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SMARTENING UP OSTRAVA

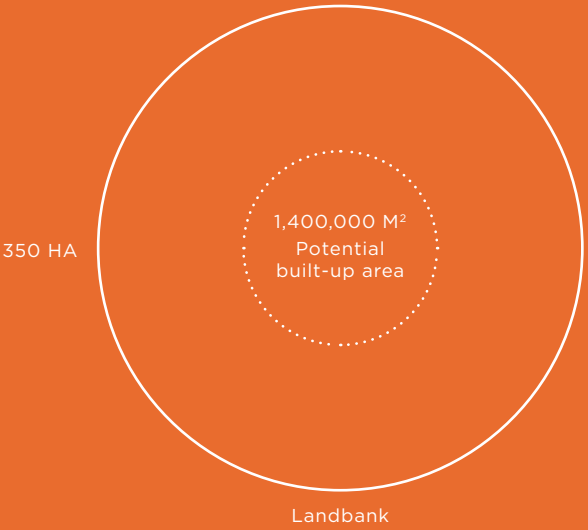
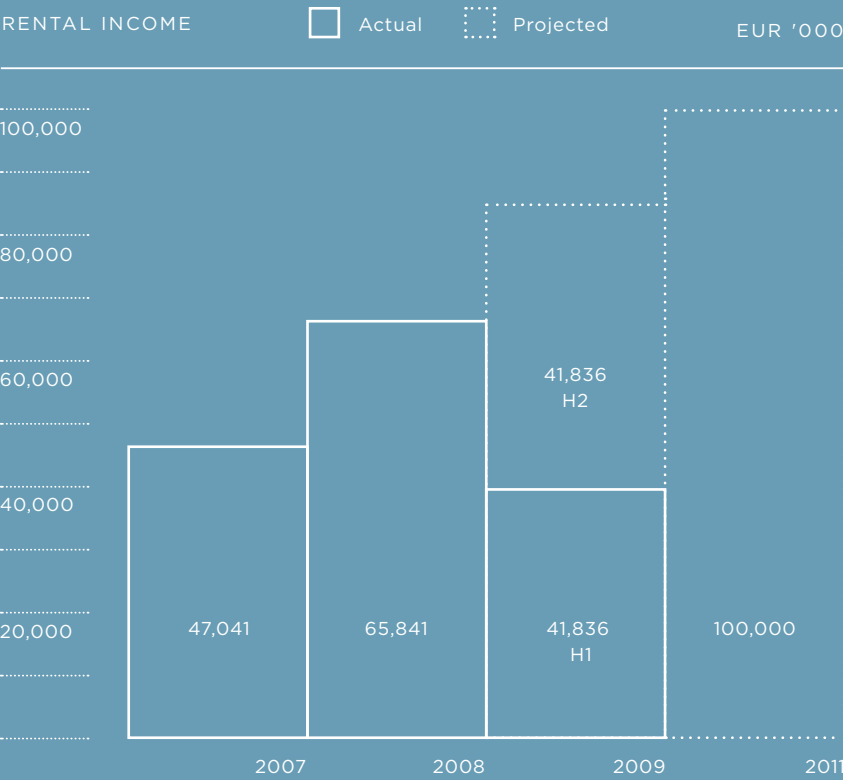
276

**This yearbook gives you an opportunity to better understand what CTP stands for, where we are now and where we want to be. We hope you will enjoy it, and look forward to working with you in the future. Our aim is to continue co-operation with our long term partners—tenants, financiers, suppliers—and to constantly look to establish new partnerships in order to secure future growth.**

CTP IN NUMBERS

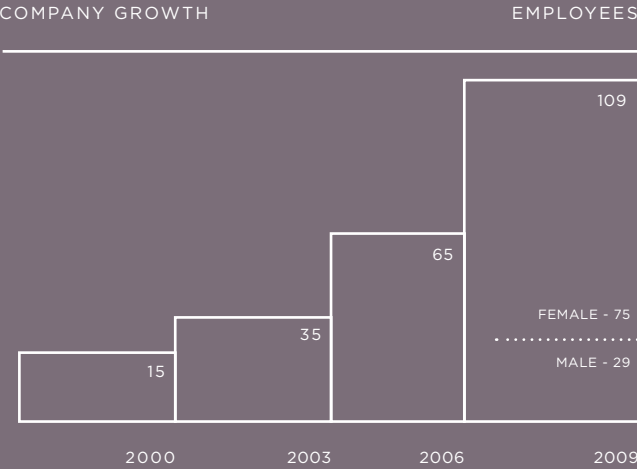
83

MILLION EUR  
PROJECTED RENTAL INCOME FOR 2009



350

HECTARES IN LANDBANK

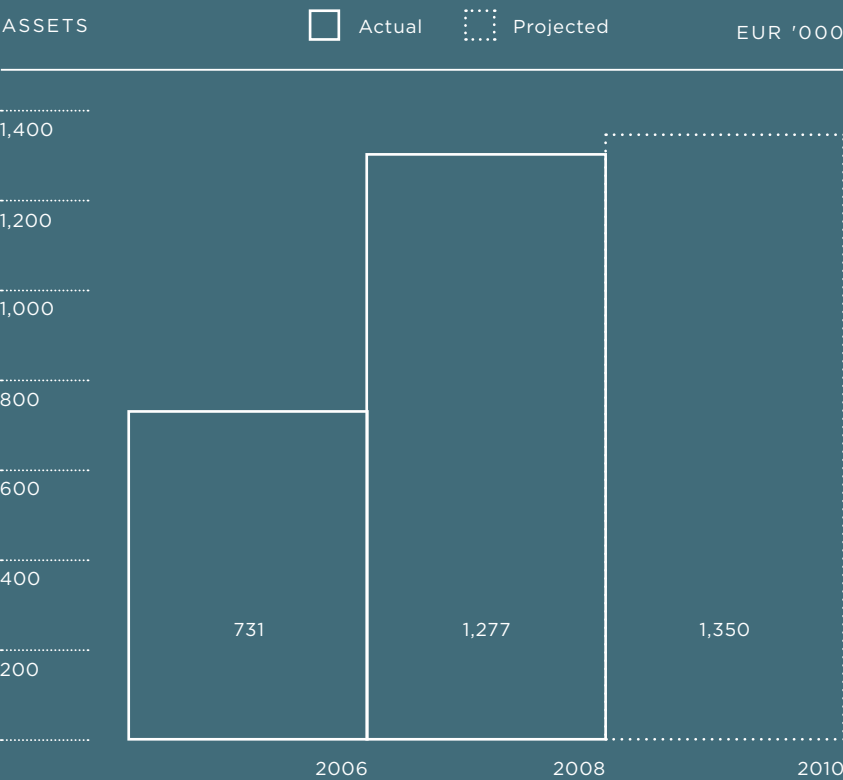


33.25

AVERAGE EMPLOYEE AGE

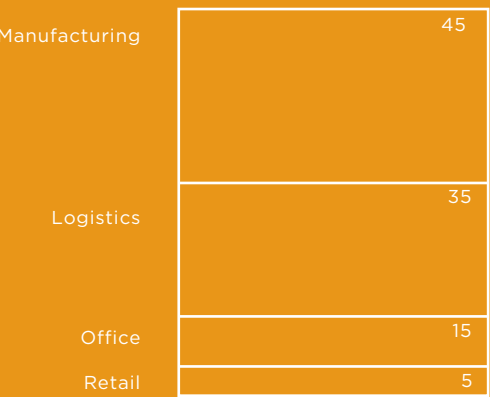
1.35

MILLION EUR  
PROJECTED COMBINED ASSETS FOR 2010



RENTAL INCOME BY SECTOR

%



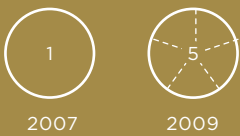
4

SECTORS OF PORTFOLIO ACTIVITY

1.65

MILLION M<sup>2</sup> BUILT-UP AREA

NUMBER OF CREDITOR BANKS



5

-FOLD  
INCREASE IN  
CREDITOR  
DIVERSITY

183,000

M<sup>2</sup> BUILT IN 2009

NO 1 CZECH  
MARKET  
POSITION



1998

1997

1996

1995

1994

## A WORD FROM CTP FOUNDER AND CEO REMON

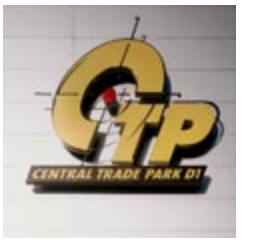
**W**hen I was 24, I moved to the Czech Republic to run a production facility in the small town of Polna. The business was going well, but I saw that in order to expand, we needed better facilities. I also realized that our experience was not unique and that a full service business park with custom built-to-lease properties would be in great demand. So in 1998, together with Eddy Maas and Johan Brakema and the help of DTZ, we purchased a ten hectare site in Humpolec, central Czech Republic, that would later become our first CTPark. We handed over our first building in the year 2000 to a Dutch tenant and that was also the start of cooperation with the ING Bank.

Because of this experience running a production facility, I gained a thorough understanding of the needs of a manufacturer who comes to central Europe looking to establish a modern production facility. From the beginning, we set out to match what we perceived as assets unique to the Czech Republic,—central location, a strong industrial tradition and well-educated population—with the financial capital of international companies seeking these strategic assets.

With the money we earned we bought sites in strategic locations, focusing on Brno, Ostrava and Plzeň. We entered into close co-operation with local and regional governments and continued to build business parks throughout central Europe. We developed five unique property types in order to offer the perfect property for any requirement, as well as build-to-suit facilities.

Our services—including land acquisition, design and permitting, construction, property management and maintenance, and of course finance—allowed our clients to put their money where the profit is and focus on their core business.

The CTPark Network became well known, and our property types were much appreciated by our tenants. We are proud of the awards which we have won thanks to the continued support of our partners, tenants, suppliers, bankers and especially that of the local community.



LEFT: REMON AND CAROLIEN IN THE SUMMER OF 1995 AT THE OFFICE IN POLNA, VYSOCINA, CZECH REPUBLIC. ABOVE: THE ORIGINAL CTP LOGO

# WUS





2009

2008

2007

2006

2005

SELECTED  
AWARDS

Business Property  
of the Year 2007,  
CTPark Ostrava  
1st Place

Business Property  
of the Year 2007,  
CTZone Brno  
2nd Place

Developer  
of the Year 2006,  
CTP Invest

Runner-up  
Best of Reality 2006,  
Spielberk Office Centre

Best Warehouse /  
Logistic Development  
2007, CTPark Brno

Best Warehouse /  
Logistic Development  
2006, CTPark Plzeň

Best Warehouse /  
Logistic Development  
2005, CTPark  
Černovická Terasa

Industrial Zone  
of the Year 2004,  
CTPark Ostrava

Best Warehouse /  
Logistic Development  
2003, CTPark Modřice

Industrial Zone  
of the Year 2003,  
CTPark Modřice



REMON TALKS TO  
CTP PARTNERS,  
SHAREHOLDERS AT THE  
ANNUAL CHRISTMAS  
EVENT, PUSTEVNA,  
BESKYDY MOUNTAINS,  
CZECH REPUBLIC

With more than 30 parks, the CTPark Network offers the largest selection of strategic locations in central Europe. Over the past ten years, we have developed more than 180 different properties; at present, our property portfolio offers more than 1.6 million m<sup>2</sup> of rentable area and is a mixture of retail, office, warehouse and light industrial properties—the majority of which are used for manufacturing purposes—occupied by well known international companies. Our clients are involved in myriad businesses, ranging from consumer electronics, to software development, to shared service center operations, to logistics. We get long term commitments from our clients—more than eight years on average—and will draw more than €100m in rent from our tenants in 2011, up from €84m in 2009, and from €67m in 2008.

Because of the mixture of businesses our tenants are involved in we do not rely on one specific industry. Our properties are built to last for more than 30 years, are universal, and can accommodate many generations of tenants.

People are our most important asset, and we now number more than one hundred civil engineers, project managers, architects—most of them female. The local knowledge and dedication of our people is largely responsible for our growth, as they have allowed us to develop and maintain close relationships with local governments and communities. With an average age of 33 years, our people are old enough to be responsible and yet still young enough to learn by doing with the energy needed to be the best, thereby helping us to maintain our position as market leader. CTP employees are shareholders in CTP Partners, a special entity created to hold shares in CTP Property.

Our current portfolio, valued at more than €1.25 billion, has been mostly financed through our Austrian-based bankers. The long term co-operation with our Austrian partners is based on shared commitment, trust and partnership.

2009





# AHEAD

## LOOKING

Our plan over the coming five-to-ten years is to continue to develop high-quality, A-class properties in strategic locations, with the goal to create a portfolio of three million m<sup>2</sup> of rentable area. We will continue to put new properties on the market, adjusting the supply to demand. To build our current portfolio we needed almost a decade, at times completing more than 300,000m<sup>2</sup> of space per year. For future developments we have assembled a land bank of approximately 350 hectares which will allow us to build an additional 1.4 million m<sup>2</sup>, mostly within our existing business parks. This land is already permitted and prepared for immediate expansion; and we expect fully two-thirds of what we plan to build to be directly related to the expansion needs of our existing clients, or to the needs of their subcontractors and vendors. Because we have all these elements in place, we can generally provide tenants—both existing and new—with facilities within six-to-eight months from the first phone call. Our growth plan is based on the take-up of our current clients and their subsuppliers, and this allows us to avoid speculative development in achieving our growth targets.

We'll be working hard to ensure that the existing portfolio of properties remains in excellent condition and that our tenants are happy and able to meet their business needs in their present facilities. And, with the aim of maintaining vacancy levels under five percent, we will work to improve the utilization of our portfolio.

We view the Czech Republic as our core market and continue to see great potential here. We're a local company, we're here for the long term: we speak the language, and have developed good relationships and a network of suppliers. Having put in the groundwork early on, we're in a strong position to take advantage of opportunities as they emerge following the recent economic shocks. We have opened offices in Slovakia, Poland and Romania and have bought various sites in major regional towns where technical universities are present and which have strong traditions in manufacturing and engineering. Our sites are often located close to the major production facilities of existing automotive, IT or industrial manufacturers. It is our plan to continue to develop sites in such locations in order to create a portfolio of 50 business parks throughout the region. We expect that most of the properties in other countries will be leased to our existing clients in the Czech Republic with whom we have been working successfully.

Now more than ever, companies are looking to improve their businesses, stay ahead of the competition and remain cost effective and competitive. Central Europe has a lot to offer in terms of labor cost, skills, and strategic location. We have seen many of our clients' operations transform from low-cost manufacturing facilities into state-of-the-art production facilities with in-house design, R&D centers or logistics departments. Often our clients consolidate older or outdated manufacturing facilities from less business-smart locations to our network of parks here in central Europe. We see great opportunities on how to further utilize the portfolio of properties we currently own. We will continue to invest in improving and updating infrastructure at our business parks, and have recently launched a project to install more than 20MW of green energy at on our rooftops. Selected properties will be equipped with solar plants to generate energy that will be directly fed into the infrastructure and electricity networks located within the parks. Solar energy is already being used by our tenants and is highly appreciated. The investment makes good business sense for CTP as well, and helps make us a better neighbour.

2014

2013

2012

2011

2010





**A**S A RESIDENT OF THE CZECH REPUBLIC, I AM GLAD CTP CAN PLAY A POSITIVE ROLE IN THE DEVELOPMENT OF THE COUNTRY. MY FAMILY AND I PLAN TO STAY HERE BECAUSE WE KNOW THE ADVANTAGES OF LIVING HERE SUCH AS THE OUTDOORS, THE LOCAL ARCHITECTURE, AND ITS CENTRAL LOCATION WHICH MAKES TRAVELLING EASY AND CONVENIENT.

REMON, CAROLIEN, EMMA (12), RUBEN (9) IN PRAGUE'S OLD TOWN





IN THE FAMILY CAR, A 1971 ALFA ROMEO 1300 GULIA, WHICH THEY LOVE  
TO TAKE OUT FOR A COFFEE, AS HERE IN PRAGUE'S OLD TOWN



**We began to refine our focus even before the credit crisis began, and today we place an increased emphasis on our role as a real estate investment fund with our SPV structure. Because CTP doesn't just build buildings—we finance them and operate them as long-term owners—this change in the mindset and the structure of the company is very important.**

INTERVIEW WITH

# Radek Zeman

CHIEF FINANCIAL OFFICER

*What is your main role at CTP as the Chief Financial Officer? When did you join the company?*

I joined CTP in August 2008 as part of the company's restructuring. Previously, I worked as a real estate consultant with KPMG in Prague, with focus on operations in Poland, Hungary, Slovakia and the Czech Republic. I got to know CTP working at KPMG, and after some conversations together, I decided that after 12 years in advisory, I wanted to do something more concrete. So I joined the company as its CFO.

Initially, my main task at CTP was to grow and develop the company, but it soon became clear to us that the economic crisis was changing the situation, and we had to sort out our priorities.

My primary focus since I began working with CTP has been to secure sufficient financing, as part of the general restructuring of the company. My first major project in this area was to finalise a €79m loan facility with ING, which we signed in August 2008.

This loan with ING is very important for us, as it also represents a shift in CTP's business model. In the past, CTP developed built-to-suit facilities as well as speculative developments, without specific financing for a project or without tenants in place. This has now changed, and today we build if we have tenants in place and if we have the appropriate financing.

'As developers, in many ways the crisis had begun for us two years ago with the emergence of the credit crunch in the United States in March 2007. So, I think that CTP is already used to dealing with the "crisis" in this respect'

How much of an impact is the financial crisis having on CTP's activities and its ability to secure new financing?

As developers, in many ways the crisis had begun for us two years ago with the emergence of the credit crunch in the United States in March 2007. Because of the volatility in the marketplace and the first signs of real liquidity problems in financial markets, CTP decided to cancel its plans to launch an initial public offering of shares. So, I think that CTP is already used to dealing with the 'crisis' in this respect.

One of CTP's strengths as a company is that it has good relationships with banks. So, even though there is a credit crisis and it is of course more difficult to get new financing, because of our strong track record and because of the significant annual income our properties generate, we have been successful in securing a significant level of new financing with banks.

For example, soon after we signed the loan facility with ING, we signed a short-term bridge loan agreement with Citibank. Signing this agreement was very important for CTP, as it enabled us to secure other bank loans that are related to this loan.

We also signed several important loan agreements in 2007 and at the beginning of 2008, before the financial crisis really hit the Czech Republic. We currently have loans with Raiffeisenbank, Komerční Banka, and Volksbank, and each of these loans is worth between €65m to €100m.

While these loans certainly helped us, they were not sufficient for our longer-term needs, because of restructuring and also because of the financial crisis. So we started discussions in September 2008 with Erste Bank group, with the aim to really stabilise our company, not just during the current financial crisis, but for the next five years. So, my main task became to negotiate with Erste Bank for a €146m loan facility, which we finalised at the end of last year.

We have a strong relationship with the Erste Bank group, and the reason we got this loan is based on this relationship and on our work with them in the past. The terms

of the loan I think are beneficial for CTP and Erste Bank, and the loan is repayable within five years. Also, we have not drawn all the money provided under the facility, and this gives us additional security. So we have some kind of stability over the next five years, because of the Erste Bank loan.

'CTP'S EXISTING PORTFOLIO IS GENERATING ANNUAL RENTAL INCOME OF MORE THAN €80M, AND IT IS IMPORTANT THAT WE MAINTAIN AND ENHANCE THIS REVENUE STREAM, WHICH IS QUITE SIGNIFICANT'

We also have a €400m loan facility in place with the European Investment Bank, which we initially agreed back in 2007. The EIB liked our business plan, they liked our products, and we agreed with them to use the possibility of this EIB financing for our pipeline. However, we still need to find a bank to provide us with the loan guarantee before we can begin to draw on the loan.

Paradoxically, before the financial crisis began, it was impossible for us to actually get this loan, because banks were not interested in providing the guarantee. The banks were full of liquidity, and basically they said, 'Why should I give you the guarantee? It would be better if you borrow the money from me.'

But then the situation changed in the second half of 2008, and we are hoping that based on the new market situation, we will now be in a good position to obtain a bank guarantee for the EIB loan and to start drawing on those funds.



Can you explain a bit more about the role of special purpose vehicles in CTP’s financing?

In general, as we develop projects, we contribute a certain amount of equity and the rest is financed by banks. So one of my main tasks is to talk with the banks, to negotiate with them to secure the funding necessary to realise the projects we plan to build in 2010, and beyond.

We have now grouped most of our existing buildings, and all future construction projects, into special purpose vehicles, or SPVs. We seek bank financing for specific projects within an SPV, and we have found that this model is effective, both for us and for the banks.

In general, what CTP has done is that we have had to adopt a bank approach, which means to create a specific SPV for specific bank financing. This is what CTP has done, and now we have SPV bank financing in place.

The SPV structure is normal for the financing of real estate. Each bank has its specific SPV, and following that, they would like to have the mortgage on real estate, as well as the mortgage on the shares. And therefore it was

necessary to split CTP Property into portfolios financed by individual banks. It is nothing special to use this SPV structure.

So, for example, in an SPV there can be 20 buildings located throughout the country. These can be in Brno, in Plzeň, in Ostrava, and so on. And let’s say that this SPV has a fair market value, according to the evaluator, of 100. Typically, we have equity in our SPVs, so the bank, let’s say, has a loan-to value of 65%. In the SPV, the bank has pledges over the receivables, over the shares in the SPV itself, and over the buildings that are part of the SPV’s portfolio. So the banks are protected.

From one perspective, SPV’s are in essence a kind of mortgage agreement with the bank. We come with a portion of the equity for a project and arrange financing for the remaining part. So, under this arrangement, the bank holds claims toward the assets that are within the SPV—the buildings—as collateral on the loan.

From the economic perspective, it is our job to look after the covenants we have with the banks, and as long as these are fulfilled, everything is fine. Cash flow from rental income generated by the buildings within a particular

SPV structure is used to repay loans related to the SPV, in addition to other receipts. And because generally we have long-term lease agreements with our tenants, we have a fairly high level of security built into this financing model. So it works well.

What other changes, or challenges, is CTP facing right now, because of the current economic situation?

I think it is important to remember that CTP has grown very rapidly in just over ten years, from a small market player to become the number-one developer of logistics and light industrial business parks in the Czech Republic, and this I think is a major achievement.

I also think that even without a financial crisis, CTP, because of its success, has anyway been evolving and shifting its focus to adapt not only to market changes but also to changes within the company as it grows. We began to refine our focus even before the credit crisis began, and today we place an increased emphasis on our role as a real estate investment fund, with our SPV structure. Because we don’t just build buildings, we finance

them and operate them as long-term owners. And this change in the mindset and the structure of the company is I think very important.

In the past, CTP concentrated on development and construction, building the company and expanding the portfolio. Because of the company’s success over the past several years, CTP now owns a large number of properties with total built up area of nearly 1.5 million m².

Of course, it is still important to build new properties, but at this juncture, it’s even more important to maintain good relationships with our existing tenants, to make sure that their needs are being met. CTP’s existing portfolio is generating annual rental income of more than €80m, and it is important that we maintain and enhance this revenue stream, which is quite significant.

We are also placing focus on property management, making sure that our current properties are well maintained, and focusing on providing the highest level of after-sales care to our existing tenants.



ING SPECIAL PURPOSE VEHICLE

In August 2008, CTP and ING agreed the financing of a **Special Purpose Vehicle (SPV)**, which directly funds the completion of a certain set of buildings. The most important of these buildings are the facilities for Honeywell—with a fair market value of €18m—and the buildings for ITT, ND Logistics, DHL Express, which each have fair market value of €14m. According to the agreement, the financing will extend for 6 years until July 1, 2015 and total €60m to be drawn down from the ING loan of €79m. Covenants with ING have been fulfilled, as CTP has delivered and rented the buildings on schedule as promised.

KEY TENANTS

BJS International House	Weindel Logistik Service spol. s.r.o.	IMI Overseas Investments Limited	ITT Industries	Moskarna Liskovic spol s.r.o.	DHL Express	ND Logisitics CZ s.r.o.	Honeywell spol s.r.o.
CTPark Humpolec	CTPark Jihlava	CTPark Brno South	CTPark Ostrava	CTPark Ostrava	CTPark Nový Jičín	CTPark Pohořelice	CTPark Brno

For more on this financing agreement, see ING General Manager’s Rolf-Jan Zweep’s interview on page 116.

LEFT: ZEMAN PROVIDES A ROUGH SKETCH OF THE SPV MODEL

# How difficult do you expect this will be, given the current economic climate?

In terms of our existing buildings and existing tenants, so far the credit crunch has not brought us any major issues. The main challenge we have is in finding good new tenants. This is the main issue for us, and where the financial crisis can impact us. In this sense, the uncertainty brought on by the financial crisis has an impact on our business model. If we are going into a partnership with somebody over 10-15 years, we need to know that they are a stable group and our tenants require the same from CTP.

But despite these uncertainties, in some ways the financial crisis has been positive for us. Among the benefits are that interest rates are down, and the Czech crown, which had been appreciating against the euro, dollar and other currencies, has now depreciated again, and this is beneficial for us in many areas.

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‘DESPITE THESE UNCERTAINTIES, IN SOME WAYS THE FINANCIAL CRISIS HAS BEEN POSITIVE FOR US’

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The current economic situation also creates new opportunities for us. And because we are a private company, with two main shareholders, when we see an opportunity, it is much easier for us to react. For example, to make a decision to buy something, or to build something, it is much easier for us than for big multinationals, who have to decide which region is more important for them, which products, which clients, etc. We have the advantage that we are already focused. The Czech Republic is our core market, and logistics and light industrial properties—the CTPark Network—is our core business.

So, I think that the flexibility of CTP—which was one main the reasons for the success of the company in the past—and one of the things I personally find exciting about the company—gives us an advantage over our competitors during these difficult times.

In fact, what we are seeing right now on the market is that basically no one is building anything new. As far as I know, most of our main competitors are re-considering their position in the Czech Republic. And so what we see is that there is no major competition on the market right now. So I think that as a private group, if we can maintain our flexibility, we can gain advantages from that.







But still, you face the uncertainty of not knowing how your current tenants, and potential future tenants, will react to the crisis, and if they will start to reconsider their strategy for the **Czech Republic** or Central Europe?

Of course, we cannot know for sure. But as I said, we are not seeing any major outflow of tenants, and our occupancy rate remains very high.

Also, irrespective of the financial crisis, a wave of lease agreements that CTP signed back in the 1990s are starting to come toward maturity. In general, the initial lease agreements we sign with tenants are for 10-15 years, and so the first agreements that were signed at the beginning are starting to expire, and this requires an additional focus on lease renewals.

And of course, you are in a different position when you negotiate with a tenant the first time, and when you renegotiate for a renewed lease after 10 years, when you would like the client to stay. Usually, we seek renewals for three to five years, because clients at this point want to have flexibility, and we understand this.

As property owners, CTP wants to work as long-term partners with good, long-term tenants, who are happy with the quality and level of service we provide. And our record shows this, as around 30% of our new business each year comes from existing clients expanding their operations with us. We think that the current crisis may actually help us in this respect, because many companies that are operating here are subsidiaries of companies in western Europe, and they are now looking for places where they can save costs and expand their current business. If a company already has a strong presence in the Czech Republic, and if their local operations are working smoothly and cost effectively, then I think that we can expect more and more business coming from them.

I believe that the costs benefits of the Czech Republic remain in place, and in some ways are even being strengthened by the current situation. Also, we have come from a situation from the last two years or so, when there was very low unemployment, and salary levels started to rise. In some ways, the situation now is like it was a several years ago, with less pressure on salaries, with good interest rates, and where the economy is more open.

So, especially for companies already established here, it is cost-effective to produce here: both the f/x rate and the interest rates are positive, and there is a good labour environment, without too much pressure on salaries. That sounds like a good place to do business to me.

---

‘AS PROPERTY OWNERS, CTP WANTS TO WORK AS LONG-TERM PARTNERS WITH GOOD, LONG-TERM TENANTS, WHO ARE HAPPY WITH THE QUALITY AND LEVEL OF SERVICE WE PROVIDE. AND OUR RECORD SHOWS THIS, AS AROUND 30% OF OUR NEW BUSINESS EACH YEAR COMES FROM EXISTING CLIENTS EXPANDING THEIR OPERATIONS WITH US’

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What are the plans for this year, in terms of new investments and developments? What are the main areas of focus?



One goal is to finish the construction of the ING portfolio, which is 150,000m<sup>2</sup> in total. The project is now in the final stage of completion, with the last building scheduled for completion in October 2009.

On top of this, we are planning to build an additional 150,000m<sup>2</sup> of space in near future and I think that this is realistic. The investment required is €40m to €60m. We

are right now thinking about smaller financing, smaller projects that require maybe €10m or €15m, and we are speaking with banks about it. I think we will be able to have this level of new financing without any major difficulty, but this also depends on how successful we are in finding new tenants and to build new buildings. Luckily we have Jakub Pelikán [see p. 252], who is here to help us with that.

In terms of new buildings, I can say that we plan to build an additional 40,000m<sup>2</sup> at CTPark Brno South [see p. 100], which is our largest project to date and at completion will be one of the largest light industrial and logistics parks in central and eastern Europe.

I think that for the next three or four years this project will be very important for us. It is one of the major projects in our pipeline which we are focusing on. But there are other important projects as well.

Aside from new buildings, from my perspective, I think that the main task is to strengthen efficiency within the company, through cost savings, through maintaining good relationships with our tenants, and by maintaining our good rapport with the banks. So these are three main areas of focus.

We also plan to maintain our current income level, which is stable at more than €80m. Our target for rental income is €100m by 2010, and I think this is an achievable goal for the company.

Based on our current efficiencies, our yearly rental income gives us free annual cash flow of around €25m. When we subtract overhead, that gives us a positive cash flow of around 75%, so I think we are already doing well. But there is always room for improvement. And so we continue to implement cost cutting measures and to lower our overhead. [see p. 98 for more on cost-control]

This also includes improving the budget for park management. As owners of the properties we build, we are responsible for all park management and maintenance services, and we monitor these costs very carefully. [see p. 262]

Additionally, we constantly monitor our construction budgets and work to continually improve on what I think is one of our greatest strengths. We are experts at build-

ing large-scale facilities and we have in place very cost-effective models already. [see p. 92 for more information on CTP's construction activities]

We have also improved our controlling mechanisms and we monitor each week if there are any receivables outstanding, and we are visiting our clients more frequently. Until now we have been quite successful in collecting rent. And of course, an important part of my job is to ensure the fulfilment of all reporting requirements to banks associated with our loans, and all internal reporting within CTP.

Also I would like to mention that because of our secured financing, especially the loan facility with Erste Bank, we are in a good position right now and for the future.

‘I STILL THINK THAT DESPITE THE CURRENT ECONOMIC SITUATION, IN THE END, CTP WILL CONTINUE TO BE ONE THE STRONGEST INVESTMENT AND DEVELOPMENT COMPANIES NOT JUST IN THE CZECH REPUBLIC, BUT IN THE REGION AS WELL. OUR GROWTH MAY NOT BE AS FAST AS IT WAS BEFORE, BUT I THINK THAT WE WILL CONTINUE TO DO QUITE WELL’



NAME  
**RADEK ZEMAN**

BORN  
**14.10.1971**

MARRIED  
WITH ONE CHILD

LIVES IN  
**PRAGUE**

FROM  
**A FARM NEAR HRADEC KRÁLOVÉ**

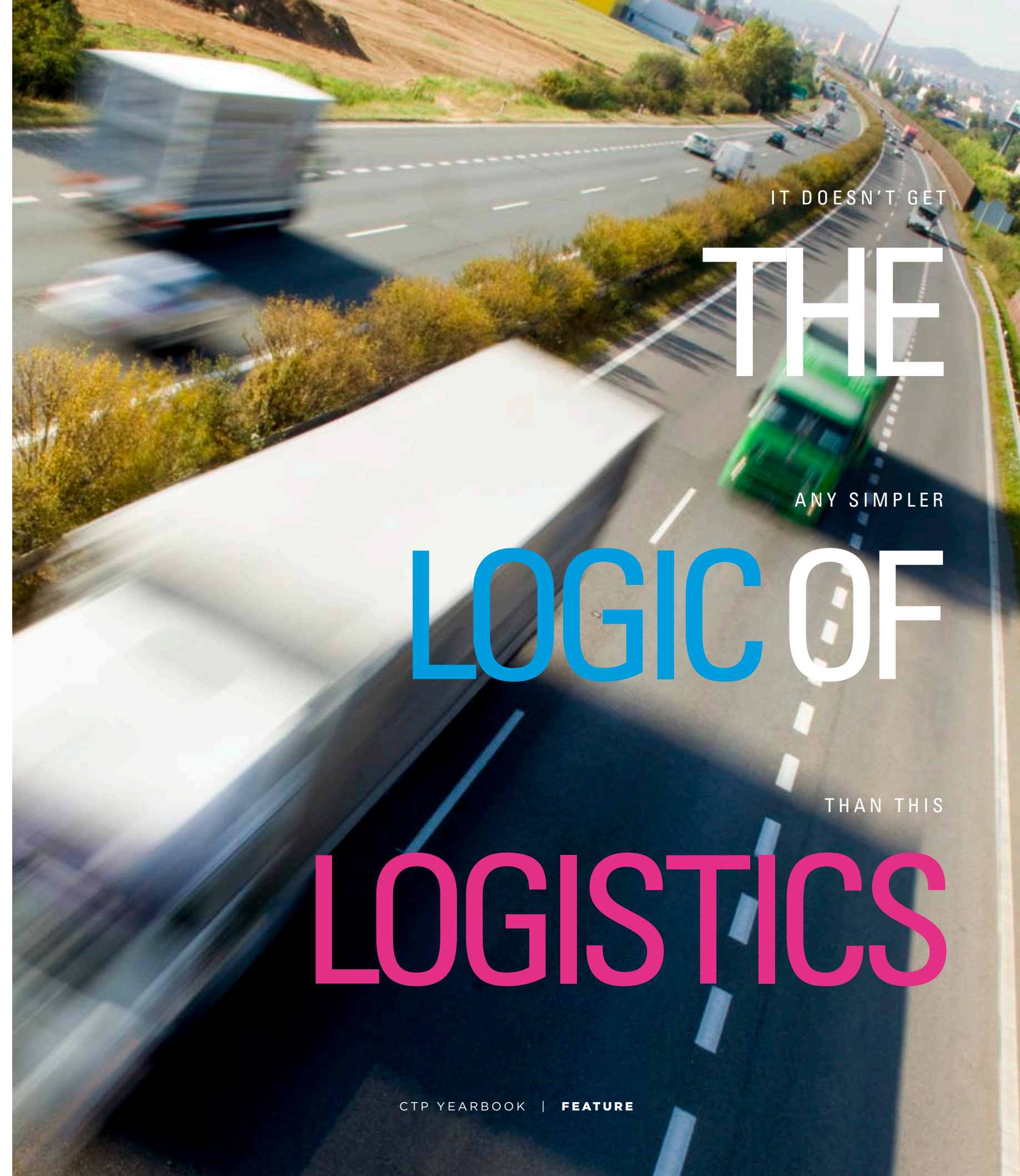
ENJOYS  
MODERN ART, ARCHITECTURE,  
GOLF AND FAMILY LIFE



THE **COMPLEXITY**, SOPHISTICATION, SCOPE AND SPEED OF TODAY'S LOGISTICS OPERATIONS WOULD BEDAZZLE EVEN THE MOST SEASONED OF TRADESMEN FROM THE DAYS OF ANTIQUITY, NOT TO MENTION THE WORLD OF BUSINESS JUST A GENERATION OR TWO AGO.

**INNOVATIONS** IN TECHNOLOGY, TRANSPORTATION, ENGINEERING AND DESIGN CONTINUE TO RADICALLY TRANSFORM THE LOGISTICS, FREIGHT FORWARDING AND SUPPLY-CHAIN BUSINESS—ENHANCING ITS SPEED, EFFICIENCY AND CAPABILITIES. THE PACE OF CHANGE ACCELERATES WITH EACH NEW STEP FORWARD.

BUT EVEN AS TECHNOLOGIES ADVANCE AND MARKETS GROW MORE COMPLEX, THE FUNDAMENTAL PRINCIPLE OF LOGISTICS—ITS **LOGIC**—REMAINS THE SAME: TO MOVE GOODS FROM PLACE TO PLACE AS EFFICIENTLY AS YOU CAN.



IT DOESN'T GET

THE

ANY SIMPLER

LOGIC OF

THAN THIS

LOGISTICS





# THE LOGICAL PLACE

In the 20 years since 1989, virtually all industry sectors the Czech Republic have shown a rapid resurgence of development. The country enjoys a diverse economy, which has shown much resilience despite the current economic downturn. High-tech manufacturing and a broad spectrum of knowledge-based service industries have taken solid root, based on the local skills level and expertise—and also because of the country's immediate proximity to Europe's major markets. While proximity may be an added bonus for some businesses, it is primary for logistics operations. The Czech Republic's position at the epicentre of the European continent makes it the natural place for major logistics operations to set up shop.

The country's highly developed transportation infrastructure continues to modernise and expand. Dual-carriage motorways criss-cross the country and extend outward in the four cardinal directions—linking the country to her neighbours and to the world beyond. Czech infrastructure also includes modern warehouse stock in strategic, cost-effective locations. In only a handful of years, the market went from essentially zero modern stock to over 3 million m<sup>2</sup> of modern, state-of-the-art stock at the start of 2009. Companies like CTP—the undisputed market leader with around

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## THE CZECH REPUBLIC'S POSITION AT THE EPICENTRE OF THE EUROPEAN CONTINENT MAKES IT THE NATURAL PLACE FOR MAJOR LOGISTICS OPERATIONS TO SET UP SHOP

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1.5 million m<sup>2</sup>—have built the facility infrastructure necessary for modern logistics operations to move in.

As a matter of fact, the Czech Republic now has one of the most modern warehousing stocks in Europe, as the

majority of the facilities in use were built within the past ten years. Several logistics clusters have emerged, not only at the capital, Prague, but in each of the historically important regions of the country—the areas around Plzeň, Ostrava and Brno.

It should come as no surprise, then, that the logistics business has made a major contribution toward the growth and re-emergence of the Czech economy as a whole, particularly in the fast-growing regions outside Prague. Over the past decade, there has been a massive increase in the volume of logistics operations in the country, both by proprietary and third-party logistics operators.

These are no longer simply just local or regional distribution chains. An increasing number of companies are now basing major pan-European and international logistics operations on Czech territory. Many of these companies, such as DHL, ND Logistics, and Bridgestone among others, have chosen to locate their important logistics operations within the CTPark Network. [See pages 46—93 for more information about their operations].









# BACK ON THE MAP: AT THE CROSSROADS OF EUROPE

A short history of the Czech lands at the centre of European trade and commerce.

NEWLY-ELECTED U.S. PRESIDENT OBAMA IS MET BY SUPPORTERS DURING A VISIT TO PRAGUE DURING THE CZECH CHAIRMANSHIP OF THE EU PRESIDENCY IN MARCH 2009



BRNO LIES NEAR THE INTERSECTION OF TWO ANCIENT TRADE ROUTES, THE AMBER ROAD AND SILK PATH. THEN, AS IS NOW, BRNO WAS A MAJOR TRADE INTERSECTION.

# FOLLOW THE AMBER ROAD

Already in pre-Roman times, tradersmen carrying amber from the Baltic Sea sought passage through the “Moravian Gate”—the wide basin between the Sudetes mountains to the west and the Carpathian range to the east—as they journeyed southward to the Danube and onwards to the Adriatic Sea.

East-west trade links crossing what is today the Czech Republic also trace their lineage to ancient times. The path of the Amber Road from southern Moravia to the Danube and onward to the Black Sea joined the Silk Road, the ancient trade route linking Europe to the Far East.

Scholars believe the Amber Road through the Moravian Gate to be the oldest trade route in Europe. The cities of Olomouc and Brno trace their origins to this original Amber Road, which was—and still is—the shortest distance from Europe's northern to southern seas.

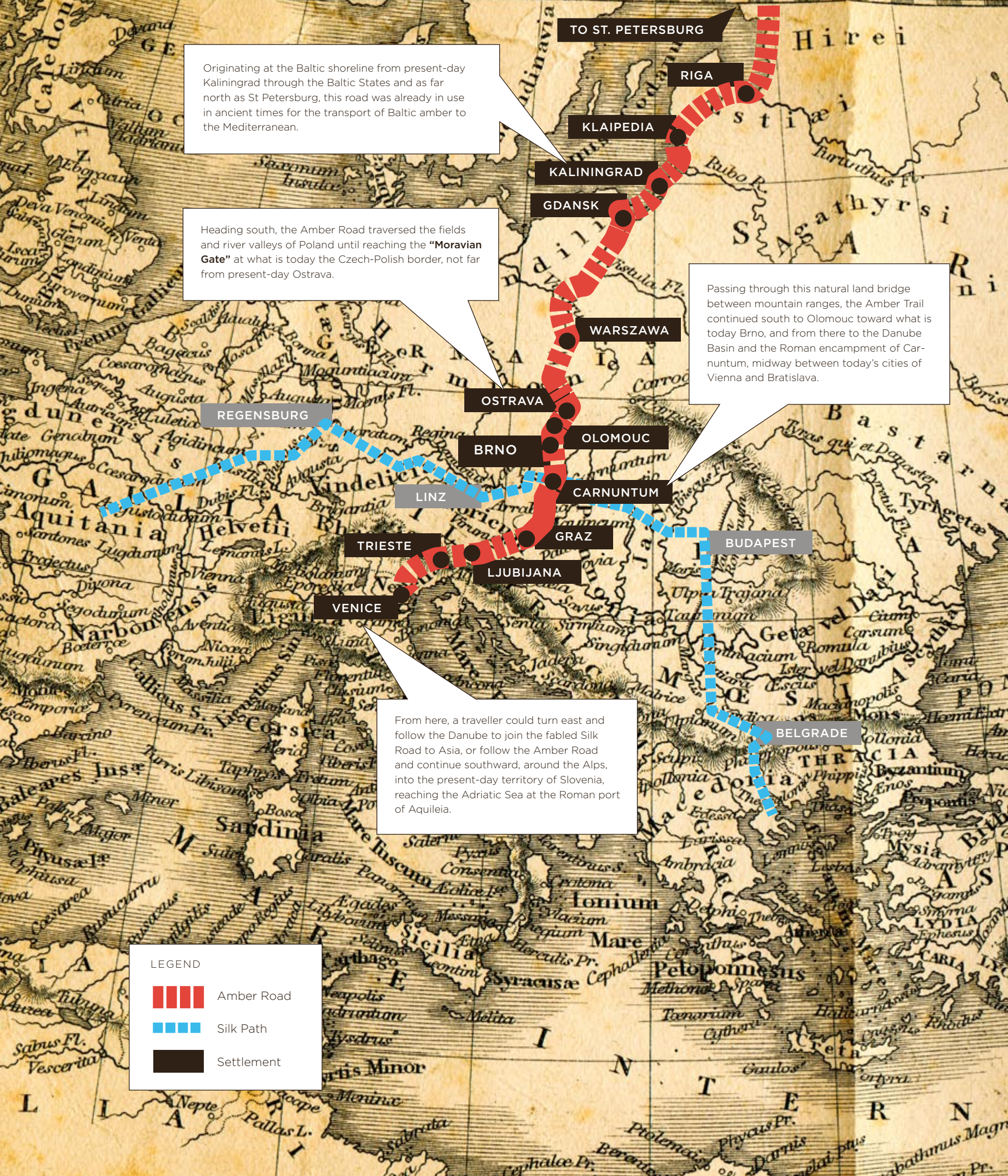
As trade developed, other Amber Roads appeared linking north and south and intersecting in what is today the Czech Republic. Among these is a major link from the North Sea and Hamburg that followed the Elbe River through Germany to Prague and Plzeň and then southward to Rome via the Brenner Pass. This route today is mapped by modern motorways and railways.

It is of course no secret that ancient roads form the bedrock of many of today's major motorways. Still, it is uncanny to compare maps of the ancient Amber Road with maps of Europe's modern road and railway network.

No matter how much they change, some things stay the same.



*Amber is a fossil tree resin appreciated since pre-historic times for its colour and beauty. Archaeological findings have shown that amber was used already for ornamentation in the Neolithic period and Bronze Age. During Roman times, amber was widely used for ornamental objects and highly valued. Trade in amber extended not just to Rome, but from Rome around the world. Baltic Amber has long been popular in Turkey and in countries further east. It has also been found at the Greek temple of Apollo at Delphi, apparently sent there as an offering.*







1 8 2 0 - 1 9 3 9

## *The Wealth of the Nation*

*The combination of abundant resources, excellence in manufacturing, and developed transportation infrastructure—not to mention the intelligence and know-how of the local inhabitants—combined to make the Kingdom of Bohemia and Moravia the most wealthy part of the Austro-Hungarian Empire in the 1800s.*

*During the First Republic (1918–1939), the newly independent state of Czechoslovakia had among the world’s largest and most advanced industrial economies and was a driving force in the economic, scientific and cultural revitalisation of Europe after the First World War*

# THE LOGISTICS REVOLUTION

T H E N . . .

The Industrial Revolution that swept Europe in the 1700–1800s also brought a revolution in the transport of goods and materials. Coal mining, the production of steel and the rapid development of machinery and railroads brought the first “quantum leap” to logistics operations. Not only was the manufacture of goods more efficient, but for the first time large volumes of goods could be moved more quickly than ever before. The modern industrial economy—with all of its complexity—was born. From the start, the territory of today’s Czech Republic has been at the centre of Europe’s rapid industrial growth. The discovery of significant coal deposits around Ostrava in the 1700s, and later elsewhere in the north of the country, placed Bohemia and Moravia at the epicentre of the Austrian Empire’s industrial base. [See pp. 276–333].

Long-established trade routes were laid with rails, and cities such as Ostrava, Brno, Prague and Plzeň—already important cities of commerce and culture—grew rapidly in size and economic stature as European commerce expanded. The rapid rise in industrial growth went hand in hand with the rapid expansion of Europe’s rail network. It’s no coincidence that many of the rails used to link the cities of Europe together were forged at the Vitkovice steel mill in Ostrava.

1 9 3 9 - 1 9 8 9

## *The 40-year Road Block*

*History, however, has a way of changing the narrative. WWII and the Cold War that followed knocked Czechoslovakia from the position she enjoyed during the inter-war years as one of the world’s top-tier economies (had it existed at the time, the country would have been a member of the G-8).*

*In a very real way, roadblocks (and checkpoints) were erected at the crossroads of Europe, tying Europe in a knot. Not only was the Czech Republic cut off from western Europe, but also from her neighbours to the east. An Iron Curtain had fallen across the Amber Road. It took a Velvet Revolution to clear the way.*



1 9 9 0 - 2 0 0 9

## *History Repeating*

*Sometimes history repeats itself—for the better. After 20 years of development—and after a decade that saw truly remarkable and sustained economic growth—the Czech Republic has returned to its rightful position within Europe.*

*After the fall of the Berlin Wall and the collapse of the Iron Curtain, a second wave of borders came down when the Czech Republic (together with Slovakia, Poland, Hungary, and Slovenia) joined the European Union in 2004.*

*Suddenly, the country finds itself in the place where it has always been—standing at the crossroads of the heart of Europe.*

. . . A N D . . . N O W

The logistics business today is a blend of old and new—combining the fundamentals of the past with high-tech, state-of-the-art systems and equipment. Today, a single warehouse can extend far beyond its original definition as a “place to house ones wares”—to serve as a command centre for regional, and often global, supply-chain operations.

Incredibly complex, global chains of supply are now co-ordinated with computer systems that rival those used by the world’s space agencies. Advances in software and automation have made it possible—and now routine—for logistics providers to rapidly locate specific, unique items within a huge warehouse and to deliver them within 24 hours to anywhere in the world.

In Europe, the speed of technological advancement has coincided with the opening up of borders. These two powerful forces have combined to create a “Renaissance” of commerce and investment across the continent and a revival of trade links that had been cut off for more than 40 years. In a very real sense, logistics operators are reviving, and re-inventing, these lines of communication. The economies of eastern Europe are now integrated with economies of the west.





# BACK IN BUSINESS

The transformation of ancient trade routes across central Europe into motorways and modern lines of communication may have been stalled by the upheavals of the 20<sup>th</sup> century, but the process to re-connect these vital links is well underway.

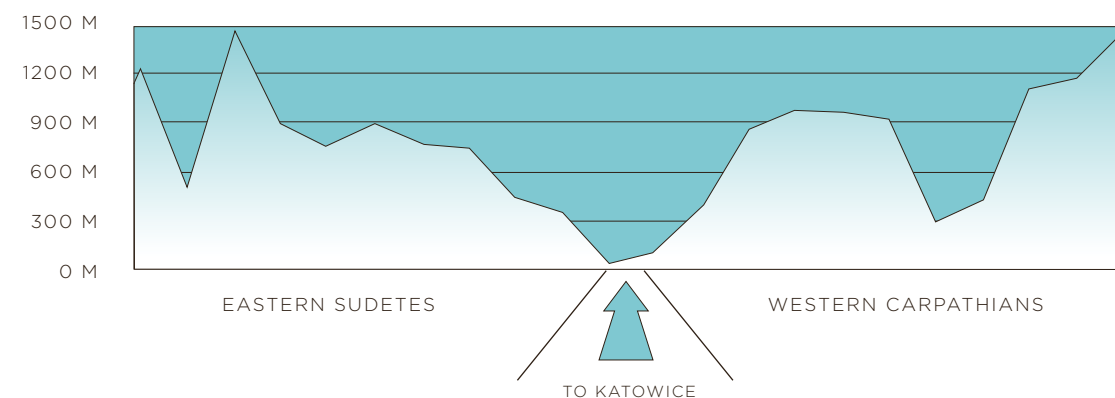
Among all CEE countries, the Czech Republic has always had a more advanced road network, and today the country boasts a total of 55,654 km of roads and motorways (see next spread). Several major motorway extension projects with pan-European significance are currently underway in the Czech Republic and are now nearing completion.

The Czech motorway network underwent a rapid modernisation and expansion programme in the 1990s, which has accelerated since the turn of the millennium and the country's accession to the EU in 2004. The rapid roll-out of modern motorways has led to a corresponding increase in the volume of freight transported by road, which today accounts for more than 75% of total freight volume. Road haulage expressed in tonne-kilometres (tkm) reached 50 billion in 2008.

The Czech Republic has enjoyed significant support from EU structural funds to help it develop its road and rail infrastructure, with some projects receiving as much as 85% of financing from EU sources. This demonstrates the level of importance the EU places on developing the pan-European transit corridors in central Europe.

MODERN MOTORWAYS TRACE THE ANCIENT PATH OF THE AMBER ROAD. THE AREA SOUTH OF BRNO HAS EMERGED AS THE NEW 'SOUTH MORAVIAN GATE' FOR LOGISTICS OPERATORS TO ESTABLISH MAJOR STORAGE AND DISTRIBUTION FACILITIES.

*THE MORAVIAN GATE has been an important natural pass between the Sudetes and the Carpathians since the ancient times. Currently, the highway passes through the Gate, providing a link from Ostrava in the Czech Republic to Katowice in Poland.*



## THE BLUE BANANA

The "Blue Banana" describes Europe's most populous urbanised area, with 90 million people and 60% of the EU's purchasing power. Arching out in a banana-shape from London and south-eastern England to encompass the Benelux countries, Germany, and northern Italy, the Blue Banana also describes the area with the highest motorway density anywhere in the world. The Czech Republic is strategically located at the eastern edge of this mega market, with the D5/E50 motorway from Prague and Plzeň providing direct and rapid access.

## CORRIDOR VI & THE "NEW AMBER ROAD"

The motorway link between Brno and Ostrava is of major significance for the north-south pan-European supply chain. It forms part of the pan-European Corridor VI project, which at completion in 2012 will link Ostrava by motorway to Gdansk and the Baltic Sea via Katowice and Warsaw. The Brno-Ostrava link is a central part of the north-South Baltic-Adriatic corridor, which traces the path of the Amber Road.

