

CATALOGUE OF INVESTMENT OPPORTUNITIES

Republic of Croatia



INTRODUCTION

Dear Prospective Investor,

We are delighted to present you with the Catalogue of Investment Opportunities, an overview of various investment projects in the Republic of Croatia. By bringing this Catalogue to your attention, we wish to introduce you to the remarkable investment potential Croatia has in various economic sectors - potential that can bring numerous rewards to our interested international partners. Collecting noteworthy projects in one brochure and presenting them to a wider audience is a part of Croatian Government's dedicated efforts of attracting investment and improving business climate in Croatia.

This glimpse of Croatia's current investment potential entails some of the most interesting projects offered in Croatia and promoted by relevant institutions working in the field of attracting investments, i.e. Ministry of Regional Development and EU Funds, Ministry of Foreign and European Affairs, Ministry of Economy, Ministry of Entrepreneurship and Crafts, Ministry of Maritime Affairs, Transport and Infrastructure, Agency for Investments and Competitiveness, Center for Monitoring Business Activities in the Energy Sector and Investments, Croatian Agency for SMEs and Investments and Croatian Chamber of Economy.

Aware of the importance of foreign direct investments for a dynamic and sustainable growth of the economy, the Croatian Government recently considerably increased incentives for launching investment projects and has been continuously implementing new regulations to encourage investors to expand their business operations to the Republic of Croatia. Our goal is for Croatia to become one of the most attractive investment destinations in Europe. To this end, the Croatian Government will continue to further develop our business environment and the already existing high quality services Croatia offers to foreign investors.

Each project summary presented here provides initial information as a basis for entering into in-depth project assessment. This publication also includes contacts of the person responsible for providing you full information on each project. We will be happy to give all further materials you may be interested in receiving and ensure professional assistance during the entire investment process.

Respectfully,



Vesna Pusić

First Deputy Prime Minister
and Minister of Foreign and
European Affairs

A handwritten signature in blue ink, appearing to read 'Vesna Pusić'.



Branko Grčić

Deputy Prime Minister
for Economic Affairs
and Minister of Regional
Development and EU Funds

A handwritten signature in blue ink, appearing to read 'Branko Grčić'.



Ivan Vrdoljak

Minister of Economy

A handwritten signature in blue ink, appearing to read 'Ivan Vrdoljak'.

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PROFILES OF INSTITUTIONS FOR INVESTMENT SUPPORT

Agency for Investments and Competitiveness (AIK)

Center for Monitoring Business Activities in the Energy Sector and Investments (CEI)

Croatian Agency for SMEs and Investments (HAMAG INVEST)

Croatian Chamber of Economy (HGK)

Croatian Chamber of Trade and Crafts (HOK)

CENTRAL PLACE FOR THE IMPLEMENTATION OF YOUR INVESTMENT

WHO ARE WE?

The Agency for Investments and Competitiveness (AIK) is an agency of the Croatian Government whose main task is to promote Croatia as a desirable investment destination, proactive attracting and implementation of investment projects as well as enhancement of the competitiveness of the Croatian economy on a global level.

Our role is to be the central place which ensures investors a transparent and all-encompassing service using a tailor-made approach in the implementation of investment projects in the Republic of Croatia.

MISSION

„The AIK’s mission is to enable the investors to quickly and successfully achieve their business projects in the Republic of Croatia with its services and professional attitude, to promote sector specialization, cluster competitiveness and identify measures to streamline their business and raise the level of competitiveness in the Republic of Croatia.”

VISION

„The AIK’s vision is to act through attracting and encouraging investments and raising competitiveness of the Croatian economy to ensure that Croatia becomes a highly competitive country in the region with significant growth and development that will be based on knowledge, products and services of high added value, which will contribute to new employment.”

OUR GOALS

- to increase the number of investment projects
- to create new workplaces
- to enhance the investment environment

OUR SERVICES

Promotion of Croatia as an investment destination	Support of the implementation of investment projects through	Increasing the competitiveness of the Croatian economy
<ul style="list-style-type: none"> • Strengthening of Croatia’s image as a globally competitive economy • Preparation and organization of specific seminars/ conferences on investment opportunities in Croatia • Coordination of all promotional activities on the international market with partner institutions 	<ul style="list-style-type: none"> • Offering of all the necessary information on business opportunities in Croatia • Preparing projects for investment in Croatia • Supporting investment projects in all phases of implementation through “tailor-made” approach 	<ul style="list-style-type: none"> • Improvement of investment environment • Removal of administrative barriers • Support to the work of clusters of competitiveness

Our strength lies in a young and experienced team that will use its knowledge and experience to offer you the best support in the implementation of your investments. All our services are free of charge.

WE ARE AT YOUR DISPOSAL FOR ALL YOUR QUESTIONS!

CEI - CENTER FOR MONITORING BUSINESS ACTIVITIES IN THE ENERGY SECTOR AND INVESTMENTS

ABOUT CEI

The CEI was established with the objective of finding solutions for improving the financial effectiveness of companies in the energy sector in which the state has shares or stakes, and appropriate and targeted directing of funds in a manner that ensures the greatest and most long-term economic return, stable growth and centralised and systematic monitoring of investments in the Republic of Croatia.

Our goal is to enable the transparent administration, monitoring and implementing of the energy strategy of the Republic of Croatia, and in a systematic manner to cover and provide support in managing investments of the state and of state-owned companies.

OUR CORE ACTIVITIES

4 BASIC PILLARS OF CEI:

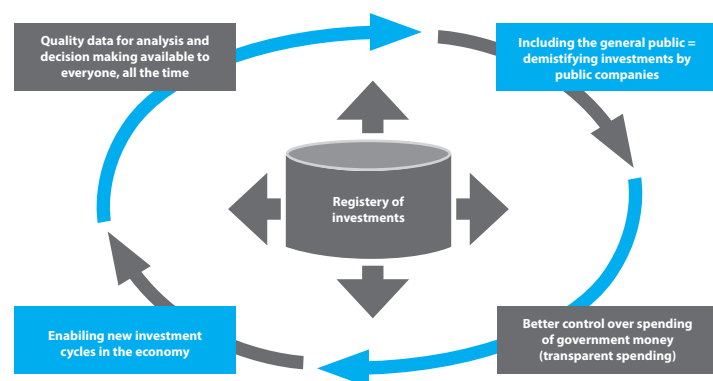
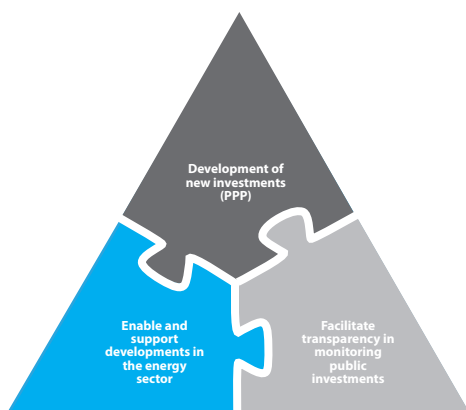
1. Preparing capital energy projects and supporting renewable energy sources
2. Monitoring public investments
3. Developing new public – private partnerships
4. Increasing public investments

ALL DIVIDED IN THREE SECTORS:

- ENERGY SECTOR
- INVESTMENT SECTOR
- PPP SECTOR

GOAL AND PURPOSE OF CEI

Making information on investments by public Companies transparent to the Government and citizens.



ABOUT HAMAG INVEST

HAMAG INVEST (Croatian Agency for SMEs and Investments) was established by the Government of the Republic of Croatia with the purpose of enhancing SME development and investment promotion. HAMAG INVEST is an independent institution under the supervision of the Ministry of Entrepreneurship and Crafts of the Republic of Croatia.

OUR CORE ACTIVITIES

- Investment promotion
- Issuing guarantees for bank credits to SMEs
- Grant schemes implementation
- Co-financing consultant services

WE AIM TO

- Facilitate creation of favourable environment for entrepreneurship and investment
- Actively promote Croatia as an attractive location for investment
- Provide active support to the economic development of Croatia
- Create positive international image of Croatia

OUR SERVICES FOR INVESTORS

- Dissemination of information about advantages of investing in Croatia
- Providing information about investment opportunities in Croatia
- Providing support to foreign investors regarding their investment activities
- Providing foreign investors with information about legislation, incentives, locations, potential suppliers
- Providing assistance with the application for investment incentives
- Facilitating communication between foreign investors and national and local authorities
- Aftercare services for foreign investors already operating in Croatia



CROATIAN CHAMBER OF ECONOMY

The Croatian Chamber of Economy is an independent professional and business organisation of all legal entities engaging in business. The Chamber consists of the Headquarters in Zagreb and 20 county chambers. Functionally, the CCE consists of 8 departments dealing with the respective branch of the economy, and it also includes 9 centers, 55 professional associations, 88 groups and 35 affiliations. Apart from this, within the CCE act Permanent Arbitration Court, Conciliation Centre, Court of Honour and CCE Office for Areas of Special State Concern.

NUMEROUS DATABASES

- Online catalogue of investment projects (available on www.hgk.hr)
- Croatian company directory - more than 90,000 active members
- Business opportunities exchange
- Business zones
- Croatian export directory
- Croatian Waste Materials Exchange

INFORMATION

- On relevant laws and regulations in the field of investment and economics
- On current economic situation in Croatia
- On how to start-up business in Croatia
- On national and local investment incentives and opportunities

ASSISTANCE

- Linking potential investors with project holders
- Facilitating communication with the institutions on national and local level
- Support to the investors in dealing with administrative procedures on all levels
- Providing suppliers' database and facilitating contact with potential business partners
- Organising individual, tailor-made visits of potential investors to Croatia

Assistance is provided on all levels through a network of 20 County Chambers in Croatia and representative offices abroad.

ABOUT HOK

HOK (Croatian Chamber of Trades and Crafts) is an independent professional business organization of tradesmen and craftsmen with the aim of promoting, coordinating and representing the joint interests of tradesmanship and craftsmanship. The Chamber was refounded by its Assembly on July 1st 1994. HOK represents its members before the state and other authorities in Croatia and abroad. The Croatian Chamber of Trades and Crafts is a legal entity with public authorities.

OUR CORE ACTIVITIES

- Representing craftsmen`s interests before state authorities and in the forming of economic policies
- Providing state authorities with opinions and suggestions when passing regulations concerning trades and crafts
- Founding commissions for apprentice and master`s exams
- Tradesmen and craftsmen`s activities
- Founding of the arbitration council
- Assisting tradesmen and craftsmen in establishing and operating a trade/craft business
- Co-financing organized participation of tradesmen and craftsmen in international trade fairs in Croatia, Bosnia & Herzegovina, Turkey, Serbia, Macedonia, Germany, Austria and Slovenia

WE AIM TO

- Cooperate with chambers, associations and similar organizations abroad and participate in bilateral incentives
- Establish business to business relations and organize business meetings between Croatian tradesmen and entrepreneurs and tradesmen and entrepreneurs from other countries
- Intensify our activities in the European Association of Trades, Small and Medium-Sized Enterprises (UEAPME) in Brussels where we follow the activities of different boards connected to tradesmanship and entrepreneurship

OUR SERVICES FOR MEMBERS

- Education on the secondary school level and retraining and upgrading of tradesmen and potential tradesmen in the form of lifelong education
- Organization and conduction of apprenticeship and master craftsmen`s exams
- Advisory service offers legal, economic and technical advice on a daily basis
- Court of Honour ensures fair business practices, fulfilment of contractual obligations concerning apprenticeship training, Chamber member`s rights and deals with complaints of its members
- Centre for Mediation provides mediation and peaceful dispute resolution services to Chamber members as well as natural and legal persons from the country and abroad
- Trades and Crafts Journal – monthly periodical with a circulation of approximately 85,000 copies

STATE-OWNED PORTFOLIO

TOURISM REAL ESTATE PROJECTS

Project Kupari

Project Pineta

Janković Castle



REPUBLIC OF CROATIA

PROJECT KUPARI, Kupari

POTENTIAL TRANSACTION

The main goal of this potential transaction is to contribute to further development of high-end tourism in Dubrovnik-Neretva County through the completion of the state owned real estate project Kupari.

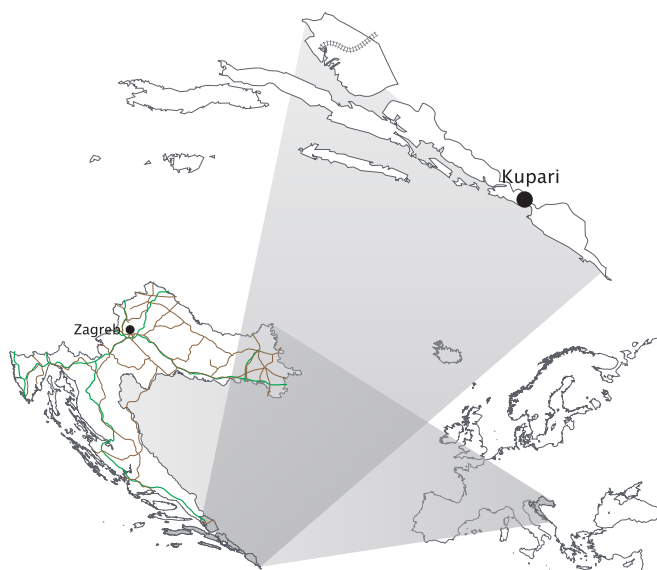
The project is on one of the most attractive locations in the region and potentially includes two sites:

Kupari I, which covers a land area of 14 hectares foreseen for building/reconstruction of hotel accommodation capacities with approximately 1,500 beds,

Kupari IV, an undeveloped area on 12 hectares, planned for construction of accommodation facilities (total 800 beds).

OBJECTIVE:

To develop the Project by investing in the construction of a new tourist resort, including new facilities and amenities, and introducing modern destination management practices.



CURRENT STATUS OF THE REAL ESTATE INCLUDED IN THE PROJECT

The Kupari Tourist Complex is a former military resort, situated in the village Kupari, near the Old City of Dubrovnik (11 km) and Dubrovnik International Airport (16 km).

At the beginning of the 1990s the whole Complex was destroyed and no investments have been made in reconstruction of existing or building new capacities since.

Today a part of the resort (Kupari I) includes five non-operating

hotels and the Kupari Auto Camp which was leased until the end of 2012. The total accommodation capacity of all five hotels, situated near the waterline, was 1,626 beds. The auto camp could accommodate 4,500 people.

All facilities are in a very poor condition and need significant reconstruction or rebuilding.

The area of Kupari IV has not been developed yet.

TRANSACTION MODEL

The transaction is planned to be performed in stages. The first stage should include Kupari I site, for which right to build will be offered as a transaction model.



PORTFOLIO OF EXISTING FACILITIES

HOTELS:

Grand Hotel: built in 1920, renovated in 1979, with a total of 139 beds and net developed area of 6,102 m². Allowed construction density (KIG) is 0.20 while allowed construction efficiency (KIS) is 0.40,

Goričina I Hotel: built in 1965, with 162 beds, net developed area of 2,140 m², KIG 0.44 and KIS 1.19,

Goričina II Hotel: built in 1980, with 352 beds, net developed area of 12,282 m², KIG 0.44 and KIS 1.19,

Pelegrin Hotel: built in 1966, with 419 beds, net developed area of 7,346 m², KIG 0.49 and KIS 1.32,

Kupari Hotel: 554 beds, net developed area of 19,894 m², KIG 0.30 and KIS 0.96.

AUTO CAMP

Kupari Auto Camp: possibility to accommodate 4,500 people.

DUBROVNIK-NERETVA COUNTY

Population (2011): **122,783**

GDP per capita (2010): **10,457 EUR**

Unemployment rate (2011): **18.8%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises 5 cities and 17 municipalities. The County includes smaller islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards).

The main characteristic of the County's economy is the predominance of tertiary services with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines.

The County is very well connected by Dubrovnik International Airport, close proximity to the modern A1 Split-Zagreb Highway, the deep sea port of Dubrovnik suitable for cruisers as well as an important cargo port

Ploče (gateway of the future Pan-European transportation corridor Vc). Dubrovnik's famous medieval old town (listed on UNESCO's world heritage list since 1979) along with the island of Korčula has positioned Dubrovnik and the County as a high-end European and global tourist destination (New York Times shortlisted Dubrovnik among 45 places to visit in 2012, USA Today placed Dubrovnik at the 4th place of prettiest European cities in November 2013).

Tourism is constantly developing as a strategic industry for the County, through investments in new and existing hotels, sports and infrastructure capacities (14 five-star hotels and 18 four-star hotels, two golf resorts planned within 35 km, a new investment in ACI Marina Slano).

The potential for high-end tourism has already been identified by international hotel chains (Hilton, Radisson Blue, Rixos, Uzel Holding, Adriatic Luxury Hotels and Luksic Group) present in Dubrovnik and planned opening of Amanresorts in Cavtat in May 2014.

The educational infrastructure relevant to the sector includes high schools for hospitality and catering, and two universities with excellent programs related to tourism (ACMT-RIT New York and Dubrovnik University).

CONTACTS

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr;
Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

State Office for Management of State-owned Assets (DUUDI), www.duudi.hr, e-mail: info@duudi.hr

Ministry of Tourism, www.mint.hr, e-mail: razvoj@mint.hr



PROJECT PINETA, Fažana

REPUBLIC OF CROATIA

PROJECT DESCRIPTION

Brijuni Rivijera Ltd. is a development company founded in 2003 by public authorities (The Republic of Croatia and Istria County) with the purpose to develop and implement the project of Brijuni Rivijera, based on the Master Plan of Istrian tourism of Brijuni Rivijera area. It is planned to be developed on three unique locations: Pineta, Hidrobaza and Sv. Katarina and Monumenti, which should be profiled as the highest category tourism destination.

Selected Brijuni Rivijera locations are situated in the south-western part of the Istrian coast, on the ground of the Municipality of Fažana in the North and the City of Pula in the South. The Pineta site is situated just in front of the Brijuni Islands, half a kilometre near Fažana.

The total surface of the Pineta location is 50 hectares. The planned building surface is 11.4 hectares, and the remaining 38.6 hectares include an area for sports and recreation and the beach in a pine forest overlooking the Brijuni Islands.



PLANNED CAPACITIES

According to the Urban Development Plan of the Municipality of Fažana, the available area is determined for the following proposed facilities:

HOTEL:

Hotel 4* – 5 *, with a total of 650 beds.

ADDITIONAL FACILITIES:

- Additional food and beverage facilities
- Wellness centre, swimming pool and tennis courts
- Promenade with a central square.

TRANSACTION MODEL

To be determined.



ISTRIA COUNTY

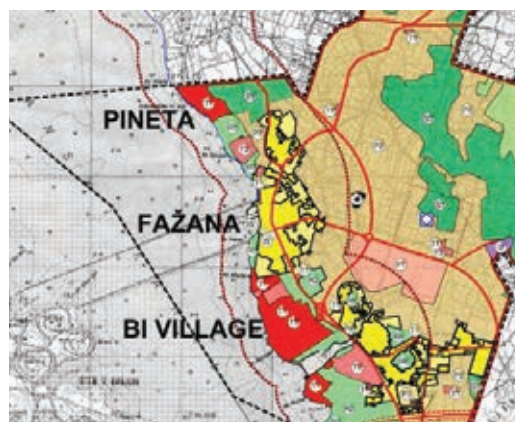
Population (2011): **208,440**
GDP per capita (2010): **12,897 EUR**
Unemployment rate (2011): **11.5%**
Average gross monthly salary: **997 EUR**
Average gross salary in the sector (tourism): **1,142 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula).

Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (25% of all arrivals and 32% of all overnight stays in Croatia in 2012) and trade sector. In recent years, a great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia".

There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands were strongly developed). In the past decade, intensive investments (760 million EUR) in a construction of new and reconstruction of existing, primarily high-class hotel facilities were made resulting in a significant increase of five-star hotels (total of 4) and four-star hotels (total of 30).

In the structure of accommodation, from a total of 244,728 units, camps are the most represented (44.4%), followed by



private accommodation (22.6%), apartments and rural tourism (12.8%), hotels (11.2%) and accommodation in marinas (6.7%). Main markets in terms of overnight stays are Germany (28.7%), Slovenia (14.2%), Austria (11.0%) and Italy (10.6%).

Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre-Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing, and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza and Sv. Katarina i Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACTS

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr
Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

State Office for Management of State-owned Assets (DUUDI), www.duudi.hr, e-mail: info@duudi.hr

Ministry of Tourism, www.mint.hr, e-mail: razvoj@mint.hr



JANKOVIĆ CASTLE, Suhopolje

PROJECT DESCRIPTION

Janković Castle, located in the municipality Suhopolje in the central part of Virovitica-Podravina County, has a historical, architectural and townscape value and as such is protected as a cultural monument. Together with the historical park and the remaining supporting structures, the castle makes a valuable example of feudal countryside architecture of the late 18th and the early 19th century.

The main idea behind the project is renovation of the old castle and the corresponding facilities in a 4-star hotel with accompanying wellness, restaurants and sports facilities (swimming pools) on the total area of 74,430 m². The location has very good transport links (distance from the highway is 75 km, railway 1 km, airport 85 km) and all necessary infrastructure (gas, electricity, water, sewage) is provided. Given the lack of accommodation facilities, especially those of high quality in the region of Virovitica-Podravina County, the project offers significant potential for tourist development of the region, particularly for sports tourism such as hunting. This region is rich with big game and is known for a large number of wild boars and high quality deer as well as attractive quail hunting in the summer and hare, pheasant, partridge and wild duck hunting in the winter season.



POTENTIAL TRANSACTION STRUCTURE

Janković Castle, 100% owned by Virovitica-Podravina County, will be offered to a strategic partner based on right to built model which will be granted for 99 years and will cost 1 HRK per year (1 HRK = 0.13 EUR) under the condition that the real estate will be brought to purpose within five years from the selection of the best bidder.

ESTIMATED VALUE

Total project value is estimated at 10 million EUR.

CURRENT PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the fulfilment of the project have been obtained. The main project is currently being verified.



PLANNED FACILITY



- Total land area: 74,430 m²
- Gross developed area: 2,819 m²
- Ground floor area: 1,280 m²
- Number of levels: 2
- Number of accommodation units: 60

VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,586**

GDP per capita (2010): **5,869 EUR**

Unemployment rate (2011): **32.5%**

Average gross monthly salary: **851 EUR**

Average gross monthly salary (tourism): **541 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, whose slopes gradually merge with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms. Cultural, historical, theatrical and sporting events, exhibitions and concerts have had a long tradition. Through two large mosaic event cycles – 'Rokovo' and 'December in the city', traditional and modern customs are brought together. New restaurants and accommodation facilities, categorized from two to four stars, are systematically opened in accordance with the increased demand.

Fruit growing, horticulture and cattle breeding has a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting for beekeeping, and beekeepers are known as the best in Croatia due to quality and quantity

of their honey. The location of Virovitica-Podravina County at the intersection of important traffic routes has also led to the development of trade. Renowned international fairs – 'Viroexpo' and 'Agroexpo' in Virovitica and 'Agroarca' in Slatina have grown from small local events to some of the largest fairs of this type in Croatia.

The Papuk Park is at the forefront of recreational facilities offer because of a series of educational, recreational, hiking, biking and riding trails. Orahovica, Slatina, Virovitica and Pitomača offer a range of quality sports and recreational facilities. Throughout the County it is possible to enjoy horseback riding, perhaps most easily experienced on Pustara Višnjica, which won the prestigious title of the European Destination of Excellence (EDEN) in 2011. Family farm 'Zlatni klas' in Otrovanc offers recreational riding and a horseback riding school. Unavoidable form of summer recreation is swimming – in a pool, on pebbled Drava beaches or in lakes. The Orahovica Lake attracts tens of thousands of swimmers during summer months, as it is among the most attractive continental swimming areas. During snowy winters, the slopes of Papuk and Bilogora become real ski slopes. There are several ski resorts with ski lift in Virovitica and Slatina.

In the County there are 32 hunting areas managed by thirty hunting associations. Hills and mountains preserves are situated on the slopes of Bilogora, Papuk and Krndija, while lowland hunting preserves follow the river Drava. Large game includes deer, roe deer, wild boars, and small game pheasants and rabbits. Due to the large number of game, this area is classified as one of the richest hunting grounds in Croatia. In the area which spreads over a hundred kilometers, Drava offers almost countless places for successful fishing (catfish, carp, pike, pikie-perch, amur, burbot, asp, barbel, sterlet, bream, eels and other species).

CONTACTS

Virovitica-Podravina County, Mr Tomislav Tolušić, Mayor; e-mail: ured.zupana@vpz.hr

Virovitica-Podravina County's Regional Development Agency, Ms Natalija Havidic; e-mail: natalija.havidic@ravidra.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

STATE-OWNED PORTFOLIO

TOURISM COMPANIES

Imperial

Hoteli Maestral

Hoteli Makarska

Modra špilja



REPUBLIC OF CROATIA

IMPERIAL Plc., Rab

TRANSACTION

The Republic of Croatia through the state agency, Center for the Restructuring and Sale (CERP), has the goal to finish the privatisation process of its tourism portfolio (hotel companies owned and partially owned by the Republic of Croatia).

PRIVATISATION MODEL: There are two possible models of privatization: public tender and public auction and both of them, upon the public announcement, are performed in two steps:

STEP 1 – stating the interest to invest in a formal letter of intent to buy shares, submitted to CERP, Ministry of Tourism and the Agency for Investments and Competitiveness.

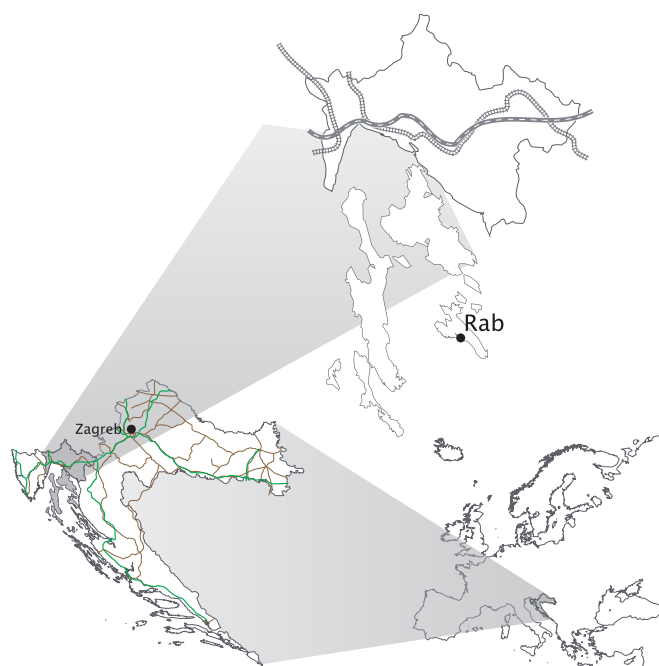
STEP 2 – invitation to participate in the privatization sent solely to companies/individuals that, in the first step, have expressed interest in buying shares.

COMPANY

Imperial Plc. is the main hotel company on the island of Rab. It has been operating for almost 50 years. The Company is firmly positioned as the leader in the hotel business on the island. Its diverse real estate portfolio enables it to have a broad spectrum of goals for strategic development. Moreover, the Company has made significant investments to upgrade its service and value.

