POLAND
RETAIL DESTINATIONS 2015

Warsaw

Retail stock (sq m)

EXISTING	1,386,700
UNDER CONSTRUCTION	86,000
PLANNED	411,100

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	424
DENSITY - UND.CONST	26
DENSITY - PLANNED	126

Purchasing power index

Per inhabitant
182

Per household
141

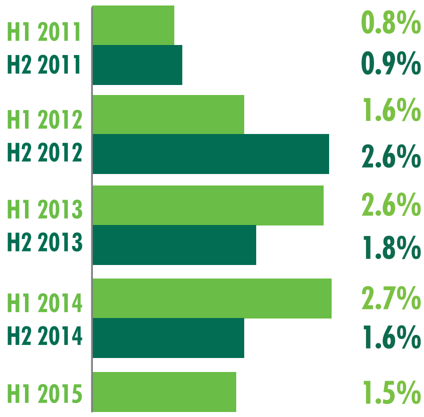
Tenants' structure

27.32%		8.66%	
13.30%		5.78%	
13.73%		5.21%	
8.97%		17.01%	

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	90-120
PRIME RENTS (EUR/sq m/month) - high streets	70-85
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	32
INCENTIVES	Rent free period, step-up rent, fit-out budget

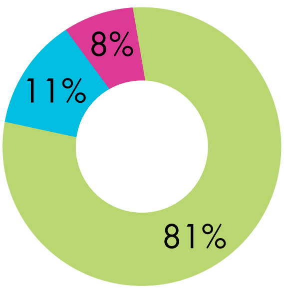
Vacancy rate



Economic indicators in 2025

- Population in agglomeration '000 **3,342**
- Increase in population till 2025 **5.1%**
- Residence based retail sales (EUR million) **11,580**
- Increase in residence based retail sales till 2025 **40%**
- Household disposable income (EUR million) **10,104**
- Increase in household disposable income till 2025 **44%**

Shopping centres age

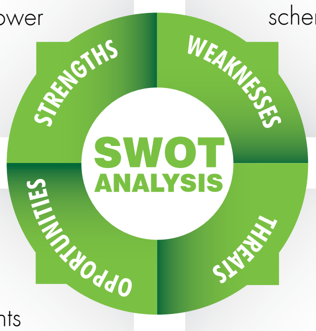


over 10 years old

below 5 years old

5 -10 years old

City SWOT analysis



Strengths

- The largest agglomeration in Poland, the country's business centre
- International recognition
- The highest purchasing power index in Poland

Weaknesses

- Vacancy level is not stable, however oscillates between 0.5% and 3%
- Old 1st generation schemes fill in the niches and block development opportunities

Opportunities

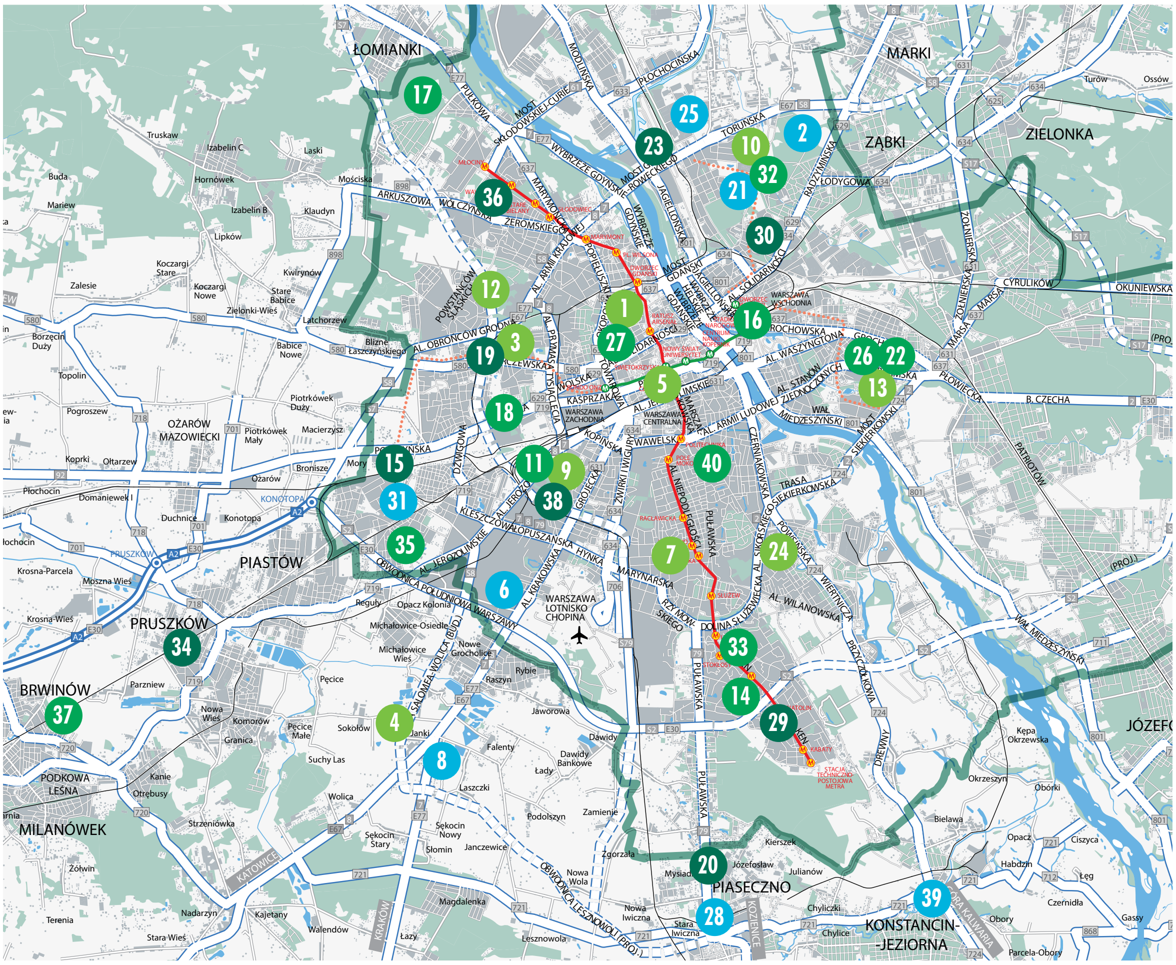
- Steady population growth
- The agglomeration attracts international tenants
- Development of new districts with no present retail development

Threats

- Difficult planning conditions prolonging the investment process
- 80% of the stock is over 10 years old – a need for refurbishments

CBRE

Location map



I generation
II generation
III generation
Specialized

Shopping centres in Warsaw

Number	Project	GLA sq m	Number	Project	GLA sq m
1.	Arkadia	103 000	21.	Zielony Park Handlowy	25 000
2.	Targowek RP + M1	124 800	22.	King Cross Praga	24 200
3.	Wola Park	61 800	23.	Auchan Modlinska	24 000
4.	Centrum Janki	68 500	24.	Sadyba Best Mall	23 000
5.	Zlote Tarasy	66 200	25.	Factory Annopol	19 700
6.	CH Krakowska 61	53 000	26.	CH Goclaw	18 000
7.	Galeria Mokotow	67 200	27.	Klif	17 800
8.	Janki RP	60 600	28.	Fashion House	17 000
9.	Blue City	63 400	29.	Tesco KEN	14 600
10.	Atrium Targowek	50 600	30.	Tesco Stalowa	14 500
11.	Atrium Reduta	40 400	31.	Factory Ursus	13 250
12.	Carrefour Bemowo	38 500	32.	Galeria Renova	12 800
13.	Atrium Promenada	41 800	33.	KEN Center	12 500
14.	Centrum Ursynow	37 000	34.	Tesco Piastow	12 300
15.	Tesco Polczynska	35 300	35.	Centrum Skorosze	12 200
16.	Galeria Wilenska	33 000	36.	E.Leclerc Bielany	6 000
17.	Auchan Lomianki	35 600	37.	Galeria Brwinow	10 000
18.	Fort Wola	29 200	38.	E.Leclerc Jutrzenki	11 000
19.	Tesco Gorczewska	26 000	39.	Stara Papiernia	5 500
20.	Auchan Piaseczno	39 300	40.	Plac Unii City Shopping	15 300

Krakow

Retail stock (sq m)

EXISTING	554,800
UNDER CONSTRUCTION	0
PLANNED	42,000

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	265
DENSITY - UND.CONST	0
DENSITY - PLANNED	20

Purchasing power index

Per inhabitant **120**

Per household **99**

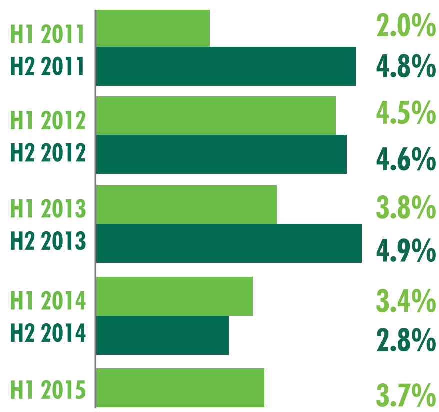
Tenants' structure

28.48% | 8.07% | 14.24% | 5.66% | 13.16% | 5.59% | 9.41% | 15.38%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	50-60
PRIME RENTS (EUR/sq m/month) - high streets	65-80
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	30
INCENTIVES	Rent free period, step-up rent, fit-out budget

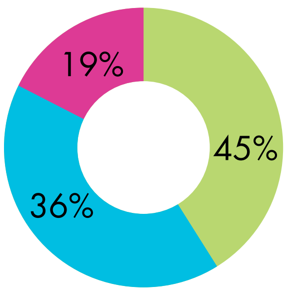
Vacancy rate



Economic indicators in 2025

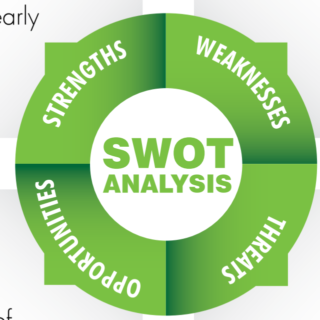
Population in agglomeration '000	2,099
Increase in population till 2025	0.6%
Residence based retail sales (EUR million)	5,433
Increase in residence based retail sales till 2025	32%
Household disposable income (EUR million)	4,181
Increase in household disposable income till 2025	34%

Shopping centres age



- over 10 years old
- below 5 years old
- 5 -10 years old

City SWOT analysis



Strengths
- Low and decreasing vacancy level
- Well-performing high streets with well-situated large units
- Over 9 million tourists yearly boosting the purchasing power

