

Case study: Lodz

Example of a successful BPO investment in CEE

In cooperation with





Agenda

- 1. Lodz – center of opportunities**
2. Skanska – business partner for BPO/IT investment
3. Infosys – succesful BPO investment
4. Summary



Lodz – centre of Europe and Poland

Central position between
Eastern and Western Europe





Location in the very centre of Poland

Strategic highway intersection

- West – East: Berlin – Moscow
- North – South: Gdansk – Vienna

International Airport in Lodz

→ cooperation with SAS

1h → Warsaw Chopin Airport

Convenient connection to Warsaw
– only 65 minutes by train





Lodz International Airport

REGULAR FLIGHTS

- Copenhagen – SAS
- London (Luton, Stansted)
- Dublin
- Edinburgh
- Tel Aviv
- East Midlands
- Milan (Bergamo)
- Oslo (Rygge)
- Bristol
- Liverpool



Serving 3,7mln people
(2,1mln within 60min
access to the airport)





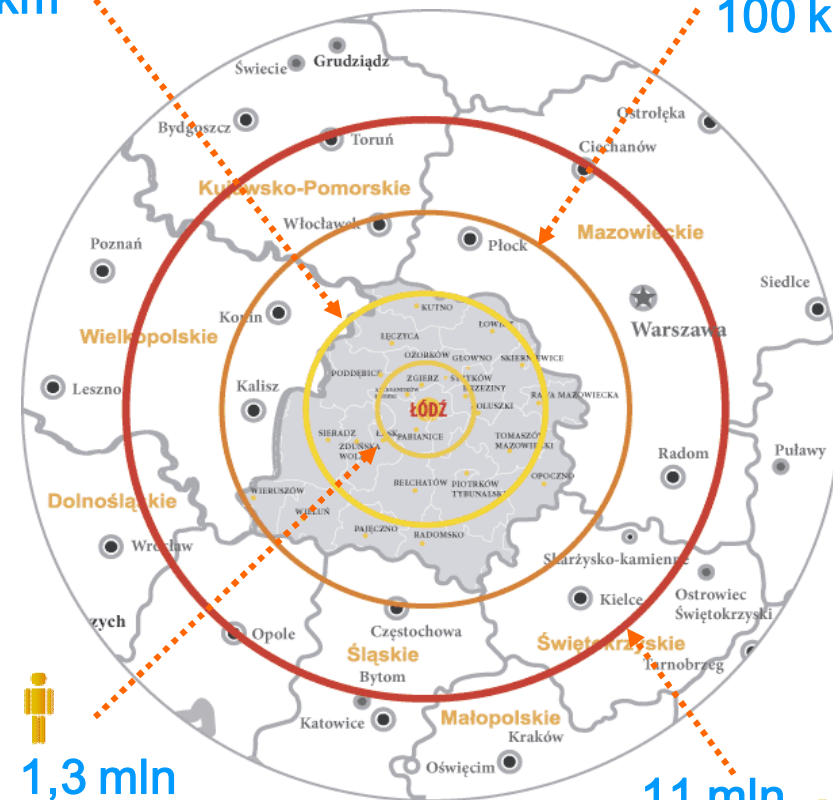
Capital of Lodz Region


Population

- third-largest city in Poland
- capital of the Lodz Region
- multicultural and open-minded atmosphere – easy access to staff with multilingual capabilities
- competitive labour costs - approximately 10-20% lower in comparison to other agglomerations in the country

