MARKETBEAT

POLISH REAL ESTATE MARKET REPORT

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

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Global Real Estate Solutions

SPRING 2010

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ABOUT POLAND

ROAD COMMUNICATION IN POLAND

Source: GDDKiA, February 2010

The Republic of Poland (*Rzeczpospolita Polska*) of the total geographical area of 312,679 km^2 is the largest country in CEE region, the 6^{th} largest area in European Union and the 69^{th} largest country in the world in terms of its size. It is bordered to the south by the Czech Republic and Slovakia, to the west by Germany, to the north by Russia, and to the east by Ukraine, Belarus and Lithuania. The Baltic Sea constitutes the northern border of Poland. Poland's population comprises 38.2 million inhabitants. Approximately 61.1% (23.3 million) inhabitants live in towns and larger cities, where the remaining 38.9% (14.9 million) lives in the countryside. The population density ratio is 122 inhabitants per km^2 (the 10^{th} place in the European Union and 86^{th} in the world).

Since 1999 Poland has been administratively divided into provinces (*voivodships*). These provinces are sub-divided into counties (*poviats*), which are sub-divided into communes (*gminas*). Poland currently has 16 provinces, 379 counties (including 65 cities with *poviat* status), and 2,478 communes. The largest conurbations in Poland are the Upper Silesian Conurbation inhabited by 3.5 million people (Katowice, populated by 0.3 million residents) and the Warsaw Agglomeration with 3 million inhabitants (Warsaw – 1.7 million residents). The remaining major cities are Kraków (0.7 million residents), Łódź (0.7 million residents), Tricity (0.7 million residents), Wrocław (0.6 million residents) and Poznań (0.5 million residents).

Poland is a parliamentary republic. The legislative branch consists of a two-chamber parliament elected for a 4-year term. The executive power is divided between the President and the Council of Ministers, led by the Prime Minister. The President is elected by popular vote every five years. Currently, Poland is led by the President Lech Kaczyński (Law and Justice Party) and the Prime Minister Donald Tusk (Civic Platform Party). Poland is a member of NATO (1999) and the European Union (2004).

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On the cover: Business Garden, Warsaw

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EXECUTIVE SUMMARY

ECONOMY DIRECTIONS	
GDP: As in 2009, Poland will be one of the fastest developing European Union Member States.	↗
INFLATION: The pace of price growth is expected to remain stable due to the economic growth exceeding the projected figures.	↔
UNEMPLOYMENT RATE: Despite the seasonal increase in the unemployment rate, the number of the unemployed should not be higher than that in 2009.	↔
FDI: The good financial standing and the positive perception of Poland will translate into a higher volume of foreign direct investments in the forthcoming years.	↔

INVESTMENT MARKET DIRECTIONS	
OFFICE PROPERTIES	
PRIME YIELDS: A growth of 115 base points in relation to 2008 was recorded. In 2010 yield compression is forecasted.	↘
TRANSACTION VOLUME: A decrease of 65% in relation to 2008 was recorded. In 2010 a growth in transaction volume is forecasted.	↗
RETAIL PROPERTIES	
PRIME YIELDS: A growth of 100 base points in relation to 2008 was recorded. In 2010 yield compression is forecasted.	↘
TRANSACTION VOLUME: A decrease of 45% in relation to 2008 was recorded. In 2010 a growth in transaction volume is forecasted.	↗
INDUSTRIAL PROPERTIES	
PRIME YIELDS: A growth of 150 base points in relation to 2008 was recorded. In 2010 yield compression is forecasted.	↘
TRANSACTION VOLUME: A decrease of 67% in relation to 2008 was recorded. In 2010 a growth in transaction volume is forecasted.	↗

OFFICE MARKET DIRECTIONS	
WARSAW	
VACANCY: Increase by approx. 5% in 2009, this trend is to slow down in 2010.	↔
RENTS: Following the decline in 2009 rental rates are expected to remain stable.	↔
REGIONAL CITIES	
VACANCY: Following the rise in 2009, the vacancy rates are expected to remain at their current levels in most of the regional cities.	↔
RENTS: In most of the regional cities rental rates are expected to remain stable.	↔

ECONOMY PERFORMANCE

In 2009 Poland was the only European Union Member State to have recorded positive GDP growth dynamics and this year it may be the fastest developing country within the European Union. In the longer perspective, the sustained and rapid development of Poland will be largely dependent on the performance of the world's largest economies and the situation in financial markets. Analysts expect Poland's currency to appreciate further by approx. 10-15%. The considerable reduction in the value of the PLN cushioned the consequences of the crisis and protected exports against large downturns, but it also led to an increase in prices of imported goods, including many commodities, in particular in the case of crude oil. The National Bank of Poland forecasts that in the next two semi-annual periods the inflation rate will amount to 2.5% and 2.0% respectively. The limited inflation and positive GDP growth pursuaded the National Bank of Poland to maintain stable interest rates. The considerable reduction in share prices in the first quarter of 2009 encouraged entrepreneurs to resume their activity, but the still uncertain global economic situation will weigh on their willingness to make significant investments.

INVESTMENT MARKET

2009 was one of the weakest years in the history of the commercial property investment market in Poland in terms of the number and value of deals made. During that period only a few more than twenty deals were made with the total value of approx. EUR 698 million. A distinctive feature of the Polish market was the relatively good standing of the banks which, unlike Western European banks, did not have to struggle to preserve their liquidity. Therefore, investors relying on financial leverage did not sell their mortgaged assets, with the unsurprising result of reducing the supply and consequently limiting opportunities for speculative investors. The year 2010 is projected to be similar to the fourth quarter of 2009 in terms of the investment activity, which will result in an increase in the number of agreements signed, and also in slightly compressed yields.

OFFICES

The office market was slowly getting over the slump in late 2008 and in early 2009. The subsequent quarters noted continuous growth of demand, however, the overall yearly results were significantly lower compared to 2008. The leasing transaction volume was increasing on the back of notable rent falls and attractive incentive packages. Nonetheless, the demand was still too weak to absorb the space delivered in the buildings whose construction started at the peak of the market. As a result, vacancy rate rose across Poland. Considerable lower demand and difficulties in obtaining finance for new projects led to a halt of many planned investments, waiting for the market to recover.

RETAIL

2009 was a turbulent year for the retail real estate market in Poland and full of events whose consequences will be felt for the next couple of years. It was a record year in terms of supply as over 900,000 sq.m of space whose construction began as early as in the economic boom years came onto the market. Nearly 57% of this space was delivered in the second half of the year and included Bonarka in Kraków, Galeria Jurajska in Częstochowa, Focus in Piotrków Trybunalski and the first phase of IKEA Port Łódź. At the end of 2009 the total stock of modern retail space in Poland reached 9,345,000 sq.m and included shopping centres (72.9%), warehouses and retail parks (19%), factory outlet centres (0.9%) and other retail schemes (7.2%). The share of small- and medium-sized towns (39.8%) in the total space volume increased last year.

INDUSTRIAL

At the end of 2009 there was over 6,000,000 sq.m of space in modern warehouses in Poland. The supply growth slowed down in 2009 as expected with approx. 857,000 sq.m of new warehouse space delivered onto the market – almost half the space delivered in the previous year. The demand decreased twofold in 2009 compared to the preceding year and amounted to 765,000 sq.m. At the end of 2009 there was nearly 1,000,000 sq.m of vacant warehouse space in Poland, most of which was in Warsaw and Upper Silesia.

RESIDENTIAL

In 2009 the Polish residential market moved a long way from the stagnation observed at the beginning of the year to the current conditions that, by most expectations, would approach a recovery from the crisis. In 2010 the market is likely to benefit from the growth of the residential demand due to more extensive mortgage possibilities. Price growth might be expected only along with a decrease in the residential offer pool and further limits in the supply of new dwellings which is most possible in the mid-term perspective.

HOSPITALITY

In 2009 the hospitality sector continued to be affected by the economic slowdown. As a result of lower revenues, both Polish and foreign companies had to modify their development strategies. As part of their programs to optimise financial results, companies reduced the costs of business trips, training courses, conferences and team-building events for their employees. Consequently, in 2009 Poland was visited by considerably fewer foreign business people than in 2008, which translated into a decrease in the number of hotel stays among foreigners by approx. 8%. Polish business tourists also less frequently used hotel accommodation, particularly top class hotels, which resulted in brand economy class hotels, providing good quality services for a relatively low price, faring better during this period.

RETAIL MARKET DIRECTIONS	
WARSAW	
VACANCY: Nearing 0%, limited availability of modern retail space, lack of new projects at an advanced stage.	↔
RENTS: Stable trend, further diversification of rental levels in prime and secondary retail space.	↔
MEDIUM SIZE CITIES	
VACANCY: Rise in vacancy levels, in particular in Tricity (3.43%) and Kraków (2.43%), due to financial difficulties of a several major retail chains.	↗
RENTS: Growing importance of incentives in total lease conditions resulting in widening of the gap between contract and effective rents.	↓
SMALL TOWNS	
VACANCY: Rise in vacancy levels, limitation in retail chains expansion into the small-sized markets. Suspending new projects due to the lease market slowdown.	↑
RENTS: Fall in rental levels and growing importance of incentives as an indispensable element of current commercialisation strategies.	↓

INDUSTRIAL MARKET DIRECTIONS	
WARSAW	
VACANCY: Fall in vacancy rates is forecasted. Demand growth.	↘
RENTS: Further diversification of rental levels in the Inner City and the Suburbs.	↔
REGIONS	
VACANCY: Fall in vacancy rates in most of regional markets. Demand growth and supply fall.	↘
RENTS: Rents stabilization.	↔

RESIDENTIAL MARKET DIRECTIONS	
SUPPLY: Certain restraints in the supply caused by limits in new investments.	↘
DEMAND: Some improvements of the residential demand supported by larger mortgage possibilities.	↗
PRICES: Price stabilization.	↔

HOSPITALITY MARKET DIRECTIONS	
SUPPLY: The supply of hotels is demonstrating an upward tendency.	↑
OCCUPANCY RATE: Stable levels are expected in the year 2010.	↔
PRICES: Price stabilisation has been observed.	↔

ECONOMY PERFORMANCE

ECONOMY OVERVIEW

In 2009 Poland was the only European Union Member State to have recorded positive GDP growth dynamics and this year it may be the fastest developing country within the European Union. In the longer perspective, the sustained and rapid development of Poland will be largely dependent on the performance of the world's largest economies and the situation in financial markets. Strong domestic demand and rising corporate investments may not be sufficient for the Polish economy to reach a high GDP growth rate. It is worth noting that despite global financial crisis which recently caused the global economy to collapse until now no major structural changes have been introduced in the international financial system. In addition, aid programs implemented by the richest countries of the western world may soon lead to rising inflation in these countries, and the fight against inflation may additionally curb the expected slow GDP growth rate. Therefore, although there are many positive signs it is hard to say whether this economic recovery trend will be sustained.

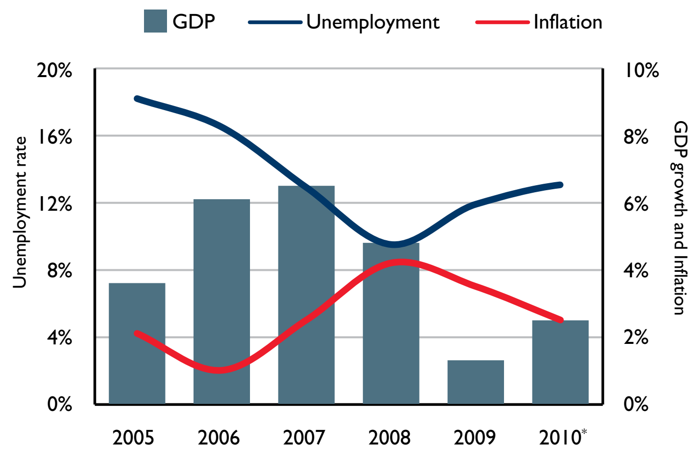
REGIONAL DEVELOPMENT

The GDP of the new EU Member States dropped by approx. 3.9% in 2009, but this year the GDP of the CEE region may rise by approx. 1%. However, of all the EU Member States, only Poland and Slovakia are expected to record a GDP growth of over 1.5%. 2010 will be another year of harsh economic conditions for the Baltic states, Hungary and some countries within the euro zone, including Spain, Greece and Ireland. It is the new EU Member States which are projected to develop the fastest in 2011, at a rate of over 2.5%. Countries with the highest per capita income in the CEE region, according to the estimated GDP in 2010 calculated at purchasing power standards, will be Slovenia (EUR 21,200 GDP per capita), the Czech Republic (EUR 19,000) and Slovakia (EUR 16,500), whereas Poland's GDP per capita may reach approx. EUR 14,100.

FOREIGN DIRECT INVESTMENTS

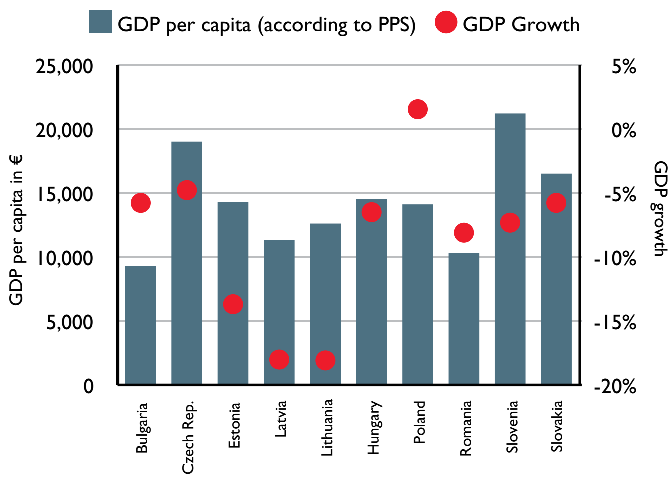
Foreign direct investments in Poland totalled nearly EUR 138 bn. In 2009 alone, approx. EUR 9.6 bn was invested in Poland, most of which came from European Union countries. Poland's good economic performance in the second half of 2009 compensated for the poor results of the early months of the past year, which was evidenced by figures published by the Polish Information and Foreign Investment Agency (PAIiIZ) on projects completed and underway as well as newly created jobs. The good financial standing of Poland strengthened its positive image in the eyes of entrepreneurs, which will subsequently translate into a growing volume of foreign direct investments in the forthcoming years. Poland is already rated as one of the best investment locations by many analysts and consultancy companies. Foreign capital remains one of the main driving forces behind the economic development of regional cities and local commercial real estate markets.

