



Spring 2010



Business Spring in Poland

Dear Reader,

We have the pleasure to present you with the fourth issue of our quarterly magazine on Poland and the Polish business environment. The Spring publication includes information about privatisation proposal in the construction industry, amendments in regulation in Poland, FDI, CIT exemption in Special Economic Zones, and many more.

Should you have any questions regarding the articles or the field of activity of any of the partners and their projects, please do not hesitate to contact us at any time. We will be delighted to meet your clients and arrange meetings with companies or governmental authorities.

Poland is the only European country which recorded a GDP growth during the last year. In the next few years, the condition of the Polish economy could be influenced by the Polish Presidency of the UE Council in 2011 and the European Football Championship in 2012.

In the SPRING issue we invite you to another Polish city – Cracow. If you do wish to spend some time in Cracow, we will be delighted to facilitate your stay by helping you in arranging meetings that are in the scope of your interest and providing guidance on how to have a great time in Poland.

With our warmest regards,

The Authors

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Ministry of Treasury of the Republic of Poland



Invest
in Poland

POLISH INFORMATION AND
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Privatisation proposal in the construction industry by The Ministry of Treasury

The construction sector is one of the key sectors included in the "Privatisation Plan for 2008-2011" being implemented by the Ministry of Treasury.

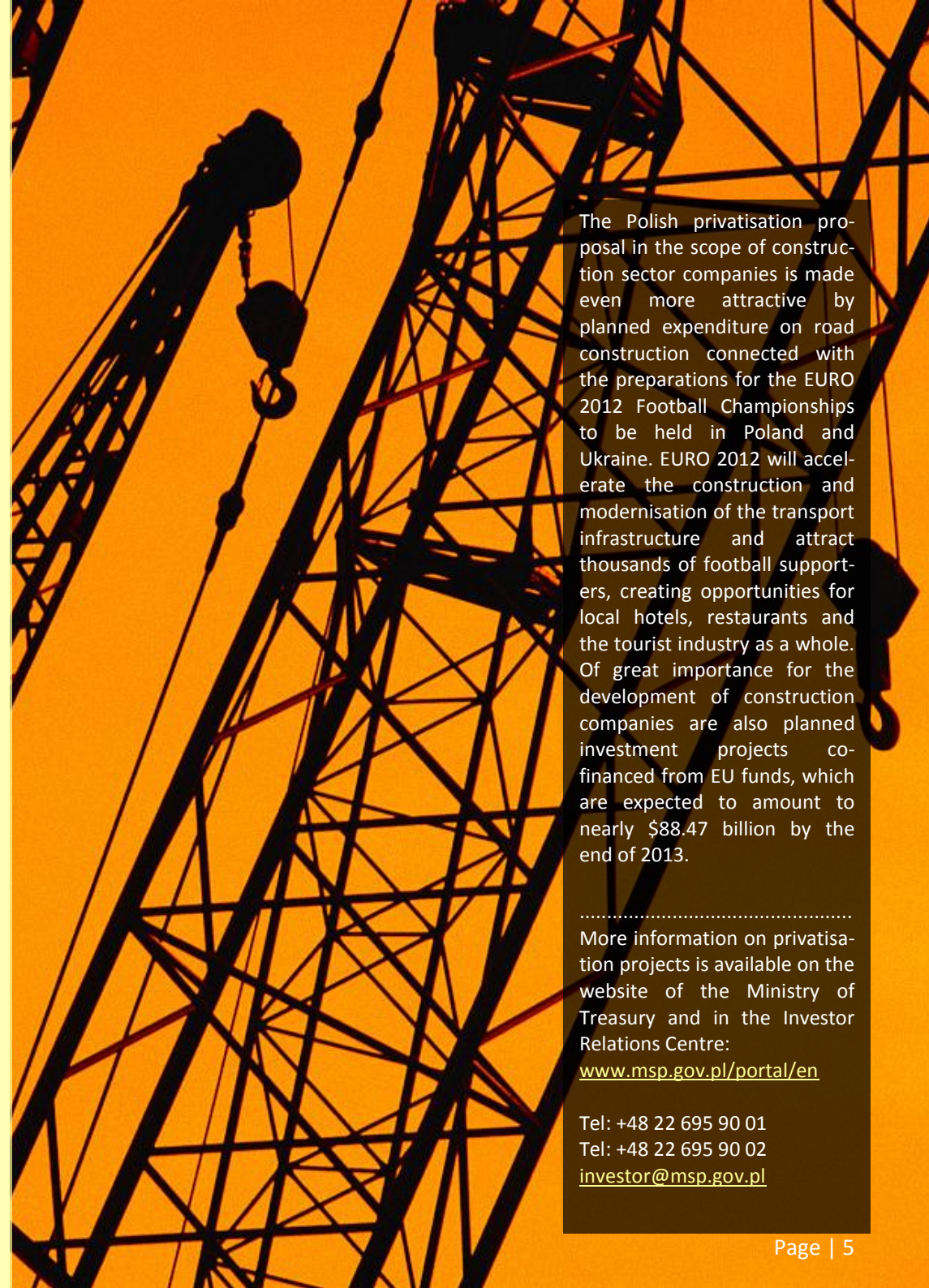
The Plan, which is expected to bring more than \$12.9 billion to the state budget, encompasses more than 800 companies, 40 of which can be regarded as belonging to what is the broadly understood as the construction sector. The great variety of companies in terms of their location, size and type of activity makes the privatisation proposal of the Ministry of Treasury very attractive for various investor groups.

