

INVEST IN CROATIA

Investments in Transport Infrastructure Projects

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Strategy of Transport Development

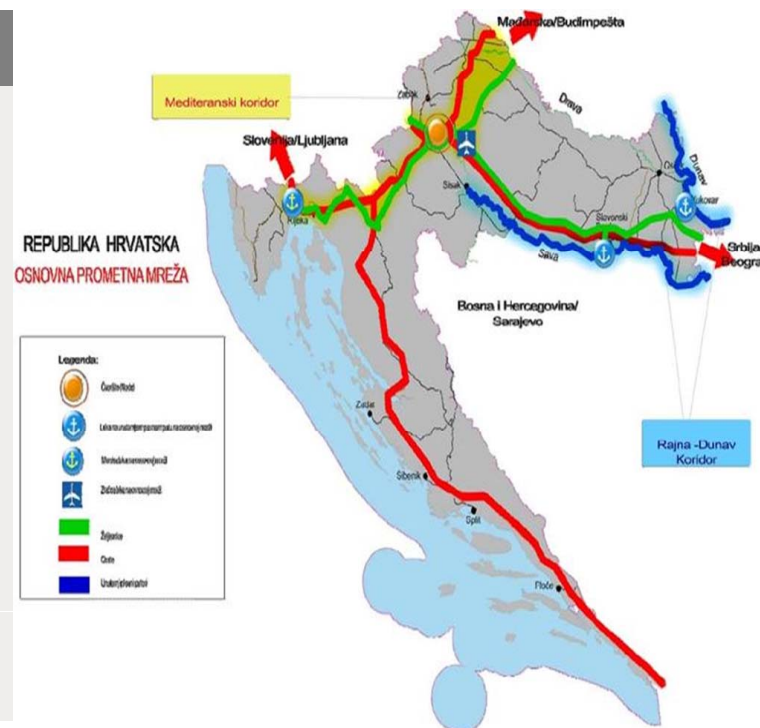


Key facts

- Draft of Strategy of Transport Development expected at the beginning of November
- Final Strategy deadline in February 2014
- Based on 6 sectoral strategies (railway, road, maritime, air, inland waterways, urban transport)
- Defines development and projects in key modes of transport and in different areas of Croatia in accordance with TEN-T European Network
- Basis for structural funds and private investments

Vision behind the Strategy

- Development of modern infrastructure that serves economy, tourism and citizens and integrates Croatia in European territory
- Enhancement of transport services in all modes of transport
- Defining railway sector, sea and river ports and road bottlenecks as priorities
- Increasing standards in infrastructure and services
- Adopting Strategy that will be the basis for comprehensive, integrative, intermodal, developing and socially responsible transport system





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Monetization of the Croatian highway companies HAC and ARZ



Project overview

Project scope:

Toll collection, operation and maintenance of the HAC and ARZ motorway networks would be leased out to a concessionaire.

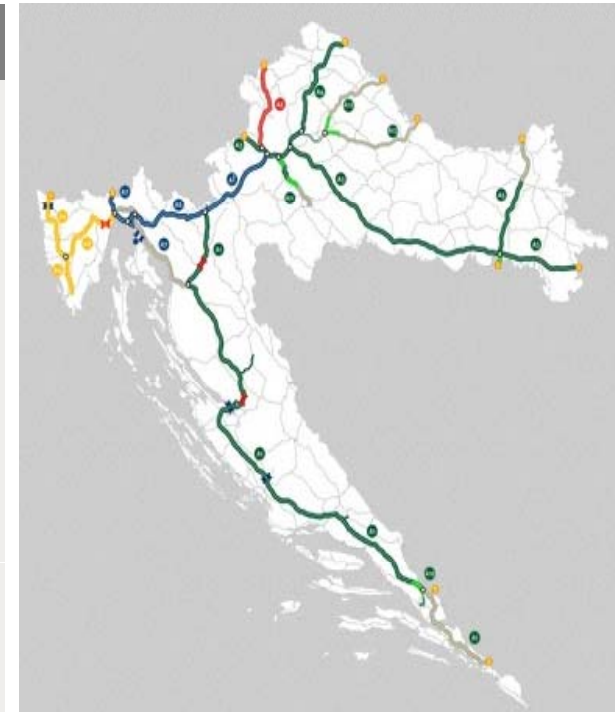
- The Project will include the full toll motorway infrastructure of HAC Ltd. and ARZ which consists of **total 1,024 km**
- Motorway parts currently under construction will also be included in the Project with the **total of 51.5 km**.

