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Second Industrial Financing Project - Second IVK (02) DFC - Austria -
Loan 0237 - P037356 - Guggenbacher Papierfabrik Project 12 -

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INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

PROGRESS REPORT SLIP

DEPARTMENT OF TECHNICAL OPERATIONS

COUNTRY	Austria
LOAN OR PROJECT	192-AUA - Oesterreichische 237 Investitionskredit AG
PERIOD TO	10-19-61
TYPE OF REPORT	Guggenbacher Papierfabrik Gesellschaft - Progress Report
CARDED	12/26/61 (gwh)

	FOR ACTION TO:	INITIAL	DATE
1	Mr. G. A. Aparcar	gaa	Dec 26/61.
2	(one copy of project retained in		TOD files)
3			
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ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

R e v i s i o n s b e r i c h t

GUGGENBACHER PAPIERFABRIK GESELLSCHAFT M.B.H., WIEN

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GUGGENBACHER PAPIERFABRIK GESELLSCHAFT M.B.H., WIEN

R e v i s i o n s b e r i c h t

Österreichische Investitionskredit Aktiengesellschaft
Kreditabteilung

ÖIK-C/320-1.12.1961

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GUGGENBACHER PAPIERFABRIK GESELLSCHAFT M.B.H., Wien

Berichtszeitraum:	Geschäftsjahr 1960 1. Halbjahr 1961
Kreditbetrag:	S 12,000.000,- (\$ 462.000)
Noch verfügbar:	S 6,720.000,-
Rückgezahlt:	-

I. Kreditnehmer

Im Rahmen der Gesellschaft m.b.H. werden eine Papier- und Holzstoff-Fabrik in Guggenbach, eine Holzstoff-Fabrik in Schwanberg, ein Sägewerk in Peggau sowie ein Alt- und Neupapiergroßhandel in Wien betrieben. Alle Gesellschaftsanteile befinden sich in der Hand von Herrn Hans Bulla. Herr Bulla ist außerdem Besitzer der Buchdruckerei Hans Bulla & Sohn, Wien.

Die Papierfabrik zählt kapazitätsmäßig zu den mittleren Unternehmungen dieser Art in Österreich. Von der österreichischen Papierproduktion entfielen im Jahr 1960 nicht ganz 4,1 % auf den Antragsteller. Obwohl der derzeitige Besitzer in den letzten Jahren rd. S 30,000.000,- investiert hat, sind die Produktionseinrichtungen auch heute zum Teil noch sehr überaltet und entsprechen nicht der durchschnittlichen Ausrüstung der österreichischen Papierindustrie. Die bereits durchgeführten Erneuerungsinvestitionen wurden fast zur Gänze aus eigenen Mitteln bestritten. Die Guggenbacher ist eine der wenigen österreichischen Papierfabriken, die langfristige Kredite aus ERP-Mitteln nicht in Anspruch genommen hat.

II. Gegenwärtige Ertrags- und Vermögenslage

Die Beurteilung erfolgt auf Grund der Rechnungsabschlüsse zum 31. Dezember 1960 und zum 30. Juni 1961 des Schuldners und des Mitschuldners.

a) <u>Ertaagslage</u>	1959		1960		1.Hj.1961	
	1000 S	%	1000 S	%	1000 S	%
Betriebsleistung	89,132	100	96.497	100	48.974	100
Betriebserfolg	2,668	3	3,768	4	559	1
Zinsen	866	1	751	1	409	1
Vorzeitige AfA	430	-	301	1	-	-
Sonst. außerbetriebliches und außerordentliches Ergebnis	+ 526	-	.f.1.232	1	./.79	-
Jahresergebnis	1,898	2	1,484	2	71	-

Das Ergebnis des definitiven Jahresabschlusses 1960 entspricht etwa der anlässlich der Projektsbeurteilung vorgelegten Schätzung.

Das erste Halbjahr 1961 ist durch steigende Produktionskosten in der Papierfabrik gekennzeichnet, wobei nur ein Teil der Kostensteigerungen durch bessere Erträge im direkten und indirekten Export aufgefangen werden konnte. Bei voller Ausnützung der Kapazität wurden 10.191 t, die gleiche Menge wie im ersten Halbjahr 1960, produziert.

Nachstehende Kosten - zum Teil solche außerordentlicher Art - sind im ersten Semester zusätzlich angefallen:

	<u>Kostenerhöhung</u> rd. S
Minderausbeute bei Pappelholz ¹⁾	700.000,-
Verteuerung der Zellulose (für das 2. Halbjahr 1961 ist es gelungen, den Bedarf wieder auf der früheren Preis- und Qualitätsbasis einzudecken)	600.000,-
Mehraufwand infolge Erhöhung der Holzpreise	425.000,-
Mehraufwand auf dem Personalsektor	1,300.000,-
Noch nicht aktivierte Eigenleistungen im Zusammenhang mit der Durchführung des Projektes	<u>1,000.000,-</u>
	4,025.000,-
	=====

1) Unter dem Eindruck der steigenden Holzpreise wurde über Empfehlung der ÖPA der Versuch unternommen, Pappel- und Weidenholz in größeren Mengen zur Fabrikation einzusetzen. Dabei hat es sich jedoch herausgestellt, daß dieses Laubholz nur die Hälfte an Holzstoffausbeute ergibt. Da der Einkaufspreis des Pappelholzes nicht mit der Minderausbeute im Einklang steht, ist das erste Halbjahr 1961 mit entsprechenden Mehrkosten belastet.

Dagegen steht eine Nettoumsatzerhöhung in der Papierfabrik von rd. S 1,500.000,-. Der Mehraufwand übersteigt daher die Umsatzerhöhung um S 2,525.000,--.

