



South Bohemian Region

DEVELOPMENT PROJECT SUPPORTED BY THE REGIONAL AUTHORITY OF THE SOUTH BOHEMIAN REGION



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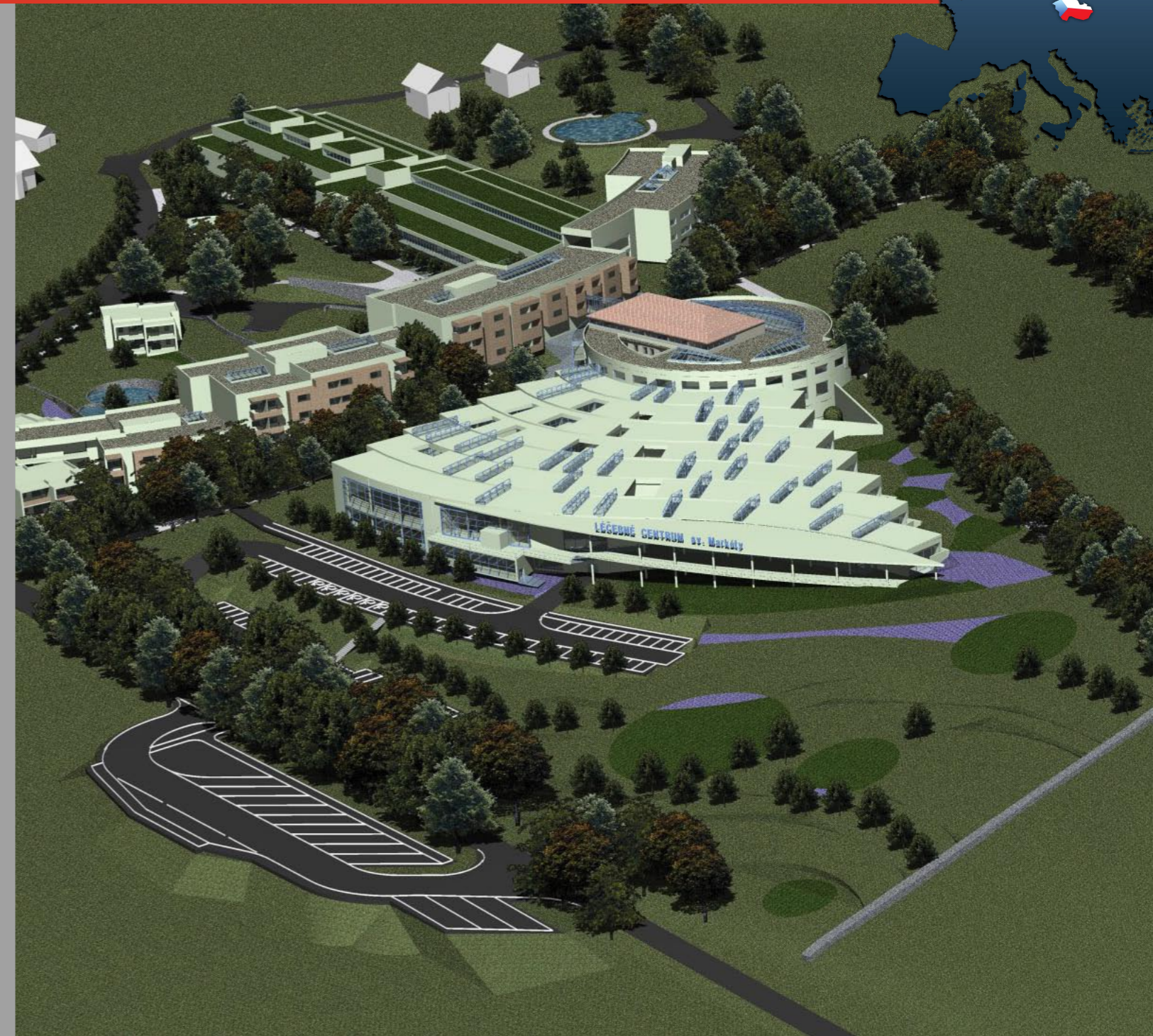
THE TOWN OF PRACHATICE

PRACHATICE is a district town located approximately 40 kms west of České Budějovice. The town originated as a market town in the 11th century. It has a beautiful historical centre which is the centre for cultural events organised in the region. The town of Prachatice belongs to the best preserved town complexes in the Czech Republic. The historical centre has maintained its Renaissance appearance within the confines of the preserved town walls. It was for these reasons that the historical centre was listed as an urban conservation area in 1981 – this level of protection for monuments can only be found in the 40 best preserved towns in the Czech Republic