KEY ECONOMIC INDICATORS



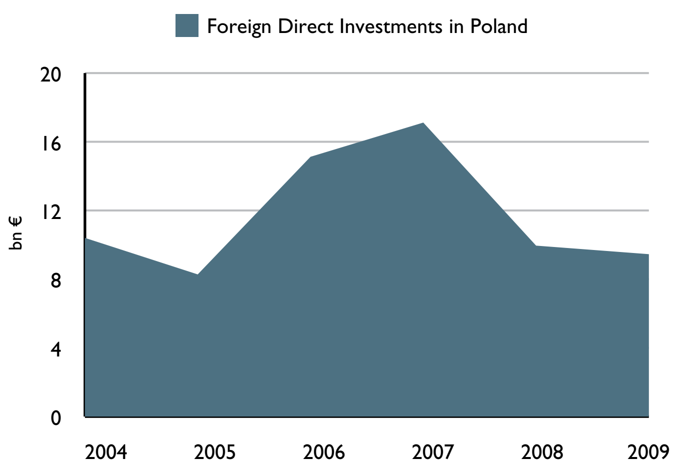
Source: National Bank of Poland, CSO, Cushman & Wakefield Advisory Services, January 2010 *Forecast

GDP REGIONAL COMPARISON (2009)



Source: Eurostat, January 2010

FDI IN POLAND



Source: National Bank of Poland, January 2010

FINANCIAL MARKETS

EXCHANGE RATES

Following the dramatic depreciation of the Polish zloty in late 2008 and early 2009, the PLN strengthened in mid-2009 and now stands at PLN 3.85-4.05 against the euro and PLN 2.80-3.00 against the American dollar. Analysts expect Poland's currency to appreciate further by approx. 10-15%. The considerable reduction in the value of the PLN cushioned the consequences of the crisis and protected exports against large downturns, but it also led to an increase in prices of imported goods, including many commodities, in particular in the case of crude oil. The weakening of Polish zloty was largely due to the withdrawal of foreign capital from the entire CEE region and the negative news coming from Hungary and the Ukraine. Therefore, the situation in the foreign exchange market will also be affected by the way this region is perceived by foreign investors.

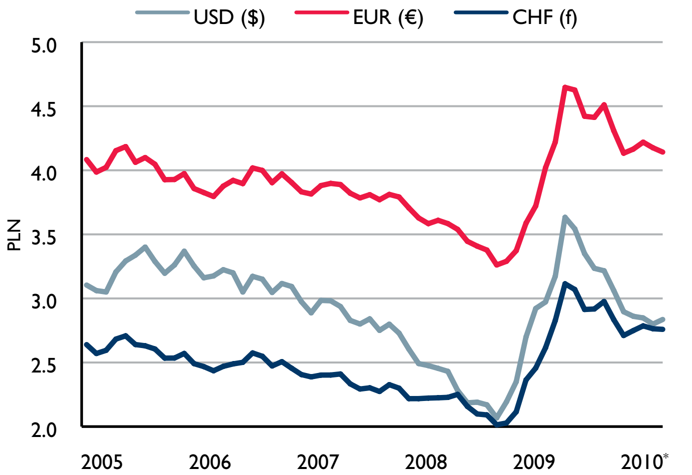
INTEREST RATES

Despite the economic slowdown in 2009, the annual inflation rate did not drop considerably and stood at 3.5%, which was largely due to rising administered prices and the earlier depreciation of the Polish zloty. The National Bank of Poland forecasts that in the next two semi-annual periods the inflation rate will amount to 2.5% and 2.0% respectively. The limited inflation and positive GDP growth pursuaded the National Bank of Poland to maintain stable interest rates. However, since the onset of the crisis the Monetary Policy Council lowered its interest rates by a total of 250 basis points, as a result of which in January 2010 its reference rate stood at 3.5%. The improved situation in capital markets led to an increase in lending and loosening the conditions of credit granting. However, it is still harder and much more expensive to obtain debt financing than it was before the crisis.

POLISH INVESTMENT PERFORMANCE

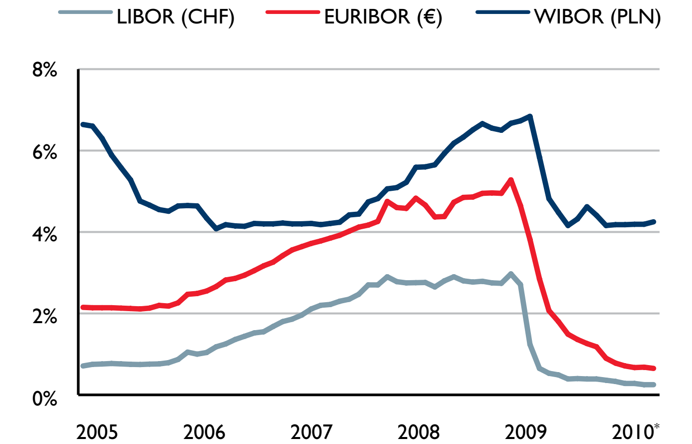
The global financial crisis caused large drops at the Warsaw Stock Exchange. Consequently, in February 2009 the main indices reached their lowest levels in the last five years. By January 2010 they rose by 80-90% but are still lower by approx. 40% compared to their maximum values in July 2007. In addition, their pace of growth is slowing. The considerable reduction in share prices in the first quarter of 2009 encouraged entrepreneurs to resume their activity, but the still uncertain global economic situation will weigh on their willingness to make significant investments. The sustained good fundamentals of Poland are expected to restore investors' optimism and translate into further rising indices. There are 33 debuts on the main trading floor of the WSE planned for 2010, a significant number more than in the previous year.

EXCHANGE RATES



Source: National Bank of Poland, January 2010 *January 2010

INTEREST RATES (3M)



Source: money.pl, January 2010 *January 2010

WARSAW STOCK EXCHANGE

Source: Warsaw Stock Exchange, January 2010 1 January 2005 = 100 *January 2010

INVESTMENT CONDITIONS

2009 was one of the weakest years in the history of the commercial property investment market in Poland in terms of the number and value of deals made. During that period only a few more than twenty deals were made with the total value of approx. EUR 698 million, which was over 58% less than in the crisis-stricken year 2008. In the first three quarters of 2009 many institutional investors were still reluctant to return onto the market and those investors who remained active had problems with access to financing as this was expensive and difficult to obtain. Another important factor limiting the number of transactions was the very low supply of assets which would be attractive from an investment point of view.

A distinctive feature of the Polish market was the relatively good standing of the banks which, unlike Western European banks, did not have to struggle to preserve their liquidity. Therefore, investors relying on financial leverage did not sell their mortgaged assets, with the unsurprising result of reducing the supply and consequently limiting opportunities for speculative investors.

In the second half of 2009, programs paid for by the governments of developed countries and aimed at increasing financial liquidity started bearing the first fruits. Foreign investment funds returned onto the Polish market, which immediately led to an increased number of deals made in the fourth quarter of 2009 and this brought an end to the growth of yields which kept rising for nearly two years.

Improving investors' sentiments suggest that the worst time for the commercial property investment market is over. The year 2010 is projected to be similar to the fourth quarter of 2009 in terms of the investment activity, which will result in an increase in the number of agreements signed, and also in slightly compressed yields. The painful memories of the recent crisis are, however, so fresh that they are likely to hold back investors and financing banks from pursuing overly aggressive strategies.

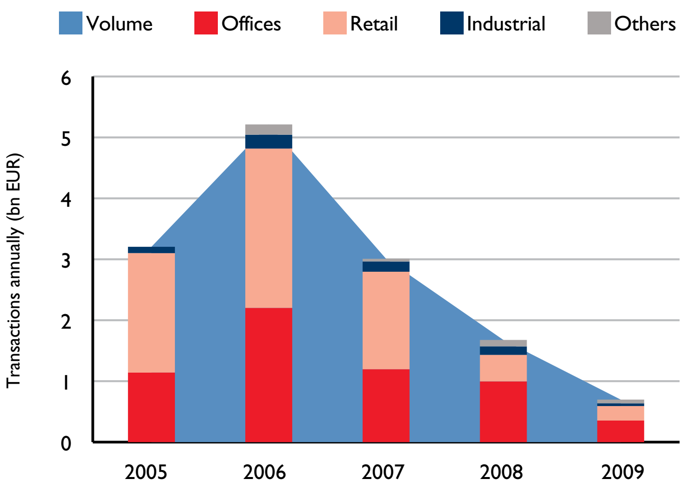
OFFICES

In 2009 the office sector perfectly reflected the fundamental trends in the commercial property investment market in Poland. On the one hand, the extreme caution displayed by investors led to a nearly complete standstill in transactions in regional markets considered to be less secure than the developed Warsaw market. On the other hand, despite investors showing interest in Warsaw's office buildings, the supply of office investment products in Warsaw was relatively small compared to the total stock of modern office space. Many owners who were potentially interested in selling their assets chose to postpone sales and wait for a recovery and the value of their assets to rise.

The biggest transaction of 2009 was the sale of the Deloitte House office building in downtown Warsaw. The Swedish developer Skanska sold it to a German investment fund Deka Immobilienfonds for EUR 117 million. The Deka investment fund also acquired the Grzybowska Park office building offering approx. 10,000 sq.m of lease space from AIG/Lincoln. In the fourth quarter Skanska sold the complex of two office buildings Marynarska Point in Warsaw's Mokotów District to the German fund GLL for approx. EUR 70 million.

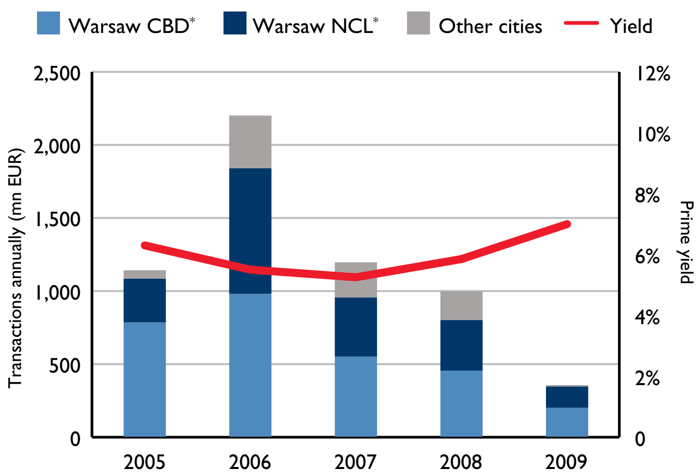
In 2009 the value of transactions made in the office investment market totalled approx. EUR 354 million, which was down by over 64% compared to the previous year. Nevertheless, forecasts for 2010 remain optimistic. The office sector continues to be perceived as the most attractive of the three main market segments. After nearly two years of sitting on the sidelines institutional investors, such as GLL, are becoming active again. Furthermore, new investors are entering the Polish market, such as Spanish Azora, which in December 2009 acquired its first property in Warsaw: Cristal Park on Mszczonowska Street.

TOTAL INVESTMENT DEALS



Source: Cushman & Wakefield Advisory Services, January 2010

OFFICE INVESTMENT DEALS AND PRIME YIELD



Source: Cushman & Wakefield Advisory Services, January 2010

* Central Business District, Non Central Locations

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RETAIL

As in the year 2008, the retail property investment market in 2009 continued to be strongly affected by the negative consequences of the financial and economic crisis. The total value of transactions made in this segment amounted to approx. EUR 238 million, which was down by over 45% compared to 2008 and as much as 90% compared to the record year 2006. The main reasons for such a great decline included factors characteristic of the entire investment market such as the decreased access to financing and the limited investment supply of top class assets. Due to economic decline, tenants' turnover was under pressure, which led to an increased risk of rent not being paid on time. Furthermore, the expansions of many retail chains were based on bank loans whose rising costs exceeded the financial capabilities of some borrowers in the years 2008-2009.

One of the noteworthy developments in 2009 was the increased activity of the Polish fund Arka BZ WBK, which acquired the next parts of the Stokrotka shopping centre in Łomża and the Alfa shopping centre in Olsztyn. It also acquired the Dukat Department Store in Olsztyn which is set to be thoroughly refurbished. This market also saw the sale and leaseback transaction of the American fund WP Carey increasing its portfolio to include another DIY store, OBI. However, the highlight of 2009 in the retail investment market was the acquisition by the Australian fund MGPA of two shopping centres in Opole and Dąbrowa Górnicza from the French developer Mayland for EUR 187 million, which accounted for nearly 78.5% of the value of all the agreements signed in this market last year. In 2010 further transactions are expected to be made on a similar scale. With the economic recovery, investors are beginning to show interest in retail property again, which is likely to be reflected in more portfolio investments. The first sign of improvement is the sale of Warszawa Wileńska and Arkadia shopping centres, belonging to Simon Ivanhoe's portfolio, to Unibail-Rodamco.

INDUSTRIAL

As in the previous years, the warehouse market was marked by the lowest investment activity among all sectors of the commercial property investment market. In 2009 only a few transactions were recorded for the total value of approx. EUR 45 million, i.e. over 67% less than in 2008.

