

Press Release

DEG to fund Russian provider of communications services

- Long-term loan to the amount of 30 million US-dollars
- Wintergate Holdings Ltd. expands communications infrastructure in Russia

In Russia, the fixed line and internet services density still lags behind the mobile phone services offered across the country. This is why DEG – Deutsche Investitions- und Entwicklungsgesellschaft mbH, provides a long-term loan to the amount of 30 million US-dollars to Wintergate Holdings Ltd. (Wintergate), a telecommunications group, to acquire and build out further communications companies in CIS and thus to expand its existing activities in the CIS telecommunications sector. “Our commitment will enable Wintergate to expand its broadband offer and thereby considerably improve the information and communications opportunities in Russia,” said Philipp Kreutz, member of DEG’s Board of Management, on the occasion of the signing ceremony.

Via its Russian subsidiaries ZAO West Call Ltd., ZAO Iskratelecom and soon to be consolidated ZAO AIST, Wintergate offers national and international fixed line telephone services, data exchange, Internet connection and voice-over IP services for Russian private and corporate customers in the cities of Moscow, St. Petersburg, Togliatti, Samara, Ryazan and Volgograd. The company is majority-owned by Russia Partners, one of the oldest and largest private equity funds in Russia and the CIS. Since its founding in 1991, Russia Partners has become the leader in attracting and managing long-term private equity investments from U.S. and foreign institutional investors into the region.

While the number of telecom lines per 100 inhabitants is 78 in the EU, Russia covers 31 out of 100 inhabitants. Wintergate will expand the communications infrastructure in Russia providing for the operation and maintenance of this infrastructure thereby considerably improving the information and communications options.

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30 DEG, member of KfW Bankengruppe (banking group), has been committed to private-sector telecommunications projects ever since the 1990s with the aim of making a contribution to sustainable development effects by means of long-term promotion. In early July 2010, the DEG-financed broadband cable Main One started its operations and is now servicing West Africa with better communications options via Internet and telephone.

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