



Business Autumn in Poland



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Ministry of Treasury of the Republic of Poland



Invest
in Poland



Lukowicz
Swierzewski i Wspólnicy

ERNST & YOUNG
Quality In Everything We Do



KOSTRZYŃSKO-SŁUBICKA
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Trio Management
Towers Perrin Alliance Partner



ZIMUTUS
ASSOCIATES
Corporate Finance & Strategic Advisory



AD ASTRA
Executive Charter



BROVARIA
BROWAR HOTEL RESTAURACJA



Le Palais Du Jardin

Dear Reader,

After your warm reception of “Business Summer in Poland”, we have the pleasure to present you with the second issue of our quarterly magazine on Poland and the Polish business environment. In the Autumn edition we have prepared several interesting articles on the Polish economy and business environment. The articles touch upon such matters as Poland’s economic condition in the times of the global recession, privatisation in the energy sector, wind power investments, the potential of the food retail and foodservices market in Poland, EU support to business entities and many more. We hope that you will find them interesting and of great value to you and your business. In the AUTUMN issue we encourage you to visit another major Polish city – Poznan.

Therefore, apart from strictly business-oriented information, we have prepared a brief article on Poznan and its attractions for both tourists and business people as well as special offers in hotels and restaurants there. If you do wish to spend some time in Poland, we will be delighted to facilitate your stay by helping you in arranging meetings that are in the scope of interest and providing guidance on how to have a great time in Poland.

With our warmest regards

The Authors

PRIVATISATION OFFER IN THE POLISH ENERGY SECTOR BY THE MINISTRY OF TREASURY



Ministry of Treasury of the Republic of Poland

(...) Privatisation of the companies from the energy sector is at the top of the agenda of the Ministry of Treasury of the Republic of Poland.



PRIVATISATION OFFER IN POLISH ENERGY SECTOR

by The Ministry of Treasury

Privatisation of the companies from the energy sector is at the top of the agenda of the Ministry of Treasury of the Republic of Poland. Above all, it is an opportunity for their further unhindered development and new investments. It is also good news to investors. We can observe a great interest in those companies sparked by their strong market position, stable financial gains and promising development perspectives.

In 2009 and 2010 investors will be able to purchase the shares in four largest capital groups, i.e. PGE Polska Grupa Energetyczna S.A., Tauron Polska Energia S.A., Energa S.A. and Enea S.A. as well as several other small and medium enterprises from the energy sector. Currently, the most awaited privatisation is the privatisation of **PGE Polska Grupa Energetyczna S.A.** The State Treasury owns 100% shares in this company, 20% of which will be sold in 2010 on the Warsaw Stock Exchange. November 2009 is the month of IPO.

In 2010 also the shares of **Tauron Polska Energia S.A.**, in which the State Treasury

owns 100% of the share capital, will be listed on the stock exchange. The share packet to be introduced is at least 20% of the shares belonging to the State Treasury. In the case of **Energa S.A.** the sale of 85% of its shares, out of 100% owned by the State Treasury, will be conducted by way of negotiations to which the ministry will invite sector investors in 2010. Enea S.A. is the another company to be privatised in 2010. It was listed on the Warsaw Stock Exxhange a year ago. The privatisation process of the company is expected to begin in 2009.

One of the most important projects in the energy sector is also the continuation of privatisation by way of negotiations of **Zespol Elektrowni Patnow Adamow Konin S.A.**, which is the second-largest producer of electricity obtained from brown coal in Poland. The State Treasury plans to sell 50% of its shares in 2010. A joint sale of the shares together with the shares in the coalmines **Kopalnia Wegla Brunatnego Adamow S.A.** and **Kopalnia Wegla Brunatnego Konin S.A.** is considered.

The remaining key project which is in an advanced stage of realization is the privatisation of heat and power stations - **Elektrociepownia Zabrze S.A.** and **Zespol Elektrociepowni Bytom S.A.** The

Privatization Plan also includes the privatisation of 8 other smaller companies from the sector: Przedsiębiorstwo Energetyki Ciepłej Sp. z o.o. in Chrzanów, Agencja Rynku Energii S.A. in Warsaw, Zespół Elektrowni Wodnych Nidzica S.A., Elektrownia Chorzów S.A., Agencja Poszanowania Energii i Usług Energetyczny Górnictwa ENMAG-EG Sp. z o.o. in Piekary Śląskie, Pomorska Agencja Poszanowania Energii Sp. z o.o. in Bydgoszcz, Krajowa Agencja Poszanowania Energii S.A. in Warsaw and Zakład Produkcyjno-Remontowy Energetyki Jedlicze Sp. z o.o.

