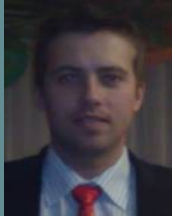


CQS Poland

CQS Poland - The Team



Matthew Creagh
Managing Director



Dawid Piasek
Associate



Stanisław Harężga
Director



Adam Wysocki
Head of Project Management



Katarzyna Karkoszka
Office Manager



Adriana Stefan
Financial Manager

CQS Poland -The Company

- CQS Polska Sp. z o.o.
- First Irish Chartered Quantity Surveying & Construction Cost Consultancy Practice in Poland
- Established in 2007
- Matthew Creagh – Managing Director
- Stanislaw Harezga – Director in Poland
- Head Office Krakow
- Staff of 5 Professionals

CQS Poland - Background

- Extensive research into the economies & the construction industry in emerging markets in Europe in 2006
- On a long term plan we choose Poland as its base for first overseas office
- Long term investment
- Own office was purchased
- 2.5m pln invested in the company
- Established alliances with Universities & Krakow University of Technology to develop the Business & have access to highly qualified graduates
- Looking at projects in Warsaw, Lodz, Wroclaw, Rzeszow and other cities with a view to

Director – Stanislaw Harezga

- Masters Degree in Construction
- Degree in Engineering
- 7 years Hochtief - Commercial Manager
- 1 year KPB Cracovia (Main Contractor) – Commercial Manager

Krakow



New Build Apartments

9,870m² including basement
(181 No. units)

Krakow

€36m

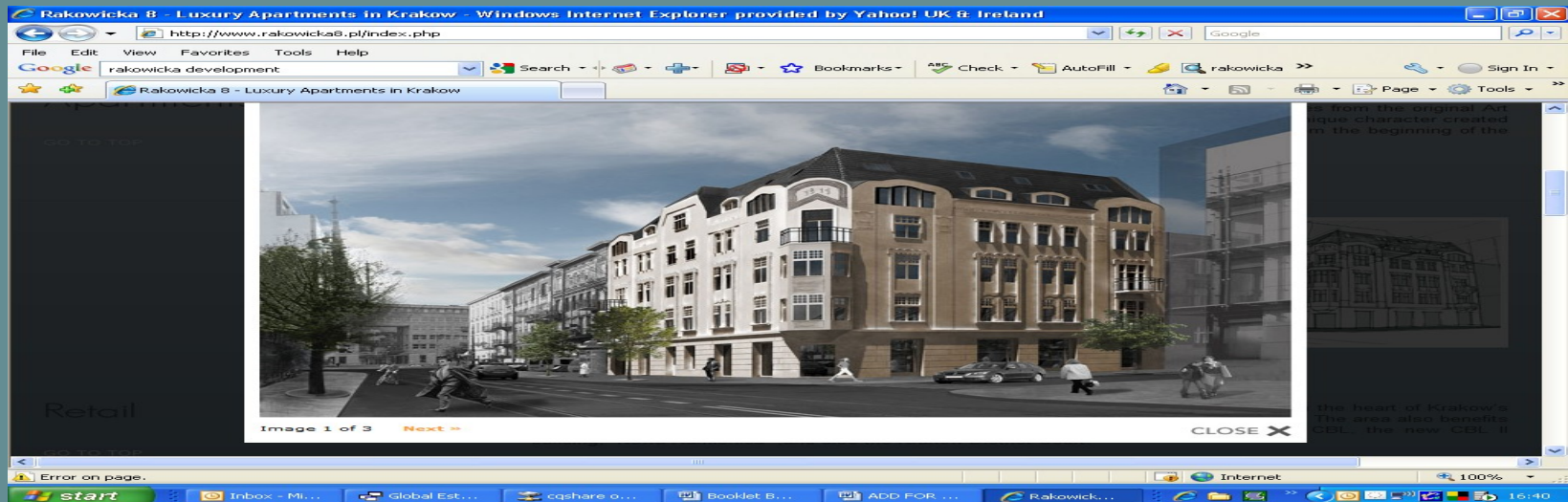
Krakow

Project : Office development

Description : Three storey basement car parking and eight new buildings from six to eleven storey high

Location : Krakow, Poland

Value : €130m



Rzeszow

New Build Offices & Apartments

28,000m² Offices & 8,000m² Apartments

Rzeszow

€48m



Wroclaw

New Build Offices

6,000m² Offices &
1,500m² Basement Car Parking

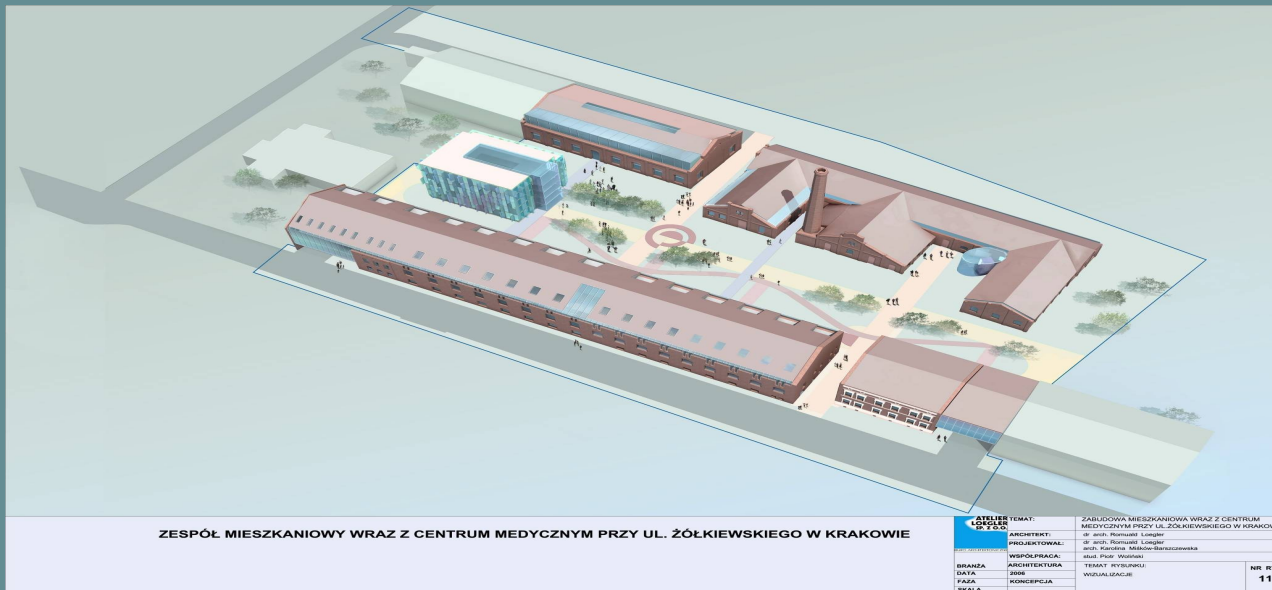
Wroclaw

€10m



Krakow

Project : Apartment and retail development
 Description : Single storey basement car parking and one new build block including refurbishing four existing blocks
 Location : Krakow, Poland
 Value : €13m



Lodz

Project : Hotel Development

Description : Single storey basement and eight storey superstructure, generally new build over an existing structure & strengthening the existing structure.

