

SHARED SERVICES CENTERS



S A R I O

Slovak Investment
and Trade Development Agency

Central Eastern Europe

In recent years there has been strong interest of international companies in relocating and centralizing their business services to the Central Europe region (hereinafter only "CEE"). The CEE is a popular location for companies that want to establish new Shared Services Centers or Call Centers (hereinafter only "SSC and CC"). The attractiveness of the region is based on a number of factors, like an available and skilled labor force, a broad knowledge of languages, geographic and cultural proximity to Western Europe, well-developed infrastructure and considerably lower wage costs in comparison with Western European or North American levels.

Based upon the latest Colliers International & A.T. Kearney survey, the actual Shared Service Center "Hot Spots" include Bratislava, Brno, Budapest, Prague, Krakow and Wroclaw, while Kosice, Bucharest, Hradec Kralove, Trencin, Ostrava, Sofia and others cities of the region are considered to be future top locations.

Slovakia

The Slovak economy is a well-performing market economy. Slovakia offers many advantages, such as relatively low wage costs for a talented and well-educated labor force, as well as many foreign languages spoken (English and German in particular), a business friendly environment and a good quality of life. Many international companies like Dell, IBM, Hewlett-Packard, AT&T, Lenovo, Accenture, JCI and NESS have already discovered Slovakia and taken advantage by opening operations here.

Why Place or Relocate Your SSC & CC to Slovakia

1. Excellent multilingual skills: especially EN, DE, FR, ES, CZ & other CEE languages incl. Russian
2. Over 70 ths fresh university graduates annually & almost 210 ths students from the network of 35 universities; High Share of Secondary and Tertiary Education within the Population
3. Strategic time zone location
4. Political stability and high economic performance
5. Official Currency - EURO
6. Interesting Tax System
7. High quality of life & cultural diversity
8. Steadily Growing Infrastructure Network
9. Dynamically growing real estate market with A-level offices
10. Great geographical location, gateway into main EU markets
11. Low Labor Costs vs. High Labor Productivity & Flexible Labor Code
12. Attractive investment incentives for SSC
13. High Adaptability of Labor Force to Different Management Style
14. Success stories of established SSCs & CCs

"What was the decisive factor for locating in Slovakia?"



2002, Veit Dengler, Dell Business Centre Bratislava, General Manager

"Among the important factors were the legal system, the state of the economy, the business climate and the quality of governance. The number one criterion, however, were the people. It was they who had the greatest impact on our company's growth. In 2001, we didn't say we'd be employing 2 000 employees here by 2008. At first, our expectation was to set up a business centre to support our German-speaking customers by employing approximately three hundred people. The result is that we now have a business centre in Bratislava and this is where the largest number of our financial specialists in Europe is based." Nowadays, Dell European Business Centre in Bratislava employs cca. 1 450 professionals and became a key service centre for EMEA region.



1991, Rolf Lobreyer, Hewlett Packard, EMEA Delivery Manager

"Among the decisive factors that contributed to Slovakia's placing first in our research were the very good language skills of the Slovaks, the competitive voice and data networks, the stable economic and political environment, as well as the geographic location of Bratislava, which is very close to the majority of our EMEA customers operating in Western Europe, while also being close to the Eastern Europe that represents an important emerging market for us."



1992, Marek Gešo, Accenture, Head of Marketing

"In addition to its favorable cost structure, business environment and skilled labor, Slovakia's geographic and cultural proximity to the majority of European trade centres is another reason why Accenture established its centers in Slovakia. Bratislava provides the needed conditions for this type of knowledge-based business."

Selection of major established SSCs & CCs in Slovakia by type

IT

| Company | Location | Main services provided | No. of employees in 2012 – approx. | Year of establishment |
|--------------------------------|--------------------|---|------------------------------------|-----------------------|
| Accenture Outsourcing | Bratislava | Finance, Supply Chain & Logistics | 600 | 1992 |
| Accenture Technology Solutions | Bratislava | Technical Support & Centre for Technology Solutions | 600 | 1992 |
| Ajilon | Bratislava | IT Networks Monitoring Centre | 270 | 2003 |
| Alcatel/Lucent | Bratislava | IT & Telecom Development | 100 | 1991 |
| Ariba | Kosice | IT | 25 | 2005 |
| Asseco Central Europe | Bratislava | SW Development | 800 | 1999 |
| Deutsche Telekom | Bratislava | Telecom Support | 211 + expansion planned | 2009 |
| Erni Slovakia | Bratislava | IT Services | 30 | 2007 |
| ESET | Kosice, Bratislava | IT – Antivirus SW Development | 350 | 1992 |
| First Data | Bratislava | IT Services | 410 + expansion planned | 1994 |
| Hewlett-Packard Slovakia | Bratislava | Hardware B2B Support, Application Management | 1600 | 2000 |
| InsData | Nitra | Software & Cross Border Service | 251 | 1996 |
| NESS Slovakia | Bratislava | IT Solutions, Technical Support | 411 | 2004 |
| Siemens | Bratislava | IT Solutions, Technical Support | 1059 | 1993 |
| T-Systems Slovakia | Kosice | IT, Technical Support & Centre for Technology Solutions | 2,000 + expansion planned | 2006 |

FINANCIAL

| Company | Location | Main services provided | No. of employees in 2012 –approx. | Year of establishment |
|---|-------------------------------------|--|-----------------------------------|-----------------------|
| Allianz Business Services | Bratislava | SSC for Finance, IT | 106 + expansion planned | 2006 |
| Danisco | Bratislava | SSC for Accounting | 50 + expansion planned | 2008 |
| DELL European Business Centre | Bratislava | Finance, Accounting, Marketing, Sales, Technical Support, Customer Service | 1900 + expansion planned | 2001 |
| Henkel | Bratislava | SSC for Accounting | 472 | 1991 |
| IBM (ISC) | Bratislava, Košice, Banská Bystrica | Accounting, Financing, B2B Support, Customer Service | 3500 + expansion planned | 1992 |
| InsData | Nitra | Software & Cross Border Service | 251 | 1996 |
| Johnson Controls International Bratislava | Bratislava | Finance, Accounting, HR, IT, Sales | 900 + expansion planned | 2004 |
| KONE | Bratislava | Accounting, Finance | 150 + expansion planned | 2004 |
| Kraft Foods European Business Services Centre | Bratislava | Accounting, Financial Services | 1100 + expansion planned | 2004 |
| LENOVO European Global Supply Chain Centre | Bratislava | Customer, Technical Assistance Centre | 650 | 2005 |
| Sauer-Danfoss | Považská Bystrica | European Finance Centre | 120 | 2007 |
| SwissRe Business Services | Bratislava | Finance, IT | 460 + expansion planned | 2006 |

Others

| Company | Location | Main services provided | No. of employees in 2012 – approx. | Year of establishment |
|---------------------------------------|---------------------------------------|---|------------------------------------|-----------------------|
| Amazon | Bratislava | Technical Helpdesk & Service Support | 200 (400 end of 2012) | 2011 |
| Amylum | Trnava-Boleráz | Finance | 54 + expansion planned | 1992 |
| AT&T Global Network Services Slovakia | Bratislava, Košice | CC for Sales, Technical Support, Customer Service, SSC for Finance, Accounting, Billing | 2200 + expansion planned | 1999 |
| Austrian Airlines | Bratislava | CC for Customer Service, Reservation | 50 + expansion planned | 2005 |
| BASF | Bratislava | SSC for Accounting, IT, HR | 45 | 1993 |
| Crystal Call | Bratislava, Nitra, Trenčín, Topoľčany | CC for Telemarketing Services | 630 | 2004 |
| Datalan | Bratislava | ICT Service Centre & Outsourcing | 66 | 1990 |
| Emerson Network Power | Bratislava | Technical Helpdesk | 130 + expansion planned | 2004 |
| NESS Slovakia | Bratislava | IT Solutions, Technical Support | 411 | 2004 |
| O2 Telefonica | Banská Bystrica | Customer Service Call centre | 95 | 2002 |
| ON Semiconductor | Piešťany | EMEA & AMR Customers Service Centre | 240 | 1998 |
| Orange | Bratislava, | Customer Service Call Centre | 353 | 1996 |

| | | | | |
|---------------------------------|---|---|--------|------|
| | Banská Bystrica | | | |
| Soitron | Bratislava | IT services, outsourcing | 590 | 2005 |
| Sykes | Kosice | Customer Service & Support, Telemarketing | 7 | 2004 |
| T-Com | Kosice, Prešov, Banská Bystrica, Žilina, Bratislava | Multimedia Services | 4, 800 | |
| Zurich Insurance Ireland | Bratislava | CC, Sales Support | 53 | |

Note: The following list of Shared Service Centers and Call Centers does not reflect the complete number of established companies in Slovakia, but is a sample of the major players, such as newly implanted ones.
Source: SARIO, Grafton Recruitment and LUGERA & Makler, 2012.

