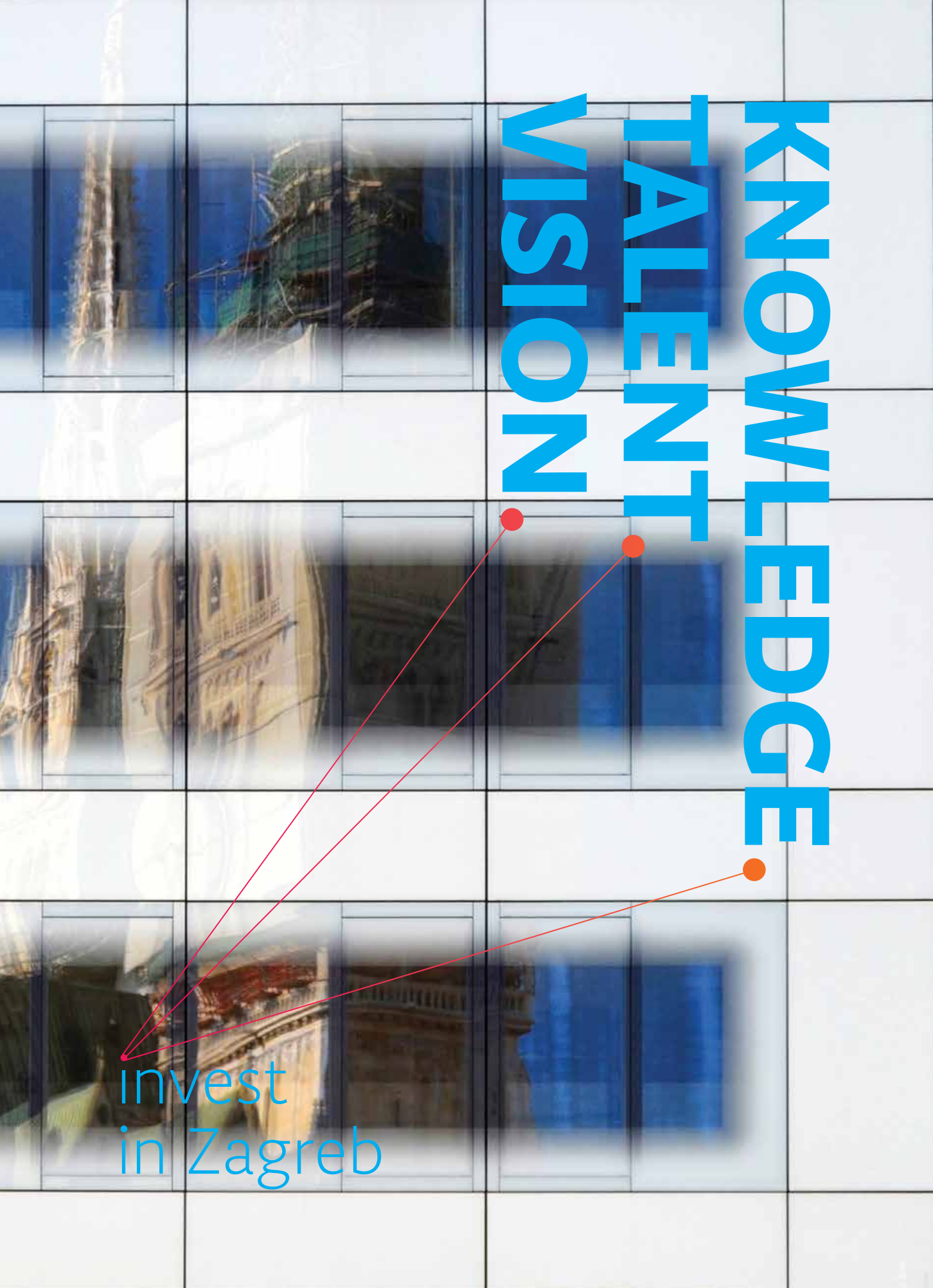


KNOWLEDGE TALENT VISION

invest
in Zagreb





Milan Bandić, Mayor of the City of Zagreb

DEAR INVESTORS,

It is my great privilege to present you Zagreb, the capital of the Republic of Croatia. Zagreb is not only a beautiful city and the country's largest urban agglomeration, but also a city which has, in the last two decades, attracted more than half of all the foreign investments to Croatia.

Investors have already recognized Zagreb as an appealing investment location, and thus there is a high concentration of them in it already. It is our goal to further encourage the existing investors, as well as the new ones, to keep their focus and turn it on Zagreb in the period to come. Therefore, our ambitions are even higher than before – we are taking an active role in steering the investments to the areas with the most pronounced growth potential, achieving simultaneously business success for you as investors, and sustainable economic development for Zagreb. This publication has, in that respect, the aim to encourage your future investments in higher value-added sectors and business activities like for example computer programming, information and communication technologies, pharmaceutical industry, research and development in various fields, business support services etc., through comprehensive presentation of strengths and competitive advantages of our capital. Our knowledge, experience and in-depth insights make us confident that Zagreb, due to the quality and affordability of human resources, good business infrastructure and positive investment environment offers great business opportunities in those particular areas.

I can guarantee that experts working for the City of Zagreb are willing and capable of assisting you in developing your business in every possible way. They can share their insights into specific local markets, they can assist you in setting-up a business and help you cope with regulations; they can assist you in the search for an adequate property and in providing necessary infrastructure, as well as comprehensive hands-on after care service.

Hereby I invite you to invest in Zagreb, the new EU capital. Here you will find knowledge, talent and vision.

