

## Erste Group and Raiffeisenlandesbank OÖ (Upper Austria) fund PPP project in Lower Austria

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### Work on Mistelbach bypass road to start this year

The 14.8 kilometre Mistelbach bypass in Lower Austria will be built under a public-private partnership (PPP). The project with total investment costs of approximately EUR 115 million will be financed by Erste Group Bank AG and Raiffeisenlandesbank Oberösterreich under a 27-year facility. Work on the two-lane road will start this year. The by-pass is to be opened to traffic by year-end 2015 at the latest.

Participants in the state of Lower Austria's PPP include Erste Group Bank AG, Raiffeisenlandesbank OÖ and Hypo Niederösterreich, which provides a guarantee.

"The government of Niederösterreich handled extremely professional this project and the way they structured the Public Private Partnership (PPP) for the Mistelbach bypass can serve as role model for all the Austrian regional governments. The PPP model is a very efficient way of creating transport and social infrastructure. At Erste Group, we are pleased to be one of the financing partners. The bypass is designed to reduce traffic in the city centre, serve as a feeder to the A5 north-bound motorway and thus facilitate transport to the neighboring Czech Republic," said Werner Weihs-Raabl, Head of Erste Group Infrastructure Finance.



Werner Weihs-Raabl, Leiter von Erste Group Infrastructure Finance

"Raiffeisenlandesbank OÖ has already many years of experience with PPPs and, in Lower Austria, supported construction of the Maissau bypass," commented Robert Eckmair, head of the large institutional business at Raiffeisenlandesbank OÖ. The Mistelbach road project in Lower Austria will be built by two Upper Austrian family-run construction enterprises, Habau and Gebrüder Haider Bauunternehmung, which also managed construction of the Maissau bypass.

PPP is a form of cooperation between the public sector and a private business in developing and operating infrastructure projects. In contrast to public infrastructure procurement, in which most of the risks stay with the authority that awarded the contract, under PPP risk is shifted to the private-sector partner. In the case of the Mistelbach bypass, a private-sector concessionaire (partners Habau and Gebrüder Haider) is responsible for the construction and maintenance of the public road, for which it is compensated by semi-annual availability payments from the state of Lower Austria. After the Maissau bypass, the Mistelbach bypass is already the second PPP project undertaken by the state of Lower Austria.