There are several criteria which companies apply when deciding in which country to locate an SSC or CC. The most important factors are:

Workforce (availability, capability - education, language skills, wage costs and labor productivity)

Infrastructure and premises (availability of office space, rental costs, reliable telecommunications networks, optical fibers)

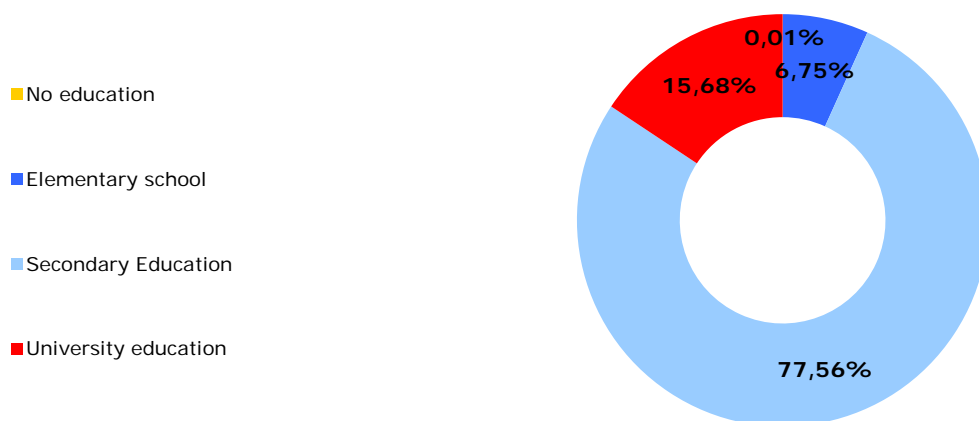
Stability (political and economical, investment support)

1. WORKFORCE

1.1 Availability and Capability

The key criteria for setting up an SSC or CC still remains the availability of a sound labor force. The population of Slovakia is about 5.4 million, about 2.7 million of whom are economically active and about 1.8 million of whom fall in the 20 to 39 year old age bracket. In 2012, about 1.13 mil. attained an upper secondary education and 0.39 mil. attained university education. The graph below shows the distribution of the economically active population according to the highest attained education.

Slovak population according to education



Source: Statistical Office of the Slovak Republic, 2011

In Slovakia, a very high portion of people study at secondary schools and continue their studies at universities. The share of people with a university education is also increasing. This positive development trend is underlined by the fact that Slovakia has achieved the highest share of people with a secondary or higher education among all EU countries and one of the highest shares of university educated people. Total literacy rate in Slovakia reaches 99.6%.

Most SSCs and CCs employ university graduates specializing in finance, accounting or in IT, or graduates of so-called business academies (secondary schools specialized in accounting).

The table below shows the number of students and graduates at different types of universities in Slovakia proving the continuous growth trend in university education:

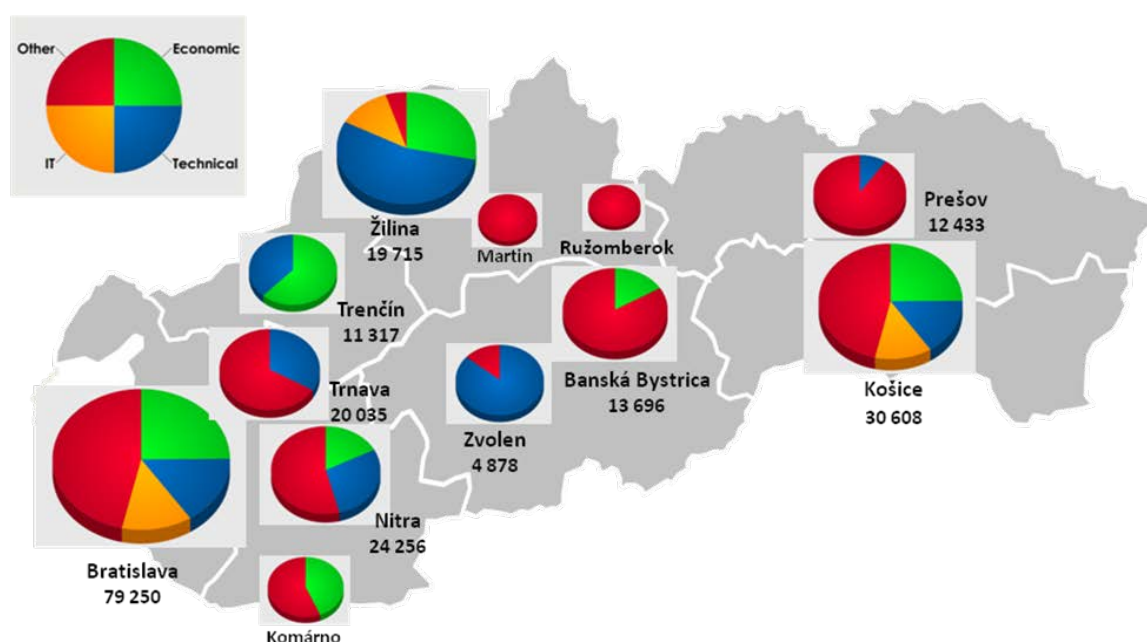
| Year | | 2008/2009 | 2009/2010 | 2010/2011 | 2011/2012 | 2012/ 2013 |
|------------------------------|-----------|-----------|-----------|-----------|-----------|---------------|
| faculties of social sciences | students | 111, 258 | 124, 473 | 134, 854 | 129, 455 | 130, 253 |
| | graduates | 34, 887 | 40, 416 | 47, 693 | 35, 130 | 35, 303 |
| technical faculties | students | 66, 715 | 68, 161 | 61, 547 | 42, 414 | 36, 917 |
| | graduates | 17, 901 | 19, 199 | 16, 608 | 12, 574 | 13, 128 |
| economic faculties | students | 19, 859 | 37, 493 | 30, 469 | 39, 670 | 38, 790 |
| | graduates | 5, 498 | 12, 720 | 9, 668 | 12, 970 | 13, 623 |
| Slovak universities together | students | 208, 072 | 230, 127 | 209, 487 | 216, 303 | 210, 263 |
| | graduates | 58, 477 | 72, 335 | 70, 398 | 71, 650 | 67, 343 |

Source: SARIO calculation and Institute for Information and Prognosis of Education, 2012 (rounded numbers).

Slovakia has a very well developed network of 35 universities. In the academic year 2012/2013 there have been 210, 263 students enrolled in Slovak universities and there will be 67, 343 graduates. The table below copies a growing trend of university enrolled education.

Slovakia also offers a geographically balanced proportion of education. The biggest and the best known universities are located in Bratislava (Comenius University, Slovak Technical University, University of Economics etc.), while the other major university cities are Košice (Pavol Jozef Šafárik University, Technical University in Košice), Banská Bystrica (Matej Bel University), Trnava (University of Trnava), Prešov (University of Prešov), Nitra (Constantine the Philosopher University), Žilina (University of Žilina) and Trenčín (Alexander Dubček University, Vysoká škola manažmentu / City University of Seattle).

Universities across Slovakia & major fields of studies



Source: Institute for Information and Prognosis of Education, 2012.

Secondary schools or so-called business academies yield students with good accounting skills.

High schools prepare students for university study and foster a good knowledge of foreign languages. The table below gives an overview of business academies and selected vocational schools, such as high schools in each region of Slovakia reflecting the academic year 2011/2012 as of September 15, 2011.

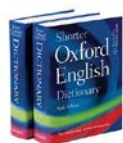
| Region | Business schools and selected vocational school specializing in accounting and business management | | | High Schools | | |
|-------------------|--|-----------------|------------------|----------------|-----------------|------------------|
| | 2011/2012 | | 2010/2011 | 2011/2012 | | 2010/2011 |
| | No. of schools | No. of students | No. of graduates | No. of schools | No. of students | No. of graduates |
| Bratislava | 13 | 3, 581 | 1, 015 | 44 | 14, 128 | 2, 756 |
| Trnava | 19 | 5, 025 | 1, 267 | 22 | 7, 094 | 1, 582 |
| Trenčín | 19 | 4, 585 | 1, 186 | 19 | 7, 346 | 1, 639 |
| Nitra | 22 | 3, 650 | 1, 458 | 28 | 8, 598 | 2, 053 |
| Žilina | 25 | 5, 784 | 1, 660 | 29 | 12, 200 | 2, 655 |
| Banská Bystrica | 28 | 4, 245 | 1, 137 | 30 | 8, 949 | 2, 053 |
| Košice | 26 | 3, 957 | 1, 675 | 36 | 12, 827 | 2, 916 |
| Prešov | 30 | 6, 454 | 1, 701 | 40 | 13, 929 | 3, 142 |
| Total in Slovakia | 182 | 37, 281 | 11, 099 | 248 | 85, 071 | 18, 796 |

Source: Eurobarometer

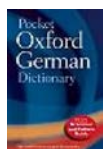
1.2 Language competencies

Slovakia is an open economy able to offer a workforce with the best level of language skills. That is one of the reasons why Slovakia is an ideal destination for offshore services locations focused on the markets of CEE and other European countries as well.