 1,8 mln
50 km

 3,7 mln
100 km



 1,3 mln
25 km

11 mln
150 km 



Gray matter & skilled labor force

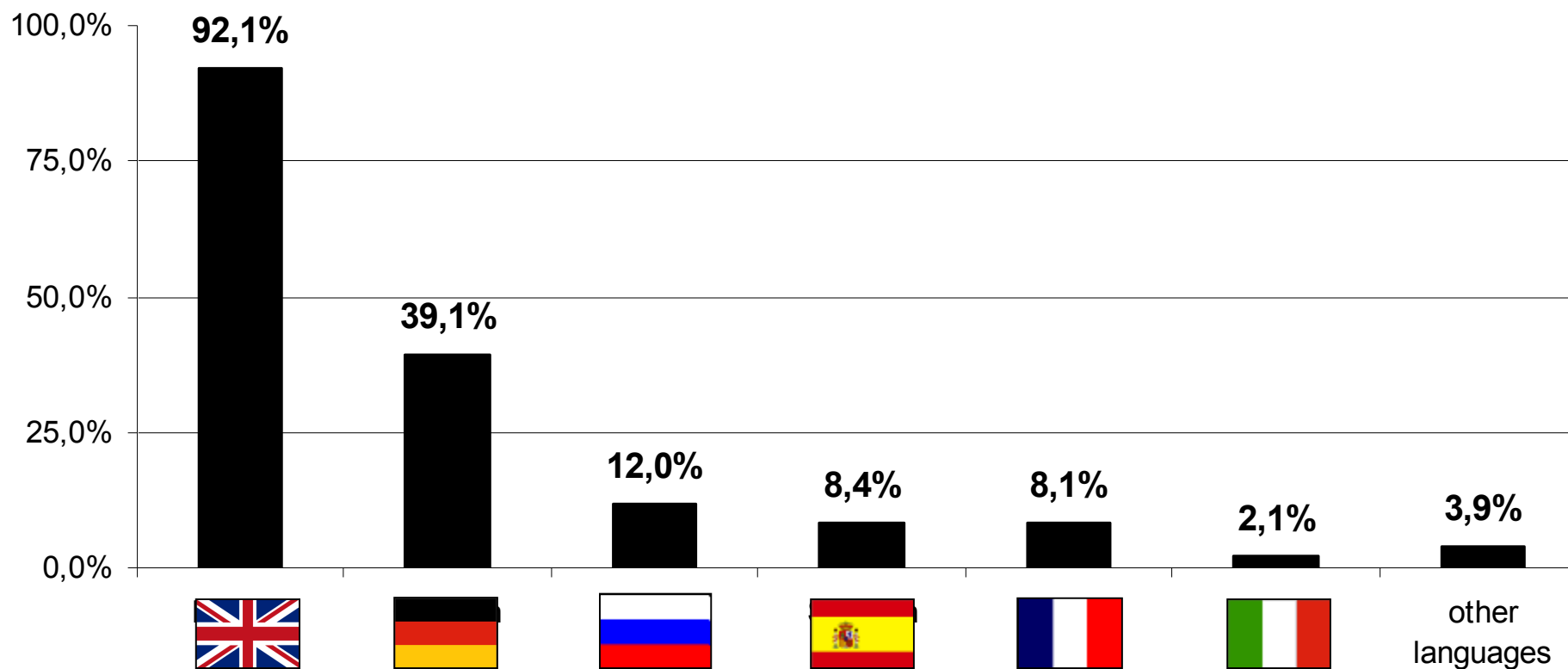
Higher education

- 25 higher public and private universities
- Strong cooperation between universities and companies
- 30 R&D institutions
- 115 000 students
- Studies in foreign languages
 - University of Lodz / studies in English, French and German
 - Technical University in Lodz / International Faculty of Engineering
 - Great number of participants in International Student Exchange Programs eg. Erasmus studies in EU countries





Knowledge of foreign languages among students [%]



Chinese, Japanese, Latin, Arabic, Korean, Portugese, Slovenian, Ukrainian, Grec, Serbian, Bulgarian, Turkish, Yiddish



Focus on languages - Language grants

Objective: expand the availability of highly trained staff with the command of rare languages on the job market.

Languages: Norwegian, Swedish, Danish, Finnish, Dutch, Czech, Slovak, Hungarian, Croatian, Portuguese.

Participation:

- students of all higher schools of education in Lodz
- graduates under 35 years of age

Target group:

- students and graduates interested in improving their languages skills
- **BPO & IT companies' employees**
- secondary-school graduates choosing their carrier path

The courses are **financed in 80% by The City of Łódź Office** and last for **three semesters**.





Low cost of running a business

Office space in Lodz

- Prime headline rents in Łódź :
 - 11,8 - 13 USD/sqm for B/B+ class**
 - 14,4 – 17,6 USD/sqm for A class**
- The office space is concentrated in the City centre
- Modern stock office in Lodz (A/B+, B) is currently approx. 235 000 sqm [2 529 517 sq ft]
- Ongoing projects in 2013 - 20 000 sqm, planned projects in next years 1 10 000 sqm
- Vacancy rate – 12%



Exchange rate: USD/EUR = 1,30 [1 sqm = 10.76 sq ft]



