

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 1 347,2 (as of 1. 1. 2011) km up to 1 369,7 km (as of 1. 1. 2012). The total length of all roads in the Czech Republic comes up to 55 756,6 km as of 1. 7. 2011, which should increase by approx. 50 km during 2012.

- Sections free of charge
- Sections tolled – motorways and expressways
- Sections tolled – 1st class roads
- Sections tolled from the moment of their opening in 2012



Electronic toll (distance-based fee)

January 2012



- Sections free of charge
- Sections with a fee
- Sections subject to fee from the moment of their opening in 2012



Coupons (time-based fee)

January 2012



Openings 2012

Motorway D1: Bohumín - national border CZ/PL, 6,1 km
 Highway R6: Nové Sedlo - Sokolov, 7,5 km
 Highway R48: Rychaltice - Frýdek Místek west, 7,1 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 operation as 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 86,9 km of highways and motorways were under construction as for the 31 December 2011 and 181,6 km (161 km - reconstruction of the D1) of the new building sites is to be opened in 2012.

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

Total number of truck km travelled with a permissible total weight over 3,5 tons reached over 2,02 billion km and the average daily traffic of heavy vehicles with a maximum permissible laden weight more than 3,5 tons per km reached 4044 in 2011. It means total travelled km /365 days and the total length of the tolled road network.

According to the preliminary estimates the GDP in the Czech Republic increased by 1,2 % in the Q3 of 2011 over the previous year. The traffic increased by 6% in comparison with 2010.

Active OBU 1st January

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

c) For ten days CZK 250 (€ 10) 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 2011 by its amendment 415/2010 Coll.

The new toll tariff valid since January 2011 has been significantly changed in division of emission classes. The new emission class EURO 5 + was added. The toll rate for this new category remained the same as for the previous higher emission class and the rest of rates rised by 25 %. This was the first general toll increase since the launch of the ETCS in 2007.

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	2,83	4,54	6,63	2,09	3,56	5,15	1,67	2,85	4,12
Main Road	1,35	2,21	3,19	0,99	1,71	2,45	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	3,59	6,48	9,45	2,65	5,08	7,35	2,12	4,06	5,88
Main Road	1,71	3,15	4,55	1,25	2,45	3,50	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 2011 was 1.9%.

Revenues

Annual toll revenues (million EUR)

2008 – 245,4

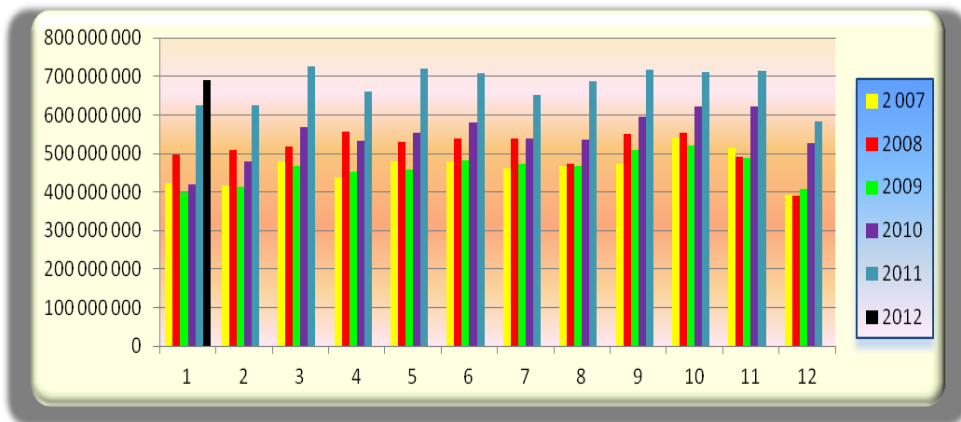
2009 – 221,7

2010 – 262,8

2011 – 325 The exchange rate with Euro: 1€ = 25 CZK

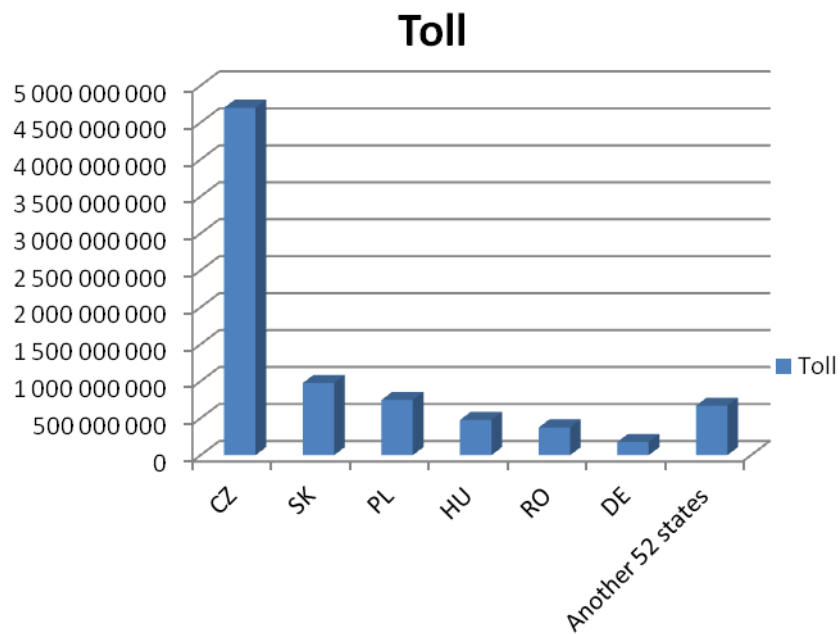
The annual toll revenue increased by 24 % in 2011.

Income comparison shows diagram in CZK



Source: RMD Czech Republic

States participation ... in CZK 2011



Source: RMD Czech Republic ... in CZK

Payment in 2011

Pre pay = 47 %
Post pay = 53 %

Local Lorries = 58 %
Foreign Lorries = 42 %

Safety

Total number of personal injuries on all roads increased by 4,8 % and total number of dead decreased by 6,1 %

Long-term forecasts and tendencies

Highways and main roads in operation



Highway Network

Outlook



Significant actions already started and foreseen for 2012

The toll rates for vehicles with emission class lower than EURO V increased by 20 to 25 % (depending on a vehicle category) since 1 January 2012.

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 time fees increased since 1 January 2012 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

The MoT is preparing toll bulk discounts as agreed with the Association of Road Transport Operators CESMAD in Q3 2011.

MAIN ASECAP KEY FIGURES

Country: Czech Republic	2011
The length of the Czech tolled road network in Km	1348,5
Motorways	729,5
Highways	419,70
The 1st class roads (all 1st class roads 5 836km)	199,30
No. of km in construction	86,9
Motorways	56,5
Highways	30,4
Forecasts of opening Motorways section for 2012	20,7
Motorways	6,1
Highways	14,6
Annual toll revenue - million EUR (1€ = 25 CZK)	325
Permanent staff	141
Average daily traffic LV> 3,5 tons (1370 km as of 1.1.2012)	10000
Average daily traffic HV ≥ 12 tons	36000
Average daily traffic LV+HV	46000

Total number of accidents on all roads (55 757 km as of 1.7.2011)	75137
No. of personal injury accidents on all roads	25611
No. of dead on all roads	707
Km travelled - Trucks >3,5 tons ($10^6 \times \text{km}$)	2022
No. of toll plazas	n/a
No. of lanes	n/a
No. of teletoll equipped lanes	n/a
No. of teletoll subscribers (active OBUs)	583 575
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