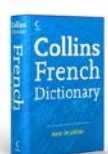
% of knowledge of foreign languages:



English
90,85%



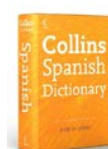
German
60,10%



French
7,71%



Russian
12,44%



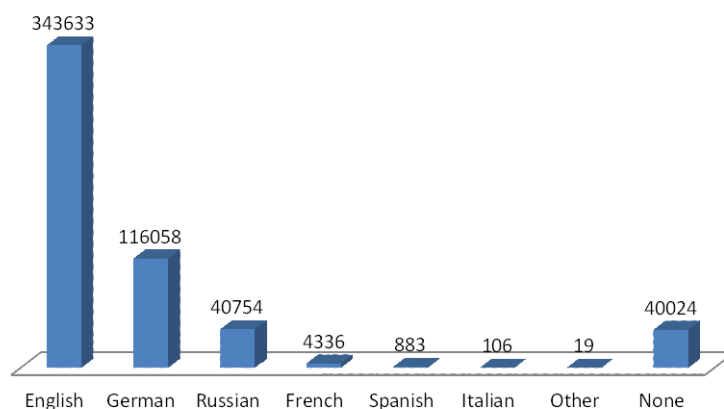
Spanish
3,81%

Source: The Institute for Information and Prognosis in Education, www.uips.sk, 2012, SARIO calculations, 2012

English is the most commonly spoken foreign language. The country's proximity to Austria and Germany is reflected in German being the second most spoken foreign language. People in Slovakia are also able to communicate in Czech language fluently and understand Polish and other Slavic languages. Thanks to coexistence with the Hungarian minority living in the southern parts of Slovakia, more than 11% of Slovak citizens speak Hungarian, as well.

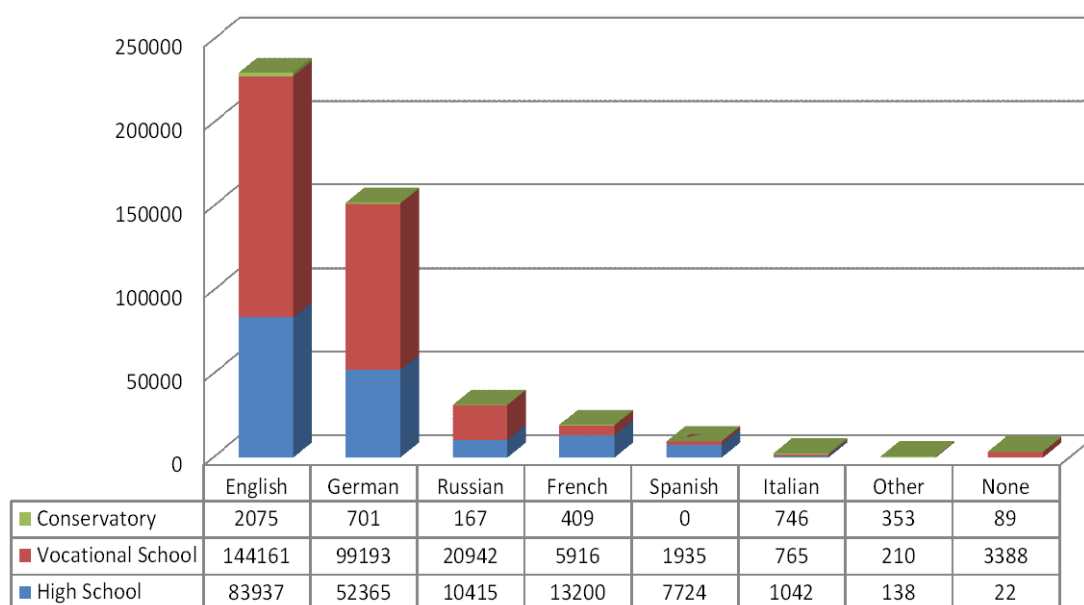
Foreign languages education start in kindergarten and primary schools, continue in secondary schools and universities.

Slovak Primary Schools in 2011/2012



% of pupils at primary schools, 365 079 out of 408 288 learn languages.

The most common foreign language taught at Slovak Secondary Schools in 2011/2012



The total number of students at high schools (university preparation schools) is 85,071; at vocational schools 168,974 and at conservatories 2,859

1.3 Wage Costs and Labor Productivity

Slovakia continues to benefit from its offering potential employers reasonably low wages. Of course, there are countries in which labor costs are still lower than those of the CEE, but when taken globally – set up in geographical, economical and political framework - CEE countries still represent the best option, due in part to the similarity of the cultures.

According to information of Statistical Office of the SR, the average gross monthly salary in the economy reached 805 EUR in 2012. Please note that there are regional and sector differences in the level of wages.

| Average monthly wage and labor costs in 2012* | Slovakia | Czech Republic | Poland | Hungary |
|---|----------|-----------------------|-------------------------|------------------------|
| Average monthly wage | € 805 | € 998 (25 101 CZK) | € 845 (3.521,67 PLN) | € 771 (222 990 HUF) |
| Social Security paid by employer | 35.2% | 34.0% | 17.48%–20.41% | 27%+1.5% |
| Monthly total labor costs | € 1,062 | € 1,322 | € 943– € 967 | € 998,44 |

* For total labor costs of your employee, you have to add to the salary costs of social security contributions. Social security contributions in Slovakia cover all the contributions and there are no extra or hidden costs for the employer. The employee pays for himself the social security costs of 13.4%. The contributions in Slovakia are upwards limited. Limit for Slovakia for 2012 is set up at 3 076,00 EUR and everything earned above this figure is not subject to social security payments.

** Exchange rate (as of May 15th 2012) EUR 1 = 25.4503695CZK

Exchange rate (as of May 15th 2012) EUR 1 = 295.387112HUF

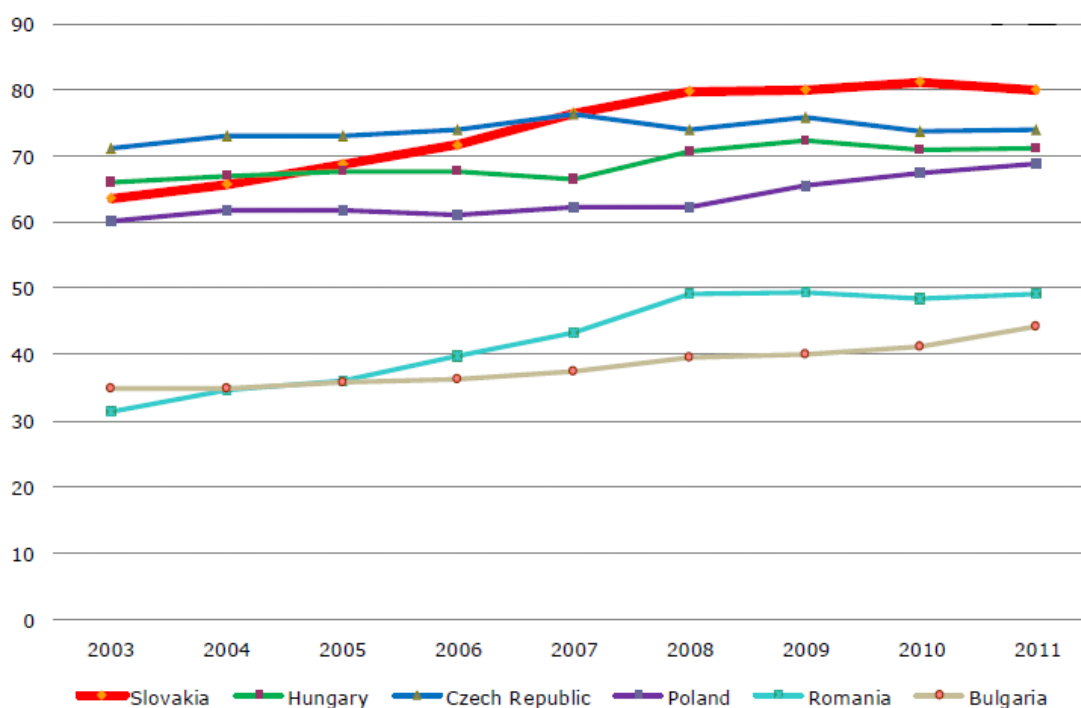
Exchange rate (as of May 15th 2012) EUR 1 = 4.34127912PLN

Source: National Statistical Office of Czech Republic, Hungary, Poland, Slovakia, 2012.