In order to receive more information on the current privatisation offer, please contact:

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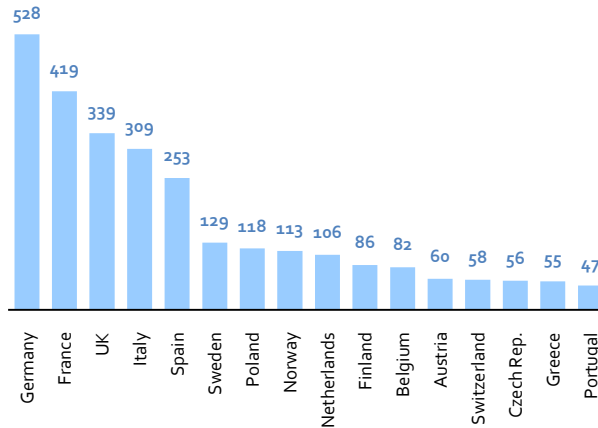
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Power Industry in Poland – key facts:

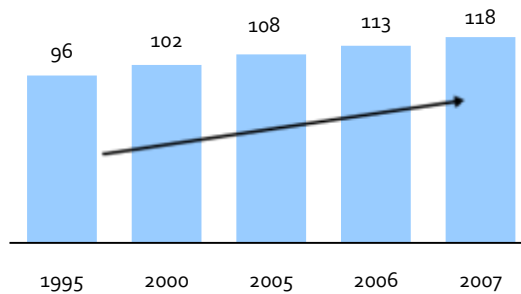
- Strong macroeconomic development over the last 15 years resulting in stable growth of energy consumption
- Poland is the 7th largest power market in the EU
- Still significant underdevelopment compared to other markets
- Dismantling of monopolies:
 - energy prices liberalisation
 - consolidation of market players: 4 vertically integrated power sector holdings established with the State Treasury as the major shareholder

**Total electricity consumption by end-users
(TWh, 2007)**



Source: Eurostat, Central Statistical Office of Poland

Electricity consumption by end-users (TWh)



Source: Eurostat, Central Statistical Office of Poland

POLAND – THE BRIGHT SPOT ON THE GLOBAL RECESSION MAP

BY POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY



(...) The global economic downturn demonstrated Poland's economic stability. This year, only a few countries in the world expect a positive GDP.



POLAND – THE BRIGHT SPOT ON THE GLOBAL RECESSION MAP

**by Polish Information and
Foreign Investment Agency**

Foreign investments in Poland have remained robust. The country successfully managed to resist the economic crisis, consequently investment projects located here have not suffered from a slowdown. This results from solid economic foundations, a sound financial system and unflagging domestic consumer demand.

The global economic downturn demonstrated Poland's economic stability. This year, only a few countries in the world expect a positive GDP. Poland was the only European Union member state which did not suffer the economic turbulence of its neighbours, and underwent something of a velvet crisis which did not threaten the country's investment attractiveness, on the contrary it has rather created completely new possibilities.

Poland is an ideal investment destination. This has been confirmed by a number of foreign companies which located their projects in the country. Amongst the country's major advantages, investors cite EU membership, competent personnel, buoyant domestic market and a stable economic situation even in the period of a global economic downturn. The fact that Poland is a member of the European Union means for foreign investors that both the country's economy and legal regulations are predictable and meet general European standards. An additional factor which effectively boosts the country's investment attractiveness relates to the fact that Poland has been running numerous infrastructure development projects.

The forthcoming years are the best for investors to start their projects in Poland. Firstly, entrepreneurs may count on high subsidies from the EU. Secondly, the crisis forces subcontractors to cut service prices, which in turn reduces costs in general. Investments made now at the time of relative stasis should prove particularly effective and boost investments, competitiveness and preparedness for an economic upturn.

Despite all appearances, the Polish labour market remains attractive for employers. The latest Eurostat data shows the level of unemployment in Poland is still below the European average. Although higher than in the past, when taking into account inflation, labour costs in Poland are still competitive.

Statistics kept by the Polish Information and Foreign Investment Agency indicate that after a slight fall in the amount of projects at the beginning of the year, their number has been gradually increasing. The country has been chosen by the largest world concerns. Some of them, such as IBM, Cargotec or Cadbury, have been expanding their existing investments and creating new ones. As of 30 September 2009, PAIiZ was providing support to 101 investment projects which were worth EUR 3,062 mln in total and which, according to investors' plans, are bound to create over 32,000 new workplaces. The share of highly advanced projects is also on the rise. This has much to do with numerous investments in the BPO sector and in the field of R&D, which at the moment constitute nearly one third of the projects supported by PAIiZ.