2. Hans Bulla & Sohn (Mitschuldner)

	1959		1960		1.Hj. 1961	
	1000 S	%	1000 S	%	1000 S	%
Betriebsleistung	5.495	100	6.308	100	3.219	100
Betriebserfolg	328	6	737	12	216	7
Zinsen	240	4	352	6	150	5
Vorzeitige AfA	425	8	806	13		
Sonst.außerbetriebliches und außerordentliches Ergebnis	./ .43	1	./ .134	2	./ .17	-
Jahresergebnis	./ .380	-7	./ .555	-9	49	2

Bei leicht steigenden Umsätzen entspricht im ersten Halbjahr 1961 die Ertragslage ungefähr der Situation in den Vorjahren.

b) Vermögenslage

1. Guggenbacher Papierfabrik

	1959		1960		1.Hj. 1961	
	1000 S	%	1000 S	%	1000 S	%
Anlagevermögen	35.222	67	32,975	57	35,946	58
Ges mtlager	8,925	17	12,175	21	12,579	20
Sonst.Umlaufvermögen	8,321	16	13,029	22	13,073	22
Bilanzsumme	52,468	100	58,179	100	61,598	100
Eigenmittel	35,370	67	37,680	65	37,751	61
Langfristige Verbindlichktn.	2,404	5	3,005	5	3,936	7
Kurzfristige Bankverbindlichktn.	6,206	12	6,276	11	7,557	12
Sonst.kurzfr. Verbindlichktn.	8,488	16	11,218	19	12,354	20
Bilanzsumme	52,468	100	58,179	100	61,598	100

Kennziffern:

Umlaufvermögen/kurzfristige Verbindlichkeiten	117 : 100	144 : 100	129 : 100
Lagerumschlag	9,9 x	7,9 x	7,8 x
Debitorenumschlag	16,9 x	17,9 x	20,4 x
Eigenmittel/langfristige Verbindlichkeiten	94 : 6	93 : 7	91 : 9

In der Vermögenszusammensetzung ist in den letzten zweieinhalb Jahren keine wesentliche Änderung eingetreten. Kennzeichnend ist nach wie vor der verhältnismäßig rasche Lager- und Debitorenumschlag.

Die leichte Verschlechterung der Liquidität zum 30. Juni 1961 ist auf die Vorfinanzierung von Projektsinvestitionen aus kurzfristigen Mitteln zurückzuführen. Die erste Teilabhebung des ÖIK-Kredites erfolgte im Juli 1961.

2. Hans Bulla und Sohn

	1959		1960		1.Hj.1961	
	1000 S	%	1000 S	%	1000 S	%
Anlagevermögen	3,653	72	3,934	73	3,785	69
Gesamtlager	497	10	535	10	1,083	20
Sonst. Umlaufvermögen	898	18	891	17	1,083	20
Bilanzsumme	5,048	100	5,360	100	5,448	100
=====						
Eigenmittel	- 583	-11	-1,615	-30	-1,616	-30
Langfr. Verb. (Konzernverb.)	4,583	91	4,482	84	4,658	86
Kurzfristige Bankverb.	620	12	590	11	689	13
Sonst. kfr. Verbindlichktn.	428	8	1,903	35	1,717	31
Bilanzsumme	5,048	100	5,360	100	5,448	100
=====						

Kennziffern

Umlaufvermögen/kurzfr. Verbindlichkeiten	133 : 100	57 : 100	69 : 100
Lagerumschlag	7,4 x	11,8 x	11,1 x
Debitorenumschlag	4,5 x	8,1 x	6,7 x

Die Firma Hans Bulla und Sohn wird hauptsächlich durch ein langfristiges Darlehen der Guggenbacher Papierfabrik, das sich Mitte 1961 auf rund S 4,658.000,- belief, finanziert.

Bei Beurteilung der schlechten Liquidität zu den Stichtagen 31. Dezember 1960 und 30. Juni 1961 ist zu berücksichtigen, daß unter den Sonstigen kurzfristigen Verbindlichkeiten Schulden an die Guggenbacher aus Papierlieferungen in Höhe von S 1,489.000,- bzw. S 1,166.000,- enthalten sind und die Umschlagshäufigkeit der Vorräte und Forderungen günstiger als 1959 war.

III. Projekt

Die Projektsinvestitionen umfassen im wesentlichen den Neubau einer Halle für die Lagerung und Konfektionierung des Papiere sowie eine Verbesserung der Rohmaterialversorgung und der Wärmewirtschaft. Eine Kapazitätserhöhung erfolgt durch die Projektsinvestitionen nicht.

Die Projektskosten betragen S 25,000.000,- samt einer Reserve von S 3,500.000,-. In den Jahren 1961/62 soll der vordringliche Teil des Projektes, nämlich der Bau der neuen Halle, die Errichtung einer Wärmehückgewinnungsanlage für eine bereits vorhandene Papiermaschine, die Anschaffung eines Kalanders und verschiedene Anschaffungen für den Energiesektor durchgeführt werden.

Diese Investitionen werden samt einigen zusätzlichen Anschaffungen und einschließlich ausreichender Reserven einen Betrag von rd. S 15,000.000,- erfordern. Die Durchführung des restlichen Programmes ist bis Anfang 1964 geplant.

Beim Besuch der Baustelle am 24. August und 8. September d.J. konnte beobachtet werden, daß das Programm mit Umsicht durchgeführt wird und eine Verzögerung, die bei den Bauarbeiten eingetreten ist, nicht über den Rahmen des üblichen hinausgeht.

Einzelheiten über die finanzielle und terminliche Abwicklung des Projektes können aus Anlage 3 entnommen werden.

