tenants in our business parks.

### Environment

Our environmental activities are divided into three areas. The first is related to building design and specifications. Since 2013, we have committed to building all new offices to BREEAM specifications, an international standard governing the energy efficiency and environmental impact of buildings. We are rolling out broad upgrades to our existing properties, with particular emphasis on reducing energy consumption through new LED lighting systems, solar panel uplinks and off-grid power systems. The second area relates to the physical environment and landscaping. Together with our long-term landscape architects, we continue to beautify our parks with tree, water features, relaxation zones and wildlife. Thirdly, we are introducing green services and modern eco-friendly modes of transportation to our parks, including charging stations for electric cars and free use of park bicycles for customers.

### Ethics

We continue our strong tradition of self-regulation and ethical business practices. Although not required, we continue to publish our full, audited company results yearly. Many of our management team take industry leadership positions in organisations such as the Royal Institution of Chartered Surveyors (RICS), the Czech Green Building Council and various Chambers of Commerce, with the goal to drive transparency and ethical behaviour in the construction industry.



## Portfolio Overview

CTP's balanced portfolio of industrial, office and retail properties comprises nearly 2.3 million m<sup>2</sup> of premium space for lease throughout Central Europe.

In 2014, CTP's portfolio grew year-on-year by nearly 150,000 m<sup>2</sup>. Growth relates to several factors: continued expansion via acquisitions in the Prague region; delivery of expansion facilities to existing clients; growth in the office and retail sectors; and expansion of the CTPark Network to Romania and Slovakia.

Many of our clients—many of whom are active in areas such as IT, biotechnology, nanotechnology, engineering, and advanced manufacturing—continue to expand or consolidate their operations in the region, often moving higher-value added operations such as R&D, engineering and design to their original manufacturing operations.





An aerial photograph of an industrial park. The foreground and middle ground are dominated by several large, rectangular industrial buildings with grey roofs. Some buildings have multiple sections or are interconnected. There are parking lots with cars and trucks scattered around the buildings. The background shows a vast urban landscape with dense residential areas, smaller commercial buildings, and green spaces. The sky is blue with some light clouds. The text "Developing for Global Business" is overlaid in large, white, sans-serif font across the center of the image.

# Developing for Global Business



# Strategic Central Europe

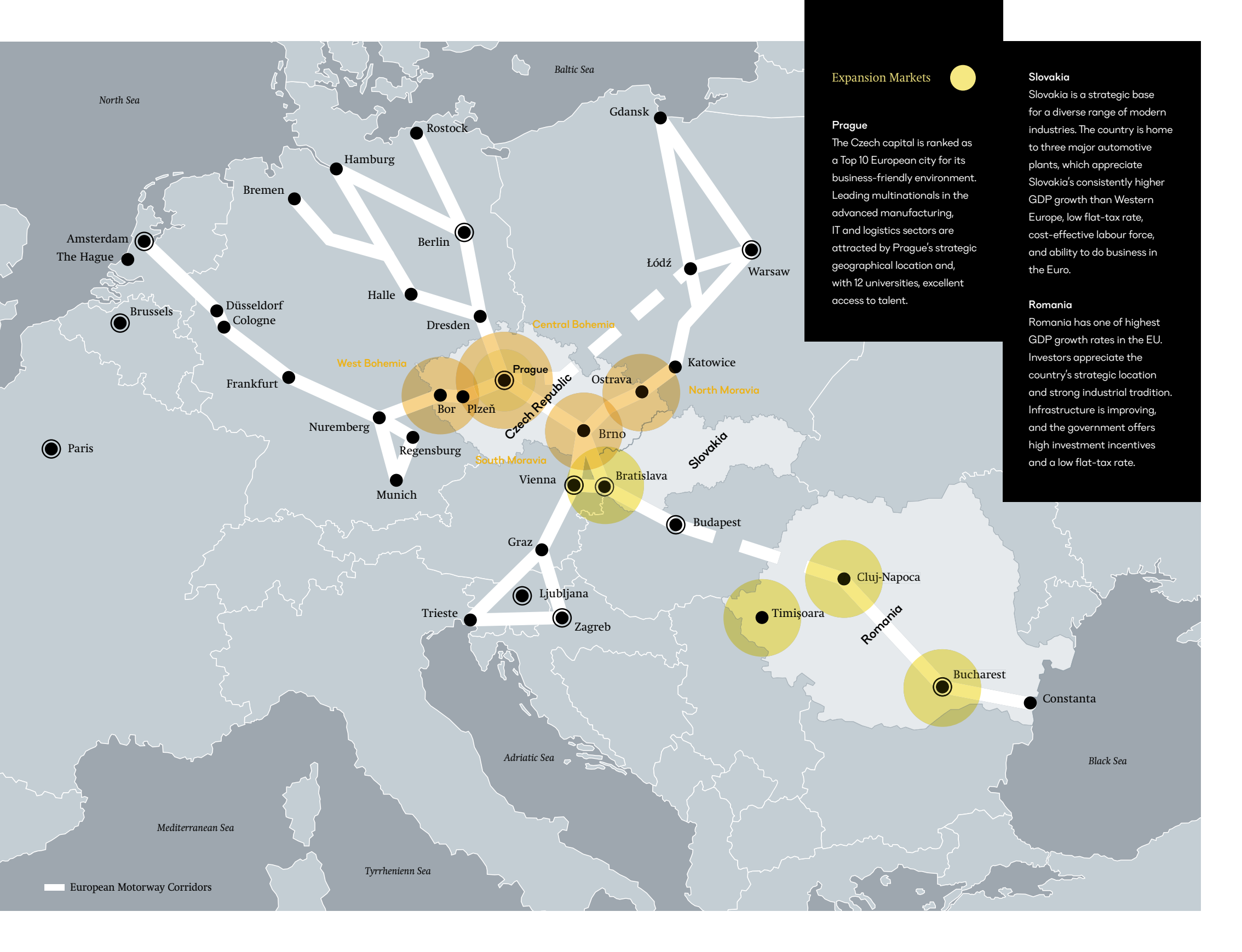
Our strategy focuses on key CEE regions with a large, educated workforce to support investments in high-tech and added-value activities. The backbone of CTP's portfolio is the CTPark Network, Central Europe's largest network of A-class industrial properties. The majority of the portfolio is located in the Czech Republic, our core market.

CTP chose the Czech Republic to launch operations in Central Europe for the same reasons as our clients—the mix of strategic location, a highly educated workforce, industrial tradition, developed infrastructure, cost-effectiveness and growth potential. The country continues to attract increasing volumes of investment in higher-value-added operations in core sectors such as high-tech manufacturing and automotive assembly and supply.

In 2015 and beyond, we are looking to extend the CTPark Network up to 50 parks strategically positioned throughout Central Europe following our proven strategy: close to skilled labour, and nearby major industries, technical universities and important transport routes. We expect the key drivers of growth to come from the automotive industry, logistics and distribution, due in large part by e-commerce companies.







### Expansion Markets



#### Prague

The Czech capital is ranked as a Top 10 European city for its business-friendly environment. Leading multinationals in the advanced manufacturing, IT and logistics sectors are attracted by Prague's strategic geographical location and, with 12 universities, excellent access to talent.

#### Slovakia

Slovakia is a strategic base for a diverse range of modern industries. The country is home to three major automotive plants, which appreciate Slovakia's consistently higher GDP growth than Western Europe, low flat-tax rate, cost-effective labour force, and ability to do business in the Euro.

#### Romania

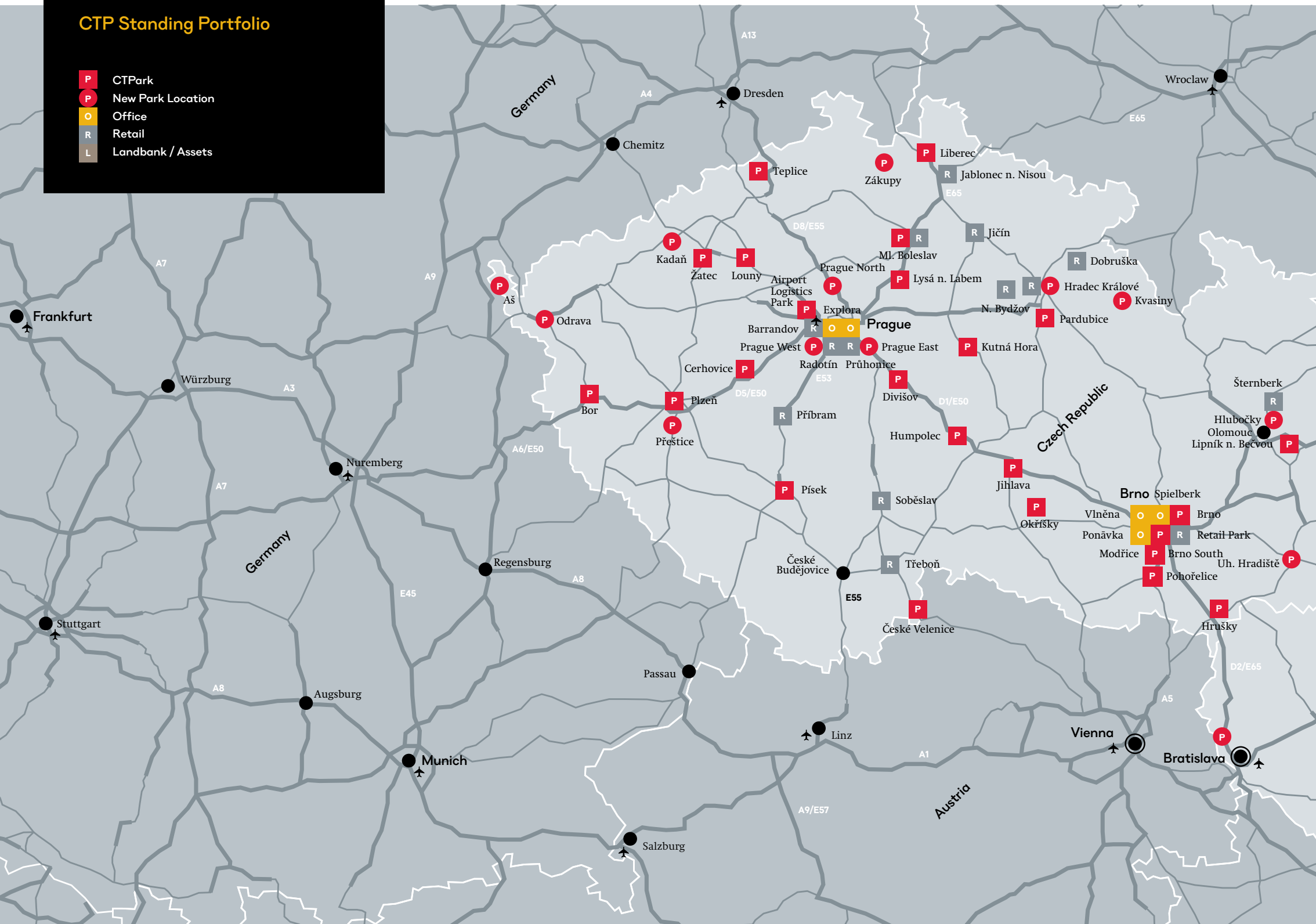
Romania has one of highest GDP growth rates in the EU. Investors appreciate the country's strategic location and strong industrial tradition. Infrastructure is improving, and the government offers high investment incentives and a low flat-tax rate.

European Motorway Corridors

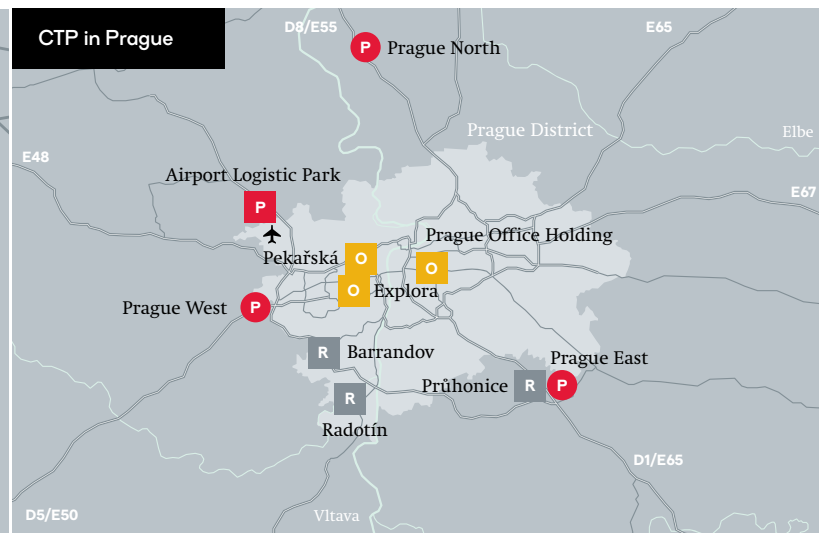
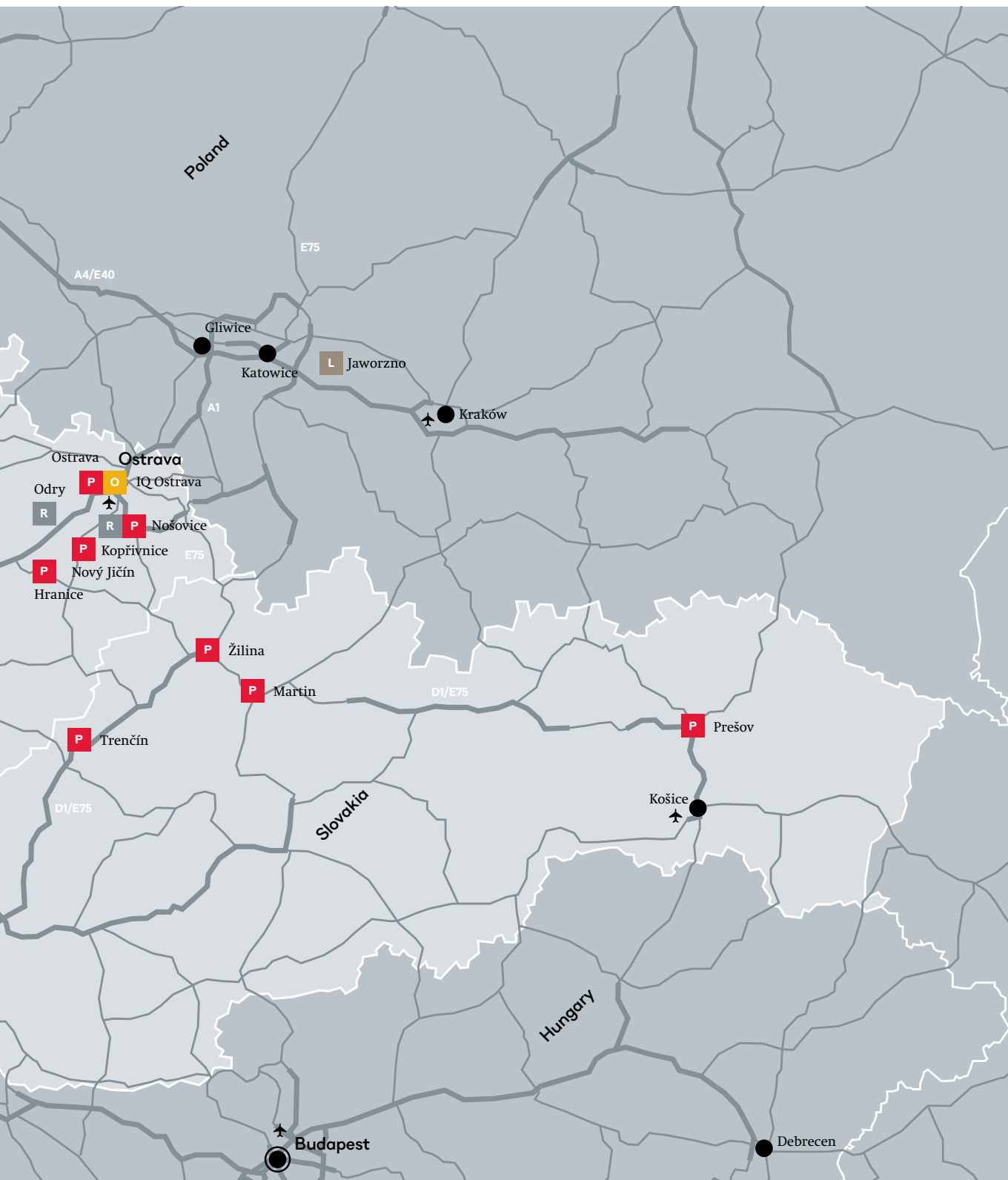


## CTP Standing Portfolio

- P CTPark
- P New Park Location
- O Office
- R Retail
- L Landbank / Assets











**CTPark**  
NETWORK



# Our Core Business





## The CTPark Network: Overview

CTP's industrial portfolio is centered on our core business—The CTPark Network—the largest integrated network of premium business parks in Central Europe. With over 40 locations and sufficient land bank available, the CTPark Network enables our clients to cover the whole region. To meet the requirements of major industries, CTP has developed five, bespoke building types ranging in size and functionality to support a wide range of business activities, including high-tech manufacturing, supply-chain and distribution centres, advanced R&D and back-office operations. The in-house CTP Platform provides for the financing, design and construction of custom-built industrial properties and interior fit-outs, including sophisticated production lines, clean rooms and laboratories, and complex building management systems.

### Five Unique Development Types



#### **CTBox**

450 — 800 m<sup>2</sup>

The three-in-one functionality of the CTBox concept provides showroom, warehousing and office space in one efficient unit.



#### **CTFit**

From 5,000 m<sup>2</sup>

CTP specialises in custom-built properties and fit-outs to meet even the most demanding, industry-specific requirements.



#### **CTFlex**

1,150 — 3,000 m<sup>2</sup>

CTFlex buildings are multi-purpose facilities pre-built throughout CEE to support diverse business activities.



#### **CTOffice**

From 195 m<sup>2</sup>

A-class, cost-effective office space developed in strategic locations to support a range of activities.



#### **CTSpace**

3,000 — 20,000 m<sup>2</sup>

High-quality, modern warehouses to accommodate the storage, distribution and supply-chain needs of global business.





## CTBox

CTBox facilities are specifically designed to support smaller-scale and location-specific operations and feature the three-in-one functionality of retail, warehousing or light manufacturing, and office facilities under one roof. This flexibility supports a range of activities, including light manufacturing, wholesale and retail operations, service and customer support centres, and local and last-mile e-commerce warehousing and distribution centres. CTBox units are available at select CTPark locations, particularly at locations near city centres. Additionally, CTBox units are available as part of the unique inner-city development at Ponāvka.

The CTBox units at CTPark Plzeň (pictured here) have proven such a success, that we doubled the number on offer in the park to meet client demand.









Mirco Gröbel  
Stahlgruber CEO





Company	Stahlgruber
Sector	Automotive
Activity	Auto parts sales, Service, Distribution
Location	CTPark Ostrava
Property Type	CTBox
Facility Size	1,011 m <sup>2</sup>
Move-In	09/2014
Location	CTPark Plzeň
Property Type	CTBox
Facility Size	461 m <sup>2</sup>
Move-In	08/2012
Website	www.stahlgruber.cz

**“We are satisfied with our repeated decision to go with CTP.”**

## Case Study: Stahlgruber

**German aftermarket automotive parts supplier Stahlgruber chose the flexibility and efficiency of the CTBox concept to consolidate and expand its Czech activities at CTPark Plzeň and CTPark Ostrava.**

Stahlgruber is an excellent example of a company utilising the CTBox concept to its full potential in multiple locations. The company is a leading European supplier of independent aftermarket automotive components, with a customer network that includes automotive workshops, distributors and corporate clients. Following a series of acquisitions, Stahlgruber's Czech operations were growing rapidly, and the company was looking to consolidate and streamline its activities with new, modern facilities. As part of this strategy, they chose Plzeň as the site for their first CTBox unit, based on the ability to start with smaller operations and expand quickly as their business grew.

Mirco Grübel, a Stahlgruber executive in the Czech Republic, explains; “Plzeň was our first project to build warehouses in “Stahlgruber style”. At that time we were running 29 locations in the Czech Republic, and our intention was to adapt to the strength of our German mother company. Our success in Germany, our core market, is strongly connected to the logistical structure and setup of our sales outlets. So we chose the location in Plzeň. Today, after positive experiences following the move, I could say that our Plzeň location could be twice as big.”

As a next step in their consolidation strategy, and based on the success of operations at their CTBox in Plzeň, Stahlgruber chose to consolidate its logistics and distribution activities in the Ostrava area with two CTBox units at CTPark Ostrava. “Our reasons for choosing CTPark Ostrava include its good availability and location between three formerly existing branches, which were replaced with the new location, and also our good experience with the ‘CTP model’ from Plzeň, which was important. From my point of view, Stahlgruber Ostrava is one of our most effective locations, in terms of utilisation of given space.”

Stahlgruber runs the full spectrum of logistics and delivery activities from its CTPark locations in Plzeň and Ostrava and also provides customer consultancy and training services. The three-in-one flexibility of the CTBox concept, with office, showroom and warehousing in one unit, has enabled the company to grow rapidly and adapt its space based on its current—and future—needs.

“We are satisfied with our repeated decision to go with CTP. The CTBox concept offers a very effective utilisation of given space, with a modular structure that gives us room for development. We also value the mix of approachability, flexibility in setting up stock areas, the possibility of office space, and price. For us it was an interesting combination, and I am definitely open to further cooperation. The fact that we have been partners since 2012 is an asset for such a decision.”





## CTFlex

CTFlex buildings are medium-scale, multi-purpose facilities pre-built throughout CEE to support diverse business activities, including high-tech manufacturing, logistics and R&D. Flexible building design and partition walls enable tenants to locate multiple operations, including manufacturing, storage, lab and office functions in one efficient unit. CTP maintains an appropriate level of available stock in strategic locations to meet the needs of clients seeking rapid expansion. We routinely custom-fit and improve CTFlex facilities for new tenants, thus maximising asset value. CTFlex buildings are often used by clients as a first-step solution while a custom-built property is being developed. CTFlex buildings can also be adapted to meet the changing business requirements of clients.

CTFlex units can be adapted to many different business operations, such as the Acer service & repair centre (see case study), Moduslink's IT fulfillment centre in CTPark Brno, and Merisant's high tech food processing facility as seen here in CTPark Teplice.











Karsten Wenk  
Senior Manager, Acer Group  
EMEA – Service





Company	<i>acer</i>
Sector	Electronic Manufacturing
Activity	Regional Service, Repair Centre
Location	CTPark Brno
Property type	CTFlex
Facility size	2,739 m <sup>2</sup>
Move-in	2005
Website	www.acer.cz

**"We are very pleased with our operations in Brno, and with the professionalism of CTP."**

## Case Study: Acer

**In 2005, Global computer and electronics major Acer chose a CTFlex unit at CTPark Brno to serve as its regional customer service and repair hub. In 2014, Acer extended its lease for an additional ten years, based on the success of its operations.**

When Acer was looking to establish a regional customer service and repair hub to service customers in Central Europe back in 2005, the company needed a central and easily accessible location with a strong pool of educated people and close access to air transport. Brno met all the company's requirements. Within Brno, Acer was seeking a central, easily accessible location and a flexible facility to accommodate their multi-lingual customer support staff and skilled repair technicians under one roof. A custom-fit CTFlex unit at CTPark Brno was the solution.

In the ensuing decade, Acer's operations at CTPark have not only grown, but have also evolved with changes to technologies and the company's product line. Acer is today a well-established player in CEE consumer markets, and the majority of customer service and repair work is handled at the company's CTFlex unit at CTPark Brno. Based on its success and good working relationship with CTP, the company in 2014 extended the lease on its 2,739 m<sup>2</sup> CTFlex unit for an additional ten years.

On the shop floor, Acer technicians repair a vast array of Acer products including desktops, laptops and tablets. Customer support services the Czech, Polish and Hungarian markets directly and coordinates independent service partners in other regional countries, including Slovakia, Austria, Bulgaria and Romania.

