

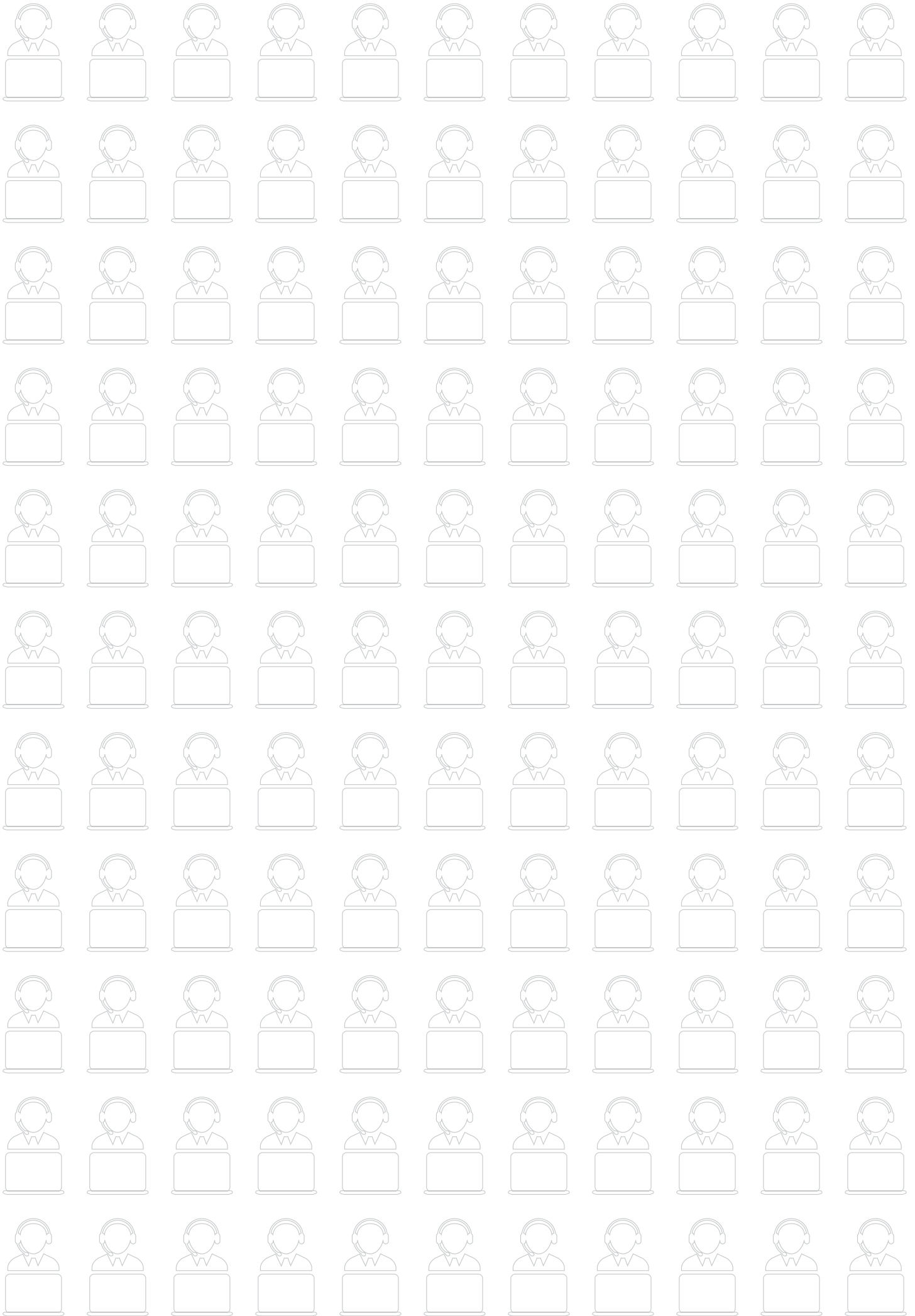
Outsourcing sector in key CEE markets



December 2014



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DEFINITIONS:

Outsourcing - process of contracting of a business activity to another party.

BPO (Business Process Outsourcing) - type of outsourcing, which involves the contracting of the operation of specific business functions (or processes) to third-party service providers.

SSC (Shared Services Centre) - an entity within an organisation responsible for execution and handling of specific operational tasks.

ITO (Information Technology Operations) - type of outsourcing, which relates to contracting of IT operations to third-party service providers.

R&D (Research and Development) - a group of activities within an organisations aimed at the development of new products / services or the improvement of existing ones.

Key CEE markets - Central and Eastern European Countries with most developed outsourcing markets, i.e. Poland, Czech Republic, Hungary and Romania.

1.

Introduction

The outsourcing industry is growing rapidly, recording \$83 billion in sales globally in 2013. Companies constantly strive to optimise their operations and limit costs, making the outsourcing industry one of the biggest beneficiaries of this trend.

Outsourcing relates to the process of contracting out business processes to third parties instead of handling them in-house. This is aimed at cutting the operating costs and increasing overall efficiency by focusing on core business activities. The main types of outsourcing investments include Business Process Outsourcing (BPO), Shared Services Centres (SSC), IT outsourcing (ITO) and Research and Development (R&D).

As one of the most important factors for the outsourcing industry is the centralisation of business processes at a location which is competitive in terms of the employment costs and supply of an experienced and well-educated workforce, Central and Eastern Europe (CEE) is an obvious outsourcing hub for Western European countries. With over 1,000 outsourcing centres, CEE's share in the global outsourcing market is expected to increase as more companies are deciding to invest in the region.

The inflow of outsourcing investments towards these countries is driving the ongoing transition of their economies towards a higher services-base and helping to significantly reduce unemployment rates. Outsourcing companies become important new employers in markets like Poland, Czech Republic, Hungary and Romania, where more than 250,000 professionals have been employed in this sector in 2014 to date.

Moreover, the development of outsourcing sector has a significant impact on real estate markets in these countries. The total amount of office space occupied by outsourcing companies in Poland, Czech Republic, Hungary and Romania amounts to approximately 3 million square metres, or almost one-fourth of the total office stock in these countries. In Poland, companies from this sector were responsible for as much as 60% of new demand for modern office space in the main regional cities in 2014.

DTZ estimates that the total value of lease transactions concluded by outsourcing companies in the first half of 2014 in Poland, Czech Republic, Hungary and Romania amounted to approximately €417 million¹, while the notional capital value of office buildings occupied by these companies equalled approximately €5.4 billion. Given the growth of the outsourcing sector in these four countries, the level of employment may increase to 360,000 in the next two years, which will result in additional demand for approximately 1.2 million sq m of office space.

An increasing reliance on outsourcing sector can be observed, which together with gradual increases in salaries and more automation of some basic outsourcing processes, suggests that more complex and higher value-added outsourcing services will be attracted to the CEE region – a trend already visible in Poland and the Czech Republic where the outsourcing sector is the most developed in the region.