INFORMATION ON THE COMPANY

Company name: Léčebné centrum sv. Markéty a.s. (St. Margarita Spa)
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L É C E B N É C E N T R U M S V. M A R K É T Y

ST. MARGARITA SPA

INVESTMENT DEVELOPMENT PROJECT OF SPA COMPLEX



BASIC INFORMATION ON THE COMPANY AND THE PROJECT

The St. Margarita Spa Project - Léčebné centrum sv. Markéty in Prachatice continues the history of St. Margarita's Spa which goes back to the middle of the 18th century. First references regarding the utilisation of the local spa springs date back to the 17th century. The spa blossomed at the beginning of the 20th century when it became a popular recreational centre. The spa as such was formed by the baths and therapeutic house, where the courses of treatment were carried out, and by the ten villas which accommodated 300 guests. The local spa springs, peat-balneal bath and delicious drinking water were used. Nature-based and natural courses of treatment were always accentuated, in particular, the Kneipp's medical treatment.



PROJECT PARAMETERS

The spa will offer accommodation capacity for 340 persons, classic rehabilitation courses of treatment as well as alternative treatments targeted at the regeneration and relaxation of the body and mind, excellent conditions for sports activities as well as excellent catering services, all services attaining the relevant European standard.

The complex will create 115 job opportunities and approximately 200 more due to purchased services. The complex will become a tourist destination of the town of Prachatice as well as a facility for recreation and relaxation for local inhabitants.

PROJECT PARTICIPANTS

For the purposes of realising the project, a new company – the Léčebné centrum sv. Markéty a.s. - was established. The shareholders are the town of Prachatice, 24.5% of the stock, and Ladislav Marek s.r.o., a natural person, with 75.5% of the stock. The town of Prachatice provides the project with extraordinary support. The joint-stock company is the owner of all the respective land and structures; the project is in accordance with the approved town planning scheme with all building, as well as other necessary permissions, being issued continuously. The company, at its own expense, has commenced with the demolition of structures which are not to be utilized in the future complex. The company is preparing the construction site for the construction work to commence. All necessary public utilities infrastructure are available. The company has at its disposal the necessary operating capital required for the completion of the first stage of the project – the preparation of the project and of the site, and for the total preliminary expenses of the project. Own capital participation of the shareholders corresponds with approximately 10% of the total investment expenditure.

OBJECTIVE, STRATEGY, IMAGE

The company intends to develop a spa providing comprehensive regeneration of organism both to patients suffering from health and fitness-related problems as well as post-season regeneration for sportsmen and -women, and a fitness centre for people whose excellent physical and mental condition are a prerequisite for good quality work performance (e.g. firemen and other members of the integrated rescue services).

The spa will be included in the international network of health and regeneration centres and will comply with European standards for centres with a similar structure. Its objective is to address the entire Central European region.

Highly modern, effective and compact facilities in an exceptionally favourable environment will be developed.



LOCAL NATURE OFFERS EXCELLENT CONDITIONS FOR HIKING



HISTORICAL CENTRE OF THE TOWN OF PRACHATICE

MAIN OPERATING FACILITY

The operation of the spa complex will be divided into several operating sections:

- VITALITY CENTRE** – Rehabilitation and regeneration section, balneal centre, fitness centre, restaurant
- LIVING CENTRE** – Accommodation section, medical service, administrative service, pharmacy
 - 137 two-bed rooms, 12 four-bed rooms (322 beds in total) and 3 apartments in independent houses (18 beds)
 - 15 doctors' out-patient departments
- SPORTS CENTRE** - multi-purpose indoor hall with sports grounds
 - 3 tennis courts, 2 squash courts, courts for basketball/volleyball ... and a court for handball/indoor football
 - footpaths and running paths on park premises
- AUXILIARY OPERATING FACILITIES**
 - indoor parking area for 185 vehicles on the basement floor of the sports hall
 - park intended for walking, with a spa spring producing drinking water

All the premises will be equipped with easy-access. All the spa, accommodation, catering and sports premises will be accessible via underground walkways so that the guests are not exposed to unfavourable weather conditions. This will enable year-round operation regardless of the weather.

TARGET CLIENTELE AND RESORT-TYPE PROGRAMS

The clientele will include in particular patients and tourists from the Czech Republic, Germany, the Netherlands, Belgium and Italy.

Target groups:

- 15% traditional spa guests
- 10% special therapeutic programs
- 45% family recreation and private clientele
- 15% sportsmen and -women and sports clubs
- 15% seminary guests

PLAN OF INVESTMENT AND RELATING COSTS

Land/Building	EUR 2 500 000
Construction	EUR 30 000 000
Specialist services	EUR 2 060 000
Administrative costs	EUR 2 400 000
Total costs	EUR 38 460 000
Reserve included	EUR 1 500 000