Thirteen of the above-mentioned 40 companies specialise in road and bridge construction. Most have their premises located in the south of the country but some also operate in North and North-Eastern Poland. These companies focus their activity mostly on the local market, often holding a leading position with regard to the number of contracts won for the execution of local investment projects.

Another group of construction companies in the "Privatisation Plan for 2008-2011" are companies specialising in hydraulic and power engineering. Among them is Elbud from Gdańsk, which follows the current trends in the power sector and plans to mark its presence in the construction of wind farms.

Moreover, in the wide proposal of the Ministry of Treasury there are also a number of construction companies specialising in matters such as construction ceramics or dealing with installations, the execution of construction projects and trading in construction materials.

The attractiveness of the Polish construction sector is clearly seen against the background of the whole Polish economy. Despite expected difficulties due to the financial crisis, in 2009 the construction industry grew by 5%. Forecasts for this sector for 2010 are also optimistic, assuming (according to PMR Publications estimates) an increase by a further 8%.



The Polish privatisation proposal in the scope of construction sector companies is made even more attractive by planned expenditure on road construction connected with the preparations for the EURO 2012 Football Championships to be held in Poland and Ukraine. EURO 2012 will accelerate the construction and modernisation of the transport infrastructure and attract thousands of football supporters, creating opportunities for local hotels, restaurants and the tourist industry as a whole. Of great importance for the development of construction companies are also planned investment projects co-financed from EU funds, which are expected to amount to nearly \$88.47 billion by the end of 2013.

More information on privatisation projects is available on the website of the Ministry of Treasury and in the Investor Relations Centre:

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Better Regulation in Poland – removing barriers to business by the Ministry of Economy

Increasing the competitiveness of the European economy is one of the priorities of the Lisbon Strategy. The most significant reform in Poland aiming to improve the regulatory environment is the Regulatory Reform programme for the years 2010-2011, carried out by the Ministry of Economy.

The aim of the programme is to create an evidence-based legislation system and to remove barriers affecting entrepreneurs.

The programme combines a set of three cross-linked activities: Regulatory Impact Assessment system including a broader social consultation scheme, a reduction of administrative burdens and a simplification of existing regulations. All of them are carried out with the „think small first” principle in mind, which means that the changes are focused mostly on small and medium enterprises. Due to a flawless exchange of knowledge, the Regulatory Reform in Poland incorporates the best practices shared by the EU Member States as well as the international organisations, notably the OECD and the World Bank.

Better Regulatory Impact Assessment system

Regulatory Impact Assessments (RIAs) are prepared as part of the process to make policy and provide an assessment of costs, benefits and risks of a proposal on the society. They identify and assess all the options, both regulatory and non-regulatory and determine whether the benefits justify the costs. The RIA process helps policy makers to think through the consequences of proposals, improving the quality of advice to Ministers and encouraging informed public debate.

Reduction of administrative burdens

The term administrative burdens means abolishing barriers limiting the freedom of economic activity and refers to such obligations as: completing forms, filling applications for recognition of the ability to run a particular type of business, reporting obligations, measurements registration obligations, applications for permits, drawing up periodical reports, participation in inspections, etc. It is an initiative of the European Commission to eliminate unnecessary red tape constraints by all Member States. In March 2008 Polish Government adopted targets for cutting red tape in seven selected priority areas of law until the end of 2010.

The reduction in priority areas will not be the final step in this process. The Ministry of Economy is in the process of preparing a reduction scheme for the whole field of economic law.

Simplification of existing regulations

The aim of the simplification is to remove the barriers for entrepreneurs, ensuring a more business-friendly law. The acts selected for change are collected in the *Package for the Entrepreneurship*. Since the beginning of the initiative in 1998, sixteen acts of the Package have come into force, and a further eighteen acts are still in the pipeline. This list has not yet been closed. The key act in the Package is the *Statute on reduction of administrative barriers for citizens and entrepreneurs*. This single act of law has been prepared through screening 205 acts of law for obsolete or unnecessary regulations. During this process almost 250 changes were proposed to almost a hundred acts. The proposed changes, when finally approved in 2010, will limit administrative control over the setting up of businesses and conducting business activity, reduce the number of procedures and administrative obligations imposed on entrepreneurs and facilitate access to freelance professions. The changes will also help remove barriers such as unnecessary permits, licenses, concessions, fees etc.