Leisure & entertainment

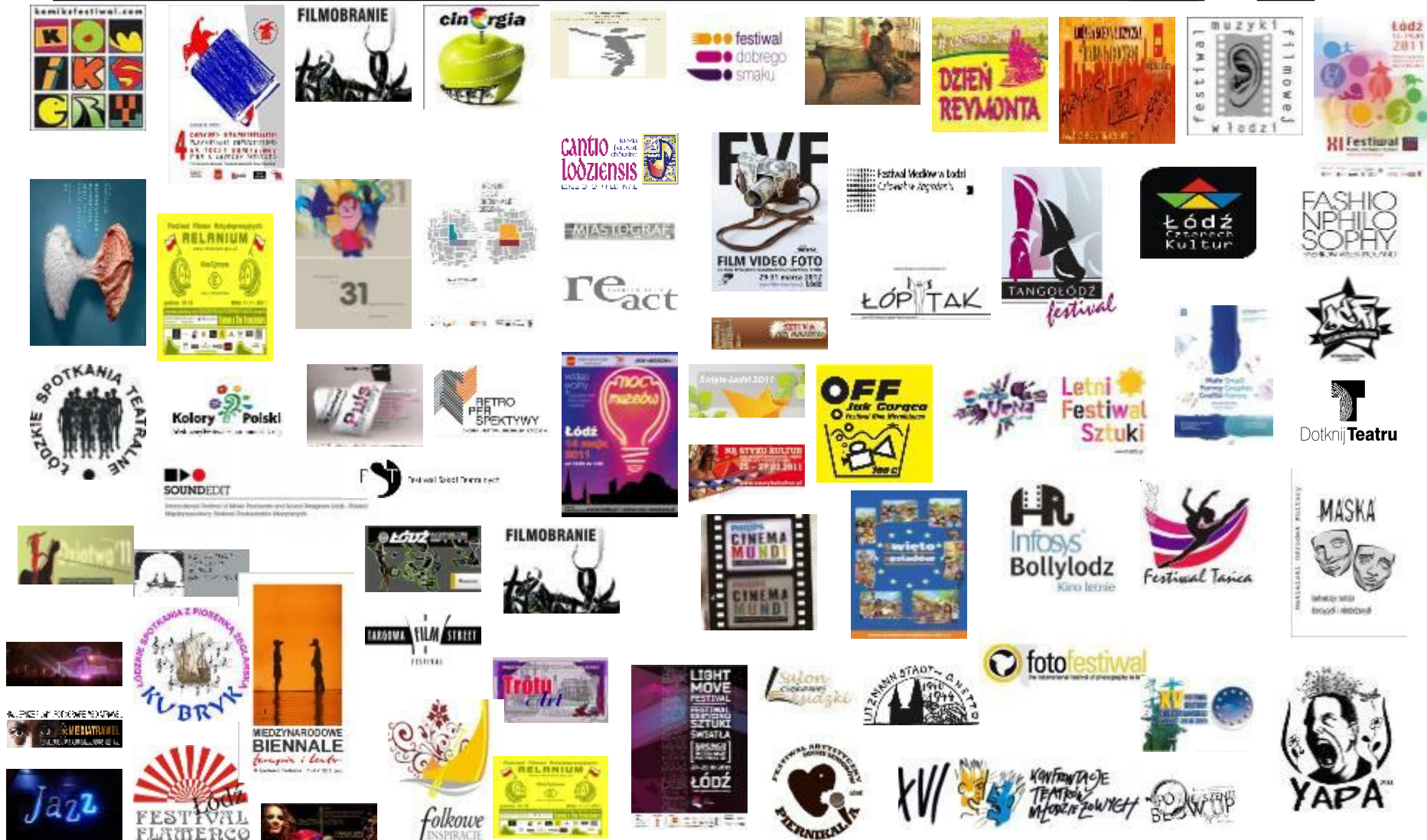
Lodz: Expat's Friendly

- British International School with English educational programme
- International environment: Alliance Française, British Council, Goethe Institute, international libraries (French and English)
- Large number of pubs, restaurants and clubs
- Business meetings – integration of business environment
- International events – concerts, volleyball championships, fair, festivals





Lodz is widely known for its festivals.
60 different events are organized in the city in 2011.