Business Process Outsourcing (BPO)



Shared Services Centres (SSC)



IT outsourcing (ITO)



Research and Development (R&D)

\$5.4 billion
notional value of office buildings occupied by the outsourcing companies






recording
\$83 billion in sales globally in 2013 in the outsourcing industry

¹ Calculated as: rented space x average effective rent level x average duration of leasing agreements

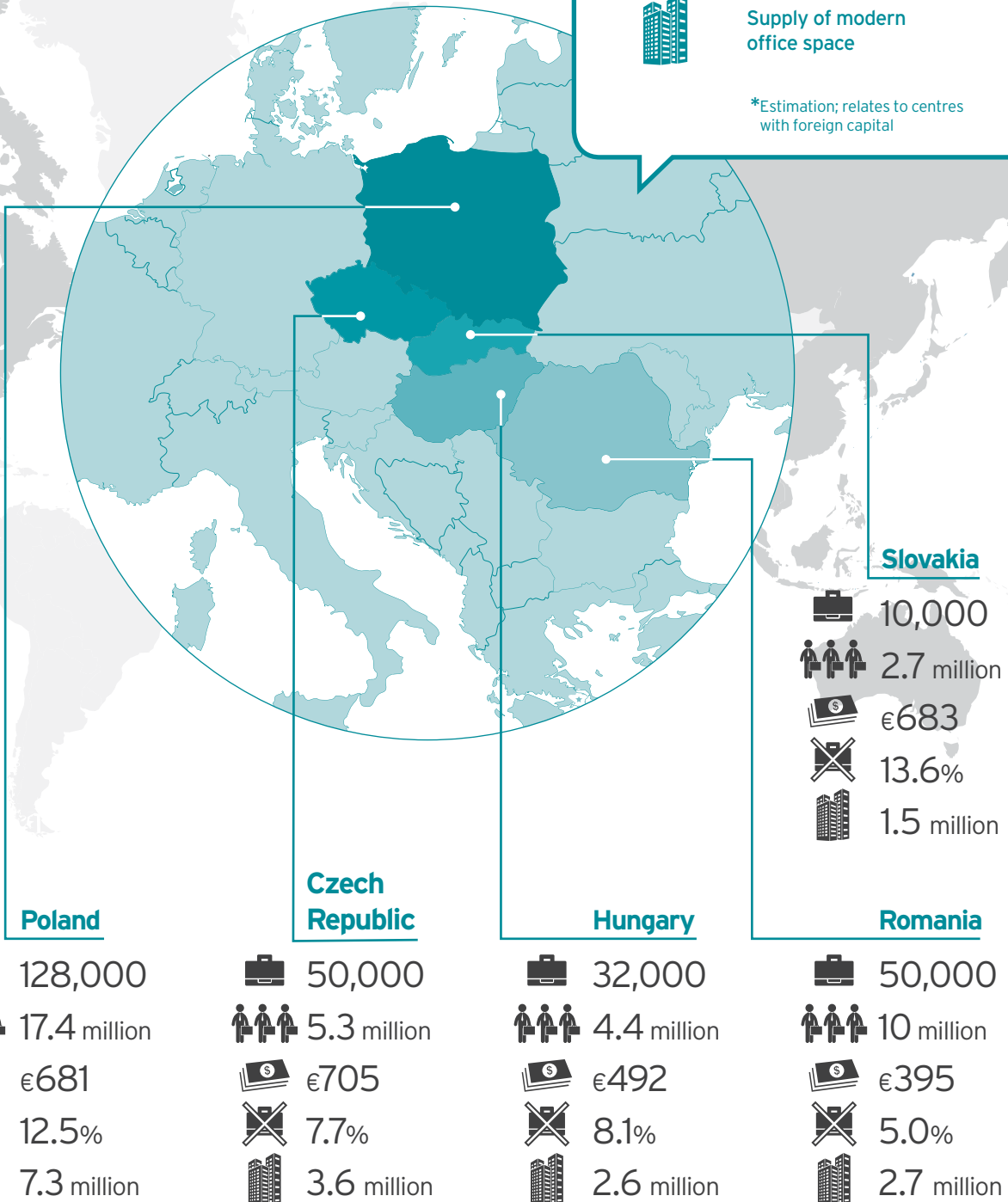
1.

Outsourcing in the CEE - main statistics

LEGEND

-  Employment in outsourcing and offshoring sector*
-  Working population
-  Average net monthly salary (EUR)
-  Unemployment rate
-  Supply of modern office space

*Estimation; relates to centres with foreign capital



Source: DTZ, National Statistical Offices, 2013/2014

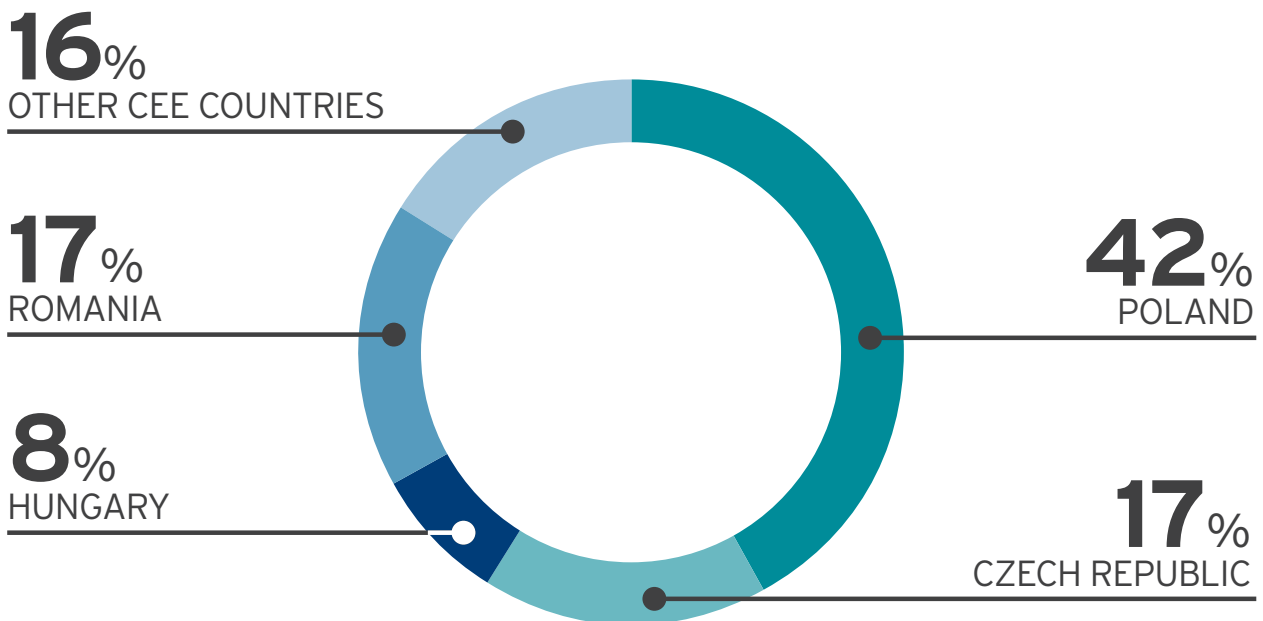
2.