Acer's international customer service centre is also evolving rapidly with the fast pace of technological change and consumer requirements. Increasingly, the company is handling repair requests on-line, in addition to its traditional call centre. Brno's large population of university students and graduates is good base for recruiting not only skilled technicians but also customer support staff fluent in other languages.

Consumer expectations demand a fast turnaround time for repairs. Acer's Brno repair hub prides itself on turning around most repairs within three days. Location near Brno's international airport is one of the key benefits of the company's location at CTPark Brno.

Another main benefit for Acer is the flexibility of its CTFlex unit. The company's product line changes quarterly, and there are also changes to the volumes of different types of products that come in for repair. Therefore, the ability to adapt its repair centre to meet changing needs is essential.





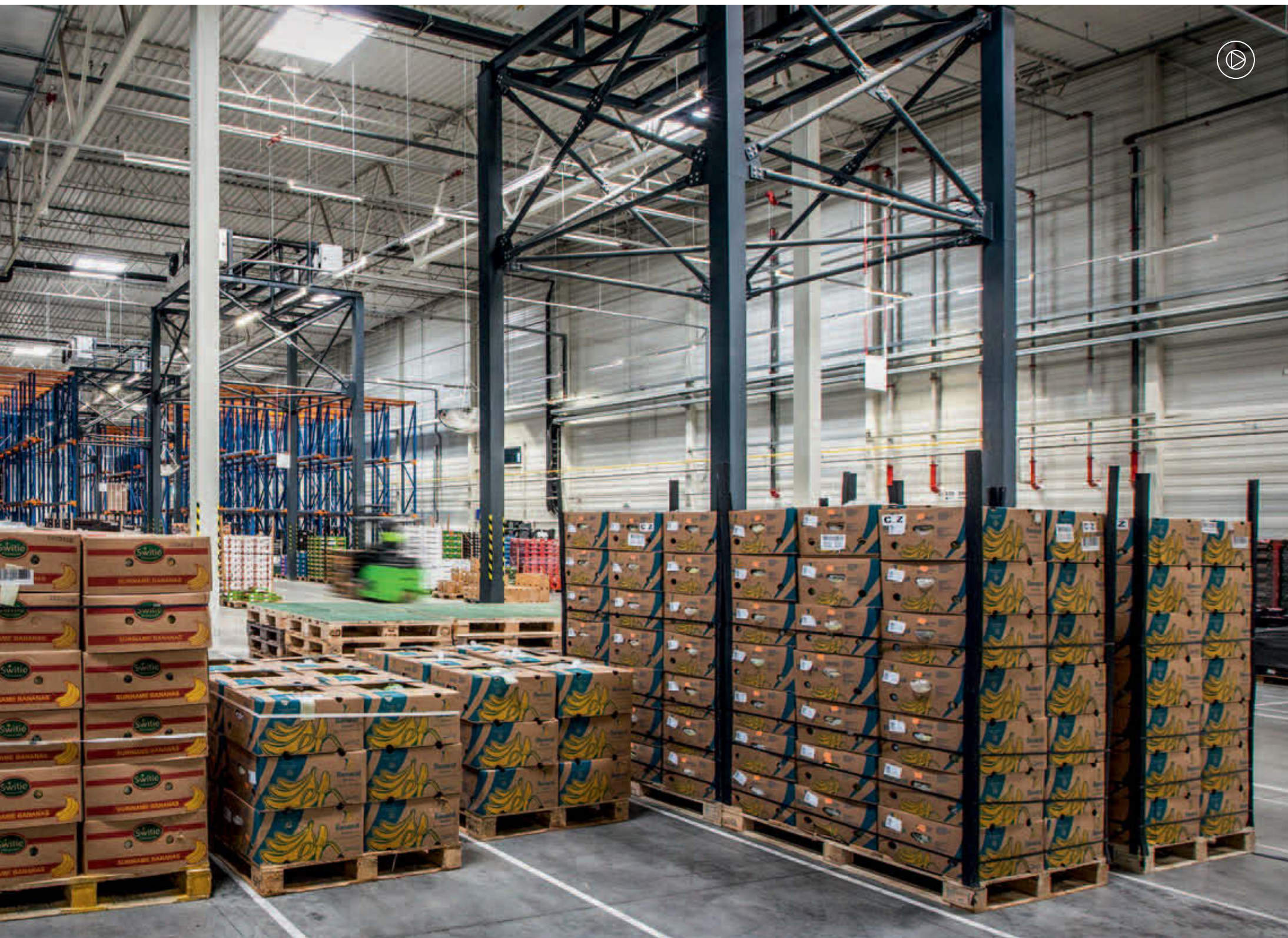
## CTSpace

CTP builds and maintains high-quality, modern warehouses to accommodate the storage, distribution and supply-chain needs of global business. We ensure that an appropriate level of pre-built CTSpace stock is available in strategic locations to accommodate clients that require immediate market entry. We often deliver purpose-designed and purpose-built automated warehousing systems as part of CTSpace facilities to support our clients' increasingly sophisticated supply-chain, logistics and delivery operations. CTSpace facilities are available throughout the CTPark Network and are concentrated in geographic areas that best support cross-border business.


CTP builds standard warehousing units that are ideal for 3PL clients like DHL, UPS and ND Logistics. We also customise CTSpace units for specialised usage such as chilled warehousing for food logistics providers, like Bakker's facility at CTPark Divišov (pictured).











**Michael Schertl**  
Hellman Key Account Manager





Company	Hellmann Worldwide Logistics
Sector	Transportation
Activity	Logistics Operations
Location	CTPark Bor
Property type	CTSpace
Facility size	19,414 m <sup>2</sup>
Move-in	07/2013
Website	www.hellmann.net

“Because of our good experiences with CTP, Hellmann will always be pleased to cooperate with them on future projects.”

## Case Study: Hellmann

**Based in Germany, Hellmann Worldwide Logistics is a leading global logistics companies with branches in over 150 countries. In 2013 the company chose CTPark Bor, near the Czech-German border, as the site for its first Czech operations.**

When Hellmann Worldwide Logistics needed to expand operations for a major client requiring large-scale modern warehousing near the Czech-German border, CTPark Bor was the ideal choice. Strategic location, excellent access and lower operating costs than across the border in Germany helped Hellmann secure the contract.

Michael Schertl, Hellmann Key Account Manager, explains: “We had a client, Siemens AG, who was looking for a provider to handle the storage, picking, packing and distribution of certain finished products. One of the criteria was to offer a solution to reduce costs without compromising on quality. Because of its location and good infrastructure, we identified CTPark Bor as a good solution for the Logistic Centre. I can say that, because it provides lower operating costs, together with the same high standards and qualified skilled labour, CTPark Bor helped us to win the contract. Because of the professional approach of CTP Hellmann was able to implement the project successfully.”

Hellmann operates a 20,000 m<sup>2</sup> CTSpace warehouse at CTPark Bor, which is 30 km from the Czech-German border on the E50 motorway. In addition to the Siemens contract, Hellmann handles the full spectrum of logistics operations for a number of companies in different industries and sectors, including consumer electronics, fashion and automotive. “For this product range Hellmann takes over the storage, order picking, packing, shipping and carries out the value added services for the customer worldwide.”

Close cooperation between Hellmann and CTP has helped to make Hellmann’s move to the Czech Republic both trouble-free and effective, and the company’s new, modern facility provides the same high standards as in Germany, while at the same time reducing costs. “Our new facility at CTPark Bor meets the expectations of Hellmann. Thanks to the exchange of lighting in our facility from T5 to LED, Hellmann is now able to save the energy costs and improve the quality of working place of each employee. We can confirm that the facility corresponds to the European standards.”





## CTFit

CTP specialises in custom-built properties and fit-outs to meet the most demanding, industry-specific requirements. CTFit properties are typically high-tech manufacturing centres, state-of-the-art R&D laboratories, sophisticated distribution hubs, and premium office properties for companies moving operations to the Czech Republic—both first-time investors and existing CTP clients who are consolidating or expanding operations to new, purpose-built facilities.

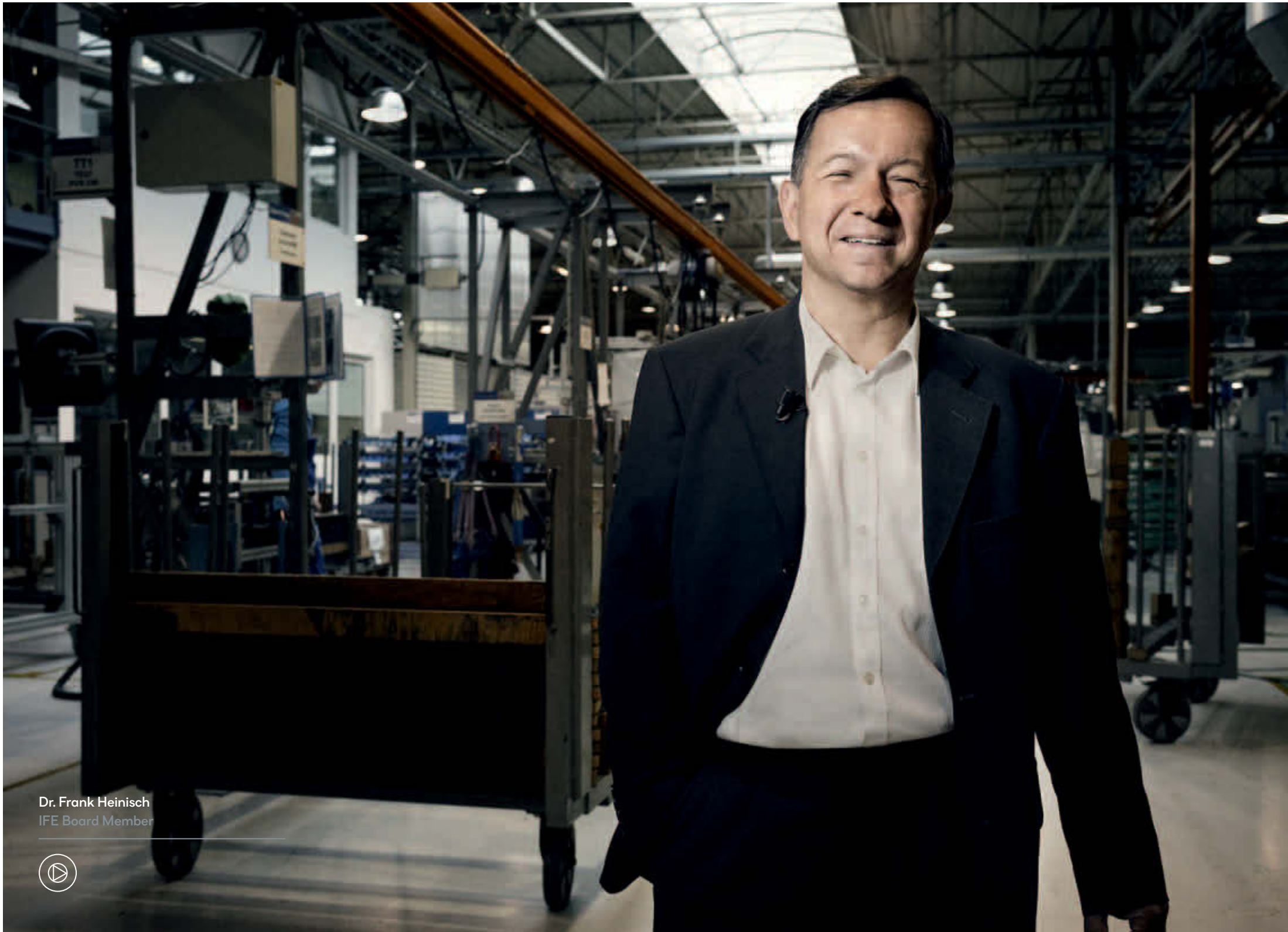
CTFit are ideal solutions for companies like high-tech furniture manufacturer, BJS, who require specialised operations and machinery fit-outs.











Dr. Frank Heinisch  
IFE Board Member





Company	IFE
Sector	Railway industry
Activity	Manufacturing
Location	CTPark Modřice
Property type	CTFit
Facility size	19,835 m <sup>2</sup>
Move-in	04/2005
Website	www.knorr-bremse.com

**"We have come to know CTP as a very professional and pragmatic partner."**

## Case Study: IFE

**IFE—the world's leading producer of automatic door systems for railway vehicles—was one of the first companies to set up operations at CTPark Modřice near Brno. In 2014, the company expanded its CTFit facility with a custom-built extension and renewed the lease agreement for an additional ten years.**

IFE, part of the Knorr-Bremse Group, is the leading designer and manufacturer of automated door systems for the world's top producers of railway vehicles. In 2002, the company was one of the first tenants to move in to CTPark Modřice near Brno—CTP's first, full-service business park location and the proven model for further CTPark Network expansion.

As Dr. Frank Heinisch, IFE Board Member, explains, the company initially chose CTPark Modřice based on a combination of factors: "For us, the main reasons to choose CTPark Modřice include reasonable operating costs, the professional environment and infrastructure within the park itself, the close proximity to Brno with good availability of qualified candidates, and also closer proximity to IFE headquarters in Austria."

This mix has proven successful for IFE, and in 2014 the company signed for a 10-year lease extension for its CTFit building. "One of the main reasons we decided to extend our lease at CTPark Modřice is the availability of skilled and reliable workers. Over the years, we have come to know CTP as a very professional and pragmatic partner." Based on the growth of its business and the relocation of new activities to its plant at CTPark Modřice, IFE also expanded its 14,000 m<sup>2</sup> CTFit facility with an additional 5,000 m<sup>2</sup> of floor space, which it utilizes for wet-paint operations.

Over the years, the activities at IFE's production plant at CTPark Modřice have grown and now also include certain purchasing and engineering responsibilities previously handled at the company's headquarters in Austria. This added-value activity has led to an increase of importance of the company's Czech activities within the IFE. "With more than 500 employees engaged in a variety of high-tech and challenging jobs, and the high ratio of local suppliers, our regional footprint can be seen as remarkable, and our plan is to continue growing. In 2015 we expect to invest around EUR 5 million in our Czech operations, and we expect the number of employees to reach 600 within the next two years."

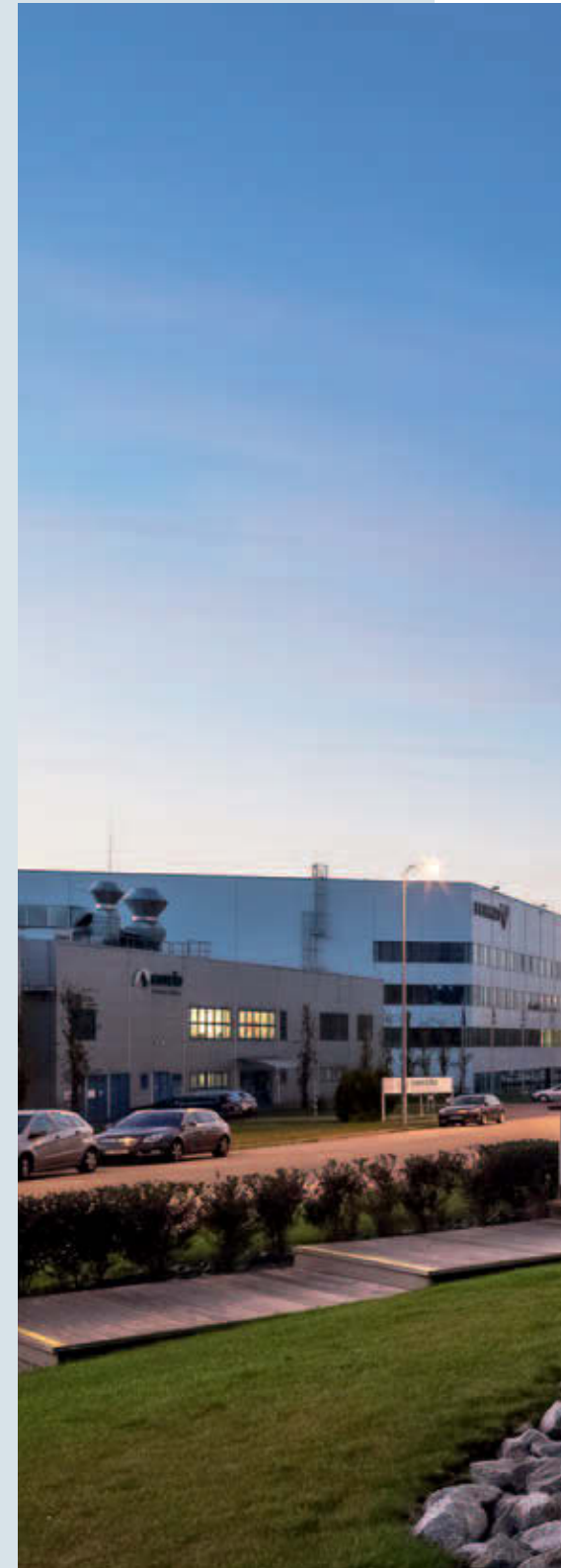




## CTOffice

CTOffice buildings are modern, A-class and cost-effective offices designed to support a range of activities. While typically located as part of a larger CTPark location, CTOffices are built to the same standards as CTP's stand-alone office park developments and include on-site amenities and landscaped gardens, which create a focal point for the CTPark development. CTOffices are available at select locations within the CTPark Network, and all are connected by on-site public transportation to nearby city centres. Activities carried out at CTOffice facilities range from call centres and customer support and billing to R&D labs and regional headquarters for industrial operations. CTOffice buildings can be custom-built to meet specific client requirements.


CTOffice space supplements our existing industrial offering, allowing companies like Honeywell to augment their manufacturing operations with BREEAM-certified, award-winning facilities.









A portrait of Mojmír Šustala, a man with a shaved head and light beard, wearing a dark suit jacket over a light blue button-down shirt. He is standing in a technical or industrial environment. Behind him is a large white machine with the number '01' in green. To his right is a blue structure with the word 'SYSTEM' written vertically in white. In the foreground, a control panel with a screen is visible. The lighting is soft, highlighting his face.

**Mojmír Šustala**  
Continental's Segment  
Managing Director





Company	Continental
Sector	Automotive
Activity	Sensors & Actuators
Location	CTPark Ostrava
Property Type	CTOffice
Facility Size	4,800 m <sup>2</sup>
Move-In	04/2014
Website	www.conti-online.com

**“Ostrava and CTP offered the potential we needed and met our requirements.”**

## Case Study: Continental

**When Continental, a leading German automotive supplier, was looking to establish a global R&D centre to consolidate and expand the activities of its Sensors & Actuators business, it turned to CTP—and its proven CTOffice concept—for the solution.**

Continental was an early investor in the Czech Republic and currently operates at seven locations, employing in total over 13,000 people in the country. In April 2014, the company's Powertrain Division launched operations at its custom-built worldwide competence centre at CTPark Ostrava, which serves as the global R&D hub for its Sensors & Actuators business. The rapid growth of this business segment, which involves the development and production of high-tech devices used to reduce emissions and fuel consumption in modern cars, had created a need to consolidate and expand existing operations at a new, state-of-the-art facility.

Mojmír Šustala, Continental's Segment Managing Director, explains the activities of the new Competence Centre: “We operate a global R&D and engineering centre for core product segments such as temperature sensors, fluid level sensors, pressure sensors and mechatronic sensor modules. We also have worldwide responsibility for the temperature sensors business, meaning we manage design, production, sales and financial processes from our CTPark Ostrava facility.”

Continental chose a 4,800 m<sup>2</sup>, custom-built CTOffice solution to meet the specific requirements of their Worldwide Competence Centre. An existing CTOffice building was refitted to the client's exact specifications, and CTP designed and built a new, high-tech CTOffice facility custom-fit for laboratory, testing and R&D activities. Currently around 190 people are employed at the Competence Centre, and Continental has plans to grow. “The modern office space and the new laboratory wing provide us with very good working conditions. The site gives us the flexibility we need for further expansion.”

Continental chose Ostrava for a mix of reasons, including close proximity to an existing Czech manufacturing base, the region's strong tradition in engineering, and the presence of the Technical University of Ostrava, which guarantees the availability of highly educated and skilled labour. “We conducted a deep benchmark study to find a location that would allow us to expand and focus on our R&D activities. Ostrava and CTP offered the potential we needed and met our requirements. In the end, we had only one year to complete the move, and I can say that there was a great job done by the CTP and Continental project teams to make it happen within the deadline.”

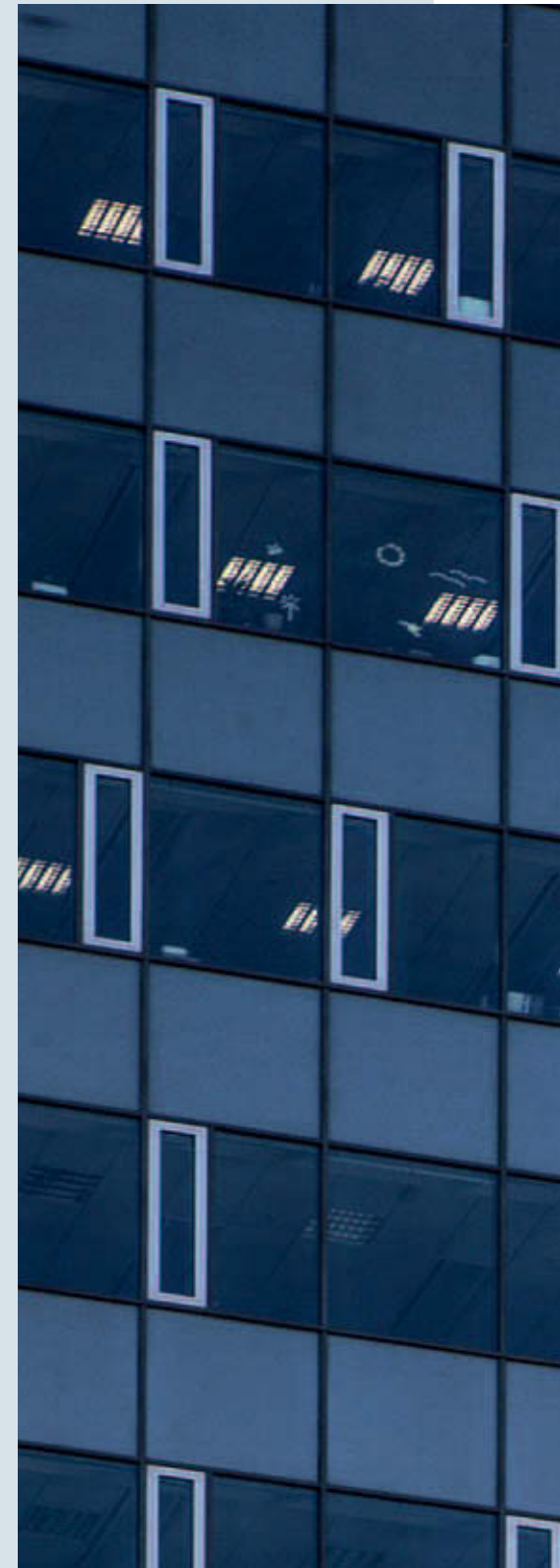


## Stand-alone Development: Overview

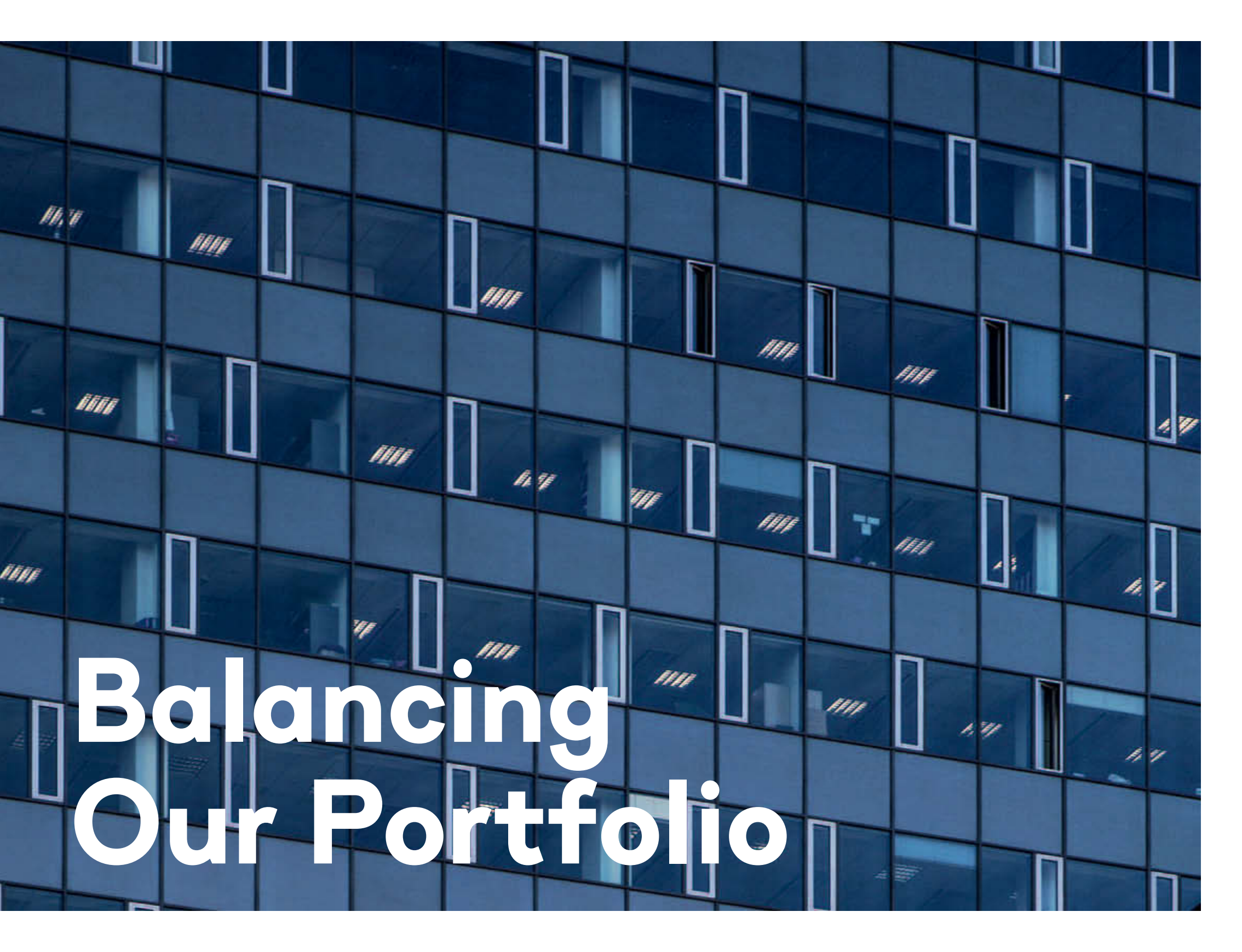
CTP's portfolio of premium, stand-alone office developments includes some of the most advanced office buildings in Europe. CTP has strategically focused its investments in the office sector into the regional capitals of Brno and Ostrava, where our high-quality developments fill a market gap, catering to the demand for A-class offices by international clients.