Weaknesses
- Bureaucratic barriers
- A complicated cooperation with local authorities

Opportunities
- Potential for new investments
- Third largest agglomeration in terms of population
- Still limited number of retail schemes

Threats
- A considerable number of schemes located within a close proximity to each other
- Development of the new retail scheme
- Regional competition with Silesia region

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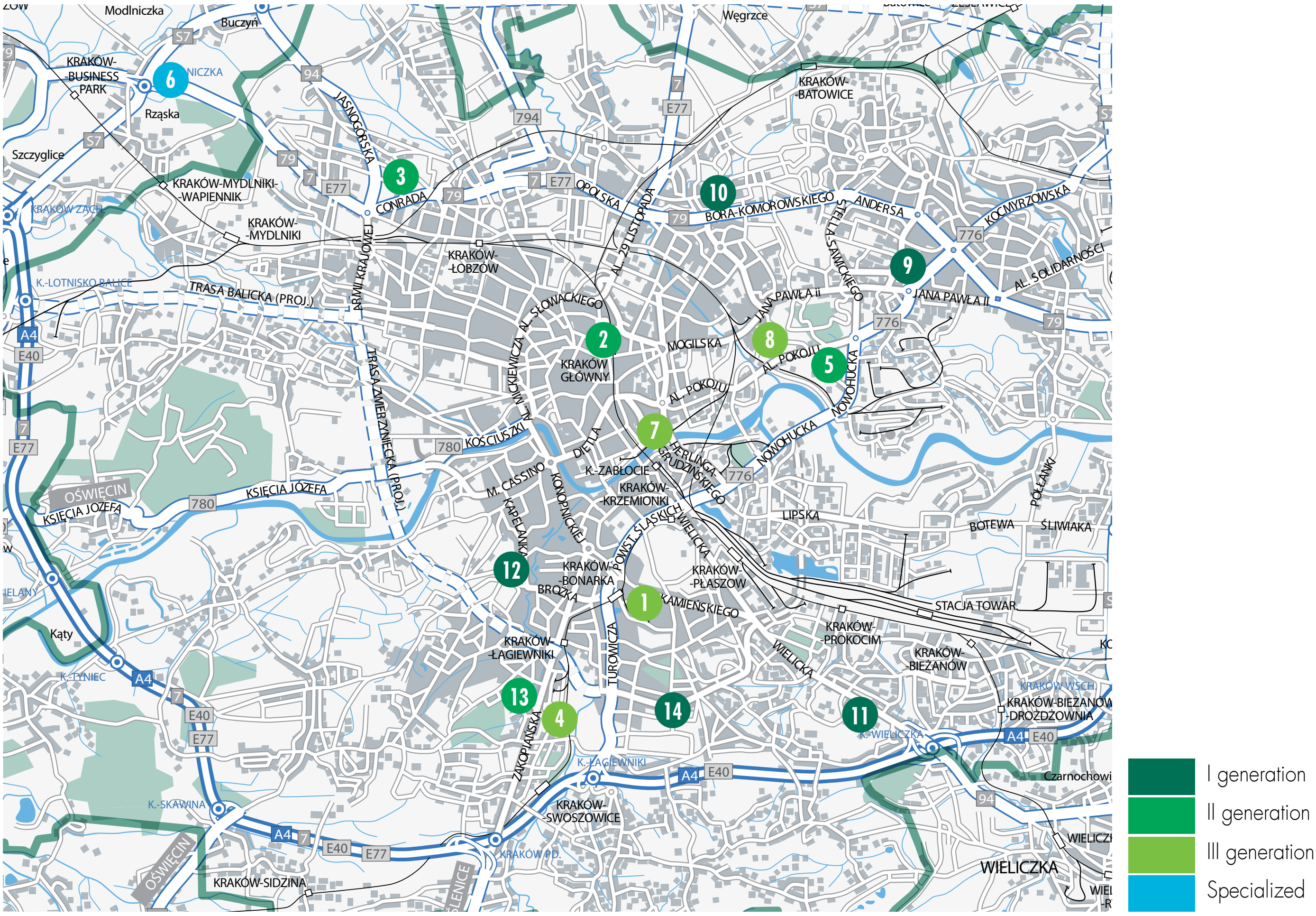
Location map



Shopping centres in Krakow

	Number	Project	GLA sq m
	1.	Bonarka	91 000
	2.	Galeria Krakowska	60 000
	3.	Galeria Bronowice	60 300
	4.	Zakopianka	59 300
	5.	M1 Krakow	50 300
	6.	Futura Park	39 000
	7.	Galeria Kazimierz	36 000
	8.	Plaza Krakow	30 400
	9.	CH Czyzyny	28 800
	10.	Krokus	27 100
	11.	Tesco, Wielicka	25 400
	12.	Tesco, Kapelanka	25 300
	13.	Solvay Park	13 800
	14.	Carrefour Witosa	9 000

Wroclaw

Retail stock (sq m)

EXISTING	638,100
UNDER CONSTRUCTION	35,000
PLANNED	70,000

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	533
DENSITY - UND.CONST	29
DENSITY - PLANNED	58

Purchasing power index

Per inhabitant
133

Per household
108

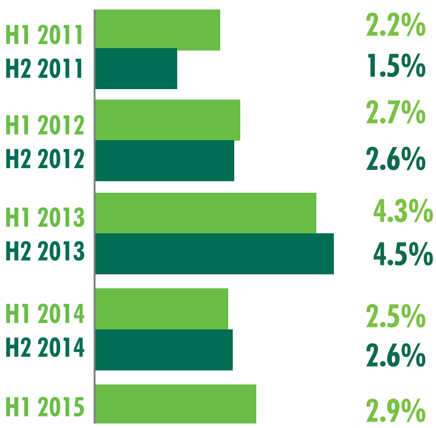
Tenants' structure

30.84%	8.51%
13.61%	5.25%
12.72%	5.92%
8.43%	14.72%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	38-50
PRIME RENTS (EUR/sq m/month) - high streets	40-55
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	32
INCENTIVES	Rent free period, step-up rent, fit-out budget

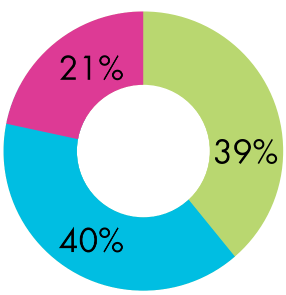
Vacancy rate



Economic indicators in 2025

Population in agglomeration '000	1,207
Increase in population till 2025	1.0%
Residence based retail sales (EUR million)	3,280
Increase in residence based retail sales till 2025	35%
Household disposable income (EUR million)	3,863
Increase in household disposable income till 2025	38%

Shopping centres age

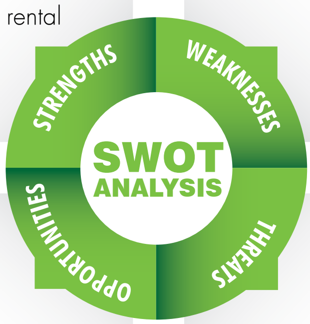


over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis

- A well established, diversified market
- High purchasing power per inhabitant
- Stable and relatively high rental levels
- A strong position of Swidnicka as a high street

- Poor public transportation in some districts
- Overprovisioned city centre with three schemes located within 1km from each other



- High quality of life
- Developed infrastructure
- Experienced city authorities and local developers

- High shopping centre density
- Growing competition

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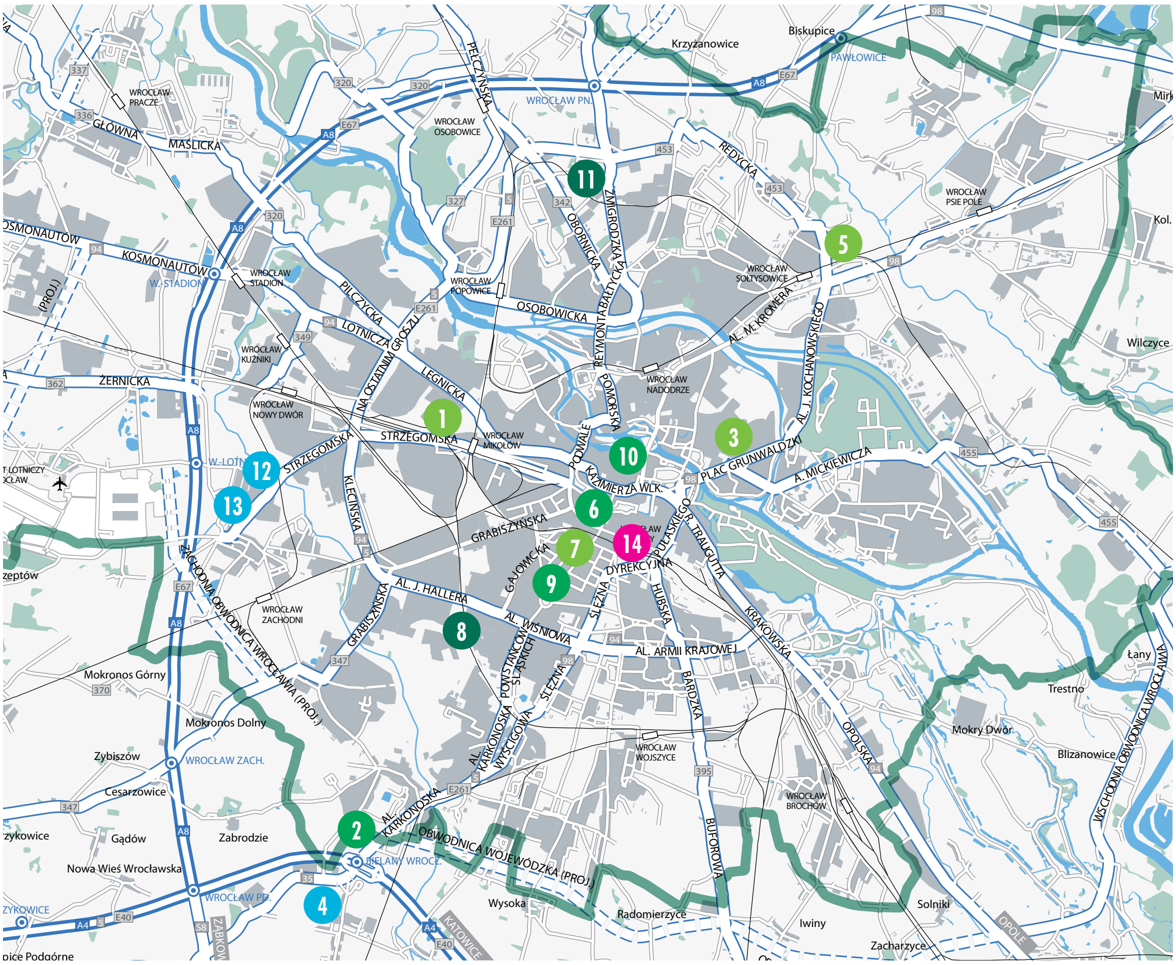
Location map