Leisure & entertainment



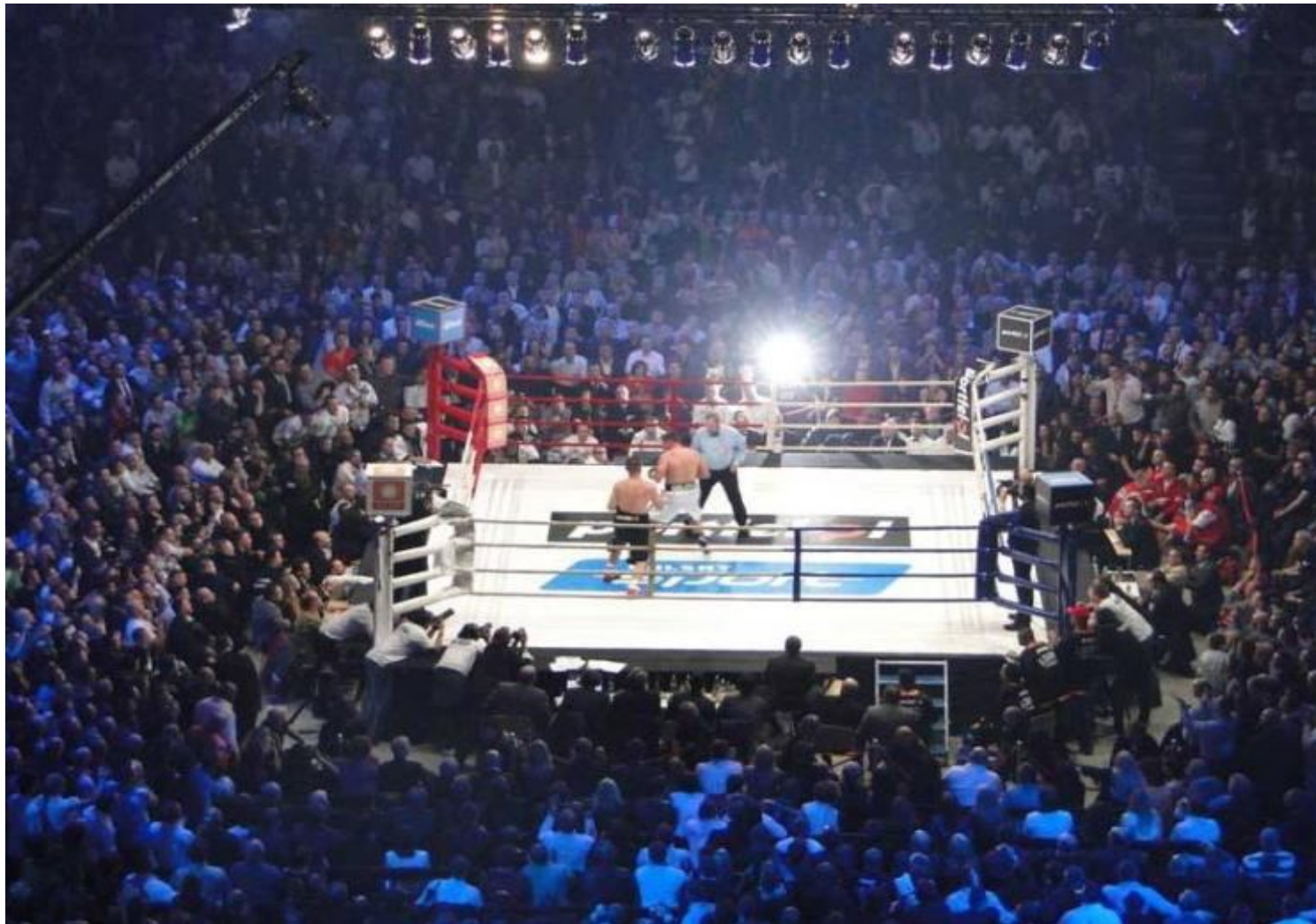


Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Leisure & entertainment





Main revitalisation project in Lodz

MANUFAKTURA CENTRE

- 27 ha
- shopping mall: 260 shops on 110 000 sqm
- 4-star andel's Hotel Lodz
- entertainment centre
 - 3 museums, Experymentarium, theatre, cinema
 - 60 pubs and restaurants, discos
 - fitness club
 - billiard, bowling club, climbing wall, Arena Laser Games
- **10 million visitors a year**





Main revitalisation project in Lodz





Big revitalisation project in the centre of the city





Revitalization of post-industrial EC-1 power plant

Multimedia Center - East EC1

project

March 2013





Revitalization of post-industrial EC-1 power plant

Museum of Science and Technology – West EC1

project

March 2013





Multimodal hub – new railway station

Lodz Fabryczna – 60 minutes to Warsaw by train in 2015





City of opportunities



The Sector Specialists!





BPO Sector

- 9 000 employees in BPO Centers
- 115 000 students and 33 700 graduates in Lodz Region
- Curriculum planned in cooperation with investors
- Easy access to staff with multilingual capabilities
- Competitive labour costs and low attrition rate 3 – 15%



B/S/H/



IT Sector

- Low attrition rate 3-15 % and competitive labour costs
- Modern IT infrastructure - Information Technology Center of Technical University of Lodz
- High quality of performance and work ethic presented by employees
- Complex services in IT centers - up to the R&D level
- Tax exemption for IT, R&D and BPO projects in Lodz SEZ (Ericpol, BSS, Fujitsu, AMG.net)



The Sector Specialists





The highest level of public support in EU

**Tax benefits in Lodz
Special Economic Zone**

Government grants

**Lodz Technopark
Technology Incubator**

**Trainings, recruitment,
promotional campaign**

BPO studies





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SKANSKA



A great destination for investments



Arkadiusz Rudzki
Leasing and Asset Director,
Skanska Property Poland



SKANSKA



Skanska - 125 years of experience

125

1887 - 2012

- A Fortune 500 company
- 2012 Revenues: **19,5 USD M**
- **57 000** employees worldwide
- Over **125** years of experience
- Active on **3** continents
- Company listed on Stockholm Stock Exchange (OMX Nordic Exchange)