As a rule, our stand-alone office developments are located in city centres with excellent transportation links and direct access to city life. All premium office projects are built to the highest international standards for energy efficiency and sustainability and are certified to BREEEAM standards for overall excellence. To add value, our master plans incorporate high-quality landscaping, water features and large open spaces filled with greenery, which enhances the quality of work-life for employees as well as for the surrounding local population.

In 2014, CTP acquired properties which lay the groundwork for our first stand-alone development in the Czech capital, Prague, in a strategic new quarter at the western entrance to the city. In Brno, we finalised masterplan for our next major development in the city, Vlnena, where will we start construction preparation in 2015. To increase the attractiveness of our developments, we continued to invest in property improvements, such as at Ponāvka which was fully re-landscaped. During the year, we also made progress in maintaining high occupancy for all developments, with IQ Ostava reaching full capacity. At Spielberg, we extended leases with long-term clients, and we worked with our current retail tenants to improve their offerings, while bringing in newer, more value-added retailers.







# Balancing Our Portfolio









After 10 years, Spielberk remains Brno's landmark office address. Through 2014, we continued to improve services on offer for the growing list of clients, including the high-tech MyFood restaurant concept seen here, featuring a tablet ordering system.

## Spielberk

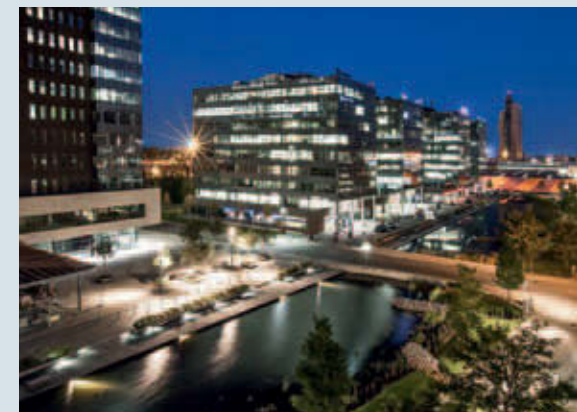
Spielberk Office Centre in Brno is CTP's flagship office development. Ten years following ground-break, Spielberk is Brno's landmark business address. The development offers 90,000 m<sup>2</sup> of premium office space in three building types: low-rise Villas, IQ Buildings, and The Towers.

Spielberk's naturally landscaped gardens, wide range of on-site amenities and direct proximity to the historic city centre have made the development an integral part of modern Brno. Over 50 international and leading domestic companies operate at Spielberk, employing in total over 4,500 people.

1

### Fact sheet

Location	Brno
Type	Office, Retail
Rentable Area	90,000 m <sup>2</sup>
Built	2005
Website	<a href="http://www.spielberk.cz">www.spielberk.cz</a>





## Case Study: AVG

**Czech-based AVG, one of the world's leading developers of anti-virus software, made the strategic decision to base its main software development and technology operations at Spielberk Office Centre in Brno.**

AVG is a global company with Czech roots dating back to the early 1990s and is one of the pioneers of anti-virus software. Over the years, the company has established itself as a trusted provider of online security systems for corporate clients and consumers and today boasts over 200 million active users worldwide. Among its activities, AVG is a leader in developing next-generation online security platforms and provides internet security, performance optimisation and personal privacy and identity protection for Android, iOS, Windows desktop and Apple Mac platforms. While AVG's corporate headquarters are in Amsterdam, since 2010 the company's main operational activities, including R&D and programming, are centred at Spielberk Office Centre in Brno. We spoke with Jan Macek, AVG Brno's Director of Operations, about the company's activities at Spielberk.

"In 2009, AVG was located at two offices in Brno, and we had hit the limit in terms of number of employees. With massive growth was in front of us, we started the search for a new location. There were many requirements, including good accessibility, proximity to the city centre, and of course we wanted to have a single building allowing for extension in the future. Spielberk Office Centre met all of our requirements. Today we have around 400 employees working at AVG's Brno office, and we appreciate every day the benefits that our location at Spielberk brings us."

"Brno is the centre of gravity for AVG's consumer software engineering and IT/technology teams, and it is the largest office in our organisation. In addition to software, you can also find representatives of other AVG teams at Spielberk, including finance, HR and others. All departments are in close contact with colleagues at other AVG offices worldwide, and in many cases leaders in Brno are managing employees in other countries."

"The Brno region provides excellent hiring opportunities for IT companies such as AVG. In Brno there are several quality technical universities. Young people are interested in technology, which supports the growing local start-up scene. While we do hire internationally on occasion, most of our employees at AVG Brno are local hires."

"We are pleased to be located at Spielberk Office Centre. There are of course some technical issues, which are usual in any long-term lease, but CTP resolves the vast majority of these in a timely and high quality manner."



### Fact sheet

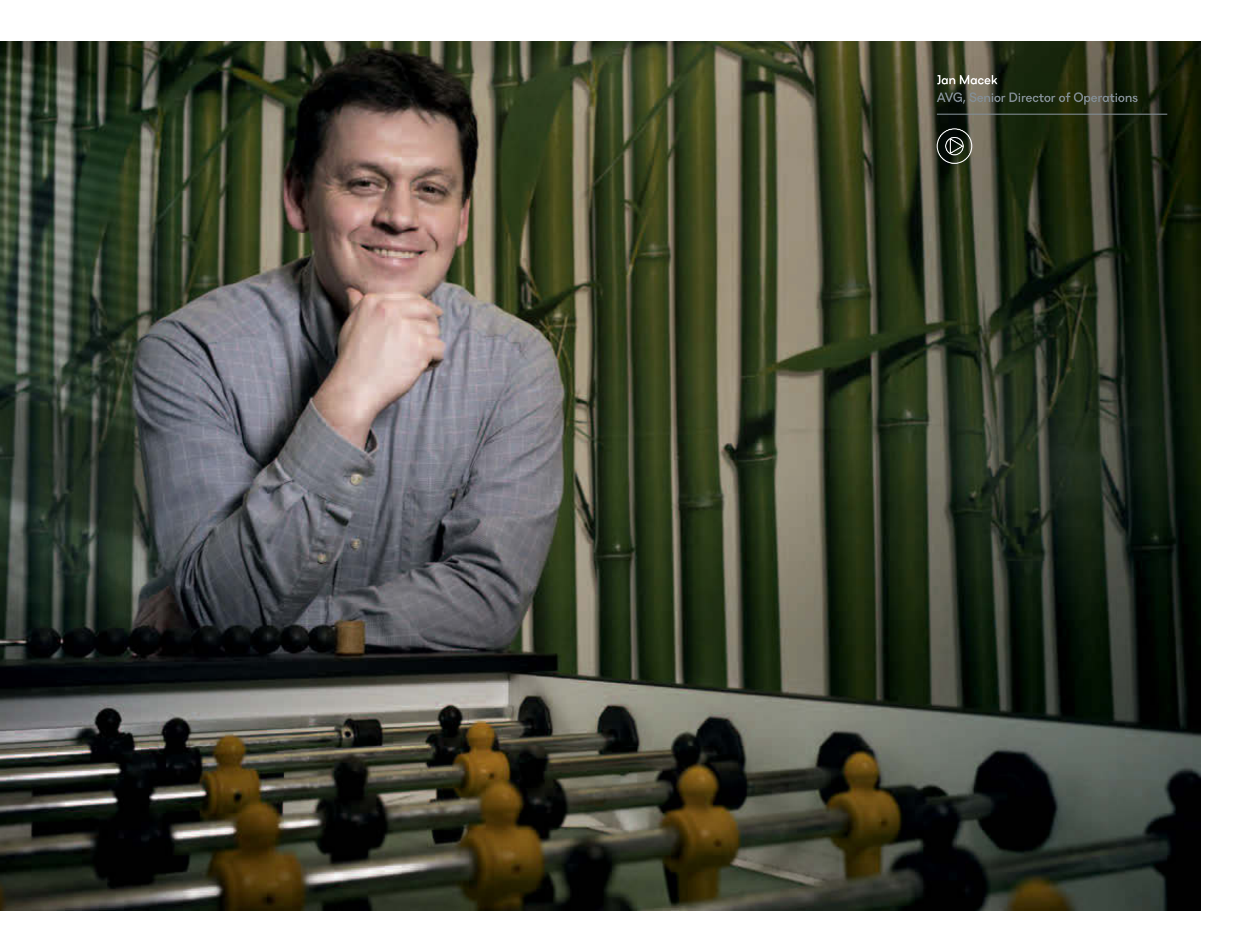
Company	AVG Technologies
Sector	Software Development
Activity	Antivirus Software
Location	Spielberk
Property Type	IQ Buildings
Facility Size	9,324 m <sup>2</sup>
Move-In	10/2010
Website	www.avg.com

**"We are pleased to be located at Spielberk Office Centre."**



Jan Macek  
AVG, Senior Director of Operations

---











The workplace environment is a high priority for our clients. For this reason CTP consistently invests in upgrades and improvements to its portfolio of buildings, including innovative design from local artists (such as in the lobby of IQ Ostrava, pictured here), functional and efficient architecture, and exterior landscaping, bringing benefits to the people who work there, their employers, and the surrounding community.

## **IQ Ostrava**

**IQ Ostrava brings the successful IQ building concept and A-class office park environment to Ostrava's city centre. Phase I, comprising 24,000 m<sup>2</sup>, is fully leased, with the majority of space occupied by the anchor tenant, Tieto.**

**IQ Ostrava is one of the most advanced office buildings in the Czech Republic, featuring a highly ecological building management system and rated BREEAM Excellent for overall energy efficiency. The landscaped park is part of CTP's urban renewal efforts, which also includes the opening in 2013 of an interactive pedestrian tunnel connecting the property to the nearby tram and bus station. Phase II of the development is in the planning stages, which at completion will add an additional 18,000 m<sup>2</sup> of A-class office space to the portfolio.**

### **1**

#### **Fact sheet**

<b>Location</b>	Ostrava
<b>Type</b>	Office, Retail
<b>Rentable Area</b>	24,000 m <sup>2</sup>
<b>Built</b>	2012
<b>Website</b>	<a href="http://www.iqostrava.eu">www.iqostrava.eu</a>





# Ponāvka

Ponāvka is an innovative, mixed-use, modern business park in downtown Brno. With its unique mix of different property types, on-site amenities, and naturally landscaped campus environment, Ponāvka transforms a former 19<sup>th</sup>-century industrial site into a 21<sup>st</sup>-century premium business destination.

Ponāvka is a dynamic urban renewal development project located in Brno's inner-city Trnitá district, one of the fastest-growing new business destinations in the Czech Republic's second-largest city. Ponāvka is CTP's second major development project in the area and the vanguard of this emerging new city-centre address.



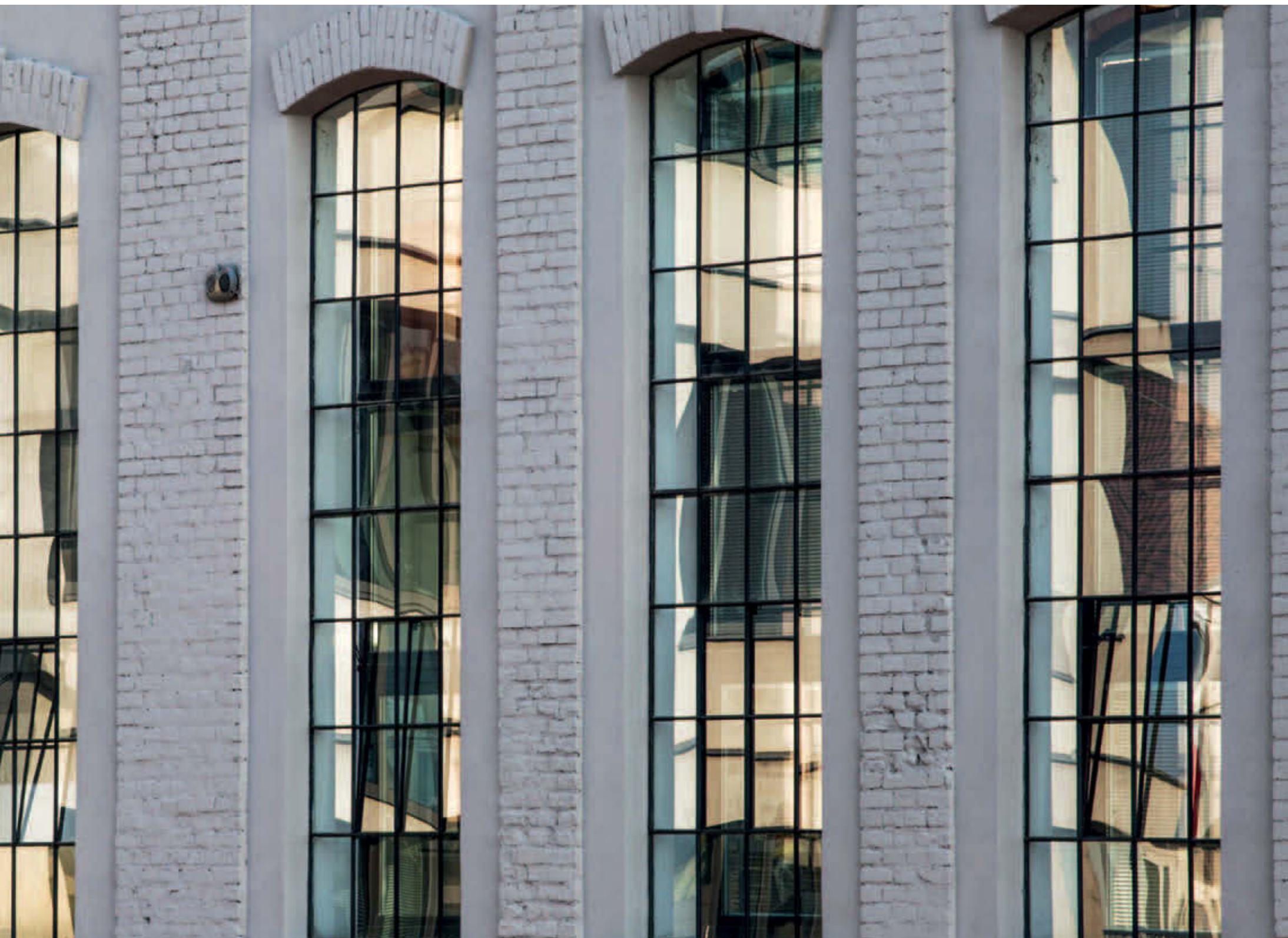
## Fact sheet

Location	Brno
Type	Office, Light industrial
Rentable Area	24,000 m <sup>2</sup>
Built	2006/2008
Website	<a href="http://www.ponavka.eu">www.ponavka.eu</a>

Clients of our unique inner-city business park, Ponāvka, appreciated our upgrades to the park's landscaping and waterways. We introduced bike paths and meandering walkways, more closely connecting the park to the city and giving people a reason to visit. The integration of modern office, CTBox and re-purposed historic factory buildings continues to attract a mix of modern and traditional business such as coffee e-tailers, architects and auto-parts dealers, bringing a modern vitality to a long-neglected, but strategic, district of the city.









Madfinger Co-founders: Pavel Čížek,  
Marek Rabas (back row), Michal Babjár,  
Tomáš Šlápota (front row)





Company	Madfinger Games
Sector	Computer games
Activity	Mobile games for iOS and Android
Location	Ponávka
Property type	The Offices
Facility size	959 m <sup>2</sup>
Move-in	1/2015
Website	www.madfingergames.com

"As an IT company, we had some specific requirements, and we always came to an agreement with CTP."

#### Games

Samurai: Way of the Warrior (2009)  
 BloodyXmas (2009)  
 Samurai II: Vengeance (2010)  
 Shadowgun (2011)  
 Dead Trigger (2012)  
 Shadowgun Deadzone (2012)  
 Dead Trigger 2 (2013)  
 Monzo (2014)

## Case Study: Madfinger

**Madfinger Games** is a group of Czech game programmers behind some of the world's most popular mobile gaming titles. Founded in 2010 with just four employees, this fast-growing start-up now employs over 60 people and is poised for future growth. In 2014, Madfinger moved its operations to the premium offices at Ponávka in Brno, which serves as the company's global HQ.

In recent years, Brno has emerged as a hotspot for the global gaming industry. Madfinger is one of the bold young local start-ups that has grown in five years to become one of the world's most successful independent game developers. Their first major breakthrough success came with *Samurai: Way of the Warrior* and *Samurai II: Vengeance*, which made the AppStore's Hall of Fame after more than one million downloads. In total, the company's games have been downloaded an outstanding 70 million times.

Madfinger co-founder, Tomáš Šlápota explains why the growing company chose Ponávka as its global headquarters. "Today Brno offers various office parks in different areas. What mattered to us was the location within the city centre, a competitive rental price, and the possibility to adapt the layout and design of our future offices to reflect our creativity."

"CTP was helpful during our layout and design planning, and we are satisfied with our new offices. We liked our old place, but it was becoming too small for us. We now have more meeting rooms with automatic signalisation of its occupancy, we have a separate fitness room and a big relax zone with a large plasma TV and three different game consoles. We believe we have created a friendly workplace for our team."

Madfinger may be local, but their audience is truly worldwide and can be expected to grow as more people globally use smart phones and gain access to the Internet. "We have a large fan base in the United States, where we can speak of millions of players, but we are also popular in Asia and South America." Madfinger is already planning to expand its current office space at Ponávka as work increases and expects to double its current number of employees within two years.









#### Fact sheet

Location	Brno
Type	Office, Multi-Purpose
Rentable Area	96,000 m <sup>2</sup>
Built	Planning
Website	<a href="http://www.vlnena.eu">www.vlnena.eu</a>

Vlněna is a major transformation and refurbishment of the historic, inner-city Vlněna wool and textile factory, which contributed to Brno's reputation as the "Manchester of the East" in the 19<sup>th</sup> century. Designed by long-term Dutch architectural and landscaping collaborators, the master plan is designed to open the long-closed area to the public, with wide plazas, large relaxing water features, a selection of retail establishments and residences. To connect the modern development to its historic past, CTP has kept the Vlněna place name, and will refurbish the grand Bochner Palace, which served as the former factory's headquarters, thus creating an eclectic mix of modern and traditional architecture.

Vlněna will be a key part of the city's plan to extend Brno centre. Viewed here from the busy Dornych artery, you can see the Dutch landscaping and architecture typical of a CTP premium development.

## Vlněna

Vlněna is CTP's latest premium office and mixed-use development in progress in the centre of Brno. Located on the site of the historic Vlněna wool and textile factory, the project is at the heart of a dynamic part of the city centre undergoing large-scale revitalisation. Vlněna is conveniently situated at a major intersection across from the city's main shopping mall and is only a two-minute walk from the main train and bus stations.

A landmark brownfield re-development, Vlněna will transform this historic location into an open, ultra-modern business park with 96,000 m<sup>2</sup> of premium business properties. The state-of-the-art buildings are designed and constructed to achieve high ratings under the BREEAM certification system for energy efficiency and sustainability. The office buildings at Vlněna provide clients with the maximum freedom to design and customise interior layouts to meet the needs of their operations, with large floor plates, flexible floor plans and the ability to expand vertically, horizontally, or with a single- or multi-building solutions.

This flexibility, combined with Vlněna's excellent accessibility, city-centre location and campus layout—with gardens, water features, and on-site amenities—make the project one of Brno's premier business addresses, ideal for the high-tech, R&D, and software industries, for which the city has become a magnet in recent years.



Markus Dettenhofer  
CEITEC's Executive Director





## Community Partner: CEITEC

Established in 2011 as a consortium between Brno's leading universities, the Central European Institute of Technology (CEITEC) has grown rapidly to become one of Europe's premier research centres specialising in the areas of life sciences, advanced materials and technologies. We sat down with Markus Dettenhofer, CEITEC's Executive Director, to learn more about the institute's activities and how it is helping to establish Brno as a centre for cutting-edge, world-class research.

**Please explain to our readers, in laymen's terms, more about CEITEC's activities and objectives?**

"CEITEC's core activities are scientific research aimed at making significant discoveries and training personnel in the form of doctoral education. We have almost completed 25,000m<sup>2</sup> of new laboratory space, which will host just over 550 scientists working broadly in seven research areas: nano- and micro-technologies, advanced materials, structural biology, plant development, molecular medicine, brain and mind studies, and veterinary medicine.

CEITEC was created to catalyse the existing basic and applied research in South Moravia to reach new levels. Its purpose is not only to provide researchers with the best equipment and new laboratory facilities, but to engage in scientific discovery at a globally competitive level.

To achieve this, CEITEC is aiming to retain and recruit scientifically talented people, who can address important research questions. The development of PhD

students and post-doctoral fellows for a future career in science or technologically demanding fields are important for the development of the region.