- I generation
- II generation
- III generation
- Specialized
- Under construction

Largest Shopping centres in Wroclaw

Number	Project	GLA sq m
1.	Magnolia Park	100 000
2.	Auchan Bielany	56 000
3.	Pasaz Grunwaldzki	52 000
4.	Aleja Bielany	104 700
5.	Korona	41 200
6.	Renoma	31 000
7.	Arkady Wroclawskie	30 000
8.	Borek	27 000
9.	Sky Tower	25 000
10.	Galeria Dominikanska	24 300
11.	Marino	20 000
12.	Futura Park	17 300
13.	Factory Outlet	13 200
14.	Wroclavia	70 000

Tricity

Retail stock (sq m)

EXISTING	660,400
UNDER CONSTRUCTION	103,400
PLANNED	0

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	511
DENSITY - UND.CONST	80
DENSITY - PLANNED	125

Purchasing power index

Per inhabitant
125

Per household
106

Tenants' structure

28.76%	7.99%	14.44%	4.79%
11.52%	5.62%	8.54%	18.35%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	40-60
PRIME RENTS (EUR/sq m/month) - high streets	50-65
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	25
INCENTIVES	Rent free period, step-up rent, fit-out budget

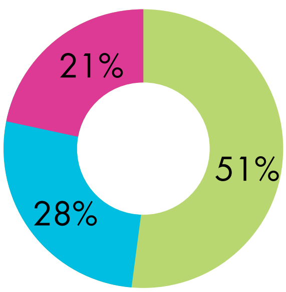
Vacancy rate

H1 2011	3.3%
H2 2011	2.1%
H1 2012	4.1%
H2 2012	3.5%
H1 2013	3.4%
H2 2013	3.4%
H1 2014	3.2%
H2 2014	1.8%
H1 2015	3.1%

Economic indicators in 2025

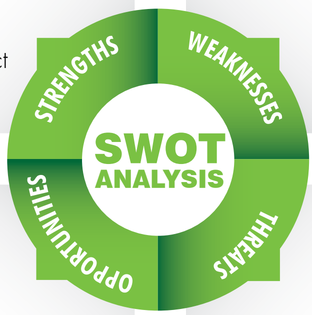
- Population in agglomeration '000 — 1,293
- Increase in population till 2025 — 3.9%
- Residence based retail sales (EUR million) — 3,720
- Increase in residence based retail sales till 2025 — 36%
- Household disposable income (EUR million) — 4,491
- Increase in household disposable income till 2025 — 38%

Shopping centres age



over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis



Strengths

- A considerable inflow of tourists and shopping tourism from Russia
- High purchasing power
- Tourist destination
- Established business district among central route of the agglomeration

Weaknesses

- Development of schemes mostly along the costal line – limited number of new investments south from the coastal line where the residential market is growing
- Relatively high amount of older projects with limited offer

Opportunities

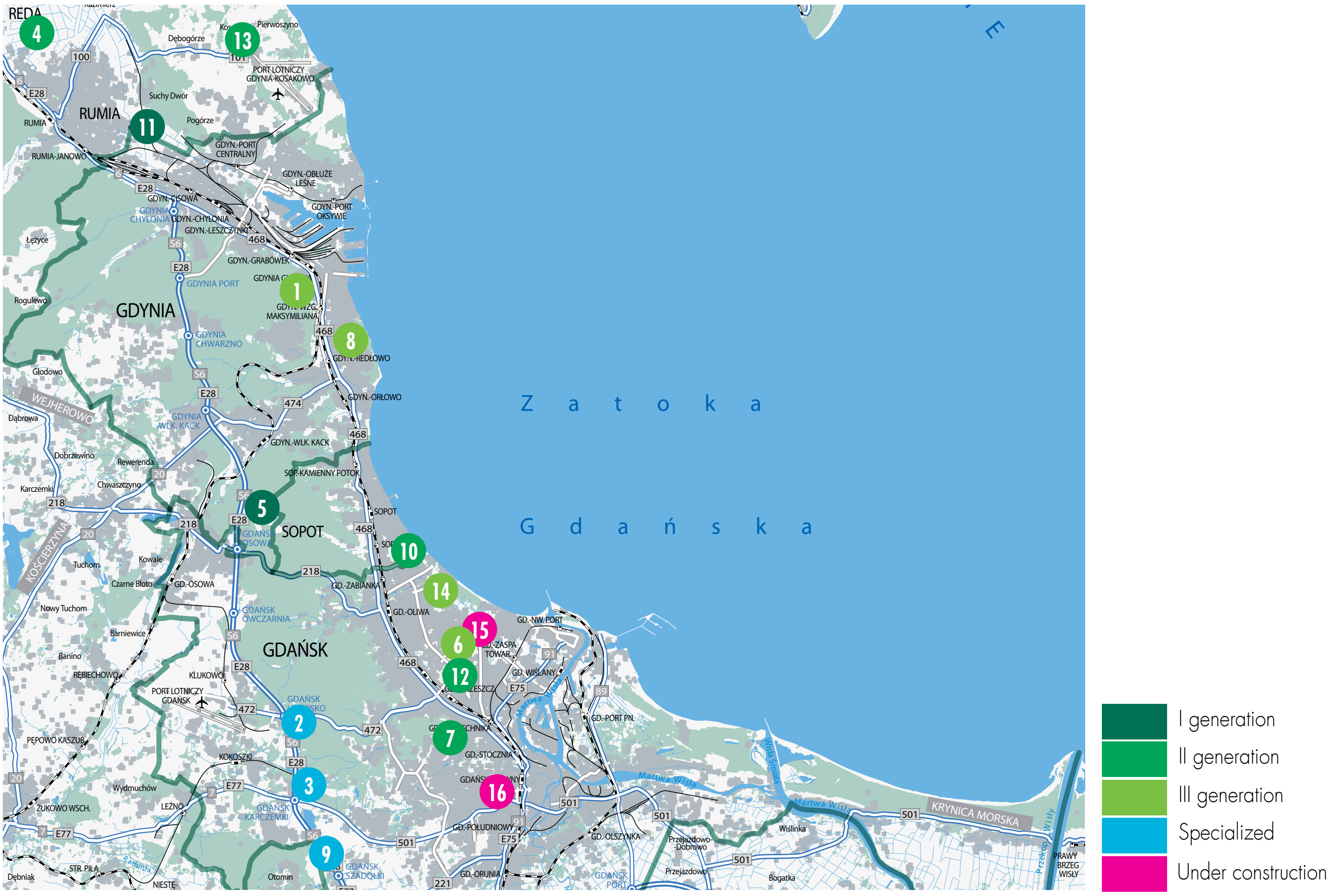
- The latest development of Rapid Urban Railway (Pomorska Kolej Metropolitalna)
- Increasing number of local and international tourists

Threats

- Highest density ratio among the agglomerations
- The retail supply is spread unevenly in the region
- Decreasing number of Russiari tourists

CBRE

Location map



Largest Shopping centres in Tricity

Number	Project	City	GLA sq m
1.	Riviera	Gdynia	70 500
2.	Matarnia Retail Park	Gdynia	52 800
3.	Auchan	Gdansk	46 800
4.	Auchan Port Rumia	Rumia	44 800
5.	Galeria Osowa	Gdansk	39 100
6.	Galeria Baltycka	Gdansk	46 500
7.	Morena	Gdansk	26 000
8.	Klif	Gdynia	31 800
9.	Morski Retail Park	Gdansk	46 200
10.	Galeria Przymorze	Gdansk	27 600
11.	Tesco Kcynska	Gdynia	23 900
12.	Manhattan	Gdansk	22 200
13.	Szperk	Gdynia	26 500
14.	Alfa Centrum	Gdansk	20 500
15.	Galeria Metropolia	Gdansk	34 250
16.	Forum Gdansk	Gdansk	62 200

Poznan

Retail stock (sq m)

EXISTING	620,400
UNDER CONSTRUCTION	104,600
PLANNED	0

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	537
DENSITY - UND.CONST	90
DENSITY - PLANNED	0

Purchasing power index

Per inhabitant
132

Per household
111

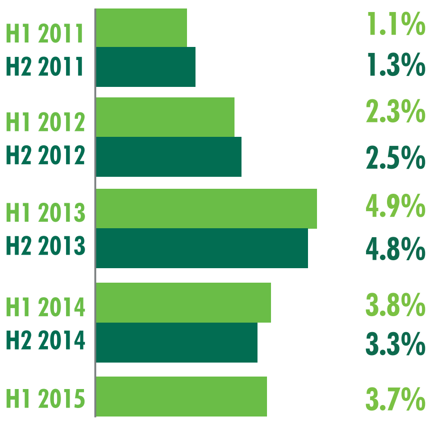
Tenants' structure

29.57%	8.77%
12.56%	5.32%
13.62%	5.18%
9.30%	15.68%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	50-80
PRIME RENTS (EUR/sq m/month) - high streets	35-60
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	25
INCENTIVES	Rent free period, step-up rent, fit-out budget

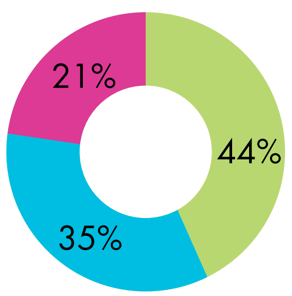
Vacancy rate



Economic indicators in 2025

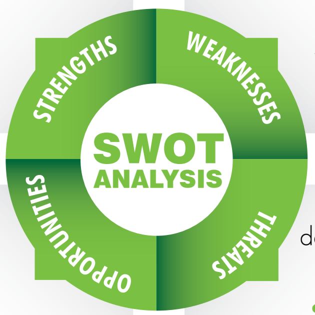
- Population in agglomeration '000 **1,167**
- Increase in population till 2025 **4.0%**
- Residence based retail sales (EUR million) **3,428**
- Increase in residence based retail sales till 2025 **37%**
- Household disposable income (EUR million) **4,174**
- Increase in household disposable income till 2025 **40%**

