

PRESS RELEASE

Leading Austrian independent broadband provider Inode announces €10.5 million expansion round, structured by gcp gamma capital partners and Global Equity Partners

Vienna, 17 December 2004

The leading independent telecom and broadband provider in Austria, Inode Telekommunikationsdienstleistungs GmbH, today announces the closing of an expansion round led by Austrian VC investors gcp gamma capital partners and Global Equity Partners. The funds, totalling €10,5 million, will help expand Inode's lead in the attractive unbundled broadband segment in Austria and provide the resources for further growth, both in the home-market and in the new EU member states.

The two Austrian technology VC investors gcp gamma capital partners (gcp) and Global Equity Partners (GEP) together led an expansion round in Austria's leading alternative telecom provider and broadband ISP Inode Telekommunikationsdienstleistungs GmbH (Inode).

Inode, founded by Mike Gredenberg and Peter Augustin (Vienna) and Niki Offner and Robert Rotman (Graz) as a dial-up ISP in the mid-Nineties, is a classical Internet success story of the second generation. Led by the four founders, Inode rightly identified the potential of unbundled broadband and became the first ISP to be granted an unbundling licence in Austria in 2001. Since then, Inode has established a strong position as leading alternative broadband ISP, both in terms of network reach and technological innovation. In contrast to bigger competitors with large, but low-margin voice operations such as UTA (recently acquired by Tele2), or incumbent Telekom Austria, Inode focuses entirely on broadband and was the first to capitalise on the technology's potential, e.g. by offering Voice-over-IP services.

The present funding round, totalling €10,5 million in a combination of equity and mezzanine, will provide the necessary resources for Inode to benefit from the dynamic of the broadband market. While further sharpening the profile as a quality provider in Austria, in particular in the business segment, Inode plans to both add new products & services and expand internationally. Having fully unbundled the broadband market in Liechtenstein, Inode currently evaluates entry into the Czech market – further countries are envisaged.

Furthermore, the funding round brings a significant increase in senior management resources for Inode, both on the executive and non-executive level: Herbert Herdlicka, Director at GEP, and Klaus Matzka, founder and Managing Partner at gcp, are both Internet pioneers of the first generation who founded and successfully sold mass-market ISPs (EUNet, sold to KPNQwest/tiscali and magnet, sold to Telenor/Nextra, respectively) in the 1990s. As experienced entrepreneurs and investors, Herdlicka and Matzka will add their expertise in the newly established board, where they will be joined by founder Peter Augustin and outsiders Georg Chytil, former CTO of EUNet/tiscali, and Franz Janda, former CEO of Compaq Austria. The founder-management team, consisting of CEO Mike Gredenberg (29), COO Niki Offner (31) and CTO Robert Rotman (39), will be complemented by Wolfgang Haidinger (55), former CFO of EUNet/tiscali and a seasoned industry expert, as Chief Financial Officer.

CEO Mike Gredenberg: *"We are very excited about this partnership! In Herbert and Klaus we have found partners who bring in a lot more than just money – they understand the business inside-out."* Herdlicka and Matzka: *"Inode boasts an impressive growth record over the past years and has enormous potential in the fast-growing broadband market. Given the right sentiment in the markets, we see realistic chances for a listing in 2-3 years."*

**** ENDS ****

For further information please contact:

Inode Telekommunikationsdienstleistungs GmbH

Gabi Mair, Communications

gabriela.mair@inode.info

Tel : +43-59-999 2304 ; Fax : +43-59-999 1 2304

gcp gamma capital partners – The Venturepreneurs

Nikolaus Spieckermann and Klaus Matzka

office@gamma-capital.com

Tel: +43-1-513 1072-0; Fax: +43-1-513 1072-200

Global Equity Partners Beteiligungs-Management AG

Valerie Keidel, Public Relations

v.keidel@gep.at

Tel: +43-1-581 83 90; Fax: +43-1-581 76 11

Notes to Editors:

Company

Inode Telekommunikationsdienstleistungs GmbH (Inode) was founded in 1996 by Peter Augustin and Mike Gredenber as a dial-up ISP. In 2000, Inode merged with the Graz-based webhosting and server-housing business of Niki Offner and Robert Rotman. Since 2001, Inode focuses mainly on unbundled broadband ISP and has established a solid lead in this attractive market segment. Inode invested substantially in its own infrastructure; more than 150 unbundled co-locations are linked to the company's own, highly redundant backbone network, reaching over 60% of businesses and over half of all households in Austria. Currently, inode employs a staff of 280 at two main sites in Vienna and Graz, five representative offices throughout Austria and a subsidiary in Liechtenstein. For 2004, Inode expects revenues of c. €40 million. For further information, please visit www.inode.at.

Investors

gcp gamma capital partners (gcp) is a leading Austrian venture management firm. Founded in 2002, gcp is now Austria's most active technology investor, with an investment team of six professionals combining over 40 years of industry experience. Currently, gcp manages close to €38 million in two funds (iLab24 AG and gamma II AG), specialised in investments in the medical equipment, life sciences and ICT industries. Investors in the funds include leading Austrian and international financial institutions as well as individuals. gcp has a regional focus on the German speaking market and the new EU-markets bordering Austria. Targeting lead roles in the home market, gcp positions itself as a strong local partner for international VCs investing in Austria. The main focus is on early-stage and expansion situations. For further information, please visit www.gamma-capital.com.

Global Equity Partners is an internationally operating investment company managing venture capital since 1998. Institutional investors in Austria, Germany and Switzerland allocated more than €150 million up to date. Global Equity Partners has offices in Vienna, Munich and St. Gallen and currently employs 25 people. On behalf of its investors, Global Equity Partners targets a long-run performance of portfolio companies of more than 20% p.a.. The main investment focus lies on venture capital / private equity, medium sized businesses und real estate. Since 1998, Global Equity Partners structured five IPOs (e.g. Betandwin Interactive Entertainment AG) and eight trades sales e.g. the very successful sale of EUNet AG to tiscali in 2003 and has profound expertise in the high-tech area through its highly experienced management. For further information, please visit www.gep.at.

People

Inode is managed by the founders **Mike Gredenber** (CEO), **Niki Offner** (COO) and **Robert Rotman** (CTO); **Wolfgang Haidinger**, former CFO of EUNet/tiscali, joins the management team as CFO. **Herbert Herdlicka**, Director, and **Reinhard Fischer**, Investment Manager, structured the deal on behalf of Global Equity Partners. **Klaus Matzka**, Managing Partner, and **Nikolaus Spieckermann**, Senior Analyst, acted on behalf of gcp gamma capital partners. In addition to Herdlicka and Matzka, founder **Peter Augustin** as well as outsiders **Georg Chytil** (former CTO of EUNet/tiscali) and **Franz Janda** (former CEO of Compaq Austria) will join the company's board.

Advisors

Equity – **Klemm Liebenwein Rechtsanwälte**, Vienna, Karl Liebenwein (*Legal & Contracts*);
Ecovis Austria, Vienna, Kurt Kaindl (*Financia*)