IV. Finanzierung des Projektes

In den Jahren 1961 und 1962 sollten laut Vorschau an Eigenmitteln (Abschreibungen und Gewinn) S 8,150.000,- zur Verfügung stehen, wovon S 3,950.000,- auf 1961 entfallen. Nun sind im ersten Halbjahr vor Abschreibungen nur rd. S 1,600.000,- verdient worden. Es könnte daher, falls die ungünstige Entwicklung im zweiten Halbjahr anhält, eine Finanzierungsenge entstehen. Bei näherer Untersuchung des Halbjahresergebnisses ist jedoch zu erkennen (vgl. Seite 2), daß die ersten sechs Monate durch außerordentliche Posten belastet sind und daher die Aussicht besteht, im zweiten Halbjahr ein etwas günstigeres Ergebnis zu erzielen. Trotzdem müßte, schon im Hinblick auf die allgemeine ungünstige Situation in der Papierindustrie, die zukünftige Ertragsentwicklung mit besonderer Vorsicht beurteilt werden.

Herr Hans Bulla (Geschäftsführer und Eigentümer sämtlicher Anteile der Ges.m.b.H.) ist sich darüber im klaren und stimmt mit unserer Auffassung überein, daß die Inangriffnahme des zweiten Teiles des Projektes (Investitionskosten rd. S 10 - 12 Millionen) so lange zu unterbleiben hat, bis definitiv feststeht, daß die nötigen Eigenmittel zur Durchführung dieser restlichen Projektinvestitionen (Ausbau bzw. Erneuerung der Aufbereitung und der Schleiferei) vorhanden sein werden.

V. Sicherheiten

Die Einverleibung der Kredithypothek in Höhe von S 13,200.000,- auf alle Liegenschaften des Schuldners zugunsten der ÖIK ist durchgeführt. Unsere Hypothek genießt Gleichrangigkeit mit dem intabulierten Pfandrecht der Österreichischen Länderbank AG, in Höhe von S 9,000.000,-.

Die im Vertrag bestimmte Liquidität wurde zum 31. Dezember 1960 nicht erreicht; eine Ausschüttung von Gewinnen ist nicht vorgesehen.

Das Verhältnis der Eigenmittel zu den langfristigen Verbindlichkeiten war zum 31. Dezember 1960 noch bedeutend günstiger als im Kreditvertrag festgelegt ist.

VI. Zusammenfassung

Die Projektinvestitionen verliefen bisher, von einer vertretbaren terminlichen Verzögerung abgesehen, planmäßig. Im ersten Halbjahr 1961 wurde die Ertragslage des Kreditnehmers - wie die der gesamten österreichischen Papierindustrie - durch die Erhöhung der Material- und Lohnkosten und überdies durch Kostensteigerungen außerordentlicher Art beeinträchtigt. Nur ein Teil der Kostensteigerungen konnte durch günstigere Verkaufspreise aufgefangen werden; im zweiten Halbjahr wird voraussichtlich mit einem günstigeren Ergebnis zu rechnen sein.

Besonderes Augenmerk wird der weiteren Investitionspolitik der Gesellschaft zuzuwenden sein. Solange sich die Ertragslage nicht wieder bessert und nicht die in der Vorschau angenommenen Erträge erzielt werden, darf der zweite Abschnitt des Projektes (Aufwand S 10 - 12 Millionen) nicht in Angriff genommen werden.

Zur Zeit ist das Engagement ungefährdet.

Firma:

GUGGENBACHER

Zusammengefaßte Bilanzanalyse

A. Bilanz

	Vertr.- Verh.	19 59		1960		30.6.1961	
		In 1000 S	%	In 1000 S	%	In 1000 S	%
I. Bilanzzahlen:							
1. Sachanlagevermögen		31,533	60	32,961	57	35,932	58
2. Finanzanlagevermögen		3,689	7	14		14	
3. Gesamtlager		8,925	17	12,175	21	12,579	20
4. Lieferforderungen		5,256	10	5,378	9	4,798	8
5. Sonstiges Umlaufvermögen		3,065	6	7,651	13	8,275	14
6. Bilanzsumme		52,468	100	58.179	100	61,598	100
7. Eigenmittel		35,370	67	37,680	65	37,751	61
8. Langfristige Verbindlichkeiten		2,404	5	3,005	5	3,936	7
9. Lieferantenverbindlichkeiten		4,386	8	6,779	12	8,147	13
10. Kurzfristige Bankverbindlichkeiten		6,206	12	6,276	11	7,557	12
11. Sonstige kurzfristige Verbindlichkeiten		4,102	8	4,439	7	4,207	7
12. Bilanzsumme		52,468	100	58.179	100	61,598	100
II. Bezugsgrößen:							
13. Anlagevermögen (1 + 2)		35,222	67	32,975	57	35,946	58
14. Umlaufvermögen (3 + 4 + 5)		17,246	33	25,204	43	25,652	42
15. Eigenmittel + langfristige Verbindlichkeiten (7 + 8)		37,774	72	40,685	70	41,687	68
16. Kurzfristige Verbindlichkeiten (9 + 10 + 11)		14,694	28	17,494	30	19,911	32
17. Nettoumlaufvermögen (14 ./ 16)		2,552	5	7,710	13	5,741	10
18. Bilanzsumme		52,468	100	58,179	100	61,598	100
19. Anlagevermögen + vorzeitige AfA ¹⁾		42,381	71	40,436	62	43,406	63
20. Eigenmittel + vorzeitige AfA ¹⁾		42,529	71	45,140	69	45,211	65
21. Eigenmittel + vorz. AfA ¹⁾ + langfr. Verbindlichkeiten		44,933	75	48,145	73	49,147	71
22. Bilanzsumme + vorzeitige AfA ¹⁾		59,627	100	65,639	100	69,058	100
23. Betriebsleistung		89,132		96,497		48,974	
24. Beschäftigte						(97,948)	
25. davon Arbeiter							
26. davon Angestellte							
III. Kennziffern: *)							
27. Gesamtliquidität (14 : 16)		117 : 100		144 : 100		129 : 100	
28. Lagerumschlag (23 : 3)		9,9 x		7,9 x		7,8 x	
29. Debitorenumschlag (23 : 4)		16,9 x		17,9 x		20,4 x	
30. Dynamische Liquidität (17 : 23)		2,8 %		7,7 %		5,7 %	
31. Eigenmittel : langfristige Verbindlichkeiten (7 : 8)		94 : 6		93 : 7		91 : 9	
32. Eigenmittel + vorzeitige AfA ¹⁾ : langfr. Verbindlichkeiten (20 : 8)		95 : 5		94 : 6		92 : 8	
33. Anlagevermögen je Arbeiter (1 : 25)							
34. Angestellte : Arbeiter (26 : 25)							
35.							