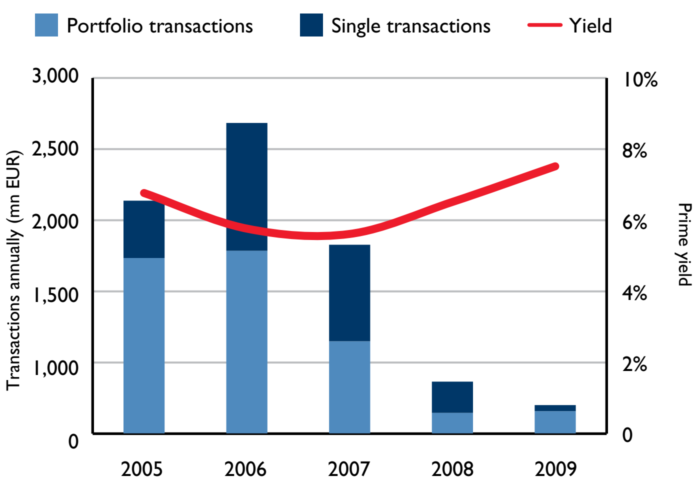
Showing a similar trend to the retail market, the industrial property market also proved very vulnerable to economic fluctuations. The considerably reduced supply of modern warehouse schemes resulted from the largely decreased number of leases and new developments. In addition, unlike the retail market, older schemes whose re-commercialisation posed a significant risk to their owners were clearly much less popular among investors.

In 2009 assets offered under sale and leaseback agreements, guaranteeing potential investors stable cash flows in the long term, traditionally attracted the greatest interest. An example of such a transaction, the largest in the Polish warehouse market in 2009, was the sale by Tesco of its central warehouse in Teresin to the German investment fund Deka.

As a result of the low demand yields rose considerably by over 1.5 percentage points to reach approx. 8.5% by the end of 2009. However, with the limited number of transactions in place, they are not a reliable index of the future development of industrial market.

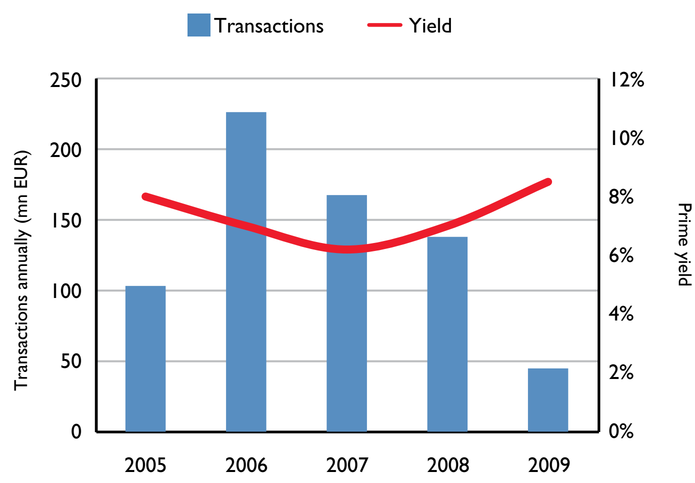
In future we may expect to see a significant improvement in market conditions. This will result, on the one hand, from the finalisation of sale agreement negotiations currently taking place and, on the other hand, from the release of some assets by the largest developers in the warehouse market (ProLogis, Panattoni and Segro) who will want to use the recovery to sell some developments started in the last few years.

RETAIL INVESTMENT DEALS AND PRIME YIELD



Source: Cushman & Wakefield Advisory Services, January 2010

INDUSTRIAL INVESTMENT DEALS AND PRIME YIELD



Source: Cushman & Wakefield Advisory Services, January 2010

WARSAW MARKET OVERVIEW

In 2009 the development of the office market in Poland slowed down. After the collapse in the first quarter, the market performance showed a marked improvement in later months but was still much weaker than in the corresponding periods of 2008. Falling rental rates and the increased range of incentives for tenants led to an increase in the volume of leases. However, the demand continued to be too weak to absorb the new space delivered. Consequently, vacancy rates rose and rental levels fell throughout Poland. Due to the considerably lower demand and difficulties with obtaining financing for new projects, many planned investments were put on hold awaiting an upturn in the economy.

SUPPLY AND DEMAND IN WARSAW

Nineteen new office buildings offering a total of 266,200 sq.m of space were delivered in Warsaw in 2009, which made the office space stock in the Warsaw market rise to nearly 3,250,000 sq.m. As in the previous years, the largest supply was in non-central locations, particularly in the areas of Służewiec Przemysłowy, Aleje Jerozolimskie and Żwirki i Wigury Street (the total stock of office space in these locations accounted for as much as 43% of the total stock in Warsaw). In these locations the largest schemes were delivered in 2009: Lipowy Office Park (38,500 sq.m), Park Postępu (34,000 sq.m), Trinity Park III (32,000 sq.m) and Horizon Plaza (31,500 sq.m). Only 8% of new space was delivered within the Central Business District, where the largest scheme completed was Deloitte House (18,500 sq.m).

The large amount of office space delivered resulted from many developments which broke ground during the boom period. A considerable part of this space was leased earlier as pre-lets. At present, very few planned schemes enter the development phase primarily due to the continued stringent policy of banks. Although binding administrative permits have already been obtained for many schemes, construction work has been suspended.

Following the collapse of tenants' activity at the end of 2008 / beginning of 2009, the office space lease market systematically picked up in later quarters, but its performance was considerably weaker than in the earlier years. The total volume of transactions in 2009 amounted to 280,100 sq.m, which was down by 46% compared to the previous year. On a positive note, the gross demand recorded in the fourth quarter turned out to be higher than in the third quarter by 29%. Despite the first signs indicating an end to the crisis, companies continue to plan their demand for office space very cautiously and tend to concentrate on renegotiating their existing leases. Potential tenants are mostly interested in efficiently designed office buildings and parks in non-central locations which offer the best ratio of the building's quality to lease costs. As in the years 2007-2008, the strongest demand was recorded in the area of Służewiec, where over 84,000 sq.m of modern office space was leased throughout 2009, which accounted for 30% of the gross demand in Warsaw. New leases enjoyed the largest market share of approx. 43%, while renegotiations and pre-lets accounted for approx. 22% of the total demand each. Only 4% of transactions made for approx. 10,900 sq.m related to lease extensions.

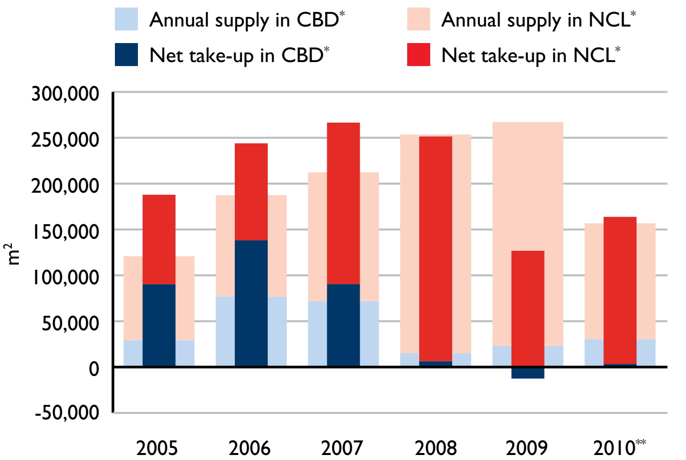
BUSINESS GARDEN, WARSAW

Most leases were made for offices of up to 500 sq.m. The largest amount of office space in Warsaw was leased by the Agency for Restructuring and Modernisation of Agriculture at the Poleczki Business Park complex under construction (16,500 sq.m) and Bosch, which occupied its own building (8,900 sq.m).

Throughout 2009 a significant amount of office space was offered for sublease in the Warsaw market (over 50,000 sq.m). However, subleases were not very popular due to the considerable fall in rental rates and many inconveniences connected with taking up such space.

No radical changes are projected to occur in the office market in 2010. With low rental rates a further slow rise in the demand may be expected in terms of both the number and average volume of transactions, which in the conditions of a relatively low supply may result in slightly falling vacancy rates, particularly in non-central locations.

SUPPLY AND NET TAKE-UP IN WARSAW



Source: Cushman & Wakefield Advisory Services, January 2010

** Forecast
* Central Business District, Non Central Locations

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VACANCY RATES AND RENTAL LEVELS

After seven successive years of showing a decline, the vacancy rate for the whole of Warsaw fell to the record low level of 2.8% by the end of 2008. However, since early 2009 the amount of vacant space rose quarter by quarter to reach 7.3% by the end of 2009. However, the statistics do not include space offered for sublease. The growth of nearly 5% in the vacancy rate in 2009 may be explained by the continued high level of supply which could not be absorbed by the demand that was significantly lower than in the previous years.

At the end of 2009 there was 238,500 sq.m of vacant office space, with the least amount of such space in the part of the Wola district closest to the city centre (2.4%) and in the areas on the right-hand bank of the Vistula River (3.6%). However, last year no new office buildings were delivered in these areas. A relatively low amount of vacant office space was also recorded in the vicinity of Aleje Jerozolimskie and Żwirki i Wigury Street (only 3.9%). This vacancy rate should be considered very satisfactory given the fact that in 2009 over 73,000 sq.m of new space was delivered in this area. The largest amount of vacant space was along Puławska Street (14.5%) and in the area of Służewiec (11.1%). The surprisingly high vacancy rate in Służewiec, however, resulted from the very high level of new supply of over 160,000 sq.m.

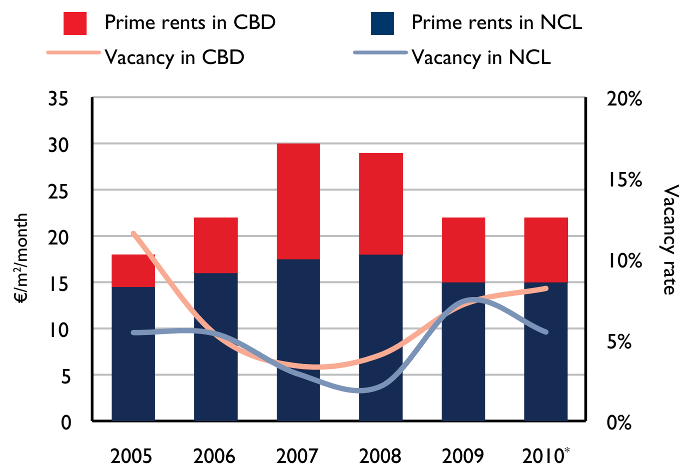
The significant decline in the demand at the end of 2008 / beginning of 2009 forced building owners to reduce rental rates considerably. At the end of 2009 the headline rental rates in prime locations in downtown Warsaw reached approx. EUR 22 sq.m/month and approx. EUR 15 sq.m/month in non-central locations.

Rental rates are expected to vary slightly in 2010, but to a lesser extent than in 2009. Effective rental rates in many buildings in non-central locations currently offered under pre-lets are at their minimum levels and close to the limit of profitability. However, in the case of schemes constructed on a speculative basis in the boom period, their owners may adopt two different approaches to rental rates. Some owners viewing the reduction in vacancy rates as their priority will continue to lower effective rental rates and offer aggressive packages of non-rent incentives, whereas others will wait for the market trend to change. This change which will be due to the considerable supply decline is expected from 2011 onwards.

WARSAW MARKET INFORMATION IN Q4 2009

Location	*Central Business District*	*Non Central Locations*
Number of buildings	98	262
Stock	1,123,535 m²	2,124,662 m²
Total vacancy	80,685 m²	157,768 m²
Vacancy rate	7.20%	7.40%

RENTS AND VACANCY IN WARSAW



Source: Cushman & Wakefield Advisory Services, January 2010

* Forecast

STANDARD LEASE TERMS IN WARSAW

Location	*Central Business District*	*Non Central Locations*
Rents (m²/month)	€ 19 - 22	€ 13 - 15.5
Underground parking	€ 80 - 180 space/month	€ 50 - 90 space/month
Surface parking	€ 30 - 120 space/month	€ 25 - 55 space/month
Service charge	€ 5 - 6.5 m²/month	€ 4 - 5.5 m²/month
Incentives	Financial contribution Fit out contribution Rent free period for: 6-12 months	 8-15 months
Lease length	5 - 10 years	
Add-on factor	0 - 10%	
VAT	22%	
Indexation	EUR or US CPI	
Others	Deposit or bank / company guarantee	

TRINITY PARK III, WARSAW

REGIONAL CITIES

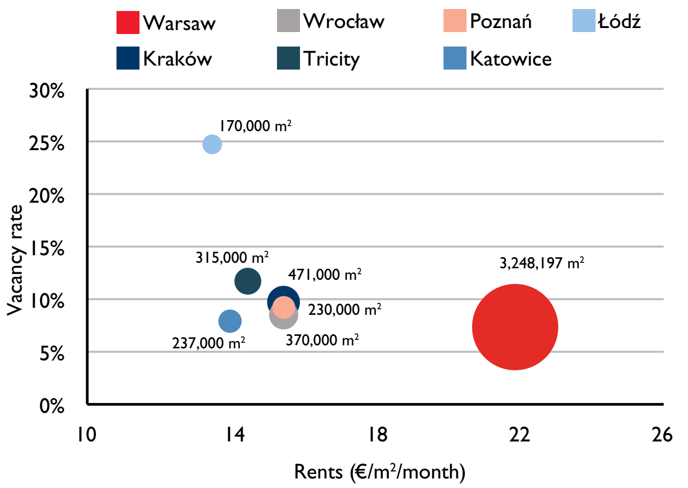
In 2009 the main regional cities in Poland preserved their positions in the office market. The largest office space stocks continued to be held by Kraków, Wrocław, Tricity, Katowice, Poznań and Łódź. These locations also felt the consequences of the economic slowdown and despite reduced rental rates, the demand was lower everywhere, which in turn resulted in rising vacancy rates. Many entrepreneurs postponed new developments due to the very difficult access to bank loans. At present, only experienced office developers with strong financial resources stand a chance of completing new projects.

