

Rating the National Market -

Results as of November 15th, 2003

Country:
Czech Republic

PAM
Property and Market Rating for Completed Properties

| Valuer / Date: | | Valuation dated: | | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------|--------------------|---|---|---|---|---|---|----|----------------|
| Address: | | Original rating on: | Rating updated on: | | | | | | | | |
| Property Type: | Office | Country: | Region: | | | | | | | | |
| Criteria Class 1 | | | | | | | | | | | |
| Market | | | | | | | | | | | |
| national | | | 20% | | | | | | | | |
| Acts of God | | | 5% | | | | | | | | |
| Socio-demographic development | | | 10% | | | | | | | | |
| Overall economic development and international attractiveness | | | 30% | | | | | | | | |
| Political, legal, taxation and monetary conditions | | | 15% | | | | | | | | |
| Property market: residential | | | 45% | | | | | | | | |
| Region | | | | | | | | | | | |
| Acts of God | | | 5% | | | | | | | | |
| Socio-demographic development | | | 15% | | | | | | | | |
| Economic situation and attractiveness | | | 35% | | | | | | | | |
| Property market: residential | | | 45% | | | | | | | | |
| Rating for Criteria Class 1: | | | 20% | | | | | | | | |
| Criteria Class 2 | | | | | | | | | | | |
| Location | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | weight (appr.) |
| Suitability of the micro location for property type and target occupiers | | 2 | | | | | | | | | 45% |
| Image of the quarter and the location | | | 3 | | | | | | | | 5% |
| Quality of transportation infrastructure of the plot and quarter | | 2 | | | | | | | | | 23% |
| Quality of local supply facilities of the plot and quarter for target occupiers | | 2 | | | | | | | | | 23% |
| Acts of God | | | 3 | | | | | | | | 5% |
| Rating for Criteria Class 2: | | 2 | | | | | | | | | 30% |
| Criteria Class 3 | | | | | | | | | | | |
| Objekt | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | weight (appr.) |
| Architecture / type of construction | | | | | 5 | | | | | | 7% |
| Fitout | | | | 4 | | | | | | | 9% |
| Structural condition | | 2 | | | | | | | | | 30% |
| Plot situation | | 2 | | | | | | | | | 50% |
| Ecological sustainability | | | | 4 | | | | | | | 9% |
| Profitability of the building concept | | | | | 5 | | | | | | 7% |
| Rating for Criteria Class 3: | | 3 | | | | | | | | | 20% |
| Criteria Class 4 | | | | | | | | | | | |
| Quality of the Property Cash Flow | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | weight (appr.) |
| Tenant / occupier situation | | | 3 | | | | | | | | 10% |
| Rental growth potential / value growth potential | | | | | | | 7 | | | | 15% |
| Letting prospects /fungibility | | 2 | | | | | | | | | 60% |
| Vacancy / letting situation | | | | | 5 | | | | | | 5% |
| Recoverable and non-recoverable operation expenses | | | 3 | | | | | | | | 5% |
| Usability by third parties | | | 3 | | | | | | | | 5% |
| Rating for Criteria Class 4: | | 3 | | | | | | | | | 30% |
| Definition property and market rating for completed properties: | | | | | | | | | | | |
| Property and market rating is a standardized procedure aiming to display the sustainable quality of a property in its relevant market. The quality of a property is judged by the medium-term sales prospects at an adequate price between professionals who have access to all property and market information. The credit standing of the tenant and the borrower, as well as the default risk of the loan are not subjects of the property and market rating. | | | | | | | | | | | |

Czech Republic

The overall national rating

PaM

Property and Market Rating for Completed Properties



| | |
|----------------|----------------|
| Property Type: | Office |
| Country: | Czech Republic |

Criteria Class 1

| Market | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | weight |
|---------------------------------------------------------------|---|---|---|---|---|---|---|---|---|----|--------|
| national | | | | | | | | | | | 20% |
| Acts of God | | | | | | | | x | | | 5% |
| Socio-demographic development | | | | | | | x | | | | 10% |
| Overall economic development and international attractiveness | | | | | | x | | | | | 30% |
| Political, legal, taxation and monetary conditions | | | | | | | x | | | | 15% |
| Property market: office | | | | | | | | x | | | 40% |
| Overall rating | | | | | | | x | | | | |



Czech Republic

Acts of God

| Criterion | Indicator / Comments | Sources | Czech Republic | OECD-Average ¹ | Rating ² | Weight |
|---------------------------|-----------------------------------------------------|---------------------------------------------------------------------------------------------------|----------------|---------------------------|---------------------|-------------|
| Natural disasters | Index of natural disasters | Munich Re | 7 | 5 | 7 | 70% |
| Emissions | CO2 Emissions per capita | OECD | 11,6 | 9,7 | 8 | 20% |
| Man-made disasters | Number of man-made disasters per 10 mio inhabitants | Swiss Re, Centre for Research on the Epidemiology of Disasters (Université Catholique de Louvain) | 29163 | 15564 | 9 | 10% |
| Overall Score | | | | | 8 | 100% |

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)



Czech Republic

Socio- economic development

| Criterion | Comments | Sources | Czech Republic | OECD-Average ¹ | Rating ² | Weight |
|--------------------------|------------------------------------------------|----------------------|----------------|---------------------------|---------------------|----------|
| Population Growth | forecasted av. growth rate, 2004-07 | OECD, United Nations | 0,00% | 0,26% | 8 | 1/3 |
| GDP per capita | forecast f. 2004, in purchasing power parities | OECD | 16.161 | 25.256 | 9 | 1/3 |
| Unemployment rate | forecast, av. 2003-04 | OECD | 7,2% | 7,6% | 5 | 1/3 |
| Overall Score | | | | | 7 | 1 |

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)



Czech Republic

Overall economic development

| Criterion | Indicator/ Comments | Sources | Czech Republic | OECD-Average ¹ | Rating ² | Weight |
|--------------------------------------|----------------------------------------------------------------|----------------------|----------------|---------------------------|---------------------|-------------|
| GDP growth | forecasted av. ann. growth rate, 2003-04 | OECD | 3,23% | 2,32% | 1 | 20% |
| Inflation | forecast f. 2004 | OECD | 2,16% | 2,06% | 2 | 20% |
| Exchange rate volatility | forecast, based on historic volatility or Euro-zone membership | OECD | 4,5 | 4,2 | 5 | 10% |
| Economic structure | Share of services in GDP | OECD | 55,1% | 67,7% | 10 | 10% |
| Infrastructure | Index, ranging from 0 (worst) to 100.000 (best infrastructure) | IMD Business School | 38.289 | 60.182 | 8 | 20% |
| International competitiveness | Ranking on scale from 1 (best) to 51 (worst) | World Economic Forum | 40 | 21 | 9 | 20% |
| Overall Score | | | | | 6 | 100% |

1: Arithmetic average of the 19 OECD countries under consideration

2: on a scale from 1 (excellent) to 10 (disastrous)