Concession period: 30 – 50 years

Concession fee: estimated at **EUR 3 billion**

Expected timetable

- The tender was launched in October 2013 and is **open until November 15, 2013**
- Public procurement process is expected to last until June 30, 2014
- Commercial close: July 2014
- Financial close: September 2014



The total concessionaire's investment is estimated at EUR 3 billion
Tender for investors: open until November 15, 2013





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Cargo Airport Osijek



Overview

- Cargo terminal is located on the area size of **1,500 m²** and separated on three parts: truck disposition, direct access to the apron for trucks and coolers
- Passenger terminal area is **1,500 m²**, capacity of 200 – 400 pax per hour
- Vicinity of developed road infrastructure and Danube corridor
- Close to Hungarian and Serbian border
- Two and half hours from the capital of Croatia

Status and outlook

- Marketing study and New Business Plan in development
- New investment expected in cargo, warehouse facilities and passenger building
- Investment in departing gate is the priority to keep the status of international airport and increase safety of traffic, passengers and goods in the near future.
- The future concessionaire / strategic partner would be expected to participate in modernisation of existing and construction of new capacities.
- Three options:
 - ✓ **recapitalization**
 - ✓ **repurchase of existing stockholders**
 - ✓ **concession with the features of the project public-private partnership or concession contract**



The company has already initiated discussions with foreign partners and decided to focus its core activity as a cargo centre.



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Airport Rijeka



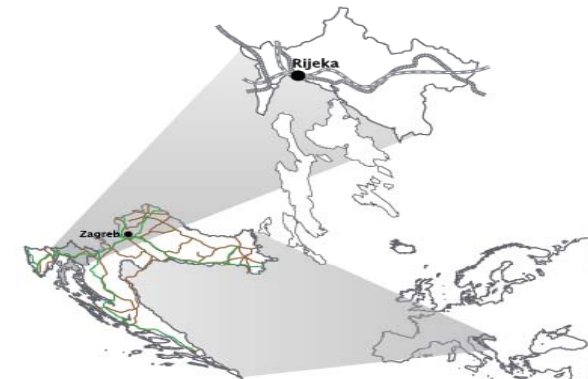
Overview

- 200,000 passengers annually
- Fast access to Central and Eastern Europe as well as other EU countries
- The best location for Adriatic destinations
- Top resort area with over 100 hotels and resorts in 50 km radius
- Operational airport throughout the whole year
- Vicinity to Port of Rijeka and its container terminal
- Well developed infrastructure
- Vicinity to Rijeka – Zagreb highway and Rijeka railway node
- Well developed business zones network and infrastructure
- Outstanding service of logistics sector

Status and outlook

Projects in pipeline:

- Reconstruction and expansion of the passenger building and airplane parking platform
- Construction of storage and manipulation facilities for management of goods
- Addition and reconstruction of the existing airplane taxiway
- The future concessionaire / strategic partner would be expected to participate in the investment of reconstruction, modernization and development
- Transaction currently envisages 3 options:
 - ✓ **Option one: recapitalization**
 - ✓ **Option two: repurchase of existing stockholders**
 - ✓ **Option three: (concession with the features of the project public-private partnership or concession contract)**



**The Company is looking for equity investment, PPP or concessionaire
Total investment of EUR 16 million**



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Zagreb Container Terminal – Port of Rijeka

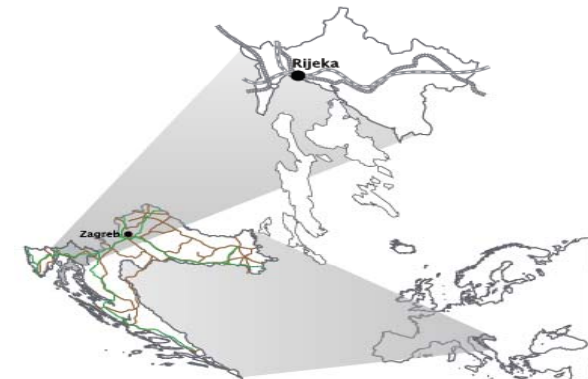
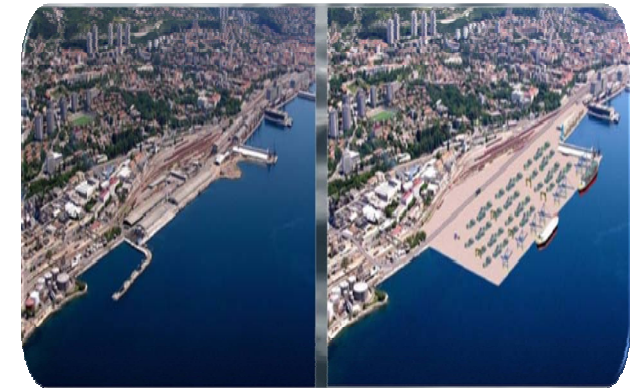