The group is comprised of four hotels, two tourist resorts, two auto camps, as well as several restaurants and smaller catering and other facilities. All units are quite near the beach and the beautiful Old City of Rab. One of the most beautiful beaches in the Adriatic, the “Paradise Beach” is also located nearby. Moreover, the Company’s site benefits from Rab’s rich horticultural heritage ideally positioned for health tourism and active holidays.

The guests are predominantly from abroad (more than 90% in the last three years), mostly European countries (Germany, Austria, Slovenia, The Czech Republic, Italy and Hungary).



SALE

Shares on sale: **318,378 (50.07% of share capital)**
Average price on stock market: **29.10 EUR (6.12.2013)**

FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	13,707,422	14,573,771	15,737,857
Operating expenses	12,129,357	12,757,365	13,874,961
EBIT	1,578,065	1,816,406	1,862,896
EBITDA	4,484,486	4,679,375	5,022,413
Net income	314,058	346,892	793,404
Total assets	65,232,128	64,046,280	65,979,523
Total liabilities	25,713,379	24,906,448	26,243,053
Number of employees	268	260	256

Company name: **Imperial Plc.**
Address: **51 280 Rab, Jurja Barakovića 2**
Website: **www.imperial.hr**

REAL ESTATE PORTFOLIO

HOTELS:

Grand Hotel Imperial (**):** 5 levels, 136 accommodation units, built in 1914, renovated in 2010,

Carolina Hotel (**):** 5 levels, 142 accommodation units, built in 1971, renovated in 2009,

Padova Hotel (*):** 6 levels, 175 accommodation units, built in 1986, renovated in 2009,

Eva Hotel ():** 5 levels, 196 accommodation units, built in 1978.

VILLAS:

Carolina Villas: 10 villas, 38 accommodation units, built in 1971, renovated in 2002.

TOURIST RESORTS:

San Marino: 495 accommodation units, comprised of 5 hotels (3 to 5 levels) situated on the famous "Paradise Beach", built in 1967, renovated in period 2004-2012,

Suha Punta; small detached houses and bungalows with 88 accommodation units, built 1962-1968, renovated 2009-2012.

AUTO CAMPS:

2 auto camps (AC San Marino and AC Padova III) with a total of 5,000 available places.

CONVENTION CENTRE:

There are congress facilities in the Padova, Grand Hotel



Imperial and Carolina Hotels. Additionally, there is a new congress centre in the tourist settlement San Marino with 120 seats.

SPORTS AND RECREATION FACILITIES:

19 tennis courts, two wellness centres, sports centres.

AREA:

Total facility area: 98,620 m²,

Net land area: 250,735 m².

PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): **296,123**

GDP per capita (2010): **12,343 EUR**

Unemployment rate (2011): **15.7%**

Average gross salary: **1,008 EUR**

Average gross salary in the sector (tourism): **868 EUR**

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday choice for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

The County's education policies mirror its historic ties with tourism and especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education of specialised tourism workforce. In addition, there are two institutions of secondary education dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 9 marinas with a total of 3,043 berths. The County is well-connected with continental Croatia as well as the neighbouring countries. Rijeka is also a major ferry port with regular connections to islands and the south of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

PRIVATISATION PROCEDURE

After submitting a formal letter of intent, receiving a bid invitation and signing the NDA, the potential investor could participate in due diligence procedure. Upon bid submission the best bidder will be selected based on tender criteria.

CONTACTS

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Ministry of Tourism, www.mint.hr; e-mail: razvoj@mint.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr,

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

Agency for Investments and Competitiveness, Radnička cesta 80, 10 000 Zagreb, Croatia

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REPUBLIC OF CROATIA

HOTELI MAESTRAL Plc., Dubrovnik

TRANSACTION

The Republic of Croatia through the state agency, Center for the Restructuring and Sale (CERP), has the goal to finish the privatisation process of its tourism portfolio (hotel companies owned and partially owned by the Republic of Croatia).

PRIVATISATION MODEL: There are two possible models of privatization: public tender and public auction and both of them, upon the public announcement, are performed in two steps:

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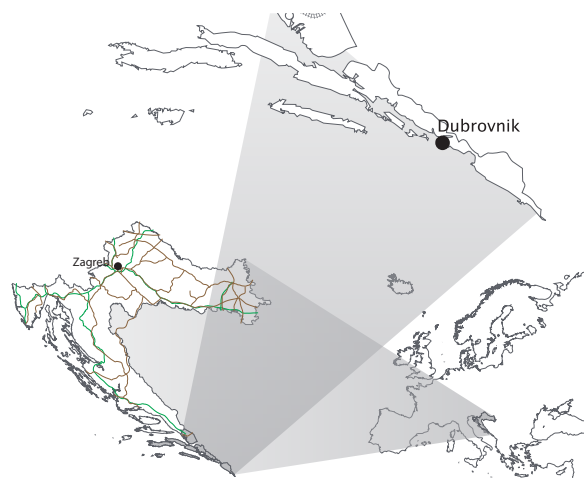
STEP 2 – invitation to participate in the privatization sent solely to companies/individuals that, in the first step, have expressed interest in buying shares.

COMPANY

Hoteli Maestral Plc. is a hotel company in Dubrovnik that owns and operates five hotels with a unique location along one street in Lapad Bay. The facilities have an excellent waterfront position (or in its vicinity) and are easy to reach from the Old Town of Dubrovnik (3.5 km) and Dubrovnik International Airport (24 km).

The hotels were built between 1935 and 1965 and some of them were renovated during the 1990s (Komodor and Splendid) and 2000s (Uvala), while Adriatic and Vis were partially renovated. The best accommodation is offered in the four star Uvala Hotel (renovated in 2003 and 2004), known for its fashionably designed and spacious wellness & SPA centre of 580 m².

The most important source markets are the United Kingdom, France and Scandinavian countries, followed by Russia, Croatia and Germany. There is a tendency of constant growth of guests from overseas markets (the USA, Canada, Australia and New Zealand).



SALE

Shares on sale: **351,987 (68.25% of share capital)**

Average price on stock market: **16.49 EUR (5.12.2013)**

FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	5,976,750	6,095,862	6,628,993
Operating expenses	6,379,860	5,883,431	5,925,239
EBIT	(403,110)	212,430	703,753
EBITDA	269,731	819,836	1,239,050
Net income	(1,095,833)	(550,362)	(292,719)
Total assets	31,094,002	29,152,516	27,721,907
Total liabilities	13,389,462	12,327,043	11,370,440
Number of employees	186	182	182

REAL ESTATE PORTFOLIO

HOTELS:

Uvala Hotel (**):** 4 levels, 51 accommodation units, size 4,941 m², built in 1967, renovated 2003/2004, allowed construction density (KIG) 0.36, allowed construction efficiency (KIS) 1.06,

Splendid Hotel (*):** 3 levels, 59 accommodation units, size 2,733 m², built 1935 and 1964, renovated in 1997, KIG 0.12, KIS 0.27,

Komodor Hotel (*):** 4 levels, 63 accommodation units, size 2,489 m², built in 1938, renovated in 1998, KIG 0.69, KIS 1.97,

Vis Hotel (*):** 3 levels, 151 accommodation units, size 5,818 m², constructed in 1935, 1956 and 1986, partly reconstructed in 2003-2005, KIG 0.33, KIS 0.90,

Adriatic Hotel ():** 3 levels, 158 accommodation units,

size 7,510 m², constructed in 1962, 1963 and 1967, KIG 0.27, KIS 1.01.

BUSINESS CENTRE:

Uvala Hotel has two meetings rooms: The Solad Meeting Room and The Perpera Meeting Room with 80 seats.

SPORTS AND RECREATION FACILITIES:

Various entertainment and sports facilities, including indoor and outdoor swimming pools, fitness club, tennis courts, snack bars and beach restaurants.

AREA:

Total facility area: 23,753 m²,

Net land area: 100,885 m².

DUBROVNIK-NERETVA COUNTY

Population (2011): **122,783**

GDP per capita (2010): **10,457 EUR**

Unemployment rate (2011): **18.8%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises 5 cities and 17 municipalities. The County includes smaller islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards).

The main characteristic of the County's economy is the predominance of tertiary services with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines.

The County is very well connected by Dubrovnik International Airport, close proximity to the modern A1 Split-Zagreb Highway, the deep sea port of Dubrovnik suitable for cruisers as well as an important cargo port

Ploče (gateway of the future Pan-European transportation corridor Vc). Dubrovnik's famous medieval old town (listed on UNESCO's world heritage list since 1979) along with the island of Korčula has positioned Dubrovnik and the County as a high-end European and global tourist destination (New York Times shortlisted Dubrovnik among 45 places to visit in 2012, USA Today placed Dubrovnik at the 4th place of prettiest European cities in November 2013).

Tourism is constantly developing as a strategic industry for the County, through investments in new and existing hotels, sports and infrastructure capacities (14 five-star hotels and 18 four-star hotels, two golf resorts planned within 35 km, a new investment in ACI Marina Slano).

The potential for high-end tourism has already been identified by international hotel chains (Hilton, Radisson Blue, Rixos, Uzel Holding, Adriatic Luxury Hotels and Luksic Group) present in Dubrovnik and planned opening of Amanresorts in Cavtat in May 2014.

The educational infrastructure relevant to the sector includes high schools for hospitality and catering, and two universities with excellent programs related to tourism (ACMT-RIT New York and Dubrovnik University).

PRIVATISATION PROCEDURE

After submitting a formal letter of intent, receiving a bid invitation and signing the NDA, the potential investor could participate in due diligence procedure. Upon bid submission the best bidder will be selected based on tender criteria.

CONTACTS

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Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr



HOTELI MAKARSKA Plc., Makarska

TRANSACTION

The Republic of Croatia through the state agency, Center for the Restructuring and Sale (CERP), has the goal to finish the privatisation process of its tourism portfolio (hotel companies owned and partially owned by the Republic of Croatia).

PRIVATISATION MODEL: There are two possible models of privatization: public tender and public auction and both of them, upon the public announcement, are performed in two steps:

STEP 1 – stating the interest to invest in a formal letter of intent to buy shares, submitted to CERP, Ministry of Tourism and the Agency for Investments and Competitiveness.

STEP 2 – invitation to participate in the privatization sent solely to companies/individuals that, in the first step, have expressed interest in buying shares.

COMPANY

Hoteli Makarska Plc. is a tourist-hospitality company, established in 1952, offering accommodation and hospitality services in its three hotels near the beach. The Company is located in the renowned tourist destination Makarska Riviera (in Central Dalmatia). With a diversified tourist offer the Company has established a prominent position on international markets (approximately 90% of guests are from abroad).

In addition to the existing offer, there is great potential to develop the Rivijera Hotel into a modern sports and recreation complex. The Rivijera complex already includes the largest tennis centre in Makarska that has occasionally hosted international tennis tournaments. The Meteor Hotel has several convention facilities, which can improve its position in the M.I.C.E. segment with appropriate marketing efforts.

The location provides endless possibilities for active holidays (hiking/walking and cycling paths on Biokovo mountain); cultural and heritage sightseeing, catholic pilgrimage tourism (Medjugorje, Veprić), and is easily accessible (Zagreb-Split Highway, Split International Airport). There are several marinas in the wider Makarska area, as well as a small harbour in front of the Company's Dalmacija Hotel.



SALE

Shares on sale: **463,305 (41.39% of share capital)**

Average price on stock market: **23.31 EUR (5.12.2013)**

FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	7,589,198	8,115,432	8,987,890
Operating expenses	7,134,062	7,381,092	7,871,358
EBIT	455,136	734,340	1,116,531
EBITDA	1,552,263	1,815,839	2,189,170
Net income	25,886	326,850	777,320
Total assets	34,720,471	33,402,198	33,214,061
Total liabilities	7,477,841	6,358,174	5,291,616
Number of employees	153	143	143

REAL ESTATE PORTFOLIO

HOTELS:

Meteor Hotel (**):** 11 levels, 277 accommodation units, size 23,391 m², built in 1983, partly renovated 2006-2011,

Dalmacija Hotel (*):** 11 levels, 190 accommodation units, size 13,423 m², built in 1970, renovated in 2004/2005.

TOURIST RESORTS/COMPLEXES:

Rivijera Hotel Complex ():** 3 levels, consisting of nine pavilions, 258 accommodation units, size 13,997 m², built in 1962, renovated and expanded several times.

CONVENTION CENTRE:

Four conference halls in the Meteor Hotel.

SPORTS AND RECREATION FACILITIES:

Tennis centre, adjacent to the Rivijera complex, with 8 outdoor and 2 indoor tennis courts of total 7,808 m², two outdoor swimming pools, a gym and a wellness centre in the Meteor Hotel.

AREA:

Total facility area: 52,007 m²,

Net land area: 95,368 m².



SPLIT-DALMATIA COUNTY INFORMATION

Population (2011): **455,242**

GDP per capita (2010): **8,072 EUR**

Unemployment rate (2011): **24.0%**

Average gross monthly salary: **961 EUR**

Average gross salary in the sector (tourism): **878 EUR**

Split-Dalmatia County encompasses the territory of the historical region of Dalmatia, and is easily accessible via Zagreb-Split Highway and Split International Airport. The most important economic activity is tourism. In 2012, the County achieved 1,92 million tourist arrivals and approx. 12 million overnight stays (increase of 6% in comparison to a previous year), which makes 17% of total overnight stays in 2012 in Croatia. Traditionally, the most important markets are the Czech R. (16.8%), Germany (13.1%) and Poland (12.4%).

There is a total of 130 hotels (3 five-star and 47 four-star hotels, while the remaining 80 are three- or two-star). In addition to hotels, accommodation is provided in apart-hotels, tourist resorts, tourist apartments and auto

camp. The overall accommodation capacity provided is approximately 150,000 beds with the highest participation of private accommodation (nearly 80%). There are 10 marinas (4 on islands and 6 on the mainland) with a total of 1,814 berths.

The present international hotel chains in Split include the Le Meridien Lav and the Hilton Hotel Marjan which is planned for opening.

The County's tourist potential includes: a rich heritage and cultural offer, catholic pilgrimage destinations, active and sports holidays and health tourism. There are UNESCO heritage sites in Split (Diocletian Palace) and Trogir; catholic pilgrimage destinations (Sinj, Vepric and vicinity to famous Medjugorje); rafting on the River Cetina in Omiš area, and hiking, walking and cycling paths on mountains Marjan and Biokovo.

A large number of high schools offer education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

PRIVATISATION PROCEDURE

After submitting a formal letter of intent, receiving a bid invitation and signing the NDA, the potential investor could participate in due diligence procedure. Upon bid submission the best bidder will be selected based on tender criteria.

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Agency for Investments and Competitiveness, Radnička cesta 80, 10 000 Zagreb, Croatia

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REPUBLIC OF CROATIA

MODRA ŠPILJA Plc., Komiža

TRANSACTION

The Republic of Croatia through the Center for the Restructuring and Sale (CERP) has the goal to finish the privatisation process of its tourism portfolio (hotel companies owned and partially owned by the Republic of Croatia).

PRIVATISATION MODEL:

The company Modra Špilja Plc. is currently undergoing a pre-bankruptcy settlement procedure, which, according to the Act on Financial Operations and Pre-bankruptcy

Settlement Procedure (OG 108/12; 144/12), allows a takeover of the Company through a proposal of a restructuring plan.

In case of interest, the potential partners are invited to contact the management of the Company with whom they should submit the plan of financial and operational restructuring, which will be the subject of creditors' approval.

COMPANY

Modra Špilja Plc. has been operating in the hotel and hospitality industry in Komiža for 50 years.

Apart from the Biševo Hotel, its core accommodation property, Modra Špilja Plc. also owns a tourist agency and three restaurants, one of which is on the neighbouring island of Biševo. Foreign and domestic guests have an equal share in the guest structure.

It is important to note that the Company has an excellent position on the island of Vis which has been recognised as the most popular sailing destination on the Adriatic in recent years. The island is also renowned for its preserved natural beauties having been closed to the public for years because of its status as an army base.



FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	1,094,765	1,191,258	1,122,736
Operating expenses	1,291,358	1,344,772	1,327,624
EBIT	(196,593)	(153,514)	(204,888)
EBITDA	(67,887)	(29,156)	(67,563)
Net income	(1,083,005)	(945,193)	(204,888)
Total assets	9,214,956	10,979,308	10,799,771
Total liabilities	8,868,255	9,524,245	10,454,153
Number of employees	36	37	45

REAL ESTATE PORTFOLIO

HOTELS:

Biševo Hotel ():** 6 levels, 131 accommodation units in three sections (B-old section, B-new section, C section), total size 7,189.2 m². All rooms have central heating and are equipped with phones, satellite TV, Internet connection and fridges.

The "B" Section was built in 1968 and completely renovated in 1998. The "newer" section was built in 1980 and the most recent renovation was in 2008.

OTHER REAL ESTATE:

The Komiža Tourist Agency and three restaurants: two on island of Vis and one on island of Biševo.

AREA:

Total facility area: 7,383 m²,

Net land area: 15,222 m²,

Land area available for further construction: 6,500 m², allowed construction density: 0.50, allowed construction efficiency 0.20.



SPLIT-DALMATIA COUNTY INFORMATION

Population (2011): **455,242**

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Average gross salary in the sector (tourism): **878 EUR**

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A large number of high schools offer education in the hospitality and catering sector, while the Split University provides undergraduate and graduate programs in tourism.

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Modra špilja Plc., www.hotel-bisevo.com.hr, e-mail: modra.spilja@st.t-com.hr

STATE-OWNED PORTFOLIO

INFRASTRUCTURE PROJECTS

Osijek Airport

Port of Dubrovnik

Port of Ploče

Port of Zadar - Gaženica

Rijeka Airport

Western Žabica Complex



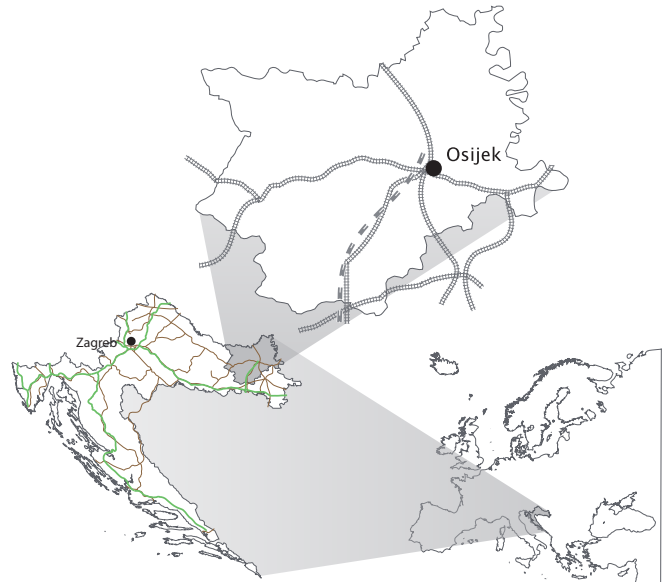
OSIJEK AIRPORT Ltd.

PROJECT DESCRIPTION

The future concessionaire / strategic partner would be expected to participate in modernisation of existing, construction of new capacities and acquisition of equipment for its commercial operations. The overall aim of the project is to strengthen cargo traffic in the Osijek - Baranja County and to foster economic development in the region by improving the competitiveness of the airport.

CURRENT CHARACTERISTICS OF THE AIRPORT

- Runway characteristic: length: 2,500 m; width: 45 m
- Orientation: 111/291 (11/29)
- Strength: PCN 70 F/A/W/T
- Types of traffic permitted: IFR/VFR
- ATS communication facilities APP 118.800 MHz
- Croatia Control Ltd APP 120.150 MHz TWR 118.800 MHz
- Turnaround: 25– 30 minutes
- Passengers handling: DCS, manual check-in
- Fire fighting category: CAT IV on request up to CAT VII
- No slot coordination
- New parking lot (297 available parking spaces)



TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

- **Option one: recapitalization**
- **Option two: repurchase of existing stockholders**
- **Option three: (concession with the features of the project public-private partnership or concession contract)**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

The most acceptable way of entry of private capital in Osijek Airport is through recapitalization or concession. Recapitalization is the fastest and cheapest, but airport is of special interest for the Eastern region and we believe that is the best option to give Osijek Airport in concession.

INVESTMENT OPPORTUNITY

The region served by Osijek Airport is of agricultural character, which could influence on the repositioning of the airport and focusing primarily on cargo traffic. 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.

Except for cargo and warehouse facilities Osijek Airport has a plan to invest in the passenger building, and to

separate domestic and foreign passengers. Departing gate is the priority to keep the status of international airport and increase safety of traffic, passengers and goods in the near future.

Passenger terminal area is 1,500 m²; capacity of 200 – 400 pax per hour; easy understanding for passengers; simple terminal development solutions – expanding or upgrading; possibility for extension based on the volume increase.

SHORT MARKET ANALYSIS

A strong increase in number of operations and number of passengers in period 2008 - 2011 is closely related to introduction of new operators on the market. Germanwings signed a contract and introduced a new route Koln – Osijek – Osijek –Koln. In 2009 a new operator came on the Osijek market,

the management has signed a 5 year contract with Ryan Air for several new routes, which influenced on a 40% growth of passenger movement related to 2008. In 2012 Ryan Air has terminated the existing contract due to the lack of subsidies which resulted with a strong decline of passenger movement.

Year	Number	Tons	Passengers	Cargo (t)
2002	673	2,246	3,132	-
2003	720	1,868	3,354	-
2004	708	3,607	3,030	356
2005	695	17,315	2,343	3,830
2006	649	4,369	2,871	515
2007	550	3,538	2,766	271
2008	774	7,124	14,685	173
2009	855	7,960	20,438	188
2010	792	6,845	20,824	-
2011	1,582	6,956	22,104	-

There is a growing trend in traffic in recent years. The number of passengers has increased more than seven times over 4 years (2,900 in 2007 to 22,104 in 2011). The number of operations has increased three times in the same period (550 in 2007 to 1,582 in 2011).

The main airline operators on Osijek Airport are Croatia Airlines, Ryanair and Germanwings.

Using its strong market position in Osijek – Baranja County, the Company wants to strengthen its position **as a main cargo airport in the region.**

The Airport has the entire necessary infrastructure that provides cargo handling, fast trucks out to the apron for the aircraft and all prerequisites for the rapid cargo aircraft handling.

Besides capitalizing its position on the home market, regional market presents strong growth platform where the Company has already initiated negotiations with foreign partners. For this reason, the Company has decided to refocus its core activity as a cargo carrier and has decided to find a strategic partner for new investments.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Center for Monitoring Business Activities in the Energy Sector and Investments,
Mr Krešimir Rendeli, Project Manager, Investment Sector, e-mail: kresimir.rendeli@cei.hr

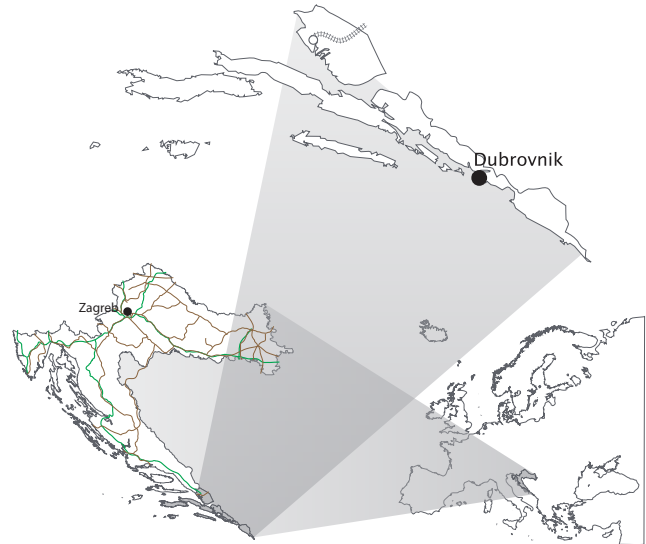


PORT OF DUBROVNIK

New Cruise Terminal, Shopping Mall and Bus Terminal project

PROJECT DESCRIPTION

- The Port area has a unique position in a close vicinity of Dubrovnik suitable for development of various facilities related to port passenger traffic and tourists.
- The purpose of a new terminal is to provide services for embarking and disembarking cruise tourists-excursionists from the port of Gruž as well as passengers in domestic and international coastal and ferry transport with all necessary facilities which provide fast, high-quality and cost-effective passenger flow.
- Since it is the only larger by surface / remaining quality space and infrastructural-wise relatively well-equipped space in narrower Dubrovnik area, it is also planned to develop shopping facilities, catering facilities, sports and recreational facilities, a multipurpose hall, a three-level garage with approximately 450 parking spaces and a parking lot for buses with approximately 50 parking spaces.
- **Total gross building area of the port is separated in several zones totalling 120,000 m².**
- The essential element in this development concept is the development of the port facilities.



TRANSACTION STRUCTURE

The future concessionaire / strategic partner would be expected to participate in the investment of the **“New Cruise Terminal, Shopping Mall and Bus Terminal project”** for its commercial operations and to develop, if deemed necessary, further development phases of the port.

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

The project could be done in several phases, depending on the investor’s preferences.

The basic task for years 2013 and 2014 is to find a partner – concessioner by international tender procurement who will, based on long-term concession agreement, develop port superstructure and bring new services into the port.

Company name: **Port of Dubrovnik Authority (PDA)**

Address: **20 000 Dubrovnik**

Website: **www.portdubrovnik.hr**

INVESTMENT OPPORTUNITY

The priority of the PDA in the upcoming period is to find a concessioner for the construction of superstructure objects and to mutually develop new services and facilities for ships, passengers and the local community.

Due to the expected increase in passenger and cruise traffic the PDA is looking for a concessionaire/strategic partner to participate in the construction of new adequate capacities for modern Port terminals.

After the completion of the construction, development and full equipment, the final purpose of the marine terminal at the port of Gruž 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 etc. per day.



DESCRIPTION OF THE PORT OF DUBROVNIK

The Port of Dubrovnik is a passenger port with great dominance of cruise passengers due to tourist attraction of Dubrovnik and the nearby region.

Tourism and specifically sea cruise tourism are one of the fastest growing industries in the world. Dubrovnik is a famous tourist and cruise destination with a great development potential.

The Port of Dubrovnik mostly serves as a cruise port of call receiving in **2013** more than **900,000 cruise passengers**,

but has a real opportunity to become a home port for vessels of certain size.