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FDI IN POLAND FEELS GOOD BY POLISH INFORMATION AND FOREIGN INVESTMENT AGENCY

In 2009, the year of crisis, FDI in Poland fell by only 16%, whereas the global decrease of foreign investment totalled 40%. Poland is still attractive to foreign investors.

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The global economic downturn demonstrated Poland's economic stability. Poland is the only European country which recorded positive economic growth last year.

According to the National Bank of Poland's preliminary data, the FDI inflow to Poland in 2009 was EUR 8.4 billion. 2009, the crisis year, saw the FDI inflow to Poland fall by 16% y-o-y. The figure is one of many factors that testifies to the fact that the crisis did not decrease Poland's FDI inflow dramatically. This aspect combined with a visible improvement in the investment climate in Poland shows that in the field of foreign investments, the country performed better than was expected by even the most optimistic analysts.

In fact, due to exchange rate movements, the figures look less attractive in USD (the decrease is 20%) but it is worth paying more attention to the situation in Poland's currency as this is where the real influence of investments on the economy can best be seen. The value of FDI in 2009 totalled PLN 35.8 billion i.e. 101% of last year's volume!

What was happening in the world at that time? According to UNCTAD, global capital flows in 2009 fell by nearly 40%, in the USA by 57%, in Japan by 53% and in the European Union by around 30%. Also Poland's direct competitors recorded serious falls in FDI inflows - the Czech Republic - 63%, Hungary - 165%, and Romania - 54%.

Not only does the data show that Poland is still attractive to foreign investors but also themselves: in the ranking The Foreign Direct Investment Confidence Index by AT Kearny Poland went up from 22nd to 6th position. The study indicates the degree of confidence of foreign investors and involved the managerial staff of companies that receive more than 2 trillion USD in income annually.

The Polish economy and the appeal of investment have sufficiently strong fundamentals to soothe turbulences of the times of crisis. European Union membership, absorptive internal market, an educated workforce and investment incentive schemes are the factors which decide about Poland's investment attractiveness.

Currently, PAIIZ provides support to nearly 120 investment projects. The share of highly advanced projects is also on the rise. This is strongly connected with numerous investments in the BPO sector and in the field of R&D. Other attractive sectors for investment in Poland are the electronics, aviation or aerospace, automotive, machinery, metal processing, and chemicals sector. The majority of foreign investment in Poland comes from the European Union member states, namely from the UK, and the rest from the U.S., Japan, China, South Korea and India.

New legal environment for PPP projects

The speed at which the markets are developing across Central and Eastern Europe is intense. There is a sense that many governments are keenly aware that the PPP model allows them to see the investment benefits in the short term and they do not want to miss out on the opportunities this provides. We believe that governments may soon be competing for the attention of contractors and funders capable of delivering on these large-scale, complex arrangements.

The factors which point the Polish Government towards PPP remain: the continuing demand for new and improved infrastructure and the tight budget.

On 19th of December 2008 the Polish Parliament enacted new Act on public - private partnership. The Act has created the legal basis for cooperation between the public and private sectors for infrastructure and public services. Poland has decided to regulate in a new way the rules of public-private partnership agreements to ensure proper use of public funds and higher standards of services. The Act governs the rules and mechanism of cooperation and seems to take into account the suggestions offered by both the public sector and private entities. The subject of public-private partnership is joint implementation of a project based on division of tasks and risks between the public entity and the private partner.

By concluding the contract of public-private partnership the private partner shall commit itself to implement the project at a remuneration and to cover in whole or in part the expenditures for project implementation or cover them by a third party, while the public entity commits itself to collaborate for the purpose of achievement of the project goal, in particular by making its own contribution.

The remuneration of the private partner shall primarily depend on actual use or actual availability of the subject of the public-private partnership. The contract of public-private partnership shall define the consequences of inappropriate performance or non-performance of commitment, in particular contractual penalties or a decrease in the remuneration of the private partner or company.

Who may be a party to a PPP agreement is fairly wide in scope. From the private sector side, individual legal entities can participate. Also non-domestic private partners are welcome provided that they comply with the legal and economic requirements in Poland for such an activity. On the public sector side, state administrative bodies, self-governing bodies and unions, funds for special purposes, state universities, cultural institutions and state entities can all enter into PPP arrangements.

Under the rules of the Act the PPP the contract of public-private partnership can provide that for the purpose of performance of it the public entity and the private partner shall establish a capital company, a limited partnership or a limited joint-stock partnership.

