



PPP R1 PR1BINA

Expressway

Nitra – Tekovské Nemce
Banská Bystrica – northern bypass

Construction
Financing/Refinancing
Operation
Risks/ Principles

Many PR1BINAS around the world.....



Highway in Jamaica



Confederation Bridge in Canada



A9 Motorway Germany



Olympia Odos Motorway in Greece



And R1 PR1BINA in Slovakia



Chronology of R1 PR1BINA

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May 2008
• Beginning of
Public
Procurement

March 2009

- Concession
Agreement
Signed

September 2009

- Construction
Works Begin

October 2011

- First three sections
opened to public

July 2012

- Fourth section is
opened



R1 PR1BINA in Numbers

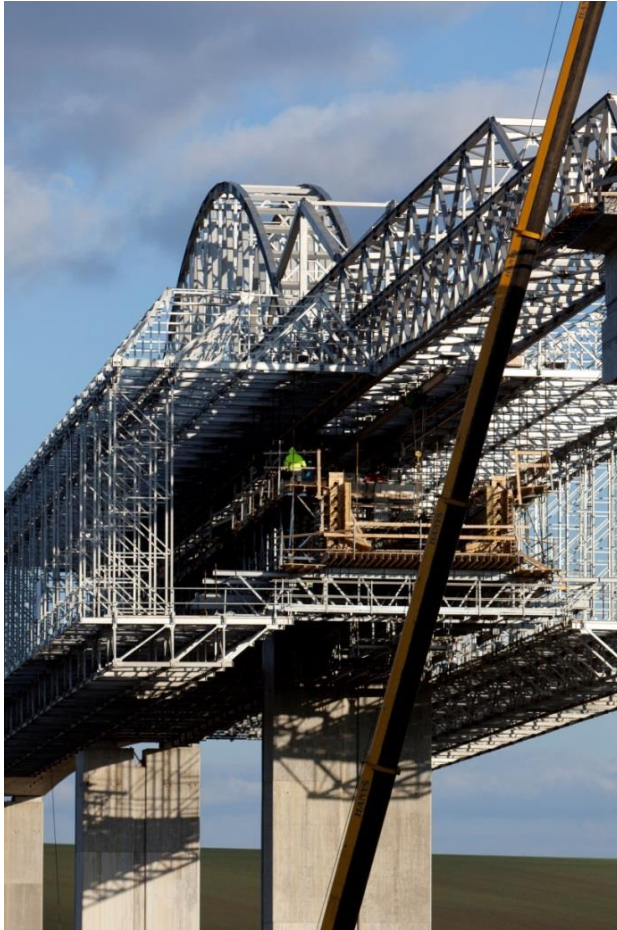
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- Length: 51,4km
- 78 bridges
- 10 intersections
- 32km of anti-noise barriers
- 127km of crash barriers
- 2 service/rest areas



Short Time Frame

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- First 3 sections built in 25 months (45,7km)
- 4th section built in 35 months (5,7)

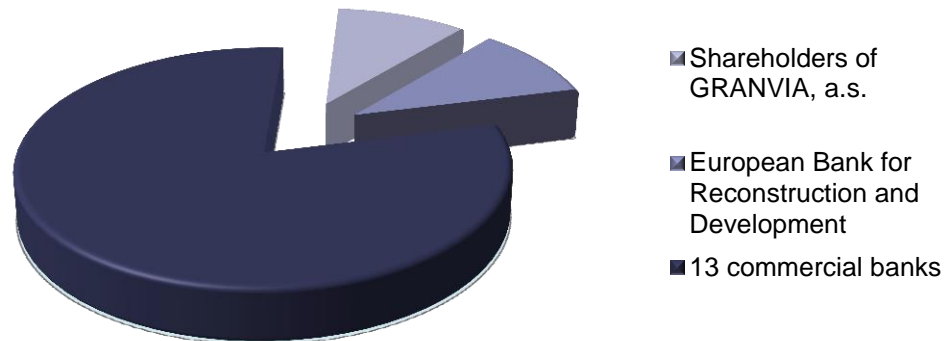
Financing and Refinancing

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- Overall cost for project, design and construction, operation and maintenance

1,2 bil EURO

Project Financing



Success Story – the refinancing

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- A refinancing which was programmed in the Concession Agreement in 2009
 - Date of original financial close: 27th August 2009
 - Estimated date of refinancing: 30th September 2019

- Decision taken by sponsors to launch the refinancing during the fourth quarter of 2012
 - Early refinancing made possible by the timely completion of construction works in July 2012 (i.e. Already 2 years of operation). Project released from its construction risk.