Location : Lodz, Poland

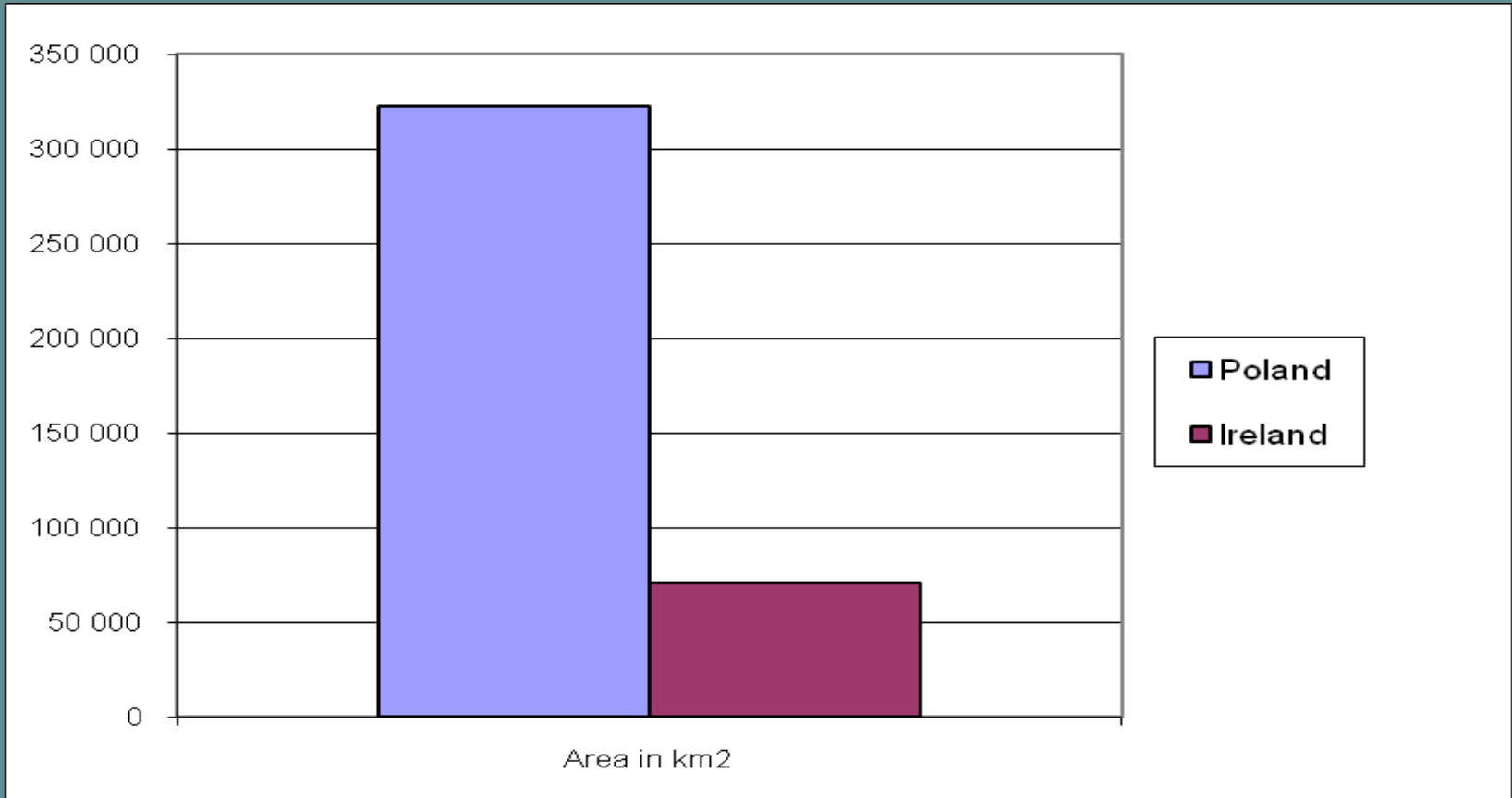
Value : €8.5m



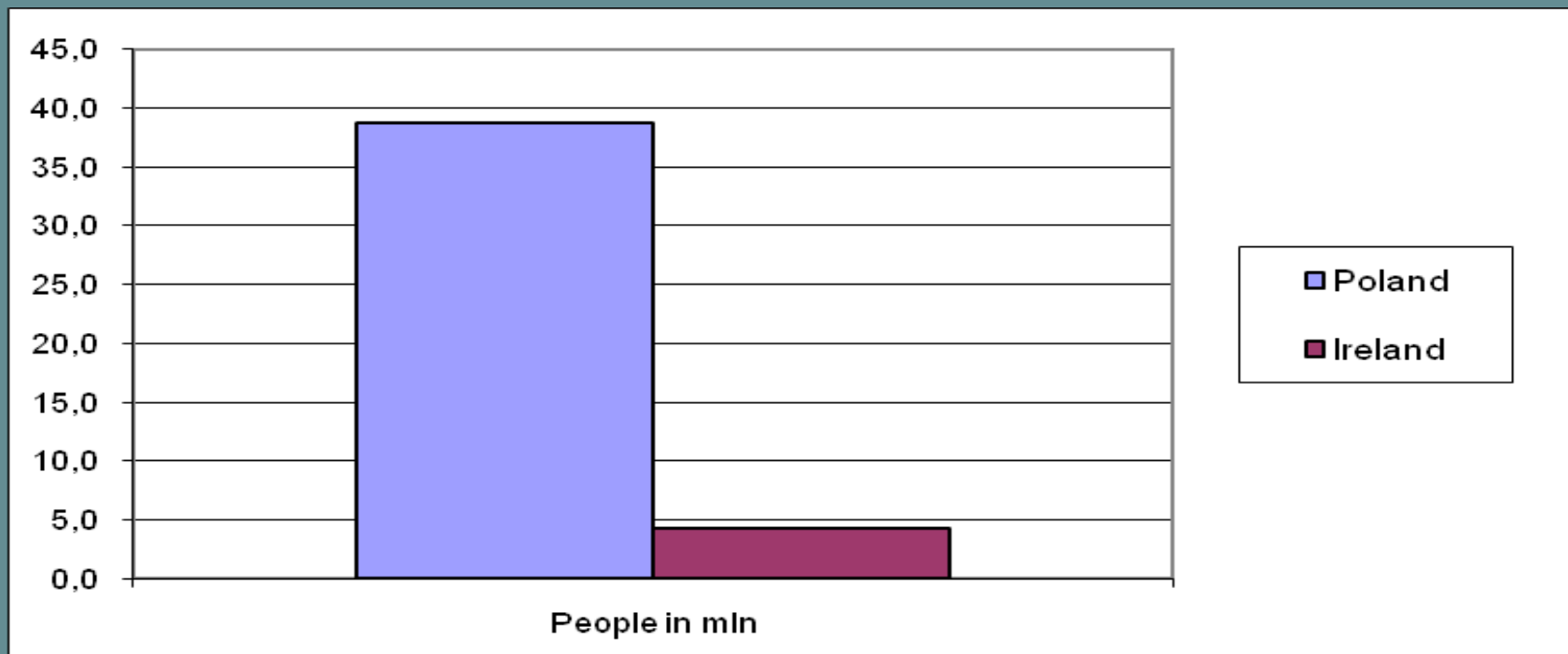
Poland - An Overview

Regions - Voivodships



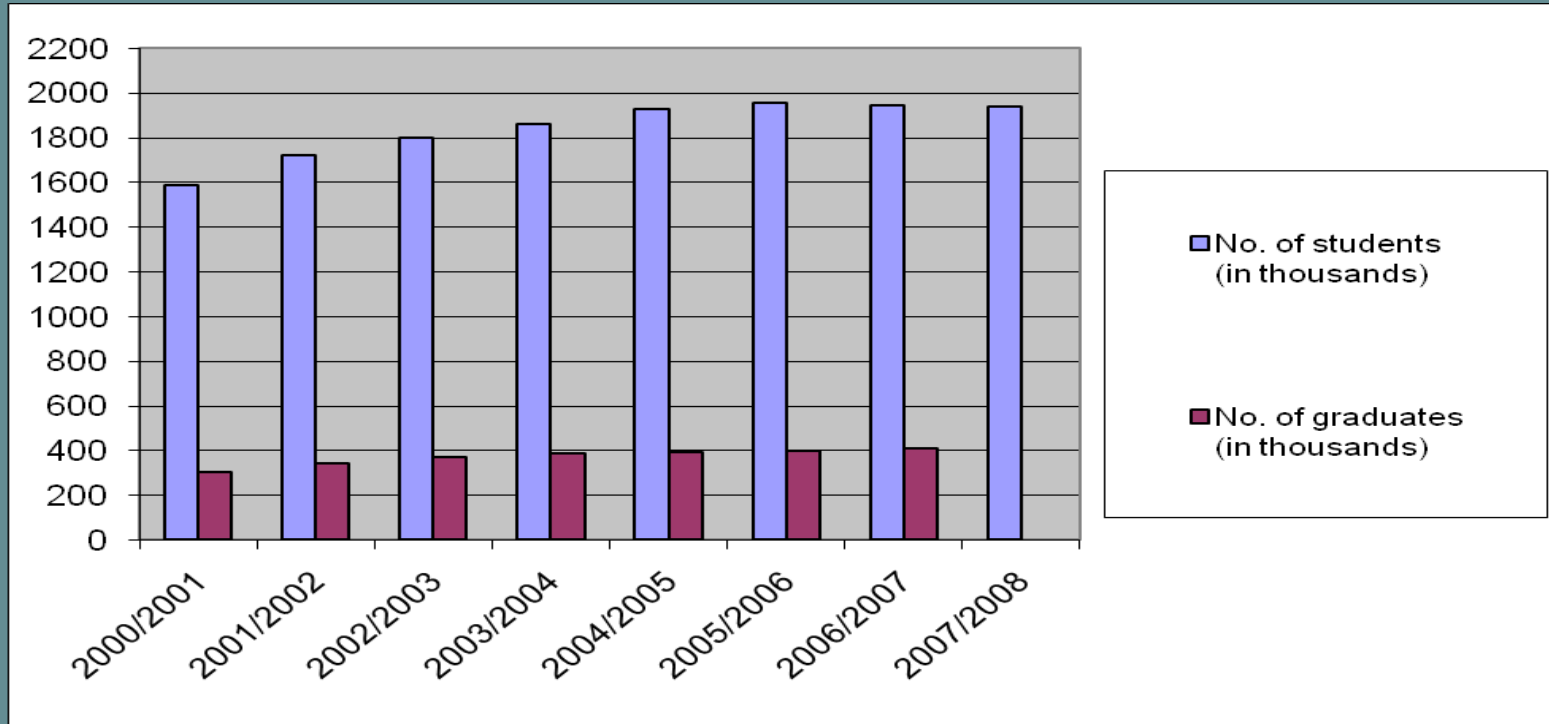


Poland has a population of

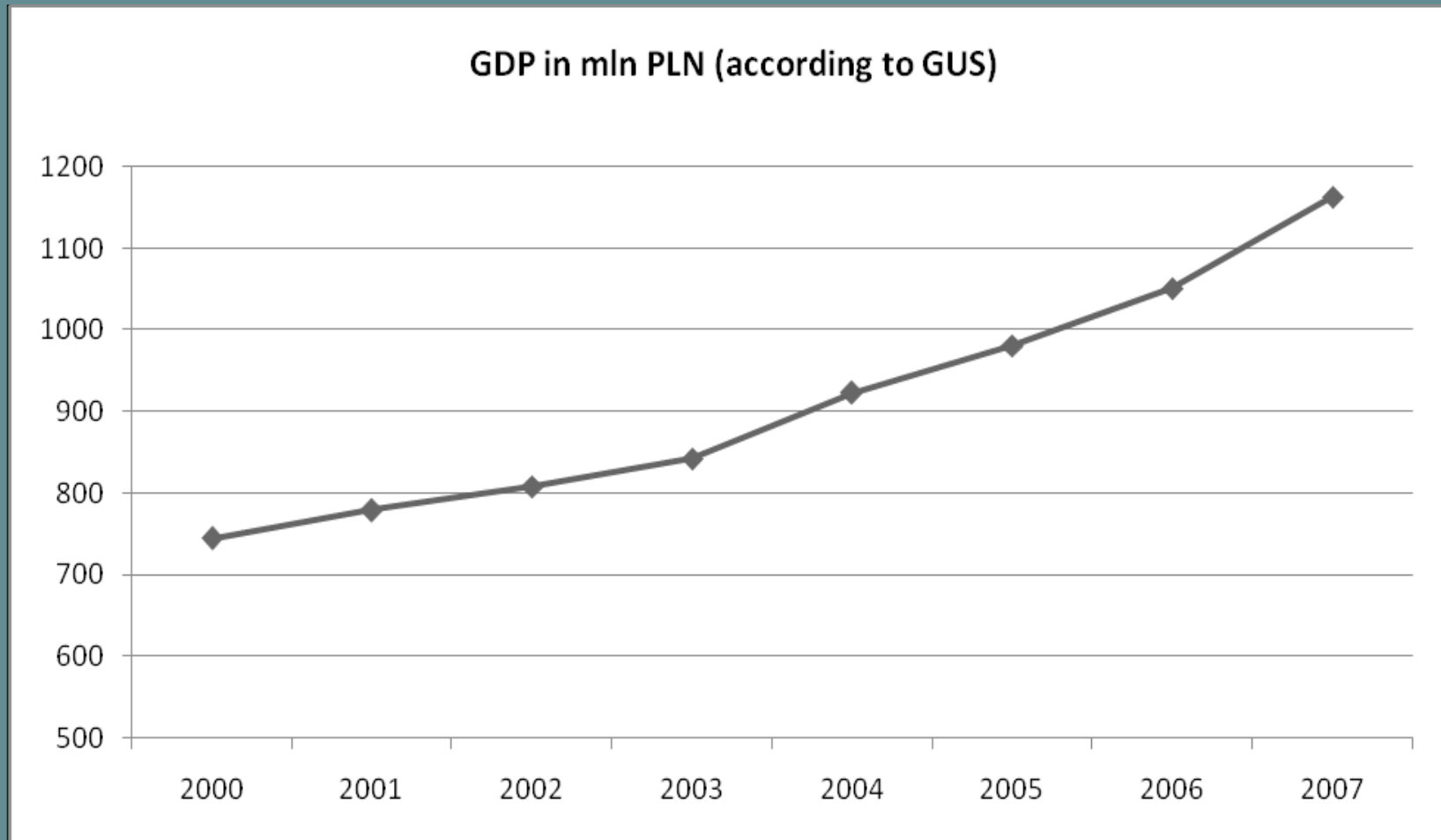


Comparing : Poland to Ireland has about 9 times more people