## SOUTH MORAVIAN GATE

Major motorways from the four cardinal directions come together in the area around Brno. At the city's "southern gate", two important roads diverge: the E65 motorway to Bratislava and eastward to Budapest along the Danube Basin; and the E461 expressway between Brno and Vienna, which links to the E59 motorway south to Graz and the around the Alps to the Adriatic Sea via Slovenia. The importance of this juncture at the "south Moravian Gate" will only increase as major east-west, pan-European transit corridors from the Black Sea are completed.

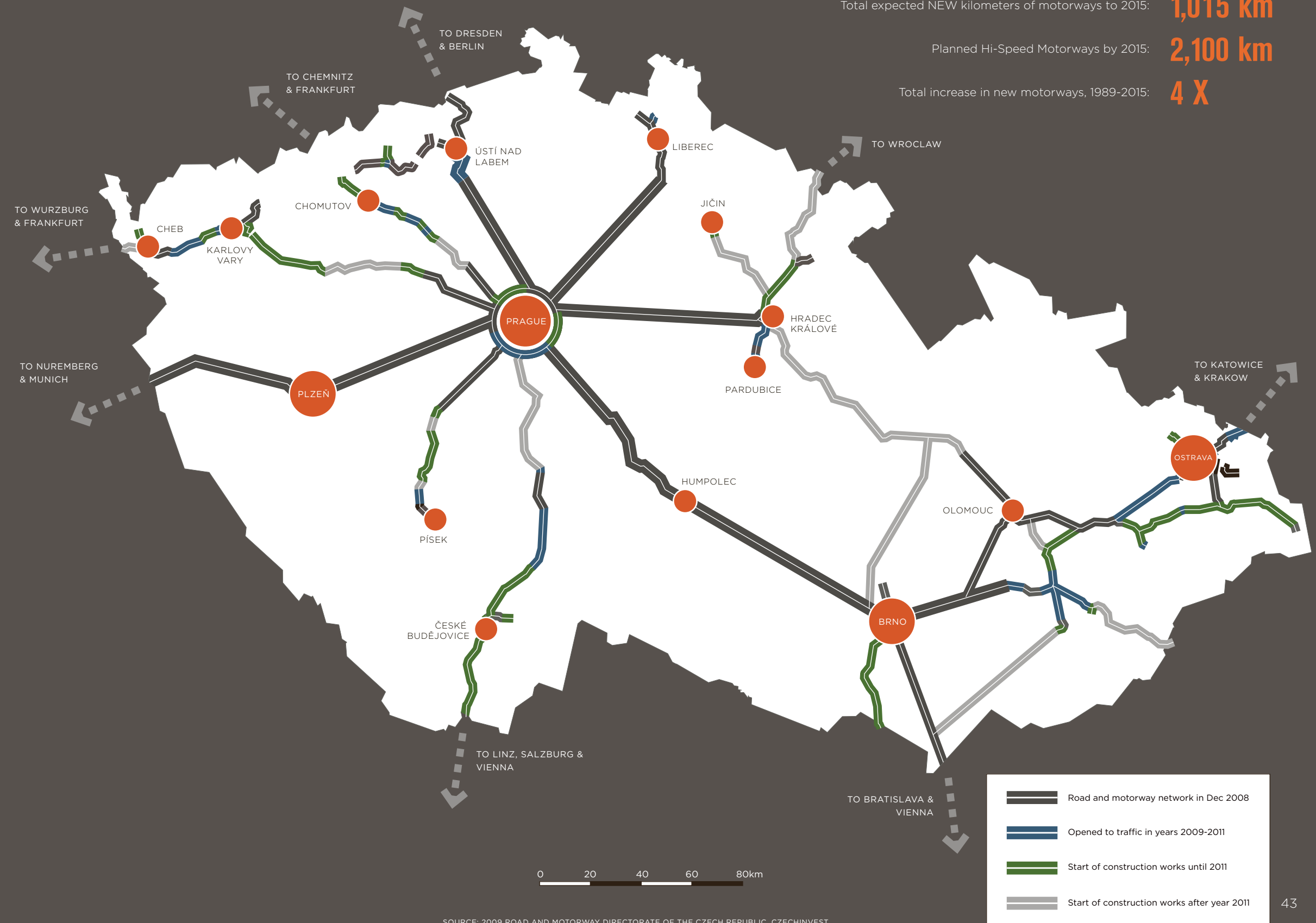
PLANNED &  
EXISTING ROADWAY  
CONSTRUCTION IN CZECH  
REPUBLIC, 2008-2015.

## CLOSING THE DEAL

For logistics suppliers—and business in general—the Czech Republic has embarked upon an enormous amount of infrastructure projects since the 1989 revolution, and intend on increasing the motorway capacity four-fold through 2015. Experts concur that the Czech motorway and high-speed transport backbone will be complete once 2,100 kilometres of such is in service. Today the country is approximately half way there.

With government investment, backed by generous EU cohesion funds and EIB support, the Czech Republic is building roads like no other time in history. Road infrastructure is seen as one of the most significant fields in the ongoing development of the Czech Republic, with total allocations from the Transport Operational Programme expected to exceed CZK70 billion over the years 2007-2015. These are mostly directed at creating greater inter-state connectivity, as well as refurbishing Czech inter city connections neglected under the communist regime, much of it in regional cities and the border lands. One of the largest of all projects is the development of a modern ring-road around Prague, designed to lower congestion in the city, provide easy cross-country access, and improve the quality of life for Prague residents. Projects like this—rerouting major thoroughways out of city centres—are also a high priority in other small towns and cities, aimed at increasing road efficiency as well as safety throughout the country.

Total investment in new roads and motorways through 2015: **70+ bln CZK**  
Total expected NEW kilometers of motorways to 2015: **1,015 km**  
Planned Hi-Speed Motorways by 2015: **2,100 km**  
Total increase in new motorways, 1989-2015: **4 X**







## LOGISTICS AT THE HEART OF THE CTPARK NETWORK

CTP stepped into central Europe in the 1990s, certain that the Czech Republic in particular would quickly regain its vital position within the European trade network. While most early investment in the Czech Republic was targeted toward Prague, CTP took a long-term view and quickly identified the strategic importance of the country's regions, particularly around Plzeň, Brno and Ostrava, as locations for 21<sup>st</sup> century business to grow.

The CTPark Network is now central Europe's largest and most effective integrated network of logistics and business parks, offering companies 32 strategic locations across the Czech Republic and in Slovakia, Romania and Poland. [See pp. 64-91 to learn about the entire CTPark Network].

The Czech Republic is CTP's core market, and for the past several years the company has been the country's undisputed market leader, providing first-class logistics and light-industrial facilities to some of the world's biggest international companies.

While the CTPark Network is home an increasingly diverse range of business activity—including manufacturing and assembly, R&D, test facilities, biotech, and back-office operations—logistics remains its “bread and butter.” Even in difficult economic times, logistics operators continue to expand and streamline their operations.

The list of companies providing logistics operations from the platform of the CTPark Network is long and includes names such as DeVries, Schenker, FujiTrans, Nippon Express, Maurice Ward, and Loxxess, among many others.

As the following pages demonstrate, companies such as Bridgestone (with their logistics partner, Fiege), DHL and ND Logistics have also decided to locate major regional and international supply chain depots within the CTPark Network.

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LOGISTICS FORMS THE  
BACKBONE OF THE  
GLOBAL, 21ST CENTURY  
ECONOMY. IT'S ALSO A  
FOUNDATION OF CTP'S  
CORE BUSINESS, THE  
CTPARK NETWORK

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ABOVE: THE MASTER  
PLAN FOR AWARD  
WINNING CTPARK  
OSTRAVA WAS DESIGNED  
TO ACCOMMODATE  
THE VOLUME AND  
MAGNITUDE OF INTRA-  
EUROPEAN LORRIES  
THAT OUR LOGISTICS  
AND MANUFACTURING  
TENANTS RELY ON



LOGISTICS TENANT CASE STUDY

# ND Logistics

## Picking The Dairy Chain

The relationship between **ND Logistics** and CTP goes back to the beginning. ND Logistics—the logistics division of the French logistics and transport major Norbert Dentressangle Group—is actually CTP's first major logistics tenant, following CTP's acquisition and expansion of warehousing facilities at Divišov, less than 50km south-east from Prague on the D1 motorway to Brno.



SVATOPLUK ÚŘEDNÍČEK, THE COMPANY'S HEAD OF CZECH OPERATIONS

CTP and ND Logistics have grown together, and today, ND Logistics services several important clients at CTPark Divišov, including major supply-chain operations for French yogurt and dairy giant Danone.

### Shared success

CTP and ND Logistics share a success story at CTPark Divišov. ND Logistics originally ran operations at Divišov for French hypermarket operator Carrefour. After Carrefour exited the Czech market in 2004, the local unit of ND Logistics, ably led by **Svatopluk Úředníček**, the company's head of Czech operations, began looking for a replacement client.

"We came to CTP and explained to them the parameters of our operations with Danone, and the requirements for the facility, which must be kept at a constant 5 degrees Celsius"

"After Carrefour exited the market, we had to look fast to find a replacement tenant. The most obvious target for our business was Danone, which operates a major production facility in Benešov, just 17 km away," Mr Úředníček explains. "But even though we had handled logistics for Carrefour, we hadn't really handled foodstuffs requiring chilled warehousing. So it was a first for us, to approach Danone, who at that time was also looking to expand its production and was looking for a new logistics solution."

The proximity and timing fit impeccably. All that was missing was the chilled warehousing. Which is where CTP stepped in. "We came to CTP and explained to them the parameters of our operations with Danone, and the requirements for the facility,," Mr Úředníček explained.

### Chilling out

"We worked with CTP's building managers to design not only the custom-built space for the facility, but also for the very sophisticated cooling system that we operate here. We have really state-of-the-art machinery, which keeps the 5,000m² chilled warehouse for Danone at a constant 5-degree temperature, which is necessary at all times.

"The system includes a complex network of pumps and fans and a back-up system, all regulated electronically and running with the most efficient use of energy. The system is self-regulating and constantly monitors temperatures inside and outside the building. All information about the system is displayed digitally in real-time, and



operators can make adjustments whenever needed. The system is so sophisticated that even if something happens in the middle of the night, the computer that runs everything also calls several telephone numbers, to alert the right people for an immediate response. It is a very high-tech system, and CTP's team made it happen to our expectations."

### Fast, fresh, full-time

The nature of the dairy products business gives the words "just-in-time" heightened meaning, as perishable goods sensitive to sunlight and changes in temperature are unloaded, sorted, processed, and distributed round-the-clock at ND Logistics's Divišov base.

When asked about the scope of their operations, Mr Úředníček remarks that ND Logistics provides several different and complimentary logistics services for Danone at Divišov: "We serve as the main distribution centre for Danone in the Czech Republic. That means, on one hand, that we supply the yogurt and other products made in Benešov to the Czech distribution network, which means direct deliveries to individual stores and to distributors.

CTP AND ND LOGISTICS HAVE GROWN TOGETHER SINCE THE START OF THE MILLENNIUM, AND TODAY ND LOGISTICS SERVICES SEVERAL IMPORTANT CLIENTS AT CTPARK DIVIŠOV, INCLUDING MAJOR SUPPLY-CHAIN OPERATIONS FOR FRENCH YOGURT AND DAIRY GIANT DANONE

"We are set up to service each type of customer, which includes not only major food retailers and food distributors, but also can mean direct delivery to local stores," he continues. "Perishable food like yogurt has a short shelf-life, and so retailers only want the amount on their shelves that they think they will sell. Orders are always coming in, and they are always specific. We are set up to supply short-term orders, which Danone receives from its customer network.

It all sounds fairly complex, and it is. "We have a highly advanced electronic tagging system, so we know instantly when goods coming in are destined for a specific location," Mr Úředníček mentions during a brief (and chilly) tour of ND Logistics warehouse space. "The tag gives us all the information we need to know, including expiration date, destination, and location in the racking system. For some deliveries we do cross-docking, where we unload and re-load shipments quickly. We also manage the timed delivery of shipments of multiple products to one destination. We have a system in place where we can "pick" orders from the racks to make customised deliveries to the largest, and also to the smallest, of end-customers."



TYRES NEXT TIME

When ND Logistics needed a large-scale, state-of-the-art facility for a new client—French tyre maker Michelin—the company’s long-term relationship with CTP made it a natural choice for the two sides to work together again. CTP will complete the new 20,000m<sup>2</sup> facility this year for ND Logistics. It will serve as Michelin’s major regional distribution centre for the delivery of tyres throughout Europe from CTPark Pohofelice, just south of Brno. As part of the customised fit-out, CTP built a specialised fire retardant system to meet Michelin’s super-high standards for fire safety.



The speed and volume of so many specific orders has meant a close working relationship between ND Logistics and Danone. The two companies are in daily communication, and a Danone supervisor sits at CTPark Divišov to help make sure the complex system runs smoothly.

Growing with the client

As the relationship between ND Logistics and Danone continued, and as Danone’s business continued to expand, ND Logistics hub at CTPark Divišov began to take on increasing importance within Danone’s wider regional network. As Mr Úředníček explains: “At the beginning, we were focused mostly on servicing the Czech market, but as over time, we started to take on an expanded role within Danone’s pan-European supply chain.”

“Today, we are supplying production from Danone’s Benešov plant to other European distribution centres, and we also receive dairy products from Danone production sites in other European jurisdictions such as Poland.”

‘WE WORKED WITH CTP’S BUILDING MANAGERS TO DESIGN NOT ONLY THE CUSTOM-BUILT SPACE FOR THE FACILITY, BUT ALSO FOR THE VERY SOPHISTICATED COOLING SYSTEM THAT WE OPERATE HERE’

“Our experience in the Czech Republic working with Danone has been a success, so much so that now the two companies are negotiating co-operation in other parts of Europe,” Mr Úředníček explained. “ND Logistics had never worked before with Danone, and we are proud that the co-operation has started here in the Czech Republic.”

When asked about business now in the context of the economic downturn, Mr Úředníček acknowledged that in some areas there has been a slow down. But the business with Danone continues to do well. “After all,” he says with a smile, “even in a crisis, people need to eat.”





LOGISTICS TENANT CASE STUDY

# Bridgestone

## Driving the Logistics Triangle

A few years ago, the European unit of the world's number one tyre producer, **Bridgestone**, made the strategic decision to invest in central and eastern Europe.

Seeking competitive advantages of cost and proximity to core markets, Bridgestone Europe launched new production plants in the CEE region. The first, which opened near Poznan in Poland in 2000, marked Bridgestone's first new production plant since 1965. Another plant- the company's seventh production facility in Europe- opened in Tatabanya, Hungary in 2006. Nearly fully automated, the Tatabanya plant is one of the most advanced tyre making facilities in the world.



### That's outside the box

Hand in hand with their new production strategy, Bridgestone unveiled an innovative, dual-level logistics architecture to streamline the complexity of its supply chain management, improve delivery times, and lower costs.

Taking advantage of the expansion of the European Union in 2004, which greatly simplified the movement of goods between Member States, Bridgestone decided to replace its traditional system of national warehousing and transport with a more modern, pan-European arrangement.

The company created a three-pronged "logistics triangle" anchored by three massive European Logistics Centres (ELCs) strategically located in Spain (near Madrid), Belgium (at the Zeebrugge port at Bruges on the North Sea), and at CTPark Bor, in the Plzeň region of the Czech Republic.

The three ELCs are designed to house Bridgestone's full product line, including tyres produced at the company's production sites in Europe as well as from Japan and the United States. Among their functions, the three ELCs service Bridgestone's network of Regional Distribution Centres (RDCs), which in turn make deliveries to end-customers. In this way, the company's total European inventory is under central ownership and control. In addition to servicing the network of RDCs, the three ELCs exchange goods among each other and export European production outside the EU. The system went into operation in 2005 and has proven to be highly successful.

For Bridgestone, the system makes perfect sense: it enables them to regulate the allocation of goods to market and builds in flexibility to locate stock and deliver specific orders on demand, anywhere in Europe, within 24 hours.

### Fiege enters the equation

To implement their new strategy in central and eastern Europe, Bridgestone turned to logistics and supply-chain specialists Fiege—already their long-term partner since 1978—to form a unique logistics relationship.

Under their agreement, Fiege operates Bridgestone's European Logistics Centre at CTPark Bor and is the main logistics provider responsible for the CEE region.

Unique in Bridgestone's pan-European system, Fiege also makes cross-border deliveries to RDCs and even directly to dealerships in parts of eastern Germany, because of the close proximity of CTPark Bor to these areas.

As **Jiří Provalil**, Bridgestone's manager of operations at the ELC in Bor, explains: "It just makes sense. Deliveries to dealers in the eastern parts of Germany, particularly around Nuremburg, are much faster from Bor than from a warehouse near Stuttgart."

### Third star in Bridgestone's logistic triangle

After forming their partnership, Bridgestone and Fiege got down to the business of finding the location for the new ELC, which after the mega-warehouses in Belgium and Spain, would become the eastern point of their three-pointed ELC distribution network.



'EVENTUALLY, WE DECIDED ON THE CZECH REPUBLIC, AND ONE MAIN REASON IS BECAUSE OF THE COUNTRY'S POSITION AT THE CENTRE OF EUROPE'

"The Czech Republic was at the top of the list, but we also looked at other countries in the region," Mr Provalil explains. "Eventually, we decided on the Czech Republic, and one main reason is because of the country's position at the centre of Europe."

"When we started to look specifically at the Czech Republic, of course we met CTP, who was already in 2005 the market leader for logistics facilities to suit the size and scope of operations," recalls **René Niklas**, Fiege's site manager for operations at Bor and across the Czech Republic.







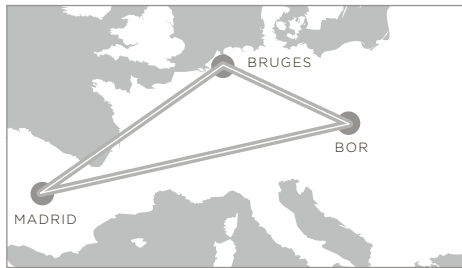


According to Mr Provalil, after looking at various locations, Bor was chosen for its “obvious benefits of location on the motorway directly to Germany. But on top of that was the fact that CTP had the land available, with the infrastructure in place, and the ability to build quickly and to our specifications. And so for all these reasons, CTPark Bor was selected as the final location.”

“Bor is not only close to our main markets in western Europe, its also gives Bridgestone a natural springboard for all central and east European markets,” Mr Provalil continues. “Fiege’s task is to manage and operate deliveries to all RDCs in central and eastern Europe from the Bor hub.”

Fiege brings many years of logistics experience to the task. Together with Bridgestone, Fiege has developed a highly sophisticated, and highly effective, labelling and management system to keep track of literally each of the 1.1 million-tyres that can be housed at the Bor ELC.

### Scope of operations



Walking through Bridgestone’s massive 70,000m<sup>2</sup> facility is an eye-opening experience: It’s not likely that any first-time visitor will have ever seen so many tyres in one place at one time. Seemingly end-less rows of brightly blue painted metal racks filled end-to-end with the brand-new black of tyres tower ten metres overhead toward the massive ceiling. Customised, battery-charged forklifts zip through the aisles—which seem more like canyons—of tyres, their drivers led to the right spot by an on-board computerised coding system. Above the swift efficiency of work, diffused natural light filters down from the skylights, creating a surprisingly peaceful ambient environment,

especially considering that it is one of the largest facilities of its kind anywhere in Europe. Men in the distance work in teams to load and unload lorries with the speed of a formula one racing team.

“The level of precision within the Bor ELC is such, that we can deliver any one, specific tyre to anywhere in Europe within 24 hours from this room,” Mr Niklas explains, pointing down yet another, 1,000-meter-long aisle of tyres. “We constantly monitor stock flows in all directions, to make sure we make good on the promise of just-in-time deliveries.” When asked if he ever got lost inside the warehouse, he confided “To me personally, no, it hasn’t happened. But it has happened that new workers can get a bit disoriented walking around. Almost no one has ever worked in such a large facility until they start working here.”

CTP delivered the first phase of Bridgestone’s ELC at CTPark Bor—a main hall of 54,000m<sup>2</sup>—in September 2006, with a rapid turnover time of only seven months to meet the client’s timetable. In May 2007, based on the success of the Bor ELC and Bridgestone’s expanding business, CTP was asked to deliver an additional 16,000m<sup>2</sup>, which was completed in 2008.

Bridgestone’s ELC employs around 100 people and handles over 2,000 different inventory items, including passenger tyres, tyres for lorries, buses, motorcycles, and enormous treaded tyres for tractors and other agricultural machinery. One tyre can weigh as much as one tonne!

However, there is one item missing from the warehouse’s massive inventory list. When asked if we could see where Bridgestone’s world-famous F1 tyres are kept, Mr Provalil smiled, shrugged his shoulders, and apologised: “Unfortunately, I cannot show you. F1 tyres are made only in Japan, and they are really top secret. They are flown in for each specific F1 race and then immediately after the competition are flown back to Japan for analysis. We handle most things here in Bor, but we don’t yet handle that.”

PREVIOUS PAGE AND LEFT: JIŘÍ AND RENÉ CHECK THE TREADS OF VARIOUS TIRES TO DETERMINE THE DIFFERENCES BETWEEN THE HUNDREDS—MAYBE THOUSANDS—OF TYRE MODELS HOUSED IN THE ENORMOUS FACILITY



## LOGISTICS TENANT CASE STUDY

# DHL

## Partners in Pohořelice

DHL's Supply Chain division is the world's largest contract logistics provider, active in more than 60 countries and territories. We sat down with **Atila Kerekes**, DHL Supply Chain's Country Operations Director for the Czech Republic, to find out more about the company's operations and its strategic partnership with CTP.



'The size of our partner is important, because that gives us flexibility. I don't mean size in terms of revenues, but in terms of how many sites does CTP have available, at different locations and also within one location?'

'THE CZECH REPUBLIC IS RIGHT NOW AT THE LEADER FOR US IN THE REGION, WHICH ALSO INCLUDES MUCH LARGER MARKETS LIKE POLAND AND RUSSIA'

In fact, the Czech Republic is at the moment the biggest country in the CEE region in terms of revenue for DHL. In 2008, DHL in the Czech Republic generated revenues of over €100m, and with that we became the biggest country in the region in terms of revenues, and the first to generate revenue over €100m. Slovakia is also a strong market for us, but the Czech Republic is right now at the leader for us in the region, which also includes much larger markets like Poland and Russia.

Can you give us any details of the kind of operations your clients run from here? Did CTP customise these buildings for DHL?

For each of our clients at Pohořelice we developed customised solutions for the warehouse facility, together with CTP. For example, for Leder & Shuh, CTP installed a very special automated racking system and conveyor belt. It is a very unique operation, designed specifically for the client. Using this system, we can literally pick a specific shoe model and size and deliver it usually within 24 hours to a store in Germany, for example, based on a specific request.

Similarly, for Marks & Spencers, we have also developed a specialised racking system, which is actually like a gigantic wardrobe—each individual garment is hung di-

What can you tell us about DHL Supply Chain's activities in the Czech Republic?

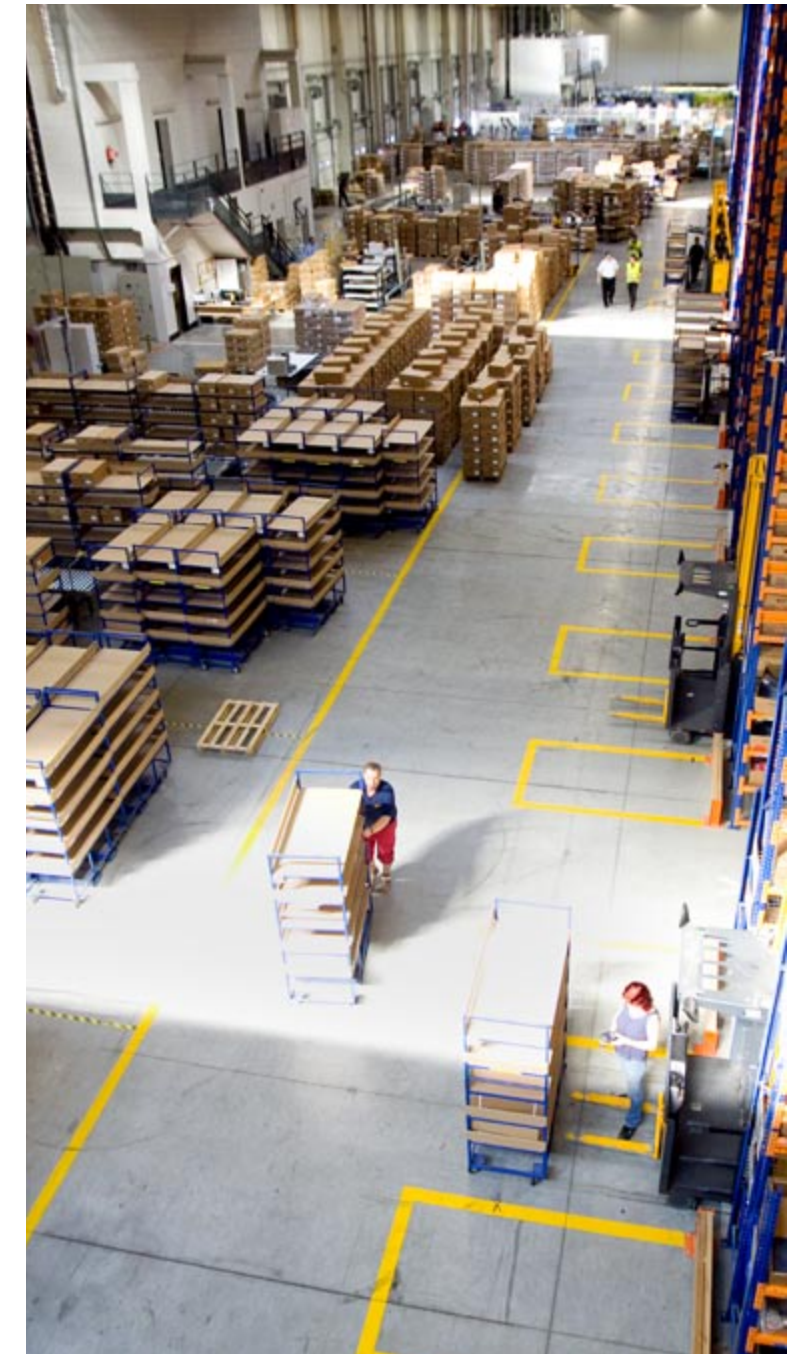
Currently, in the Czech Republic, DHL Supply Chain operates at ten locations, with warehouses totalling over 225,000m². We operate mainly out of two principle locations, in Pohořelice in the Brno region, where we co-operate with CTP, and we also have several warehouses in the Prague region. We employ around 1,700–2,000 people in the country, depending on peak seasons.

In Pohořelice, we have two large buildings with CTP, totalling 30,000m². These facilities service three major retail clients: Leder & Shuh, Marks & Spencer, and Levi's.

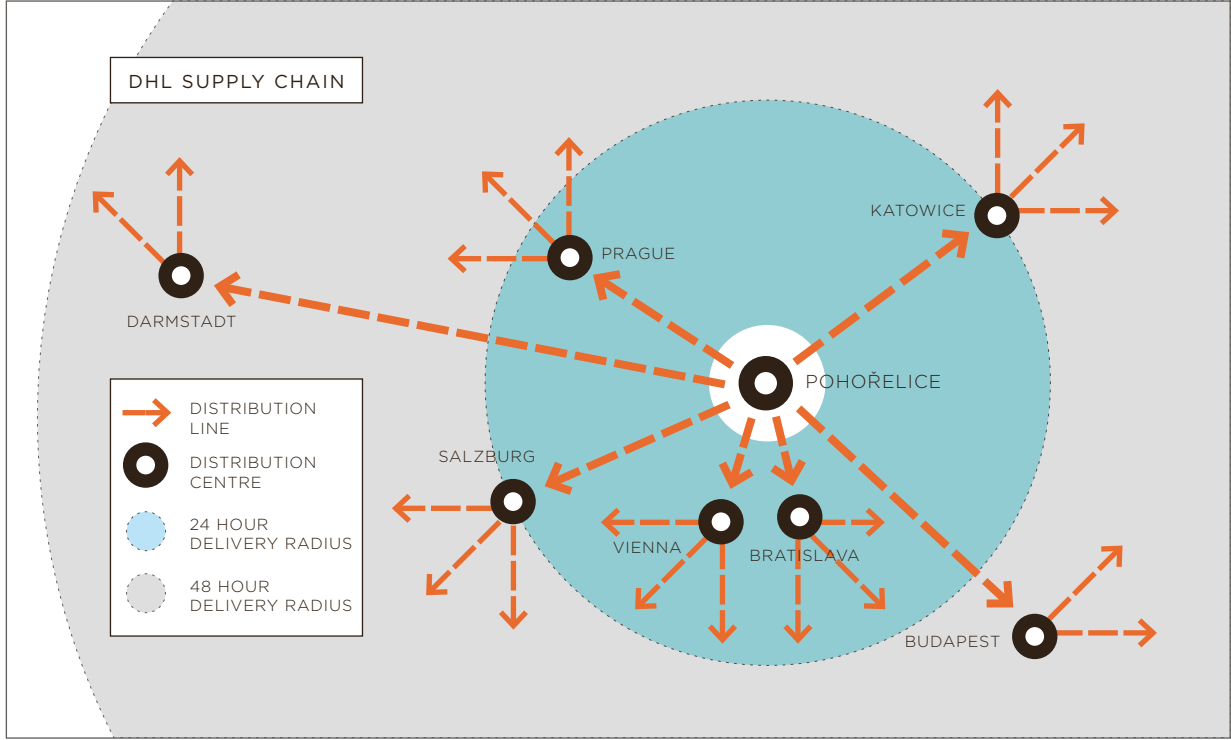
Are these the central distribution points for these companies for the Czech Republic?

No. All three companies operate regional distribution centres from Pohořelice: they not only serve the Czech Republic, but also other countries in the region, including Slovakia, Austria, Poland, Germany and Hungary.

Actually, none of our clients' businesses are focused solely on the Czech Republic. Almost exclusively, these regional distribution centres serve the entire CEE region, which can include the Baltics, the Balkans and CIS countries, as well as western markets. We also service global distribution centres, like for Lego, our largest client in the Czech Republic. This is why for DHL, the Czech Republic is extremely important.







rectly onto the racking system, and we pick and deliver the garments to the stores already on a hanger, so that when they receive them, they can hang them directly on the racks at their stores. Using this system, which CTP installed for us, 99.9% of everything that needs to be, arrives at the store already hanged.

Levi's also operates from CTPark Pohořelice, and again we have a different, custom-made solution for them. For Levi's, garments are boxed and labelled with special coding technology, which makes it more efficient for deliveries to the stores. And again, CTP customised the warehouse for us and installed all the specialised machinery.

**Can you tell us more about the process of developing these customised solutions?**

For example, a client comes with a request, either for a specific location, or for our recommendation as to the best location for them. We check with CTP to see if there is a matching space available, or if it requires a new facility. Once the decision is made, the local teams at DHL

and CTP work together to design the facility. CTP's building managers bring a level of expertise that, quite frankly, we do not have 'in house.' And this is quite productive, because CTP and DHL can talk directly at both senior as well as at very technical levels, and that is a benefit for both companies

There is a quite a bit of design behind every new facility. For example, if you want to decide where to place your battery re-charging stations for fork-lifts, that is a half-day discussion. But if you don't discuss it, and you only realise when the building is ready, then it becomes a big cost to install it afterwards, and a lot of time lost. Of course, everyone is trying to keep investments down, and so if we work closely with CTP then we don't run into these kinds of problems.

Over time, the two companies learn from each other. And so I would say that the our relationship is stronger, and the job is easier. For example, when you design a new warehouse, there is a certain check-list that both companies are looking at. If one of us would forget something, the other would immediately catch it.

**So for DHL, CTP is a strategic partner?**

Absolutely. DHL views CTP as a strategic partner—definitely in the Czech Republic, and also for the wider region as well. And I am sure that when there is talk about a new development in the region outside of the Czech Republic, I am sure that CTP is on the list of options that our property team is looking at.

In general, what is most important for any logistics operation is for the three parties to work together—DHL, our client, and the developer, CTP. Basically, what we are searching for is a 'back-to-back' deal with our strategic partners, so that we have similar conditions everywhere. That means that if the customer is asking for a five-year deal, with a three-year break option allowing them to walk away, we are probably going to ask the same from CTP. This 'back-to-back' arrangement is key component of any strategic partnership. And so the decision to work together is made based on availability of a facility, on the relationship itself, and also with flexibility for the future.

I should also stop here and say that DHL's basic strategy is that we do not want to own properties, and instead we develop strategic relationships with developers, like CTP. CTP is one of only two developers with whom we work with in the Czech Republic. We are not looking for one-off solutions, but for a strategic partner.

Also, the size of our partner is important, because that gives us flexibility. I don't mean size in terms of revenues, but in terms of how much space CTP has available at different locations or at a particular location?

**Can you give us some examples of what you mean by flexibility?**

Flexibility with a strategic partner, for example, can mean coverage for peak seasons. Many of our clients have peak seasons, and for example might require an additional 10,000m<sup>2</sup>, for only a few months of the year. If the developer has available space at a location, it allows us to cover the larger volume of peak seasons. And this of course is very important.

A strategic partnership can also mean that we can finish a 5-year lease agreement that started in Plzeň at a facility in Ostrava—which may happen if we have a client that requires such a 'floating' lease.









## 'THE IMPORTANCE OF THE BRNO REGION AND THE CZECH REPUBLIC AS A WHOLE FOR DHL WILL ONLY GROW IN THE FUTURE'

As we speak, one of our clients is looking at a quite significant expansion—basically to double their existing volume. We are talking with CTP about expanding the client's existing area, or maybe by moving the client from one space to another. And this is exactly what I am talking about. With CTP, we can do this.

### Why is the South Moravia region so important?

In South Moravia, we house our main operations at CTPark Pohořelice. It gives our staff and our people a centre of gravity and stability. It also provides efficiency for DHL, as we can utilise people at one warehouse or another, depending on the needs.

South Moravia is growing rapidly. A few years ago, logistics activity in the Czech Republic centred around Prague. But then, something changed, and clients began considering locations in Moravia, in Brno and in Ostrava. There are several reasons for this. One of them is because Moravia is closer to the eastern parts of Europe: Slovakia, Poland, the Balkans. And it has good road connections.

So we have seen a big increase in interest in Moravia, both north and south, in the last couple of years. In the past, I had to work to convince clients to consider Moravia, because it is a long-term strategic location. And this is precisely the area we are interested in—Pohořelice, and in general the area around Brno. CTP was spot on target with its developments in southern Moravia, as this is really a strategic area for DHL as well as for other companies because of its location, the motorway

infrastructure—and because of the facilities that CTP can provide. I think the importance of the Brno region and the Czech Republic as a whole for DHL will only grow in the future. DHL's senior management is committed to growing the business in the Czech Republic from year to year. In Europe, we expect the Czech Republic to be one of the fastest growing areas for the near future.

Even now, in the downturn, there is still huge demand for logistics facilities in the area. The area's strategic position did not change, what changed is the market. Two of our buildings with CTP at Pohořelice were recently finished, and we are already talking about expanding our existing facilities. I am not aware of any other bigger company at the moment that is building in the Brno region big warehouses except CTP.

### One last question—which we feel we must ask. How is DHL experiencing the economic downturn?

Of course we feel the downturn. It is clearly the case that there are companies that are thinking about postponing some of their plans. Also our existing clients, some of them might need to reduce space or resources. Lower volumes can also mean financial impacts in certain contracts. The crisis is also limiting our flexibility, because it is not just our clients who are getting more cautious, but also our partners. I do not believe that this is a problem with CTP, because CTP was able to start developments in areas where no one else is developing at the moment.

PREVIOUS PAGE:  
ATTILA DESCRIBES THE FACILITY'S CUSTOM-BUILT FLOORING, CONVEYOR BELT AND RACKING SYSTEM

RIGHT:  
A DHL EMPLOYEE DEMONSTRATES HOW SPECIFIC ITEMS ARE LOCATED IN THE SPRAWLING HIGH TECH FACILITY







# CTPark

NETWORK

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# It All Starts Here

## Our Core Business

The **CTPark Network** is an award-winning system of business parks designed to accommodate companies looking to take advantage of the numerous benefits offered by the emerging region of central and eastern Europe (CEE).



To maintain the high level of service business requires, the CTP team has grown as well and now numbers over

# 100

HIGHLY TRAINED PROFESSIONALS



# 32

PARKS ACROSS THE NETWORK

## FULL SERVICE CONSTRUCTION

CTP is a full service construction company, a distinction that sets us apart from other developers. As owners and operators of the property we develop, we are committed to constructing superior-quality, built-to-last facilities.



# 24

# 7

Dedicated, on-site park managers ensure that client needs are met on a consistent and dependable basis and that communication channels are always open.

## www.ctpark.eu

Our new website, launched in January of 2009, features an advanced **Property Locator & Location Finder** and **Space Immediately Available page** that makes it easier to look for and find available space anywhere in the entire CTPark Network.



5

DEVELOPMENT  
TYPES

**THE CTPARK NETWORK** is designed to accommodate any business operation. The master plan of each park includes our unique developments— Flexi-Space buildings, warehouse facilities, AXIS Office Parks, and CTBox developments— all built to A-class standards, modifiable according to the specific requirements of each client, and available for immediate move-in.

1

Flexi-Space

1,150–3,000 m<sup>2</sup>

2

Warehouse

3,000–30,000 m<sup>2</sup>

3

Custom-Built

to specification

4

CTBox

450–800 m<sup>2</sup>

5

AXIS Office Park

194–2,550 m<sup>2</sup>

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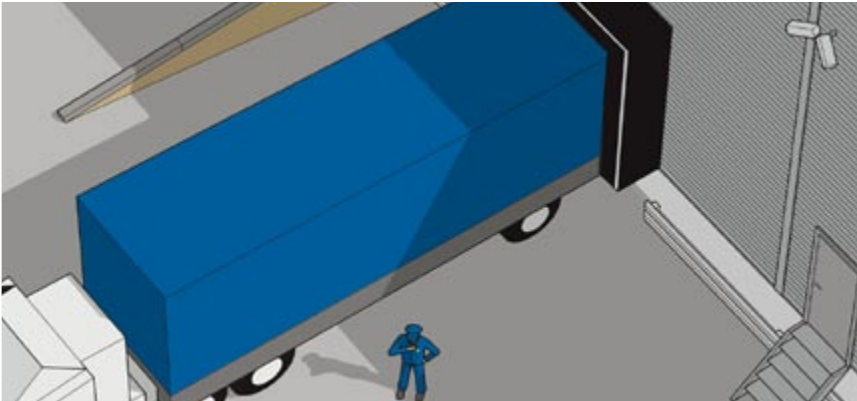


DEVELOPMENT  
**TYPE | 1 | Flexi-Space**

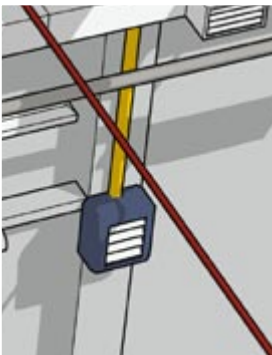
**Flexi-Space** buildings represent an ideal solution for clients seeking highly efficient, smaller- scale facilities while keeping an eye towards expansion. Pre-built throughout the CTPark Network, Flexi-Space building offer units that range in size from 1,150 to 3,000m<sup>2</sup>, and are designed to house a variety of operations: logistics, light industrial, call centres, repair centres, laboratory and test facilities, as well as quality control and R&D centres.

**For clients** that seek to start up quickly while their customised facilities are being built or that seek the advantages of short-term lease agreements, Flexi-Space buildings are a perfect fit.

Benefits of the CTPark Flexi-Space:



Ramp access



Efficiently heated and ventilated industrial area, with heavy floor-load capacity



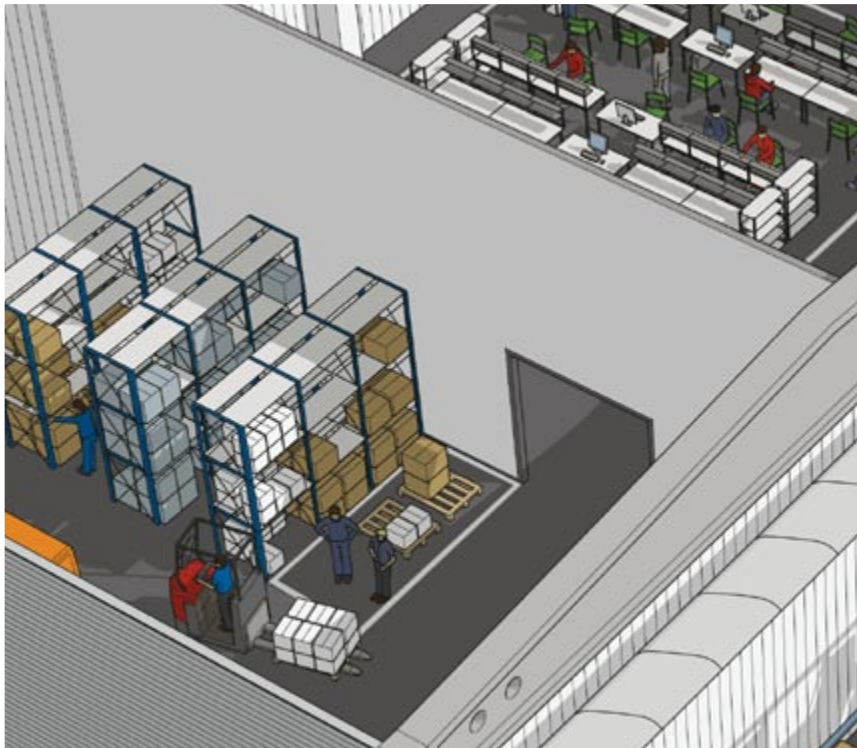
Fully air-conditioned A-class office overlooks manufacturing process

**Flexi-Space** buildings are ideal facilities for suppliers and sub-contracts seeking to achieve proximity to their major clients. Many of our tenants utilise Flexi-Space units to set up strategic supply chains, enabling just-in-time delivery solutions.

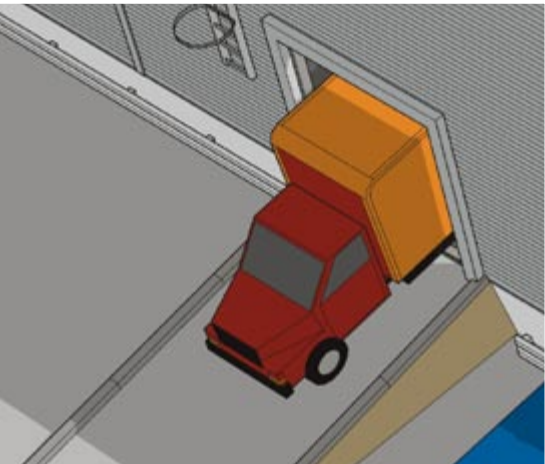


Employee day room and lockers

**The unique, modular design** allows clients to personalize their space by adding partitions, offices, or laboratory and research areas.



Easy to partition into function-specific spaces



Dock levellers permit same-level loading for drive-in access

**19**  
BUILDINGS

**18**  
SELECTED  
CLIENTS

Acer • ModusLink • Exova • Darfon • UPS • GoodYear • Grupo Antolin  
• Coca Cola • Maehler and Kaege • RR Donelly • Wistron • HP Pelzer  
• BSC • Alfa Computers • Thyssen • PKZ Hellmann • HSF • Portola • Hope Global

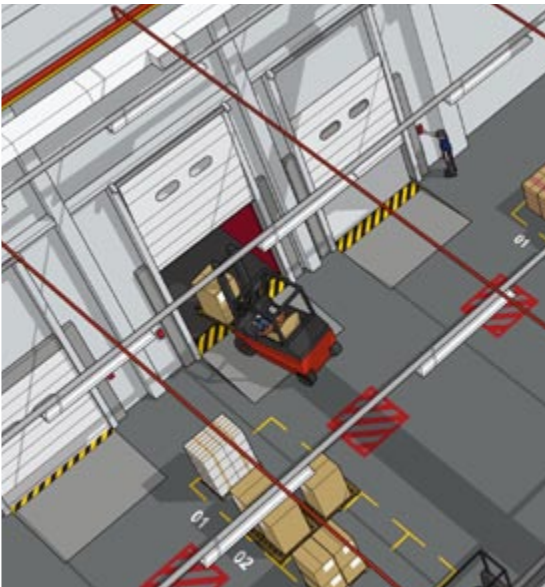




DEVELOPMENT  
**TYPE | 2 | Warehouse**

We build and maintain high-quality **warehouse space** across the CTPark Network to provide for the full range of storage and distribution needs. With wide availability, clients can find suitable warehouse facilities to fit their location requirements, with the added advantage of immediate move-in. Our clients are secure in the knowledge that all warehouse facilities in the CTPark Network are constructed with expertise and attention to detail, producing storage and distribution conditions exceeding industry standards.

Benefits of the **CTPark Warehouse:**

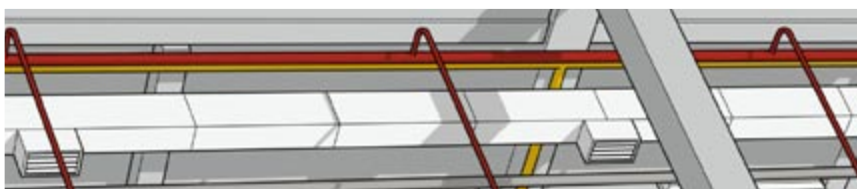


Dock levellers and loading ramps

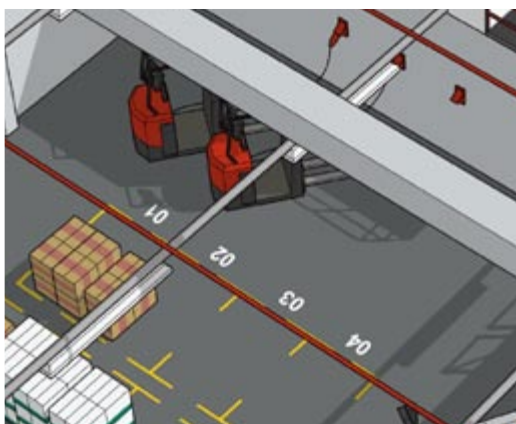
**All pre-built units** are constructed with 10.5 m usable height, heavy-load floors handling 5 ton / m<sup>2</sup>, above standard roofing, multiple doors and dock levellers, full sprinkler systems, and a perimeter fence yard. A car park at the front of the buildings provides convenient access for visitors and employees, while separating personal vehicles from large trucks and heavy machinery.

CTPark warehouse buildings also contain a unique in-built office system, with efficient lockers and showers dedicated to ground floor personnel, office space for operational management, and representative offices for visitors. In addition, separated shower and rest facilities provide truck drivers with an area in which to rejuvenate.

**Our on-stock** warehouse buildings range from 3,000m<sup>2</sup> to 30,000m<sup>2</sup>. For clients with larger space requirements, we design and build customised facilities.

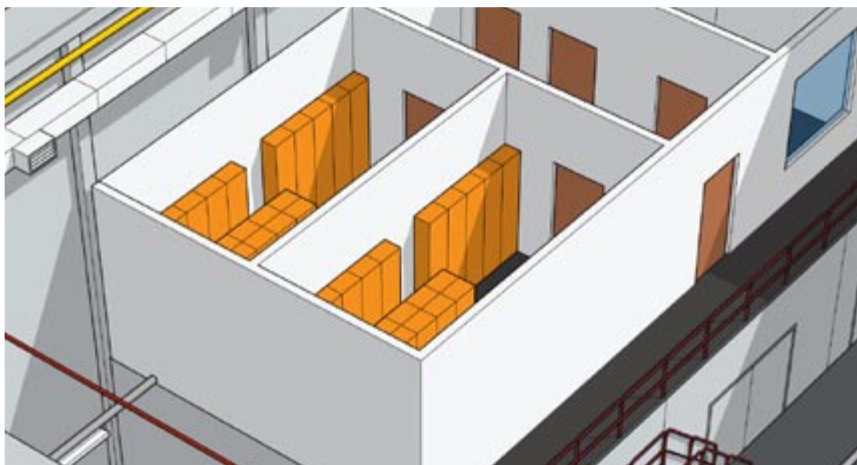


Built-in heating system, light fittings and sprinkler system



Battery-charging infrastructure for forklifts

**Of course**, in order to best satisfy the needs of our individual clients, some aspects of the warehouse fit-out—such as crane-ways, racking and refrigeration systems, as well as hazardous material storage solutions—are customisable prior to move-in.

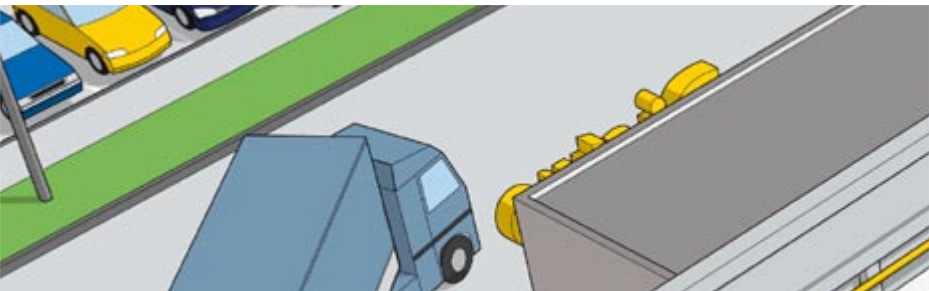


Floor-employee day-room with lockers



Office space for management

**The CTP team** designed this office system in response to client needs, creating an ideal solution for keeping personnel facilities centralized, but traffic-free. The in-built units can also be adjusted and extended to accommodate specific tenant requests.



Separated shower and rest facilities for delivery drivers.

**22** BUILDINGS

**21** SELECTED CLIENTS

DHL • Schenker • UPS • Nippon Express • Gebrueder Weiss • Lagermax • Logwin • TNT • Dachser • ESA • Maurice Ward • Loxxess • PST • ND Logistics • C.S. Cargo • Rhenus • Cargo Partner • Kuehne Nagel • Nunner • Ewals • Maersk





DEVELOPMENT  
TYPE

3

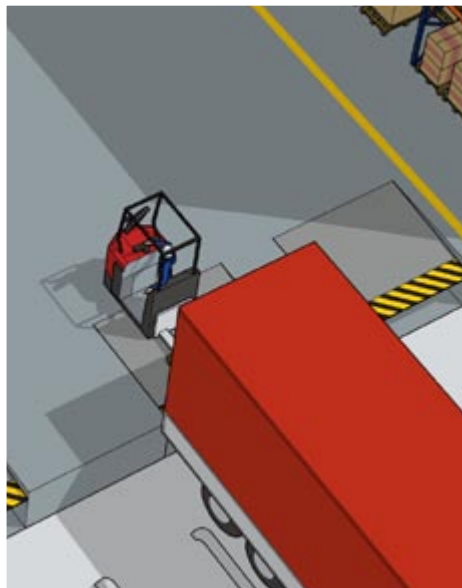
Custom-Built

For clients that require **customised development solutions**, CTP is a strong, committed and hands-on partner. We understand that every business has unique operations, and we are dedicated to working with our clients in order to identify those needs, and to plan customised facilities that allow for maximum effectiveness.

Sample features of **custom-built** facilities:

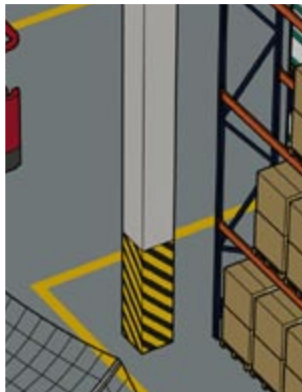


Customised high-tech assembly lines



Computerised state-of-the-art racking systems

**By working with CTP**, our clients gain the security of a strong financial partner capable of providing flexible lease arrangements to meet business needs. Our financial strength and experience allow us to offer customised leasing arrangements for equipment and specialised machinery. For off-balance-sheet business models requiring the operational leasing of production, logistics, and office facilities, businesses can reap significant tax advantages under Czech and international accounting rules. In addition, our flexible lease agreements guarantee our clients the “right-to-grow” at any time and the freedom to occupy space at multiple sites throughout the CTPark Network.