The Port itself has many advantages, tourist attraction of the City of Dubrovnik, the vicinity to tourist attraction, water depth and an easy approach from the open sea, a good shelter from adverse weather conditions and a geographic position at the ideal distance to one of the biggest world cruise "home port" destinations – Venice. In cruise industry Dubrovnik can offer the port of call with all facilities.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Center for Monitoring Business Activities in the Energy Sector and Investments,
Mr Krešimir Rendeli, Project Manager, Investment Sector, e-mail: kresimir.rendeli@cei.hr

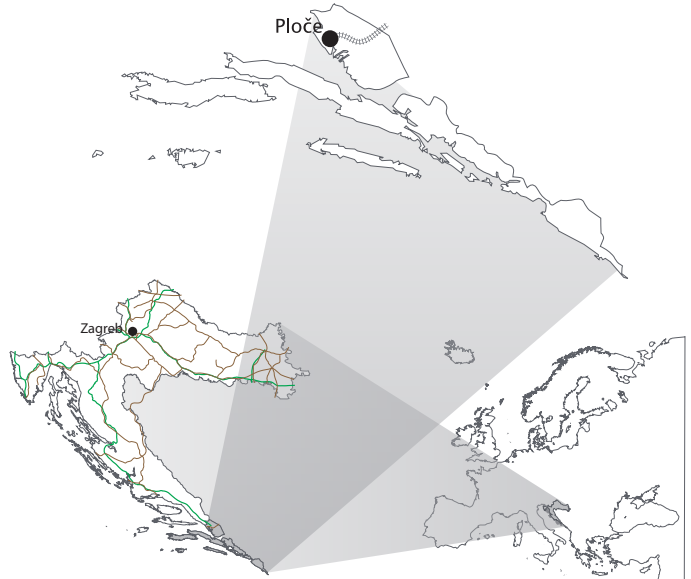


PORT OF PLOČE

Transport and Trade Integration Project

PROJECT DESCRIPTION

- 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 development program with a significant financial support of the Government of Croatia and the loan of the World Bank into the port infrastructure of sophisticated port terminals (Container terminal and Dry Bulk cargo terminal);
- The Port Authority already signed long-term concession agreements for the operationalization of the existing port capacities, for the recently constructed Container terminal, the new Dry Bulk Cargo terminal (under development) and for Liquid cargo (preparation for start of construction) with defined obligations of contracted parties;
- After the completion of the mentioned development projects, the port capacities will enable the annual port traffic of more than 10 million tons.



TRANSACTION STRUCTURE

The potential port user can use the available infrastructure and superstructure, and build new facilities according to the concession right which is 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 partners for future investments in the port area.**

INVESTMENT OPPORTUNITY

The Port of Ploče Authority started with the **“Transport and Trade Integration Project”** aimed at developing the port of Ploče, whereby its overall development objective is to improve the capacity, efficiency and quality of service on the whole Corridor Vc.

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 in view of the fact that 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 European Transport Corridor (“Vc”). **The port area covers more than 230 hectares, out of which 50 hectares are still undeveloped and ready for the concession.** 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 the 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 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 Port of Ploče

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

CONTACTS

Ministry of the Sea, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Center for Monitoring Business Activities in the Energy Sector and Investments,
Mr Krešimir Rendeli, Project Manager, Investment Sector, e-mail: kresimir.rendeli@cei.hr

Port of Ploče Authority, Ms Desa Rathman, Executive director,
e-mail: desa.rathman@ppa.hr



PORT OF ZADAR - GAŽENICA

New Terminal Building in Gaženica

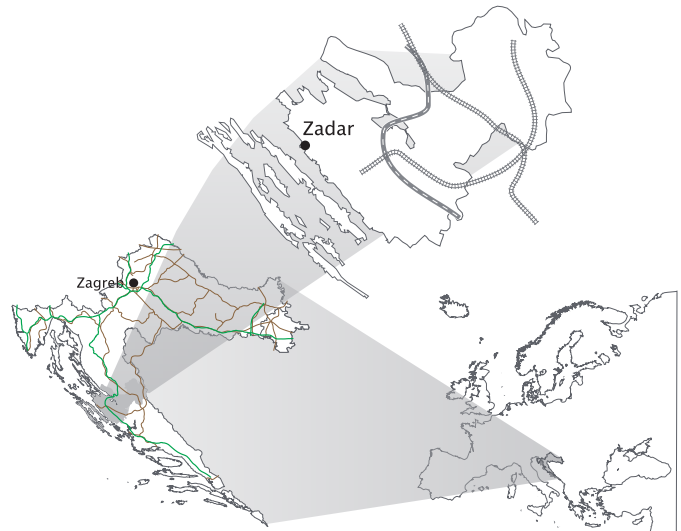
PROJECT DESCRIPTION

THE PROJECT IS BEING DONE IN SEVERAL PHASES:

- **Phase one** – LOT I has already been developed
- **Phase II** – LOT II and LOT IIIa are in construction and currently 70% of the phase is finished
- **Phase III** – **construction of the Passenger, Cruise and Ferry Terminal is to be developed by the potential investor.**

THE TERMINAL BUILDING SHOULD COMPRISE:

- A two-storey main building with a basement, ground floor, first floor and a small attic,
- A one storey technical building (power) with a basement and ground floor,
- A fourteen-storey tower for traffic control where a Vessel Traffic Management System (VTMS) will be installed,
- The design includes parking lanes for buses and taxis in front of the entrance to the main building (ground floor),
- The design of the terminal building makes provision for the construction of two skyways in a later phase of the project. These skyways will connect the first floor of the main building (arrival - departure halls for international passengers) to the vessels berthing at the international terminal (berths at piers # 1 and # 2).



TRANSACTION STRUCTURE

The future concessionaire / strategic partner or investor would be expected to participate in the investment of the “New Passenger, Ferry and Cruise Terminal” for its commercial operations and to develop, if deemed necessary, further development phases of the port.

The Transaction currently envisages two options and shall be open to all strategic investors who are adequately positioned to further exploit the growth potential of the Project:

- **Option one: Build to suit under current adopted and prepared documents by the Port of Zadar Authority for the Terminal building**
- **Option two: Construction of a new building according to operators/investors preferences (preparation of this option would take at least 2 years)**

The most acceptable way of the entry of private capital in the Port of Zadar is through a concession right with an obligation to construct the “New passenger, Ferry and Cruise Terminal” Project under current adopted documents.

INVESTMENT OPPORTUNITY

The new port will provide an extended berthing capacity for larger international ferries and modern cruise ships and international standard on-shore facilities for passengers and vehicles. The project will relocate the ferry port of Zadar from the historical city harbour to a less constrained site in the new port of Gaženica. The Priority of the PZA in the upcoming period is to find a concessioner or a partner for the construction of the Terminal and to mutually develop new services and facilities for ships, passengers and the local community.

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

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 Project is open to all port investors from all over the world who recognize the attractiveness of the Port of Zadar location and its advantages. The strategic planning of the development of the Port of Zadar will contribute to the increased competitiveness of the Port of Zadar as a future EU seaport.

ABOUT THE PORT OF ZADAR AND CURRENT STATUS

The Port of Zadar serves over 2.3 million passengers and over 312,000 vehicles per year (2012), with significant variation in density according to seasons. Due to its position in the Old Town, the port will reach its limit within the next five years.

Due to the expected increase in passengers and cruise traffic the PZA is looking for a concessionaire/strategic partner to participate in the construction of the new terminal building for local and international ferry passengers and for cruise (transit and home-port).

The relocation of the ferry port of Zadar in the area of Gaženica (3.5 km south of the city of Zadar) is considered as a high priority project by the Government of Croatia. This project will allow increasing of traffic by providing

additional berths which can accommodate larger ferries and cruisers as well as Ro-Ro vessels.

The new port is directly connected to the new motorway network (four lanes access road) with a direct and rapid access to Zadar Airport, Zagreb, the rest of Croatia and central Europe through road and motorway networks.



- 1 International terminal
- 2 Coastal terminal
- 3 Domestic ferry terminal
- 4 Parking berth port
- 5 Control tower
- 6 Terminal building
- 7 Commercial centre & garage

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Center for Monitoring Business Activities in the Energy Sector and Investments,
Mr Krešimir Rendeli, Project Manager, Investment Sector, e-mail: kresimir.rendeli@cei.hr



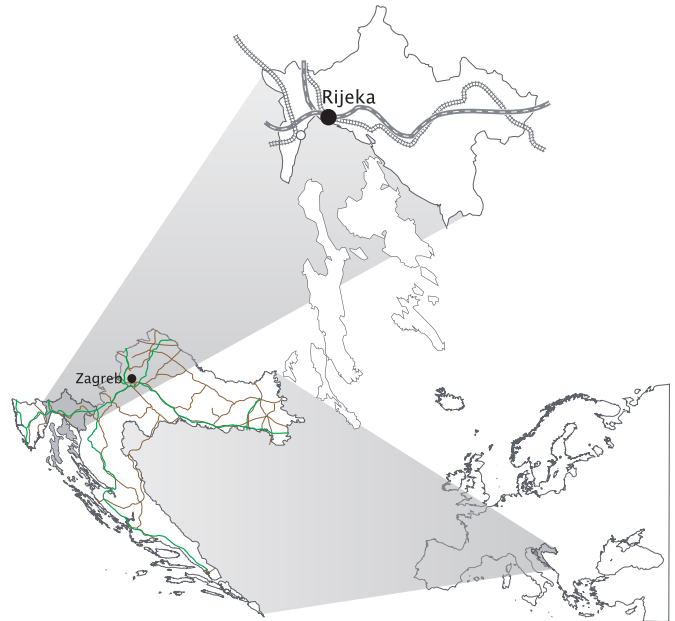
RIJEKA AIRPORT Ltd.

Reconstruction, modernization and development of Rijeka Airport

PROJECT DESCRIPTION

PROJECT INCLUDES:

- Reconstruction and expansion of the passenger building – the existing building does not satisfy traffic growth projections nor current passenger flow demands at peak levels. The reconstruction will add approx. 4,600 m² at three levels. This will increase the building's capacity three times (up to 2,000,000 passengers on an annual basis);
- Reconstruction and expansion of the aeroplane parking platform – the extension of the passenger building includes an expansion of the existing aeroplane parking platform;
- Construction of storage and manipulation facilities for management of goods transported via air – inclusion of the Airport Rijeka in the intermodal goods transport traffic – 5,000 m² taking into consideration the building criteria;
- Addition and reconstruction of the existing aeroplane taxiway – in accordance with international regulation, current taxiway's width does not comply with regulation for the corresponding aeroplanes. Moreover, the number of existing taxiways does not correspond to the predicted traffic capacity. The Project will include expansion of existing taxiways and construction of a new aeroplane taxiway.



TRANSACTION STRUCTURE

The Transaction currently envisages three options and shall be open to all strategic investors who are adequately positioned to further exploit growth potential of the Company.

- **Option one: recapitalization**
- **Option two: repurchase of existing stockholders**
- **Option three: (concession with the features of the project public-private partnership or concession contract)**

Concession is defined by Airports Act. Concession for the airports is considered concession of public works, concession for public services. Concession for airport is given for a maximum term of 40 years.

The most acceptable way of entry of private capital in Rijeka Airport is through recapitalization or concession. Recapitalization is the fastest and cheapest, but airport is of special interest for the Croatia mediteran coastal tourist region.

INVESTMENT OPPORTUNITY



Investment opportunity in case of Rijeka Airport lies in its unique and potentially very lucrative position in Croatia, Adriatic and Europe. Since the fact that Rijeka Airport Ltd. as a state owned Company is located on the area of Primorsko – Goranska County, by investing in it, every future investor will certainly benefit from strategic connections based on:

- Fast access to Central and Eastern Europe as well as other EU countries,
- Well-developed infrastructure,
- Well-developed business zones network and infrastructure,
- Outstanding service of logistics sector,
- Trained and educated workforce,
- Steady economic environment,
- Well-developed network of small and medium suppliers.

CURRENT INFRASTRUCTURE AND CAPACITY

PASSENGER BUILDING TERMINAL CAPACITY:

- 1 passenger terminal,
- 1,000,000 passengers annually.

RUNWAY AREA:

- Length: 2,500 m ICAO CAT 4E
- Width: 45 ICAO CAT 4E,
- Orientation: 04/32,
- Strip dimensions: 2,620 x 150 m,

- Instrument equipment: ICAO CAT I,
- VASIS 3°, IL.

APRON PHYSICAL CHARACTERISTICS:

- Dimensions: 300 x 112 m,
- Parking places: 14,
- General aviation parking,
- Strength: PCN 45 F/R/A/X/T,
- Surface: ASPH.

CONTACTS

Ministry of Maritime Affairs, Transport and Infrastructure of the Republic of Croatia,
Mr Siniša Hajdaš Dončić, Minister, e-mail: ministar@mppi.hr

Center for Monitoring Business Activities in the Energy Sector and Investments,
Mr Krešimir Rendeli, Project Manager, Investment Sector, e-mail: kresimir.rendeli@cei.hr



WESTERN ŽABICA COMPLEX, Rijeka

PROJECT DESCRIPTION

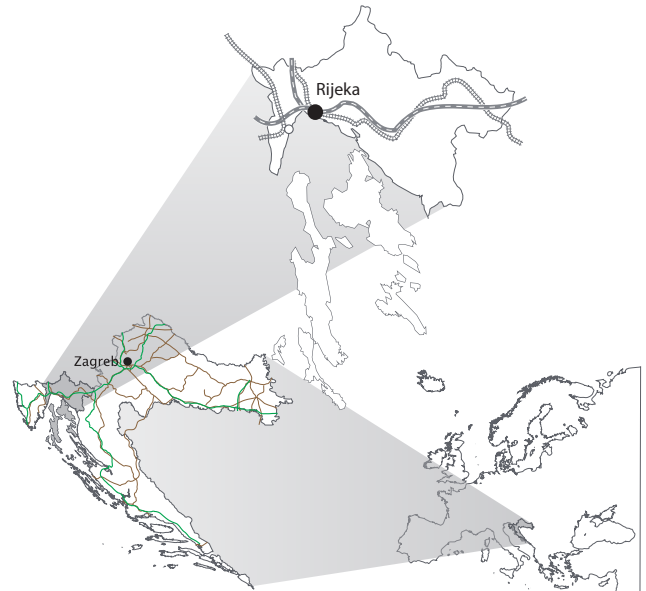
The Western Žabica Complex encompasses the construction of a new bus terminal in near vicinity of the old bus station.

In addition to the construction of a new bus terminal, the Project will include building of a public garage on 4 levels with 940 parking spaces, a shopping centre and business facilities.

THE PROJECT AIMS ARE:

- Modernization of buses and passengers handling service in intercity, national and international transportation and facilitating passengers' transition to other transport means (trains, ferries), since the current bus station location does not provide safe handling of buses and passengers and does not comply with applicable law's and regulations;
- Enabling of a parking service to customers;
- Provision of additional parking/garage spaces in order to implement new traffic regulation of the City centre, whose main goal is improvement of the public transport;
- Providing other services to terminals and garage users (commercial, business and other services).

The Project does not offer a possibility of construction in phases, but there is a possibility to gradually put different parts in function.



LOCATION

The Project area is situated in the very centre of the City of Rijeka, and occupies the area of old railway warehouses. The total area of existing and future bus terminals covers 14,180 m². The location has an easy access to the City centre, the main City roads, the railway terminal and the seaport.

ESTIMATED VALUE

50 million EUR.

TRANSACTION MODEL

The owner of the project land is the City of Rijeka. There are several transaction possibilities: sale of land, right to build (lease) or other models according to a public – private partnership.

PROJECT STATUS

The project documentation (preliminary, detailed and main designs) is completed and the location permit has been obtained, as well as the building permit for the reconstruction of the access road, while the building permit for the whole Western Žabica Complex is in process of obtaining.

CAPACITIES

CURRENT CAPACITIES

- Number of bus stops: 14
- Current maximum capacity: up to 1.5 million passengers
- Other: passengers facilities covering approx. 200 m²



PLANNED CAPACITIES

- Number of international platforms: 18
- Maximum capacity: 2.2 million passengers
- One terminal with connections to railway and seaport terminals
- Administrative facilities: 8,000 m²
- Garage for buses with 15 parking slots
- Public garage with a capacity of 940 vehicles
- Shopping center covering 7,000 m²
- Commercial and business spaces: 5,100 m²



PRIMORJE-GORSKI KOTAR COUNTY

Population (2011): 296,123

GDP per capita (2010): 12,343 EUR

Unemployment rate (2011): 15.7%

Average gross monthly salary: 1,008 EUR

Primorje-Gorski Kotar County is situated between Slovenia in the North and the Adriatic in the South. Its geography comprises woodland mountains, seashore and islands. Primorje-Gorski Kotar County is the birthplace of Croatian tourism. A holiday choice for Habsburg emperors, it is proud of the towns of Opatija and Lovran that have offered high-end and health tourism for more than a century now.

The County's education policies mirror its historic ties with tourism and especially nautical tourism. The Faculty of Tourism and Hospitality Management in Opatija is the only Croatian university fully dedicated to the education

of specialised tourism workforce. In addition, there are two institutions of secondary education dedicated to tourism or hospitality education.

The County is also especially attractive for nautical tourism. There are 9 marinas with a total of 3,043 berths. The County is well-connected with continental Croatia as well as the neighboring countries. Rijeka is also a major ferry port with regular connections to islands and the South of the Adriatic. There are several airports within a 200 km radius (Pula, Rijeka, Zadar, Zagreb, Split, Trieste, Venice, Ljubljana).

CONTACT

City of Rijeka

Mr Srđan Škunca,

Head of the City Administration Department for Development, Urban Planning, Environment and Land Management

E-mail: srdjan.skunca@rijeka.hr

STATE-OWNED PORTFOLIO

**ENERGY SECTOR
PROJECT**

CCCGT Osijek 500

PROJECT DESCRIPTION

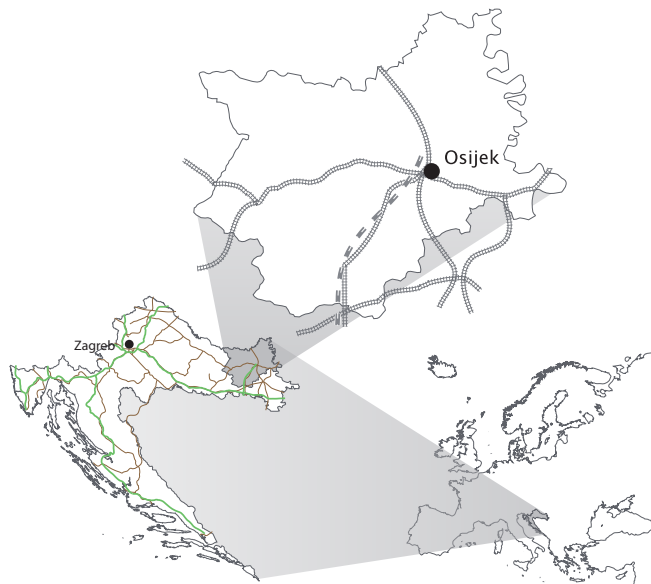
Project includes brownfield investment and construction of new 500 MWe/160 MWt Combined Cycle Cogeneration Gas Turbine (CCCGT) in the city of Osijek. New plant will have high electrical efficiency of over 58% on average, high operational flexibility and load following capabilities. High electrical efficiency will enable cost competitiveness even outside heating season. Planned annual electricity generation is cca 3.3 TWh.

Estimated value of the investment is cca 350 million EUR.

Existing aged facilities for electricity and heat generation on the site will be replaced by the planned plant. Electricity will be delivered to the consumers on Croatian and regional markets. Heating energy will be delivered to the consumers in the city of Osijek.

Planned plant emissions will be in line with all legal requirements and EU Directives.

CCCGT Osijek 500 is in accordance with Energy Development Strategy of the Republic of Croatia as well as relevant spatial plans.



PROJECT STATUS

COMPLETED ACTIVITIES:

- ✓ Feasibility study
- ✓ Preliminary grid connection approval
- ✓ Environmental impact study and technical-technological solution

CURRENT ACTIVITIES:

- Basic design
- EIA approval
- Location permit
- Land acquisition
- Tender preparation for strategic partner selection

Start of construction is expected in 2014, and first synchronization on the grid in 2017.

TRANSACTION

HEP Plc., a fully integrated power utility 100% owned by the Croatian Government, is looking for potential financial/strategic investors and partners for joint financing, construction, maintenance and operation of 500 MWe CCCGT Osijek.

PROJECT BENEFITS FOR HEP AND FOR NATIONAL ELECTRICITY SYSTEM

- The power plant will offer electricity, ancillary services, balancing energy for electrical power system as well as for gas system and thermal energy.
- Increased security and reliability in electricity and heat supply.
- Reduced imports of electricity.
- Increased efficiency and reduced costs of electricity and heat generation on the site.
- Sufficient capacity of heat production for consumers in city of Osijek.
- Reduced losses in transmission grid as cca 400 MWe of electricity generation is missing in Osijek area and Slavonia.
- Reduced cost of CO² emission allowances.
- Increasing the balancing capability of the system for connection of additional renewables capacity.
- Location is fully equipped with all necessary infrastructures (cooling water, roads, electricity transmission system, main gas pipeline).



FINANCIAL PARAMETERS

- Total planned investment is approximately 350 million EUR
- Return of investment is expected in the 16th year of operation and the internal rate of return is 11.11%
- Project liquidity is achieved throughout the entire period of operation
- Expected financing structure is 25% equity and 75% debt

CONTACTS

Ministry of Economy of the Republic of Croatia, Mr Ivan Vrdoljak, Minister, e-mail: ministar@mingo.hr

Center for Monitoring Business Activities in the Energy Sector and Investments, Mr Josip Borak, Chairman of the Board, e-mail: josip.borak@cei.hr

HEP Plc., Mr Perica Jukić, Member of the Board, e-mail: perica.jukic@hep.hr

STATE-OWNED PORTFOLIO

**INDUSTRY SECTOR
PROJECT**

Virovitica Dairy



VIROVITICA DAIRY, Virovitica

PROJECT DESCRIPTION

The project intends to bring together important milk producers in the County through construction of adequate facilities for milk processing. The planned production line should enable the raw milk producers to process the surplus of milk into high added value products. The daily amount of milk purchase and production of this small industrial plant is 10,000 litres, with the following production structure: 2,500 litres for soft cheese, 5,000 litres for semi-hard cheese, 2,500 litres for cottage cheese and 500 litres for cream with 12% - 20% of fat.

The future facility is planned to be developed on the land owned by Virovitica-Podravina County, on total gross developed area of 1,458.90 m² and will be located in Business zone III in Virovitica, where all necessary infrastructure is already in place (gas, electricity, water, sewage). Technological and technical solution of the facility has features of a small industrial plant and is designed as a low-energy-efficient building.



POTENTIAL TRANSACTION STRUCTURE

Virovitica-Podravina County is the owner of the land planned for the construction of the dairy.

There are two possible transaction models:

- joint venture with the County where the land will be transferred to the new company, or
- right to build on the land for 99 years if the investor wants to develop the project independently

ESTIMATED VALUE

Total project value is estimated at 3.5 million EUR.

CURRENT PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the fulfillment of the project have been obtained along with location permit and the main project.





VIROVITICA-PODRAVINA COUNTY

Population (2011): **84,586**
GDP per capita (2010): **5,869 EUR**
Unemployment rate (2011): **32.5%**
Average gross monthly salary: **851 EUR**

Virovitica-Podravina County is located in northeastern Croatia and covers the area of Slavonia and Podravina. It is bordered by Bilogora, Papuk and Krndija from the South, whose slopes gradually merge with the Pannonian Plain. The County's northern border is the River Drava which also makes a natural border with Hungary in the largest part of its hundred kilometre long course.

The city of Virovitica is an administrative, economic, cultural and educational centre, in which tourism is developed through a variety of traditional and contemporary forms with numerous cultural, historical, theatrical and sporting events, exhibitions and concerts.

Fruit growing, horticulture and cattle breeding has a long tradition due to the wealth of natural resources. While corn and wheat, medicinal herbs, tobacco and sugar beet of the

highest quality are grown on fertile Slavonia and Podravina fields, the slopes of Bilogora and Papuk are covered with vineyards.

The forest richness has given impetus to the development of wood processing industry with worldwide reputation. Pure nature is an ideal setting for beekeeping, and beekeepers are known as the best in Croatia due to quality and quantity of their honey. The milk production is an important activity too although in recent years it has slightly decreased from 23.2 million litres in 2007 to 21.3 million delivered litres. Still the County covers 3.2% of total milk production in Croatia (2012).

The location of Virovitica-Podravina County at the intersection of important traffic routes has also led to the development of trade as well. Renowned international fairs – 'Viroexpo' and 'Agroexpo' in Virovitica and 'Agroarca' in Slatina have grown from small local events to ones of the largest fairs of this type in Croatia.

CONTACTS

Virovitica-Podravina County, Mr Tomislav Tolušić, Mayor, e-mail: ured.zupana@vpz.hr;

Virovitica-Podravina County's Regional Development Agency, Ms Natalija Havidic, e-mail: natalija.havidic@ravidra.hr

Agency for Investments and Competitiveness (AIK), www.aik-invest.hr, e-mail: info@aik-invest.hr

Mr Damir Novinić, Managing Director, e-mail: damir.novinic@aik-invest.hr

PRIVATE PROJECTS

Aristos Hotel
Banko
Biodiesel Production
Biograd Health & Tourist Centre
Biska Golf Resort
Brod
Dubrovnik Pearl – Croatian Dream
CCPP 600 Slavonski Brod
Hipersfera
Hortus Croatiae
Imperium Tower
Istria Estate & Country Club, Marlera Club
IThome
Meat Production and Processing Facilities
Nursing Home Zajčeva
Residential Care Home
Rimac Automobili
Riviera Pašman
Solvis
Strategic Plan (Benkovac)
Strategic Plan (Županja)
Sv. Martin Hotel and Resort
Tourist Zone Rastovača
Wellness & Health Centre Nin

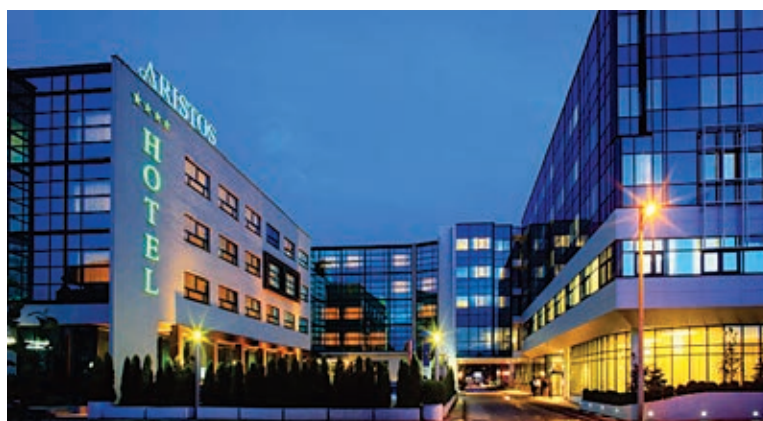
COMPANY

The Company owns and operates the four-star Aristos Hotel with 150 accommodation units of various types and a number of additional hotel services.

The Hotel is located in the well-developed business zone Buzin, in a Zagreb suburb, where a large number of domestic and international companies, as well as the US Embassy are situated. The vicinity of Zagreb International airport (7 km) and the Hotel's high categorization allow its positioning as a high quality business hotel, specialized in organizing conferences, seminars and meetings.



The Hotel increased its capacity and services in 2009 as a result of an increased demand. Further development of the City of Zagreb as a tourist destination, a strong growth of tourist arrivals (from 301,227 in 2005 to 767,366 in 2012) and its recognition on the world destination map, combined with the increased demand for luxury hotels, provide a strong growth potential. The Hotel's attractiveness is also anticipated to enhance with the planned construction of a new terminal at Zagreb Intl. Airport.



