

TRAINING WORKSHOP

FINANCING TECHNIQUES OF PUBLIC - PRIVATE PARTNERSHIP PROJECTS

WORKSHOP HIGHLIGHTS INCLUDE:

- PPP structures in the context of project finance schemes
- Public sector comparator calculations
- Roadmap to the tender process
- First - hand case study of the M5 Project
- Functions and characteristics of the concessionaire as special purpose vehicle

WORKSHOP LEADERS:

György Gáldi, *Head of Large Corporate & Structured Finance Directorate, K&H Bank*

Béla Kilyénfalvi, *Head of Structured Finance, ING Hungary*

DI Thomas Höfner, *MAS, CFO, M5 Concession Company (AKA Rt.)*

Arne Speer, *CEO, M6 Concession Company (Duna Autópálya Rt.)*

YOU SHOULD ATTEND:

If you are interested to hear first hand information from the most relevant sources about:

- the concession structure of the M5 Motorway and how it was refinanced and restructured into a real PPP Project after 10 years
- how to organize a successful Special Purpose Vehicle
- the most effective financing techniques
- how to effectively use financial advisers to proceed towards succesful close of PPPs

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then we can assure you that this will be the best value for money investment in your professional carrier!

WORKSHOP BACKGROUND

Since the beginning of the 90's public sector bodies in Central and Eastern Europe (CEE) were facing increasingly indebted balance sheets and budgetary constraints which heavily hindered investments and modernization of the provision of services to the public. In the search for alternative financing options, governments and municipalities started to look at the possibilities of involving private sector capital in the implementation and procurement of projects. Thus Public-Private Partnerships (PPPs) have made their way forward into this dynamically developing region of Europe. The wider acceptance and usage of PPPs by the public sector in the last decade in CEE has certainly created new opportunities not just for the public but for the private sector as well. But PPPs are complex in structure and procurement and involved parties often have a lack of experience. Besides the knowledge of applicable legislation, special attention has to be paid to regional specifics and local particularities stemming from the culture, habits and needs of the various nations. These projects require a clear understanding of the connected issues and lessons learned might be applied well in new initiatives.

WHO SHOULD ATTEND

The program will be beneficial to Chief Financial Officers and Financial Managers from the following institutions:

- Government department
- Municipal departments
- Commercial Banks
- Investment Banks
- Concession Companies
- Legal Companies
- Consulting Companies
- Construction Companies
- Risk advisors
- Companies interested in PPP Projects
- and many more...

ABOUT THE WORKSHOP LEADERS



Béla Kilyénfalvi, Head of Structured Finance, ING Hungary

Béla Kilyénfalvi joined the Structured Products Department in ING Bank Rt. in 1997, where he is currently Head of Department. Previously he worked at CIB Bank Rt. as project finance manager for 3 years. Mr. Kilyénfalvi has been involved in a number of

PPP Projects as financial advisor. He was a financial advisor to AKA on refinancing of the M5 motorway project, financial advisor to the State on the State Motorway Management Company (SMMC) bond issue project, financial advisor to the State on Phase II-III of the M5 motorway project and financial advisor to the State on Phase I of the M6 motorway project.



DI Thomas Höfner, MAS, CFO, M5 Concession Company (AKA Rt.)

Thomas Höfner's track record covers more than 10 years professional experience gained in technical, contractual and financial fields of major infrastructure projects. Between 1995 and 2001, he was involved in urban infrastructure projects. Since joining the Bauholding Strabag group in 2001 (currently with A-Way), he has been focusing on development and implementation of international PPP schemes, inter alia he held various responsibilities in the A2 Toll Motorway project in Poland (Commercial Project Manager between 2001 and 2003). In his capacity as member of the negotiating team and CFO of AKA, he participated in structuring all recent transformations and developments of the M5 Motorway project in Hungary occurring at unprecedented pace since 2004: reorganisation on shareholder level, cancellation of tolls and introduction of availability fee system, project restructuring, refinancing, financing and implementation of Phase 2 and Phase 3 of the M5 Motorway.



György Gáldi, Head of Large Corporate & Structured Finance Directorate, K&H Bank

György Gáldi has joined the Structured & Project Finance Department of K&H Bank in 1993. Having held different responsibilities in the same department he was promoted

to Senior Executive Director in 2005. Prior to this he was EU Expert of the International Department in the Transport Ministry. Between 1987-92 he was Assistant Professor at the Department of Transport Operations, Budapest University of Technology.



Arne Speer, Chairman of the Board of Directors and Technical Director, M6 Duna Autópálya Koncessziós Rt.

Arne Speer currently is the Chairman of the Board of Directors of the "M6 Duna Rt – Concession Company" in Hungary, which is responsible for the construction of first

60km of the M6 highway. He joined this intensive project from the first hour on behalf of the Bilfinger Berger BOT, Wiesbaden. He has been involved in the whole development phase with the Ministry of Economy and Transport including the negotiations of all contracts representing the areas of construction and operation until reaching commercial and financial close.

Prior to this Arne Speer was also involved in the Norwegian E39 project, the Strelasund-Crossing, the Maliakos-Kleidi and Thessaloniki Port project in Greece as a Bilfinger Berger BOT project manager.

He gained his first experience in a concession company during his involvement in the construction phase of the PPP project "Herrentunnel – the river Trave crossing in Lübeck, Germany".