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THE POWER OF WIND: WIND POWER INVESTMENT – BENEFITS AND PROBLEMS – HIGHLIGHTS

BY LUKOWICZ SWIERZEWSKI &
PARTNERS



(...) Based on Poland's climate and landscape, it can be expected that the wind offers the largest potential for generating renewable energy.



THE POWER OF WIND: WIND POWER INVESTMENT – BENEFITS AND PROBLEMS – HIGHLIGHTS

by Lukowicz Swierzewski & Partners

The EU and the world are at a crossroads concerning the future of energy. The challenges of climate change caused by anthropogenic emissions of greenhouse gases, mainly from the use of fossil energy, need to be tackled effectively and urgently. Boosting investment in energy efficiency, renewable energy and new technologies has wide-reaching benefits and contributes to strategy for growth and jobs. The renewable energy sector stands out for its ability to reduce greenhouse gas emissions and pollution, exploit local and decentralised energy sources, and stimulate world-class high-tech industries.

According to the EU Commission proposal for a new Directive on the promotion of the use of energy from renewable sources proposes to establish a target of 15% share of

renewable energy sources in gross final energy consumption in Poland by 2020.

Based on Poland's climate and landscape, it can be expected that the wind offers the largest potential for generating renewable energy.

First windmill in Poland was placed near Water Power Station in Zarnowiec in 1991. Since then we can observe progressive development of wind power plants.

Therefore, we would like to highlight the main issues relating to wind power investments.

Benefits

Under Polish Energy Law there is a number of rules applicable to renewable energy sources. These rules support the development of renewable energy by way of: (1) introducing an obligation for end-user sellers to purchase the energy generated from renewable sources for an average energy price in the previous year, and (2) introducing certificates of origin for renewable energy which can be sold by wind power plants to end-user sellers as end-user sellers are obliged to acquire and redeem the certificates in a number corresponding to the energy sold.

Problems

Investors often indicate a problem with obtaining connection to the grid, which is caused by the fact that transmission grid and distribution grid operators responsible for the development and reinforcement of the grid, for connection needs, often refuse the interpretation of the law favourable to investors. As a result, in order to avoid such refusal some investors decide to finance the development of the operators' grid. Another reason used by grid operators not to connect to the grid is to specify requirements that cannot be met by the investors rather than issuing a formal refusal (this is because a refusal must be reported to the President of the Energy Regulatory Office).

Currently, the Ministry of Economy holds public consultations in relation to proposed amendments to the Energy Law. The draft of the new regulation indicates a deposit fee for obtaining conditions for connection to the grid. The proposed amendment is not favourable to investors because they need to prepare additional funds to start a business.

Real estate issues

Wind power plant investors tend to sign long term lease agreements with land owners rather than acquire ownership of the land. The rent is usually calculated by reference to the installed output of wind turbines or as percentage of the annual value of the electric energy generated by wind turbines located on the land. When considering the location of a wind power plant, environmental regulations, building law regulations and the rules of spatial development in a given area are crucial and must be taken into consideration.

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THE EUROPEAN UNION SUPPORT OF BUSINESS ACTIVITY IN POLAND

BY ERNST & YOUNG



(...) According to the EU budget assumptions for the years 2007-2013, Poland is the largest recipient of EU funds amongst all EU Member States.



THE EUROPEAN UNION SUPPORT OF BUSINESS ACTIVITY IN POLAND

by Ernst & Young

According to the EU budget assumptions for the years 2007-2013, Poland is the largest recipient of EU funds amongst all EU Member States. The commitments for Poland in this period amount to **EUR 67.3 billion**.

Companies registered in Poland can benefit from the EU support funds through various support programmes, which provide support for projects focusing on: innovative technologies, R&D, environmental protection including energy from renewable sources, training activities, etc. Below we present the most popular types of support.

Innovative investments

In Poland support is granted to investments of high innovative potential which generate significant value added for the economy.

For example, production and service companies may benefit from the support for the implementation of innovative technological solutions. This aid scheme is

designed for projects worth **up to PLN 160 million** and the level of available aid ranges **from 30% to 70%** of expenses eligible for aid, depending on the company size and project location (currently for SMEs only).

There is also a special aid scheme for companies from production and service sector planning to implement innovative investment projects which involve high investment costs and create a significant number of new jobs (including, in particular, SSCs, BPOs, IT or R&D Centres). In the case of projects in the production sector, the minimum value of investment should be **PLN 160 million** and the support can amount to **up to 25%** of eligible expenses. For service companies there are no limits on the value of the investment and the level of support is **maximum 30%** of eligible expenses (exception: R&D centres – at least PLN 2 million, aid level ranges from 30% to 70% of expenses eligible for aid, depending on the company size and project location).

