

Erste Group commits EUR 140mIn to Telekom Serbia as part of a recent syndicated loan taken by the company

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On the 9th of January, Telekom Srbija a.d. signed a EUR 470 million financing; out of the whole amount Erste Group committed to EUR 140mIn of initial underwriting

Erste Group acted as joint mandated lead arranger, underwriter and bookrunner

The loan constitutes one of the biggest corporate financings granted by Erste to the Serbian corporate sector

Erste Group Bank AG („Erste Group“) initially underwrote EUR 140mIn in a EUR 470mIn syndicated loan facility signed by Telekom Serbia on the 9th of January 2012. In addition, Erste Group acted as Joint Mandated Lead Arranger.

Telekom Srbija a.d. will use EUR 320 million to pay for a share buy back of 20% shares owned by the Greek telecom company OTE and EUR 150 million to refinance maturing debt.



Despite the difficult market conditions and holiday season, the transaction received strong support from the market in syndication and raised a healthy oversubscription after a swift execution phase following signing of the mandate in the second half of December 2011. Altogether 19 lenders joined the deal comprising largely of Serbian and other regional offices of international banks.

"Erste is among the most active loan arrangers in the CEE markets and we are very pleased with this transaction, which is one of the biggest in Serbia. In spite of the challenging economic environment, this was a very successful cooperation between the bookrunners, Erste Bank in Serbia and the Client, enhanced by the very good outlook for the Serbian telecom sector", said Slavko Carić, CEO of Erste Bank Serbia.

In 2011, all sectors of the Serbian communications market with the exception of mobile recorded annual growth, despite adverse economic conditions, highlighting the resilience of communications spending. For 2012, these healthy trends are expected to continue, although at a slower tempo.

The Telekom Srbija Group is the dominant telecommunication player in South Eastern Europe, with subsidiaries in Serbia, Republika Srpska and Montenegro as well as access to the Croatian market. Telekom Srbija accounted for 73% of total group revenues in 2010, whilst retaining its dominant market position on the Serbian market. Following the closing of the acquisition transaction, the Company will be fully owned by the Republic of Serbia.