Milan Bandić, Mayor of the City of Zagreb

New European quality

EDUCATED AND PRODUCTIVE WORKFORCE

Zagreb, the capital of the Republic of Croatia, is a global and cosmopolitan city. It is a city with rich history dating from the Roman times to present day. Zagreb proudly nourishes its long tradition of being Croatia's scientific, cultural, political and economic center. The University of Zagreb represents the core of Croatia's higher education system, and a number of new private and specialized higher education institutions spring up every year. This makes Zagreb a competitive location with a continuing rise of yearly output of educated workforce. In addition, due to the high concentration of job opportunities, it attracts talents from other parts of the country and neighboring countries as well. Zagreb has experienced a smooth transition from the economic ecosystem based on manufacturing industries into a hub for mature companies and start-up initiatives in research and development, information and communication technologies, finance and B2B services. Zagreb's additional advantage is the level of foreign language proficiency of its citizens.

in the European Union. Zagreb lies on major European transport routes. It is also situated close to Rijeka, a deep sea port conveniently located in proximity to the markets of many landlocked Central and Eastern European countries. For international businesses oriented towards the markets of EU accession countries in the neighborhood, Zagreb provides a number of opportunities as well, from a superb quality of life to educated workforce and competitive investment costs.

AFFORDABLE LABOR COST

The cost of Zagreb's productive and high-quality labor force is affordable when compared with the cost of the corresponding labor force in Western European countries. While its productivity, creativity and added value are at a comparable level, its cost is much more competitive. This does not apply only to high-tech activities, research and development and ICT, but also to manufacturing. For manufacturing companies willing to seize the best investment opportunities, Zagreb metropolitan area offers the best choice with abundance of its business zones and available workforce.

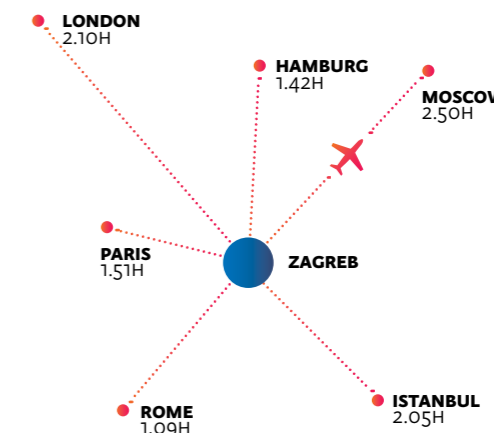
A STIMULATING BUSINESS ENVIRONMENT

Zagreb is a dynamic financial, commercial and business center. Croatia's membership in the EU has visibly

added to this dynamism. Being aware of the importance of a favorable investment climate, the national government is continuously implementing measures aimed at removing the existing obstacles and aligning the investment climate to the European standards. The City of Zagreb supports those measures conducting activities within its scope of authority. The city administration is devoted to fostering a welcoming and enabling business environment in Zagreb.

HIGHLY LIVABLE CITY

With its bustling cultural scene, encompassing both classical and contemporary cultural events, a high level of safety, extraordinary integration of foreigners, richness of sports facilities and many nearby attractions, Zagreb provides a perfect combination of great business opportunities and good quality of life. For many, Zagreb has everything that a big and modern city should provide. The more spoiled ones appreciate its proximity to the Adriatic and the most beautiful European coastline – and to attractive skiing slopes as well. This makes Zagreb a unique location to enjoy while your business grows.



Flying distance to key european capitals

96%
OF THE PRIME
WORKING-AGE
POPULATION IN
ZAGREB SPEAKS
ENGLISH

A NEW GATEWAY TO THE EU MARKET

As the capital of the newest EU member state, Zagreb represents an ideal stepping stone for global companies in search for a convenient base for their operations

A vibrant business location

Zagreb is the capital of the Republic of Croatia and the largest urban area in the country with almost 800,000 inhabitants. The city is continuously growing and attracting new talent. As a result, its population has doubled in the last fifty years. The importance of Zagreb for the Croatian economy is enormous, for it generates more than one third of its GDP. The leading role of Zagreb's economy is most pronounced in high value-added activities such as technical, scientific and administrative activities, financial and insurance activities and information and communication technologies. The City of Zagreb connects Europe providing your company access to a market of 600 million consumers.

1/3
OF CROATIA'S
GDP

MAIN ECONOMIC INDICATORS FOR ZAGREB

790,017
population,
2011 Census

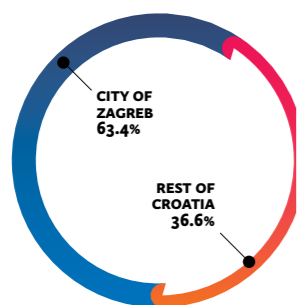
18,503
GDP per capita
in 2011, eur

32,026
number of
companies,
2012, eop

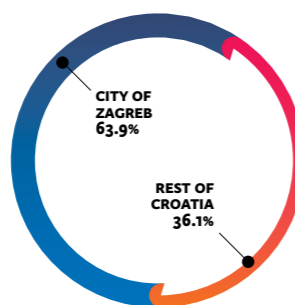
436,984
active
population,
March 2011

14,634
GDP in 2011,
million eur

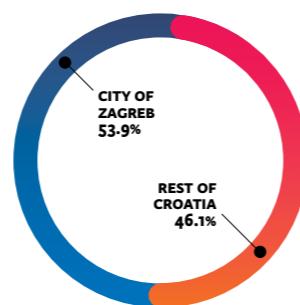
Sources: Croatian Bureau
of Statistics, Croatian
Employment Bureau.



FINANCIAL AND INSURANCE SERVICES



INFORMATION AND COMMUNICATION TECHNOLOGIES



TECHNICAL AND ADMINISTRATIVE SERVICES

Figure 1: Share in gross value added in 2011, in %; Source: Croatian Bureau of Statistics.

Focus on high-tech industries

Zagreb is focused on the development of higher value-added sectors and business activities. This is justified in strong expansion of these sectors in last five years. Even during the period of severe economic crisis, these industries were resistant to the overall contraction. One example of such a growing sector is computer programming. In the last decade, the aggregate number of companies, number of employees, net profit and export of the sector have recorded high and sustainable growth rates. Similar developments characterize most of the other technologically advanced sectors in the City of Zagreb as well.