Renewable energy

There is a special aid scheme designed for projects in the renewable energy field, including: power produced by wind farms, hydroelectric power plants, from biomass or

biogas, or heat produced with the use of geothermal or solar energy.

The level of aid a project can receive ranges **from 30% to 70%** of expenses eligible for aid, depending on the company size and project location, but it cannot exceed **PLN 40 million**.

Training projects

There is an aid scheme for companies, which supports training projects aiming to improve qualifications of employees and entrepreneurs and adjust their skills to the market requirements.

The maximum level of aid available for a project ranges **from 60% to 80%** in the case of general training and **from 25% to 45%** in the case of specific training.

Granting aid – general rules

In order to receive support, an application must be submitted before launching the works on the project. There are calls for applications announced throughout the year. During evaluation procedure projects are awarded marks against fulfilment of specified evaluation criteria. Investments must fulfil all entry criteria and score at least a fixed number of points in the content evaluation

(levels specified separately for each aid scheme) to qualify for support.

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THE KOSTRZYN – ŚLUBICE SPECIAL ECONOMIC ZONE



(...) The tax benefits from the investment location in the Kostrzyn-Słubice Special Economic Zone belong to one of the few real public aid tools from the Polish government to the investors willing to invest in Poland.



The Kostrzyn – Slubice Special Economic Zone

Since 1997, the Kostrzyn – Slubice Special Economic Zone has been creating new workplaces in industry and services with the successful supports and services from local and foreign investors. The plots given to the investors are delivered with the entire technical infrastructure, with the allowances and tax exemptions packets, and also with a full compliance with the European Union's regulations, in order to create the best support possible for the companies willing to invest. The tax benefits from the investment location in the Kostrzyn-Slubice Special Economic Zone belong to one of the few real public aid tools from the Polish government to the investors willing to invest in Poland.

The wide support from the state and local authorities, they possess more than 90% of shares, guarantee a comfortable situation for investors who are willing to run the investment process.

The main purpose for creating the special economic zones is to make an allocated area with better conditions to run a business activity on its premises. It is mainly achieved by:

- ✓ *Repealing the public-legal encumbrances;*
- ✓ *Privileges for companies existing in the zone;*
- ✓ *Tax allowances and a preferences system.*

Why the K-S SEZ ?

- ✓ Excellent geographic location – in the western part of Poland, near the border with Germany, only 90km from Berlin.
- ✓ Ideal communication possibilities make people and goods transport easier.
- ✓ Very attractive tax allowances and preferences system – CIT tax exemption of 70%, 60% or 50% of the investment expenditures or of two years of labour costs.

- ✓ „Greenfield” terrains are ready for investment projects.
- ✓ Complete technical infrastructure on sold grounds.
- ✓ Low labour costs of about the minimum gross wages in Poland – 890 PLN in 2006.
- ✓ Very high unemployment rate – 21%.
- ✓ Application procedure of only two months, this is the process from delivering the permission to conduct an activity to selling the real estate.
- ✓ Full support of local authorities.

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LABOUR PRODUCTIVITY INCREASE — FROM BROAD TO NARROW PERSPECTIVE

BY TRIO MANAGEMENT



(...) Due to the economic slowdown, 19% of companies decided to seek additional opportunity by changing motivational solutions.



LABOUR PRODUCTIVITY INCREASE – FROM BROAD TO NARROW PERSPECTIVE

by Trio Management

Macroeconomic productivity of Polish employees is about half of the European Union average – 57% according to EUROSTAT in 2008 for GDP per capita in Purchasing Power Standards indicator. However, it is still rising. During the last twelve years it went up from 46,8 to 57% with no drop in any intervening year.

Polish companies have started to implement new technologies and new management techniques. Developments in technology create possibility to produce more and more sophisticated products and, at the same time, increase productivity. On the other hand, Polish managers are doing much better than ten years ago. They have learned that what is needed for better employee efficiency is good leadership and motivation.

During communist period, employees in Poland learned how to avoid leaders and pretend motivation to work. Nevertheless, by implementing modern tools in the present

time, companies have effected significant change in this area. Still, the percentage of companies that use such tools together with modern HR functions is still relatively low. It means that there is a lot of potential to increase efficiency on day-to-day basis.

According to Trio Management study, due to the economic slowdown, 19% of companies decided to seek additional opportunity by changing motivational solutions. According to the second issue of the study, during the first six months of 2009, 27% decided to do the same and 14% plan to follow. These numbers can definitely be interpreted as a step towards higher productivity.

Also the way in which companies are organized constitutes a great opportunity to increase productivity. Especially firms which have developed from a small family company and did not implement a new organizational structure covering all functions with clearly distributed responsibilities. Trio Management's experience shows that pushing a company in the right direction of organizational changes and supporting such changes with proper motivational tools usually brings results even higher than expected in the field of labour efficiency.