CEE - the new hottest destination for outsourcing companies?

Within the last 10 years, Central and Eastern Europe has emerged as one of the top global outsourcing destinations, with more than 1,000 centres providing outsourcing services for the biggest global corporations. CEE's share in the global outsourcing market is growing rapidly, both in terms of the number of employees and the amount of occupied office space. This growth is driven not only by new entrants to the market but also by the expansion of existing companies.

Poland, Czech Republic, Romania and Hungary are the biggest players in the region with more than 250,000² employees currently working in this sector. These countries were among the first in CEE to attract outsourcing investments and managed to maintain their competitive advantage as regional outsourcing hubs. Their established position, constantly improving business-related environments and high supply of modern office space make them a primary option for companies looking to open outsourcing facilities in the region. Moreover, growth is continuing despite rising employment costs which, according to Oxford Economics, have increased on average by approximately 70% within the last 10 years³.

↓ Share of the CEE countries in total employment in the outsourcing sector



Source: DTZ, ABSL, 2014

<250,000
professionals in Poland, Czech Republic, Hungary and Romania have been employed in the outsourcing sector in 2014

€417 million
value of office lease transactions concluded by outsourcing companies in H1 2014 and approx. €880 million in 2014

² DTZ

³ Study for selected countries in the region

As the number of outsourcing centres is constantly increasing, the amount of office space occupied by these companies became a significant part of new office demand in CEE. Currently outsourcing centres occupy approximately 3 million square meters of office space in Poland, Czech Republic, Romania and Hungary, accounting for almost 20% of the total modern office stock in these four countries. DTZ expects that in the next 2-3 years the demand from the outsourcing clients will be sustained and these companies will remain one of the key occupiers in the CEE.

Given the annual growth of the outsourcing sector in the CEE, in the next two years the level of employment in four analysed countries may reach approximately 360,000. This increase will translate into additional demand for approximately 1.2 million sq m of modern office space by 2016 and 3.9 million sq m by 2020.

Taking into consideration the average rental level and the volume of leasing transactions in capital and regional cities in the four analysed countries, DTZ estimates that the value of leasing transactions concluded by the outsourcing companies in the first half of 2014 amounted to approximately €417 million. The biggest contributor was Poland (58% of total value of lease transactions concluded by outsourcing companies), followed by Romania (15%), Czech Republic (15%) and Hungary (12%).

As at the first half of 2014 the notional capital value of office buildings occupied by the outsourcing companies in Poland, Czech Republic, Hungary and Romania amounted to approximately €5.4 billion. By the end of 2016, this value will increase

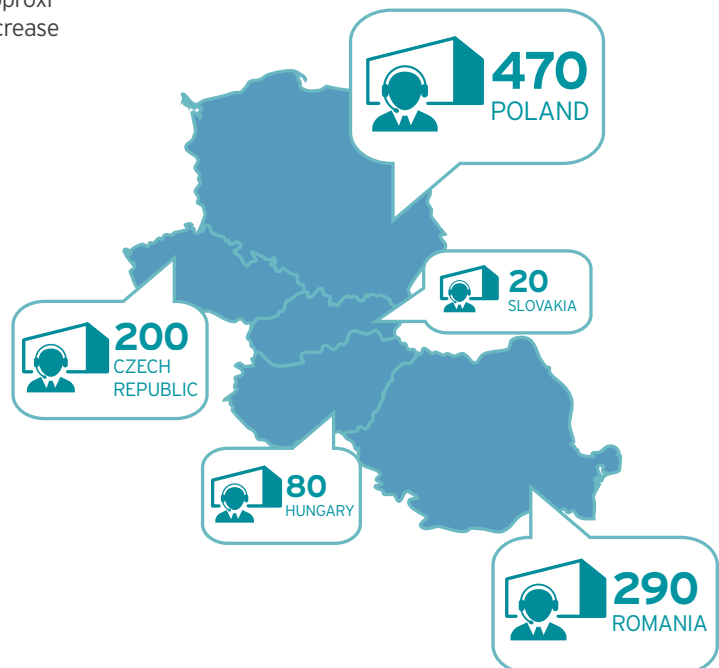
by circa 40% and amount to approximately €7.6 billion.

Although most of the outsourcing centres are located in the capital cities, which traditionally attract the majority of the new investments from this sector, the share of office space occupied by these companies is significantly higher in regional cities and accounts for as much as 60% of the total supply in these destinations. According to ABSL⁴, the number of employees working in the outsourcing sector in regional cities in Poland amounted to approximately 106,000 (83% of total employment in the outsourcing sector in Poland) in the first half of 2014 and increased by 50% within the last two years. The largest regional centre for outsourcing investments in Poland is Krakow, where the employment in this sector reached 31,000 in 2014.

DTZ expects that in the coming years, some of the less complex and lower cost outsourcing services will migrate to cheaper locations within CEE such as Bulgaria or Romania. These services will most probably be replaced by higher value-added services, provided in R&D and ITO centres. According to Pro-Progressio⁵ the size of new outsourcing and offshoring centres will decrease, as the smaller centres with approximately 80-110 employees will constitute the majority of new investments (according to ABSL, currently the average employment in the BPO/SSC centre in Poland amount to 273 employees).

1.2 million sq m
additional demand
for office space from
outsourcing companies
by 2016

↓ Number of outsourcing centres



⁴ Association of Business Service Leaders

⁵ Foundation for the development of outsourcing sector in Poland

Source: DTZ, ABSL, 2014

3.

Main factors attracting investors to the region

3.1 Cost of operating

The main factors, which determine the cost of operating for outsourcing centres are labour costs and rent levels.

According to Eurostat the average hourly cost of labour in four analysed countries (Poland, Czech Republic, Hungary and Romania) varies from €4.6 in Romania to €10.3 in Czech Republic with the average of €7.9 in the CEE region⁶. In comparison the average labour cost in the Euro Zone is around €28.4 per hour.

In the first half of 2014 the prime headline rent for office space in Poland (Warsaw), Czech Republic (Prague) and Hungary (Budapest) amounted to €25, €20 and €14, respectively. Rents in Germany (Berlin), France (Paris) and United Kingdom (London) are at the level of €22.5, €35 and €66.

We expect that operating costs in CEE will remain considerably lower in the foreseeable future, maintaining the competitive advantage over Western European countries.