The Act has established the rules concerning the criteria of the selection of the private partner. According to the Act, if the remuneration of the private partner is represented by the right to collect benefits from the subject of the public-private partnership, or mainly such a right together with payment of an amount of money, the selection of the private partner shall be carried out by applying the provisions of the Act of 9th of January on concessions for construction works or services. In other cases the selection of the private partner shall be carried out by applying provisions of the Act of the 29th of January 2004 – Public procurement law.

Expect the next year to deliver surprises. We believe that with project pipelines now ready to go, the market will speed up. There is a sense that now Poland does not want to miss out on what PPP can deliver in terms of the social and transport infrastructure.

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CIT exemption in Special Economic Zones in Poland

by Ernst & Young

Companies in Poland may apply for aid in the form of a Corporate Income Tax (CIT) exemption within Special Economic Zones (SEZ). This exemption is granted on the basis of a permit issued by the Ministry of Economy for running a business in the SEZ.

General SEZ information

A SEZ is a part of Polish territory set up for a specific period of time (currently until the end of 2020) where companies' operations are governed by rules set out in the relevant SEZ law provisions. At present, there are 14 SEZs in Poland. Each SEZ consists of several sub-zones which are located in different places, not necessarily adjacent to each other. The overall area of all zones is equal to over 12,500 ha, but it may be extended up to 20,000 ha.

CIT exemption

The CIT exemption implies that income generated from business activities carried out by an investor in the SEZ is CIT-exempt. The level of support depends on the amount of **eligible costs** and **aid intensity** for the investment's location according to the map of regional aid intensities in Poland (please see below).

The costs eligible for aid can be constituted as follows:

- two-year employment costs of newly created jobs, or
- investment costs.

Map of regional aid intensities in Poland:
until December 31st, 2010



from January 1st, 2011



Maximum support level:

- 50%
- 40%
- 30%

SEZ permit

CIT exemption is granted on the basis of a permit that specifies the conditions to be met by an investor, in particular, the value of the planned investment, the intended level of employment, the starting date of the business activity and deadlines for fulfilling these obligations. The permit is usually valid until the SEZ ceases to exist.

The SEZ permit also specifies the activities to be performed in the SEZ which qualify for tax exemption. At the same time, revenues from activities not explicitly mentioned in the SEZ permit are taxable under the standard rules.

In principle, the investment activities may start after the SEZ permit is issued. Moreover, only investment costs borne and new jobs created after the SEZ permit is issued may be applied to compute the tax exemption.

SEZ extension to private land

The SEZ area can be extended to private land where the planned investment is to be located. In order to benefit from this solution, the investor is obliged to fulfill one of the specific criteria taking into account:

- a specified minimum number of new jobs created, or
- a specified minimum amount of capital expenditures to be incurred,
- development of innovative, new technologies, or
- supporting R&D and modern services (i.e. SSC, BPO, etc.).

A CIT exemption can be the additional source of aid for investment together with support granted from the EU funds or under the Multi-Annual Support Programme.

In case you are considering developing new projects in Poland, we are ready to provide you with any assistance you may require when choosing the best location and deciding on utilising public funding opportunities.

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Lodz Special Economic Zone

The Lodz Special Economic Zone (Lodz SEZ) is one of the most dynamically developing economic areas in Poland. Perfectly situated and with good transport links, it offers attractive investment areas in the Lodz region and in the city itself, as well as the possibility of gaining significant tax allowances. The advantages and comprehensive investor servicing offered have attracted many important business partners to Lodz SEZ, including such renowned brands as Dell, Procter&Gamble, Huchinson, Gillette, Bosch-Siemens, Indesit, Atlas or Ceramika Paradyż. Lodz SEZ consists of 42 sub-zones, located in the territory of cities and municipalities in the entire Lodz region, a part of Wielkopolska and Mazowieckie region.

In its sub-zones situated in the central Poland, the Zone offers a number of investment sites with full technical infrastructure and convenient access roads for industrial activity.

Moreover, Lodz SEZ also provides office space buildings, perfect for BPO and IT services. Class A buildings located in the City of Lodz offer the highest standard and friendly environment necessary for efficient work.

Entrepreneurs conducting business activities within the Lodz SEZ take advantage of public aid in areas such as:

- setting up new investment projects,
- creating new workplaces.

Public aid can take the form of a total income tax exemption, available for the entrepreneur until the amount of public aid has been used up (no later than by 2020).

The amount of public aid depends on the size of the company and qualified cost:

- 50% for large enterprises,
- 60% for medium-size enterprises,
- 70% for small enterprises.