600
MILLION
CONSUMERS
ON THE JOINT
MARKET

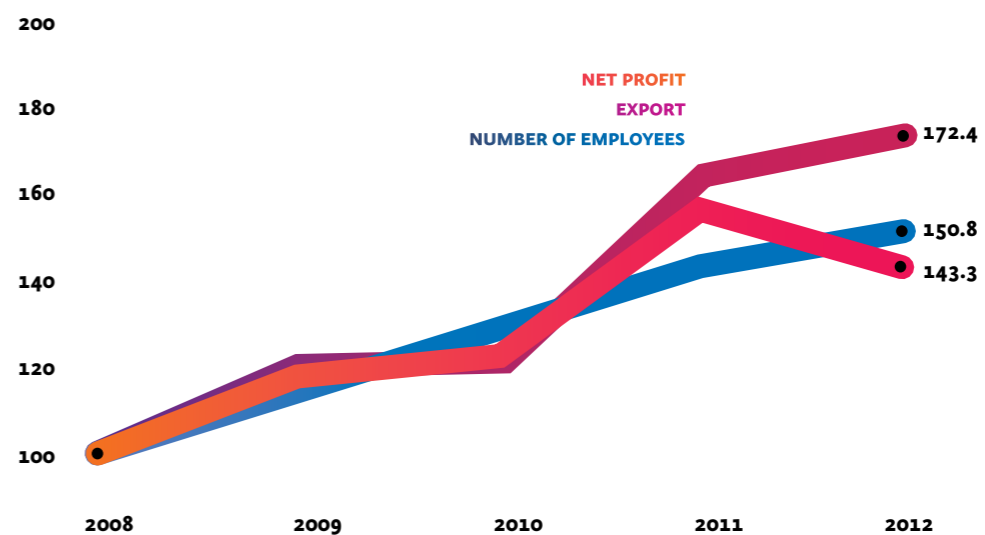


Figure 2: Zagreb's computer programming sector; Source: Financial Agency.

Zagreb metropolitan area



Pliva



Tihomir Orešković, MBA, President of the Management Board of PLIVA CROATIA

'The year 2013 has been a successful year for PLIVA, primarily due to the completion of investment projects that will enable further development and

strengthening of the position on the most demanding pharmaceutical markets.

It is known that in the past two years PLIVA has invested about USD 200 million in new production facilities in Savski Marof and Zagreb. This is one of the largest investment cycles in company's history and the largest private investment in Croatia in the last two years. It will result in a significant increase in the production of finished dosage forms and active pharmaceutical ingredients, exports increase, as well as in cleaner production and new employment. Basic features of the production facilities are the innovative technology and state-of-the-art and cutting-edge equipment currently available in the world. All this will significantly contribute to cleaner production we aim at, and to the reduction of environmental impact and emissions: the investment in plant and equipment intended for the protection of the environment exceeds USD 20 million.'

~50

MINUTES DRIVE AWAY FROM THE CENTER OF ZAGREB TO REACH INDUSTRIAL AND MANUFACTURING LOCATIONS

ADDITIONAL POTENTIAL OF METROPOLITAN AREA

While the City of Zagreb has pronounced advantages in developing higher value-added sectors and activities as well as business services, Zagreb metropolitan area can accommodate manufacturing activities in various sectors. The metropolitan area has a population of more than 1.2 million inhabitants. The economic ecosystems of the neighboring areas differ from that in Zagreb. However, in many aspects of business-making and every-day life they are highly intertwined with the City of Zagreb. The surrounding area complements Zagreb by offering numerous business zones and parks, industrial estates ready to accept manufacturing activities, and also the abundance of qualified workforce. Needless to say, the cost of land and other property and labor is lower than in Zagreb.



Zagreb metropolitan area

~1.2

MILLION INHABITANTS IN THE ZAGREB METROPOLITAN AREA

Close to everything important



Zagreb, a perfectly situated business location

Zagreb is perfectly situated on several European corridors, and is conveniently connected to the sea by quality rail and road infrastructure. With an easy access to international trade routes, Zagreb is an ideal business base for conducting various business activities in the EU and wider.



Zagreb has a superb geostrategic location. It is connected to the important seaport Rijeka, situated 150 km away from Zagreb, by one of the highest quality highways in Europe. The railway passing through Zagreb connects Rijeka with Hungary and the rest of the EU. Zagreb is situated on Pan-European transport corridors, serving as a bridge between Western and Eastern Europe, as well as between Southern and Eastern Europe. This makes Zagreb an excellent hotspot for logistics operations servicing all parts of Europe from the same location. Due to these factors, Zagreb is already developing new logistic hubs lying on the main traffic corridors, and connecting points crucial for efficient distribution and logistics operations in Europe.

Zagreb enables everyone to reach the European business centers in a quick and easy way. Due to the large number of airline connections from Zagreb Airport, cities like London, Madrid or Riga are accessible in just a couple of hours.

Inner-city traffic infrastructure and traffic organization are of good quality as well, and the city public transportation fleet is continuously being modernized. Quality urban trains and trams adapted to the needs of Zagreb's citizens were developed and produced exclusively by domestic companies. High mobility in Zagreb is also provided by the popularization of alternative travel and mobility methods – securing the Mobility Award for Zagreb at the European Mobility Week in 2012.



OPTIMAL LOCATION FOR DOING BUSINESS IN EUROPE

Modern telecommunication infrastructure

Croatia has invested a lot in developing its telecommunication infrastructure, and Zagreb is at the forefront of the country's telecommunication development. Telecommunication network in Zagreb is fully digitalized, owing to the adoption of the most advanced telecommunication networking back in the 1990s. Industries and companies relying heavily on the availability, quality and reliability of telecommunication services will surely appreciate this. The presence of global technology companies, such as Ericsson Nikola Tesla and Siemens, guarantees a high-quality telecommunication network and development of groundbreaking solutions in this

highly competitive industry. In addition, the City of Zagreb is pushing hard the agenda of Digital City through the company owned by the City itself. The company is in charge of overlooking the development of telecommunication network and steering it, so as to fulfill the needs of citizens and companies in the best way. There are ambitious plans for further development of telecommunication infrastructure in order to provide individual and business users with access to most innovative and easily available service from a number of competitive service providers.