TRANSACTION

Sale of a majority stake in Turopolis Ltd., a company that owns and operates the Aristos Hotel.

FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	2,395,766	2,406,796	2,418,917
Operating expenses	2,373,935	2,469,433	2,509,552
EBIT	21,831	(62,638)	(90,635)
EBITDA	481,222	717,461	679,416
Net income	(60,305)	(3,570,006)	(1,538,612)
Total assets	23,209,112	21,796,529	21,177,593
Total liabilities	19,126,167	21,398,658	22,291,610
Number of employees	66	61	62

REAL ESTATE PORTFOLIO

HOTEL

The Hotel has 150 accommodation units and offers three types of rooms (comfort, superior and deluxe), three business suites and one deluxe suite. All rooms are furnished with real wood details and equipped with satellite TV, air-conditioning, phone, mini bar, safety deposit boxes and high-speed Internet connection.

CONFERENCE FACILITIES

Seven multi-functional conference halls spread over the total area of 908 m², which can be used for workshops, presentations, meetings, press conferences and similar events. Congress halls are equipped with sophisticated audio and video equipment, including LCD projectors, integrated projection walls, specially designed ergonomic chairs and air conditioning, and have a total capacity of 575 seats.

ADDITIONAL FACILITIES

The additional Hotel offer includes: a foreign exchange office, a gift shop, the Lobby bar, the Momento Lobby bar, a summer terrace, the Tiara Restaurant, a fully equipped e-business centre, Wellness & Spa centre, a fitness studio, laundry services and a hairdressing salon. There are also outdoor parking places.



CITY OF ZAGREB

Population (2011): **792,875**

GDP per capita (2010): **18,645 EUR**

Unemployment rate (2011): **9.4%**

Average gross monthly salary: **1,250 EUR**

Average gross salary in the sector (tourism): **781 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 census, Zagreb has 792,875 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues. Almost half of total FDI in 2012 was realized in Zagreb.

There is a predominance of service activities (especially

wholesale and retail commerce) which participate with 38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical, pharmaceutical, textile, food and drink processing). The largest number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 767,366 guest arrivals in 2012, with approx. 1.25 million overnight stays, of which 77% were made by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 52 hotels with 3,832 accommodation units; however, there are only three hotels with 5-star and 14 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

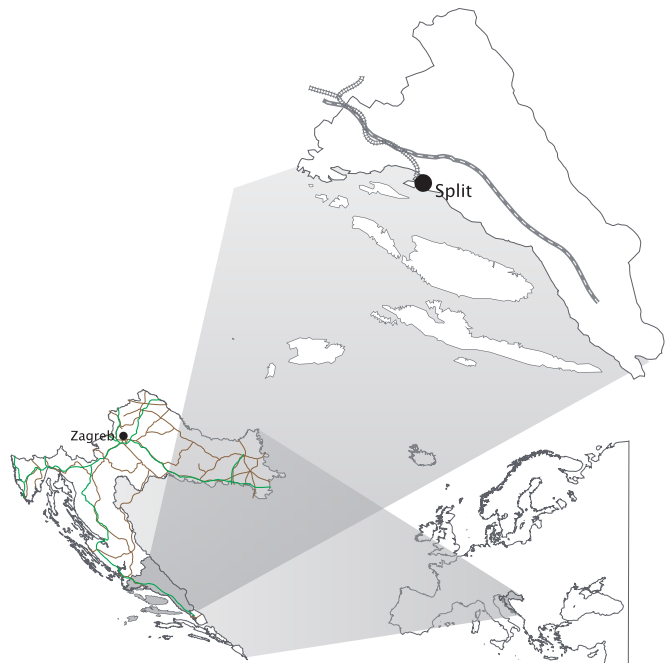
CONTACT

Turopolis Ltd., www.hotel-aristos.hr, e-mail: aristos@hotel-aristos.hr

PROJECT DESCRIPTION

The Banko vane machine essentially represents a new way of greatly improving the performance of vane machines in any product application based on vane machines. Furthermore, the likely cost of the Banko vane machine is no greater than existing units available on the market.

Coupled with its greatly improved efficiency it will lead to a quick payback period for companies that choose to either gradually replace their stock of existing machines and/or add new product lines. The Banko vane machine will allow companies owning and operating these units to increase their bottom line. It is important to note that the improved performance from the Banko vane machine may be applied in all vane machine applications including: pneumatic tools, compressors, expanders for hydrogen fuel cells, pumps (especially vacuum pumps), starters for large diesel engines, and compressors for air pre compression in internal combustion engines (i.e. superchargers). Banko is seeking to find a partner who is willing to invest via joint venture in development and manufacturing of other applications of the vane machine.



TECHNOLOGICAL ADVANCEMENT

Vane machine technology has been unchanged and unimproved for more than half a century. The volumetric and mechanical losses currently experienced by classic vane machines have largely been overcome. This has been achieved via introducing the concept of both stationary and rotating cylinder parts enabling improved charging and discharging of the working media and reduced wear of the radial vane surfaces, rotating lateral parts which rotate jointly with rotor improved mechanical efficiency, and reduced wear on the lateral 2 side of the vanes, improved sealing resulting in reduced maintenance requirements, improved reliability and lifetime performance. The combined effects of

the technical improvements have resulted in a dramatically improved power efficiency of the Banko vane machine conservatively recorded at ~ 30% to 50% (with optimal results in the ~ 80% to 100% range) compared to other machines of similar size. These impressive results have been confirmed via testing on a Swiss made eddy current dynamometer Magtrol 2WB65 machine and by customers on the market. All products are built and produced in accordance with the ISO 9001:2008, machinery directive and highest safety requirements to fulfill EC declaration of conformity and all existing standards for the pneumatic grinder line.

INNOVATIVE LEADER IN INDUSTRY

The Banko vane machine supersedes current rotary vane technology making all current vane machine technology increasingly obsolete. In addition, the Banko vane machine in air compressors outperforms alternative technologies which include reciprocating piston, rotary screw, rotating centrifugal etc. With the rights to these patents, the manufacturer of air compressors or pneumatic tools can greatly improve the product and gain market share at

the expense of competitors. The Banko vane machine's potential was recognized by the Government of Croatia's wholly owned business innovation development company, BICRO Ltd (the Business Innovation Center of Croatia). Following a competitive process, BICRO Ltd awarded start-up funding to Banko in project development. This new technology with several product applications is protected by patents.

ENVIRONMENTALLY FRIENDLY

The lubricant/oil free nature of the Banko vane machine has increased environmental acceptability as there are fewer pollutants emitted by the Banko vane machine installed in air compressors. Furthermore, there will be quite possibly an indirect contribution to a reduction in carbon emissions (insofar as electrical energy is powered by fossil fuels) as less

electrical energy is required to power these units for the same work output. As an indication of the reduced amount of electricity this new vane machine requires, if every air compressor in use today employed a Banko vane machine, global consumption of electrical power would be reduced by 1% to 1.5% (~ 233 TWh)

BANKO PNEUMATIC GRINDER

The Banko vane machine is used very successfully in one of Banko's current products, the pneumatic grinder. The Banko pneumatic grinder with vastly superior performance to its competitors is Banko's "flagship" product and is produced at its manufacturing facility in the city of Split, Croatia.

- Banko pneumatic grinder provides 60-100% faster grinding at the right speed with high-speed material removal which improves production rates and allows new levels of productivity.
- Banko pneumatic grinder provides 100% total lifetime work with low maintenance costs.
- Banko pneumatic grinder provides much less insensitivity to variation of the pressure in the air hose.
- Banko pneumatic grinder provides grinding with much less vibration due to grinding of the accessories at the right speed.
- Banko pneumatic grinder provides oil-less production which enables clean surface and more environmentally friendly operation.
- Banko pneumatic grinder is ergonomically shaped for less operator fatigue and easy control.
- Banko pneumatic grinder offers a competitive price with high energy efficiency.



CONTACT

HAMAG INVEST-Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr



BIODIESEL PRODUCTION

PROJECT DESCRIPTION

The project involves the construction of a production plant / facility for the production of biodiesel in the north of Croatia. The capacity of this facility will be approximately 20,000 MT per year. Equipment has been designed to produce biodiesel well within EN 14214 specification. The plant is able to use wide spectrum of feedstock (crude rapeseed oil, palm oil, soya oil, jatropha oil, used cooking oil etc.), since oil pre-treatment is possible. Also, glycerol purification system has been designed to purify glycerol up to 85% minimum. So far, approximately 3.9 million EUR has been invested in this project and the project holder has finished the following:

- required modifications in industrial hall
- 50% of construction works in storage hall
- 40% of the equipment is on location, 40% in customs warehouse, 20% is ready for delivery.

Overall project was designed and specified by experts in designing biodiesel facilities. PBG Ltd. is the owner of the overall technology.

Along with production facility, the plant will also have additional flexible storage capacity:

- 400 m³ for feedstock
- 300 m³ for biodiesel
- 100 m³ for glycerol

This plant will have three stages of operation:

1. Degumming and neutralization of oil
2. Transesterification
3. Glycerol purification

KPMG was hired to provide new business plan which was done in February 2012 and is available to interested parties.



ESTIMATED VALUE

The total value of the project amounts to 5.9 million EUR. The project holder is looking for additional investment of approximately 2-4 million EUR in order to finish the project.

KPMG analysis (HRK'000):

Year	2014	2015	2016
Sales profit	51,985	171,178	220,177
Cost of raw material	(39,032)	(128,524)	(165,314)
EBIT	6,628	29,625	39,503
EBITDA	9,197	33,020	44,133
Gross profit I	12,954	42,654	54,864
Number of employees	11	19	19

PROJECT STATUS

The overall project can be finished within 3 months since most of the equipment is on site or finished and waiting for delivery. The project has all the necessary documentation for its implementation:

- Clean Title Property;
- Feasibility study;
- Environmental Impact Assessment Study;
- Technical documentation;
- Building permit.



TRANSACTION MODEL

The project holder is looking for investor.

VARAŽDIN COUNTY

Population (2011): **176,046**
GDP per capita (2010): **8,209 EUR**
Unemployment rate (2011): **15.0%**
Average gross monthly salary: **806 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.

The County's economy is based on agriculture, manufacturing and processing industries with milk production, meatpacking,

beverage production, textile and leather production, and metal processing being the strongest sectors. The County has a well-developed ICT sector with over 120 different ICT companies. The Tech Park Varaždin houses 25 ICT, marketing and R&D companies. There is one free zone, as well as a number of business and SME zones.

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.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre; www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipičić Kobali, Managing Director

Proizvodnja biogoriva Ltd., Mr Ivica Šprem, e-mail: ivica.sprem@ogv.hr, tel: +385 98 213 406

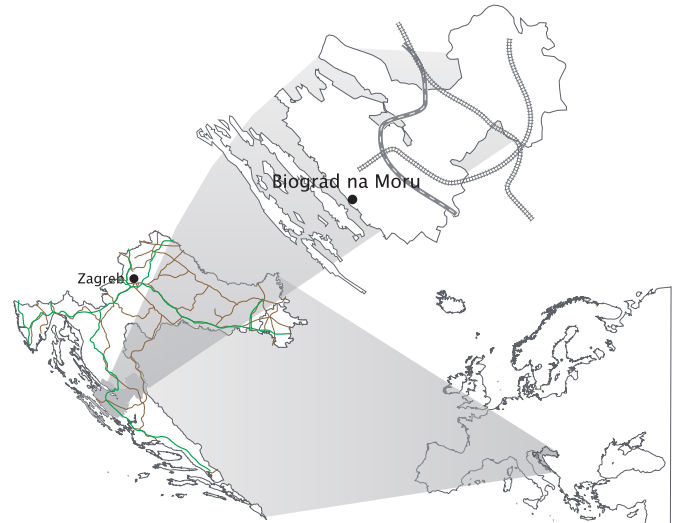


BIOGRAD HEALTH AND TOURIST CENTER, Biograd na Moru

PROJECT DESCRIPTION

Biograd Health and Tourist Centre is a project held by Zadar County, whose goal is a development of medical tourism offer within the Special Orthopedic Hospital in Biograd na Moru. It involves creating a new health and tourist center next to the existing hospital building.

In addition to the construction of new accommodation capacities and medical service facilities needed for various health treatments and therapies, the Project includes wellness and recreational area with indoor and outdoor amenities.



ESTIMATED VALUE

Estimated value: 25 mil EUR

LOCATION

The designated location is adjacent to the Special Orthopedic Hospital in northern part of Biograd na Moru, easily accessible from Adriatic Tourist Road (Jadranska turistička cesta). Zadar International Airport is 28 km, while the Zagreb-Split Highway is 22 km away.

The Town of Biograd na Moru is surrounded by national parks (Kornati Islands, Velebit, Paklenica, The Krka Waterfalls, Plitvice Lakes) and nature parks (Telašćica

on Dugi Otok and the Vrana Lake). It is a well-known tourist and nautical center in the midpoint of the Adriatic coast, with over a century-long tourist tradition. It offers a wide variety of sports and recreational capacities, several marines and rich gastronomic offer in numerous restaurants along the coast. In addition to its cultural heritage and vicinity to the historical cities of Zadar, Šibenik and Nin, Biograd na Moru is considered as a destination for an interesting and dynamic vacation.

TRANSACTION MODEL

Several possibilities are offered to the potential investors, including construction/concession, public-private partnership and other contract arrangements.

CURRENT STATUS

In accordance with the urban development plan, the area of 43,000 m², owned by the Project holder, is foreseen for the construction of health and tourist facilities.

The preparation of the project documentation is currently in process. The pre-study of development of health tourism has already been made by Zadar County Development Agency.

PLANNED FACILITIES

FACILITY SIZE:

- Gross floor area: 6,000 m²
- Ground floor size: 6,000 m²
- Total land area: 43,000 m²
- Allowed construction density: 0.3
- Allowed construction efficiency: 1.5



ZADAR COUNTY INFORMATION

Population (2011): **170,398**

GDP per capita (2010): **8,182 EUR**

Unemployment rate (2011): **21.0%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,486.91 km² of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with a 30% growth of the number of passengers in 2011-2012.

The County's economy is primarily based on crafts, industry, tourism, traffic, especially maritime traffic and agriculture. Crafts and industry are at the economic core of the County although services have shown the most significant growth in recent years.

The County's education policies mirror its abundant ties with tourism and maritime sector. There are institutions of secondary and university education with programs in hospitality, culture, tourism and nautical traffic.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 76,500 beds, most of which (73%) are private accommodation. Almost half of the capacities in hotels and camps are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.8 million overnight stays in 2012 (11.4% of all overnight stays in Croatia). Most of these (88%) were by foreign guests.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive costal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by renowned Dogus Group.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipić Kobali, Managing Director

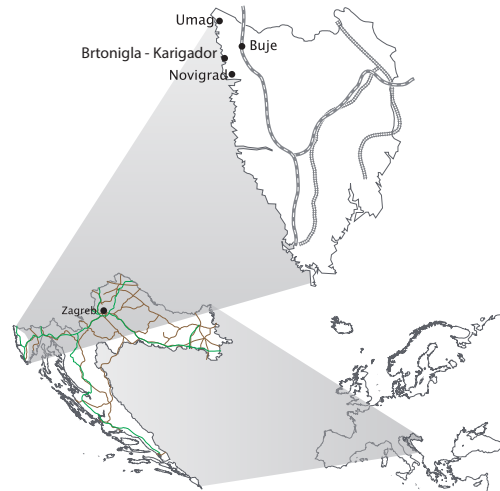
Zadar County Development Agency – ZADRA, www.zadra.hr, e-mail: sime.erlic@zadra.hr

PROJECT DESCRIPTION

Located in the North-West of Istria, the largest peninsula in Croatia, between towns Umag and Novigrad, the project envisages a construction of a professional standard 18-hole golf course along with accompanying facilities on approx. 75 hectares of coastal woodland.

The golf course, designed by the leading British golf design team European Golf Design, should spread over 59 hectares. The residual land is envisaged for a construction of 80 luxury villas, a club house and four artificial lakes.

While the club house is planned to be built on three floors (club room, restaurant and bar, wellness centre, gym, conference hall, pro-shop), the 80 villas whose construction is planned in two phases should cover an area of over 8.5 hectares of land. The size of the villas is foreseen in a range from 350 up to 1,050 m² gross (constructed as individual villas and villas divided into two and three independent units). In addition, the commercial zone with a hotel will be built on the South-West part of the project area.



POTENTIAL TRANSACTION STRUCTURE

The sale subject is equity stake in the limited liability company Golf Istra Magica (GIM) which owns the project land area.

PROJECT STATUS

The project is in a high stage of readiness as all major planning permits and additional documentation necessary for the project fulfilment have been obtained. These include Physical Plan of Istria County, Physical Plan for the Development of Brtonigla Municipality and Urban Development Plans for the areas of Fratarska Šuma Golf Course and Mala Punta.

Master Plan (European Golf Design), Environmental Impact Study and Final Location Permit for Fratarska Šuma Golf Course and accompanying facilities (commercial and residential zones, golf course, club house, etc.) have been completed and/or obtained.

According to the statement of the Investor, the current status of permits and documentation allow the completion of the Project by autumn 2015 / spring 2016.

ISTRIA COUNTY

Population (2011): **208,440**
GDP per capita (2010): **12,897 EUR**
Unemployment rate (2011): **11.5%**
Average gross monthly salary: **997 EUR**
Average gross salary in the sector (tourism): **1,142 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula).

Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (25% of all arrivals and 32% of all overnight stays in Croatia in 2012) and trade sector. In recent years, a great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia".

There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands were strongly developed). In the past decade, intensive investments (760 million EUR) in a construction of new and reconstruction of existing, primarily high-class hotel facilities were made resulting in a significant increase of five-star hotels (total of 4) and four-star hotels (total of 30).

In the structure of accommodation, from a total of 244,728 units, camps are the most represented (44.4%), followed



by private accommodation (22.6%), apartments and rural tourism (12.8%), hotels (11.2%) and accommodation in marinas (6.7%). Main markets in terms of overnight stays are Germany (28.7%), Slovenia (14.2%), Austria (11.0%) and Italy (10.6%).

Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre-Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing, and diving tourism.

Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza and Sv. Katarina i Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACT

Golf – Istra Magica Ltd.,
Contact person: Mr Zvonko Anderluh, e-mail: zvonko.anderluh@golfistramagica.com



BROD Ltd. Podcrkavlje

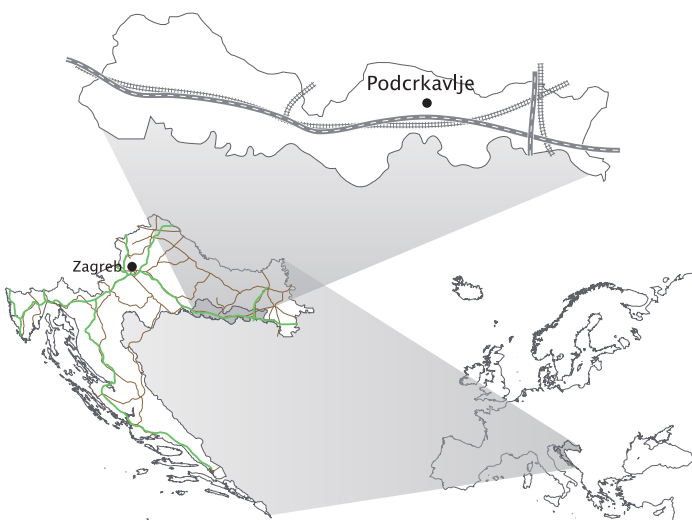
PROJECT DESCRIPTION

The project involves exploitation and industrial processing of carbonate raw material and technical constructive stone on the field Mlada Vodica, located in Podcrkavlje municipality in Brod-Posavina County.

The exploitation area that was given in concession extends to 18.2 ha, and it is located on the southern slopes of Dilj hill. The estimated reserves of high value calcite and high purity (97% CaCO₃) on that area amount to 5,800,000 tonnes; together 1,158,528 m³ of technical constructive stone.

The first phase (already started in September 2013) involves exploitation of technical constructive stone and processing of a raw material for calcification of soil. This phase demands investments in machinery equipment for digging, grinding and separation of raw material and represents considerably smaller investment than those needed for industrial production.

Calcium carbonate has wide range of usage, for instance in production of paper, plastic, agriculture, fruit growing, forestry, pharmacy, chemical industry as well as in



construction industry as lime or addition to colours and fillers. The sort of production of certain range of products will be defined by the market demand and industrial production.

ESTIMATED VALUE

The estimated value of the project ranges from 350,000 EUR for the first phase (purchase of an old stone flour factory not in function but with all necessary infrastructure) to 2.5 milion – 4 million EUR for the second phase - construction of a new plant and investing in technology.

TRANSACTION MODEL

Looking for investor or strategic partner. Company Brod Ltd. is open for all possibilities of collaboration from joint ventures to the sale of ownership interests.

PROJECT STATUS

The project has environmental impact assessment study; clear title property; technical documentation; building permit and concession on 20 years.

BROD-POSAVINA COUNTY

Population (2011): **158,559**
GDP per capita (2010): **5,357 EUR**
Unemployment rate (2011): **33.8%**
Average gross monthly salary: **858 EUR**

Brod-Posavina County is the southern Slavonian county in Croatia. Its center is the city of Slavonski Brod and it spreads along the left bank of the Sava river, hence the name Posavina.

Its territory can be divided into three parts: mountainous, lowlands and plains. The County comprises 2 cities, 26 municipalities and 185 settlements. 79,004 of the inhabitants live in either of the two cities (63,268 inhabitants in the capital of the county Slavonski Brod, and in Nova Gradiška 15,736), while 54.33 % of the people from the County inhabit its rural parts (93,989 inhabitants).

The County is situated in the southern part of the Slavonian plain, between the mountain Psunj, hills of Požega and Dilj on the north and the river Sava on the south spreading over 2,043 m². It is characterised by two main traffic connections: The first intercontinental (west-east) line connects the countries of Western Europe with those of the Near East. This direction is intersected with rail, road, river and telecommunication network, as well as pipeline. The second traffic line, so called interregional (from the North to the South), connects Eastern and Central European countries with the Adriatic. The most important state road E-70 Zagreb-Lipovac and the international road E-73 Budimpešta – Beli Manastir – Osijek – Slavonski Šamac cross Brod-Posavina County; the

construction of the road through Bosnia and Herzegovina, ending in Ploče, is planned in the near future. Two other important routes, D-53 Donji Miholjac – Našice – Slavonski Brod and Požega – Nova Gradiška route also pass through the County.

Slavonski Brod river Port is situated on the international waterway of the IV category. The port area of Slavonski Brod is connected by road and railway with international infrastructure corridors as well as with the economic operators in the City, it is located on the border with Bosnia and Herzegovina, on the traffic corridor X and in the proximity of the traffic corridors X and Vc junctions. Osijek Airport is 90 km away; there is a sports airport Aero-Club Brod, and there are 15 agricultural airfields. Interstate railway line MG-2C connects Western and Eastern European countries.

The County's economy is primarily based on manufacturing industry, trade, agriculture and construction with its most important export markets in Bosnia and Herzegovina, Austria, France, United Kingdom and Italy.

The County offers a possibility of studying at Slavonski Brod Polytechnics, Faculty of Mechanical Engineering and Teachers Academy in Slavonski Brod. From business infrastructure it has technological centres/parks (Centre for Technological Development – Brod-Posavina County Development Agency), Industrial Park Nova Gradiška; Business zones: Luka Brod, Slavonski Brod – Bjeliš and Kolonija, Davor, Dragalić, Industrial Park Nova Gradiška, Brodski Stupnik - Rižino polje and Business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

CONTACTS

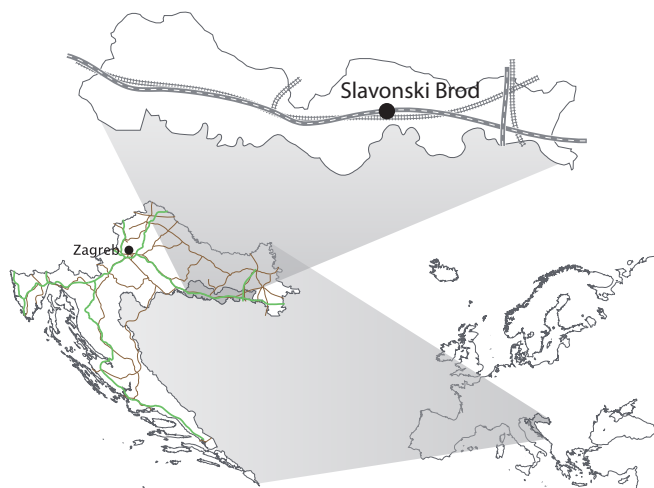
Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipić Kobali, Managing Director
Brod Ltd., tel.: +385 98 1914 073

PROJECT DESCRIPTION

Project includes a greenfield construction of 600 MWe combined cycle gas power plant near city of Slavonski Brod (CCPP Slavonski Brod). Net efficiency of electricity production of the plant is up to 61% and maximum overall efficiency is approximately 68%. Estimated value of investment is **€450 mil.**

COMPLETED ACTIVITIES:

- ✓ Prefeasibility study
- ✓ Preparatory studies
- ✓ Conceptual and basic design
- ✓ Building plot procured (concession contract for 35 years)
- ✓ Location is equipped with utilities and infrastructure
- ✓ Environmental impact study and technical-technological solution
- ✓ Provisional authorization for connection to electrical power system obtained
- ✓ Decision on project eligibility for environment and decision on integrated environmental protection requirements from Ministry of Environmental and Nature Protection
- ✓ Special requirements obtained and request for location permit submitted



CURRENT ACTIVITIES:

- Obtaining of location permit, expected – end of 2013
- Gas supply, electricity and services sales, business, investment and financing model – 2nd quarter of 2014
- Construction model, tender preparation, suppliers selection, contracting and construction works commencement – 2nd quarter of 2014

TRANSACTION MODEL

CRODUX ENERGETIKA Ltd., a 100% privately owned company, is looking for potential financial/strategic investors and partners to enter the project by acquisition of certain amount of the company's shares after obtaining the building permit. Inclusion of other investors after the final investment decision.

INVESTMENT OPPORTUNITY

Annual electricity production capacity of the power plant is 4.8 TWh (92% expected availability), which is about 30% of the total consumption in Croatia. The power plant will offer electricity, ancillary services, balancing energy for electrical power system as well as for gas system and thermal energy on the market.

Most of the open energy market participants are often not able to realize projects like this one by themselves. Therefore, there is a potential and possibility for joint venture of investors and market participants in order to provide the production capacities with necessary characteristics within the energy system and market, and simultaneously minimize risks for all involved parties.

Investors and project participants have opportunity for profit from sales of broad portfolio of products that CCPP Slavonski Brod can offer on open energy market in the EU and Energy Community.

The investment is approximately €450 mil., whereof 30% of own funds are provided by the founders in the company's equity (equity shareholders) and 70% from financial market by long-term debt. The financial investment return is expected in the ninth year of life and the internal rate of return is 8%.

Financial success is achieved throughout the estimated period of the project, generating future positive cash flows satisfactorily and fulfilling all financial obligations within the planned life of the project. Investment is therefore justified because it guarantees to the investors maintaining of a long-term financial stability, strengthening and increasing of its financial power, successful business and appropriate profit.