Shopping centres age



over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis



Strengths

- A large amount of well-performing and recognizable schemes
- Good road infrastructure

Weaknesses

- Already high density level
- Limited development potential
- Few underperforming schemes bringing the vacancy level up

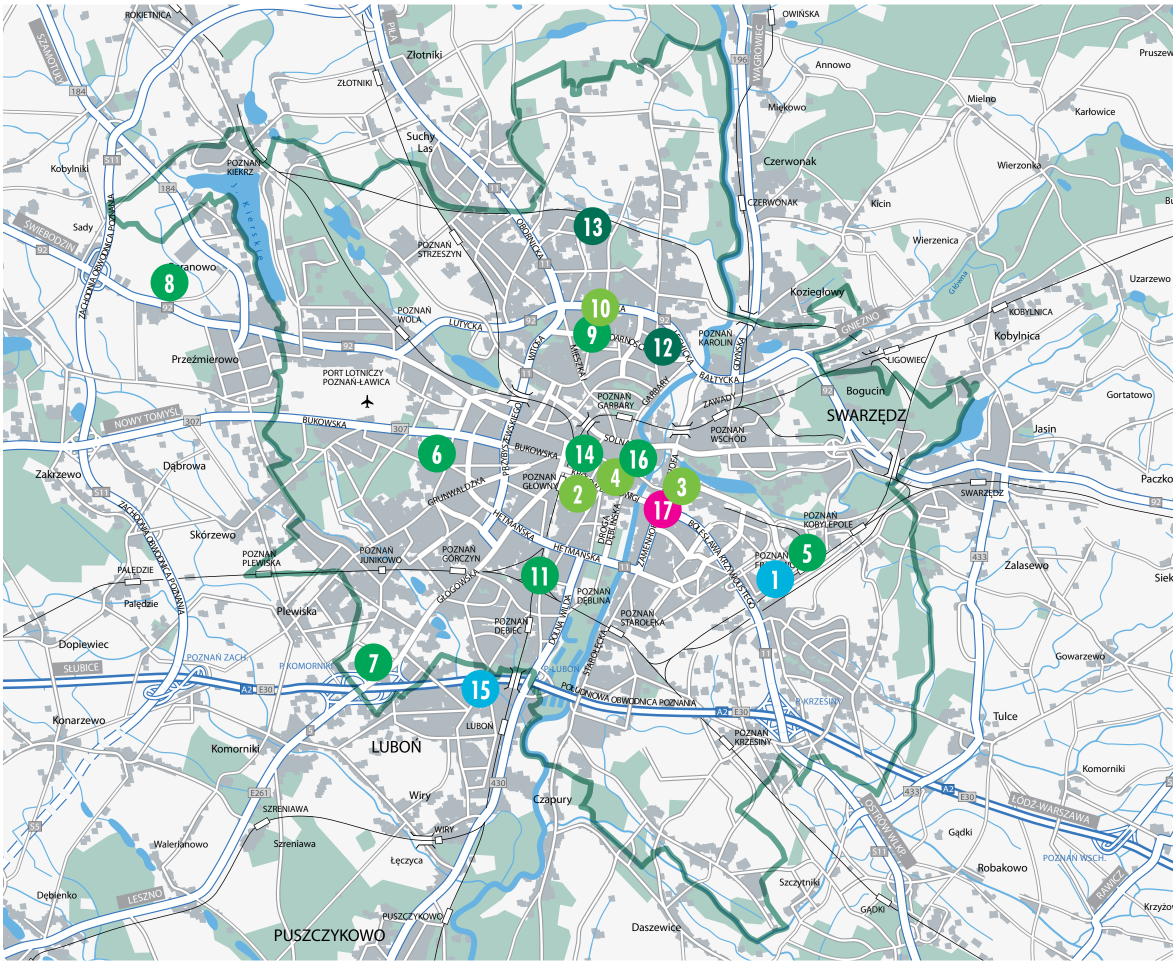
Opportunities

- A lot of investment potential
- Mature market
- Location close to German border with convenient access

Threats

- Forecasted gradual rental decrease due to the availability of retail space
- The development of the new 100.000 sq m retail scheme may boost the vacancy level both in the whole city but also in the neighboring centres

Location map



	I generation
	II generation
	III generation
	Specialized
	Under construction

Shopping centres in Poznan

Number	Project	GLA sq m
1.	Centrum Franowo	60 700
2.	Poznan City Center	58 000
3.	Galeria Malta	54 000
4.	Stary Browar	47 400
5.	M1 Poznan	41 300
6.	King Cross Marcelin	45 600
7.	Auchan Komorniki	48 100
8.	Auchan Swadzim	42 000
9.	Galeria Pestka	42 000
10.	Plaza Poznan	29 500
11.	Panorama	24 100
12.	Tesco Serbska	22 300
13.	Tesco Opienskiego	17 200
14.	Galeria MM	11 000
15.	Factory Outlet	15 200
16.	Kupiec Poznanski	9 000
17.	Posnania	98 000

Bialystok

Retail stock (sq m)

EXISTING	186,519
UNDER CONSTRUCTION	25,000
PLANNED	111,000

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	623
DENSITY - UND.CONST	85
DENSITY - PLANNED	169

Purchasing power index

Per inhabitant
107

Per household
93

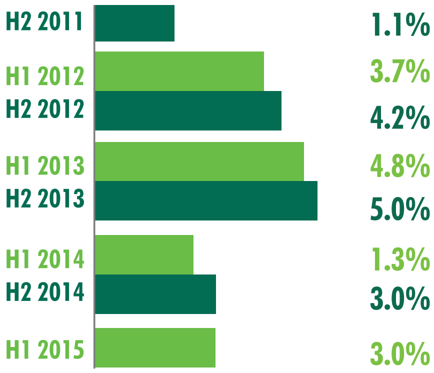
Tenants' structure

38.35%	7.63%
10.84%	5.22%
8.63%	5.62%
11.85%	11.85%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	30-35
PRIME RENTS (EUR/sq m/month) - high streets	15-25
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	25
INCENTIVES	Rent free period, step-up rent, fit-out budget

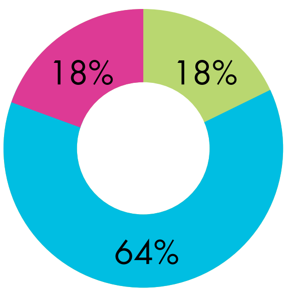
Vacancy rate



Economic indicators in 2025

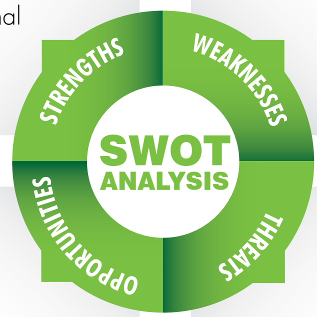
Population in agglomeration '000	504
Increase in population till 2025	0.3%
Residence based retail sales (EUR million)	1,306
Increase in residence based retail sales till 2025	32%
Household disposable income (EUR million)	3,000
Increase in household disposable income till 2025	34%

Shopping centres age



over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis



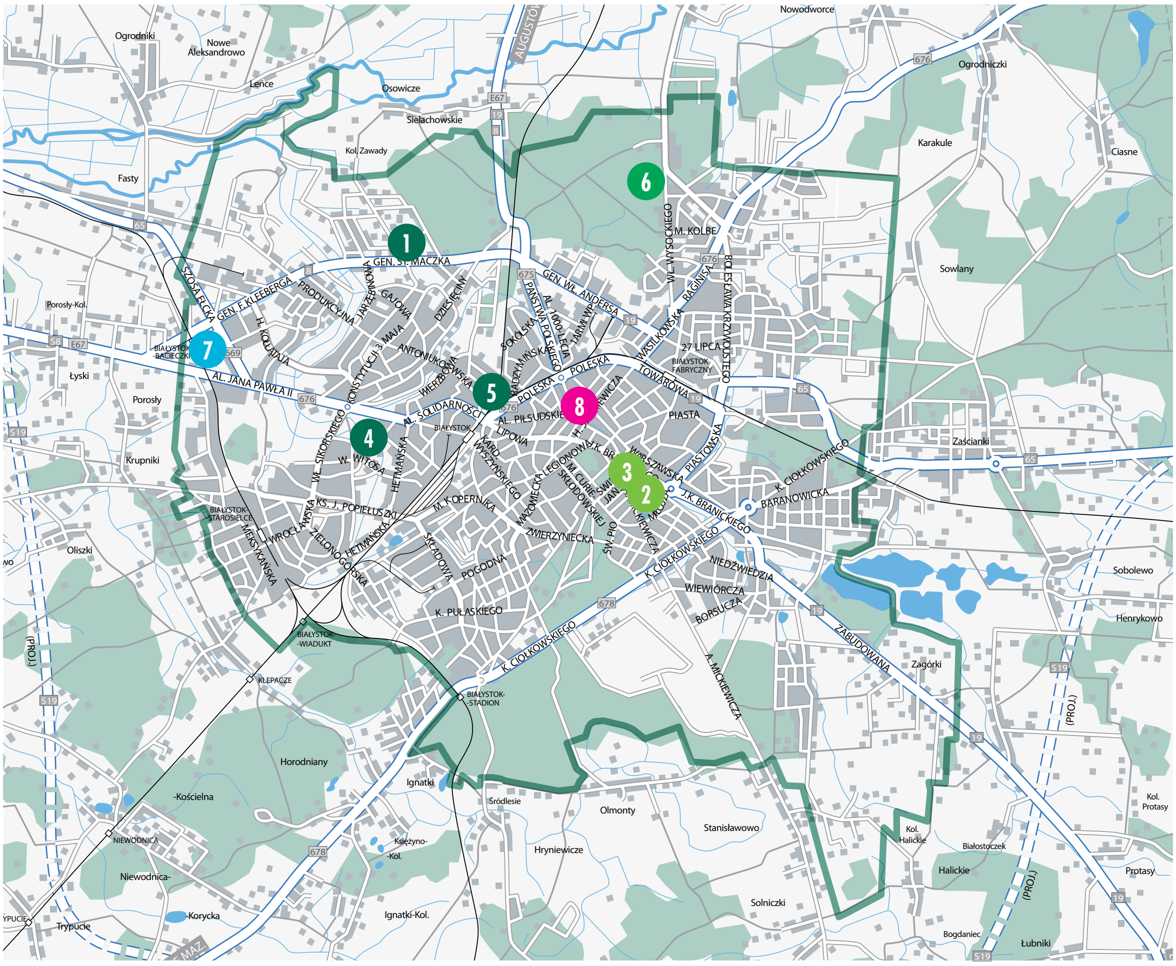
Strengths
- Convenient location in the north-eastern Poland
- Proximity to the international borders