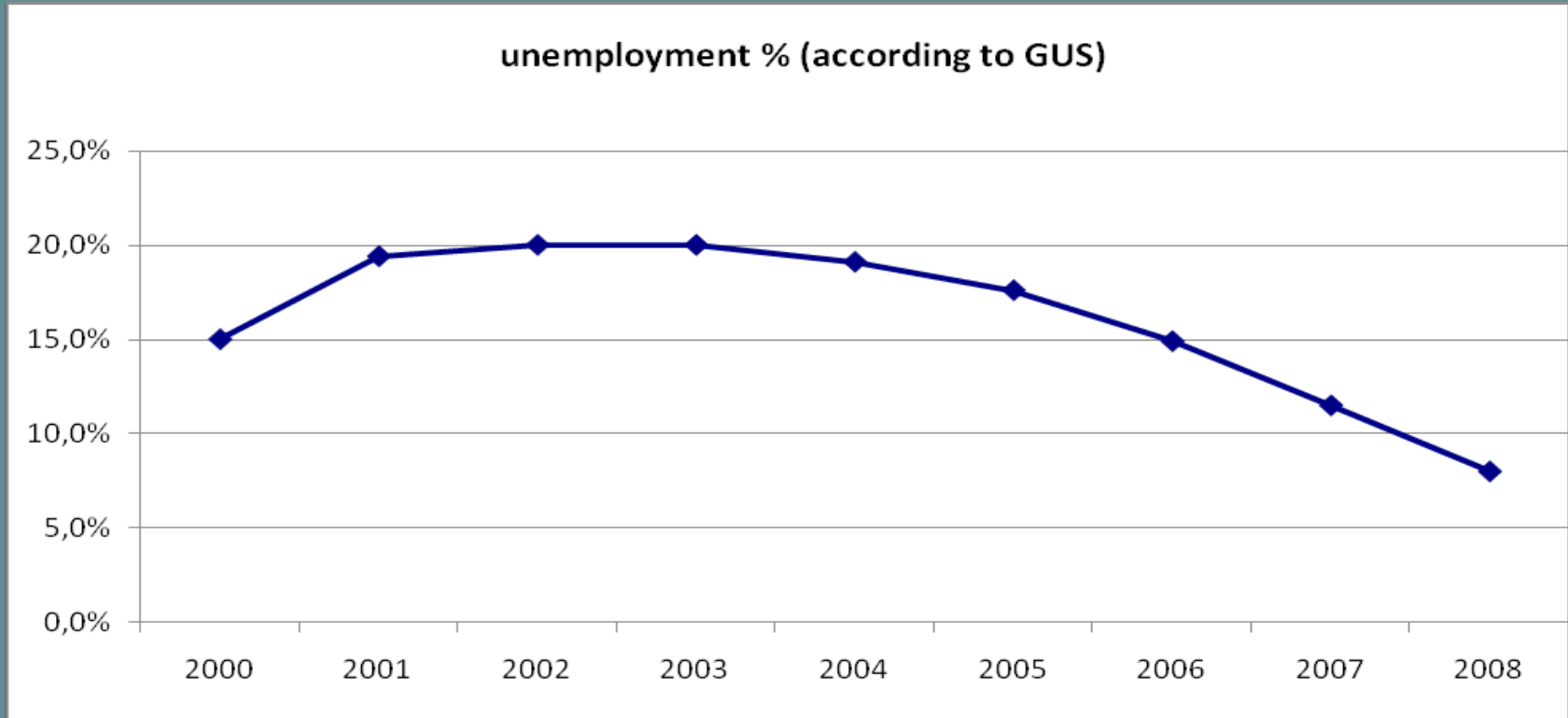
Higher Education in Poland



GDP in Poland



Unemployment in Poland



Foreign Investment In Poland

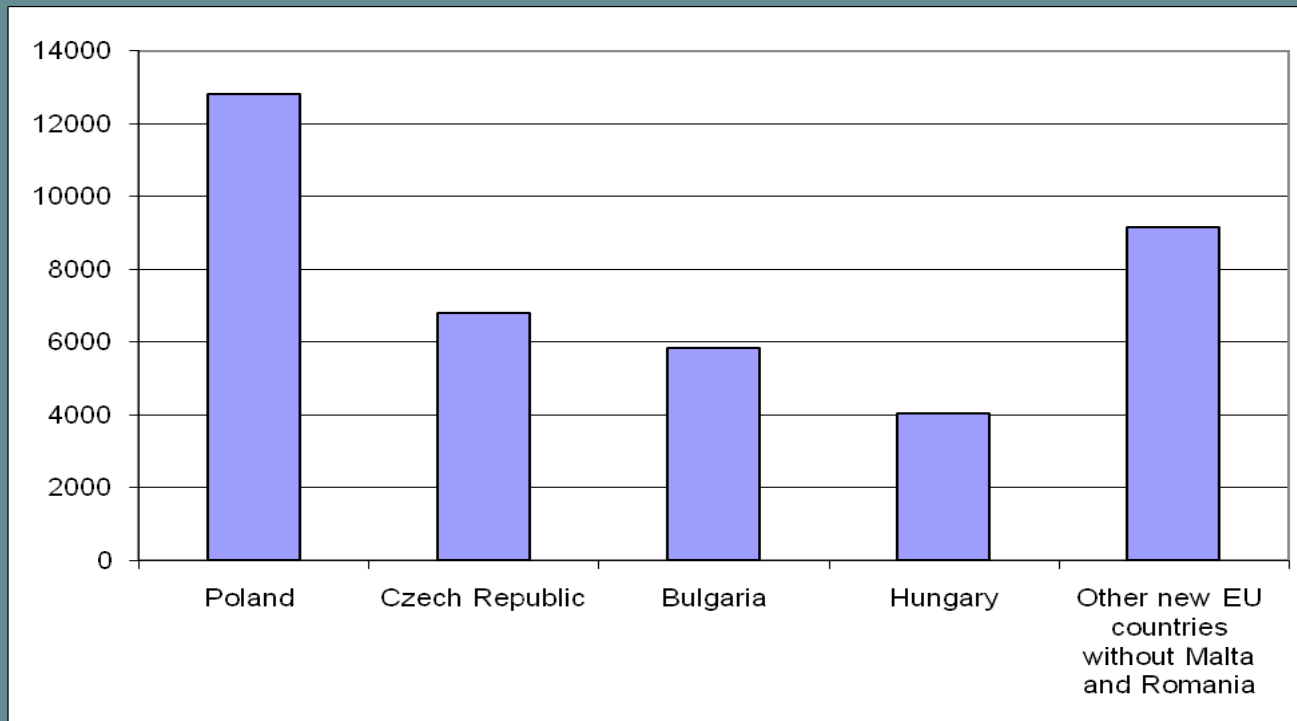
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Why Invest in Poland

There are many reasons why Poland is so attractive to investors:

- Size of Polish Market
- Location in Central Europe with Eastern Europe & Russia close by
- Availability of low cost labour
- Amount of skilled people & professional graduates
- Perspectives for economic growth
- Direct Grants – SEZ

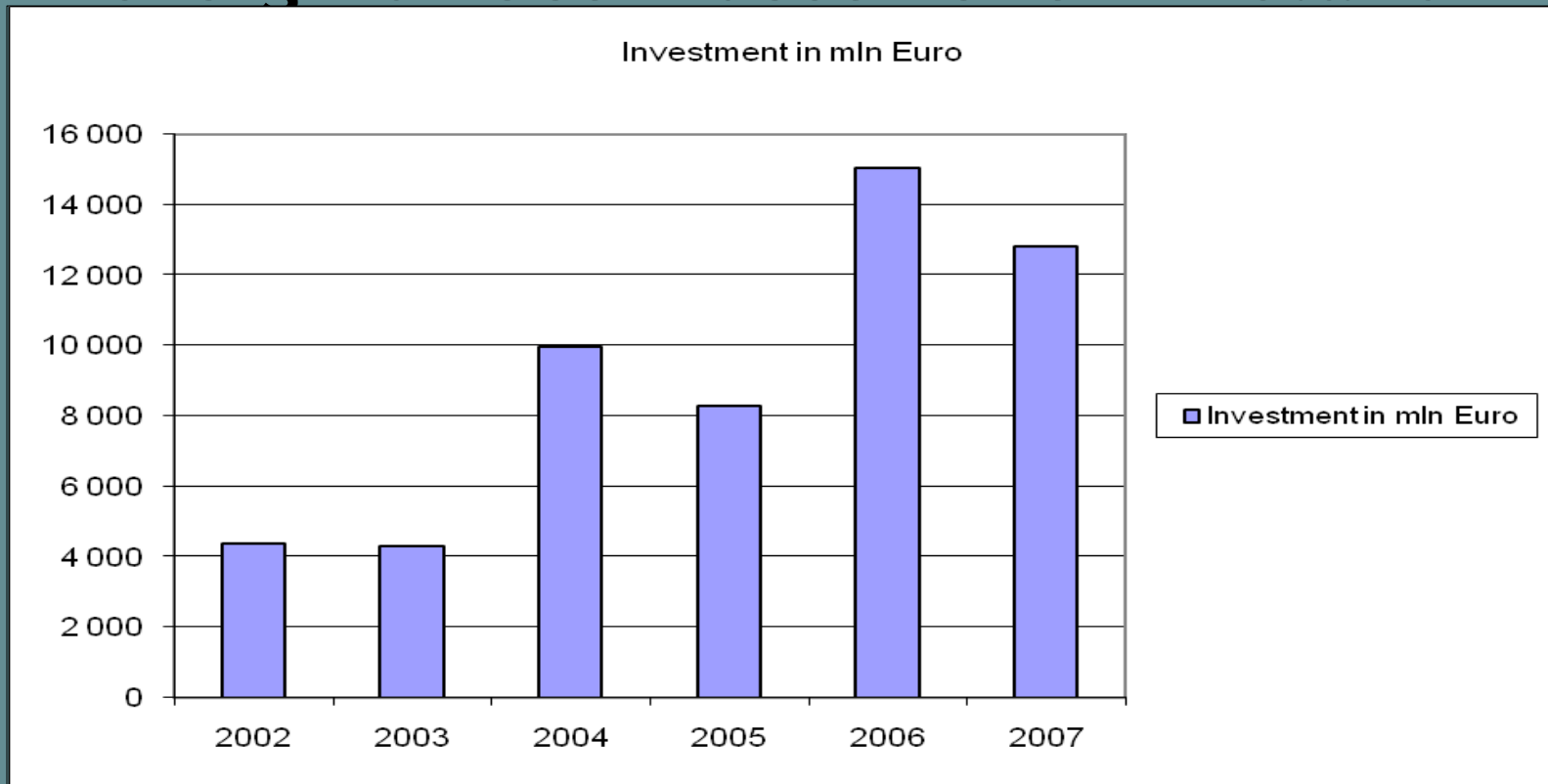
Direct Foreign Investment in 2007 to new members of EU



