



Take over of the operation of the North Luzon Expressway (84 km), Philippines

Egis Projects took over the operation of the North Luzon Expressway, in the Philippines, on February 10, 2005.

The 84-km expressway links Balintawak, north of Manila (pop. 15 million) to Santa Ines, in the middle of Luzon Island, the most populous of the 7,000 Philippine islands.

This expressway is one of the busiest roads in the Philippines, with a daily traffic of 160,000 vehicles. Toll payment methods range from manual to electronic with an open toll system (payment on entry) in the highly urban southern third, and a closed toll system (payment on exit) in the more rural northern two thirds.

The project of a total cost of US\$371 million (€284 million) was partly funded (US\$253 million, €196 million) by 6 international financial institutions and 6 commercial banks. Among them were the major international development institutions, i.e. the Asian Development Bank (ADB), the World Bank via the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), Australia's Export Finance and Insurance Corporation (EFIC), the Swedish Export Credit Agency SEK, and COFACE of France which finances road equipment. The commercial banks were Calyon, West LB, DZ Bank, Mizuho, ABB, and NordBank.

A further US\$118 million (€90 million) was provided by a consortium of private companies, comprising the Philippine Lopez group, primarily active in energy and communications, PNCC, the historical tollway operator in the Philippines, the Leighton construction firm, and **Egis Projects**.

Project history

Egis Projects began negotiating this initial 30-year toll road concession project in the Philippines back in 1995, in partnership with BCEOM, another Groupe Egis subsidiary. Talks were completed in April 1998.

Financial closing of the project was achieved in Manila in July 2001, in the presence of the President of the Philippines, **Mrs. Arroyo (2001-2004, reelected for a 6-year term in July 2004)**. All financing agreements were signed on that occasion. The project received the "Asian Transportation Project of the Year 2001" award by the British magazine *Project Finance International*.

Finally, after 8 years of development, all conditions precedent were met in February 2003, enabling construction to begin.

Egis Projects is a shareholder of the concession company MNTC (Manila North Tollways Corporation), together with its partners: FPDIC (a subsidiary of the Lopez group), PNCC (the historical operator), and Leighton. **Egis Projects** has invested US\$22 million (€17 million) in the project.

The project involved enlarging and rehabilitating the 84 km long existing toll road, building an 8.8 km section between Subic and Tipo, renovating the 55 viaducts and other civil engineering structures, construction or rehabilitation of a dozen interchanges, and reconstruction of all toll stations along the highway. Construction was completed at the end of January 2005.

Turnkey operating systems supply

In addition to being a shareholder of the concession company MNTC, **Egis Projects** has signed a US\$37 million (€28 million) contract for the turnkey supply of all operating equipment (145 toll lanes split between 13 toll plazas). Traffic is monitored in real time from a traffic control center. Finally, the telecommunication network includes an optic fiber based emergency telephone, a private telephone network, and an operating radio system. The expressway is now equipped to American or European highway standards.

Transroute International is one of the main shareholder of the operating company

Transroute International, a Groupe Egis subsidiary, is a shareholder of TMC (Tollways Management Corporation), the company which now operates the toll road. TMC with a turnover of around US\$20 million (€15 million) employs more than 800 people. **Transroute Philippines** provides TMC with all necessary technical assistance. This very intensive mission started in 1999 and will last until, generating US\$9 million (€7 million) in aggregate revenues. **Transroute International** is sharing its French know-how with its Philippine partners.

Measures to ensure the project's viability

Egis Projects has actively contributed to the success of this project, breathing fresh life into its marketing policy. A campaign was launched to promote the project's among users, the media and political leaders, together with the announcement of a new toll policy marking a clean break with the past (toll charges had remained unchanged for thirty years). In November 2003, users paid 0.25 Philippine peso (€0.0035) per kilometer. In February 2005, the price was raised to 2.5 Philippine pesos (€0.035) per kilometer.

This new success confirms the active presence of Groupe Egis in the development and operation of infrastructure projects worldwide. With a toll road network of nearly 1,000 km, Egis is now the number one French operator of toll roads outside France.

Groupe Egis is a subsidiary of the Caisse des Dépôts Group, with €442 million of gross revenue in 2004 and 4,000 employees worldwide. It is one of the world's leading companies in transport infrastructure engineering, providing full service solutions comprising engineering, major project development and the operating of motorway concessions.

For more news, see www.groupegis.com

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