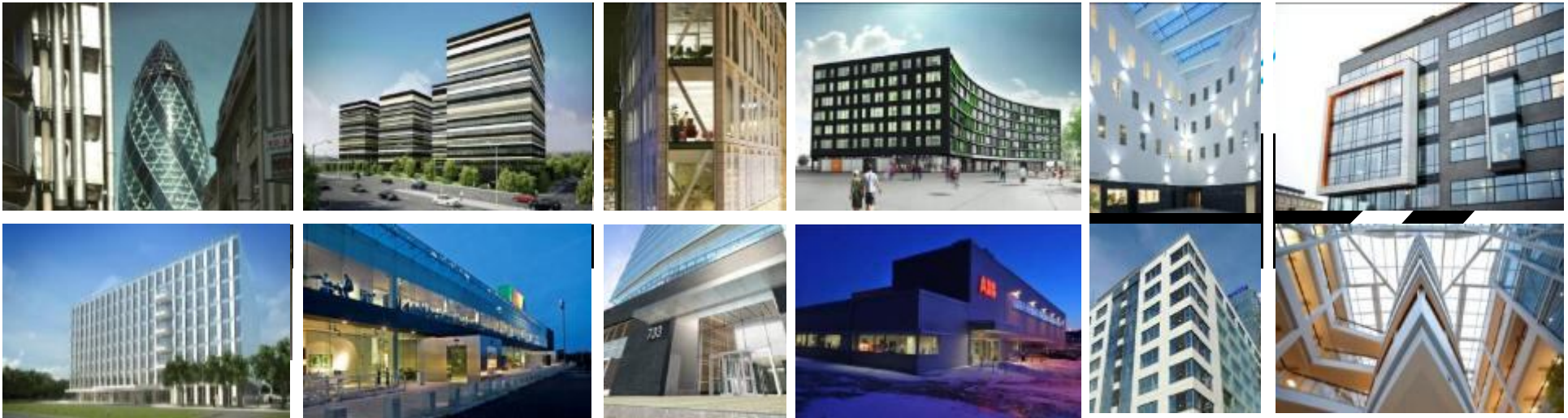


SKANSKA



Skanska – global presence





2 000 000 sqm

Skanska Commercial Property Development





SKANSKA



Commercial projects in Poland

200 000

sqm
completed projects
1997-2012

165 000

sqm
in 6 ongoing
projects

230 000

sqm
planned projects



Ongoing projects in Poland

165 000
sqm

Silesia Business Park

Poland, Katowice
2014
50 000 sqm



Dominikański

Poland, Wrocław
2015
38 000 sqm



Green Day

Poland, Wrocław
Q1 2014
15 930 sqm



Kapelanka 42

Poland, Kraków
Q2/Q3 2014
30 000 sqm



Green Horizon

Poland, Łódź
Q2 2013
33 000 sqm



Malta House

Poland, Poznań
Q3 2013
15 700 sqm



Atrium 1

Poland, Warsaw
Q4 2013
16 300 sqm



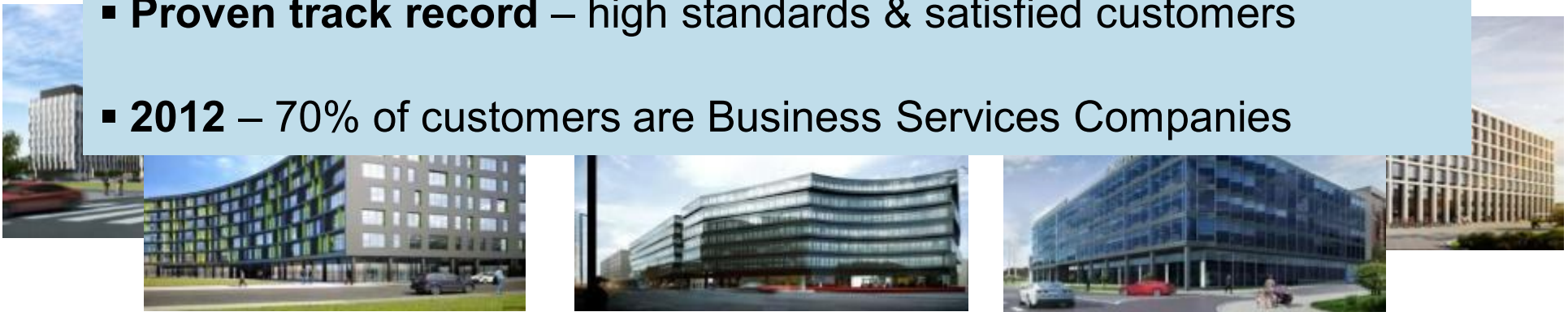
SKANSKA



Destination - Poland

Skanska – reliable partner:

- Since 1995 operating in Poland
- **Unique business model** – self-financing, strength of group
- **Extensive portfolio** of modern office buildings
- **Proven track record** – high standards & satisfied customers
- **2012** – 70% of customers are Business Services Companies