This can be regarded as a huge opportunity for investors who can expect high returns, of course, provided that an organization is on the right track to changes. According to the aforementioned EUROSTAT data, once the changes are implemented, Polish employees can be nearly twice as much effective as they are now. There is yet another confirmation of this thesis: Polish workers are recognized as much efficient when they work in Western Europe than when they work on their current positions in Poland.

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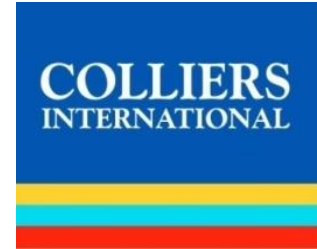
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OFFICE SPACE MARKET BY COLLIERS INTERNATIONAL



(...) The office market situation in Poland is currently very favorable to companies which are able to make a decision on the future location of their office now.



OFFICE SPACE MARKET

by Colliers International

The office market situation in Poland is currently very favorable to companies which are able to make a decision on the future location of their office now. This is recommended, in particular, to firms operating in cities which will see rent levels increase next year. This will be a consequence of insufficient market supply.

The first half of 2009 brought, to the office market, a high vacancy rate of 5.7%. The largest amount of sqm meters offered to lease is available in Słuzewiec Przemyslowy (Mokotów). However, this situation will not last forever. Quarter after quarter we will witness a decreasing amount of available office space. This will directly result from the lack of new projects being delivered. Therefore, according to market rules, when supply decreases, prices will go up, and then building owners will not be so flexible in their negotiations.

Today, companies still have a chance to close deals with more than gratifying results. Service charge fees can be negotiated and the usual incentive of the so-called rent holidays offered by landlords may also be

available. This opportunity relates in most cases to renegotiated agreements, but some new contracts, in new locations, may also benefit, especially if the company becomes the first tenant in the building. In this case even a company leasing 2 000 sqm may be offered more attractive terms than a second firm looking to lease an office in this development. A similar situation happens when the project is offered for sale. The level of vacant space can influence the value of the property, resulting in the landlord being more flexible in negotiations for leasing the space that is left.

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INVESTMENT OPPORTUNITIES IN POLAND

BY AZIMUTUS ASSOCIATES



(...) Poland has emerged as the most attractive market in Central Eastern Europe, taking into consideration investments.



INVESTMENT OPPORTUNITIES IN POLAND

by Azimutus Associates

Reasons to invest in Poland

In the recent financial and economic crisis, Poland has emerged as the most attractive market in Central Eastern Europe, taking into consideration investments. There are several drivers that determine the potential and attractiveness of the market.

Poland stands out as the largest market in CEE with the highest population and the highest number of large cities. With the second highest net monthly wage, stable GDP growth and strong currency, Poland is the most attractive country for investments in the retail and foodservice market. Food retail and foodservices constitute the food market with the total value of PLN 184bn.

Country	Population, m	Cities with population over 0.3m	Net monthly wage, EUR	GDP forecasted growth, 2009	GDP forecasted growth, 2010	Long term Moody's currency credit rating
Poland	38.1	10	761	2.0	2.4	A2 Stable
Romania	21.6	7	313	1.8	2.5	Baa3 Stable
Czech Republic	10.4	3	781	1.7	2.3	A1 Stable
Hungary	10.1	1	454	-1.6	1.0	Baa1 Negative
Bulgaria	7.6	3	174	1.8	2.5	Baa3 Stable
Slovakia	5.4	1	596	2.7	3.1	A1 Stable

Food retail

The Polish food retail sector has been developing at a level of 3.1% annually in the period between 2004-2008 and was worth PLN 165bn in 2008. Growth dynamics of food retail sector will slow down to 2.4% in 2009, but from 2010 it will continue to grow at the level exceeding 3% annually. There is more growth potential as there are only 5.3 hypermarkets per 1 million inhabitants (in Czech Republic, Germany, France and the UK there are 20 on average). Sales of the three largest retailers constitute only 2.9% of GDP, compared to 4.1% in Czech Republic. The market is not concentrated, with many small and local chains. The current tendency is that small stores are being pushed out of the market by the largest players. As many as 7,000 small stores in Poland were closed down in 2008 and this consolidation process is forecasted to continue.

Foodservices

McDonald's is the largest player on the Polish market, but the level of consolidation is still relatively low; five largest chains control ca. 10% of the market. In the period between 2005–2008, the value of the restaurant

market in Poland grew by 19% and in 2008 was worth PLN 19bn. Increasing remunerations in Poland, changes in purchasing habits leading to the situation in which more and more Poles tend to eat out and expansion of shopping malls are the main reasons of this growth.