KRAKÓW

The modern office space stock in Kraków already amounts to approx. 471,000 sq.m and in 2010 will increase slightly, because only approx. 53,000 sq.m of modern office space is currently under construction. The largest schemes under construction include Vinci Office Center (Dyskret), the first phase of Quattro Business Park (Buma) and Pascal (GTC). In early 2009 the Avatar building (Echo Investment) was delivered and was fully leased by Fortis Bank. However, the construction of many schemes which have been planned for a long time continues to be postponed.

The weaker demand led to an increase in vacancy rates which reached approx. 9.7% by the end of 2009. Headline rental rates kept falling throughout 2009 and currently stand at EUR 14-16 sq.m/month.

MODERN OFFICE SPACE IN POLAND



Source: Cushman & Wakefield Advisory Services, January 2010

WROCŁAW

The total stock of office space in Wrocław amounts to approx. 370,000 sq.m. In the last six months of 2009 no new schemes were delivered onto this market, but this situation will change following the completion of several schemes currently under construction, including the second phase of the Wrocław Business Park (Devco) and the Wojdyła Business Park complex (Wojdyła Inwestycje). Many negotiations concerning office space lease are currently underway as investors continue to appreciate Wrocław's potential. Therefore, the year 2010 is very likely to see several spectacular deals made.

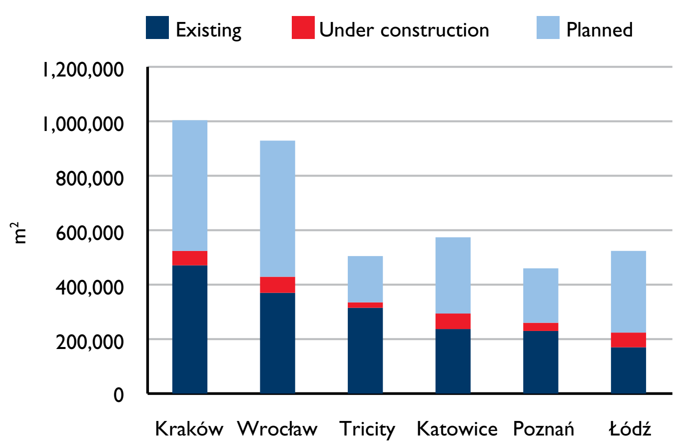
Due to the lack of new supply to the market, the vacancy rate in Wrocław remains at the quite stable level of approx. 8.5% and headline rental rates remain within the range of EUR 13-15 sq.m/month.

TRICITY

The modern office space stock of Tricity is estimated at approx. 315,000 sq.m. Schemes currently under construction include the successive phases of the Łużycka Office Park (Allcon) and Arkońska Business Park (Torus), as well as the recently begun developments of Office Island (Centrum Zana), the Alfa building of the Oliva Business Park (Alfa Investment) and the third phase of the Allcon Park near the Rębiechowo Airport in Gdańsk. However, many planned developments will not begin in the nearest future and the schemes currently under construction will deliver only approx. 25,000 sq.m.

Despite such a low new supply, the vacancy rate rose to reach approx. 11% because of the continued weak demand. However, the amount of vacant space is projected to decrease gradually in 2010. Headline rental rates are quite stable and reach EUR 13-16 sq.m/month.

STOCK AND FUTURE SUPPLY IN REGIONAL CITIES



Source: Cushman & Wakefield Advisory Services, January 2010

For more information on office space market in Poland please visit:

www.cwoffice.pl

CUSHMAN & WAKEFIELD®

STERLINGA BUSINESS CENTER, ŁÓDŹ

KATOWICE

Katowice, which is the largest city of the Silesian Conurbation, offers 237,000 sq.m of office space. In the second half of 2009 only one office building was delivered in this city: Atrium Katowice (CGI). However, the relatively low supply is balanced by the rather weak demand, as a result of which the Katowice market has one of the lowest vacancy rates of approx. 8% of all the regional cities. This will change when the construction of new office buildings is completed. At present, there is approx. 57,000 sq.m of space under construction, and the key projects include Centrum Biurowe Francuska (GTC), Katowice Business Point (Ghelamco), as well as Brynów Center (Holdimex) and Silesia Atrium (Reinhold). Many developers, including TriGranit and Skanska, wait for an upturn in the economy to launch large developments.

In the existing buildings rental rates have decreased slightly and fall within the range of EUR 13-15 sq.m/month.

POZNAŃ

The office space stock of Poznań has already exceeded 230,000 sq.m. In the second half of 2009 the next buildings of the Malta Office Park complex (Echo Investment) and Szyperska Office (Wechta), which had been redesigned from a previously planned apartment building, were delivered onto the market. However, in 2010 the supply will not rise considerably, because only approx. 30,000 sq.m of space is currently under construction. The most interesting schemes at the development stage include the last phase of Malta Office Park (Echo Investment) and Skalar Office Center (Hydrobudowa-9). Developers in the Poznań market have also postponed development plans providing for up to as much as 200,000 sq.m in the hope of an upturn in the economy.

As a result of the low demand, the vacancy rates keep rising (approx. 9% at the end of 2009), whereas rental rates remain at the quite stable level of approx. EUR 14-16 sq.m/month.

ŁÓDŹ

Łódź is ranked the sixth largest regional city in Poland with its office space stock estimated at approx. 170,000 sq.m. The characteristic feature of this city is the very large number of schemes which have been revitalised and converted into office buildings. These include Fabryka (Agraf) and the first phase of the Cross Point complex (Mermaid Properties), which were both delivered onto the market last year. At present, there is approx. 54,000 sq.m of office space under construction, most of which is to be delivered in 2010. The most interesting developments underway include Sterlinga Business Center (Hines), University Business Park (GTC) and Jaracza Prestige (OPG Orange Property Group). Developers aimed to even double the existing stock, but their plans are still on hold in anticipation of a substantial improvement in the economy and the availability of financing for commercial projects.

In addition, the high vacancy rate which reached nearly 25% at the end of 2009 did not encourage developers to begin new projects on a large scale. On the other hand, Łódź may be a very attractive market to potential tenants as it offers relatively large office space at the lowest rental rates in Poland. At present, headline rental rates in Łódź remain at the level of approx. EUR 12-15 sq.m/month.

EXISTING OFFICE STOCK

City	2009 (m^2)	Rents (EUR/m^2/month)	Vacancy (%)	2012* (m^2)
Warsaw	3,248,200	22	7.3	3,600,000
CBD	1,123,500	19 - 22	7.2	1,200,000
NCL	2,124,700	13 - 15.5	7.4	2,400,000
Kraków	471,000	14 - 16	9.7	530,000
Wrocław	370,000	13 - 15.5	8.5	400,000
Tricity	315,000	13 - 16	11.7	340,000
Katowice	237,000	13 - 15	7.9	270,000
Poznań	230,000	14 - 16	9.2	260,000
Łódź	170,000	12 - 14.5	24.7	200,000
Total	5,041,200			5,600,000

Source: Cushman & Wakefield Advisory Services, January 2010 *Forecast

OFFICE MARKET DIRECTIONS

City	Supply	Demand	Rents	Vacancy
Poland	↗	↗	↔	↔
Warsaw CBD	↓	↗	↔	↔
Warsaw NCL	↗	↗	↔	↘
Kraków	↗	↗	↔	↔
Wrocław	↗	↗	↔	↘
Tricity	↗	↗	↔	↔
Katowice	↗	↗	↔	↗
Poznań	↗	↗	↔	↔
Łódź	↗	↗	↔	↗

MARKETBEAT

MARKET OVERVIEW

2009 was a turbulent year for the retail real estate market in Poland and full of events whose consequences will be felt for the next couple of years. It was a record year in terms of supply as over 900,000 sq.m of space whose construction began as early as in the economic boom years came onto the market. Nearly 57% of this space was delivered in the second half of the year and included Bonarka in Kraków, Galeria Jurajska in Częstochowa, Focus in Piotrków Trybunalski and the first phase of IKEA Port Łódź. At the end of 2009 the total stock of modern retail space in Poland reached 9,345,000 sq.m and included shopping centres (72.9%), warehouses and retail parks (19%), factory outlet centres (0.9%) and other retail schemes (7.2%). The share of small- and medium-sized towns (39.8%) in the total space volume increased last year.

The volume of retail space under construction and planned retail space shrank because developers had suspended new developments, particularly in small- and medium-sized towns. At the end of 2009 there was 580,000 sq.m of space under construction and a further 140,000 sq.m was waiting for its construction to be resumed. With the inclusion of the schemes planned to be delivered by 2011, approx. 500,000 sq.m of extra retail space may come onto the market. The supply in the years 2010-2011 is preliminarily estimated to fall to the level of 500,000-600,000 sq.m per annum.

Retail space tenants quickly responded to the consequences of the global financial crisis. Retail companies began to implement restructuring programmes, modifying their development strategies, renegotiating terms of financing with banks and searching for strategic investors, which all proved successful for many of them. The situation also improved because of the relatively high retail sales which translated into a secure turnover level for most major tenants.

RETAIL MARKET DIRECTIONS IN 2010

City	*Supply*	*Demand*	*Rental levels*	*Vacancy*
Poland	↑	↔	↔	↑
Warsaw	↑	↑	↔	↓
Kraków	↔	↔	↔	↓
Łódź	↑	↔	↓	↑
Wrocław	↔	↔	↓	↑
Poznań	↔	↔	↓	↑
Katowice Con.	↑	↑	↑	↔
Tricity	↔	↔	↓	↑
Szczecin	↔	↔	↔	↔
Other cities	↑	↔	↓	↑

GALERIA KATOWICKA, KATOWICE

The changes which took place in the Polish retail market in the first half of 2009 led to a slight increase in the average vacancy rates, particularly in locations with the highest modern retail space saturation (Poznań, Wrocław and Tricity). Similarly, these changes also led to an extension of the commercialisation periods of newly constructed shopping centres.

Rental rates fell slightly, particularly for space in less prominent retail schemes. With the fierce competition in the market and financial problems of a considerable number of tenants, the owners of retail schemes were persuaded to extend incentives offer (fit-out contributions by the owner, stepped rents, turnover-based rental rates or rent-free periods). Prime rental rates in shopping centres in Warsaw reached EUR 75-81 sq.m/month, whereas in other cities they fell within the range of EUR 42-45 sq.m/month. Rental rates in high streets of most cities remained at a stable level, with the highest recorded in Warsaw and Kraków (EUR 77-83 sq.m/month).

SUPPLY OF MODERN RETAIL SPACE IN POLAND

Source: Cushman & Wakefield Advisory Services, January 2010

* Forecast

SHOPPING & ENTERTAINMENT CENTRES

At the end of 2009 there were 352 shopping centres with the total of 6,803,000 sq.m of gross leasable space in Poland. Of this space 59.5% was located in the largest urban areas and the remaining 40.5% in small- and medium-sized towns. In 2009 Bonarka was delivered in Kraków, Galeria Malta in Poznań and Renoma in Wrocław. However the largest number of shopping centres were opened in towns such as Lubin (Cuprum Arena), Częstochowa (Galeria Jurajska), Piotrków Trybunalski (Focus), Opole (Solaris), Tarnów (Galeria Tarnovia) and Nowy Sącz (Galeria Sądecka). Shopping centres were also delivered in Oświęcim (Galeria Niwa), Iława (Galeria Jeziorak) and Sandomierz (Galeria Sandomierz). In 2009 a total of 473,200 sq.m of shopping centre space was constructed in small- and medium-sized towns, which accounted for 62.9% of the total annual supply.

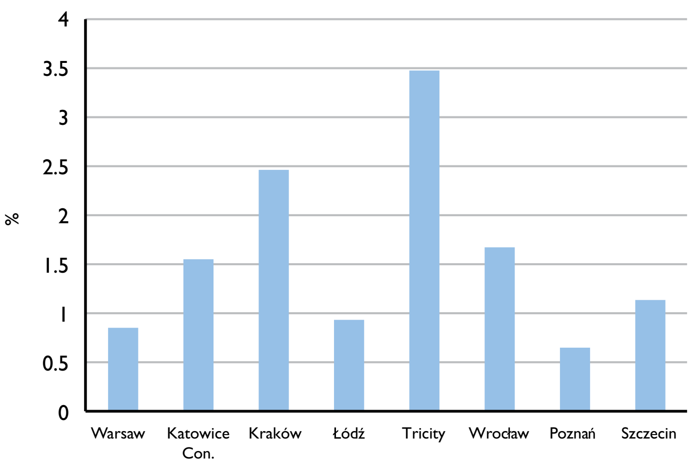
The supply of shopping centres in Poland will fall in 2010-2011. In the fourth quarter of 2009, 530,000 sq.m of space in shopping centres was under construction and approx. 100,000 sq.m of space was put on hold. Of this space 74% is due to be delivered in 2010. The largest schemes under construction included the second phase of IKEA Port Łódź, Galeria Słoneczna Radom, Galeria Victoria Wałbrzych, Helical Park Opole and Jasna Park Tarnów. According to preliminary estimates, 350,000 sq.m of shopping centres space to be delivered by the end of 2011 was at an advanced planning stage.

Despite the difficult market situation in 2009, the demand for shopping and entertainment centres remained at a satisfactory level and was concentrated in prime retail locations. However, the demand volume differed considerably and depended on the market saturation level and the quality of schemes on offer. The low vacancy rate and the spectacular leases made in Warsaw (M&S in Blue City and in DT Wars, Sawa, Junior) evidenced the big potential of the Warsaw market, the lack of available space and the need for new developments. Following the three-year interval since the opening of Manufaktura, the Łódź market swiftly absorbed the new retail space offered at IKEA Port Łódź. No major commercialisation disruptions were likewise seen in Kraków, where the final phase of the Bonarka shopping centre leasing process coincided with the onset of the crisis. In 2009 the static market of Szczecin remained in a state of equilibrium with low vacancy rates.