SKANSKA



Our partners

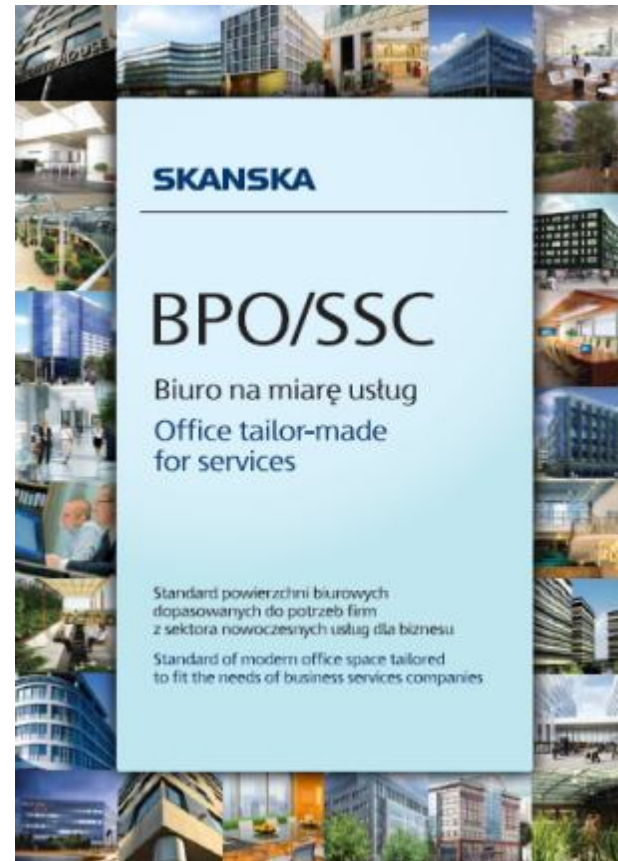


Scandinavian Airlines



Skanska office standard BPO/SSC

- A report on BPO/SSC **specific requirements** for office space
- Based on **tenants' opinions** and BPO sector needs
- A **total package offer** for companies looking for flexible, adaptable and modern office space





SKANSKA



Skanska - Green Horizon Movie



SKANSKA

Green Horizon

Modern offices in city centre of Łódź



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Infosys – succesful BPO investment

**Fast growing business center in
favourable location**

Krystian Bestry
EMEA Services Head
Infosys BPO Ltd.

Infosys[®]





Infosys is a global leader in technology, consulting and outsourcing...

WE PIONEERED THE
GLOBAL DELIVERY
MODEL



Operations in **78** cities across **32** countries...

Over **157,000** employees from **89** nationalities, **\$7.4** billion in Revenues



Infosys - Innovation and service excellence approach...



Highlighted Infosys best practice in 'The CEO's Role in Business Model Reinvention' Jan-Feb 2011 edition



LEADER in Gartner's Magic Quadrant¹

- SAP NA ERP Implementation Service Providers
- Oracle NA ERP Implementation Services
- Comprehensive Finance and Accounting BPO
- International Retail Core Banking



Positioned as Leader in Oracle practice - May 2011

- Infosys received highest score of 5/5 on various parameters as part of **Forrester Wave**
- Report acknowledges Infosys' focus on New Engagement Model



Top 10 IT Services Leaders

Infosys ranked #1 overall
RIS (Retailers) Leader board 2010



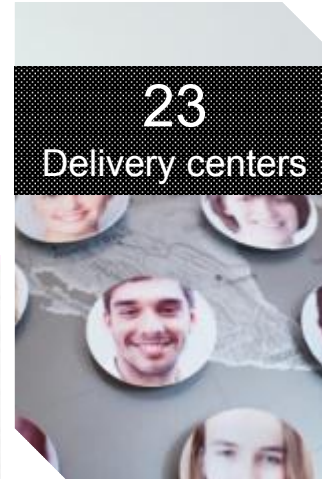
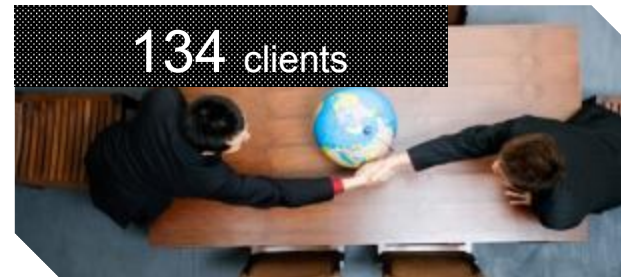
India's most admired company

by Wall Street Journal in Nov. 2010

THE WALL STREET JOURNAL.



Infosys BPO Ltd – the fastest developing subsidiary of Infosys Limited...





Infosys – global presence



With global presence only 10 years after inception...















