

**BUSINESS
SUMMER
IN POLAND 2012**

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by the Ministry of Treasury

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Foreign issuers on Warsaw Stock Exchange

Foreign companies make up nearly 30% of WSE's capitalization

by the Ministry of Treasury

The list of Warsaw Stock Exchange (WSE) issuers currently involves **47 foreign companies**, including 40 listed on the WSE main market and 7 – on the alternative market NewConnect. While the foreign firms present on the main market constitute only 9.2% of the market's total number of companies, the foreign issuers' pooled capitalization at PLN 192.8 bln as of May 16, 2012, makes up as much as 29.7% of the WSE main market total capitalization.

2011 brought an increase of foreign issuers' interest in WSE listing: we have seen as many as 15 foreign WSE debuts, the number including 12 debuts on the WSE main list.

The last year's main market debutants included, among others, 6 firms from Ukraine, 2 enterprises from Lithuania and 2 companies from Bulgaria, one of them being the country's largest pharmaceuticals producer Sopharma AD.

So far in 2012 the group of the WSE's foreign issuers has been reinforced by merely one company – Slovenian pharmaceuticals producer Krka.

The largest group of WSE foreign issuers are firms from Ukraine, there are 11 of them listed on both the main and the alternative market, reports on the WSE website read. The second largest group is made up of Czech companies (there are 7 of them).

Amidst 40 foreign companies present on the WSE main market, 20 are listed in Warsaw exclusively, while the other 20 are on the WSE as part of the so called dual listing, with Warsaw not being their primary stock market.

Dual-listing on the WSE has been selected e.g. by Czech energy group CEZ, which is also listed in Prague, or US-registered, Nasdaq-listed liquors distributor Central European Distribution Corporation (CEDC).

The Warsaw bourse's international significance is also exemplified in the make-up of the list of its members – here, foreign entities constitute the majority (30 out of 57).

The group of foreign WSE members, featuring institutions from 14 countries, includes quite a few players of global importance – suffice it to name Goldman Sachs, Morgan Stanley, Merrill Lynch, JP Morgan, Credit Suisse, Societe Generale, UBS, BNP Paribas or HSBC.

Winning and promoting foreign issuers is essential to WSE's development strategy

The WSE consistently implements its strategy aimed at consolidating its position as the financial hub of the region of Central and Eastern Europe.

The presence of foreign issuers is crucial in this respect, as it not only allows for increasing the WSE's capitalization, but also lends it the status of an international market, thus encouraging other companies of the region to raise capital on the WSE. That said, it is no wonder the WSE takes a number of measures to promote the Warsaw stock market as a bourse friendly to foreign issuers and to advertise for foreign companies already listed on the WSE among domestic investors.

One of the initiatives seeking to address the first of the goals is the conference *CEE IPO Summit*, the second edition of which was held at the WSE seat on May 30-31, 2012. *CEE IPO Summit* is designed to be not only a series of lectures and panel discussions, but also an occasion for entrepreneurs to strike up new contacts with potential business partners. A total of 456 guests from 18 countries took part in presentations, panels and debates on the role of countries from Central and Eastern Europe in the global economy and the regional significance of the Polish capital market. The best-represented countries were Ukraine and the UK, with other international guests arriving from Austria, Romania, Greece, Turkey and the Baltic states.

A new element this year was the broad approach to the theme of Emerging Europe, which was the subject of panel discussions during the first day of the conference. The opening talk by Jim O'Neill, a leading economist who coined the acronym BRIC, concerned the chances for countries in the region in the context of changing global economic factors.

“Over the last decade countries in Central and Eastern Europe have had the same impact on global economic growth as India. Several countries in the region would be better candidates for membership of the euro zone than states which are already using the single currency,” he said.

Another focus, namely on promoting foreign WSE-listed firms listed among institutional investors, was

adopted for the *2nd WSE International Companies' Forum*, held on April 26, 2012.

The meeting gathered 15 of the WSE's foreign issuers as well as representatives of 48 financial institutions and brokerages. According to the WSE's statement, the forum featured “open company presentations and one-on-one meetings between companies and investors.”

While discussing the WSE's efforts to promote its foreign issuers, it seems worthwhile to report on the key initiatives of 2011, too.

One of such initiatives was the introduction of the index WIG-Ukraine, the first index of WSE-listed foreign companies (and the second national index in general, after WIG-Poland), on May 4, 2011.

The index's portfolio currently comprises 10 companies whose seat or headquarters are located in Ukraine, or whose business is conducted to the greatest extent in this country: Agrotion Public Limited, Astarta Holding, Coal Energy, Industrial Milk Company, Kernel Holding, KSG Agro, Milkiland, Ovostar Union, Sadovaya Group oraz Westa ISIC.

Yet another endeavor undertaken last year to promote the WSE in the region was *CEE IPO Roadshow*, which consisted in a series of meetings and seminars held in September 2011 in Budapest, Ljubljana, Kiev, Tel Aviv and Vilnius. During the meetings, the WSE was presented to over one hundred representatives of key companies from Hungary, Slovenia, Ukraine, Israel and Lithuania.

Last but not least, another of the WSE's initiatives that has to be mentioned here is the ongoing program *WSE IPO Partner* – pursued since November 2006 in order to “facilitate foreign companies' access to information and help them at debuting on the WSE.”

The program targets foreign advisories that want to promote the Warsaw bourse in the area of their operations as the right place to raise capital.

As underscored in the program's description, the benefits coming from the cooperation in the *WSE IPO Partner* framework are mutual: the WSE pledges to provide its IPO partners with any necessary consultation, to grant them access to its promotional publications and to invite them to take part in events and conferences it holds. The list of the WSE's IPO partners currently includes 26 entities.

Polish transport minister visits Shanghai

by the Ministry of Transport, Construction and Maritime Economy

Minister of Transport, Construction and Maritime Economy, Sławomir Nowak started an official visit to China on 23 July 2012.

The visit is paid at the invitation of Chinese Transport Minister Li Shenglin.

Its aim is to strengthen the positive image of Poland as a country attractive for foreign investments and a terrific place for business.

Minister Sławomir Nowak visited Shanghai where he took part in a conference on "Development of Logistic Cooperation between Poland and China." The meeting was attended by representatives of more than one hundred Chinese companies and top representatives of Polish State Railways Cargo SA, Port of Gdansk SA, Port of Gdynia SA, Szczecin-Swinoujście Port SA, Container Terminal DCT Gdansk, Chinese-Polish Joint Stock Shipping Company (Chipolbrok) and Polish Airlines LOT Cargo.

The Chinese delegation was also represented by the Shanghai Transportation Commission. Later in the afternoon, Minister Sławomir Nowak met with Deputy Mayor of Shanghai Shen Jun to discuss the opportunities for cooperation in transport and logistics. Minister Nowak's Monday agenda also covered talks with representatives of Chinese businesses, including meetings with Cosco Shipping Line & Cosco Freight Forwarding Company Director-General Tan Bing and vice President of China Shipping Line Zhao Hongzhou.

The talks focused on possibilities of cooperation of those companies with Polish firms and their

investments in Polish sea ports, particularly in the Port of Gdansk. Both companies are interested in establishing cooperation ties with Polish partners. Recently announced by Chinese PM Wen Jiabao credit line significantly increases the chances of such cooperation.

China Shipping Line is one of the key state enterprises in China established to trade in various parts of the world. Its main scope of activity comprises container and cystem liner services, transportation of passengers and vehicles.

The company also provides logistic services to successfully produce a complete integrated shipping logistics industry chain, offers air freight services, builds vessels and containers, deals in trade, investment and IT technologies.

The first-class fleet, high technology and good management will surely lead China Shipping Line to a bright future and being one of leading carriers in the shipping industry.

Cosco Shipping Line & Cosco Freight Forwarding Company are entities dedicated to forwarding and logistic services, construction, repair and maintenance of vessels.

They both form China Ocean Shipping (Group) Company (COSCO). COSCO Group is one of the main multinational enterprises in the world focusing on shipping and logistics businesses to more than 1,600 ports.