Weaknesses
- Oversupply of retail projects
- Purchasing power at the national average

Opportunities
- Increasing importance of shopping tourism from abroad

Threats
- Outflow of young population
- Local character of the city

Location map



- I generation
- II generation
- III generation
- Specialized
- Under construction

Shopping centres in Bialystok

Number	Project	GLA sq m
1.	Auchan Produkcyjna	32 700
2.	Atrium Biala	32 500
3.	Alfa Centrum	34 100
4.	Auchan Hetmanska	29 000
5.	Zielone Wzgorze	19 200
6.	Galeria Podlaska (Outlet)	13 500
7.	Outlet Center Bialystok	13 600
8.	Galeria Jurowiecka	25 000

Lodz

Retail stock (sq m)

EXISTING	509,900
UNDER CONSTRUCTION	46,500
PLANNED	0

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	460
DENSITY - UND.CONST	40
DENSITY - PLANNED	0

Purchasing power index

Per inhabitant
116

Per household
92

Tenants' structure

27.56% | 7.70%
16.20% | 5.88%
12.87% | 5.32%
8.26% | 16.20%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	35-55
PRIME RENTS (EUR/sq m/month) - high streets	20-30
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	32
INCENTIVES	Rent free period, step-up rent, fit-out budget

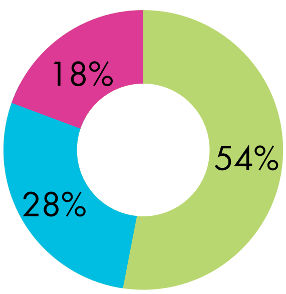
Vacancy rate

H1 2011	2.3%
H2 2011	2.2%
H1 2012	1.9%
H2 2012	2.4%
H1 2013	3.2%
H2 2013	1.7%
H1 2014	2.8%
H2 2014	2.4%
H1 2015	2.4%

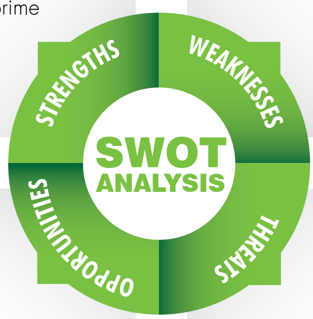
Economic indicators in 2025

- Population in agglomeration '000 — 1,116
- Increase in population till 2025 — -5.5%
- Residence based retail sales (EUR million) — 3,057
- Increase in residence based retail sales till 2025 — 25%
- Household disposable income (EUR million) — 3,612
- Increase in household disposable income till 2025 — 28%

Shopping centres age



City SWOT analysis



Strengths

- Pro-active attitude of the city's authorities
- Good accessibility from the surrounding cities through a developed road system
- Largest and one of the most prime schemes in Poland – Manufaktura is visited by around 20 million customers yearly

Weaknesses

- Relatively low purchasing power index per household
- Close proximity to Warsaw which also translates into division/split of the purchasing power
- The shopping centre market is ageing – 55% of the stock is over 10 years old

Opportunities

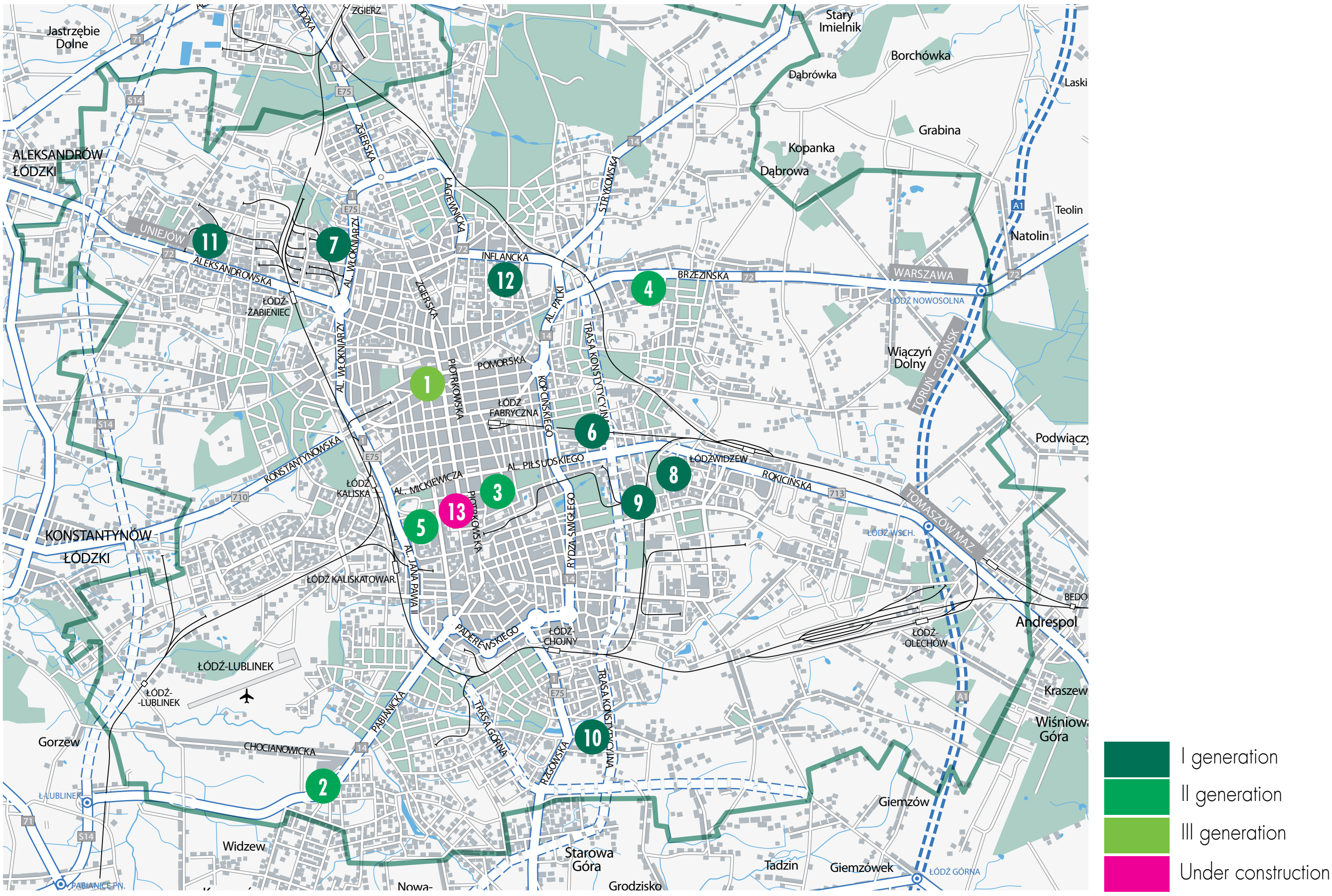
- Only 18% of the stock is younger than 5 years old – existing schemes' redevelopment potential is considerable
- The increasing number of new openings of restaurants and cafes may lead to Piotrkowska Street revival

Threats

- S.C. density ratio higher than the average for agglomerations
- The coming completion of Sukcesja may result in the increased vacancy ratio in competing schemes

CBRE

Location map



Shopping centres in Lodz

Number	Project	GLA sq m
1.	Manufaktura	109 500
2.	Port Lodz	103 000
3.	Galeria Lodzka	45 000
4.	M1 Lodz	37 800
5.	Pasaz Lodzki	37 100
6.	Tulipan	32 800
7.	Tesco Baluty	26 200
8.	Tesco Widzew	23 900
9.	Galeria Lodz	17 100
10.	Guliwer (Carrefour)	17 800
11.	Carrefour Szparagowa	15 900
12.	E. Leclerc	12 000
13.	Sukcesja	46 500

Szczecin

Retail stock (sq m)

EXISTING	316,600
UNDER CONSTRUCTION	5,000
PLANNED	17,000

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	429
DENSITY - UND.CONST	7
DENSITY - PLANNED	23

Purchasing power index

Per inhabitant
117

Per household
99

Tenants' structure

28.68%	8.65%	15.33%	5.77%
12.57%	7.13%	10.17%	11.53%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	38-45
PRIME RENTS (EUR/sq m/month) - high streets	25-40
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	25
INCENTIVES	Rent free period, step-up rent, fit-out budget

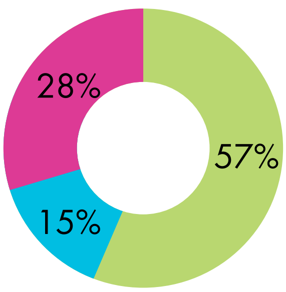
Vacancy rate

H1 2011	0.6%
H2 2011	0.6%
H1 2012	0.5%
H2 2012	1.9%
H1 2013	2.2%
H2 2013	2.0%
H1 2014	3.0%
H2 2014	3.3%
H1 2015	1.6%

Economic indicators in 2025

- Population in agglomeration , '000 — 738
- Increase in population till 2025 — -0.7%
- Residence based retail sales (EUR million) — 2,020
- Increase in residence based retail sales till 2025 — 29%
- Household disposable income (EUR million) — 2,387
- Increase in household disposable income till 2025 — 30%

Shopping centres age

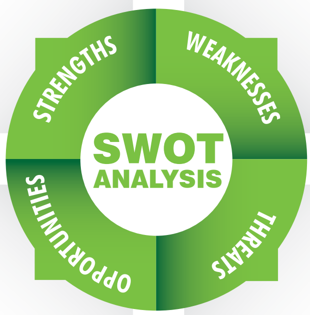


over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis

- Close proximity to the German boarder leading to the increased catchment
- Pro-active attitude of the city's authorities

