

Krankenanstalten Immobiliengesellschaft mbH 4.25% € 700,000,000 Benchmark due 25 June 2014

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17.06.2009

unconditionally and irrevocably guaranteed by the Federal State of Styria



Krankenanstalten Immobiliengesellschaft mbH Successfully Places its Inaugural 5 yr EUR Benchmark

- Krankenanstalten Immobiliengesellschaft mbH (KIG) has today issued its debut Eurobond transaction with a volume of EUR 700 mn and a maturity of 5 years
- The guaranteed bonds are rated by S&P with AA+
- Austrian retail investors can subscribe the 4.25% bonds from June 18 to 22



KIG today successfully priced its inaugural 5-year €700mn benchmark. Deutsche Bank, Erste Group and RZB were mandated as Joint Bookrunners and Joint-Lead Managers in the transaction. Kommunalkredit Austria, Hypo Steiermark, Raiffeisenlandesbank Steiermark and Sparkasse Steiermark were co-managers in the transaction.

With this first transaction KIG has established itself in the international bond markets. The transaction received strong interest from banks, insurance companies and real money investors. Because of high demand and multiple oversubscription the orderbook has been closed within one hour. Austrian retail investors are invited to buy the bonds in the course of the subscription period from June 18 to 22. The diversified and high quality orderbook allowed KIG to increase the size of the transaction to intended maximum size of €700mn.

The transaction was priced at 3:30pm Vienna time at the final spread of 135 bps over mid-swaps and 167.8 bps over Bundesobligation-154.

The high oversubscription allowed a well distributed allocation to a large number of investors. The main geographies were Austria 68.8%, Germany 22.4%, Switzerland 5.4% and 3.5% rest. Banks dominated the orderbook with 68.8% demand followed by pension & insurance 13.5%, fund managers 8.7%, and retail 9%.

This bond offering is the first syndicated Euro benchmark of an Austrian agency with the guarantee of an Austrian State. With this offering KIG has raised more than 50% of its funding programme.

KIG is a 100% subsidiary of Steiermärkische Krankenanstaltengesellschaft m.b.H. (KAGes). The State of Styria owns 100% of the shares of KAGes. KAGes provides healthcare to the population of the State of Styria through the construction, operation and management of hospitals and other medical, aftercare and care facilities in the State of Styria. KIG serves as a separate real estate company of KAGes. The intended use of the proceeds of the bonds is to purchase the hospital properties of KAGes. KAGes will lease the sold properties from KIG. The purpose of KIG is the provision of infrastructure and building for healthcare and outpatient care. This includes the purchase, use, management, letting and selling of properties and equivalent rights as well as the construction and maintenance of buildings.

Summary Terms:

Rating: AA+ S&P

Issue amount: €700mn

Issue date: 25 June 2009

Coupon: 4.25% (Annual, Actual/Actual)

Maturity: 25 June 2014

Reoffer Price: 99.643%

Reoffer Yield: 4.331%

ISIN AT0000A0DRQ4

Distribution Stats:**By Region:**

68.7% Austria

22.4% Germany

5.4% Switzerland

3.5% Other

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By Investor Type:

68.8% Banks

13.5% Pensions & Insurance

8.7% Fund Manager

9.0% Central Banks