Vipnet – Success story that lasts for 15 years

Vipnet is Austrian investment project, and it is the first private mobile operator in Croatia and a company whose entrance onto the Croatian market is considered to be the best market entrance of the second GSM operator to any market in Europe ever. Vipnet's team has more than 1100 people and consists of young, mostly highly educated professionals, averaging 35 years of age. Vipnet is considered to be the leader on the list of greenfield investments in Republic of Croatia with cca 1 billion Euros in 15 years, with no signs of slowing down. Even during the time of crisis, within last few years Vipnet invested heavily, becoming fully converged operator offering mobile and fixed communication solutions through own network and system rollout and acquisitions of cable service providers. Recent acquisition of the spectrum for 4th generation services confirms the vision of further company development.



Mladen Pejković, CEO of Vipnet

'We are the biggest greenfield investment in Croatia with Zagreb as a central point of such development.'



FULLY DIGITALIZED TELECOMMUNICATION INFRASTRUCTURE

Affordable quality



New Yazaki engineering center

YAZAKI started their engineering activities in Zagreb in June 1999 as a branch office. Their initial focus was design and development, prototype build, testing and validation of various automotive components, including connectors, terminals and headers for low voltage applications. At that time, YAZAKI Zagreb was placed in two different locations. Over the years, YAZAKI Zagreb took more responsibility and expanded its product range to high voltage components, junction boxes and advanced engineering.

In cooperation with the University of Zagreb, the YAZAKI Branch Office increased their technological knowledge and headcount. Currently, YAZAKI Zagreb has around 80 employees with room for further growth. In 2013, YAZAKI moved to a new location in Zagreb, where it built a modern and well-equipped engineering center. 'Due to this fact, it was necessary to extend the location and to have all engineering activities 'under one roof'. This will increase our engineering capability and efficiency extensively.'

Thomas Schaller, Design Engineering Manager responsible for YAZAKI's Zagreb activities



The new YAZAKI engineering center in Zagreb

Siemens



Mr. Mladen Fogec, CEO of Siemens Croatia

'The strength of Siemens are our employees. These are local experts who can offer high-tech products of our parent company in the domestic market, and incorporate them into complex solutions. In this way, they also participate in the creation of advanced and reliable infrastructure of the City of Zagreb, where the headquarters of our company is based – whether it is a case of high quality energy supply, hospital equipment or fully-automated industrial production.'



BEST BUY
EU QUALITY
WORKFORCE

84%
OF CITIZENS
SPEAK ENGLISH
VERY WELL

44%
OF CITIZENS
SPEAK GERMAN

If one should single out one advantage of Zagreb as an investment location, this would certainly be the availability and quality of its labor force. Today's most productive and profitable industries would certainly recognize the benefits of an educated workforce in the technical field – from mechanical and electrical engineering to computing and research and development in different areas.

Foreign investors in Zagreb appreciate the productivity of the local workforce. In addition, people in Zagreb approach foreign investors with an open mind, curiosity and enthusiasm.

It is worth stressing that, according to different

surveys, citizens of Zagreb are among the most fluent speakers of foreign languages in Europe. Due to Zagreb's openness, good education system as well as cultural and historical influences, more than 96 percent of persons of prime working-age speak English, and 84 percent of them speak English very well. German and Italian are spoken by many people of prime age, too. As much as 44 percent of them speak German, while 24 percent speak Italian. Due to the similarity of South East European languages, everyone can easily communicate with 12 million people from the nearby South-East European countries.

Dynamic education system



HIGH RATE OF PRIVATE EDUCATION GROWTH

Higher education system in Zagreb shows no sign of slowing down in terms of its growth and development. Every year, the number of enrolled students rises in both public and private schools. The University of Zagreb is the backbone of higher education system, with tradition dating back to the 17th century. The University is constantly changing and adapting to the needs of the society and industry in Zagreb and Croatia. The private education system is growing as well, with private schools strongly oriented towards the requirements of industry, being it in the area of ICT, design, management, international trade or diplomacy. Cooperation between educational institutions and the industry, once very pronounced, is currently regaining on its intensity. Nowadays, many national and foreign companies operating in Zagreb have established collaboration with the local high education institutions, reaching from joint research and new product development to tailor-made study programs and life-long learning programs.

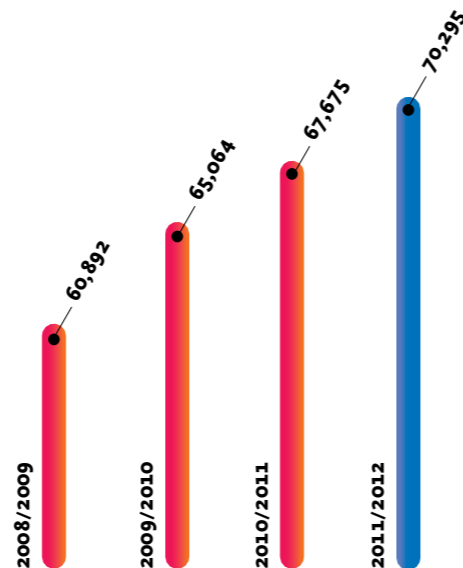


Figure 3: Number of enrolled students in Zagreb; Source: Zagreb Yearbook 2013.



International education in Zagreb – RIT Croatia

RIT Croatia is the only American college in Croatia, and is a part of the Rochester Institute of Technology (NY, USA). RIT is one of the leading, most reputable universities in the US, and is internationally recognized for providing innovative, career-oriented education. Croatia is one of RIT's key locations (the remaining two being Rochester, NY, USA and Dubai, UAE) and as such, the center of RIT's European operations. They have over 550 students on two campuses in Dubrovnik and Zagreb and employ 54 people.