*) Definitionen: Gesamtliquidität: Umlaufvermögen : kurzfristige Verbindlichkeiten
Dynamische Liquidität: Nettoumlaufvermögen (Umlaufvermögen ./

¹⁾ soweit sie stille Rücklagen darstellen.

Firma:

GUGGENBACHER

Zusammengefaßte Bilanzanalyse

B. Erfolgsrechnung

	19.59		19.60		30.6.19.61	
	In 1000 S	%	In 1000 S	%	In 1000 S	%
I. Zahlen der Erfolgsrechnung						
1. Betriebsleistung	89,132	100	96.497	100	48.974	100
2. Betrieblicher Aufwand vor AfA und Steuern ¹⁾	82,356	92	89,230	93	46.915	96
3. Betriebserfolg vor AfA und Steuern	6.776	8	7.267	7	2.059	4
4. Normale AfA	4.108	5	3.499	3	1.500	3
5. Betriebserfolg vor Steuern ¹⁾	2.668	3	3.768	4	559	1
6. Zinsen für langfristige Verbindlichkeiten						
7. Zinsen für kurzfristige Verbindlichkeiten	866 } 23 843	1	751	1	409	1
8. Steuern ¹⁾	106	-	338	-	162	-
9. Sonstiges außerbetr. und außerordentl. Ergebnis:						
a) Erträge	2.067	2	899	1	156	-
b) Aufwendungen	632 } 1.435	2	1.793	2	73	-
10. Vorzeitige AfA	430	-	301	-		
11. Jahresergebnis (versteuert)	+ 1.898	2	1.484	2	71	-
II. Bezugsgrößen						
12. Kalkulatorischer Unternehmerlohn	-		-		-	
13. Zinsen, soweit sie die Ertragszinsen übersteigen	319	-	751	1	409	1
14. Jahresergebnis + vorzeitige AfA (11 + 10)	2.328	3	1.785	2	71	-
15. Privatentnahmen, Dividenden	-		-		-	
16. Jahresergebnis + vorzeitige AfA + Zinsen f. langfrist. Verbindl. (14 + 6)	2.351	3	1.785	2	71	-
17. Zur Amortisation verfügbarer Betrag (16 - 15)	2.351	3	1.785	2	71	-
18. Tilgung langfrist. Verbindlichkeiten			394	-	-	-
19. Tilgung langfrist. Verb. + Zinsen langfrist. Verbindl. (18 + 6)			394	-	-	-
20. Gesamterzeugung in Einheiten						
III. Kennziffern ²⁾						
21. Nettorendite der Eigenmittel (14 - 12 : A 20)	5,5%		3,9%		0,2% *)	
22. Bruttorendite der Eigenmittel (14 + 8 - 12 : A 20)	5,7%		4,8%		0,5%	
23. Nettorendite des langfrist. gebund. Kapitals (16 - 12 : A 21)	5,2%		3,7%		0,1%	
24. Bruttorendite des langfrist. gebund. Kapitals (16 + 8 - 12 : A 21)	5,5%		4,4%		0,5%	
25. Deckungsverhältnis I (17 : 19)			4,5x		-	
26. Deckungsverhältnis II (13 + 14 + 4 + 8 : 18 + 13)			5,6x		-	
27. Betriebsleistung pro Beschäftigten (1 : A 24)						
28. Betriebsleistung pro Arbeiter (1 : A 25)						
³⁾ Materialaufwand	53.675	60	49.159	51	26.504	54
Personalaufwand	19.253	22	9.352	10	4.925	10
Sachaufwand	8.510	9	19.457	20	10.428	21
			11.282	12	5.258	11

ÖIK-C/324 4.12.1961

DEFINITIONEN

¹⁾ Steuern: Gewerbe-Kapitalsteuer, Gewerbe-Ertragssteuer, Köst oder Est, Vermögenssteuer, Grundsteuer²⁾ Nettorendite der Eigenmittel: Versteuertes Jahresergebnis, gegebenenfalls - kalkulatorischer Unternehmerlohn + vorzeitige AfA : Eigenmittel + vorzeitige AfA

Nettorendite des langfristig gebundenen Kapitals: Versteuertes Jahresergebnis, gegebenenfalls - kalkulatorischer Unternehmerlohn + vorzeitige AfA + Zinsen für langfristige Verbindlichkeiten : Eigenmittel + vorzeitige AfA + langfristige Verbindlichkeiten

Bei Errechnung der Bruttorendite sind die Steuern (8) zum Gewinn hinzuzurechnen.