By conducting research that bridges across technological disciplines, CEITEC will see its greatest advances that enhance the innovative environment of the region."

**How important to CEITEC's ethos and mission is know-how and technology transfer?**

"For CEITEC, both basic and applied research is part of the founding of our organisation. We cannot sufficiently contribute to the development of a knowledge-based economy by "taking money and producing knowledge". We must also use the knowledge we have created to enable the private sector to further develop these ideas to be brought to market.

The gap that commonly exists between the basic knowledge and bringing a product to market is generally wide, but we are committed to pushing that divide

"CEITEC was created to catalyse the existing basic and applied research in South Moravia to reach new levels."



closer to where the product developers can find utility in our discoveries. What aids in bridging this gap is having a working relationship with companies early on in the discovery process, such that our scientists have a better understanding of market demands.

To illustrate this, we have recently developed a mobile/remote LIBS (Laser-Induced Breakdown Spectroscopy) prototype instrument, which allows the analysis of samples with the help of a laser pulse at a distance of up to 20 metres. The use for this mobile laboratory is broad, ranging from monitoring product quality on production and assembly lines; detecting impurities in water, air, soil and plants; analysis of minerals, building materials, and gases; to studying archaeological findings.

The LIBS prototype is the result of close cooperation with the local company TESCAN, and this work was awarded a gold medal at the 2014 International Engineering Fair for most innovative exhibit in contractual cooperation between a company and a research organisation.”

#### **In what ways does CEITEC build relationships with private partners?**

“For CEITEC there are many entry points. More often than not, the relationship should start with the researchers and the private companies, since together, they can address the needs of the customer. Within CEITEC, our scientists understand that our relationship with the outside world is very important for our overall reputation. As such, it is also the case that the cultures within academia and the private sector are distinct, steered by the main determinates that define success are not always aligned, in these two worlds.

It is well recognised that CEITEC has one of the greatest collections of high-tech instrumentation within Europe. For this, we are establishing 10 core facilities, which not only house this equipment, but we also have experts on staff to help facilitate the most demanding research and development challenges. Our facilities are open access to those who would like to perform simple fee-for-service jobs, all the way to long-term partnering agreements. Our staff is currently being trained to address the needs of not only academics, but also the demands from the private sector to deliver on promise, on time, and to specification.”

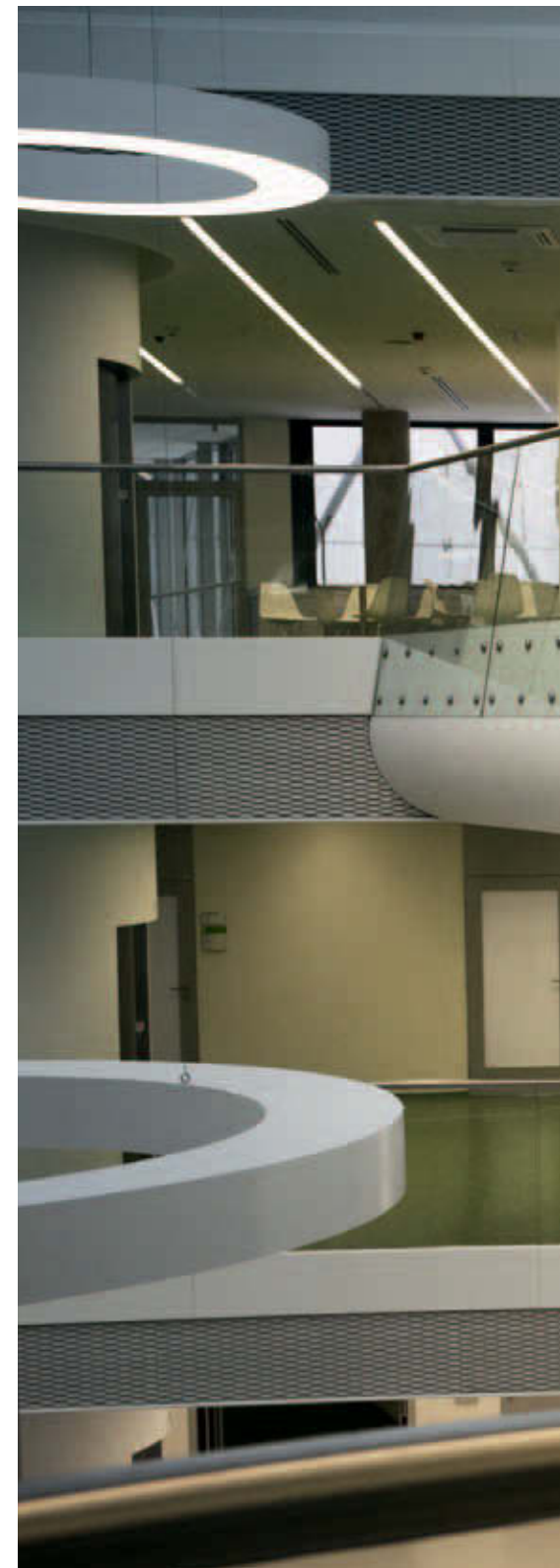
#### **In your opinion, why has Brno emerged in recent years as a centre for scientific and high-tech research?**

“Brno has a long tradition in education and research. We can go back to the work of Gregor Mendel in the 1860’s, who carried out a systematic experimental analysis of plant hybridization and inheritance patterns. These studies performed in the St. Thomas Abby in Brno, led to the formulation of the now renowned Laws of Inheritance.

Moving forward to the present, Brno has built on this tradition of science and research and has several institutes of higher education, which enroll more than 80,000 students, out of a total city population of just under 400,000. With such a high percentage of not just students, but also faculty and staff connected with academic life, Brno has become the university city of Czech Republic.

In the development of innovative cities or regions, there is this notion that a “triple helix” environment is a necessity

CTP was the main sponsor of the CEITEC Life Sciences Conference in October 2014. More than 150 professors, students and experts descended on Brno for the first conference of its kind in the region, thus positioning Brno as an innovation centre and destination for top talent.









for the success of regional innovative development. The three players of the “triple helix”—academia, government and industry—must exist and actively work together to achieve a common goal. Academia has already been highlighted above, but what has been very impressive is the engagement of the local government bodies in actively working to put the current smart specialisation strategy together, while working with so many of the critical players in this innovation ecosystem.

The third component of the helix is innovative private R&D firms. Brno has in recent years stepped up the presence of more small and mid-sized innovative companies. Moreover, Brno has for several decades been home to the world’s largest share of electron microscopy manufacturing facilities, but in the last several years, microscopy has entered into a new renaissance with fantastic advances in design, which have driven discovery. As the local microscopy companies are becoming more innovative, their business is naturally growing. A testament to this type of growth can be witnessed with the building of the new 27,000m<sup>2</sup> FEI facility for manufacturing and R&D. All of these factors make Brno a very promising home for CEITEC.”

**How do you rank CEITEC’s success in achieving its goals to date? What is your vision for CEITEC’s future?**

“CEITEC has thus far done a fine job from a Czech perspective. We can track our performance by a number of measures, one of which is the marked improvement in the qualitative output of our publications, irrespective of the quantity,

which has been a traditional measure in Czech academic circles. This is an important criterion, which influences the ranking among research institutes.

A second measure is our success in acquiring competitive international grants. Here we have managed to secure the first ERC grant in South Moravian history, which are awarded based on only one criteria, that being excellence in research. Moreover, as a testament to our growing success, we are a founding member of the EU-Life alliance, which includes some of the best mid-size life science institutes from 13 countries in Europe and which promotes excellence in science, policy, and administration of research activities.

The vision for CEITEC is to play a lead role on the academic side of the “Triple Helix” relationship with our other trusted partners in the regional knowledge-based economic ecosystem. As such, we must continue to improve the quality of our discoveries to be recognized as a Centre of Scientific Excellence, by European standards. CEITEC will require private investment for its financial security, as public sources of financing will not be sufficient. The future depends on many factors, including national and regional economic health, however we must continue to ensure the highest possible standards of quality in science inquiry in order to stay competitive. Coupled with a persistent drive towards idea exchange with the international community of scientists and innovative companies, this will help to push the region towards the goal of an innovation economy.”



## CTP Life

Company culture at CTP is built from the ground up. Our business philosophy places a premium on developing and nurturing talented, entrepreneurial people and building a congenial and cooperative work environment for all. Our success as a company is in large part the result of the efforts of our team working together with the shared purpose of excellence. To encourage and support team spirit, we gather together several times during the year for team-building weekends both in the Czech Republic and abroad. These are occasions not only for organised events but also personal time for activities such as skiing, river rafting, nature walking, and relaxing with friends and colleagues.

We also actively support CTP people in their personal pursuits, particularly in sports and community volunteering, and we host several community and charity events at select properties during the year. CTP's annual, end-of-year-gala is the high point on the company's calendar of events.

CTP is an equal-opportunity employer. Advancement is based on merit and the ability to work together as part of our winning team.







**CTP DoksyRace (August 2014)**

250 professional athletes battled it out for the coveted title of DoksyRace triathlon champion in August 2014. The annual event was wholly organised by CTP, and many CTP employees (pictured here) took part in the half-ironman challenge. The CTP DoksyRace is a way for the company to show that it is young, dynamic and passionate, both at work and at play.







**CTSail (September 2014)**  
CTP's annual company outing took place on the stark shores of the Waddenze estuary on the Dutch coast. 90 staff took to the seas on a three-day trip, full of sailing, cycling and smoked herring. And some schnapps.







### 1 – 3 CTP Annual Gala (December 2014)

More than 90 staff and friends of CTP participated in the CTP Gala 2014. The annual event, which this time took place in the heart of the Krkonoše National Park, is a chance for the ever-growing CTP team to come together to celebrate successes and let off a little steam at the end of the year. After a number of memorable, highly entertaining presentations by CTP departments, guests tucked into a hearty Christmas dinner before dancing the night away to a live performance by Czech rockband, Eddie Stoilow.



**4 CTPark Ostrava** In June 2014, CTPark celebrated its 10-year anniversary and collaboration with the city, presided over by the city's officials and park manager Petra Pivovarová.

many of which appear for the first time with the publication of this extended Yearbook.

**5 Making Of...** During 2014, CTP brought multimedia into our marketing efforts to better educate potential clients about how we work and to showcase what our clients are capable of creating in our premises,

**6 Thirsty Thursday** In September, CTP CEO Remon Vos was awarded as an Honorary member of RICS, recognising his personal achievements, integrity and transparency by his peers at the bi-annual real estate networking event.







1 2



CTP would also like to thank our clients & partners, with whom we shared many celebrations in 2014.

1 Handing over BREEAM certificate with ABB in Brno;  
 2 Honoring science in Brno with CEITEC; 3 Signing ceremony formalising the acquisition of the new CTPark Prague North, in October; 4 FEI facility formal opening in October;  
 5 Refinancing EUR 105 million with ČSOB in December;  
 6 Opening at Ponávka with Phoenix Contact; 7 Filming facilities with CCI in June.



3 4



5



6 7









## Combined pro-forma financial information for the year ended 31 December 2014

### **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



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## KPMG — Review report



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186 00 Praha 8  
Česká republika

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Internet www.kpmg.cz

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

### Independent Auditor's 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 2014, 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 2014 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 2014.

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, spol. s r.o.  
22 June 2015  
Praha

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.

Obdrženo reportem (redem)  
Příloha (m. součástí) - Praha  
sest. C, - Index 2015.

IC 43019187  
DIC CZ000001006



## Combined pro-forma statement of comprehensive income

For the year ended 31 December

In thousands of EUR

	Note	2014	2013
Gross rental income	7	133,698	120,440
Property operating expenses	8	-8,975	-7,042
<b>Net rental and related income</b>		<b>124,723</b>	<b>113,398</b>
Income from development activities	9	6,915	4,886
Expenses from development activities	9	-6,128	-3,690
<b>Net income from development activities</b>		<b>787</b>	<b>1,196</b>
Valuation gains on investment property	14,15,16	237,295	76,325
Valuation losses on investment property	14,15,16	-24,724	-48,103
<b>Net valuation result on investment property</b>		<b>212,571</b>	<b>28,222</b>
Other income	10	17,291	8,672
Operational expenses (including administrative expenses)	11	-18,692	-14,848
<b>Net other income/expenses</b>		<b>-1,401</b>	<b>-6,176</b>
<b>Net profit/loss before finance costs</b>		<b>336,680</b>	<b>136,640</b>
Finance income	12	12,142	14,066
Finance expense	12	-73,587	-51,472
<b>Net finance costs</b>		<b>-61,445</b>	<b>-37,406</b>
<b>Profit/loss before income tax</b>		<b>275,235</b>	<b>99,234</b>
Income tax	13	-46,712	3,771
<b>Profit/(loss) for the period attributable to equity holders of the Company</b>		<b>228,523</b>	<b>103,005</b>
Other comprehensive income			
Revaluation reserve		1,013	-876
Foreign currency translation differences		-620	-18,677
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>		<b>228,916</b>	<b>83,452</b>

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	2014	2013
<b>Assets</b>			
Investment property	14	2,081,448	1,787,743
Investment property under development	15	158,501	117,912
Property, plant and equipment	17	22,828	23,539
Finance lease receivables	18	234	271
Financial derivatives	24	446	535
Investment in associates and joint venture		--	--
Other long-term receivables		803	303
Long-term receivables due from related parties	27	16,433	9,599
Deferred tax assets	25	--	557
<b>Total non-current assets</b>		<b>2,280,693</b>	<b>1,940,459</b>
Inventory		2,150	891
Trade and other receivables	19	35,003	18,309
Short-term receivables due from related parties	27	48	53
Finance lease receivables	18	34	31
Financial derivatives	24	76	--
Cash and cash equivalents	20	38,947	22,101
Assets classified as held for sale	21	--	5,767
<b>Total current assets</b>		<b>76,258</b>	<b>47,152</b>
<b>Total assets</b>		<b>2,356,951</b>	<b>1,987,611</b>



## Combined pro-forma statement of cash flows

For the year ended 31 December

In thousands of EUR

		2014	2013
<b>Operating activities</b>			
Result for the year		228,523	103,005
Change in value of investment property		-212,571	-28,222
Depreciation		2,474	378
Net interest expense and expenses from derivatives		46,779	39,484
Valuation loss/gain on changes in derivatives		12,764	-8,657
Other changes and impact of currency translations		--	6,078
Write-down of inventory, impairment of IPuD and change in provision		216	80
Negative goodwill		-13,131	-7,519
Income tax benefit/expense		46,712	-3,771
<b>Operating profit before changes in working capital and provisions</b>		<b>111,766</b>	<b>100,856</b>
Decrease/increase in finance lease receivables		34	413
Decrease/increase in trade and other receivables		-24,331	-2,436
Increase/decrease in trade and other payables		1,268	-24,373
Decrease/increase in inventory		-1,259	-20
Sale of assets classified as held for sale		5,767	2,643
<b>Cash generated from used in operations</b>		<b>-18,521</b>	<b>-23,773</b>
Interest paid and expenses from derivatives		-46,298	-47,195
Interest received		302	449
Income taxes paid		-4,838	-2,830
<b>Cash flows from used in operating activities</b>		<b>42,411</b>	<b>27,507</b>
<b>Investment activities</b>			
Acquisition of subsidiaries		-6,736	-8,825
Acquisition of property, plant and equipment		-708	-1,285
Development of investment property		-109,951	-74,767
<b>Cash flows from used in investing activities</b>		<b>-117,395</b>	<b>-84,877</b>
<b>Financing activities</b>			
Proceeds from changes in lease liabilities		-3,227	-43,675
Repayment of borrowings		-158,728	-163,370
Proceeds from interest-bearing loans and borrowings		253,785	268,500
<b>Cash flows from financing activities</b>		<b>91,830</b>	<b>61,455</b>
Cash and cash equivalents at 1 January		22,101	18,016
Net increase in cash and cash equivalents		16,846	4,085
<b>Cash and cash equivalents at 31 December</b>		<b>38,947</b>	<b>22,101</b>

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

In thousands of EUR

	Note	2014	2013
Issued capital		388,133	388,133
Translation reserve		-9,701	-9,081
Reserves		626,888	626,888
Retained earnings		-341,957	-444,960
Revaluation reserve		8,977	7,964
Net result for the year		228,523	103,005
<b>Total equity attributable to parent</b>		<b>900,863</b>	<b>671,949</b>
<b>Non-controlling interest</b>		<b>--</b>	<b>--</b>
<b>Total equity attributable to parent</b>		<b>900,863</b>	<b>671,949</b>
<b>Liabilities</b>			
Interest-bearing loans and borrowings from financial institutions	23	1,050,924	818,506
Interest-bearing loans and borrowings from other parties		1,000	3,000
Finance lease payables	23	1,025	164,153
Trade and other payables		2,398	3,102
Long-term payables to related parties	27	17,244	25,442
Financial derivatives	24	28,035	19,828
Deferred tax liabilities	25	177,820	136,476
<b>Total non-current liabilities</b>		<b>1,278,446</b>	<b>1,170,507</b>
Interest-bearing loans and borrowings from financial institutions	23	92,561	66,909
Interest-bearing loans and borrowings from related parties	27	--	--
Interest-bearing loans and borrowings from other parties		2,000	2,000
Finance lease payables	23	11,849	21,689
Trade and other payables	23	60,838	48,669
Short-term payables to related parties	27	68	67
Financial derivatives	24	9,829	5,310
Provisions		497	511
<b>Total current liabilities</b>		<b>177,642</b>	<b>145,155</b>
<b>Total liabilities</b>		<b>1,456,088</b>	<b>1,315,662</b>
<b>Total (invested) equity and liabilities</b>		<b>2,356,951</b>	<b>1,987,611</b>

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
<b>Balance at 1 January 2013</b>	<b>388,133</b>	<b>9,596</b>	<b>626,403</b>	<b>8,840</b>	<b>-444,523</b>	<b>48</b>	<b>588,497</b>
<b>Total comprehensive income for the period</b>							
Profit for period	--	--	--	--	--	103,005	103,005
<b>Other comprehensive income</b>							
Revaluation of Plant and equipment	--	--	--	-876	--	--	-876
Foreign currency translation differences	--	-18,677	--	--	--	--	-18,677
<i>Total other comprehensive income</i>	--	-18,677	--	-876	--	103,005	83,452
<b>Total comprehensive income for the period</b>	--	-18,677	--	-876	--	103,005	83,452
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>							
Acquisition of ownership interests in subsidiaries	--	--	--	--	--	--	--
Total changes in ownership interests in subsidiaries	--	--	--	--	--	--	--
<b>Total transactions with owners</b>	--	--	--	--	--	--	--
<b>Other movements</b>							
Transfer of profit 2012	--	--	--	--	48	-48	--
Addition to the legal reserve	--	--	485	--	-485	--	--
<b>Total other movements</b>	--	--	485	--	-437	-48	--
<b>Balance at 31 December 2013</b>	<b>388,133</b>	<b>-9,081</b>	<b>626,888</b>	<b>7,964</b>	<b>-444,960</b>	<b>103,005</b>	<b>671,949</b>
<b>Balance at 1 January 2014</b>	<b>388,133</b>	<b>-9,081</b>	<b>626,888</b>	<b>7,964</b>	<b>-444,960</b>	<b>103,005</b>	<b>671,949</b>
<b>Total comprehensive income for the period</b>							
Profit for period	--	--	--	--	--	228,523	228,523
<b>Other comprehensive income</b>							
Revaluation of Plant and equipment	--	--	--	1,013	--	--	1,013
Foreign currency translation differences	--	-620	--	--	-2	--	-622
<i>Total other comprehensive income</i>	--	-620	--	1,013	-2	228,523	228,914
<b>Total comprehensive income for the period</b>	--	-620	--	1,013	-2	228,523	228,914
<b>Changes in ownership interests in subsidiaries that do not result in a loss of control</b>							
Acquisition of ownership interests in subsidiaries	--	--	--	--	--	--	--
Total changes in ownership interests in subsidiaries	--	--	--	--	--	--	--
<b>Total transactions with owners</b>	--	--	--	--	--	--	--
<b>Other movements</b>							
Transfer of profit 2013	--	--	--	--	103,005	-103,005	--
Addition to the legal reserve	--	--	--	--	--	--	--
<b>Total other movements</b>	--	--	0	--	103,005	-103,005	--
<b>Balance at 31 December 2014</b>	<b>388,133</b>	<b>-9,701</b>	<b>626,888</b>	<b>8,977</b>	<b>-341,957</b>	<b>228,523</b>	<b>900,863</b>



## Notes to the combined pro-forma financial information

### 1. General information

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

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

The Sub-groups do not constitute a legal group; however, the Sub-groups were during 2013 and 2014 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 2014.

For the structure of CTP as at 31 December 2014 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 2014, 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 2014:

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%
	<b>124,000</b>	<b>100.0%</b>	<b>100.0%</b>

#### Management as at 31 December 2014:

Directors: Remon Leonard Vos  
Eltje Maas

#### 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 2014 are as follows:

CTP Property, a.s.	CTP Heršpická, spol. s r.o.
CTP Property II, a.s.	CTP Infrastructure, a.s.
CTP Property III, a.s.	CTP Plzeň I, spol. s r.o.
CTP Property IV s.r.o.	CTP Pohořelice I, spol. s r.o.
CTP Property V, a.s., including subsidiary CTP Invest VIII, spol. s r.o.	CTPark Bor, spol. s r.o.
CTP Property VI, a.s.	CTPark Brno Campus s.r.o.
CTP Property VIII, a.s.	CTPark Prague East, spol. s r.o.
CTP Property IX, a.s.	CTPark Mladá Boleslav II, spol. s r.o.
CTP Property X, spol. s r.o.	CT Finance s.r.o.
CTP Property XI, spol. s r.o.	CT Retail s.r.o.
CTP Property XIV, spol. s r.o.	CTZone Brno, a.s.
CTP Property XVIII, spol. s r.o.	CTZone Ostrava, a.s.
CTP Property XXI, spol. s r.o.	National Technological Park s.r.o.
CTP Property XXII, spol. s r.o.	Pekařská Office, s. r. o.
CTP Property XXIV, spol. s r.o.	CTP Immobilienverwaltung GmbH
CTP Property XXV, spol. s r.o.	CTP Germany GmbH, including subsidiaries DN Beteiligungs GmbH and TGM GmbH
CTP Property XXVII, spol. s r.o.	CTP Invest SK, spol. s r.o.
CTP Invest IV, spol. s r.o.	CTP Alpha SK, spol. s r.o.
CTP Invest V, spol. s r.o.	CTP Beta SK, spol. s r.o.
CTP Invest VII, spol. s r.o.	CTP Invest Bucharest S.R.L., including subsidiary CTPARK ALPHA S.R.L.
CTP Invest IX, spol. s r.o.	CTPARK BETA S.R.L.
CTP Bor I, spol. s r.o.	CTP Ljubljana d.o.o.
CTP Brno I, spol. s r.o.	CTP Property Lux S.à r.l.
CTP Divišov I, spol. s r.o.	
CTP Finance, a.s.	



## Sub-group CTP Invest

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

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

**Registration number:** 261 66 453

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

### Shareholders as at 31 December 2014:

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

### Management as at 31 December 2014:

Director:	Remon Leonard Vos
Director:	Radek Zeman

### Sub-group entities:

The companies included in the Sub-group CTP Invest as at 31 December 2014 are as follows:

CTP Invest, spol. s r.o.	CTP Property XX, spol. s r.o.
CTP Invest 1, spol. s r.o.	CTP Property XXIII, spol. s r.o.
CTP Invest III, spol. s r.o.	CTP Products I, spol. s r.o.
Multidisplay s.r.o.	CTP Property XXVI, spol. s r.o.
CTP, spol. s r.o.	Jungmannova, s.r.o.
Bor Logistics, spol. s r.o.	CTP Invest X, spol. s r.o.
CTP Property XVI, spol. s r.o.	CTP Invest XI, spol. s r.o.
CTP Property XVII, spol. s r.o.	CTP Invest XII, spol. s r.o.
CTP Property XIX, spol. s r.o.	