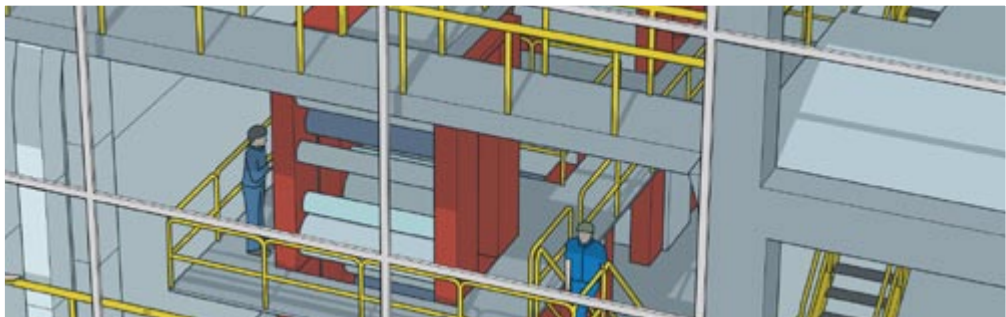
Above-standard safety features for specialised applications



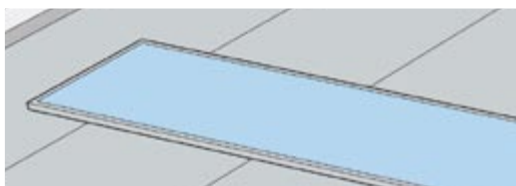
35,000m² of space without a single partition wall

50  
BUILDINGS

**Our commitment** is unique, and we recognize the importance of flexibility and attention to detail. Our in-house designers travel extensively to study the existing facilities and processes of our clients in order to design new facilities for maximum efficiency gains, and to specify fit-outs incorporating the most modern technologies. We keep adjacent land available and prepared, so that when our clients’ business grows, our construction team can expand the facilities without operational disruptions.



Variable ceiling heights designed to accommodate specialised machinery or optimise energy efficiency



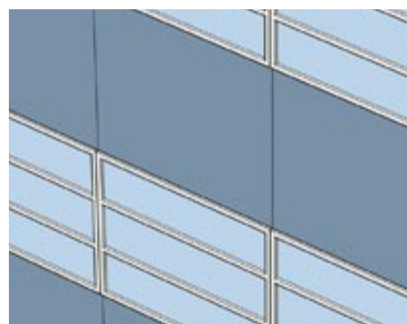
Natural lighting is an energy saving option for companies running day operations



In-built concrete tables to provide extreme floor-load capacity.



Internal fit-outs built to suit specialised machinery and workflow processes



Specialised facades

27  
SELECTED  
CLIENTS

TechData • ArjoWiggins • Sumitomo • Wavin • Andrew • CCI • IMI Norgren • Valeo • ITT • Kompan • Danaher • Frankische • CTS • ABB • Rossignol • BJS • Elba • Merisant • American Safety Razor Company • Mergon • GreneKramp • Qisda • Eaton • Michelin • Bridgestone • MCB • Oerlikon



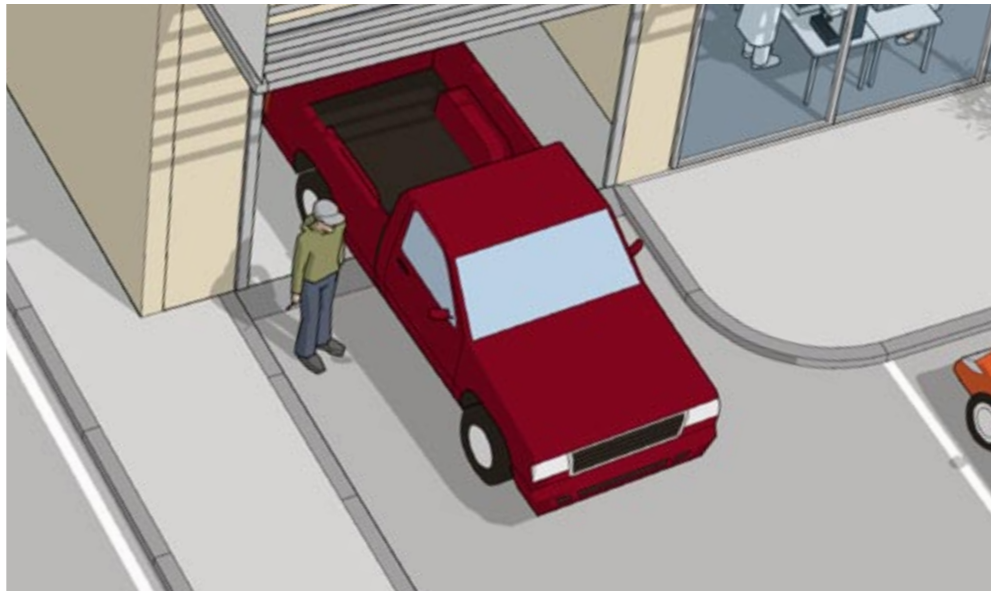


DEVELOPMENT  
**TYPE 4 | CTBox**

**CTBox** is a unique, purpose-built, two-storey unit containing office facilities, retail space and light-industrial space suitable for repair, warehouse or manufacturing activities. The CTBox units are available in sizes of 450m<sup>2</sup> and 800m<sup>2</sup>. Strategically located with direct access to large urban populations, CTBoxes are ideal for creating a network of customer service centres. Companies can locate themselves close to customers, and create a valuable network of multi-use outlets that can provide a combination of repair, service and sales.

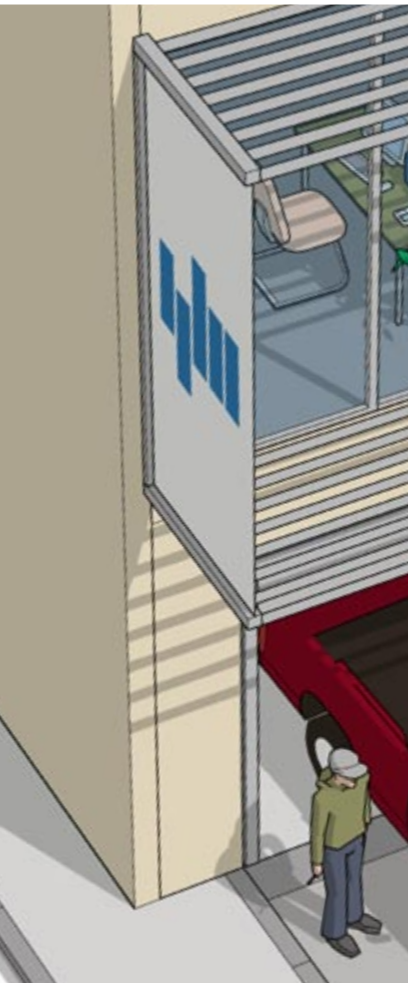
**Each CTBox** consists of 90 m<sup>2</sup> of representative office space, equipped with high-speed data and telephone connections as well as internal windows that allow oversight of activities on the shop floor. CTBoxes also provide 30–60 m<sup>2</sup> of showroom facilities featuring large store-front windows.

Benefits of the **CTBox**:

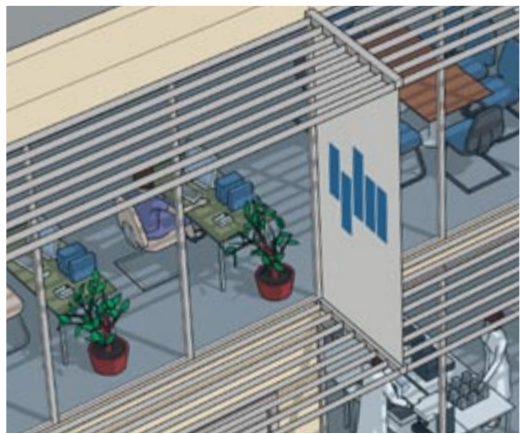


Overhead garage doors provide drive-in warehouse access

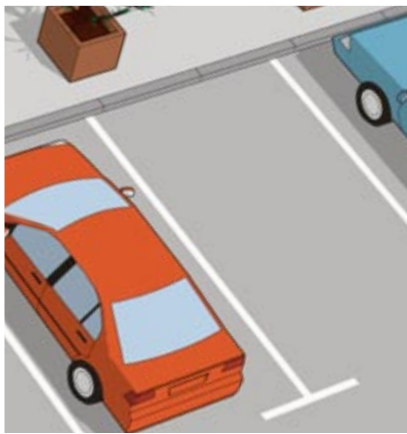
**Each unit** incorporates 450–800m<sup>2</sup> of high-quality space for storage, assembly or packaging activities. These modern facilities are replete with amenities, including industrial-strength floors, full air-conditioning and heating, kitchen facilities, rest rooms on all floors, skylights, A-class office space with suspended ceilings and drive-in access through automated overhead garage doors.



Built-in signage system for company branding with high visibility



A-Class office space with raised floors



Customer and employee parking

**57**  
UNITS

**25**  
CLIENTS,  
INCLUDING

- APM Automotive • AutoCora obchodní • CAT CUT • Agie Charmilles
- Wavin • Schönox • Marabuco • LCC Global • Spandex SynidCUT
- Český Caparol • Solitér Brno • ESKO • Hans Grohe CS • Moss ČR
- AFE CRONITE • ZIEHL-AGEGG • Lektronix • Autogard • Tuning
- Racing Shop • ACTIVA • HSW Signall • V-PLAST Vsetín • IMTOS
- Agtron Eurotek



Large windows for showroom display

**CTBox** flexibility extends to lease arrangements, which provide for company growth either by connecting adjacent CTBox units or by taking larger premises at another location in the Network. Currently available in Brno, Plzeň and Ostrava, CTP is planning rollout at other locations such as Prague and Jihlava based on local demand.





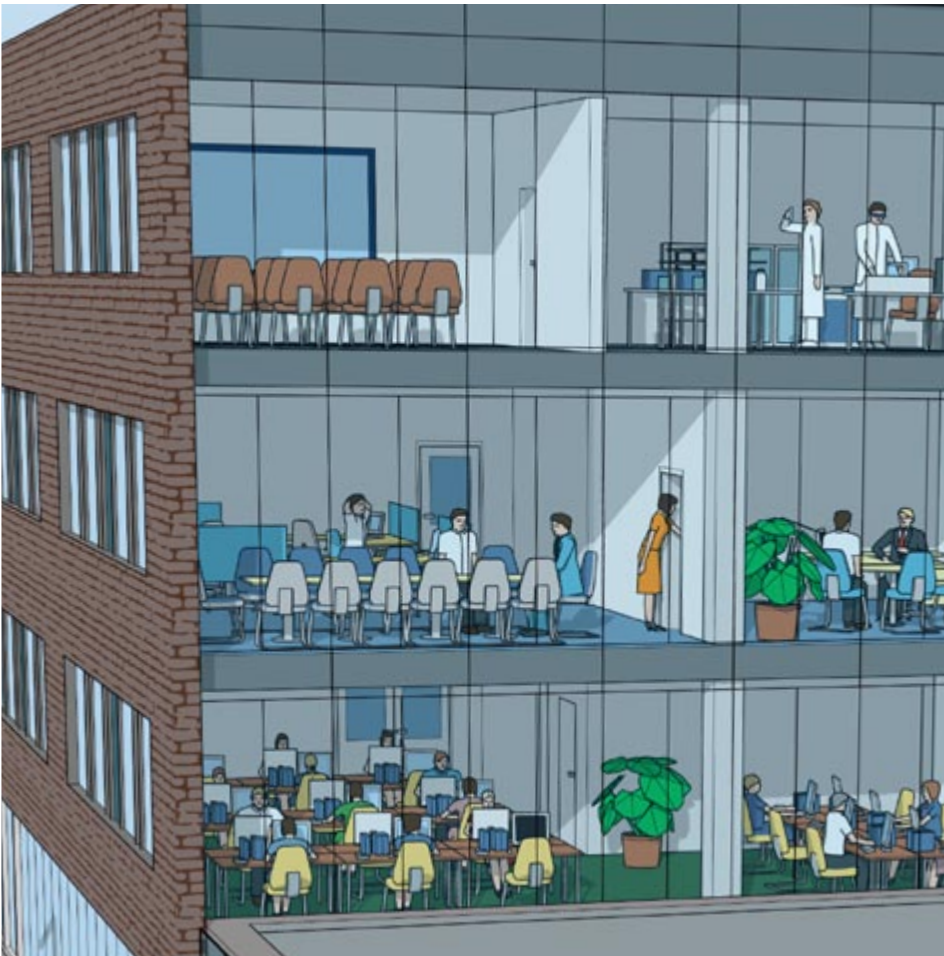
DEVELOPMENT  
TYPE

5

AXIS office Park

**AXIS Office Parks** are an integrated office system developed exclusively within the CTPark Network, providing clients with high-quality, cost-effective office facilities. Created by the CTP in-house architecture team in conjunction with Studio8 from Rotterdam, London and Prague, the AXIS Office Park System was designed for modern businesses and can accommodate R&D centres, call centres, laboratory test facilities, software and equipment design and other back office operations.

Benefits of **AXIS Office Park**:



Flexible floor plans with sizes from 194—2,550m<sup>2</sup> allow for open, cellular or combination space plans



Traditional Dutch brickwork facades prepared for company branding with high visibility

**Interiors** feature raised floors, sun blinds, operable windows, high-capacity fibre optic connectivity, back-up generators, air-induction climate control systems and in-built fire safety systems.

**The buildings** were designed to maximise efficiency, and allow tenants to expand either horizontally or vertically within a building. In addition, the buildings can be cross-connected on each floor, enabling horizontal expansion for floor plate sizes of up to 2,550m<sup>2</sup>.



Elegant landscaping, water features, bike paths and covered parking are all standard amenities at **AXIS Office Parks**

8

BUILDINGS

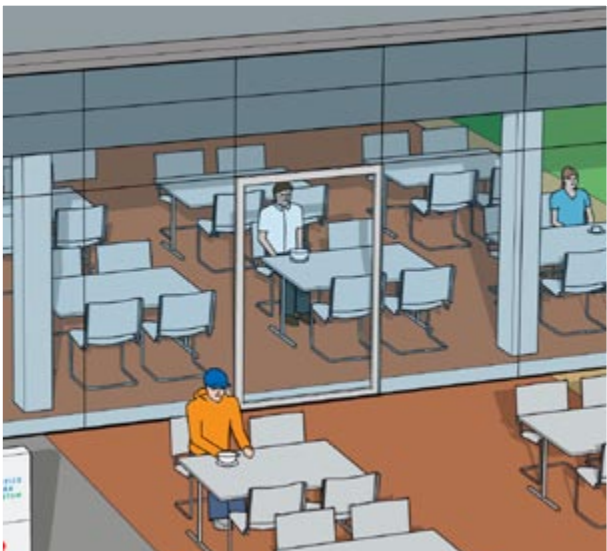
7

SELECTED  
CLIENTS

Ge Money Bank •  
ABB • Biovondor  
• K. Brewery •  
DHL • Tyco •  
PPG Industries



Interiors are fitted with raised floors throughout the building to accommodate phone, electrical and IT cabling



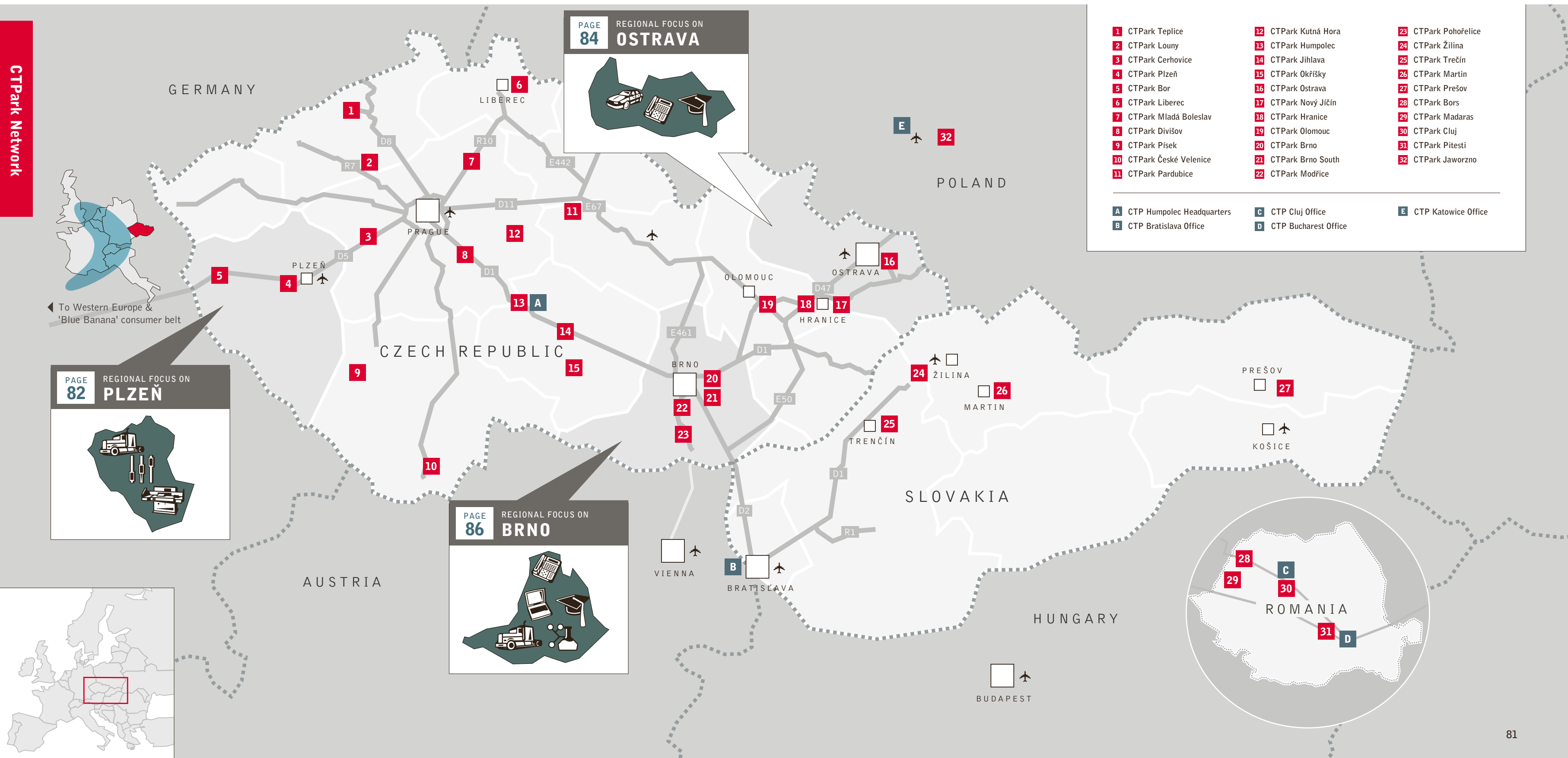
Business park environment including restaurant and retail facilities on the ground floor





# Locations

The **CTPark Network** is situated at the crossroads of a new European landscape, offering businesses an unprecedented opportunity in the region.





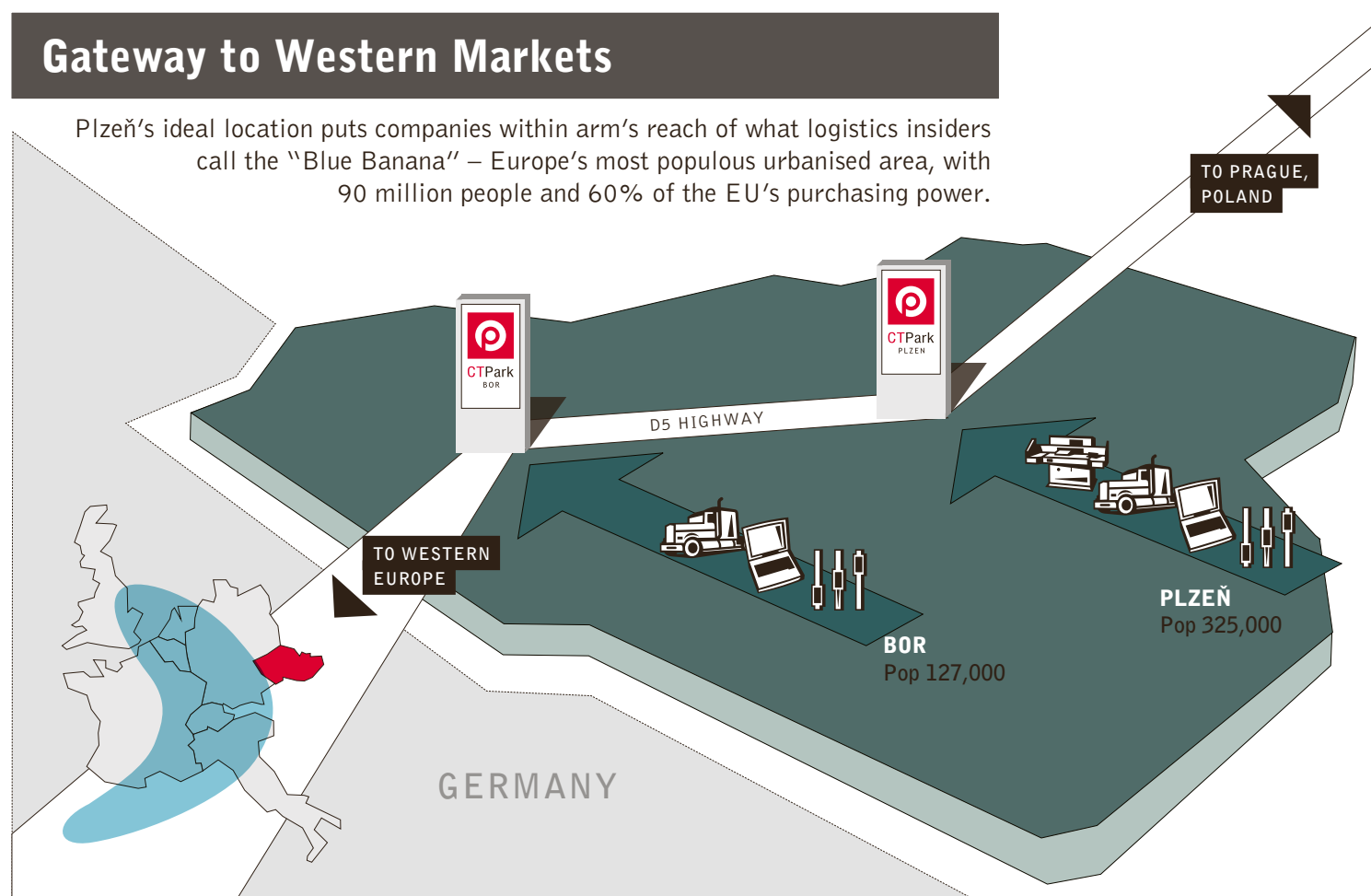
REGIONAL FOCUS

# Plzeň



## Gateway to Western Markets

Plzeň's ideal location puts companies within arm's reach of what logistics insiders call the "Blue Banana" – Europe's most populous urbanised area, with 90 million people and 60% of the EU's purchasing power.



## REGIONAL HIGHLIGHTS



### Logistics

The Plzeň region's proximity to the German border has proven an attractive location to an array of world-wide logistics companies at CTPark locations, including **Bridgestone**.

BRIDGESTONE  
CASE STUDY—  
page

**50**



### Precision Engineering

**Exova** selected CTP Plzeň as its base of operations for its sophisticated materials testing facility.

EXOVA  
CASE STUDY—  
page

**142**



### Heavy Industry

Plzeň has traditionally been a centre of excellence in machinery and transport equipment, currently comprising 70% of the region's exports.

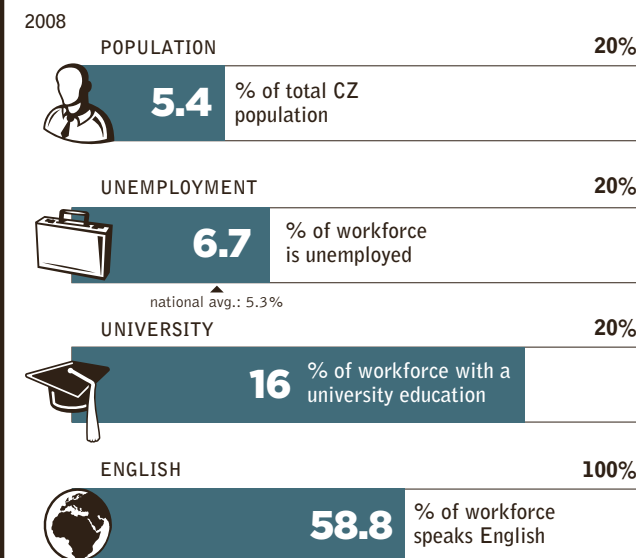
HISTORICAL  
DISCUSSION—  
page

**147**

## ECONOMIC SNAPSHOT



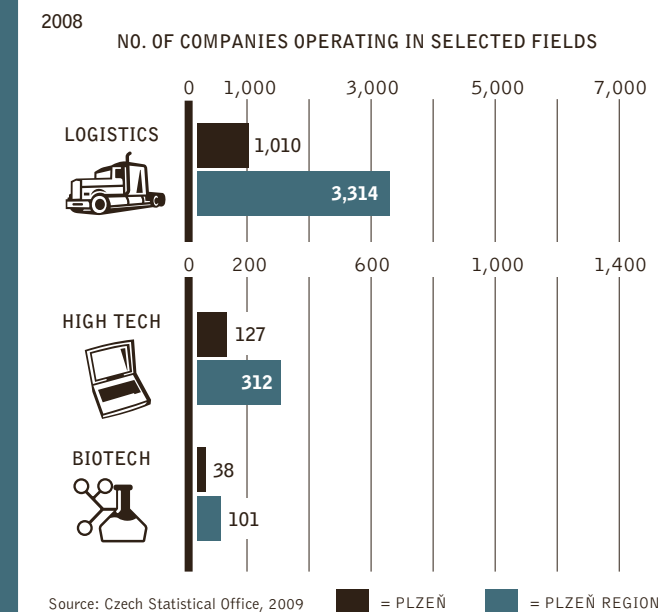
### REGIONAL Demographics



Sources: Ministry of Labour and Social Affairs, 2009; Czech Statistical Office, 2009; Augur Consulting, 2009



### LOCAL Industries



## CTPark LOCATIONS



### CTPark Bor

Bor is of strategic importance to companies seeking the advantages of proximity to the German border combined with the benefits of low facility and labour costs. Situated on the main D5 highway at Exit 128 between the Czech city of Plzeň and the German border, Bor offers a unique position for companies from the logistics, freight transport and light manufacturing sectors. The site is only 10 minutes from the border with Germany, offering direct highway connections in the Frankfurt-Munich-Prague triangle, and with the newly completed highway to Munich and Prague, the site's strategic position is further enhanced. Bor lies within a cluster of local towns comprising the Bor Region where the average unemployment rate sits at 11%. The location offers excellent transport options to the established western markets.



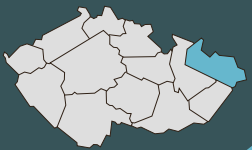
### CTPark Plzeň

Award-winning CTPark Plzeň is rapidly emerging as the region's premier high-tech business park. The city of Plzeň, with an approximate population of 170,000, is one of the most popular locations in the Czech Republic amongst foreign manufacturers and logistics providers, primarily due to its advantageous geographical position on the main D5 highway between Prague, the German border and Nuremberg, Germany. A number of major international companies have located various types of business operations in the area, including R&D, design and product development centres to complement the already existing production activities. The local workforce is well trained and has a background in engineering and electronics.

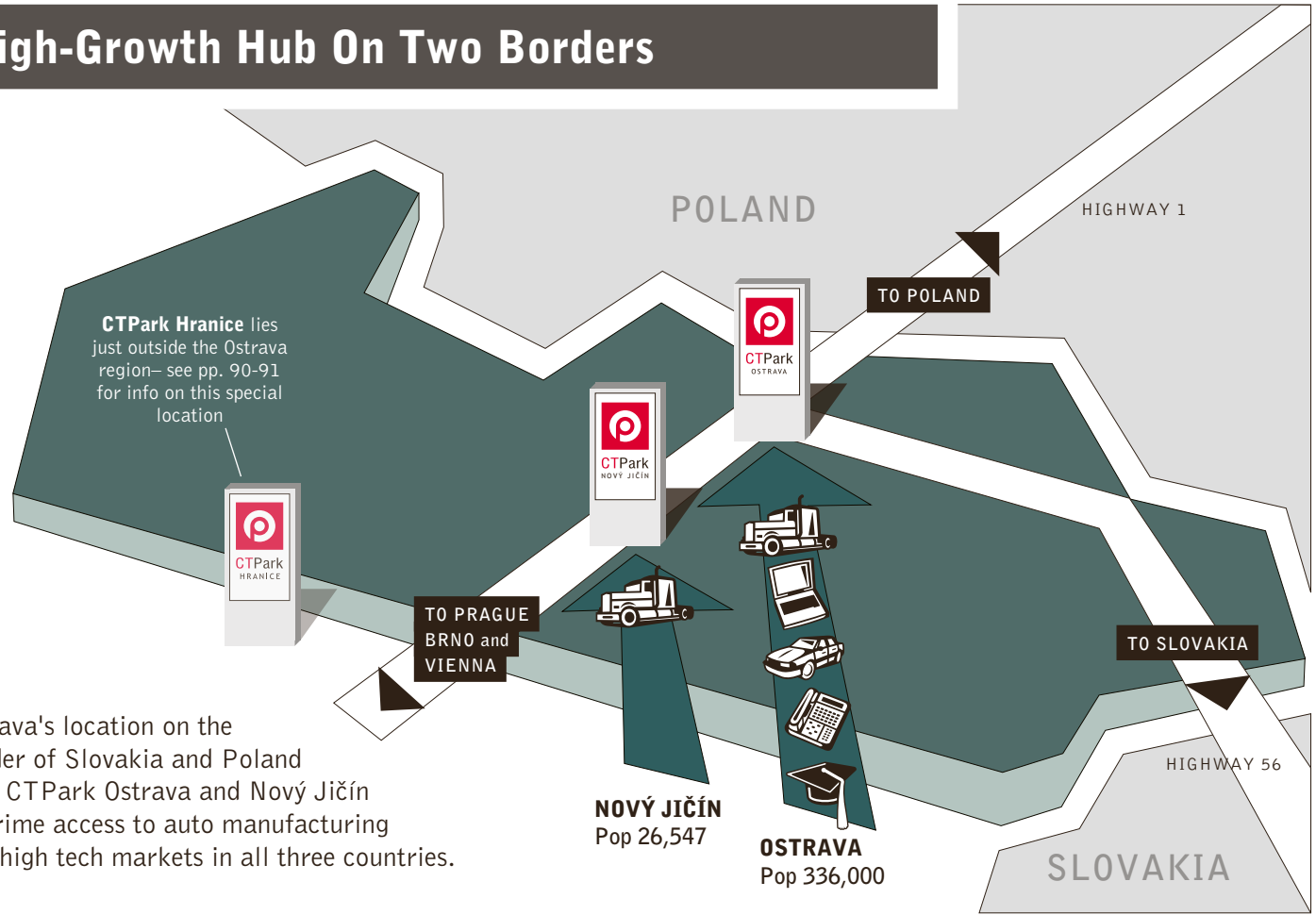


REGIONAL FOCUS

# Ostrava



## High-Growth Hub On Two Borders



Ostrava's location on the border of Slovakia and Poland puts CTPark Ostrava and Nový Jičín in prime access to auto manufacturing and high tech markets in all three countries.

### REGIONAL HIGHLIGHTS



#### Call Centre

The Ostrava region is a magnet for both high tech manufacturing and shared service centres, hosting a number of FABs as well as call centres, including **GE Money's** at **AXIS**.

GE MONEY  
CASE STUDY—  
page

**312**



#### Auto Manufacturing

Auto parts manufacturers such as **ITT** and **Goodyear** are amongst the many companies in the thriving automotive supply chain located in this area.

ITT  
CASE STUDY—  
page

**316**



#### Education

Ostrava's technical institutes ensure a highly-educated workforce. Quality of life is being raised by the appearance of institutions like **Ostrava's International School**.

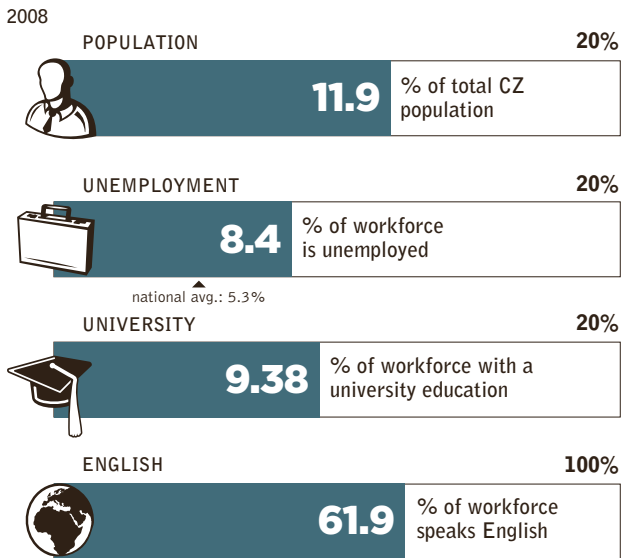
INTERNATIONAL  
SCHOOL  
ARTICLE—  
page

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### ECONOMIC SNAPSHOT



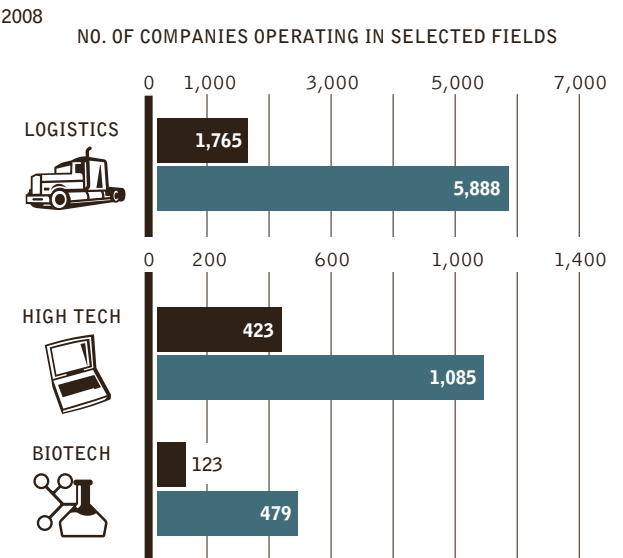
#### REGIONAL Demographics



Sources: Ministry of Labour and Social Affairs, 2009; Czech Statistical Office, 2009; Augur Consulting, 2009



#### LOCAL Industries



Source: Czech Statistical Office, 2009 ■ = OSTRAVA ■ = OSTRAVA REGION

### CTPark LOCATIONS



#### CTPark Ostrava

Ostrava is the third largest city in the Czech Republic, with 7,000,000 people living within a radius of 150 km. The region has a deep-rooted industrial and engineering background and is a target for investors looking to take advantage of the unemployment rate of over 8%. In addition, with Hyundai's new plant in Frýdek-Místek and Kia's factory in Žilina, the area is in the middle of central Europe's expanding automotive industry. Manufacturers and logistics providers have been moving to Ostrava to leverage its strategic proximity to an increasing number of large OEMs and suppliers located in the region. The city lies at a major European crossroads connecting the Czech Republic, Slovakia and Poland. The Ostrava-Mošnov International Airport is the largest regional airport in the Czech Republic.



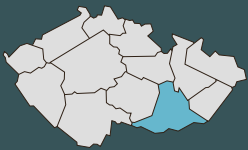
#### CTPark Nový Jičín

Nový Jičín has gained investors attention with the recent completion of the Brno–Ostrava motorway (R48/E462), and lying at the gateway to the automotive industry and its network of high-tech suppliers in the tri-state region. Only 15 minutes from the Mošnov International Airport, Nový Jičín offers high connectivity as well as lower labour costs compared to the regional capital of Ostrava and larger nearby cities.



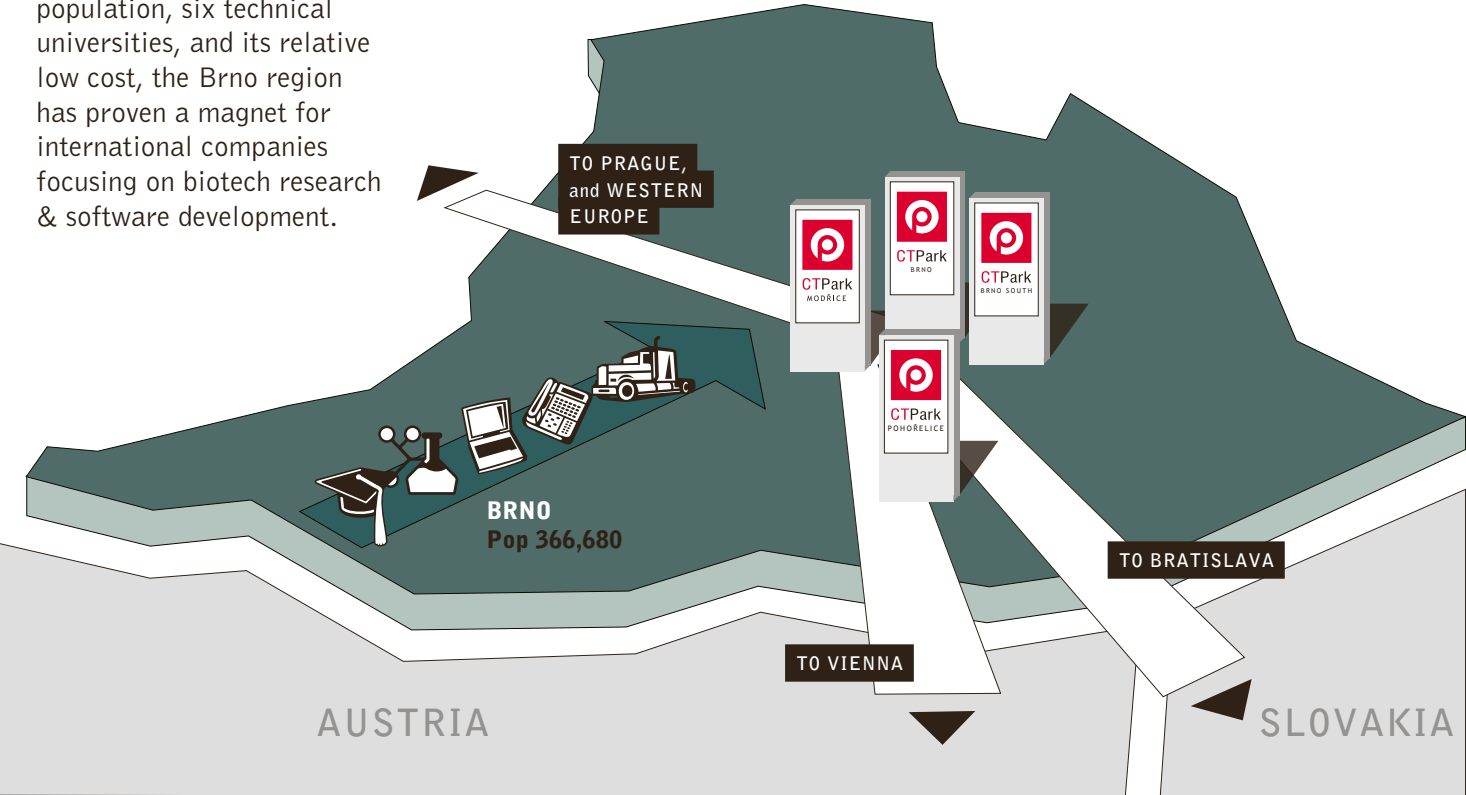
REGIONAL FOCUS

# Brno



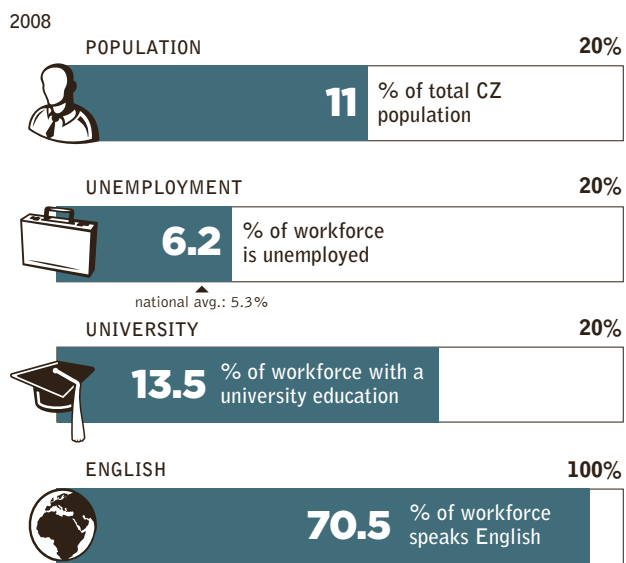
## Business Magnet

Due to the highly educated population, six technical universities, and its relative low cost, the Brno region has proven a magnet for international companies focusing on biotech research & software development.



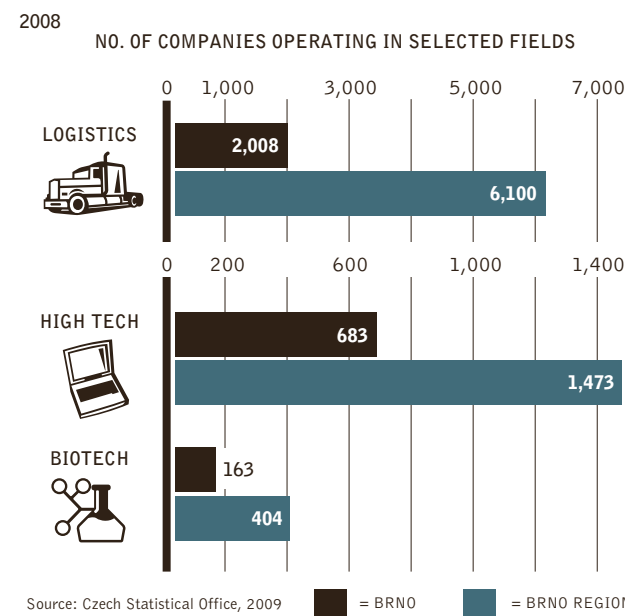
## ECONOMIC SNAPSHOT

### REGIONAL Demographics



Sources: Ministry of Labour and Social Affairs, 2009; Czech Statistical Office, 2009; Augur Consulting, 2009

### LOCAL Industries



**CTBOX:** A centre-city zone providing small-sized facilities ideal for companies looking to get closer to consumer markets



CTBox—page

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## REGIONAL HIGHLIGHTS



### Logistics

Strategically located between three central European capitals—Prague, Vienna and Bratislava—Brno is truly at the heart of central Europe. **DHL** has taken advantage of this placement, operating two large facilities at CTParks in the region totalling 60,000m².

DHL  
CASE STUDY—  
page

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### High-Tech

Fed by the pool of tech-savvy graduates emerging from the region's excellent technical institutes and universities, technology leaders like **Cleverlance**, **Honeywell**, and **Andrew**, have established thriving high tech business operations in Brno.

CLEVERLANCE  
CASE STUDY—  
page

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## REGIONAL HIGHLIGHTS



### Biotech

Through major public and private investment, Brno is ready to emerge as a world-class hub of biotech research and industry. **Biovendor** leads the way.

BIOVENDOR  
CASE STUDY—  
page

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### Call Centre

The multi-national and polylingual makeup of Brno's workforce make it the logical destination for **Lufthansa's** service centre.

LUFTHANSA  
CASE STUDY—  
page

202



### Education

Brno's regional strength stems from its excellent higher education institutions, producing over 37,000 students and 8,000 graduates each year.

UNIVERSITY  
DISCUSSION—  
page

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# Brno ... CONTINUED

## CTPark LOCATIONS



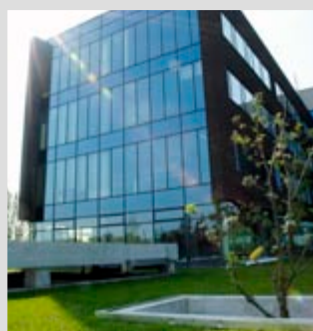
### CTPark Brno

CTPark Brno, just north of the Brno International airport, is third largest CTPark in the Brno area and home to a number of world-class R&D, research, and high-tech giants. Companies move to CTPark Brno, knowing that Masaryk University, the second largest in the country, is comprised of nine faculties representing a broad spectrum of academic disciplines and fields of research, including Science, Information Technology, and Economics, and provides for one of the most highly-skilled populations in central Europe. The recent expansion of the Brno International Airport now allows regular flights to cities such as London and Munich. Additionally, high speed rail links connect Brno with Prague, Vienna, Ostrava and Bratislava.



### CTPark Brno South

At 200 hectares, our largest park CTPark Brno South is unique within the CTPark Network for the scale of operations and scope of amenities. The park provides unprecedented accessibility, located directly beside a major highway (D1), a high-speed railway station, and the newly expanded Brno International Airport, making the site a superior centre for distribution and logistics. The design of the park includes direct rail access for many of the warehouse facilities, allowing for on-site loading of freight cars and maximum efficiency. The park features athletic facilities, a supermarket, a restaurant, a day care centre and a nearby petrol station. As the third CTPark in the Brno area, the size and scale of CTPark Brno South reflect the city's growing regional and international significance.



### CTPark Modřice

CTPark Modřice is distinguished not only by the awards it has received including "Industrial Zone of the Year" but also by the success of its tenants. The park boasts nearly full occupancy, and is now considered a model logistics and manufacturing centre. Just 5 minutes south of Brno city centre, Modřice is a leading location for production, design, R&D and logistics operations. Brno's six universities create an intellectually and economically vibrant area, offering foreign companies one of the most available and highly skilled labour forces in the region. The city has 11% unemployment and over one million people living within a 50 km radius. Brno lies at a junction of pan-European highways linking the major cities in Austria, Poland, Slovakia, Hungary, Italy and the Baltic region.



### CTPark Pohořelice

Located 28 km south of Brno, the second largest city in the Czech Republic, Pohořelice boasts a population of approx. 400,000 within 50 km and six major regional universities located in Brno, whose 60,000 students create an intellectually and economically vibrant city and provide a highly skilled labour force for the region. With an unemployment rate of approx. 11%, the area's traditional industries include electrical engineering, mechanical engineering, computer science, and information technology. Pohořelice's strategic situation on the R52 motorway in the direction of Vienna places it enroute to Austria, Slovakia, Hungary, Poland, Italy or the Balkan countries, making this an ideal location for anyone seeking access to southern and central Europe.





# Focus on:

## CTPark Hranice



CTPark Hranice, near the border of Poland on the edge of the Moravia-Silesia region, sits directly on the newly completed E462 (D1) corridor, and provides strategic access to a regional market of over 5 million people and to the automotive industry operating in Poland, the Czech Republic and Slovakia. A variety of newly built space for warehouse, manufacturing, or production is available, with rentable areas from as small as 200m<sup>2</sup> to over 40,000m<sup>2</sup>. Uniquely fitted, premises here are ideal for FABs or other high tech manufacturing processes, due to the existing clean room facilities and state-of-the-art ventilation fitouts. With three institutions of higher education nearby, location in Hranice provides highly skilled labour combined with an unemployment rate of 13.7 in the surrounding 50 km radius—a powerful business advantage.





# CONSTRUCTION

TOMÁŠ  
KULT

“This is something special.”

CTP’s list of new buildings going up in the current economic climate sets the company apart from the competition.



TOMÁŠ KULT, ONE OF CTP'S THREE REGIONAL CONSTRUCTION MANAGERS, GIVES US AN OVERVIEW OF CTP'S CURRENT CONSTRUCTION PROJECTS AROUND THE COUNTRY



# ORIGINALLY

from Brno, Tomáš knows the city. The people, his tenants. Coming to CTP over seven years ago from a construction company, he has worked hard to get to his position as one of only three regional construction managers for the company. He has a local's knowledge of the community and the construction industry in particular, with a solid understanding of the administrative procedures that go along with the building process: permitting, zoning, regulations, managing subcontractors, and much more. He is a key player in what makes CTP a unique developer on the Czech market: A full service, vertically integrated property developer with in-house control over the entire process from land acquisition, permitting, design & construction to legal, accounting, and after-care services.

ON THE BUSINESS MODEL

**“We are both a developer and a construction company. This is something special. Other developers use one general contractor. But we do it ourselves, and its more cost efficient.”**



GRIDDED WAREHOUSE SKELETONS AND ROLLS OF RE-BAR ARE COMMON FEATURES ON-SITE DURING EARLY PHASES OF CONSTRUCTION

ON THE BUSINESS MODEL

**“It is flexible: we do not need to know the full requirements from the tenant at the beginning, so we can start construction on a certain basis, and still negotiate and agree some things. We may be able to do more for a particular client because we come in under budget in an earlier phase.”**





TOMÁŠ IN HIS OFFICE  
AT HUMPOLEC HQ,  
PREPARING FOR THE  
WEEK AHEAD

## MONDAY

is busy, hectic, and finds him in the place where he looks most out of place: the office. Its the start of another week, and there's lots to do. Our discussion is brief. It's clear that he's happy Monday is the only day that he's in the office. The rest of the week its out in the field.

"I'm in Humpolec," he mentions, "to review the coming week at HQ and with the whole team; have to check in with the permitting and legal departments as well as deal with some of the other administrative tasks."



### FAVOURITE PROJECT

I was responsible for construction of the whole Spielberg Office Centre. There are two remaining buildings, the office and hotel towers. The concrete frame is 60% finished. And while we halted construction because of market situation, we are still out there looking for suitable tenants. As soon as we re-start Phase III of the project, I plan to go back there. We have funding arranged—and 15,000m<sup>2</sup> to build—but now we are focused on finding the right client for Phase III. Not sure its gonna happen in 2009, but it could?

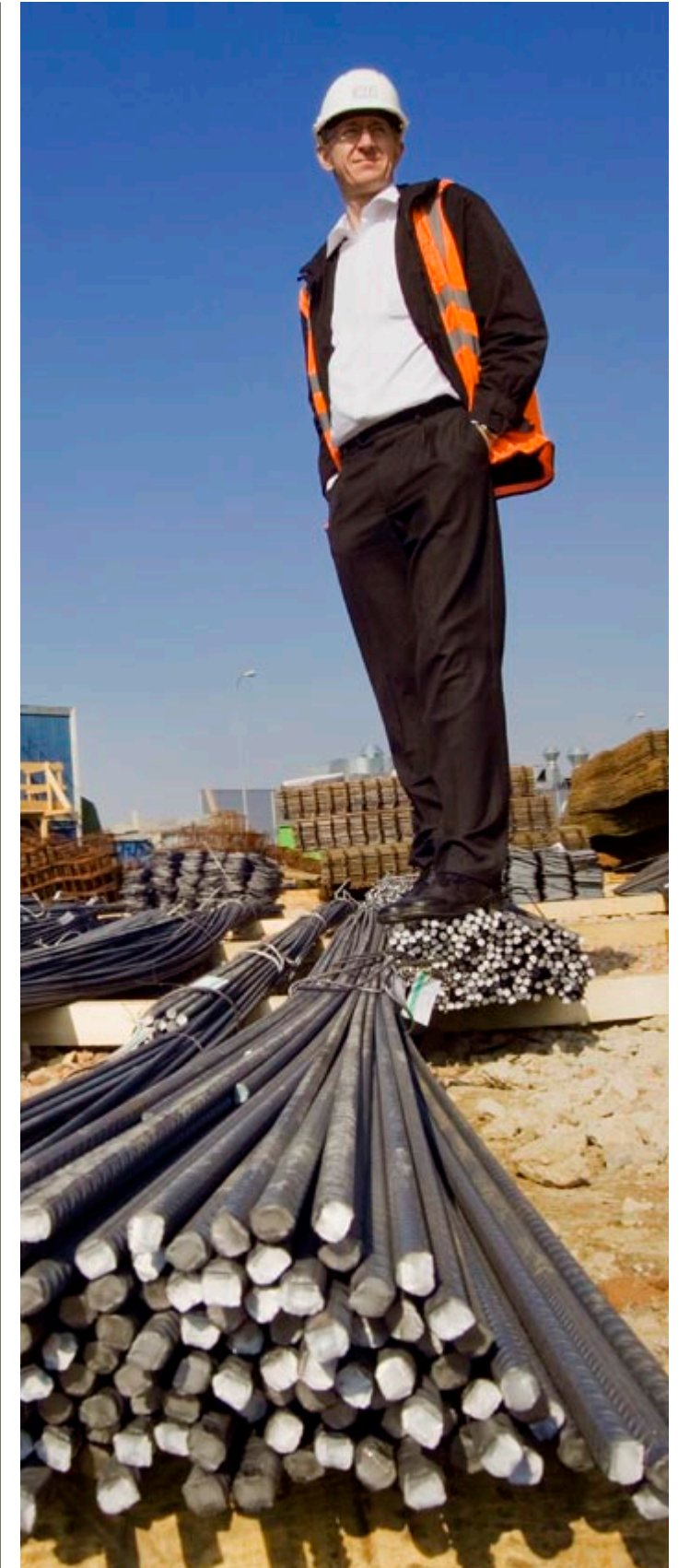
This was by far my favorite project. It was a fun and very interesting project: from concept, to the co-operation with Czech and Dutch architects. It was good.