Deckungsformel I: Versteuertes Jahr Verbindlichkeiten-Dividenden oder Pfristige Verbindlichkeiten

Deckungsformel II: Versteuertes Jahr Zinsen + Steuern : Rückzahlungsrate

*) Jahresgewinn verdoppelt

Firma:

HANS BULLA & SOHN

Zusammengefaßte Bilanzanalyse

A. Bilanz

	Vertr.- Verh.	19_59		19_60		1.Hj 19_61	
		in 1000 S	%	in 1000 S	%	in 1000 S	%
I. Bilanzzahlen:							
1. Sachanlagevermögen		3.653	72	3.934	73	3.775	69
2. Finanzanlagevermögen		-		-		10	
3. Gesamtlager		497	10	535	10	580	11
4. Lieferforderungen		812	16	774	15	952	17
5. Sonstiges Umlaufvermögen		86	2	117	2	131	3
6. Bilanzsumme		5.048	100	5.360	100	5.448	100
7. Eigenmittel		- 583	11	-1.615	-30	-1.616	-30
8. Langfristige Verbindlichkeiten (Konzernverb.)		4.583	91	4.482	84	4.658	86
9. Lieferantenverbindlichkeiten		220	4	1.723	32	1.455	26
10. Kurzfristige Bankverbindlichkeiten		620	12	590	11	689	13
11. Sonstige kurzfristige Verbindlichkeiten		208	4	180	3	262	5
12. Bilanzsumme		5.048	100	5.360	100	5.448	100
II. Bezugsgrößen:							
13. Anlagevermögen (1 + 2)		3.653	72	3.934	73	3.785	69
14. Umlaufvermögen (3 + 4 + 5)		1.395	28	1.426	27	1.663	31
15. Eigenmittel + langfristige Verbindlichkeiten (7 + 8)		4.000	80	2.867	53	3.042	56
16. Kurzfristige Verbindlichkeiten (9 + 10 + 11)		1.048	20	2.493	46	2.406	44
17. Nettoumlaufvermögen (14 ./ 16)		347	8	-1.067	-19	- 743	-13
18. Bilanzsumme		5.048	100	5.360	100	5.448	100
19. Anlagevermögen + vorzeitige AfA ¹⁾		5.383	79	6.470	82	6.311	79
20. Eigenmittel + vorzeitige AfA ¹⁾		1.147	17	921	12	920	12
21. Eigenmittel + vorz. AfA ¹⁾ + langfr. Verbindlichkeiten		5.730	85	5.403	68	5.578	70
22. Bilanzsumme + vorzeitige AfA ¹⁾		6.778	100	7.896	100	7.984	100
23. Betriebsleistung		3.653		6.308		3.219	
24. Beschäftigte							
25. davon Arbeiter							
26. davon Angestellte							
III. Kennziffern: *)							
27. Gesamtliquidität (14 : 16)		133:100		57:100		69:100	
28. Lagerumschlag (23 : 3)		7,4x		11,8x		11,1x	
29. Debitorenumschlag (23 : 4)		4,5x		8,1x		6,7x	
30. Dynamische Liquidität (17 : 23)		9,5%		neg.		neg.	
31. Eigenmittel : langfristige Verbindlichkeiten (7 : 8)		neg.		neg.		neg.	
32. Eigenmittel + vorzeitige AfA ¹⁾ : langfr. Verbindlichkeiten (20 : 8)		20:80		17:83		16:84	
33. Anlagevermögen je Arbeiter (1 : 25)							
34. Angestellte : Arbeiter (26 : 25)							
35.							

ÖIK-C/325 5.12.1961 *) Definitionen:

Gesamtliquidität:

Dynamische Liquidität:

Umlaufvermögen : kurzfristige Verbindlichkeiten
Nettoumlaufvermögen (Umlaufvermögen ./

Firma:

HANS BULLA & SOHN

Zusammengefaßte Bilanzanalyse

B. Erfolgsrechnung

	1959		1960		1.Hj1961	
	In 1000 S	%	In 1000 S	%	In 1000 S	%
I. Zahlen der Erfolgsrechnung						
1. Betriebsleistung	5.495	100	6.308	100	3.219	100
2. Betrieblicher Aufwand vor AfA und Steuern ¹⁾	4.656	85	5.006	79	2.703	84
3. Betriebserfolg vor AfA und Steuern	839	15	1.302	21	516	16
4. Normale AfA	511	9	565	9	300	9
5. Betriebserfolg vor Steuern ¹⁾	328	6	737	12	216	7
6. Zinsen für langfristige Verbindlichkeiten	240	4	352	6	150	5
7. Zinsen für kurzfristige Verbindlichkeiten						
8. Steuern ¹⁾	5	-	8	-		
9. Sonstiges außerbetr. und außerordentl. Ergebnis:						
a) Erträge	20	-	6	-		
b) Aufwendungen	58	1	132	2	17	
10. Vorzeitige AfA	425	8	806	13		
11. Jahresergebnis (versteuert)	- 380	- 7	- 555	- 9	49	2
II. Bezugsgrößen						
12. Kalkulatorischer Unternehmerlohn						
13. Zinsen, soweit sie die Ertragszinsen übersteigen	240	4	352	6		
14. Jahresergebnis + vorzeitige AfA (11 + 10)	45	1	251	4		
15. Privatentnahmen, Dividenden	-		-			
16. Jahresergebnis + vorzeitige AfA + Zinsen f. langfrist. Verbindl. (14 + 6)	285	5	603	10		
17. Zur Amortisation verfügbarer Betrag (16 - 15)	285	5	603	10		
18. Tilgung langfrist. Verbindlichkeiten						
19. Tilgung langfrist. Verb. + Zinsen langfrist. Verbindl. (18 + 6)						
20. Gesamterzeugung in Einheiten						
III. Kennziffern ³⁾						
21. Nettorendite der Eigenmittel (14 - 12 : A 20)	3,9%		27,4%			
22. Bruttorendite der Eigenmittel (14 + 8 - 12 : A 20)	4,4%		28,2%			
23. Nettorendite des langfrist. gebund. Kapitals (16 - 12 : A 21)	5,0%		65,5%			
24. Bruttorendite des langfrist. gebund. Kapitals (16 + 8 - 12 : A 21)	5,1%		66,4%			
25. Deckungsverhältnis I (17 : 19)						
26. Deckungsverhältnis II (13 + 14 + 4 + 8 : 18 + 13)						
27. Betriebsleistung pro Beschäftigten (1 : A 24)						
28. Betriebsleistung pro Arbeiter (1 : A 25)						
³⁾ Materialaufwand	1.657	30	1.877	30	1.000	31
Personalaufwand	2.469	45	2.740	43	1.415	44
Sachaufwand	530	10	389	6	288	9

