



CROSS ISRAEL TOLL HIGHWAY

Project Cost:	US\$ 1.35B
Sponsors:	Aecon Concessions Africa Israel Investments Ltd. Housing & Construction Holding Co. Ltd.
Concessionaire:	Derech Eretz Highways (1997) Ltd.
Grantor:	State of Israel
Arrangers:	Bank Hapoalim Newcourt Capital (Now CIT Group)
Construction:	Derech Eretz Construction Joint Venture - CHIC (Aecon & AMEC), Danya Cebus Ltd. and Soleil Boneh Ltd.
Operations:	Derech Eretz Highways Management

Description: In 1999, a special purpose concession company, Derech Eretz Highways (1997) Limited (DEC), in which Aecon currently holds a 25% stake, entered into a Concession Contract with the State of Israel for the financing, design, construction, operation and maintenance of the Cross Israel Highway under a 30 year concession. The project includes the construction of 86km of new highway, approximately 100km of agricultural service roads, 14 interchanges, 140 bridge structures and a 455m long twin-barrel tunnel through rock formation. Construction was completed in April of 2004 and the highway is fully operational. DEC is also obliged to widen the highway and/or expand or reconfigure certain interchanges upon the fulfillment of certain traffic related expansion tests. DEC has the exclusive right to charge and collect tolls on the highway in accordance with the Concession Contract. In terms of the Concession Contract, DEC also benefits from a partial revenue guarantee from the State. DEC will soon be undertaking the financing, construction and operation of an 18km expansion of the toll highway to the north, consisting of a dual carriageway of two lanes in each direction.