In Katowice Conurbation, which is a region extremely diversified in terms of vacancy rates, tenants were mainly interested in the Galeria Katowicka scheme being developed by Neinver and PKP SA in the city centre. The markets of Wrocław and Poznań which enjoy the highest modern retail space saturation in Poland recorded an increase in their vacancy rates. The Tricity market also exhibited saturation symptoms, but the problem of vacant space largely concerned less prestigious buildings. Small- and medium-sized towns were most strongly affected by the global financial crisis. The vacancy rates for schemes delivered in those locations were high, reaching up to 10-20% in some cases.

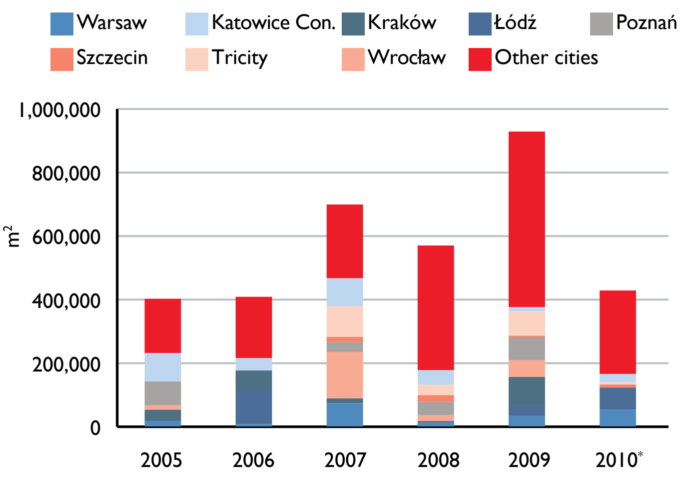
Rental rates remained stable at prime shopping centres, but fell at secondary facilities. The highest rental rates of EUR 75-81 sq.m/month were in Warsaw, while rental rates in other cities averaged EUR 42-45 sq.m/month.

VACANCY IN SHOPPING CENTRES IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

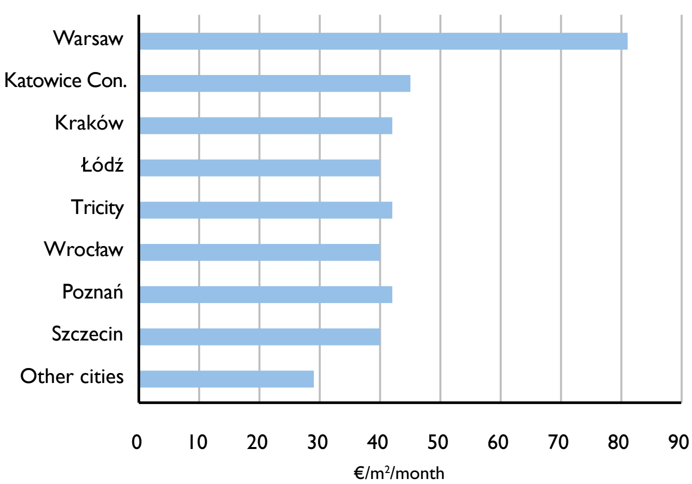
SHOPPING CENTRES IN SELECTED CITIES



Source: Cushman & Wakefield Advisory Services, January 2010

* Forecast

PRIME RENTS IN SHOPPING CENTRES IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

HIGH STREETS

The development of modern retail in the centres of the largest Polish cities continued and was driven by new investments. The increased availability of high standard space attracted both Polish and multinational retail chains and individual concepts.

The year 2009 witnessed a change in the tenant-mix in Warsaw's main high street Nowy Świat. As a result of the opening of eight new cafés and restaurants, including Starbucks, this high street turned into a tourist and entertainment promenade. The Wolf Bracka department store also continued to be under construction. Piotrkowska Street in Łódź remained strong, offering a stable mix of services, catering establishments and local retail stores. In Floriańska Street in Kraków retail chain concepts developed systematically, increasing the attractiveness of this prestigious location.

The opening of the downtown shopping centre Renoma in Świdnicka Street was the highlight of 2009 in the Wrocław market, whereas in Poznań the construction of a new department store Pasaż MM in Św. Marcin Street was begun. In Tricity and Szczecin the tenant-mix hardly changed. In the Katowice Conurbation the commercialisation of a new downtown shopping centre Galeria Katowicka was set in motion. It will attract the attention of tenants in the next three years and its construction will contribute to retail development in 3-go Maja and Stawowa Streets.

Rental rates in most high streets remained stable, with the highest in Warsaw and Kraków (EUR 77-83 sq.m/month).

HYPER AND SUPERMARKETS

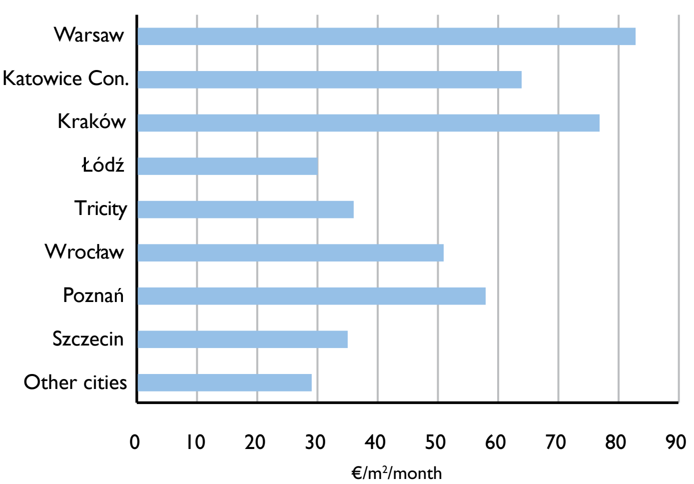
The sector of large food stores in Poland comprises over 200 hypermarkets, several thousand supermarkets and food discount stores. As regards hypermarkets, the dominant position is enjoyed by four retail chains: Auchan (25 stores), Carrefour (71 stores), Real (53 stores) and Tesco (55 stores). The leaders of the delicatessen segment include Alma, Bomi, Piotr i Paweł and Delima, whereas the key players in the basic supermarket segment are Carrefour, Tesco and Kaufland. Lidl and Biedronka are the fastest developing food discount stores.

Large food stores are usually located in shopping centre complexes, whilst stand-alone hypermarkets built after 2000 are systematically extended to the shopping centre format so that they preserve their position in the increasingly competitive environment. Such developments include the extension of the Tesco Gliwice and E. Leclerc Ursynów schemes.

In downtown retail schemes retail space for food sector tenants was reduced with supermarkets replacing hypermarkets. In 2009 new stores were opened, among others, by Alma (Galeria Jurajska Częstochowa, Solaris Opole, Cuprum Arena Lubin and Renoma Wrocław), Piotr i Paweł (Galeria Malta), Bomi (Galeria Tarnovia) and Delima, formerly Stokrotka Premium (Nowy Świat Rzeszów and Galeria Rumia). The following hypermarkets were opened last year: Auchan (Bonarka Kraków), E. Leclerc (Galeria Przymorze Gdańsk) and Real (Gemini Park Bielsko-Biała).

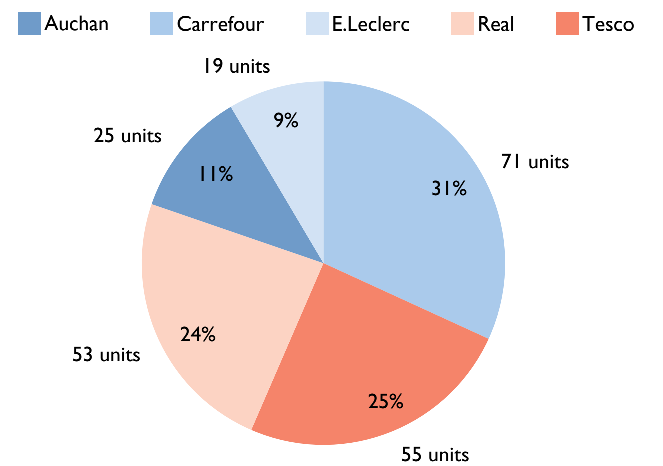
Rental rates remained at the level of EUR 6.5-8 sq.m/month for hypermarket space and at EUR 11-14 sq.m/month for supermarkets.

PRIME RENTS ON HIGH STREETS IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

HYPERMARKETS IN POLAND IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

RETAIL WAREHOUSING

Large non-food stores are chiefly stand-alone buildings offering DIY products and furniture. The concentration of such schemes in retail parks is a slow process due to the poor condition of the road and transport infrastructure which makes access to suburban locations difficult. At the end of the fourth quarter of 2009 there was nearly 1,800,000 sq.m of space held by this market segment in Poland, 23% of which was at retail warehouse parks.

The main retail parks operating in Poland include: IKEA Targówek Warszawa, IKEA Janki Warszawa, IKEA Bielany Wrocławskie, IKEA Matarnia Gdańsk and Centrum Krakowska Warszawa. The leaders in the market of large DIY stores continue to include chains such as Castorama, OBI, Leroy Merlin and Praktiker and smaller concepts such as Bricomarche, Nomi, Bricoman and Brico Depot.

In 2009 nearly 80,000 sq.m of space in buildings for large non-food stores was delivered, including Castorama (DIY products) and Black Red White (furniture). There was 25,000 sq.m under construction and the largest scheme under construction was the homeware retail park Metropol Dom i Wnętrze in Jagiellońska Street in Warsaw to be opened in the first quarter of 2010. Over 100,000 sq.m of space was at an advanced planning stage, including IKEA Bulwary Poznańskie and Futura Park Kraków to be developed by Neinver.

In the fourth quarter of 2009 rental rates for space in retail warehouse parks fell within the range of EUR 6.5-8 sq.m/month for large space and EUR 7-9 sq.m/month for medium-sized space.

FACTORY OUTLETS

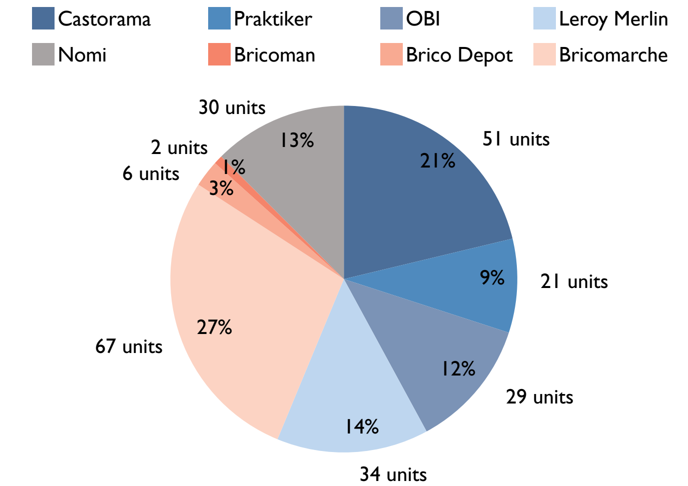
The market of factory outlet centres as a reflection of the Polish retail market development and maturation is currently close to saturation. With the increasing number of retail chains, the need to establish a new channel arose after 2000 for the distribution of cut-price goods, obsolete collections, damaged and sample items.

This challenge was taken up by two developers in the Polish market: Neinver and The Outlet Company, which built factory outlets in Warsaw (Ursus), Piaseczno near Warsaw, Poznań (Luboń), Wrocław, Sosnowiec and Gdańsk. At the end of 2009 there were six factory outlet centres in Poland with nearly 85,000 sq.m of floor space. There was 3,000 sq.m under construction and 32,000 sq.m of space planned. New schemes Factory Annopol and Factory Modlniczka are to be constructed by Neinver in the future.

The chief group of tenants in Polish factory outlet centres include clothing chains (273 stores), sportswear chains (54 stores) and footwear chains (50 stores), with a relatively limited share of the health and beauty, jewellery, multimedia, accessories and services sectors. Factory outlet centres usually include catering establishments, albeit to a limited extent.

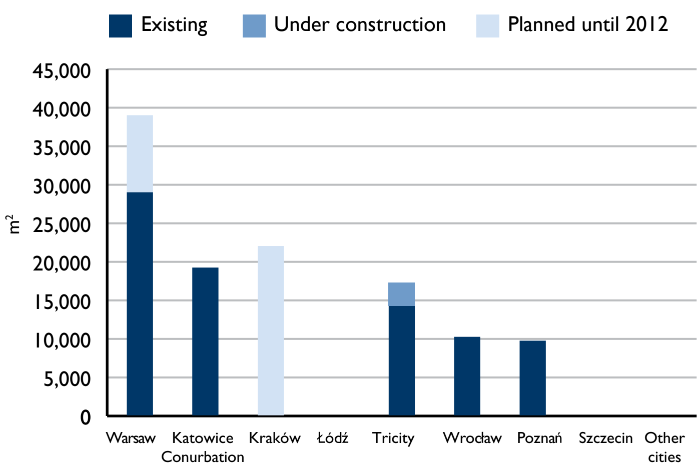
In the fourth quarter of 2009 the average vacancy rate at factory outlet centres stood at 3.8%. Rental rates fell within the range of EUR 17-21 sq.m/month, with the highest rate reaching EUR 25 sq.m/month.

DIY SECTOR IN POLAND IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

FACTORY OUTLETS IN POLAND IN Q4 2009



Source: Cushman & Wakefield Advisory Services, January 2010

MARKET OVERVIEW

At the end of 2009 there was over 6,000,000 sq.m of space in modern warehouses in Poland. The Warsaw region with the largest warehouse space stock was followed by such regional markets as: Upper Silesia, Central Poland, Wrocław and Poznań. Young markets such as Tricity, Toruń, Szczecin and Kraków were at the early stage of development.