↓ Prime rents in analysed countries

Country	Prime rents (€/sq m/month)
Poland	25
Czech Republic	20
Hungary	14
Germany	22.5
France	35
United Kingdom	66

Source: DTZ

↓ Forecasted increase in the average hourly wage (in EUR)

Country	2015	2016	2017	2018	2019	2020
Poland	8.4	9.0	9.8	10.3	10.8	11.4
Czech Republic	11.1	11.6	12.4	12.9	13.5	14.1
Hungary	8.5	9.1	9.9	10.6	11.2	11.7

Source: Eurostat

average wage

3.3 times

lower than in the Western European countries

⁶ Eurostat (Poland, Czech Republic, Slovakia, Slovenia, Hungary, Romania, Bulgaria, Croatia, Lithuania, Latvia, Estonia)



3.2 Access to well-educated workforce

Given the level of employment in the outsourcing and offshoring centres and the growing complexity of services provided, it is crucial for investors to have access to well-educated and resilient resources. As a result, the majority of outsourcing and offshoring centres are located in the cities with strong academic bases such as Krakow, Warsaw, Prague and Budapest.

According to Eurostat, within the last 10 years, the percentage of the working population with higher education in the CEE region has increased notably, particularly in Poland, Hungary and the Czech Republic where the proportion has more than doubled within the 30-34 age group. Poland has been outperforming other Central European in the number of university graduates, which amounts to approx. 500-600 thousand per annum⁷.

On the other hand, a relatively lower quality of higher education in CEE can be observed. There are only 8 CEE-based universities in the top 500 Shanghai ranking, compared to 190

universities from Western European countries and 146 universities from the US. In order to successfully attract further foreign investments, including the outsourcing sector, an increase in the quality and recognition of the CEE universities has to be made.

The overall level of labour supply in the CEE region in 2013 amounted to approximately 50 million with Poland, Czech Republic, Hungary and Romania accounting for almost 75%. The level of unemployment in these countries varies from 7% in Romania to 13% in Poland, which is relatively high compared to more developed markets. According to Eurostat, the unemployment rate in CEE is highest within the younger groups of the working population (25-30 years), which also constitutes the largest age group for outsourcing employees.

3.3 Improvements in the business environment

Within the last few years CEE countries have significantly improved their business environment, mainly by way of infrastructure investments and business regulation reforms which have impacted positively the transparency and ease of business activity. There is still room for improvement, however in 2014 with Poland (45th), Hungary (54th), Croatia (89th) and Ukraine (112nd), which were among the countries that advanced the most on the World Bank's "Ease of Doing Business" ranking. Lithuania, Estonia and Latvia were already in the forefront of the region, occupying 17th, 22nd and 24th place.

The increase in the amount of companies that moved their operations to Central and Eastern Europe over the last 10 years proves that the implemented reforms have had a positive effect on the way global investors perceive the CEE markets.

€7.95
average hourly cost of labour in the CEE region

€28.4 per hour
average labour costs in the Euro Zone

↓ Ranking on the "Ease of doing business - 2014"

Country	Rank
Singapore	1
Hong Kong	2
New Zealand	3
United States	4
Lithuania	17
Estonia	22
Latvia	24
Colombia	43
Montenegro	44
Poland	45
Bahrain	46
Oman	47
Qatar	48
Slovakia	49
Hungary	54
Bulgaria	58
Romania	73
Czech Republic	75

Source: World Bank

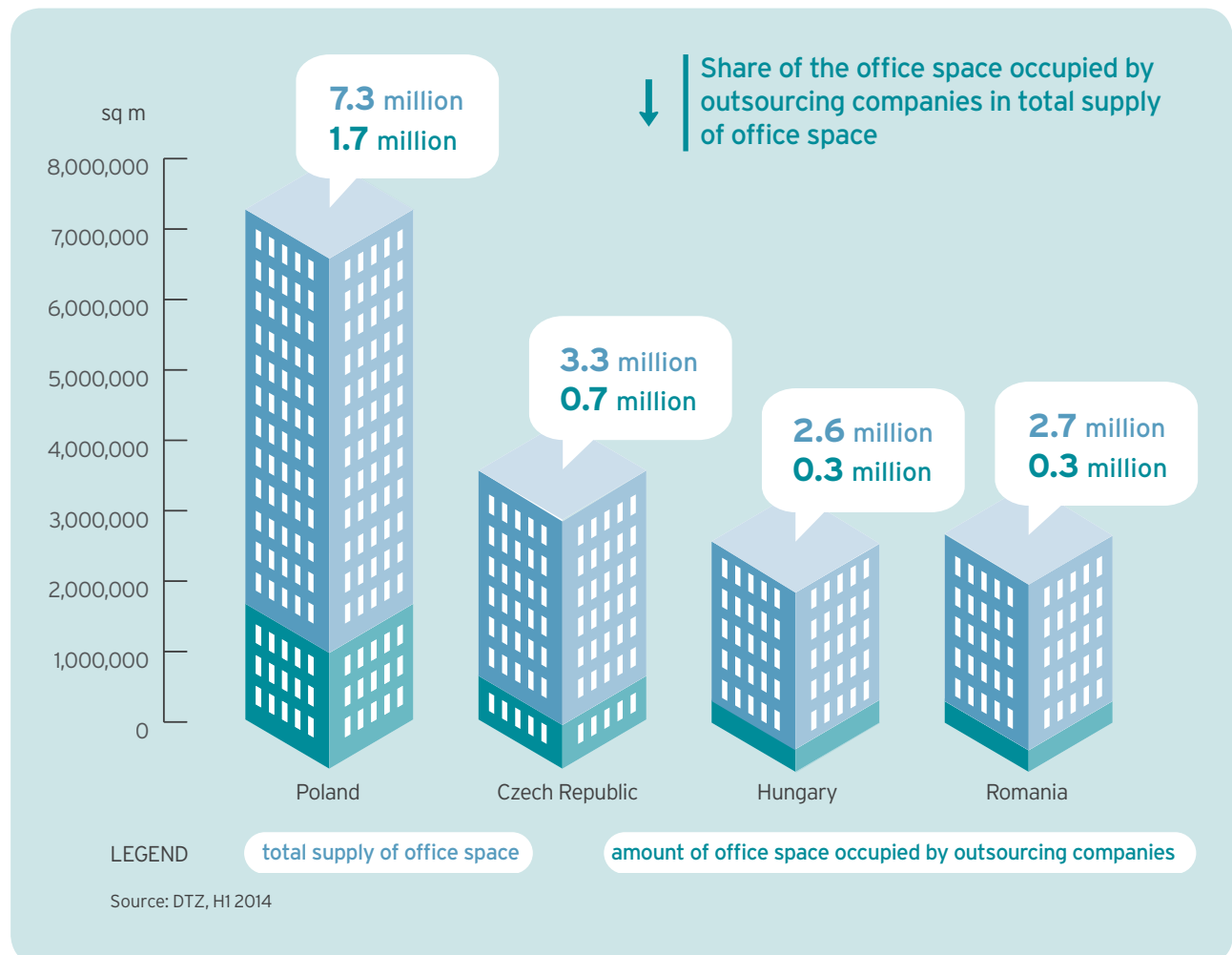
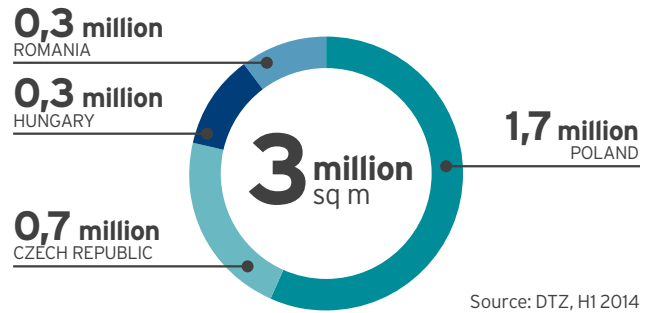
⁷ Oxford Economics

3.4 Increasing supply of office space

Another important factor is the development of modern office space. Outsourcing centres became one of the biggest office occupiers in the CEE region, currently spurring further growth of the office market in countries like Poland, Czech Republic, Hungary and Romania.