ÖIK-G/325 5.12.1961

DEFINITIONEN

1) Steuern: Gewerbe-Kapitalsteuer, Gewerbe-Ertragssteuer, Köst oder Est, Vermögenssteuer, Grundsteuer

2) Nettorendite der Eigenmittel: Versteuertes Jahresergebnis, gegebenenfalls - kalkulatorischer Unternehmerlohn + vorzeitige AfA : Eigenmittel + vorzeitige AfA

Nettorendite des langfristig gebundenen Kapitals: Versteuertes Jahresergebnis, gegebenenfalls - kalkulatorischer Unternehmerlohn + vorzeitige AfA + Zinsen für langfristige Verbindlichkeiten : Eigenmittel + vorzeitige AfA + langfristige Verbindlichkeiten

Bei Errechnung der Bruttorendite sind die Steuern (8) zum Gewinn hinzuzurechnen.

Deckungsformel I: Versteuertes Jahresergebnis + Zinsen + Steuern : Rückzahlungsrate

Deckungsformel II: Versteuertes Jahresergebnis + Zinsen + Steuern : Rückzahlungsrate

Stand des INVESTITIONSVORHABENS
in FINANZIELLER Hinsicht

FIRMA: Guggenbacher Papierfabrik Ges.m.b.H.

BERICHT NR.: 2
STICHTAG: 30. Sept. 1961

Investitionspräliminare für die Jahre 19 - 19		bisher ausgegeben	Fakturen- cbligo	Bestell- obligo	noch aufzuwenden	zusammen	Anmerkung
in tausend Schilling							
1.	Maschinen: Schleiferei, Miagschleifer, Getriebe, Sortiermasch., Eindickung, Pumpen, Kran	3.393			3,393	3,393	
	Elektr. Einrichtung, Motore, Beleuchtung	1.022			1,022	1,022	
2.	Stoff- und Altpapieraufbereitung, Pulper, Trichter, Refiner, Pumpen, Rohrleitungen, Aufzug	1.597	185	597	815	1,597	
	Elektr. Einrichtung, Motor, Beleuchtung	373	23	101	249	373	
3.	Kalander, 1 Superkalander, Getriebe, Vorroller	2.031	793	1,263		2,056	
	Elektr. Einrichtung, Motore	610	250	282	78	610	
4.	Ergänzungen zu Papiermaschine, Wär- merückgewinnungsanlage, Poperoller	1.715)	722	1,142		1,864	
	Elektr. Einrichtung	34)					
5.	Rollenhalle und Papiersaal, Rollen- packmaschine, Rollenförderband	578)	407	271		678	
	elektr. Einrichtung	77)					
6.	Werksbahn und Transportmittel, ca. 200 m Geleise, Weichenreparatur, Oberbauarbeiten, 1 Gabelstapler	550)	249	401		650	
	elektr. Einrichtung	62)					
	Übertrag: zusammen:	12,042	2,629	4,057	5,557	12.243	

Datum:

13. Okt. 1961

A. [Signature]
6. NOV. 1961

GUGGENBACHER PAPIERFABRIK
Gesellschaft m. b. H.
bpa ppa

.....
(firmenmäßige Unterschrift)

Stand des INVESTITIONSVORHABENS
in FINANZIELLER Hinsicht

FIRMA: Guggenbacher Papierfabrik Ges.m.b.H.

BERICHT NR.: 2
STICHTAG: 30.9.1961

Investitionspräliminare für die Jahre 19 - 19		bisher ausgegeben	Fakturen- cbligo	Bestell- obligo	noch aufzuwenden	zusammen	Anmerkung
in tausend Schilling							
	Übertrag:	12.042	2,629		4,057	5,557	12,243
7.	<u>Stromversorgung</u> , 1 St.2000 kVA Trafo Leitungen, Blindstromkompensation, Schaltanlage, Ladestation	700	122		285	293	700
8.	<u>Gebäude:</u> <u>Schleifereigebäude</u>	1.662				1,662	1,662
9.	<u>Stoff- und Altpapieraufbereitung</u> Aufstockung u. Adaptierung des vorhandenen Schleifereigebäudes	1.310				1,310	1,310
10.	<u>Kalender</u> , Sanierung des vorhandenen Gebäudeteiles	280	3		375		378
11.	<u>Ergänzung zu Papiermaschine</u> , Neuherstellung der Dachkonstruktion, Hebung der Kranbahn, Abbruch des dzt. Papiersaals	1.266	422		904		1,326
12.	<u>Rollenhalle und Papiersaal</u> , Neubau anschließend an Papiermaschinen- halle	4,240	3,164		312	764	4,240
13.	<u>Reserve für Unvorhergesehenes und</u> <u>eventuelle Preiserhöhungen</u>	3.500				3,141	3,141
	zusammen:	25,000	6,340		5,933	12,727	25,000

Datum:

GUGGENBACHER PAPIERFABRIK
Gesellschaft m. b. H.
ppa.....
(firmenmäßige Unterschrift)i.O. 24.10.61
↓
31.10.