Overview

- Increase of capacity: 250 KTEU
- Planned capacity with existing: 350 KTEU per year
- Expected start of construction: 2014
- The Project will allow the Port of Rijeka to attract 5th and 6th generation vessels and supplement the extended container handling capacity of the Brajdica Terminal

Status and outlook

- Initial Phase 1 length of 400m, expanding ultimately up to the projected maximum length of 680m
- The PRA shall construct Phase 1 of the Terminal under the Design & Build Contract and shall create, in terms of permitting and designing
- The PRA has contracted the construction of the quay wall of 400 m in length with the associated landfill
- The future concessionaire/strategic partner would be expected to prepare Phase 1 works for commercial operations and develop, if deemed necessary, Phase 1A and Phase 2 of the Terminal



**The total concessionaire's investment is estimated at EUR 60 million
Tender for investors: expected Q4 / 2013**



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New Passenger, Bus and Cruise Terminal – Port of Dubrovnik



Overview

- Length for cruise/ferry: 1,350 m
- Water depth alongside wharfs: 8 - 11 m
- Passenger operative area: 88,000 sq. m
- Total GBA in port separated in few zones is about 120,000 sq. m
- Future marine terminal is to become the main passenger, shopping and transport facility in Dubrovnik which will be able to accommodate approximately 12,000 passengers, customers, service users

Status and outlook

- Current spatial development plan envisages 3 zones with specific facilities necessary for functioning of the port: new passenger, bus and cruise terminal with additional facilities serving city, citizens and tourists.
- Preliminary project design and feasibility study finished
- Space - traffic study in preparation
- The future concessionaire / strategic partner would be expected to participate in the investment of "New Passenger Marine, Bus and Cruise Terminal" for its commercial operations.



**The total concessionaire's or strategic partner
investment is estimated at EUR 40 million.**



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New Passenger, Ferry and Cruise Terminal – Port of Zadar

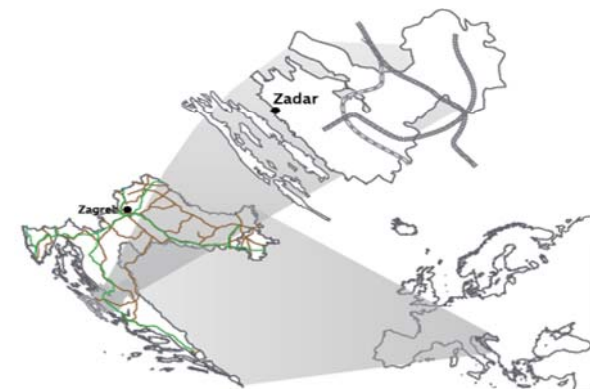


Overview

- Total investment of EUR 190 million
- Phase one – LOT I has already been developed – EUR 45 million
- Phase II – LOT II and LOT IIIa are in construction and currently 80% of the phase is finished - EUR 110 million
- Phase III – construction of the Passenger, Cruise and Ferry Terminal is to be developed by the potential investor

Status and outlook

- The construction of the new port infrastructure has started in May 2009 and is expected to be completed in June 2014
- The basic task for years 2013 and 2014 is to find a partner – concessioner by international tender procurement who will, based on a long-term concession agreement, develop port superstructure.
- The Transaction currently envisages two options:
 - ✓ Option 1: Build to suit under current adopted and prepared documents by the Port of Zadar Authority for the Terminal building
 - ✓ Option 2: Construction of a new building according to operators/investors preferences (preparation of this option would take at least 2 years)



The total concessionaire's or strategic partner investment is estimated at EUR 35 million under option 1.