Direct Foreign Investment in 2007 to new members of EU in mln Euros

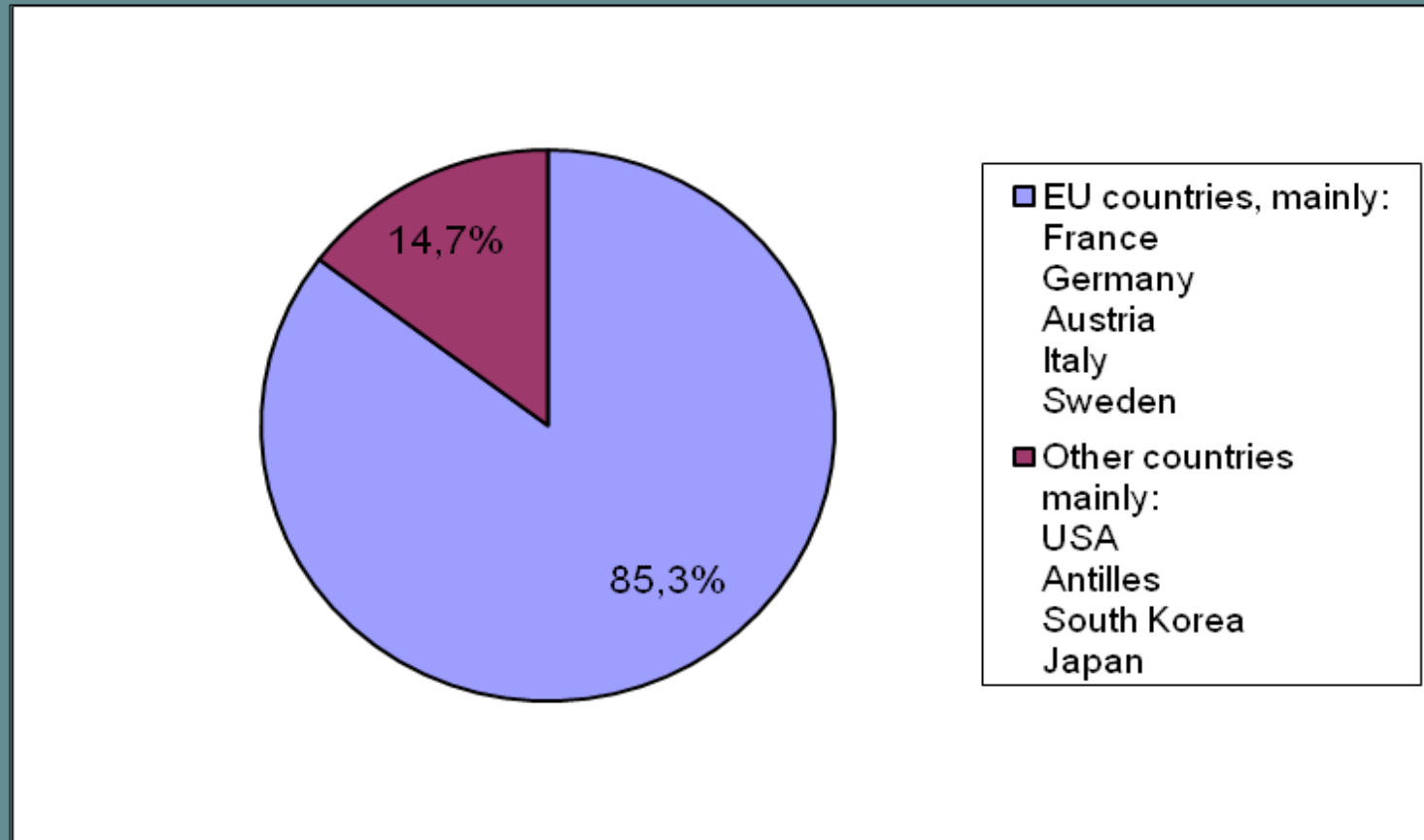
Investment in Poland at €12bn was double that of the Czech Republic

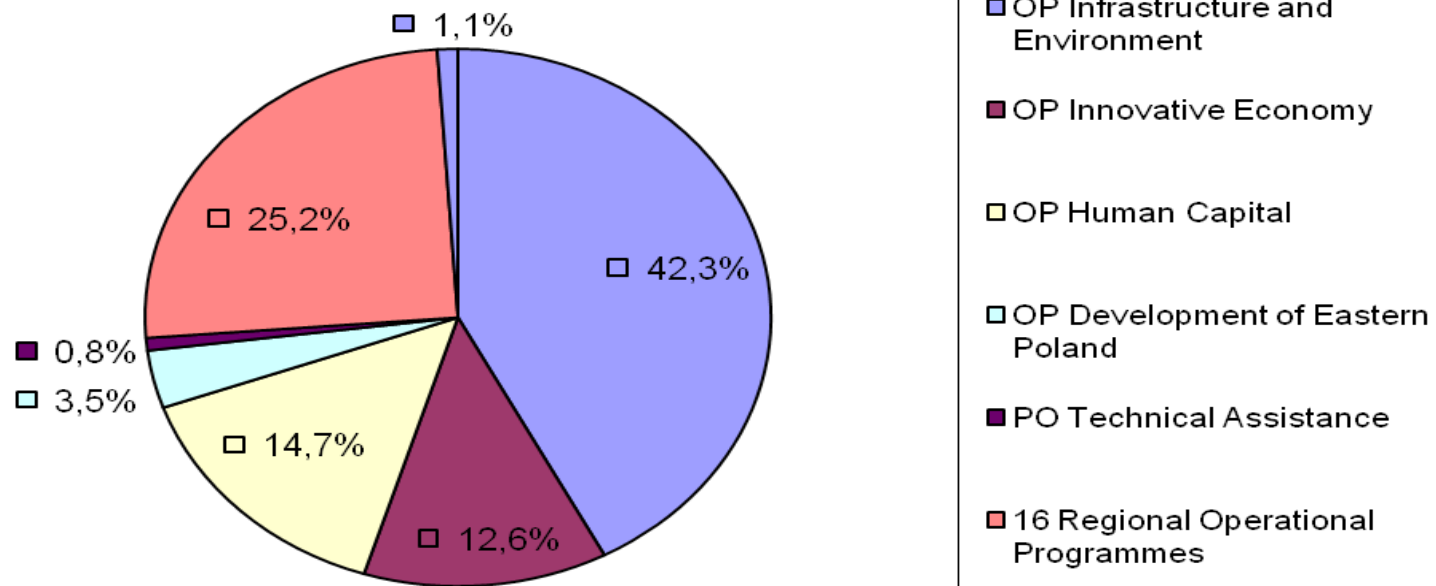
Foreign direct investment in Poland



The inflow of capital between 2002 and 2008 (in mln Euro)