At 16.1 million sq m in 2013 outsourcing and offshoring companies, occupy approximately 20% of the existing office stock in the analysed markets (ca. 3 million sq m). As the growth of the outsourcing sector in the coming years is expected to be sustained, demand generated by these companies will seemingly be the key driver of the further office market development in the region.

→ Amount of the office space occupied by outsourcing companies (sq m)



4.

Sectors in which the outsourcing centres operate

The majority of outsourcing and offshoring companies operating in CEE are from the IT and Financial Services sectors.

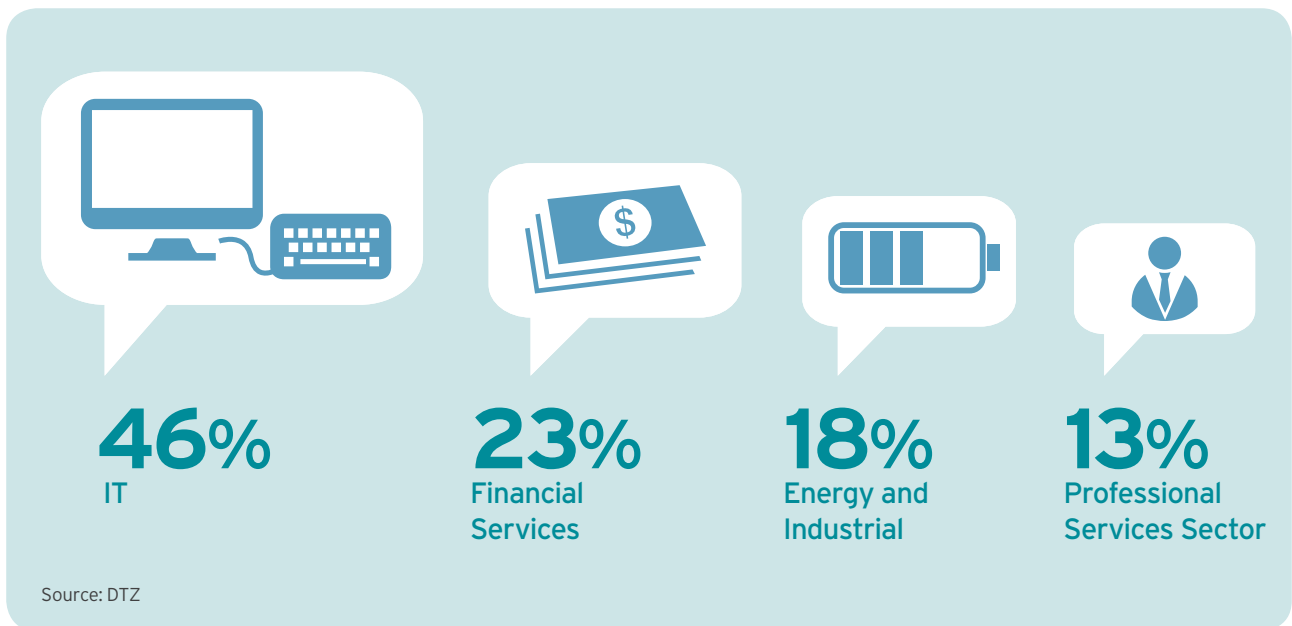
Approximately 40% of all services are related to IT operations, with Poland, Hungary and Romania being among the most attractive locations due mainly to the breadth and depth of academic resources in the IT field.

The Financial Services sector is the second largest, at approximately 20%, followed by the Professional Services, Manufac-

turing and other sectors.

Certain sectors are increasingly concentrated at specific locations: the majority of ITO and R&D centres are located in Krakow, Prague, Budapest or Bucharest, while Warsaw, Wroclaw and Prague have attracted many Financial Services outsourcing centres. This is driven mainly by local labour markets and academic resources but there is increasing evidence to suggest that companies operating in similar sectors prefer to co-locate. Warsaw, for example, is developing as an important financial hub within CEE.

↓ Distribution of employment in different sectors in BPO/SSC centres (CEE)



5. Poland

Poland is the largest outsourcing and offshoring hub in the region with approximately 60% of total outsourcing sector workforce in all analysed countries. An estimated 128,000 people⁸ are employed in 470 outsourcing centres operating in Poland, which is also leading in the region in terms of growth with a 50% increase in the last two years. Since 2004 the number of the outsourcing centres in Poland has increased by approximately 380 and within the next 2-3 years employment this sector is expected to increase by 33% and reach 170,000. Warsaw, Tricity, Krakow, Poznan and Wroclaw are continuing to be the main destinations for new investments.

Unlike other CEE countries (where capital cities have clearly dominant positions), major regional markets (including Krakow, Wroclaw, Tricity, Poznan, Katowice and Lodz) have also established themselves as attractive locations and some smaller cities such as Lublin, Szczecin and Bydgoszcz are beginning to catch-up.

Krakow has retained its position as the largest hub with more than 30,600 employees currently working in 85 service centres. It is also ranked as the highest placed CEE destination for new outsourcing investment. Among companies from the business services sector, in Krakow are GE Healthcare, Lundbeck, RWE and Samsung.

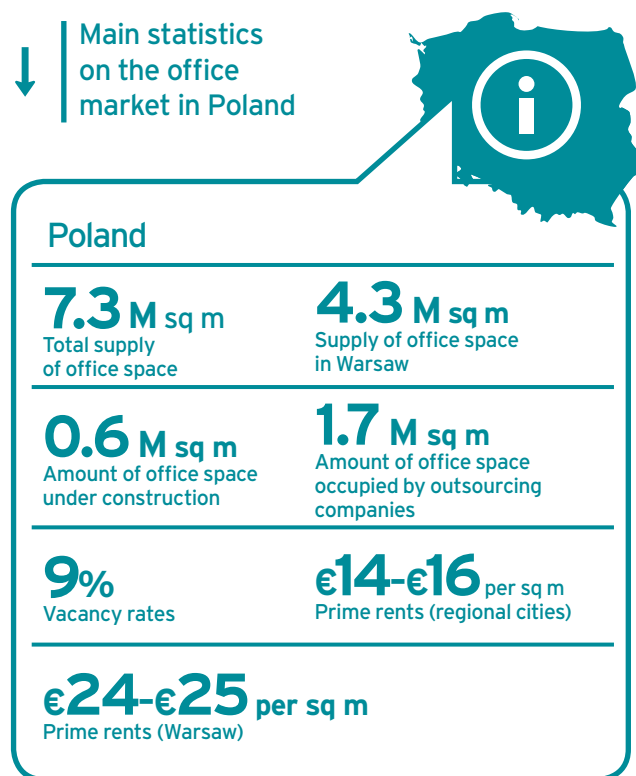
Warsaw is ranked second in Poland, with 85 service centres and 22,300 employees, followed by Wroclaw (20,500), Tricity (11,500), Lodz (10,800), the Katowice agglomeration (10,000), Poznan (7,500), Lublin (5,000) and Szczecin (5,000). As many as nine out of ten service centres located in Poland have declared an increase in employment expected by the end of 2015.