4 easy ways to register

- 1 e-mail: info@epppc.hu
- 2 call +36 30 812 4067, +421 904 005972
- 3 fax: +36 1 310 2211
- 4 [Register Online](#)

DAY 1 - 18th May

9:00 Opening from the Chair

Miklós Murányi, *Managing Director*, EPPPC

9:00-12:15 Financial Preparation and the Tender Process of PPP Projects

Béla Kilyénfalvi, *Head of Structured Finance*, ING Hungary

György Gáldi, *Head of Large Corporate & Structured Finance Directorate*, K&H Bank

INTERACTIVE SESSION

Project Preparation

- Identification of the project
- Preliminary PSC
- Financing structure
- Technical specifications
- Planning
- Permits, legislation, administrative issues

Tender – pre-qualification phase

- Identification of the project
- Tender documentation
- Setting the consortium
- Preliminary financial structure of the bid

Tender – bid phase

- Risk allocation matrix
- Fee formula
- Draft service contract
- Financial structure of the bid
- Modelling
- Financing – selection of the arrangers
- Review of the draft service contract
- Preparation of bids
- Update of the preliminary PSC
- Evaluation of bids

12:15 Lunch

13:15 -16:30 Documentation and Closing of the Tender

Documentation phase

- Risk allocation matrix
- Service contract
- Financing agreement
- Other documents

Closing

- Final PSC
- Necessary approvals (e.g. Parliament)
- Due diligence
- Model audit
- Syndication (info memo)
- Hedging
- Conditions precedents

DAY 2 - 19th May

9:00-12:15 PPP Transactions from the Investor's Perspective – a hands-on approach Thomas Höfner, MAS, CFO, M5 Concession Company (AKA Rt.)

PPP Structures in the context of project finance schemes

- Typical project setup – the framework for financing
- Project parties and their specific roles – the key drivers
- Lifecycle – closing, implementation, operation

Focus on the Concessionaire as Special Purpose Vehicle (SPV)

- Function – interface between public and private sector
- Characteristics of SPVs – contractual limitations in day-to-day business
- Financial sustainability – how to balance risks profiles in the light of financing
- Performance objectives – successful completion, operation and loan repayment

PPPs in practice – Case study M5 Motorway

- Brief overview – a decade of AKA
- Transition period 2004/2005 – how a unique challenge became infrastructure deal of the year
- Transformation from real toll to availability payment system
- Multitasking – operational phase, funding and construction of new phases concurrently
- Organisation – team play with a view to create win-win – scenarios

12:15 Lunch

13:15 - 15:30 M6 Duna Rt – Challenge of ten months development phase and 18 months targeted construction phase

Arne Speer, *CEO*, M6 Concession Company (M6 Duna Autopálya Rt)

Different parties in PPP-projects and their interests

- Overview of M6 Project
- Benefits of all stakeholders
- Main challenges for all participants

Public and Private – Which kind of payment agreed and what kind of risks taken ?

- Payment mechanism
- Contractual structure
- Risk allocation between the parties of public and private
- More detailed financing information

Outlook: Future PPP-projects

- Lessons learnt
- Further PPP in Hungary

REGISTRATION AND FURTHER INFORMATION

10-12 May 2006, Budapest

Please fill out this registration form and return it to info@epppc.hu or fax: +36 1 310 2211

PERSONAL DETAILS

Please print clearly or attach business card

Family Name _____

(Mr/Mrs/Ms)

First Name _____

Position _____

Department _____

Company _____

Address _____

Postcode _____ Country _____

E-mail _____

Telephone _____

Fax _____

I understand and accept the booking terms & conditions

Signature _____ Date _____

PERSON AUTHORIZED TO SIGN ON BEHALF OF ORGANIZATION

We wish to register this delegate for the course indicated above. We undertake to pay his/her fee and release him/her from all company responsibilities for the period of the programme. (Please print clearly)

Name _____

Position _____

Signature _____ Date _____

CANCELLATION POLICY

A full refund less an administration fee of 150 Euro will be given for cancellation requests received up to 20 working days before event. Cancellations must be made in writing (letter or fax) and reach the office before the 20 working day deadline. Delegates who cancel less than 20 working days before the event, or who do not attend, are liable to pay the full course fee and no refunds can be given. However, if you wish to attend the next course and you have paid your course fee in full, you will only be invoiced for 25% of that course fee. Please note that the next course must take place within 6 months of the initial application. Of course, a replacement is always welcome.

DISCLAIMER

EPPPC reserves the right to change or cancel any part of its published programme or teaching faculty due to unforeseen circumstances.

CUSTOMER INFORMATION

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COURSE FEES

Standard delegate fee:

695 Euro + 20% VAT

Governmental/Municipal delegate fee:

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SAVE MONEY - 10% DISCOUNT*

EARLY BIRD delegate fee

*Discount of 10% for those delegates who register until 30 March 2006. This discount can not be used in conjunction with any offer.

Fees include all the tuition, full course documentation, lunches and refreshments for the duration of the programme.

Incidental expenses: EPPPC is NOT responsible for covering airfare or other travel costs incurred by registrants. Delegates will be responsible for their own accommodation.

Please note that EPPPC reserves the right to refuse admission to the training if proof of payment has not been received prior to the start of programme. An invoice will be sent upon receipt of registration form. Payment must be received in full prior to the course start.

GROUP BOOKING DISCOUNTS*

- 2 delegates - 10 % discount
- 3 delegates - 15 % discount
- 4 delegates - 25 % discount
- 5 delegates - 35 % discount

*Available for delegates from one organisation attending the same course. Not to be used in conjunction with any other discount offer.

METHODS OF PAYMENT

An invoice will be sent upon receipt of registration form.

Payment must be received 5 business days after the receipt of invoice. Please include name and company on the transfer order.

WHO SHOULD ATTEND:

The program will be beneficial to Chief Financial Officer and Financial Managers from:

- Government departments
- Municipal departments
- Commercial and Investment Banks
- Construction Companies
- Consulting Companies
- Concession Companies
- and many more...