Indisputably, all research and analyses conducted by the developing Company confirm that such power plant is needed and necessary in the energy market.

PROJECT DESCRIPTION

CCPP Slavonski Brod is energy project in accordance with Energy Development Strategy of the Republic of Croatia as well as Spatial Planning Strategy of the Republic of Croatia and Spatial Planning Programme of the Republic of Croatia. CCPP Slavonski Brod, due to its characteristics, contributes to security of electricity supply, increase of reserves and stability of electric power system (EPS) and development of energy market. Primary purpose of CCPP Slavonski Brod is electricity production for energy markets of Croatia, South East Europe region and European Union, as well as providing services to EPS. Its secondary purpose is production of thermal energy and industrial steam.

Plants flexibility and dynamic stability is in line with requirements of today's EPS. EPS requires fast, flexible and efficient power plants of sufficient capacity, such as CCPP Slavonski Brod, which can contribute with their products and services to reliability and stability of EPS operation and its regulation and control capabilities. The latter is especially significant due to increase of electricity production from power plants using renewable energy sources.

The project is based on the state-of-the-art technology of the world's leading equipment manufacturers, which attains and ensures competitiveness of the power plant as well as its minimum impact on environment.

Location of CCPP Slavonski Brod, set in Slavonski Brod Port

Authority area, is carefully examined and researched, fully equipped by relevant infrastructure (waterway, road, railroad, public water supply and drainage, main gas pipeline, electric power transmission system) and ready for construction.

This power plant has exceptionally positive effect on the stability of electricity supply in Croatia, in particular eastern Croatia and Slavonia, as well as South East Europe region in general. Since existing electricity production capacities in Croatia are not competitive in open electricity market, Croatia imports approximately 30% of its electricity demands. In dry season and during peak load hours the electricity import reaches 70% of Croatian demands.



GAS SUPPLY

CCPP Slavonski Brod is fuelled by natural gas, the only currently available and accessible indigenous energy source in Croatia. More than 70% of Croatian natural gas needs are covered from local production and estimated reserves of this energy source in Croatia are sufficient for its long-term supply with natural gas.

Security of gas supply is guaranteed by good connectivity of gas transport system by interconnections with adjacent countries' gas transport systems and connections to main gas supply corridors.

ENVIRONMENTAL PROTECTION

In accordance with principles of sustainable development, the best available technology and natural gas as a fuel have been selected and the strictest criteria of environmental and nature protection in accordance with EU legislation have been applied, which ensures that this project contributes to the improvement of the environment.

Space for managing future carbon capture and storage requirements has been reserved within the power plant location.



CONTACTS

Crodux Energetika Ltd., e-mail: info@crodux-energetika.hr

Center for Monitoring Business Activities in the Energy Sector and Investments, www.cei.hr, e-mail: cei@cei.hr



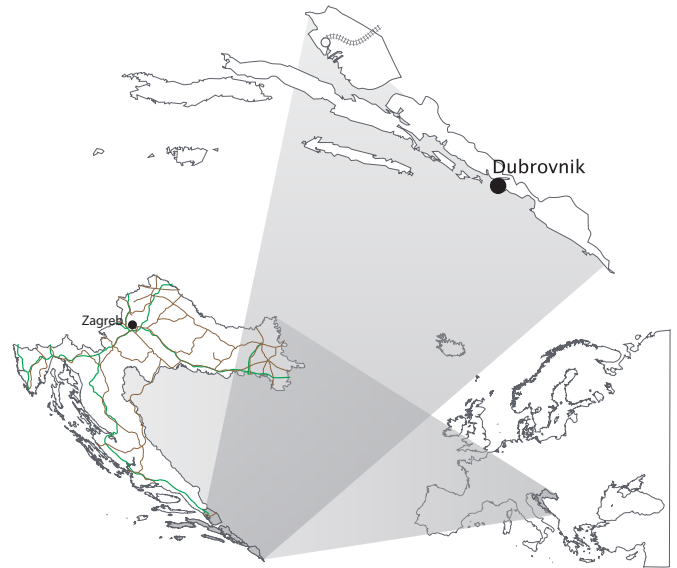
DUBROVNIK PEARL - CROATIAN DREAM

PROJECT DESCRIPTION

Project “Dubrovnik Pearl - Croatian Dream” involves building within an area of 260 ha, whereas 40 ha a luxury resort with hotels, a tourist centre and additional facilities – 7 hotels and resorts, 400 residences within hotels, 500 apartments, sports facilities, a marine for mega yachts with 400 berths, golf course (27 holes), 220 private villas, shops, restaurants, bars, museums, galleries, and many other facilities.

The project is 100% privately owned and situated in an area of special state concern of the Republic of Croatia, thus allowing certain tax reliefs with the possibility of reduction of community contributions. The total area covers 260 ha with a planned capacity of 4,100 beds.

The planned area for the golf course is 205 ha, of which 27.3 ha are intended for the buildings. The building permit inside the zone enables the building of facilities up to 5 levels, with a maximum height of 20 m, on the condition that 40% of the building plot is organised as parks and natural green areas. The entire infrastructure within the zone is set out in the planning documentation.



ESTIMATED VALUE

Estimated value: 920 million EUR

LOCATION

The project is located in the tourist zone „Sestrice“, in the centre of Dubrovnik-Neretva County on the eastern Adriatic coast and at the corridor that connects Central and Eastern Europe.

The location is attractive due to its proximity to the City of Dubrovnik, the most famous Croatian city and world-class tourist centre.

The zone is only 50 km from the A1 motorway, 50 km from railway station Ploče, 60 km from Dubrovnik Airport and 40 km from the Dubrovnik Seaport.

TRANSACTION MODEL

Looking for investor or strategic partner.

PROJECT STATUS

The project has a clean title property. All of the project contents are included in the spatial plan. For the tourism development zone and marina Urban Development Plan (in Croatian "UPU") has been approved, and Environmental Impact Assessment (in Croatian "SUO") is in progress; for the golf course UPU and SUO are in progress. Feasibility study has been made. Infrastructure works have started on site.



DUBROVNIK-NERETVA COUNTY

Population (2011): **122,783**

GDP per capita (2010): **10,457 EUR**

Unemployment rate (2011): **18.8%**

Average gross salary: **994 EUR**

Average gross salary in the sector (tourism): **984 EUR**

Dubrovnik-Neretva County comprises 5 cities and 17 municipalities. The County includes smaller islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards).

The main characteristic of the County's economy is the predominance of tertiary services with tourism and hospitality industries and maritime shipping as main activities. The region also has significant agricultural potential in the area of the Neretva River Delta Valley and in the Pelješac Peninsula known for the active production of high quality wines.

The County is very well connected by Dubrovnik International Airport, close proximity to the modern A1 Split-Zagreb Highway, the deep sea port of Dubrovnik suitable for cruisers as well as an important cargo port

Ploče (gateway of the future Pan-European transportation corridor Vc). Dubrovnik's famous medieval old town (listed on UNESCO's world heritage list since 1979) along with the island of Korčula has positioned Dubrovnik and the County as a high-end European and global tourist destination (New York Times shortlisted Dubrovnik among 45 places to visit in 2012, USA Today placed Dubrovnik at the 4th place of prettiest European cities in November 2013).

Tourism is constantly developing as a strategic industry for the County, through investments in new and existing hotels, sports and infrastructure capacities (14 five-star hotels and 18 four-star hotels, two golf resorts planned within 35 km, a new investment in ACI Marina Slano).

The potential for high-end tourism has already been identified by international hotel chains (Hilton, Radisson Blue, Rixos, Uzel Holding, Adriatic Luxury Hotels and Luksic Group) present in Dubrovnik and planned opening of Amanresorts in Cavtat in May 2014.

The educational infrastructure relevant to the sector includes high schools for hospitality and catering, and two universities with excellent programs related to tourism (ACMT-RIT New York and Dubrovnik University).

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipičić Kobali, Managing Director

Profectus eco Ltd., Dubrovački biser Ltd., Mr Vicenco Blagaić, Manager,
www.croatiandream.com, www.dubrovnikpearl.com, e-mail: vicenco.blagaic@profectusgrupa.hr

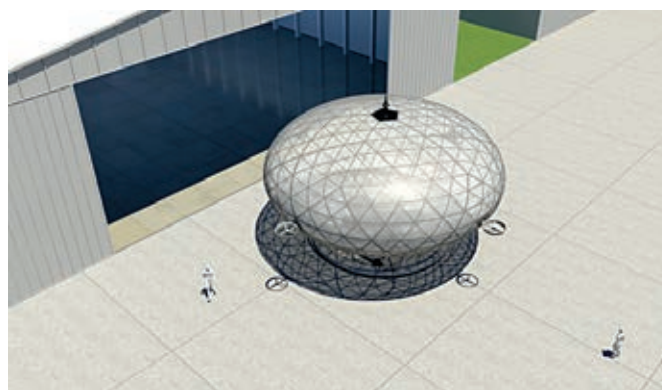
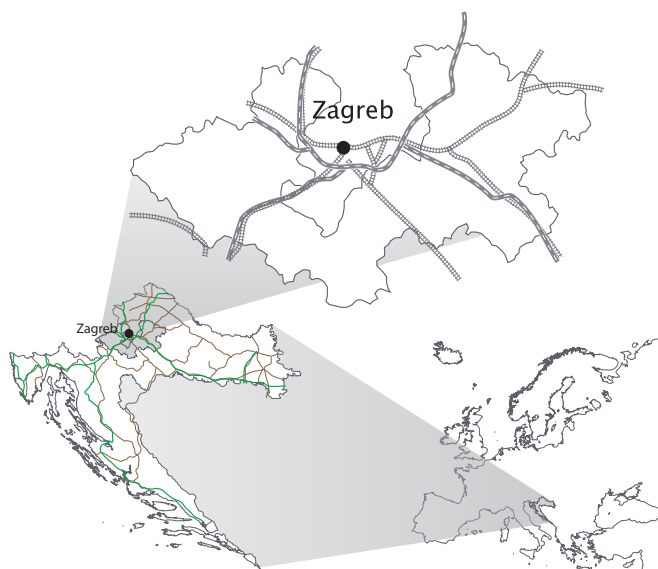
SHORT PROJECT DESCRIPTION

Hipersfera Ltd. is a startup R&D Company from Zagreb, Croatia, that is developing a Hypersphere system for continuous surveillance which represents a disruptive innovation for two major fast growing industries: unmanned aerial vehicles and remote sensing (7.3 Bn USD in 2011).

THE PROJECT IS DIVIDED INTO 2 INVESTMENT PHASES:

- The first phase (36 months) was finished at the end of 2011, with a budget of 1,200,000 EUR. The lead investor was the Croatian Government in addition to 30% provided by private investors. The purpose of the first phase was to build a scaled prototype to prove the concept. Seven independent financial and technical audits have been conducted and a fully functional 1st scale model has been built and flown for over 500+ test hours. In addition a PCT patent has been granted (WO-2012025769-A1).
- For the second phase (Hypersphere HS-5k) we are looking for an investment of 5,000,000 EUR, in order to develop the HS 5k airship (fully operational commercial platform), over a time span of 18 months.

The Hypersphere project is built around an airship as “an eye in the sky” that can continuously monitor the Earth, over particular geographical area, beating satellites and airplanes both in price and performance. Depending upon the type of payload the airship is carrying, data could be used as a traffic control tool, for border control or an early warning fire prevention system, etc.



Hypersphere HS-5k

COMPLETE TURN-KEY SOLUTION

The Hypersphere project offers a turn key solution for continuous surveillance. Hypersphere HS-5k system for continuous surveillance is comprised of a MALE UAV unmanned aerial vehicle with extended endurance (24 to 100 hours of continuous flight, depending on environmental conditions), and communication and ground infrastructure required for providing ground information in real time.

Data collected with the surveillance equipment is sent for processing to the central database, where it is available to the OPS center as well as to personnel on the ground. HS-5k system operator has complete control over the entire (encrypted) data chain, which is often not the case for surveillance systems offered by other manufacturers.

INVESTMENT VALUE

The investment value is 5 million EUR.

THE MOST COST-EFFECTIVE CONTINUOUS SURVEILLANCE SYSTEM

With per-flight hour expenses ten to fifteen times lower than other unmanned systems in the same class, the HS-5k system enables a considerable increase in profitability for use of unmanned aerial systems in public and commercial domains, as well as a significant market application

expansion. Furthermore, in the remote sensing industry the price per square kilometer for a very high resolution image (e.g. 20 cm/px) is more than 200 times higher than the production expense of the equivalent remote sensing data obtained through the HS-5k system.

HYPERSPHERE HS-5K AIRSHIP

Hypersphere HS-5k aircraft is classified as an autonomous unmanned airship of medium altitude long endurance, so called MALE UAV. It uses helium to maintain its altitude, while the attitude and position control is done via electrically driven vectored actuators. This significantly reduces overall power and energy requirements, enabling extended and very stable performance.

HS-5k airship has a payload capacity of 100 kg, which is sufficient for a sophisticated set of surveillance devices. Integrated camera systems enable human detection in optical and mIR (thermal) spectra, including reduced visibility situations. It is possible to integrate other sensor systems (mSAR, LIDAR, hyperspectral camera...) on demand. An important feature is the aircraft's availability of at least 50%. In other words, expected flight time per year is at least 4,400 hours. Availability this high (significantly higher than most UAVs on the market) is the result of modular airship design, lean fleet operations, as well as a high range of operational altitude – from 2 to 5 km above sea level. Cruise airspeed is 40 kph, while the maximum airspeed is 65 kph. Those airspeeds, in combination with a wide operating altitude range, enable airship operations throughout the year, in almost all weather conditions.

Take-off and landing is performed vertically and can be performed during rain, fog and snow, in up to 40kph wind irrespective of direction. SOP for take-off and landing requires crew of only 4 to 6, while one shift in the operative base can do up to four take-off and landings per day.



Hypersphere HS-5k Airship

Control of the airship during take-off and landing can either be automatic or performed by a remote pilot from the base. Modular design enables quick MRO cycle (service in-between two consecutive flights), uninterrupted availability of spare parts, and simple and efficient upgrade of individual subsystem. Aforementioned features are responsible for very low operative costs, less than 100 EUR per flight hour, including fuel, spare parts, human resources and other operative expenses.

HS-5k aircraft has a modern transponder MODE S/C, and can fly within the air-traffic control system (ATC) or individually. Mission Plan is given by the ground control operator, before the mission, but it can also be updated in flight, as a reaction to the situation on the ground, such as tracking of an object or subject. Expected lifespan of the aircraft, with regular and proper maintenance, is at least fifteen years.

GLOBAL MARKET

HS-5k as a tool for continuous surveillance represents a product targeting a global market, while competing in two major industries: unmanned aerial vehicles and remote sensing. The remote sensing market generated 7.3 Bn USD revenue in 2011, growing at 5.5% AAGR.

Hypersphere is capturing the value at the top end of Remote sensing industry value chain. Data collection and data processing, as processes in the value chain, constitute 66%

of the market. Existing platforms, satellites and airborne platforms are main competitors of Hypersphere, generating revenues in the same part of the value chain. Hypersphere incorporates the best characteristics of satellites and airborne platforms. Being a unique, state of the art, high-tech product and taking first mover advantage, Hypersphere airship will take significant percentage of market share after being commercialised (in > 18 months), but more important, it will create new markets which do not exist at present.

CONTACT

HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr



HORTUS CROATIAE

The Garden of Croatia

PROJECT DESCRIPTION

The project involves construction of a holistic wellness & health resort with an additional attraction in the form of tropical gardens; geothermal energy power plant of new generation based on own sustainable geothermal source with combined steam and gas production of electricity (7 MWe) and heat (24+MWth), and residential village development with villas and apartments surrounded by golf course and the drinking and mineral water bottling plant from own source on the site.

THE PROJECT IS DIVIDED INTO 3 MAIN PHASES AND SUBPHASES

PHASE 1:

- 1a** - Construction of a Hybrid Geothermal Power Plant (7 MWe, 24+MWth);
- 1b** - Health and Water Park (6,000 m² of pools' water surfaces) with horticultural gardens;
- 1c** - Tropical Gardens; Greenhouse agriculture and fish breeding

PHASE 2:

- 2a** - Spa & Conference 150 rooms Hotel with Medical Policlinic (primarily Dermatology & Gynaecology);
- 2b** - 40 rooms All suite 4+/5 star boutique hotel;
- 2c** - 240 units in Villas & Apartments village (to be sold on RE market) and 9-holes golf course;



PHASE 3:

Drinking and Mineral water bottling plant "Aqua Hortus".

The whole Hortus Croatiae complex is envisioned as an organically structured park village in an exceptionally attractive horticultural environment with natural water and pools surfaces, resonating natural warmth, cosy atmosphere, hospitality, tradition and natural environment at a 4+* (to partially 5*) quality level with extremely economically and financially efficient energy and water production elements.

PROJECT HOLDER

There are two companies involved in the project: Aqua Aera Terra (AAT) Ltd. and the company AAT Geothermae Ltd. AAT Ltd. is the owner of 500,000 m² of urbanised land and the health tourism, spa, tropical garden, water bottling and real estate & golf project, while the other AAT Geothermae Ltd. is the proprietor of 63,000 m² of urbanised land, geothermal well and sustainable energy production project.

ESTIMATED VALUE

Total gross estimated value of all three phases of the project is approx. 153.5 mil EUR. Presentation of the planned development phases and sub-phases and their new investment cost (excluding existing development value/cost: urbanized land, infrastructure, development, taxes and other assets and costs already invested):

- Phase 1a (Year 2013-2015) = 22.5 mil EUR;
- Phase 1b (2014-2016) = 24.5 mil EUR;
- Phase 1c (2015-2017) = 14 mil EUR;
- Phase 2a (2015-2017) = 32 mil EUR;
- Phase 2b (2015-2017) = 8 mil EUR;
- Phase 2c (2015-2017) = 37.5 mil EUR;
- Phase 3 (2014-2016) = 15 mil EUR.

TRANSACTION MODEL

The Developer is looking for a potential financial/strategic investor and partner to enter the project by acquisition of certain amount of the shares of the AAT company or/and AATG company; adding capital or offer a preferred equity facility or mezzanine financing facility (or other combination of capital and financing transaction if demanded by the policy of Investor/Financer). Investors can enter into each company separately or into both companies simultaneously.

LOCATION

The property is situated in the Međimurje region, in Northwest of Croatia, in the Municipality Prelog and the Draškovec settlement, in close vicinity of the highway Zagreb-Varaždin-Budapest. The capital city of Croatia Zagreb (and its main airport) is only a 60 minute drive away. The location is in the car drive vicinity from the markets of Austria, Hungary, Italy, Slovenia, Czech Republic, Southern Germany, as well as the City of Zagreb and all northern Croatia and nearest eastern European countries, which form the most important European Spa markets.



CURRENT STATUS

The project consists of 560,000 m² of land planned in the County's Spatial Plan and the Detailed Urban Plan of the City of Prelog for: development and construction of tourist facilities ("T1" and "T2"); geothermal energy and mineral water exploitation (E); residential villas and apartments units development (M - mixed use). The Detailed Urban Plan (for the 1st zone of approx. 300,000 m²), regulates the position of energy production from geo-thermal source and mineral water bottling exploitation facilities, water & wellness & health park with recreation facilities and three hotels. The building permit for water & wellness & health park was obtained in Oct. 2010 and construction works can start any time in 2013/2014.

For the second zone (of approx. 250,000 m²) that includes Villas & Apartments village and golf course, the process of defining the final conceptual design and the Detailed Urban Plan has also been finished. Documentation for the building and energy permits for energy production plant is technically fully prepared and waiting for final approvals. The research concession (approval) for the 1,100 hectares of geothermal field Draškovec-AATGW was obtained in August 2013. The location permit for connection of the power plant to the grid and all legal property issues on connection corridor were obtained in October 2013. The first adaptation and testing works

on the existing geothermal well Draškovec-1 start in December 2013 on the site of the project. The testing phase of the energy production plant using the existing well starting with 500 kWe power production is planned by March of 2014, when the connection to the grid is planned to be finished as well.

There is a possibility of funding up to 50% of eligible investment cost for the 1b phase by the ERDF.

The project of the power plant AAT Geothermae was applied to EU Commission's tender NER300 for rewards for innovative solutions in renewable energy and CCS. EIB is finalizing the due diligence process and if successful the project will be granted up to 50% of the planned eligible development costs with planned increase in capacity to 17.3 MWe.

The developer has prepared all the technical and financial feasibility studies for 1st phase development. The investment project of Energy Plant AAT Geothermae (Phase 1a) is ongoing and has so far secured financing until the finished testing phase of the plant. For all phases the complete investment programmes and business plans have been made, as well as the debt/loan financing conditions for their realisation are preliminary agreed with the local commercial and development banks.

MEĐIMURJE COUNTY

Population (2011): **114,414**
GDP per capita (2010): **7,885 EUR**
Unemployment rate (2011): **16.8%**
Average gross monthly salary: **783 EUR**

Međimurje County, with its county seat Čakovec, is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers. The county's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and to airports (Zagreb, Maribor, Varaždin) as well as railway connections).

The economy of Međimurje is export-oriented and fast-growing with highly developed trade (26.7%), manufacturing (22.0% - food production, food and wood processing, production of textiles, footwear, plastics), construction (14.5%) and building materials. In 2006, Međimurje County received the Investment-Friendly Region Certificate, and was ranked third among small European regions in the competition European Cities/Regions of the Future 2010/2011, organised by FDI Magazine, one of the leading magazines on global business (fourth among southern European regions and thirteenth overall).

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre; www.hgk.hr; e-mail: investicije@hgk.hr
Ms Silva Stipić Kobali, Managing Director
Hosting Ltd., Mr Peter Vesenjāk, Director; e-mail: peter.vesenjāk@hosting.si



IMPERIUM TOWER, Zagreb

PROJECT DESCRIPTION

Imperium Tower is planned to be constructed as a multipurpose tower consisting of hotel section, office space and lounge bar on the 28th floor.

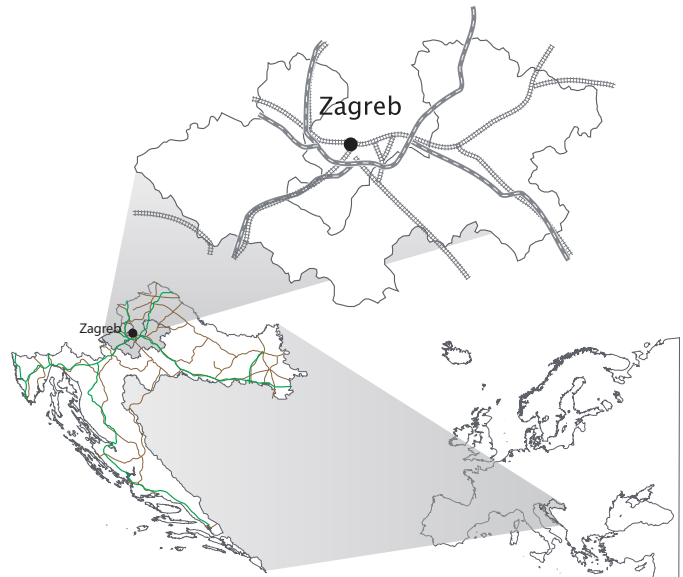
Total Gross Area of the building is 37,055 m², of which 31,293 m² above ground and 5,762 m² underground.

Above-ground part of the building consists of 2 parts, a storey ground floor +28 floors, and another ground floor +3 floors. The ground level of a larger volume (ground floor +28 floors) consists of a lobby, hotel reception and the entrance to the business section, while the back area is reserved for the garage. On the first, second and third floor respectively there is a hotel restaurant with kitchen and on the 2nd and 3rd floor there are 2 conference halls with accompanying kitchens purpose, and in one part of the 3rd floor there is hotel management office, while the back part of the floor will contain parking lot.

Levels from the fourth to tenth floor are reserved for hotel which will consist of 22 rooms per floor, 154 rooms in total.

Levels from 11 through 28 are reserved for office spaces.

The 28th level will contain a lounge bar with office spaces.



The facility has three underground levels consisting of the garage parking spaces.

The third underground level is planned to have a place for recreation and wellness, and the second underground level is planned for an entertainment area (casino).

ESTIMATED VALUE

Estimated value: 16 mil EUR

LOCATION DESCRIPTION

The building is located in the Croatian capital of Zagreb, at the junction of Zagreb Avenue and Savska Street (the two busiest roads in Zagreb, located 900 m from the main city square).

It is situated at a distance of 20 m from a tram stop. There is a lay-by for buses 10 m from the building, and it is a five-minute drive from the main motorway.

PROJECT STATUS

A feasibility study for the project has been made and valid location permit has been obtained. The construction permit has been applied for and its issuance is expected in due time. The main design as well as a detailed design of the project has been made together with the detailed cost estimates. A profitability study of the project has been made based

on the HVS method, and managing of the future hotel has been arranged with one of the global hotel chains. The site is 100% owned by Imperium Projekt Company Ltd. The project is completely prepared and construction works can begin upon finding a joint venture / strategic partner.

TYPE OF INVESTMENT

This is a private investment and the project holder is looking for joint venture, strategic partner or financing of the project.



THE CITY OF ZAGREB

Population (2011): **792,875**

GDP per capita (2010): **18,645 EUR**

Unemployment rate (2011): **9.4%**

Average gross monthly salary: **1,250 EUR**

Average gross salary in the sector (tourism): **781 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 census, Zagreb has 792,875 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues. Almost half of total FDI in 2012 was realized in Zagreb.

There is a predominance of service activities (especially

wholesale and retail commerce) which participate with 38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical, pharmaceutical, textile, food and drink processing). The largest number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 767,366 guest arrivals in 2012, with approx. 1.25 million overnight stays, of which 77% were made by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 52 hotels with 3,832 accommodation units; however, there are only three hotels with 5-star and 14 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipić Kobali, Managing Director

Imperium projekt Ltd., Mr Tomislav Delivuk, Sales Manager
e-mail: tomislav.delivuk@novagalerija.com



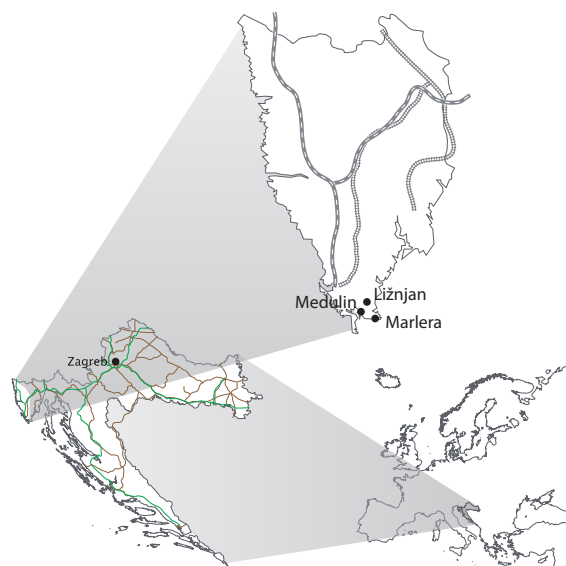
ISTRIA ESTATE & COUNTRY CLUB, Marlera Golf

PROJECT DESCRIPTION

The Istria Estate & Country Club in Croatia provides a unique investment opportunity with the possibility to participate in a premier high-end integrated golf and real estate development, with direct access to the sea and in a truly fascinating natural environment. The current master plan for the overall envisioned development stretching over 126 hectares of land is to include:

- five star luxury hotel with 170 rooms, extensive spa & wellness facilities, conference facilities, restaurants, bars, and a casino
- 114 residential units: 87 apartments with two or three bedrooms and 27 luxury villas
- 18+9 hole golf course and amenities

The golf course architect Graham Cooke & Associates from Canada has originally designed the golf course for the Project, while Bull Stockwell Allen, a San Francisco based design firm was responsible for designing Marlera's facility architecture including clubhouse. GTC has also partnered up with Mark Hamlin of the SE Group, responsible for landscape architecture, environmental and land planning. Among others, the unique selling points of the project



include the suitability of the site for the resort development, its excellent location and accessibility, the favorable building permits obtained, the freehold residential ownership options and the owner's development track record.