Infosys BPO Poland- the largest unit outside India



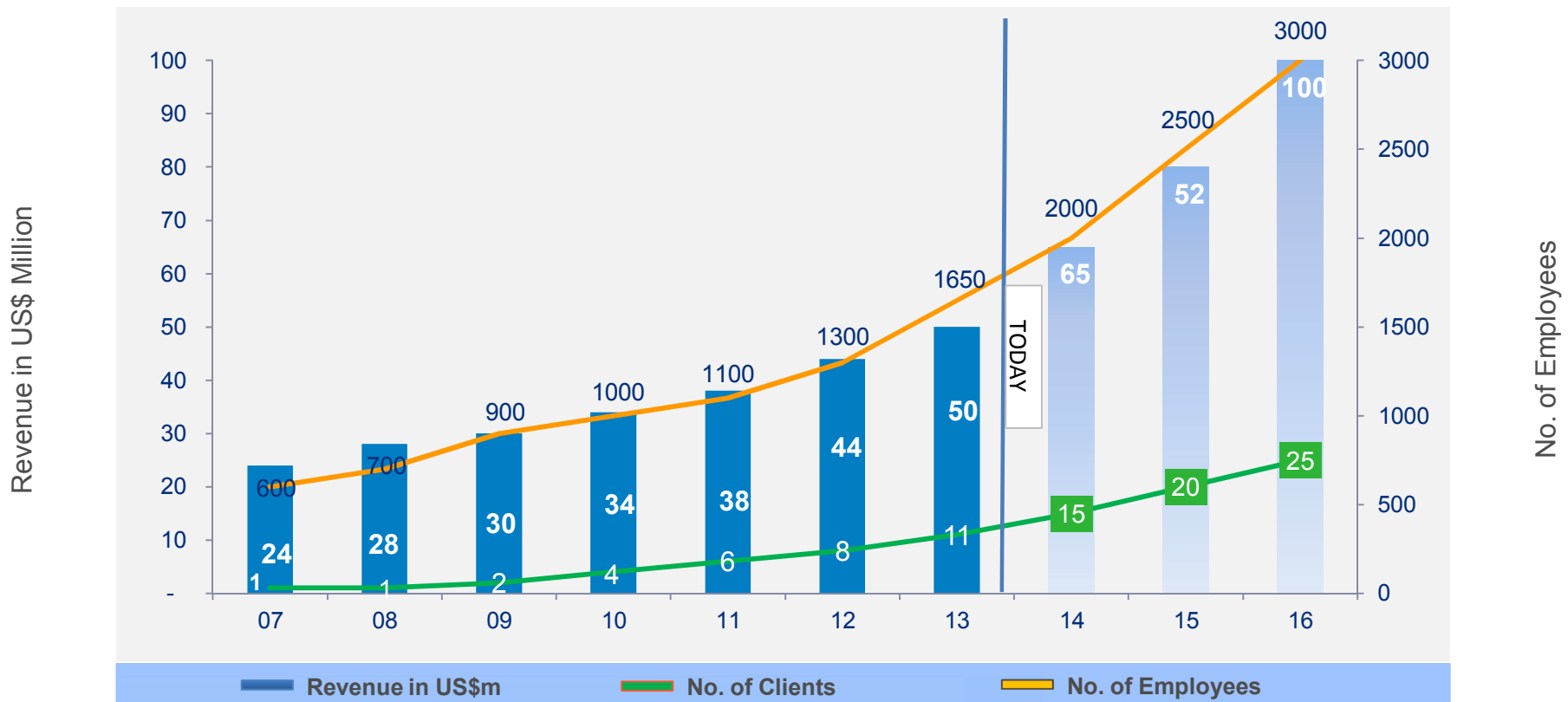
Lodz DC Highlights

- Wholly owned subsidiary of Infosys BPO
- Opened in August 2007
- Employment: 1650+ FTEs
- BPO and ITO services
- Data Center of Excellence (F&A/S&P/MDM)
- 9 global and 2 local Clients
- Servicing 48 markets with 24 languages
- ISO 9001:2008 and 27001:2005 certified (2005/2009/2012)
- 2000 seats in new facility! Further scale up possible to 3000 seats

 Best Managed Company (FORBES, 2007)	 Best in Supporting Young Entrepreneurial People (Business Center Club, 2009)	 ACCA Approved CPD Employer (2009)	 Business Partner of the Year (University of Lodz, 2009)
 Best Business Ambassador of the City (City of Lodz, 2009)	 Fastest growing BPO Center in Poland (FORBES, 2009)	 CIMA Training Partner (CIMA, 2010)	 Leader in HR Management (Institute of Social Studies, 2010)
 Partner of Innovative Education (University of Lodz, 2010 & 2011)	 Company of the Region (Lodz Region Citizens, 2011)	 Top 100 Ideal Employer (Universum, 2011)	 Top Employer Polska 2012 (CRF Institute, 2012, 2013)