Stand des INVESTITIONSVORHABENS
in TERMINLICHER Hinsicht

FIRMA: Guggenbacher Papierfabrik Ges.m.b.H.

BERICHT NR.: 2
STICHTAG: 30. Sept. 1961

Nr.	Benennung	1959				1960				1961				1962				1963				Anmerkung								
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4									
1.	Maschinen: Schleiferei, Miagschleifer, Getriebe, Sortiermaschine, Ein- dickung, Pumpen, Kran													B	.....	.....	.....	L	.....	.....	.....	IB	.....	.....	.....		
2.	Stoff- und Altpapieraufbereitung, Pulper, Trichter, Refiner, Pumpen, Rohrleitungen, Aufzug, elektr. Einr. Motor, Beleuchtung																	B	.....	.....	.....	L	.....	.....	.....	IB	.....	.....	.....
3.	Kalander, 1 Superkalander, Getriebe Vorroller, elektr. Einr. Motore									B	.....	.....	.....	B	.....	.....	.....	L	.....	.....	.....	IB	.....	.....	.....	IB	.....	.....	.....
4.	Ergänzungen zu Papiermaschine, Wärme- rückgewinnungsanlage, Poperoller, elektr. Einrichtung									B	.....	.....	.....	B	.....	.....	.....	L	.....	.....	.....	IB	.....	.....	.....	IB	.....	.....	.....
5.	Rollenhalle und Papiersaal, Rollen- packmaschine, Rollenförderband, elektr. Einrichtung									B	.....	.....	.....	B	.....	.....	.....	L	.....	.....	.....	IB	.....	.....	.....	IB	.....	.....	.....

Bezeichnungen: B Bestellzeitpunkt
BB Baubeginn
RB Rohbau fertig
L Lieferzeitpunkt (Wareneingang)
IB Inbetriebnahme

Datum: Wien, den 13. Okt. 1961

GUGGENBACHER PAPIERFABRIK
Gesellschaft m. b. H.
Gpa Gpa
.....
(firmenmäßige Unterschrift)

Nr.	Benennung	1959				1960				1961				1962				1963				Anmerkung				
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4					
6.	Werksbahn und Transportmittel, ca. 200m Geleise, Weichenreparatur, Oberbauarbeiten, 1 Gabelstapler, elektr. Einr.									B	L	IB		B		I	IB									
7.	Stromversorgung, 1 St. 2000 kVA Trafo Leitungen, Blindstromkompensation, Schaltanlage, Ladestation									B	L	IB		B		I	IB									
8.	Gebäude Schleifereigebäude																	BB		RB	IB					
9.	Stoff- und Altpapieraufbereitung Aufstockung u. Adaptierung des vorhandenen Schleifereigebäudes																					BB		RB	IB	
10.	Kalander, Sanierung des vorhandenen Gebäudeteiles									BB		RB	IB	BB		RB	IB									

Bezeichnungen: B Bestellzeitpunkt
BB Baubeginn
RB Rohbau fertig
L Lieferzeitpunkt (Wareneingang)
IB Inbetriebnahme

Datum:

[Handwritten Signature]
.....
(firmenmäßige Unterschrift)

Stand des INVESTITIONSVORHABENS
in TERMINLICHER Hinsicht

FIRMA: Guggenbacher Papierfabrik Ges.m.b.H.

BERICHT NR.: 2
STICHTAG: 30. Sept. 1961

Nr.	Benennung	1959				1960				1961				1962				1963				Anmerkung
		1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	
11.	Ergänzung zu Papiermaschine, Neuherstellung der Dachkonstruktion, Hebung der Kranbahn, Abbruch des dzt. Papiersaals									BB	RB	IB										
										BB		RB	IB									
12.	Rollenhalle und Papiersaal, Neubau anschließend an Papiermaschinenhalle									BB	RB	IB										
										BB												
13.	Reserve für Unvorhergesehenes und eventuelle Preiserhöhungen																					

Bezeichnungen: B Bestellzeitpunkt
 BB Baubeginn
 RB Rohbau fertig
 L Lieferzeitpunkt (Wareneingang)
 IB Inbetriebnahme

Datum:

[Handwritten Signature]

 (firmenmäßige Unterschrift)

[Handwritten notes and signatures]
 30.10.

Amortization Schedule
Schedule on prepayment.

COPY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

July 25, 1963

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna, Austria

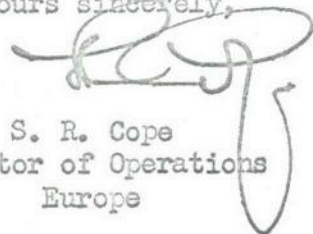
Gentlemen:

Loan 237-AUA
Guggenbacher Papierfabrik Gesellschaft m.b.H.

We have considered the matter raised in your letter of July 2 regarding the above project and we have no objection to the procedure you request. We have therefore as of July 8, 1963, the date on which your letter was received in the Bank, reduced the amount credited to the Loan Account on behalf of this project by \$154,000. We attach an amended amortization schedule and an amended schedule of premiums on prepayment or redemption in respect of the part of the Loan which still remains allocated to this project. Please confirm your agreement therewith by signing the form of confirmation on the enclosed copy of this letter and returning it to us. ✓

According to Section 3.03^{in 237}(b) of the Loan Agreement as amended by our letter of November 2, 1961 applications for the approval of projects should have been received by June 30, 1962. We shall, however, be prepared to approve a new project and for this reason we have agreed that the date referred to in this section shall be changed to December 31, 1963.