In case of public aid for the purpose of a newly established investment, the eligible outlays cover:

- expenditures on the purchase of land,
- expenditures on buildings and structures,
- expenditures on new fixed assets (equipment),
- expenditures on purchase of intangible and legal assets necessary to obtain patents, licences etc,
- expenditures on renting or leasing, plots, buildings and structures, on condition that the period of rent or lease will last for a minimum of 5 years (3 years for SMEs).

Eligible costs of creating new workplaces are expenses connected with two-year labour cost of newly-hired employees (the gross labour costs plus all the obligatory payments connected with the employment of a new worker).

The basic conditions to operate within the Lodz SEZ are:

- own resources equal to minimum 25% of total investment costs,
- investment of minimum EUR 100,000,
- maintenance of the investment in the region for minimum 5 years from the end of the whole investment (3 years in case of small and medium enterprises),
- maintenance of the employment level for minimum 5 years (3 years in case of small and medium enterprises),
- conducting business activity with regard to which a permit can be granted,
- tax exemptions are granted only on the grounds of business activity run within the special economic zone.

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Key role of HR Management in M&A transactions

As recent data show, despite the global crisis and some difficulties with the access to financing, there is a wide and growing group of companies strongly interested in mergers & acquisitions in Central Europe. In 2009 the value of mergers & acquisitions in the whole region reached €25 billion.

A third part of these transactions (by market value and amount) took place in Poland.

HR in mergers & acquisitions processes

As M&As in Poland usually strongly focus on financial, economic and commercial aspects of the deal, people are quite often left aside. According to Towers Watson 2009 M&A Pulse Survey, HR is a critical resource in the M&A process. Managing key people issues and practices can either make or break a deal.

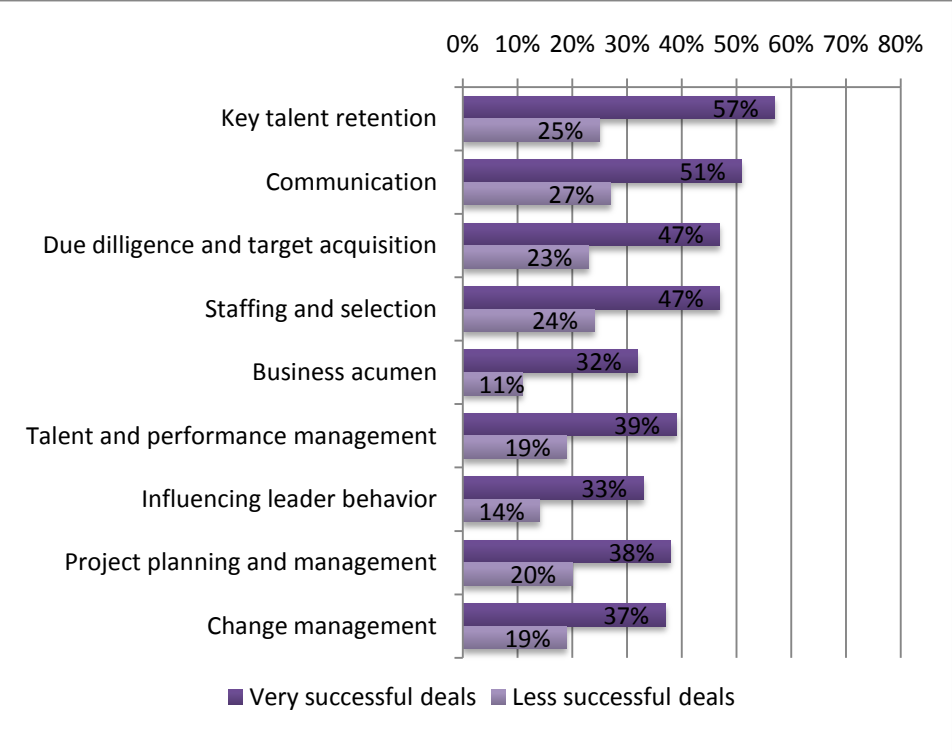
HR involvement in M&A process stages may include:

- Pre-deal – spotting problems; assessing people, organization and culture
- Due diligence – stressing key HR issues and risks
- Integration planning – advising on the organization design and development, retention and HR costs; determining the company culture; planning a proper communication (internal and external)
- Implementation – integrating HR policies, practices and tools; advising management staff on employee related issues.

HR in a post-merger process should be especially focused on accomplishing significant tasks such as:

- Organizing effective work and work conditions,
- Establishing a proper employment level and structure and defining necessary employee qualifications levels,
- Building and supporting an organizational culture.