The supply growth slowed down in 2009 as expected with approx. 857,000 sq.m of new warehouse space delivered onto the market – almost half the space delivered in the previous year. Not only did developers cease to construct warehouse schemes on a speculative basis, but they also decided not to increase their "banks of land". Even the falling prices of industrial plots did not encourage them to make purchases. The conservative approach of developers to investments resulted from the considerable decline in the demand and difficulties with obtaining loans.

Due to the decline in developers' activity related to making new speculative developments, tenants could only choose from the existing stock or space still under construction. At the end of 2009 there was only 159,000 sq.m of warehouse space under construction compared to over 1,000,000 sq.m in the preceding year. In 2009, pre-leases were necessary to be secured for some space as early as at the planning stage in order to begin new developments. Such an approach is projected to prevail in the market in 2010 as well. In addition developers will focus on delivering built-to-suit projects.

The demand decreased twofold in 2009 compared to the preceding year and amounted to 765,000 sq.m, including renegotiations and extensions of existing contracts. New leases were signed for only 539,000 sq.m compared to as much as 1,540,000 sq.m in 2008. Tenants focused on schemes located in the regions of Warsaw (28% of the take-up volume), Upper Silesia (24%) and Wrocław (18%).

For several years the largest demand for warehouse space has been generated by companies from the logistics sector. In 2009 their share in the take-up volume reached 33%. Retail chains and companies from the food sector also had a considerable share in the demand (15% and 13% respectively).

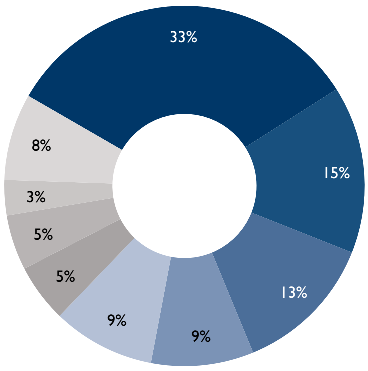
The demand fell more quickly than the supply, which led to rising vacancy rates in nearly all the regional markets in Poland. At the end of 2009 there was nearly 1,000,000 sq.m of vacant warehouse space in Poland, most of which was in Warsaw and Upper Silesia.

Nominal rental rates fell in regions offering the largest amount of vacant space. In addition, owners extended their packages of non-rent incentives for tenants, which lowered effective warehouse lease costs. Therefore, tenants found it easier to achieve very attractive terms of new leases or to renegotiate the existing terms. At the same time both nominal and effective rental rates rose in locations with very low availability of attractive space.

TULIPAN PARK, STRYKÓW

TAKE-UP BY SECTORS IN POLAND

Logistics operator | Retailer | Groceries | Light production | Electronics | Pharmaceuticals | Construction | Cosmetics | Other



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010

INDUSTRIAL MARKET DIRECTIONS

Region	Supply	Demand	Rents	Vacancy
Poland	↘	↗	↔	↘
Warsaw	↘	↗	↔	↘
Upper Silesia	↘	↗	↔	↘
Central Poland	↘	↗	↔	↘
Poznań	↘	↔	↔	↔
Wrocław	↘	↔	↔	↘
Tricity	↘	↔	↔	↔
Kraków	↘	↔	↔	↔

WARSAW REGION

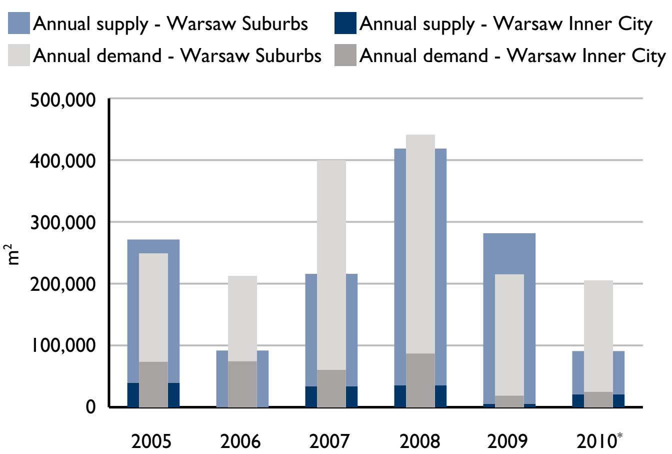
WARSAW AREA MARKET OVERVIEW		
Existing Stock	2,483,000 m²	
Stock Under Construction	48,000 m²	
Vacancy Rate	17.1%	
Take-Up	216,000 m²	
Major Landlords	Panattoni, ProLogis, SEGRO, MLP Group, Europolis, Pinnacle, Apollo-Rida	
	Warsaw Inner City Zone	*Warsaw Suburbs Zone*
Nominal Rents	€ 4.5 - 6.25 m²/month	€ 3.1 - 4.5 m²/month
Effective Rents	€ 3.8 - 5.75 m²/month	€ 2.4 - 3.5 m²/month

EXAMPLE DEALS		
Building	*Company*	*Size*
PointPark	Fiege	15,000 m²
Panattoni BTS Warszawa	Torfarm	23,000 m²
ProLogis Park Błonie II	L'Oreal	19,500 m²

The Warsaw region with nearly 2,500,000 sq.m of warehouse space remains the largest warehouse market in Poland. In 2009 supply of new space reached 282,000 sq.m. This region is developing in two zones: the Inner City covering the area within the administrative borders of Warsaw and the Suburbs, in a radius of 12-50 km from the city centre. The stock in the Inner City zone is concentrated in the districts of Okęcie, Służewiec, Targówek and Żerań. The Suburbs zone includes the municipalities to the south and west of Warsaw (Piaseczno, Nadarzyn, Janki, Pruszków, Sochaczew, Teresin, Błonie, Ożarów Mazowiecki and Mszczonów).

In 2009 Warsaw was the indisputable leader in the occupancy market with the demand of 216,000 sq.m of space. However, the volume of take-up was 59% lower than in 2008. Both the structure and the scale of the demand differed depending on the zone. The Inner City accounted for 9% of the lease volume and the main tenants included companies distributing fast moving consumer goods, office and stationery products. The Suburbs accounted for 91% of the lease volume and nearly half of this space was taken up by logistics operators.

SUPPLY AND DEMAND IN WARSAW REGION



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010 *Forecast

UPPER SILESIA

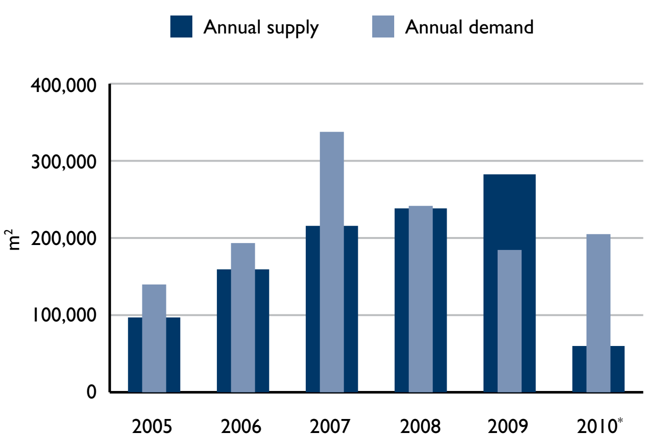
UPPER SILESIA MARKET OVERVIEW	
Existing Stock	1,076,000 m²
Stock Under Construction	21,000 m²
Vacancy Rate	18.8%
Take-Up	184,000 m²
Major Landlords	ProLogis, Panattoni, SEGRO, MLP Group
Nominal Rents	€ 3.3 - 4.0 m²/month
Effective Rents	€ 2.7 - 3.3 m²/month

EXAMPLE DEALS		
Building	*Company*	*Size*
Panattoni Park Mysłowice	Intermarche	28,500 m²
Panattoni Park Mysłowice	PartnerTech	13,000 m²
Panattoni Park Czeladź	Huhtamaki	12,000 m²

In 2009 Upper Silesia recorded the largest growth of the new warehouse space supply compared to other regions. Over 283,000 sq.m of warehouse space was delivered in this region, which made its total stock exceed 1,000,000 sq.m. The growth dynamics of warehouse space in Upper Silesia is projected to slow down considerably in 2010. At the end of 2009 there was only 21,000 sq.m of space under construction and the construction of new schemes was temporarily put on hold.

Upper Silesia recorded the largest take-up volume of all the regional markets – 184,000 sq.m of warehouse space. Its annual demand drop was the lowest in Poland. The largest share in the take-up volume was generated by logistics operators (37%) and retail chains (27%). This region offers them access to a large consumer market and a developed transport infrastructure. After the vacancy rate reached its highest level on record in June 2009, the amount of vacant space began to decrease systematically throughout the second half of 2009. However, last December the vacancy rate was still one of the highest in Poland and reached 18.8%, which led to falling rental rates.

SUPPLY AND DEMAND IN UPPER SILESIA REGION



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010 *Forecast

CENTRAL POLAND

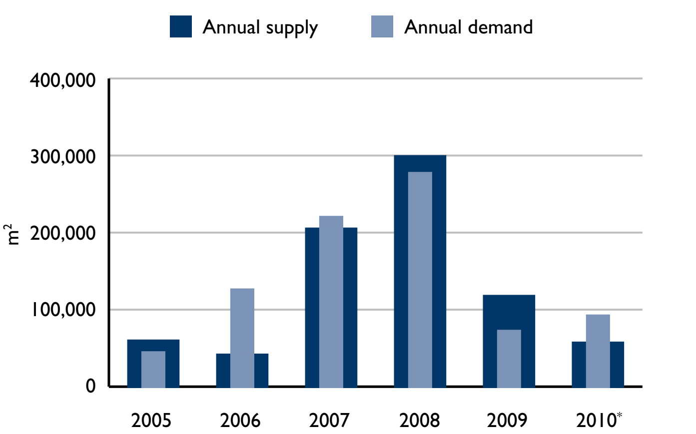
CENTRAL POLAND MARKET OVERVIEW		
Existing Stock	915,000 m²	
Stock Under Construction	30,000 m²	
Vacancy Rate	17.1%	
Take-Up	75,000 m²	
Major Landlords	Panattoni, SEGRO, ProLogis, Emerson, Europolis	
Nominal Rents	€ 3.0 - 5.5 m²/month	
Effective Rents	€ 2.4 - 5.0 m²/month	
EXAMPLE DEALS		
Building	*Company*	*Size*
Panattoni Park Łódź East	RR Donnelley	10,900 m²
Europolis Park Poland Central	FM Logistic	35,000 m²
Logistic City	Kronopol	8,400 m²

The market of Central Poland is developing in four locations: Łódź, Stryków, Piotrków Trybunalski and Rawa Mazowiecka. In 2009 supply of warehouse space amounted to approx. 120,000 sq.m which consequently led to its total warehouse space stock reaching 915,000 sq.m by the end of 2009.

Central Poland was particularly strongly affected by the downturn in the occupancy market as only 75,000 sq.m of warehouse space was leased in 2009. It was three and a half times less than in 2008. Last year the largest demand was generated by logistics operators which accounted for a 57% share in the lease volume. Construction companies accounted for 24% of the demand. In this region the largest lease in the warehouse property market in 2009 was made by FM Logistic who leased 35,000 sq.m at Europolis Park Poland Central.

In Central Poland approx. 157,000 sq.m of warehouse space was not leased (17.1% of the region's stock). The largest volume of vacant space was available in Piotrków Trybunalski and Rawa Mazowiecka where tenants could expect rental rates at a level as low as EUR 3.00 sq.m/month. In Łódź and Stryków, where there was little vacant space, rental rates reached EUR 5.5 sq.m/month.

SUPPLY AND DEMAND IN CENTRAL POLAND REGION



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010 *Forecast

POZNAŃ REGION

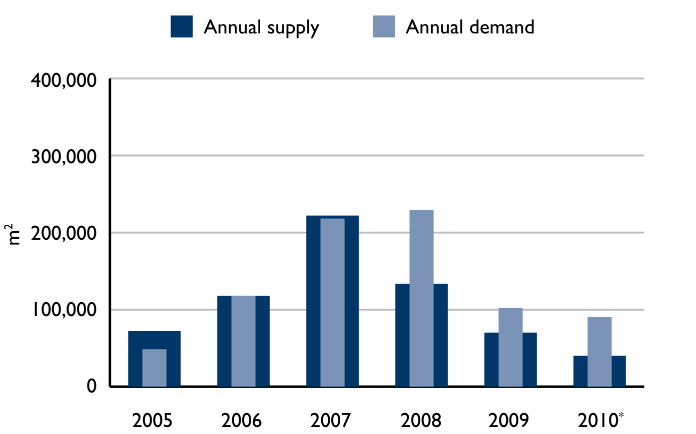
POZNAŃ AREA MARKET OVERVIEW		
Existing Stock	861,000 m²	
Stock Under Construction	30,000 m²	
Vacancy Rate	9.3%	
Take-Up	102,000 m²	
Major Landlords	CLIP, Panattoni, Pinnacle, ProLogis, SEGRO	
Nominal Rents	€ 3.2 - 3.8 m²/month	
Effective Rents	€ 2.3 - 2.8 m²/month	
EXAMPLE DEALS		
Building	*Company*	*Size*
CLIP	AB Foods	28,000 m²
Panattoni Park Poznań	H&M	30,000 m²
Panattoni BTS Poznań	Torfarm	11,000 m²

At the end of December 2009 the warehouse space stock in the Poznań region amounted to 861,000 sq.m. In this region only 70,000 sq.m of new warehouse space was completed and at the end of December 2009 there was only 30,000 sq.m of warehouse space under construction.

