



General Corporate Profile



ILIRIJA D.D.
BIOGRAD NA MORU - CROATIA



Ilirija d.d.



GENERAL CORPORATE PROFILE

ILIRIJA d.d. - Biograd na Moru

1. A 50-YEAR TRADITION OF BUSINESS AND ACTIVITY

Ilirija was established in 1957 with its registered office in Biograd, where it still operates. The company has been active on the Croatian tourist market for over 53 years and is one of the few tourist companies contributing to the development of Croatian tourism.

2. COMPANY'S SIGNIFICANCE FOR CROATIAN TOURISM AND ZADAR REGION

ILIRIJA d.d. is presently among the 20 leading tourist companies in Croatia, representing the basis for the development of Croatian tourism. It is also one of the three leading tourist companies in Zadar County and the main element of the overall economic and tourist development of the Biograd area. The company's success is best reflected in its business results. The tourist facilities of ILIRIJA d.d. have over 480,000 overnights a year, which is over 54% of the total number of overnights in Biograd na Moru. During the peak season, over 6,000 guests stay in the facilities of ILIRIJA d.d. every day.

3. A PUBLIC LIMITED COMPANY

ILIRIJA d.d. is a public limited company and all information about its business is public, transparent and available to all government, financial and other institutions, associations, partners and citizens at all times. In its business operations, the company applies the Corporate Governance Code adopted by Zagreb Stock Exchange and HANFA (Croatian Financial Services Supervisory Agency) as a form of transparent and good management of public limited companies. The company also applies the Ethics Code adopted by the Croatian Chamber of Economy in 2005.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

In late 2000, the company was privatized and the majority shareholder is Mr. Davor Tudorović, our immigrant from Australia originating from Neviđane on the Island of Pašman. Formally, the legal majority shareholder is „Arsenal Holdings“ d.o.o. of Zadar, in which Mr. Davor Tudorović is also the majority shareholder. His son, Mr. David Tudorović, attends to his affairs in Croatia.

5. TRANSFORMATION, PRIVATIZATION AND AUDIT

In 2002, the State Audit Office audited the transformation and privatization of ILIRIJA d.d. The State Audit Office issued a positive opinion on the entire transformation and privatization process, underlining that the process was carried out in accordance with the statutory regulations and that no irregularities were found that would affect the legal implementation of the transformation and privatization process.



6. EMPLOYMENT

The company employs 170 permanent and over 300 seasonal employees (a total of over 500). If we include other companies performing nautical activities in Marina Kornati within business cooperation, Ilirija d.d. provides jobs for over 750 people during the season. The company does not have any labor disputes and has not had any since the privatization to date.

7. BUSINESS RESULTS SINCE THE PRIVATIZATION UNTIL 2009

Since its privatization to date, the company has increased its business results 8 - 10 times compared to its performance prior to the privatization and achieved average annual business result growth. Business results for the year 2009 are the best until now, and compared to 2008 income has increased 64,14% while camping and nautical sector achieved significant revenue growth.

8. MANAGEMENT

Since 2000, the company has been managed by Mr. Goran Ražnjević as the sole member of the Management Board and his associates, most of them from Biograd n/M and the surrounding area, which represents a unique and successful tourist company management model in Croatia.

Senior management of ILIRIJA d.d. comprises 12 persons with special authorities and responsibilities, representing a combination of youth and experience.

As a key to success of ILIRIJA d.d., employees are assigned to positions best suiting their abilities, where their knowledge, skills, enthusiasm and commitment contribute to further development and growth of the company.

One of the permanent goals of the company is the motivation of its employees – in addition to remuneration, it is achieved by providing them with a working environment ensuring their professional development and training, taking into account at the same time their social needs and specific personal and professional features.