Percentage of Very Effective HR Functions in Organizations Having Very Successful vs. Less Successful Deals



Source: Towers Watson 2009 M&A Pulse Survey

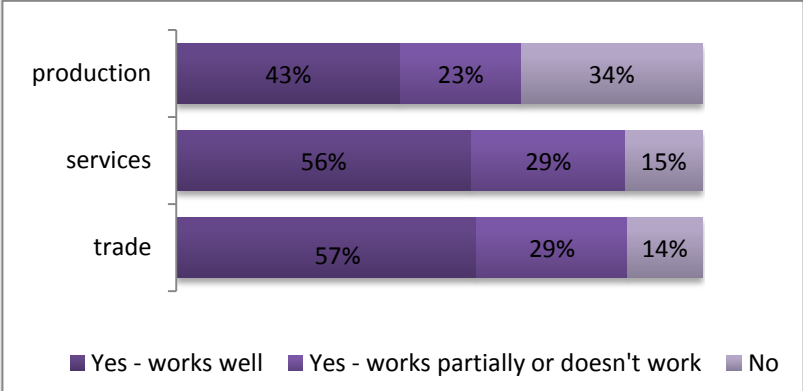
A very significant issue is underestimating compensation and benefits exposures while, at the same time, overestimating synergies and opportunities (resulting mainly from cost-cutting).

While calculating the exposures, all of the existing commitments should be considered. Many companies in Poland are in the process of upgrading their motivational schemes. According to the recent editions of 'Trio HR Attitude Index' – a survey conducted twice a year, almost 50% of companies have lately made changes in their motivational schemes or are currently in the process of changes. While performing due diligence of the target, it is important to verify not only the historical cost of benefits but also future commitments.

Additionally, in a large number of cases benefits offered by Polish companies vary and differ significantly from the market standard. The potential differences between a buyer and a target company could have negative effects, such as additional costs or key staff losses.

A popular example in Polish firms is the medical benefit.

Use of medical benefit as an effective attraction, motivation and retention tool




source: Trio HR Attitude Index March 2010

The presented graph illustrates the results of one of the questions from the 'Trio HR Attitude Index': whether the company uses a medical benefit as an effective attraction, motivation and retention tool. The companies were divided into three categories – by the type of business activity. In almost half of the companies this benefit works only partially, doesn't work or the firm does not use this type of tool at all. For organizations from the production sector this rate is even higher. The projects performed by Trio Management show that even within the group of companies offering medical benefits, those benefits vary in the extent of offered services and also in the position/number of the employees entitled to benefits. Companies taking part in the M&A process should be aware of such differences at the early stage to be able to solve organizational issues in the right time.

A separate area are benefits resulting from old collective labour agreements. In some industries, such as mining or energetics, it is essential to analyze them thoroughly. Cases of inheriting selected benefits by the employees' families can be still recognized in Poland nowadays.

Should you be considering M&A in Poland or developing new projects here, we are ready to provide you with all the support in the areas of managing key people issues and practices or the assessment of compensation & benefits exposures.

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IBM's new, 60,000 square foot, Leadership Data Center in Research Triangle Park, North Carolina officially opened on February 4, 2010.

IBM X-Force Report Reveals Phishing, Document-Related Threats Rising Dramatically

Poland is among the leader countries producing spam and which are the source of phishing attacks, according to the latest X-Force report presented by IBM.

'Poland is 7th among countries producing spam (3.9% of spam originated in Poland) and which are a source of phishing attacks (3.8% of all such attacks around the world)', said Michal Ceklarz, head of the Internet Security Systems Team in IBM Poland.

The X-Force report reveals three main threats that demonstrate how in 2009 attackers increasingly targeted Internet users for monetary gain or data theft. The appearance of new malicious Web links has skyrocketed globally in the past year. Phishing attacks, or sending email that falsely claims to be from a legitimate organization, also increased dramatically in the second half of 2009. It surpassed the monthly volume seen in 2008, with activity seen in countries that had not previously been in the phishing game. The number of vulnerability disclosures for document readers and editors also continued to soar. Of the two predominant types of document vulnerabilities - office documents including spreadsheets and presentations and Portable Document Format (PDF) documents - the latter has continued to dominate the charts.

"Despite the ever-changing threat, this report indicates that overall, vendors are doing a better job in responding to security vulnerabilities," said Tom Cross, manager of IBM X-Force Research. "However, attackers have clearly not been deterred, as the use of malicious exploit code in Web sites is expanding at a dramatic rate."

The 2009 X-Force Trends and Risk Report also finds that:

Vulnerabilities have decreased. Overall, 6,601 new vulnerabilities were discovered in 2009, an 11 percent decrease over 2008. The report indicates declines in the largest categories of vulnerabilities such as SQL Injection, in which criminals inject malicious code into legitimate Web sites, and ActiveX controls, small programs used on the Internet to help with tasks, may indicate some of the more easily discovered vulnerabilities in these classes have been eliminated and security is improving.

Vulnerability disclosures for document readers and editors and multimedia applications are climbing dramatically. 2009 saw more than 50 percent more vulnerability disclosures for these categories versus 2008.