The limited supply of new space was the response to the falling demand. The volume of transactions in 2009 reached 102,000 sq.m, which was down by 55% compared to 2008. In this region the clothing company H&M leased 30,000 sq.m at Panattoni Park Poznań I, which was one of the largest leases made in 2009. The first ecological warehouse in Poland will be built-to-suit the company's needs.

The supply and demand in this region remained in a relative state of equilibrium in 2009. At the end of December 2009 the vacancy rate stood at 9.3% and was one of the lowest in Poland. Developers limited their rent expectations due to the considerable decline in the demand, and consequently both nominal and effective rental rates dropped.

SUPPLY AND DEMAND IN POZNAŃ REGION



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010 *Forecast

WROCŁAW REGION

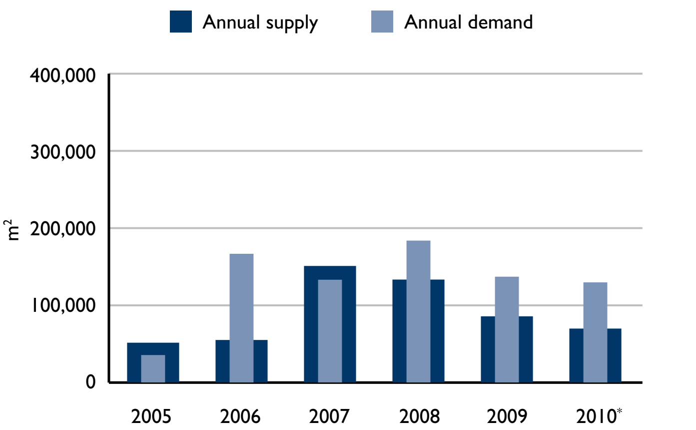
WROCŁAW AREA MARKET OVERVIEW		
Existing Stock	520,000 m²	
Stock Under Construction	30,000 m²	
Vacancy Rate	16.6%	
Take-Up	137,000 m²	
Major Landlords	Panattoni, Parkridge, ProLogis, Tiner	
Nominal Rents	€ 3.2 - 4.15 m²/month	
Effective Rents	€ 2.4 - 2.8 m²/month	
EXAMPLE DEALS		
Building	*Company*	*Size*
ProLogis Park Wrocław	DHL	11,900 m²
ProLogis Park Wrocław II	FagorMastercook	21,600 m²
ProLogis Park Wrocław III	Asplex (Acer)	19,300 m²

Most warehouse parks in the Wrocław region are located along the A4 motorway, in Bielany and Kąty Wrocławskie. The market is also developing in the urban zone and along the planned motorway ring-road of Wrocław. In 2009 the warehouse space stock of this region rose by nearly 86,000 sq.m to reach 520,000 sq.m in December. There was 30,000 sq.m of space under construction.

The largest leases included the take-up of space by two companies from the electronics sector FagorMastercook and Asplex, which leased approx. 21,600 sq.m and 19,300 sq.m of warehouse space, respectively. The share of this sector in the take-up volume reached 48%. Approx. 28% of space was leased by logistics operators. In 2009 the total demand in the Wrocław region went down by 25% compared to 2008 and amounted to 137,000 sq.m, approx. 55% of which was taken up under new leases.

At the end of 2009 there was approx. 86,000 sq.m of vacant warehouse space in the Wrocław region. The limited demand and the continued medium-level supply resulted in an increase in the vacancy rate which went from 10.7% to 16.6%. In 2009 rental rates were in a downward trend.

SUPPLY AND DEMAND IN WROCŁAW REGION



Source: Cushman & Wakefield Advisory Services, www.industrial.pl, January 2010 *Forecast

TRICITY REGION

The warehouse space stock of the Tricity market comprises two warehouse parks with a total of 100,000 sq.m. The proximity to the Baltic Sea creates excellent conditions for the development of both Polish and European logistics. At present, however, there are no new warehouse developments in pipeline in this region, although developers have land ready for the construction of new warehouse facilities.

In 2009 two leases were made for a total of 12,000 sq.m in this region. The demand for warehouses in Tricity is high, but there is relatively little space available. At the end of December 2009 there was only 5.9% of vacant space. The low vacancy rate contributed to a rise in rental rates of up to EUR 5 sq.m/month.

KRAKÓW REGION

The Kraków area is the smallest regional market in Poland. In 2009 its warehouse space stock rose by nearly 17,000 sq.m and amounted to 35,000 sq.m in December. At present, there are no developments under construction in this region.

In 2009 the last 5,000 sq.m of vacant warehouse space was leased. Because of the region's location, the largest interest in warehouses located there is displayed by logistics operators and food chains.

OTHER REGIONS

Since 2008 the warehouse property market has also been developing in Szczecin and Toruń. At the end of 2009 the total warehouse space stock in these regions was estimated at 42,000 sq.m and 46,000 sq.m respectively.

The Toruń Logistic Center in Toruń was fully leased. The Panattoni Park Toruń BTS scheme offering 30,000 sq.m and planned to suit the requirements of Cereal Partners was in the pipeline.

The warehouse space stock of the Szczecin market comprises ProLogis Park Szczecin, which was constructed on a speculative basis in 2008. In 2009 the first lease in that scheme was signed. Dancook leased approx. 2,600 sq.m, which made the vacancy rate drop from 100% to 93.5%.

It is projected that developers will delay making investments in the new regional markets in 2010, except for built-to-suit projects.

For more information on industrial market in Poland please visit:

www.industrial.pl

MARKET OVERVIEW

MARKET CONDITIONS

In 2009 the Polish residential market moved a long way from the stagnation observed at the beginning of the year to the current conditions that, by most expectations, would approach a recovery from the crisis. Indeed, strong signs of an improvement were recorded in the forth quarter of 2009 when the market enjoyed the following trends: the number of residential sales rose due to more extensive mortgage possibilities; the volume of the residential offer pool significantly decreased; the rate of the price decline slowed down and the tendency towards further price stabilization became more apparent.

However, the current situation cannot be considered yet as an irrefutable market upturn to be enjoyed in 2010. The development path will largely depend on the overall performance of the Polish economy and, in particular, investments, employment and financial sector, all of which may boost consumer and developer activities on the residential market.

SUPPLY TRENDS

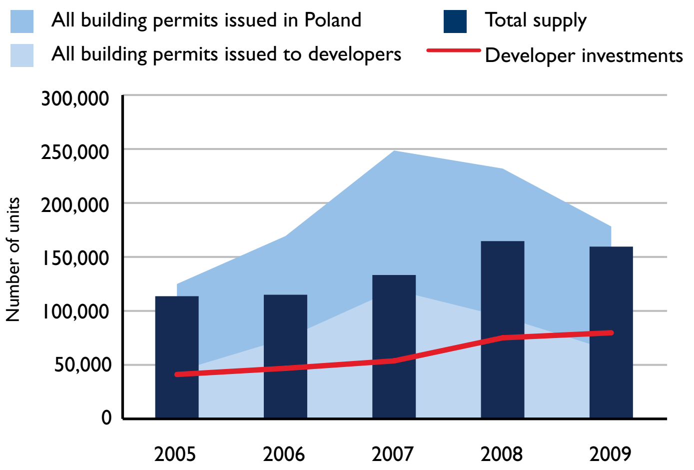
In 2009 the Polish residential market, in continuation of previous years, proceeded with a massive housing supply. The total number of dwellings delivered was estimated at over 160,000 units. That volume of completed premises is not the largest when compared to the overall market performance in the last decade, but it is still substantial for the Polish market, especially in the light of the low real residential demand seen in 2009. Developers and housing cooperatives together delivered around 80,000 premises, which indicated a 6% growth compared to 2008. Such an unreasonably high supply level is the result of constructions which had started on a large scale during the prosperity period of the Polish residential market.

Discouraged by the insufficient demand and poor finance capacity, the developer market suffered from extremely low activity in terms of new projects whose development started in 2009. The number of units put under construction last year sank by around 20% compared to 2008. However, a certain market optimism appeared at the end of 2009 as well as possibilities to take advantage of the shortage in the market which is foreseen in the mid-term perspective due to the significant supply decrease may encourage some developers to initiate new projects in the nearest future. Announcements made recently by some well-established developers operating on the largest Polish markets, in particular Warsaw, evidenced this.

Although the number of building permits issued in 2009 dropped by over 23% compared to 2008, there is still a large number of plots with effective approvals. Hence, the residential market in Poland, especially in its key cities, can be described as a market with a high level of flexibility and dormant competition which can be rekindled once developers regain sound financial capacity and become more active again. In addition, the Polish secondary residential market, offering new apartments bought for speculative purposes in previous years, is a source of strong competition for new residential projects.

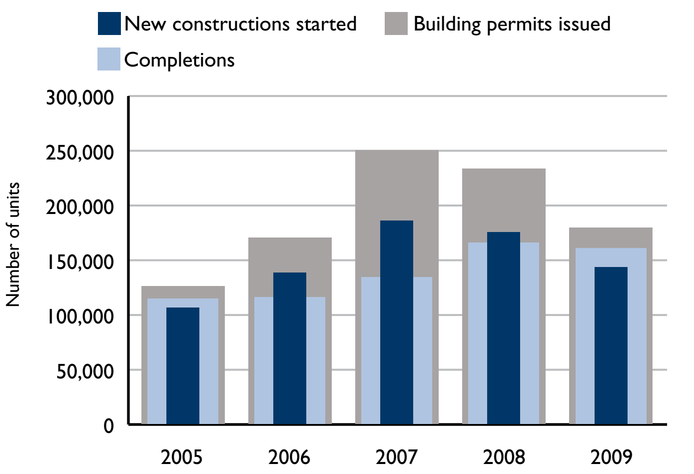
OSADA NAD JEZIOREM, MIKOŁAJKI

GENERAL MARKET CHARACTERISTICS



Source: Cushman & Wakefield Advisory Services, CSO, January 2010

RESIDENTIAL SUPPLY TRENDS



Source: Cushman & Wakefield Advisory Services, CSO, January 2010

DEMAND TRENDS

Last year the Polish residential market suffered from low consumer activity. However, compared to the results as at the end of 2008 and the first quarter of 2009, the performance of the market in terms of residential sales demonstrated some improvement, especially during the second half of 2009, when individual Polish markets enjoyed a double-digit growth in their absorption rates. However, these results did not paint a very optimistic picture, as the overall sale rates were still significantly lower than in 2008, not to mention the results of the same period of 2007.

Falling prices, larger mortgage possibilities which appeared at the end of last year, the growing popularity of "Rodzina na swoim" – a residential market stimulation initiative, as well as developers' desire to meet the conditions of that program stimulated the demand in Poland, especially in the second half of 2009. An undeniable decrease and stabilization in the residential pool on offer illustrated this. The overall situation in the Polish residential market seemed to indicate commercial vulnerability of upper-segment properties. In comparison, low/lower-priced premises and economy class units enjoyed a larger interest from consumers. This will continue in the mid-term perspective.

In 2010 the market is likely to benefit from the growth of the residential demand, which, as announced by banks, would be supported by larger mortgage possibilities. However, the real residential demand still depends largely on consumers' financial capacity to undertake long-term financial liabilities and the overall economic conditions underlying consumer expectations and activities.

PRICE TRENDS

The second half of 2009 marked a certain turning point in the price trend, as the price decline rates noticeably slowed down and some Polish markets even showed a slight increase in the average level of offer prices.

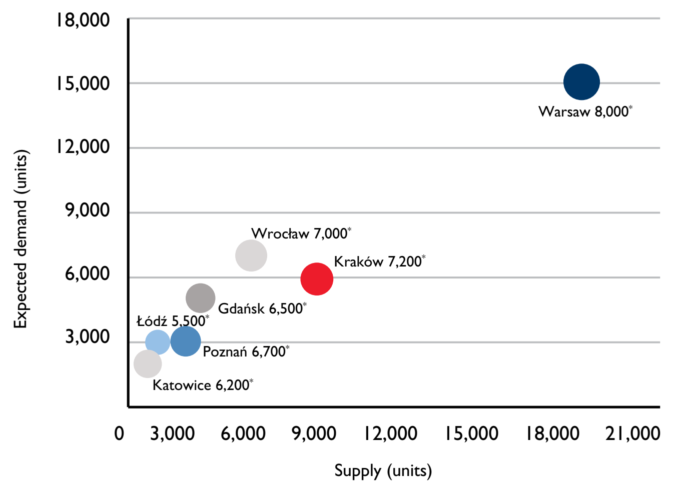
The markets of the first wave (Warsaw, Kraków and Wrocław) are likely to follow a gradual course toward a price recovery and further price stabilization. Although the markets of the second wave (Tricity, Łódź, Katowice, Poznań and other regional cities) are typically more vulnerable to the fallout of the crisis, the first signs of a price increase trend were recorded there as well.

In general, residential prices will be largely impacted by the banks' future financing and mortgage activities, consumers' economic expectations as well as the health of the Polish economy in the light of the global path of the economic development. In 2010 the Polish market is likely to follow a gradual course towards a further price recovery and stabilization. Price growth might be expected only in the mid-term perspective along with a decrease in the residential offer pool and further limits in the supply of new dwellings.

RESIDENTIAL MARKET DIRECTIONS

Supply	*Available offers*	*Demand*	*Price level*
↘	↘	↗	↔
FIRST WAVE MARKETS			
Warsaw, Kraków, Wrocław			
↘	↘	↗	↔
SECOND WAVE MARKETS			
Tricity, Łódź, Katowice, Poznań			
↘	↘	↗	↔
OTHER MARKETS			
e.g. Szczecin, Bydgoszcz, Lublin			
↘	↘	↔	↔

SELECTED MARKET CHARACTERISTICS



Source: Cushman & Wakefield Advisory Services, January 2010

* Average price (PLN/m²)

ŻURAWINIEC HOUSING ESTATE, POZNAŃ

MARKET OVERVIEW

In 2009 the hospitality sector continued to be affected by the economic slowdown. As a result of lower revenues, both Polish and foreign companies had to modify their development strategies. As part of their programs to optimise financial results, companies reduced the costs of business trips, training courses, conferences and team-building events for their employees. Consequently, in 2009 Poland was visited by considerably fewer foreign business people than in 2008, which translated into a decrease in the number of hotel stays among foreigners by approx. 8%. Polish business tourists also less frequently used hotel accommodation, particularly top class hotels, which resulted in brand economy class hotels, providing good quality services for a relatively low price, faring better during this period.