In years of economic upturn the unemployment was falling gradually till 2008 where this positive trend stopped just under 10% (from 19.2% in 2001 to 9.6% in 2008). Due to the economic crisis, some companies were forced to discharge employees and thus total unemployment rose to 12.1% in 2009, and 14.4% in 2010. In 2011 however, there was a turning point and unemployment rate started to decrease by almost 1 percentage point to 13.5%. In 2012 unemployment rate increased by 1 percentage point to 13.6%.

This increase in wages has been matched by corresponding increases in skill supply and quality indicators. Recent statistical reports also prove the fact that there has been an increase in Slovak productivity ranking the country to a leader position among EU27.

Labor productivity in CEE Region



Note: Labor productivity per hour worked, GDP in Purchasing Power Standards (PPS) per hour worked relative to EU15 (EU15=100)

Source: Eurostat, epp.eurostat.ec.europa.eu, 2011.

Following tables show remuneration of professionals in field of services including: Information Technology & Telecommunication statistically evaluated by Trexima (Statistical Research and Advisory Consulting Company) in the 3rd quarter of 2011, and most recent remuneration trends in Accountancy and Financial Services, such as in IT and Telecommunication Services in 2011, based upon calculations of LUGERA & Makler spol. s r.o. - HR Consultancy Agency:

INFORMATION TECHNOLOGY & TELECOMMUNICATION SERVICES

| ICT Position | Average gross monthly salary in € per region | | | | | | | |
|--|--|--------|-----------------|--------|---------|--------|--------|--------|
| | Bratislava | Trnava | Banská Bystrica | Nitra | Trenčín | Žilina | Košice | Prešov |
| Head IT Managers | 3, 500 | N/A | 1, 559 | 2, 118 | N/A | 1, 912 | 2, 120 | N/A |
| Software designers and analysts | 2, 337 | 1, 227 | 1, 785 | 1, 672 | 1, 274 | 1, 346 | 1, 520 | 1, 106 |
| Other IT experts | 2, 146 | 1, 430 | 1, 286 | 1, 192 | 1, 144 | 1, 342 | 1, 146 | 1, 020 |
| Programmers | 1, 825 | 1, 317 | 1, 194 | 930 | 1, 156 | 1, 251 | 1, 343 | 1, 209 |
| Telecom engineers and technicians | 2, 072 | 1, 246 | N/A | 1, 451 | 1, 433 | N/A | 1, 035 | N/A |
| Computer and other relevant activities | 1, 769 | 1, 289 | 1, 068 | N/A | 1, 074 | 1, 613 | 1, 615 | 823 |

Source: Trexima, 3Q 2011.

INFORMATION TECHNOLOGY & TELECOMMUNICATION SERVICES

| INFORMATION TECHNOLOGY & TELECOMMUNICATION SERVICES | | | |
|---|---------------------------|--------|--------|
| IT & Telecom position | Bratislava | Zilina | Kosice |
| | Monthly gross salary in € | | |
| JAVA TEAM | | | |
| Java TL | 2,477 | 2,154 | 2,369 |
| Senior Java Developer (+4 yoe) | 2,477 | 2,154 | 2,369 |
| Java Developer (1-4 yoe) | 1,681 | 1,462 | 1,608 |
| Junior Java Developer (u2 yoe) | 1,150 | 1,000 | 1,100 |
| .NET TEAM | | | |
| .NET Senior Developer (+4 yoe) | 2,300 | 2,000 | 2,200 |
| .NET Developer (1-4 yoe) | 1,592 | 1,385 | 1,523 |
| .NET Junior (u2 yoe) | 1,062 | 923 | 1,015 |
| Testing TEAM | | | |
| Senior Tester (+4 yoe) | 1,769 | 1,538 | 1,692 |
| Tester (1-4 yoe) | 1,327 | 1,154 | 1,269 |
| Junior Tester (u2 yoe) | 929 | 808 | 888 |
| Network TEAM | | | |
| Network Engineer | 1,681 | 1,462 | 1,608 |
| Junior Network Engineer | 1,062 | 923 | 1,015 |
| SAP | | | |
| Junior Engineer | 1,200 | 1,000 | 1,100 |
| Advanced Engineer/Consultant | 2,100 | 1,700 | 1,900 |
| ABAP developer | 1,900 | 1,400 | 1,700 |
| Business Analyst | | | |

| | | | |
|--|-------|-------|-------|
| Junior Analyst | 1,100 | 1,000 | 1,000 |
| Senior Analyst | 2,000 | 1,800 | 1,850 |
| Project Manager | | | |
| Project Manager | 2,500 | 1,800 | 2,000 |
| Team Leader | | | |
| Team Leader | 2,300 | 1,700 | 1,900 |
| Solution Architect | | | |
| Solution Architect | 2,700 | 2,000 | 2,300 |
| Database Administrator | | | |
| Junior | 1,000 | 800 | 900 |
| Senior | 1,700 | 1,400 | 1,500 |
| Help Desk Support | | | |
| Junior | 1,000 | 800 | 900 |
| Senior | 1,300 | 1,000 | 1,100 |
| WEB Design | | | |
| Junior | 1,100 | 900 | 1,000 |
| Senior | 1,600 | 1,300 | 1,450 |
| CIO (intl. company, over 200 employees) | | | |
| CIO | 4,500 | 2,700 | 3,000 |

Source: LUGERA & Makler, Grafton Recruitment, 2012.

ACCOUNTANCY & FINANCIAL SERVICES

| Accountancy position | Monthly gross salary in € | |
|--|---------------------------|---------|
| | Lower | Average |
| CFO | 4,500 | 8,000 |
| Finance Director | 3,500 | 6,500 |
| Financial Controller | 1,900 | 3,200 |
| Finance Manager | 2,700 | 4,350 |
| Management Accountant | 1,900 | 2,400 |
| Cost Accountant | 1,330 | 1,655 |
| Part Qualified Accountant | 1,160 | 1,230 |
| Accounts Assistant | 830 | 965 |
| Inter-Company Accounts | 950 | 1,225 |
| Audit Manager | 3,900 | 4,950 |
| Auditor | 2,600 | 3,800 |
| Business Analyst | 1,160 | 1,575 |
| Shared accounting services position | | |
| SSC Director | 4,500 | 6,250 |
| Accounts Payable Manager | 2,400 | 2,700 |
| Accounts Receivable Manager | 2,400 | 2,700 |
| General Ledger Manager | 2,600 | 2,950 |
| Accounts Payable Supervisor | 1,500 | 1,750 |

| | | |
|---|-------|-------|
| General Ledger Team Leader | 1,600 | 1,850 |
| Accounts Receivable Team Leader | 1,500 | 1,750 |
| Business Process Reengineering Specialist | 1,400 | 1,600 |
| Business Process Reengineering Team Member | 900 | 1,150 |
| General accounting & accounts position | | |
| Bookkeeper | 1,100 | 1,450 |
| Accounts Payable | 900 | 1,050 |
| Accounts Receivable | 900 | 1,050 |
| Credit Manager | 1,500 | 1,750 |
| Credit Control (3+ yrs experience) | 1,200 | 1,400 |
| Credit Control (1-3 yrs experience) | 930 | 1,115 |
| General Ledger Clerk | 900 | 1,050 |
| Payroll Supervisor | 1,400 | 1,600 |
| Payroll Clerk | 830 | 1,015 |
| Accounts Clerk (3 yrs experience) | 1,100 | 1,300 |
| Accounts Clerk (2 yrs experience) | 950 | 1,025 |
| Accounts Clerk (1 yr experience) | 900 | 950 |

Source: LUGERA & Makler, Grafton Recruitment, 2012.

2. INFRASTRUCTURE and PREMISES

Slovakia's unique strategic geographical location makes the country an ideal platform for approaching the dynamically growing markets of CEE as well as countries of Western Europe emerging markets in the east. Major European transit corridors pass through the Slovakia connecting the Western and Eastern parts of European continent. For the purposes of SSCs & CCs, IT and telecom infrastructure are of primary importance, dynamic development of aviation, railway and road transportation plays also an important role.

2.1 Aviation, Railway and Infrastructure

Possibility to fly to Europe and the rest of the world is also secured via Vienna International Airport (app. 60 km from Bratislava), Budapest Airport (app. 180 km from Bratislava) or Prague Airport (app. 351 km from Bratislava). Major Slovak airports providing both regular and European charter flights: Bratislava, Poprad, Kosice, Piestany, Zilina and Sliac.

