

**Kapsch Telematic Services
GENERAL REPORT**

PREAMBLE

The Konsorcium Kapsch is the General Supplier of the Toll Collection System on Roads and Provider of Services Related to the Operation of the Toll Collection System.

The Road and Motorway Directorate of the Czech Republic is the Operator of Toll Collection System on Roads. RMD is the organizational organ of the Ministry of Transport of the Czech Republic.

Introduction

The Czech Government discussed the introduction of the road toll shortly after the country joined the European Union (EU) in 2004. The primary reasons for this were:

- Change of time-based taxation to a more just performance-based charging where a user pays for the number of kilometres travelled
- Increase of funds flowing into road management;
- Attempt to balance the conditions for road and railroad transport as well as the related eventual reduction of increased truck traffic in the Czech Republic;
- Possibility to introduce telematic services.

The EU membership of the Czech Republic and the related expectations of highly increased transit truck traffic resulted in a demand for specifying an electronic toll collection system that would offer maximum user comfort.

The considered systems should not discriminate international carriers who occasionally use the chargeable road network in the country compared to the domestic carriers, who use it frequently. This is the reason why the competitors in the tendering process for the toll only included those who offered a system based on the microwave (DSRC) communication. One of the benefits of the microwave toll system is the use of low-cost and easy-to install onboard units (OBU), which can be very easily distributed, installed and uninstalled into a vehicle. That this requirement was justified and confirmed by the experience from the first months of the system operation, primarily by the continuously growing number of active OBUs. If we compare this system with the satellite-based one, there is no doubt that the acquisition costs of the first one are higher. However the savings on acquiring more affordable low-cost and easy-to install OBUs have entirely eliminated the extra cost by now. They have proven to be the right decision.

The Czech Government decided to cover the costs for upgrading and maintenance of the transport infrastructure by introducing a distance-based truck toll. This road toll applies to Czech and foreign road users alike. On January 1, 2007, the Czech nationwide electronic toll collection system for heavy vehicles with a maximum permissible laden weight of 12 tons and above started commercial operation. As mentioned above, the system is fully electronic, using DSRC technology to achieve multi lane free flow toll collection.

Within nine months from the date of contract signature, Kapsch, as the chosen supplier, was able to design, develop, manufacture, erect, integrate and implement this complex toll collection system, including setting up a nationwide distribution network for OBUs with pre-pay and post-pay capabilities, as well as establish multilingual services and a support network to enable technical and commercial operation of the system.

Since 1st January of 2010, the tolling system was extended for vehicles over 3,5 tons within the nationwide tolled road network.

In August 2011 a new category “Bus” was introduced and deployed into the system, providing a discounted tariffs for the carriers operating public passenger service.

Network length

The length of the Czech tolled road network has increased from 1369,7 km (as of 1. 1. 2012) km up to **1381,4** km (as of 1. 1. 2013). The total length of all roads in the Czech Republic comes up to 55 726,7 km as of 1.7.2012, which should increase by approx. 55 km during 2013.

- Sections free of charge
- Sections tolled – motorways and expressways
- Sections tolled – 1st class roads
- Sections tolled from the moment of their opening in 2013






Electronic toll (distance-based fee)

January 2013



www.rsd.cz

 Sections free of charge
 Sections with a fee
 Sections subject to fee from the moment of their opening in 2013



Coupons (time-based fee)

January 2013



www.rsd.cz

Openings 2013

Motorway D3: Tábor – Soběslav, 16,30 km
 Motorway D3: soběslav – Veselí nad Lužnicí, 7,65 km
 Highway R7: MÚK Vysočany – MÚK Droužkovice, 9,44 km
 Highway R7: MÚK Droužkovice – MÚK Nové Spořice 6,50 km

Investments

The complete price of the whole toll project represents the delivery of the toll system, its implementation, setting into the commercial operation and 10 years of the operation services.

Phase 1 of the toll project including 970 km of motorways and expressways represents approximately 3,5 Mld CZK (EUR 125 million) without VAT which was paid during the first 3 years of the systems operationas planned.

During the first three years of commercial operation the average performance of the tolling system has been calculated with more than 99% (required performance in the toll tender was 95 %).

The MoT has approved a total of 51 roadway projects for co-financing by Operational Programme Transport (OPT) for the 2007-2013 period. By the end of 2010, the EU has helped fund with more than EUR 0,6 billion, the construction of 25 project that are now in operation. The remaining projects are under construction and will be completed by the end of 2013. Total OPT financing will amount to roughly 50 billion CZK (depending on exchange rate fluctuations with EURO). In many cases such funding covers up to 85% of the total cost. The remaining amount will be covered by State Transport Infrastructure Fund and from a loan provided by the European Investment Bank.