- Relatively low average salary
- High volume of older and lower quality schemes

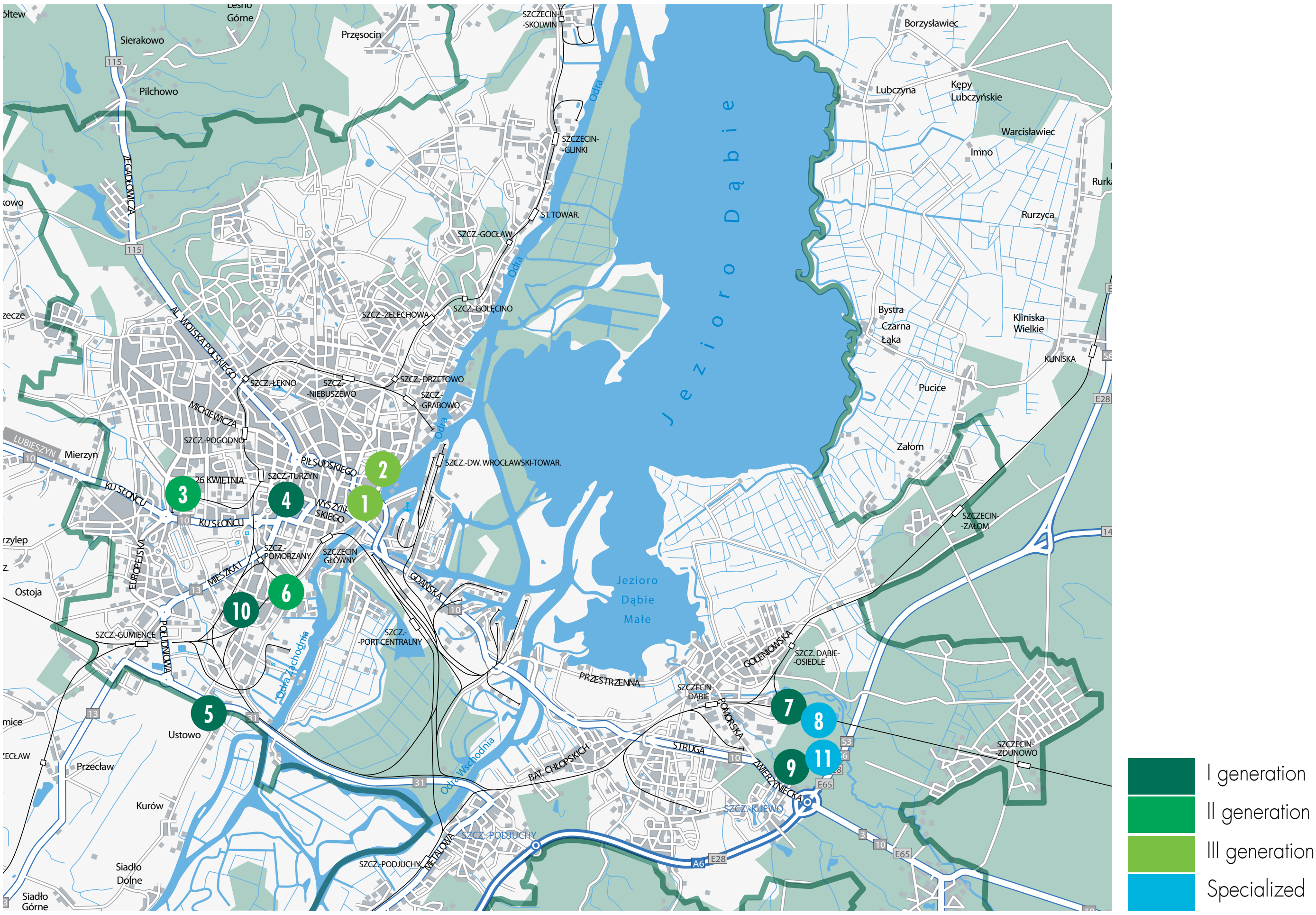


- Tourist destination
- Increasing number of German customers

- Constant outflow of young population

CBRE

Location map



Shopping centres in Szczecin

Number	Project	GLA sq m
1.	Galeria Kaskada	43 000
2.	Galaxy	42 500
3.	Ster	32 000
4.	Galeria Handlowa Turzyn	27 500
5.	Auchan	21 400
6.	Atrium Molo	24 900
7.	Galeria Gryf	18 400
8.	Marcredo Center	14 000
9.	Real	12 400
10.	Tesco	11 900
11.	Szczecin Outlet Park	9 600

Lublin

Retail stock (sq m)

EXISTING	304,342
UNDER CONSTRUCTION	17,000
PLANNED	38,000

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	878
DENSITY - UND.CONST	49
DENSITY - PLANNED	227

Purchasing power index

Per inhabitant
104

Per household
88

Tenants' structure

33.41%	8.41%
14.32%	5.23%
11.36%	5.57%
8.30%	13.41%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	32-37
PRIME RENTS (EUR/sq m/month) - high streets	15-25
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	25
INCENTIVES	Rent free period, step-up rent, fit-out budget

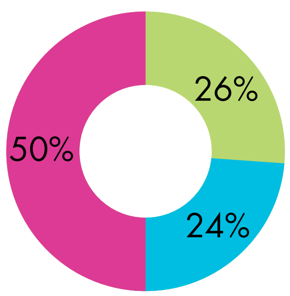
Vacancy rate

H2 2011	0.6%
H1 2012	1.6%
H2 2012	1.0%
H1 2013	3.1%
H2 2013	3.6%
H1 2014	1.2%
H2 2014	1.9%
H1 2015	2.5%

Economic indicators in 2025

- Population in agglomeration (,000) — 710
- Increase in population till 2025 — -1.1%
- Residence based retail sales (EUR million) — 1,931
- Increase in residence based retail sales till 2025 — 28%
- Household disposable income (EUR million) — 4,529
- Increase in household disposable income till 2025 — 29%

Shopping centres age



over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis

Strengths

- Convenient location in the eastern part of the country
- Lack of similar size retail destination within 150 km radius

Weaknesses

- Oversupply of retail projects
- The highest density within the cities of 200,000 - 400,000 inhabitants
- Purchasing power at the national average

Opportunities

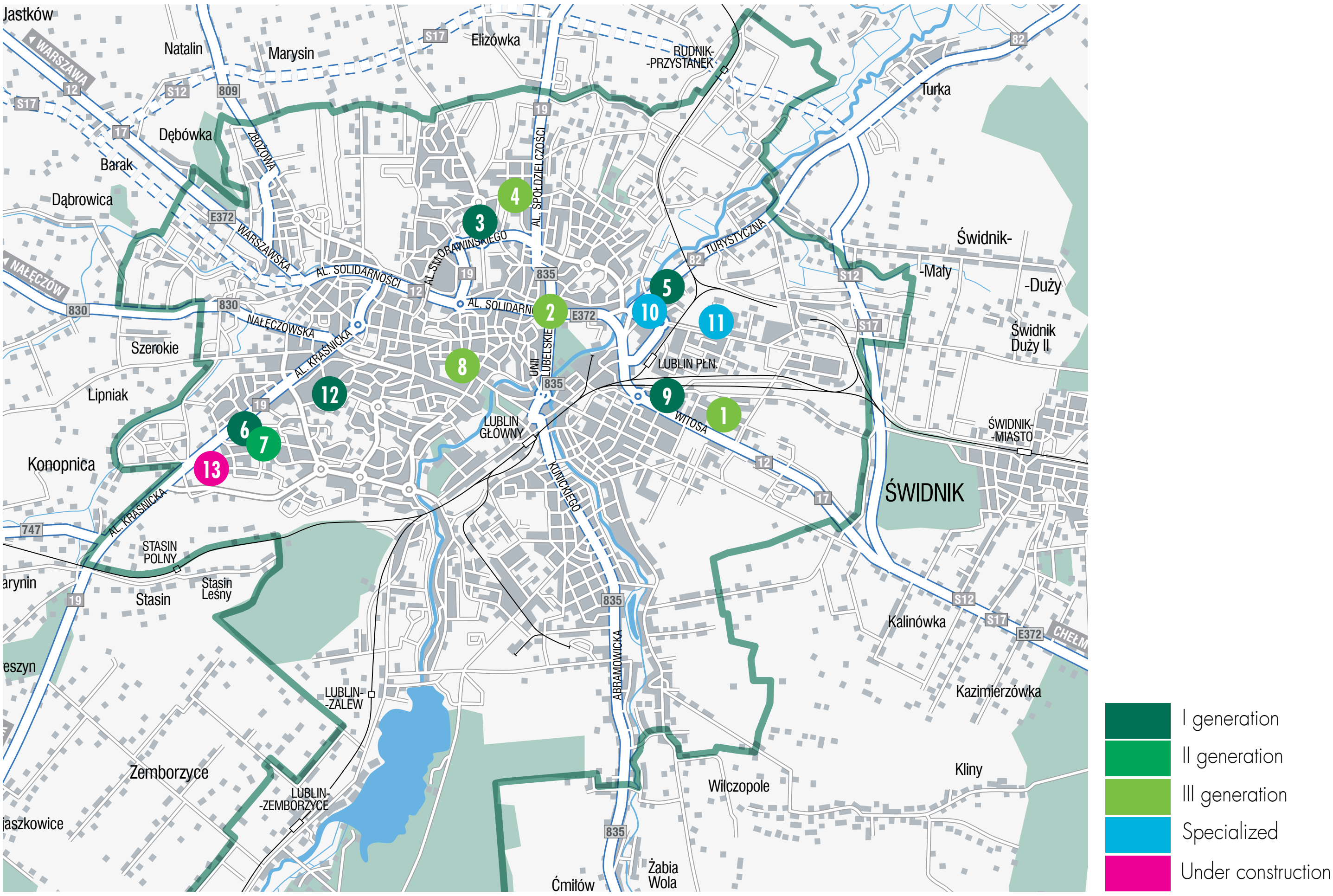
- Lack of competing reginal retail destinations
- Increasing importance of shopping tourism

Threats

- Large scale projects in the pipeline
- Outflow of young population

CBRE

Location map



Shopping centres in Lublin

Number	Project	GLA sq m
1.	Atrium Felicity	73 000
2.	Tarasy Zamkowe	38 000
3.	Real	15 500
4.	Galeria Olimp	60 300
5.	E. Leclerc Turystyczna	11 400
6.	Tesco Orkana	19 600
7.	Galeria Orkana	7 600
8.	Plaza Lublin	24 000
9.	Galeria Lubelska	13 000
10.	Tatary Retail Park	14 000
11.	Outlet Center	12 100
12.	E. Leclerc Zana	17 000
13.	Retail Park Krasnicka	17 000

Silesia

Retail stock (sq m)

EXISTING	1,084,000
UNDER CONSTRUCTION	52,500
PLANNED	194,160

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	388
DENSITY - UND.CONST	19
DENSITY - PLANNED	69