- Prerequisite for the refinancing
 - Settlements of the disputes with the Public Authority (regarding the SPV's revenue)
 - Procurement of the final Occupation Permit

Success Story – the refinancing

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- The need for a refinancing well identified from the project's inception: the Concession Agreement contains clauses which encourage both the shareholders and the public authority (sharing of the gain in favour of the latter) to request/perform a refinancing
- Identification of a “window” for the refinancing based on current favourable market conditions
- Engagement of advisors that have a strong knowledge of the project
- Key role played by the sponsors to solve the most sensitive issues
- Significant gain for the public authority (total savings of 145 m€ over the concession period)
- Optimisation of the shareholder value: financing structure which now provides the shareholders with a potential return on equity in line with the risk profile of the project
- Issuance of 1,243 bil Euro of project bonds
- 26 year bond maturity
- Rated as BBB+stable and attractive for investors

Success Story – the refinancing

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- Financial advisor: **Deutsche Bank** 
- Grantor's financial advisor (independent financial consultant): **HSBC** 
- Sponsors' legal advisor **Linklaters** **KINSTELLAR**
- Financing Parties' legal advisor: **ALLEN & OVERY**
- Tax & Accounting advisor: 
pwc
- Technical advisor **ATKINS**
- Financial model auditor **OPERIS**
- Rating agency:  **STANDARD & POOR'S
RATINGS SERVICES**
McGRAW HILL FINANCIAL
- Sole arranger, global coordinator and Swap coordinator: **Deutsche Bank** 
- Joint book runners:
* : entities already involved in the original financing  **NATIXIS** **Deutsche Bank** 

Operation

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Main responsibilities:

- 24 hour monitoring and patrol of expressway
- Snow removal within 30min of snowfall
- Road patrol in 3 shifts/24 hours a day/365 days a year
- Regular controls of expressway and its surroundings
- Regular checks and maintenance

Cooperation with PA:

- 24/7 flow of information with Public Authority
- Weekly meetings with Public Authority
- Effective and immediate problem solving



Risk sharing

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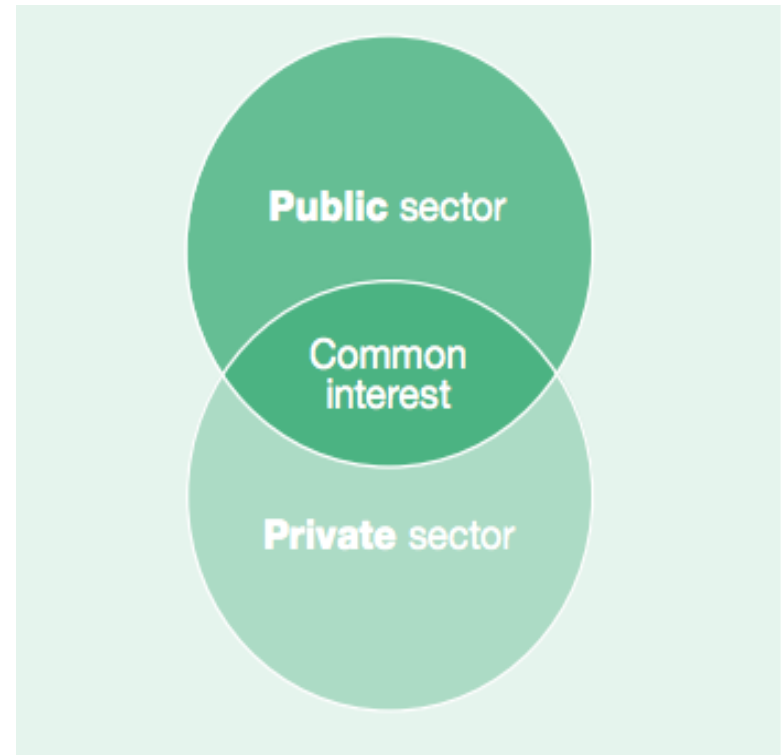
No.	Description	Client	Concessionaire
1	Risks of process		
	Planning permit, building permit, land title	X	
	Occupation permit, additional land		X
2	Project design		
	Building permit design	X	
	Execution drawings, changes		X
3	Construction related risks		
	Technical risks, QHSE risks, damages on existing infrastructure		X
4	Operational risks		
	Routine and heavy maintenance, traffic intensity increase, technological obsolescence		X
5	Risks, legislation and legal risks		
	Legislative and tax changes	X	X
6	Financial and economic risks		
	Interest, currency, inflation, liquidity risks. Insurance		X
7	Refinancing risks	X	X

Together from Day ONE

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- One private partner
- One public partner
- One common interest

Untill 2041



THANK YOU