List of regular flights from major Slovak airports:

In Slovakia:

| Airport | Destinations |
|---------------------|---|
| Bratislava | ALGHERO; BARCELONA - GERONA; BIRMINGHAM; BRISTOL; BRUSSELS - CHARLEROI; BURGAS; COPENHAGEN; DUBLIN; EDINBURGH; GRAN CANARIA; HERAKLION; KOSICE; LIVERPOOL; LONDON - LUTON ; LONDON - STANSTED; MALAGA ; MILAN - BERGAMO; MOSCOW - VNUKOVO; OSLO; PALMA DE MALLORCA; PARIS - BEAUVAIS; PARIS - CHARLES DE GAULLE; PRAGUE; RHODES; ROME - CIAMPINO; SPLIT; TEL AVIV and ZADAR |
| Kosice | BRATISLAVA; PRAGUE; VIENNA |
| Zilina | Charter flights |
| Poprad/Tatry | Charter flights: TURKEY; BULGARIA Regular flights: GDANSK, WARSAW |

Source: www.letiskobratislava.sk; www.airport-poprad.sk; www.letisko.sk; <http://www.airportkosice.sk/>, 2012.

Numbers of km from Slovak airports:

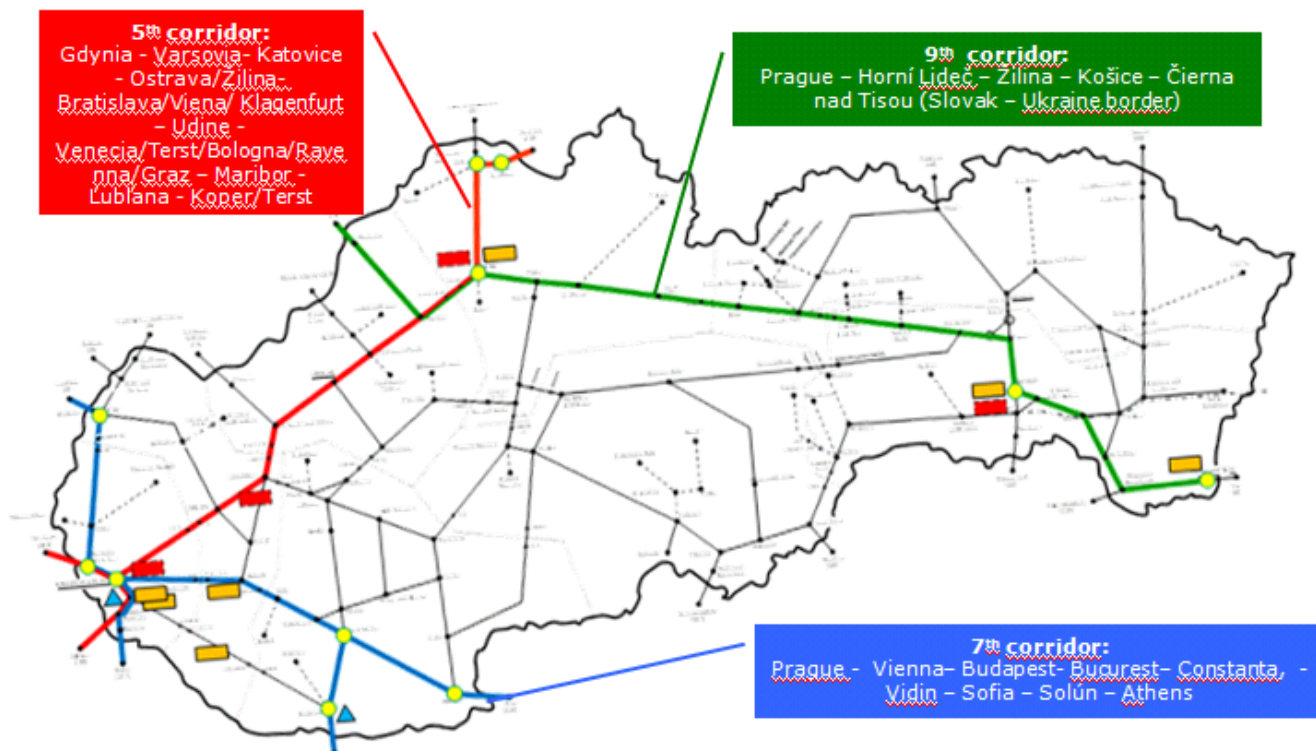
| Airports | Km | Hours |
|---------------------|--------|---------------|
| Vienna - Bratislava | 70 km | 43 min. |
| Prague - Bratislava | 361 km | 3 hrs. |
| Krakow - Zilina | 223 km | almost 3hrs. |
| Budapest - Kosice | 259 km | almost 3 hrs. |



The Slovak road network consists of 18,040 km roads and motorways, incl.:

- 430 km highways in operation
- 242 km motorways
- 1st class roads - 3,317 km
- 2nd class roads - 3,639 km
- 3rd class roads - 10,411 km

International roads "E" are of 1,536 km, international routes "TEM" of 931 km and "TEN-T" corridors of 925 km. The length of urban roads represents 25,942 km. The road infrastructure is in the process of intensive development and modernization.



The railway infrastructure in Slovakia has been ranked according to Moody's Investors Service - Moody's Central Europe **A1 / Aaa.sk rating with outlook stable**, thanks to continuous modernization of the railway infrastructure, railway corridors and stations, realization of new railway tracks, modernization of teleinformation network MOTIS2. Most of the Slovak railway tracks are part of the network of international corridors and all comply with international standards.

In 11 months of 2011 the loading volume was 34 457 mil. ton which represented 17,2% on the total volume of loaded goods.

According to the Pan-European conference of ministers of transport, three railways corridors were approved to be included in the Trans- European corridor networks:

- Corridor No. IV (Berlin – Prague – Bratislava – Sturovo – Budapest – Istanbul/Thesaloniki)
- Corridor No. V (Terst – Budapest/Bratislava – Uzhorod – Lvov)
- Corridor No. VI (Gdansk – Lodz – Zilina)

2.2 IT & Telecom infrastructure

Slovakia provides SSCs and CCs with high-quality and reliable telecommunications and optical fibers networks. The main player in the telecom market is the fixed-line operator Slovak Telecom with its fully digitalized network. The majority share in Slovak Telecom is owned by Deutsche Telekom. Slovak Telecom is also the owner of the second biggest wireless operator, T-mobile, and both companies provide fast Internet connections as well. Telecom infrastructure in Slovakia, in general, achieves the highest of European standards. The telecom market is fully liberalized, and therefore the competition helps keep prices at a reasonable level. Leading providers of mobile phone services include: T-Mobile, Orange and Telefónica O2.

List of the largest telecommunication, Internet and data services providers in Slovakia by sales (in 2011):

| Telecommunication | Internet Providers | Voice services |
|---------------------|--------------------|------------------------|
| Slovak Telekom | Slovak Telekom | Orange Slovensko |
| Orange Slovensko | Orange Slovensko | Slovak Telekom |
| Telefónica Slovakia | Danubia Tel - Swan | GTS Slovakia |
| Towercom | GTS Slovakia | Danubia Tel - Swan |
| GTS Slovakia | Slovanet | Slovanet |
| Danubia Tel - Swan | Antik Telecom | Vnet |
| Slovanet | Vnet | Telefónica Slovakia |
| Energotel | DSI Data | UPC Broadband Slovakia |

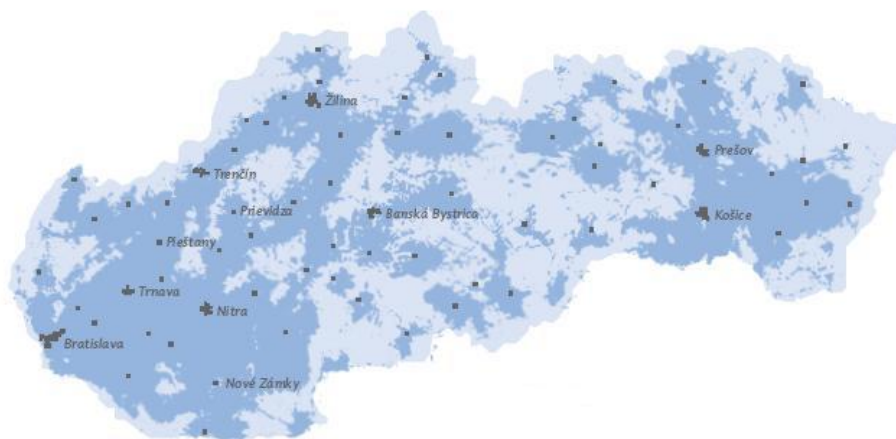
Source: Trend: „Top v infotechnológiách,“ 05/2012.

ICT network

Slovakia has a lower broadband penetration rate than other EU member states. The average rate in the EU27 is 26.5% and 28.9% in the EU15, Slovakia reached penetration rate of 16.4% in 2011. This situation provides an opportunity for future growth.

