

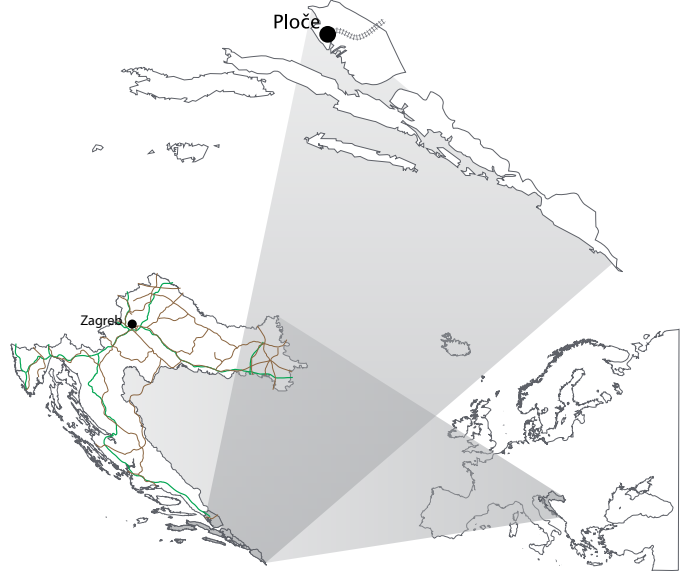


REPUBLIC OF CROATIA

PORT OF PLOČE, Intensive development activities

THE PORT WHICH WILL SOON DOUBLE ITS CAPACITY

- Currently the port capacities and port infrastructure are at the annual level of 5.5 million tons of various cargo (general, containers, dry bulk cargo, liquid cargo like gasoil, gasoline, vegetable oil).
- The port is approaching the completion of the Trade and Transport Integration (TTI) development programme with a significant financial support of the Government of the Republic of Croatia and the World Bank loan into the port infrastructure of sophisticated port terminals. The first phase of the Container terminal (capacity of 60.000 TEU) is already completed and the terminal is in operation from 2011. The new Dry Bulk Cargo Terminal (annual capacity of the first phase is 4.6 million tons) is under the development and it will start with operations until the end of 2017. The Entrance Terminal with parking areas, administrative building and control station will be in operation by the end of 2016 and it will be linked to the Croatian Highway A1 (Ploče-Zagreb) and to the future highway through Bosnia and Herzegovina (alongside the route Ploče-Sarajevo-Budapest).
- The Port Authority has already signed long-term concession agreements for the investment and operationalization of the existing port capacities and the terminals which belongs to TTI Project with Luka Ploče Plc on the basis of a public-private partnership. Total investment of TTI Project (infrastructure and superstructure) is more than 170 million EUR.
- Beside TTI Project, there are other greenfield investments of various concessionaires (new Terminal for liquid cargoes, LPG Terminal, biodiesel plant) in the port. The value of the mentioned investments is over 120 million EUR.
- After the completion of the mentioned development projects, the port capacities will enable the annual port traffic of more than 10 million tons.



TRANSACTION MODEL

The potential port users can use available infrastructure and superstructure, and build new facilities according to the concession rights which are granted for a term of up to 99 years.

TWO POSSIBLE WAYS OF TRANSACTION:

1. Port of Ploče as the hub port for goods – usage of existing port capacities and capacities under development
2. Concession to investors for future investments in the port area as there is more than 50 hectares free for future development.

Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia, Prisavlje 14, 10 000 Zagreb, Croatia

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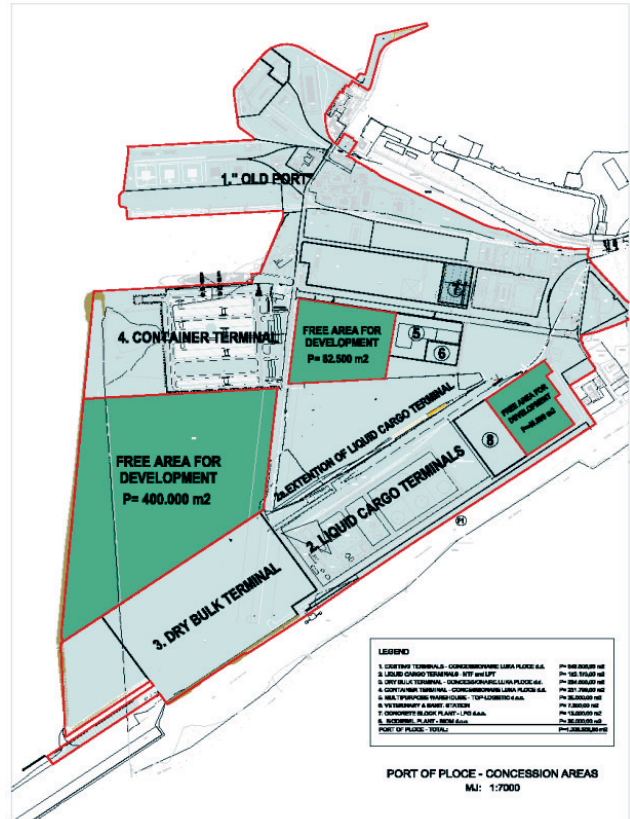
INVESTMENT OPPORTUNITY

The Ploče Port Authority started with the “Trade and Transport Integration” development programme aiming at increasing the port capacities, improving the port efficiency and the quality of port services and thus resulting with better competitiveness of the port and the whole transport chain which passes through this port.

The port is open to all investors from all over the world who recognize the attractiveness of the port of Ploče location and its advantages.

It is a port of special international significance for Croatia; however, due to its position, it is also of an exceptional importance for the economy of Bosnia and Herzegovina. The border with Bosnia and Herzegovina is only 25 km far from the port of Ploče and therefore more than 80% of the port traffic refers to the foreign trade of Bosnia and Herzegovina.

The geo-strategic location of the port and the fact that it is a seaport of the branch C of the Fifth European Transport Corridor (“Vc”) enable smooth and efficient transit of goods to/from Bosnia and Herzegovina, parts of Serbia, Croatia, Hungary and Slovakia, as well as the existence of the opportunity of transshipment to/from Italian ports. The main gate of the port of Ploče will be connected to the Croatian A1 Zagreb – Split – Ploče Highway and to the future highway at the Fifth Transport Corridor Vc (Ploče-Sarajevo-Budapest). **The port area covers more than 230 hectares, out of which 50 hectares are still undeveloped and ready for the concession.**



The port of Ploče is an EU seaport, but it is important to stress that almost the whole area has the regime of free (customs) zone where the special incentives and treatment may be applied especially to “non-EU” goods.

DESCRIPTION OF THE PORT OF PLOČE

The Port of Ploče is the second largest Croatian port in terms of annual cargo volumes. The basic precondition for a successful functionality of the whole port system is the optimization of the integration and coordination of all entities and factors which directly or indirectly participate in the production of the port and the entire transport service. The Port of Ploče is of an international economic importance for the Republic of Croatia.

By the decision of the Government of the Republic of Croatia, the port area is managed by the Ploče Port Authority

as a non-profit institution, the responsibility of which, in addition to the port basin in Ploče, extends also to the basin of the Metković river port, which is located 24 km to the north-east of Ploče.

The main goal of the Ploče Port Authority is the transformation of the port from a traditional port into the regional center of logistics where various distribution and value added services would be carried out on the goods which transit the port.

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