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New Container and Dry Bulk Cargo Terminal – Port of Ploče

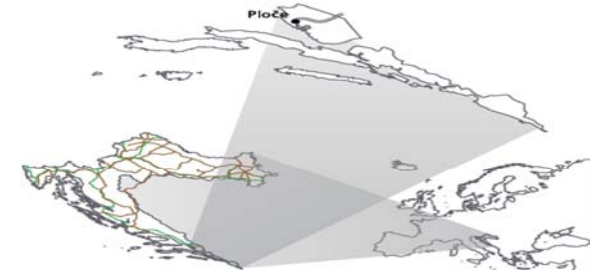


Overview

- Container Terminal
- First phase finished
- Length of 280 m and 27 m width
- Annual capacity of 66,000 TEU
- Dry Bulk Cargo Terminal
- The works commenced in the May of 2012 and the Terminal will be completed by 2015
- Potential area for development
- 500,000 m² of unconcessioned space separated in more parcels

Status and outlook

- At the final stage the terminal will occupy 23 ha and have annual capacity for 500,000 TEU
- Dry Bulk Cargo Terminal will be built on the area of 240,000 m².
- The whole terminal will have a final capacity of 6.2 million tons per year.
- Whole area has the regime of free (customs) zone where the special incentives and treatment may be applied especially to “non-EU” goods
- Possible options for a Concessionaire or a Strategic partner
- Opportunity for strategic partner to construct the terminal on the remaining waterfront area, or to ask for the concession for the construction of the specialized multi purpose structures (warehouses and plant facilities) in the port inland area for their goods.



The terminal will be completed by 2015



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New Port East Project – Port of Vukovar

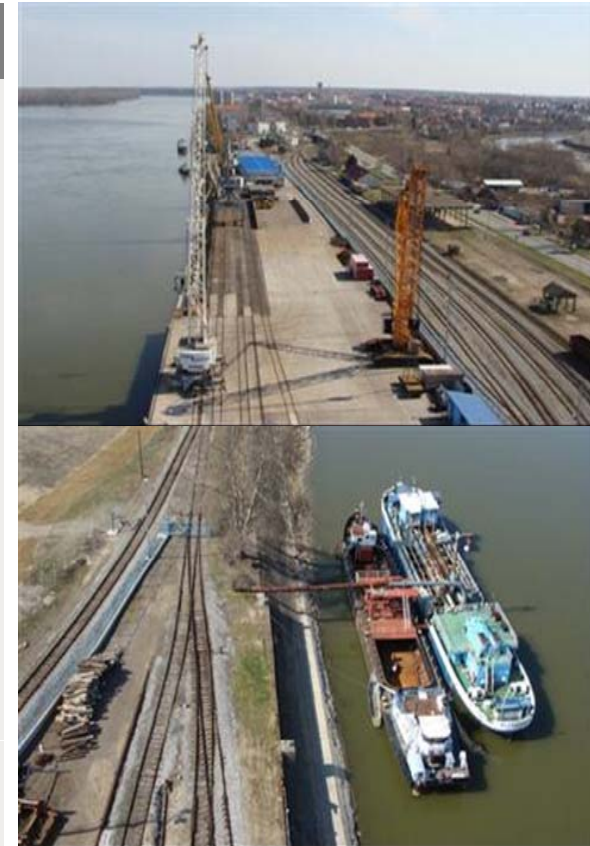


Overview

- The port has capacity for manipulating with 1.500.000 metric tons of cargo per year
- The project encompasses the construction of infrastructural port facilities, road and rail as well as communal infrastructure, port loading and unloading equipment, and the construction and purchase of terminal-related equipment for:
 - ✓ bulk cargo terminal including cereals
 - ✓ multipurpose terminal
 - ✓ general and palletized cargo terminal
 - ✓ ship supply management and collection of waste liquids from the vessels
- Construction costs estimated: 24 mil €
- Invested costs: 6 mil € (land property issues, project documentation to building permit)
- Expected start of construction: 2014

Status and outlook

- The feasibility study for the project was developed in 2005
- The preliminary design and the environmental impact analysis for the project was completed in 2009 and has been modified during process of issuing location permit in June 2010.
- This project is being put forward by the Port Authority in Vukovar as the beneficiary, under the Transport Operational Programme Priority 2 - upgrading Croatia's inland waterway system.
- The future concessionaire / strategic partner would be expected to participate in the investment of "Reconstruction of the Port of Vukovar - New Port East" for its commercial operations and to develop, if deemed necessary, further development phases of the port.



The total concessionaire's investment is estimated at EUR 24 mil



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THANK YOU!



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