Slovakia is catching up the EU27 average in the rate of households having their own internet access, but it has shown a catching up tendency. In 2011, the average rate in the EU15 is 73% and EU27 is 70%; Slovakia reached 71%, followed by Poland 68%, Czech Republic 67% and Hungary 65%. Last year, the preferred connection types within households included: modem or ISDN- 15%; DSL – 17%; other broadband – 41% in 2011; cell phone with internet connection (GPRS, UMTS) – 35% in 2010. Statistics also show that in 2011 over 75% Slovak households had a computer. In 2009, 102% per 100 Slovaks had subscription to cellular mobile services. In 2011, 97% of companies had Internet access and over 99 % were using PC. Preferred connection types in enterprises included: fixed broadband access – 76%; DSL – 57%; mobile connection (mobile phone, GPRS, UMTS) – 47%.

Wireless Broadband & Fiber Optics



Combined coverage of 5.3Mbps Flash-OFDM, 3.6Mbps HSDPA/HSUPA, and 2.0Mbps WiMAX mobile technologies; the labeled cities are wired with up to 120.0Mbps fiber optics.

2.3 Real Estate

High-standard offices at reasonable costs are other decisive factor when deciding on the location of a Shared Services Centre. This is why most SSCs and CCs in Slovakia are based in Bratislava, where the widest range of office space is available.

Bratislava – capital city of Slovakia is located at the western edge of the country, on the border with Austria and Hungary. In Bratislava, there are more than 600,000 inhabitants, though this number does not include people who commute to Bratislava on a daily basis. Bratislava is the only capital in the world which borders two

other countries. It lies a mere 50 km from Vienna and is an hour's drive from both the border with the Czech Republic and Budapest. The city benefits from this nearness to Vienna and Budapest. It is also the seat of universities that focus on languages and business as well the seat of a technical university.

Despite great competition, Bratislava remains No. 1 location for SSCs & CCs. Size of workforce in Bratislava reaches more than 326, 000, only with permanent address.

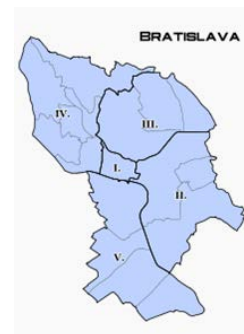
The office space market in Bratislava was slightly slowed through last financial crises. Estimated absorption of the office market is at the level of 50,000 sqm per year. In Bratislava a considerable quantity of office space will emerge in the coming years. Today there are approximately 1.47 million sqm of office space in Bratislava, but by the end of 2012 there should be another 63,800 sqm for rent. In 2012–2013 around 10 real estate projects should be finished, bringing a new supply of more than 114,000 sq m of modern office space over the next two years.

The fundamental factor of demand is always price. While at the start of the market growth the average rental was at about €15.00–16.00/sqm/month, the competitive level is now considered to be between €9.00–14.00/sqm/month.

The average price for rent is considered to be about €11.00/sqm/month. Rent for Class A office space in Bratislava ranges from €10.00–16.00/sqm/month, with occasional highs of €17.00/sqm/month in the top areas of the city. Rents for Class B office space are dropping, and effective rates below €8.50/sqm/month can be found. However, large tenants are still able to push effective rents below €10.00/sqm/month for Class A space.

Office locations Bratislava

1. **Old Town (Bratislava I)**
2. **The harbor and wider business district (Bratislava I & II)**
3. **New Town (Bratislava III)**
4. **Petržalka (Bratislava V)**
5. **Westend Park (Bratislava IV)**
6. **Airport area (Bratislava II)**



Old Town (Bratislava I)

- the center of Bratislava
- attractive part of the city with pedestrian zones and historical buildings
- properties are often used for commercial and business purposes, with retail units on the ground floors and offices or residential apartments above
- the area is characterized by small floor plates and Class B or C space, usually refurbished, in historical buildings with limited parking options

Examples:



The harbor and wider business district (Bratislava I & II)

- new central business districts for office space
- office projects like Apollo Business Center I-II, Bratislava Business Center I-V and City Business Center I-V, with occupiers including HB Reavis, SAP, Swiss Re, AT&T, IBM, Accenture, Metlife or Citibank
- Bratislava's tallest building, refurbished Tower 115
- Eurovea project – mixed use including office (3 separate buildings), residential, shopping part and a hotel, developed by Ballymore

Examples:



Nové Mesto (Bratislava III)

- is characterized by new modern properties and refurbished projects
- the Millennium Towers I & II are home to large tenants such as IBM and T-Mobile
- the latest development Lakeside Park offering cca 24,700 sq m of A-class office space is located in this district as well with AT&T as a major tenant
- Reding Tower 2, office building of A-class standard, developed by YIT will be finished in the fall 2012

Examples:



Petržalka (Bratislava V)

- on the south side of the River Danube, lying along the D1 highway between two bridges (Starý Most and Nový Most), is an area of new office and retail development
- Aupark Tower adjacent to Aupark Shopping Center with ca 31,600 sq m of A-class office space is dominant building in the area with major Tenants as AT&T, Eset or Telefonica O2 Slovakia
- Digital Park was completed at the end of 2006 and its extension Digital Phase II with ca 40,000 sq m of A-class office space completed in 2009. **Currently phase III of Digital Park project is under construction with aim to complete in September 2012 adding ca 20,000 sq m of A-class office space.**

Examples:



Westend Park (Bratislava IV)

- emerging office location with few office projects totaling ca 40,000 sq m of modern office stock
- the seat of well known companies such as Generali Group, Iveco, Fiat, Siemens and others
- the advantage of this location is the fact that it is located very close to the highway to Brno, Prague or Vienna and very well connected by public transport with other parts of the city
- all important services are provided in Westend Park (canteen, restaurant, bank, post office, notary) and city center is located approx. 8-10 minutes by car/public transport
- location provides sufficient parking options

Examples:



Airport area (Bratislava II)

- east part of Bratislava
- well developed office location with few big office projects totaling ca 100,000 sq m of modern office stock
- Dominant are 4 buildings – Galvaniho business centers located directly at main road – Galvaniho, offering high standard for reasonable rents. It is the seat of well known companies such as Samsung, Hewlett-Packard, Hyundai, Softip, Datalan and others.
- the advantage of this location is very good connection with rest parts of Slovakia by highway D1 and close proximity to Bratislava airport
- all important services are provided in walking distance and nearby biggest shopping center in Slovakia Avion
- city center is located approx. 15 minutes by city bypass
- location provides generous parking options

Examples:



List of some new development projects offering office space in Bratislava:

| Project name | Office space in m2 | Rent EUR m2/month | Location | Available (m2) | Developer/ Landlord | Website |
|-------------------------------|--------------------|-------------------|----------------|----------------|-----------------------------|--|
| Astoria Palace | 5000 | 16.00-18.00 | Bratislava I | 830 | IPR | www.ipr.sk |
| Carlton | 10,600 | 13.00-15.00 | Bratislava I | 6,000 | Bifrost | www.carlton.sk |
| Eurovea | 23,500 | 12.00-19.00 | Bratislava I | 7,500 | Ballymore Properties | www.eurovea.sk |
| Park One | 11,000 | 14.00-16.00 | Bratislava I | 650 | Convergence | www.parkone.sk |
| River Park | 29,000 | 12.00-14.00 | Bratislava I | 200 | J&T Real estate | www.riverpark.sk |
| Tower 115 | 33,000 | 11.00-12.50 | Bratislava I | 1500 | J&T Real estate | www.tower115.sk |
| Zaha Hadid | 28,000 | N/A | Bratislava I | Design stage | Penta Investment | www.penta.sk |
| Aircraft | 11,000 | 9.00-11.00 | Bratislava II | 2,500 | Aircraft Diagnostic Company | N/A |
| Apollo Business Center II. | 79,000 | 10.50-14.50 | Bratislava II | 0 | HB Reavis Group | www.apollobc.sk |
| BBC I Plus | 14,500 | 12.00-13.00 | Bratislava II | 9,000 | CA Immo International | www.bbc1plus.sk |
| BBC V | 30,500 | 11.00-12.00 | Bratislava II | 13,000 | Heitman | www.bbcv.sk |
| City Business Centre III-V | 24,500 | 12.50-14.50 | Bratislava II | 1,500 | HB Reavis Group | www.cbc.sk |
| Forum Business Center | 17,000 | N/A | Bratislava II | 0 | HB Reavis Group | www.hbreavis.com |
| Prievozska 14 | 6,500 | 9.50 | Bratislava II | 1,000 | Sekyra group | N/A |
| Trade Center II | 7,200 | 9.50 | Bratislava II | 800 | Vered | www.tradecenter.sk |
| Twin City | 54,000 | N/A | Bratislava II | Design stage | HB Reavis Group | www.hbreavis.com |
| Central | 17,500 | 11.50-13.00 | Bratislava III | 1,900 | Immocap | www.central.sk |
| Galvaniho Business Center III | 16,500 | 11.00 | Bratislava III | 600 | Lindner (Immorent) | N/A |
| Galvaniho Business Center IV | 22,000 | 11.00 | Bratislava III | 0 | Lindner | (Immorent) |
| Jarošova OC | 11,000 | 9.50-11.50 | Bratislava III | 4,500 | GTC | www.jarosova.sk |