9. INVESTMENT CYCLE

The extraordinary financial and physical business performance is a result of continuous investments in construction of new capacities, reconstruction and expansion of existing ones, development of new services and amenities, and investments in human resources as the foundation of the company's business success and development. Over the past few years, the investments made by ILIRIJA d.d. were worth over 350,000,000.00 HRK (50,000,000.00 EUR), which resulted in higher levels of quality training, categorization and preparedness for the highest possible levels of service and standards the facilities could be awarded. ILIRIJA d.d. has moved all its three hotels (Ilirija, Kornati and Villa Donat) up to 4 stars and moved Hotel Adriatic to +3 stars. In the nautical sector, Marina Kornati is among the top three Croatian marinas, Camp Park Soline has been brought up to 4 stars, Arsenal has become the center of culture and entertainment for

the entire region as an exclusive multimedia space, and the Wellness & Beauty Center Salvia is the leading center of the sort in the greater Zadar region.

In 2009, an additional 15,000,000.00 HRK was invested in the hotels, nautical activities and camping to improve the quality and standards and expand our own offer with a focus on creating new market segments. In Marina Kornati, substantial funds are invested in construction and equipment of the new washing zone, a physical/chemical wastewater treatment plant, construction and equipment of the business premises in the



service zone, and installation of additional moorings to accept significantly larger and more modern vessels. Starting with the year 2010 there will be reconstructions of the piers.

In Camp Park Soline, the construction and equipment of a secondary drainage system and connection to the public wastewater treatment plant set high standards in protection of the environment, coast and sea. Internet connections on the plots as well as increasing number of sports, recreational and entertainment activities are investing in the creation of exclusive camping offer.

10. VISION AND BUSINESS GOALS

In 2007, the company celebrated 50 years of operation in tourism and aims to permanently ensure a place among the three leading tourist companies in the entire North Dalmatia, be a foundation of the tourist development in the area, and remain distinctive as a company offering a high quality of amenities and services by building its own product/brand on both Croatian and European markets. As a company having a longstanding tradition and experience, we are proud of the fact that we have implemented the latest and highest standards of the international tourist industry in our overall business operations (hotels, nautical activities and camping) parallel with the standards in protection of the environment, coast and sea, in compliance with the sustainable development principle.

Accordingly, ILIRIJA d.d. highlights the following among its goals: increase the assets and achieve financial results that will ensure long-term business and financial stability, establish an optimum level of quality and competitiveness corresponding to the overall Croatian tourist offering, increase the utilization rates of our existing tourist capacities and build new ones with higher levels of service and amenities, constantly invest in human resources and ensure optimum employment levels, and enforce and comply with the sustainable development principle reflected in identification and fulfillment of tourists' needs, protection and reconstruction of natural and cultural heritage and environmental protection.

11. BUSINESS DEVELOPMENT STRATEGY

The long-term business development strategy focuses on development of Biograd as the economic, cultural and tourist center of the Biograd region that has all prerequisites to develop into a modern tourist center. Starting with Biograd na Moru as its central destination, the focus is on providing a true experience of Dalmatia and the Mediterranean and their natural, cultural and historical wealth.

The long-term business development strategy of ILIRIJA d.d. aims to: create an internationally competitive company; provide Biograd na Moru with a million overnights, 500,000 of which in our own facilities: protect, implement and comply with environmental standards and evaluate our own tourist potential in the long term; develop all segments of the tourist offer (hotels, camping nautical activities, animation, sports, culture and excursions; adopt efficient and modern trends in the area of marketing, sales and communication for the purpose of selling our products/services.

12. TOURIST OFFER SEGMENTS

The business operations of ILIRIJA d.d. include all three most significant tourist offer segments:

- hotels,
- nautical activities, and
- camping,

which makes its offer unique to the Croatian tourist market.

Its business is based provision of services by using all its capacities: hotel, catering, nautical, sport &



recreation, camping and other services such as animation, culture & entertainment, excursions and various summer events.

13. HOTEL BUSINESS – WE HAVE REACHED THE 4-STAR STANDARD

ILIRIJA d.d. operates four hotels with a total of 1000 beds: Ilirija ****, Kornati **** and Adriatic***+ in Biograd na Moru, and Villa Donat **** in Sv. Filip i Jakov.

