

Lisbon: Exploring an Emerging Atlantic Business Hub



GOOD REASONS TO INVEST OR LOCATE IN LISBON

Eric van Leuven

Managing Partner

Cushman & Wakefield (Portugal)

London, 17 November 2011



Good reasons to invest or locate in Lisbon



Comparing the quality and price of real estate with other markets.

What are the location cost and advantages of Lisbon in comparison with other European capitals?

Assessing the current market environment and opportunities.

Good reasons to invest or locate in Lisbon



Comparing the quality and price of real estate with other markets.

What are the location cost and advantages of Lisbon in comparison with other European capitals?

Assessing the current market environment and opportunities.

Good reasons to invest or locate in Lisbon

Comparing the quality and price of real estate with other markets

Quality

- Excellent retail and office assets
- Award-winning shopping centres
- World-class architecture
- Innovative management practices
- Improved legal framework

New Developments: Small



Forum Barreiro

Barreiro, Portugal

Developer: Multi Development Portugal
Architect(s): Broadway Malyan Portugal and I+I Design
Total Gross Leasable Area (GLA): 17,756 sq. m
Number of Stores: 108
Major Tenants: Pinão Doce supermarket, Castello Lopes Cinema, C&A, Worten and SportZone

New Developments: Extra Large



Dolce Vita Tejo

Amadora, Portugal

Developer: Chamartin/ING Real Estate Development
Architect(s): RTKL Associates Inc./Promontorio
Total Gross Leasable Area (GLA): 104,778 sq. m
Number of Stores: 283
Major Tenants: Jumbo, KidZania, Primark, UCI Cinemas, El Corte Inglés Oportunidades, H&M and Zara

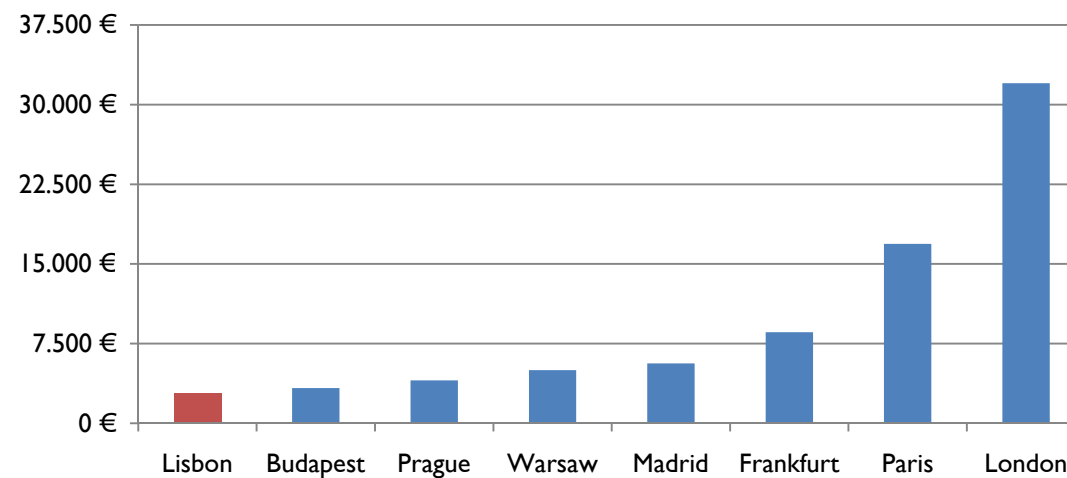
Good reasons to invest or locate in Lisbon

Comparing the quality and price of real estate with other markets

Price

- Lowest capital values compared with some of its direct competitors

Prime Office Values (Q3 2011)



Source: Cushman & Wakefield

Note: Based on prime rents and gross yields (except Warsaw, London, Paris and Frankfurt which are net)



Good reasons to invest or locate in Lisbon



Comparing the quality and price of real estate with other markets.

What are the location cost and advantages of Lisbon in comparison with other European capitals?

Assessing the current market environment and opportunities.