Don Hudspeth, President and Dean, RIT Croatia

'Rochester Institute of Technology is one of the most prominent private American universities. Croatia is one of RIT's key locations and we have been present here with our Dubrovnik campus for almost 20 years. Three years ago, RIT Croatia also began delivering degree programs in Zagreb and opened its campus in the Bundek Center in September, 2013. The reason for the Zagreb campus is simple – Zagreb is the business hub of Croatia, and with Croatia's entry into the European Union, and Zagreb's location in Central Europe, we are well positioned to attract students from other EU countries.'



Ericsson Nikola Tesla



Gordana Kovačević, M.Sc., President of Ericsson Nikola Tesla

During the past six decades, the company (Ericsson Nikola Tesla) has been contributing to Ericsson's technology leadership and a way of working thanks to innovativeness, motivation and an extensive intellectual capital of Croatian experts.'

15% INCREASE IN THE UNIVERSITY-EDUCATED WORKFORCE IN 4 YEARS

A long tradition of high-tech and R&D activities

Zagreb is characterized by a high concentration of modern high-tech and research and development activities and sectors. Traditionally, Zagreb has been the center of innovation, and a place where both domestic and foreign technology companies based their activities. Good educational and research institutions, educated and productive workforce experienced in technology application make Zagreb a place where new companies come to set up their operations, while mature companies continue to grow and expand their business.

Two renowned international companies can serve as best examples of synergy between foreign investors and local knowledge and entrepreneurship – Ericsson Nikola Tesla and Siemens. Both companies have a long tradition of operations in Zagreb. Their strength and

success was not brought about exclusively through foreign direct investments, but also and maybe even more, through domestic expertise.

Today, established high-tech and R&D-intensive companies co-exist in the same ecosystem together with comparable start-up initiatives, business incubators and new business ventures. In spite of the fact that high-tech and R&D sectors are highly reputable, the price of doing business in these sectors is still highly competitive and affordable for companies coming in. The price of workforce in computer programming or information and communication technology is significantly lower than in the neighboring countries, while its expertise is without any doubt at least at the same level.

Ericsson Nikola Tesla

Ericsson Nikola Tesla represents an ideal example of a quality foreign investment in Zagreb and its successful integration with the existing tradition, knowledge and expertise in the City.

Ericsson Nikola Tesla has its roots in the former company Nikola Tesla founded in 1949, the company that concluded the first licensing agreement with LM Ericsson in 1953 and is therefore among the oldest licensing partners of the Corporation. The Company Ericsson Nikola Tesla was founded on May 13, 1995 through strategic collaboration with Ericsson that owns 49.07 percent of company's shares.

Since its incorporation into Ericsson, Ericsson Nikola Tesla has transformed into a modern company entirely oriented to brain ware production. The activities of the company include research and development,

and the design of total communication solutions and services, including the information and communication solutions. We speak of the design, planning, and engineering of multi-service, mobile, transport and business communication networks and of the development of applications and services based on the mobile Internet for regional and global operators of fixed and mobile telephony, large businesses and internet services providers.

'In the region of South Eastern Europe, the Company is the leading provider of communication products and services in operator's segment and a provider of innovative information and communication solutions related to healthcare, transport, state administration, municipal services and multimedia.'

Gordana Kovačević, Msc President of Ericsson Nikola Tesla



REGIONAL HIGH-TECH HOTSPOT

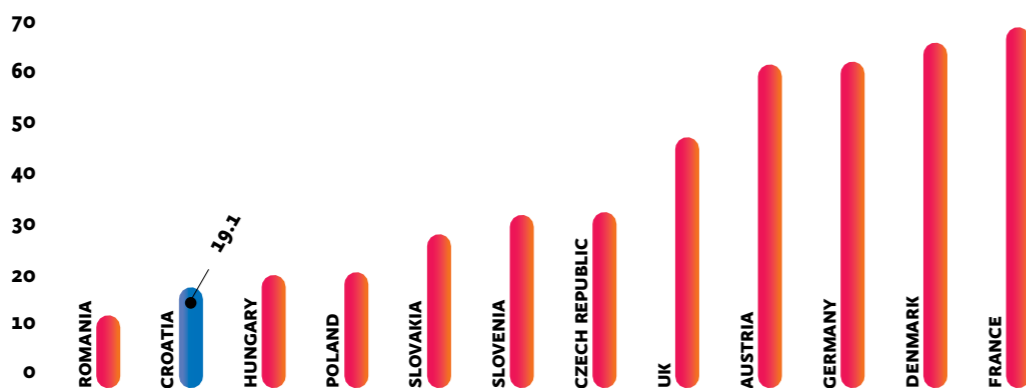


Figure 4: Annual personnel cost in computer programming, in 000 EUR per employee; Source: Eurostat.

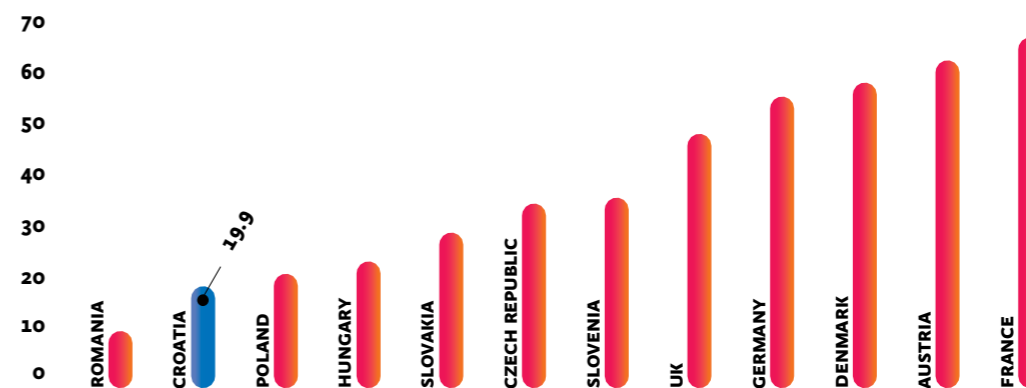


Figure 5: Annual personnel cost in ICT, in 000 EUR per employee; Source: Eurostat.