## 2. Going concern

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 2014 during 2015 as follows:

In thousands of EUR	
Current liabilities as at 31 December 2014	-177,642
Current assets excluding cash and cash equivalents as at 31 December 2014	37,311
Funds required in 2015 to cover the short-term liquidity gap	-140,331
Short-term payables to related parties for which the maturity will be extended or which will be set-off with long-term receivables	68
Available cash as at 31 December 2014	38,947
Expected fund to be received in 2015 from operating activities	47,272
Expected funds to be received in 2015 from existing loan agreements	47,250
Interest-bearing loans and borrowings from financial institutions renegotiated to a long-term basis	4,200
Recurring overdraft	5,087
Expected funds to be received in 2015 to cover the short-term liquidity gap	142,824

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

Some of the Group's borrowings have loan to value covenants which are surveyed by the Group and its financiers on a regular basis. In general the Group is in close contact with its financiers to immediately solve issues when applicable. The Group agreed in 2009 with Erste Group Bank AG a EUR 100 million junior loan facility. As per 31 December 2014 an amount of EUR 9,437 thousand was still outstanding which was repaid in full until the date of issue of this report.

## 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	2014	2013
<b>Assets</b>								
Investment property	1,952,852	128,596	2,081,448				2,081,448	1,787,743
Investment property under development	56,166	92,701	148,867	9,634			158,501	117,912
Property, plant and equipment	21,203	1,625	22,828				22,828	23,539
Finance lease receivables	--	234	234				234	271
Financial derivatives	446	--	446				446	535
Investment in associates and joint venture	--	1,103	1,103			-1,103	--	--
Other long-term receivables	803	--	803				803	303
Long-term receivables due from related parties	25,199	6,153	31,352		2,134	-17,053	16,433	9,599
Deferred tax assets	--	--	0				--	557
<b>Total non-current assets</b>	<b>2,056,669</b>	<b>230,412</b>	<b>2,287,081</b>	<b>9,634</b>	<b>2,134</b>	<b>-18,156</b>	<b>2,280,693</b>	<b>1,940,459</b>
<b>Current assets</b>								
Inventory	--	11,784	11,784	-9,634			2,150	891
Trade and other receivables	24,602	10,401	35,003				35,003	18,309
Short-term receivables due from related parties	3,726	39,447	43,173		18	-43,143	48	53
Finance lease receivables	--	34	34				34	31
Financial derivatives	76	--	76				76	--
Cash and cash equivalents	35,610	3,337	38,947				38,947	22,101
Assets classified as held for sale	--	--	--				0	5,767
<b>Total current assets</b>	<b>64,014</b>	<b>65,003</b>	<b>129,017</b>	<b>-9,634</b>	<b>18</b>	<b>-43,143</b>	<b>76,258</b>	<b>47,152</b>
<b>Total assets</b>	<b>2,120,683</b>	<b>295,415</b>	<b>2,416,098</b>	<b>--</b>	<b>2,152</b>	<b>-61,299</b>	<b>2,356,951</b>	<b>1,987,611</b>
<b>Equity</b>								
Issued capital	12,400	375,733	388,133				388,133	388,133
Translation reserve	--	-9,701	-9,701				-9,701	-9,081
Reserves	619,528	7,360	626,888				626,888	626,888
Retained earnings	-121,274	-222,474	-343,748		1,940	-149	-341,957	-444,960
Revaluation reserve	8,977	--	8,977				8,977	7,964
Net result for the year	187,174	41,448	228,622		-197	98	228,523	103,005
<b>Total equity attributable to parent</b>	<b>706,805</b>	<b>192,366</b>	<b>899,171</b>	<b>--</b>	<b>1,743</b>	<b>-51</b>	<b>900,863</b>	<b>671,949</b>
<b>Non-controlling interest</b>	<b>1,051</b>	<b>--</b>	<b>1,051</b>	<b>--</b>	<b>--</b>	<b>-1,051</b>	<b>--</b>	<b>--</b>
<b>Total equity attributable to parent</b>	<b>707,856</b>	<b>192,366</b>	<b>900,222</b>	<b>--</b>	<b>1,743</b>	<b>-1,102</b>	<b>900,863</b>	<b>671,949</b>



In thousands of EUR

	CTP Property N.V.	CTP Invest, spol. s r.o.	Total	Reclassi- fications	Adjustments	Eliminations	2014	2013
<b>Liabilities</b>								
Interest-bearing loans and borrowings from financial institutions	1,022,835	28,089	1,050,924				1,050,924	818,506
Interest-bearing loans and borrowings from other parties	1,000	--	1,000				1,000	3,000
Finance lease payables	1,025	--	1,025				1,025	164,153
Trade and other payables	2,398	--	2,398				2,398	3,102
Long-term payables to related parties	23,048	11,249	34,297			-17,053	17,244	25,442
Financial derivatives	27,619	416	28,035				28,035	19,828
Deferred tax liabilities	160,483	16,928	177,411		409		177,820	136,476
<b>Total non-current liabilities</b>	<b>1,238,408</b>	<b>56,682</b>	<b>1,295,090</b>	<b>--</b>	<b>409</b>	<b>-17,053</b>	<b>1,278,446</b>	<b>1,170,507</b>
Interest-bearing loans and borrowings from financial institutions	81,023	11,538	92,561				92,561	66,909
Interest-bearing loans and borrowings from other parties	2,000	--	2,000				2,000	2,000
Interest-bearing loans and borrowings from related parties	--	--	--				--	--
Finance lease payables	8,368	3,481	11,849				11,849	21,689
Trade and other payables	33,781	27,057	60,838				60,838	48,669
Short-term payables to related parties	39,418	3,794	43,212			-43,144	68	67
Financial derivatives	9,829	--	9,829				9,829	5,310
Provisions	--	497	497				497	511
<b>Total current liabilities</b>	<b>174,419</b>	<b>46,367</b>	<b>220,786</b>	<b>--</b>	<b>--</b>	<b>-43,144</b>	<b>177,642</b>	<b>145,155</b>
<b>Total liabilities</b>	<b>1,412,827</b>	<b>103,049</b>	<b>1,515,876</b>	<b>--</b>	<b>409</b>	<b>-60,197</b>	<b>1,456,088</b>	<b>1,315,662</b>
<b>Total (invested) equity and liabilities</b>	<b>2,120,683</b>	<b>295,415</b>	<b>2,416,098</b>	<b>--</b>	<b>2,152</b>	<b>-61,299</b>	<b>2,356,951</b>	<b>1,987,611</b>



In thousands of EUR

	CTP Property N.V.	CTP Invest, spol. s r.o.	Total	Reclassi- fications	Adjustments	Eliminations	2014	2013
Gross rental income	130,427	3,425	133,852			-154	133,698	120,440
Property operating expenses	-11,492	-577	-12,069	-4,286		7,380	-8,975	-7,042
<b>Net rental and related income</b>	<b>118,935</b>	<b>2,848</b>	<b>121,783</b>	<b>-4,286</b>		<b>7,226</b>	<b>124,723</b>	<b>113,398</b>
Income from development activities	--	82,733	82,733			-75,818	6,915	4,886
Expenses from development activities	--	-69,261	-69,261			63,133	-6,128	-3,690
<b>Net income from development activities</b>	<b>--</b>	<b>13,472</b>	<b>13,472</b>			<b>-12,685</b>	<b>787</b>	<b>1,196</b>
Valuation gains on investment property	184,017	43,880	227,897			9,398	237,295	76,325
Valuation losses on investment property	-22,209	-2,515	-24,724				-24,724	-48,103
<b>Net valuation result on investment property</b>	<b>161,808</b>	<b>41,365</b>	<b>203,173</b>			<b>9,398</b>	<b>212,571</b>	<b>28,222</b>
Other income	15,499	12,412	27,911			-10,620	17,291	8,672
Operational expenses (including administrative expenses)	-12,270	-17,171	-29,441	4,286	-218	6,681	-18,692	-14,848
<b>Net other income/expenses</b>	<b>3,229</b>	<b>-4,759</b>	<b>-1,530</b>	<b>4,286</b>	<b>-218</b>	<b>-3,939</b>	<b>-1,401</b>	<b>-6,176</b>
<b>Net profit/loss before finance costs</b>	<b>283,972</b>	<b>52,926</b>	<b>336,898</b>	<b>--</b>	<b>-218</b>	<b>--</b>	<b>336,680</b>	<b>136,640</b>
Finance income	7,058	7,293	14,351			-2,209	12,142	14,066
Finance expense	-67,987	-7,801	-75,788		-20	2,221	-73,587	-51,472
<b>Net finance costs</b>	<b>-60,929</b>	<b>-508</b>	<b>-61,437</b>	<b>--</b>	<b>-20</b>	<b>12</b>	<b>-61,445</b>	<b>-37,406</b>
<b>Profit/loss before income tax</b>	<b>223,043</b>	<b>52,418</b>	<b>275,461</b>	<b>--</b>	<b>-238</b>	<b>12</b>	<b>275,235</b>	<b>99,234</b>
Income tax	-35,783	-10,970	-46,753		41		-46,712	3,771
<b>Profit/loss for the period</b>	<b>187,260</b>	<b>41,448</b>	<b>228,708</b>	<b>--</b>	<b>-197</b>	<b>12</b>	<b>228,523</b>	<b>103,005</b>
<b>Profit /(loss) for the period attributable to equity holders of the Company</b>	<b>187,260</b>	<b>41,448</b>	<b>228,708</b>	<b>--</b>	<b>-197</b>	<b>12</b>	<b>228,523</b>	<b>103,005</b>
<b>Profit for the period - non controlling interest</b>	<b>86</b>	<b>--</b>	<b>86</b>			<b>-86</b>	<b>--</b>	<b>--</b>
<b>Profit /(loss) for the period attributable to equity holders of the Company</b>	<b>187,174</b>	<b>41,448</b>	<b>228,622</b>	<b>--</b>	<b>-197</b>	<b>98</b>	<b>228,523</b>	<b>103,005</b>
Other comprehensive income								
Revaluation reserve	1,013	--	1,013				1,013	-876
Foreign currency translation differences	--	-620	-620				-620	-18,677
<b>Total comprehensive income for the year attributable to equity holders of the Company</b>	<b>188,187</b>	<b>40,828</b>	<b>229,015</b>	<b>--</b>	<b>-197</b>	<b>98</b>	<b>228,916</b>	<b>83,452</b>



#### 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 22 June 2015.

The separate IFRS consolidated financial statements of the Sub-group CTP Invest were authorized and approved for issue by the management on 22 June 2015.

##### *New standards*

For the preparation of these consolidated financial statements, the following new or amended standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2014 (the list does not include new or amended standards and interpretations that affect first-time adopters of IFRS or not-for-profit and public sector entities since they are not relevant to CTP).

The nature and the impact of each new standard/amendment are described below:

##### *New standards and interpretations not applied*

The following new standards and amendments to standards were not yet effective for the year ended 31 December 2014 and were not applied in preparing these financial statements:

- Amendments to IAS 19 — Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 February 2015; the amendments apply retrospectively; earlier application is permitted).  
The entity does not expect the Amendment to have any impact on the financial statements since it does not have any defined benefit plans that involve contributions from employees or third parties.
- IFRIC 21 — Levies (effective for annual periods beginning on or after 17 June 2014; to be applied retrospectively; earlier application is permitted).  
It is expected that the Interpretation, when initially applied, will not have a material impact on the financial statements, since it does not result in a change in the entity's accounting policy regarding levies imposed by governments.
- Annual Improvements to IFRSs 2010-2012 Cycle (applicable to annual periods beginning on or after 1 February 2015, with earlier adoption permitted).
- Annual Improvements to IFRSs 2011-2013 Cycle (applicable to annual periods beginning on or after 1 January 2015, with earlier adoption permitted).
- IFRS 9 Financial Instruments: IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 9.

- IFRS 15 Revenue from Contracts with Customers: IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

The Company's management has performed an analysis of the effect of the above annual improvements and it does not expect them to have a significant impact on the financial statements of the Company.

##### 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 2014 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 2013	27.425	25.974
31 December 2014	27.725	27.533

**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) Measurement of fair values**

A number of the Sub-groups' accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Sub-group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Sub-group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**f) Combined pro-forma financial information**

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

**5. Significant accounting policies**

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

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

**a) Basis of consolidation**

**(i) Subsidiaries**

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

**(ii) Acquisition of business from companies under common control**

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

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

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

**(iii) Goodwill**

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



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

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

When the excess is negative (negative goodwill), it is recognized immediately in the 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 2014 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 2014 were following:

<b>Yield</b>	
Initial yield	6.75% - 7.75%
Exit yield	
Industrial premises	7.00% - 7.50%
Office properties	7.25% - 8.00%
Retail properties	8.00% - 9.00%
<b>Ongoing Vacancy</b>	0.00% - 5.00%
<b>ERV per sqm</b>	
Industrial premises	3.00 - 6.00 EUR
Office properties	7.50 - 13.00 EUR
Retail properties	current rent

Any gain or loss arising from a change in fair value is recognized in the Consolidated statement of profit and loss and 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 2014 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.

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 assumptions used by the independent valuer for the year ended 31 December 2014 were following:

<b>Capitalization rates</b>	6.75% - 9.75%
<b>Ongoing Vacancy</b>	0.00% - 5.00%
<b>ERV per sqm</b>	
Industrial premises	3.25 - 5.25 EUR
Office properties	8.50 - 13.00 EUR
Retail properties	7.00 EUR

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 Consolidated statement of profit and loss and 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. Rental income from other property is recognised as other 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) Finance income / finance expenses**

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- dividend income;
- the net gain or loss on financial assets at fair value through profit or loss (other than investment property and investment property under development);
- the foreign currency gain or loss on financial assets and financial liabilities;
- the gain on the remeasurement to fair value of any pre-existing interest in an acquiree in a business combination;
- the fair value loss on contingent consideration classified as financial liability;
- impairment losses recognised on financial assets (other than trade receivables);
- the net gain or loss on hedging instruments that are recognised in profit or loss; and
- the reclassification of net gains previously recognised in OCI.

Interest income or expense is recognised using the effective interest method.

**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 2014 was 19% in the Czech Republic (2013 – 19%), 29.48% in Germany (2013 – 29.48%), 22% in Slovakia (2013 – 22%), 16% in Romania (2013 – 16%), 25% in Austria (2013 – 25%), 25% (2013 – 25%) in the Netherlands and 28.8% in Luxembourg (2013 – 28.8%), 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.

**r) Derivative financial instruments**

**Foreign currency transactions**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

**Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into euro at exchange rates at the reporting date. The income and expenses of foreign operations are translated into euros at the exchange rates at the dates of the transactions.

Foreign currency differences are recognised in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

**6. EPRA profit reconciliation**

In thousands of EUR		
	2014	2013
Gross rental income	133,698	120,440
Property operating expenses	-8,975	-7,042
<b>Net rental and related income</b>	<b>124,723</b>	<b>113,398</b>
<b>Net income from development activities</b>	<b>787</b>	<b>1,196</b>
Other income	2,370	1,150
Operational expenses (including administrative expenses)	-18,692	-14,848
<b>Net other income/expenses</b>	<b>-16,322</b>	<b>-13,698</b>
<b>EPRA net profit/loss before finance costs</b>	<b>109,188</b>	<b>100,896</b>
Finance income	3,598	726
Finance expense	-50,551	-43,387
<b>Net finance costs</b>	<b>-46,953</b>	<b>-42,661</b>
<b>EPRA profit/loss before income tax</b>	<b>62,235</b>	<b>58,235</b>
<b>Adjustments:</b>		
Net valuation result on investment property	212,571	28,222
Other income - Negative goodwill	13,131	7,519
Other income - Revaluation of assets held for sale	--	--
Other income - Sale of investment property	1,790	3
Change in fair value derivatives	-12,764	8,657
Net foreign exchange gains/losses	-1,728	-3,402
Other financial expenses	--	--
<b>Profit/loss before income tax</b>	<b>275,235</b>	<b>99,234</b>

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

	2014	2013
Production premises	55,686	51,693
Logistic premises	46,976	39,208
Offices	20,041	18,330
Retail premises	2,485	2,608
Mixed use	663	510
Plots and infrastructure	229	1,022
Park management income	7,618	7,069
	<b>133,698</b>	<b>120,440</b>

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. In the gross rental income for production and logistic premises is included the income generated by solar plants on the roofs of these buildings.

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

	2014	2013
Park management expenses	-2,672	-2,785
Maintenance and repairs	-3,607	-1,742
Real estate tax	-1,711	-1,552
Insurance	-371	-326
Heat, gas and water consumption	-424	-417
Fee for real estate consultants and brokers	--	--
Other	-190	-220
	<b>-8,975</b>	<b>-7,042</b>

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.

The maintenance and repairs in 2014 include expenses for the green concept, i.e. for improvements of the environment in the industrial and office parks.

## 9. Net income from development activities

In thousands of EUR

	2014	2013
Income from development activities	6,915	4,886
Expenses connected with development activities	-6,128	-3,690
	<b>787</b>	<b>1,196</b>

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

## 10. Other income

In thousands of EUR

	2014	2013
Negative goodwill	13,131	7,519
Sale of investment property	1,790	3
Commissions received from distributors of utilities	--	68
Other income	2,370	1,082
	<b>17,291</b>	<b>8,672</b>

Negative goodwill of EUR 13,131 thousand (2013 — EUR 7,519 thousand) represents the difference between the fair market value and the purchase price paid for the newly acquired subsidiaries which can not be allocated to the individual assets.

## 11. Operational expenses

In thousands of EUR

	2014	2013
Administrative personnel expenses	-4,184	-4,106
Depreciation	-2,474	-378
Legal, tax and audit	-2,304	-2,008
Other administration services	-1,896	-703
Energy cost	-1,187	-943
Taxes and charges	-867	-1,084
Advertising and promotion expenses	-855	-764
Fee for real estate consultants and brokers	-480	-983
Rent	-411	-564
Repair and maintenance, other park services	-154	-216
IT services	-99	-105
Telecommunication expenses	-88	-98
Residual value of sold assets	--	-455
Other	-3,693	-2,441
	<b>-18,692</b>	<b>-14,848</b>



The depreciation includes depreciation of the solar plants in the amount of EUR 1,169 thousand (2013 — EUR 1,169 thousand) and the depreciation/reversal of impairment of other equipment in the amount of EUR 1,305 thousand (2013 — EUR -791 thousand).

In 2014, the remuneration for CTP's Auditors amounted to EUR 150 thousand (2013 — EUR 131 thousand).

The taxes and charges include EUR 287 thousand (2013 — EUR 721 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		
	2014	2013
Project management	-752	-918
Administrative	-4,184	-4,106
	<b>-4,936</b>	<b>-5,024</b>

The personnel expenses related to project management are reported as expenses of development activities (refer to note 9). The average number of employees in 2014 was 136 (2013 — 130 employees). In December 2014 the average number of employees was 135 (December 2013 — 136 employees).

In 2014 as well as in 2013 the Board of Directors of CTP Property N.V. did not receive any remuneration.

## **12. Net finance costs**

In thousands of EUR		
	2014	2013
Interest income	302	449
Interest income - related parties	323	267
Change in fair value derivatives	8,500	13,340
Net foreign exchange gains	44	--
Payment received from derivatives	252	--
Other financial income	2,721	10
<b>Finance income</b>	<b>12,142</b>	<b>14,066</b>
Interest expense	-26,634	-26,032
Interest expense - related parties	-854	-1,192
Net foreign exchange losses	-1,772	-3,402
Change in fair value derivatives	-21,264	-4,683
Payment made on derivatives	-19,916	-12,976
Other financial expenses	-3,147	-3,187
<b>Finance costs</b>	<b>-73,587</b>	<b>-51,472</b>
<b>Net finance costs</b>	<b>-61,445</b>	<b>-37,406</b>

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 260 thousand (2013 — EUR 1,813 thousand). The additional interest charge is payable until 31 December 2015 but was duly paid before the date of issue of this report.

Other finance income in the amount of EUR 2,721 thousand represents the agreed remuneration based for the on the financing bank's request premature refinancing of a portfolio.

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		
	2014	2013
Current tax	-3,576	-3,197
Deferred tax	-43,136	6,968
<b>Total income tax expense in income statement</b>	<b>-46,712</b>	<b>3,771</b>

Reconciliation of effective tax rate

In thousands of EUR		
	2014	2013
Result before tax	275,235	99,234
Income tax	25.0%	25.0%
Anticipated income tax in the Netherlands	-68,809	-24,809
Effect of tax rates in foreign jurisdictions	16,513	5,941
Change in unrecognised tax losses	--	--
Additional tax imposed for 2007-2011	--	--
Impact of additional tax imposed on deferred tax	--	--
Other differences	5,584	22,639
	<b>-46,712</b>	<b>3,771</b>

The impact of change in foreign currency exchange rate relates 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 2014 and 2013.

Other differences relate to 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
<b>Balance at 1 January 2013</b>	<b>1,022,539</b>	<b>468,741</b>	<b>130,035</b>	<b>1,621,315</b>
Transfer from / to investment property under development	32,783	--	-19,695	13,088
Transfer from / to property, plant and equipment	921	--	--	921
Transfer from / (to) Owned buildings and land	68,761	-68,761	--	--
Acquisitions	37,371	--	--	37,371
Additions / disposals	56,064	--	4,865	60,929
Translation reserve	-716	--	-8,146	-8,862
Valuation gains	60,950	4,240	2,311	67,501
Valuation gains recognized in previous years on investment property under development transferred to investment property	19,758	--	--	19,758
Valuation losses	-2,845	-106	-15,560	-18,511
Assets held for sale	--	--	-5,767	-5,767
<b>Balance at 31 December 2013</b>	<b>1,295,586</b>	<b>404,114</b>	<b>88,043</b>	<b>1,787,743</b>
<b>Balance at 1 January 2014</b>	<b>1,295,586</b>	<b>404,114</b>	<b>88,043</b>	<b>1,787,743</b>
Transfer from / to investment property under development	7,658	--	9,226	16,884
Transfer from / to property, plant and equipment	--	--	--	--
Transfer from / (to) Owned buildings and land	392,154	-392,154	--	--
Acquisitions	37,306	--	5,890	43,196
Additions / disposals	46,506	--	1,626	48,132
Translation reserve	-330	--	-675	-1,005
Valuation gains	180,693	580	15,745	197,018
Valuation gains recognized in previous years on investment property under development transferred to investment property	2,988	--	--	2,988
Valuation losses	-9,730	--	-3,778	-13,508
Assets held for sale	--	--	--	--
<b>Balance at 31 December 2014</b>	<b>1,952,831</b>	<b>12,540</b>	<b>116,077</b>	<b>2,081,448</b>

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).

### Fair value hierarchy

At 1 January 2014 the fair value measurement for investment property of EUR 1,787,743 has been categorized as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

In thousands of EUR				
31/12/2014	Level 1	Level 2	Level 3	Total fair value
Investment property	--	--	2,081,448	2,081,448

In thousands of EUR				
31/12/2013	Level 1	Level 2	Level 3	Total fair value
Investment property	--	--	1,787,743	1,787,743

Explanation of the fair value hierarchy:

- Level 1 — quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 — use of a model with inputs (other than quoted prices included in Level 1) that are directly or indirectly observable market data.
- Level 3 — use of a model with inputs that are not based on observable market data.

### Management's adjustments made in respect of valuations appraisals

The management of CTP did not make any adjustments to valuations appraisals and the carrying amounts of properties fully correspond to their fair values determined by independent valuers as at 31 December 2014.



