



REPUBLIC OF CROATIA

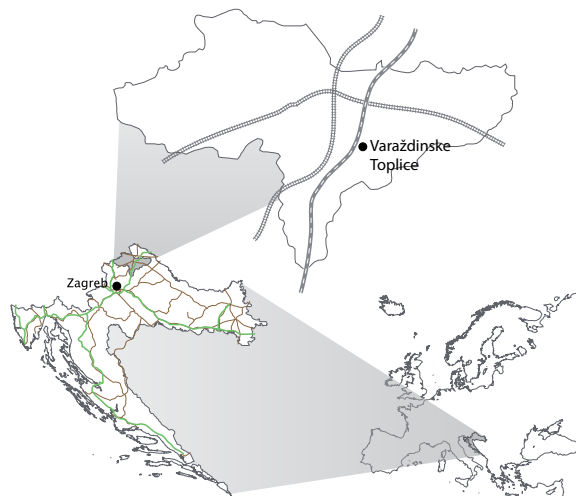
RECONSTRUCTION OF VARAŽDINSKE TOPLICE SPA, Varaždinske Toplice

LOCATION AND PROJECT HOLDER

The Project holder is the Special Hospital for Medical Rehabilitation, founded and owned by the County of Varaždin. The Hospital, with its 660 employees, is the major revenue generator in Varaždinske Toplice, offering medical, health and tourism and hospitality services.

Varaždinske Toplice is a town with centuries old spa tradition (there are archaeological excavations of the 2nd century thermal baths belonging to the period of Roman emperor Constantin).

The town has a very good position for development of medical tourism – it is strategically situated next to the A4 Highway Zagreb – Goričan, 75 km from the City of Zagreb and 17 from Town of Varaždin.



THE PROJECT DESCRIPTION

The Project is based on the usage of thermal water. The owner of the land and the plant for pumping thermal water is the Special Hospital for Medical Rehabilitation, which has a concession right until 2018, with right of priority for its renewal. The Hospital has over 300 years of healing tradition, reputation of being the leading special medical rehabilitation hospital in Croatia with over 100 experts with long-standing experience in rehabilitation and top experts in orthopaedics and neurology. Its aim is to upgrade Varaždinske Toplice into a high category health tourism destination, which will give the Hospital a high recognisability factor and a good positioning on

the market as a prime destination in health tourism. In addition to encouraging the development of health tourism, the project implementation will improve the effectiveness, quality and attractiveness of the existing medical and health offer.

The project foresees the reconstruction of the existing hotel and accommodation facilities (hotel complex Minerva and accommodation facilities Konstantinov Dom and Lovrina Kupelj), as well as reconstruction of the energy plant. All planned works will be done within existing dimensions.



ESTIMATED VALUE

46.8 million EUR

TRANSACTION MODEL

The Project holder is looking for a strategic partner. The potential transaction may include the joint venture or equity investment in the current company.

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

CURRENT STATUS

The conceptual designs for all three facilities have been completed.

Agency for Investments and Competitiveness, Prilaz Gjure Deželića 7, 10 000 Zagreb, Croatia

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CURRENT AND FUTURE ACCOMMODATION AND MEDICAL CAPACITIES

- **Hotel Minerva** currently has 265 rooms, 4 suites and sport and recreational facilities. The Project envisages reconstruction and upgrade of accommodation capacities, construction of a polyclinic, therapy area and medical wellness. Additional works include reconstruction and extension of indoor and outdoor swimming pools and reconstruction of congress facilities. The planned categorization is 4-star.
- **Konstantinov Dom** is a two-floor T-shaped building, constructed in 1779. It was once the centre of the spa complex, while today it is a guest house with 161 beds. The Project foresees reconstruction of the roof, façade and accommodation capacities, with additional construction of apartments that will be used for medical care, in accordance to the medical standards. The Konstantinov Dom will be converted from a hospital accommodation to hotel accommodation facility with 3-star categorization and 64 beds.
- **Lovrina Kupelj** was built in 1871 and reconstructed as a hotel in 1920. It currently offers 117 beds. The Project envisages its detailed reconstruction into the hotel categorized by 3-4 stars. The hotel will include water and therapy facilities, a polyclinic with therapy area and a medical wellness centre.



In addition to facilities included in the Project, the Special Hospital for Medical Rehabilitation owns a number of other business and residential facilities, the archaeological park and several land plots.

VARAŽDIN COUNTY

Population (2011): **175,951**

GDP per capita (2014): **8,448 EUR**

Unemployment rate (2016): **9.5%**

Average gross salary: **809 EUR**

Average gross salary in the sector (tourism): **719 EUR**

Varaždin County is located in Northwest Croatia and represents the central transportation corridor that connects the Central Danube to the Adriatic. It is at the heart of the Zagorje Route, which traditionally has linked Northwest Croatia to Slovenia and Hungary.

Beyond the strongest metal processing sector, the County's economy is based on agriculture, manufacturing and processing industries (milk production, meat processing, beverage production), textile and leather production. The County has a well developed ICT sector with over 120 different ICT companies.

The County has recently introduced a number of measurements and activities in order to stimulate investments and economy. Adoption of City of Varaždin development strategy, improvement of a business climate,

building of necessary infrastructure and encouraging the development of new technologies resulted in recognition of Varaždin County as a highly desirable investment destination.

The County has a rich cultural heritage and sports offer. In addition to numerous biking and hiking routes, the regional tourist offer includes the baroque city of Varaždin, excursions to castles of Hrvatsko Zagorje and Centrum Mundi in Ludbreg.

The County considers education to be a very important aspect to economic development. Three Zagreb University faculties are located in Varaždin (Faculty of Organization and Informatics, Geotechnical Faculty and a Faculty of Textile Technology) as well as University North, recently formed through the merger of existing facilities in Varaždin and Koprivnica-Križevci counties. University North offers a number of study subjects (Biomedical Science, Electrical and Civil Engineering), including the renowned High School of Nursing. In addition to the existing institutions of higher education in Varaždin, many students, due to greater choice of faculties and its proximity to Zagreb, are studying at Zagreb University, the major university center in Croatia.

CONTACTS

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