Come to Zagreb for a higher value added

Zagreb is not only a competitive location for high-tech and research and development activities and sectors, but it is generally an attractive location for sectors, industries and activities with higher value added of their products and services.

Zagreb has the largest pool of companies with higher value added of products and services not only compared with the rest of Croatia, but with the

wider region as well. Competitive costs of workforce combined with its quality, performance and readiness to execute the most complex tasks make Zagreb a unique location for such companies.

A large number of companies with similar ambitions and orientation concentrated in Zagreb turn it into a fertile melting pot with a great potential for innovation, cooperation and consequently business success.

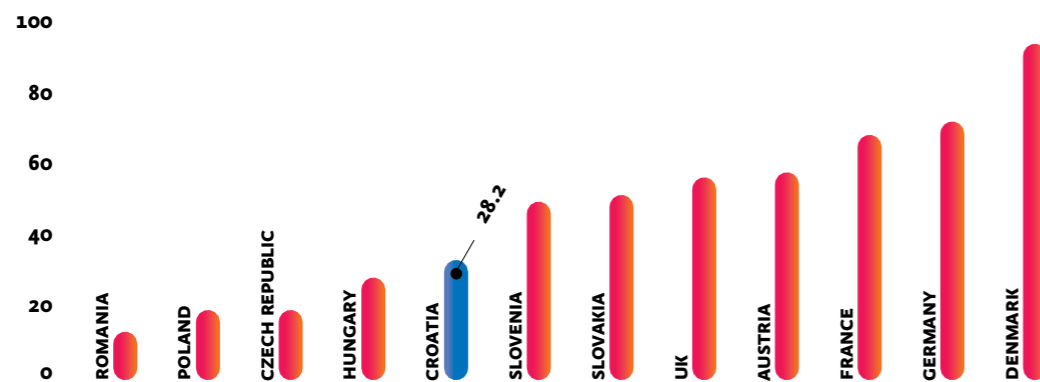


Figure 6: Annual personnel cost in the pharmaceutical industry, in 000 EUR per employee; Source: Eurostat.

Repsly

A good testament of a burgeoning start-up scene in Zagreb, and even more of its global potential and success is the Repsly company. Repsly is doing business in the field of data gathering of employee's field activities, focusing on companies working in the field of distribution of consumer goods, pharmaceuticals and medical equipment. In the development and provision of their services, they rely on the development of highly advanced technological solutions.

Company started as a start-up in Zagreb, under the brand Salespod, in 2008. Two years later, it got a financial support by the local investment angels network CRANE. Today, after the initial start-up phase and first angels' investment made in Zagreb, the company is doing business globally, continuously growing and advancing its services and quality of its products. At the moment, it is being used by sales enablers, sales representatives, promoters and repair services in over 30 countries around the world, by more than 120 global brands. Today the company operates from its offices in Zagreb, and Boston, USA.

Company received recognition at the Under the Radar conference in Silicon Valley in 2011 as the best company in Sales Operations category, and at the Start-Up Week in Vienna in 2011 where it was ranked among top ten best young IT companies in Europe.

GROWING START-UP SCENE

Although often neglected, Zagreb's start-up scene deserves particular attention. There is a substantial number of initiatives aiming to provide additional boost to the budding start-up society. Zagreb's start-ups have already been discovered by global venture capital funds and start-up investors. They visit Zagreb regularly in search of new start-up stars.

The development of start-ups is recognized by institutions both at the national level and at the level of the City of Zagreb, which promote it through different support measures. E.g. there is a special and focused incentive program for research and development activities. The incentives entailed in the program are available equally to domestic and foreign companies doing business in Zagreb, and its focus is on lowering the effective profit tax rate for the companies conducting R&D activities.



Enabling business infrastructure

The City of Zagreb, with its institutions and specialized departments, plays an active role in creating a friendly business environment in Zagreb. They bolster growth of the local businesses by providing them with a supportive business infrastructure. The City has established the Technology Park Zagreb which is focused on assisting the technology companies to start and develop their business. A new technology park development project is underway.

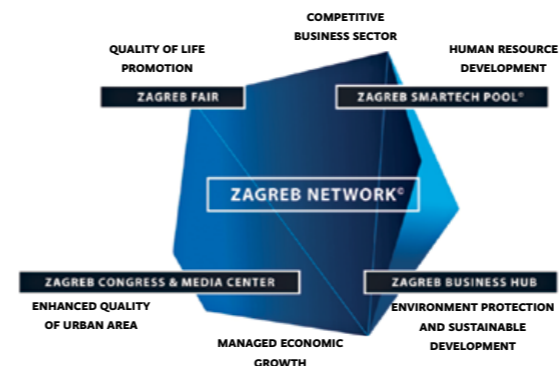
In Zagreb, there is an excellent modern infrastructure available to service-oriented companies in search of appropriate business premises. Real estate developers are offering outstanding offices available for rent. The office of the Croatian Foreign Investment Council is also located in Zagreb. The Council is open to all companies, and its goal is to cooperate with the national and city-wide institutions and help them improve the investment climate in Croatia.

Technology and innovation at the Zagreb Fair

Innovative Urban Area

The new development model of the Zagreb Fair is based on strengthening the business, scientific and technological infrastructure, information and communication activities and competitive services. The ultimate goal is to create a productive business environment, the result of which is a hybrid structure, whose each individual part is economically self-sustaining and, as such, capable for the long-term support of other integral parts. Proper selection of

technological specialization and communication infrastructure is opening new market opportunities and sets the platform for the development of interactive innovation. Other complementary components, foreseen in the area, form friendly environment of the preferred business and social density, which will generate urban, economic and social innovation. The expected result is a highly valuable urban space of compatible business, scientific and social content that, through synergy and interaction, generate multiplier effects on the overall urban product. It presents and innovative urban enclave that will attract talent, companies and institutions.