## TUESDAYS & FRIDAYS

generally find him on-site in the **Brno region**. "I shuttle between projects in Brno: Spielberg as my base, sometimes out to the existing park at Modřice to meet with other construction managers there. I spend a lot of time at CTPark Brno now that we have the huge Honeywell campus going up. It may be as nice a project as Spielberg, but Spielberg is still my favorite. I can't wait to get the Hotel and Tower going again, get it finished. It will be great for Brno."

TOMÁŠ ON-SITE DURING  
THE CONSTRUCTION OF  
THE NEW HONEYWELL  
CAMPUS





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CTP PURCHASING MANAGER **HANA MANCOVÁ** DISCUSSES THE  
COMPANY'S APPROACH TO MAINTAINING **COST CONTROLS**.

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**T**he CTP construction team consists of approximately 100 young people—civil engineers, architects, designers as well as economists. The purchasing department not only watches costs, but is charged with staying ahead of competitors and tracking new trends. Being responsible for tendering materials and services necessitates involvement in the building process from its very beginning. Purchasing co-operates with the design team and project managers when the tender documentation is being created to make sure it corresponds to strict CTP standards, as well as to accomodate specific client requirements.

To make sure that costs are as low—although low-cost is not the only deciding factor—we communicate with suppliers on a daily basis, negotiating agreements, finalising prices, and reviewing alternate or new materials. To keep our buildings competitive on the property market we have to be aware of trends in new materials and building methods so our buildings are modern, state of art, highly functional, environmental friendly, and at the same time, within a given budget. The construction budget is our most important document.

With the tight co-operation of various departments—purchasing, design, technical and management—and the inclusion of our suppliers into that system, we are able to run a superior tendering process that is both cost efficient and timely, resulting in long term value for our clients.







# BRNO SOUTH

At CTPark Brno South, our largest and most ambitious park, directly adjacent to the Brno international airport, construction nears completion for CCI. The project is slated for handover in December 2009 and CTP's construction managers have the project on schedule. Remaining are interior fit-outs and fresh paving.

FOR CUSTOM-BUILT PREMISES, OUR TEAM SPENDS TIME WITH BOTH THE CLIENT AND SUPPLIERS TO FIND THE OPTIMAL SOLUTION, CUSTOMISING EVERYTHING FROM BUILDING LAYOUT TO INTERIOR FITOUT.

## ON PROCESS

**“The process starts with the client; and then we go to for a planning permit, which is rough documentation of the initial concept. Although we are still in the process of how the final building will be designed with the client, we get the planning permits started as soon as feasible.**

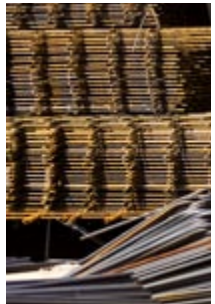
**First step: Agree with client; planning permit, then later, the building permit; after this goes through we provide a more detailed description of what we intend to build with the building permit documentation. At this point we are already putting together the tender documentation, working with suppliers and soliciting their advice on the latest trends and are already very close to what we will build....**



# HONEYWELL

CTP is fast at work completing a custom-built, A-class office building for engineering and technology giant Honeywell at CTPark Brno. Construction kicked off in July last year and has accelerated, with handover of the nearly 10,000m<sup>2</sup> building scheduled for this year. CTP is building the ultra-modern campus to precise specifications, including superior-standard landscaping that will rival the aesthetics of Spielberk Office Centre in Brno city centre. Per Honeywell's specifications, the building will also contain a state-of-the-art weak-current system and and a 750m<sup>2</sup> canteen.

**...And then we start the construction process. Sub-contractors are chosen, and we work with them to find where we can save money, or what we can do better. It's not like we prepare tender documentation and say to contractors, 'Hey guys, this is how it should be done'. We tender it, but we want to have feedback; find ways how to improve, where to save. And as soon as it is tendered then we start construction.”**



## ON PROCESS

**“We generally tender several big packages, and for each package we ask three to five companies for a bid. Packages may be for the foundation, groundworks infrastructure, frame, roof and façade, electricity and installation, IT infrastructure if there is a tenant request, and also for ventilation and cooling systems.”**







WORKERS  
PREPARING THE  
CASINGS FOR THE  
NEXT FLOOR OF  
CONCRETE TO BE  
POURED



Tomáš shuttles between sites in the **Ostrava region** during the middle of the week: “I’m in Ostrava and thereabouts. We just finished the new DHL facility out in Nový Jičín and a client extension under way at CTPark Ostrava, and a few other projects for clients I can’t yet discuss. So lots to do. I’ll see you Friday morning in Brno.”

# WEDNESDAYS & THURSDAYS



ON PROCESS

“We buy direct from producers, often in large volumes for industrial projects—for example façade and roofing materials, doors and dock levelers—but also for office projects like carpeting, double floors, suspended ceilings, etc.

All packages are put together for completion and, eventually, handover. But we also need to pass these on to the authorities for approval. Once this has been given the green light, we can then do the formal handover, the final step in the process.

We do quite a lot of fit-out during the initial construction. But, as tenants expand, we need to continue to provide upgrades, expansions, new installations, etc over time. We price it, agree it, and then we build it.”



ON TIMING

“Turnover time depends on the project. For industrial buildings, we can deliver it in five months, and can generally guarantee nine. But for office projects, it depends on the size of the building, tenant requirements etc, so every project is different, posing unique challenges.”



# NOVÝ JIČÍN & DHL

Nový Jičín recently saw Tomáš cut the ribbon at the traditional handover ceremony. A man of many hats and talents, Tomáš is a commanding presence at events and press conferences.

“Part of the satisfaction I get at my job comes with final handover. The last stage in the process when the building you’ve been working on for the past nine months is ready. Sometimes I can’t believe myself just how fast they go up considering all the details. Given the current economic situation, we were all pleased upon completion of this facility for DHL.”





# OSTRAVA & ITT

Having recently completed moving into Phase I, ITT are already underway on Phase II. In addition to the industrial developments, Tomáš, having completed Spielberk, is utilising his special understanding of office development at the AXIS Office Park in CTPark Ostrava.



## ON THE BUSINESS MODEL

**“We are actually a construction company, in the sense that we act as a general contractor, managing construction. We don’t have our own construction crews on staff as it keeps us flexible and competitive; we split construction projects into several packages, and tender these separately. And then we co-ordinate this on site. ”**













PARK MANAGER PETRA PIVOVAROVÁ WITH  
DAVID GIRELLI AT THE ITT BRAKEPAD FACILITY  
IN OSTRAVA

WE HAVE THE FIRST SIGNALS THAT THE CZECH REPUBLIC WILL COME OUT OF THIS CRISIS BETTER THAN COMPETING COUNTRIES. IF YOU COMPARE HOW THE CZECH CURRENCY HAS DEVELOPED COMPARED TO THOSE OF NEIGHBOURING COUNTRIES, THEN YOU CAN SEE THAT CZECH REMAINS A VERY INTERESTING LOCATION FOR MANUFACTURERS.





**ROLF-JAN ZWEEP**, GENERAL MANAGER AND CEO OF ING WHOLESALE BANKING,  
SHARES HIS INSIGHT INTO THE ISSUE THAT'S FOREMOST ON EVERYONE'S MIND:  
**THE FINANCIAL CRISIS.**

# Let's Get Serious

HOW THE BANKING MARKET IS RESPONDING TO THE FINANCIAL CRISIS, AND HOW  
WELL THE CZECH REPUBLIC IS WEATHERING THE CURRENT ECONOMIC STORM.



HOW DO YOU SEE THE FINANCIAL CRISIS RIGHT NOW IN THE CZECH REPUBLIC? DO YOU SEE IT AS SOMETHING THAT WENT WRONG LOCALLY—WITH LOCAL BANKS OR THE LOCAL ECONOMY—OR IS IT MORE OF A ‘DOMINO EFFECT’ COMING FROM THE OUTSIDE?

**DEFINITELY THE LATTER.** The crisis was originally caused by US banks—specifically mortgage banks and investment banks. Many mortgage banks really oversold, completely ignoring risk. There was no balance between returns and risk at these mortgage banks, so they created a huge problem. And then, investment banks sold these packages of mortgage portfolios as products to institutional investors all over the world—to other banks, pension funds, life insurance companies, and so on. And then, when things started falling apart, the magnitude of this problem suddenly reveals itself and triggers a ‘domino effect’ as you described it.

And what happened is that, of course, US banks were hit the most, followed by UK banks, and then other European banks got hit. Eventually, also the financial services industry in central and eastern Europe got *influenced*—not really hit as such—because there are a lot of subsidiaries of international banks in this region which did not have any issue with this particular financial crisis, but were affected by their mother companies, who did get hit by the crisis.

The remaining local banks in this region initially were also not hit because they did not invest in those products or in those institutions related to the financial crisis. But they got affected by the fact that liquidity in the inter-bank market disappeared. Banks stopped trusting each other, the oil in the engine evaporated, and things just stopped.

So, the subsidiaries of international banks operating in CEE markets, as well as the remaining local banks, were definitely effected by this domino effect. Still, most subsidiaries in the Czech Republic did pretty good—if not very good—in the Czech market. Only because their mother companies got hit, did the subsidiaries also suffer.

Including ING?

**Y**es, definitely ING got hit as well. But, not hit as much as most of our global competitors, for example Citigroup or UBS—that’s a different league of getting hit. So the good news is that we are relatively well off and in a relatively strong position. Our executive board closed two good deals with the Dutch government last year and so, as we speak, we are currently going strong and very solid. We have the balance sheet to further grow our business.

ING, both locally in the Czech Republic, as well as internationally, is one of few remaining banks right now that is still open for business and that is able to grow its lending portfolio. Of course, due to the circumstances, we are much more critical toward new lending. The criteria we now apply are definitely tougher, but we are still open for business, which is good news not only for ING, but also for the Czech Republic.

ING has always been relatively conservative. In the good times, some people might have said relatively boring, but in the bad times, we are still here, alive and kicking and going strong. Which I think for a bank, that is not so bad right now.

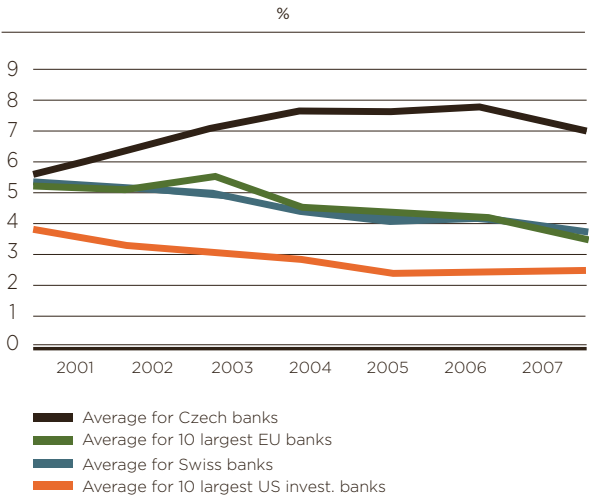
There is one other point on this I would like to make: the fact that this economic crisis is this time caused solely by the financial services industry, which is unprecedented. And so there is another domino effect, which is that this industry actually caused the entire world economy to slowdown and, starting in the US, end up in a recession. And again, ultimately, the countries in the CEE region are also affected by this recession.

Do you see signs that the recession is taking hold?

**I** think that the consequences of the global recession arrived relatively late in the Czech Republic. The first signs began to appear in the fourth quarter of 2008, but actually I would say that it began here at the beginning of this year. I am convinced that the second half of 2009 will actually show the real impact of the recession on the Czech economy. So my expectations about the second half of this year are rather ‘bearish’, or rather negative. And then the next question of course is, how long will it last. And I don’t know.

But, as a banker, aren’t you in the best position to answer that question? If ING and other banks in the Czech Republic have capital, then why is lending still so restrictive? Or to put it in more laymen’s terms—and many people are around the world are asking this question: If banks got all these big taxpayer bailouts, where is all the money?

CAPITAL RATIOS (CAPITAL/TOTAL ASSETS) OF CZECH AND FOREIGN BANKS



Source: BankScope, CNB calculation



That’s a very interesting question, and I have a fairly easy answer to that. Right now, at the global level, because of the crisis and its consequences, all financial institutions have to de-leverage and de-risk.

By de-leverage I mean that risk portfolios compared to equity, or solvency in normal business terms, have to improve. Banks need to create more cushion, more equity, compared to their risk portfolio.

The next thing is de-risking. Banks and other financial institutions are now looking at the quality of the risks in their portfolios. They are properly rating their risks, and quite simply limiting risk and putting their risks down.

Taken together, it means that at the global level, the balance sheets of financial institutions must shrink. Meaning that there is no availability of money to grow economies at the global level.

This is a simplification, and of course it will affect certain parts of the world much more than other parts, because the need to de-leverage and de-risk is much higher in some places than in others. The process of de-leveraging is much less severe in the Czech Republic than in other places, but it does apply to some banks that are active on the local market. Not to all banks, and not to the extent that it is being done in western European countries, in the UK or in the US.

Could you say that this need to de-leverage and de-risk is also a signal that there was too much capital in the system before the crisis came? And that when the recovery comes, it cannot go back to the same levels as before, without again the same volume of capital in the market? Do you think we will see 6% annual growth in the CEE region anytime soon?

Let me start by saying that at the global level, for sure, the long-term growth of economies was partly driven—but I will not say entirely driven—by the leveraging of the balance sheets of the companies involved. There was clearly a driver in terms of increased risk that enabled additional returns.

You know, in banking we have a simple saying: Risk and return are fully related. If you are willing to increase your risk, you will be able to increase your returns. But if you overplay your hand, you might run into a risk that you will simply not be able to overcome. So if you want to reverse that—if you want to de-risk—then you actually have to accept up front that you will also scale down your returns.

So yes, until markets have stabilised, until this exercise of de-risking and de-leveraging has been accomplished, definitely this driver that was behind the long period of

economic growth will not be there. On the contrary, it will actually absorb part of the real growth of the economy. So real growth, if any, will be limited. And right now, because the real economy has been hit as well, there is no real economic growth anyway. So from the banking sector you have a minus, and from the real economy a minus as well—a double minus. But hopefully, in the future, both the financial sector and the real economy will be able to go from minus to neutral, and eventually to positive again. However, once the exercise of de-risking and de-leveraging is accomplished, and the minus impact from the financial side will disappear and will become neutral, it will still not come back to the extent that it was until recently. But when the financial sector returns to neutral, and if the real economy creates growth again, then you would have a neutral and a plus, and the economy as a whole could grow again.

‘BECAUSE OF THE CRISIS AND ITS CONSEQUENCES, ALL FINANCIAL INSTITUTIONS HAVE TO DE-LEVERAGE AND DE-RISK. THE BALANCE SHEETS OF FINANCIAL INSTITUTIONS MUST SHRINK. MEANING THAT THERE IS NO AVAILABILITY OF MONEY TO GROW ECONOMIES AT THE GLOBAL LEVEL’

The impact that the financial services industry had on economic growth over the last 12–14 years will not return to the same extent, this is true. But this doesn’t mean that economic growth in the future won’t return to the same levels that we have seen in recent years. If entrepreneurship and market opportunities and the successes of companies will allow them to realise real economic growth, then that driver behind growth might compensate for the limited driver from banks, which will definitely be at a lower level.

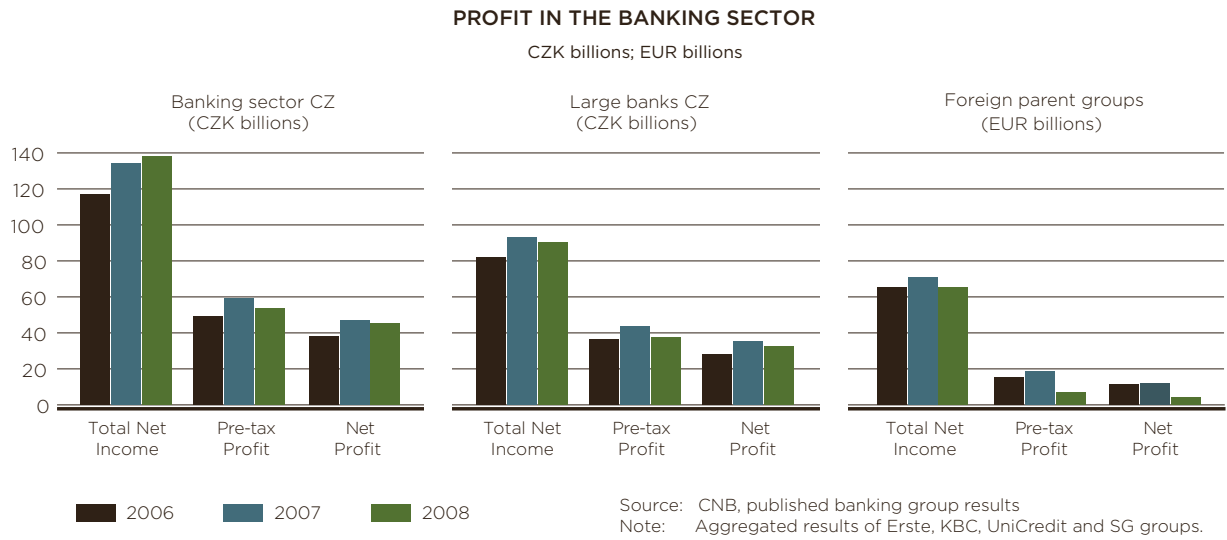
It may not be at the pace that we’ve seen in the past, but there can definitely be economic growth in the future. It may take a while, but in my opinion, it’s nonsense to say that economies will never return to the level where they have been. It simply might take a longer time. For example, let’s say a country is used to 6% growth per annum, and then suddenly it drops to minus 6%, and maybe the next year its is again a minus, or a zero. Eventually, it will return to positive growth, just maybe at a slower rate, perhaps 1–2% per year. So it means that it would take you three years to achieve the growth that in the past you did in one year. But after these three years, it’s still 6% growth. So, I don’t see the point that it won’t ever return to where it was. It just might take longer.

And now, having said all of that, I should add one other small comment. And that is, that over history, the memory of mankind in general, and definitely the memory of bankers, has not proven to be very long term. So it might even be the case—although not in the next five years or maybe ten years—but that at some point in the future, we’ve all forgotten what happened during these days, or we simply do not want to be reminded, and we will simply fuel it like never before. And I hope not with the same results.

Because what is happening now, of course, is in nobody’s interest. It hits a lot of economies, it hits a lot of people. It hits people who actually cannot afford it, and it is causing a lot of personal pain, and indirectly governments—so that means everybody, because governments are supposed to be us—everybody has to sacrifice a lot to stabilise the system. So, let’s at least hope that the lesson learned for the future is that we will avoid re-creating the same situation again.

Last year, ING made a loan to CTP, to one of the company’s property funds. Would you have made that loan today? Does ING see CTP as a good investment in the current economic climate?

For us it was a good loan, and so it still is. The conditions and the structure that we applied when we financed CTP last year was relatively conservative, quite solid, and allows us to be comfortable, even in these bad times, with the loan. So we don’t get worried. We don’t feel like we have to go out and save something.







Based on the structure that we have chosen, and the conditions that we have applied on this loan, we see it as very solid, and we are not concerned about the near future. CTP doesn't need to be concerned, because we will stay in the deal. Of course, CTP will be affected by the current situation, for example if some of their tenants go bust, leaving spaces empty and thereby reducing their revenue stream. So there is always risk. But this is not happening and we do not expect it to happen in any material way.

‘THE IMPACT THAT THE FINANCIAL SERVICES INDUSTRY HAD ON ECONOMIC GROWTH OVER THE LAST 12-14 YEARS WILL NOT RETURN TO THE SAME EXTENT, THIS IS TRUE. BUT THIS DOESN'T MEAN THAT ECONOMIC GROWTH IN THE FUTURE WON'T RETURN TO THE SAME LEVELS THAT WE HAVE SEEN IN RECENT YEARS’

I think that the particular business concept of CTP, as well as their portfolio, generally is very strong, nicely diversified—in terms of regions, in terms of units, in terms of size—not least of all in terms of tenants. They have a good portfolio of tenants. So yes, there are all the reasons to believe that they will be able to weather the storm.

In this context I should also say that ING Bank in the Czech Republic, and in general, has always been relatively conservative in terms of lending—risks, but at the same time, has always aimed at sustainable relationships. So when we enter a relationship with a client, we preferably don't just do that for one particular deal. Once we step in, we want to establish a partnership for the future. Which, in combination with a relatively conservative lending risk approach, also allows you to stay with clients in difficult times. Because you are still able in those times to handle

those risks. And so, to come back to the other question that you asked —would we provide this loan today?—I would say yes, based on the structure as we know it, we could provide such a loan today as well, but not against the same conditions, because markets have really dramatically changed. So the availability of such loans in these structures would be there, but at different conditions, higher prices.

Again, this is all connected with de-risking and de-leveraging—and on top of that, the still absolute lack of trust between financial institutions—which has led to the situation that there is no reasonable inter-bank market. And that means that there is a lack of liquidity. And as you know, if there is a lack of anything, the price goes up.

The other part of this is that also the perception of risk, the quality of risk, has changed. So also for that reason, risk is priced higher. So there are actually two elements which result in higher pricing for loans.

Nobody could foresee the magnitude of the crisis. Nevertheless, we were confident that the models that we did apply on the loan to CTP would provide for sufficient comfort to be happy with the deal and with the client, and that our aim actually is to establish a long-term relationship.

You are an investor in CTP. But you are also a tenant at Spielberg Office Centre. How is that relationship?

It's perfect. Of course we are a very small tenant, but we have had only good experiences with them. CTP is very professional and the facilities are really first class. It's a perfect example of where it is worth it to pay maybe not the lowest price, but to pay a bit more, and receive a lot of value added in return. I think their service and quality is more than worth the money. So it has been a very good experience.

Is moving in to Spielberg Office Centre related to the loan, or the long-term relationship?

Not as such, because I think if we would not have started the business relationship and not have provided the loan, we still would have leased the

ROLF-JAN ZWEEP JOINED ING IN 1992. SINCE THEN HE HAS HELD SEVERAL MANAGEMENT POSITIONS IN BOTH RETAIL AND WHOLESALE BANKING WITH ING BANK IN THE NETHERLANDS. IN 2004 HE WAS APPOINTED IN HIS CURRENT POSITION IN THE CZECH REPUBLIC. HE HAS STUDIED ECONOMICS AND BUSINESS ADMINISTRATION AT THE UNIVERSITY OF GRONINGEN, THE NETHERLANDS AND AT INSEAD FONTAINEBLEAU, FRANCE.



premises at Spielberg. First of all, I think that in Brno it is the most attractive site for an office like ours, and like I said the value for money is good. So I think we would have been there anyway.

We were talking before about how growth in the past was partially driven by capital. But in the Czech Republic, wasn't growth also driven by some basic business fundamentals, things like infrastructure, location, talented people, and economic diversification? Aren't these fundamentals still here? In your view, could the crisis even benefit the Czech Republic in some way?

There are definitely reasons to believe that the Czech market is better positioned than other European markets. The Czech market is seen relatively positively by ING. That's driven by a lot of things. Where should I start?

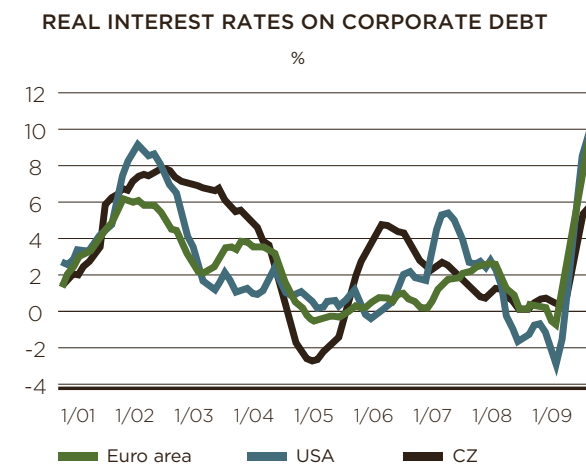
At ING, we absolutely see the Czech market as a more solid, more stable and even more promising than other European markets, both western and eastern European markets.

Theoretically speaking, a high diversification of economic activity makes you less vulnerable to crisis and provides for a more stable environment. But, that actually assumes all other parameters to be constant, so it is kind of an academic view, especially since the Czech market is relatively small. So, to start with the negatives, the size of the country makes it vulnerable. The Czech economy, like the Dutch economy, so I know what I am talking about, is very open. More than 50% of GDP comes from import and export. So, it does not matter how much the internal market is diversified and how well it works. It is much more important how the international community, your international trade partners and international investors, see it. Their perception is more important.

Of course, definitely the fact that the Czech Republic is at the centre of Europe is an advantage for distribution and logistics providers, especially since in this part of Europe, Czech infrastructure is very good. There seems to be reasonable willingness on the part of the government to invest in this infrastructure. So, it is not just a matter of being ahead currently, but based on investments, also ahead in the future. So yes, to be in the centre of Europe, with

this kind of infrastructure in place, it makes the country very attractive.

The level of education here is good and is comparable with the better western European countries and is better than most other countries in the CEE region. The availability of knowledgeable and skilled labour in the Czech Republic is relatively high. At the same time of course, the cost of labour, or costs in general, is still clearly below western European markets. So there is still a cost benefit possible here.



But the most important fundamental, which I wanted to save for last, is that the Czech Republic has an industrial heritage. The Czech Republic was actually the second country in the world to really industrialise, meaning that at the end of the 19th century, it was the second-richest country in the world, and that was not much more than 100 years ago. And also during the period of the First Republic, the country did extremely well.

This has led to an enormous heritage of industrial capability, which of course suffered a setback with the visit of the Germans, and then the Russians. But even in those days, the Czech Republic was the main producing and engineering country in the COMECON. So, they preserved these capabilities and knowledge relatively well.

And what you see is that immediately after 1989, the Czechs picked up on this capability, leading to the situation today where I would say that Czech companies have the industrial capability that is comparable to, and more and more competitive with, the capabilities of industrial companies in western Europe. But they are still in a clearly lower cost environment.

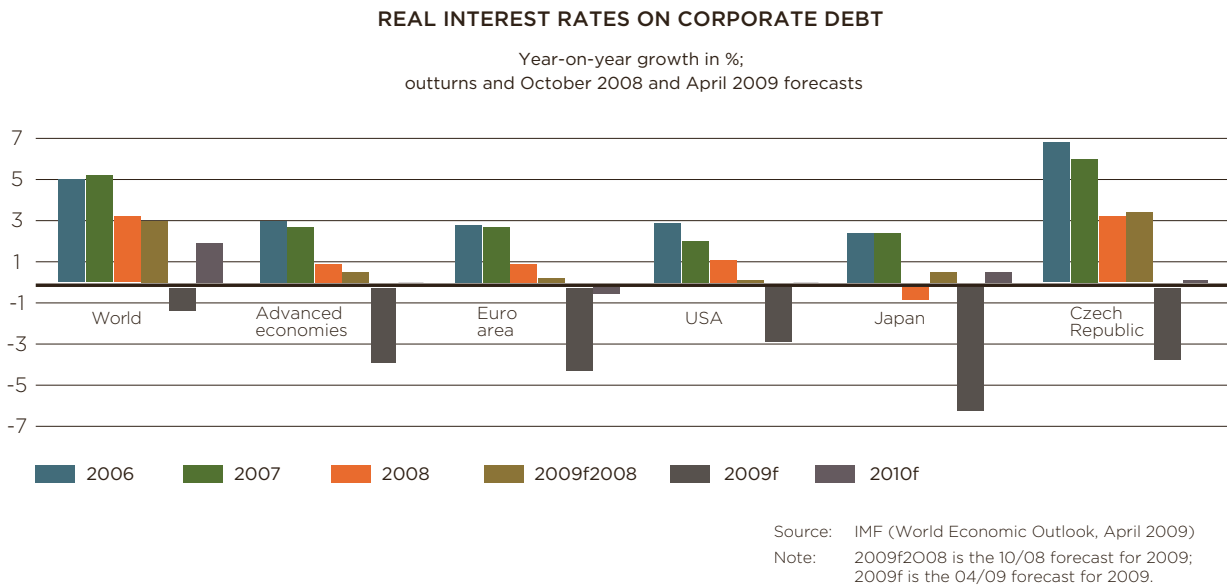
And now you can see why the Czech Republic is really in the centre of Europe—because if it's only about quality and capabilities, and very low tolerance levels and high precision and state of the art production, maybe some western European countries have some advantages.

If it is only about low costs, mass production, the serial production of relatively simple products with acceptable tolerances—when it is only about cost, there are definitely countries in the eastern part of Europe, starting in Slovakia but definitely in Romania and Ukraine, that are much cheaper. But if you want to have the benefit of high capability and high quality, as well as the benefit of a relatively low cost base, then there is the Czech Republic, and maybe in second place Poland? But definitely the Czech Republic comes first.

And its that position—in combination with the geographical position and the infrastructure—and the supply of knowledgeable and skilled labour, that makes the Czech Republic a very interesting market to invest in. Especially as on top of all this, the monetary stability of the country is also quite strong. If you compare the Czech Republic in terms of monetary stability in the CEE region—the country is by far the most stable.

It's interesting that you mention history. Do all bankers take this kind of historical view?

Well, probably not all bankers. But I think there are really three things that you need for business, in terms of understanding: economics, psychology and history. If you have your knowledge there, your interests there, you can do business. You don't need a university degree, but you have to understand these things. So history is very important. History and an understanding of socioeconomic influences as well as the culture of people.





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Is this cultural and historical awareness also something that motivates ING Bank's involvement in local charities? We noticed that you are a major sponsor of Tereza Maxová's foundation.

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**Y**es, what is definitely high on ING's agenda—and I introduced it here in the Czech Republic as well—is corporate social responsibility. We truly believe that we have as a company a responsibility toward the society and the community where we conduct our business and make our money. ING decided to support initiatives that contribute to the support of underprivileged children. In many countries, ING co-operates with UNICEF, but when I started this project in the Czech Republic at the end of 2005, we decided to co-operate with the Tereza Maxová Foundation. Local colleagues came with the suggestion, because Tereza is quite well known and well respected in the Czech Republic, and her charity has a very good reputation. We knew that we wanted to work with a local organisation if we could, as this was expected to be more appealing to our colleagues and our clients, than if we would choose to co-operate with a big international name like UNICEF.

To encourage our employees and also our clients to get involved, we started our own fund at the Tereza Maxová (see p. 242) foundation. We as a bank provide money to the fund, and also our employees and clients can donate money, and throughout the years we have fuelled this fund with donations. We also decide together with the foundation on which projects the funds will be spent. Our own people visit the projects, to see how things are going, and also to be involved in activities. I must say that after almost four years, this co-operation has been very fruitful and very rewarding. Expectations have been met, and it looks like we will definitely continue with this, even in bad times.

‘AND AGAIN, FOR ING, IT IS ALL ABOUT SUSTAINABLE  
RELATIONSHIPS. WE DON'T STEP IN ONCE. WE WANT TO  
WORK WITH TRUSTED PARTNERS OVER THE LONG TERM.  
AND THAT IS WHAT WE CONTINUE TO DO, WITH OR  
WITHOUT AN ECONOMIC CRISIS’



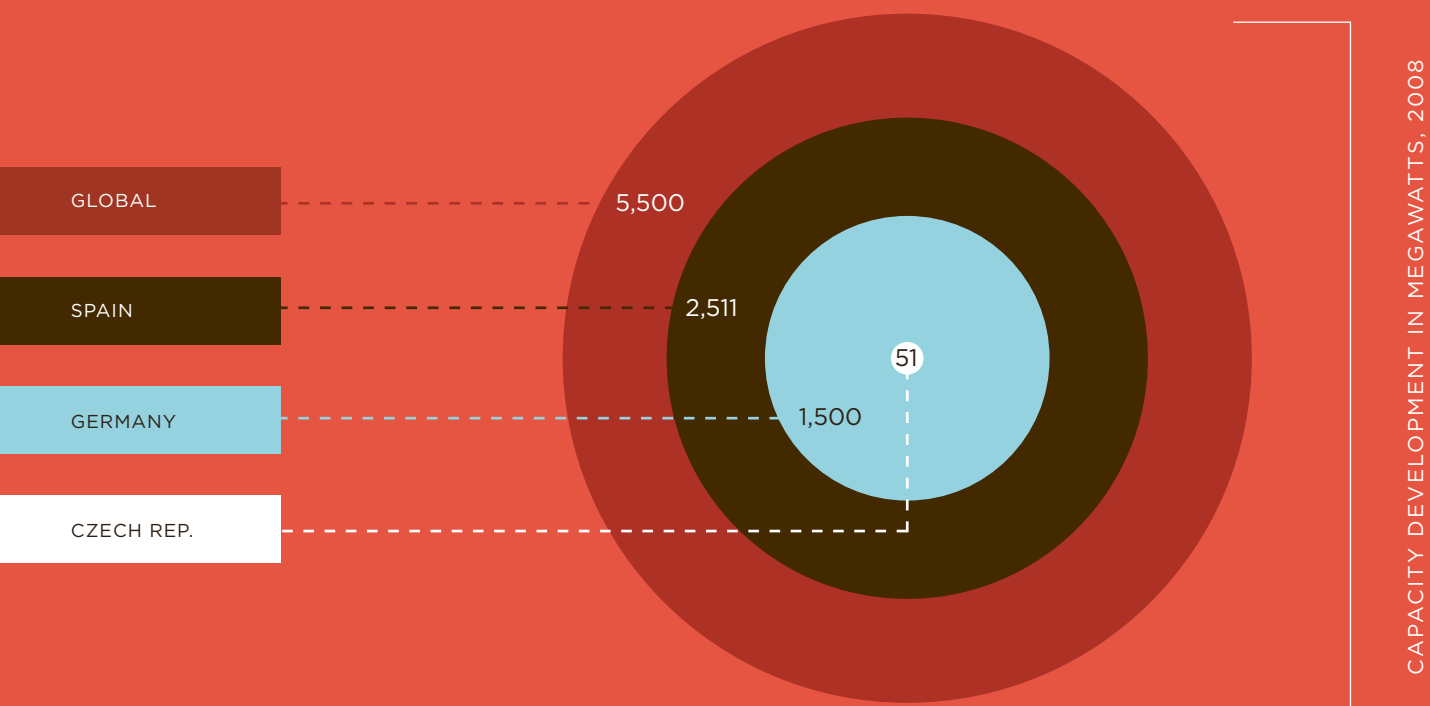


ARNO VAN HUMMEL AND HIS  
ACCOUNTING TEAM ENSURE  
TRANSPARENCY AND COMPLIANCE  
AT BOTH THE CZECH AND  
EUROPEAN LEVELS

WE'RE NOT A RISK IN  
THE CZECH REPUBLIC  
BECAUSE WE HAVE  
A SOLID LAND BANK WITH  
THE INFRASTRUCTURE AND  
ALL THE PROPER PERMITS  
IN PLACE. PLUS WE HAVE  
A MANAGEMENT TEAM  
THAT CAN QUICKLY REACT  
TO ANY CHANGES OR  
REQUIREMENTS.



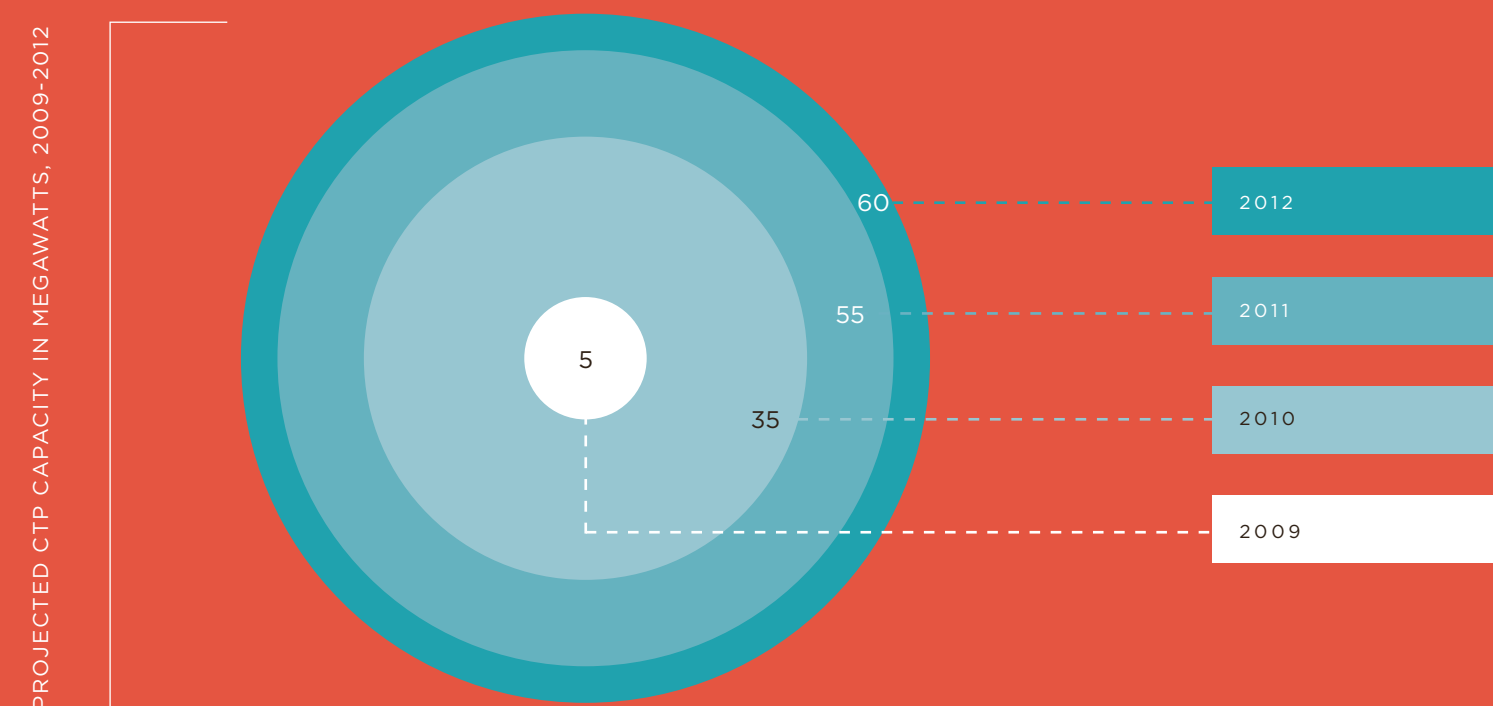
The practice of installing photovoltaic panels on the rooftops of industrial buildings is becoming increasingly common in counties like Germany, Spain, Italy, Japan, the US and many others, where state incentives have been in place now for several years to increase the overall percentage of power supplied to the national grid from renewable sources. EU initiatives to increase the capacity of renewable energy sources have **led the Czech government to adopt attractive incentive schemes for the set up of renewable energy generation.**



CZECH REPUBLIC AND SOLAR ENERGY

# Solar

**CTP has taken the lead in the Czech Republic** and in 2008 launched its “Solar Initiative” to install PV panels on the rooftops of its industrial properties within the CTPark Network. The pilot project—a 21-kilowatt system—is currently operating on the rooftop of CTP’s headquarters in Humpolec. At full installation across the CTPark Network, the system will generate 60 MW of peak capacity a year. This would place CTP among the largest solar power producers in the country.



CTP AND SOLAR ENERGY

# Sense

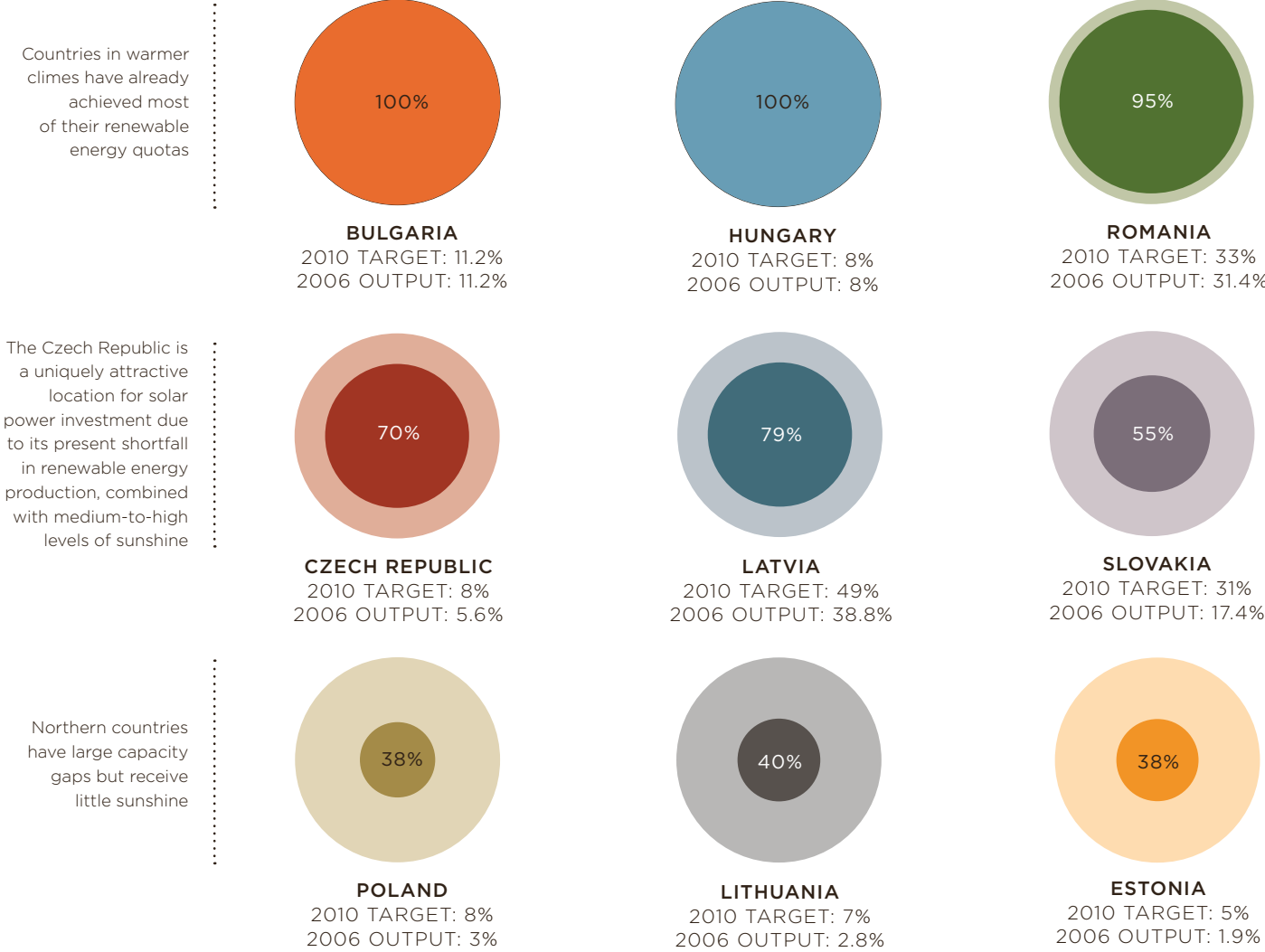


# The European Vision: 20/20/20

In accordance with the Kyoto Protocol, the European Union has adopted a 20/20/20 program, pledging to reduce its greenhouse gas emissions by 20% by 2020 and to increase its proportion of final energy consumption from renewable sources to 20% over the same time frame. In order to achieve these goals individual member states have been assigned mandatory renewable energy targets which indicate the share of gross electricity consumption that should come from renewable sources.

Renewable energy targets are set individually for each member state, calculated from a combination of previous renewable energy contributions and general economic indicators:

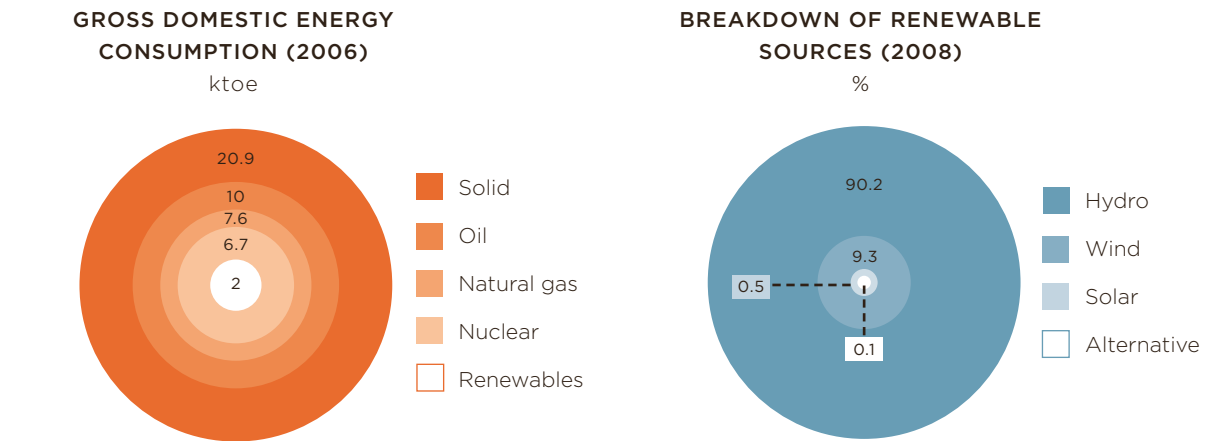
RENEWABLE GENERATION SHARE OF GROSS ELECTRICITY CONSUMPTION (2006) COMPARED TO 2010 TARGET FOR SELECTED CENTRAL EUROPEAN COUNTRIES



Source: EurObserver, European Commission, Estonian Statistical Office

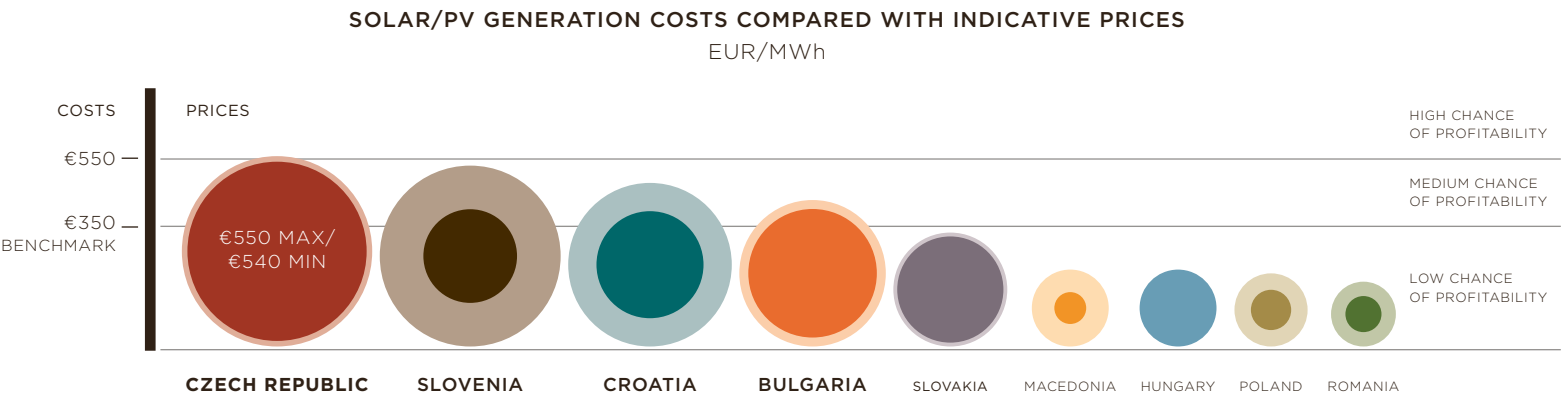
# Inside the Czech Market

As the table on the previous page shows, the Czech Republic has some way to go to reach the 8% target for renewable energy supplies by 2010. Due to conditions in the Czech Republic, the percentage of solar power in the renewable energy supply mix is expected to grow in order to meet the EU-imposed target.



Solar energy in Czech Republic currently maintains a small renewables share of 0.5% but experienced growth of 617% from 2007 to 2008, and seems destined to rise significantly in coming years. Electricity from hydropower, which currently sits around 5.5% of total consumption, has reached its maximum and has no further potential; wind power, meanwhile, is an important part of the mix but has never achieved the popularity that it has in other countries. While the total energy supply of all renewables declined year-on-year in 2008, solar was the only source that grew. Due to a combination of geography, government policy, and public opinion, solar is the only possible component of this energy mix that can be utilised to achieve the EU target for renewable energy.

Solar, in short, makes sense in Czech Republic. While solar power is still expensive at present—at an approximate 350-500 EUR/MWh generation cost,—the Czech Republic is one of the few countries that provides sufficiently high levels of support to make an investment in solar power viable. The Czech government presently offers two incentive schemes: a fixed feed-in tariff and a “green premium.” Thanks in part to these incentives, the Czech Republic has been determined to have the highest likelihood of achieving attractive returns among central & eastern European countries:



Outer circle indicates maximum estimated price level; inner circle indicates minimum estimated price level.  
Gap size indicates uncertainty level; smaller gaps are better

Source: Vestas, OECD, European Commission, energy regulators, KPMG Analysis



# CTP Solar Initiative

## The Big Picture

With about 1.65 million m<sup>2</sup> of rooftop space available, generous government support in the form of subsidised feed-in tariffs and a 'Green Premium', CTP has an excellent opportunity to become a major player in helping the Czech Republic meet its quota of green energy, mandated upon entry into the European Union.

## The Plan

Based on the success of the 2008 pilot project in CTPark Humpolec, CTP began installing **10MW** of solar capacity on 18 buildings in September 2009. CTP will add capacity across the CTPark Network in separate installations; the project's overall energy output is expected to reach as much as **50MW**, enough to power one-third of the total energy consumption across the Network.

## The Bottom Line

The Solar Initiative is expected to produce an internal rate of return (IRR) of about **12.14% over 20 years for the 10MW capacity** online as of September 2009. Additional capacity will be brought online through individual SPVs. CTP will earn operational profits under the current plan and maintain the opportunity to sell off individual SPVs—or the entire solar energy network—on the public market.



# How It Works

Our solar configuration takes advantage of existing CTPark infrastructure—the park's electricity network system and free roof space—to collect and deliver solar energy in an efficient and cost-effective manner through lower initial investment costs. Integration with the park's traditional power network means guaranteed up-time for our tenants, day or night, rain or shine.