The above factors caused a decrease in the occupancy rates of hotels in Poland and a reduction in the average room price. Many hotels recorded losses despite the reduction in operating costs in the first half of 2009. In the second half of 2009, particularly in September and October, the adverse consequences of the economic slowdown were already less severely felt, but hotels continued to post weaker results compared to the corresponding period of the previous year. Due to the crisis in international financial markets, banks tightened their requirements regarding development financing, which led to the suspension of many hotel projects at their early phase.

In 2009 the number of accommodation facilities in Poland increased to include 106 categorised schemes which offered additionally approx. 10,330 hotel beds in approx. 5,180 rooms. A dozen or so hotels changed categories, whereas a few lost the right to be called "hotels". Given the number of hotels, the highest increase was recorded in two- and three-star hotels, whilst three- and four-star hotels dominated in terms of the new supply of rooms and hotel beds. The region with the highest number of new categorised hotels in 2009 was Małopolska (24 hotels). The supply of hotels did not change in the Mazowieckie, Opolskie and Podlaskie Voivodships.

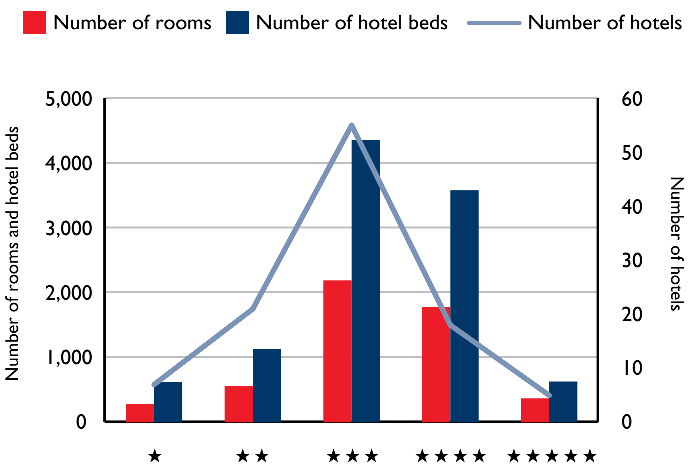
Hotel accommodation in Poland is currently provided by 1,797 categorised hotels offering approx. 176,600 hotel beds in approx. 88,800 rooms.

5-STAR SHERATON HOTEL, POZNAŃ

Compared to 2008, the number of hotel rooms and beds increased by approx. 6% in 2009. Three-star hotels (800) and two-star hotels (599) dominate. Currently there are 23 rooms (46 hotel beds) per 10,000 inhabitants in Poland, which is the lowest rate in the European Union. Regarding the regions of Poland, the smallest number of hotel rooms and beds per 10,000 inhabitants is in the Lubelskie Voivodship: 6.84 and 12.75 respectively, and the highest number is in the Małopolskie Voivodship with 39.19 and 80.39 respectively.

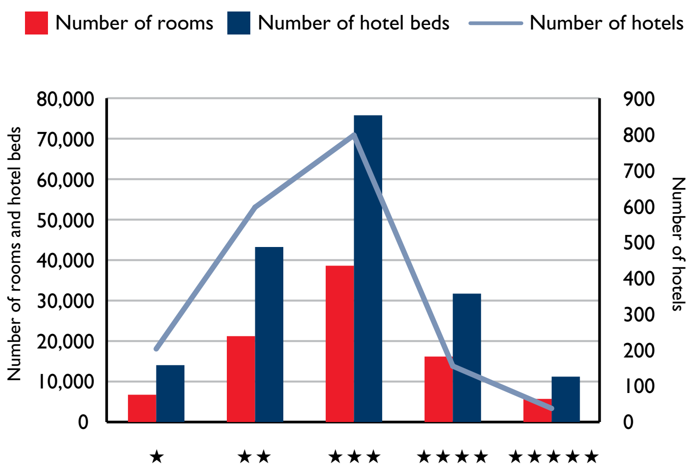
Hosting the European Football Championships EURO 2012 presents itself as a grand opportunity for hotel sector development in Poland. Such an important event is an excellent incentive to make new hotel investments and upgrade existing accommodation facilities. It also affords the host country, in this case Poland, the considerable important opportunity to build a positive image and promote itself abroad, which will therefore contribute to an increase in the number of foreign tourists visiting Poland.

POLISH HOTEL BASE GROWTH



Source: Cushman & Wakefield Advisory Services, January 2010

POLISH HOTEL STOCK



Source: Cushman & Wakefield Advisory Services, January 2010

However, the organisers of EURO 2012 are experiencing the lingering effects of the global financial crisis which has caused many hotel developments in Poland and the Ukraine to be suspended. Despite the current improvement in the economy, many banks are still cautious as regards making decisions about financing hotel developments, which leads to the postponement of future projects or the complete withdrawal from their construction altogether. Consequently, only some developments planned for 2011 and the first half of 2012 are expected to be completed.

Given the current condition of the hospitality sector in Poland and hotel developments which are likely to be completed before the EURO 2012 championships, it can be assumed that Poland will manage to fulfil the requirements of the Union of the European Football Associations regarding accommodation for the members of the so-called UEFA Family (organisers, sponsors, accredited journalists and support personnel). However, these criteria were lowered, thus accepting three-star hotels as well as hotels located within less than a two-hour drive by coach from the football stadiums and airports.

There should also be no problems with accommodating football teams. In May 2010, sixteen accommodation centres will be selected from the fifty centres submitted. All the venues submitted meet the requirements regarding the standard of services rendered and the location, i.e. the distance from the airport and training pitches. The progress of the development and probability of its completion will be an additional selection criterion. The greatest problem is, however, the accommodation of EURO 2012 fans. It is estimated that during the Football Championships in 2012 Poland and the Ukraine will be visited by approx. two million football fans, half of which will use the accommodation on offer. An analysis of the hotel accommodation in the cities hosting football matches and their vicinities shows that the supply of hotel beds will not satisfy the demand from such a large number of guests.

POLISH HOTEL BASE GROWTH IN 2009

Voivodship	*Number of hotels*	*Number of rooms*	*Number of hotel beds*
Lower Silesia	11	730	1,370
Kujawy-Pomerania	8	290	570
Lublin	3	60	150
Lubuskie	2	40	70
Łódź	12	660	1,290
Małopolska	24	1,000	2,160
Mazovia	0	0	0
Opole	0	0	0
Podkarpacie	7	195	360
Podlasie	0	0	0
Pomerania	8	420	790
Silesia	10	610	1,150
Świętokrzyskie	7	280	570
Warmia-Masuria	5	220	470
Wielkopolska	2	30	60
West Pomerania	7	645	1,315

Source: Cushman & Wakefield Advisory Services, January 2010

MARKET TRENDS

- The increased share of Polish clients in the structure of the demand for hospitality services, particularly in the tourist regions of Poland (Pomorze, Warmia and Mazury, and in the mountains) and a smaller share in large cities (mainly Warsaw, Kraków, Łódź, Wrocław and Poznań).
- The increased interest in the construction of hotels in Warmia and Mazury, among others, due to the promotion of the Masurian Lake District abroad (a major candidate in the international New Seven Wonders of Nature contest).
- The rising number of hotel projects targeting individual and group clients from Germany, particularly in the Zachodniopomorskie Voivodship, and offering a relatively high standard and complete range of spa and wellness services, as well as additional medical and rehabilitation services.
- The increased interest in the construction of three- and four-star hotels near airports and railway stations, primarily in Gdańsk, Kraków, Poznań, Warsaw and Katowice.
- The review of hotel projects due to the crisis in international financial markets.
- The lowering of the categories of hotels planned compared to the initial concepts, due to the smaller demand from corporate clients for the services of high class hotels as a result of the economic slowdown.

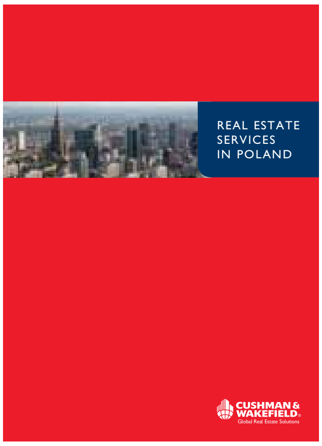
POLISH HOTEL STOCK IN 2009

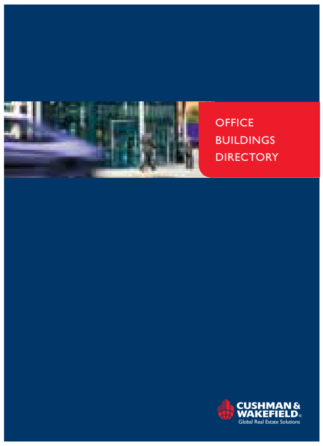
Voivodship	*Number of hotels*	*Number of rooms*	*Number of hotel beds*	*Number of hotel beds per 10,000 inhabitants*
Lower Silesia	209	9,890	19,830	68.98
Kujawy-Pomerania	97	3,630	6,810	23.70
Lublin	37	1,480	2,760	12.75
Lubuskie	65	2,530	4,880	48.25
Łódź	74	3,980	7,340	28.76
Małopolska	268	12,830	26,320	80.39
Mazovia	174	14,740	28,920	55.63
Opole	27	750	1,440	13.93
Podkarpacie	93	2,730	5,540	26.28
Podlasie	19	1,130	2,250	18.8
Pomerania	131	6,720	13,830	62.38
Silesia	156	8,020	16,020	34.46
Świętokrzyskie	65	2,590	5,230	40.84
Warmia-Masuria	89	5,000	10,310	72.14
Wielkopolska	200	7,180	13,930	40.99
West Pomerania	93	5,630	11,230	66.38

Source: Cushman & Wakefield Advisory Services, January 2010

CUSHMAN & WAKEFIELD'S PUBLICATIONS IN POLAND

Cushman & Wakefield has been providing clients with in-depth analytical surveys of different sectors of Poland's property market, such as Investment, Office, Retail, Residential, Hotel and Industrial.





Regular publications produced by Marketing Department in co-operation with Advisory Department include:

- Spring and Autumn Marketbeat – Polish Real Estate Market Report, presenting current condition of the real estate market in Poland as well as forecasts.
- Office Buildings Directory, demonstrating the whole spectrum of modern office buildings in Polish regional cities.
- Quarterly snapshots.
- "Retail space in Poland" brochure.

www.cwoffice.pl

www.cwoffice.pl is dedicated to office space issues in Poland. The information placed on the website is intended for corporate clients looking for large office space as well as tenants interested in smaller offices. The search engine for office buildings gives the website's users access to information on hundreds of office buildings in the largest Polish cities: Warsaw, Kraków, Katowice, Poznań, Łódź, Wrocław and Tricity.

www.industrial.pl

www.industrial.pl is devoted mainly to warehouse market. The service provides information about all logistic parks in Poland. The website enjoys great popularity and during its four years of operations it has attracted many visitors, including representatives of various sectors as well as investors and developers. The number of monthly visits is estimated at 15,000.

www.cwassetmanagement.pl

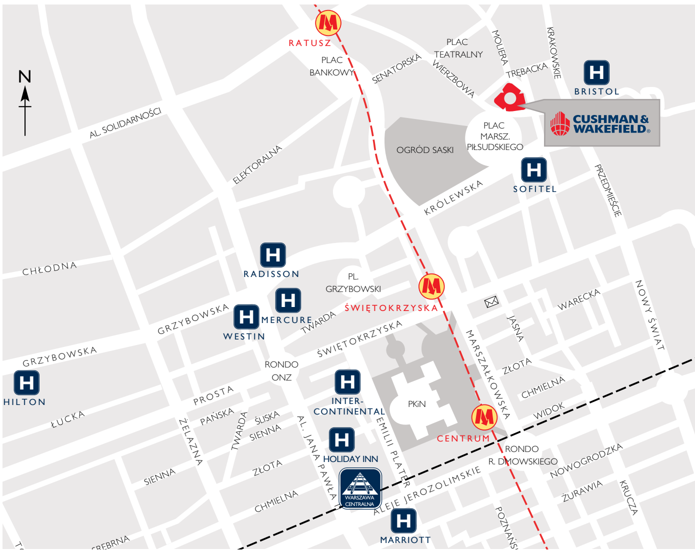
www.cwassetmanagement.pl presents a broad array of services provided by the Asset Management Department, from efficient real estate administration through risk management related to real estate administration. It brings to you the portfolio of schemes managed by the Asset Management Department, a description of prestigious schemes completed and other achievements proving the professionalism and outstanding skills of our employees involved.

OUR OFFICE AND CONTACT POINTS

Cushman & Wakefield is the world's largest privately held commercial real estate services firm. Founded in 1917, it has 231 offices in 58 countries and more than 15,000 employees.

Cushman & Wakefield has been actively operating in Poland since 1991. As a global real estate company, we deliver integrated solutions to multinational corporations, financial institutions, developers, entrepreneurs, government entities and small-to-medium-size companies by actively advising, implementing and managing on behalf of landlords, tenants and investors through every stage of the real estate process.

Cushman & Wakefield Polska Sp. z o.o. has established and applies a Quality Management System ISO 9001:2008 audited by TÜV SÜD.



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For industry-leading intelligence to support your real estate and business decisions, go to Cushman & Wakefield's Knowledge Center at cushmanwakefield.com/knowledge