| | | | | | | |
|------------------|--------|-------------|----------------|--------------|------------------------|---------------------|
| Lakeside Park I | 24,700 | 10.50-14.50 | Bratislava III | 600 | TriGranit | www.lakesidepark.sk |
| Lakeside Park II | 45,000 | N/A | Bratislava III | Design stage | TriGranit | www.lakesidepark.sk |
| Reding Tower 2 | 8,000 | 10.50-11.50 | Bratislava III | 7,000 | YIT | www.redingtower.sk |
| Westend Quadrant | 30,000 | N/A | Bratislava IV | Design stage | J&T Real estate | www.jtrealestate.sk |
| Westend Square | 17,000 | 11.50-12.50 | Bratislava IV | 1,300 | J&T Real estate | www.jtrealestate.sk |
| AC Petržalka | 9,500 | 10.50-11.50 | Bratislava V | 0 | Vodohospodárske stavby | www.acpetrzalka.sk |
| Aupark Tower | 31,600 | 12.50-14.00 | Bratislava V | 0 | Heitman | www.hbreavis.com |
| Digital Park II | 40,000 | 13.00-14.50 | Bratislava V | 1,800 | Penta Investments | www.digitalpark.sk |
| Digital Park III | 20,000 | 13.00-14.50 | Bratislava V | 20,000 | Penta investments | www.penta.sk |
| Panon Office | 5,500 | 10.50-11.50 | Bratislava V | 2,500 | Panon office | www.panonoffice.sk |

Source: SARIO, CBRE, King Sturge, Colliers International, 2012.

Other Top Locations in Slovakia

As the Slovak market matures, office development is spilling beyond Bratislava into regional cities (so-called tier-two or tier-three cities). According to Ernst and Young's Shared services roundtable, Košice and Trenčín are considered to be tier-two cities in Slovakia. When looking at the education factor, Žilina, Banská Bystrica, Nitra, Prešov and Trnava are cities that should definitely be taken into consideration as well.

Košice is located on the east part of Slovakia. It is the second biggest Slovak city and is becoming a very promising location for SSCs and CCs. Some have already located there: for instance, T-Systems has its Technical Support & Centre for Technology Solutions here, while AT&T and T-Com have call centers in the city.

*"The capitals of outsourcing and the flat earth have given way to new spots which are ripe for development. For the money, you're smart to invest in Belfast and Ho Chi Minh City, or Chengdu, China and **Košice, Slovakia**."*

Dennis Donovan, Principal of Wadley-Donovan-Gutshaw Consulting

Source: CoreNet Global

Investors can also take advantage of nearness of Košice and Prešov. **Prešov** is Slovakia's third largest city and is connected to Košice by highway. You can travel from one city to another in 30 minutes, which is a very comfortable time for commuting. These cities together have more than 300,000 inhabitants, and offer great network of universities. While Prešov focuses more on languages and social science, Košice is a well-known for its Technical University, as well as business, law and medicine. Other positive factors for Košice are its international airport and the fact that right now there are not too many SSC there and thus the market is not yet saturated. For expats, Košice's attractiveness has grown over the years, as it is a reasonably large city. There is very strong community of American nationals, as US Steel is located in the city, and seat of AmCham here also prepares many events for local expats.

Trnava is the closest tier-two city to Bratislava, with a good language and technical university. It is close enough to Bratislava to allow people to easily commute to and from the capital. Other advantages are that the main employer in the city is PSA Peugeot (a car producer that primarily needs blue collar workers), and there are not yet any SSCs and CCs there for people willing to work in this kind of environment.

Trenčín is a city in northwest Slovakia with excellent connection to Bratislava (only an hour's drive away) and universities focused on economics and technical sciences.

Nitra is the fourth largest city in Slovakia and the seat of a university focusing on languages. Nitra is also approximately one hour's drive from Bratislava.

Banská Bystrica has a central location and lies approximately 2.5 hours away from Bratislava by car. The city is the seat of a university focusing on languages and economics. O2 has already established a call centre here.

Žilina is a city located in the northern part of Slovakia. It is the seat of technical university, a fact that might interest IT companies in particular. Siemens already has a technical support center in Žilina that employs over 500 people.

There is still not enough Class A office space in most regional cities, therefore the rents are much lower compared to Bratislava, but a number of new projects will soon settle this matter.

List of some development projects offering office space:

| Project name: | Office space in sqm: | Rent EUR/sqm/month: | Location: | Date of completion: | Developer: | Website: |
|-----------------------------|----------------------|---------------------|-----------------|-----------------------|--------------------------|--------------------------|
| Bastion Office | 9,000 | N/A | KOŠICE | 2011 | Eastfield Atlas | www.bastioncenter.sk |
| ECOPOINT | 16,000 | N/A | KOŠICE | In preparation (2013) | Bischoff & Compagnons | www.ecopoint.sk |
| Business Centre Košice I-II | 10,000 | N/A | KOŠICE | Q4/2009 | VSH Development | www.bck.sk |
| River Business Center | 16,000 | N/A | KOŠICE | Q4/2009 | East Development Company | N/A |
| Cassovar | 17,000 | N/A | KOŠICE | Q4/2009 | Global Group | www.cassovar.sk |
| Central park | 4,500 | N/A | KOŠICE | Q2/2011 | Letterstone Slovakia | www.central-park.sk |
| Aupark Tower Košice | 13,800 | N/A | KOŠICE | 2011 | HB Reavis Group | www.hbreavis.com |
| Trade Center Košice | 8,000 | N/A | KOŠICE | Q3/2007 | Vered | www.tradecenter.sk |
| Tesla Košice | 17,600 | N/A | KOŠICE | 2008 | Penta investments | www.penta.sk |
| Europe Business Center | 7,200 | 8.00-12.00 | BANSKÁ BYSTRICA | 2Q 2008 | VAV Invest | www.europabc.sk |
| Mikado Office House | 2,200 | N/A | NITRA | 4Q 2008 | LL Real Invest | www.llrealinvest.sk |
| VBC Business center | 5,000 | 8.00-9.00 | NITRA | 3Q 2007 | DYNAMIK HOLDING | www.vbc.sk |
| Masaryčky | 6,000 | N/A | TRENČÍN | 2Q/2008 | Z.A.I.C. | www.centrum-masarycky.sk |
| CISS City | 30,000 | N/A | ŽILINA | 2009 | CISS | www.cisscity.sk |

| | | | | | | |
|------------------------|--------|-----|--------|---------|---------------------|----------------------|
| Dve Veže | 13,640 | N/A | ŽILINA | 2Q/2010 | Licitor Group, a.s. | www.dveveze.com |
| Crystal Palace | 2,000 | N/A | ŽILINA | 2010 | Crystal Palace | www.crystalpalace.sk |
| Europark | 12,000 | N/A | ŽILINA | 2009 | SSiM | www.ssim.sk |
| Business Center Trnava | 5,000 | N/A | TRNAVA | Q1/2009 | Karavela | www.karavela.sk |

Source: SARIO, CB RICHARD ELIS, King Sturge, Colliers International, 2012.

Real Estate Costs

Cities in Slovakia offer a wide selection of offices. When looking at their rent prices it is only to be noted that Slovakia is a cost-attractive country.



3. STABILITY AND SUPPORT

Economic and Political Stability

The recent political situation in Slovakia is characterized as stable. Stability of the country is also assured thanks to the membership of Slovakia in international organizations, such as the EU, Schengen Area, the OECD, the NATO and the UN and as of the 1st of January 2009 Slovakia became the 16th Member of Euro zone.

After Economic crisis, positive economic growth was remarked in 2010 and announcing both fiscal and structural reforms to support creating favourable business environment. During this period, the economy recorded a 4% GDP growth, second highest in the EU (Sweden recorded a 5.5% growth) and 3.3% in 2011. Forecasts for 2012 declare economic growth of 3% by WB, 2.6 % by OECD and 2.4% by IMF with a strong potential of reaching over 3.1% in 2013. Furthermore, in last 10 years, Slovakia has been the fastest growing Eurozone member.

Country Credit Rankings

Slovakia is generally recognised as an open market economy whose ability and willingness to pay its liabilities puts it, according to the prestigious rating agencies, into the 'Investment' level. All reputable rating agencies rate Slovakia as one of the best from the Central and Eastern Europe

In spite of the current situation, Slovakia is one of the few countries to maintain a stable/positive outlook, in which our ratings are not expected to change in the near future.