OWNERSHIP STRUCTURE

GTC Group, headquartered in Poland, is a leading developer in Central and Eastern Europe. The company has a diverse experience in real estate development projects within the office, residential and commercial sectors, having played a major role in several large-scale projects.

Marlera Golf LD Ltd. & Nova Istra Ideaus Ltd. are the entities that own the land where the Istria Estate & Country Club is to be developed. Ultimately, both subsidiaries are controlled by GTC Group.

ESTIMATED VALUE

KEY INVESTEMENT HIGHLIGHTS

Residential component

- Total Gross Floor Area – 23,300 m²
- Total estimated sales proceeds – approx. EUR 90 to 100 mil

Hotel component

- Total Gross Floor Area – 29,200 m²
- Estimated stabilised EBITDA – approx. EUR 3.7 to 4 mil

Golf component

- 18-hole golf course – 113 hectares
- Clubhouse – Total Gross Floor Area – 1,800 m²
- Estimated stabilised EBITDA – approx. EUR 1 to 1.25 mil

Total estimated value including land: 100 mil EUR

Total development costs excluding land: approx. 70 to 75 mil EUR

LOCATION DESCRIPTION

The project is located on the southern tip of the Istria peninsula, with incredible views on the Adriatic Sea, where the tranquility of the countryside meets the untouched seashore, only a few kilometers from vibrant Pula, the region's administrative center.

TRANSACTION MODEL

Looking for investor or strategic partner.

PROJECT STATUS

The project is in an advanced development stage. To date, the following project preparatory work has been completed:

- ✓ Market assessment
- ✓ Concept and master plan development
- ✓ Financial feasibility studies
- ✓ Design and architectural planning
- ✓ Permitting (valid permits in place)

The subject land has been earmarked for the development and all relevant permits are currently in place.



ISTRIA COUNTY

Population (2011): **208,440**

GDP per capita (2010): **12,897 EUR**

Unemployment rate (2011): **11.5%**

Average gross monthly salary: **997 EUR**

Average gross salary in the sector (tourism): **1,142 EUR**

Istria County is located on the largest Croatian peninsula of Istria, on an area of 2,820 km² and has excellent transport connections with main European motorways (Istrian "Y" motorway connects Istria with highways in Slovenia, Italy and Austria) and by air (International Airport in Pula).

Istria is one of the most developed Croatian regions with dominant industry (shipbuilding, production of building materials, tobacco products, furniture, glass and electrical machinery and parts for the automotive industry), tourism (25% of all arrivals and 32% of all overnight stays in Croatia in 2012) and trade sector. In recent years, a great attention was paid to the revitalization of agriculture (especially olive growing and organic food production) and the related development of enogastronomic tourism (autochthonous wines Malvasia, Teran, highly esteemed white truffle) and agro-tourism, particularly in the hinterland of Istria, which is recognized as the "Tuscany of Croatia".

There is a very long tradition of tourism that has been developing from the period of the Roman Empire through the Austro-Hungarian Empire (when tourist centres Umag, Poreč, Rovinj, Pula, Rabac, including the Brijuni Islands

were strongly developed). In the past decade, intensive investments (760 million EUR) in a construction of new and reconstruction of existing, primarily high-class hotel facilities were made resulting in a significant increase of five-star hotels (total of 4) and four-star hotels (total of 30).

In the structure of accommodation, from a total of 244,728 units, camps are the most represented (44.4%), followed by private accommodation (22.6%), apartments and rural tourism (12.8%), hotels (11.2%) and accommodation in marinas (6.7%). Main markets in terms of overnight stays are Germany (28.7%), Slovenia (14.2%), Austria (11.0%) and Italy (10.6%).

Strong domestic brands (Istraturist Umag, Maistra and Valamar) prevail but international brands such as the Kempinski Hotel and Sol Melia are present as well, primarily as management companies. The wide and diversified range of facilities enables the development of various kinds of tourism: sports tourism (currently 2 out of 4 golf courses in Croatia are in Istria - Umag and Brijuni, and the International ATP tournament takes place in Umag), cultural tourism (Motovun Film Festival, performances by world-renowned artists in Vespasian's Roman amphitheatre-Pula Arena, Theatre Ulysses), nautical, convention, hunting, fishing, and diving tourism. Further development of tourism in this region will be ensured with new projects, notably the Brijuni Riviera which is to be developed on three locations (Pineta, Hidrobaza and Sv. Katarina i Monumenti), and should additionally profile the County as a tourist destination with a wide range of capacities of the highest category.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr

Ms Silva Stipić Kobali, Managing Director

Marlera Golf LD Ltd.

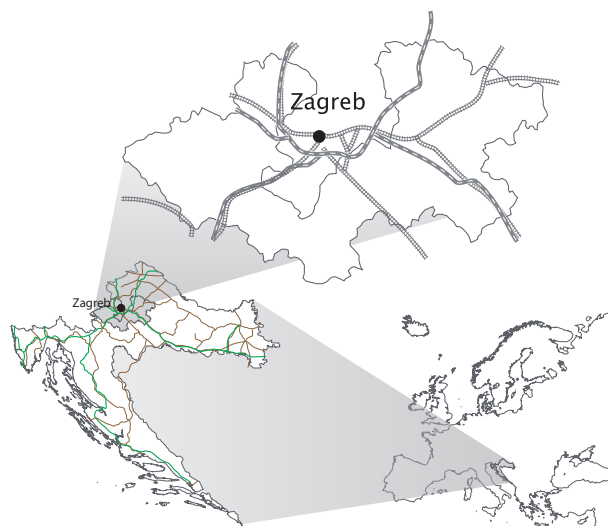
e-mail: office@gtc-zagreb.hr; phone: +385 1 6659 400

IThome Ltd. SME: Home Automation, Smart Home

SHORT PROJECT DESCRIPTION

IThome system is a smart solution for energy efficient and safe homes, with an affordable price and adaptable to any user. Innovative IThome system connects and manages almost all technical systems in living space used for housing. "One click" on your mobile phone to manage your lighting, power sockets, cooling systems, heating systems, shutters, awning, and also monitor the security system. IThome equipment is based on wireless technologies, thus this solution is applicable in any type of home.

Armed with a vision and longtime experience in home automation, during 2010 Intelligent Home Ltd. started developing IThome system, which included complete development of software (IThome Cloud, Android and iOS applications), and corresponding hardware. After two years of continuous development and testing, Intelligent Home Ltd. becomes the first company in Europe that offered a "cloud based home automation" system, which is not exclusively intended for luxury homes and installation in new buildings.



TRANSACTION MODEL

Capital increase or equity financing.

SIMPLE WIRELESS INSTALLATION

IThome system can be installed in every home; it does not matter when the building was built. No construction work or changes on existing installations are required.

An additional advantage is that system is technologically based on cloud and wireless technologies, meaning that all servers are outside the user's apartment.

Modules are installed in the apartment behind selected switches in an hour, and a thermostat is connected to the power source in any room according to user's preference.

SECURITY

Prevention of unwanted situations is also characteristic for a smart IThome system, which contributes to safety of your home and carefree household.

- IThome offers home security by preventing burglary with IThome life simulation and by using IThome alarm system with sensors alert for burglary, flood, gas, fire or emergency.
- IThome life simulation sets lights or other appliances to be switched on and off randomly. So, from the outside it looks like someone is at home.
- In case of alarm user is notified with email or sms.

ENERGY SAVINGS

By using IThome system in accordance with basic rules of energy saving, you can achieve up to 30% of yearly budget savings in an average apartment. IThome system saves energy and contributes to environment protection. Energy used in offices or homes releases carbon dioxide into the atmosphere. An average household releases more carbon dioxide than an average car. IThome offers home energy savings by:

- Program heating/air-condition when needed by using IThome smart wireless thermostat
- Setup heating temperature online anytime any place
- Control of air-condition split system online and/or via program using IThome clima control
- Advanced functions IThome thermostat functions like adaptive forecast control, open window
- Set up light intensity based on needs (reducing light intensity- dimmer)
- Switching off appliances in standby mode

BUSINESS MODEL

Income is generated through subscription fee, hardware and installation. Subscription fee is also the major profit driver and depends on the type of sales channel.

Target sales channels include telecom operators, network of certified partners and online sales. Profit margins on hardware and installation are minimal. Installation is done over network of certified partners.

The company will use new funding to accelerate business expansion primary through sales and marketing activities and working capital.

TARGET SALES CHANNELS	REVENUE STREAMS	TARGET CUSTOMERS
<ul style="list-style-type: none"> ✓ Telecom operators ✓ Network of certified partners ✓ Online 	<ul style="list-style-type: none"> ✓ Subscription fees ✓ Hardware sales ✓ Installation via certified partners 	<ul style="list-style-type: none"> ✓ Mass market ✓ Households ✓ Smartphone users ✓ People taking care about savings ✓ People taking care about environment

CONTACT

HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
 Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr

MEAT PRODUCTION AND PROCESSING FACILITY, Sisak

PROJECT DESCRIPTION

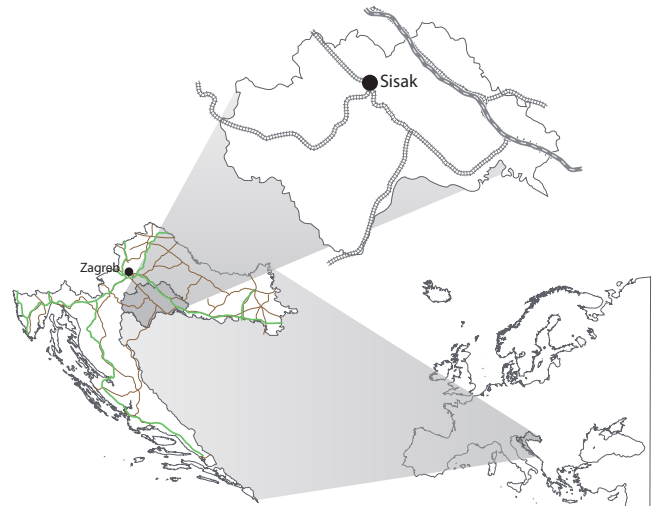
The goal of this project is to invest in construction and equipping of new slaughtering and meat production facilities in the South industrial zone in Sisak. With the construction of new slaughtering facilities, the existing slaughterhouse will be closed down. Investment in this project will ensure the construction and equipping of a construction unit of a total area of 2,629 m². In accordance with the existing legal provisions, the new slaughtering facilities will be licensed as objects engaged in:

- slaughtering and cutting of cattle, sheep and pig livestock
- manufacture of processed meat products – sausages, bacon, smoked meat etc.

Projected daily slaughtering capacity of the new slaughtering facilities:

- 210 pigs/day (30 pigs/h)
- 35 head of cattle/day (5 head of cattle/h)
- 5t processed meat products/day – 70% pasteurized, 30% dried meat

The funding of this project will ensure that the existing trade business meets business standards equivalent to the community standards, which will help it achieve business sustainability and compete adequately in the open EU market.



INVESTMENT TYPE

The Project holder is looking for a strategic partner.

ESTIMATED INVESTMENT VALUE

3.5 million EUR for the construction and equipping of the new slaughtering and processing facilities.

TRADE BUSINESS

The Promes-Cvanciger trade business was established in 1990 in Sisak, Sisak-Moslavina County. In 1989, after spending considerable time working in the meat industry, Slavko Cvanciger (the father of the current owner) opened a trade business of selling, preparing and processing meat and meat food products in Caprag market in Sisak. In 1990 Slavko Cvanciger's son Adolf decided to join his father, turning the initial market shop into a family business.

The business's main products are fresh livestock meat and a wide range of processed meat products. In 1995 the family bought Sisak's Town Slaughterhouse, which they reconstructed in 1998, obtaining all necessary licenses and permits together with a registration number 990 issued by the Ministry of Agriculture. As the business increased

its production capacities, so did its retail network in Sisak-Moslavina County grow.

Today, the business owns 10 retail butcher shops. In addition, the business distributes its products to schools, kindergartens, restaurants and companies, as well as to hotels in the county and beyond.

The business is recognized in the market for its quality domestic livestock, as well as for its flexibility when conducting business. The production meets all HACCP standards, and the business is constantly striving to improve its business processes to keep up with the newest technologies, which is why it is necessary to invest in this new development project.

CURRENT PROJECT STATUS

The Promes-Cvanciger trade business is the owner of project land. The project is in a high stage of readiness as the location permit has been obtained and the main project confirmed.

FINANCIAL DATA (in EUR:)

	2010	2011	2012
Operating income	2,280,493	2,226,648	2,484,085
Operating expenses	2,266,351	2,210,871	2,446,005
EBIT	14,142	15,777	37,979
EBITDA	121,572	106,711	87,200
Net profits	9,530	10,403	30,278
Total assets	602,732	545,560	530,539
Total liabilities	835,680	896,545	676,076
Number of employees	36	34	40

CURRENT INFRASTRUCTURE AND CAPACITIES

In 1998, the business undertook a reconstruction of its slaughtering facilities, acquiring all necessary permits to operate, and therefore received the registration number 990 issued by Croatian Ministry of Agriculture. Since then, it has worked in the existing facilities with the following slaughtering capacities:

- 20 pigs/day
- 3 head of cattle/day
- 1t processed meat products/day



SISAK-MOSLAVINA COUNTY

Population (2011): **172,977**

GDP per capita (2010): **8,362 EUR**

Unemployment rate (2011): **30.9%**

Average gross monthly salary: **936 EUR**

Sisak-Moslavina County is the third largest county in Croatia with an area of 4,468 km², covering 7.89 per cent of Croatian territory. 39 entrepreneurial zones are planned

to be built in the county area, 10 of which are entirely or nearly completed and equipped with the necessary infrastructure.

The most important production sector is processing industry, which includes food production industry, wood processing industry, production of refined oil products, manufacture of metal and metal products, manufacture of chemicals and chemical products, etc.

CONTACT

Promes-Cvanciger, Butcher's trade business

Zeleni brijeg bb, 44 000 Sisak,

Contact person: Mr Adolf Cvanciger,

e-mail: promes-cvanciger@sk.t-com.hr, tel: +385 44 570 367, +385 91 4004 555, fax: +385 44 571 984

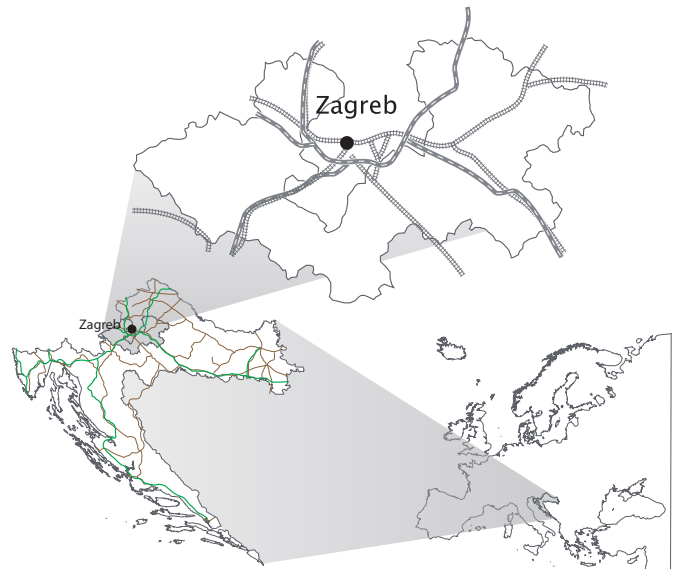
PROJECT DESCRIPTION

The project involves the construction of a high category nursing home in the City of Zagreb. It will be top-quality equipped and along with its location, it will offer its 400 users extraordinary accommodation conditions. Pursuant to its quality, this will be the first nursing home of its kind in the City of Zagreb.

The object consists of four dilatations mutually connected by an indoor corridor. Apartment units will be located on all above-ground levels. All ancillary public facilities are located in the central dilatation, including several polyclinics, wellness center, cafe/bar, restaurant, newsstand, beauty parlor/barber, etc. Technical areas and parking lots are located on the underground levels.

The object concept has taken into consideration the existing ambient, environment and terrain on which it is located. The nursing home also provides medical assistance, nursing and rehabilitation treatments to maintain and improve the general health of the elderly people.

The home for the elderly may accept older persons needing help of various nature (behavior disorders, major sanitary purposes associated with great need for assistance, moderate and severe disabilities).



The project is located near two state hospitals, on the southern slope overlooking the city, at the bus line, 200 meters from the tram line and about 900 m to the city center.



PROJECT STATUS

The project is in a high stage of readiness and location permit is obtained.

TRANSACTION MODEL

The Project holder is looking for an equity partner up to 9 million EUR.
Total estimated value of the project is 30 million EUR.

PLANNED FACILITY



FACILITY SIZE:

- Gross floor area: 15,999 m²
- Ground floor size: 2,685 m²
- Number of levels: 8
- Total land area: 6,478 m²
- Number of underground parking lots: 102

CITY OF ZAGREB

Population (2011): **792,875**

GDP per capita (2010): **18,645 EUR**

Unemployment rate (2011): **9.4 %**

Average gross monthly salary: **1,250 EUR**

The City of Zagreb is the capital and the biggest city in the country. It is a cultural, scientific, economic, political and administrative centre with the seat of the Parliament, the President and the Government of the Republic of Croatia, located at the intersection of European traffic corridors (Vb and X Pan-European highway corridors as well as Va and X railway corridors).

According to the results of 2011 census, Zagreb has 792,875 inhabitants, which represents around 18% of total population of Croatia. It has dominant economic, financial and political status in the Republic of Croatia, and accounts for approx. 37% of Croatia's total exports, 60% of Croatia's total imports and 53% of total revenues. Almost half of total FDI in 2012 was realized in Zagreb.

There is a predominance of service activities (especially wholesale and retail commerce) which participate with 38% in the total revenues. However, primary and secondary activities are developed as well, primarily processing industry (production of electric machines and devices, chemical,

pharmaceutical, textile, food and drink processing). The largest number of enterprises is in trade, followed by scientific and technical services.

As a tourist, business and administrative centre, the City of Zagreb achieved 767,366 guest arrivals in 2012, with approx. 1.25 million overnight stays, of which 77% were made by foreign visitors. The overall accommodation capacity is cca 11,000 beds, most of them in hotels (65%). The hotel sector includes 52 hotels with 3,832 accommodation units; however, there are only three hotels with 5-star and 14 hotels with 4-star categorization.

A wide range of education institutions is concentrated in the City of Zagreb: in addition to the University of Zagreb with a tradition since 1669, which includes 29 faculties, 4 academies, a university centre of Croatian studies and a number of institutions of higher education, there are 12 private faculties and institutions of higher education.

CONTACT

Conlibera Ltd.

Contact person: Mr Dragan Tomljenović, e-mail: lujdoo@gmail.com

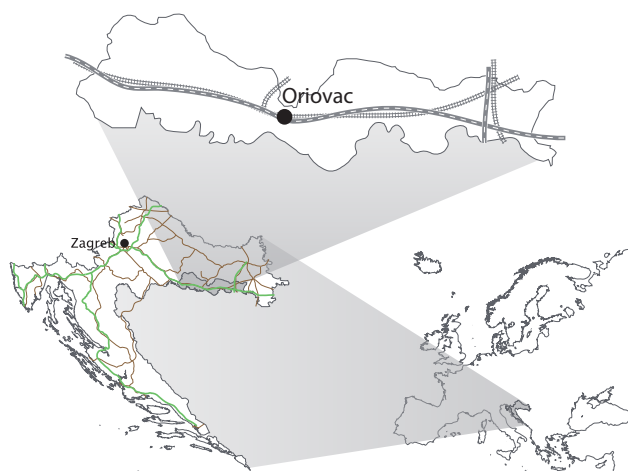
PROJECT DESCRIPTION

The Project includes construction of a home for senior citizens (Residential Care Home) for 150 users, which will, in addition to accommodation, offer the following services: catering, personal hygiene service, health care, nursing care, psycho-social rehabilitation, etc. The Home can also serve as a shelter for adults and daytime residence with a possibility to offer nursing care services for external users.

There is an additional development potential within the Project, such as the preparation and delivery of food as well as laundry service to external users (schools, companies, hotels) and a possibility of installing solar panels and solar photovoltaic cells in order to reduce costs.

LOCATION

The project is located in Radovanje, municipality of Oriovac, Brod-Posavina county. The municipality is of a special state concern. The comparable advantages of a chosen location are good traffic connections (8 km to Zagreb-Lipovac Highway, 17 km to the nearest hospital in Slavonski Brod, 160 km to the City of Zagreb), and a tradition of medical tourism in the wider region (Slavonia).



TRANSACTION MODEL

Potential investors are offered partnership and/or equity investments. Application of the project for EU funds is also planned.

ESTIMATED VALUE

Estimated value of the project is 4 million EUR.

CURRENT PROJECT STATUS

The project is in the final stage. According to the investor, all necessary permits (including construction permit) have been obtained and the facility foundations have already been built. Construction of the building can commence immediately.



PLANNED FACILITY

The construction of the Residential Care Home on three levels (total size 3,350 m²) has begun on the land lot size of 6,819 m². The facilities will consist of a hotel with 150 beds, apartments with 40 beds and a wellness centre.



BROD-POSAVINA COUNTY

Population (2011): 158,559

GDP per capita (2010): 5,357 EUR

Unemployment rate (2011): 33.8%

Average gross monthly salary: 858 EUR

Brod-Posavina County is located in the East of Croatia and it spreads along the left bank of the Sava River, hence the name Posavina. The County comprises 2 cities, 26 municipalities and 185 settlements, with the administrative centre in Slavonski Brod.

The county is situated in the Southern part of the Slavonian plain, among the mountain Psunj, hills of Požega and Dilj in the North, and the river Sava in the South, spreading over 2,043 m². It is characterised by two main road traffic connections. The first, intercontinental (West-East) line connects the countries of Western Europe with those of the Eastern part. The second, interregional traffic line (from the North to the South), connects Eastern and Central European countries with the Adriatic. Zagreb-Lipovac Highway and the

international road E-73 (Budimpešta–Beli Manastir–Osijek–Slavonski Šamac) pass through Brod-Posavina County, while the construction of the road through Bosnia and Herzegovina, ending in Ploče, is planned in the near future.

The County's economy is primarily based on manufacturing industry, trade, agriculture and construction with its most important export markets in Bosnia and Herzegovina, Austria, France, the United Kingdom and Italy.

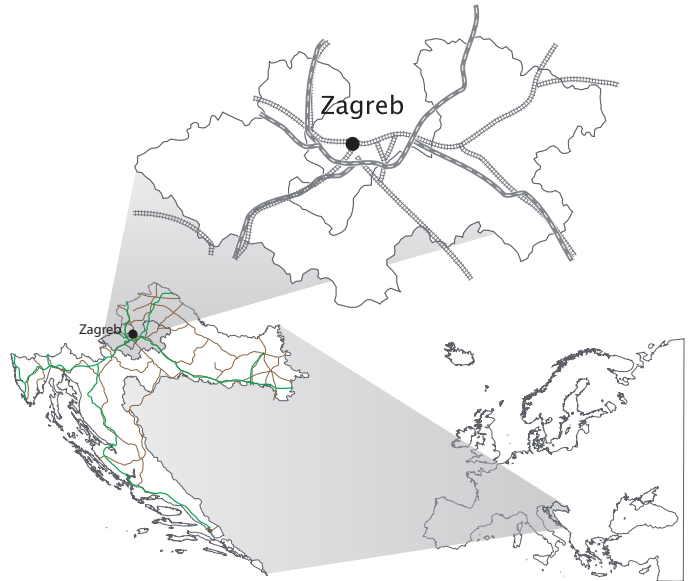
The county offers a possibility of studying at Slavonski Brod Polytechnics, Faculty of Mechanical Engineering and Teachers Academy in Slavonski Brod. From business infrastructure it has technological centres/parks (Centre for Technological Development – Brod-Posavina County Development Agency), Industrial Park Nova Gradiška; Business zones: Luka Brod, Slavonski Brod – Bjeliš and Kolonija, Davor, Dragalić, Industrial Park Nova Gradiška, Brodski Stupnik - Rižino polje and Business incubators: BRODIN – Brod Business Incubator and Business Innovation Support Centre (BISC) Nova Gradiška.

CONTACT

Stipanetić Ltd., Mr Dalibor Stipanetić, e-mail: stipanetic@gmail.com

SHORT PROJECT DESCRIPTION

Rimac Automobili is a high-technology company focused on development and production of the world's finest electric vehicles, drivetrains and battery systems. Our goal is to revolutionise the sports car industry through the application of new technology. In addition to our own vehicles, we offer fully integrated high-performance electric and hybrid propulsion systems for vehicles (motors, transmission, batteries, controllers...) together with the know-how and manufacturing capabilities to develop and produce complex products such as sports cars from the first idea to finished products in a vertically integrated process. Rimac Automobili high-performance components offer a high level of integration and the highest level of performance for sports cars on the market which is proven by 5 Guinness World Records and FIA Records.



CONCEPT_ONE

A vehicle manufacturer is considered capital-effective if a new vehicle is developed with a budget of less than one billion dollars. Rimac Automobili has not "just" developed a new type of sports car, but also the technology under the skin of the vehicle with a fraction of the industry standard cost. 1088 horsepower make the Rimac Concept_One the world's most powerful electric car. It can accelerate from 0 to 100 kph in just 2.8 seconds and cover 600 km on a single charge. Rimac Automobili's motor and battery systems

provide the highest power and energy density currently available on the market.

The only way to achieve that was by vertical integration of all R&D and production processes which generated valuable know-how. That know-how can now be used to develop vehicles for other manufacturers in a very cost-effective way. We understand not only innovative electric propulsion concepts, but the full vehicle-development process, which makes us the ideal partner for demanding projects.