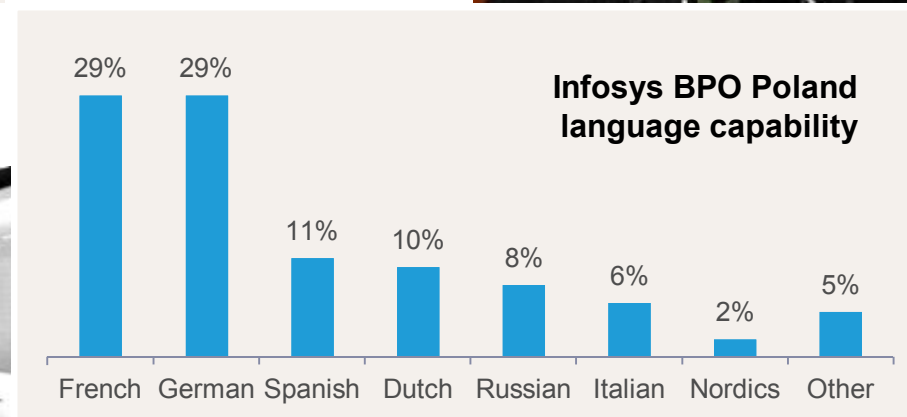
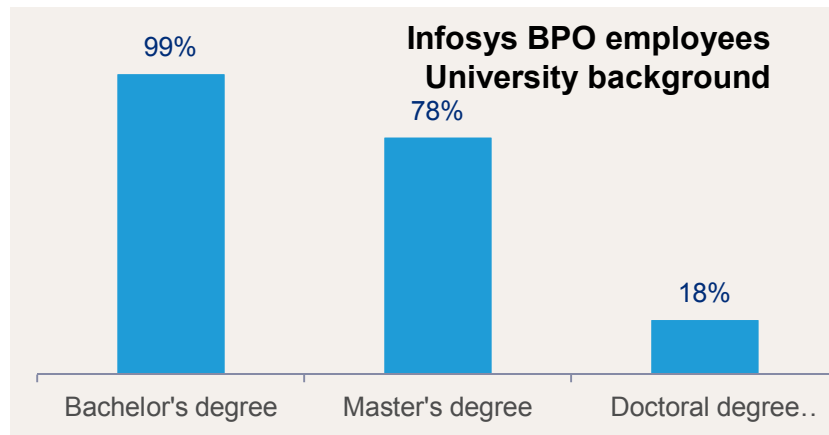
Infosys BPO Poland growth and ambitions...



*Infosys BPO Fiscal Year April-March



In favourable city & office location...





...Supported by the country development and its best ambassadors...

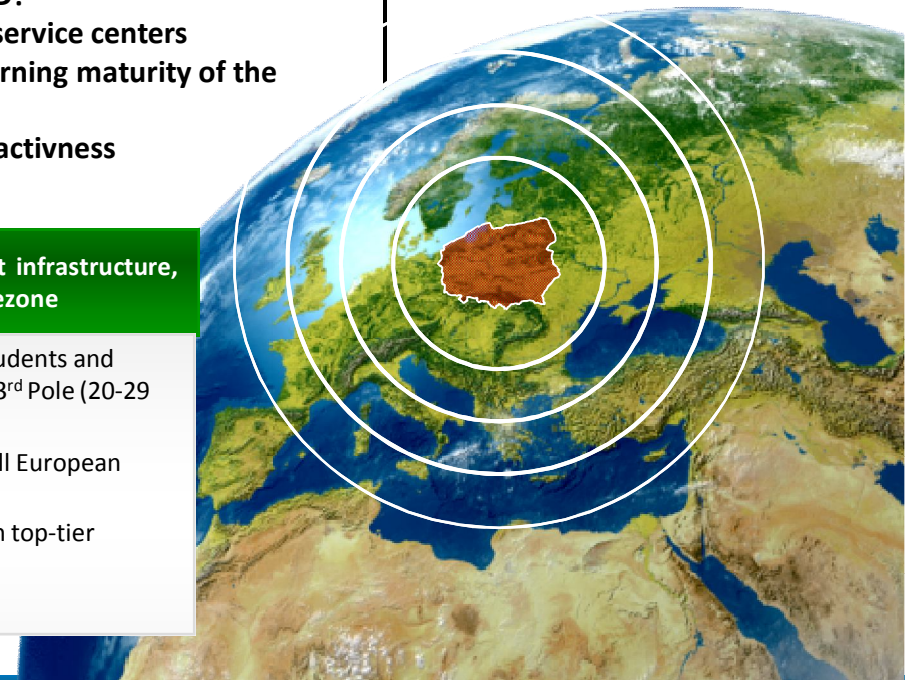


POLAND in the LEAD!
 -No. 1 in the CEE region regarding number of service centers
 -No. 1 in Europe and no. 3 in the world concerning maturity of the business services sector
 -No. 6 in the world regarding investment attractiveness



Talents, modern office and transport infrastructure, geopolitical location, timezone

- 17 academic centers; ~1,9 mln students and ~400,000 graduates yearly; every 3rd Pole (20-29 years old) with higher education
- 11 airports; c.a. 2-3h away from all European capitals
- 6 mln sqm modern office space in top-tier agglomerations
- GMT + 01:00





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- 4. Key Highlights**



Summary

- **Lodz** – location in the very centre of Poland and Europe, well communicated with all big cities within a country, no visa is required in EU countries
- **Lodz** – educated graduates and employees experienced in BPO/SSC sector
- **Lodz** – low rotation and competitive cost of employment compared to the EU average
- **Lodz** – friendly business environment with Indian investments
- **Growing office market** confirmed by presence of global development companies

Lodz – city of opportunities



Feel invited to Lodz !

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