Foreign direct investment in Poland in 2007: geographical structure of inflow





Over €67 bln of EU funds in 2007 - 2013

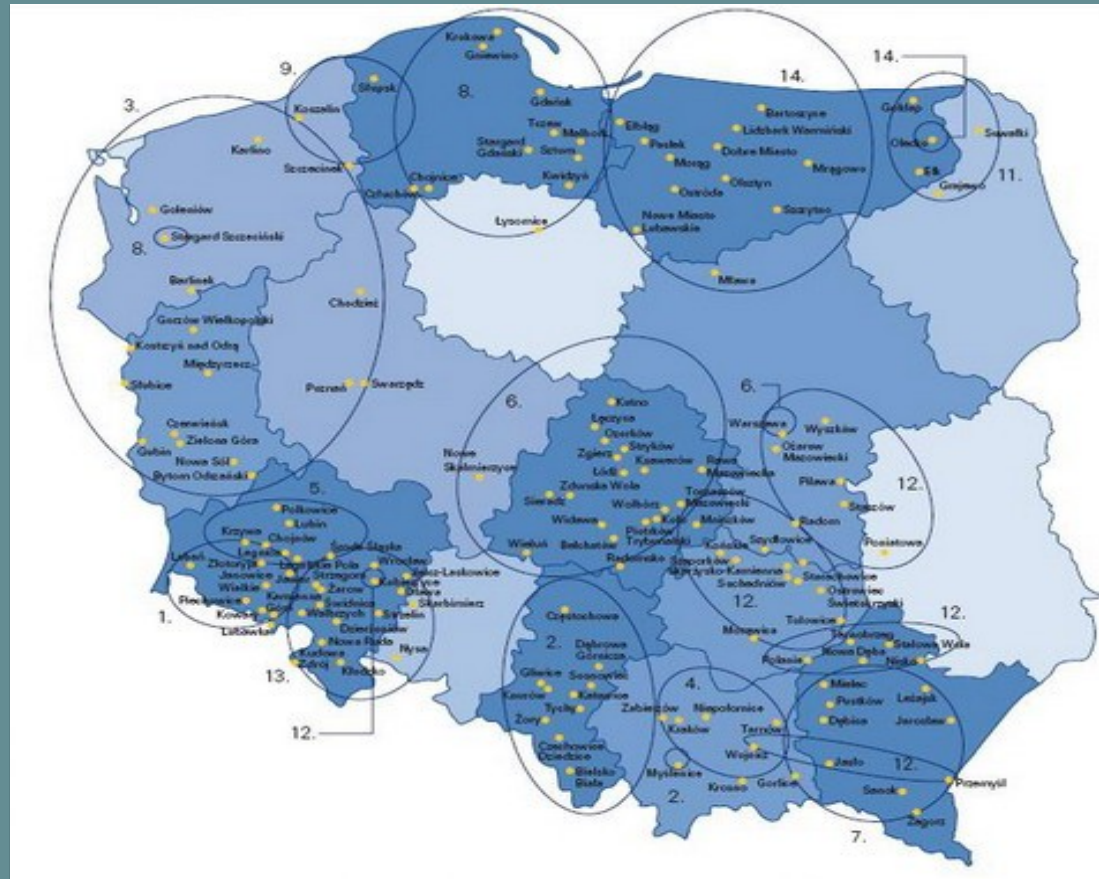
Special Economic Zones

In a SEZ the entrepreneur can obtain the following privileges;

- tax exemption (CIT or PIT)
- fully prepared for development for the investor at a competitive price
- free assistance in dealing with formalities in connection with the investment
- exemption from property tax (on the territory of certain Gminas)

- location of the investment (each SEZ is administrated separately)
- level of capital input, or
- costs of employing new workers
- size of the business seeking tax relief

Special Economic Zones in Poland



Location of the 14 No. of Special Economic Zones throughout Poland

1 No. per Voivodship - the brightest

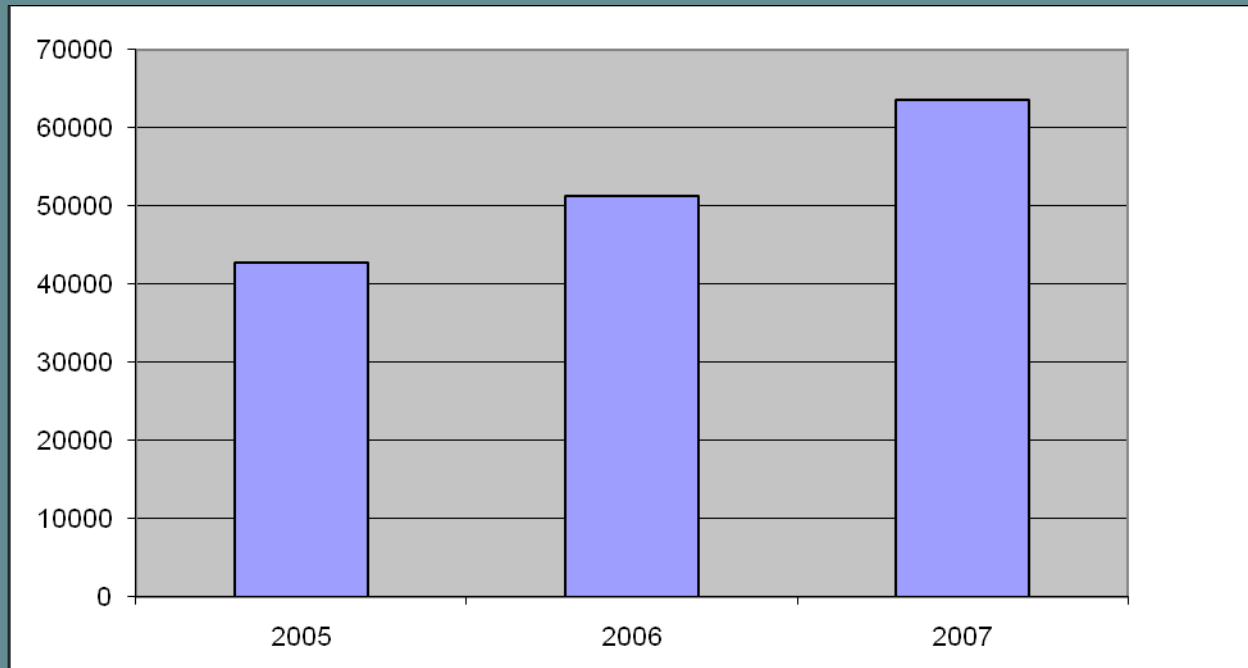
10 No. and more per Voivodship - the darkest

Sectors of building in Poland

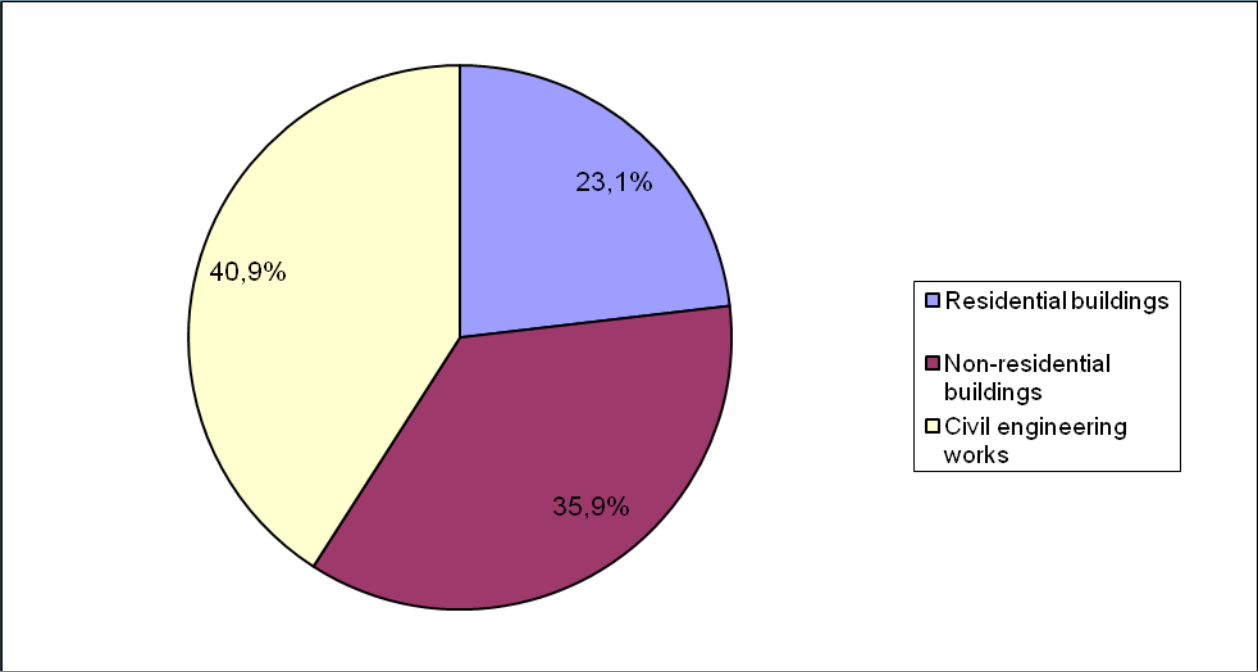
Type of construction sectors;