As a global shipping giant, its fleet size ranks the first in China and the second in the world. COSCO Group is positioned first in China and fifth in the world by container fleet size.

The Polish Transport Minister also met with the authorities of the world's largest container port Yangshan and Polish students of the Shanghai Maritime University.

Silver medal for Poland

Poland was eliminated from Euro 2012 but the country stays Europe's 2nd best location for investment

by the
Polish Information and Foreign Investment Agency
(PAIIZ)

According to the report of European Attractiveness prepared by Ernst & Young, in the next three years Poland will be the second in Europe (after Germany) most attractive country for investment.

Poland is believed as the best place to invest by every tenth surveyed investor. 35% of respondents chose Germany, UK 8% and 7% Russia.

According to the report Poland is "a beacon of hope in the CEE region, which witnessed a phenomenal decline in its attractiveness". With strong domestic demand and robust growth through 2011, the country has been less affected by the 2011 slowdown than some of its neighbors.

Poland was one of the few countries in the European Union to avoid recession in 2009 and though granted a precautionary loan by the IMF in 2010 has never needed to use it.

The experts of E&Y noticed that with the development of Polish economy the profile of

foreign direct investments is changing.

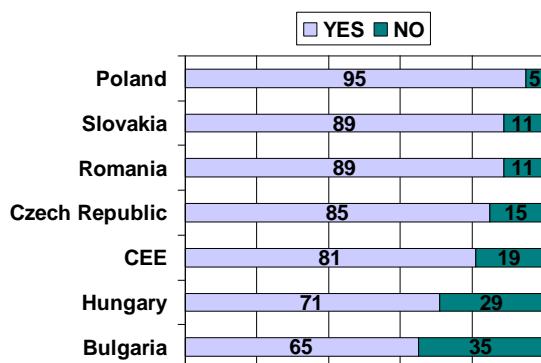
Once dominated by labor-intensive industries, inflows are increasingly oriented on knowledge. The country has been able to win a positive image among executives i.e. for its well-qualified and productive workers and a pro-business environment.

Warsaw, which brought forward infrastructure investment as it prepared to co-host the Euro 2012 football championships, has emerged as leading financial centre in the region.

In addition, another report by UNCTAD ranks Kraków as the leading emerging city worldwide for investment in global BPO projects.

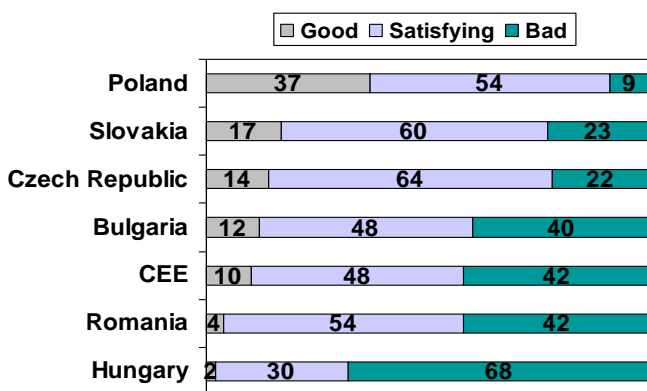
Last year Poland witnessed the opening of a large number of international outsourcing and shared services centers. Business is likely to continue to bolster capacity in Poland, supported by strong inflows of foreign capital, retained earnings and increasing corporate credit.

Would you again choose the country as preferred location for your investment? (in %)



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The current economic situation by investors (in %)



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Another report also ranked Poland second – just behind the Czech Republic – as a top country to invest in. In the report prepared by the German Chambers of Commerce and Industry (AHK) Poland got 4 of the possible 6 points, Czech Republic received 4.05 points.

Poland is an absolute leader in terms of rightness of choice: 95% of surveyed companies which operate in Poland would locate here their investments again.

As an important stimulus to investment the respondents pointed the political stability of Poland. Also the expectations of planned investments are positive: 35% of foreign companies operating in Poland expect the increase of their investments in 2012 compared to last year.

Comparing to other countries in the region, Poland got the highest notes in terms of qualification and engagement of employees as well as for the fight against corruption and crime, transparency of public procurement, legal security and predictability of economic policies.

Poland is also high ranked in terms of the current economic situation in the opinion of the investors.

Even if the Polish national football team didn't make it past the group stage of Euro 2012, Poles are happy about hosting the Championship.

Poland will benefit from the event in terms of better infrastructure and enhancing its image on the international scene.

According to the survey poll conducted by PBS (a Polish opinion poll agency) among foreigners in the Polish Host Cities, as many as 84 percent of foreign fans and tourists assess the organization of UEFA EURO 2012 in Poland positively and 81 percent said they would visit Poland again. Moreover, almost all respondents stated that they would recommend visiting Poland to their friends.

The positive opinions of investors together with the assessment of foreign tourists and fans make Poland the winner country in Europe.

INVEST IN Special Economic Zone EURO-PARK MIELEC

According to the last year report on summarized economic and financial results in special economic zones in Poland, EURO-PARK MIELEC has been recognized as the most effective one out of the total number of 14 zones in the country.

Skilled human resources capable to work in high-tech sectors at a competitive labor cost, well prepared industrial land for development of investment projects combined with an attractive package of public aid available as corporate income tax exemptions are the best assets of EURO-PARK MIELEC.

Investors willing to set up their operations in Mielec special economic zone can benefit from the regional public aid of up to 70% of total investment expenditures or alternatively, against 2-year labor cost of employment in the zone, which is the maximum level of public aid available within the European Union.

Since the very beginning, the zone has attracted investment projects representing 5.2 billion Polish zloty (ca. 1.7 billion USD), out of which 70% is a foreign capital.

EURO-PARK MIELEC takes pride in being the perfect investment site for projects of many reputable companies, such as: United Technologies Corporation, Lear Corporation, Kirchhoff Group, Goodrich Aerospace, MTU Aero Engines, Kronospan Group, BorgWarner Turbo Systems, Husqvarna, and many others.

Investment projects vibrantly developing in EURO-PARK MIELEC contribute to the economic growth of South-Eastern Poland – industrial centers of high tech sectors located in the zone, representing mainly aviation and automotive, operate successfully in the region. Sikorsky has become a nestle of Black Hawks – first

“birds” from Mielec are already in operation outside Poland. The zone in Rzeszów is a manufacturing center of aviation companies and a source of aircraft engines and components to the leading customers, globally. Investment decisions by world-class companies to develop projects in the Special Economic Zone EURO-PARK MIELEC perfectly illustrate the quality of the zone.

Over the recent seventeen years of the zone's operation, Industrial Development Agency (Agencja Rozwoju Przemysłu S.A.), as the administrative and managing authority in the zone has issued 222 licenses to investors for doing business in the zone. The investors have created a total number of 18,000 jobs in EURO-PARK MIELEC.

Businesses operating within the zone's total area of 1,246 hectares in 20 locations in Poland represent a variety of industries, thus offering the wide-range opportunities of industrial cooperation.

Lublin and Rzeszów are the most vibrantly developing areas in the zone. Rzeszów location boasts of aviation projects, large and small alike, members of Aviation Valley in the region, the largest industrial cluster in Poland, while Lublin offers excellent opportunities for BPO. Academic and R&D centers in Lublin and Rzeszów are a perfect investment alternative for innovative business initiatives intended in the zone by potential investors.

Not only large companies benefit from operating in EURO-PARK MIELEC, the same is true in case of SME's which represent a strong and flourishing potential in the region. Many of them develop innovative projects successfully competing both in domestic and foreign markets.

The EURO-PARK MIELEC area has recently been extended by an attractive location in Szczecin, north-western Poland, with first investors already starting up new projects.



The first of a kind in Poland since 1995. First in Poland, the Special Economic Zone EURO-PARK MIELEC spreading basically in South-Eastern Poland, continues to be a very attractive investment site to entrepreneurs seeking cost-effective locations for development of new projects.

Restructuring and recovery of bank debts

by Lukowicz Swierzewski & Partners

The modern banking system in Poland dates back to 1989; banks as well as other economic actors were forced to learn the basics of how to operate on the newly developed market of financial services.