Ideal regional HQ location

Zagreb has an advantage of being close to Western Europe business centers, to capitals of the New Europe and to the EU accession countries in Southern and Eastern Europe. Such central position is favorable for the location of company headquarters and shared service centers. High level of fluency in English, German and Italian, as well as the similarity of languages on the territory of Bosnia and Hercegovina, Montenegro and Serbia, make Zagreb an ideal location for business services aimed at covering large parts of Europe.

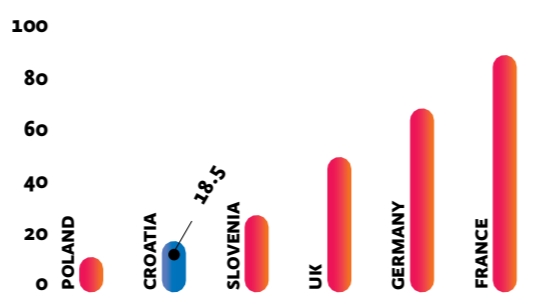


Figure 7: Annual personnel cost in head office activities, in 000 EUR per employee; Source: Eurostat.

A CITY CONNECTING EU AND NON-EU EUROPE

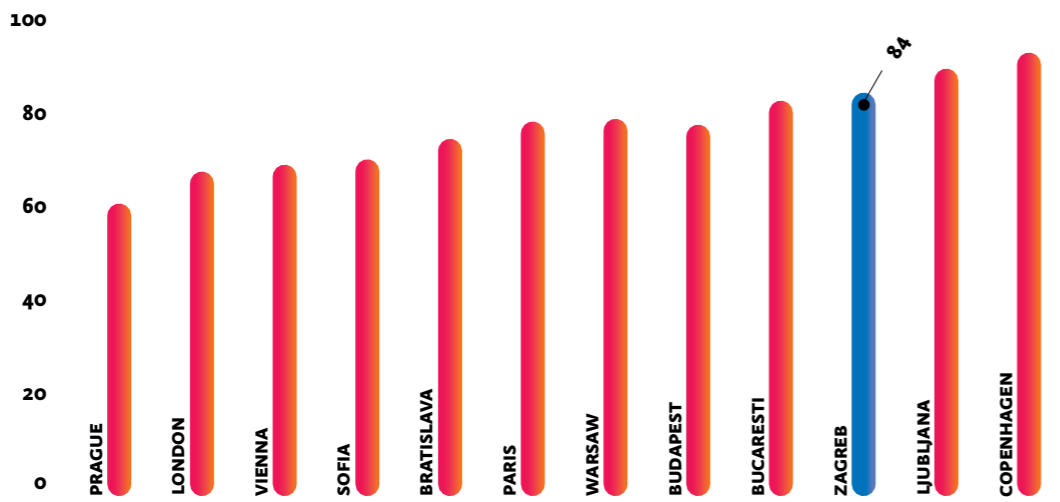


Figure 8: Citizens claiming that the presence of foreigners is good for the city (EU capitals), in % of respondents; Source: European Commission.

Teva

The Finance Shared Service Center Zagreb for Teva's European locations opened its doors in late February 2014, and is the first service center of a multinational company in Zagreb and Croatia.

It was established in order to improve the service quality and efficiency of financial activities, with a view to exploiting synergies and further strengthening Teva's competitiveness. The new Center will receive all the necessary support from the joint IT center in Zagreb, which has a developed financial module and processes, and which has been providing support to Teva's various locations in Europe and other parts of the world for several years. The plan is to create new jobs, and the number of employees will be increased according to the dynamics of development of the project.

'Teva has recognized Zagreb's and Croatia's great potential, and has decided to open the Finance Shared Service Center in Zagreb for the whole of Europe. This way, Zagreb and Croatia will be better positioned on the European investment map, and I see this as an excellent foundation for further development of services for other EU locations. There is a wealth of knowledge in Croatia and one only has to know how to use it. We believe that this will be a clear signal to other companies that they too can start similar activities in Zagreb.'

Tihomir Oreskovic, MBA, President of the Management Board of PLIVA CROATIA

'I am proud to be in Zagreb today, and to be a part of this great project. In the recent months, all the planned results have been achieved and the Center proved extremely successful. Colleagues I worked with on the project are professional and motivated and it gives me great pleasure to lead this team of professionals.'

Andrea Zanke, Senior Director of the Finance Shared Service Center Zagreb

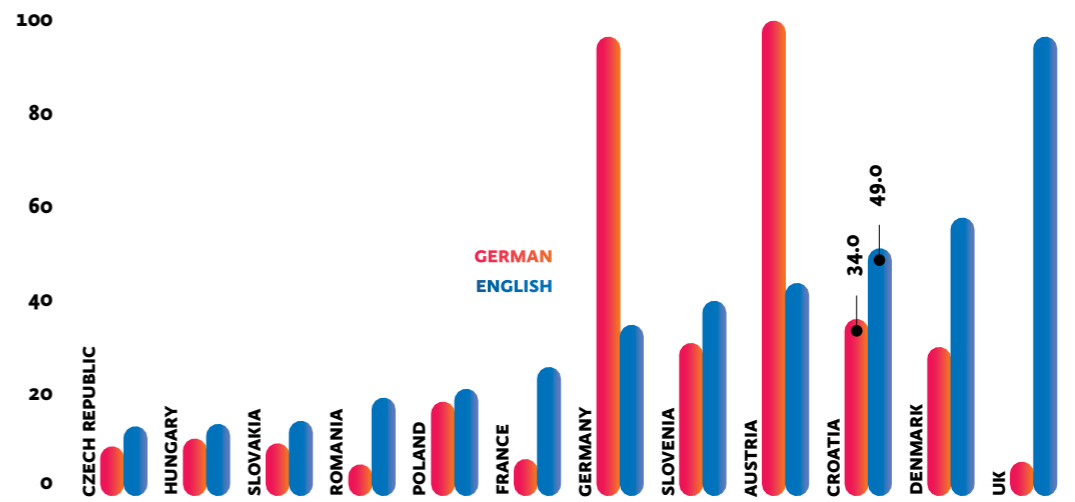


Figure 9: Share of people speaking English or German (over 15 years of age) in 2012, in %; Source: European Commission.