The hotels are situated right by the shore, not far from the town center and a beach flying a Blue Flag. Nearby is a sport & recreation park with 20 tennis courts, 40 kilometers of biking tracks going all the way to Vrana Lake, a newly built 1.5-km seaside promenade, an outdoor swimming pool with heated water, an Olympic-sized pool, an a la carte restaurant, a cocktail bed bar, an aquatic center, animation programs for children and adults, and the Wellness & Beauty Center Salvia. In addition to the above amenities, guests in all hotel have internet access, while congress halls are part of the offer for congress guests.

Thanks to the continuous investments in hotels over the past five years, the offer of ILIRIJA d.d. has undergone a complete market and business transformation directed at the West European emitting markets, thus building a distinctive Croatian tourist brand.

Ilirija Tourist Agency offers excursions, rural tourism, team building, transport and private accommodation.

14. NAUTICAL ACTIVITIES – ILIRIJA IS A PIONEER IN NAUTICAL TOURISM IN CROATIA

In 1974, ILIRIJA d.d. built the first nautical marina in Croatia (Hotel Harbor Kornati) with 150 moorings and procured and organized the first charter fleet in the Adriatic with over 40 vessels for navigators' requirements, so it has every right to be referred to as a pioneer in nautical tourism that has made Biograd na Moru a nursery of nautical tourism.

Marina Kornati is presently among Croatia's top three marina, not just for the number of moorings but for its modern technical equipment, quality of service, cleanness and tidiness (Blue Flag). The marina has a total of 704 moorings for boats up to 23 meters long, and 15 equipped piers with water and electricity connections. Together with Hotel Marina Kornati situated in front of Hotel Ilirija and Hotel Kornati it has a total of 854 moorings. The marina can receive and accommodate over 2000 navigators and over 150 vessels in transit in a single day, in addition to those with year-round moorings. Together with charter companies in the Marina Kornati were achieved 202.524 overnights or 93% of all yachtsmen overnights in Biograd.

The fact that Marina Kornati is located in the immediate vicinity of the Kornati archipelago makes it and Biograd the center of nautical tourism in Croatia, which is demonstrated by numerous regattas and over 50 000 yachtsmen from all over the world who come to visit our marina.

Numerous state championships have also been organized, the most important among them being State Championship of Hungary with over 600 participants, the Russian regatta Bavaria with 200 participants, Middle Adria Cup, Adriatic Spring Cup, Elan Range Cup, Kornati Cup, charity regatta "Mirno more", Dolomythi Cup. Begin of this year will be marked with Engineering Cup regatta with over 350 participants from several European countries.

ILIRIJA d.d. is the founder of the first Croatian autumn nautical show that has been held for 12 consecutive years under the name of „Biograd Boat Show“. Every year, the show brings together all representatives of the nautical industry in Croatia: marinas, charter companies, shippers and boat builders.

Biograd Boat Show has become an internationally recognized nautical show – in 2009, over 185 exhibitors with 250 vessels spread around on an additional 12,000 square meters on the shore and 5,500 square meters on the sea.



15. CAMPING – 4-STAR CAMP PARK SOLINE

Camp Park Soline has operated in Biograd na Moru since the early 1960s i.e. over 50 years. It is situated in a pinewood providing shade for 90% of the camp, next to a beach of the same name, only a few hundred meters from the center of Biograd.

The camp stretches over an area of 20.00 ha, it has a total of 901 lots and camping spaces fully complying with all 4-star camp standards.

Today the camp receives up to 3600 persons with realisation of 201.005 overnights (24% more nights than in the year 2008) has over 83% of all camp overnights in Biograd and 23% of all overnights in town.

With an extended restaurant offer and a newly built promenade stretching along the entire camp and going to the very center of Biograd along the beach, Camp Park Soline is the right choice for a family holiday. We also offer animation for children and evening entertainment, active holidays with attractive sports and relaxation on long promenades and recreation tracks in a healthy environment, so the camp is an excellent choice for all nature enthusiasts.

Camp Park Soline was renovated at camp park level to the arboretum level, which is a unique example of horticultural camp design in Croatia as the top tourist product that combines quality tourist facilities with care to preserve the environment.