The dynamic changes and the adjustment of the system to the new reality manifested itself in numerous amendments to the banking law, which aimed at equipping banks (especially the 'private' ones, as this differentiation was extremely significant in the early 1990s) with legal instruments (privileges) facilitating less complicated debt restructuring as well as effective debt recovery.

As a rule, the restructuring procedure realized by a bank concentrates, in the economic aspect, on the debtor as a subject and takes the formal shape of a restructuring agreement which defines the liabilities and rights of the parties. More often than not banks use securitization, as a legal tool, in restructuring procedures of subjects and debts.

The debt recovery proceeding carried out by banks, as opposed to the one available to other entities, has been extended by legal instruments reserved for banks only.

Banks have been able to increase their market activity thanks to such novel civil law concepts as leasing or factoring. Also the creation and development of claims trading market and financial market instruments has had its influence on banks.

The legal instruments which differentiate banks from other entities and strengthen them in obligation relationships between a bank and a client include:

1/ bank enforcement order – a unilateral document issued by the bank which is an equivalent of a final and binding court ruling; the bank enforcement order with the enforcement clause appended to it by the court constitutes a legal basis for a debt enforcement procedure conducted by a court enforcement officer; it is worth mentioning that the act of appending the enforcement clause is, in principle, the only element of judicial review of the enforcement clause (and only from the formal point of view) before initiating debt enforcement on the motion of the bank;

2/ legal deduction – only banks have the right (pursuant to the banking law) to deduct bank debts against client's/debtor's unmatured receivables;

3/ the right to terminate a credit/loan agreement upon a 7 days' notice period if the client is in danger of bankruptcy – a special regulation in comparison to other provision of the bankruptcy and rehabilitation law;

4/ the right to issue public documents, e.g. appending certified date to documents;

5/ bank warranty – the warranty of the party which commissions granting a credit for obligations of a third party under applicable law: a notion appearing only in banking law.

Regardless of one's opinion on the subject of equipping banks with formal privileges, based on the example of the development of banking in Poland, it can definitely be stated that the banking sector has played a significant role in the process of implementing modern legal and economic instruments and methods (also in the technological sense) of operation of companies on the banking services market.

SUPPORTING BILATERAL BUSINESS

by the Polish- Chinese Chamber of Commerce

For China, Poland is seen as a fast developing country, whose economy is developing dynamically.

It is one of the reasons why the Chinese delegation led by the Chinese Prime Minister Wen Jiabao has invited all leaders of Central European countries to meet in Poland.

According to the OECD, Poland and China are among six countries that can cope with the economic crisis without bigger problems.

For years there has been no better investment opportunity for Chinese investments in Poland.

Such promises were made during Wen Jiabao's visit to Poland. Prime Minister Wen Jiabao assured that all of those promises will be fully implemented by the Chinese. Now it is necessary to ensure that the agreements concluded during the Polish-Chinese mutual visits give an impulse to entrepreneurs, because it is them who will take

the risk of this cooperation and make good use of the initiated actions.

Chinese entrepreneurs have already received a good tool to invest in Poland. On 6 June, Bank of China opened a branch in Warsaw. This will help Chinese companies to invest in Poland, especially those who are interested in participation in the privatization of big Polish companies.

The Chinese make no secrets and admit that the most interesting sectors are the petrochemical industry, energy, machinery and pharmaceuticals sector.

The Chinese government plans to provide special (on preferential terms) loan of \$ 10 billion for investment projects in the region of Central and Eastern Europe.

The air link between Warsaw and Beijing is a great convenience. Now, within 9 hours, you can easily reach Beijing, and perhaps soon Shanghai, Guangzhou and Shenzhen and Hong Kong.

It is also a very important step towards the development of the tourism industry.

The two countries have made huge progress in the development of bilateral economic and political relations. This is the result of the first in 25 years visit at the highest level in the capitals of our two countries.

The Prime Ministers expressed their willingness to work towards rapid development of cooperation in such fields as infrastructure, construction, high technology and new sources of energy.

Political conditions to improve the unfavorable trade balance between China and the Poland were created, however changing it in real terms only depends on our businesses activities.

Weak growth is influencing European consumers

Findings of the GfK Consumer Climate Europe survey for the first quarter of 2012

by GfK

Nuremberg, Warsaw, April 20, 2012 – In the past few months, EU countries have demonstrated very varied economic data. Citizens of the individual countries evaluate the economic situation in their country and their own personal situation accordingly. These are the findings of the GfK Consumer Climate Europe survey which provides an overview of the development of economic and income expectations and willingness to buy among consumers in Austria, Bulgaria, the Czech Republic, France, Germany, Greece, Italy, Poland, Portugal, Romania, Spain and the UK. These 12 countries account for around 80% of the total population of the 27 EU member states.

At the beginning of 2012, Europe remained in economic and financial crisis. Although the acute danger appears to have been averted by the Greek haircut, the concern remains that EU countries will slip back into recession due to the sustained economic crisis.

In this context, it is also a point of discussion whether the rigid austerity measures which are currently being implemented in all EU countries are the right solution. It is certain that Greece, Spain, Portugal and Italy initially have to deal with negative economic data.

The strict austerity measures in these countries are hindering investment and preventing citizens from making large purchases. It remains to be seen whether the consolidation of budgets is working and thus providing more money for investment in the medium term.

It is certain that almost all of the EU economies will generate a lower economic growth this year than for 2011. European consumers are also reacting in a correspondingly varied manner.

While in some countries they consider the economic data and the development of their personal situation in the coming months to be positive, citizens of other countries currently see little hope of an improvement in their situation in the foreseeable future.

The financial markets have become calmer since the Greek haircut, but the crisis is by no means resolved. Alongside Greece, Spain, Portugal and Italy, the United Kingdom, which is not a eurozone member, has started to become the focus in the past few weeks.

Two ratings agencies have already threatened to downgrade their top rating in the next few months. The country's debt mountain is enormous, and unemployment is at a record high.

Shortly after the new, long-term ESM rescue package was agreed, several countries requested an increase in funds of a total of EUR 1 trillion.

Recently, both the OECD and France have endorsed these requests. The even higher amount of the rescue package is meant to shield financially weak countries from speculators and calm the financial markets.

Whether or not these discussions give consumers more confidence, however, is questionable at the very least.

Economic expectations: France surprises with positive economic data

In accordance with the predicted economic data, economic development in EU countries continues to be viewed very negatively. However, in comparison with the last quarter of 2011, some countries are showing somewhat improved values.

With an indicator value of 7.2 points, Germany is the only country which is in the positive.

Both in Poland (with -6.2 points) and in France (-10.4 points), consumers are viewing the future more positively in March than they were in the previous month.

In both countries, the confidence indicator increased by just less than 20 points as compared with the previous month.

The Czechs (on -62.7 points) continue to make the most pessimistic assessment of the prospects for economic growth. In Greece (-50.8) and Portugal (-40.6 points), the values for economic expectations continue to be negative.

However, if you look at the development in the past few months, people there are hoping that the crisis will soon be resolved.

In France, consumers believe that the economy will recover considerably in the next few months.

This is shown in the development of the economic expectations indicator.

In November of last year it hit a low of -54.1 points. By the end of March, it had improved to -10.4 points. The country had surprisingly good economic data in the past few weeks.

Last autumn, experts still assumed that the economy

would shrink by 0.1% in the last quarter of 2011 compared to the previous quarter. It actually grew by 0.2%: more than the Germany economy which has until now been very robust.

The Government considers that it is on track to achieve the 0.4% growth predicted by Eurostat for this year, since each one of the three main areas of the economy – foreign trade, domestic consumption and investment – made a positive contribution in the last quarter.

In the past year, the economy in Poland has grown strongly – at 4.3% its growth is the strongest among EU countries.

The high levels of growth are mostly due to a strong domestic economy, which has improved significantly in terms of both investment and production. These positive figures are also impacting consumer opinions.

