PwC is mandated by the bankruptcy trustee to lead a sale process of the bio-ethanol plant of PLP a.s. (currently under bankruptcy proceedings)

Investment highlights

Innovative technology
Continuous process for alcohol production developed by Chematur Engineering AB (Sweden) with low contamination risk, higher ethanol yield and lower water consumption. Investment into technology amounted to EUR 61.6 million.

High capacity
Largest distillery in the Czech Republic with an annual capacity of 1,000,000 hectolitres of high purity bio-ethanol produced from wheat and triticale.

Strategic location
Situated in the north-west part of the Czech Republic, 30 km from the German border with direct connection to highway and own rail connection.

Growing market
Consistently increasing mandatory blending of fuels within the Czech Republic and in neighbouring markets (Germany, Poland, Austria).

Sales of clean assets under bankruptcy proceedings
PLP is currently under bankruptcy proceedings, assets are sold free of any debts. Transaction is in form of (a) direct sale of assets (plots, immovables, movables, employee contracts); or (b) sale of 100% share in operating entity to which the entire plant will be contributed.

Asset deal
- Sale of: (i) complete technology, (ii) 21 key people and (iii) selected contracts.
- Assets are debt free.
- Not subject to antimonopoly approval process.
- Asset deal is subject to VAT (can be claimed back afterwards).

Sale of 100% shareholding in operating entity (SPV)
- Contribution of enterprise into a SPV, sale of 100% share in SPV: (i) PP&E, (ii) inventories, (iii) receivables, (iv) after bankruptcy payables
- SPV will carry forward significant tax loss (usable for 5 years)
- Sale of SPV not subject to VAT

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Plant layout plan
1. Grain silo
2. Mill
3. Fermentation
4. Distillation, dehydration
5. Drying
6. Stock
7. Rail access
8. Admin building

Assets for sale

<table>
<thead>
<tr>
<th>EUR in millions</th>
<th>Hist. cost (gross)</th>
<th>NBV as at 15-Dec-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP&amp;E</td>
<td>61.2</td>
<td>44.5</td>
</tr>
<tr>
<td>Low-value assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Receivables</td>
<td>15.7</td>
<td>4.3</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>77.3</strong></td>
<td><strong>48.7</strong></td>
</tr>
</tbody>
</table>

Note: PP&E incl. management estimate of the off-balance sheet assets

This summary has been compiled by PricewaterhouseCoopers on the basis of public information and information provided by the management of PLP. The sole purpose of this summary is to assist recipients in deciding whether they wish to proceed with a further investigation of PLP. This summary is not intended to form the basis of a decision to purchase PLP's assets nor any other investment decision and does not constitute an offer, invitation or recommendation for the sale or purchase of securities. Neither the information contained in this summary nor any further information made available in connection with PLP will form the basis of any contract.
The bio-ethanol production plant

Annual capacity: 1 million hectolitres (i.e. 80,000 tons) of bio-ethanol, 100,800 tons of dried distillers grains with solubles (DDGS).

Technology: Continuous fermentation from Chematur Engeneering (Sweden).

Key inputs: Wheat, triticale (grain suppliers from the Czech Republic), electricity and steam (from neighbouring heating plant).

Construction: Core facility construction 2006 – 2007, general supplier Vodohospodářské stavby (one of the owners); pre-occupancy permission, under trial operation.

Trial operation: Started in November 2007, maximum sustained capacity utilization 73% of nominal.

Current state: Operations suspended, factory hibernated. Ability to produce bio-ethanol within 4 days from plant re-start. Key personnel with know-how kept to facilitate future plant re-start and operations.

Planned output: Plant is expected to generate annually approx. EUR 70 mil turnover with EBITDA profitability of 15% at projected capacity.

Estimated CAPEX and WCap start-up costs

<table>
<thead>
<tr>
<th>EUR in millions</th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mill upgrade</td>
<td>1.8</td>
<td>3.9</td>
</tr>
<tr>
<td>Excise tax security</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Maintenance</td>
<td>0.2</td>
<td>0.6</td>
</tr>
<tr>
<td>Grain</td>
<td>3.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Energy</td>
<td>1.5</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Total 8.4 11.2

Note: FX rate used: CZK / EUR 24.5
Energy = electricity, steam, raw water

Plant finalisation investments and costs of re-start

• **Mill upgrade (EUR 1.8 million – EUR 3.9 million)**
  Modification to stabilize production at 90% - 95% of nominal capacity. 90% - mill upgrade, time to implement 4 months, 95% - mill and fermentation upgrade, time to implement 4 months (mill and fermentation upgrades can be done simultaneously)

• **Permanent excise tax security**: EUR 1.6m to be permanently deposited with customs authorities.

• **Maintenance costs estimate**: necessary repairs and maintenance before production is re-started EUR 0.2 million, further maintenance to ensure safe operations EUR 0.2 million, maintenance related to upgrade EUR 0.2 million.

• **Working capital**: Grain, energy, steam, EUR 4.8 – 5.1 million (equivalent of approximately one-month production).

• **Output linked excise tax advance**: ensure tax payment when the goods are dispatched, e.g. as a bank guarantee (EUR 11.63 per litre; one train = 1,250 m3 of ethanol, tax = EUR 14.5m).
Investment reasoning

- **Local demand**: In July 2010, mandatory fuel blending required in the Czech Republic increased from 3.5% to 4.1%. Further increase to 10% is expected.
- **Export potential**: In Germany, since 2011 required mandatory blending increased from 5% to 10%.
- **Bio-ethanol price**: Increase due to insufficient supply; two-year peak (EUR 0.63 per litre) reached in September 2010, further increase expected due to increased blending.
- **PLP bio-ethanol plant facility would be attractive especially to a partner with access to stable wheat deliveries; Czech market is fragmented.**
- **PLP is the largest installed capacity in the Czech Republic, well logistically connected with coverage of the Czech Republic, Germany and Poland. It is strategically located next to a heating plant, which is also a DDGS customer.**
- **Sale of debt free plant with no historical liabilities.**
- **High demand for DDGS**: State subsidised DDGS is used as (i) high quality stock feed, (ii) bio-mass source for electricity and heat production.
- **E85 mixing facility**: there is a readily available project for E85 mixing facility deployment (independent of bio-ethanol production) with a planned investment of EUR 185 thousand. The mixing facility can be deployed within 4 months.

Transaction structure and process frame

- Sold under bankruptcy proceedings under the Czech Insolvency Code.
- Open process for the investors, fixed tender rules, organised by PwC.
- **Transaction type:**
  - *either ASSET DEAL, i.e. group of assets comprising the entire functional plant for bio-ethanol production;*
  - *or 100% SHAREHOLDING in a company to which the bio-ethanol plant will be contributed.*
- Investors’ preference about transaction type to be indicated in the application to the tender.
- According to the investors’ preferences, single structure to be selected by the secured creditor and followed throughout the transaction.
- Direct entry into due diligence process after fulfilment of entry conditions.
- Binding bid is submitted based on signed unified contractual documentation for all participants, top 3 bidders will be invited to raise their offers in final bidding round, decision criteria is price.
- Process is under the full control of the bankruptcy trustee with the supervision of the creditors committee/secured creditor.
- Conclusion of the transaction is conditional upon the secured creditor’s approval.