- 1

**Photovoltaic panels** are placed on the optimal spot of existing roof space of selected buildings in the CTP portfolio and absorb the sun's rays
- 2

Power is created and transfered via high-quality **DC cables** routed through existing electrical trunking systems to inverter stations
- 3

**Inverter stations** are placed in the most strategic place near buildings in order to avoid power loss. High-quality inverters convert the power from the Direct Current (DC) to Alternating Current (AC)
- 4

Transmuted AC power is transferred via high-quality **AC cables**, routed through existing underground multi channels within the CTP Parks, to the existing transformer stations
- 5

A **transformer** regulates the flow of the power as needed. Peak Solar-producing hours generate a surplus of energy which is fed into the existing local distribution network (LDS)
- 6

To meet demand during sub-peak hours, **traditional electrical power** is transferred from the traditional energy utilities.
- 7

Both solar and traditional power traverse the CTPark via the existing **local distribution network system**
- 8

Buildings in the CTPark are powered by a combination of both types of the energy

## Two Tarrifs

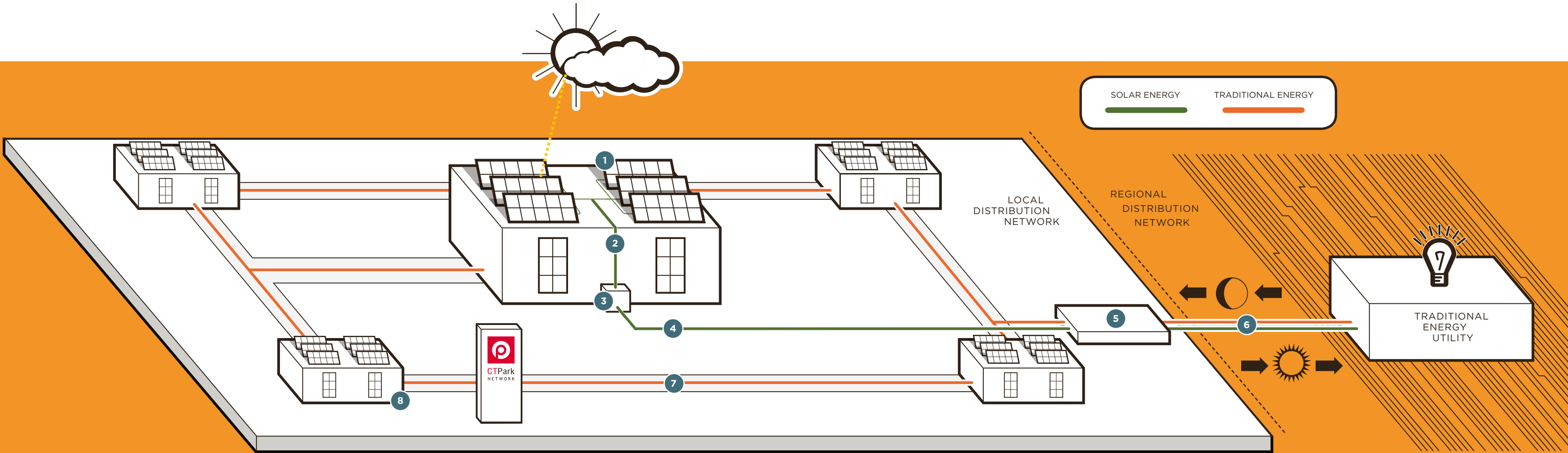
The Czech government currently offers generators of renewable energy two complementary subsidy schemes, which in combination offer heightened security to investors:

### FEED-IN TARRIFF

Since 2005, under local law, qualifying producers of power from renewable energy sources are eligible to apply for the “feed-in” tariff to the regional electricity distributors. The power distributor is obliged to pay the feed-in tariff until the quota for renewable energy for that regional grid is met. The feed-in tariff is valid for the year the system enters operation. The tariff is guaranteed for 20 years and is adjusted annually for inflation.

### GREEN PREMIUM

If the regional quota is met, a secondary but also beneficial subsidy exists, called a “green premium,” under which producers of renewable energy can sell electricity to any electricity trader or final customer and collects the green premium from the regional disribution system operator. CTP may choose yearly between these mechanisms for the coming year, most likely though selling energy through the feed-in tariff system.



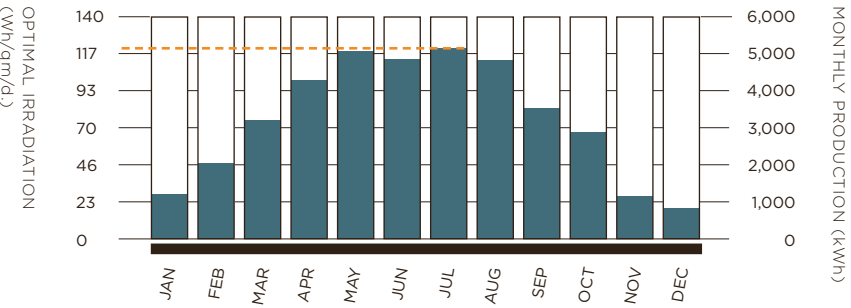


# CTP Solar Locations

## 1. HUMPOLEC

PV PLANTS CURRENTLY INSTALLED: **4**  
MAXIMUM ESTIMATED PEAK PRODUCTION: **118 KWH/mo.**

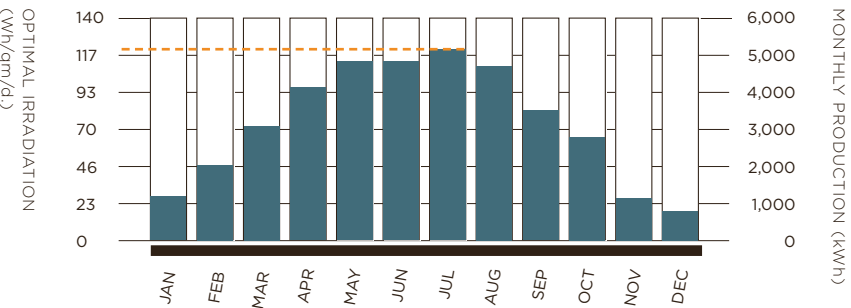
Monthly productivity of PV plants in Humpolec



## 2. JIHLAVA

PV PLANTS CURRENTLY INSTALLED: **2**  
MAXIMUM ESTIMATED PEAK PRODUCTION: **120 KWH/mo.**

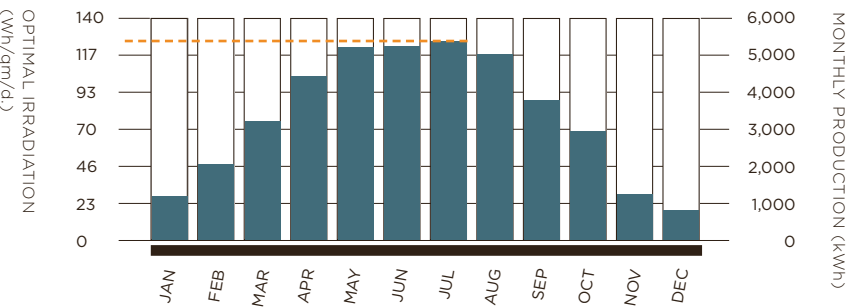
Monthly productivity of PV plants in Jihlava:



## 3. BRNO

PV PLANTS CURRENTLY INSTALLED: **11**  
MAXIMUM ESTIMATED PEAK PRODUCTION: **124 KWH/mo.**

Monthly productivity of PV plants in Brno:



### HOW MUCH IS 1KWH?

A Kilowatt hour is the standard denomination for measuring energy usage. The average yearly consumption for a typical Czech household occupying a three room flat is **4,000 kWh**

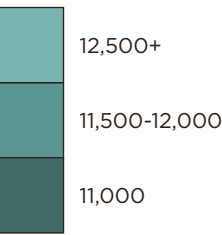
Each kilowatt hour of energy generated through solar power reduces the amount of carbon dioxide released into the atmosphere by fossil-based fuel sources by **.7 kilograms.**

## Let the Sunshine In

Although the Czech Republic does not receive the intense irradiation of Southern EU countries like Spain or Greece, its solar electricity potential allows for attractive returns. The solar project locations are all located in the southern part of the country, where a comparatively high irradiation is measured with up to 1,250 kWh/m².

In the past it was assumed that the degree of efficiency of solar cells could theoretically be up to 30%, depending on such factors as the quality of material. After a recalculation by the Max-Planck-Institute in Stuttgart, Germany, the theoretical ceiling was raised to 45% under favourable laboratory conditions. In real-world conditions, 13-15% can be achieved, and under favourable conditions 18%, which is markedly higher than photosynthesis.

YEARLY SUM OF IRRADIATION IN kWh/m²



## Right Country, Right Cells

One key component of the CTP Solar Initiative is the selection of **polycrystalline silicium** for our solar panels. Polycrystalline cells provide the best efficiency for the weather conditions of the Czech Republic, offering best value for money with relatively high system efficiencies between 12% and 13%.





THE CTP SOLAR INITIATIVE IS PART OF OUR PHILOSOPHY TO PLAY A POSITIVE ROLE IN THE COMMUNITIES IN WHICH WE OPERATE





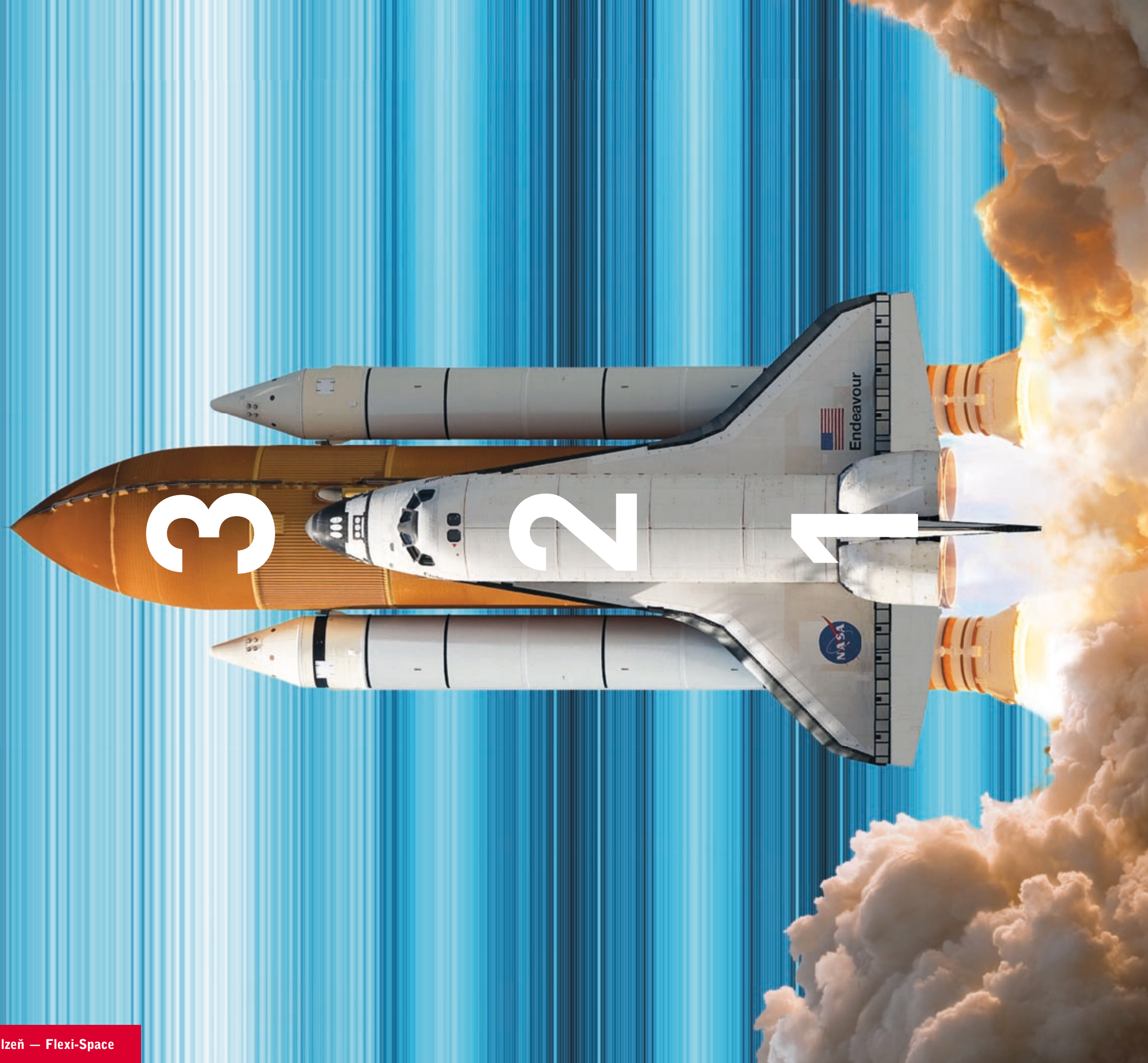
JIŘÍ KOSTEČKA, IN CHARGE OF CLIENT SOLUTIONS IN THE SOUTH MORAVIA REGION, ENJOYS THE SUN ATOP SPEILBERK OFFICE CENTRE IN BRNO

ANOTHER OPPORTUNITY FOR US IS THAT WE HAVE BEEN HERE FOR 10 YEARS AND WE CONSIDER THE CZECH REPUBLIC OUR HOME MARKET.

WE'RE FROM HERE, WE SPEAK THE LANGUAGE, WE ARE A LOCAL COMPANY. WE HAVE LONG-TERM COMMITMENTS AND RELATIONSHIPS HERE.



# TESTING



It's hard to think of a branch of engineering more driven by technology than the aerospace industry. Today's aircraft—and spacecraft—are wired with computer technologies unimaginable just a few years ago. Who knows what advancements these technologies will bring in the future?

As much as the aerospace industry depends on technologies based on silicon, it also depends on metals of a slightly different variety—modern metals like titanium, aluminium and aerospace-grade steel. Super-light, and subject to the stresses of temperature and weight, the metals used to build today's aircraft are just as state-of-the-art as their hard-wired, metalloid computer cousins. It goes without saying that the integrity of these metals is paramount for the safety of our modern-day flying machines.

**Exova**—one of the world's leading independent materials testing organisations—operates a major testing lab facility at CTPark Plzeň that is specialised on the aerospace industry. Here the company tests a range of metals used in various mechanical or structural components, not only for aircraft, but also for satellites, rockets, and materials used in other precision parts, like the turbines used in electrical power plants.

We sat down to talk with **Jiří Fidranský**, the general manager of Exova in the Czech Republic, to find out more about the business of metals testing and how Plzeň is helping Exova to expand.





ABOVE: EXOVA GENERAL MANAGER JIŘÍ FIDRANSKÝ POSES IN FRONT OF A PHALANX OF TESTING UNITS. THOUSANDS OF THESE 'PRESSURE ARMIES' FILL THE HALLS OF THE FACILITY, SLOWLY, INCREMENTALLY GAUGING WHETHER A MATERIAL IS UP TO STANDARD

WHAT CAN YOU TELL US ABOUT EXOVA'S MATERIAL TESTING ACTIVITIES IN THE CZECH REPUBLIC?

Exova is focused primarily on the mechanical testing of metals. We are equipped to test various metals, including steel, nickel-based alloys, aluminium and titanium. Our clients come from various industrial branches, but around 80% of our business comes from the aerospace sector.

Generally, we do not do tests directly for original equipment manufacturers, but we do tests for their suppliers, for example for producers of engine blades, engine discs, and metal plates for airframe structures. The end customers are generally the major aerospace companies, including Boeing and Airbus as air framers, and in terms of engine makers, GE, Pratt & Whitney, MTU, Rolls Royce, and also Honeywell.

'IF THIS DISC FAILS FOR WHATEVER REASON, IT COULD RESULT IN AN AIRPLANE CRASH. SO, IN OUR WORK, THERE IS A VERY HIGH DEMAND FOR QUALITY'

In terms of our company structure, Exova in the Czech Republic is a part of an international group based in the UK, with around 130 laboratories worldwide, including the US and China.

Exova is now an independent, private company. Previously, it was the materials testing division of Bodycote plc. In October 2008, the materials testing division was spun off and purchased by a global private equity firm. At the time of the sale, materials

testing made up about 30% of Bodycote plc's global business. Currently, we are the only Exova testing facility in the Czech Republic, and also the only one in the surrounding countries, including Germany and Austria. The Plzeň lab is one of the few independent testing facilities in this part of Europe, and so it gives us great potential. There are not many commercial labs in the region, and the ones that do exist mainly belong to equipment manufacturers. There are also some companies doing research, much of which is government funded. We are basically the only independent, commercial laboratory in the region doing such tests.

Exova in Plzeň first opened in 2003 [as Bodycote Materials Testing], but at other premises, not at CTP's premises. We moved to CTPark Plzeň at the end of 2006. Initially, Plzeň was chosen because one of Exova's large customers, PCC [Precision Castparts Corp. a diversified manufacturer of complex metal components and products] opened a facility in Plzeň. They needed a testing facility, but they did not want to do the work themselves. So, Bodycote UK reached an agreement with PCC to open a facility in Plzeň. Since that time, we have significantly broadened our customer structure. We still do business with PCC, but right now it is a much smaller part of our overall business. And this is one of the reasons we moved to this new facility owned by CTP. Because starting in 2006, our business began to grow quickly, and we needed a bigger facility, also with the potential for future growth.

Now, from the beginning, we knew that it did not want to build or own the actual building for various reasons. One of them is investment. But, perhaps more importantly, we are still a company in growth, and we need the flexibility to be able to expand as our business continues to grow. Right now, we are in the third year of a ten-year lease with CTP, and it may happen that soon, we will fully utilise our current space, and so may need to discuss with CTP about expanding our facilities in Plzeň.

NOTE: SUBSEQUENT TO OUR INTERVIEW WITH JIŘÍ FIDRANSKÝ, BODYCOTE MATERIALS TESTING UNDERWENT A REBRANDING. "EXOVA IS THE NEW THE NEW NAME AND IDENTITY OF THE BODYCOTE TESTING GROUP [WHICH WAS] PROMPTED BY THE SALE OF THE BUSINESS BY BODYCOTE PLC LAST YEAR," ACCORDING TO THEIR WEBSITE

WHEN DID YOU LAUNCH ACTIVITIES IN THE CZECH REPUBLIC? AND WHY PLZEŇ?	
DID YOU CONSIDER BUILDING YOUR OWN FACILITY?	





YOU ARE OPERATING  
IN A CTP FLEXI-SPACE  
BUILDING, HOW DID  
CTP CUSTOMISE THIS  
FACILITY FOR YOU?

We gave CTP our requirements for the space, the layout, the internal arrangement of the building, and they prepared the building for us in terms of inner walls, electricity connections, plus offices and other necessary equipment, like air conditioning. Last year, we expanded part of our hydraulic facility because our space was not big enough to accommodate an additional pump. CTP built an additional pump room for us quickly, and it was a positive experience.

For our business, we do not have too many special requirements in terms of our facility. Because we do testing, generally we receive small pieces of metal, which we test and then send back to the supplier. We don't sell any material products; we sell certificates. At the end of the day, we are selling knowledge more than anything else.

Our main requirements are sufficient electricity and sufficient floor space. We do tests at elevated temperatures, up to 800 degrees Celsius and some of our machines consume a lot of electricity; and if we require more or new machines, we will need more floor space and more electricity. These are our biggest limitations. And also why we chose to lease from CTP rather than build our own facility.

We do not plan to move outside of Plzeň for various reasons. One of them is our customer base. Several of our customers are located in Plzeň. These are either foreign companies, or local companies operating in the territory of the former Škoda Works engineering conglomerate.

Secondly, we have a highly qualified staff here, whom we recruit from the local technical university. We have various types of employees. Some are pure operators and are not university educated, but we also employ doctors of mechanical and material sciences. Generally, it is not easy to find the kind of qualified people we need for our work, and we are happy that there are skilled people available here in Plzeň coming out of the university. This is essential for us, and we have a good relationship with the local technical university.

A third reason is that Plzeň gives us good connections to other countries, especially Germany, where a high volume of our work currently comes from. So from Plzeň, we can serve these clients very quickly and easily. We very frequently have clients from Germany coming to visit us here in Plzeň. It is necessary for us to be accessible.

ABOVE AND BELOW: HIGH TECH TESTING MACHINES AT EXOVA'S LAB IN CTPARK PLZEŇ ARE DESIGNED TO DETERMINE A GIVEN MATERIAL'S ABILITY TO WITHSTAND A VARIETY OF EXTREME CONDITIONS SUCH AS TEMPERATURE AND PRESSURE.



Škoda Works:  
Working for Plzeň

Originally established as a metal works in Plzeň by Count Wallenstein-Vartenberk in 1859, Škoda Works was given its name—and future direction as one of Europe's largest industrial concerns—by Emil Škoda, a Czech engineer and entrepreneur, who purchased the company in 1869.

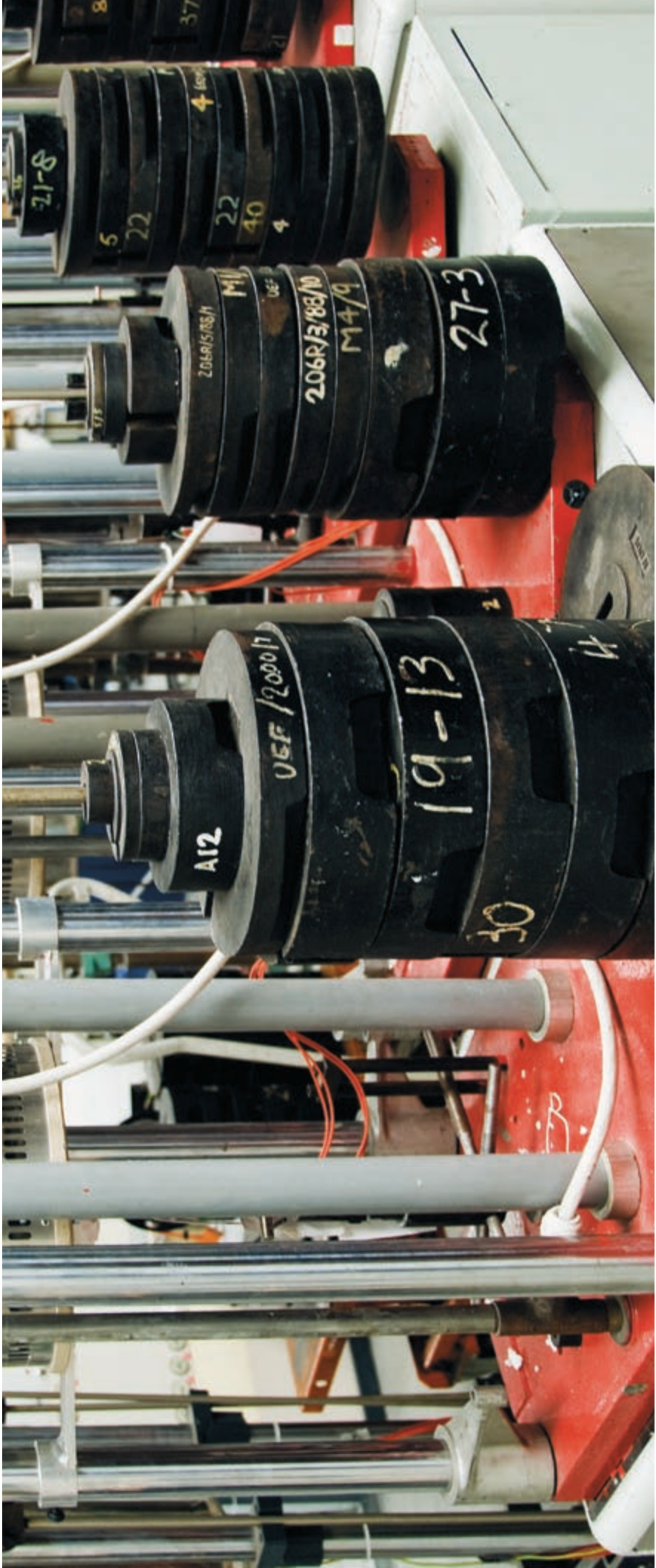
Scholars point out that the Austro-Hungarian Empire at this time remained primarily agricultural and was generally slow to embrace the new industrialisation. The Czech lands were the exception. Škoda was one of several Czech engineers, entrepreneurs, and inventors who embraced the technological changes brought by industrialisation.

The Škoda Works foundry in Plzeň soon became the Empire's largest and most important munitions factory. With nearby sources of coal and iron-ore deposits, Plzeň was also fertile ground to build a steelworks, and by the 1880s Škoda Works was operating one of Europe's most modern steel mills, capable of making castings weighing many tonnes.

At the start of the 20th century, the company diversified and began to produce locomotives, aircraft, ships, machine tools, steam turbines, automobiles, and later equipment for power generators. In 1924, Škoda Works acquired the Laurin-Klement car manufacturer, which later became Škoda Auto (the two companies were split twice, once during World War two, and again during the socialist period).

During the socialist period, Škoda Works maintained its engineering excellence, and was well-known throughout East bloc countries (and in the West) for its high-quality locomotives, trams, trolley buses and subway cars.

The privatisation of Škoda Works in the 1990s was somewhat chaotic, but today there are several successful successor companies, including Škoda Holding, that operate at facilities that were once part of the original Škoda Works.





HOW DOES THE PLZEŇ LAB FIT INTO EXOVA'S "BIGGER PICTURE"? IS THE PLZEŇ LAB SPECIAL IN SOME WAY?

Our Plzeň facility is not actually special within the Exova testing network, but it does have some special features. Plzeň is relatively large compared to other Exova laboratories because it is serving a larger area, and so we are also set up to run a broader scope of tests, which is unique. In Plzeň, we do less research than testing, most of which is purely on production release. This means that we can do tests with a very short turnaround. This is one of our advantages over other laboratories, not only within Exova, but also among other testing labs.

The majority of our business comes from abroad, and so does the majority of our competitors. The testing business is truly global and we compete with competitors located in the United States, for example. And we believe that being located in Plzeň gives us certain advantages.

‘DURING AUSTRO-HUNGARIAN RULE, THE CZECH LANDS WERE THE MOST INDUSTRIALLY ADVANCED WITHIN THE EMPIRE. THE LOCAL TRADITION OF ENGINEERING CONTINUES AND IT WILL GROW’

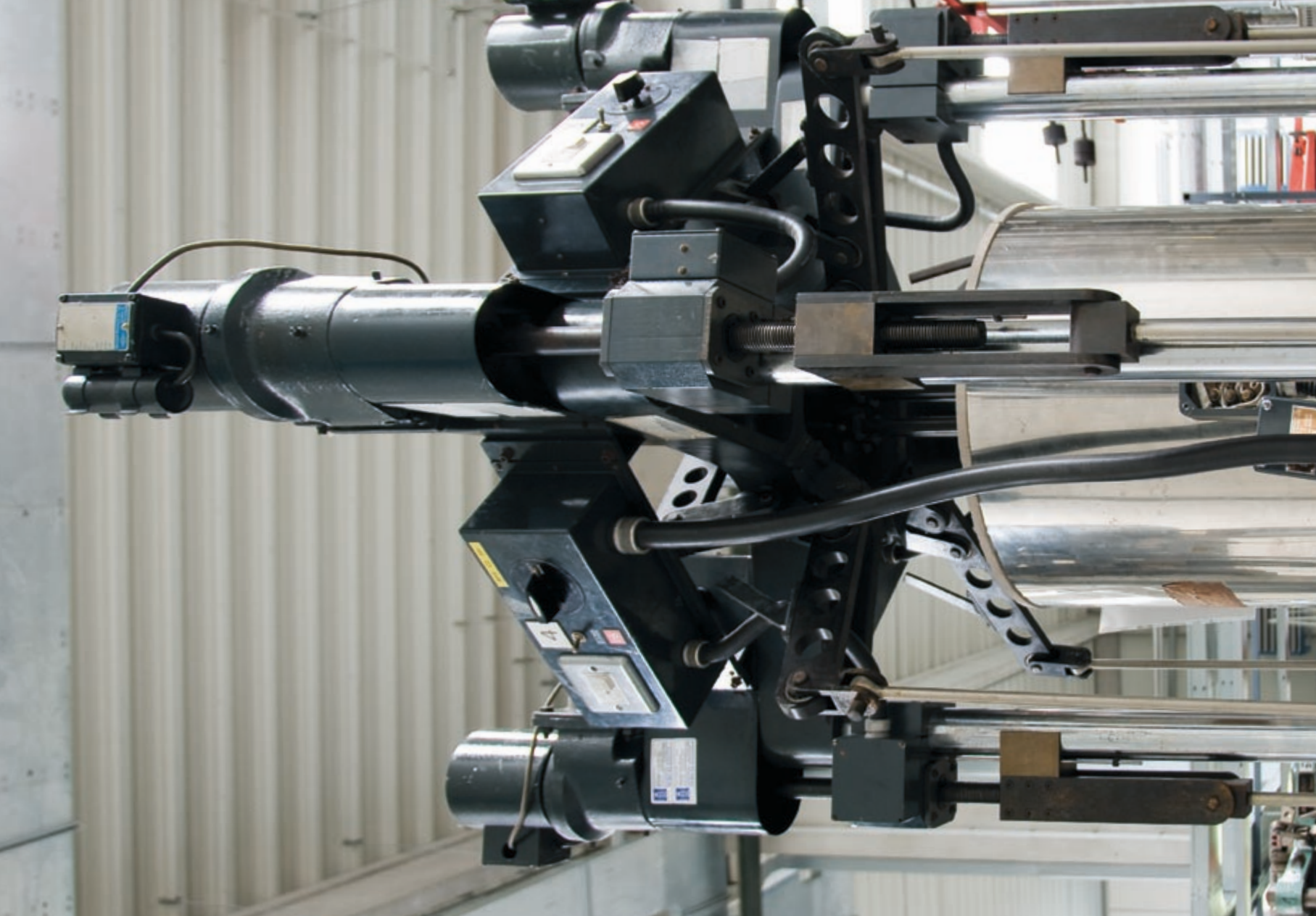
WHAT KIND OF ADVANTAGES?

The Czech Republic and Plzeň have a lower wage level than in western European countries like Germany. So yes, cost is one advantage of our location.

But, more important is Plzeň's long history of excellence in mechanical engineering. During Austro-Hungarian rule, the Czech lands were the most industrially advanced within the empire. Skoda Works was founded in Plzeň around 150 years ago, and it was the largest industrial enterprise in all of the Austro-Hungarian Empire.

It remained a huge conglomerate until privatisation, employing 20,000 people, but has since been broken up and we do much business with the smaller companies which have moved in.

The local tradition of engineering continues and it will grow. Despite the economic crisis, most of our local customers are in relatively good shape. Most of our local customers are export orientated, like us, and so the final products usually end up somewhere else in the world.







EXOVA'S MECHANICAL TESTING  
CAPABILITIES INCLUDE ALL  
FORMS OF DESTRUCTIVE TESTING  
ENCOMPASSING STATIC TESTS SUCH  
AS TENSILE AND HARDNESS...

... ALONG WITH DYNAMIC  
TESTS SUCH AS FATIGUE AND  
FRACTURE TOUGHNESS TESTING.

'WE ARE BASICALLY THE ONLY INDEPENDENT, COMMERCIAL  
LABORATORY IN THE REGION DOING SUCH TESTS.'



CAN YOU GIVE US ANY

DETAILS?

In Plzeň, many of our customers are producing very specialised turbines, crankshafts, and other large, technically demanding machinery parts. For example, we have a customer that produces crankshafts for diesel engines used on large ocean ships. Even though the equipment is quite heavy, it is still very sophisticated: there are only a few companies in the world that can produce them. We do the testing for the materials used to produce these crankshafts.

We also do testing on blades that are used in turbines for electric or nuclear power stations. If 80% of our business comes from the aerospace business, then the other 20% comes from these areas.

One good example is the testing of materials used to make engine discs, either a compressor disc or a turbine disc. This part rotates at very high revolutions, and so is very heavily loaded by temperature and mechanics. If this disc fails for whatever reason, it could result in an airplane crash. So, in our work, there is a very high demand for quality.

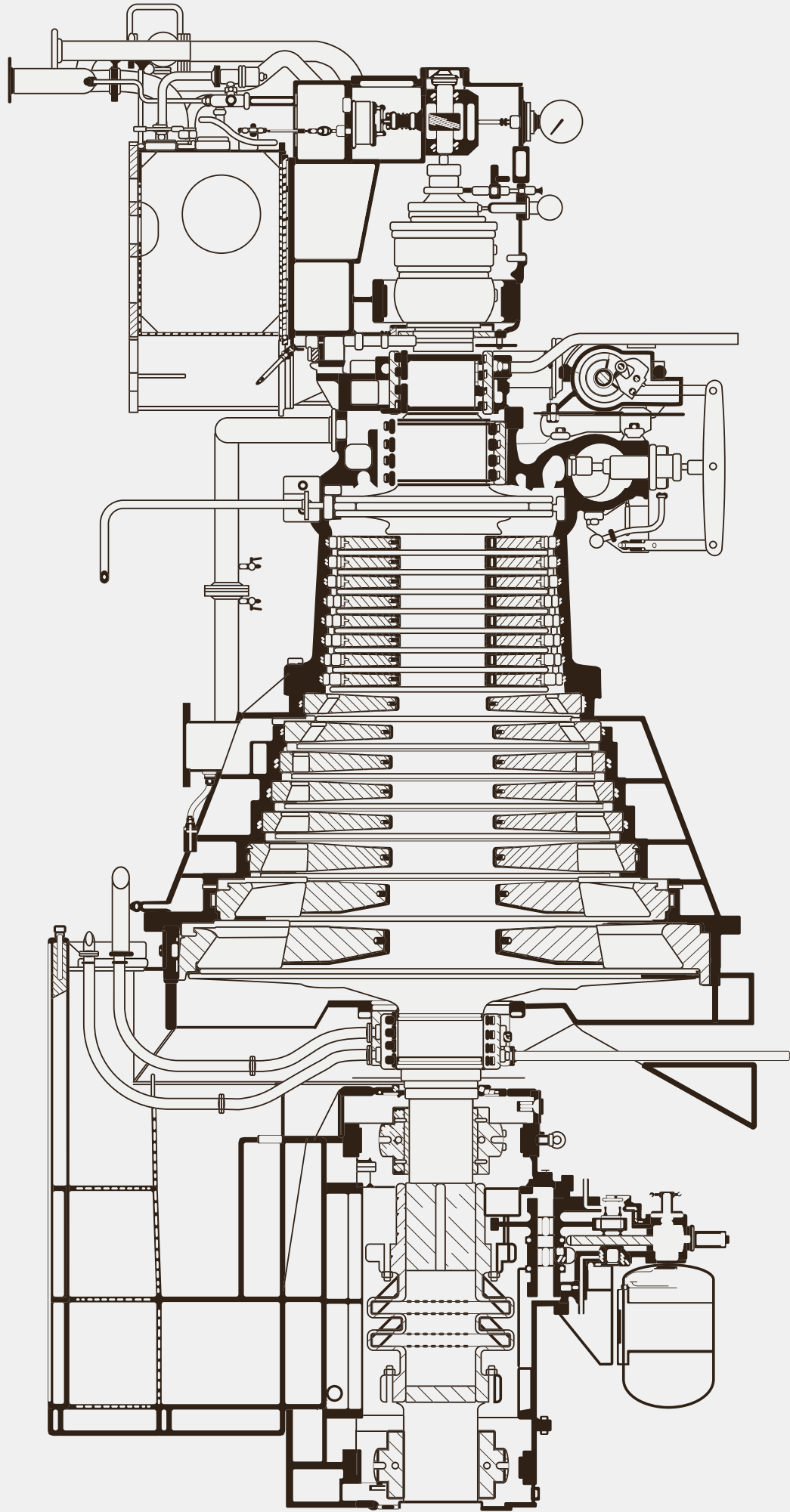
WHAT KIND OF TESTING DO YOU DO SPECIFICALLY FOR THE AEROSPACE INDUSTRY?

CTPark Plzeň — Flexi-Space

For a particular disc, we do what is called “one-to-one” testing, where the materials used to make the parts are tested, not the actual part itself.

Another example of one-to-one testing is for instance the thick aluminium plates, which are used for airframe structures. The plate might be three or four metres long, 1.5 metres wide and 20 cm thick, which is basically the biggest size that they can produce. From each plate, four material samples are taken, and tested. If everything is OK, the plate can go for further production. And if not, it must be scrapped.

In some cases, we do test actual parts, but sometimes we do not know what the part is for, or where it will go. For example, we do material testing on aerospace steel. From our point of view, we do not care if the steel will be used for a satellite, a rocket, or an airplane.



ABOVE: CROSS-SECTION DIAGRAM OF A TURBINE ENGINE, ONE OF MANY TYPES OF DEVICES THAT INCORPORATE EXOVA-TESTED MATERIALS

BUT DOESN'T IT MATTER IF THE MATERIAL LEAVES THE EARTH'S ATMOSPHERE?

This is not our responsibility, but rather the design company's. Our role is to check if the material meets the specified standards. Altitude does not make any difference in this respect and we don't test for altitude. Temperature is the main consideration for us—elevated temperature and also below zero—as well as corrosion resistance.

Our work requires us to take on a lot of responsibility, and we are accredited not only by end-customers but also by international agencies. We have an accreditation from NADCAP, which gives worldwide accreditation to laboratories that do testing for the aerospace and defence industries. We are the only lab in the Czech Republic with this accreditation, and only a few other laboratories in Europe. We are also accredited by UKAS, a UK-based government rating agency. And we must also meet the ISO ISO:17025 standard. Accreditations such as this generally require yearly renewals.

We were fortunate, in that we had already made some structural changes at the beginning of 2008, which prepared us quite well for the financial crisis. We had already streamlined our workforce, launched new testing services, and began to search actively for new customers. We were quite successful, and today around 40-50% of our business comes from new customers that we attracted last year. Our sales this year are actually significantly higher than at the same time last year, and we have started to recruit new staff.

YOU MENTIONED THE CRISIS. DOES THE DOWNTURN IN THE AEROSPACE INDUSTRY HAVE AN IMPACT ON YOU?



OUR FOCUS NOW IS NOT ABOUT GETTING BIGGER AND DEVELOPING MORE, BUT IS RATHER LOOKING AFTER WHAT WE ALREADY HAVE AND MAINTAINING THAT PROPERLY. ITS ABOUT ENSURING OUR CURRENT TENANTS ARE SATISFIED. THIS IS THE PHILOSOPHY WE HAVE RIGHT NOW.

CEO REMON VOS AND BUSINESS DIRECTOR JAKUB PELIKÁN SHARE A LAUGH TOGETHER BEFORE THE WEEKLY MORNING MEETING BEGINS AT CTP HEADQUARTERS IN HUMPOLEC



# BRNO

A RENAISSANCE TOWN  
FOR THE

# 21<sup>ST</sup>

CENTURY

You may go to other European destinations for Renaissance architecture, but few cities in Europe today can match Brno's Renaissance spirit. Throughout its 766-year history, the city has continually had to recreate itself—as a cross-roads for trade in the Middle Ages, a fortress against attempted invasions during the Thirty Years' War, and then again as an industrial centre in the 19<sup>th</sup> century.

Today, with the help of its business-friendly local government and eager young graduates from the city's half a dozen universities, Brno's next incarnation is as a vibrant information technology, science and cultural hub.

Before the global economic crisis, Brno was on the fast track to become a destination of choice for companies operating across a range of sectors. Even in the midst of the crisis, Brno's fundamentals remain strong. Investment, though slower, continues. Based on its strong tradition of scientific and technical excellence, Brno is actively transforming itself into a knowledge-based "city of the future." In this sense, it is no exaggeration to say that Brno is being reborn. It may not be Florence during the time of the Medicis, but Brno truly is a Renaissance town for the 21<sup>st</sup> century.

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# OPEN FOR BUSINESS

BRNO COMBINES ALL THE ELEMENTS REQUIRED FOR A SUCCESSFUL BUSINESS ENVIRONMENT TO GROW: STRATEGIC LOCATION, ADVANCED INFRASTRUCTURE, A HIGHLY EDUCATED WORKFORCE, AND COST EFFECTIVENESS

**B**rno is fast becoming one of the CEE's top business locations. Strategically located between three central European capitals—Prague, Vienna and Bratislava—Brno is truly at the heart of central Europe.

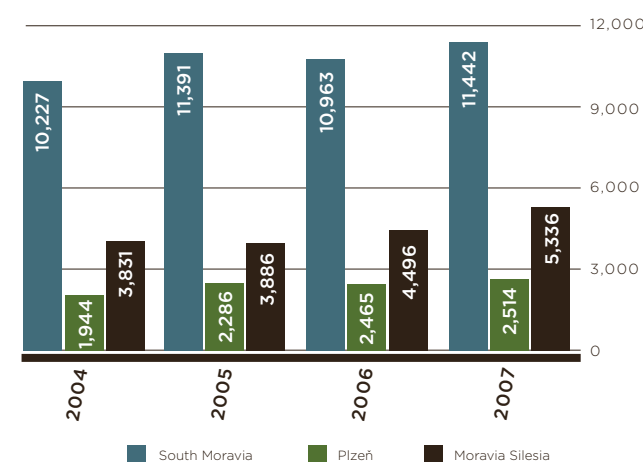
The revival of Brno from a “sleepy, provincial town” into one of Europe's new business destinations in less than a decade is a remarkable success story and points to the underlying strengths the city has to offer. Twice in recent years Brno has been named “City of the Future” for the CEE region by the Financial Times. And it's no wonder. Brno combines all the elements required for a successful business environment to grow: strategic location, advanced infrastructure, a highly educated workforce, and cost effectiveness. These have combined to make Brno hard to resist, and the increased interest in the city continues to leave its mark.

Still, as Brno continues to grow in both size and stature, it hasn't lost its small town charm and feel, something that locals cherish. What's more, some of the most beautiful landscapes in central Europe can be found not far from Brno. The heartland of Moravian wine country, the Palava region, is just a half-hour drive from the city centre [see p. 224]. To the north lies the breath-taking Moravian Karst region, with its mysterious caves, underground rivers, and the famous Macocha Abyss.

Brno's mix of talents and attractions combine to create a perfect place for the knowledge-driven businesses of today and tomorrow to thrive. But Brno means much more than only business. In parallel with its emergence as a new business hub, Brno is also emerging as a vibrant city of art and culture, a city with its own unique sensibility re-discovering itself at the crossroads of a new Europe.

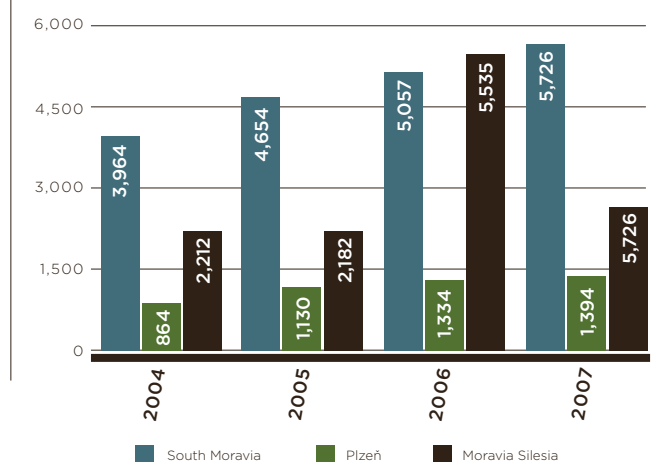
R&D EMPLOYMENT, 2004-2007

NO OF EMPLOYEES



R&D INVESTMENT, 2004-2007

MIL CZK





THE FUNDAMENTALS THAT BROUGHT BUSINESS HERE IN THE FIRST PLACE—LOCATION, SKILLED EMPLOYEES, COST EFFECTIVENESS, AND THE OVERALL BUSINESS-FRIENDLY ENVIRONMENT—ARE PROVING TO BE STRONG ANCHORS DURING THE CURRENT ECONOMIC STORM.

RIGHT: BRNO'S MASARYK UNIVERSITY

**M**ulti-lingual and multi-ethnic, Brno and its environs constitute a major metropolitan area of over one million people. The city has stepped out of Prague's shadow and is increasingly the centre of a vibrant business community, as well as a scientific and cultural hub.

Moravia as a whole has become the Czech Republic's high-tech and industrial heartland, with major investments in the automotive and aerospace industries, as well as precision engineering and electronics sectors like automation and robotics. Brno is attractive for R&D across various sectors, again because of the large numbers of specially trained university graduates and competitive labour and facilities costs. The city is also quickly becoming one of the top locations in the world for biotechnology research [see p.169 for more details].

Even in the current global economic downturn, Brno is doing well, and the changes being brought by the downturn may turn out to be in the city's advantage. The fundamentals that brought business here in the first place—location, skilled employees, cost effectiveness, and the overall business-friendly environment—are proving to be strong anchors during the current economic storm. In fact, these fundamentals are making Brno even more attractive, as companies restructure and seek to maximise the value-for-money equation.

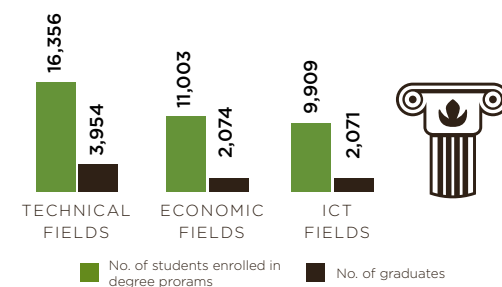
But Brno is not just about the fundamentals. Brno is pointed toward the future. With the active involvement of the local city authorities and the local technical and science universities, the city is rapidly building itself to be one of the premier knowledge hubs of the CEE region and competitive on a global level.

Building on its solid foundation of trade and business, the city is working hard to promote and develop Brno as a 21st-century business destination, supporting innovation centres and technology incubators along with other initiatives and local investment incentives.

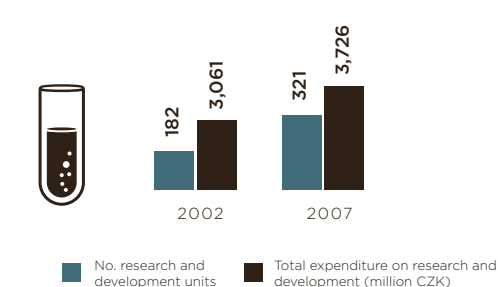
One of the sources of Brno's strength is the number of excellent universities and technical schools in the city. Brno is the Czech Republic's biggest college town, with 14 universities, over 37,000 students and 8,000 graduates each year, the majority of whom prefer to remain in Brno.

Brno has a long tradition of scientific excellence, which continues to develop and strengthen. The city's university faculties in the research and applied sciences are particularly strong. There are also several liberal arts colleges and language schools, which produce a well-rounded, multi-lingual workforce.

HIGHER EDUCATION DISTRIBUTION, 2009



GROWTH IN SCIENCE AND RESEARCH, 2002-2007



Source: Institute for Information on Education







BRNO IS GOING FORWARD WITH ONE OF THE MOST AMBITIOUS URBAN RENEWAL PROJECTS, IN PLANNING SINCE THE INTERWAR PERIOD KNOWN AS THE '1<sup>ST</sup> REPUBLIC'

# NEW TOWN RISING

While a visitor coming to Brno today, who had last been here ten years ago, would of course recognize the city's famous landmarks—like the looming neo-gothic St. Peter and Paul Cathedral, Spielberg Castle, the Tugendhat Villa—much of the city would appear brand new to them. Brno is experiencing a wave of urban renewal projects and new construction starts—and things are only just beginning.

Brno is preparing to implement one of the most ambitious urban renewal and expansion projects since its first heyday in the 19th century. The ambitious “Brno City South” project involves the re-location of the city's main railway station and the construction an entire new city quarter, including the revitalisation of several historic industrial facilities. Plans call for the construction of a new railway station to accommodate high-speed rails and further optimise the city's connectivity.

CTP's flagship office park, Spielberg Office Centre, [see p. 174] is located just at the edge of this planned new city quarter and since 2005 has offered A-class office space as part of the first wave of this new development.

CTP's unique, multi-use development CTZone [see p. 218], is also located at the edge the planned project area which includes the construction of a new motorway directly accessible from the CTZone.



# BRNO GETS BIOTECHNICAL

THROUGH SUBSTANTIAL PUBLIC AND PRIVATE INVESTMENT, BRNO IS POISED TO EARN DISTINCTION NOT ONLY AS A MAJOR NEW CENTRE FOR INFORMATION TECHNOLOGY AND HIGH-TECH MANUFACTURING, BUT ALSO AS A WORLD-CLASS HUB OF BIOTECH RESEARCH AND INDUSTRY.

WHAT'S DRAWING ALL THE ATTENTION IS NO SECRET—IT'S THE TALENT OF CZECH CHEMISTS, RESEARCHERS AND OTHER SCIENTIFIC EXPERTS, IN TANDEM WITH THE COMMITMENT OF THE LOCAL GOVERNMENT AND UNIVERSITIES WORKING TOGETHER TO MAKE IT HAPPEN.



# RIGHT PLACE, RIGHT TIME

BIOVENDOR IS HELPING TO PUT BRNO ON THE BIOTECH MAP

One such home-grown enterprise making its mark on the international biotech community is **BioVendor**, a developer and manufacturer of diagnostic equipment and other tools needed for medical laboratory research. BioVendor was one of the first clients to take advantage of the high-quality office facilities CTP's AXIS Office Park in CTPark Modřice, a multi-functional office park on the south-east side of Brno [see pp. 310–315].

As **Vladimír Kolař**, marketing director for BioVendor, tells us, AXIS Office Park was the logical choice to grow their business, which includes a state-of-the-art biomedical R&D centre, a production site, and a specialised equipment import/export business.

"We were in an older, smaller building in the centre of Brno that needed to be completely renovated. We knew we wanted to either build our own facility, or to move into a technology park. We saw AXIS Office Park and felt it was the right place for us, because it is just outside Brno limits with easy transport connections," he said.

From its HQ at AXIS, BioVendor has expanded to three international branch locations, including Germany and the United States, and currently exports more than 90% of its output.

"Well, first I should say that the company is comprised of three divisions," explains Kolař. "The first division is devoted to the import and distribution of devices and equipment—analytical devices for laboratories. BioVendor provides a wide range of diagnostic kits and similar equipment to laboratories around the world.

"Our second division is laboratory medicine, where we offer automated laboratory products. The third division is BioVendor research and diagnostic products, and in this division we are both the developer and manufacturer of our own products. We have three main product lines: proteins, amino acids and immunodiagnostic kits.

Kolař explains that though BioVendor's customers use the diagnostic kits and manufactured proteins and amino acids for various kinds of research, one of the most important markets these days is obesitology, the study of the causes and health impacts of obesity. "Obesity is now considered an epidemic in developed countries," says Kolař. "It is also growing especially fast in developing countries like China and India. So now there is a lot of research being conducted trying to understand the connections between obesity and other diseases—trying to figure out how it works."

'WE NEEDED SPECIAL WATER PIPELINES THAT ARE NOT TYPICAL OF OFFICE SPACES. ON THE TOP FLOOR, WE HAVE ADMINISTRATIVE OFFICES, BUT WITH REGARD TO OUR LAB SPACE, WE HAD SPECIAL REQUIREMENTS IN TERMS OF AIR-CONDITIONING AND THE COOLING OF SOME ROOMS'



In addition to the study of obesitology, Kolař says many of BioVendor's diagnostic kits and other products are also sold to labs researching type-2 diabetes and other common diseases caused by hormones produced in fat tissue.

SYMBIOSIS

In order to develop such sophisticated diagnostic equipment and manufacture specialised proteins and amino acids, BioVendor has set up a cutting-edge lab facility at AXIS Office Park. "We worked with CTP to adapt the space to our needs," says Kolař. "We needed special water pipelines that are not typical for office spaces. On the top floor, we have administrative offices, but with regard to our lab space, we had special requirements in terms of air-conditioning and the cooling of some rooms."

Kolař says that BioVendor has enjoyed good cooperation not only with CTP, but also with the local community, which has been very supportive of the biotech industry. One organisation, CEITEC, is funded by the EU and works to provide grants to companies and universities engaged

in biotechnical research. "The University of Technology and Masaryk University are the key organisers of CEITEC. It looks like total funding for the project will be about CZK10bn (€400m). BioVendor will co-operate closely with the organisers of this project, and we are hoping to receive some grants in connection with it, and possibly to provide the universities with some materials," says Kolař. Other groups interested in promoting biotech research, both publicly and privately funded, include the South Moravian Innovation Centre and Gate2Biotech.

But even with so much local support and co-operation, isn't the financial crisis taking its toll on BioVendor's profits? Kolař says that in fact, the opposite is true. "From the beginning of this year, we saw an increase in exports to the United States of about twenty percent. Most governments are promising an increase in funding for scientific research, and we believe this will help us because most of our customers work in this type of research." Kolař adds that things are looking so good for the company that they are considering an expansion. "We have applied for an EU grant to increase our production of proteins with certain therapeutic uses, so it is possible that we we'll take even more space at CTP."



