

Responses filed regarding the land privatisation/alienation proposals

February 28, 2008

Andrejsala

In line with the land privatisation/alienation proposals issued by the state joint-stock company Privatizācijas aģentūra (PA) and the state joint-stock company Valsts nekustamie īpašumi (VNĪ), SIA Jaunrīgas attīstības uzņēmums and its subsidiary companies have confirmed that they will utilise their pre-emptive right to purchase several designated land lots in Andrejsala, as part of ensuring successful implementation of the first stage of the Riga Port City property development project.

No investments have been made by the municipality in the land lots to be privatised or alienated.

A total of about 120 hectares (300 acres) of land were put up for privatisation/alienation in Andrejsala and the Eksporta Port district. The current plan of SIA Jaunrīgas attīstības uzņēmums and its subsidiaries will result in the purchase of land lots in Andrejsala totalling 36 hectares (89 acres) at the price of 23 million lats.

The land privatisation/alienation proposals had been prepared by the PA and VNĪ according to the regular applicable procedures. The price for the privatisation/alienation of the land was established by the Latvian State Land Service, using the legally mandated methodology set forth in the Regulations of the Cabinet of Ministers concerning the valuation of privatisable land lots.

It is planned to fund the purchase from the existing assets of the purchasing companies and from their stakeholder AS Port Pro's investment in the businesses.

Eksporta Port

AS Rīgas 1. saldētava, a subsidiary of SIA Jaunrīgas attīstības uzņēmums, has decided to not utilise its legal right of pre-emptive purchase of the land lot situated in the Eksporta Port district. After an evaluation of the land lot's current usage pattern, AS Rīgas 1. saldētava deemed that buying the lot would not prove the most economically viable option. However, AS Rīgas 1. saldētava will continue to be the long-term lessee of the land lot in the Eksporta Port district, as provided for by existing legislative acts in the case when the company chooses to forgo its pre-emptive right of purchase.

In the territory, currently there is a lot of active stevedoring business and it is used entirely for carrying out typical port-related functions.

In the future, along with the development of Rīga and considering the trends in the real property market as regards the demand for office, commercial and residential space, there will take place a reconsideration of the implementation details of the Riga Port City project's second stage, aimed at transforming the Eksporta Port district into a new, attractive and multifunctional urban area. The Rīga city's master plan for the period from 2006 to 2018 foresees construction in compliance with the urban central and mixed standards for the Eksporta Port district.