## 15. Investment property under development

In thousands of EUR

	2014	2013
Balance at 1 January	117,912	161,946
Additions/disposals	19,393	13,838
Transfers from/to investment property	-16,884	-13,088
Transfers from/to property, plant and equipment	170	--
Valuation gains	40,277	8,824
Valuation losses	-11,216	-29,592
Valuation gains recognized in previous years on investment property under development transferred to investment property in current year	-2,988	-19,758
Write off/impairment / (reversal of impairment) of investment property under development	-216	50
Acquisition of subsidiary	12,883	1,286
Translation reserve	-830	-5,594
<b>Balance at 31 December</b>	<b>158,501</b>	<b>117,912</b>

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.

### Fair value hierarchy

At 1 January 2014 the fair value measurement for investment property under development of EUR 117,912 thousand has been categorized as Level 3 recurring fair value based on the inputs to the valuation technique used in accordance with IFRS 13. There were no transfers between Levels during the year.

## 16. Net valuation result on investment property

Reconciliation of valuation gains/losses recognized in statement of comprehensive income:

In thousands of EUR

	2014	2013
Valuation gains	237,295	76,325
out of which: <i>Investment Property</i>	<i>200,006</i>	<i>67,501</i>
<i>Investment Property under development</i>	<i>37,289</i>	<i>8,824</i>
Valuation losses	-24,724	-48,103
out of which: <i>Investment Property</i>	<i>-13,508</i>	<i>-18,511</i>
<i>Investment Property under development</i>	<i>-11,216</i>	<i>-29,592</i>
<b>Net valuation gains (- losses) on investment property</b>	<b>212,571</b>	<b>28,222</b>

## 17. Property, plant and equipment

In thousands of EUR

	Plant	Equipment	2014	2013
Balance at 1 January	20,646	2,893	23,539	26,101
Additions	--	708	708	1,285
Disposals	--	--	--	-1,275
Transfers from/to investment property	--	--	--	-921
Transfers from/to investment property under development	--	-170	-170	--
Transfers from/to assets classified as held for sale	--	--	--	--
Valuation gain on solar plants	1,251	--	1,251	-1,082
Depreciation	-1,169	-1,305	-2,474	-378
Impact of sale of electricity grid	--	--	--	--
Advance received for sale of electricity grid	--	--	--	--
Translation reserve	--	-26	-26	-191
<b>Balance at 31 December</b>	<b>20,728</b>	<b>2,100</b>	<b>22,828</b>	<b>23,539</b>

Under Plant are presented the solar plants installed on the roofs of several buildings. The value of EUR 20,728 thousand (2013 — EUR 20,646 thousand) represents the market value of the solar pannels based upon the independent valuation report.

Under Equipment in the amount of EUR 2,100 thousand (2013 — EUR 2,893 thousand) 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. All items under Equipment are stated at historical costs minus depreciation.

## 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 8 years. The maturity date of the finance lease receivables is as follows:

In thousands of EUR

	2014	2013
Less than one year	34	31
Between one and five years	234	271
	<b>268</b>	<b>302</b>



## 19. Trade and other receivables

In thousands of EUR

	2014	2013
Trade receivables	31,473	16,985
Tax receivables	3,530	1,324
	<b>35,003</b>	<b>18,309</b>

The trade receivables consist mainly of receivables from rent and rent related income.

## 20. Cash and cash equivalents

Cash and cash equivalents of EUR 38,947 thousand (2013 – EUR 22,101 thousand) entirely consist of bank balances. All cash and cash equivalents are payable on demand.

## 21. Assets classified as held for sale

CTP does not report any assets classified as held for sale as at 31 December 2014.

As at 31 December 2013 the assets classified as held for sale in the amount of EUR 5,767 thousand represented land plots (a part of the land bank under finance lease) which CTP sold in 2014 (refer to note 14).

## 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 2014 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 2014 the share premium amounts to EUR 619,528 thousand.

### Revaluation reserve

The Revaluation reserve in the amount of EUR 8,977 thousand (2013 – EUR 7,964 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 2013 – 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 (refer to basis of preparation 4 b).

### Reserves

Reserves comprise legal reserve of CTP Invest, spol. s r.o. of EUR 7,360 thousand (31 December 2013 – EUR 7,360 thousand).

## 23. Liabilities

### Current trade and other payables

In thousands of EUR

	2014	2013
Trade payables	40,249	29,570
Accruals	8,338	8,240
VAT payable	3,261	1,679
Other tax payables	8,990	9,180
	<b>60,838</b>	<b>48,669</b>

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

In thousands of EUR

	2014	2013
<b>Non-current liabilities</b>		
Interest-bearing loans and borrowings from financial institutions	1,050,924	818,506
Finance lease payables	1,025	164,153
	<b>1,051,949</b>	<b>982,659</b>

In thousands of EUR

	2014	2013
<b>Current liabilities</b>		
Interest-bearing loans and borrowings from financial institutions	92,561	66,909
Finance lease payables	11,849	21,689
	<b>104,410</b>	<b>88,598</b>

Pledges related to interest bearing loans are described in detail in note 30.

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 Dec. 2014	Balance as at 31 Dec. 2013
	Due within			Due in	Total	Total
	1 year	2 years	3-5 years	follow. years		
Erste Group Bank AG (incl. Česká spořitelna, a.s.)	42,454	19,042	77,564	260,420	399,480	449,842
UniCredit Bank Czech Republic and Slovakia, a.s.	7,165	7,423	51,850	88,240	154,678	121,403
Raiffeisenlandesbank Niederösterreich-Wien AG	8,617	8,618	77,570	34,101	128,906	116,967
Československa obchodní banka, a.s.	5,301	5,482	22,660	90,281	123,724	102,382
ING Bank N.V./ING Real Estate Finance N.V.	3,276	3,276	9,828	75,582	91,962	58,111
Komerční banka, a.s.	3,928	4,136	68,293	--	76,357	78,600
Raiffeisenbank a.s.	13,464	3,289	10,620	47,545	74,918	74,288
Landesbank Hessen-Thüringen Girozentrale	1,885	2,154	47,924	--	51,963	--
Všeobecná úverová banka, a.s.	1,204	1,250	4,048	22,649	29,151	15,391
Oberbank AG - Czech Republic	396	403	1,256	6,446	8,501	--
Österreichische Volksbanken-AG	8,400	--	--	--	8,400	45,671
Commerzleasing und Immobilien AG						
(Tech Data GmbH)	8,319	--	--	--	8,319	8,602
	104,409	55,073	371,613	625,264	1,156,359	1,071,257

Refer to note 31 with respect to the latest development of the interest-bearing loans and borrowings from financial institutions.

#### Finance leases

Finance leases interest rates are based on EURIBOR or PRIBOR plus margins that vary from 1.50% to 3.50%.

Future minimum lease payments as at 31 December 2014 and 31 December 2013:

In thousands of EUR

	2014	2013
Total minimum lease payments	13,728	200,138
Future finance charges on finance lease	-854	-14,296
<b>Present value of finance lease liabilities</b>	<b>12,874</b>	<b>185,842</b>

#### Bank loans

Interest rates for loans and borrowings are based on EURIBOR or PRIBOR, plus margins that vary from 1.25% to 2.85%. 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.

#### New Bank loans in 2014

##### Landesbank Hessen-Thüringen Girozentrale

The Group signed a loan agreement on 15 January 2014 with Landesbank Hessen-Thüringen Girozentrale for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 53,847 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 14 January 2019.

##### Česká spořitelna, a.s.

The Group signed a loan agreement on 28 February 2014 with Česká spořitelna, a.s. for refinancing of existing portfolios of industrial properties in the Czech Republic up to an amount of EUR 92,350 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 28 February 2024.

The Group signed a loan agreement on 2 October 2014 with Česká spořitelna, a.s. for refinancing of existing portfolios of industrial properties in the Czech Republic up to an amount of EUR 82,000 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 2 October 2024.

##### Komerční banka, a.s.

The Group signed a loan agreement on 26 March 2014 with Komerční banka, a.s. for financing of an existing solar plant in the Czech Republic up to an amount of CZK 40,200 thousand (EUR 1,450 thousand). As at 31 December 2014 the loan was drawn down in full. The loan will mature on 31 July 2019.



**Raiffeisenlandesbank Niederösterreich-Wien AG**

The Group signed a loan agreement on 20 March 2014 with Raiffeisenlandesbank Niederösterreich-Wien AG for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 25,700 thousand. The loan will mature on 31 March 2019.

The Group signed a loan agreement on 19 August 2014 with Raiffeisenlandesbank Niederösterreich-Wien AG for refinancing of a part of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 47,500 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 30 September 2019.

**Österreichische Volksbanken-AG**

The Group signed a loan agreement on 4 February 2014 with Österreichische Volksbanken-AG for financing of an existing portfolio of industrial properties acquired in the Czech Republic up to an amount of EUR 8,400 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 31 December 2015.

**ING Bank N.V.**

The Group signed a loan agreement on 19 June 2014 with ING Bank N.V. for refinancing of existing portfolios of industrial properties in the Czech Republic up to an amount of EUR 68,250 thousand (the loan will mature on 30 June 2021) and of an existing office property in the Czech Republic up to an amount of EUR 25,350 thousand (the loan will mature on 30 June 2015). As at 31 December 2014 the loan was drawn down in full.

**Oberbank AG**

The Group signed a loan agreement on 16 December 2014 with Oberbank AG for financing of an existing property acquired in the Czech Republic up to an amount of EUR 8,500 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 30 September 2021.

**Československá obchodní banka, a.s.**

The Group signed a loan agreement on 21 November 2014 with Československá obchodní banka, a.s. for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 82,280 thousand and CZK 630,000 thousand (EUR 22,723 thousand). As at 31 December 2014 the loan was drawn down in full. The loan will mature on 31 December 2021.

The Group signed a loan agreement on 10 July 2014 with Československá obchodní banka, a.s. for financing of industrial properties to be constructed in the Czech Republic up to an amount of EUR 15,818 thousand. As at 31 December 2014 no loan was drawn down. The loan will mature on 31 May 2020.

**Raiffeisenbank, a.s.**

The Group signed a loan agreement on 25 September 2014 with Raiffeisenbank, a.s. for refinancing of an existing portfolio of retail properties in the Czech Republic up to an amount of EUR 24,700 thousand. As at 31 December 2014 the loan was drawn down in full. EUR 23 000 thousand will mature on 30 September 2033 and EUR 1,700 thousand will mature on 30 September 2021.

The Group signed a loan agreement on 24 October 2014 with Raiffeisenbank, a.s. for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 3,650 thousand. As at 31 December 2014 no loan was drawn down. The loan will mature on 31 December 2035.

**UniCredit Bank Czech Republic and Slovakia, a.s.**

The Group signed a loan agreement on 2 October 2014 with UniCredit Bank Czech Republic and Slovakia, a.s. for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 29,000 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 31 December 2021.

**Erste Group Bank AG**

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

The outstanding amount of the EUR 100 million facility was fully repaid during 2014 (as at 31 December 2013 the outstanding amount was EUR 34,900 thousand) and the outstanding amount of the postponed financial lease obligations was fully repaid during 2014 as well (as at 31 December 2013 the outstanding amount was EUR 28,977 thousand). As at 31 December 2014 the only outstanding amount related to the EUR 100 million facility was the additional interest in the amount of EUR 9,437 thousand that was fully repaid during 2015. As at the date of this report there are no outstanding obligations related to the 100 million EUR facility.

Further the Group signed a loan agreement on 14 October 2014 with Erste Group Bank AG for financing of an existing industrial property acquired in the Czech Republic up to an amount of EUR 10,700 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 31 December 2015.

The Group signed another loan agreement on 14 October 2014 with Erste Group Bank AG for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 92,000 thousand. As at 31 December 2014 the loan was drawn down in full. The loan will mature on 30 September 2024.

**Všeobecná úvěrová banka, a.s.**

The Group signed a loan agreement on 19 March 2014 with Všeobecná úvěrová banka, a.s. for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 18,150 thousand and for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 11,000 thousand. The loan will mature on 31 December 2020.

**24. Financial derivatives**

In thousands of EUR

	2014	2013
<b>Non-current liabilities</b>		
Financial derivatives	28,035	19,828
<b>Current liabilities</b>		
Financial derivatives	9,829	5,310
	<b>37,864</b>	<b>25,138</b>



In thousands of EUR

	2014	2013
<b>Non-current receivables</b>		
Financial derivatives	446	535
<b>Current receivables</b>		
Financial derivatives	76	--
	<b>522</b>	<b>535</b>

As at 31 December 2014 and as at 31 December 2013 CTP held the following financial instruments:

**Interest rate swaps as at 31 December 2014:**

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Due in currency	Actual nominal amount ((in thousands of EUR)	Fair value 2014 (in thousands of EUR)
Interest rate swap	6/30/2019	3M Euribor	1.750%	EUR	80,000	-5,677
Interest rate swap	12/31/2018	3M Euribor	1.340%	EUR	122,000	-4,017
Interest rate swap	12/31/2018	3M Euribor	1.290%	EUR	50,000	-2,287
Interest rate swap	12/31/2018	3M Euribor	1.290%	EUR	15,000	-686
Interest rate swap	9/30/2019	3M Euribor	0.845%	EUR	38,355	-1,067
Interest rate swap	9/30/2019	3M Euribor	0.845%	EUR	16,739	-466
Interest rate swap	9/30/2019	3M Euribor	0.845%	EUR	7,542	-210
Interest rate swap	7/1/2015	3M Euribor	4.070%	EUR	52,361	-1,586
Interest rate swap	7/1/2015	3M Euribor	0.290%	EUR	5,300	-8
Interest rate swap	12/31/2019	3M Euribor	2.470%	EUR	71,550	-6,629
Interest rate swap	12/31/2018	3M Euribor	1.830%	EUR	43,203	-2,719
Interest rate swap	12/31/2018	3M Euribor	1.305%	EUR	8,156	-357
Interest rate swap	6/29/2018	3M Euribor	1.040%	EUR	2,730	-79
Interest rate swap	6/29/2018	3M Euribor	1.405%	EUR	1,967	-81
Interest rate swap	9/29/2023	3M Euribor	1.830%	EUR	8,051	-698
Interest rate swap	12/31/2021	3M Euribor	1.660%	EUR	18,000	-1,430
Interest rate swap	9/30/2021	3M Euribor	0.660%	EUR	15,947	-293
Interest rate swap	12/31/2018	3M Euribor	0.995%	EUR	20,600	-627
Interest rate swap	12/31/2018	3M Euribor	0.995%	EUR	12,056	-367
Interest rate swap	12/31/2020	3M Euribor	1.597%	EUR	12,600	-976
Interest rate swap	12/29/2017	3M Euribor	0.807%	EUR	30,000	-633
Interest rate swap	12/31/2019	3M Euribor	0.476%	EUR	3,967	-47
Interest rate swap	12/29/2017	3M Euribor	0.835%	EUR	2,773	-56
Interest rate swap	12/31/2019	3M Euribor	0.474%	EUR	24,716	-286
Interest rate swap	7/30/2018	3M Euribor	1.145%	EUR	15,510	-519
Interest rate swap	3/31/2015	3M Pribor	2.610%	CZK	635	-1
Interest rate swap	4/30/2018	3M Pribor	1.000%	CZK	851	-16
Interest rate swap	6/28/2024	3M Pribor	1.585%	CZK	7,214	-511
Interest rate swap	12/30/2018	3M Pribor	1.135%	CZK	14,427	-454
					<b>702,250</b>	<b>-32,783</b>



Interest rate swaps as at 31 December 2013:

Derivative financial instruments	Due within maturity date	Receiving leg	Paying leg	Due in currency	Actual nominal amount in EUR	Fair value 2014 (in thousands of EUR)
Interest rate swap 1	12/31/2019	3M EURIBOR	2.470%	EUR	71,550	-4,415
Interest rate swap 2	12/31/2018	3M EURIBOR	1.290%	EUR	50,000	-469
Interest rate swap 3	12/31/2018	3M EURIBOR	1.290%	EUR	15,000	-141
Interest rate swap 4	12/31/2018	3M EURIBOR	2.880%	EUR	44,793	-3,745
Interest rate swap 5	12/31/2018	3M EURIBOR	1.305%	EUR	8,410	-98
Interest rate swap 6	7/1/2015	3M EURIBOR	4.070%	EUR	55,872	-3,530
Interest rate swap 7	7/1/2015	3M EURIBOR	0.290%	EUR	5,300	1
Interest rate swap 8	9/30/2014	3M EURIBOR	1.580%	EUR	70,000	-690
Interest rate swap 9	12/31/2018	3M EURIBOR	1.340%	EUR	65,000	-1,644
Interest rate swap 10	6/30/2019	3M EURIBOR	1.750%	EUR	80,000	-2,344
Interest rate swap 11	3/31/2015	3M PRIBOR	2.610%	CZK	467	-7
Interest rate swap 12	12/31/2018	3M PRIBOR	1.135%	CZK	14,585	-5
Interest rate swap 13	12/31/2017	3M EURIBOR	0.930%	EUR	17,057	-57
Interest rate swap 14	12/29/2017	3M EURIBOR	0.807%	EUR	30,000	57
Interest rate swap 15	12/29/2017	3M EURIBOR	0.840%	EUR	2,931	-2
Interest rate swap 16	12/31/2020	3M EURIBOR	1.597%	EUR	12,600	-34
Interest rate swap 17	12/31/2018	3M EURIBOR	0.995%	EUR	12,700	-27
Interest rate swap 18	12/31/2018	3M EURIBOR	0.995%	EUR	21,700	-47
Interest rate swap 19	6/29/2018	3M EURIBOR	1.405%	EUR	1,994	-11
Interest rate swap 20	6/28/2024	3M PRIBOR	1.585%	CZK	7,293	224
Interest rate swap 21	9/29/2023	3M EURIBOR	1.830%	EUR	8,502	22
Interest rate swap 22	12/31/2021	3M EURIBOR	1.660%	EUR	18,000	142
Interest rate swap 23	6/29/2018	3M EURIBOR	1.040%	EUR	2,910	6
Interest rate swap 24	7/30/2018	3M EURIBOR	1.145%	EUR	16,491	-133
					<b>633,155</b>	<b>-16,947</b>

Cross currency interest rate swaps as at 31 December 2014:

Derivative financial instruments	Due within maturity date	Receiving leg	Actual nominal amount in thousands of EUR	Paying leg	Actual nominal amount in thousands of CHF	Fair value 2014 (in thousands of EUR)
Cross currency interest rate swap	6/30/2019	3M Euribor -0.195%	51,962	0.317%	61,558	-2,227

The cross currency interest rate swap had a negative fair value of EUR 2,227 thousand as at 31 December 2014 (in 2013 the Company had no cross currency interest swaps).



Interest rate caps as at 31 December 2014:

Operation	Currency	Maturity	Nominal value (in thousands of EUR)	Fair value 2014 (in thousands of EUR)
call option	EUR	12/29/2017	60,000	-1,008
call option	EUR	1/2/2019	10,000	1
call option	EUR	4/30/2016	5,000	-27
call option	EUR	5/31/2020	9,000	-221
call option	EUR	5/29/2020	5,400	-60
call option	EUR	12/31/2021	1,914	374
call option	EUR	3/31/2017	5,650	-46
call option	EUR	12/30/2016	3,800	--
call option	EUR	12/31/2019	7,210	24
call option	EUR	12/31/2020	6,352	103
call option	CZK	12/31/2021	1,297	123
call option	CZK	12/31/2018	5,858	1
			<b>121,481</b>	<b>-736</b>

Interest rate caps as at 31 December 2013:

Operation	Currency	Maturity	Actual nominal amount (in thousands of EUR)	Fair value 2013 (in thousands of EUR)
call option	CHF	5/11/2014	1,314	--
call option	EUR	11/30/2015	45,136	3
call option	EUR	12/29/2017	60,000	-1,066
call option	EUR	1/2/2019	10,000	51
call option	EUR	12/30/2016	3,674	14
call option	EUR	4/29/2016	5,000	-40
call option	EUR	5/29/2020	9,000	-97
call option	EUR	3/31/2017	5,650	-48
call option	CZK	12/31/2018	4,692	24
			<b>144,466</b>	<b>-1,159</b>

Interest rate collar as at 31 December 2014:

Derivative financial instruments	Currency	Maturity	Strike	Actual nominal amount (in thousands of EUR)	Fair value 2014 (in thousands of EUR)
cap	EUR	12/29/2017	3.500%	24,000	-209
floor	EUR	12/29/2017	2.000%	24,000	-1,387
				<b>24,000</b>	<b>-1,596</b>



Interest rate collar as at 31 December 2013:

Derivative financial instruments	Currency	Maturity	Actual nominal amount (in thousands of EUR)	Fair value 2013 (in thousands of EUR)
cap	EUR	12/29/2017	24,000	70
floor	EUR	12/29/2017	24,000	-1,257
			<b>24,000</b>	<b>-1,187</b>

FX forwards as at 31 December 2014:

As at 31 December 2014 CTP does not have any FX deals opened.

FX forwards as at 31 December 2013:

Derivative financial instruments	Maturity date	FX forward rate	Currency	Actual nominal amount (in thousands of EUR)	Fair value 2013 (in thousand of EUR)
FX forward - sell	4/1/2014	25.2400	EUR/CZK	12,500	-987
FX forward - sell	5/2/2014	25.2340	EUR/CZK	12,500	-985
FX forward - sell	6/2/2014	25.2280	EUR/CZK	12,500	-983
FX forward - sell	7/1/2014	25.2230	EUR/CZK	12,500	-980
FX option - buy/sell	5/5/2014	25.6650	EUR/CZK	7,500	-472
FX option - buy/sell	7/31/2014	25.6650	EUR/CZK	7,500	-459
FX option - buy/sell	10/31/2014	25.6650	EUR/CZK	7,500	-444
				<b>72,500</b>	<b>-5,310</b>



## 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 2014 and 31 December 2013:

In thousands of EUR

	2014	2013
<b>Temporary differences</b>		
Investment property	-1,025,058	-735,743
Finance lease	1,224	-73,916
Tax losses	90,415	91,465
Property, plant and equipment	18,743	30,850
Other (receivables, hedge accounting etc.)	-21,216	-28,030
<b>Total temporary differences</b>	<b>-935,892</b>	<b>-715,374</b>
 <i>Tax rate of the Czech Republic</i>	 19%	 19%
<b>Deferred tax liability</b>	<b>-177,820</b>	<b>-135,919</b>
 <b>Change of deferred tax in period ended 31 December</b>	 <b>-41,901</b>	 <b>7,419</b>
Deferred tax recorded in statement of comprehensive income	-43,136	6,968
Deferred tax recorded in translation reserve	89	246
Deferred tax arised from revaluation of Property, plant and equipment	-239	205
Deferred tax arised from acquisitions	1,385	--

## Tax losses analysis:

In thousands of EUR

Tax losses of CTP Property XXIV, spol. s r.o.	18,690
Tax losses of CTP Property X, a.s.	17,634
Tax losses of CTP Invest VII, spol. s r.o.	8,667
Tax losses of CTP Invest V, spol. s r.o.	7,455
Tax losses of CTP Property IV s.r.o.	7,221
Tax losses of CTP, spol. s r.o.	4,254
Tax losses of CTZone Brno, a.s.	3,742
Tax losses of CTP Invest IX, spol. s r.o.	3,590
Tax losses of CTP Property II, a.s.	2,745
Tax losses of National Technological Park s.r.o.	2,207
Tax losses of CTP Property IX, a.s.	1,984
Tax losses of CTP Property V, a.s.	1,929
Tax losses of CTP Property XXI, spol. s r.o.	1,646
Tax losses of CTP Property XVII, spol. s r.o.	1,353
Tax losses of CTP Property XVIII, spol. s r.o.	1,022
Tax losses of CTPark Brno Campus s.r.o.	970
Tax losses of CTP Bor I, spol. s r.o.	935
Tax losses of CTPark Prague East, spol. s r.o.	868
Tax losses of CTP Divišov I, spol. s r.o.	812
Tax losses of CTFinance s.r.o.	722
Tax losses of CTPark Bor, spol. s r.o.	662
Tax losses of CTPark Mladá Boleslav II, spol. s r.o.	477
Tax losses of CTP Property XXII, spol. s r.o.	356
Tax losses of CTP Property XVI, spol. s r.o.	290
Tax losses of Pekařská Office, s.r.o.	158
Tax losses of CTP Property XXV, spol. s r.o.	26
<b>Total tax losses</b>	<b>90,415</b>
<b>Tax losses not recognized</b>	<b>--</b>
<b>Tax losses recognized</b>	<b>90,415</b>

Tax losses expire in 2015, 2016, 2017, 2018 and 2019 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	
		2014	2013
CTP Invest 1, spol. s r.o.	Czech Republic	100%	100%
CTP Invest III, spol. s r.o.	Czech Republic	100%	100%
Multidisplay s.r.o.	Czech Republic	100%	100%
CTP, spol. s r.o.	Czech Republic	100%	100%
Bor Logistics, spol. s r.o.	Czech Republic	100%	100%
CTP Property XVI, spol. s r.o.	Czech Republic	100%	100%
CTP Property XVII, 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 XXIII, spol. s r.o.	Czech Republic	100%	100%
CTP Products I, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXVI, spol. s r.o.	Czech Republic	100%	100%
Jungmannova, s.r.o. (1)	Czech Republic	100%	--
CTP Invest X, spol. s r.o. (3)	Czech Republic	100%	--
CTP Invest XI, spol. s r.o. (2)	Czech Republic	100%	--
CTP Invest XII, spol. s r.o. (2)	Czech Republic	100%	--

- (1) In August 2014, the Sub-group acquired the 100% ownership interest in Jungmannova, s.r.o. for EUR 7 thousand that owns land plots for a future office development in the Czech Republic. 100% of the shares are owned by CTP Invest, spol. s r.o.
- (2) In November 2014, new subsidiaries CTP Invest XI, spol. s r.o. and CTP Invest XII, spol. s r.o. were established. 100% of the shares are owned by CTP Invest, spol. s r.o.
- (3) In December 2014, a new subsidiary CTP Invest X, spol. s r.o. was established. 100% of the shares are owned by CTP Invest, spol. s r.o.