'FROM THE BEGINNING OF THIS YEAR, WE SAW AN INCREASE IN EXPORTS TO THE UNITED STATES OF ABOUT TWENTY PERCENT. MOST GOVERNMENTS ARE PROMISING AN INCREASE IN FUNDING FOR SCIENTIFIC RESEARCH, AND WE BELIEVE THIS WILL HELP US BECAUSE MOST OF OUR CUSTOMERS WORK IN THIS TYPE OF RESEARCH'



BRNO: CZECH BIOTECH CAPITAL

It's no surprise that biomedical research is thriving in the city where famed botanist Gregor Mendel solved the mysteries of plant heredity, setting the groundwork for modern genetics. Several projects are currently underway to spur investment and co-operation in the biotech field.

CUTTING-EDGE HISTORY



The long-standing tradition of scientific excellence in the Czech lands traces its origins to the first experiments in genetics carried out by a monk who spent most of his life in Brno, and who would later be known as the father of modern genetics—Gregor Mendel. Mendel (who eventually became Abbott of Brno's St. Thomas Augustinian monastery) presented his seminal work, *Experiments on Plant Hybridization*, in Brno in 1865. Although dismissed by mainstream science at the time, in the 20th century Mendel's work became the foundation of modern genetics and one of its most promising offshoots—biotechnology.

Since Mendel's time, Czech scientists have continued to rank among the world's top researchers in genetics, microbiology, and therapeutic treatments, often blazing a trail into new lines of research. So it should come as no surprise that today, Brno is on the verge of becoming a major international centre for biotech and biomedical research.

The **International Clinical Research Centre** (ICRC) is a CZK2.9bn (€114m) project funded by Czech and American grants that will allow Czech physicians to co-operate with the prestigious American Mayo Clinic on over 40 research projects. According to the Czech News Agency, one project worth CZK174m (€6.8m), which focuses on the development of new biotechnologies, will be funded in part by the local biome dical industry. Construction of the centre is expected to be completed by 2011. The medical college of Masaryk University is the main research participant on the Czech side, and as part of the project plant to build a new medical campus that will include integrated laboratories for biotechnology research.

Additionally, the **South Moravian Innovation Centre**, founded in 2003 with the cooperation of local industry, the regional and municipal government and the Brno University of Technology, is working to provide grants and create infrastructure for start-up companies, especially those in the biomedical sector. Gate2Biotech is an organisation established by the South Moravian Innovation Centre to facilitate communication among biotechnology companies, research institutes and investors, both domestic and international. The group organises conferences and professional forums at home and around the world, bringing together industry professionals and researchers to discuss topics related to all facets of biotechnology.

According to *Biotech Weblog*, there are more than 65 biotech companies in the Czech Republic, most of them located in and around Brno. Moravian-Biotechnology Ltd. is another local enterprise taking advantage of the enthusiasm for the biotech sector. The company is dedicated to tissue and antibody testing and shares facilities with the Veterinary Research Institute in Brno.

"Brno is very focused on biotechnology," says Kolař. "We are seeing a lot of activity in this area now. At completion, the new medical campus under construction will give another boost to the local industry, bringing even more people and experts to Brno. People can meet each other and discuss problems, because we're all in the same city. This kind of communication in the field of biotechnology in Brno has really only been going on for the last few years. It's a very new and exciting development."







BIOVENDOR Q&A WITH VLADIMÍR KOLAŘ

Czech biotech companies like **BioVendor** are at the vanguard of ground-breaking research into such pervasive diseases as diabetes and obesity. We sat down with research scientist and BioVendor's director of marketing **Vladimír Kolař** to learn a bit more about the real science behind the diagnostic kits the company exports to research labs all over the world.

*How are BioVendor's diagnostic kits used by the research labs that buy them?*

What we know about obesity is that a lot of proteins in the body work as hormones, and an imbalance of these hormones can very likely be the cause of such disorders. Fat tissue is not only a way for the body to store energy, but it is also an endocrine organ which produces hormones. One such hormone is leptin. The diagnostic kit for testing the concentration of leptin was one of BioVendor's first products. We were the second company in the world to commercialise this type of product. Ours was the first product to measure leptin concentration without the use of radioactive components. So our goal was to develop a kit for the diagnosis of leptin imbalance and to offer these diagnostic kits to the scientific community.

*What kind of work goes into developing a new kit?*

Certain antibodies produced in the human body and animal bodies can recognise certain proteins. Antibodies are produced to recognise enemy substances like viruses and so on. So we can produce an antibody to recognise any protein that is foreign for the organism in question. If we inject human leptin into a rabbit for example, then the animal starts to produce antibodies specific to human leptin and it's like a vaccine. Then we can take their blood and isolate the antibody, and we have the key tool needed for the diagnostic kit.

*Are your kits used for research in other areas?*

It's not just obesity. We have twenty such areas we work in, but obesitology is the largest market sector for us and we have the most experience with that. The diagnostic kits are our most important product, but because we needed to make antibodies and proteins to put in the diagnostic kits anyway, we started producing and selling those separately as well, and they can be used for a number of different kinds of research.

‘MOST GOVERNMENTS ARE PROMISING AN INCREASE IN FUNDING FOR SCIENTIFIC RESEARCH, AND WE BELIEVE THIS WILL HELP US BECAUSE MOST OF OUR CUSTOMERS WORK IN THIS TYPE OF RESEARCH’





**SPIELBERK OFFICE CENTRE** TAKES ITS NAME FROM BRNO'S LANDMARK CASTLE, ITS STYLE FROM THE BEST OF DUTCH AND CZECH ARCHITECTURE - AND ITS SPIRIT FROM THE CITY ITSELF.



# SPIELBERK

OFFICE CENTRE



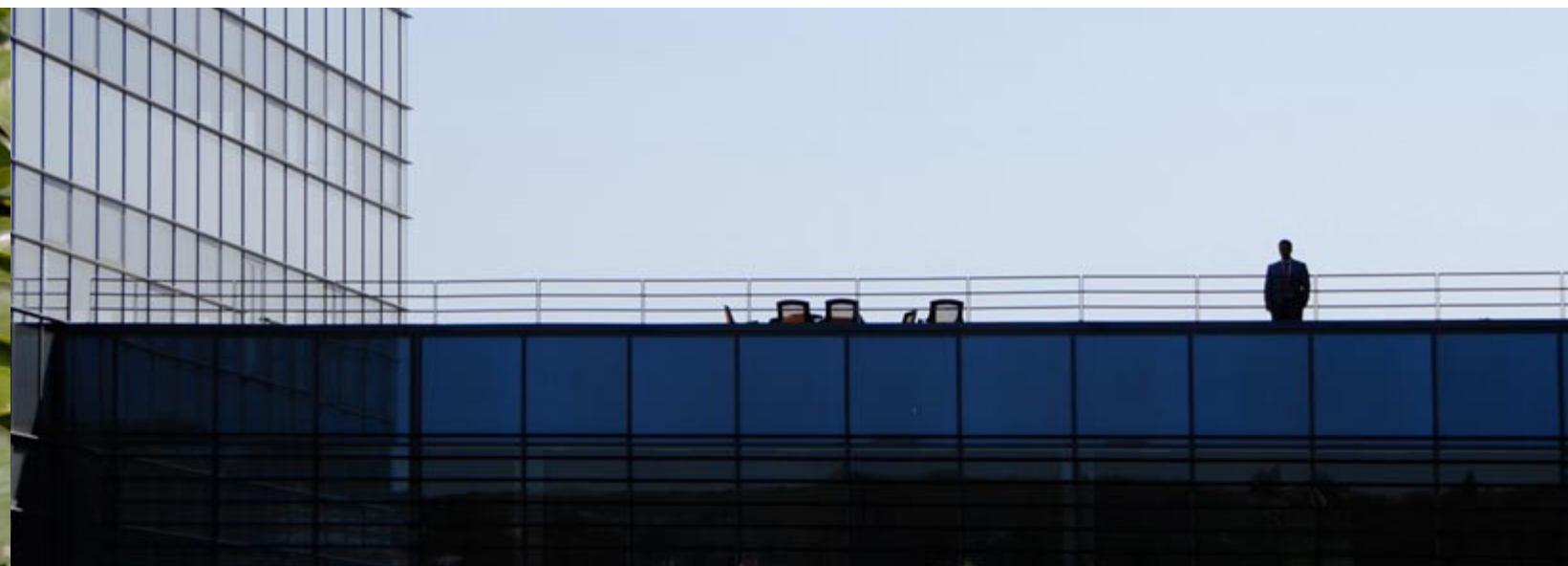






**S**ince 2005, Spielberg Office Centre has been Brno's most prestigious business address and among the most popular places for employment among the city's talented graduates. People are attracted by its modern offices, its superb location, and, of course by the amenities.

**R**elaxed and modern, natural and highly effective, Spielberg combines the best of both worlds: an A-class office park in the city centre. In just a few short years, Spielberg—Brno's first A-class office park—has become truly an integral part of the city.







## BUILDINGS

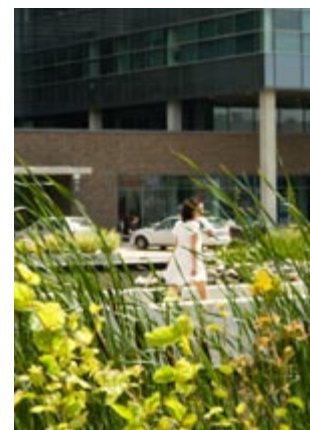
A wide variety of international and local companies are drawn to the undeniable value for money that Spielberk offers, and also find the world-class quality and flexibility of the space appealing. Companies can choose from glass-fronted high-rise IQ buildings or stylish brick villas with rooftop terraces. Work is underway to complete the office high-rise and hotel tower.





## NATURAL HARMONY

**L**andscaping is integral to Spielberk's aesthetics and to its sense of place. Spielberk's layout is elegant and in harmony with nature and its surroundings. The site plan includes a public, central lake teeming with fish and even a resident duck families. Spielberk's gardens and lakes help make Spielberk a naturally pleasing place not only to work, but also just to be.











## INTERIORS

**M**odern designs play with intimate details and wide open spaces to create elegant, functional and secure reception areas.









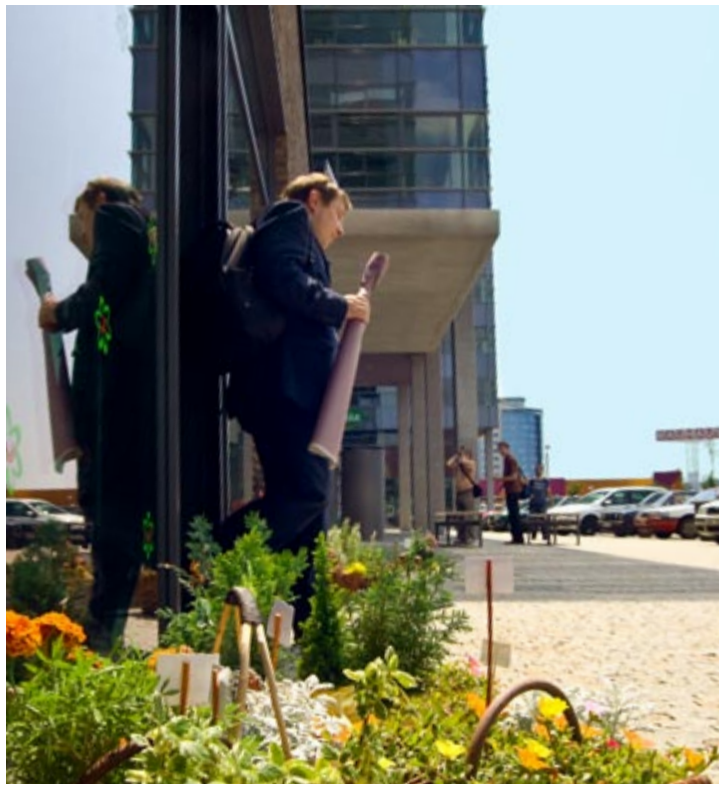






## AMENITIES

**G**round level conveniences include a café, a canteen, a fitness centre, and banking services from local branches, as well as tobacconists and flowershops. These companies also enjoy the serene ambiance Spielberk provides.







## THE BRIDGE

**B**ike and rollerblade paths roll across Spielberg's award-winning pedestrian bridge that spans the gently flowing Savratka River and connects Spielberg to the city Centre.



‘WHEN THE BRIDGE FIRST OPENED, I STOOD THERE FOR HALF AN HOUR, FULL OF HAPPINESS, WATCHING ADULTS BEHAVE LIKE SMALL KIDS, RIDING OVER THE BRIDGE AND THEN DOWN UNDER THE UNDERPASS, ZOOMING UP AND DOWN AND THEN AROUND AGAIN. AND I AM SURE THAT AFTER TEN ROUNDS, THEY WILL GO FOR A BEER AT THE NEW CAFÉ’

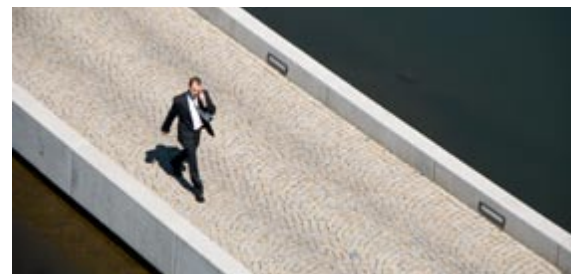
– PRINCIPAL ARCHITECT VÁCLAV HLAVÁČEK





## PEDESTRIAN ACCESS

**B**oth the pedestrian bridge and street underpass allow local residents to stroll and bike through Spielberk; physically connecting the park to the centre, and its transport connections.



'THE BRIDGE IS NOW AN ACTIVE PART OF THE CITY. IT FORMS A PERFECT CONNECTION FOR BIKERS AND ROLLER-BLADERS, WHO CROSS THE BRIDGE AND THEN GO UNDER THE UNDERPASS AND CONTINUE ON A PATHWAY ALONG THE RIVER'

- PRINCIPAL ARCHITECT VÁCLAV HLAVÁČEK





## HARMONY

**S**pielberk Office Centre is a people-friendly work environment. Designed with the right balance, scale, and mix of buildings, landscaping, and on-site amenities, Spielberk creates a harmonious place to grow—for both businesses and for the people who work there



**H**igh-quality, natural materials such as brickwork, wood, and cobblestone pathways give Spielberk a level of distinction and comfort seldom seen in office developments. Great attention has been paid to every level of detail to guarantee enduring quality over the years.



SIGHTLINES PLAY A MAJOR  
ROLE IN SPIELBERK'S IDENTITY,  
WITH PANORAMIC VIEWS  
OF THE OLD TOWN ACROSS  
THE RIVER. OFFICE DESIGN IS  
FUNCTIONAL AND ECONOMIC,  
WHILE AT THE SAME TIME  
CREATING UNIQUE PLACES FOR  
PEOPLE TO WORK.

MILENA URHOVÁ DESCRIBES BRNO CITY CENTRE WHILE  
SHOWING THE SPECTACULAR VIEWS FROM THE SPIELBERK  
IQ BUILDINGS DURING A RECENT OPEN-HOUSE



SPIELBERK TENANT CASE STUDY

# Lufthansa

## “Virtual airport” At Spielberk Office Centre

**Lufthansa Global Telesales** was the first client at Spielberk Office Centre in 2005, and over the last four years they have grown their in-bound call centre and global load control operation into a small Babylon of more than 180 multi-lingual employees from all over central and eastern Europe.

‘IT’S RELATIVELY EASY FOR US TO RECRUIT TALENTED PEOPLE WITH FOREIGN LANGUAGE SKILLS TO COME TO BRNO FROM ABROAD’



**Roman Tesař**, managing director of Lufthansa Global Telesales, explains that global load control is critical to each flight that takes off. “Global load control is a special task, which is done during the handling of the plane for each flight. Before a plane can take off, a team produces a ‘load sheet,’ which is a standard document required by law before each flight. This is where data about the flight and information for the captain is stored. Here in Brno, at Spielberk Office Centre, we run a virtual airport to manage and process this procedure, and it’s one of the biggest in the world.”

Working in shifts around the clock, Lufthansa employees in Brno supervise the load control for more than 500 flights each day—everything from small 50-seaters up to wide-bodied, long-haul jumbo jets. During a typical day, the trained staff working at Spielberk handle more flights than Lufthansa’s centres in Frankfurt and London.

With such a crucial responsibility as load control, not to mention its in-bound call centre servicing all customers in CEE/SEE/CIS countries, Lufthansa needs sharp people with a knack for languages. “Seventy percent of our staff is foreign,” says Tesař. “They come to Brno from their home countries in eastern Europe specifically to work for us. It’s relatively easy for us to recruit talented people with foreign language skills to come to Brno from abroad. This year, the Czech Republic has implemented a new Green Card system for skilled foreigners, so we hope this will make it even easier.”

Lufthansa currently occupies nearly 900m² of space in one of the brick-clad, low-rise villas at Spielberk Office Centre.

Working in shifts around the clock, Lufthansa employees in Brno supervise the load control for more than 500 flights each day



Tesař explains that the open-plan office space and double cabling which runs under the floor has allowed them to utilise all the space and facilitate communication between the teams. “We’ve got quite a large staff here, and it’s much better for communication between teams, managers and employees, if they can see each across the room. All of the moveable walls were placed according to our requirements.”

Tesař says Lufthansa is hoping to expand in the near future and adds that having supervised the centre in CTPark Modřice while they waited for the space at Spielberk Office Centre to be completed, he is sure that there is always a chance to grow with CTP.

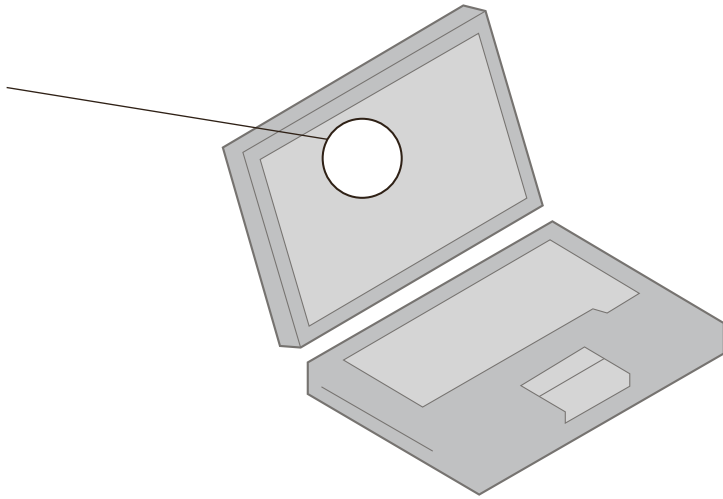


ABOVE: SCALE MODEL OF A LUFTHANSA CARRIER  
LEFT: CALL CENTRE IN THE LUFTHANSA OFFICES PROVIDES WORLDWIDE SERVICE

A MULTI-LINGUAL LOCAL POPULATION IS ONE OF THE BENEFITS THAT DRAWS COMPANIES LIKE LUFTHANSA TO BRNO



Cleverlance has expanded to provide custom-built IT solutions for clients in the finance, banking, insurance, brokerage and telecommunications sectors.



SPIELBERK TENANT CASE STUDY

# Cleverlance

## “CleverIT” At Spielberk Office Centre

You may not have heard of the Czech startup IT solutions company **Cleverlance**, but if you’ve ever used internet banking or checked your stocks online in the Czech Republic, chances are you’ve interfaced with some of the slick software they develop in Brno. Founded in 2004, Cleverlance is blazing trails in the business software industry thanks to the pool of tech-savvy graduates they’ve tapped in the Moravian capital.

### ‘IF YOU ARE FAMILIAR WITH INTERNET BANKING, FOR EXAMPLE WITH KOMERČNÍ BANKA, THAT’S OUR PRODUCT’

One of the first tenants at Spielberk Office Centre, Cleverlance has expanded to provide custom-built IT solutions for clients in the finance, banking, insurance, brokerage and telecommunications sectors. In just a few years the precocious company has already established itself as the largest supplier of multi-tier, open solutions on the Czech market and is an important player in Europe as well.

“If you are familiar with internet banking, for example with Komerční Banka, that’s our product. There are hundreds of other applications we’ve created that operate behind the scenes,” explains **Marian Pet’ko**, Cleverlance’s Brno branch manager. He says that one of the company’s most well-known products is the GE Money Portal, another internet banking service for which Cleverlance also provides maintenance.

“Our customers’ competitive advantage is based on the services they provide, and the tooling for that is the software they use. So in order to be distinctive from each other, they have to use different tools. This means we need to create unique software for each client,” says Mr Pet’ko.

Ranked one of Central Europe’s “50 fastest growing IT companies” by Deloitte in 2008, has a staff of over 300 specialists, pulled mostly from nearby universities. The company is based in Prague and runs its sales department from there, but in Brno the company is focused directly on the “bread and butter” of its business—developing innovative, new software.

“Brno is like a Centre for all of Moravia, so we can recruit and attract people not only from Brno, but also from northern Moravia. We have a lot of employees who come from Ostrava and the surrounding region. Most are graduates of the technical university in Brno or Masaryk University,” says Pet’ko. “The concentration here of excellent universities is also why other IT companies, like IBM and Logica, have come to Brno. It’s because of so many talented young people.”

MARIAN PEŤKO DISCUSSES THE SUCCESS OF CLEVERLANCE, MUCH OF WHICH IS DUE TO THE HIGH LEVEL OF QUALIFIED TECHNICAL PERSONNEL FOUND IN THE BRNO AREA



Another added benefit Cleverlance saw in Brno is the availability of A-class office space at Spielberk Office Centre. Mr Pet’ko explained they needed open-office space for maximum connectivity and special fit-outs for their IT infrastructure. “CTP was very flexible. While we waited for our current building to be constructed, they offered us space in an adjacent building for a lower price,” says Pet’ko, adding that Cleverlance was able to co-operate with CTP and influence how their new premises would be equipped.

While the recent economic turbulence has even the most robust companies battening down the hatches, Pet’ko is confident that Cleverlance’s momentum will see the company through the difficult times and says there are even plans for expansion as early as 2010. “We have lots of plans for when the crisis passes,” he explains.



# VÁCLAV HLAVÁČEK

is not only one of the leading Czech architects of his generation, he is also that rare combination of dreaming artist and practical craftsmen—the two basic talents necessary to be a truly successful architect.

Since the early 1990s, Václav has worked as the head of the Prague office of Dutch-based architecture collective, Studio Acht—an innovative and highly acclaimed group of Dutch and Czech architects founded in 1973 by Ben Hoek in Rotterdam. Working together, Studio Acht has created the designs for CTP's most successful buildings and concepts, including the Flexi-Space concept and AXIS Office Park system in the CTPark Network, as well as the award-winning design for the buildings, interiors, and overall site plan for CTP's flagship office development, Spielberk Office Centre in Brno.

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We caught up with Václav at his busy office in the Butovice district of Prague 6, where he took time to share his thoughts about working together with CTP, about working in Brno, and about some of the inspirations he takes from life to make his art.

VÁCLAV HLAVÁČEK ATOP VILLA L AT SPIELBERK OFFICE CENTRE

## THE PERFECT MATCH

ART MEETS LIFE, AND LIFE MEETS ART,  
IN THE WORK OF CTP'S MAIN ARCHITECT





### *Art at the heart of the relationship*

Our co-operation began in phases. I first met Remon [Vos, CTP's managing director, see p. 6] in 1996. He already knew Studio Acht and my colleague, Ben Hoek, from the Netherlands. Studio Acht Rotterdam designed CTP's headquarters in Humpolec, and this project was actually like a test, to see if Studio Acht could co-operate with CTP's style—and by this I mean not only architecture, but also in terms of the way of thinking.

Because the very strong and basic principle in our co-operation with CTP is the tension between hard reality—cost, function, efficiency—and art. This tension is the power of our co-operation. I really like to work with Remon because I know that he has inside a real appreciation and feeling for art. He knows exactly what art is. I don't know any other investor who has this kind of connection with art. I have been working in this profession for more than 20 years, and this is something special.

For me—architecture is a mixture of aesthetics, function, and cost. My role is to bring the balance and harmony between these elements. And with Remon, we don't even need to talk about these things. We are on the same level. We have the same feeling. Over the years, we have developed a strong working relationship. I don't need to explain to him that this is a nice building, or that this is a good design. This is so important for co-operation. We can concentrate more on costs, on the details. Very often Remon says to me: "You can, and you must, decide."

When an investor says to me, here is the budget, and the concept is your task, your responsibility—for me, personally, this is really an engine, a powerful motivation. And with freedom comes responsibility.



ONE OF THE ORIGINAL HAND-DRAWN STUDIES OF THE ENTIRE SPIELBERK CONCEPT (TOP LEFT) IS FINALLY COMING TO FRUIT IN THE FINAL INCARNATION (ABOVE)

'THE VERY STRONG AND BASIC PRINCIPLE IN OUR COOPERATION WITH CTP IS THE TENSION BETWEEN HARD REALITY—COST, FUNCTION, EFFICIENCY—AND ART'



*The birth of an idea*

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**R**emon called me one day and said: ‘Hey Václav, I need a new concept for an efficient, modern office building—something modern, funky, and good.’

He explained to me that the idea for the buildings is not to have them directly in the city centre, but a little bit outside, near a major highway, to keep costs lower. He told me that maybe it will be part of our industrial parks, but it could also be self-standing. Something like the laboratory or research campus concept in the US. Very simple, not complicated, with three or four levels, not more. Ecological in design, with nice landscaping. This, and that it also must carry CTP’s corporate identity, so that it can be systematised as part of a network. This was on a Tuesday.

And on Friday, we had a meeting at the airport. I had prepared some rough sketches, but Remon wanted to see more, with more explanation and development. He had a potential client to meet and he needed something more specific to show. So, I called my assistant and I dictated to her my ideas for the building over the phone, so that we had a combination of the sketches and the specifications in the text. It was a kind of “building in poems”. My assistant was very good in English, so she translated my text directly in English, and actually we made a little booklet for this new building idea. Two hours later, Remon called me said, ‘Václav, congratulations! We have our first client.’ And this was Tyco in Modřice. And the building became the model for the AXIS Office Park concept.

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‘WHEN AN INVESTOR SAYS  
TO ME, HERE IS THE BUDGET,  
AND THE CONCEPT IS YOUR  
TASK, YOUR RESPONSIBILITY  
—FOR ME, PERSONALLY, THIS  
IS REALLY AN ENGINE; A  
POWERFUL MOTIVATION’

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THE FIRST COLLABORATION BETWEEN CTP AND STUDIO ACHT ON AN OFFICE DEVELOPMENT  
WAS THE HIGHLY SUCCESSFUL AXIS OFFICE PARK



Hard work

For the next four years, I met with Remon, or someone at CTP, every Saturday morning from 8:30 to 12:00, to talk about concepts, architecture, about function, about costs, about the future, and about hard work. During the week, I would take my car and drive around to places in Brno, Ostrava, Plzeň, all over the Czech Republic. At the beginning we were talking only about concepts—the ideas that would later become the CTPark Network, Flexi-Space buildings, and the CTZone.



Since the start of our co-operation, I—together with Ben Hoek and my colleagues at Studio Acht—have worked on the development of several of CTP’s main concepts and projects, including the AXIS Office Park system, Flexi-Space buildings and other elements of the CTPark Network. We designed the overall concept for places like CTPark Modřice and CTPark Brno, which were used like master plans for the other CTParks.

We also designed the buildings and overall concept for Spielberk Office Centre in Brno, including interiors and exterior elements like the concepts for the gardens and the pedestrian bridge across the river, which connects Spielberk to the city. For the landscaping, we worked Lodewijk Baljon landscape architects from the Netherlands, and they are one of the best in the world.

One of our more recent projects—and one that I like very much—is CTZone Brno, on the site of the former *Škrobárna* [starch factory] in Brno. This is combination of urban renewal and building new, unique multi-use facilities, which we call CTBoxes [see p. 221 for details].

On all of these main projects, I work very closely with Ben Hoek. We have been working together for 17 years now, and it is a very strong working relationship. It is a big advantage and very positive if you can work with an architect whom you respect, and with whom you share the same ideas. It is a long-distance working relationship, but we have meetings every month. Either Ben comes to Prague, or I go to Rotterdam. The problem is that I love the Netherlands and Rotterdam, and Ben prefers to be very often in Prague.







bridge we designed and built with CTP. And the stream of your eyes, your vision, as you enter the city.

But also you need other views, from the front and back. It was clear that the back of Spielberg Office Centre should be along the railroad, and the front is along Heršpicka Street. So we developed five low-rise villas, which line the street, but which face inward, toward the park and the central lake. For balance, there should also be something vertical. So we designed the high-rise IQ buildings, which are highly efficient, with open spaces. And with good support on the ground floor, with restaurants, a fitness centre, hairdressers, and other support services. So, at the front you have the villas, with nice Dutch brickwork, perfect for one company, one villa, or for multiple tenants. And you have the IQ buildings at the back, with really spectacular views of the city centre, Spielberg Castle, and the countryside around Brno.

Along the river, the hotel and office tower were designed, to create a very open, public space beside a nice lake. I think in future this place will become a fixture in the city, because it is so accessible and a genuinely nice place to be. And here, connecting the buildings and the park is the Loop—a very nice word in both Dutch and English—which was designed to a human scale, to be pedestrian friendly.

We did the landscape design with Lodewijk Baljon, and actually it was his idea to add the large central lake at Spielberg. He said to us, hold on, I need some space here, I prefer that there be some distance between the buildings and the loop. We discussed it, and it became clear we needed some water feature—not just some small water feature that would have less meaning or purpose, but something substantial. And the idea of the lake was born. In the visual sense, it helps connect Spielberg to the river. It also creates a place for people to come together, and helps give a sense of peacefulness to Spielberg, which I think is very important.

‘I THINK IN FUTURE THIS PLACE WILL BECOME A FIXTURE IN THE CITY, BECAUSE IT IS SO ACCESSIBLE AND A GENUINELY NICE PLACE TO BE’



## The Spielberg Story

Again Remon called me, and this time he said: ‘I have a new piece of land in Brno, and we need to think about the concept.’

And so I went to there, to get a feeling for the place and to make the first sketches. To discover what is important about the place. What are its values? Where is its poetic? This is very important to me, to have at the beginning a sensitivity for the place where the project will be built.

For me, the main value of the land where today Spielberg Office Centre is located is the river, and that the city centre is just across the river. Heršpicka Street is the main entrance to Brno, and as they approach the city centre, the cars start to slow down, 60, 50, 40, 30 kilometres per hour. And your eyes go in the direction from the outside toward the city. To me, it is somehow the same feeling when you are entering Lyon, and you can see the Rhone River. Brno is a smaller example, but the principle for me is the same.

The river creates one border, but it is not a border, because you have the centre right here, and there are several streams coming together and crossing the river directly to the city—the stream of cars and the stream of the railroad across the bridges, the stream of pathways and the new pedestrian



## On Brno

What is interesting about Brno? There are many things. Maybe primarily, Brno is about location. It is truly at the centre of Europe, not far from Vienna, or Prague, or Bratislava, and not far from Poland. It has all the major and important elements of infrastructure, including major highway connections, an international airport, and excellent universities.

As a city, Brno is also very interesting, with a nice historical core. But the core is very closed and small. The space between the historical core and the outlying highways is much larger, also larger in proportion than in Prague, where there is already a lot of congestion.

Spielberg Office Centre is a perfect example of a project that would not even be possible in Prague. Here is this nice piece of land, right next to the historical core, and it is just sitting there unused. It was the ideal place for an office park, with a combination of offices, and nice landscaping, and good connections both to the city centre and to the highway network outside the city.



OUR PLAN IS TO CONTINUE TO DEVELOP HIGH-QUALITY A-CLASS PROPERTIES IN STRATEGIC LOCATIONS THROUGHOUT CENTRAL EUROPE. WE WILL CONTINUE TO PUT NEW PROPERTIES ON THE MARKET IN THE RIGHT SUPPLY TO MEET DEMAND.

RADKA MULSILOVÁ (LEFT)  
CONSULTS WITH COLLEAGUE  
ANNA MALÁTOVÁ AT CTP  
HEADQUARTERS



# CTZone

BRNO'S SME

BUSINESS HAVEN

## SME ZONE DEFINED

The CTZone—CTP's newest concept—is designed to meet the needs of small- & medium-sized enterprises (SMEs) that seek high-quality, multi-use facilities to grow their business. Unique to the market, CTZones are also suited to larger companies that need highly efficient, smaller units in city centres for direct to customer distribution—or by those seeking a first-step solution to enter the Czech market.

It's an unspoken fact that an economy only thrives if there exists the millions of small businesses and entrepreneurs doing the repairs, delivering the parcels, building the buildings in addition to the large-scale multinational manufacturers and suppliers of internationally traded goods and commodities. Brno, while attracting the major internationals and good measure of direct foreign investment in the high tech industries, is a city like any other—and has a thriving local community of businesses. The CTZone is a concept—well known in every major city—designed just for these SME's, and is the pilot project for the concept in the Czech Republic. The success of the first CTZone in Brno is a proof-of-concept for further rollout in both Plzeň and Ostrava, as well as an award winner for 'brownfield development of the year' in 2008. CTP's insight was to recognize that both local as well as international businesses needed A-class space to build their businesses, and the idea has taken root.

The premise of a CTZone is to be a small-scale business park located in city centres, directly accessible by public transportation and with good road access, where local and international businesses can get closer to their markets and provide direct-to-end-customer products and services, while at the same time providing an opportunity for these business to find and do business with each other. The centrepiece of the CTZone concept is to provide big-box efficiencies in a smaller-sized, multi-functional unit called a CTBox with distinct spaces for dedicated retail, office, and industrial activities—be they warehousing or manufacturing. The 'box' concept appeals to businesses for its simplicity and flexibility: the basic unit can be leased as-is, with opportunity to expand, or units can be combined.

CTBoxes are ideally suited for a variety of business activities, including assembly, repair, and light manufacturing; wholesale operations; end-point logistics and delivery services, as well as for services such as short-run or large-format printers or architecture studios.

'THE CONCEPT FOR CTZONE BRNO IS BASED ON THE STRUCTURE OF A TYPICAL SMALL TOWN FROM THE TURN OF THE LAST CENTURY. THE OLD, INDUSTRIAL AREA IS LIKE A SMALL URBAN CENTRE: A PLACE FOR OFFICES, SMALL SHOPS OR SHOWROOMS, AND ALSO A CANTEEN, OR A CAFÉ; PLACES TO MEET'

— PRINCIPAL ARCHITECT VÁCLAV HLAVÁČEK

CTZones are currently in operation in Brno, Plzeň and Ostrava, and CTP is scouting viable sites in order to introduce the concept in other cities.

UNIQUE TO CTZONE BRNO ARE THE RENOVATED HISTORIC BUILDINGS. THE CLASSIC FACADES OF THE PRESERVED BUILDINGS ADD CHARM TO THE ZONE MAKING IT ATTRACTIVE OUTSIDE AND IN.





CTZone Brno

The first CTZone, located in Brno not far from Spielberk Office Centre and the city centre, is also something special. The project, which started in 2006, includes not only CTP's unique-to-the-market CTBox concept, it is also a major urban renewal project with vast potential. CTZone Brno is located at the site of a former starch factory, or *škrobarna* in Czech—an industrial area dating from the first decade of the 20<sup>th</sup> century. The project involves the renovation of several historic buildings as well as newly built CTBox units set amidst enjoyable landscaping, providing both charm and comfort normally available only in newly-built large office parks.

CTZone Brno currently includes 32 completed CTBox units, with another 16 under construction. The first phase of the historical renovation project is an elegant mixture of renovated office and showroom space.

Among the many companies taking advantage of CTZone Brno are several construction material wholesalers; German bathroom fixture wholesaler Hansgrohe, which operates a showroom from a beautifully renovated historic warehouse space; US fire and safety system designer Tyco, which also leases a larger space at CTPark Modřice; and ESKO Artworks, a Norwegian company that assembles precision cutting machines.

## THINKING INSIDE THE BOX

**THE CTBOX** is a unique building development on the CEE market. With the basic unit of 450m<sup>2</sup>, the CTBox is designed specifically for SMEs—to provide them with the same superior-standards enjoyed by major multinationals—only at reduced scale and cost. CTBoxes can be custom-designed; in the standard configuration they include warehouse space, a showroom, and upstairs offices. CTBoxes can be joined together to create a customised work area of over 1,000m<sup>2</sup>.

STANDARD SIZE, SINGLE UNIT:

Warehouse	300 m <sup>2</sup>
Office	100 m <sup>2</sup>
Sanitary, technical	50 m <sup>2</sup>
	<b>450 m<sup>2</sup></b>





ESKO has found not only a productive base within the CTZone, but also clients and partners within the CTZone community.



CTZONE TENANT CASE STUDY

# ESKO Artwork

## “The Cutting Edge” At CTZone Brno

**ESKO Artwork**, a Norwegian company that produces highly specialised cutting machines for boxes and packaging, gains a “cutting edge” over their competition by setting up their first machine assemblage site in the Czech Republic.

ESKO WAS ONE OF THE FIRST TENANTS AT CTZONE BRNO, AND THE COMPANY HAS GROWN RAPIDLY

In 2007, ESKO made the strategic decision to establish a regional base in the Czech Republic for both assembly work and sales. While the company operates a small sales in office in Prague for the CEE region, CTZone Brno is where the difficult, technical job of assembling its precision cutting machines takes place. ESKO was one of the first tenants at CTZone Brno, and the company has grown rapidly.

Drawn to Brno by the city’s local talent and cost-effectiveness, ESKO started out small, assembling smaller machinery inside one CTBox unit. The skilled local team soon proved its capabilities and began assembling larger machines as well as self-manufacturing certain components.

In less than two years Esko has expanded their space to two, and now three CTBox units, totalling around 1,000m², which it uses for manufacturing, assembly, testing, packaging and delivery. The flexibility of the CTBox layout also gives ESKO ample room for upstairs offices, meeting rooms, client areas, and a staff room for their 17 employees.

CTP customised ESKO’s CTBox units, joining them together to create a tailor-made layout and also installing a special air ventilation system for the “clean room” environment necessary for the machine manufacturing and assembly area.

From the shop floor in CTZone Brno, ESKO delivers precision cutting machines to clients across Europe and as far a field as Korea, Thailand and the US.

ESKO has found not only a productive base within the CTZone, but also clients and partners within the CTZone community. The company purchased their racking system from a neighbour and found a potential buyer of their cutting machines just across the way.

ESKO’s rapid success in Brno means that the company is quickly outgrowing the CTZone and is now planning to re-locate to larger facilities in the Brno area within the CTPark Network.





# IT'S WINE TIME

CTP YEARBOOK | BRNO REGIONAL FOCUS

One of the perks of living in Brno is being so close to some of the best wine in Central Europe. Though Moravian wine was previously enjoyed only by locals, it's growing in international popularity.

Czech wine production has increased dramatically in recent years with the expansion of vineyards. The Ministry of Agriculture reports that Czech wine production in 2008 nearly doubled to a record 820,000 hectolitres. The reds are popular, but white wine from the region is known as exceptional. There are now around 17,000 hectares of vineyards in the country, compared to just over 11,200 hectares in 2000. Wine production is predicted to reach a new record this year of 840,000 hectolitres. Czech wine growers, freed from collectivised co-ops, are now producing high-quality wines for sale on the European market.





**M**ikulov, a picturesque village near the Austrian border, is where the CTP group caught up with Radím Šedivý of Vinoteka sv. Urbana winery, who led a tour through the cavernous chambers of his cellar, stopping periodically to open a bottle for his guests to try. “The winery was built in the seventeenth century, in approximately 1631,” explained Šedivý. “Nowadays it is the representative face of the company Vino Mikulov.” As Sedivy explained, in addition to the storage of Vino Mikulov wine, the cellar also houses over 250 private wine collections, including that of the current Czech President Václav Klaus and popular Czech songstress Hana Zagorová, among others.

“When they visit they always try the latest wine,” said Šedivý, adding that Riesling, a white wine with a flowery aroma that can be either dry, sweet or semi-sweet, is the most well known from the Mikulov region and his personal favourite.



**T**he tour continued at the lavish, Baroque Chateau Valtice, a former residence of the Lichtenstein family under the Austro-Hungarian Empire, which currently houses the permanent National Exhibition of Wines. The exhibition includes hundreds of wines from across the country, many of which bare the nationally recognised seal of approval, certifying the year’s best vintage.

“This is where you can get the most precise information about wines,” says Josef of Chateau Valtice. “Because of the local climate, the white wines are among the best. Reisling, Chardonnay, Sauvignon, and Pinots are quite favourable,” he explains, adding “But the most important thing is to have fun.”



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WINES FROM THE MORAVIAN REGION RECEIVED TOP RECOGNITION IN ONE OF THE MOST RENOWNED WINE COMPETITIONS IN THE USA IN 2008 - THE SAN FRANCISCO INTERNATIONAL WINE COMPETITION.

MORAVIAN VINTNERS WERE AWARDED TWO SILVER MEDALS AND TWELVE BRONZE MEDALS IN A COMPETITION THAT IS CONSIDERED TO BE THE GATE TO THE US WINE MARKET.

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STEVEN P. NIEMI ON LOCATION AT MERISANT  
PRODUCTION FACILITIES IN TEPLICE

*As*  
**SWEET**  
*As You Like It.*



Global tabletop sweetener giant **Merisant**, the maker of the world-famous sweetener brands **Canderel**<sup>®</sup>, **Equal**<sup>®</sup> and **PureVia**<sup>™</sup>, operates its first—and only—European production plant in CTPark Teplice.

**Steven P. Niemi**, Merisant's Director of Global Technical Services and Strategic Procurement, explains why Merisant chose to move production in-house, and why they chose Teplice, less than 20 km from the Czech-German border, as the base for their European operations.



1965

Dr James Schlatter, a chemist working for G.D. Searle, discovers a new sweetener while doing research on amino acids

1979

New sweetener approved for consumer use in France after extensive testing as Canderel<sup>®</sup>

1980<sup>s</sup>

Reputation spreads. Nutrasweet<sup>®</sup> and Equal<sup>®</sup> introduced to U.S. market

1985

Searle's pharmaceutical and sweetener business is purchased by agriculture and bio-tech major Monsanto

2000<sup>s</sup>

Monsanto sells Searle. Merisant is formed by private investors to purchase Equal<sup>®</sup>, Canderel<sup>®</sup> and other products

2004

Paul Block named new CEO of Merisant, introduces new initiatives to strengthen company's core brands

2008

Launch in the US of PureVia<sup>™</sup>, Merisant's all-natural zero-calorie sugar substitute

*What can you tell us about your operations here in Teplice? When did you start? And why did you choose this location?*

Our plant here in Teplice, which is operated by our local subsidiary, CzechPak Manufacturing, is our first self-manufacturing site in Europe and the second-largest production facility in Merisant worldwide. So, this plant is a very important step for our company. We began operations here in Teplice in August 2008. Before this, we were manufacturing at outside toll manufacturers around Europe. But as part of our business strategy going forward, we decided to bring the bulk of that manufacturing in-house, from the standpoint of both cost and also to have total control over production. We felt that we could be more flexible, and that we would have more opportunities, if we were able to bring our European production in house.

Currently, in Teplice we are mostly producing aspartame-based sweetener in tablet and powder form. The machinery we have in place here can produce more than two million tablets an hour. We receive raw materials, which we then process and package and prepare for distribution. We have a fully equipped lab upstairs where we do quality control. The products we produce and package are then supplied to the European market, the Middle East, Africa and also some products are sent to the Asia-Pacific region. The plant has capacity to produce 40,000–50,000 consumer units in an eight-hour shift. We are running three eight-hour shifts right now, five days a week. We also have a fully equipped laboratory onsite, where we do quality testing on both raw materials and finished products.

I should also mention that our local company here is a subsidiary of our Swiss operation, Merisant Company 2 SARL, which provides all administrative support for our international brands. The Swiss company owns all our international brands, and they handle all customer service, accounting, quality, and planning—everything is there. So

now, when we have our own self-manufacturing plant, this ties in very well. We had all those functions already, we were just using outside toll manufacturers to produce our product. And now that we've brought production in house, we have more control over the whole process. And there were also cost savings by coming to the Czech Republic.

RIGHT: GLOBAL VIEW  
DISTRIBUTION CHANNELS INCLUDE NORTH AMERICA,  
FAR EAST ASIA AND AFRICAN CONTINENT

BELOW: EUROPE CLOSE-UP  
MERISANT PRODUCTS ARE MANUFACTURED IN TEPLICE  
AND DISTRIBUTED TO THE EUROPEAN MARKET  
AND BEYOND





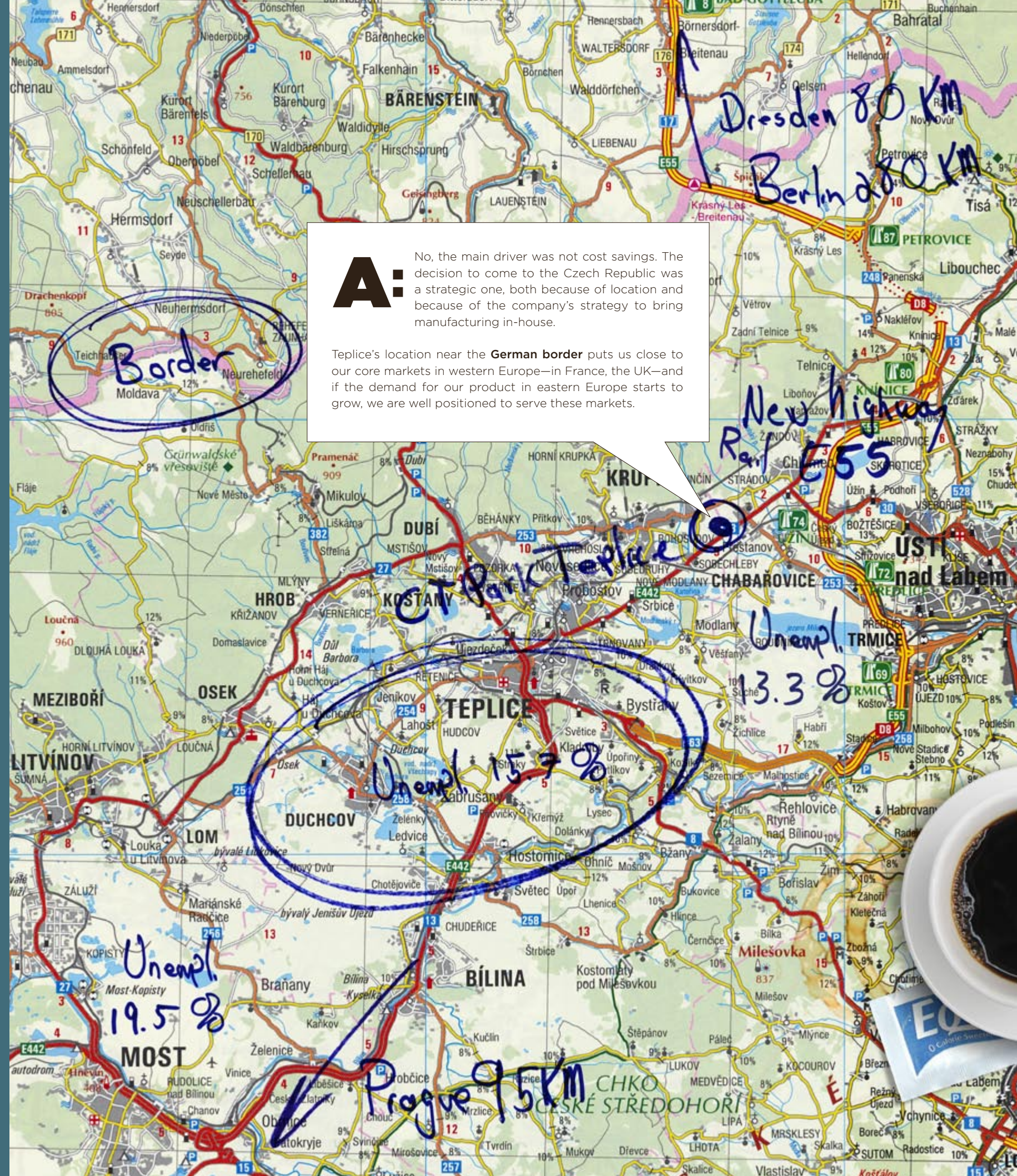
Q:

WAS COST  
THE MAIN  
REASON YOU CHOSE TO  
LOCATE  
HERE?

A:

No, the main driver was not cost savings. The decision to come to the Czech Republic was a strategic one, both because of location and because of the company's strategy to bring manufacturing in-house.

Teplice's location near the **German border** puts us close to our core markets in western Europe—in France, the UK—and if the demand for our product in eastern Europe starts to grow, we are well positioned to serve these markets.





Also, we want to have control over new products. As you may know, we have recently launched a new, all-natural, zero-calorie product in the US, PureVia™, made from the extract of the stevia leaf. We already have a plant in Paraguay where we can produce the extract. At some point, we will bring that production over here. We think PureVia™ is the next big thing, and the Teplice plant gives us a solid base from which to launch this product in Europe, once all the approvals are in place.

*But why locate in the Czech Republic? Why not elsewhere in the CEE? How did you meet CTP?*

When we decided to open our own manufacturing plant in Europe, we did a favourable area analysis, and we took a closer look at about eight or nine countries, including the Czech Republic. And the Czech Republic basically met all of our criteria, and it also has some other benefits that the other countries we looked at did not have. Location being one of the main factors.

So then we selected down, based on where there were possible properties that we could look at. CTP was one of the companies that we looked at when doing our research, and not only in the Czech Republic at the beginning, but also in other CEE countries.

We first came to the Czech Republic in October 2007. Before that we had been doing research from the US using information we could get from there. We used outside engineering firms and site selection firms, and they gave us the first feedback on basic infrastructure, costs, taxes, and the stability of the area. We also interviewed employers and employment agencies in several countries about the amount of labour available, the skill level, and again the Czech Republic came out very well. In this particular area, around Teplice, there was a very good employment pool available, because the unemployment rate was around 13% when we first started.

We looked at a number of properties from CTP when we came to the Czech Republic, and Teplice was the one we picked, primarily because of the transport infrastructure and its location. Because Teplice was the best placed for the transport of our finished product to our core markets in western Europe. The other facilities would have been fine from a building standpoint, but the infrastructure wasn't there.

If we would have had more time, we might have chosen to set up a greenfield operation. But time was critical for us—we had limited time to find a location, get the permits, get it built, get equipment installed and get it started up—and this was another reason that we went with CTP. We had to find a company that had buildings available in some phase of construction that we could get into and maybe change or modify to fit our needs and to meet our timing. And CTP met all these criteria.

*Your facilities are located in what CTP calls a Flexi-Space building, which some companies use as a first-step solution when entering the market. Do you have plans to expand?*

Actually the site that we have here, around 11,000m<sup>2</sup>, is larger than our original specifications for the manufacturing plant. But we also knew that we would need warehouse space, and we were also looking at the possibility of future expansion. If we didn't take the whole building, the other part would have been leased to other tenants and we would not have had the possibility to expand in the future.

‘THE CZECH REPUBLIC BASICALLY MET ALL OF OUR CRITERIA, AND IT ALSO HAS SOME OTHER BENEFITS THAT THE OTHER COUNTRIES WE LOOKED AT DID NOT HAVE’

So, we did an analysis, looking at an outside logistics provider versus us doing a little bit of that storage ourselves in the available area, and decided to take the whole site, so that we would have flexibility in the future. We looked at our costs outside and realised that if we want to expand with our new products, it would be much easier if we had this extra space available under one roof. So we decided to reduce our outside costs now by storing here, and then in future as our operations grow, we have the room to expand. If we expand even bigger than this, then

PRODUCTION LINE FOR CANDEREL® TABLET DISPENSERS. MERISANT QUALIFIED FOR THE CZECH REPUBLIC'S INVESTMENT INCENTIVES SCHEME INCLUDING JOB CREATION GRANTS AND SUBSIDIES FOR THE PURCHASE OF NEW MACHINERY







CTPark Teplice — Flexi-Space



we'll have to talk about something else. But right now, this space is big enough for us, and we are very satisfied with our new facility.