Despite historical dynamic market expansion, there is huge potential for further growth, as in 2007 Poles spent in restaurants only USD 245 per capita, compared to USD 396 by Czechs, USD 1,050 EU average and USD 1,448 by Americans.

Investment strategy

Food retail

There are 3 segments in the food retail industry: hyper- and super-markets, discount stores and delicatessen chains. While the largest formats are dominated by international players such as Carrefour, Tesco or Jeronimo Martins, most developed delicatessen chains are local brands. They currently operate 30-60 stores on average and have been dynamically growing in the recent years. Their advantage over global super- and hypermarket chains are wider

choice of up-scale products, more carefully planned interior and locations that include city center. As the middle-class in Poland is forecasted to grow, delicatessen chains have further growth potential, hence they are an excellent takeover targets. After an acquisition, development may include entering rural areas as competition in urban areas is already strong.

Foodservices

Polish foodservices market offers excellent opportunities for investments via acquisitions. Out of five largest chains, two are dynamically growing Polish brands – Pizza Da Grasso and Sphinx Restaurants. There are also many chains that have largely increased the number of restaurants, which is now ranging from 10 to 60. The fastest developing and most popular in Poland are:

- pizza chains,
- cafes,
- sushi restaurants and
- casual dining restaurants.

While franchise system (including international chains) is highly developed in the pizza and fast-food segments, competition among cafes, sushi restaurants

and casual dining chains is not that fierce. International chains are just entering or have not entered the Polish market yet, e.g. Starbucks coffee has been present in Poland only since 2009. On the contrary, Polish chains are well developed and have built strong brands. Additionally, existing players have developed relations with trusted suppliers and can benefit from economies of scale. Therefore acquisitions may be the easiest way of winning the Polish foodservice market.

Potential investment targets by Azimutus Associates

There are many targets available in the foodservice industry; therefore consolidation process is possible; follow-on acquisitions may go behind the initial buyout. Below we present two potential targets.

Casual-dining restaurant and a club

A restaurant and a club located in Warsaw. The restaurant was founded in 1996 and it offers high and casual dining cuisine. In 2000 a club was established next to the restaurant. The club attracts many live performances. The restaurant and the club are profitable with revenues at PLN 13m.

Sushi chain

A Warsaw-based sushi chain currently operates 4 restaurants located in the most attractive districts of Poland's capital. The restaurants are known for their delicious sushi, as well as for events with sushi making lessons, exhibitions, wine tasting and karaoke. The chain generates revenues at the level of ca. PLN 4 m per restaurant.

Other examples of the companies and projects for which Azimutus has been granted sell-side mandate include:

Renewable Energy

Azimutus has a number of wind farm projects from 1.5 to 84 MWs installed capacity in Poland for sale. Renewable energy, wind energy in particular, is the most dynamic sector of the energy market. In 2000-2008 the world annual wind energy production grew by 600% and is forecasted to triple by 2013, while the Polish market grew 117-fold in the same period (forecasted 29-fold boom by 2020). Investment size: 1-100+ EUR m. Margins may exceed 80%.

Electrical Engineering Company

A Wrocław-based company that designs and installs electrical and low-voltage infrastructure, founded in 1993. The company currently employs about 60 people, generated PLN 16.5 m revenue in 2008 (19.1 % net margin) and has a wide range of credentials including major Polish banks, shopping malls and public institutions.

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IBM OPENS SERVICE DELIVERY CENTER IN WROCLAW AND LAUNCHES KRAKOW CENTER FOR BUSINESS INNOVATION



(...) IBM and the Polish Government signed an agreement to cooperate on the creation of the new IBM IT service delivery center.



IBM OPENS SERVICE DELIVERY CENTER IN WROCLAW AND LAUNCHES KRAKOW CENTER FOR BUSINESS INNOVATION

IBM has recently announced an opening of Service Delivery Center in Wroclaw and launching Krakow Center for Business Innovation to help fuel skills growth in Poland.

Delivering services in Wroclaw

On 30 September 2009, IBM and the Polish Government signed an agreement to cooperate on the creation of the new IBM IT service delivery center in Wroclaw. The new Integrated Delivery Center (IDC) will provide high-value information technology services to clients headquartered in Europe.

It will join the global network of IBM IT service delivery centers which monitor, maintain and support computer infrastructure and manage IT services for thousands of IBM clients around the world.

"We chose Wroclaw as the location for the new center because it provides a unique mix of linguistic skills, technical talent and an environment which is conducive for business

development", said Anna Sienko, Country General Manager of Poland.

The center is planned to be operational in Spring 2010.