### CTP Property N.V.

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

Subsidiaries	Country	Ownership	
		2014	2013
CTP Property, a.s.	Czech Republic	100%	100%
CTP Property II, a.s.	Czech Republic	100%	100%
CTP Property III, a.s.	Czech Republic	100%	100%
CTP Property IV s.r.o. (2)	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%

Subsidiaries	Country	Ownership	
		2014	2013
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 XIV, spol. s r.o.	Czech Republic	100%	100%
CTP Property XVIII, 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 XXIV, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXV, spol. s r.o.	Czech Republic	100%	100%
CTP Property XXVII, 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 VII, spol. s r.o.	Czech Republic	100%	100%
CTP Invest IX, spol. s r.o.	Czech Republic	100%	100%
CTP Bor I, spol. s r.o.	Czech Republic	100%	100%
CTP Brno I, spol. s r.o.	Czech Republic	100%	100%
CTP Divišov I, spol. s r.o.	Czech Republic	100%	100%
CTP Finance, a.s.	Czech Republic	100%	100%
CTP Heršpická, spol. s r. o. (1)	Czech Republic	--	--
CTP Infrastructure, a.s.	Czech Republic	100%	100%
CTP Plzeň I, spol. s r.o.	Czech Republic	100%	100%
CTPark Bor, spol. s r.o. (5)	Czech Republic	100%	--
CTPark Brno Campus s.r.o. (2)	Czech Republic	100%	--
CTPark Mladá Boleslav II, spol. s r.o.	Czech Republic	100%	100%
CTPark Prague East, spol. s r.o. (3)	Czech Republic	100%	--
CT Finance, spol. s r.o. (5)	Czech Republic	100%	--
CT Retail s.r.o.	Czech Republic	100%	100%
CTZone Brno, a.s.	Czech Republic	100%	100%
CTZone Ostrava, a.s.	Czech Republic	100%	100%
National Technological Park s.r.o. (4)	Czech Republic	100%	--
Pekařská Office, s. r. o. (7)	Czech Republic	100%	--
CTP Immobilienverwaltung GmbH	Austria	99%	99%
CTP Germany 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%
CTP Ljubljana d.o.o.	Slovenia	100%	--



- (1) The shares in CTP Heršpická, spol. s r.o. are currently pledged as security for the CTP Heršpická, spol. s r.o. loan. The Sub-group is the beneficial owner of this company and therefore has prepared the consolidated financial statements on the basis of this company being a wholly-owned subsidiary.
- (2) On 5 November 2013 the Sub-group acquired Airport Logistic Park, a.s., a joint stock company which owns warehouses near the Prague airport. The name was changed in due course to CTPark Prague Airport, a.s. The company was during 2014 merged with CTP Property IV, a.s. whereby CTP Property IV, a.s. ceased to exist and at the same time a new company CTPark Brno Campus s.r.o. was demerged. After this merger with CTP Property IV, a.s. and the demerger of CTPark Brno Campus s.r.o. the name of the company was changed into CTP Property IV s.r.o.
- (3) On 4 February 2014 the Sub-group acquired Nupaky Logistics, a.s., a strategic located project east from Prague with possible future developments. The name was in due course changed to CTPark Prague East, spol. s r.o.
- (4) On 14 October 2014 the Sub-group acquired National Technological Park s.r.o. a strategic located project with possible future developments to the North of Prague.
- (5) During 2014 the Sub-group also acquired the subsidiaries CT Finance s.r.o., CTPark Bor, spol s r.o. and CT Borská Pole s.r.o. from Erste Group Immorent Holding GmbH. The Group was already beneficial owner of these companies and therefore had prepared in previous years the consolidated financial statements on the basis of these companies being wholly-owned subsidiaries. CT Borská Pole s.r.o. was during 2014 merged with CTP Property XXIV, spol. s r.o.
- (6) On 22 July 2014 CTP Property Lux, S.à.r.l. founded CTP Ljubljana d.o.o., a new subsidiary in Slovenia. CTP Ljubljana d.o.o. secured during 2014 some land plots to be used for future developments.
- (7) On 18 December 2014 the Sub-group acquired Pekařská Office, s.r.o. which is a office development project in Prague.

## 27. Related parties

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

In 2014 and 2013 CTP had the following revenues and expenses with related parties:

In thousands of EUR				
	2014		2013	
	Revenues	Expenses	Revenues	Expenses
Multifin B.V. - interest	231	-481	190	-624
Finspel B.V. - interest	43	--	30	--
CTP Partners N.V. - interest	34	--	31	--
CTP Invest Poland sp. z o.o. - interest	9	--	9	--
MaVo Lux S.à.r.l. - interest	6	--	5	--
CTP Alpha Poland sp. z o.o. - interest	1	-7	1	-7
Multivest B.V. - interest	--	-319	--	-326
Remon L. Vos - interest	--	-46	--	-195
CTP Invest Poland sp. z o.o. - other	--	--	4	--
Boman B.V. - interest	--	--	--	-10
Jade Dienst GmbH - interest	--	--	--	-28
CTP Solar, a.s. - interest	--	-2	--	-2
Others	1	--	1	--
	<b>325</b>	<b>-855</b>	<b>271</b>	<b>-1,192</b>

As at 31 December 2014 and 2013, CTP has the following receivables from and liabilities to related parties:

In thousands of EUR				
	2014		2013	
	Receivables	Payables	Receivables	Payables
<b>Non-current receivables and payables</b>				
Remon L. Vos	25	1	9	--
Multifin B.V.	23	--	23	--
CTP Invest Poland Sp. z o.o.	--	--	21	--
CTP Energy TR, a.s.	--	67	--	67
Finspel B.V.	--	--	--	--
MaVo Lux S.a.r.l.	--	--	--	--
CTP Solar a.s.	--	--	--	--
CTP Products I, spol. s r.o.	--	--	--	--
<b>Current receivables and payables</b>	<b>48</b>	<b>68</b>	<b>53</b>	<b>67</b>

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				
	2014		2013	
	Receivables	Payables	Receivables	Payables
<b>Non-current receivables and payables</b>				
Multifin B.V.	13,207	12,538	6,717	18,668
Finspel B. V.	1,513	119	1,352	--
CTP Partners N.V.	1,306	--	1,163	--
CTP Invest Poland Sp. z o.o.	214	--	209	--
MaVo LUX s.a.r.l	180	--	158	--
CTP Alpha Poland Sp. z o.o.	12	266	--	254
CTP Solar, a.s.	1	88	--	86
Multivest B.V.	--	4,233	--	4,975
Remon L. Vos	--	--	--	1,459
<b>Non-current receivables and payables</b>	<b>16,433</b>	<b>17,244</b>	<b>9,599</b>	<b>25,442</b>
<b>Total</b>	<b>16,481</b>	<b>17,312</b>	<b>9,652</b>	<b>25,509</b>

As at 31 December 2014 CTP provided loans in the amount of EUR 13,207 thousand to Multifin B.V. (2013 — EUR 6,717 thousand). The interest rate applied for 2014 as well as 2013 was 3M EURIBOR+3%. The loan is unsecured and due on 12 November 2020.

As at 31 December 2014 CTP received loans in the amount of EUR 12,538 thousand from Multifin B.V. (2013 — EUR 17,379 thousand). The interest rate applied for 2014 and 2013 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 2014 and 31 December 2013 were as follows:

In thousands of EUR		
	2014	2013
Number of employees	14	11
Personnel expenses	1,816	1,476

## **28. Risk policies**

#### **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 2014	Total 2013
Amounts due from banks	38,947	--	38,947	22,101
Amounts due from financial derivatives	522	--	522	535
Amounts due from related parties	16,481	--	16,481	9,652
Amounts due from third parties	32,544	--	32,544	17,590
Amounts due from tax institutions	3,530	--	3,530	1,324
<b>Total</b>	<b>92,024</b>	<b>--</b>	<b>92,024</b>	<b>51,202</b>

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 2013.

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		
	2014	2013
Debt	1,456,088	1,315,662
Equity	900,863	671,949
<b>Total</b>	<b>62%</b>	<b>51%</b>

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 51% at 31 December 2014 (2013 — 56%) 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 2014, 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 2014 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 or PRIBOR rates for the reference period from 3 months to 12 months increased by a fixed margin. In 2013 and 2014, 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 2014 and 31 December 2013 due to changes in assumptions:

**Completed investment properties as at 31.12.2014 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	7.76%	1,942,450	8.01%	1,881,825	-60,625
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income by 5%	Effect of decrease in rental income by 5%
Decrease of 5% in estimated rental income	7.76%	150,738	143,201	1,845,327	-97,123

**Completed investment properties as at 31.12.2013 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	8.31%	1,692,171	8.56%	1,642,772	-49,399
	Current average yield	Current rental income	Decrease rental income by 5%	FMV based upon decreased rental income by 5%	Effect of decrease in rental income by 5%
Decrease of 5% in estimated rental income	8.31%	140,684	133,650	1,607,562	-84,609



### **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**

CTP Invest, spol. s r.o. issued a guarantee to secure a loan facility provided by Erste Group Bank AG to a related party (CTP Property N.V.). The outstanding amount of the loan as at 31 December 2014 is EUR 9,436 thousand. The outstanding amount was fully repaid until April 2015.

CTP Invest, spol. s r.o. issued a guarantee to secure a loan facility provided by Erste Group Bank AG to a related party (CTZone Brno, a.s.). The outstanding amount of the loan as at 31 December 2014 is EUR 9,418 thousand.

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 on 31 December 2016.

### **Real estate transfer tax**

All real estate transactions in the Czech Republic are subject to a 4% real estate transfer tax, with the exception of share-based transactions. The management expects that investment property will be held, or, when disposed of, only as a share-based transaction. Therefore, no provision for real estate transfer tax is recorded.

### **Income tax**

CTP was subject to a 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 10,691 thousand. CTP did file petitions at the regional court in České Budějovice against this decision. The court proceedings did not confirm the claim of CTP. Further CTP notified the Ministry 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 on hold and CTP filed petition by the supreme court of the Czech Republic.

In compliance with the principle of prudence CTP included the amount of EUR 10,691 thousand in the tax expenses. The income tax including late payment interest and penalties due for the years 2007, 2008 and 2009 in the amount of EUR 7,262 thousand was paid until year end.

The income tax returns for taxable periods 2012 and 2013 were prepared following the same principles as were used by Tax authority during tax audit.



### 30. Pledges

- Shares in CTP Property, a.s. are pledged in favour of Landesbank Hessen-Thüringen Girozentrale.
- Shares of CTP Property II, a.s. are pledged in favour of Raiffeisenlandesbank Niederösterreich-Wien AG.
- Shares in CTP Property IV s.r.o. 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 in CTP Property XIV, spol. s r.o. are pledged in favour of Erste Bank Group.
- Shares of CTP Property XVIII, spol. s r.o. are pledged in favour of Raiffeisenbank a.s.
- Shares of CTP Property XXI, spol. s r.o. are pledged in favour of Československá obchodní banka, a.s.
- Shares of CTP Property XXII, spol. s r.o. are pledged in favour of Raiffeisenbank a.s.
- Shares of CTP Property XXIV, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.
- Shares of CTP Property XXV, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.
- Shares of CTP Invest V, spol. s r.o. are pledged in favour of Raiffeisenbank a.s.
- Shares of CTP Invest VII, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.
- 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 CTPark Mladá Boleslav II, spol. s r.o. are pledged in favour of Raiffeisenbank a.s.
- Shares of CT Retail s.r.o. are pledged in favour of Raiffeisenbank a.s.
- Shares of CTZone Brno, a.s. are pledged in favour of Erste Bank Group.
- Shares of CTZone Ostrava, a.s. are pledged in favour of Erste Bank Group.
- Shares of CTP Bor I, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.
- Shares of CTP Divišov I, spol. s r.o. are pledged in favour of UniCredit Bank Czech Republic and Slovakia, a.s.
- Shares in CTP Brno Campus s.r.o. are pledged in favour of ING.
- Shares in CTP Prague East, spol. s r.o. are pledged in favour of Österreichische Volksbanken-AG.
- Shares in National Technological Park s.r.o. are pledged in favour of Erste Bank Group.
- Shares in CT Finance s.r.o. are pledged in favour of Erste Bank Group.
- Shares in CTP Brno I, spol. s r.o. are pledged in favour of Erste Bank Group.
- Shares in CTP Plzeň I, spol. s r.o. are pledged in favour of Erste Bank Group.
- Shares in CTP Pohořelice I, spol. s r.o. are pledged in favour of Erste Bank Group.
- Shares in CTPark Bor, spol. s r.o. are pledged in favour of Erste Bank Group.

- 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 Multifin B.V. in CTP Invest, spol. s r.o. are pledged in favour of Erste Group Bank AG to secure a loan facility of a related party (CTP Property N.V.). The outstanding amount of the loan was fully repaid until April 2015.
- 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 Property XVII, spol. s r.o. are pledged in favour of Raiffeisenbank a.s. to secure a loan facility.

### 31. Subsequent events

The outstanding amount for the 100 mio. EUR loan facility of Erste Bank Group AG have been fully repaid in April 2015.

Following new loan agreements were concluded in 2015 until issue date of this report:

#### *Komerční banka, a.s.*

CTP signed a loan agreement on 20 February 2015 with Komerční banka, a.s. for refinancing of an existing office property in the Czech Republic up to an amount of EUR 30,000 thousand. The loan will mature on 31 December 2019.

#### *Deutsche Pfandbriefbank AG*

CTP signed a loan agreement on 10 March 2015 with Deutsche Pfandbriefbank AG for refinancing of an existing portfolio of industrial properties in the Czech Republic up to an amount of EUR 110,000 thousand and for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 22,000 thousand. The loan will mature on 31 March 2022.

#### *UniCredit Bank Czech Republic and Slovakia, a.s.*

CTP signed a loan agreement on 1 April 2015 with UniCredit Bank Czech Republic, a.s. for refinancing of existing portfolios of industrial properties in the Czech Republic up to an amount of EUR 109,000 thousand. The loan will mature on 31 March 2022.

CTP signed a loan agreement on 15 April 2015 with UniCredit Bank Czech Republic, a.s. for financing of an existing industrial property acquired in the Czech Republic up to an amount of CZK 367,500 thousand (EUR 13,255 thousand). The loan will mature on 31 March 2022.

#### *Raiffeisenbank, a.s.*

CTP signed a loan agreement on 21 April 2015 with Raiffeisenbank, a.s. for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 1,900 thousand. The loan will mature on 28 February 2017.



CTP signed a loan agreement on 21 April 2015 with Raiffeisenbank, a.s. for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 3,200 thousand. The loan will mature on 28 February 2017.

The Group signed a loan agreement on 9 June 2015 with Raiffeisenbank, a.s. for financing of office buildings at Spielberk Office Centre in the Czech Republic up to an amount of EUR 100,000 thousand. The loan will mature on 30 September 2023.

***Banca Comerciala Intesa SanPaolo Romania S.A.***

CTP signed a loan agreement on 27 February 2015 with Banca Comerciala Intesa SanPaolo Romania S.A. for financing of an existing portfolio of industrial properties acquired in Romania up to an amount of EUR 5 000 thousand. The loan will mature on 26 February 2025.

***UniCredit Bank Czech Republic and Slovakia, a.s.***

CTP signed a loan agreement on 26 March 2015 with UniCredit Bank Czech Republic and Slovakia, a.s. for financing of an existing hotel property acquired in the Czech Republic up to an amount of EUR 14 200 thousand. The loan will mature on 31 March 2016.

***Všeobecná úvěrová banka, a.s.***

CTP signed a loan agreement on 11 May 2015 with Všeobecná úvěrová banka, a.s. for financing of an industrial property to be constructed in the Czech Republic up to an amount of EUR 9 000 thousand. The loan will mature on 30 June 2026.

**Subsidiaries**

In February 2015, CTP acquired the 100% ownership interest in Europort Airport Center a.s. for EUR 1 that owns a hotel property in the Czech Republic and in its subsidiary Hotel Operations EUROPORT s.r.o. that operates the hotel. 100% of the shares in Europort Airport Center a.s. are owned by CTP Invest, spol. s r.o. while in Hotel Operations EUROPORT s.r.o. 90% of the shares are owned by Europort Airport Center a.s. and 10% of the shares are owned by CTP Invest, spol. s r.o.

CTP acquired in March 2015 the 99,99% ownership of subsidiary H.E.E. (MERCURY) PROPRIETATI S.R.L., the owner of 3 buildings in Bucharest, Romania.

CTP acquired as per 16 April 2015 the 100% ownership of subsidiary KOMERČNÍ ZÓNA NUPAKY, s.r.o., a company which owns the infrastructure needed for further development in CTPark Prague East.

In April 2015, CTP acquired the 100% ownership interest in BB Asset s.r.o. for EUR 2 thousand that is a holding company in the Czech Republic and in its subsidiary Muvela Estates s.r.o. that is as well a holding company in the Czech Republic. Muvela Estates s.r.o. has two subsidiaries — BCC - Brno City Center, a.s. that owns an industrial property in the Czech Republic and Dunaj Estates, s. r. o. that owns a retail property in Slovakia. 100% of the shares in BB Asset s.r.o. are owned by CTP Invest, spol. s r.o., 100% of the shares in Muvela Estates s.r.o. are owned by BB Asset s.r.o., 100% of the shares in BCC - Brno City Center, a.s. are owned by Muvela Estates s.r.o. while in Dunaj Estates, s. r. o. 88% of the shares are owned by Muvela Estates s.r.o. and 12% of the shares are owned by BB Asset s.r.o.

Further CTP established following new subsidiaries which for the time being have no activities (ownership %):

- CTP Property XXVIII, spol. s r.o. (100%)
- CTP Property XXIX, spol. s r.o. (100%)
- CTP Property XXX, spol. s r.o. (100%)
- CTPark Bratislava, spol. s r.o. (85%)

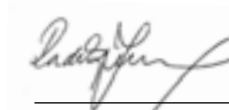
CTP's goal is to achieve a balanced portfolio throughout the CEE from a risk perspective. This means that risks and rewards are ongoing evaluated and can lead to additional investments or divestments in specific countries.

CTP is not aware of any other events that have occurred since the statement of financial position date that would have a material impact on this combined pro-forma financial information as at 31 December 2014.

22 June 2015



Remon L. Vos

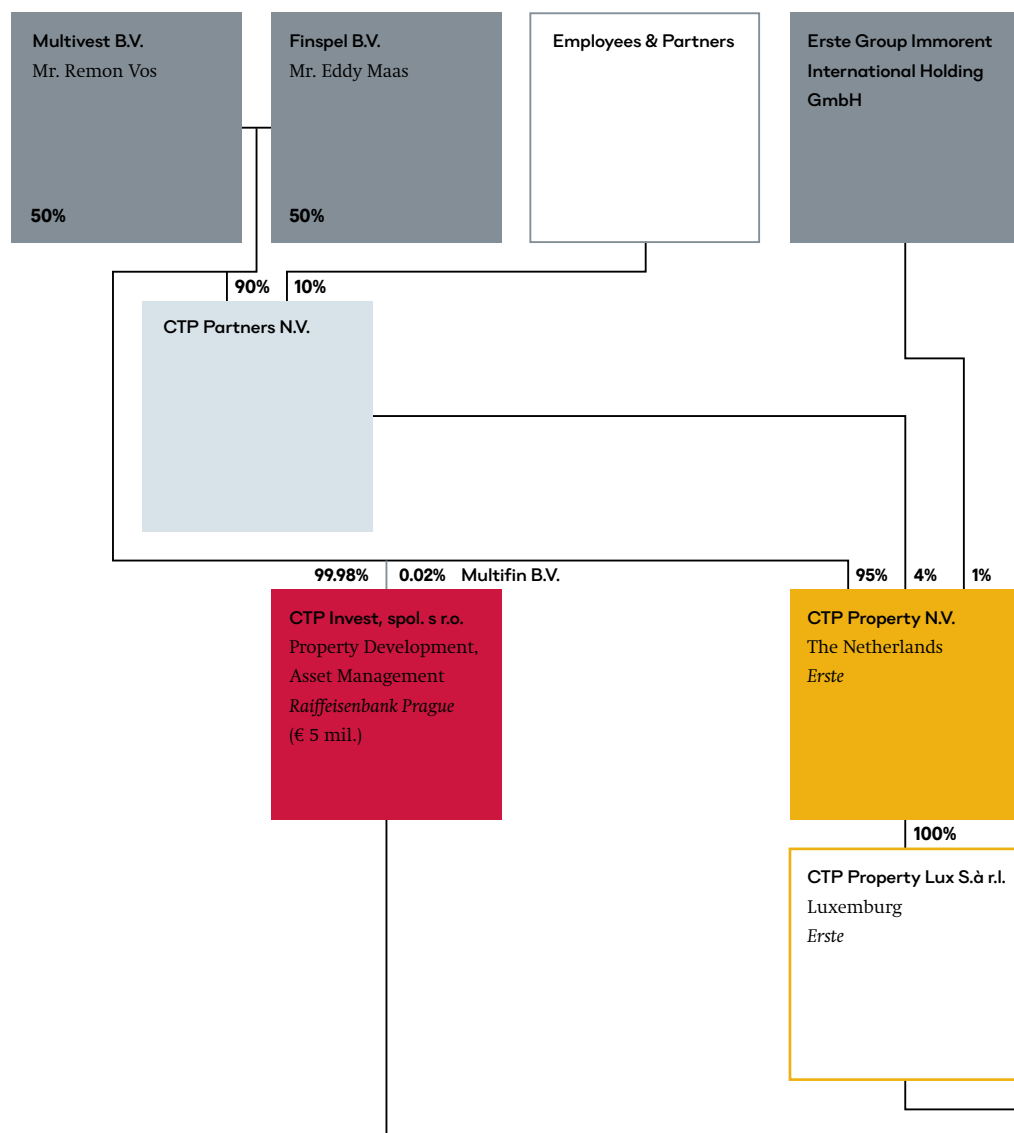


Radek Zeman



## Appendix 1 — Group Structure

As at December 31, 2014





100%

1

100%	CTP Property XVII, spol. s r.o.
	Vlněna, landbank
	<i>Raiffeisenbank Prague</i>
100%	CTP, spol. s r.o.
	CTPark Mladá Boleslav, 2 buildings
	<i>VÚB/Intesa</i>
100%	Immorent Brno Retail s.r.o.
	Landbank, Brno Retail Park
	<i>Erste</i>
100%	CTP Property XVI, spol. s r.o.
	CTPark Bor, landbank Phase II
100%	Bor Logistic s, spol. s r.o.
	CTPark Brno II, landbank
100%	CTP Invest 1, spol. s r.o.
	Jirny, landbank
100%	Jungmannova, s.r.o.
	Prague, Nove Butovice, landbank
Empty company	.....
100%	CTP Invest X, spol. s r.o.
100%	CTP Invest XI, spol. s r.o.
100%	CTP Invest XII, spol. s r.o.
100%	CTP Property XIX, spol. s r.o.
100%	CTP Property XX, spol. s r.o.
100%	CTP Property XXIII, spol. s r.o.
100%	CTP Property XXVI, spol. s r.o.
100%	CTP Invest III, spol. s r.o.
100%	CTP Products I, spol. s r.o.
100%	Multidisplay s.r.o.

