

Investkredit and IKB finance digital public safety TETRA radio communication system – one of the largest Austrian PPP projects to date

[Vienna and Düsseldorf, 15 November 2006] After a year of project structuring, IKB Deutsche Industriebank AG and Investkredit Bank AG, as mandated lead arrangers, have now fully underwritten a € 110 m senior debt facility for the multi-regional TETRA network for emergency services in Austria. The total financing package includes the senior debt as well as equity. In addition to the two banks, the Austrian Federal Ministry of the Interior (BMI), as the contracting authority, and TETRON Sicherheitsnetz Errichtungs- und BetriebsgmbH as contractor, are involved in this important Public Private Partnership.

In spring of 2004 the BMI awarded TETRON, a joint venture between Motorola and Alcatel, the concession to set up the digital TETRA network for the Austrian police, fire and rescue emergency services and to operate it for a period of 25 years after final completion.

The TETRA network has been successfully operated in Vienna and Tyrol since the beginning of the year. Further expansion is currently underway in Styria and Lower Austria. The Austrian federal states can use the BMI basic network if they contribute the necessary sites for the infrastructure. All communication can be carried out consistently using the new European “TETRA” standard.

PPP projects enable the public sector in Austria to concentrate on its core skills, thus saving time and resources. The owners of TETRON will benefit from a reduction in their financing risks without adversely affecting BMI’s collateral position. The risk has been mitigated in such a way that a financing for a period of almost 20 years has become possible.

The financing agreements between TETRON and the financing banks replace the previous financing by sponsors Motorola and Alcatel.

IKB Deutsche Industriebank AG is the leading specialist bank for long-term corporate financing in Germany. Its target clients are innovative, high-growth, medium-sized companies, commercial real estate investors, as well as foreign companies and project partners. With total assets of around € 50 billion, and 1,700 staff at 12 domestic and international offices, the bank itself is a medium-sized enterprise. IKB shares (ISIN: DE 0008063306) are listed in the MDAX, the German mid-cap index. Holding a 38% stake, KfW Banking Group is IKB’s largest shareholder; the two banking groups are joined in a strategic partnership.

Investkredit Bank AG is the Bank for Corporates and Real Estate, and is part of the Austrian Volksbank Group. With representative offices in Bratislava, Budapest, Bucharest, Prag, Warsaw and a branch in Frankfurt with an office in Munich, Investkredit is positioned to deal with target groups in our core CEE market.

PR contact: Dr. Roland Nolte
Phone: +49 (0) 211 8221 4860
Fax: +49 (0) 211 8221 2860
Email: presse@ikb.de