In May 2009, the Wroclaw Research Center, European Institute of Technology Plus (WRC EIT+) and IBM agreed to collaborate on scientific research, graduate education and technological development in fundamental and applied sciences. IBM has a technology development laboratory and a business process outsourcing center in Krakow as well as Regional Competence-Implementation Centre in Gdansk.

Fueling skills in Krakow

On 16 October 2009, IBM opened the IBM Krakow Center for Business Innovation to foster the development of local information technology and business skills and to expand its customer and business partner ecosystem in the region. The new center will provide access to IBM technologies and experts to help local businesses address digital infrastructure opportunities in key growth industries such as banking, healthcare, government, energy and telecommunications.

"The establishment of this new center is an important step in delivering smarter solutions in Poland which can help to improve the infrastructures in key industries that serve our local communities" said Eric van der Schilden, IBM Krakow Software Lab Manager.

The center is IBM's first such facility in the Central & East European region that combines a traditional IBM Innovation Center for business partners and academics with the additional functionality of an IBM Executive Briefing Center, which offers facilities for in-depth technology briefings, product demonstrations and solution workshops, and an IBM Technology Exploration Center that provides clients a "hands-on" experience with IBM technologies and solutions.

"The Krakow Center for Business Innovation provides a great opportunity to share IBM's experience with key technologies," said Andrzej Szopa, Vice- president and General Director for Utilities sector Winuel SA, a Warsaw, Poland-based IBM Business Partner. "It will also be a place where we can work together with IBM on developing dedicated solutions for our customers, particularly in the energy sector, where there is an opportunity to leverage modern

technologies to create smarter and more efficient energy grids in Poland".



"These two moves further validate IBM's growth market strategy – to invest in the markets around the world which offer the highest levels of revenue growth and best source of talent." Said Anna Sienko, Country General Manager, IBM Poland

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POZNAN — A CITY OF BUSINESS

Poznan is one of the oldest cities in Poland. Located in west-central Poland, it is Poland's fifth largest city and fourth biggest industrial centre. Poznan is a city of many faces: a city of history and architecture with the Cathedral of St. Peter and St. Paul where the first kings of Poland are thought to be buried,

the 16th century renaissance Town Hall in the Old Square, the old merchant houses carefully restored after World War II and the splendid baroque parish church; a city of science and education with 10 schools of higher education and over 50,000 students in a city of 600,000 inhabitants; a city of art and culture – with the annual Malta Theatre Festival, the world - famous boys' and men's male voice choirs, the Polish Theatre of Dance - Poznan Ballet and the Contemporary Music Festivals.

Despite its various attractions, Poznan is mostly recognized as an important trade center and the second most prosperous city in Poland after Warsaw. Due to a great climate for investment, hard-working people and communication infrastructure with Western Europe, many



foreign investors, including Beiersdorf (NIVEA), Volkswagen, Nestle, GlaxoSmithKline, Bridgestone, Allied Irish Bank, Wrigley, SABMiller, Dalkia Group, von der Heyden Group, Franklin Templeton Investment, Carlsberg, have chosen Poznań or the near-by towns as the place to base their activity in Poland.

Poznan is also home to the Poznan International Fairs (<http://www.mtp.pl/en>). Situated in the city centre, the biggest centre of international trade in Poland is where trade fairs, exhibitions and shows take place. The International Fair calendar includes over 25 specialised events each year and attracts thousands of manufacturers, trading companies, scientific and research institutions from all the continents of the world. The biggest and the most important exhibitions include:

- Meble - Furniture and Interior design in May
- Budma - International Construction Fair
- Bumasz - International Fair of Construction and Road Building Machines, Vehicles and Equipment
- Polagra Food - International Food Products and Catering Trade Fair

WHERE TO STAY

City Park Residence

About City Park Residence

City Park Residence is Poznań's first top-level residence facility. Combining unique architecture with modern design, City Park Residence offers 88 elegantly furnished, air-conditioned suites. Our guests will appreciate our excellent location close to the city center, half way between the Lawica Airport and Poznań International Fair. Our in-house facilities, such as a swimming pool, conference rooms, and a cozy shopping mall with a number of cafes, guarantee luxurious relaxation and make a perfect place for organizing meetings and conferences.

Our facilities

City Park Residence offers 88 luxury suites, each with one or two comfortable beds, a 32" LCD television, a working desk with internet access and a snug relaxation area. On the more practical side, we offer a capacious wardrobe with an ironing board and a built-in strongbox. Spacious bathrooms will please even the most demanding guests.



To make you feel truly at home, we furnished each suite with a kitchenette, where you can prepare your meals on your own.