The investments in Camp Park Soline since 2000 were worth around 80,000,000.00 HRK and thanks to such investments the number of overnights increased from 4,556 in 1996 to 201,005 in 2009.

The Italian camper association IL FEDERCAMPEGGIO awarded it the 2nd place in the “Simpathy and Quality” category for the year 2008 and 2009. The award was won among a competition of the best croatian camps and its significance arises from the fact that only guests who have stayed at a camp decide on the award.

16. ARSENAL

The multimedia center Arsenal in Zadar, which was built in the 17th century during the Venetian Republic era and used as a military warehouse, makes a special part of the offer of ILIRIJA d.d.. It is presently one of only seven preserved facilities of the kind and its value and importance were recognized by Arsenal Holdings d.o.o., so they renovated it in 2005 and turned into an indoor city square stretching over 1,800 m², dividing into catering & presentation, exhibition, retail and tourist & info sections, thus creating a perfect combination of cultural tourism and an authentic Croatian product.

Arsenal has enabled the residents of Zadar and all their guests to meet with the cultural and entertainment offer of the city, enjoy a cup of coffee, see exhibitions, numerous concerts, and take part in creative workshops all in one place. From 2005 alone they organized over 800 different events, such as exhibitions, concerts, conferences, presentations and banquets.

17. DONATIONS AND SPONSORSHIPS

As the leading company in the greater Biograd region, ILIRIJA d.d. is also known as a socially responsible company that donated over 1,000,000 HRK in 2008 alone for various humanitarian, cultural, sport, healthcare, religious and educational purposes, thus supporting the work of different associations and organizations, sport clubs and educational and healthcare institutions. In the 2009 ILIRIJA d.d. donated over 1.800.000,00 HRK.

For the humanitarian action in the 2008 and 2009 we got the reward “Dodir dobrote” dalmation Oscar for humanity, that is given by Rotay Club Split and foundation “Kap za slap”.



ILIRIJA d.d. initiated the association of the leading business entities in Zadar County to raise funds for an ultrasound device (a digital cardiologic color Doppler device) for the requirements of the internal medicine clinic at the Special Orthopedic Hospital in Biograd na Moru. In 2009, it launched a humanitarian campaign with support of its business partners for the same healthcare institution to purchase a Manumed Special Tilt device.

18. AWARDS

The company that has contributed to development of Croatian tourism by constantly monitoring the global tourist trends has received numerous awards for its work, including, but not limited to:

- In 2007, the company was presented with a special award of the municipality of Sv. Filip i Jakov for its exceptional contribution to development and improvement of tourism and raising of quality of the tourist industry in Sv. Filip i Jakov.**
- In 2006, the company won the Annual Award of the Zadar County Assembly for its results in 2005 and earlier and for its exceptional and permanent contribution to development of the tourist industry of Biograd Riviera.**
- In 2005, it also received the collective award of the Town of Biograd for exceptional results and great contribution to the tourist development of Biograd.**
- ILIRIJA d.d. received the Golden Kuna plaque from the Zadar Chamber of Economy for business success as the most successful company in the category of medium-sized companies of Zadar County.**
- The Management Board of ILIRIJA d.d., represented by Mr. Goran Ražnjević, has won the First Croatian Kuna Gold Medal presented by the Business Intelligence Institute to companies among the most successful 1% and most profitable 1% in the Republic of Croatia.**

**Chairman of the Management Board, ILIRIJA d.d.
Goran Ražnjević**

Biograd na Moru, 1 May 2010

ACCOMMODATION CAPACITIES OF ILIRIJA d.d.

	Rooms	Beds
	Hotels	
ILIRIJA ****	165	447
KORNATI ****	106	227
ADRIATIC ***	105	215
Villa DONAT ****	72	144
Total (hotels)	448	933

	Mooring
Marina Kornati	
Central marina	448
West marina	160
South marina	96
Hotel marina	150
Total (marina Kornati)	854

	Pitch	Persons
Camping Park Soline ****		
Pitch	622	2.500
Camping spots	279	1.100
Total (camping)	901	3.600