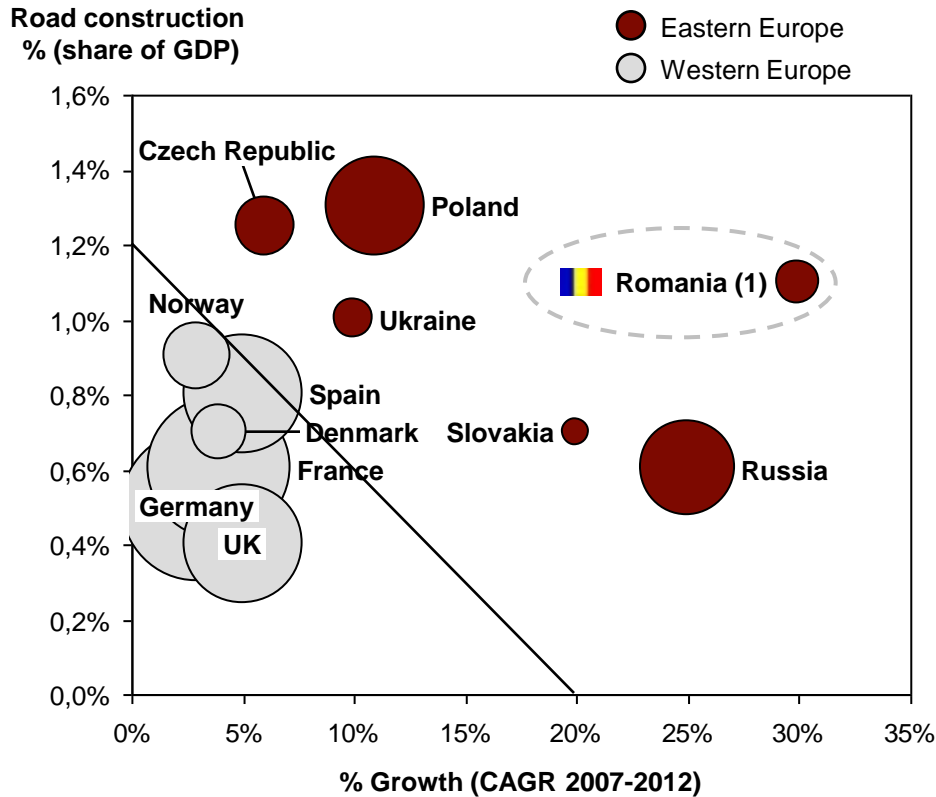


Eastern European countries currently present the most attractive opportunity in terms of growth in road construction

Overview of road construction vs. GDP in selected European countries

Estimates



Comments

- Eastern European countries show high potential growth rates in road construction
- Fastest growth rate in road construction expected in Romania, Russia and Slovakia
- Romania shows extremely high attractiveness posting an ambitious infrastructure development program, but highly dependent on EU funding
- General financial and political instability adds uncertainty to future financing in Russia
- High attractiveness in Poland due to relatively large market of road construction and high growth potential
- EU Funding will be an important driver for growth in the EU Member states (especially the case for Eastern European member states)

Note: (1) Based on planned investment projects until 2013
 Source: CNADNR web site, A.T. Kearney analysis

PPPs are not developed equally among old EU members

Overview of PPPs in EU15 and Norway by sector in 2006

	Central accommodation	Airports	Defence	Housing	Health & hospitals	IT	Ports	Prisons	Heavy railway	Light railway	Roads	Schools	Sports & leisure	Water & waste
Austria	○	○			◐	○		○	◐		◐	○		○
Belgium		◐	○	◐					○	○	◐	○		◐
Denmark	○						◐	○	◐		◐	◐	◐	
Finland			○		◐						◐	◐		○
France	◐	◐	○		◐		◐	◐	◐	●	●	○		●
Germany	◐	○	◐		○	◐		◐	◐	◐	◐	◐		◐
Greece	◐	●									◐		◐	
Ireland	○			◐	◐					◐	◐	◐		◐
Italy	○	◐		○	◐		◐	○		◐	◐		◐	◐
Luxembourg		○				◐								
Netherlands	○		○	○	○		○	○	◐		◐	◐		◐
Norway	○		○		◐			○	○		◐	◐		
Portugal		○		○	◐	◐	○	○	○	◐	●	○		◐
Spain	○	○			◐		●			◐	●	○	○	◐
Sweden			○		○				○	◐	○			
UK	●	●	●	●	●	●		●		●	●	●	●	●

○ Discussions ongoing ◐ Projects in procurement ◑ Many procured projects, some projects closed ◒ Substantial no of projects closed ● Substantial no of closed projects, majority in operation

New EU members and Turkey are behind the old member states in terms of PPPs

Overview of PPPs in new EU members and Turkey by sector in 2006

	Central accommodation	Airports	Defence	Housing	Health & hospitals	IT	Ports	Prisons	Heavy railway	Light railway	Roads	Schools	Sports & leisure	Water & waste
Cyprus		●					●				●			●
Czech Rep		○	●	○	○				○	○	●	○	○	●
Estonia					○	○					○	○		
Hungary				○	●	○		●		○	●	●	●	●
Latvia				○							○			
Lithuania										○				
Malta				○	●						●		●	
Poland	○	○		○			●		○	○	●			●
Slovakia		○									○			○
Slovenia														●
Bulgaria		○									○			●
Romania		●		○	●	●	●	○	○	○	○		●	●
Turkey		●							○	○	○			●