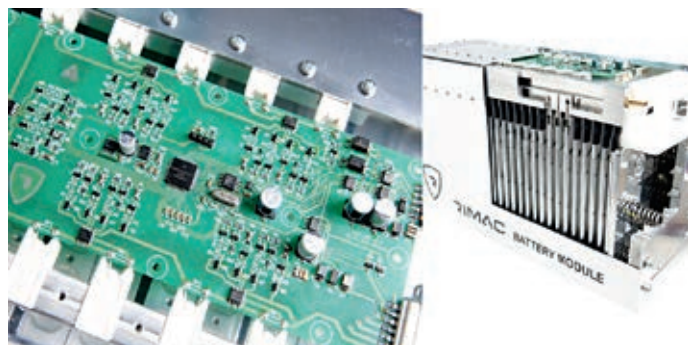
Concept_One - world's most powerful electric car

INVESTMENT VALUE

The investment value is 10 million EUR.

FULLY INTEGRATED ELECTRIC AND HYBRID PROPULSION SYSTEMS FOR VEHICLES

High power combined with our high quality standards, make our products the ideal choice for demanding applications. Our expertise ranges from development of battery systems, design and production of entire vehicles including chassis, suspension, composite body, infotainment systems etc. Our engineering services and propulsion components can be applied in various systems primarily automotive but also for other types of vehicles - on the ground, in the water and in the sky. For example: our batteries are already used in bicycles, sports cars and levitating maglev trains.



Active Battery Management System (A-BMS)

NEW MODELS AND PROJECTS

In terms of B2C products, we plan to introduce new models of sports cars and bikes on the market. The investment will also be used for increasing production capacity for production of 20 sports cars annually during the following 2 to 3 years which will generate 15,000,000 EUR revenues annually. A new model at approximately half the price of the previous model will be introduced

every 2-3 years which will increase production of vehicles exponentially with every new model expansion.

On the B2B side, we will acquire more equipment and hire more R&D and production staff to handle bigger projects which will generate significant revenue and open the mass market for our propulsion components.

CONTACT

HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr



PROJECT RIVIJERA PAŠMAN, Island of Pašman

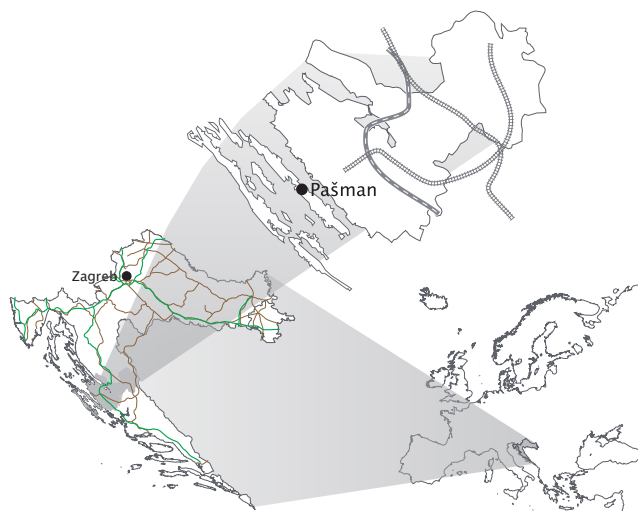
TRANSACTION MODEL

The Project Rivijera Pašman is a greenfield project owned by the Municipality of Pašman, the owner of 97% of total 300 hectares of land envisaged for the implementation of the Project.

The Municipality of Pašman as the project owner has established a special vehicle company (SPV) called Pašman Riviera Ltd. which will be offered for sale to the best bidder selected in an international tender. In this stage the potential investors are expected to propose the price for a construction right and lease for the project land. Pašman Riviera Ltd. will be granted the construction right on 100 hectares for a period of 99 years (tourist zone T2), while the rest of the land in the project scope planned for recreation and agriculture will be offered for lease for the same period of time. The tender is expected to be announced during 2014.

OBJECTIVE:

The goal of the Pašman Resort Project is the development of top-quality and attractive tourist destination of the highest category with an innovative marketing concept that should enable sustainable tourist development on the Island of Pašman while preserving natural characteristics of the area and respecting local tradition and cultural heritage.



ESTIMATED VALUE

500 million EUR

PROJECT DESCRIPTION

The project is located in the southern part of the Island of Pašman, Zadar County, in one of the best preserved and most attractive areas in the Adriatic Sea near the Kornati National Park with its numerous islands.

The project location is easily accessible due to short distance from the mainland (good ferry connections to Zadar and Biograd, and international ferry lines between Zadar and Ancona), and Zadar International Airport (18 kilometres). Pašman and Ugljan are connected by a bridge. These two islands are also connected by bus lines, and the busses are coordinated with almost all the ferry lines on both sides. The

development area of the project is 300 hectares, located along an 8 km long sea shore, out of which approximately 100 hectares are a construction area and some 190 hectares are a potential recreational and agriculture area.

The project includes the construction of hotels, tourist apartments and villas with a total capacity up to 4,000 beds, along with accompanying facilities and adequate infrastructure in two zones: zone A (bay Soline) and zone B (bay Žinčena). Basic documentation for project implementation has been prepared (urban development plan will be created after the selection of eligible investors).

PLANNED CAPACITIES

ZONE A (BAY SOLINE)

Hotel 4*; 2 levels, 400 rooms/800 beds, size 26,000 m² (gross developed area-GDP),

Villas; 2 levels, 6 units/60 beds, size 2,100 m² (GDP),

Houses in the row; 2 levels, 110 units/572 beds, 15,180 m² (GDP),

Apartments; 1 and 2 levels, 116 units/568 beds, 11,930 m² (GDP).

ZONE B (BAY ŽINČENA)

Hotel 5*; 2 levels, 130 rooms/260 beds, size 12,000 m² (GDP),

Hotel 5+*; 2 levels, 80 rooms/160 beds, 12,800 m² (GDP),

Villas; 2 levels, 36 units/226 beds, size 7,090 m² (GDP),

Houses in the row; 2 levels, 109 units/604 beds, size 15,600 m² (GDP),

Apartments, 1 and 2 levels, 103 units/750 beds, 15,765 m² (GDP).

OTHER FACILITIES (SELECTED):

Convention Centre, Wellness Centre, Harbour for 180 berths, Fisherman Harbour for 20 boats, Maritime Club, Diving & Water Ski Center, Bowling area, TC Food & Beverage, TC Retail, TC Services (Post office, Bank, Info desk...), TC Entertainment (discotheque, bowling), TC Square, Artificial beach, Sport and Recreation area, Amphitheatre.

ZADAR COUNTY INFORMATION

Population (2011): **170,398**

GDP per capita (2010): **8,182 EUR**

Unemployment rate (2011): **21.0%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,486.91 km² of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with a 30% growth of the number of passengers in 2011-2012.

The County's economy is primarily based on crafts, industry, tourism, traffic, especially maritime traffic and agriculture. Crafts and industry are at the economic core of the County although services have shown the most significant growth in recent years.

The County's education policies mirror its abundant ties with tourism and maritime sector. There are institutions of secondary and university education with programs in hospitality, culture, tourism and nautical traffic.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 76,500 beds, most of which (73%) are private accommodation. Almost half of the capacities in hotels and camps are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.8 million overnight stays in 2012 (11.4% of all overnight stays in Croatia). Most of these (88%) were by foreign guests.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by renowned Dogus Group.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr
Ms Silva Stipičić Kobali, Managing Director

Pašman Municipality, www.pasman.hr, e-mail: opcina.pasman@zd.t-com.hr,
Project manager: Mr Eugen Sorić, e-mail: eugen.soric@hosting-international.hr

SHORT PROJECT DESCRIPTION

SOLVIS is a photovoltaic modules producer based in Croatia, City of Varaždin. Our geographical, technological and commercial diversification, our solid asset base – the skills of a team of 80 professionals with unprecedented know-how in the sector, and the competitive advantage of having our own PV solutions are just some of the differentiating features that strengthen our position in the market. The production capacity is easily expandable as SOLVIS has sufficient surface to double its capacity. Current production capacity is 2 x 30 MW a year.

Solvis is present on the global market from 2009 with dedication to produce environmentally friendly and affordable source of energy taking greater responsibility for the well being of the planet. Our products are the result of our own product development and research. With sustained investment in human resources, equipment and research and development Solvis established competitiveness of the company on the global market. Production is based on strict quality control criteria and the usage of top quality raw materials obtained from the leading producers in the world. Our products have a fifteen-year warranty on quality and a 25-year limited warranty on output power. We work closely together with customer to come up with the best solution that will work providing innovative system integration services. Almost 50% of all installations in Croatia are done with SOLVIS products. So, there is a significant experience with turnkey solutions as well.



TRANSACTION MODEL

Capital increase or equity financing.

QUALITY ASSURANCE PROGRAM

SOLVIS production has been certified in quality management, environmental management and health and safety management.

SOLVIS modules are certified according to IEC EN 61215 & 61730 and Solvis holds also PV Cycle certificate for end of life module recycling. We have received international

certifications for our quality assurance program, which we believe demonstrates our technological capabilities as well as instil customer confidence.

The company will use new funding to accelerate growth primary through expansion of its capacity.

CUSTOM DESIGNED MODULES

The range of Solvis standard products is wide, and they are basically divided into two designs: the polycrystalline version and the monocrystalline version. Modules are available in 36, 48, 60 and 72 cells versions.

As speciality, Solvis is one of only few companies in Europe manufacturing special and custom designed modules with different power, cell, backsheet or frame color. This is very important regarding the EU - China solar panel dispute, and duties and export cap that EU imposed on Chinese solar panel makers because of their dumping prices.

Special products such as glass-glass modules, Solrif modules for building integration replacing conventional roof covering of pitched roofs, are unconventional approach in finding new methods which are different from the current industry standards. Special dimensions and size, as well as specially cut glass are some of the fine details which separate these products from others available on the market. SOLVIS can also offer to customer made in Europe modules as OEM production with customers brand by doing a short co-licensing procedure with certification body.



Custom designed modules

CONTACT

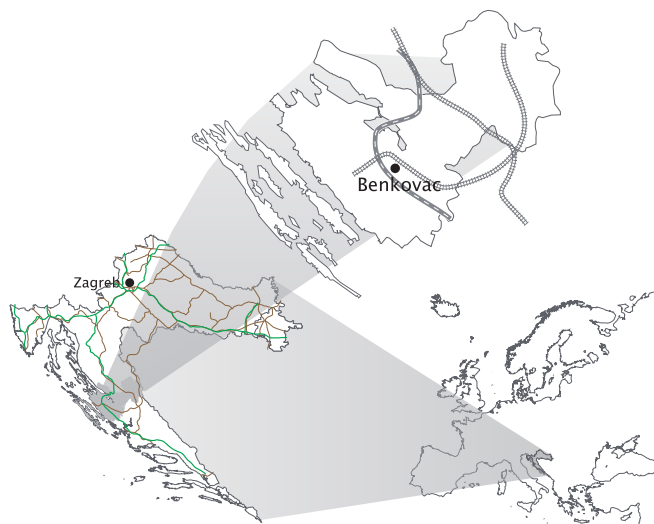
HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr

STRATEGIC PLAN Ltd., Benkovac SME: Biofuel production (pellet production)

PROJECT DESCRIPTION

Strateški plan Ltd. (Strategic Plan) is a company specialized in development and management of renewable energy and cogeneration power plants projects. Currently, it is developer and investor in two biomass energy plants and two pellets factories of equal capacities at the location of Croatian cities Županja and Benkovac. For the purpose of greenfield pellets projects, Strateški plan Ltd. established special purpose vehicles (SPVs) - Peleti Županja Ltd. and Peleti Benkovac Ltd.

The project includes the construction and implementation of pellets factory with the capacity of 6 tons of pellets per hour. Total annual production of pellets is estimated at 45,000 tons. Annual quantity of raw material (wood logs and chips) needed for estimated pellets production is 71,000 tons.



PELLETS

Pellets are used in specially adopted stoves and boilers for production of thermal energy. Pellets are biofuel produced from chipped trees (renewable energy source) with the following characteristics:

- Length: max 4 cm
- Diameter: 6-8 mm
- Humidity: 8-10%
- Specific gravity: 1-1.4 kg/dm³
- Percentage of ash content: 0.5%
- Weight by volume: 650 kg/m³
- Calorific value: 4.9 kWh/kg – 20,223 kJ/kg



INVESTMENT VALUE

The investment value is 4.8 million EUR.

GROWING MARKET AND SECURE RAW MATERIAL & ENERGY SUPPLY

Pellets market research led to the conclusion that pellets demand is growing and that total quantity of produced pellets can be exported at the price of EUR 150 per ton, FCA pellets factory. The investor has secured the construction land, located next to cogeneration energy plan which will supply pellets factory with clean thermal energy at competitive prices. Estimated power of heat

needed for pellets factory is 5.9 MW with 7,500 working hours p.a. A long term heat supply will be agreed for a period of 14 years. Peleti Benkovac has already signed the contract for raw material (wood logs and biomass) supply with the company specialized in wood logs and wood biomass trade. Project developer also signed letter of intent for selling the whole produced quantity of pellets.

LOCATION

Pellets factory will be located in business zone Šopot, north of the A1 motorway route node Benkovac, 15 km away from Zadar in southern part of Croatia. The construction land is purchased in 2008 and is intended for construction of production, commercial and business facilities. The construction land is fully equipped with utilities and other infrastructure.

THIS LOCATION IS VERY CONVENIENT FOR SEVERAL REASONS:

- It will be placed next to a biomass cogeneration plant which will supply pellets factory with thermal energy at competitive prices.
- Since it will be very near to the power plant, the costs of heat transmission will be minimal.
- The location is very well connected to railway and motorway with the raw material and pellets market.

TECHNOLOGY

PELLETS FACTORY CONSISTS OF FOLLOWING TECHNOLOGICAL UNITS:

- Technology unit for receipt, handling and processing of fuel (wood logs and biomass)
- Technology unit for fuel drying (wood biomass drying)
- Technology unit for dry chips (biomass) grinding
- Technology unit for pellets production
- Technology unit for final product packing

Technology providers of main components are reputable companies CPM (California Pellet Mill) and Stela. Stela will provide technology unit for raw material drying, called Belt dryer. CPM will provide other technology units. Construction works, engineering and designing will be done by Croatian companies. Project developer will sign EPC contract with the company who will be responsible for pellets factory

construction. Construction is planned to be performed as a "turnkey" system.

Pellets factory project is in the stage of location permit acquiring and end of construction works is expected to occur in February 2014. We will be able to start with first delivery of goods in March 2014.

CONTACT

HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr

STRATEGIC PLAN Ltd., Županja

SME: Biofuel production (pellet production)

PROJECT DESCRIPTION

Strateški plan Ltd. (Strategic Plan) is a company specialized in development and management of renewable energy and cogeneration power plants projects. Currently, it is developer and investor in two biomass energy plants and two pellets factories of equal capacities at the location of Croatian cities Županja and Benkovac. For the purpose of greenfield pellets projects, Strateški plan Ltd. established special purpose vehicles (SPVs) - Peleti Županja Ltd. and Peleti Benkovac Ltd.

The project includes the construction and implementation of pellets factory with the capacity of 6 tons of pellets per hour. Total annual production of pellets is estimated at 45,000 tons. Annual quantity of raw material (wood logs and chips) needed for estimated pellets production is 71,000 tons.



PELLETS

Pellets are used in specially adopted stoves and boilers for production of thermal energy. Pellets are biofuel produced from chipped trees (renewable energy source) with the following characteristics:

- Length: max 4 cm
- Diameter: 6-8 mm
- Humidity: 8-10%
- Specific gravity: 1-1.4 kg/dm³
- Percentage of ash content: 0.5%
- Weight by volume: 650 kg/m³
- Calorific value: 4.9 kWh/kg – 20,223 kJ/kg



INVESTMENT VALUE

The investment value is 4.8 million EUR.

GROWING MARKET AND SECURE RAW MATERIAL & ENERGY SUPPLY

Pellets market research led to the conclusion that pellets demand is growing and that total quantity of produced pellets can be exported at the price of EUR 150 per ton, FCA pellets factory. The investor has secured the construction land, located next to cogeneration energy plan which will supply pellets factory with clean thermal energy at competitive prices. Estimated power of heat

needed for pellets factory is 5.9 MW with 7,500 working hours p.a. A long term heat supply will be agreed for a period of 14 years. Peleti Benkovac has already signed the contract for raw material (wood logs and biomass) supply with the company specialized in wood logs and wood biomass trade. Project developer also signed letter of intent for selling the whole produced quantity of pellets.

LOCATION

Pellets factory will be located south of the Županja junction. The land is intended for construction of production, commercial and business facilities and is located in the centre of the industrial zone. The construction land is fully equipped with utilities and other infrastructure. Land purchase was executed in 2009.

THIS LOCATION IS VERY CONVENIENT FOR SEVERAL REASONS:

- It will be placed next to a biomass cogeneration plant which will supply pellets factory with thermal energy at competitive prices.
- Since it will be very near to the power plant, the costs of heat transmission will be minimal.
- The location is very well connected to railway and motorway with the raw material and pellets market.

TECHNOLOGY

PELLETS FACTORY CONSISTS OF FOLLOWING TECHNOLOGICAL UNITS:

- Technology unit for receipt, handling and processing of fuel (wood logs and biomass)
- Technology unit for fuel drying (wood biomass drying)
- Technology unit for dry chips (biomass) grinding
- Technology unit for pellets production
- Technology unit for final product packing

Technology providers of main components are reputable companies CPM (California Pellet Mill) and Stela. Stela will provide technology unit for raw material drying, called Belt dryer. CPM will provide other technology units. Construction works, engineering and designing will be done by Croatian companies. Project developer will sign EPC contract with the company who will be responsible for pellets factory

construction. Construction is planned to be performed as a "turnkey" system.

Pellets factory project is in the stage of location permit acquiring and end of construction works is expected to occur in February 2014. We will be able to start with first delivery of goods in March 2014.

CONTACT

HAMAG INVEST- Croatian Agency for SMEs and Investments, www.investcroatia.hr, e-mail: investments@hamaginvest.hr
Mr Nikola Dulčić, Head of Investment Sector, e-mail: investicije@hamaginvest.hr



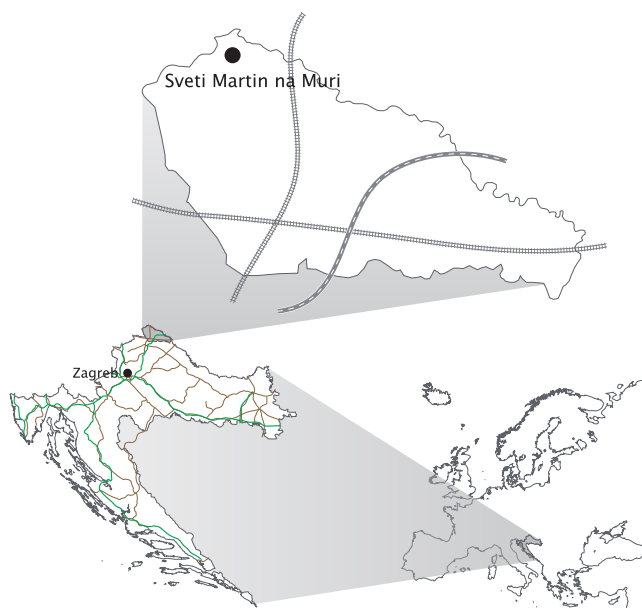
SVETI MARTIN HOTELS AND RESORT, Sveti Martin na Muri

PROJECT DESCRIPTION

The company Toplice Sveti Martin Plc. is located in the very North of Croatia in Međimurje County, minutes away from the borders with Slovenia and Hungary, and 120 km from the capital of Croatia, Zagreb. It is well-connected by main roads to the Budapest-Lendava-Graz-Vienna (10 km) and Budapest-Zagreb-Rijeka (20 km) highways and main airports in Croatia and the neighboring countries.

The Company was founded in 2003, and up to now approximately 83 million EUR has been invested in the resort, which today is one of the leading Croatian inland SPAs, that caters for individual, corporate and sports customers.

The current investors/owners plan to upgrade and extend the existing complex (with 147-key lifestyle 4* hotel, self-contained wellness club, reconstruction and expansion of the water park with an adventure park, auto camp, football field with a heated ground and construction of infrastructure facilities for energy independence and sustainability) and are in search for a joint venture partner. The scope of partnership with a new investor is open for discussion. All documentation necessary for the new investment is ready.



ESTIMATED VALUE

Estimated value of new investment: 32 million EUR

FINANCIAL DATA (in EUR:)

Year	2010	2011	2012
Operating revenues	4,259,738	4,061,405	4,114,109
Operating expenses	5,301,775	6,096,836	5,615,158
EBIT	(1,042,038)	(2,035,431)	(1,501,049)
EBITDA	(718,704)	(834,266)	(294,265)
Net income	(1,806,895)	(2,122,847)	(2,040,943)
Total assets	42,143,732	40,338,477	38,987,659
Total liabilities	36,246,406	35,909,095	36,608,145
Number of employees	236	203	179

REAL ESTATE PORTFOLIO

EXISTING FACILITIES:

- 81-key apartment complex Regina 4* with 214 beds, a restaurant for 300 persons and three multi-purpose halls,
- Indoor swimming pool complex (1,050 m²) with a spinal therapy and physiotherapy centre and restaurant,
- Multifunctional building with restaurants, small shops, summer changing rooms with lockers, and 2,850 m² of summer swimming pools with whirlpools and 5 types of water slides, a landscaped swimming area of 10,000 m² with 2,000 deckchairs and 4 summer cafe restaurants with approximately 900 seats,
- 157-key Spa Golfer 4* hotel (151 rooms and 6 suites with 314 beds and 25 extra beds) with a multifunctional conference hall for 500 persons, a 1,800 m² wellness centre, restaurants and kindergartens,
- Recreation area (a golf course with 9 holes and driving ranges, a football pitch, 4 tennis courts with floodlights, a basketball court, 2 bocce courts and a beach volleyball court),
- Golf club with shops, restaurants and a golf simulator, covering gross floor area of 30,000 m²

MEĐIMURJE COUNTY

Population (2011): **114,414**

GDP per capita (2010): **7,885 EUR**

Unemployment rate (2011): **16.8%**

Average gross monthly salary: **783 EUR**

Average gross salary in the sector (tourism): **543 EUR**

Međimurje County is located in the northernmost part of the Republic of Croatia bordering Slovenia and Hungary and between Mura and Drava rivers. The County's great advantage is its close proximity to highways (Budapest-Lendava-Graz-Vienna and Budapest-Zagreb-Rijeka) and airports (Zagreb, Maribor, Varaždin), as well as railway connections, which are nowadays the main backbone route of Middle and East Europe towards northern Adriatic parts. Čakovec, the County seat and also the biggest city of the County is about 90 kilometres North-East of Zagreb, the Croatian capital.

The most important factors that determine the economy and development of the County are its geographical position, natural resources and population, as well as the tradition of entrepreneurship and favourable business environment.

The economy of Međimurje is fast-growing with highly developed trade (26.7%), manufacturing (22.0% - food production, food and wood processing, production of textiles, footwear, plastics), construction (14.5%) and building materials. It is export-oriented (to Germany, Austria, Italy, France, Slovenia, Netherlands) and based on small and medium-sized enterprises.

In 2006, Međimurje County received the Investment-Friendly Region Certificate, and was ranked third among small European regions in the competition European Cities/Regions of the Future 2010/2011, organised by FDI Magazine, one of the leading magazines on global business (fourth among southern European regions and thirteenth overall). Natural beauty of Međimurje county with numerous slopes of foothills, lowland interior intersected by hundreds of smaller lakes and waterways, its preserved natural and built resources of high quality potable groundwater and thermal water, rich cultural and natural heritage, well-built infrastructure, with an emphasis on a preserved environment are excellent prerequisites for the further development of tourism. Međimurje is also known as a Flower Garden of Croatia.

So far the tourism focus has solely been on the Adriatic coast and the summer tourism. However, over the last several years the potential of the inland tourism has been recognized and both investments and promotion in this segment have increased which together with a recent development of gastro and wine tourism fostered tourism growth. The growth rate of the overnight stays in the County in period 2008-2012 amounts to 10.4% (The Republic of Croatia 4.5%), which makes it the fastest growing county in terms of tourist overnights.

The County has Sveti Martin Golf Resort, which is located in a protected natural area. The 9-hole golf course with heated, artificial turf putting greens is among the first courses in Europe of this kind.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre; www.hgk.hr, e-mail: investicije@hgk.hr;
Ms Silva Stipić Kobali, Managing Director

Toplice Sveti Martin na Muri, Plc., Contact person: Mr Rudolf Radiković, e-mail: rradikovic@yahoo.com

OBJECTIVE

Development of a multi-purpose tourist complex that should offer accommodation of a 4-star category hotel, in addition to wellness and sports facilities, in a near vicinity of the Plitvice Lakes National Park.

COMPANY

Ošljar Ltd. is the owner of 95% of land within the Project area.

PROJECT SUMMARY

Tourist Zone Rastovača, with a surface area of around 12.3 hectares, is located in the northern part of the Plitvice Lakes Municipality (next to the town of Rastovača), on the border of the Plitvice Lakes National Park. It is envisaged for the development of multi-purpose tourist complex.

The Plitvice Lakes National Park is the most visited among eight national parks in the Republic of Croatia, and it was among the first ones in the world to be enlisted into UNESCO's World Heritage List. Surrounded by valuable cultural and historic sites and exquisite natural beauty, the national park was recognized at the international tourist market a long time ago.

The National Park has more than a million visitors annually, and there is a great demand for high-category hotel accommodation capacities which currently do not exist.

A Detailed Development Plan is being drafted for the location of the Tourist Zone Rastovača which will enable investors to take active part in its creation and to implement their own project regarding the hotel and the tourist village, pursuant to the valid urban development regulations.

Two alternatives for the project development (with lower and maximum capacity) were taken into consideration for the purpose of drafting the Detailed Development Plan. The Project can be developed within the following ranges:

Construction of a hotel (4*) with a capacity of 250 beds (version A), or up to 1,000 beds (version B),

Tourist village (villas with apartments): construction between 55 (version A) and 73 apartment buildings (version B),

Shopping centre with reception and shops covering approx. 1,200 m².



LIKA – SENJ COUNTY

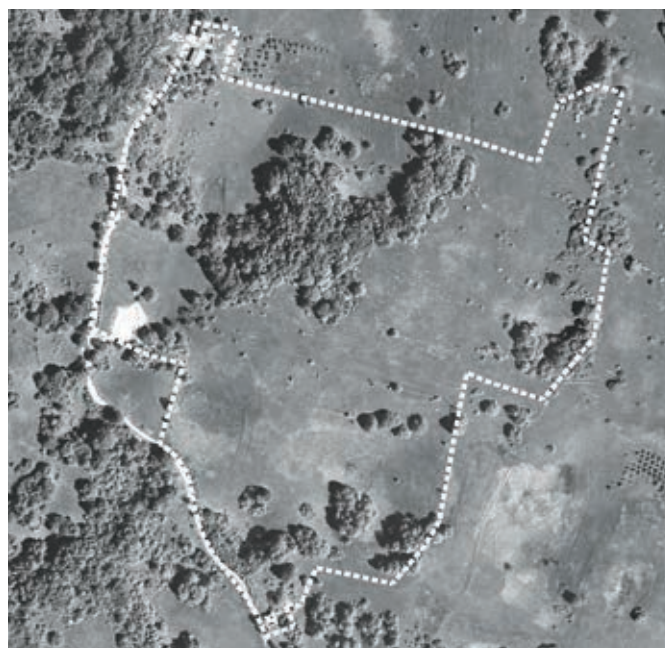
Population (2011): **51,022**
GDP per capita (2010): **8,278 EUR**
Unemployment rate (2011): **22.3%**
Average gross monthly salary: **907 EUR**
Average gross salary in the sector (tourism): **773 EUR**

Lika-Senj County is territorially the largest Croatian county (5,350 km² or 9.5% of Croatia), with the city of Gospić as its seat. The major part of the County is located in the continental part of Croatia, while smaller part is located at the coast.