Critical and high vulnerabilities with no patch have decreased significantly year on year in several key product categories. Vulnerabilities with Web browsers and document readers and editors have decreased, which indicates that software vendors have become more responsive to security issues.

Attacks on the Web using obfuscation increased significantly. Often launched using automated exploit toolkits, many attacks use obfuscation - an attempt to hide these exploits in documents and Web pages - to avoid detection by security software. IBM Managed Security Services detected three to four times the number of obfuscated attacks in 2009 versus 2008.

Web App vulnerabilities continue to be the largest category of security disclosures - The number of Web application vulnerabilities found by organizations has not decreased or become less of a threat. 49 percent of all vulnerabilities are related to Web applications, with cross-site scripting disclosures surpassing SQL injection to take the top spot. 67 percent of web application vulnerabilities had no patch available at the end of 2009.

New malicious Web links have skyrocketed globally. The number has increased by 345 percent compared to 2008. This trend is further proof that attackers are successful at hosting of malicious Web pages and that Web browser-related vulnerabilities and exploitation are netting a serious return.

Phishing is still focused on the financial industry.

While some phishing scams target logins and passwords, others attempt to entice victims into entering detailed personal information by posing as government institutions. By industry, 61 percent of phishing emails purport to be sent by financial institutions, whereas 20 percent purport to come from government organizations.

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Chicago Office of Emergency Management Contribution (OEMC) Command Center
IBM has worked with the City of Chicago Office of Emergency Management and Communications (OEMC) to implement one of the most advanced city-wide intelligent security system ever conceived. The engagement is a part of Chicago's Operation Virtual Shield, a project that encompasses one of the world's largest video security deployments. The OEMC video network is designed to allow city officials to monitor such mundane activities as traffic patterns on a day-to-day basis, while also being able to detect suspicious activity and potential public safety concerns from a centrally monitored system.

Phishing rates dipped mid-year but rose dramatically in the last half of 2009. Brazil, USA and Russia were the countries where most malicious attacks originated, supplanting Spain, Italy and South Korea at the top in the 2008 report.

"One cause for concern is the rise in the use of exploits targeting document readers," said Cross. "While vendors appear to respond more effectively with patches for document reader and editor vulnerabilities, it is apparent based on the level of exploitation that is still occurring that computer users may not be vigilant at installing the patches that are available."

The X-Force research team has been cataloguing, analyzing and researching vulnerability disclosures since 1997. With more than 48,000 security vulnerabilities catalogued, it has the largest vulnerability database in the world. This unique database helps X-Force researchers to understand the dynamics that make up vulnerability discovery and disclosure.

IBM is the world's leading provider of risk and security solutions. Clients around the world partner IBM to help reduce the complexities of security and strategically manage risk. IBM's experience and range of risk and security solutions -- from dedicated research, software, hardware, services and global Business Partner relationships -- are unsurpassed, and help clients secure their business operations and implement company-wide, integrated risk management programs.

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For more security trends and predictions from IBM, including graphical representations of security statistics, download the 2009 IBM X-Force Trend and Risk Report:

www.ibm.com/services/us/iss/xforce/trendreports/

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The Polish HoReCa market in times of crisis by GfK Polonia

Surveys show that 2009 proved crucial for the Polish HoReCa market, whose value fell considerably in that period. While in 2008, the HoReCa market developed at a steady pace of 5-10 per cent, 2009 saw the trend reverse. The global economic crisis left its mark on the situation on this market as both the number of consumers and the mean value of expenditures in establishments decreases, which directly resulted in falling turnovers.

What seems crucial is that the average turnover on the HoReCa market, not including the peak seasons, fell by c. 3 per cent in 2009, while the number of customers dropped by c. 20 per cent. Surveys show that restaurants (including those in hotels), pubs and night clubs suffered the greatest losses, whereas fast food chains and cafes got off lightly.

In the same period, the reverse trend was observed in the sector of seasonal establishments. The growth in turnover reached the unexpected level of c. 15 per cent. This was mainly owing to the higher than ever number of customers dining there and to the higher average daily expenditure in this group. The reason is that a significantly greater number of Poles decided to spend their holiday in their country.

HoReCa market clients in 2009 can be divided into three characteristic groups:

- the frugal, who reduced the number of visits to establishments (35 per cent) or cut down on their expenses (24 per cent) in comparison to the previous year;
- active consumers, who spent more (17 per cent) or went out more frequently (10 per cent) than in 2008;
- the people who declared no change in their behaviour in the past year (over 55 per cent), and who can be described as core clients – regular patrons on whom the economic crisis had no impact.

Nearly 75 per cent of those who dine out are young people aged up to 30. People aged 30-50 make up a mere 16 per cent of the consumers. This may stem not only from the desire to save but also from the lack of attractive offers for this group. Interestingly, 45 per cent of the population do not use the above services at all.