Despite the fact that outsourcing growth is a result of cost and efficiency savings, the most mature regional cities also have the highest operational costs, for example in Warsaw, Krakow and Wroclaw. The universities and larger labour markets of these cities offer a readily available workforce which, combined with more mature office markets (total existing supply in excess of 5.5 million sq m), continues to ensure their popularity.

Over the last three years the outsourcing sector has matured and diversified its range of services. In terms of take-up structure in the first half of 2014 in the nine major office markets in Poland 65% of the demand for office space was from the IT services, professional services and financial sectors.

Tricity (Gdansk, Gdynia, Sopot) has a relatively high concentration of life-sciences business alongside professional services while Katowice has attracted a large number of manufacturing-driven outsourcing companies and Poznan has a notable presence of media-oriented companies.

Shared Service Centres are the most common outsourcing investments in Poland (165), followed by Research and Development (113), Business Process Outsourcing (109), IT and other (83).



Source: DTZ, H1 2014

Examples of outsourcing companies operating in Poland

Type of outsourcing centre	Companies
BPO	Avon, HSBC, Unilever, Lufthansa, Electrolux, Motorola, UPS., Pandora, Volvo
SSC	PwC., Accenture, Credit Suisse, EY, Grant Thornton
R&D	Samsung, IBM, Boeing
ITO	Capgemini, IBM, Alcatel Lucent

⁸ ABSL, relates to centres with foreign capital

Source: DTZ, 2014

6. Czech Republic

Czech Republic is the second biggest market in CEE for outsourcing and offshoring centres in terms of the amount of employees working in this sector. According to ABSL in 2014 approximately 50,000 (approx. 17% of the total outsourcing employment in CEE) employees were working in 127 outsourcing centres located mainly in Prague, Brno and Ostrava.

Within the last 3 years, the number of employees has increased by 39%. DTZ expects the number of companies operating in the Czech Republic and the level of employment to further grow in the coming years.

One of the biggest advantages of the Czech market is the well-educated labour base. The Czech educational system is ranked as the best in the CEE region⁹ with majority of new graduates holding degrees in economic sciences or technical sciences.

As the Czech Republic constantly attracts new outsourcing and offshoring centres, the labour market became more mature and offers higher number of educated employees, which already have sufficient experience in this sector.

Shared Services Centres and Business Process Operations centres constitute the majority of outsourcing investments in Czech. Approximately 80% of all types of outsourcing services provided in Czech Republic relate to Financial Services, IT Support and Customer Support. These types of maintain their dominant position in the coming years.

Similar to Poland, a significant part of new outsourcing investments relate to more complex and higher value-added processes, such as financial reporting and analysis, business transformation consulting, marketing, underwriting and legal services.

39%
growth of the outsourcing sector in Czech Republic within last 3 years

→ Main statistics on the office market in Czech Republic



Czech Republic	
3.6 M sq m Total supply of office space	2.9 M sq m Supply of office space in Prague
0.3 M sq m Amount of office space under construction	0.7 M sq m Amount of office space occupied by outsourcing companies
15.4% Vacancy rates	€18.5-€19.5 per sq m Prime rents (Prague)

Source: DTZ, H1 2014

⁹ Gartner Research

7. Hungary

Approximately 32,000 employees are currently working in 80 outsourcing centres in Hungary¹⁰, 83% of headcount located in Budapest, which attracts the majority of new investments.

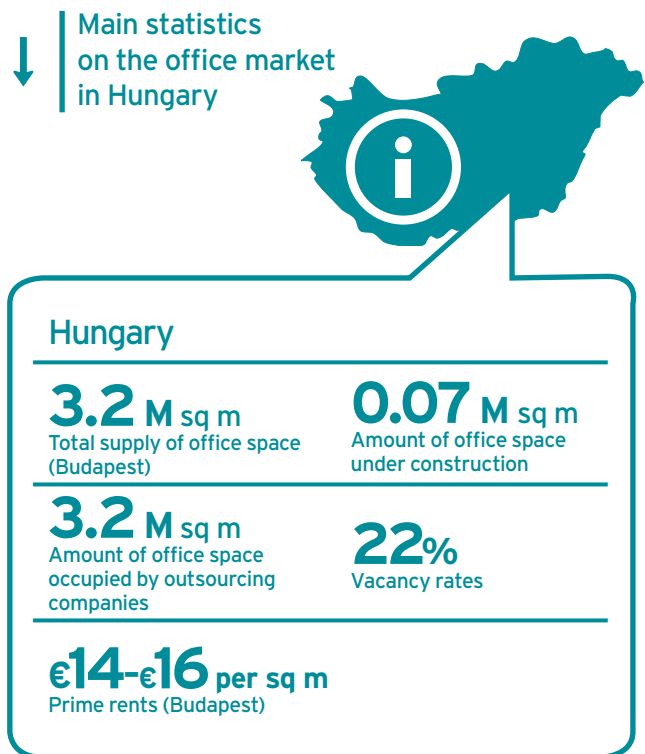
The outsourcing companies occupy more than 300,000 sq m of modern office space in Hungary and, as the level of employment in this sector is expected to further increase, DTZ expects growing demand for office spaces. Given the current growth of the outsourcing sector, the level of employment will increase in the next two years by approximately 5,000 professionals.

Also smaller destinations, such as Debrecen, Szekesfeharvar and Miskolc will attract more investments, due to higher supply of labour force and lower costs of operating. Hungary is

also very well known for its mathematical education chosen by many R&D and modelling centres as Morgan Stanley's global mathematical modelling centre in Budapest.

Majority of the outsourcing centres located in Hungary provide Financial Services, followed by the IT and Customer Service outsourcing. According to HOA¹¹, most of the outsourcing companies which operate in Hungary plan to expand its operations, mainly by the increase of the portfolio of services, moving up in the value chain or increasing the size of current teams.