○ Discussions ongoing

◐ Projects in procurement

◑ Many procured projects, some projects closed

◒ Substantial no of projects closed

● Substantial no of closed projects, majority in operation

Investments in Romanian road infrastructure are expected to grow in the next years

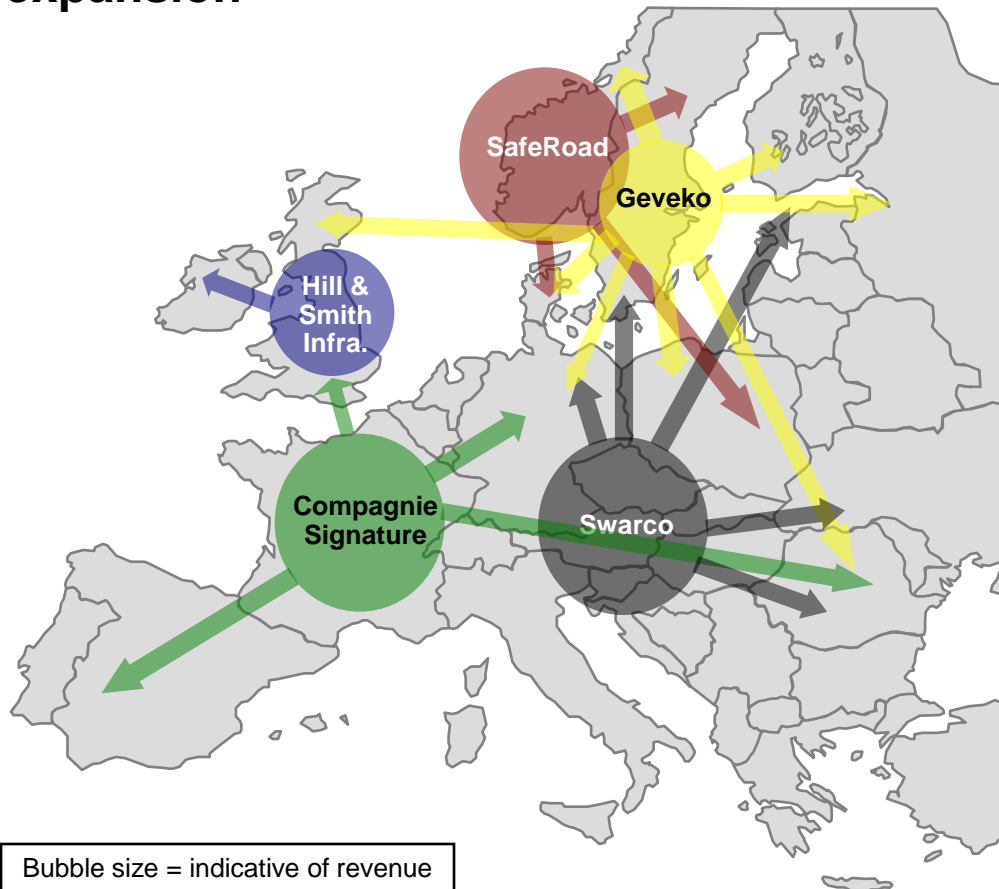
Trends in Romanian road construction market

- Romania has an **average density of road length km/ km² of 0,34, lower than CEE and Western countries by 4 - 14 times.**
- The Romanian government earmarked **EUR 10 bn. or 20% of the consolidated budget in 2009 for public investments in infrastructure.**
- Ministry of Transportation wants **2.000 km of highway by 2013.**
- **EU has available some 4.3 bn EUR for Romania**, only to be accessed through infrastructure development projects.
- From **51 large infrastructure projects planned** and published on CNADNR website **only 2 are financed through concession.** The rest are financed by the Government together sometimes with ISPA and EBRD.
- A report of World Bank shows that **public spending for infrastructure is affected by wasteful use of funds and increase of costs, which are among the highest in Europe.**
- About **half of the public roads need urgent repair/ modernization.**

Condition of the current infrastructure and the announced highway construction projects are the main drivers of the market

The five major European groupings are expanding in Europe with different focus and pace

Overview of European leaders' geographical expansion



Comments
<ul style="list-style-type: none"> • The European leaders are expanding geographically, but with different focus and pace • SafeRoad is expanding into EE from its Nordic base <ul style="list-style-type: none"> – Historic focus on Norway, followed by Sweden and Denmark – Recently established presence in Poland and Belarus (not strong) • Signature is expanding in WE and CE where it has secured a strong foothold <ul style="list-style-type: none"> – Created strong positions in key WE and CE countries – Recent entry in selected EE countries • Swarco is expanding in CE and EE <ul style="list-style-type: none"> – Strong position in NE, CE and selected EE countries – further EE expansion • Hill & Smith Infrastructure is expanding in UK and Ireland only <ul style="list-style-type: none"> – Very strong position in UK, but lacks international expansion • Geveko is expanding in CE and EE <ul style="list-style-type: none"> – Historic focus on Sweden, followed by Norway and Denmark – Created foothold in CE and selected EE countries