*Did CTP customize this building for you? Can you give us some details?*

We worked closely with CTP to create our space. The building here was already under partial construction when we signed the lease, but we were able to customise the facility to meet our needs.

And of course, because we are producing a foodstuff here, we have lots of requirements for temperature, humidity, cleanliness, etc. The main production hall is what we call a GMP area, which means Good Manufacturing Practices. We worked with CTP to create this GMP space. Our engineering firm designed the room, and then we worked with CTP to build it. We told them that these are the normal materials that we use, and they took our design and built to our specifications, to make sure that our GMP area meets our high standards. And I have to say that the quality is very good. In addition to our own standard requirements, all of our major customers audit us, and we also have to meet their criteria. And of course there are also the local regulations that we have to comply with. For example, because we have production and warehouse space under one roof, we also have to have firewalls, sprinklers and these sorts of things. And CTP helped us to build the space we need and to meet all of the necessary requirements.

*How would you rate CTP as a landlord?*

CTP is a very professional company, and we have not had any major issues. I'm not going to say that we haven't had some minor issues, but all in all, our experience has been quite positive. Of course, when you do a project like this, and as quickly as we did it, not everything is going to come together as smoothly as you want. But as long as both sides are committed to making it work, then it does. So, from that standpoint I've been quite happy.

I would also say that I was impressed with CTP and the number of properties we were able to look at. As I said before, it wasn't only in the Czech Republic where we saw CTP. We were also looking at properties in Slovakia.

CTP is spread nicely across the region. And they've been around for more than ten years, and so they have some history here in the region, and that was also important for us.

‘CTP HAS BEEN FLEXIBLE, AND ARE COMMITTED TO US BEING SUCCESSFUL, WHICH IS IMPORTANT. WE ARE VERY SATISFIED WITH WHAT WE HAVE DONE’



LINE WORKERS ATTENDING TO THEIR TASKS AT THE MERISANT FLEXI-SPACE IN TEPLICE, CZECH REPUBLIC



WE PLAN TO WORK HARD TO KEEP OUR PORTFOLIO OF PROPERTIES IN EXCELLENT CONDITION AND TO LOOK AFTER OUR TENANTS: TO MAKE SURE THEY ARE HAPPY, AND THEY CAN DO WHAT THEY WANT IN THE PROPERTIES.

PETRA ŠAFRÁNKOVÁ CONSULTS THE ARCHIVES AT CTP HEADQUARTERS IN PREPARATION FOR UPCOMING NEGOTIATIONS WITH A CLIENT





Top world supermodel, leading philanthropist, charity worker, perhaps the most recognisable face in the Czech Republic—and new mother for the second time—**Tereza Maxová** may be many things to many people, but she is always unmistakably herself. Even as she has reached the upper echelons of the fashion world, she has worked selflessly for more than a decade to help improve the lives of some of Czech society's most vulnerable members—orphans and children without families or homes.

CTP YEARBOOK | COMMUNITY

# *Tereza,* **Maxová**

F R O M F A S H I O N T O F A M I L Y

Dedicating her time, her energy, her fame, and her boundless enthusiasm to raise money and awareness for this worthy cause—Tereza has translated her passion to help into one of the most successful and effective charitable organisations in the Czech Republic today.

CTP is proud to be a sponsor and supporter of the Tereza Maxová Children's Foundation.



**T**hey are the same unmistakable, amazingly bright, vivid, emerald sky-blue eyes—the same eyes that have gazed out from the covers of the world’s top fashion magazines—that flash familiarly upward across a cluttered desk to greet us when we come to meet Tereza Maxová at the one-room office of her charitable foundation in Prague, Nadace Terezy Maxové dětem (Tereza Maxová Children’s Foundation).

Once the initial shock wears off that you are being introduced to one of the world’s most beautiful women, a funny feeling sets in—that somehow, in some way, you already know this lively, engaging person sitting across the table from you. With her down-to-earth charm and natural grace, Tereza Maxová instantly makes you feel at home, indulges you like an old friend, cracks jokes at her own expense, and flashes a disarming, slightly mischievous smile.

Somehow, it’s not hard to imagine that Tereza Maxová is always like this—equally at home in a sequined dress in the VIP world of high fashion as she is in jeans and a T-shirt, spending time with children in orphanages or hard at work behind her desk.

**M**axová has translated her success as the face for some of the world’s leading fashion and beauty brands to become, at only 37, the “grande dame” of Czech philanthropy, her foundation having raised to date over CZK170m. In fact, she has become so successful with her charity work that today she says most people she encounters identify her first through the prism of her foundation activities, and only secondly through her other prominent role, that of being a top world supermodel.

WHEN ASKED ABOUT THE SECRET OF HER SUCCESS, TEREZA REPLIES WITH CHARACTERISTIC MATTER-OF-FACTNESS ‘I DON’T THINK THERE’S ANY SECRET AT ALL.’

When asked what is the secret of her success, she replies with characteristic matter-of-factness, “I don’t think that there’s any secret at all. I work hard at the foundation because it is my passion and something I believe in deeply. I am lucky that I had the chance to make a career for myself in modeling and to make a little bit of money. But I have always felt it important to give something back to the society that you live in. I use my recognition from my modeling career to try and help others. I think that our foundation has always been very open, transparent, innovative, and focused on the specific needs of children,

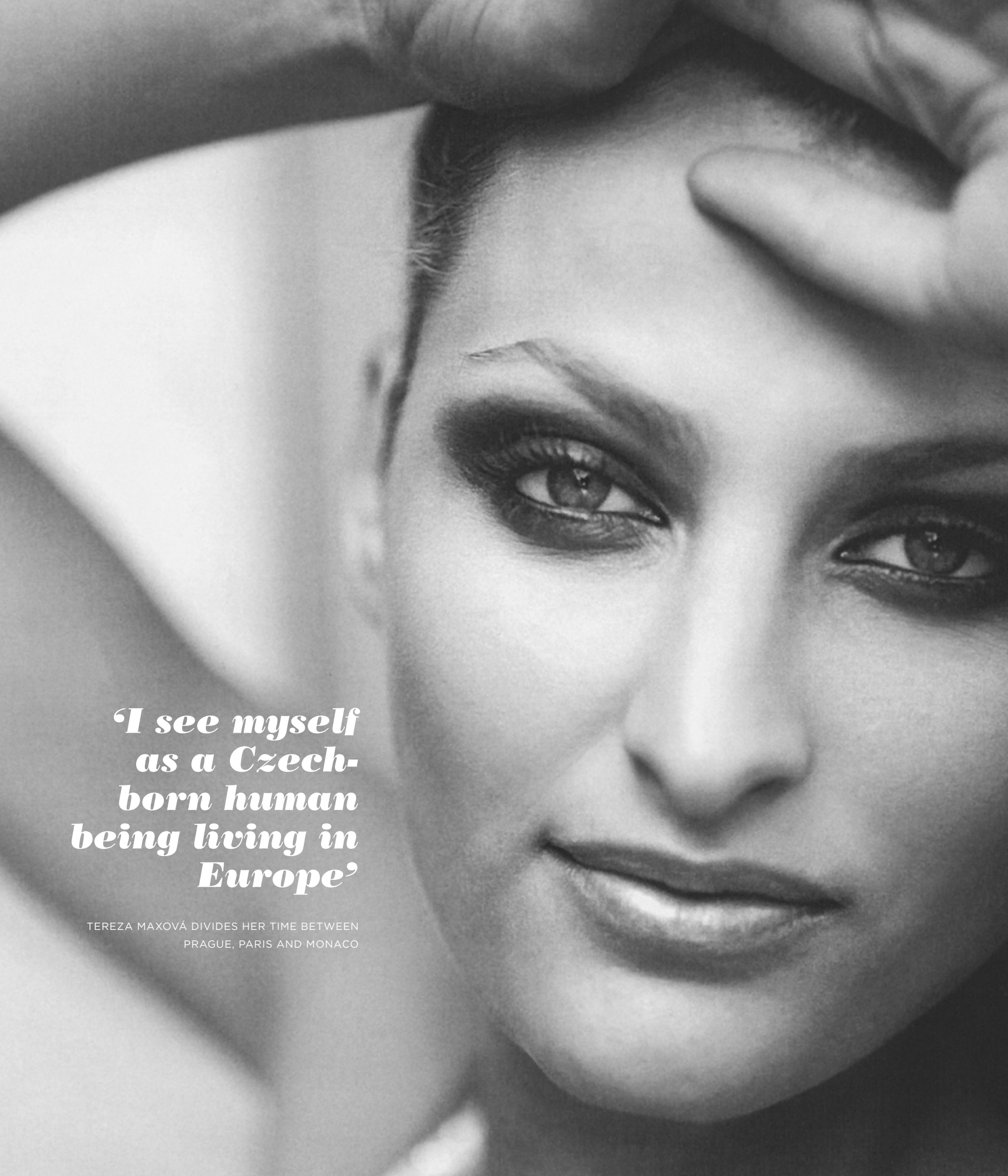
and I think that this formula is effective. I am very happy that the foundation is popular among the general population and donors.”

Tereza Maxová’s appeal and her recognition—both at home and abroad—as a truly exceptional member of Czech society is such that she was asked to represent the Czech Republic in the promotional campaign celebrating the launch of the country’s EU presidency at the start of the year, co-starring in a video spot with other world-famous Czech personalities. When asked why she chose to appear in the promotional video, Tereza explains matter-of-factly: “I was honoured to be asked. I’m a Czech patriot, and I am proud to represent my country.”

But when asked what it means to be a Czech patriot—she has lived and worked across Europe since the age of 18 and continues to divide her time between Prague, Paris and Monaco—Tereza gives an equally spot-on answer: “I see myself as a Czech-born human being living in Europe.” And no one can argue with that.

*‘I see myself as a Czech-born human being living in Europe’*

TEREZA MAXOVÁ DIVIDES HER TIME BETWEEN PRAGUE, PARIS AND MONACO





*All you need is love*

Despite having taken on the role of “diplomat” in the Czech Republic’s EU’s publicity campaign, Maxová is not afraid to speak her mind about the things she believes in. It seems that her genuine love for her home country compels her to right some of the wrongs that persist in Czech society. Namely, the Czech Republic has the highest number of children placed in institutional care per capita in Europe. Although the Czech Republic has stepped decisively out from the shadow of its socialist past to become one of the leading economic and cultural centres of the CEE region, it retains this shameful title at the top of this list.



ONLY 37, MAXOVÁ IS ALREADY THE “GRANDE DAME” OF CZECH PHILANTHROPY, HER FOUNDATION HAVING RAISED TO DATE OVER CZK170M

“The number of children in institutional care today is in part a legacy from socialist times, and the slowness of the legal system,” Tereza explains. She then launches into a crystal-clear analysis of the problem and its solution: “Many of the children in institutional care are not even orphans, but children from broken homes whose parents are no longer able to care for them. Under the current

system, these kids cannot be adopted unless their biological parent agrees. Sounds reasonable. But, the parent only needs to send one letter a year saying that he or she wants to remain the legal parent, effectively nullifying any chance for these neglected children to get out of institutional care. There are many studies that clearly show that children who grow up in institutional care have a much higher chance of becoming involved in drugs or in crime or ending up in prison than other children. And of course, they have a much lower chance of going to college, most often they do not even finish high school or trade-school. They face a pretty bleak future. And through the foundation, we are trying to raise awareness of this issue among the public, and to take concrete steps to improve the lives of these children.”

‘MATERIAL THINGS CANNOT REPLACE A HUG, OR THE LOVE, CARE AND ATTENTION THAT ALL CHILDREN NEED. THIS IS WHY THE TEREZA MAXOVÁ FOUNDATION IS NOW FOCUSING ON SUPPORTING THE DEVELOPMENT OF FOSTER CARE IN THE CZECH REPUBLIC’

And how is she doing that? “Right now, we are putting a lot of focus on foster parenting, raising awareness and also providing training and education to people who want to become foster parents. Back in 1997, when the foundation started, we were focused on improving the material conditions of children’s homes, because they lacked even basic things. We worked hard with other organisations to help change this. And today, when you visit a children’s home, you will see these places filled with toys, with better furniture, better material conditions.”

“But material things cannot replace a hug, or the love, care and attention that all children need. This is why our foundation is now focusing on supporting foster care in this country. Foster parenting is not as well developed in the Czech Republic as in other countries. After adoption, which is not an option for many of these children, foster parenting is the second-best chance for neglected children to get into a real home, where they can grow and develop. There is hard scientific evidence that if children do not get enough physical attention and affection during the first three years of life, the part of the brain that is responsible for forming emotional bonds and relationships does not fully develop. It is actually physiological. No child should grow up without love.”

Since 1997, Tereza Maxová’s charity work has helped to provide support to 16,000 children across the Czech Republic. According to a recent poll, the Tereza Maxová Children’s Foundation has gained the trust of 97% of Czech society, a remarkable figure. The success of her foundation derives in large part from her common-sense approach to solving problems and willingness to seize on an opportunity to do something good—even if the outcome is unknowable or improbable.

One story she shared with us particularly illuminates this point. “I have two close American friends who are successful in their careers, happily married, and really good people. Unable to have a child, they decided to adopt a child in the Czech Republic. But because of bureaucracy, and because The Hague Convention to simplify cross-border adoptions—although ratified by the Czech parliament—had yet to be ratified by the US Senate, and so my friends were technically unable to adopt a child. If the system prevents a good couple like my friends, who I know would make excellent parents, from adopting a child, then something is wrong with the system.”

“A few months later, at a meeting of leading Czech women with Karen Hughes [at the time a senior advisor to former president Bush] in Prague, I saw a good opportunity to ask why this treaty was being held up. I was glad I told her, but realistically I had no expectation that anything would come of it. So I was pretty much blown away when just a few weeks later, the treaty was finally ratified by the US Senate, making cross-border adoptions easier between our countries. It seems she actually heard what I had to say. I guess I was just in the right place at the right time.”



TEREZA HAS PARLAYED HER APPEAL AS MODEL INTO SUPPORT FOR HER CHARITY WORKS—WITH A LONG LIST OF CORPORATE SPONSORS AND PARTNERS, INCLUDING ORIFLAME, ACCENTURE, ING, UNICREDIT BANK AND CTP.



19  
89

TEREZA BURST OUT INTO THE MODELLING SCENE, POSING FOR SUCH FASHION GIANTS AS CHANEL, DIOR, PRADA, GUCCI, YVES SAINT LAURENT, AND RALPH LAUREN



## TeriBear Project: Superstar Idea

Being in the right place at the right time seems to come natural for Tereza Maxová. She burst out into the modelling scene in 1989 with the fall of communism and became one of the new “faces of the East” that would soon come to dominate the global fashion industry. Tereza has parlayed her popularity into support for her charity works—with a long list of corporate sponsors and partners, including Oriflame, Accenture, ING, Unicredit Bank and CTP. With Tereza, ethics and business have always gone hand in hand. Her work builds bridges between the donor community and the people in society truly in need.

SINCE 1997, TEREZA MAXOVÁ’S CHARITY WORK HAS HELPED TO PROVIDE SUPPORT TO 16,000 CHILDREN ACROSS THE CZECH REPUBLIC

Her most recent fundraising project is the perfect combination of Tereza’s attributes as model, charity worker, and astute businesswoman—the Teribear campaign. Modelled, she explains, on the Project Red® campaign launched by Bono Vox, the lead singer of Irish megaband U2, which raises money through the sale of “Red” branded products to fight AIDS in Africa, “Our project, uses the TeriBear® brand to raise money to support foster care in the Czech Republic.”

“We are very fortunate to have Insterspar as our partner. We started at the beginning of this year, and the project is already a success. The signature product of the campaign is a nice child’s teddy bear,” [named after Tereza’s own stuffed childhood companion] “but we have already expanded the product line to include T-shirts, accessories, mugs, even ginger bread, and more new ideas are being prepared. Each product comes with information

about the Teribear project, and explains that all proceeds from the sale of these products goes toward supporting a targeted programme to further develop education and training opportunities for people who would like to become foster parents. There is a lot of interest in foster parenting, but there is a lack of training, a lack of knowledge and a lack of professionalism concerning what it actually means to be a foster parent. So, one of the aims of the Teribear campaign is to raise funds to support these kinds of educational needs. This a major area that needs to improve, and it is part of our overall efforts to provide care and support for disadvantaged children.”

Tereza compliments the “mass market” charitable appeal of the Teribear campaign with a series of blue-ribbon, A-list charity auctions and fashion shows, most recently in Prague, which Tereza co-hosted with her super-model colleague Eva Herzigová. A year before, Tereza raised an eye-popping €300,000 in one day for disadvantaged Czech children at the “Grand Prix & Fashion Unite” charity auction, held in Monaco to kick off the 2007 Grand Prix formula one event and organised by Tereza’s foundation, under the patronage of Prince Albert II of Monaco.

## From the Heart

For most of us this kind of glamorous life is almost unimaginable—something from the storybooks or a Hollywood movie. But for Tereza Maxová, it’s just another “day at the office”—and a hard one at that. Maybe the best way to understand what makes Tereza tick—what drives her passion to help others—is to ponder the words that appears on her website, and which she describes as her own personal motto:

‘WHAT YOU KEEP FOR YOURSELF YOU HAVE ALREADY LOST. WHAT YOU GIVE IS YOURS FOREVER’

20  
09

TODAY, TEREZA COMPLIMENTS THE “MASS MARKET” CHARITABLE APPEAL OF THE TERIBEAR CAMPAIGN WITH A SERIES OF BLUE-RIBBON, A-LIST CHARITY AUCTIONS AND FASHION SHOWS





NADACE TEREZY MAXOVÉ DETEM /  
TEREZA MAXOVÁ CHILDREN'S FOUNDATION



In January 2009 the Tereza Maxová Foundation celebrated its 12th birthday, and as part of the celebration implemented a long-planned change to become even more effective in helping orphans and children in institutional care. The newly-formed Tereza Maxová Children's Foundation is now even better equipped to address the needs of disadvantaged and neglected children in the Czech Republic, with primary focus on prevention, education for foster parenting, and financial support to compensate for shortfalls in institutional care. The renamed Nadace táta a máma (Dad and Mom Foundation) is not directly affiliated with Tereza Maxová, but the two organisations work together to implement specific projects. The long-term objective of the Tereza Maxová Children's Foundation is to contribute to changes in the Czech system of childcare to significantly reduce the number of children growing up outside their families.

The Tereza Maxová Children's Foundation is focused on fundraising and public awareness campaigns. Monies raised are then channelled to partnering NGOs, experts and other charity organisations, which implement the specific project. Recent projects include the Teribear fundraising campaign and the project "Lost" – which seeks to raise public awareness that there are over 23,000 children in the Czech Republic in institutional care.

CTP is proud to be a sponsor and supporter of the Tereza Maxová Children's Foundation. We admire her hard work and share her belief that giving back to society is part of our responsibility.

WWW.TEREZAMAXOVADETEM.CZ

RIGHT: TEREZA HOSTS A FUNDRAISING EVENT AT THE BESEDNÍ DŮM FILHARMONIE IN BRNO  
IN WHICH CTP WAS PROUD TO PARTICIPATE AS THE MAIN PARTNER





JAKUB  
PELIKÁN

Business Director, CTP

“Our main focus is on the retention and expansion of our existing tenants, and filling up vacancies. That’s what we are doing now, to stabilise the existing portfolio. **Now is the time to focus on after-care.**”

# Tenant

# Focus

CTP’s focus on **client needs** plays a major role in all levels of our business operations. From first handshake to final handover, CTP’s development professionals are there for our clients.





Vertically

- 1** Focusing on client needs is a primary focus and one of our core capabilities. Starting with our LOCATION SEARCH SERVICE, CTP has local professionals throughout the Czech Republic who maintain strong ties to both local governments as well as communities, thereby allowing us to provide excellent location options for clients with specific requirements.
- 2** Our IN-HOUSE LEGAL TEAM is fluent in both local as well as EU law, allowing us to draft contracts that provide for greater flexibility. Providing this service in-house allows for a more personal understanding of each client's needs as well as enabling quicker turnaround.

# Integrated

- 3** Our CLIENT CARE TEAM, comprised of specialists in various types of developments, gives clients a single person with whom all deals can be completed.
- 4** ON-SITE MANAGERS take personal pride in their projects, making sure even the smallest requests are handled in a timely and professional manner.
- 5** Finally, our BACK OFFICE STAFF make sure that accounts are handled in both a personal as well as professional manner.



JAKUB  
PELIKÁN

Business Director

## client care

**W**ell, it's not rocket science: 2009 is basically a year to clean the desk, to look at structure and organisation after developing over the past ten years. Our main focus is on the retention and expansion of our existing tenants, and filling up vacancies. That's what we are doing now, to stabilise the existing portfolio. Now is the time to focus on after-care.

I think this is very important at this stage, after CTP's portfolio grew to a certain size. Of course, we will grow moderately, but on the other hand, particularly this year and maybe next year, it won't be 300,000m<sup>2</sup> or 400,000m<sup>2</sup> of new property, like it used to be in the past, it's going to be less. So now, if we cannot expand that much because the market doesn't allow it, you naturally shift back and start thinking about the customers, which of course should always go hand in hand. I only joined CTP recently, but I know how it is to expand a company, basically from the ground up, to this massive volume of property that CTP now has. And then you realise that of course you cannot do everything at once 100%. Right now I am putting a lot of attention on client care. This means getting to understand their problems and their needs. Many of our clients have been with us for several years now. Of course, we are all human, and sometimes there are problems or complaints, and we need to understand what they want to improve about CTP.

**“The question becomes not only what can we do to better assist our clients on a day-to-day basis, but also what can we do to better understand their business, to know how they can expand?”**

ABOVE: JAKUB PELIKÁN ON VISIT TO EXOVA TESTING FACILITIES, APRIL 12, 2009  
(FOR MORE ON EXOVA, SEE PAGE 142-153)



JAKUB  
PELIKÁN

Business Director

# customised development

So, the question becomes not only what can we do to better assist our clients on a day-to-day basis, but also what can we do to better understand their business, to know how they can expand? We are excellent at turning our clients' concepts into reality, but there is always room to improve on the long-term partner relationship throughout the duration of the lease period, which in many cases is for ten years. Personally, as I come to see as part of internal company restructuring, I see this as one area for improvement. Because I know we can be better.

So that is why it is increasingly important to talk to existing customers, to have them grow through your portfolio. That sounds very simple, but I think also it is very demanding.

Also right now, we are seeing big changes on the market, in terms of the types of buildings that are being built. There is virtually no longer any speculative development going on right now. It has stopped. Right now, all our new developments are custom-built, and this is how it is across the market. This is actually one benefit the 'crisis' can bring to us, because this is what CTP is best at doing. You tell us the concept, and we build it for you. We are experts at building custom-built facilities. So the direction of the market away from speculative building and toward purpose-built projects works to our advantage. Because that is truly CTP's strongest area.

**“Right now, all our new developments are custom-built, and this is how it is across the market. This is actually one benefit the crisis can bring to us, because this is what CTP is best at doing.”**

ABOVE: PELIKÁN REVIEWS PLANS FOR NEW CUSTOM-BUILT FACILITY WITH REMON VOS  
(FOR MORE ON CUSTOM-BUILT FACILITIES, SEE PAGE 74-75)



JIŘÍ  
KOSTEČKA

Business Developer

# personalised solutions

“I have responsibility for both CTZone and Spielberk Office Centre. Each tenant is different and so needs something different. So, maybe Spielberk is the right choice for a client, or perhaps they need only a CTBox. I make sure they know the benefits of each location, and try to find what solution really best fits the client’s needs now, and in the future.”

RIGHT: JIŘÍ GIVES A TOUR TO VISITING BUSINESSMEN, AND DESCRIBES SOME OF THE B2B BENEFITS OF LOCATING IN CTZONE





PETRA  
PIVOVAROVÁ

Park Manager

# park management

“I have to communicate quite a lot with my colleagues in Humpolec. I’ll pass on client details for contracts; or we need to sort out the re-billing of electric and utility charges; or pass on permitting information to the construction managers.”

RIGHT: PETRA CHECKS IN WITH ABB AT THEIR ROBOT FURBISHING FACILITY IN A CTPARK OSTRAVA FLEXI-SPACE BUILDING (SEE MORE ABOUT ABB ON PP 322–325)





PETRA  
ŠAFRÁNKOVÁ

Corporate Lawyer

# legal & contracts

“Since last year, I will often go to meet with client’s personally to discuss a solution to a contract. It’s much faster to reach an agreement when we are all in the room together.”

RIGHT: PETRA FINDS THAT ONE-ON-ONE MEETINGS WITH CLIENTS ARE MUCH MORE EFFECTIVE WHEN AGREEING CONTRACTUAL DETAILS







**“Face-to-face meetings are more important now than ever. I get to know what their concerns are. That’s what relationships are built on.”**



CTP takes pride in recognising market opportunities before others and getting there first. In this entrepreneurial—and pioneering—spirit, we have advanced projects outside the Czech Republic. Starting up operations is always a challenging task, and despite uncertainty, CTP’s pioneering spirit is alive and well in Slovakia & Romania thanks in large part to our people on the ground there.

Working with CTP from the start in Romania, **Laurentiu-Catalin Hanu** is the country manager in charge of our four existing parks, and is responsible for scouting out other strategic locations.

POSTCARD FROM



WITH LAURENTIU-CATALIN  
**HANU**  
COUNTRY MANAGER, ROMANIA

*What can you tell us about the market situation in Romania right now, particularly regarding the industrial real estate market?*

**M**ost of the economy is suffering from the downturn, and the crisis has impacted almost everyone. There are, however, some good points to the situation: the crisis helped an emerging market to adjust to rapid growth and it encouraged people to think more realistically. On the other hand, this situation affects the global economy—people all around the continent and globe are considering other economic options, in a period when Romania is among the cheapest labour pools in the EU.

Definitely the real estate market is going through difficult times these days. To be more accurate, many of the market actors had a very risky investment plan before, which brought them into a distressed position. When it comes to the industrial sector, the situation is not as bad as other sectors, as undersupply was the more pressing concern for this field even until early 2008.

Luckily, a ‘distressed situation’ does not describe CTP’s position in Romania: we did not engage any speculative development in this market. Our plan had been from the very beginning just to first acquire land at strategic locations and then develop based upon demand only.

‘THE GOOD THING IS THAT THOSE WHO ARE COMING THESE DAYS ARE RELIABLE PARTNERS: ONLY THE HEALTHY COMPANIES HAVE THE STRENGTH TO CONSIDER RELOCATION THESE DAYS’

*Is there a slow-down in companies coming into the market?*

**T**here was a period since late 2008 through April 2009 when no new name was seen on the market. Obviously the bull market before the crisis brought some newcomers. The interest was, however, reinitiated in the past months, and the good thing is that those who are coming these days are reliable partners: only the healthy companies have the strength to consider relocation these days.

*Is the logistics sector active?*

**I**ndependent market surveys are reporting stagnation in the industrial sector as the logistics market confronts an average vacancy increase of up to 10%. Changes in the market occurred mostly in southern Romania, in the Bucharest region. This seemed to be the most mature market, but the reality was that logistic centres around there have been servicing mostly the retail sector, which pulled back in a certain proportion lately, after the demand dropped.

LEFT: HANU INSPECTS EARLY PROGRESS DURING THE INSTALLATION OF THE INDUSTRIAL INFRASTRUCTURE FOR CTPARK BORS, NEAR THE ROMANIAN-HUNGARIAN BORDER.





*How is the economy in the Cluj-Napoca area right now, given plans for it to become a major high tech and IT centre?*

*What do you think are Romania's strong points for investment?*

*How long have you been with CTP and what do you enjoy most about your job?*

*Which are your favourite Romanian wines and where do they come from?*

Despite the current situation, the Cluj-Napoca area remains one of the engines of the Romanian economy. New investment was tempered by the economic crisis; however none of the companies who had already started there pulled out. The city is already the most prominent high-tech and IT spot on the country map. This is very much helped by the part played by the authorities in the continuous creation of university-qualified young professionals and the continuous investment in infrastructure, as well as by existing investors and the constant attraction of the labour pool from the region and the tradition they had already created. Most of the IT & communications companies have relocated their HQs there: Nokia's new factory remains a landmark for everyone, not to mention the large number of medium and small companies built locally and successfully operating even in such times.

I guess there is a high awareness of the initiative of the Cluj University (which is now being followed by others such as Oradea) to create partnerships with the regional investors and groups of students who have been prepared for the specific activity they are about to provide within those companies production or R&D facilities. This is ideal for both investors and future employees: you don't need to invest as much in employee during training and trial period as they are already prepared to work for you. For students, this means healthy competition for a secure workplace after graduation.

In just a few words: strategic location, cheap and educated labour, huge internal market potential, state support and adaptive mentality of the locals. Regionally, the areas that are considered investment 'hot spots' include Western Romania because of its strategic position—this region benefits from transportation infrastructure throughout central Europe. The second hot spot is the Cluj region because it boasts the longest industrial tradition in Romania and a huge labour pool; and the third is the Arges-Pitesti region in South Romania which has been the very heart of the Romanian automotive industry over the past 40 years.

I would also point to the country's ethnical and cultural diversity, which is very helpful when it comes to accommodating anything from abroad: the multiple historical influences have imprinted the local mentality so clearly, and doubled the innovative spirit with the capacity to learn and adapt to other patterns.

My work with CTP started up in late 2006 and also included building up the local subsidiary and associated companies, starting up the business, and completing all the work we've done here so far.

I like freedom of choice with deciding how do I get to goals but also dealing with various people from very different organisations and parts of the world- every client is different: as a person and as a company! Everything we've done at CTP so far has been very challenging; I like that a lot. Business travel is an important part of my job, which I can't help myself from enjoying!

Especially if you enjoy dry white wines, I recommend Riesling and Sauvignon of Târnave region or Jidvei region (both in central Transylvania). Red wine is very good in south-east Romania wineries Dealu Mare and Murfatlar, for both Merlot and Pinot Noir wines.

LEFT: LAURENTIU-CATALAN HANU DESCRIBES THE EARLY DAYS OF STARTING UP OPERATIONS IN ROMANIA.



We have been active in Slovakia since 2006, and **Martin Fodor** has been instrumental in much of what we have achieved there. He is in charge of our four parks, in addition to seeking out new clients and dealing with authorities, among other responsibilities.

POSTCARD FROM



WITH MARTIN  
**FODOR**  
PROJECT MANAGER, SLOVAKIA

*What can you tell us about the market situation in Slovakia right now, particularly regarding the industrial real estate market?*

The Slovak economy is largely dependent on demand in Western Europe, so the impact of the financial crisis has resulted in reduced orders. In the first half of 2009 this resulted in an increased number of announced mass dismissals of employees. On the other hand, Slovakia, as a major automotive producer, has seen the positive impact of promoting the sale of passenger cars in different European countries which certainly eased the slowdown somewhat.

Since early 2009, the implementation of most planned industrial projects meant for storage and factory buildings were temporarily suspended. Recently though, information has been emerging on the preparation of some new projects, but these are typically modest and for specific clients. In late summer, we saw a slight recovery in demand for information on upcoming projects. In any case, our economy is heavily dependent on what happens in the countries where those requests for information are originating.

'SOME OF OUR CLIENTS ARE LOOKING FOR THE MOST EFFECTIVE COST SOLUTIONS, OR EVEN TRYING TO OPEN NEW MARKETS FOR THEM THESE DAYS. CTP REMAINS COMMITTED TO ASSISTING THEM'

*Is the logistics sector active?*

Slovakia experienced a huge influx of foreign investment in the years 2004 to 2008, so compared to this period there has clearly been a slowdown. However the interest of foreign companies to establish themselves in our market persists.

Independent market surveys are reporting some stagnation in the industrial sector as the logistics market is faced with an average vacancy rate of up to 12%. But changes in the market have occurred in all sectors of the Slovak economy.

We expect that a large proportion of land prepared for the construction of logistics projects will remain unused until we see an increase in demand for storage space, and until vacancy rates are reduced. While it is anticipated that the restrictions on bank financing for the construction of warehouses and logistics facilities will continue, this situation will support pre-negotiated leases as well as longer-term leases.

*As regarding CTP's focus on retaining and maintaining existing clients, how has this impacted your focus in Slovakia?*

Some of our clients are looking for the most cost effective solutions; others are even trying to open new markets these days. CTP remains committed to assist them and we are ready to offer our CTPark locations in Slovakia and our expertise in helping them find the right fit for their needs, and to help them relocate here if so. This has been our focus ever since we opened our Slovak subsidiary. And now—although we constantly seek new clients in the market—we are more committed to that than ever.

LEFT: THE REGIONS TO THE EAST OF SLOVAKIA, IN PARTICULAR THE AREAS SURROUNDING THE CITIES OF KOŠICE AND PREŠOV, OFFER HUGE, YET UNTAPPED, POTENTIAL





*Does CTP have clients participating in Slovakia's automotive sector?*

Some of our clients are suppliers for the major actors in the Slovakian automotive industry: PSA Peugeot, VW and KIA. Currently, much depends on how the sector will fare after depletion of popular incentives and how the carmakers can respond to new challenges in the field of 'ecology' cars.

'REGIONS WITH HUGE, YET-UNTAPPED POTENTIAL TO CONSIDER IN THE EASTERN PART OF SLOVAKIA, NAMELY THE SURROUNDING CITIES OF KOŠICE AND PREŠOV'

*What do you think are Slovakia's strong points for investment?*

Location in the heart of Europe, the rapid construction of highways and its connection to pan-European routes, low wage levels, educational structure and mentality of the population.

*How long have you been with CTP and what do you enjoy most about your job?*

Also, the regions with huge, yet-untapped, potential like the eastern part of Slovakia, in particular the areas surrounding the cities of Košice and Prešov. The government are making every effort to complete the highway link Bratislava-Košice. In both these cities many universities and colleges are located. A company can very effectively support Poland, Hungary, Ukraine and, thanks to the construction of new highways, Western Europe too.

I started up Autumn 2006, working on a successful project for ArjoWiggins in Bor u Tachova, Czech Republic (for more on Bor, see pp. 126-131). Then I moved to Slovakia, to help build up the local subsidiary.

Personally, I enjoy the how meaningful my work can be, as well as the freedom we have in deciding how to reach goals. Of course, business travelling is also a very interesting part, as I get to deal with various people, authorities, clients and land owners.

*Where are you from? Do you have any hobbies or interests you can share with us?*

I come from the middle of Slovakia, the small city called Revúca. Currently I live with my family in Poprad. Because my workload requires frequent travel throughout all of Slovakia, I am lucky that because Poprad is pretty well connected by motorways network, its a good place to have as a home base for actiities throughout the country.

A few months ago we had a son, so I try to make as much use of the leisure time that I have to be together. Otherwise, I enjoy traveling, biking, and of course reading.

LEFT: MARTIN FODOR ANNOUNCES A RECENT LAND PURCHASE FOR A NEW CTPARK DEVELOPMENT IN MARTIN, SLOVAKIA. THE ACQUISITION WAS MET WITH WIDESPREAD SUPPORT AMONG THE LOCAL POPULATION AND CITY OFFICIALS.





<b>CITY IN TRANSFORMATION</b> pp 278-287	<b>MAYOR PETR KAJNAR</b> pp 288-295	<b>PETRA PIVOVAROVÁ</b> pp 296-307	<b>TENANT CASE STUDIES: GEMONEY, ITT, &amp; ABB</b> pp 312-325	<b>INTERNATIONAL SCHOOL &amp; STODOLNÍ ST.</b> pp 326-333
				

# OSTRAVA

**Ostrava**, the Czech Republic's third-largest city and the capital of the Moravian-Silesian region, is a city in transformation. The local government, universities and citizens have come together in a determined effort to return their city—once the proud industrial jewel of the Habsburg Empire—to its rightful position as an important educational, cultural and business centre.





# OSTRAVA

## A City In Transition

With its rich industrial history and capabilities, Ostrava is smartening up. Under the leadership of its pro-business and forward-looking mayor, **Petr Kajnar** [see interview p. 288], since the start of the new century Ostrava has attracted large volumes of foreign investment and interest from high tech industries and the IT sector. The city's universities are leading the drive to re-tool the city for the knowledge economy, forging research and innovation partnerships with local investors. Plans are in the works to locate one of Europe's largest super-computers in Ostrava, which is certain to become the centrepiece of the city's innovation cluster and a "new foundry" for the new economy.

CTP was among the first companies to make major investments in Ostrava. Five years after opening for business, CTPark Ostrava is a major business infrastructure development for the city and to date has created more than 5,000 new jobs in the services and high tech sectors. Education and hard work are hallmarks of Ostrava—and the multi-talented local workforce is giving the city a good name among international investors.

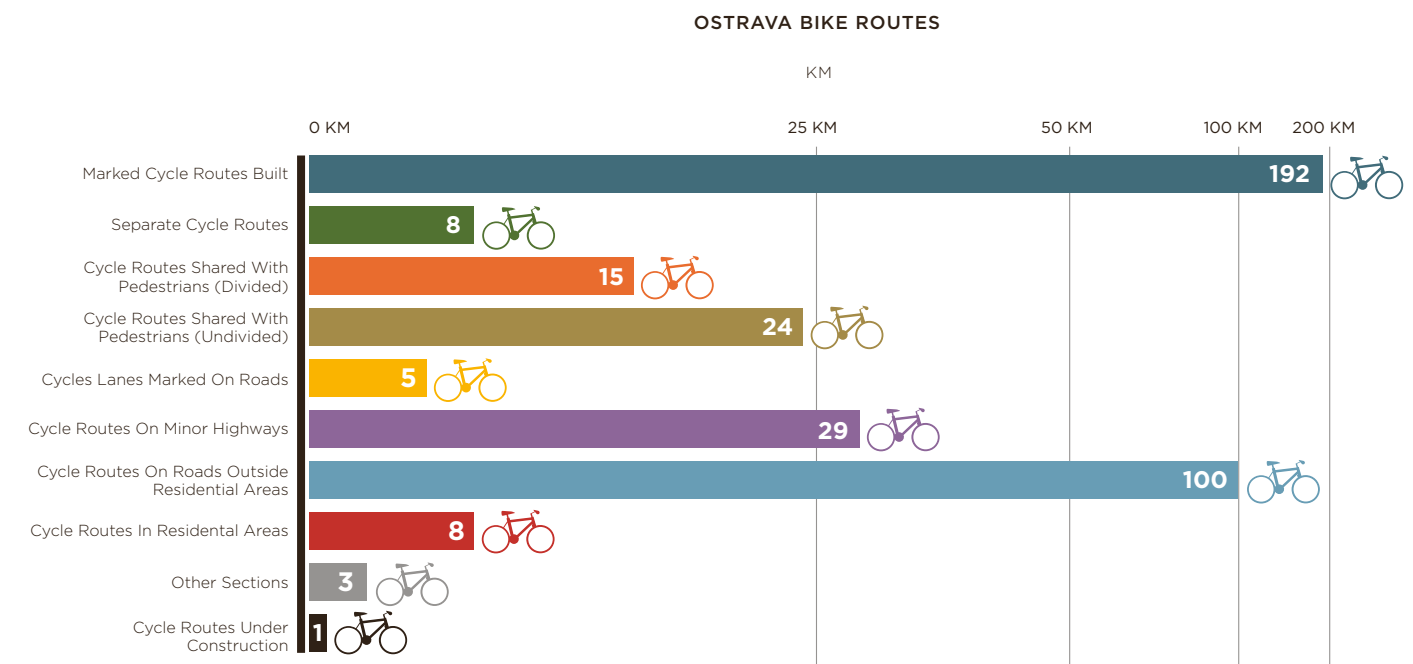
Ostrava's ambition is to become a major centre for the high tech, IT and knowledge-based service industries and to be not only the strategic "capital" of the Moravian-Silesian region in the Czech Republic but for the wider, tri-state region. The city's strategic location near the Polish and Slovak borders has been strengthened by the extension to Ostrava of the E75/D1 motorway, enhancing Ostrava's connectivity and importance as a regional commercial hub.

Ostrava has made great progress along its path of transformation. The global economic downturn has, like most everywhere, slowed the pace of new investment—but new investment continues to come in. With its unique mix of industry, skills and location, the city is well positioned to benefit from the re-structuring occurring across several industries. Ostrava has been working hard to build a new home for global business. And that hard work is paying off.



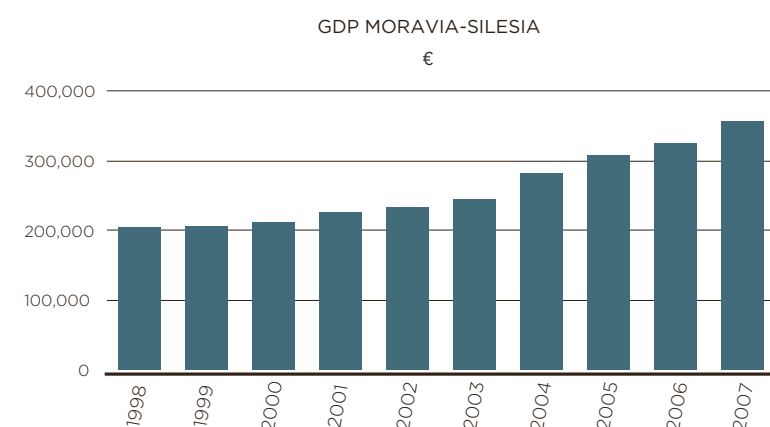
## A Breath of Fresh Air

As Ostrava's economy changes, so does its environment. Once one of the Czech Republic's most polluted cities, Ostrava again enjoys the clean air from the nearby Beskdy and Jeseníky mountains. Renovated and refurbished, Ostrava's historic centre sparkles in the sunshine and bustles in the nightlife. Quality of life, which once was lacking, is now a major draw for people to live and work in Ostrava. Many who left home in the early 1990s in pursuit of opportunities in the capital Prague or abroad have returned home. The 'brain drain' phenomenon— so familiar to Ostrava throughout the years immediately following Communism— shows clear signs of waning.



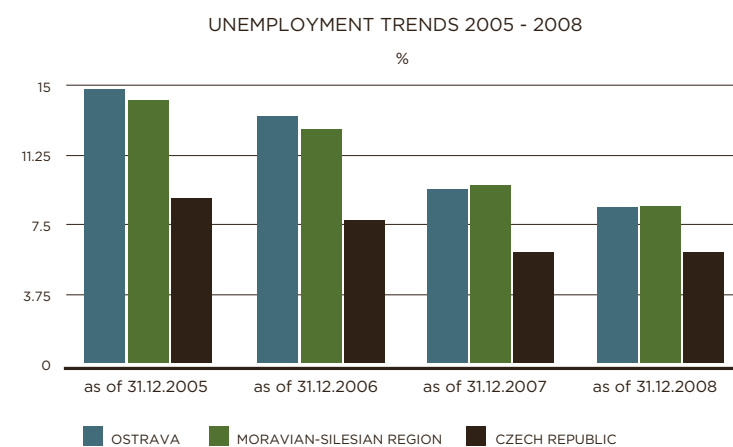
WITH A BIKE-FRIENDLY CITY PLAN, WORLD-CLASS GOLF COURSES, AND NEARBY MOUNTAIN RANGES FOR HIKING AND SKIING, OSTRAVA IS AN ACTIVE PERSON'S PARADISE





Ostrava has been working hard to attract new high tech and IT investment to the city and to the Moravian-Silesian region, and the city's efforts appear to be paying off. Several major international companies have set up important operations in Ostrava, including CTPark tenants like ABB, ITT, and GE Money Bank, to name but a few, and other major technology companies like Siemens and Asus.

South Korean carmaker Hyundai opened its first and only European assembly plant in Nosovice, just outside Ostrava, in November last year. This investment, of over €1 billion, is one of the largest to date in the Czech Republic and has solidified the country's position as one of the premier automotive assembly sites in Europe. Hyundai's investment has also brought several suppliers and other technology companies to the Ostrava region. This high level of foreign investment, combined with responsible city management, has earned Ostrava an A- rating on its long-term debt obligations from Standard & Poor's, one of the highest ratings. The underpinnings of the Ostravan economy remain strong despite the current crunch, with rising GDP and an ample supply of labour.





# Smart Economy

Why, after a relative lull, has there been so much recent investment in Ostrava, particularly in the IT and high tech sectors? Among the many answers, perhaps the most important is the unprecedented investment into technology, education and research being made by the local universities in tandem with the city authorities. Building on the strengths of its industrial and technical heritage, Ostrava has chosen to embrace the knowledge-economy.

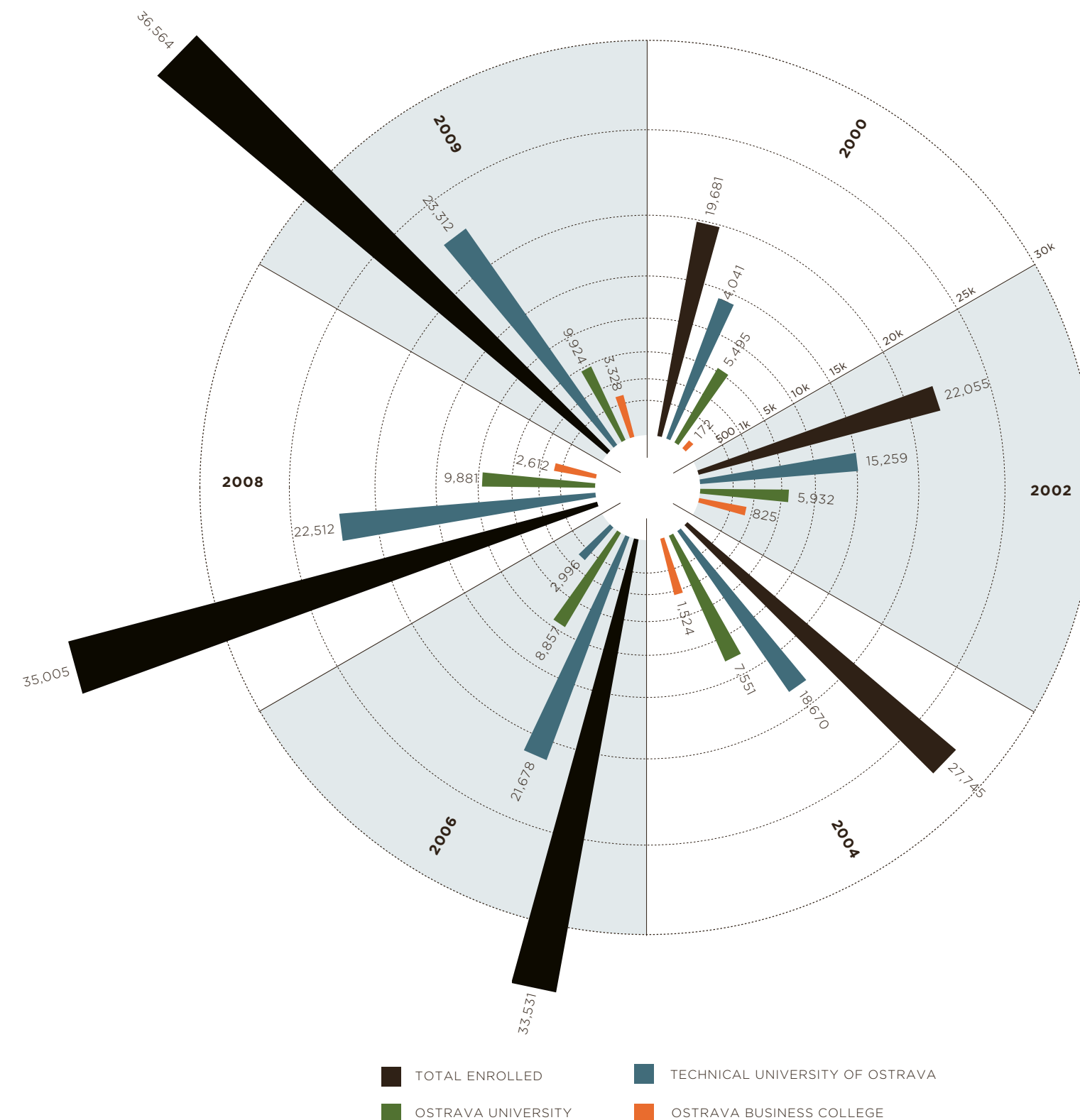
Perhaps the most telling example of this is the project IT4Innovations, which is a project of the IT faculty of the Technical University to develop a supercomputer, one of the world's most powerful, in Ostrava by 2012-13. The IT faculty currently operates a powerful supercomputer, but together with the city it is seeking funding from EU sources to greatly enhance its processing capabilities.

The supercomputer project—an investment of approximately €75m—is intended to provide researchers and students in Ostrava with the computing power required for tasks such as design optimisations for the automotive industry, complex mathematical modelling, and cancer research. The supercomputer is expected to draw additional IT investment to Ostrava, as companies will be able harness this processing power and work together with the IT faculty on new innovation projects.

The most publicly known, this is just one of the myriad myriad investments in education that have made Ostrava's large and competitively-priced labour force even more appealing. The University of Ostrava broadens the city's educational spectrum with a strong liberal arts faculty and foreign languages.

## HIGHER EDUCATION ENROLLMENT

# OF STUDENTS





## SUPER CONNECTIVITY

In addition to highly qualified labour and its high tech and industrial expertise, another of Ostrava's attractions for investors is its connectivity. With the completion of the E75/D1 motorway, the city is now connected by fast road to Brno, Prague, and beyond. Further improvements will extend this road to Katowice in Poland, helping to re-connect the greater Silesian area. The motorway is part of the pan-European Corridor 10 project, one of the EU's main motorway and rail infrastructure projects.

Ostrava is also an important rail junction—with several daily connections via the Pendolino express train to and from Prague. Ostrava sits on a major north-south rail line, with good passenger and freight connections that will be heightened by the Corridor 10 project. The city is also well connected by air, with the Czech Republic's second-largest airport capable of handling the world's largest aircraft. Passenger links to cities such as Prague, Brno and Vienna are already in service, and new flights and further expansion of both the passenger and cargo capacity of the airport is planned.

## MODERN TIMES, MODERN BUILDINGS

As Ostrava embraces the 21<sup>st</sup> century, big improvements to its city centre are also in the works. The Nova Karolina Project is a large-scale urbanisation effort that will transform disused industrial space adjacent to the historic city centre into a new, modern urban area complete with parks and shops. The project will incorporate the city's unique industrial heritage into the design and will complement the historic city centre with its numerous galleries, museums and theatres.

Local officials have also been making a concerted effort recently to publicise Ostrava's cultural attractions, and rumour has it the city may be planning to make a bid for the European Capital of Culture 2015 competition.



21st Century

Infrastructure



A city like Ostrava that is re-inventing itself needs capable, visionary and hard-working leadership. Lucky for Ostrava, those are the best adjectives to describe the city's energetic mayor.

# P E T R K A J N A R

A MAYOR FOR ALL SEASONS





We had a chance to talk with **MAYOR KAJNAR** about Ostrava’s transformation from steel town to “tech town” during the five-year anniversary celebration for AXIS Office Park and CTPark Ostrava.

*We understand that you have been involved in the planning and development of this industrial zone in Hrabice—the location of CTPark Ostrava—since the very beginning.*

*When you first drew up plans for the development of this site, did you imagine that one day there would be A-class office buildings here?*

Yes, from 2002–2006, I was the deputy mayor of Ostrava responsible for investment. The city wanted to create an industrial zone to attract new investment and help re-build the local economy. In the very beginning, I decided that this place [CTPark Ostrava] would be an excellent opportunity for investors, because of its location and size, and I started to prepare the necessary infrastructure at this site.

It was my goal to develop a zone with at least 5,000 employees, and today we have already achieved that. There is also space to build significantly more here. So the project fulfils my expectation.

No, I also expected only industrial buildings, for production and logistics. I didn’t expect such nice offices. Personally, I think CTP had a lot of courage and foresight to bring offices to this area. If it would have been up to me, I would have built such nice office buildings in the centre of the city. CTP actually started developing here with AXIS Office Park, and as you can see, they have been quite successful. The idea has worked very well.

