



Dexia announces the first closing of the €150 million South Europe Infrastructure Equity Finance fund

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Dexia is pleased to announce the successful launch and first closing of South Europe Infrastructure Equity Finance (“the SEIEF Fund”), a private equity fund targeting medium size investments predominantly in France, Italy, Spain and Portugal.

The SEIEF Fund, sponsored by Dexia and the European Investment Bank (“EIB”), will be managed by European Public Infrastructure Managers (“EPIM”), an independent management company, and will seek to exploit investment opportunities in public-private partnership (PPP) schemes arising from favourable new regulations in the context of tight public budget constraints in the target countries.

For its first closing, the SEIEF Fund has raised €80 million from its two sponsors Dexia and EIB (the largest investors), as well as two other European financial institutions, Banco Sabadell, acting as the Fund’s sponsor for Spain, and Banca Popolare di Verona e Novara in Italy. Dexia will continue to provide its assistance for the marketing of the Fund to new investors with the objective of increasing the size of the Fund up to €150 million within twelve months.

EPIM is led by François Jobard, Director of Investments, who has 15 years of experience in infrastructure acquired while he worked for industrial and services companies. EPIM is headquartered in Luxembourg and has offices in Paris, Rome and Madrid staffed with local professionals.

Mr Jobard said: “We are excited about the prospects for the SEIEF Fund and have already identified attractive investment opportunities. We are particularly interested in new projects where we can add value, as well as in re-capitalization and acquisition opportunities.”

Key sectors pursued by the Fund are public accommodation (hospitals, schools, government buildings, etc.), urban development (mass transport systems, car parks, etc.), inter-city transportation, and environment (water, waste treatment, etc.). The SEIEF Fund may invest in new projects, and may also take equity interests in existing infrastructure companies.

The SEIEF Fund’s typical investment amount will be €5-15 million per transaction. Target investee companies will have total assets in the €80M to €350M range.

The investment instruments offered by SEIEF will include mezzanine, subordinated debt and straight equity investments, with the Fund acting as either majority or minority shareholder.

Dexia is a leading player in infrastructure finance. For the year 2005, DEALOGIC ranked Dexia #1 in the Mandated Arranger of Global PFI/PPP Project Finance Loans league tables.

Mr Jobard added, "We very much appreciate having the backing of Dexia; indeed, Dexia, has played a key role in the successful first closing of the Fund and will provide valuable support in identifying investment opportunities."

Mr Thomas Barrett, Director of Structured Finance at the European Investment Bank, said "As a policy driven bank, EIB continues to support the modernisation of EU infrastructure networks including the active participation of private sector entities. In this context, EIB believes that the development of the PPP market on a pan-EU basis will benefit significantly from increased sources of equity finance. Infrastructure funds have a critical role in such a developing market, in particular considering the commonality of interests in many respects between the providers of independent third party equity and public sector grantors of PPP concessions. EIB is pleased to have had the opportunity to develop the SEIEF Fund alongside Dexia, with whom we have a long-standing and significant relationship, and looks forward to the future success of the SEIEF Fund in supporting PPP projects."

Mr Bruno Deletré, Executive Vice President Public Finance at Dexia said, "Dexia's sponsoring of the SEIEF Fund is yet another illustration of our eagerness to address increasing needs for equity in infrastructure projects. Dexia is the European leader of infrastructure finance. Going forward, we will continue developing our franchise, focusing in particular on the anticipated strong growth in infrastructure/PPP projects across Europe."