Lika-Senj County is situated among Primorje – Gorski Kotar County in the North-West, Karlovac County in the North, Zadar County in the South and Bosnia and Herzegovina in the East. The importance of the County is determined by close proximity to three major economic centres in Croatia: Zagreb, Rijeka and Split, but also Zadar and Karlovac, all of them very well-connected through a net of motorways (A1, Istrian motorway) and airports (Zagreb, Rijeka and Zadar) with the Europe.

The economic structure of the County in terms of turnover is characterized by the dominance of trade sector (33.6%), followed by manufacturing (14.6%), construction (11.3%) and tourism (10.5%). Known for its natural beauty which comprises mosaic landscape with various natural attractions, the tourist centre of the continental part of the County is the Plitvice Lakes National Park, the backbone of the tourism development. In addition to Plitvice, there are two other national parks (Paklenica and North Velebit), and a nature park called Velebit, with a significant potential in the Gacka Valley for a development of new tourism products in line with global trends in tourism (hiking, trekking, bird watching).

The growth of tourism in the last decade was very strong. The average annual growth rate of overnight stays in the



County since 2000 has been 9.5% (The Republic of Croatia 5.1%), while the average annual growth rate of tourist arrivals amounts to 11.4% (The Republic of Croatia 6.0%). In 2012, the County achieved 1,8 million overnight stays (increase of 6.5% in comparison to a previous year). The Plitvice Lakes National Park has more than one million visitors each year. The County offers app. 26,000 beds with a majority (71%) in private accommodation and only 7% in hotels. There are 17 hotels of which only 5 hotels have 4 star categorization while the rest have 3 star (7 hotels) and 2 star categorization, and there is an urgent need to increase investments in construction of new, higher quality accommodation facilities.

The development of tourism is particularly important since tourism is the so-called “pulling trade” through which the market for all accompanying economic activities is expanded, especially agriculture and fishing. The further investment in tourism development is one of the County’s priorities, presented in the Tourism Master Plan for Karlovac and Lika-Senj County.

CONTACT

Ošljar Ltd., Contact person: Ms Maja Rendulić, e-mail: maja.rendulic@aar.hr



WELLNESS & HEALTH CENTER, Nin

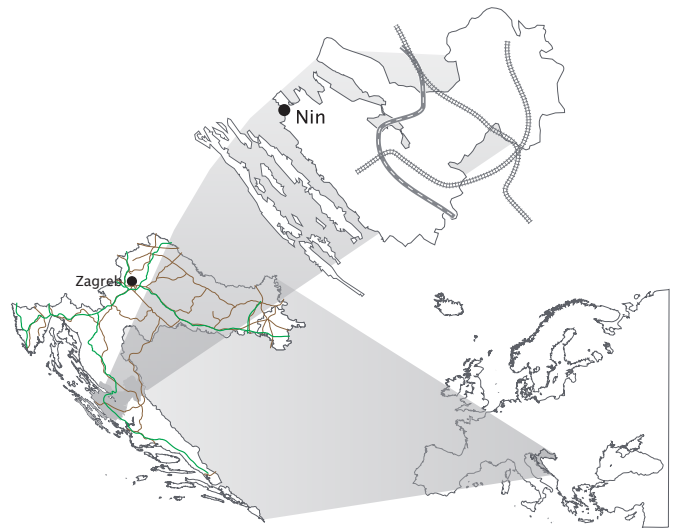
PROJECT DESCRIPTION

The Project involves three components: accommodation facilities, providing top quality wellness and tourist services and utilization of attractive natural resources of the City of Nin (medicinal peloid, climate, sea with beautiful sandy beaches).

The City of Nin, the oldest Croatian royal town, is located 17 km northwest of Zadar and is in the vicinity of fascinating national parks Kornati, Plitvice and Velebit, which makes it a very attractive tourist destination. A town of ancient past, it is 3,000 years old and is among the oldest towns on the Adriatic coast.

Nin is easily accessible from Zadar airport and has direct connection to the main A1 Zagreb- Split Highway.

The concept of the Wellness & Health Centre is based on a preventive, curative and wellness program, with sports and fitness facilities, and a possibility of providing services for congresses and conferences. Designed for people committed to improving and maintaining their health, the project is focused on a total well-being, and it aims to provide personalized services considering individual needs, therefore creating an attractive and high quality tourism project.



PROJECT HOLDER

Project Holder is the limited liability company Rekreacijsko-turistički centar Nin, wholly owned by Tankerska plovidba Plc., the largest Croatian shipping company currently operating a fleet of fourteen ships.

ESTIMATED VALUE

Pursuant to the investment schedule the investment value has been estimated at 60 million EUR.

PROJECT STATUS

Rekreacijsko-turistički centar Ltd. has been granted a right to build a concession on a 14 ha lot by the City of Nin, for a 70 year period as of 31 December, 2013.

The main design has been completed and a location permit from Zadar County competent authority has been granted.

The Environmental Study has been approved by the Ministry of Environmental Protection and the relevant Resolution on Acceptability issued.

The concept, main and detailed designs for Wellness and Health Center access have been completed.

PLANNED ACCOMMODATION CAPACITIES

The adopted program scheme, in accordance with relevant zoning plans, anticipates building of a tourist complex T2, consisting of:

A FOUR STAR HOTEL, capacity 580 beds in 273 rooms (66 single and 207 double rooms) and 25 suites (17 junior, 8 senior), with a congress centre capacity 300 persons, bars and restaurants, curative/rehab facilities, wellness/spa, outdoor/indoor pools and an underground garage capacity 245 PGM,

VILLAS zone north of the hotel with a capacity of 148 beds in 40 units (12 three-bed and 28 four-bed),

VILLAS zone south of the hotel with a capacity of 106 beds in 28 units (6 three-bed and 22 four-bed),



SPORTS FACILITIES with a catering establishment including outdoor pools, children's playground and two beach volleyball grounds.

ZADAR COUNTY

Population (2011): **170,398**

GDP per capita (2010): **8,182 EUR**

Unemployment rate (2011): **21.0%**

Average gross monthly salary: **958 EUR**

Average gross salary in the sector (tourism): **952 EUR**

Zadar County is situated in northern Dalmatia in Croatia. The County's total area is 7,486.91 km² of both sea and land. It is well connected via road, sea and air, i.e. Zagreb-Split Highway, good ferry connections with Italy and the rest of Croatia and an international airport. The shortest maritime connections to central Italy pass through the Port of Zadar. Equally important is Zadar Airport which is a popular tourist entry point with a 30% growth of the number of passengers in 2011-2012.

The County's economy is primarily based on crafts, industry, tourism, traffic, especially maritime traffic and agriculture. Crafts and industry are at the economic core of the County although services have shown the most significant growth in recent years.

The County's education policies mirror its abundant ties with tourism and maritime sector. There are institutions of secondary and university education with programs in hospitality, culture, tourism and nautical traffic.

With tourism gaining a more prominent role in the County's economic structure, there is an emphasis on extending local accommodation capacities. They amount to 76,500 beds, most of which (73%) are private accommodation. Almost half of the capacities in hotels and camps are classified as a 4-star category. There are also 6 marinas with a total of 1,818 berths. As a successful tourist region in Dalmatia, Zadar County recorded 6.8 million overnight stays in 2012 (11.4% of all overnight stays in Croatia). Most of these (88%) were by foreign guests.

The centrepiece of the rich tourist offer in the County is its capital – the City of Zadar which is a focal point to the archipelago of more than a hundred islands. Most of these are uninhabited and contain highly preserved sceneries and attractive coastal zones. These areas are foreseen for further development and enrichment of the tourist offer of the County. The County is conveniently located near some of the most attractive Dalmatian sights, including national parks Kornati and Krka and a famous extreme sports location Paklenica. The County's tourism potential has been recognized internationally with brands such as Falkensteiner present in the County, while serious investments in Zadar County's marinas have been made by renowned Dogus Group.

CONTACTS

Croatian Chamber of Economy, Investment Promotion Centre, www.hgk.hr, e-mail: investicije@hgk.hr

Ms Silva Stipić Kobali, Managing Director

Rekreacijsko-turistički centar Nin Ltd., e-mail: ivo.maracic@tankerska.hr

TECHNOLOGY INCUBATORS

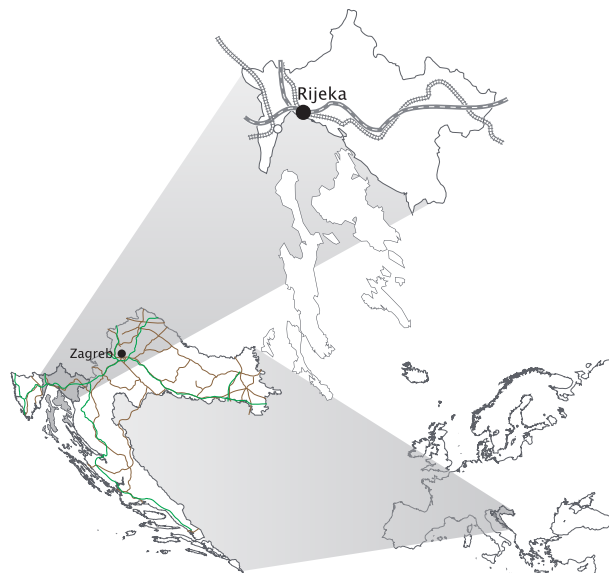
STeP Ri
Technology Park Varaždin
Technology Park Zagreb
Zagreb Entrepreneurship Incubator

STeP RI - UNIVERSITY OF RIJEKA Science and Technology Park

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

STeP Ri

The Science and Technology Park STeP Ri offers a perfect environment for emerging companies, combining superb accommodation with integrated business support services. STeP Ri offers off-site and on-site incubation services, education, R&D and innovation management, consulting as well as growth and go-to-market support. It is situated within the new University Campus, in four buildings with 3,000 m² available space for offices and laboratories. Apart from offering the basic business and incubation services STeP Ri aims to become a regional leader recognised as an innovative “think tank” where both start-ups and established major companies could get first class innovation management knowledge and global up-to-date best practice training. The Science and Technology Park STeP Ri won the award for best supporting entrepreneurial institution - Technological Park in Croatia for year 2012.



- Science and technology park managed incubator established by University of Rijeka in 2008.
- STeP Ri was partially funded (1.8 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO)
- 3,000 m², 55 offices, 77% space occupancy rate
- International partner projects – EEN, FIDES, SLIM, Trans2care (MoU)
- Investment plan - development of new 60,000 m² Science and Technology Park Step2 with financial assistance from the European Union

SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrativesupport
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

21 tenants, 226 employees



WhoAPI (example of tenant) is globally oriented submission of detailed information on more than 200 million domains. Examples of such information are: commitment, information about the owner of the domain registration and expiration date, various data on a server that is located domains, value domains, report on the market and many other domains information.

TECHNOLOGY PARK VARAŽDIN Ltd.

Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

TECHNOLOGY PARK VARAŽDIN Ltd.

Technology park Varaždin Ltd. (TPV) is a company that manages an incubation centre for innovative start-up companies, offers training for improvement of existing technologically innovative companies, transfer of knowledge from universities and development centres into the economy, networking between companies, education institutions, development agencies and innovative individuals. The Technology Park Varaždin Ltd. won the award for best Technological Park in Croatia for year 2009.

- The Owners are City of Varaždin, Faculty of organization and informatics and University of Applied Sciences in Varaždin
- TPV was partially funded (0.75 mil EUR) by the Business Innovation Agency of the Republic of Croatia (BICRO) through Technology Infrastructure Development Programme (TECHRO)
- TPV is a member of International Association of Science Parks and Areas of Innovation (IASP)
- International partner projects – EEN, YICT, FIDES, INTERINO, SOCPD, DANUBE PIE
- Investment plan - development of a new 25,000 m² facility with financial assistance from the Ministry of science, education and sports and Ministry of Regional Development and EU Funds



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

44 TENANTS/ 230 EMPLOYEES



Evolva (example of tenant) is a software company engaged in developing custom made business web applications and advanced Java web technologies for the application development. Customers use Evolva business solutions and development technology Evolution Framework to save time and money, and to simplify and automate their business processes. Evolution Framework is a Java web framework for the development of modern business web applications. It is a set of advanced visual tools for design, development, deployment and monitoring of business web applications which include features such as document and workflow management, reporting, etc. Evolva mission is to facilitate the implementation of their client's business objectives by using advanced information technologies and capabilities of the web architecture.

TECHNOLOGY PARK ZAGREB

Incubation center for innovative startup companies

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

Technology Park Zagreb

Established in 1994 by providing appropriate infrastructure, services and promotion, Technology Park motivates the entrepreneurial potential in the City of Zagreb and helps realize knowledge-based entrepreneurial initiatives with great potential.

Technology Park (1,100 m² office space) today brings together 18 high tech companies (mostly start-ups). The number of members is constantly on the rise as more and more companies recognize the advantages and benefits of being a member in such an internationally - focused entrepreneurial and support environment.

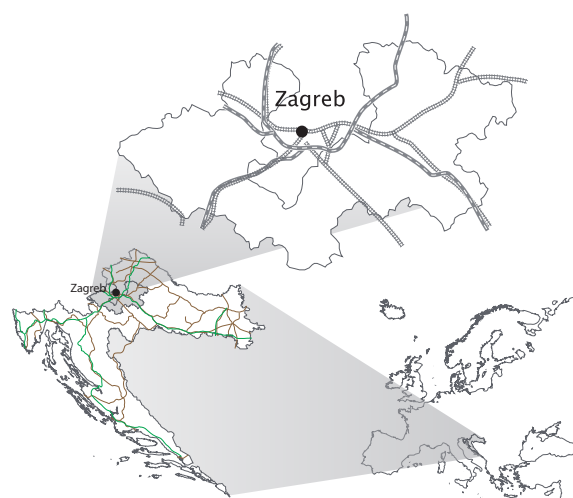
Technology Park offers its tenants full entrepreneurial support from very beginning - initial stage of product / service growth and development. As part of its program Technology park provides expert knowledge and develops the best innovative practices for the growth of companies and supports the new businesses in high technology or new sectors with high value added.

The Ministry of Entrepreneurship and Crafts awarded Technology Park Zagreb as best technology park and incubator in 2012.

Development Agency Zagreb – TPZ Ltd. manages the Technology Park Zagreb.

19 years after its foundation, success is attributed to:

- 64 successfully incubated companies, 160 awards for innovation, 13 patents
- 13 start up companies
- 1100 m², 40 offices, 100% occupancy of space
- International partners from the region and EU
- Investment Plan - new Science and Technology Centre „ Nikola Tesla“



SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Technology Transfer
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

18 tenants, 57 employees (in tenant companies)



Tenant (example of a tenant)

XEE Tech, a roof brand for two sister companies from Zagreb Technology Park, is not about sole functionalities it provides across the three main expertise areas (branding, mobile apps and web, embedded systems), it is the sum of those. As technology changes the world, XEE Tech helps businesses adapt to capitalize on it.

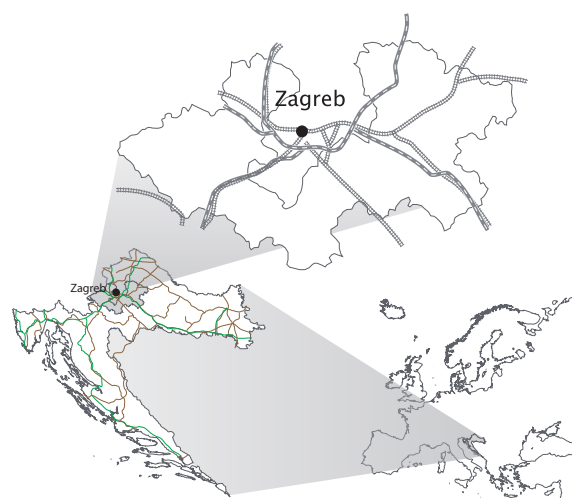
ZAGREB ENTREPRENEURSHIP INCUBATOR

Technology Startup Incubator

Technology incubators and parks assist technology-oriented entrepreneurs in the start-up and early development stage of their firms by providing workspace, shared facilities and a range of business support services. Particularly important for early development stage firms is the availability of sources of business financing, especially forms of equity and semi-equity capital that is crucial for further development. The intention of this Catalogue is to present technology incubators and parks as a source of investment projects (start-up firms) for business angels and venture capital funds.

ZIP

Zagreb entrepreneurship incubator (ZIP) is the first privately funded technology startup incubator with the goal of helping aspiring entrepreneurs from the region of South-eastern Europe to develop their companies. At ZIP they are provided with the key resources necessary to develop their products. Entrepreneurs are given access to a strong, international network of mentors who advise them on how to set up their business model and gain access to the global market. Members of ZIP advisory board are mentors from international accelerators, like Dave McClure, Sith Lord, 500Startups (Silicon Valley), Carlos Eduardo Espinal, Partner, Seedcamp (London), Stefan Glaenger, Partner, Passion Capital / White Bear Yard (London), Nenad Marovac, Managing partner, DN Capital (London), Antti Ylimutka, Captain, StartupSauna (Aalto, Finland), Jon Bradford. ZIP has established a strategic cooperation with the University of Zagreb and some of the largest private companies in Croatia as well as the Croatian Business Angel Network - Crane.



- First privately funded technology startup incubator in Croatia
- Currently focused on pre-incubation process through 3+3 months program
- Strong international and domestic network of mentors
- Connecting teams with science community and leading companies in Croatia
- Connecting graduated teams with investors, media and public through demo day, organized conferences and visits to UK/USA

SERVICES

PRE - INCUBATION STAGE

- ✓ Initial assessment of idea
- ✓ Training
- ✓ Business plan

INCUBATION STAGE

- ✓ Access to finance (early stage)
- ✓ Physical incubation
- ✓ Legal and administrative support
- ✓ Mentoring and coaching
- ✓ Access to funding
- ✓ Networking

TENANTS

PORTFOLIO OF CURRENT PROJECTS



**SUMMARY OF THE ACT ON INVESTMENT
PROMOTION AND ENHANCEMENT
OF INVESTMENT ENVIRONMENT**

INCENTIVE MEASURES FOR INVESTMENT PROJECTS

Incentive measures for investment projects in the Republic of Croatia are regulated by the Act on Investment Promotion and Enhancement of the Investment Environment (OG, No. 111/12 and 28/13) and pertain to investment projects in:

- manufacturing and processing activities,
- development and innovation activities,
- business support activities,
- high added value services.

Incentive measures are:

- Incentives for microenterprises
- Tax advantages
- Tariff preferences
- Incentives for eligible costs of new jobs linked to the investment project
- Incentives for eligible costs of training linked to the investment project
- Incentive measures for:
 - development and innovation activities and
 - business support activities and
 - high added value services
- Incentive measures for capital costs of the investment project and
- Incentive measures for labour intensive investment projects

Incentive measures can be used by enterprises registered in the Republic of Croatia investing in fixed assets the minimum amount of:

- € 50,000 together with creating at least 3 new jobs for microenterprises
- € 150,000 together with creating at least 5 new jobs for small, medium and large enterprises.

Classification of enterprises is done in accordance with the Small Business Development Promotion Act (OG 29/02, 63/07, 53/12).

Enterprise category*	Number of employees	and	Annual turnover	or	Annual balance sheet
Large	≥ 250		> 50 million €		> 43 million €
Medium	< 250		≤ 50 million €		≤ 43 million €
Small	< 50		≤ 10 million €		≤ 10 million €
Micro	< 10		≤ 2 million €		≤ 2 million €

* when classifying enterprises one should also consider affiliated enterprises, as defined by the General Tax Act (OG, No. 147/08, 18/11 and 78/12) and the Decision on the publication of the General Block Exemption Regulation regarding State Aid (OG, No. 37/09)

The amount of aid shall be calculated as a percentage of investment value, which is determined on the basis of eligible investment cost. Eligible investment costs are:

- tangible (value of real estate/buildings and plant/machinery) and intangible assets (patent rights, licences, know-how), or
- gross wage calculated over a period of two years.

The minimum period for maintaining the investment and newly created jobs linked to an investment is five years for large enterprises, and three years for small and medium-sized enterprises, but no less than the period of use of the incentive measures.

Investment amount (€ mill.)	Number of newly employed	Period (years)	Period of employment (years)	Profit tax rate*
<1	5 (3 for micro)	10 (5 for micro)	3 (SME), 5 (large)	10%
1-3	10	10	3 (SME), 5 (large)	5%
>3	15	10	3 (SME), 5 (large)	0%

* Standard corporate profit tax rate is 20%

Employment Incentives

County Unemployment Rate	Incentive Rate in Relation to Eligible Costs of Opening New Workplaces*	Increase for Technology Innovation and Development Centres	Increase for Business Support Strategic Activities and High Added Value Investment Activities	Incentives for innovation and development activities
<10%	10% (max. 3,000 €) for employing groups of persons covered by Article 11. paragraph 3. of Regulation*	+50% (1,500 €)	+25% (750 €)	20% of the eligible cost of buying the equipment/ machinery (up to € 0.5 million) All the equipment/ machinery has to be high technology
	4% (max. 1,200 €) for employing other groups of persons	+50% (600 €)	+25% (300 €)	
10-20%	20% (max. 6,000 €) for employing groups of persons covered by Article 11. paragraph 3. of Regulation*	+50% (3,000 €)	+25% (1,500 €)	
	8% (max. 2,400 €) for employing other groups of persons	+50% (1,200 €)	+25% (600 €)	
>20%	30% (max. 9,000 €) for employing groups of persons covered by Article 11. paragraph 3. of Regulation*	+50% (4,500 €)	+25% (2,250 €)	
	12% (max. 3,600 €) for employing other groups of persons	+50% (1,800 €)	+25% (900 €)	

* Article 11 paragraph 3 of the Regulation on Investment Promotion and Enhancement of the Investment Environment (OG, 40/13) provides incentives for hiring an unemployed person who was, before the conclusion of the employment contract reported as unemployed at the Croatian Employment Service for at least three months; or for hiring first-time employees, if they have no qualifications, or who are qualified for auxiliary or vocational occupations, without being registered as unemployed, and who are up to 25 years of age; or for hiring first-time employees who have acquired secondary, graduate or post-graduate degree, and are up to 29 years of age, and are not registered as unemployed at the Croatian Employment Service; or for hiring a person under 29 years of age who was registered in the Register of unemployed persons of the Croatian Employment Service within 90 days of graduation, the acquisition of title / occupation at the end of regular high school education or for those without vocation at the end of primary education; or for hiring a person whose employment contract was cancelled due to the opening of bankruptcy proceedings.

Development and innovation activities include activities that affect the improvement and modernization of the product, production series, processes and manufacturing technologies.

Business support services:

- Customers / Clients contact centres: all types of call-centres, multi-media contact centres and other types of customer/client contact centres focused on technical support and problem solving for customers/clients.
- Centres for Outsourced Business Activities focused on outsourcing and pooling of business activities, such as: finance, accounting, marketing, product design, audio-visual activity, development of human resources and IT services. Centres of selected business activities: focus on separation and concentration of business activities such as finance, accounting, marketing, product design, audio-visual industry, the development of human resources and information technology.
- Logistics and Distribution Centres focused on establishing and constructing high-technology logistics and distribution centres providing; intermodal transportation of goods, warehousing, packaging and handling of goods in order to significantly improve logistics and distribution activities within the business process and delivery of goods.
- ICT System and Software Development Centres: development and application of information systems, outsourcing of IT management operating systems, development of telecommunications network operation centres and development and application of new software solutions.

High Added Value Investment Activities:

- Creative service activities: activities in the field of architecture, design, different forms of media communication, advertising, publishing, culture, creative industry and other activities in the field of fine arts.
- Tourism service activities: activities in the field of high added value services in tourism, such as accommodation projects hotel, apart-hotel, tourist resorts categorised as four- or more stars, tourist apartments within tourist resorts categorised as four- or more stars, camps categorised as four- or more stars, heritage hotels, other types of accommodation facilities as a result of renovation of cultural and historical structures, supporting services, health tourism, congress tourism, nautical tourism, cultural tourism, entertainment and/or recreation centres and parks, ecological tourism projects.
- Management, consulting, education services,
- Industrial engineering services.

For investment in development and innovation activities, a non-repayable grant shall be approved for the purchase of plant/machinery amounting to 20% of the actual eligible costs for purchasing plant/machinery, in the maximum amount of EUR 500,000 in equivalent HRK value, provided that the purchased plant/machinery represents high technology equipment.

Incentives for education and training

The eligible costs for the purpose of training may include staff trainer costs, trainers' and trainees' travel expenses, depreciation of tools and equipment, to the extent that they are used for the training project, as well as trainees' costs up to the amount of the total of the above referred eligible costs. Only the hours during which the trainees actually participate in the training, after deduction of any productive hours or of their equivalent, shall be taken into account.

	Specific training	General training
Large enterprises	up to 25%	up to 60%
Medium enterprises	up to 35%	up to 70%
Small enterprises	up to 45%	up to 80%

In cases where aid projects involve both specific and general training components which cannot be separated for the calculation of the aid intensity, and in cases where the specific or general character of the training aid project cannot be established and separated, the maximum aid intensities applicable to specific training shall apply.

Amount of incentives, along with incentives for investment, i.e. employment incentives, cannot exceed more than 50% of the eligible investment costs.

Incentive measures for the capital costs of the investment project

Eligibility: over € 5 million and more than 50 new jobs

County Unemployment Rate	Incentives for Capital Expenses
10-20%	<p>Cash grant in amount of 10% of the eligible costs of investments for:</p> <ul style="list-style-type: none"> • construction of the new factory, production facility or tourist facility, • buying of new machines, i.e. production equipment, <p>(max amount up to 0.5 million EUR with the condition that the part of investment in the machines / equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)</p>
>20%	<p>Cash grant in amount of 20% of the eligible costs of investments for:</p> <ul style="list-style-type: none"> • construction of the new factory, production facility or tourist facility, • buying of new machines, i.e. production equipment, <p>(max amount up to 1 million EUR with the condition that the part of investment in the machines / equipment equals at least 40% of the investment and that at least 50% of those machines/equipment are of high technology)</p>

Incentive measures for labour-intensive investment projects

Number of newly created jobs	Increase of Support for creating new jobs
100 and higher	25%
300 and higher	50%
500 and higher	100%

According to the procedure for applying for incentive measures under the Act on Investment Promotion and Enhancement of the Investment Environment an enterprise intending to acquire the status of a beneficiary of incentive measures must file an Application for the use of incentives using the prescribed forms either to the Ministry of Economy if it falls under the category of a large enterprise or to the Ministry of Entrepreneurship and Crafts if it falls under the categories of micro-, small or medium enterprise before the beginning of the investment.

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