- Residential buildings
- Non-residential buildings
- Civil engineering works

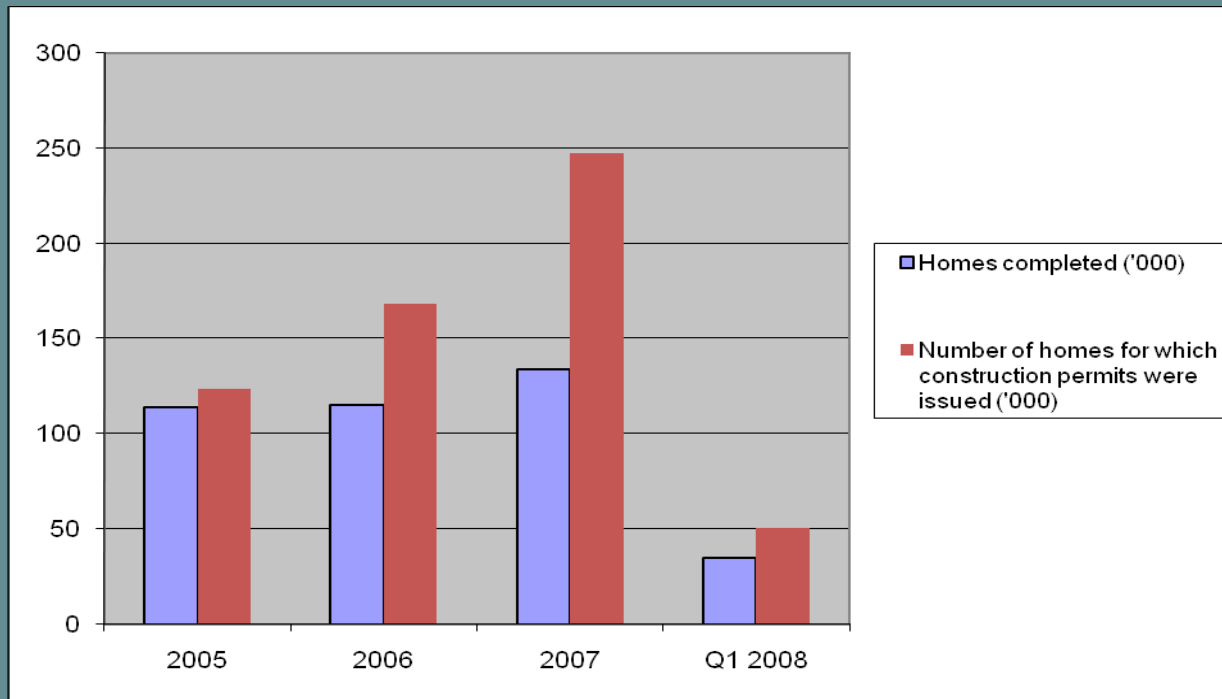
Value of construction in mln pln, 2005-2007

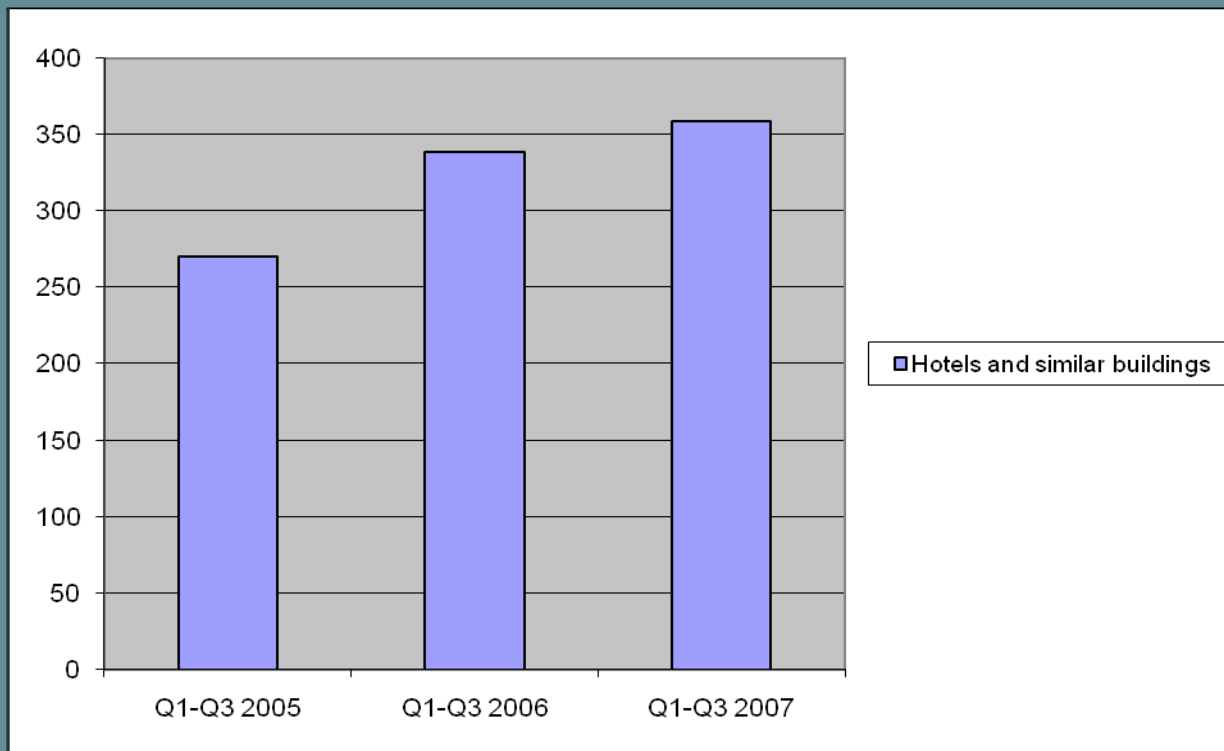


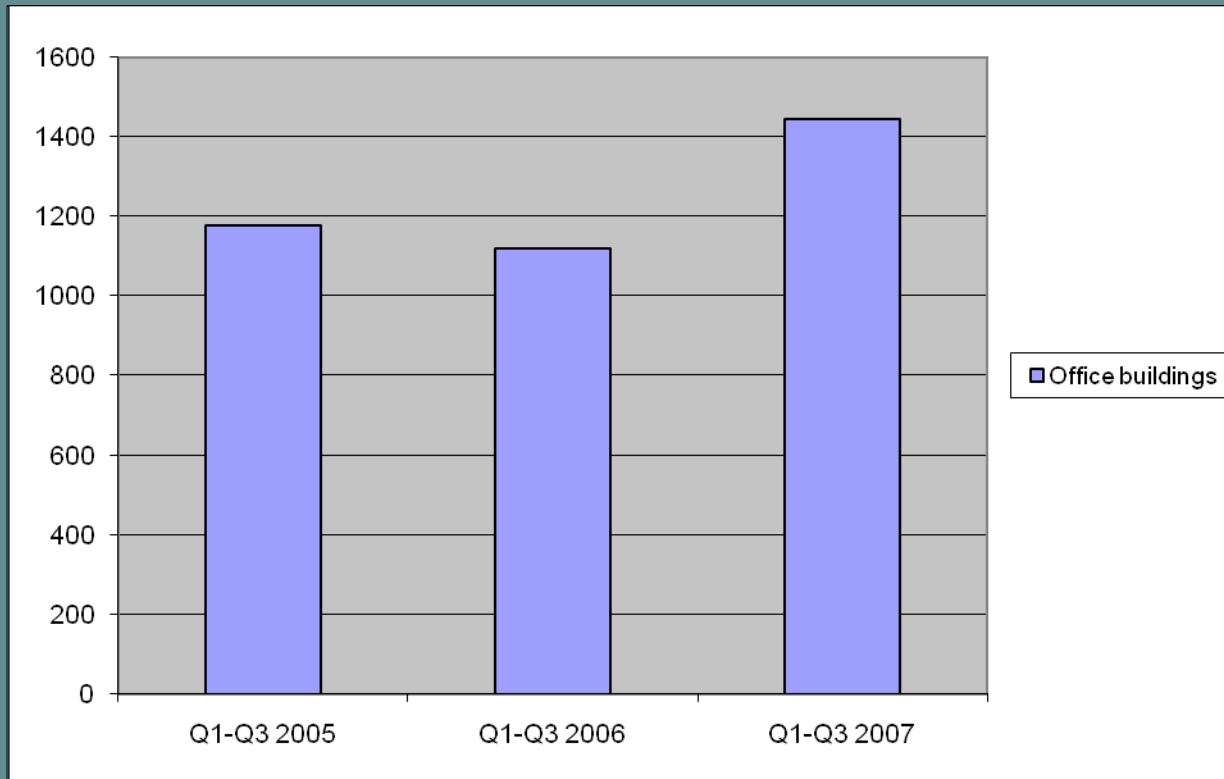
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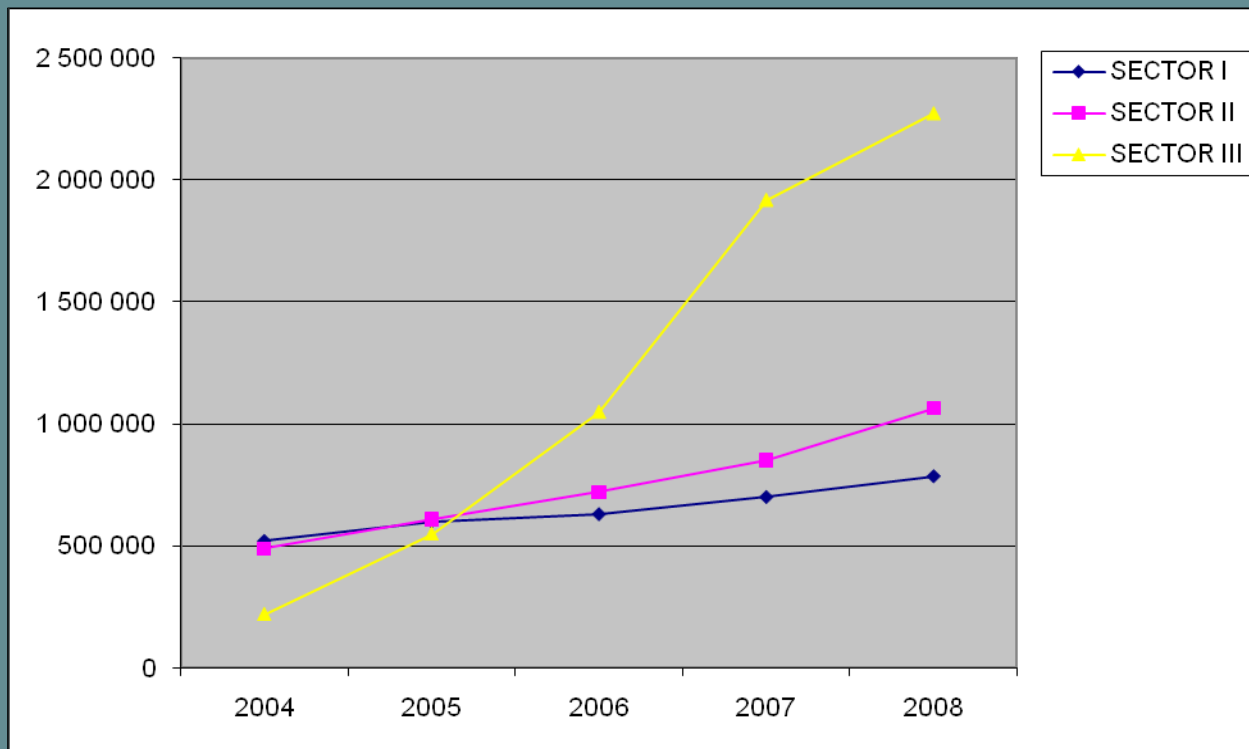


