



Through refinancing of EUR 307 m Atlantic Grupa confirms leading role in the region

Zagreb, 19 November 2012 - Atlantic Grupa signed an agreement on refinancing with the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC, member of the World Bank Group) and four commercial banking groups. The transaction will amount to EUR 307m, which will be used to refinance Atlantic Grupa's existing loans under more favourable conditions (with an average interest rate of 4,71 percent, and prolonged maturity).

The project was initiated based on a successful integration and consolidation during the last two years, thorough fulfillment of all assumed obligations and the company's valid strategy. Compared to the acquisition period, the estimated risk has decreased and consequently, the conditions have been met to contractually agree a significantly more favourable loan arrangement. The refinancing arrangement, which will replace previously granted loans, comprises a loan package arranged by the EBRD, a loan by IFC and a parallel facility provided by commercial banks.

Within the refinancing, the EBRD is arranging a EUR 232m financing package. In this amount the EBRD participates for its own account in amount of EUR 60m, while the remaining EUR 172m are syndicated to commercial partner banks – Raiffeisen Bank, Unicredit Bank, Sberbank and Erste Bank. The IFC participates in the package by providing a loan amounting to EUR 50m, while Raiffeisenbank Austria Zagreb and Zagrebačka banka provide a parallel financing amounting to EUR 25m. By participating in this project, the EBRD - as Atlantic Grupa's shareholder and creditor - confirms its trust in the operations and future prospects of the company, whose good standing has also been acknowledged by the system of the World Bank through a significant participation of the IFC in the project. It may be emphasised that this is one of the most extensive financing projects arranged by the EBRD, as well as the first large-scale project of Sberbank in the SEE region.

"The EBRD has reaffirmed its commitment to the region, in particular South Eastern Europe with a joint IFI action plan in which the World Bank, the EIB and the EBRD pledge EUR 30b in the next two years to support both real economies and the financial sector. The deal with Atlantic Grupa – a great example of cooperation between the EBRD and IFC – shows that well-managed corporations, such as Atlantic Grupa, can attract commercial financing even despite continuing deleveraging in SEE, and we will continue to support both corporate and financial sector as the region finds its way to growth", stated the EBRD's President Sir Suma Chakrabarti upon the conclusion of negotiations.

"With the success of this project Atlantic Grupa has once more confirmed its standing as a leading regional company that enjoys the confidence and support of esteemed international development institutions and the financial community. We have always taken advantage of advanced and innovative financing models while planning our development, thus demonstrating a proactive approach, our conviction that our strategy is sound, and a readiness to employ the maximum of all available resources. We have shown again upon this occasion that high quality projects are recognised and that they can attract investors despite the generally unfavourable surrounding. We are exceptionally glad that our efforts, responsibility and quality have been recognised by the renowned institutions such as the EBRD and IFC, as well as by our partner banks with financing to support our development. We are proud of this excellently executed transaction which, in terms of its volume and complexity, was none less demanding than the acquisition of Droga Kolinska", commented the President and CEO of Atlantic Grupa Emil Tedeschi.

The resources from the agreed package of total value EUR 307m will be primarily used for balance sheet restructuring (EUR 272m). The company will use the remaining amount for additional energy efficiency improvements (EUR 10m) and as working capital financing (EUR 25m).