*Why do you think companies like ITT, which just opened a plant to produce brake pads at CTPark Ostrava, come to the city?*

When I first started out working at City Hall, we faced the situation that there was not a single foreign investor in Ostrava outside of the metals industry. And even here, this was a brownfield investment. There was not one new investment, with new buildings on a green field. And obviously we wanted to change that.

It was difficult at the beginning to convince the first investors to come here. The very first major investors to Ostrava were [computer maker] Asus and CTP. They both started to build basically at the same time. This encouraged the demand for space, because other investors had a succesful example of building and working in Ostrava.

‘FIVE YEARS AGO, 30% OF NEW GRADUATES WERE GETTING JOBS IN THE IT SECTOR. AND TODAY, THIS NUMBER IS AROUND 60–70%’

I must say that CTP was really among the first, and the very biggest investor, in Ostrava. The company has brought over five years many other investors here with them, who have in turn created many local jobs.

So, to answer your question—I think this is one of the reasons that companies like ITT are coming here. The environment is friendly for business.

There are also two good universities in Ostrava—the Technical University, with over 20,000 students, and Ostrava University, with over 5,00 students. This means, we have over 5,000 graduates every year, and this gives employers a very strong and capable workforce. They are young and clever people, who speak foreign languages,

and they now have good opportunities to stay here in Ostrava after graduation and work. Five years ago, 30% of new graduates were getting jobs in the IT sector. And today, this number is around 60–70%. There are more and more interesting jobs in the IT sector in Ostrava for qualified graduates, because of investors like ABB and Siemens, for example, and the many others that have chosen to invest in our city.

There are also very many secondary schools, more than 100 in the Ostrava area. Tens of thousands of graduates come from these schools. So, the local workforce is quite well prepared, and a qualified workforce is one of the basic conditions for investors.

*Is Ostrava targeting any specific business sectors?*

We are working hard to develop the IT sector. One of the main projects within this plan is the construction of a new IT faculty building at Ostrava’s Technical University. The IT faculty in Ostrava started out 19 years ago with just 20 students, and today there are about 4,000 students in the faculty. Graduates from this IT faculty have the best employment ratio of graduates anywhere in the Czech Republic. The school has worked hard to build working relationships with the biggest IT companies in the region like Siemens and others. The school trains and prepares students to work for modern IT companies, and people from these companies are also sometimes lecturing at the faculty. So there is a very good working relationship between the faculty and local employers.

Despite its success, the IT faculty remains the only major faculty at the Technical University without its own, dedicated building. So we are working together with the university to help build a new faculty building, with new laboratories and classrooms, which should be completed in two or three years.

In addition, and thanks to support from EU funds, we are also at work establishing an IT centre for innovation in Ostrava. A major part of this project is the development of a super computer in Ostrava, one of the biggest in the world, by 2012. This is a very major initiative we are undertaking right now, to have this super-computer available at the IT faculty, and to use its processing power to support the further development of the IT sector in





“During this Communist period, new growth was only factories, coalmines, heavy industries, and blocks of flats. No urban infrastructure. The city was developed in some way similar to Siberia. It was not possible to develop culture in this context. We are now trying now to open up the city again, not only for investment but also in support of education and culture. ”

Ostrava. We are seeking funding for the initiative as part of the EU's Science and Research for Innovation project, which has a total budget of around €800m. We have been working on this initiative for some time now, and we anticipate receiving some EU funds to help support the project.

In addition to the IT sector, we are also working to establish Ostrava as a centre for precision and high tech, heavy engineering. For example, one of the successor companies of the Vitkovice metallurgical plant, Vitkovice Heavy Machinery, manufactures huge machine shafts for big engines for ships, for example. I also saw that some of these shafts are being used on oil drills—and these can weigh as much as 40 tonnes. Despite the fact that the machinery is so huge, it is also very precise, and such work cannot be done in so many places. Ostrava's strong industrial background, particularly in metallurgy, gives the city an advantage in the area of high tech engineering, and so we want to further develop that.

To further support the development of the healthcare, pharmaceutical and biotech industries, we are planning to open a new Faculty of Medicine at Ostrava University next year. We are in the application phase right now with the relevant state authorities.

#### *Is Ostrava in competition with Brno for investment?*

No, it is not a competition. Brno is a challenge for Ostrava, because it is true that Brno is more developed in certain areas, like culture and education.

You have to remember that prior to World War Two, Ostrava had a population of around 100,000 people. During this communist period, this was rapidly increased to around 350,000 people. This new growth was only factories, coalmines, heavy industries, and blocks of flats. No urban infrastructure. The city was developed in some way similar to Siberia. It was not possible to develop culture in this context. The university was only geared toward technical subjects, not to philosophy, history or art. We are now trying now to open up the city again, not only for investment but also in support of education and culture.

#### *How has the global economic crisis affected Ostrava?*

To keep things in perspective—in 2002, unemployment in Ostrava was 19%. Last year, in September or October, just before the crisis hit, it was around 8%. Today it is at around 11%. So yes, the crisis has impacted Ostrava, and maybe unemployment will rise a bit more. But I am convinced that it will not return to 19% unemployment again.

Because despite the crisis, we have also seen that investors remain interested in Ostrava. Here at the CTPark, you have ITT and also GE Money Bank, which just expanded their offices. Investments have certainly slowed down, but the interest in Ostrava remains.

After the crisis, I think Ostrava will continue to grow rapidly, because the infrastructure will be in place. We now have the D1 motorway connection to Brno and Prague. We have the International School, which is a K-12 school that teaches according to the British curriculum, and this I think is attractive for investors, when they are re-locating people here.

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‘AFTER THE CRISIS, I THINK OSTRAVA WILL CONTINUE TO GROW RAPIDLY, BECAUSE THE INFRASTRUCTURE WILL BE IN PLACE’

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*We understand that you were a member of Civic Forum—the political movement around Vaclav Havel that came to power in 1989. Have you been in public life since then?*

I was in the Ostrava City Council for four years after 1989, but then I returned to the private sector. I actually had several jobs. I worked for the Ostrava Water Works, first as a technical director, and later as a director of the company in Olomouc, and then with other utilities in this region. IT is actually my background, and I

LEFT: MAYOR KAJNAR SPEAKS AT THE 5TH ANNIVERSARY OF CTPARK OSTRAVA





also developed my own computer and some control systems based on computers. I also tried to develop a system of navigation for airplanes—I even built my own airplane, which flies. I tried to develop a company around this navigation idea but it wasn’t successful. Then I was again working in the utilities sector, but in the second half of the 1990s, I decided to come back to politics. My goal was to become deputy mayor, and then one day, if possible, to become mayor. And so I fulfilled this goal. I worked on it very hard—and to attract investors to the city—because that is my ultimate goal. And so far I am satisfied, because I think that I have been somewhat successful in this area. Ostrava is my hometown, and it needs help to develop and to push it ahead. And I am doing what I can to help make it happen.

‘IN MY OPINION, AN INDUSTRIAL BASIS—WITH EXPERTISE IN HIGH TECH INDUSTRIAL AREAS—IS ESSENTIAL FOR ANY MODERN ECONOMY, AND THE CRISIS MAKES IT EVEN MORE SO’

*Some people have made the comparison between Ostrava and Pittsburgh in the US—another former steel town that has re-invented itself. Do you think that’s a fair comparison?*

I do think there are some comparisons. Also I know that Evžen Tošenovský, who was mayor of Ostrava in the 1990s and is now a member of the European parliament, he had contacts with Pittsburgh during his administration because of the similar history of the two cities. Pittsburgh has transformed itself and is now a very popular place for companies to locate. My vision for Ostrava is that we can have the same kind of results.

*What are some of the things that you tell potential investors about Ostrava that maybe they do not know?*

One thing is that I think it is important to see Ostrava also in the context of the Moravian-Silesian region as a whole. Right now, Ostrava’s population, together with other nearby localities like Opava, Havrlov and Frydek Mistek, is over 700,000 people. After Prague it is the second-largest urban area in the Czech Republic, ahead of Brno. This right here is a big potential.

And if you consider for a moment the greater Silesian region with cities in Poland, the total population is over five million people. This is one of the most populous regions within Europe, so again, that brings a lot of possibilities. The conditions here are good to develop this large urban area, which can compete with Prague and Brno.

The region’s industrial heritage also gives Ostrava a chance to develop a really world-class industrial university, which can help lead this development in the 21st century. Prague today is without industrial activity. There are technical universities in Prague, but no technical industries. In my opinion, an industrial basis—with expertise in high tech industrial areas—is essential for any modern economy, and the crisis makes it even more so. I think Ostrava helps give the Czech Republic a very strong basis in this respect.

‘THERE WILL NEVER BE A GOTHIC CASTLE HERE. BUT THERE ARE A LOT OF OTHER NICE THINGS IN OSTRAVA, THE NEIGHBORHOODS OF THE CITY, AND THE NEARBY BESKYDY AND JESENÍKY MOUNTAINS, WHICH ARE VERY NICE, GENTLE MOUNTAINS AND GOOD FOR HIKING, CYCLING AND SKIING. THE QUALITY OF LIFE IN OSTRAVA IS VERY GOOD’



A DAY IN THE LIFE OF

# PETRA PIVOVAROVÁ

Ostrava native **Petra Pivovarová** doesn't fit the typical profile of a park manager. She was a book translator for ten years before joining CTP in 2005, she studied in the US and had lucrative job offers in Prague.

So what compelled her to make the transition to property management? As she explains, it was an opportunity to move back home to Ostrava and finally have a job where she could move around and meet people instead of sitting alone at home behind her stacks of books.



## BORN AND RAISED

in Ostrava, Petra was the perfect candidate to manage CTPark Ostrava, since she was already well versed in how the local government operates—important know-how considering a big part of her job involves obtaining various permits for CTP from the city. In fact, her first trip to the sanitation office went much more smoothly than expected because the clerk happened to be an old schoolmate. “Ostrava is a big city but sometimes you feel like you know everybody,” Petra says.

Aside from working in close contact with city offices to make sure all the required permits for new construction at CTPark Ostrava are obtained, Petra is also responsible for client care, a task she enjoys very much. “Staying in touch with clients is very important. They are the reason we are here after all, and we need to be constantly available to them if they have a concern. Communication is key so that clients understand the contract and what we can provide for them,” she says.

We sat down with Petra to find out more about what it was like to grow up in Ostrava, how the city has changed over the years, and what it takes to be a park manager at CTPark Ostrava.



‘Staying in touch with clients is very important. They are the reason we are here after all, and we need to be constantly available to them if they have a concern’





PETRA TAKES US THROUGH FACILITIES AT ITT (LEFT) AND LOOKS INTO  
EARLY PROGRESS OF LANDSCAPING (RIGHT)

*Describe your typical working day for us*

Well, there's really no such thing as a "typical" day here. There is always something new that needs to be done quickly. You have to think quickly and make decisions. And since we are still in a building phase, one thing I do regularly is prepare for site inspections. If I have a site inspection I have to get all the documents ready for that with the construction department. We have to do this for the environmental assessments and permitting.

But I would say by far the most important part of my job is interacting with clients. I'm in contact with clients on a daily basis to make sure there is nothing that needs to be repaired or sorted. If there is, then I order work and check in to make sure it's been taken care of. If it's necessary you have to act immediately and be flexible. I started right from the beginning with CTP, so I know about each building. I know all of the clients, too, so it's easier to be in contact with them. I also have good relations with the city, which is invaluable when it's permit time.

'I started right from the beginning with CTP, so I know about each building.  
I know all of the clients, too, so it's easier to be in contact with them'







‘What I like most about working here is that you can start in a certain position, but you can do whatever you want if you are capable of doing it’

*Can you give us an example of an unexpected problem you’ve resolved?*

Once we got an outrageous water bill for 55,000 crowns when it should normally be about 10,000. So we thought, ‘OK, there’s a leak, but where?’ We couldn’t find anything in the building, but then it occurred to me that maybe water was leaking from a fountain outside. Everybody who came to look at it said, ‘There’s no leak here,’ but we were sure there had to be, so we even had security guards come to check the area for leaks at night. That’s how we found out that the leak was coming from a pipe connecting the fountain to the building. We were able to recharge the work to the company that installed the pipe, and the water bills went back to normal.

Here’s another, totally different example. Right now I’m dealing with the city about a car that has been abandoned on our property. It’s a bit unsightly and I’ve been asking for it to be towed away, but under Czech law the owner has something like two months to come and move the car. I’m thinking about just pushing it into the nearby forest myself [laughing]...not really, but sometimes you have to take the initiative!

*What do you like about your job?*

One of the good things about working for CTP is that Remon [Vos, CTP CEO] lets you do whatever you’re capable of. I do permitting and client care. Right now, I am working on permits. We have a trial use permit for one building, and after one year you have to apply for a final use permit, and so we’re doing that now. We have site inspections in one week, so I’m quite busy with that and I also take care of clients, so if there is something wrong they call me and I try to distribute the work. What I like most about working here is that you can start in a certain position, but you can do whatever you want if you are capable of doing it.

PETRA, LIKE OTHER PARK MANAGERS, MAKES SURE SUPPLIERS GET THE JOB DONE RIGHT WHETHER IT’S A MAJOR WATER LEAK OR THE INSTALLATION OF A TENANT’S LANDSCAPING (SHOWN IN ITS FINISHED STATE ON RIGHT)





PETRA AND HER FAMILY ENJOY THE HIKING AND BIKING  
OPPORTUNITIES AVAILABLE IN THE NEARBY  
BESKYDY AND JESENÍKY MOUNTAINS


*What was it like growing up in Ostrava?*

My grandfather worked in the factory at Vitkovice. He was a foreman, and my grandmother worked there, too. One of my most vivid childhood memories is of standing at a bus stop in the city centre with my little sister. She was about four years old. It was 1980 and the Olympics were being held in Moscow that year. Of course, under the communist regime, we were all told what a big deal it was that the Olympics were in Moscow and it was widely publicised. Vitkovice was also fully operational at that point, and we could see huge flames belching out the top of the stacks. I remember my little sister pointing to Vitkovice and shouting 'Olympic flame!' I don't know why I remember that so well. That's how it is with childhood memories sometimes, just pieces and images.



'Ostrava is just a great place to live. Everything is so close by. You can go cycling really quickly and you don't have to drive anywhere. Another big advantage is that housing is much cheaper than in Prague. A big part of the reason my husband Honza and I came back to Ostrava was so we could buy a house'



A woman with blonde hair and glasses is sitting on a white modern chair on a dark brown wooden deck. She is wearing a light grey trench coat over a blue and white checkered shirt, a black skirt, and yellow loafers. To her right is a building with large glass windows that reflect the sky and the surrounding area. In the background, there is a green lawn and a long, modern building with many windows. The sky is blue with some clouds.

'Now probably fewer people will feel the need to leave for Prague because they can get everything they want here at home'

#### *How has the city changed?*

Life here is getting nicer and nicer. They [Ostravans] definitely have more opportunities now. They can study here and the jobs are more technical. I went to Prague, but I came back because I could see that the city was changing and now probably fewer people will feel the need to leave for Prague because they can get everything they want here at home.

The buildings in the centre are being repaired and refurbished. It looks better every day. I kind of like the industrial part now. When I was small it didn't seem like anything to me, but now I see it that we have some of the oldest industrial parks in the world. Some are from the 19th century. These places also have a lot of potential, as museums and as part of the heritage of this place.





As a native of the Ostrava region, it's amazing to see the changes taking place here, and actually have a hand in making them happen. Like many others at CTP, I didn't start out in the 'position' I have now. I have learned a lot in the three years I've been here and have had great opportunities. Right now, I am responsible for finding clients for AXIS at CTPark Ostrava, as well as for other parks nearby: CTPark Nový Jičín and CTPark Hranice, just down the road.

# KLÁRA COMMINS

CTP's OSTRAVA BUSINESS MANAGER DISCUSSES THE EVOLUTION  
OF THE COMPANY'S OPERATIONS IN THE REGION

I really love the daily contact with clients, showing them the kind of facilities we have. The foreign companies sometimes seem shocked that we have such top-of-the-line facilities, like in Hranice, where we have outstanding high tech manufacturing capabilities. It's always fun for me introducing them to CTP and also to Ostrava, when they have an idea that it's just an old rusting manufacturing centre. But when I show them our facilities, the kinds of clients that are already here, and show them the Ostrava I know—the mountains, bike trails (which I like too), the night-life—the new comers are usually pleasantly surprised.

KLARA TRAVELS AT LEAST TWICE WEEKLY BACK TO CTP HEADQUARTERS TO COORDINATE WITH COLLEAGUES. HERE, SHE AND CTP ART DIRECTOR WILL ZACH PREPARE A PROPOSAL.





The **AXIS OFFICE PARK** is CTP's signature integrated office system, providing clients with high-quality, cost-effective office facilities. The following pages look at some of the companies who are doing business in AXIS Ostrava, taking advantage of the thriving environment described by Petr Kajnar and Petra Pivovarová.



"It's not just our back office anymore. In fact, it's our only real, major office location outside of our Prague HQ, and more and more we are shifting some of our IT operations there.

OSTRAVA TENANT CASE STUDY

# GE Money Room To Grow

GE MONEY EXPANDS ITS SUCCESSFUL 'BACK-OFFICE' CALL CENTRE AT **CTPARK OSTRAVA** TO BECOME PART OF ITS 'FRONT LINE' STRATEGY FOR GROWTH.



**GE Money**, the financial division of global technology, finance, energy and media conglomerate GE Group, is among the top-five banking institutions in the Czech Republic.

Despite the onset of the global economic downturn, 2008 was a record year for GE Money and its three operating units in the Czech Republic—GE Money Bank, GE Multiservis and GE Auto. Among its milestones, the bank recorded its second-highest annual profit in the Czech Republic and reached over one million customer deposit accounts. GE Money's strong growth in recent years is based in part on its high-level of customer service and its innovate approach using new technologies to provide financial products and services to its customers.

Although the pace of new lending slowed last year at virtually all banks, the size of GE Money's loan and credit portfolio grew substantially during the recent high-growth years. Like other local subsidiaries of global banks, GE Money is doing well in the Czech Republic right now. The bank has a strong capital adequacy ratio and is well positioned for future growth.

Since 2006, GE Money has been serving its rapidly growing customer base in the Czech Republic and Slovakia at AXIS Office Park in Ostrava. GE Money was one of the first tenants at AXIS Office Park Ostrava, and the bank's decision to locate its back office operations there was a major achievement for Ostrava at the time, as it sent a strong signal to other investors that Ostrava is a smart choice for companies to locate similar operations.

JONAS HASSELROT, CHIEF OPERATING OFFICER OF GE MONEY



GE Money moved in to its 10,000m<sup>2</sup>, customised office in March 2006. Initially, the bank leased an entire AXIS Office building, complete with flexible, open-plan floor plates, meeting rooms, and staff areas like kitchens and break-out rooms.

LIKE OTHER LOCAL SUBSIDIARIES OF GLOBAL BANKS, GE MONEY IS DOING RELATIVELY WELL IN THE CZECH REPUBLIC RIGHT NOW. THE BANK HAS A STRONG CAPITAL ADEQUACY RATIO AND IS WELL POSITIONED FOR FUTURE GROWTH

**Jonas Hasselrot**, GE Money's Chief Operating Officer, explains that at the beginning, call centres were seen as just that—a back office call centre, to consolidate incoming customer service requests. "For obvious reasons, our main offices have to be in Prague. But a call centre? There is no reason that it cannot be somewhere else, somewhere less expensive. We considered Brno, but in the end we decided to establish the customer service centre in Ostrava.

"There were already similar service centres in operation in Brno when we started to look, and we determined that there was less available labour there than in Ostrava. GE Money was really the first big investor to come to Ostrava to set up large-scale back office operations, so we had a chance to recruit some very talented and capable people. Also CTP had this land available, with plans for the building, and it was well suited to our needs. Ostrava became the obvious choice for us, because of the quality of the people there, and because of the facilities and infrastructure that CTP provides. We have been very happy with our decision."





So happy, in fact, that at the start of June this year, GE Money actually expanded their office space at AXIS Office Park Ostrava. To accommodate its growing customer services team, the bank has leased an additional 5,000m<sup>2</sup> of office space in a conjoining building. CTP customised the space and built a connecting corridor between the buildings with meeting rooms and other facilities to create a seamless work environment for the bank's growing operations.

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GE MONEY'S OFFICE EXPANSION IN THE MIDST OF THE ECONOMIC DOWNTURN IS SEEN BY MANY AS ONE GOOD SIGN ABOUT THE OVERALL STABILITY AND RESILIENCE OF THE CZECH BANKING SECTOR, AND BY EXTENSION, THE CZECH ECONOMY

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GE Money's expansion at AXIS Ostrava—the bank has now doubled its team from 300 to 600 people, and plans to grow its staff list in Ostrava to 800 by the end of the year—is not only related to its expanding customer base, but also to the growing skills base of its increasingly expert customers services team.

Over the past three years, the work-list that the team in Ostrava handles has expanded from receiving calls and processing claims to include more complex, IT-related services including online payment processing, internet banking support services, credit portfolio management and fraud monitoring, among many others.

GE Money is a leading innovator in the Czech Republic of online, telephone and mobile banking services, and most of the support and know-how relating to these services is now handled by the Ostrava team. Mr Hasselrot explains how the office in Ostrava is evolving from a call centre to an important IT centre for the bank's expanding operations.

"The customer services centre Ostrava has grown quickly to become a very important part of GE Money's overall IT and communications operations in the Czech Republic and Slovakia. It's not just our back office anymore. In fact, it's our only real, major office location outside of our Prague HQ, and more and more we are shifting some of our IT operations there.

"We were fortunate that we were able to hire many very talented people at the beginning, and many of them have grown with us, learning new skills and taking on new responsibilities. Of course, one of the main operations we provide remains the customer call centre, which is overseen locally. But we also realised that, because of the talent of our employees there, we can locate increasingly more and more of our overall IT support services in Ostrava. This is also behind the expansion of our offices there. We have developed a really good team of people in Ostrava. Not only is it more cost-effective in terms of price per square metre—its also more effective for us from an operational point of view."

GE Money's office expansion in the midst of the economic downturn is seen by many as one good sign about the overall stability and resilience of the Czech banking sector, and by extension, the Czech economy. For Ostrava, the expansion is yet another chapter in the story of the city's success developing its knowledge-based economy.

"Ostrava has an excellent technical university, and we know that there are highly qualified local graduates in IT," Mr Hasselrot explains. "There is still a lot of room to grow and expand the IT activities of our office in Ostrava."



We still have three plants in Italy, but the **Ostrava plant** will be one of the most crucial plants within the ITT automotive division.



OSTRAVA TENANT CASE STUDY

**ITT**  
**Science Friction**

ITALIAN BRAKE PAD SPECIALISTS **ITT** SETS UP A NEW MANUFACTURING PLANT AT CTPARK OSTRAVA



Though new car sales around the world have taken a hit in 2009, the brake pad manufacturing division of global company **ITT Industries** is moving ahead of the pack with steady growth forecast through 2010 and beyond. What's their secret? A competitive advantage in aftermarket sales of their brake pads for used cars and a strategic relocation of their manufacturing facilities to CTPark Ostrava.

‘THE CZECH REPUBLIC HAS THE BEST MIX, WITH INFRASTRUCTURE, SKILLED MANPOWER, AND HIGH-LEVEL SERVICES’

Production at the Ostrava plant started in April this year, and over a million sets of brake pads were produced in the first four months alone. The operation is headed up by **David Girelli**, who oversaw the transfer of production from ITT's Italian plant and who proudly calls the factory in CTPark Ostrava “our baby.” We sat down with Girelli to find out how this “baby” was conceived and how ITT plans to grow its business from its new location.

**It's a big move from Italy to Ostrava. Who is this plant meant to serve? How much of your production will be transferred from Italy to Ostrava?**

Our main customers are the aftermarket and truck lines. For aftermarket we mainly produce for French and German companies like Peugeot, Renault, BMW, Audi, Volkswagen, and also Fiat. For the truck lines, we produce brake pads for new trucks. Here we are closer to our customers in Eastern Europe and Germany.

We still have three plants in Italy, but the Ostrava plant will be one of the most crucial plants within the ITT automotive division. You can see that we have a large space here. We will be installing machines all year, and we expect to produce 20 million units in 2009, which for us is a nominal capacity. This capacity will only occupy 70% of our current space, so we have another 30% of space to grow. We currently have 120 employees and we will have 150 by the end of this year and more than 300 next year.

Business is good now, absolutely. For brake pads we have a 35% market share in Europe and we are third in the world with 13% percent of the global market.

**Hyundai and Kia have built plants in the region fairly recently. Do you see them as potential customers?**

Yes, definitely, and we have already been contacted by them. Despite the crisis, in the next few months we expect that our sales department will be forced to close the door on customers because we will be at full production capacity.

**What exactly goes into making a break pad?**

You have to start with friction material. That's what makes your car stop. This is the core of your break. Then we mix in othr materials, for example metals. We can produce one brake pad usually in less than 30 seconds. We start with raw material at one end, and on the other end is the finished product.





### Why The Czech Republic?

We wanted to grow, and we were out of space in Italy. We wanted to invest in Eastern Europe in order to be closer to our customers in Eastern Europe and Germany. The Czech Republic is a growing country with good infrastructure and highways. It was also not a problem to find many high-level services like technology. If we move to a country like Bulgaria or Romania, this is not guaranteed. Even Poland the level of technical expertise is not as good. The Czech Republic has the best mix, with infrastructure, skilled manpower, and high-level services. We need very skilled manpower, which can be found here as well.

The next question is “why Ostrava?” It was not a choice but rather an opportunity, because there was good land here. We selected two developers in the same area, and out of these two, the tender was in favour of CTP. They were the only one that could guarantee us a certain level of technical content. There are many developers who can build a warehouse, but that’s not what we needed. There are few developers that can suit different business needs, different construction designs, different materials, and different concepts. This is not easy. Our process uses a lot of services and equipment, and it is not easy to build

‘THERE ARE MANY DEVELOPERS WHO CAN BUILD A WAREHOUSE, BUT FEW WHO CAN SUIT DIFFERENT BUSINESS NEEDS, DIFFERENT CONSTRUCTION DESIGNS, DIFFERENT MATERIALS, AND DIFFERENT CONCEPTS. THIS IS NOT EASY’

for this if you haven’t done it in the past. You need the know-how. And this is the main reason we chose CTP—for the skill of the people and their experience of building industrial real estate.

### How long did the whole process take and how were the results?

It was quite fast. In June 2007 there was nothing here but a meadow. And in nine months—the time it takes to make a baby [he laughs]—we made a factory. Nine months is a good result if you start from a meadow. We had a period of “courtship” with CTP, and then we “got married” in March 2008 when we signed the agreement. When then we started to have a “baby” in July 2008 when construction began, and then the baby was born in March 2009 when we got the permit to produce. Of course all couples sometimes fight [laughs again]...but the final result is good. The baby was born healthy.

THE BRAKEPAD MANUFACTURING FACILITY AT CTPARK OSTRAVA IS EXPECTED TO PRODUCE OVER 20 MILLION UNITS IN 2009, RUNNING AT ONLY 70% CAPACITY





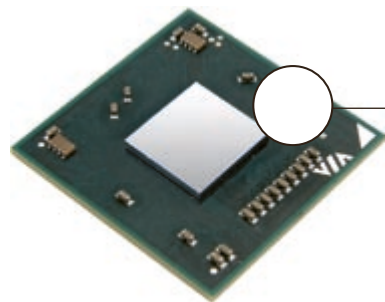
MOSTLY ON THE ROAD  
VISITING CLIENTS, BUSINESS  
DIRECTOR JAKUB PELIKÁN  
USES AN EXTRA ROOM AT  
A CLIENT FACILITY AS A  
MAKE-SHIFT OFFICE



WE'RE IN A BETTER POSITION THAN  
THOSE WHO CAME HERE WITHOUT  
THE KNOW-HOW, WITHOUT THE  
HISTORY, WITHOUT THE TRADITION.

MANY OF THESE COMPANIES  
HAVE NOW STOPPED DOING  
ANYTHING HERE.





"For engineering [the crisis] should be a plus not a minus because more pressure will be put on the Western countries to transfer know-how here"

## OSTRAVA TENANT CASE STUDY

# ABB Design Centre Servicing The World From Ostrava

**ABB** operates one of only three Global Engineering Centres in Ostrava, and employs more than 100 engineers working in five divisions including power products, power systems, automation products, process automation, and robotics. They make just about everything you need to power a production line, from switchgears and transformers to automation instrumentation and robots.

'WE'RE TRANSFERRING KNOW-HOW FROM WESTERN EUROPEAN COUNTRIES TO OSTRAVA IN ORDER TO BE READY TO COMMISSION PROJECTS FROM ANYWHERE IN THE WORLD'

ABB was one of the first tenants at AXIS Office Park Ostrava, and the local team has grown exponentially in the few years since they've been there. The Global Engineering Centre consisted of just a handful of people when it was started in 2002, but now there are over 150 employees at AXIS, most of them coming aboard just recently. HR Director **René Hellebrand** says it was quite a task to build up the team so quickly, but thanks to the

healthy pool of engineering and technical graduates in Ostrava and elsewhere in Moravia, he says he's always got a sturdy stack of CVs to choose from. "We have been able to cooperate with universities in Ostrava, as well as in Poland and Romania to bring graduates here."

With all the increased staff, ABB has had to expand their office space. This wasn't a problem at AXIS Office Park. ABB the company started with one floor at AXIS and was soon able to expand to two, with plenty more space in the building if they grow further in the future. "When my colleagues come to visit me they are really impressed by how nice it is here," Hellebrand says.

In addition to Ostrava, there are also Global Engineering Centers in India and Egypt. As Hellebrand explains, ABB divisions in Western Europe decide which projects to send to which centre, adding that most of the employees in Ostrava have the opportunity to work on international projects and travel abroad for training. "We're trying to transfer know-how from Western European countries to Ostrava in order to be ready to commission projects from anywhere in the world," says Hellebrand.

Though he confesses that sales are a little below target as a result of the financial crisis and tough times faced by their main clients in the automotive industry, he sees the financial crisis as a benefit for Ostrava. "For engineering it should be a plus not a minus because more pressure will be put on the Western countries to transfer know-how here," he says.

RENÉ HELLEBRAND RESOURCES DESIGN AND DEVELOPMENT PROJECTS  
FROM ALL OVER THE WORLD AT THEIR PREMISES AT AXIS







ABB Robotics is a specialty services firm focusing on the design, construction, and repair and replacement of their installed base of robotics.

OSTRAVA TENANT CASE STUDY

# ABB Robotics

## Automating Auto Manufacturing

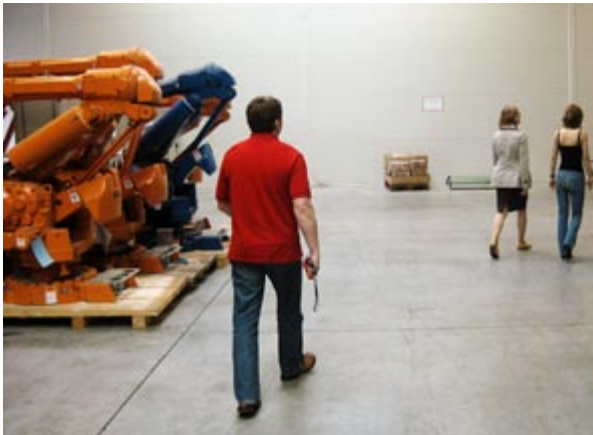
ABB is known world-wide as a leading industrial engineering firm, and maintains distinct business units for a wide variety of engineering applicatons. **ABB Robotics** is a specialty-services firm focusing on the design, construction, and repair and replacement of their installed base of robotics. Mostly servicing the automotive sector, ABB Robotics in CTPark Ostrava gave us a tour of their facilities which are housed nicely in a Flexi-Space unit across the park from AXIS office park.

The robots, which are mostly used on automotive assembly lines, are sent to Ostrava from around Europe and the world to be either repaired for the original owner or retooled and resold.

“There are actually two units working with robots,” says **Martin Bala**, Sales & Order Manager at ABB Robotics. “The first is refurbishment, so if Volkswagen or Mercedes need their robots repaired, they send them here. The other is the arch welding centre, where we build safety boxes for the welding robots,” he explains.

### CUSTOM-MADE ROBOTS JERK AND SWIVEL AS EXPERT ENGINEERS WORK TO DIAGNOSE THE PROBLEM

There is plenty of activity on the floor of ABB's robotics plant at CTPark Ostrava. Custom-made robots jerk and swivel as expert engineers work to diagnose the problem. It's all a part of ABB's robot refurbishment business, which is located in a customised Flexi-Space facility.



AN ARMY OF AUTO ROBOTS LINE THE HALLS OF THE ABB ROBOTICS FACILITY; AFTER TESTING AND REPAIR AND REFURBISHMENT, ARE RESOLD AGAIN TO VARIOUS MANUFACTURERS





# Full, Bright.

OSTRAVA’S INTERNATIONAL SCHOOL

The only international school registered with the Czech Ministry of Education outside of Prague, the **1st International School of Ostrava** aims for excellence in providing a challenging and inspiring education to children of all nationalities living in the Moravian-Silesian Region. We met with **Philip Corekill** to learn about the school’s growth and the challenges encountered along the way.

IT ALL STARTED AROUND 2003-2004. The international school opened in 2005. In the few years leading up to then, it had become obvious that Ostrava needed an international school. You had companies coming to central Europe coming to this region looking to build plants and one of their key questions was “is there an international school where our children can go.” So when the foreign investors came to meet with the Ostrava city council it became clear that we needed to have an international school in the region. That was the impetus.

There are about 300 students now and we’re not even in our fourth year yet, so it’s growing very quickly. From next year we’ll have another facility in another building and there will be four more class rooms there. Now they’re looking for strategic partners to build a purpose-built facility somewhere in the city so hopefully we’ll be in a newer facility in 2-3 years.

The primary school is associated with the council of international schools. We affiliate with these groups to ensure that the quality of our education meets international standards. Later, we’re also hoping to introduce an internationally recognised Baccalaureate here as well.

We have a lot of staff from overseas: Americans, Australians, Canadians, English, Scottish French, Israelis, & Danish teachers, so there is a good representation of cultural backgrounds at the school.

In the primary school, the British curriculum is used. The foreign parents are reassured by following something








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‘WHEN FOREIGN FAMILIES COME IN WE TRY TO HELP THEM ADJUST TO LIFE IN OSTRAVA AS WELL. WE GIVE THEM ADVICE ABOUT DOCTORS ACCOMMODATION OR TRIPS OF SHOPPING OR OTHER FACILITIES IN THE REGION’

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they know; that they’re familiar with. The Czech curriculum—based on excellent standards as well—is followed in the secondary school. One of the reasons we would like to provide an International Baccalaureate program is to give the foreign parents that sense of security that our curriculum is fully international.

We try to implement modern teaching practices, and we practice a presentation style of assessment. We take a lot of our practices from the western style of teaching.

For the foreign students who come to Ostrava for the first time, the International School helps to make the transition easier them, because in their breaks and free time and extracurricular activities, they can speak English together. And the students make life-long bonds: at weekends or days off they will often meet and go on trips together for example.

When foreign families come in we try to help them adjust to life in Ostrava as well. We give them advice about doctors, accommodation, or even trips and where to shopping or find other facilities in the region. We provide a place for and are a locus for the network of foreign parents, who help each other as well.

As for the economic changes, that so far hasn’t affected us much. We’re bursting at the seams right now: we rent a lot of the facilities like sports halls nearby—which is nice because we have a campus feeling—but we soon need to expand.

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THE INTERNATIONAL SCHOOL CAMPUS IS LOOKING TO BUILD NEWER FACILITIES TO MEET THE DEMAND







NIKKI, TEACHER:

I've been here since September. We travel almost every weekend. We go outside of the city but to places that aren't that far. We went to Stromberg to check out some the castle there. Or we just go sight-seeing and hiking. We have bikes and there are really good biking paths here. But I guess my favorite place really is the little town of Stromberg about a 30 kilometer drive from Ostrava., It's got a nice quaint feel. They have one of the oldest breweries there and they're quite friendly.



ROB, TEACHER:

There is a cosmopolitan mix of people here. They're constantly upgrading the town there's a lot of investment coming in. New roads, new construction everywhere. seven to ten years ago, you could count on one hand the number of foreigners here and now you're constantly meeting them. I think it's much safer than it was before. It's cleaner. It's probably the last bastion where cultural events don't break your pocketbook. I think the ballet swan lake is on at the moment and a few Shakespeare plays at different theatres, and it's only a few Euro entrance.



SARA, STUDENT:

The people here were really welcoming when I came here.

Students and teachers talk about the school and Ostrava



# STODOLNÍ

THE STREET THAT NEVER SLEEPS

## STODOLNÍ STREET

is a name in Ostrava that has become synonymous with partying for locals and tourists alike. Here more than 80 bars, clubs and restaurants stay open until the wee hours of the morning, and on weekends you can usually catch the food stands serving mouth-watering grilled meat until late as well. With trendy young Ostravans flocking to the quarter every Friday and Saturday night, Stodolní is such an institution in Ostrava that it's hard to believe that just ten years ago it didn't exist.

In the 1930s, the area was filled mostly with slaughterhouses. Coincidentally, the cork lining used to insulate the refrigerated rooms of the slaughterhouses now makes for excellent acoustics at Stodolní's many dance clubs. In the 1970s, the area fell into disrepair, so much so that German directors even used the street as the set for a films about post-war Germany. In the early 1990s however, the first signs of life and the oldest bars on Stodolní appeared. "Colors," "Blackspider," and "Desperado" led the way, and once the city government got behind the revitalisation effort, investors started lining up. Now there is something for everybody on Stodolní—from first-class restaurants and traditional Czech pubs to international fare and dance clubs, there's never a dull moment on Stodolní.





# CTP Life

This year has been a busy one, full of unknown surprises wrought by the financial difficulties constraining both us at CTP and our clients. Our ability to face difficulties head on is determined by the dedication and spirit of our employees: they embody what make CTP the entrepreneurial company that it is: gritty, hard working, innovative, and resilient. These are the self same qualities we encourage in our employees, who bring an optimistic, youthful energy to our business.

Our snapshots here show that even in times of stress, we can still make space for friends and family or just pure fun: something we expect of all our employees. In our diverse group are found experts in other pursuits besides developing buildings, renting facilities, or doing the paperwork. Among them are skiers, sailors, wine experts, motorheads, bikers as well as artists. Here you can see some of the energy they bring to the company captured during outings that have taken place over the last year or so, either with CTP or on their own.

Of course, we like to include our clients, VIPs as well as those who helped over the years to make CTP what it is today, such as CTP's 'best ever' employee Paul Deverell and long time construction head, Tomáš Jírku, who can be found among us here.







### SAILING IN GREECE

A company sailing trip off the coast of Greece brought almost the entire company together for fun, sun, sea and silliness. A great time was had by all on this second CTSail outing, where some learned to sail for the first time. Sunburn and Ouzo all around!

### CT SKI

Every year, we like to give our crew an opportunity to show off their skills on the slopes. First in the Austrian Alps at Saalbach, then later at a quiet Slovakian chalet, we did some wintertime teambuilding and also just relaxed. Even nonskiers had a great time sledding, dancing and ice-carting.

### A DAY AT THE RACES

For a summer outing, we took a weekend at the Autodrom Brno for the Superbike World championship. The racing was fast and furious with the world's best in Superbike riders competing head to head.



### GO KARTS

For speed addicts and VIPs, we held an evening of racing fun in Radotin, outside of Prague. The 'Pros' on the circuit had a hard time fending off the amateurs, fighting over positions going into the backstretch. While many posted superior lap times, CTP bossman Remon came out on top—or did they simply lay off the gas to let him win?

### MORAVIAN WINE TASTING

Our resident sommelier, Josef Lhotsky, invited a group to join him on a tour of a few of South Moravia's best wineries. With a recent sweep of international awards, Josef—also from the area—got a chance to show off, and explain why certain Czech wines are beating the world's most famous names.

### DUTCH DAYS

On a lovely day in Brno in April, we got hooks and lures out for a Fish-n-Fry day, where guests could enjoy lakeside Spielberk while discussing Brno's Dutch connections and architecture.



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masters degree direct  
capital markets budget  
degree in civil enginee  
graphic design HR and  
marketing accounting  
manager service suppl  
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on site manager busin  
operations accounting  
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**KLÁRA COMMINS**  
BUSINESS DEVELOPER, OSTRAVA

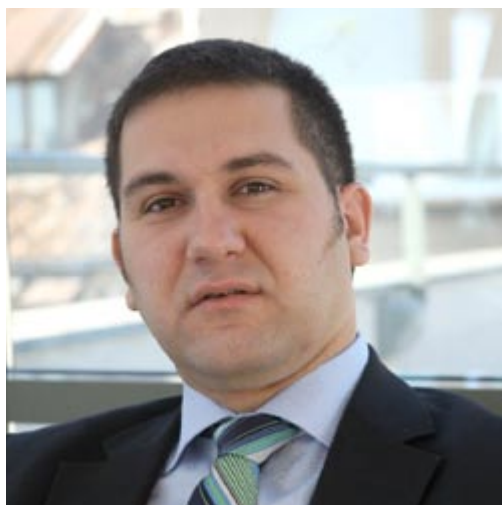
Klára Commins came to CTP after many years of working with logistics and manufacturing companies in England and Germany. Klára started as an office manager, then worked her way up to park manager and is now responsible for leasing the CTP portfolio in Ostrava, Nový Jičín and Hranice. Her goals are to bring new clients to AXIS Office Park where she works on a daily basis. She enjoys the daily contact with current clients as well as searching out new business and keeping up to speed on the current commercial market.



**MARTIN FODOR**  
PROJECT MANAGER, SLOVAKIA

A native of Revúca, Slovakia, Martin Fodor studied civil engineering at the Technical University of Košice. He currently leads CTP's expansion efforts in Slovakia, where his responsibilities include managing four parks, seeking out new clients and co-ordinating relations with local authorities. Martin enjoys the participation in important strategic investments that comes with the job, and the opportunity to continuously learn new things. He aims to help CTP capitalize on its opportunities in the region and realise interesting and profitable new projects.





**LAURENTIU HANU**  
COUNTRY MANAGER, ROMANIA

An architect by profession, Laurentiu-Catalin Hanu has extensive experience in real estate development within the Romanian market. He is currently managing business activities as well as real estate development and acquisition within CTP's Romanian branch. Hanu has been with CTP since the outset of the company's activities there in 2006 after previously managing similar responsibilities at Porr Solutions. His former professional resumé also includes work as a technical manager for Raiffeisen Evolution.

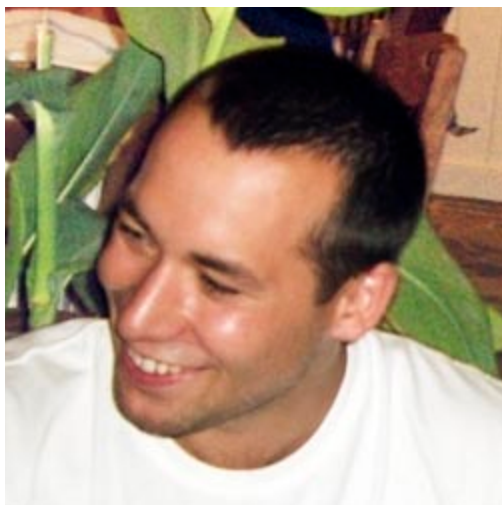
Hanu has a BA&Sc in architecture from Bucharest University of Architecture and has also pursued master degree studies at the same institution. He is a member of OAR (Architects' Chamber of Romania) since 2002.



**VÁCLAV HLAVÁČEK**  
ARCHITECT, STUDIO8

Václav Hlaváček is a native of Kutná Hora and a graduate of the Czech Technical University in Prague. Since the early 1990s, Václav has worked as the head of the Prague office of Dutch-based architecture firm, Studio Acht. Václav has been working with CTP since 2002, and has served as lead architect or collaborator on many of CTP's most successful buildings and concepts, including the Flexi-Space concept and AXIS Office Park system in the CTPark Network, as well as the award-winning design for the foot-bridge, buildings, interiors, and overall site plan for CTP's flagship office development, Spielberg Office Centre in Brno.

Václav enjoys the extensive travel that comes with his job, and is constantly incorporating into his work the fine art that he encounters along the way.



**JIŘÍ KOSTEČKA**  
BUSINESS DEVELOPER

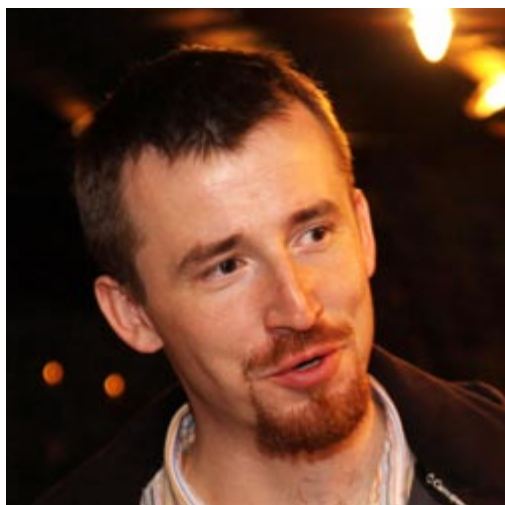
Jiří Kostečka grew up and studied at the Commercial Academy in Brno. Prior to joining CTP in 2007, he worked in operations and human resources at Gigabyte Technology, Inc. He enjoys the cooperation with a team of young professionals that his job affords, along with the opportunity to work with the region's leading commercial developer and to meet individuals and businesses from all over the world.



**TOMÁŠ KULT**  
SENIOR CONSTRUCTION MANAGER

Originally from Brno, Tomáš Kult received a degree in civil engineering from the Technical University in 1994. He joined CTP in 2002 as a project manager for developments at CTPark Modřice. Since 2005, Tomáš has been in charge of CTP's office developments in the Brno region and is currently one of only three regional construction managers within the company. Tomáš draws on his knowledge of the local community, his experience in construction, and his understanding of the attendant administrative processes to lead CTP's activities as a full-service, vertically integrated property developer.





**JOSEF LHOTSKÝ**  
REGIONAL PROJECT MANAGER,  
SOUTH MORAVIA

After earning degrees in technology and construction management from the Brno University of Technology in 1999, Josef Lhotský joined CTP in 2003 as a project manager for developments at CTPark Modřice. Since 2005, he has managed the CTPark Brno development and in 2008 was put in charge of all South Moravian industrial development. Josef enjoys the fast-growing projects that come with the territory at CTP, and the opportunity to gain new experience in all areas of construction and development. He embraces the challenge of realising new projects while balancing high-quality materials and cost controls, thus helping CTP to expand while maintaining stability in the marketplace.



**RADKA MUSILOVÁ**  
OFFICE MANAGER

Radka Musilová was CTP's first employee, joining the company in 1999 as an office manager and Assistant to the Managing Director. Over time, her responsibilities have grown to include human resources and marketing, and today she manages numerous responsibilities related to cost control, such as preparing and making final checks on budgets, talking with clients, and dealing with service suppliers regarding costs related to park management.



**JAKUB PELIKÁN**  
BUSINESS DIRECTOR

After finishing his studies in the United States, Jakub Pelikán returned to the Czech Republic and has been active in the real-estate industry for nearly ten years, earning a reputation as a specialist in large scale logistics projects. He is responsible for developing and leasing CTP's portfolio across the CEE region. Jakub is also actively engaged in drawing up strategic plans and involved with marketing efforts for the company.



**PETRA PIVOVAROVÁ**  
PARK MANAGER, CTPARK OSTRAVA

Petra Pivovarová studied English Literature in Ostrava, England, and the United States before joining CTP in 2005. Her employment with the company coincided with the beginning of construction at CTPark Ostrava, which is an advantage in her role as Park Manager since she has known most of the clients since the start of their tenancy. Petra is principally responsible for park maintenance and permitting; her job also requires dealing with local authorities and taking care of clients.

A resident of Ostrava, Petra enjoys literature, travelling, and the outdoor activities that the area affords her family.





**PETRA ŠAFRÁNKOVÁ**  
CORPORATE LAWYER

A native of Nové Město na Moravě, Petra Šafránková studied at Palacký University in Olomouc, where she earned a law degree, and at the Hague University on a five month Erasmus exchange program. In 2006, she joined CTP as a corporate lawyer specialising in contract negotiations and client relationships.

Petra enjoys CTP's commitment to teamwork and flexibility, its international make-up and its determination to become the preeminent developer in the region. She looks forward to continued leadership of the company's dedicated and experienced lawyers, who provide CTP with essential expertise and do their utmost to enable to the company's continued growth.



**ARNO VAN HUMMEL**  
FINANCIAL MANAGER

Arno van Hummel studied business economics at the HEAO-Arnhem in the Netherlands and is now the head of CTP's finance and accounting department. He is responsible for the accounting and reporting of the CTP Group in the Czech Republic. Before joining CTP Arno was head of the accounting department of Dálniční stavby Praha, a.s., a subsidiary of the German construction company Heilit+Woerner Bau GmbH, part of the Strabag SE-Group.



**REMON L. VOS**  
CHIEF EXECUTIVE OFFICER

Remon L. Vos is co-founder, partner and managing director of CTP Invest. A native of the Netherlands, Remon first came to the Czech Republic in 1991. Through his experience working as an intermediary between Dutch and Czech companies, he saw that there was a lack of first-class business properties available in the country. This led him to establish CTP.



**WILLIAM ZACH**  
ART DIRECTOR

With over 17 years of commercial experience, William Zach received his degree in graphic design in Canada. From the USA to Australia, he has ventured in the field of arts and is currently settled in the Czech Republic. Here William found CTP to be a most challenging and fun responsibility, handling the creative direction of the company, marketing of new brands and event concepts.

William enjoys working for a company where attention to detail is given high priority and he works to carry that through in the company's outward presentation. This he views is among his biggest responsibilities. William takes pride in the fact that CTP achieves their plans, where other companies only talk about them.





**RADEK ZEMAN**  
CHIEF FINANCIAL OFFICER

Radek Zeman obtained a masters degree at the University of Economics in Prague and, after further studies in Germany, he became a member of the Czech Chamber of Auditors and the Chamber of Tax Advisers and is an expert in his field. During the past five years, Radek helped build the KPMG brand in the central Europe real estate sector. His portfolio at KPMG included clients such as AIG Lincoln, AFI Europe, Bauer Media, CTP Group, Mercedes, DB Real Estate, ECM, and Heitman. Radek is the chief financial officer responsible for CTP and its subsidiary companies.



**RADKA VELETOVÁ**  
OFFICE MANAGER

Radka joined CTP in August 2002 after finishing studies in České Budějovice. Originally hired as a management assistant, Radka currently serves as assistant to the managing director where her responsibilities include regular external correspondence with clients, city representatives, suppliers as well as internal communication between the multiple department teams—construction, business, and financial.

Amidst all the serious work, she also enjoys coordinating many of the events that CTP organises for the team. Having returned to the company after two years of maternity leave, Radka appreciates the balance that her position affords between work and being home with her six month-old son.



**HANA MANCOVÁ**  
PURCHASING MANAGER, CTPARK BRNO SOUTH

A native of Hradec Králové, Hana studied at the university there and at VUT technical university Brno where she achieved a Masters Degree in Economics. After a stint abroad in Australia and the United States, she returned to the Czech Republic and joined CTP.

Hana began as a buyer, a field that was new to her at the time. She is now responsible for purchasing all around the Czech Republic and greatly enjoys her day-to-day contact with suppliers and project managers while travelling to various company sites. Above all, she enjoys meeting the variety of new challenges that accompany the building of each new property at CTP. Finally, Hana relishes the opportunity to work with a team of talented young professionals and to learn new skills on the job.



IT'S IMPORTANT FOR CTP TO BE A GOOD NEIGHBOUR,  
AND OUR GREEN ENERGY INITIATIVE IS ONLY ONE OF  
THE OPPORTUNITIES WE ARE INVESTIGATING TO REDUCE  
THE ENERGY CONSUMPTION OF OUR BUILDINGS.

CTP FOUNDER AND CEO  
REMON VOS ON ONE OF  
HIS FAVOURITE BIKE TRAILS  
ALONG THE SÁZAVA RIVER



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