Residential Construction in 2005 – Q1 2008





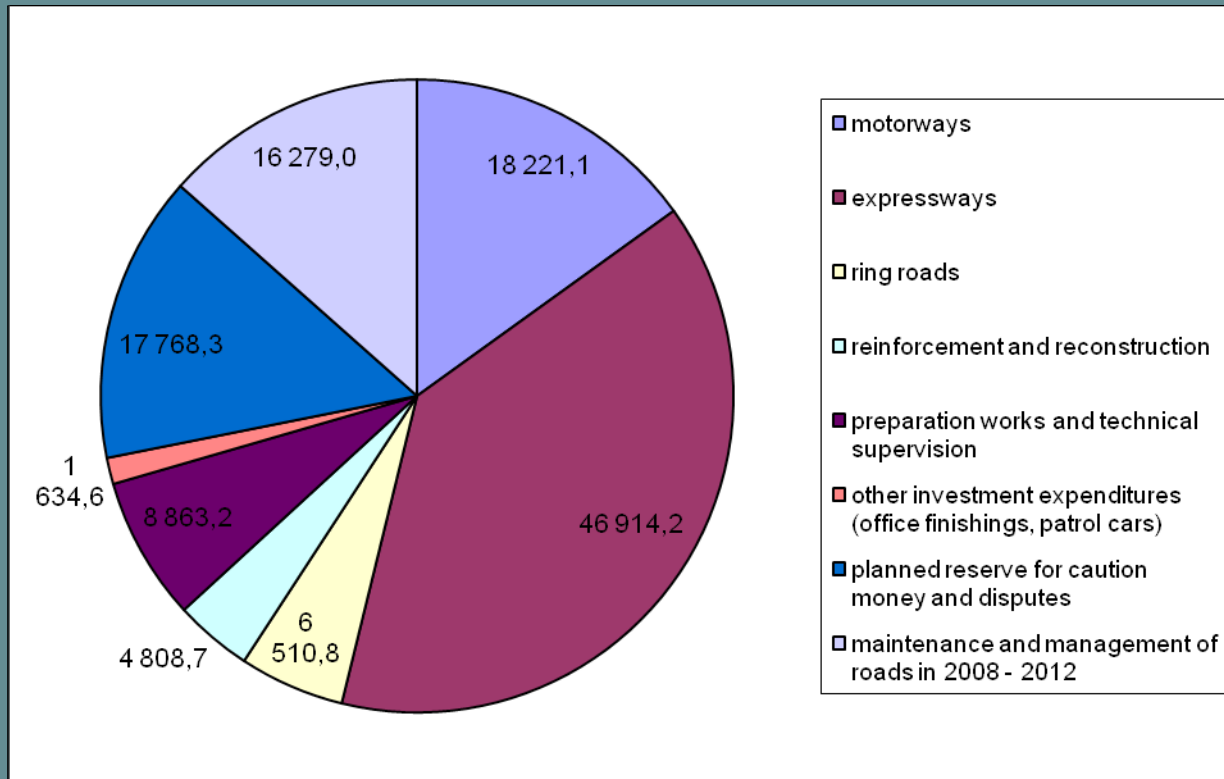




Civil Engineering Works

- Highways, streets and roads
- Railways
- Airfield runways
- Bridges, elevated highways, tunnels, and subways
- Harbors, waterways, dams and other waterworks
- Long-distance pipelines, communication and electricity lines
- Local pipelines and cables (including water treatment works)

Highways streets and roads



- 632 km of new motorways
- 473 km of motorways in Public Private Partnership (additional funding)
- 1,980 km of expressways
- 54 No. ring roads; total length about 428 km
- Reinforcement and reconstruction of national roads; total length 1,560 km

- Warszawa – new stadium
- Poznań – new stadium
- Wrocław – new stadium
- Gdańsk – new stadium
- Kraków – reserve – modernization and development of existing stadium

Construction Process

Construction Process – legal regulations

- **The construction process in Poland is regulated mainly in:**
- the Construction Law of 7 July 1994 with more than sixty decrees of proper Minister,
- the Master Planning Law of 27 March 2003,
- the Civil Code of 23 April 1964,
- the Administration Proceeding Code of 14 June 1960,
- the Public Procurement Law of 29 January 2004,
- the Author's Right Law of 4 February 1994.

The construction process in general ;

- Site purchase
- Local master plan or Planning Decisions (outline planning – WZ)
- Design for Building Permit
- Obtaining a Building Permit
- Technical Supervision, Designer Supervision
- Construction Design
- Construction work Contract / FIDIC

Local master plan or Planning Decisions

In accordance with the Master Planning Law a local master plan should describe ;

- the function of the land
- general public areas requirements
- planning ratios and planning conditions, including all limitations required by law

If there is no master plan for the area where the investment is planned (which happens frequently at present), Planning Decisions must be obtained

Technical Supervision

On the basis of the Building Permit the Client is obliged to employ Technical Supervisors who:

- Represent the Client on Construction Site
- Confirming correctness of construction works with the Design for Building Permit
- Confirming quality of Construction works

Construction work Contract

The parties are generally allowed to shape the contract freely

In the construction work contract, the investor and the contractor agree upon the detailed scope of work to be performed by the contractor and the work to be subcontracted

Contractor must not execute an agreement with a subcontractor without investor's consent

Investor and the contractor are **jointly and severally liable for paying the subcontractor**

No standard form of contract in Poland

To adopt / amend existing standard contracts from other countries (RIAI Contracts)

It is possible to use FIDIC model contracts in Poland

FIDIC the French International Federation

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In 1999 FIDIC published four standard forms of contracts:

- **Conditions of Contract for Construction**
for building and engineering works designed by the Employer
- **Conditions of Contract for Plant and Design-Build**
for electrical and mechanical works and for building and engineering works designed by the Contractor
- **Conditions of Contract for EPC/Turnkey Projects**
for Engineering, Procurement and Construction (EPC): providing a fully-equipped facility, ready for operation
- **Short form of Contract**