5,000
increase in the number of employees in the outsourcing centres in the next 2 years



Source: DTZ, H1 2014

¹⁰ DTZ, relates to SSC

¹¹ Hungarian Outsourcing Association

8. Romania

Due to significantly lower labour costs and large base of well-educated workforce Romania is recording sharp growth in the outsourcing sector. According to ABSL, currently there are approximately 50,000 professionals employed in 290 outsourcing companies in Romania. The number of employees working in this sector has more than doubled in the last 5 years.

The majority of outsourcing centres are located in Bucharest, however increasingly more investments are channelled towards regional cities like Cluj-Napoca, Brasov, Timisoara and Craiova. These investments largely relate to expansion of existing centres in Bucharest, (e.g. Wipro, HP, Siemens and Bosch, which decided to expand to Timisoara, Intensa Sao Paolo Bank, Route 66, IBM expansion to Brasov, Bombardier, Genpact, PwC, Deloitte expansion to Cluj-Napoca).

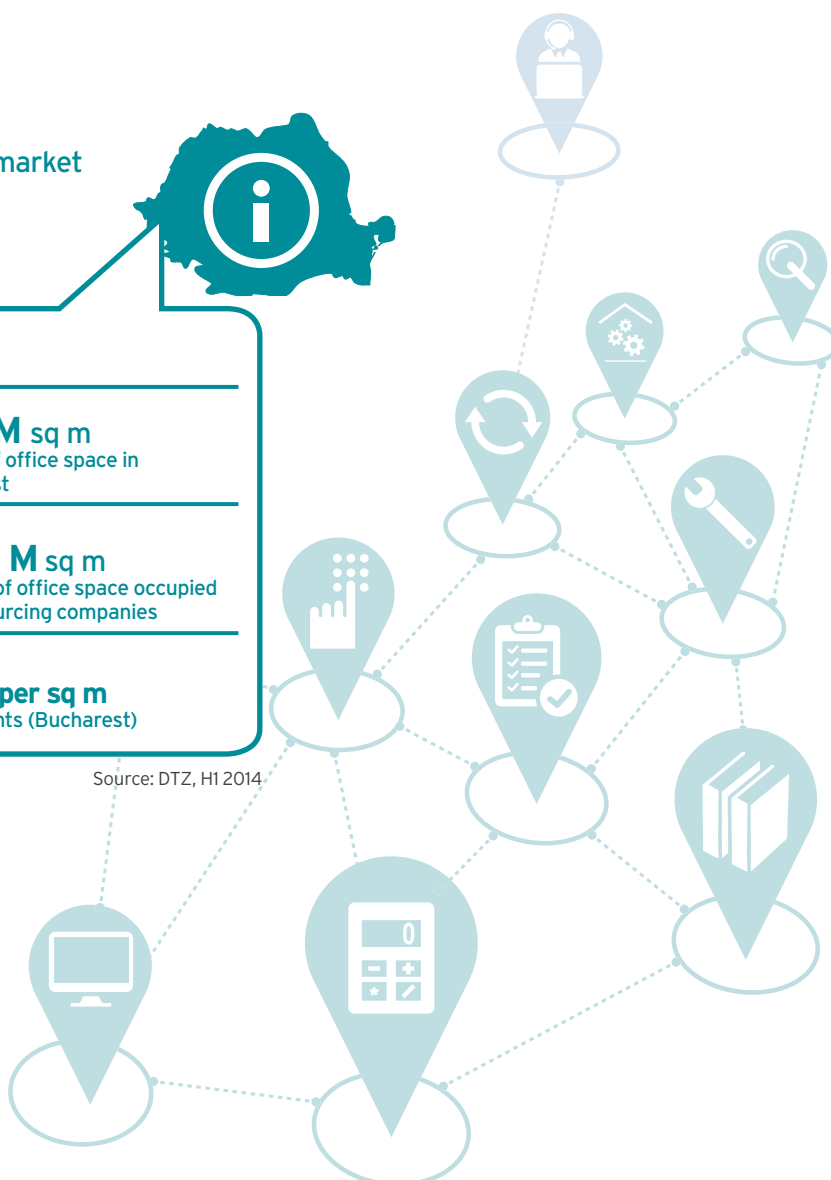
Due to the large supply of graduates holding a technical degree in Romania and numerous government incentives (e.g. 100% tax exemption for IT investments) the majority of outsourcing centres operating in this country are ITO centres (62% of all outsourcing centres). They are followed by BPO (29%) and R&D (9%) centres.

approx. **90%**
share of new office leasing deals in regional cities relating to outsourcing companies

→ Main statistics on the office market in Romania

Romania	
2.6 M sq m Total supply of office space	2.1 M sq m Supply of office space in Bucharest
0.08 M sq m Amount of office space under construction	0.3 M sq m Amount of office space occupied by outsourcing companies
15.7% Vacancy rates	€18 per sq m Prime rents (Bucharest)

Source: DTZ, H1 2014



9. New trends in the outsourcing sector in CEE

9.1 Automation and getting up the value chain

The major trend, which will have a significant impact on the outsourcing sector in the CEE in the coming years, is the introduction of new technologies and automation of the most generic services. As a result of this process, which has already started, some of the least value-added services will be automated, cutting the need for physical labour. These kinds of solutions are currently popular in the call centre industry, where implementation of automatic selection systems made it possible for companies to reduce the staff headcount.

On the other hand, not all of the services provided by the outsourcing centres can be automated and in majority of cases, the physical staff will still be required although in limited number. Moreover, the implementation of new technological improvements will lead to wider introduction of more complex and higher value-added services, which will be an increasingly important part of the new outsourcing investments coming to the CEE region. As a result data centres, R&D, ITO centres will become increasingly popular.

9.2 The untapped potential of public institutions

Another trend, which DTZ expects to grow in the CEE outsourcing sector is the role of public institutions as the service outsourcers.

This is already present in the developed Western European countries and will most probably be implemented in the CEE, as a result of governments' cost-cutting and optimisation policies (e.g. data management, infrastructure management, application development and management, customer support). Governments are not only limiting their costs but also maximizing their capacity to deliver public services, extending their reach and increasing the value of these benefits.

Some of the public services, which may be outsourced, require an in-depth knowledge of the local market. Also, due to the sensitivity of public data, high degree of security is required. This can be provided mainly by local companies for which DTZ expects the public institutions' outsourcing to create new growth opportunities.

Moreover, due to its nature, the public institutions' outsourcing in majority of cases cannot be transferred abroad, which makes them resistant to rising operation costs in some of the CEE countries.

9.3 Go east and secondary!

Whilst there is much debate on the future pace of salary adjustments in CEE it can be established that overall salary increases have been much slower than forecasted so far. 25 years after the return to market economy and 10 years after joining the EU Central Europe's salaries are still ca. 4-5 times lower than in Germany and nearly 10 lower in Southern Eastern Europe (Romania and Bulgaria)¹². Based on current forecasts of the salaries' increase in these countries, the alignment with Western Europe will take several decades.

Established cities such as Warsaw, Krakow, Budapest or Prague have created a "critical mass" of companies and employees attracting further investments and going up the value chain. This results mainly from high supply of experienced professionals, which cuts the need for additional training costs, and the proximity of other, already operating high value-added centres and universities.