High quality of life – better half of success

Zagreb is cherished by companies that, in addition to business success, value a high quality of life of their employees. There is a myriad of possibilities to spend one's leisure time in Zagreb. Zagreb has vibrant cultural scene, attractive sports facilities and great shopping areas. Even a simple walk through the city or drinking coffee in a nearby café in Zagreb can be an entertaining experience.

The proximity of the Croatian coast gives a possibility of being at a sunny beach on Friday afternoon after a hard working week. In winter, skiing on the beautiful ski slopes of Zagreb's Medvednica Mountain is an option as well, but also Slovenian, Austrian or Italian Alps are within the reach – just a few hours' drive

away from Zagreb.

Zagreb is also one of the safest environments in Europe and the world. Personal safety has always been a hallmark of life in Zagreb, as well as its friendly attitude towards foreigners. One especially welcoming aspect is abundance of foreign schools catering specifically to foreigners living in Zagreb, or domestic population wanting their children to interact with various cultures from early years.

Attractiveness of Zagreb is being noticed every year by more people – this made Zagreb take a second place in the *European Best Destinations study*, right after Porto and before Vienna.

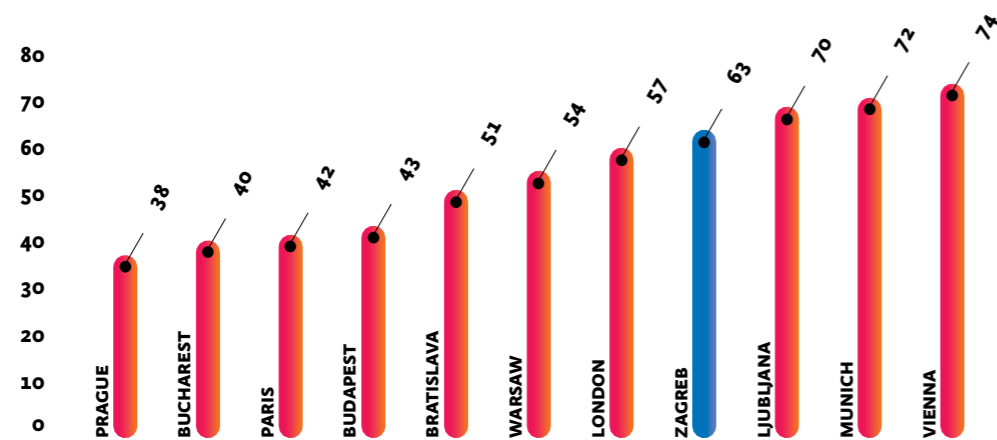


Figure 9 Share of people satisfied with life in their city in 2013, in %; Source: European Commission.



Hilton

DoubleTree by Hilton Zagreb is part of the fast growing DoubleTree by Hilton global portfolio, which features more than 360 upscale hotels in gateway cities, metropolitan areas and vacation destinations across six continents.

Zagreb is a visitor destination with a lot of growth potential, both in the corporate, meetings and leisure segments. The development of the airport will contribute to increasing the value of Zagreb as an easy-to-access business and leisure destination in Central and Eastern Europe. Croatia has a solid tradition in the hospitality industry – DoubleTree by Hilton Zagreb currently employs 75 full-time well-trained employees.



Karin van Koppen - van den Berg General Manager
DoubleTree by Hilton Zagreb

'DoubleTree by Hilton Zagreb forms an important part of our portfolio of hotels and with increasing interest in the city as a business and leisure destination, we believe that Zagreb will continue to gain momentum as a first choice destination in this part of Europe.'

90
MINUTES AWAY
FROM YOUR
OFFICE TO
SWIM OR SKI

Favorable investment and business climate

~100%
PROFIT TAX
RELIEF FOR
10 YEARS

~6,000
EUR IN CASH
INCENTIVE PER
EMPLOYEE

The City of Zagreb is one of the most investor-friendly cities in the EU. Our mission is to encourage and support foreign direct investors in their intention to implement investment projects. In order to increase the level of service for potential investors, the City of Zagreb has set up an investment task force that will assist international companies in carrying out investment projects in the city of Zagreb and Zagreb metropolitan area in partnership with the national investment promotion agency (AIK-INVEST). Competent assistance is provided to potential investors thus ensuring flawless project implementation. Our professionals offer a wide range of services throughout the investment project, from the initial phase to the aftercare phase. In order to enhance support to investors, our investment task force will have individual approach to your specific needs using

tailor-made services such as:

- Sector specific market intelligence
- Preparation of value propositions
- Identification of business properties and suitable sites
- Tailor-made site visits
- Information and advice on doing business in the City of Zagreb and Zagreb metropolitan area
- Identification of potential business partners
- Referrals to professional associations
- Assistance in day-to-day business challenges.

A VARIETY OF INCENTIVES FOR YOUR INVESTMENT

Zagreb and Croatia offer attractive incentive schemes to potential investors who would like to set up companies in the City of Zagreb. A wide variety of

incentives is at disposal to those investing in new investment projects in the region. Potential investors can benefit from the following incentive schemes:

- Profit tax relief up to 100 percent for the period of 10 years
- New employment one-off cash incentives amounting up to 6,000 EUR per employee
- Up to 0.5 million EUR one-off cash incentive for purchasing new equipment/machinery
- Cash Incentives for education and training up to 80% of training and retraining cost
- R&D incentives in form of additional profit tax base reduction of up to 150 percent of cost of R&D

Assistance of the City of Zagreb investment team will be provided to potential and existing investors free of charge prior, during and after implementation of the investment project.

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Contact us

For all your inquiries and questions please contact us and rely on our help in growing your business in Zagreb

City of Zagreb

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