They assess economic development at -6.2 points: a high which has not been seen since last autumn. In December, the value briefly dropped to -38.3 points.

Citizens in Portugal are still hoping that the government's tough austerity measures will pay off in the medium term and that the economy will then grow again.

Prime Minister Passos Coelho has implemented austerity measures that were agreed with the Troika in the months before he entered Government.

Wages are being lowered in order to make companies more competitive, the State-owned electrical companies have been privatized (and are now controlled by Chinese public companies), and there are more privatization plans ahead.

Unemployment benefits, overtime payments and severance pay are being cut. However, this path is not risk-free. Portugal's economy has not grown for seven quarters.

For 2012, economists are predicting that the economy will shrink by over 3 percentage points. Unemployment, which is at 15% and is increasing, is a crucial problem. There are hopes that the reforms will make the country internationally competitive again so that the economy will once again grow.

And there has been good progress from the export sector in the last months. One example is a positive commercial balance with Japan and also Turkey for many years.

This optimism can also be seen in the economic expectations indicator, which is currently at -40.6 points, and which has been showing continual improvement in the recent months. The lowest value was -64 points last September.

Income expectations: high petrol and energy prices are unsettling European consumers

Consumers' assessment of their future disposable income in EU countries is variable.

In countries with more positive economic prospects, citizens are also more positive in their assessment of their own economic situation.

Germans are the most optimistic Europeans (with 34.3 points). In second and third place, lagging quite significantly behind, are Poland (-14 points) and Austria (-21.2).

Consumers in countries crisis-hit Greece (-60.2 points), Italy (-48.4 points) and Portugal (-46.4 points) gave the most negative assessment of their income expectations.

The first quarter of 2012 showed no improvement in income expectations in Bulgaria.

The harmonized rate of inflation is currently 2.0%. Petrol is the primary inflator. Prices are at a record high. Consumers are afraid that the prices of electricity, services and transport will also go up and further contribute to inflation.

A second issue is unemployment, which is currently around 11%. However, experts are expecting it to increase to up to 19% by the end of the year. This pessimistic outlook is reflected in the income expectations indicator, which has been falling continuously since the end of last year and is currently at -28.9 points.

Six months ago, Spain raised hopes in the EU that it would be able to resolve its crisis on its own.

This meant that the disappointment of Spanish citizens and those across the EU as a whole was much stronger when they country slipped back into recession. This year, experts are predicting negative growth of 1.3%. One of the biggest problems in Spain is unemployment. At the end of last year, it was just under 23%, and it is set to rise to 24% in the course of this year. This shows that 2012 can only be compared with 2009, the year in which the crisis hit its peak.

For February, consumers' perception regarding unemployment expectations will reach over 31 points, a level not reached even in the first quarter of the 2009 year of crisis.

Although the figures are similar to those from three years ago, the situation is currently even more difficult. All layers of the population are affected by unemployment – young people cannot find work, many companies are bankrupt and have to let their employees go.

On top of this, a large number of those affected have already exhausted their claim to unemployment benefit. This development is clearly shown in Spaniards' income expectations. In the first quarter of 2012, the indicator dropped significantly once again and is currently at -29.7 points.

While the economic expectations in **Germany** have taken considerable losses since the middle of last year, citizens' optimism about their income development continues to be very high.

This is mostly due to companies' stable economic situation and the extremely positive situation on the employment market.

This has led to consumers placing high expectations on the wage negotiators. The employed hope that in the upcoming wage negotiations the increase in wages and salaries will be better than in the past, so that there is still a noticeable increase after inflation.

But the new record levels in petrol and diesel prices are not escaping Germans' attention. Consumers, primarily commuters, see their buying power as being threatened by the high prices.

An ever-greater proportion of their disposable income has to be used for energy and petrol nowadays. This development caused the income expectation indicator to drop a little in March, and it is currently at 34.3 points. Austerity measures and the prospect of low economic growth lead consumers in many European countries to be restrained with their money.

Considering this indicator, the Germans are doing the best (38.6 points) followed by the Austrians (26.6 points). In the third place is Poland with -3.6 points.

Bringing up the rear is the UK (-49.5 points), where citizens are anticipating drastic cuts and tax increases, as well as crisis-hit Greece (-48.5 points) and Portugal (-41.5 points).

Willingness to buy: Brits are anticipating further austerity measures

Overall, the willingness to buy indicator in Austria has remained relatively constant at a good level at the beginning of this year.

The indicator had to take into account significant losses since November of last year, but is currently rising again. The measures on consolidation and taxation taken by the Government in Vienna, which have been a constant topic in the press recently, have evidently made Austrian consumers uneasy.

In November, the indicator was still at its highest level of 40.1 points, but dropped to 21.3 points in February. It has now recovered somewhat to 26.6 points.

In the United Kingdom, unemployment continues to be a dominant theme.

At 8.4%, unemployment is at the same level as it was in 1995. In addition, the British Government recently had to admit that it would need two years longer than initially planned to meet its fiscal targets.

The reasons for this are the weakening domestic economy in Britain and the lower demand from the eurozone.

In order to meet the goal of reducing the annual deficit to 0%, further reforms will probably be necessary. Brits are being very realistic in their assessment of this situation, and are not anticipating having the money to make major purchases in the next few months.

After having briefly increased from December to January by around 15 points to -38.3 points, the willingness to buy has since dropped continuously. It is currently at -49.5 points.

In the past year, **Poland** has been battling high unemployment and high levels of inflation. Despite the economy performing better, unemployment in December was still at 12.5%. However, the Poles are hoping for a marked improvement in the employment market in the coming weeks and months. Average inflation last year was 4.3%, at the end of the year it even reached 4.6%.

In order to get this under control, the Polish Central Bank raised the base rate in both of the first two quarters of 2011 by 0.25% each quarter.

Combined with the global economy which is getting weaker, these measures are slow to have an effect.

According to predictions by the European Commission, inflation will be around 3.5% this year.

This development gives Poles a somewhat less pessimistic outlook for the future, which is also having an

effect on their spending. They are once again willing to make significant purchases. Although the indicator for willingness to buy was at its lowest level of -18.8 points in January 2012, it recovered to -3.6 points at the end of March.

Six months ago, **Spain** raised hopes in the EU that it would be able to resolve its crisis on its own. This meant that the disappointment of Spanish citizens and those across the EU as a whole was much stronger when they country slipped back into recession.

The survey

The findings are taken from the "GfK Consumer Climate MAXX survey", which is based on consumer interviews conducted in all European Union countries each month on behalf of the European Commission.

The GfK Consumer Climate Europe gives an overview of the development of economic and income expectations and the willingness to buy of consumers in Austria, Bulgaria, the Czech Republic, France, Germany, Greece, Italy, Poland, Portugal, Romania, Spain and the United Kingdom. These 12 countries account for around 80% of the total population of the 27 EU member states.

The monthly interviews are distributed as follows among the countries observed:

Austria	1,500
Bulgaria	1,000
Czech Republic	1,000
France	3,300
Germany	2,000
Greece	1,500
Italy	2,000
Poland	1,000
Portugal	2,100
Romania	1,000
Spain	2,000
United Kingdom	2,000

Lublin is one of the most important business centres in the east part of Poland. With the total supply of modern office space exceeding 60,000 m², the city is also the major office market in this part of the country.

Throughout the years, no office district was formed in Lublin. The most significant office investments are located along Tomasz Zana Street, Konrada Wallenroda Street and Wincentego Witosa Avenue.

It is predicted that in the following months the rental rates will not undergo any significant changes. Growing amount of modern office space combined with access to skilled labour force, lower operating cost, developing infrastructure (including the Świdnik airport) make Lublin an attractive location for companies from the modern business service sector. Several BPO/SSC firms have already opened their premises in Lublin. The best example is Genpact, whose finance and accounting centre has operated in the city since 2009. It is expected that in the upcoming years Lublin will enjoy more and more interest from BPO/SSC companies, especially the ones looking for a second location for their expanding businesses.