Good reasons to invest or locate in Lisbon

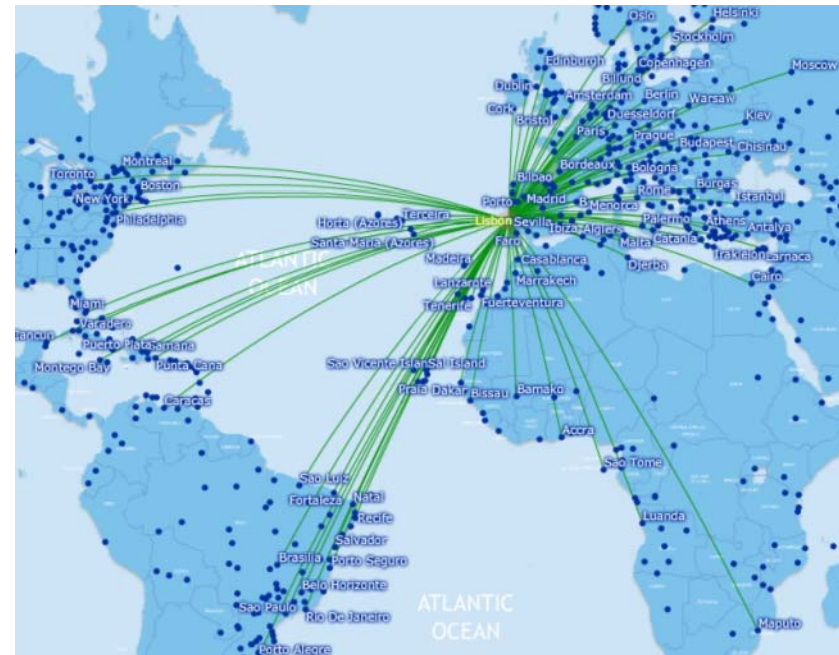
Location cost and advantages of Lisbon in comparison with other European capitals



Location

- Europe's West Coast
- Within Euro zone
- Easy access to main European capital cities
- Springboard to Americas, Africa

Lisbon - Direct Flight Routes



Source: ANA Aeroportos

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Real Estate Market

Top 10 cities in terms of value for money of office space

Location	2011 Rank	2010 Rank	Trend	2011 Score	2010 Score
Warsaw	1	=6	▲	0.81	0.57
Berlin	2	3	▲	0.78	0.66
Leeds	3	1	▼	0.77	0.80
Bucharest	4	21	▲	0.76	0.36
Bratislava	5	10	▲	0.73	0.51
Lisbon	6	2	▼	0.67	0.76
Lyon	7	=6	▼	0.62	0.57
Birmingham	8	5	▼	0.59	0.59
Istanbul	9	11	▲	0.58	0.50
Budapest	10	=13	▲	0.54	0.44

Source: Cushman & Wakefield - European Cities Monitor (2011)

Good reasons to invest or locate in Lisbon

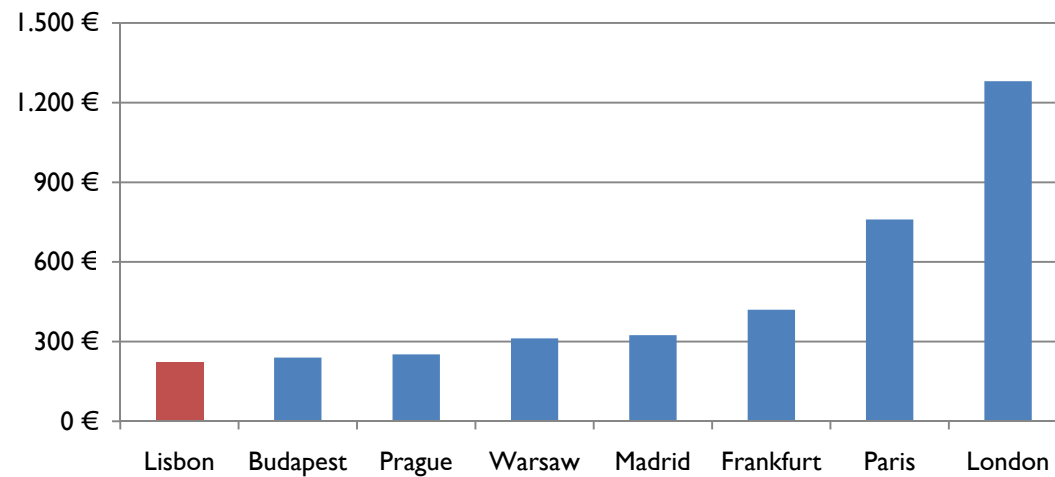
Location cost and advantages of Lisbon in comparison with other European capitals



Real Estate Market

- Among lowest rents in Europe

Prime Office Rents (Q3 2011)



Source: Cushman & Wakefield

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Labour

- Hourly Labour Costs: Portugal - €11.8 vs 22 countries average of €16.8 (Eurostat, 2009)
- Flexible, well-educated and well-trained labour force
- Increasingly flexible labour legislation
- Languages spoken (English – 36%, French – 30%)
- 200,000 foreign residents in greater Lisbon

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Infrastructures

- 6 international airports
 - Lisbon: 38,000 flights, 14m passengers p.a.(2010)
- Motorways – 2,705 km's (2009)
 - 22 km/100,000 inhabitants (EU – 14 km/100,000 inhabitants)
- Seaports – Lisbon, Leixões, Sines, Setúbal
 - Sines – modern, deep sea water port, strategically located
- Portugal Tecnológico: now paying dividends
 - Progressed most in last 5 years in terms of innovation (Innovation Union Scoreboard, 2010)
 - Ranked 8th in average peak connection speed (State of the Internet, 2011)