Purchasing power index

Per inhabitant
115

Per household
98

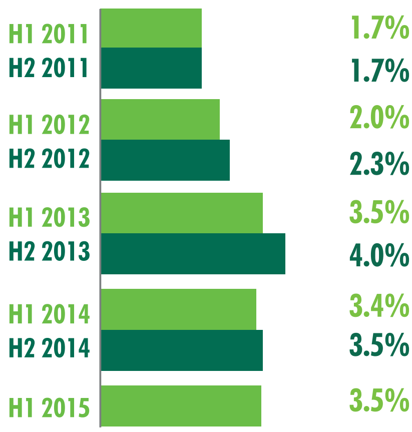
Tenants' structure

26.01%		9.56%	
17.92%		5.15%	
11.22%		7.81%	
7.89%		14.43%	

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	50-60
PRIME RENTS (EUR/sq m/month) - high streets	20-60
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	28
INCENTIVES	Rent free period, step-up rent, fit-out budget

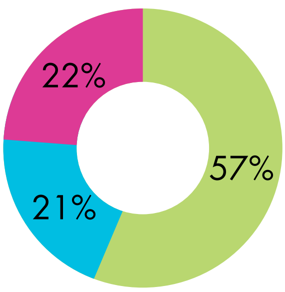
Vacancy rate



Economic indicators in 2025

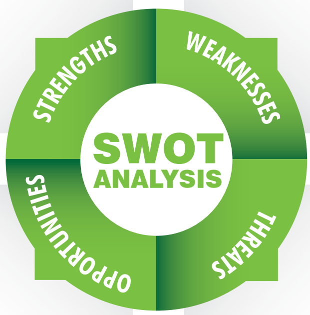
• Population in agglomeration '000	2,811
• Increase in population till 2025	-4.5%
• Residence based retail sales (EUR million)	8,337
• Increase in residence based retail sales till 2025	27%
• Household disposable income (EUR million)	4,077
• Increase in household disposable income till 2025	29%

Shopping centres age



over 10 years old
below 5 years old
5 -10 years old

City SWOT analysis



Strengths
- Second largest agglomeration in the country
- Highly developed road infrastructure and public transport

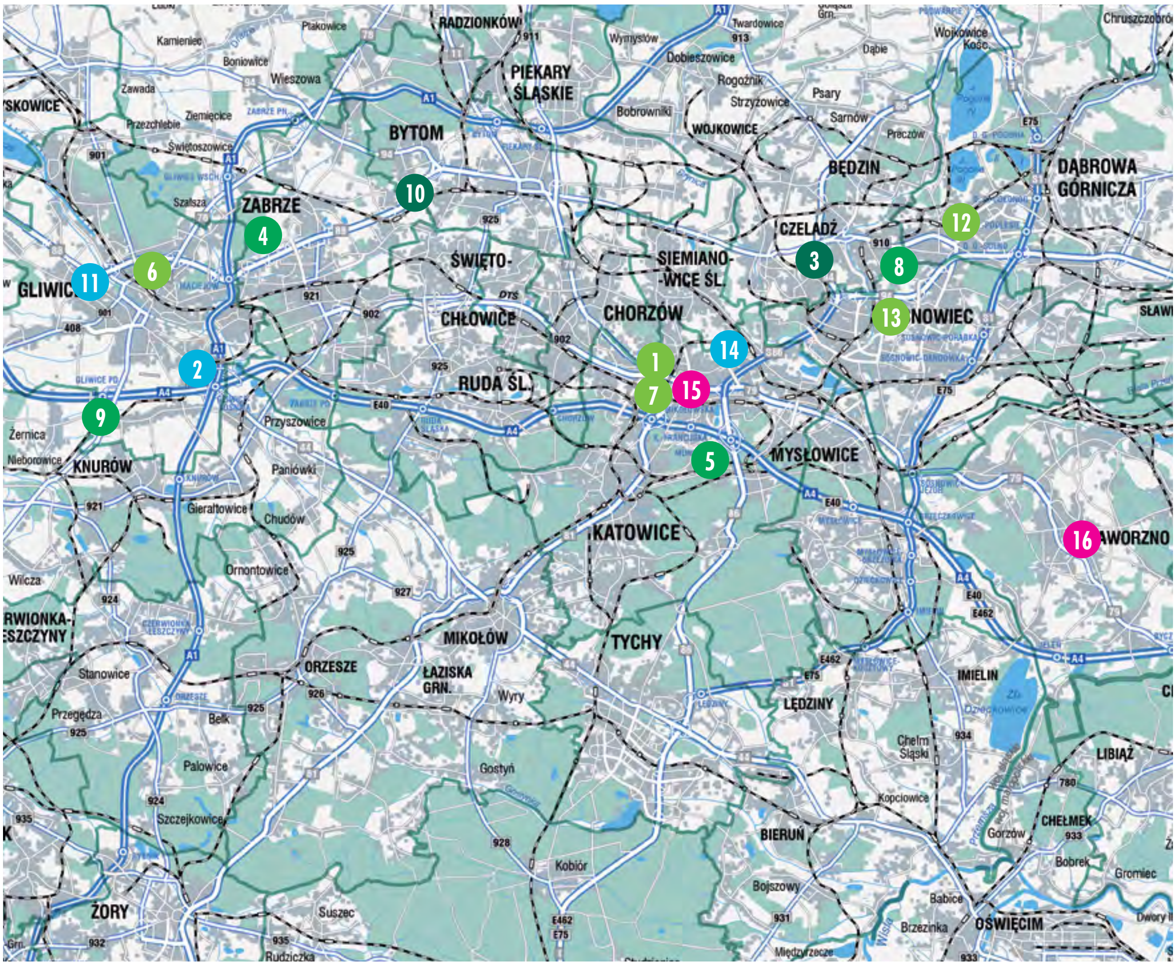
Weaknesses
- A considerable number of local investors' projects being not fully let
- Limited business networking

Opportunities
- Relatively high disposable income
- Mature market

Threats
- Projects in the pipeline
- Growing cost of operation

CBRE

Location map



- I generation
- II generation
- III generation
- Specialized
- Under construction

Largest Shopping centres in Silesia

Number	Project	City	GLA sq m
1.	Silesia City Center	Katowice	84 000
2.	Europa Centralna	Gliwice	67 000
3.	M1	Czeladz	52 500
4.	M1	Zabrze	49 300
5.	3 Stawy	Katowice	31 200
6.	Forum	Gliwice	43 000
7.	Galeria Katowicka	Katowice	42 000
8.	Auchan	Sosnowiec	40 100
9.	Auchan	Gliwice	37 500
10.	Atrium Plejada	Bytom	37 300
11.	Arena	Gliwice	41 300
12.	Pogoria	Dabrowa Gornicza	44 600
13.	Plejada	Sosnowiec	33 500
14.	Rawa Retail Park	Katowice	33 200
15.	Supersam	Katowice	21 000
16.	Galena	Jaworzno	31 500

Bydgoszcz/Torun

Retail stock (sq m)

EXISTING	339,171
UNDER CONSTRUCTION	57,000
PLANNED	92,500

Retail density (sq m /1,000 inhabitants)

DENSITY - STOCK	B: 570, T: 648
DENSITY - UND. CONST	B: 157, T: 88
DENSITY - PLANNED	B: 73, T: 79

Purchasing power index

Per inhabitant
107

Per household
93

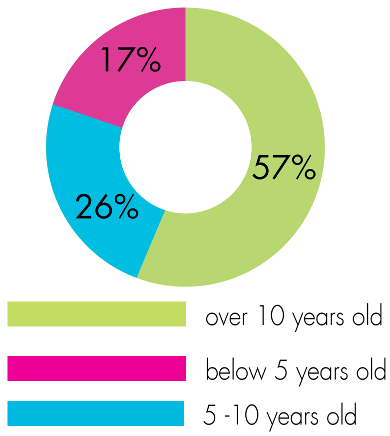
Tenants' structure

- 31.46%
- 8.49%
- 15.48%
- 5.49%
- 10.11%
- 7.62%
- 9.61%
- 11.74%

Standard lease terms

PRIME RENTS (EUR/sq m/month) - shopping centres	B: 38-42 T: 28-32
PRIME RENTS (EUR/sq m/month) - high streets	15-25
AVERAGE LEASE LENGTH (years)	5-10
SERVICE CHARGES (PLN/sq m/month)	28
INCENTIVES	Rent free period, step-up rent, fit-out budget

Shopping centres age



Vacancy rate

BYDGOSZCZ

H2 2011	3.2%
H1 2012	3.7%
H2 2012	2.9%
H1 2013	5.9%
H2 2013	5.2%
H1 2014	4.6%
H2 2014	5.3%
H1 2015	6.4%

TORUN

H2 2011	9.5%
H1 2012	6.1%
H2 2012	5.9%
H1 2013	6.2%
H2 2013	5.7%
H1 2014	4.4%
H2 2014	2.5%
H1 2015	4.3%

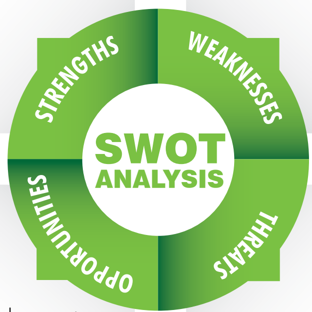
Economic indicators in 2025

- Population in agglomeration '000 — 769
- Increase in population till 2025 — 0.3%
- Residence based retail sales (EUR million) — 2,093
- Increase in residence based retail sales till 2025 — 33%
- Household disposable income (EUR million) — 4,909
- Increase in household disposable income till 2025 — 36%

City SWOT analysis

- Good public infrastructure

- Proximity of other, more matured retail destinations
- Relatively low purchasing power

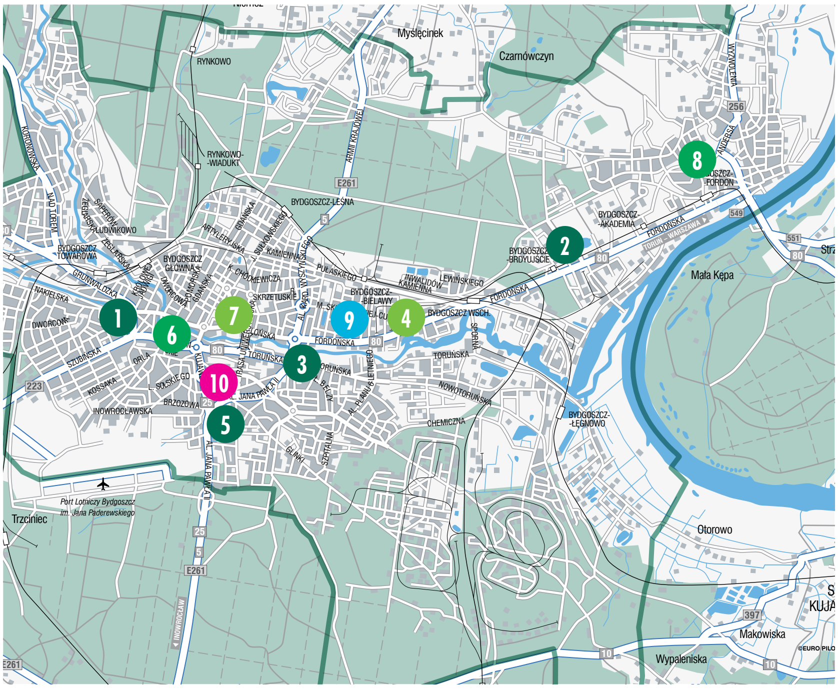


- Relatively low purchasing power
- Limited number of similar sized retail destinations in the region
- Regional character of the cities