Office market in Lublin

by Colliers International

Retail market in Lublin

The office market in Lublin is still relatively young as nearly 70% of the stock was completed over the last five years. However, it is worth highlighting that the majority of delivered office buildings were small scale projects, which offered for lease up to 7,000 m² of space.

The existing office space was constructed by local developers, among which the most active was Centrum Zana. The company delivered to the market over 80% of the total office resources available in Lublin.

Its most notable office schemes were: Witosa I (2,500 m²), Gray Office Park B (3,000 m²), Witosa II (3,000 m²) and building A (13,500 m²) within Gray Office Park. At present in Lublin as much as 23,700 m² of office space is under construction, of which ca. 10,000 m² will be completed by the end of this year. The first half of 2013 will witness delivery of the next 13,700 m² of office space within Wikana Business Park.

At the end of March 2012 the vacancy rate in Lublin stood at 5.2%. The available office units varied from 30 m² to 700 m², whereas the average unit size offered for lease amounted to 213 m².

As a result, Lublin could not meet requirements of tenants interested in leasing bigger units above 1,000 m². Shortage of suitable office space for rent resulted in a moderate tenants' activity. Local companies remained the main drivers for demand for office space.

The average asking rents for office space in Lublin remained stable and ranged from 40 PLN/m² per month to 50 PLN/m² per month. The service charges for common areas stood at level of 12 PLN/m² per month.

At the end of the first quarter of 2012 the total modern retail stock in Lublin amounted to 166,500 m² located in nine shopping centres.

The first modern retail scheme in Lublin was Galeria Zana, which was delivered to the market in 1998 by E.Leclerc. In terms of annual supply the boom years were 2000 when Real and Galeria Olimp, the biggest shopping centre in Lublin at present, were completed and 2007 in which Lublin Plaza and Galeria Lubelska were finished.

Up to 2012 all retail schemes present in Lublin were traditional shopping centres. In March 2012 the first retail park was delivered to the market – Park Handlowy Tatary.

It was also the first opening of retail scheme in Lublin since 2007. In Park Handlowy Tatary the Swedish DIY chain Jula has opened its fifth shop in Poland.

As at the end of 2011, vacancy rate in all modern shopping centres in Lublin was at the very low level of approx. 0.6%, which translates into 870 m² of vacant space. It was the lowest level in comparison to vacancy rates in similar-sized cities (200 – 400 thousand of inhabitants).

Lublin also has the lowest retail space density level, which amounts to 478 m² per 1,000 inhabitants comparing to the average for similar-sized cities at the level of approx. 560 m² per 1,000 inhabitants. Low vacancy rate as well as retail space density level indicate high potential of Lublin retail market.

As a result there are many new retail schemes planned to be delivered in Lublin, including Atrium Felicity, Galeria Zamek, Echo Lublin, Alchemia or IKEA. However, at present no retail scheme is under construction, apart from one DIY stand-alone shop – Castorama at Mełgiewska Street, which should be completed in Q3 2012.

Employment market in financial-accounting sector in Poland by Trinity Recruitment

2012 is another year of challenges for the financial sector in Poland as well as for us, a recruitment-consulting company that observes processes, analyses the market and supports Clients in building their competitive advantage.

The Polish economy, according to the latest economic analyses is doing well, comparing to other European countries. It got off the crisis lightly, which is often emphasized by economists.

However, what changes, is the dynamics of recruitment in particular market sectors and demand for groups of experts and managers.

There is a constant fight for talents, getting and keeping the most efficient and unique professionals in the organization. Today only the best ones count.

Financial sector changeable as euro rate

The most visible changes take place in the financial sector. Experts in retail banking are being made redundant. Several banks announced in the last quarter significant job cuts. In total, about 2000 people may lose job in this branch of industry.

On the other hand, financial institutions, as arises from our current recruitment projects and market indicators, perceive a rising potential of corporate banking.

Exactly in this area, there is a growing demand for candidates for such positions as Relationship Manager, Team Leader and Regional Director.

Key traits that applicants for these posts should possess are high sales competency and experience in corporate banking. It is also crucial to have the ability to build an image of a reliable business partner, who is able to match the Clients' needs. Within the development of the corporate sector, Experts in Credit Analyses are also highly appreciated.

Professionals urgently wanted

Apart from corporate banking, leasing and factoring companies are also thriving. Within this sector, our Clients search for candidates for such positions as Leasing Advisors, Regional Directors, Directors of Macro Regions and Business Development Managers.

What counts for companies that delegate currying out recruitment projects is not only verification of candidates' expert knowledge but, above all, having the right sales skills and abilities, which may be developed later on in the organization and may result in obtaining tangible business benefits. A willingness to continuously improve his or her

sales abilities and building relations with Clients, supported by achievements with the former employer are desirable advantages of a perfect candidate.

Exemplary pay ranges, depending on experience and segments of Clients the candidate cooperates with, as well as evidence of achievements may significantly differ, below we present some examples of remuneration:

Position	Minimal salary	Maximal salary
Leasing Advisor	6000 gross monthly	15000 gross monthly
Relationship Manager (corporate banking)	8000 gross monthly	18000 gross monthly
Business Development Manager (factoring)	9000 gross monthly	16000 gross monthly

There is still a demand for experts of financial-accounting centres, the industry which is growing in popularity in Poland. In this area, the people that count are applicants holding such certificates as: ACCA, CIMA, CIA, CFA, PRM, perceived by potential employers as people who are more ambitious and determined to improve their expert competence.

In the financial sector, possessing a prestigious certificate has a great impact on the level of remuneration. The compensation is also dependent on the location and department of the financial centre.

Crisis? What crisis?

Despite of the financial crisis, the Polish banking sector proved to be not only stable but, contrary to other banks in Western Europe, at the time of the market collapse generated significant profits in the previous year.

One of the sectors which is developing in the most dynamical way in Poland is the financial-accounting sector.

Within this branch, Poland is increasing its global market share year after year. Some basic characteristics of professionals who are employed within this area are a command of foreign languages and extensive financial knowledge.

Financial-accounting centres are recruiting all the time and are not even thinking about redundancies.

Organizations that search for the right specialists in this sector pay special attention to teamwork skills and interpersonal abilities of a future employee.

What is interesting, in some divisions of this sector such as financial obligations or debts, junior specialists may find a job even without any experience in accountancy, but having a good command of foreign languages.

Therefore, employers often search for graduates from colleges of foreign languages. However, in order to achieve valuable experience and develop their skills, such employees are recommended to complete some additional trainings, courses or postgraduate studies in finance.

Tempting career path

The financial-accounting sector entices with the prospect of a relatively high salary, taking into account Polish realities. For instance, after one year of being employed at the position of a junior specialist in a debt management division, who is responsible for contact with sales departments and recipients and is involved in entering into books bank account statements and allocation of incoming payments, has a chance to be promoted after one year to do general ledger work, which is much more challenging and connected with a higher pay. Depending on the company, such a person may earn PLN 3-4 thousand gross.

After two years of working on this position, there is a possibility to be promoted to general ledger accountant. Similarly to the previous situation, it is connected with much more challenges and even higher remuneration. The average here is PLN 4-6 thousand gross. On the other hand, a person with 3 or 4 years of experience in financial-accounting services, who constantly improves their communicative skills and expertise, may be appointed to the position of a team manager, who supervises the work of several accountants.

Such a person is also responsible for communication with Clients and compliance of a given area with relevant accounting policy and other important regulations. Obviously, in a similar way, it is connected with much more challenges and relevant remuneration.

If the person achieves good results in a short time, he or she is very likely to become a process manager and, for example, be responsible for all the countries that provide services to the Client as far as financial obligations are concerned.

Next, there is a prospect of becoming a centre director or a financial manager in other international company from the accounting sector. An average salary on this position amounts to PLN 20 thousand gross monthly.

What is important for an expert?

It is more and more difficult to find candidates who meet the requirements of companies in the above listed segments of financial institutions.

The best professionals are well paid and highly appreciated as employees who create tangible value for organizations. Therefore, employer branding activities are growing in popularity at the stage of the recruitment project as well as keeping the best people in the organization. When professionals make a decision about participation in the recruitment process and ultimately changing their employer, they pay special attention to such aspects as: reputation of the company and its market offer, its financial stability, organizational and personal goals.