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Quality of Life

- Friendly and hospitable people
- Low cost of living
- Political and social stability
- Varied and interesting culture, nature
- Highest average number of hours sunlight per day in Europe: 8.3 hours

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Companies that chose Lisbon to locate their shared services centres and reasons stated

Microsoft, Cisco, Nokia Siemens, 3S Solvay, Fujitsu, Mercer and BNP Paribas

- Cisco - *“Multi-language skills and quality of human resources”*
- Nokia Siemens - *“Portugal offers both qualified human resources as well as the possibility to efficiently manage the operational side of the business”*
- BNP Paribas – *“Cultural affinity with clients”* (when comparing to Asian located centres)

Good reasons to invest or locate in Lisbon

Location cost and advantages of Lisbon in comparison with other European capitals



Companies that chose Lisbon to locate their shared services centres and reasons stated

Microsoft, Cisco, Nokia Siemens, 3S Solvay, Fujitsu, Mercer and BNP Paribas

- Attractive labour costs
- Quality of office space and cost in relation to other European capitals
- Propensity of the population towards new technologies
- Proximity to the main European markets, part of the Eurozone and Euronext

Good reasons to invest or locate in Lisbon



Comparing the quality and price of real estate with other markets.

What are the location cost and advantages of Lisbon in comparison with other European capitals?

Assessing the current market environment and opportunities.

Good reasons to invest or locate in Lisbon

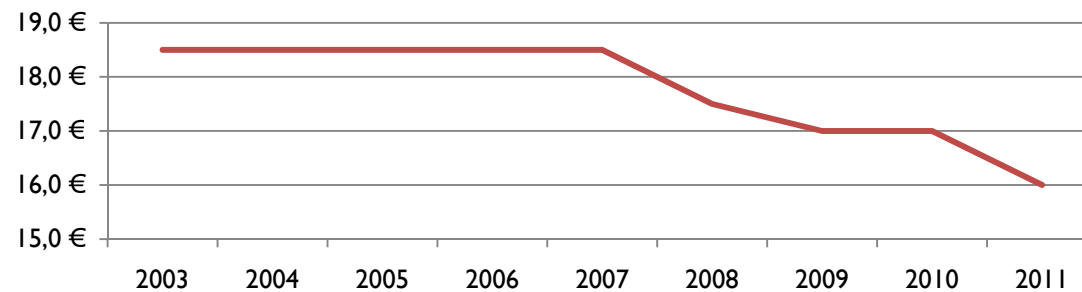
Assessing the current market environment and opportunities



Occupation

- Office vacancy rate 11%
- 500,000 m² available in total stock of 4.5m m²
- High quality offices
- Low rent: average prime CBD €16/m²sq m/mth (£15/ sq ft/ pa)
- Plus rent free, fit-out etc..
- E.g. Torres Colombo

Average Office Rents (2003-Q3 2011)



Source: Cushman & Wakefield

Good reasons to invest or locate in Lisbon

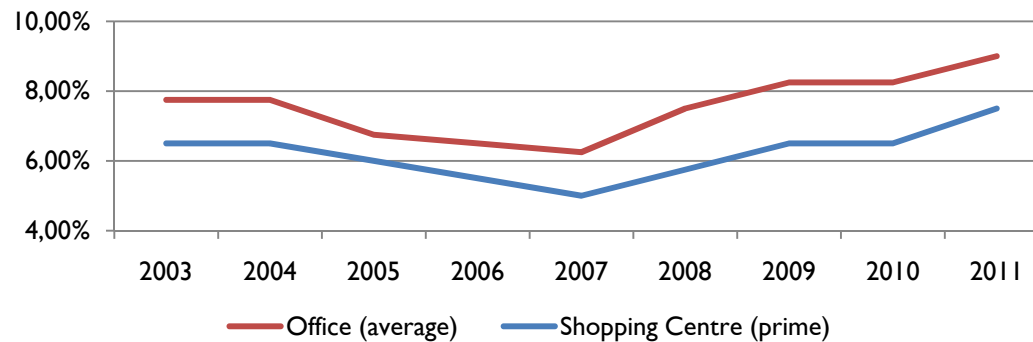
Assessing the current market environment and opportunities



Investment

- €7bn transacted since 2000
- 43% international
- Active local real estate industry (€12bn)
- Exceptional opportunities
- E.g. Edifício Báltico, Sonae RP portfolio

Yields (2003-Q3 2011)



Source: Cushman & Wakefield

Lisbon: Exploring an Emerging Atlantic Business Hub



GOOD REASONS TO INVEST OR LOCATE IN LISBON

Eric van Leuven

Managing Partner

Cushman & Wakefield (Portugal)

London, 17 November 2011