- Constant outflow of young population
- Increasing importance of other, more developed retail destinations

CBRE

Location map

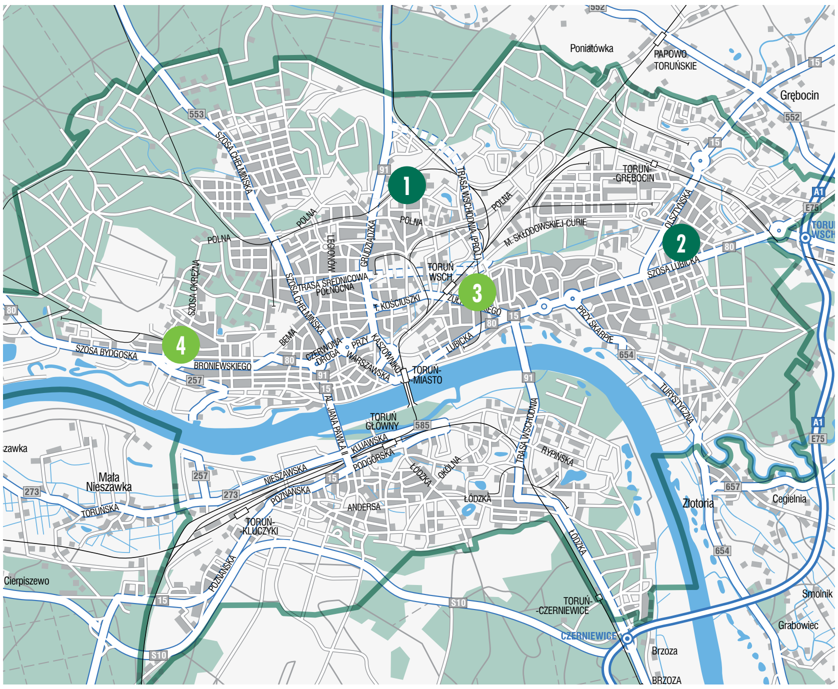


Shopping centres in Bydgoszcz

Number	Project	GLA sq m
1.	Rondo Bydgoszcz	34 600
2.	Auchan Bydgoszcz	40 000
3.	Tesco Extra Bydgoszcz	17 800
4.	Galeria Pomorska	30 000
5.	CH Glinki	15 800
6.	Dom Mody Drukarnia	11 000
7.	Focus Mall Bydgoszcz	44 000
8.	Galeria Fordon	6 000
9.	Batory Park Handlowy	7 300
10.	Zielone Arkady	47 000

- I generation
- II generation
- III generation
- Specialized
- Under construction

Location map



Shopping centres in Torun

Number	Project	GLA sq m
1.	Kometa	20 500
2.	Galeria Bielawy	24 100
3.	Atrium Copernicus	48 200
4.	Plaza Torun	40 000

- I generation
- II generation
- III generation

RETAIL DEFINITIONS

Modern Shopping Centre

A scheme that is planned, built and managed as a single entity, comprising units and "communal" areas, with a minimum gross lettable area (GLA) of 5,000 sq m, usually a group of at least 10 shops and services.

1st generation shopping centre

Hypermarket is dominating and accounts for 70% of the centre's area, while the rest of the area is taken by a small shopping gallery. Examples: Galeria Lubelska in Lublin, Arena in Gliwice.

2nd generation shopping centre

Units in the shopping gallery account for approx. 40-50% of the total GLA of the scheme, typically complemented with a small supermarket or a hypermarket. Examples: Klif , Wileńska in Warszawa, Ferio in Legnica.

3rd generation shopping centre

A shopping centre dominated by units in a shopping gallery (in terms of GLA) and hosting additional leisure element (typically a multiplex cinema, bowling or ice rink). Shopping gallery accounts for approx. 70% of total GLA. Examples: Arkadia, Złote Tarasy, Poznań Plaza, Pasaż Grunwaldzki.

Retail Park

Is a consistently designed, planned and managed scheme that comprises mainly medium - and large - scale specialist retailers ("big box" or "retail warehouses"). Usually it has an edge or out of town location.

Outlet Centre

Consistently designed, planned and managed scheme with separate store units, where manufacturers and retailers sell merchandise at discount prices (typically of a surplus , last -season or slow selling stock).

Hypermarket Stand Alone

Free-standing, large scale store (between 2,000 and 5,000 sq m), that offers a wide variety of food and household products, typically complemented with a small service gallery with less than 10 units.

Diy Stand Alone

Do-It-Yourself' store is a free-standing store with tools and products needed for garden and home building, refurbishing and maintenantce. CBRE includes the most active chains (Castorama, Leroy Merlin, OBI).

Total Retail LA

The sum of the LA from all of the existing retail formats such as: shopping centres, shopping & leisure centres, stand alone hypermarkets (not included in the shopping centres), retail parks, stand alone DIY stores (not included in the shopping centres or retail parks) and outlet centres.

Total Retail Density

The ratio of the total retail GLA per sq m per 1,000 inhabitants.

STANDARD MARKET PRACTICE

Basis of measurement/Valuation method

Whether the Property is under construction, Residual method is used in the valuation.
Due to the fact that the Property is planned for development/building is under construction, the Mixed approach and Residual method is used in our valuation.

Market transparency

The property market is transparent with regards to property titles but a degree of opacity persists with regards to the availability of market information. The information on historical freehold and perpetual usufruct (public ground lease) transactions registered as notarised deeds is freely accessible to the relevant property valuers, but there is no public record of lease transactions.

Rent payment

Rent is payable monthly in advance, and is quoted without VAT (sales tax).

Rent escalation/Rent review

Annual

Tenants' covenant

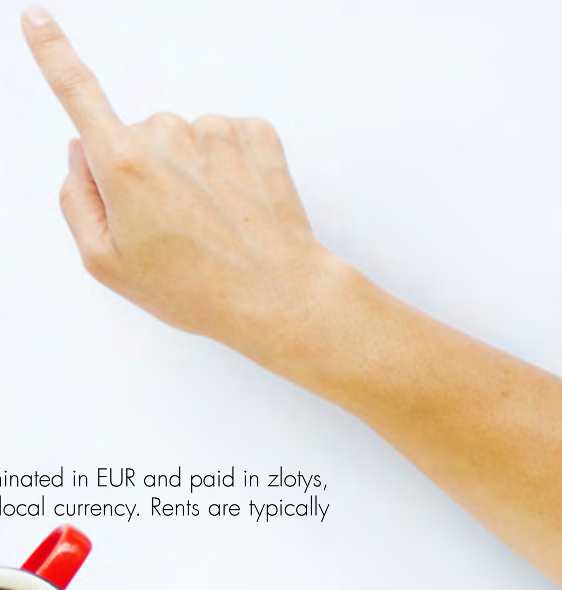
Covenant strength is very important within the Polish market. Rental deposit, bank or parent company's guarantee equivalent to 3-6 months' rent, service charge, marketing costs and VAT is expected from all tenants.

Service charge

Within shopping centres service charge payments are common and will include repairs, cleaning and security.

Property taxes and other costs

Tax on sales: Revenues generated on the sale of real estate are subject to the standard taxation rules of Polish corporate income tax. Effectively, only the "capital gain" is taxed at 19%. The revenue from the sale of real estate must be valued at the price set in the sale contract. Costs incurred by the buyer for the acquisition of real estate, such as the purchase price, transaction costs including advisory fees, civil law transaction tax (if applicable), form the initial value of the real estate and are recognised as tax deductible costs through depreciation write-offs or upon sale. The assets of the business or part sold will be subject to civil law transaction tax payable by the buyer at the rate appropriate for a particular item (2% for land, buildings and other tangible property). Operating tax: Real estate tax is charged to the owner of the land or buildings and infrastructure that are used for business activities. The local authorities set the real estate tax rates and collect the revenues.



Agents' fees

8-12% of annual rent.

Incentives

Incentives include capital contributions toward shop-fitting and rent free periods, negotiated between the parties. Anchor tenants can expect a minimum of 3 months' rent free or a fit-out contribution.

Lease length and terms

Typical lease contract period is 5 to 10 years with an option to extend. Most rents are denominated in EUR and paid in zlotys, but service charges and other payments (e.g., marketing fees) are often denominated in the local currency. Rents are typically the subject of annual indexation by the European Eurostat Index.

Selling a lease

Sale and lease back transactions are increasingly popular in Poland. There, however is no consistent market practice and it has bot been a subject of a separate regulation; such transactions effectively consist of two separate agreements. tenants can expect a minimum of 3 months' rent free or a fit-out contribution.

CONTACT

RESEARCH AND CONSULTANCY
JOANNA MROCZEK
E. joanna.mroczek@cbre.com
M.+48 500 000 583

AGATA CZARNECKA
E. agata.czarnecka@cbre.com
M. +48 500 000 053

RETAIL AGENCY
BEATA KOKELI
E. beata.kokeli@cbre.com
M. +48 605 998 898

MAGDALENA FRĄTCZAK
E. magda.fratczak@cbre.com
M. +48 508 083 498

CEE RETAIL
WALTER WÖLFLER
E. walter.woelfler@cbre.com
M +43 664 544 25 60

CAPITAL MARKETS
MIKE ATWELL
E. mike.atwell@cbre.com
M. +48 500 100 018

ASSET SERVICES - RETAIL
PIOTR KARPIŃSKI
E. piotr.karpinski@cbre.com
M +48 608 658 474

VALUATION
MACIEJ WÓJCIKIEWICZ
E. maciej.wojcikiewicz@cbre.com
M. +48 501 746 503

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Source: CBRE, Oxford Economics, GfK, RRF, PRRF