Experts who are the most valued for employers aim high and compare their goals with the goals of the organization. That is why it is also crucial what values the company promotes, i.e. what constitutes its mission.

Equally important for people applying for a position with a prestigious employer are opinions about the atmosphere at work and people they may eventually cooperate with. We

should not also forget about working tools offered to future employees and a very important matter, as far as motivation is concerned, i.e. a system of bonus calculation.

Specificity of local market

The recruitment of local employees is a big challenge for companies that are going to set up their business in Poland. A proper recruitment plan is often a factor that in many cases determines the success of the whole undertaking. It is worth remembering that local employees are operating in a slightly different organizational environment than a company abroad.

It seems that such a situation may cause problems connected with adjustment to a new place. On the other hand, being exposed to a different environment, such people may very quickly learn new organizational solutions, in other words 'absorb them like a sponge'.

Therefore, it is important for new employees to take part from the very beginning in company activities and participate in various trainings and courses.

Regardless of the overall economic situation on the employment market of financiers, the biggest chances on this market have experts.

It is a rule. Experts in their fields, even with many years of experience and a proven track record of achievements, should constantly improve their qualifications and pay a lot of attention to self development.

For the organization it is as important as years of employment or achievements at work.

In corporate banking, leasing or factoring companies, know-how and experience are very important. However, it is even more difficult to find candidates who meet the sales conditions set by very demanding companies in the above segments of financial institutions.

In many cases, a barrier is often put by organizations which do not want to lose an expert and offer him or her the best financial conditions or a suitable incentive system, which discourages them effectively from answering job offers.

At this point, there is a lot of room for manoeuvre for professional recruitment agencies, which thanks to its vast network of relationships and real HR and business know-how may reach the most desirable professionals.

In the undertaking called 'the sale' there is no room for even the smallest mistake in the selection of candidates.

Therefore, HR experience is not enough. At this stage, it is essential to verify sales competence, motivation to work and be a success of candidates in order to minimize the risk of failure. It is because business hates failures.

One step in front of competition

In order to successfully outstrip the competition, one should start with people who constitute a mixture of unique competencies, know-how and business understanding. Currently, there is a growing demand for finance experts, especially those who possess problem-solving abilities, analytical and communicative skills and who will be able to go successfully through the process of organizational changes and outstrip trends in business.

Trinity Recruitment

Piotr Ziolkowski

p.ziolkowski@trinityrecruitment.eu

IBM Named Worldwide Marketshare Leader in Social Software for Third Consecutive Year by IBM

ARMONK, N.Y. – 18 Jun 2012: IBM announced that for the third consecutive year, IDC ranked IBM number one in worldwide market share for enterprise social software.

According to IDC's analysis of 2011 revenue, IBM grew faster than its competitors and nearly two times faster than the overall market which grew approximately 40 percent.*

The growing popularity of social networking continues to explode, with more and more organizations looking for ways to adopt social business practices to integrate global teams, drive innovation, increase productivity and better reach customers and partners.

According to IDC, the enterprise social platforms market is expected to reach \$4.5 billion by 2016, representing growth of 43 percent over the next four years.*

While this demand is on the rise, organizations are still looking for ways to embrace social capabilities to transform virtually every part of their business operations, from marketing to research innovation and human resources, but lack the tools to gain insight into the enormous stream of information and use it in a meaningful way.

"Social software is gaining in momentum in the enterprise," says Michael Fauscette, group vice president for IDC's Software Business Solutions Group. "Companies are seeing significant gain in productivity and increasing value from successfully deployed social software solutions including supporting ad hoc work by bringing people, data, content, and systems together in real time and making more effective critical business decisions by providing the 'right information' in the work context."

Today, more than 35 percent of Fortune 100 companies have adopted IBM's social software offerings including eight of the top 10 retailers and banks.

IBM's social business software and services is unique combining social networking capabilities with analytics to help companies capture information and insights into dialogues from employees and customers and create interactions that translate into real value.

IBM's social networking platform, IBM Connections, allows for instant collaboration with one simple click and the ability to build social communities both inside and outside the organization to increase customer loyalty and speed business results. IBM Connections is available both on premise and in the cloud.

In the past year, new IBM Connections clients include Lowe's Home Improvement, Electrolux, TD Bank, Newly Weds Foods, Russell's Convenience stores, Bayer Material Science, The Ottawa Hospital, Premier Healthcare Alliance, Earthwatch, and the law offices of LaVan & Neidenberg.

"The opportunities for organizations to adopt social business processes to connect people and speed innovation is limitless," said Alistair Rennie, general manager, social business, IBM. "A successful social business can break down the barriers to collaboration and transform the next-generation workforce, from device to delivery vehicle of your choice, to improve productivity and speed decision making."

Welcome to Lublin



Lublin and its potential by the City Hall of Lublin

Lublin, the largest city in Eastern Poland, is located in the northern end of Lublin Plateau. Lublin is the capital of Lubelskie Province, and administrative, cultural and business centre of the region.

Lublin is a city of the youth – its population being the trump card. Population of Lublin is nearly 350 thousand, 229 thousand of which are persons at productive age. Over 20% of Lublin inhabitants have university degree. Lublin is also the largest academic centre of Eastern Poland, with dozen of higher schools and 4 universities. Ca. 90 thousand students, including 1,5 thousand foreigners, graduate annually from local higher schools.

Business climate in Lublin

In addition to high intellectual potential of the local population, business entities can benefit from competitive labour costs and other business-related costs. Financial expectations of people are lower than in any other part of Poland. Prospective investors can also benefit from a comprehensive system of abatements and business incentives, in particular at the Lublin Special Economy Sub-zone (over 118 ha), but also elsewhere. By the end of the year adequate infrastructure shall be completed in Lublin boroughs of Bursaki and Rudnik (100 ha in total), helping the economic reactivation of those areas. Another benefit is the well-developed market of office spaces.

The support offered to prospective investors entails a number of areas. From the very beginning, when collecting required documents and permits, the investor can count on the support of our administrative personnel. Their help shall substantially facilitate going through the first evaluation phase of prospective business. Another form of support is promotion on new markets and opening of Lublin business environment to new opportunities. Good example of such operations is cooperation with Polish Information and Foreign Investments Agency in organising study visits or meetings with representatives from foreign businesses.

Recently developed business brand (as the component of the existing brand "City of Inspiration") should intensify the promotion of business potential of the city. The business brand shall be announced in late June, during a gala in Teatr Stary, organised by Lublin Town Hall. Undoubtedly, operations that improve business potential are those focusing on improvements in road and engineering infrastructure, namely construction of the airport, by-pass road and modernisation of S17 expressway.

Lublin has a great potential for services – financial centres, B2B and accounting services – as BPO – business process outsourcing sector constitutes one of city's strategic priorities.

Company Genpact is a good example of business entity operating in that area. In the near future new entities are established to cater to court administration.

City authorities are also negotiating with PGE Dystrybucja the establishment of company's financial and accounting centre.

Sub-zone LUBLIN

Sub-zone LUBLIN was established in 2007 as the section of Special Economy Zone EURO-PARK MIELEC, administered by Agencja Rozwoju Przemysłu S.A., Mielec Branch. Businesses established here can be run on preferential conditions.

As of now there are already 18 companies registered within the zone. The sub-zone, with the area of over 118 ha, includes greenfield investment zones, located in the eastern part of Lublin, in the vicinity of the airport and by-pass road, both presently under construction. Due to large interest of domestic and foreign business entities in the sub-zone, its area is gradually expanded.

Lublin Airport in Świdnik

Lublin Airport construction site is located 10 km from the centre of Lublin, at the international road Berlin-Warsaw-Kiev, which is planned to serve up to 1 million passengers a year.

Following completion of works, scheduled at Q4 2012, Lublin Airport shall serve business and charter air traffic to airports in Poland as well as in Western and Eastern Europe.