City Park Residence offers:

- 3 Executive Suites
- 2 Junior Suites
- 83 Classic Suites

City Park Residence has three spacious and well-lit conference rooms: **Parkus** (70 sq. m.) and **Magnus** which actually consists of two smaller rooms: **Magnus A** (60 sq. m.) and **Magnus B** (60 sq. m.). The rooms are furnished with state-of-the-art equipment and make a great place for business meetings and training sessions.

City Park Residence Poznań is the winner of the **TOPHOTEL DEBIUT 2008 category**

The WorldHotel Trade Fair chose the best Polish hotels. The competition was conceived and organized by Netmedia S.A.

There were as many as 20 categories and awards were given on the basis of votes cast by hotel guests.

The award we have received is both a challenge and an incentive. We will do our best to maintain the top quality of service and the unique atmosphere of these exceptional suites in the center of Poznan.

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Brovaria

Brovaria is a sea of possibilities! Restaurant in various styles of decor, mini brewery, bars, hotel, excellent cuisine, unique beer, original interiors, fantastic people, original music and peculiar ambience.

Great atmosphere in the heart of the Old Market Square

Brovaria Hotel offers you 21 rooms situated on the 3 floors of old-city tenement houses. The historical interiors house 3 single rooms, 15 double rooms, 2 high standard double rooms and 1 suite. Some of them overlook the Old Market square. All the rooms have been furnished in an elegant style of the 20th century, yet they include the equipment which constitutes the “must- have” of our times: cable TV, radio, telephone, internet access, modern bathroom, AC. The intimate character of the hotel, location in the very heart of Poznań and the mini brewery downstairs make the guests feel really special here.

Brovaria is a place where you can enjoy our specialties in a different atmosphere each time you visit. The tenement house inconspicuous from the outside, surprises



visitors with vastnesses of space and the diversity of interior designs. Everybody will find the right place for themselves in Brovaria - suitable for different time of the day and

character of the meeting. There are four restaurant rooms in the two tenement houses, situated on different levels, each furnished in a different style.



Fusion Cuisine to everyone's liking

Dishes that are served in Brovaria on the original rectangular plates are the effect of talent, imagination and hard work of our chefs. Brovaria offers you modern cuisine based on the latest recipe trends. What is commonly called fusion cuisine is a mix of styles and dishes from all over Europe and the world, with the attention paid also to a visual effect. Therefore, one can find on our plates influence of the French, Italian,

German and Polish cuisine, dishes which go well with beer – but are not fatty. Beer lover will definitely enjoy various specialty beers made in our own mini brewery.

Our restaurant provides excellent conditions for holding smaller or bigger business and social meetings. One can choose between various restaurant rooms to suit best the nature of the meeting and the number of guests. The room with beer vats can seat 160 people, the cellar 70 people while the “breakfast room” is suitable for 60 people. We guarantee professional service and efficient organization of each meeting in Brovaria.

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EATING OUT

Le Palais du Jardin

A temple of grace and good manners. Immaculate service. Enormous wine list designed for connoisseurs as well as for those who want to try some fine, reasonably priced wine to go with their food. Utterly luxurious and rather formal, Le Palais du Jardin is probably the best venue in the area and definitely one of the best places to visit in the country. Established ten years ago, it is a real jewel among restaurants in Poland. To avoid disappointment, booking is unfortunately essential. The restaurant seats up to 100 guests on two separate floors and can accommodate around 150 for a stand-up reception.

For several years in a row Le Palais du Jardin has been awarded one of the top three restaurants in Poland by 'Newsweek' and 'Wprost' Magazines and the most desirable place to have dinner at by 'Poznań International Fair'.

Nouvelle cuisine in a modern, cream coloured setting, considered the best in the city, which focuses not only on dazzling presentation of Mediterranean dishes **served**



with an artistic twist but also at the roots of French techniques of fine dining at its best. Attention to every detail, which is revealed in quality of food and service, helps to offer seven different set menus created especially for guests who intend to make a reservation for bigger number of diners. Every single one of them offers a three or four-course dinner and, at the same time, leaves at the opportunity to choose whatever guests prefer, according to their liking.

Business Autumn in Poland

For those who have interest in wine, an immaculate wine list of outstanding quality, still reasonably priced though, has been introduced. It consists of more than 150 wines, both white and red, of different origin as well as character. The restaurant, being an exclusive wine importer at the same time, specializes in wines of the so-called Old World, i.e. France, Italy, Spain and Portugal. Some of the finest champagnes, proseccos, ports, sherries and most desirable dessert wines such as Sauternes, Monbazillac and Recciotto complete the restaurant's unique and elegant wine selection.

Additionally, Le Palais du Jardin offers an outside catering specializing in finger food of

extraordinary presentation and outstanding quality, as well as its own service and transport. If you are interested in organizing an event, Le Palais du Jardin will be delighted to discuss all the details with you.

For more information please contact:

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