As the main reason for visiting gastronomic establishments, more than half of the respondents indicated meetings with friends. Among them, over 60 per cent were young people (aged 20-30). More and more people declare using such services also while travelling (people aged 20-30).



An important trend observed in 2009 is the steadily growing importance of location, ambience and interior decoration as the criteria based on which customers choose an establishment. The importance of the location was indicated by 60 per cent of customers, and the atmosphere by more than half of them. Prices and quality have also become increasingly important recently.

The reasons for the above trends can be found in the development of shopping centres, changes in ways of spending free time and changes in lifestyle. Increasingly frequently, meals are eaten out of the home. The Polish family model is also undergoing constant changes. Young people who pursue an active lifestyle fit with the new trends much more, and it is mainly to them that the HoReCa market offer is aimed.

Source: Omnibus 15+ survey conducted by GfK Polonia Institute in July and August 2009

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Hotel Unicus in Cracow

Hotel Unicus in Krakow... a boutique hotel in the heart of town, guaranteeing unique impressions and comfort. It combines modern design and style with the intimate atmosphere of a historic tenement house. All of Krakow's most important sites are just a short walk away/ just a stone's throw away: the train station, Market Square with its famous Cloth Hall, Wawel Royal Castle, the J. Słowacki Theatre, business and shopping centers, galleries, museums and many charming corners.

There are single, double rooms and a spacious suite at the guests' disposal. Tastefully, comfortably and functionally furnished, they guarantee the optimum conditions for work and rest. Each room is individually designed and surprises with the boldness of the colour compositions and shapes. In the room guests will find tea and coffee-making facilities, an iron and ironing board, mini bar and safe as well as a comfortable bed with natural fabric bedding. For modern technology fans there are iPod and iPhone docking stations in each room. Business travellers can use the free wireless internet throughout the hotel.

The bar and restaurant housed in medieval interiors offer an unforgettable feast for the palate and the senses. In the morning the restaurant is filled with the aroma of freshly brewed coffee. At the tasty and plentiful breakfast buffet guests can find something special to provide energy for the whole day.

In the afternoon, savoury dishes originating from various corners of Europe and prepared by the Chef Rafał Targosz will enchant even the most fastidious gourmets.

The exceptional menu changes according to the seasons of the year and includes a choice of meat and fish baked with herbal aroma, delicious soups, filling pasta dishes and fresh salads.

Smooth music and traditional and exquisite drinks served in bar will put guests in a good mood. The product offer also includes traditional wines from various regions of Europe, as well as trendy liquors from the New World. The wine offered by the Hotel Unicus restaurant and bar combines grace and finesse with a simple joy of life.

For rest and soothing relaxation, the hotel recommends its sauna located on the second floor with its unforgettable view of Floriańska Street.



andel's Hotel Cracow is located next to Main Train Station and Galeria Krakowska making it an ideal location, whether you arrive by train, car or airplane. The express train connecting Balice airport and the main train station allows to reach the airport in just 12 minutes from andel's hotel Cracow!

The hotel offers 159 rooms, including the andel's Apartment with an unforgettable panoramic view of the Old City, one Senior Suite, 4 Junior Suites and rooms for disabled people. All rooms feature plenty of natural light thanks to spectacular floor-to-ceiling windows. Each room has LCD satellite TV, DVD player, broadband Internet access and Wireless Internet, individual air conditioning, mini-bar, electronic personal safe with notebook charging possibilities and a telephone.

The executive rooms are located on the top floor and offer state-of-the-art equipment and services designed expressly to meet all executive travellers' needs.

The Hotel Restaurant Delight, with a capacity of 128 people, serves international dishes. During the long summer days and evenings guests can enjoy their meals on the open-air summer terrace with its superb view of the



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Hotel restaurant prepares an extremely wide range of dishes. Every day the restaurant offer breakfast, from Monday to Friday business lunches and brunch on Sundays. Throughout the year, the restaurant offers dishes that take you on a journey to different parts of the world. The intimate hotel Oscar Bar invites hotel guests and business travellers to enjoy fresh drinks, as well

as quick lunches and snacks and many more attractions such as happy hours or live music every Friday.

The spacious conference centre, which features plenty of natural daylight, is located on the 1st floor of the hotel. The total area of the 5 conference rooms and foyer is almost 500 square meters, with a combined capacity of 320 people.

The rooms have sliding walls, which allows them to be connected and divided according to the guests' needs. State-of-the-art multimedia conference technology, as well as a variety of screens and flipcharts, are at the client's disposal. High-speed Internet access and wireless Internet are available in each of conference rooms.



Spring 2010



Ministry of Treasury of the Republic of Poland



**Regulatory
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Ministry of Economy
Department of Economic Regulation



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