The investment shall facilitate access to the city for tourists and intensify scientific and cultural exchange.

This should also help expand industries located in the region, namely aerospace sector (including the largest company AgustaWestland PLZ-Swidnik S.A.), commerce, forwarding and logistics, messenger services, hotels and transport services.

Lublin by-pass road

Construction of Lublin city by-pass is among the largest and the most needed road projects presently implemented in the Lublin region. The road, by-passing the city from the north and from the east, is built in the route of planned express routes S12, S17 and S19, with access only through interchanges.

By 2013, 47 overpasses should be built, including nearly one-kilometre long overpass at Bystrzyca Jakubowicka, 12 bridges, ca. 55 km of acoustic screens, and dozens of animal passages below and above the road. The project should allow reinventing both communication system and the image of the region.

Entrepreneurship Gala (October)

Entrepreneurship Gala is organised on the occasion of awarding the Business Prize of the President of Lublin. The Prize is awarded in three categories: Investor of the Year, Innovative Business, and Socially Responsible Business. The event offers the opportunity to meet the representatives from business and scientific environment. During the business part of the event numerous presentations are held in order to discuss the development of entrepreneurship and economic standing of Lublin. Among the guests invited to award of the Prize there are recognized economists, financial advisors and special guests.

Targi Lublin S.A.

Targi Lublin S.A. is the only fair and exhibition centre in Eastern Poland with such a huge potential in terms of back-up facilities and specialised exhibition team. The facility is not only prepared for fairs but also congresses, conferences, instructions and other events. The unique strength of Targi Lublin is their location in the vicinity of two large foreign markets - Belarus and Ukraine - and the dynamically increasing market of Eastern Poland.

LUB-INVEST Forum (June)

LUB-INVEST Forum is a periodic event, helping local entrepreneurs to establish international cooperation. The Forum is a great opportunity to meet potential business partners and to expand the knowledge of new trends and changes in global economy. Visitors have possibility to discover the business potential of Lublin. During individual B2B meetings entrepreneurs have an opportunity to exchange of experience and broaden cooperation.

Cultural climate

Lublin is the most vibrant cultural centre of Eastern Poland. Its location, at the border of the European Union and Eastern Europe, allows the development of international contacts between Member States and Ukraine and Belarus. Lublin has been the host of international film, drama and music festivals for many years now. Rich cultural life was appreciated by experts assessing the

progress of preparations for European Capital of Culture 2016 – Lublin qualified to the finals, as a serious contender.

The city is also rich in tourist attractions. Its engaging history and "melting-pot" tradition make it a really special place. One of the most important events in Lublin history was signing of Polish-Lithuanian Union on 1 July 1569, which shaped the politics of Poland and Europe, until the era of partitions.

The Union united the Kingdom of Poland and Grand Duchy of Lithuania into a single political organism – the Republic of Both Nations.

Tourists can explore diversified architecture of the city and its numerous landmarks. All those features make Lublin colourful and attractive, and not only to tourists but also to film makers, who find their inspiration here. We assist the film makers under the programme "Lublin – Lviv – cinematic cities" implemented in collaboration with Lviv, Ukraine.

The Night of Culture (June)

Everything can happen on the Night of Culture – concerts on rooftops, performance at plazas and in backstreets, artistic installations in the main street.

Green grass rolled on sidewalks, shows in gateways or in fountains, or drive-in cinema at the Town Hall. That June night, as every year, Lublin shows its full artistic potential. Cultural institutions offer free entry, and visitors roam through the night, till broad daylight, breathing in the fragrances of summer night – majority of performances is held outdoors. This particular offer combines 250 artistic events, prepared by cultural institutions, artists and organizing bodies from Lublin and by city inhabitants.

Jarmark Jagielloński (August)

Jarmark Jagielloński is a combination of a historic fair and a modern day cultural and economic exchange. It takes the form of five-day-long presentation of hand crafted products, and cultural and artistic events, commercial films from the cross-border region, NGOs and tourist attractions of the region. Nearly 300 exhibitors from Poland, Ukraine, Belarus, Lithuania and other countries participate every year in the trade and exhibition section of the Fair.

Carnaval Sztuk-Mistrzów (July/August)

Carnaval Sztuk-Mistrzów in Lublin is the festival of modern circus, drama and alternative art. Its concept is derived from the tradition of public festivities and carnival.

The event is also inspired by the Magician of Lublin – the iconic character, recognized all over the world. During the festival you can meet buskers – performers, musicians, jugglers, acrobats, and others.

Every year dozens of daredevils from all over the world walk on tapes suspended high above the ground, between the buildings of the Old Town (Urban Highline).

Carnaval Sztuk-Mistrzów has one permanent item on the agenda – a parade. All visitors and tourists are invited to join the colourful crowd, walking hand in hand with artists and acrobats, through the city.

Visit the Lublin Castle – the
place of art and culture
in Lublin



The castle hill is one of the oldest and most important monuments in Lublin by Lublin Museum

This is the group of monuments of defensive, sacral and residential type.

The eldest one is donjon – the fortified residential tower of the castle from the first half of the 13th c. It is a valuable Romanesque architectural relic as well as one of the oldest buildings in the region of Lublin.

It has three levels above the ground, with walls up to 3,4m thick. Inside there is a spiral staircase.

This is in the 14th c. when a Gothic castle church, dedicated to the Holy Trinity, was built together with the royal castle.

Holy Trinity Church, known as the Castle Chapel, is one of the most precious and interesting monuments of medieval art valued not only in Poland, but beyond its borders.

Its unique character lies in the perfect harmony of Gothic architecture and Russo-Byzantine frescoes.

In this place two great Christian spheres of the East and the West meet to co-exist.

The interior of the Gothic chapel, was in 1418 covered with priceless Russo-Byzantine paintings.

The decoration was executed in accordance with Byzantine iconographic canon, but adapted to the building's Gothic architecture.

The Chapel of the Holy Trinity belongs to the European Heritage.

The Lublin Castle was built in the gothic style in the 14th c. as the kings' residence.

It was here where the many important historical events took place. During the sessions of Parliament in 1569 the act of union with Lithuania (The Union of Lublin) was signed here. It was the first union in Europe.

Around 1520 started conversion of the castle into an impressive royal residence. It was the first Renaissance building in Lublin. In the 17th c. wars the castle was destroyed. Only the donjon and the Holy Trinity Chapel remained on the castle hill.

In the beginning of the 19th c. a new structure in English Neo-Gothic style was built on the place of the former castle, to serve as a prison.

The castle fulfilled this function until 1954. When the prison was closed down that year, the castle – reconstructed and refurbished – was given over to cultural purposes. Since 1957 it has been the main seat of the Lublin Museum, established in 1906.

Lublin Museum

The Lublin Museum belongs to the oldest and largest ones in Eastern Poland. It was founded in 1906; relics of the past have been collected since 1901.

The exhibits came mostly from collectors' donations and thematically they extended beyond the Lublin region.

Lublin Museum's collection now contains about 167 thousand objects representing different areas – fine arts, numismatics, archaeology, ethnography, history, literature.

The exhibits belong to the Polish and European heritage. They are presented on the contemporary exhibitions, such as:

Coins and medals in Polish territories 10th – 20th century

Numismatic collection of about 50 thousand incorporates coins (51 hoards and 2 collections), medals, paper money, bonds and seals.

Chronologically, it spans the centuries from ancient times (2nd century B.C.) to the present day. The exhibits of the Numismatic Collection are among the most numerous in the Lublin Museum.

The exhibition presents the history of money and the art of medal-making in Poland. This is one of very few permanent numismatic expositions in Poland. The exposition starts with the presentation of coins arranged in chronological and nominal value order. These are predominantly coins issued by Polish rulers; some foreign coins are also included that were in regular circulation in Polish territories, especially in the Middle Ages. The review of coins ends in 1989.

“Tracing the Past. The ancient history of the Lublin Region”

This is a new, modern archaeological exhibition, where the most interesting and representative items are presented. The exhibition apart from artefacts uses multimedia presentations.