Nevertheless outsourcing operations are sensitive to cost increase and an internal shift eastwards and to secondary cities can be observed for lower value-added services. However this process will proceed slowly and some of the region's advantages like well-educated labour market, physical proximity of the Western European countries or cultural fit will slow it down.

A migration of new outsourcing investments within the CEE countries can also be observed. Due to higher supply of labour force and lower costs of operating, secondary and tertiary locations are gaining popularity. Such locations include: Lodz, Poznan, Katowice, Lublin, Szczecin and Bydgoszcz in Poland; Brno, Ostrava, Plzen and Pardubice regions in Czech Republic; Debrecen, Szekesfehervar and Miskolc in Hungary; Brasov, Timisoara and Craiova in Romania.

¹² Eurostat

10.

Conclusions

With multinationals increasingly global operating platform the CEE BPO industry is both facing a major opportunity and competitive challenge. In the coming decade the number of corporations using BPO or shared service centres will further increase resulting in a global quest for cost competitive talent pools. With emerging BPO markets like China, India or South East Asia dramatically increasing both quality and volume of their education systems, individual CEE markets look feeble with only a handful of cities above 1 million inhabitants. Whilst demand is shifting towards higher volume operations CEE will have to increasingly position itself as a single market and capitalise on both eastward and secondary cities opportunities. It is only by creating a credible truly regional CEE "brand" that the region will remain on the global market. The future of the CEE BPO industry is a network of centres providing high value-added services in large and established markets supported by secondary cities across a truly regional market. The ability of the industry to rapidly expend towards a stabilised Ukraine or

new South East countries as Serbia is also of crucial importance to sustain demand volumes.

Based on current trends in the next two years employment in this sector in key CEE markets (Poland, Czech Republic, Hungary and Romania) may increase by 44% rising to approximately 360,000 jobs, fuelling demand for 1.2 million sq m extra office space. The notional value of office buildings occupied by outsourcing companies will amount to approximately €7.6 billion.

Demand is also increasingly going to come from within CEE existing outsourcing centres, expand to cover regional demand. Moreover the introduction of new services (e.g. public sector outsourcing, legal outsourcing, business process outsourcing) will result in additional investments in the region.

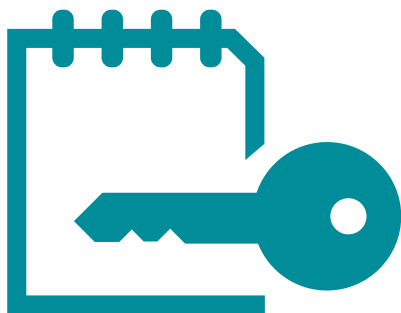


\$5.4 billion
notional value of office buildings occupied by the outsourcing companies

20%
the average annual growth of the outsourcing sector in the CEE

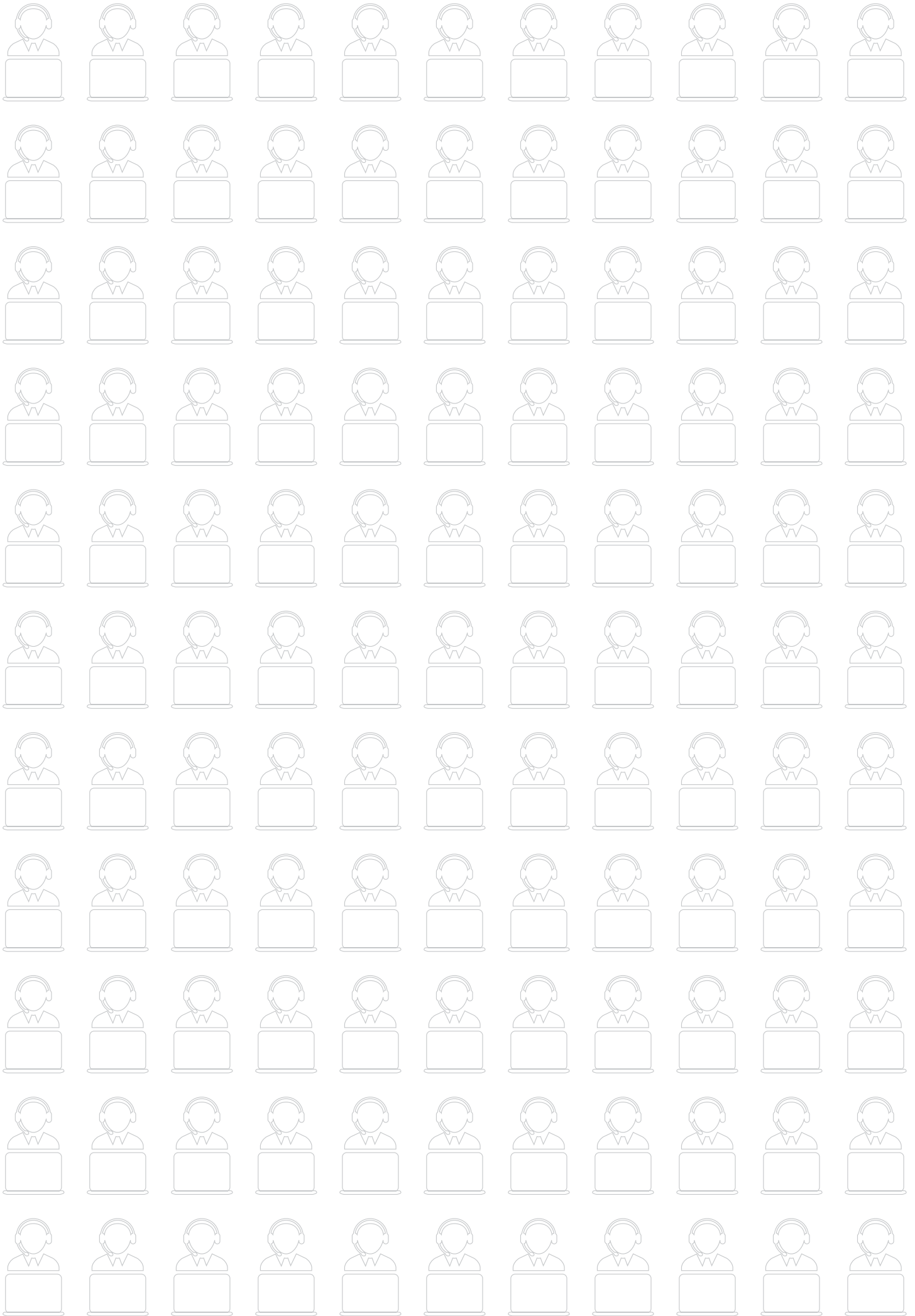
360,000
employees in outsourcing sector within next 2 years

1.2 million sq m
new demand for office space from outsourcing companies



€417 million
value of office lease transactions concluded by outsourcing companies in H1 2014 and approx. 880 million € in 2014





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