100%

2

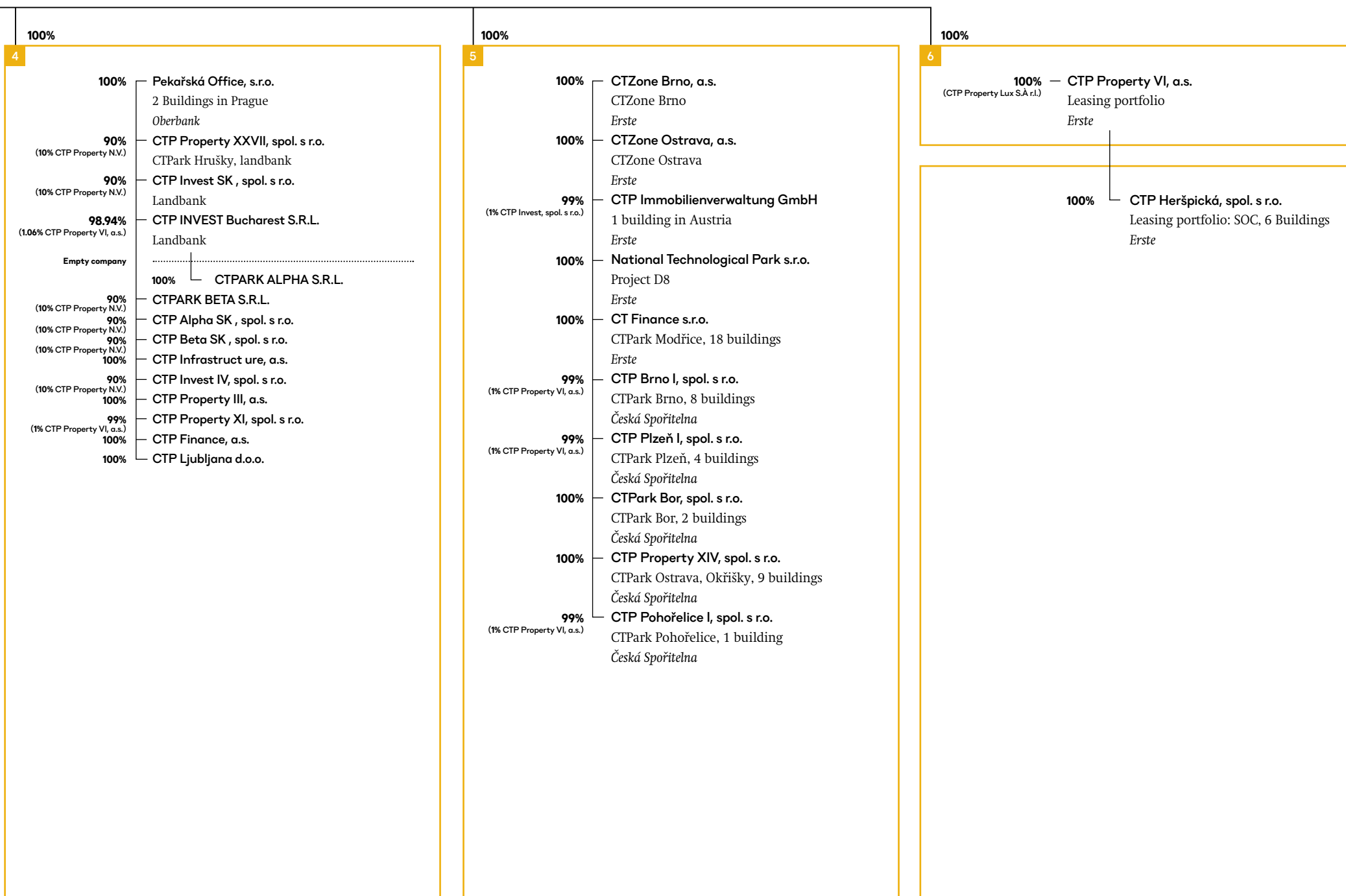
99%	CTP Property XVIII, spol. s r.o.
(1% CTP Property N.V.)	CTPark Humpolec, 3 buildings
	<i>Raiffeisenbank Prague</i>
99%	CTP Property XXII, spol. s r.o.
(1% CTP Property N.V.)	CTZone Brno - CTOffice Box
	<i>Raiffeisenbank Prague</i>
99%	CTPark Mladá Boleslav II, spol. s r.o.
(1% CTP Property N.V.)	Nepřevázka, 3 buildings
	<i>Raiffeisenbank Prague</i>
99%	CT Retail s.r.o.
(1% CTP Property N.V.)	Retail Portfolio
	<i>Raiffeisenbank Prague</i>
90%	CTP Invest V, spol. s r.o.
(10% CTP Property N.V.)	Tower I, Tower II / Spielberk
	<i>Raiffeisenbank Prague</i>
99%	CTP Invest VII, spol. s r.o.
(1% CTP Property N.V.)	IQ Ostrava
	<i>UniCredit</i>
99%	CTP Property XXIV, spol. s r.o.
(1% CTP Property N.V.)	CTPark Hranice, CTPark Ostrava, CTPark Humpolec, CTPark České Velenice, 22 buildings
	<i>UniCredit</i>
99%	CTP Property XXV, spol. s r.o.
(1% CTP Property N.V.)	CTPark Brno, Honeywell and ABB buildings
	<i>UniCredit</i>
90%	CTP Bor I, spol. s r.o.
(10% CTP Property N.V.)	CTPark Bor, 2 buildings
	<i>UniCredit</i>
90%	CTP Divišov I, spol. s r.o.
(10% CTP Property N.V.)	CTPark Divišov, 1 building
	<i>UniCredit</i>
100%	CTP Germany GmbH
	Building in Dusseldorf
	<i>Commerzbank</i>
90%	DN Beteiligungs GmbH
(10% CTP Invest, spol. s r.o.)	Real Estate Portolio, Germany
	<i>Erste</i>
Empty company	.....
90%	TGM GmbH
(10% CTP Invest, spol. s r.o.)	

100%

3

100%	CTP Property IX, a.s.
	CTPark Plzeň & Žatec, 6 buildings
	<i>ČSOB</i>
99%	CTP Property X, spol. s r.o.
(1% CTP Property VI, a.s.)	CTPark Brno II, 7 buildings
	<i>ČSOB</i>
99%	CTP Property XXI, spol. s r.o.
(1% CTP Property N.V.)	CTPark Ostrava, 1 building
	<i>ČSOB</i>
90%	CTP Invest IX, spol. s r.o.
(10% CTP Property N.V.)	CTPark Ostrava / CTPark Brno, 5 buildings
	<i>Raiffeisenbank Vienna</i>
100%	CTP Property II, a.s.
	Real Estate, 14 buildings
	<i>Raiffeisenbank Vienna</i>
100%	CTP Property VIII, a.s.
	Solar
	<i>Raiffeisenbank Vienna</i>
100%	CTPark Brno Campus s.r.o.
	1 building in CTPark Brno
	<i>ING</i>
100%	CTP Property IV s.r.o.
	13 Buildings
	<i>ING</i>
100%	CTP Property V, a.s.
	11 buildings
	<i>Komerční Banka</i>
100%	CTP Invest VIII, spol. s r.o.
	Solar
	<i>Komerční Banka</i>
100%	CTP Property, a.s.
	8 buildings
	<i>Helaba</i>
100%	CTPark Prague East, spol. s r.o.
	Nupaky, 5 buildings
	<i>Volksbank</i>







## Selected Biographies

CTP employs 152 dedicated professionals across the Czech Republic and in other strategic markets, led by the company's Management team. The following individuals are integral to the operation of the CTP Platform and to the success of our business model.





**1 Remon L. Vos**  
*Chief Executive Officer*  
 Remon established CTP in 1998. Since that time, he has led the company to become the largest developer in the Czech Republic, and the fourth-largest industrial developer in Europe. Remon has a passion for sports cars and hones his competitive spirit outside the boardroom by participating in half-ironman triathlons and endurance rallies.



**2 Radek Zeman**  
*Chief Financial Officer*  
 Radek joined CTP in 2008 and is responsible for overall financial management of the company and financing of the Group and its subsidiaries. He started his career at KPMG, where he was responsible for real estate in the CEE region. He successfully ushered CTP through the financial crisis and developed the blueprint for on-going company growth.





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**3 Arno van Hummel**  
Financial Manager

Arno joined CTP in 2006 as Head of the Finance and Accounting department. In his free time, he likes to play football with the boys, watch sports and drive vintage cars. He is also an avid traveller. Some say his sense of humour is as dry as an empty glass left in the burning sun.

**4 Zdeněk Raus**  
Financial Manager

Zdeněk joined CTP in 2010. He is in charge of international financing activities as well as international reporting. During his free time, Zdeněk plays all sorts of sports and enjoys watching live ice hockey and tennis. If you catch him at the right time, Zdeněk also has an extensive collection of drinking songs.

**5 Stefan de Goeij, MRICS**  
Head of Property Management Department

Stefan joined CTP in 2010 as Head of Property Management. He is in charge of all park and property management activities and service staff for the entire portfolio of properties. In his life outside CTP, Stefan enjoys spending time on skies, in his running shoes and with his family.

**6 Luboš Zajíček**  
Head of Legal Department

Luboš joined CTP in 2006 as Head of the Legal department. He is responsible for all legal aspects of company business. In 2014, he grew his team of in-house lawyers to meet the company's growing demands. In his spare time, Luboš enjoys extreme scuba-diving and spelunking.

**7 Jaroslav Kaiz, MRICS**  
Business Director

Jaroslav joined CTP at the start of 2014. His focus is to ensure that properties are full across the portfolio. During 2014, Jaroslav succeeded in securing major new deals with companies such as IAC, Lidl, Primark, Lagermax, Nexans and Regenersis. Jaroslav demands the best from himself and those around him. In his spare time, he likes running, playing tennis and golf. Jaroslav is a member of the board of the Czech chapter of RICS.

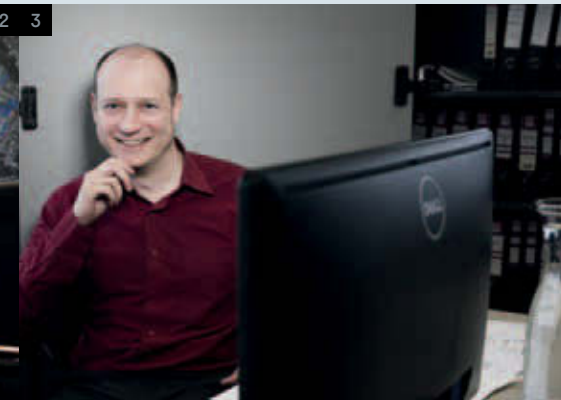




**1 Pavlína Adamiková**  
Senior Corporate Lawyer  
Pavlína joined CTP in 2012 as a lawyer, responsible primarily for lease agreements. She is a sports nut, regularly tackling the marathon, triathlon and 100km hikes through the Beskydy mountains. Pavlína also supports blind athletes through volunteer activities.



**2 Tomáš Budař**  
Regional Director,  
South Moravia  
Tomáš joined CTP in 2006 and as Regional Director for South Moravia and Slovakia his role is to find new opportunities in Brno, South Moravia and Slovakia to keep colleagues in the Construction department busy with challenging projects. Tomáš is a former professional football player and is known for his street-smart entrepreneurial attitude.



**3 Martin Dočekal**  
Financial Analyst,  
Head of Controlling  
Martin joined CTP in 2008 and worked his way up to Head of Controlling. In his free time, Martin enjoys playing beach volleyball as well as participating in various running and mountain biking sport activities.



**4 Brendan Donnellan**  
Marketing Manager  
Brendan joined CTP in 2014 as Marketing Manager and is responsible for management of the marketing department and kicking creative projects down the road. Brendan is an ex-rugby player and classical linguist. Born in the rural west of Ireland, he brings an entrepreneurial attitude – not to mention a healthy dose of Gallic bluster – to the table.



**5 Dan-Florin Flesariu**  
Operations Manager,  
Romania  
Dan joined CTP in 2015 as Operations Manager to help bolster the company's growing ambitions in Romania. Dan is from heart of Transylvania and comes from a real estate and investment banking background. In his spare time, he likes riding horses, scuba diving and dynamic shooting.

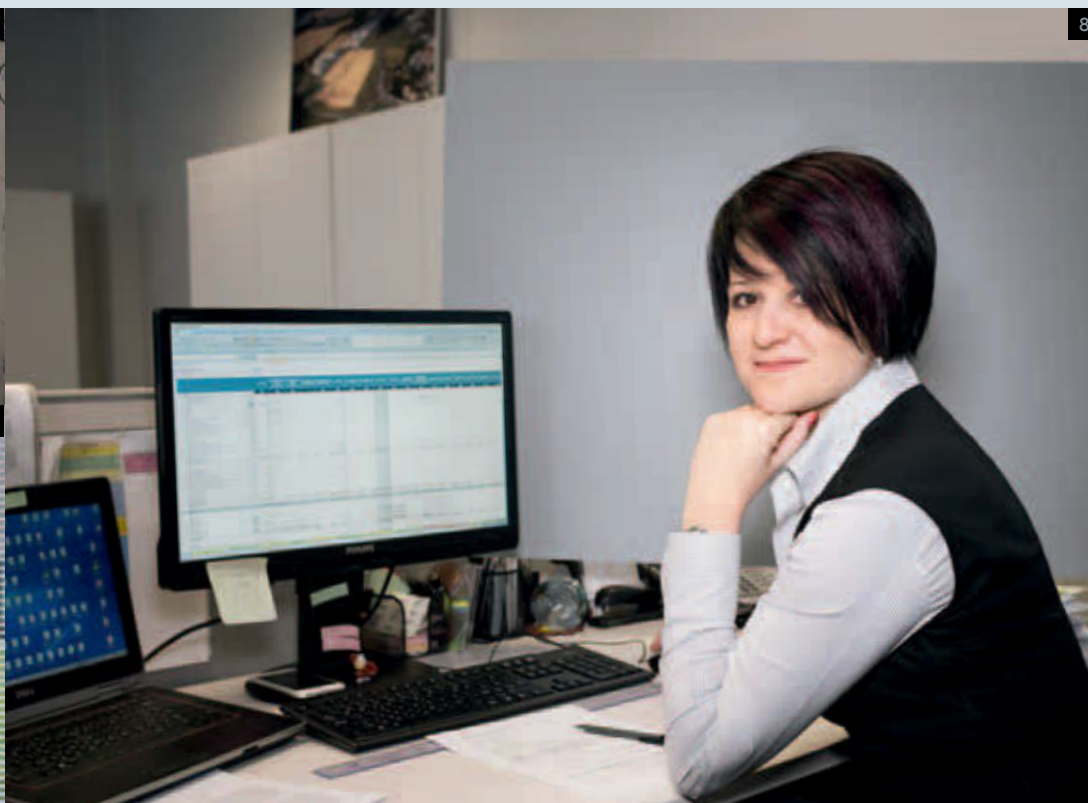




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**6 Laurentiu-Catalin Hanu**  
Business Development  
Romania  
Hanu is a long-term employee of CTP, responsible for Business Development in Romania. Hanu hails from Transylvania, is a member of the Order of Architects of Romania and enjoys mapping, history and Romanian folklore.

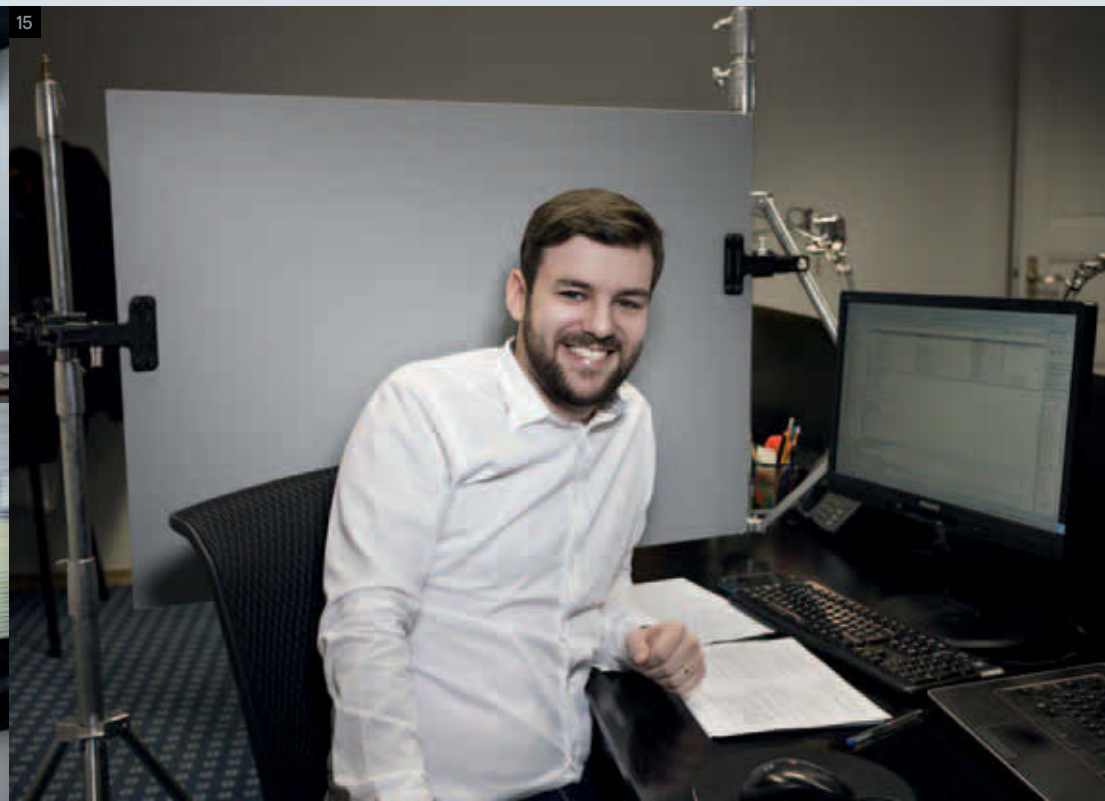
**7 David Chládek**  
Regional Director,  
North Moravia  
David joined CTP in 2010 as Regional Director North Moravia. He is responsible for all development projects in North Moravia. David is a family man who enjoys running marathons and participating in endurance sports events. He's typically the last one on the dance floor at the end of the night.

**8 Petra Kučerová**  
Financial Analyst, Controller  
Petra joined CTP in 2008 as a Financial Analyst and Controller. In her spare time she enjoys travelling and playing badminton, is interested in history, and likes spending time with her friends and family. She would like to start playing golf.

**9 Jiří Kostečka**  
Business Development  
Jiří joined CTP in 2007 as Business Development Manager based in Brno. Jiří has been instrumental in introducing new business to many of our Brno-based properties. In his spare time, Jiří enjoys all kind of sports (cycling, beach volleyball, squash, badminton, etc.) but currently he is most active in running and preparing for Spartan races or other interesting running races or half-marathons.

**10 Thomas A. Kostelac**  
Marketing Director  
Tom joined CTP in 2012 as Marketing Director. Tom is responsible for marshaling CTP's marketing activities to the next level. Tom is a serial entrepreneur and mean guitar player of Croatian-Italian-Canadian ancestry.





**11 Tomáš Kult**  
Senior Construction Manager  
Tomáš is a CTP veteran, having joined the company in 2002. He is currently Senior Construction manager overseeing many key projects such as the FEI building in CTPark Brno. Tomáš is a big biker and an avid photographer.

**12 Kateřina Němcová**  
Assistant, Property Management  
Kateřina joined CTP in 2011 and is currently responsible for all administration in the Property Management Department. In her spare time, Kateřina likes long walks with her dog and also has to spend a lot of time on her university studies.

**13 Tomáš Novotný**  
Regional Director, Bohemia  
Tomáš joined CTP in 2011 and has risen rapidly through the ranks. He is now Regional Director for Bohemia responsible for overseeing all projects in the Bohemian region outside of Prague. Tomáš is CTP's resident ironman and has oversight over the CTP DoksyRace triathlon. He supports blind athletes and completed the Jizerská 50 ski event leading a blind athlete.

**14 Petra Pivarová**  
Park Manager, CTPark Ostrava  
Petra is a long-term CTP employee, helping to set up CTPark Ostrava in 2004. Today she is responsible for the smooth running of CTPark Ostrava and developing new parks in the North Moravia region. She is a literature scholar, avid bookworm and a keen traveller.

**15 Hynek Rajský**  
Senior Corporate Lawyer  
Hynek joined CTP in 2013 as a Corporate Lawyer. He is father to a newborn daughter so spends most of his free time changing nappies. In a previous life he enjoyed going to the movies with his wife, golf and nice restaurants.





**16 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.



**17 Karel Smejkal**  
**Senior Construction Manager**  
 Karel joined CTP in 2007 as Senior Construction Manager responsible for stand-alone office developments. In 2014, Karel was nicknamed “Mr. Spielberg” for his leadership role in steering our flagship office project to a BREEAM Outstanding certification. In his free time, Karel enjoys all forms of competitive sports, as well as biking, running, downhill skiing and ice skating.



**18 Ivana Škodová**  
**CTP Headquarters**  
 Ivana joined CTP in 2008 and is now responsible for running company headquarters at CTPark Humpolec. Ivana is widely regarded as a key cog around which the company spins smoothly. In her spare time, Ivana devotes her time to her family and travelling.



**19 David Vais**  
**Business Development**  
 David joined CTP in 2014 as part of the Business Development team responsible for sourcing and securing new deals. David is a former professional basketball player. Teamwork and a competitive spirit are David’s hallmarks.



**20 Radka Veletová**  
**Office Manager**  
 Radka has had many active years with CTP and has been instrumental to the company’s growth over the last decade. In her current role she supports Ivana Škodová at CTP headquarters, and the two make a perfect team. Radka is always available to assist CTP staff as well as clients and is enthusiastic about new projects coming to CTP.



# Contacts

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## About this Yearbook

As our company continues to expand, we have also augmented this year's Yearbook to include exclusive content available only through a new CTP application for iOS and Android devices.

The new **CTP App** allows us to provide information in a more engaging format than previously. In this Yearbook, you can learn more through interviews with our clients, partners and CTP executives.

The **CTP App** also allows you to learn more about our company, stay abreast of company news, and get in touch with key people at CTP. We will be adding more features to the **CTP App** in the coming year, so watch for updates.

The **CTP App** includes a "Smart Reader" which recognises specially-encoded imagery. The icon below indicates which image is "scannable" by the Smart Reader. Use the Smart Reader to scan the image to retrieve the exclusive content.