The objects of the archaeological collection, some 50 thousand, are mainly derived from excavations undertaken by the staff of the Museum and comprise items that represent all the epochs, from the Palaeolithic through early Medieval to the modern period. Ceramics are the richest part of the collection; and there are substantial holdings in stone, metal and bone tools and weapons, decorative items made of shells, bone, amber, copper, bronze, iron, faience, glass and gold, and ancient and Medieval coins found at archaeological sights.

Polish and Foreign Decorative Arts

The exhibition presents Polish and foreign decorative art from the 16th to the 20th c.

Particularly valuable collection is of European porcelain and representative collection consists on Polish porcelain, faience and majolica from leading manufactures in Poland.

Apart from them there are numerous but interesting items of majolica from Italy, Dutch, German and Silesian faiences and very rare stoneware from Lubartów near Lublin.

There are precious metal artefacts, including a collection of Lublin silver from the 18th to the second half of the 19th c., several valuable horizontal movement table clocks from the 17th and 18th c. Among the embroidered items worthy of notice are 18th c. nobleman's belts, examples of late Gothic embroidery as well as Italian, French and Oriental tapestries from the 16th to the 18th c. Historic furniture used in the arrangement of the exhibition comes from the 17th, 18th and 19th c.

Polish and Foreign Armaments 14th – 20th century as a permanent exposition

It is made up of the objects of most interest and value that come from the Museum's holdings.

The core of the collection are the defensive and offensive weapons from different periods exhibited following chronological and typological method of displaying them. In the group of side arms in the offensive weapons

section, medieval swords of the 14th and 15th centuries of various types, and later side weapons (rapier, curved sword, broadsword) are worth noting as well as a collection of Polish and foreign sabres, among them a carabella with ornamentation in the shape of the name, the likeness and crest of Stefan Czarniecki.

Cutting weapons of the Orient are represented by attention-catching – both for visitors and specialists – Japanese swords of the 'katana' and 'zaschi' type.

The rich collection of shoulder weapons consists of 16th to 20th c. that represent different systems of locks: fuse, flintlock, capping, breechloader.

In the group of historic small arms one would not fail to notice richly ornamented Turkish Janissary guns from the 17th c. with flint locks which can be looked at as pieces of decorative art. Worth mentioning are 18th c. cannon barrels, cannonballs, and 16th – 18th c. artillery grenades containing silver coins.

The exposition presents Polish-made guns, among them the famous 35 'VIS' model pistol and the weapons used by Polish forces on the fronts of WWII.

Old defensive weapons are represented by a chain mail from the 17th c., a well-preserved Hussar breast plate from mid-17th c. with elaborate ornamentation in the form of the image of the Holy Mother and the Cross of Valour, cuirass breasts plates and back pieces, the shield and helmet of Persian origin which were part of the body armour characteristic for this area of the Orient.

Folk Art of the Lublin Region

The region of Lublin is a diversified territory both in its physiographic and geographic features, as well as ethnography. There are items representing the region's material culture like farming tools, weaving, pottery, basketry, river-fishery.

There are also objects that exemplify folk art – paintings, sculpture, ritual art and decorative arts from the region of Lublin.

The exposition is consist on:

The gallery of sculpture from the 19th and 20th c. Worth noting is the collection of sculptures of the Man of Sorrows.

The gallery of painting contains a comprehensive range of 19th and 20th century items by both anonymous artists and those identified by name. In rural dwellings pictures were most frequently copies of well-known miraculous paintings. Thus we show images of the Black Madonna of Czestochowa and the Ostrobramska Holy Mother.

The under-glass paintings

Cut-paper designs – interior decorative art

Folk costumes

This is due to the fact that the province of Lublin is made up of three ethnographic regions: Malopolska – Lesser Poland, Mazovia and the mixed Polish-Rusyn culture.



Lublin Museum is a multi-departmental institution. It has four branches in Lublin and five outside the city. The Museum buildings are highly valued monuments. In branches there is a part of the whole museum's collections presented.

Small gallery of icons connected with the Orthodox Church. This takes the form of a symbolic screen – the iconostasis with the imperial door, icons representing Christ Pantokrator – the Almighty, the Holy Mother and scenes from the Bible.

In the Lublin Museum there are precious **galleries of Polish and European painting**. The most attractive ones are pictures of the most important Polish and West-European masters. They are:

Gallery of Polish Painting (17th - 19th c.)
Organised from the Museum's own collections. Includes valuable portraits of kings, noblemen, landscapes, historical and genre scenes of the most eminent painters of the time.

The gallery of Polish paintings starts with Baroque portraits, and unique coffin portraits. Landscapes, historical and genre scenes represent the 19th century, and the turn of the century painting.

Gallery of Foreign Painting (17th - 19th c.)

The Gallery is a small but interesting presentation of European painting of the Baroque epoch. The pictures come from different artistic circles, with a predominance of northern schools. European Baroque is represented by pictures from 17th and 18th century by Dutch, Flemish, Italian, German and French painters.





Gallery of Polish 20th c. Painting

An extension of the Gallery of Polish Painting. The exhibition is opened with the artists whose works form a bridge between the traditions of 19th c. painting and the 20th c. avanguard. This is the first post-war comprehensive presentation from the collection of modern paintings owned by Lublin Museum. The aim of the exposition is to show the development of contemporary Polish painting.

Gallery of Polish Historical and Battle Painting

The exhibition thematically connected with the exposition of military accessories consists on paintings from the second half of the 18th c. to the second half of the 20th c.

The Authors



Ministry of Treasury of the Republic of Poland

Are you interested in the Polish Privatization Programme?
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MINISTERSTWO
TRANSPORTU, BUDOWNICTWA
I GOSPODARKI MORSKIEJ

Ministry of Transport, Construction and Maritime Economy
Department of Information
Mikołaj Karpiński
Ph.: +48 22 630 11 22
E-mail: info@transport.gov.pl
www.en.mi.gov.pl



Polish Information and Foreign Investment Agency
Foreign Investment Department
Ph.: +48 22 334 98 75
F: +48 22 334 99 90
E-mail: invest@paiz.gov.pl
www.paiz.gov.pl



Lukowicz Swierzewski & Partners
Władysław Szczepkowski
Partner
Ph.: +48 22 444 79 00
F: +48 22 444 79 01
E-mail: wszczepkowski@lukowicz.pl
www.lukowicz.pl



Polish-Chinese Chamber of Commerce
Rajmund Żelewski
Vicepresident
Pn: + 48 58 550 18 83
F: + 48 58 550 18 83
E-mail: raj@pchig.pl
www.pchig.pl



EURO-PARK MIELEC
Special Economic Zone

EURO PARK MIELEC
Special Economic Zone
Małgorzata Hoszowska
Ph.: +48 17 788 72 36
E-mail: mhoszowska@europark.com.pl
www.europark.com.pl



City Hall of Lublin
Beata Krzyżanowska
Head of Press Office
Ph.: +48 42 663 33 80
E-mail: beata.krzyzanowska@lublin.eu
www.um.lublin.pl

TRINITY
RECRUITMENT

TRINITY Recruitment
Piotr Ziółkowski
Manager
Ph.: +48 22 444 7 999
F: +48 22 444 7 998
M: +48 507 056 927
E-mail: p.ziolkowski@trinityrecruitment.eu
www.trinityrecruitment.eu



Colliers International Poland
Dominika Jędrak
Research & Consultancy Director
Ph. +48 22 333 9172
E-mail: dominika.jedrak@colliers.com
www.colliers.com



IBM Polska
Monika Maciąg
IBM Media Relations
Communications Department
Ph.: +48 22 609 59 19
E-mail: monika.maciag@pl.ibm.com

GfK Polonia
Maciej Siejewicz
Public Affairs Manager
Ph.: +48 22 43 41 239
F: +48 22 43 41 010
E-mail: maciej.siejewicz@gfk.com
www.gfk.pl

Lublin Museum
9 Zamkowa Street
21-117 Lublin
Ph.: +48 81 53 250 01
E-mail: promocja@zamek-lublin.pl
www.zamek-lublin.pl