Total of 74,4 km of highways and motorways were under construction as for the 31 December 2012 and 70 km (approx. 40 km - reconstruction of the D1) of the new building sites is to be opened in 2013.

Financing

As of 11 July 2007, after only 6 months of operation the total amount of the tolls collected reached the total capital expenditure. This excellent indicator is in addition amplified by the fact that the system was built using the contractor's method, meaning that the general contractor bears the initial costs related to the construction – which is a type of PPP project! The state will reimburse the general contractor for those costs gradually within a horizon of 30 months after the launch of the system.

Traffic

According to the estimates, the GDP decreased by 1,3 % in the Q3 of 2012. The GDP created during the first first three quarters was by 0,9 % lower than in the same period of 2011. Total number of truck km travelled with a permissible total weight over 3,5 tons reached over 1,9 billion km and the average daily traffic was 3919 in 2012. It means total travelled km /365 days and the total length of the existing tolled road network. The average daily traffic decreased by 4% in comparison with 2011.

Active OBU 1st January

2008 – 289 500
 2009 – 357 113
 2010 – 412 315
 2011 – 521 506
 2012 – 583 575
 2013 – 635 850

Source: RSD Czech Republic

Tolls

The average tariff per km for heavy vehicles with total weight of 12 t and over was 0,30 EUR. The time-based toll rates increased by 25 % as well as distance-based toll rates with exception for the emission class EURO V and higher for distance-based toll.

Putting the motorways and expressways as a subject to toll charges is regulated by the amended Act no. 13/1997 Coll. for the Road Network.

Tolled roads and sections are delimited by traffic signs
 (Motorway — Expressway — Tolled Road)



Overview Emission Categories and Toll Rates

Time-based toll charge (vignette)

The fees for 2012 for the use of motorways and expressways by road motor vehicles of total weight under 3,5 tons (motorbikes are free of charge) were set by the Government Directive No. 354/2011 Coll., which came into effect on 1st December 2011.

The length of the Czech time - based tolled roads reached 1137 km in 2012 as specified by the Government Regulation No. 356/2011 and the fees were as follows:

- a) For one calendar year CZK 1500 (€ 60)
- b) For one calendar month CZK 440 (€ 17,6)
- c) For ten days CZK 310 (€ 12,4) The exchange rate with Euro: 1€ = 25 CZK

Distance-based toll charge (ETC with compulsory OBU)

The amount of toll for the use of a particular section of a tolled road depends on the length of the section and the category of the respective vehicle, depending on the number of axles and the emissions class of the vehicle.

The toll rates were stipulated by Czech Government Regulation No. 484/2006 Coll and since January 2012 by its amendment No. 354/2011 Coll.

Toll rates - CZK/KM									
Emission Class	Euro 0 - 2			Euro 3 - 4			Euro 5 +		
Axles	2	3	4+	2	3	4+	2	3	4+
Highway	3,34	5,67	8,24	2,61	4,45	6,44	1,67	2,85	4,12
Main Road	1,58	2,74	3,92	1,23	2,14	3,06	0,79	1,37	1,96
Toll rates Friday 3 pm to 9 pm - CZK/KM									
Emission Class	Euro 0 - 2			Euro 3 - 4			Euro 5 +		
Axles	2	3	4+	2	3	4+	2	3	4+
Highway	4,24	8,10	11,76	3,31	6,35	9,19	2,12	4,06	5,88
Main Road	2,00	3,92	5,60	1,56	3,06	4,38	1,00	1,96	2,80

The toll rates for the vehicle categories M2 and M3 are stipulated by the Czech Government Regulation 243/2010, which came into effect since 1 September 2011.

Toll Rates CZK/KM		
Euro 0-II	Euro III-IV	Euro V+
1,38	1,00	0,80

The average annual inflation rate in 2012 was 3,3 %.

Revenues

Annual toll revenues (million EUR)