Following table provides an overview of the most recent country credit rankings and shows OECD's country risk ratios:

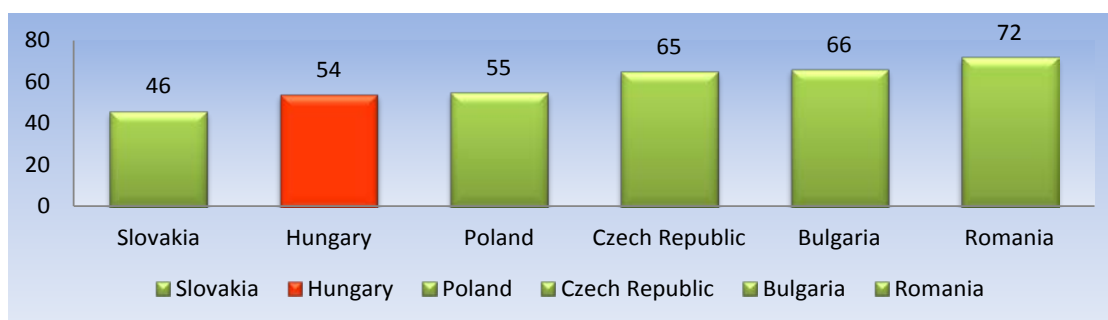
| Country | Standard and Poor's | Moody's | Fitch | OECD Country Risk (the lower the better) |
|----------------|---------------------|----------------|----------------|--|
| Slovakia | A- (Stable) | A2 (Negative) | A+ (Stable) | 0 |
| Czech Republic | AA- (Stable) | A1 (Stable) | A+ (Positive) | 0 |
| Poland | A- (Stable) | A2 (Stable) | A- (Stable) | 2 |
| Hungary | BBB- (Negative) | Ba1 (Negative) | BB+ (Negative) | 0 |

Sources: Standard & Poor's, Moody's, Fitch; OECD Report, 2012.

Doing Business in Slovakia

World Bank's Doing Business Report provides objective measures of business regulations and their enforcement across 183 economies and selected cities at the sub-national and regional level. The methodology covers following fields: starting a business, employing workers, paying taxes (there is a 19% flat tax rate in Slovakia and 0% dividend tax), enforcing contracts, protecting investors, closing business and trading across borders.

In the Doing Business Report 2013 Slovakia gained the best position among all CEE countries:



Methodology

Starting a business, Construction permits, Registering property, Paying taxes, Enforcing contracts, Protecting investors, Getting electricity, Trading across borders, Getting credit, Resolving insolvency

Source: Doing Business Report 2013, World Bank Group, www.doingbusiness.org.

Investment Support

Governments of countries promote investment by providing state support to investors and also foreign and domestic investors with the ultimate aim to promote and increase employment, reduce regional disparities, promote economic growth in the country.

Under the new Act on Investment Aid, the **technological centres** and **centres of strategic services** (named *shared service centres*, SSCs) in Slovakia are in the category of eligible projects that are supported. SSCs are projects where the company provides services with high added value, promoting employment of qualified experts, centres for software development and customer support centres. Technological centres are the establishments in which the company performs activities leading to the improvement of the production process and its quality, in other words perform research and development. But production does not fall within the technological centre scope of activities.

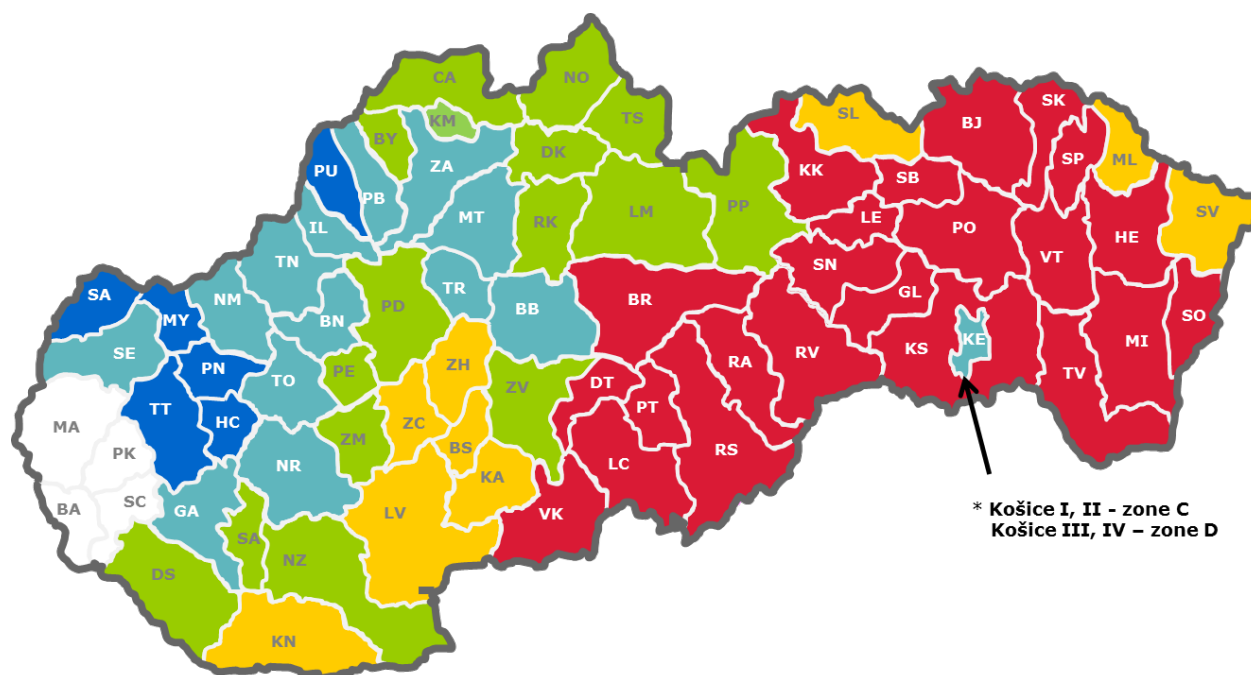
Minimum amount of investment in technological centres and shared services centres is independent from the unemployment rate in the proposed location. The conditions are following:

| Technological centres | Shared services centres |
|--|---|
| <ul style="list-style-type: none"> - minimum investment of 500 ths. EUR on the fixed assets - at least 250 ths. EUR must be covered by own equity - the company must employ at least 70% of employees having university education - at least 40 new jobs | <ul style="list-style-type: none"> - minimum investment of 400 ths. EUR on the fixed assets acquirement, - at least 200 ths. EUR must be covered by own equity - the company must employ at least 60% of employees having university education - at least 40 new jobs |

The investment project must be implemented within three years (36 months) after the approval of regional aid.

Eligible costs for the purpose of providing regional assistance are deemed costs of acquisition: land, buildings, machinery and technological equipment, intangible assets (licenses, know-how) or wage costs of all new employees within the period of two years. For SSC / CC projects, an investor can receive grants for regional investment aid, such as: financial contributions, tax credits, grants for newly created jobs resp. by form of transfer of state property to investor at a discounted price. The maximum amount, ratio of combination and mutual investment incentives varies depending on unemployment rate in particular district. The sum of the incentives may not exceed the maximum intensity of regional aid.

Following map shows the division of districts into 5 zones depending on unemployment rate (Bratislava region is excluded):



The Act on Investment Aid approves the maximum intensity and forms of aid as follows:

| SSC | Max. intensity (% of eligible costs) * | | Income tax relief | | Contributions to new jobs (In EUR) | |
|--------|---|-------------|----------------------|-------------|---------------------------------------|-------------|
| | West | Center/East | West | Center+East | West | Center/East |
| Zone A | 40% | 50% | 40% | 50% | 10.500 | 13.100 |
| Zone B | 40% | 50% | 40% | 50% | 10.500 | 13.100 |
| Zone C | 30% | 38% | 30% | 38% | 10.500 | 11.800 |
| Zone D | 15% | 19% | - | - | 9.100 | 10.500 |
| Zone E | 10% | 12% | - | - | 7.800 | 9.100 |

| R&D | Max. intensity (% of eligible costs) * | | Income tax relief | | Cash grant (% of eligible costs) | Contributions to new jobs (in EUR) | |
|--------|---|-------------|----------------------|-------------|--|---------------------------------------|-------------|
| | West | Center/East | West | Center/East | Slovakia | West | Center/East |
| Zone A | 40% | 50% | 40% | 50% | 25% | 12,000 | 14,600 |
| Zone B | 40% | 50% | 40% | 50% | 25% | 12,000 | 14,600 |
| Zone C | 35% | 44% | 30% | 38% | 25% | 12,000 | 13,100 |
| Zone D | 35% | 44% | 15% | 19% | 25% | 10,500 | 11,600 |
| Zone E | 30% | 38% | 10% | 15% | 25% | 8,760 | 10,200 |

Source: SARIO, Regionálna pomoc- investičné stimuly, 2013.

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and Trade Development Agency**

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