2008 – 245,4

2009 – 221,7

2010 – 262,8

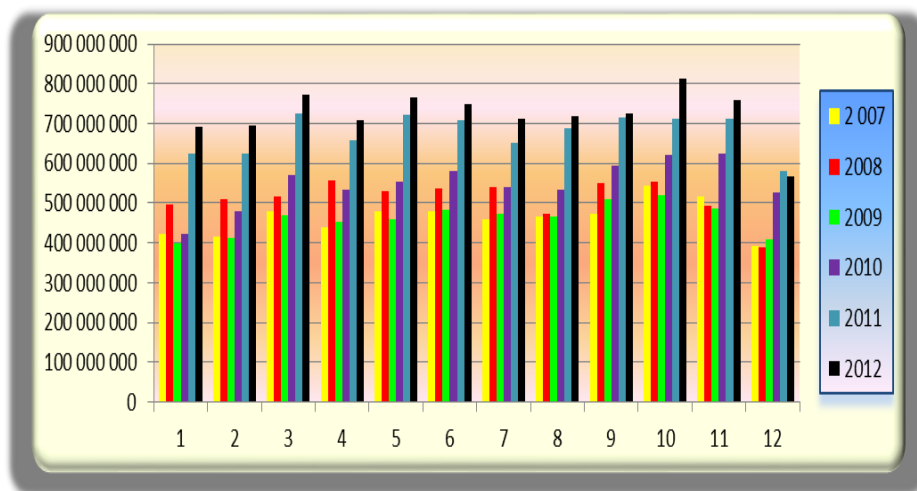
2011 – 325

2012 – 346,5

The exchange rate with Euro: 1€ = 25 CZK

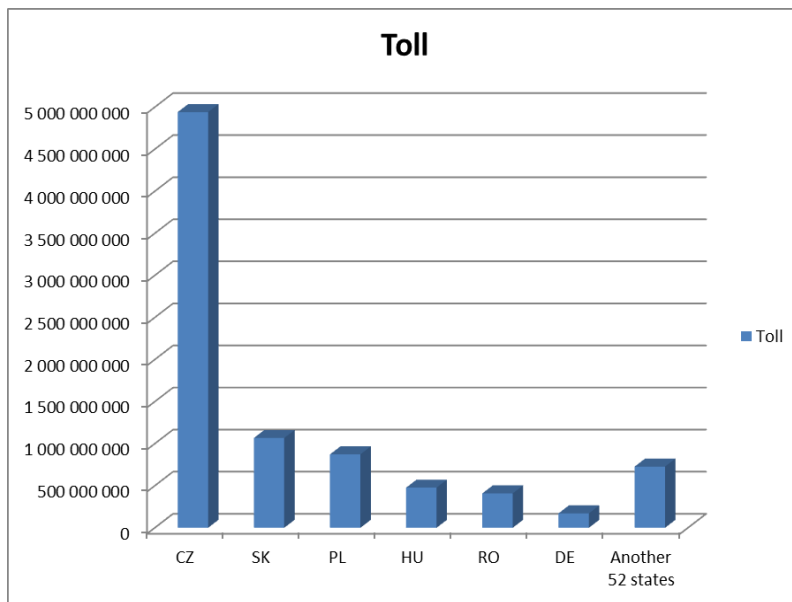
The annual toll revenue increased by 7 % in 2012.

Income comparison shows diagram in CZK



Source: RMD Czech Republic

States participation ... in CZK 2012



Source: RMD Czech Republic ... in CZK

Payment in 2012

Pre pay = 45 %

Post pay = 55 %

Local lorries = 57 %

Foreign lorries = 43 %

Safety

The number of people killed in road accidents fell by 3.1% as well as injured by 3.7%. The most of accidents were caused by insufficient attention of drivers.

Long-term forecasts and tendencies

— The motorways and four-lane roadways in service



Motorway network

Prospective situation



Significant actions already started and foreseen for 2013

The toll rates for vehicles with emission class lower than EURO V increased again by 20 to 25 % (depending on a vehicle category) since 1 January 2012, which have had a positive impact on environment. The hauliers exchanged most of their vehicles for modern ecologically friendly trucks or at least adjusted their engines to the highest emission class possible.

MAIN ASECAP KEY FIGURES

Country: Czech Republic	2012
The length of the Czech tolled road network in Km	1381,4
Motorways	740,1
Highways	443,9
The 1st class roads (all 1st class roads 5 811km as of 1.7.2012)	197,4
No. of km in construction	74,4
Motorways	41,4
Highways	33
Forecasts of opening Motorways section for 2013	40
Motorways	24
Highways	16
Annual toll revenue - million EUR (1€ = 25 CZK)	346,5
Permanent staff	143
Average daily traffic LV	n/a
Average daily traffic HV ≥ 3,5 tons	3919
Average daily traffic LV+HV	n/a
Total number of accidents on all roads (55 726,7 km as of 1.7.2012)	81404
No. of personal injury accidents on all roads	25576
No. of dead on all roads	681
Km travelled - Trucks >3,5 tons (10 ⁶ x km)	1976
No. of toll plazas	n/a
No. of lanes	n/a
No. of teletoll equipped lanes	n/a

No. of teletoll subscribers (active OBUs)	635 850
No. of Contact Points with full Tolling services	15
No. of rest areas (with stations and tolling services)	250
No. of restaurants	n/a
No. of hotels	13