Yours sincerely,



S. R. Cope
Director of Operations
Europe

Enclosures

CONFIRMED:

OESTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

By _____
Date August 1, 1963



1963 AUG 1 11:02

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

Amortization Schedule

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in dollars)*</u>
April 1, 1964	U.S. \$ 16,000
October 1, 1964	17,000
April 1, 1965	17,000
October 1, 1965	18,000
April 1, 1966	19,000
October 1, 1966	19,000
April 1, 1967	20,000
October 1, 1967	21,000
April 1, 1968	21,000
October 1, 1968	22,000
April 1, 1969	23,000
October 1, 1969	24,000
April 1, 1970	25,000
October 1, 1970	26,000
April 1, 1971	20,000
	<hr/>
	U.S. \$ 308,000

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

July 25, 1963

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

<u>Time of Prepayment or Redemption</u>	<u>Premium</u>
Not more than two years before maturity	1/2%
More than two years but not more than four years before maturity	2%
More than four years but not more than six years before maturity	3-1/2%
More than six years but not more than eight years before maturity	4-3/4%
More than eight years before maturity	5-3/4%

July 25, 1963

July 25, 1963

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna, Austria

Gentlemen:

Loan 237-AUA
Guggenbacher Papierfabrik Gesellschaft m. b. H.

We have considered the matter raised in your letter of July 2 ✓
regarding the above project and we have no objection to the proce-
dure you request. We have therefore as of July 8, 1963, the date
on which your letter was received in the Bank, reduced the amount
credited to the Loan Account on behalf of this project by \$154,000.
We attach an amended amortization schedule and an amended schedule
of premiums on prepayment or redemption in respect of the part of
the Loan which still remains allocated to this project. Please
confirm your agreement therewith by signing the form of confirma-
tion on the enclosed copy of this letter and returning it to us.

According to Section 3.03^{Am 237}(b) of the Loan Agreement as amended
by our letter of November 2, 1961 applications for the approval of
projects should have been received by June 30, 1962. We shall,
however, be prepared to approve a new project and for this reason
we have agreed that the date referred to in this section shall be
changed to December 31, 1963.

Yours sincerely,



S. R. Cope
Director of Operations
Europe

Enclosures

CONFIRMED:

OESTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

By _____
Date _____

CLEARED AND CC: Mr. Hornstein
Mr. van Saagsvelt
Mr. Huehne

JHC:msc
cc: Mr. Rutland

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

Amortization Schedule

<u>Date Payment Due</u>	<u>Payment of Principal (amounts in dollars)*</u>
April 1, 1964	U.S. \$ 16,000
October 1, 1964	17,000
April 1, 1965	17,000
October 1, 1965	18,000
April 1, 1966	19,000
October 1, 1966	19,000
April 1, 1967	20,000
October 1, 1967	21,000
April 1, 1968	21,000
October 1, 1968	22,000
April 1, 1969	23,000
October 1, 1969	24,000
April 1, 1970	25,000
October 1, 1970	26,000
April 1, 1971	20,000
	<hr/>
	U.S. \$ 308,000
	<hr/>

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

July 25, 1963

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m. b. H. -
Project No. 12)

Oesterreichische Investitionskredit

<u>Time of Prepayment or Redemption</u>	<u>Premium</u>
Not more than two years before maturity	1/2%
More than two years but not more than four years before maturity	2%
More than four years but not more than six years before maturity	3-1/2%
More than six years but not more than eight years before maturity	4-3/4%
More than eight years before maturity	5-3/4%

July 25, 1963

Australia in 237

OESTERREICHISCHE INVESTITIONSKREDIT
A K T I E N G E S E L L S C H A F T

Kred.Abt/DrRter/Ho

July 16, 1963

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.

Attention: Mr. S.R.Cope, Director of Department of
Operations, Europe, Africa and Australasia

Gentlemen:

re: Loan No. 237-AUA

Referring to the last paragraph of our letter of July 2, 1963
concerning the cancellation of US-\$154,000 by Guggenbacher Papier-
fabrik Ges.m.b.H. we now forward enclosed five copies of our
project appraisal on

Gebrüder Grundmann
loan amount: US-\$288,500
IBRD participation US-\$154,000
project: Reorganization and rationalization
of foundry

The loan will be repaid in sixteen semi-annual instalments beginning
with September 30, 1965, the final instalment being due on March 31,
1973. The loan agreements to be concluded will be forwarded to you
within a few days.

The above project was submitted to the Working Committee of the Board
of Directors and unanimously approved of.

We therefore submit these projects to the Bank in accordance with
Article III, Section 3.02 of the Loan Agreement between us, No.237-
AUA, of September 1959, for approval. Should any further information
be necessary we will of course be glad to furnish it immediately.

We kindly ask you to transfer US-\$154,000 from the loan agreement
with Guggenbacher to the new project. As already mentioned in our
letter of July 2, 1963, we would like to make use of the funds not
disbursed to Guggenbacher by partly financing the project of Gebrüder
Grundmann.

We are looking forward to your favorable decision, and remain,

Yours truly,

OESTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Encl.

original filed in Loan 237
Gebrüder Grundmann project

**ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT**

Kred. Abt./DrL/Ho

WIEN I, AM HOF 4
TELEPHON 63 46 31 SERIE
CABLE: INVESTCRED
FERNSCHREIBER:
KONTROLLBANK ~~111111~~ 07-4103

July 2, 1963.

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D.C.
U.S.A.

Attention: Mr. S.R. Cope, Director of the
Department of Operations Europe

Gentlemen:

Re: Loan No. 313 AUA
Guggenbacher Papierfabrik
Ges.m.b.H.

The Guggenbacher Papierfabrik Ges.m.b.H. (the Borrower) in its letter of June 25, 1963, asked IVK to reduce the IVK loan by US-\$154,000 from the original amount of US-\$462,000 to US-\$308,000. The reason for this reduction is the Borrower's plan to postpone the execution of the second and smaller part of the project investments for the time being; both market prospects and the financial resources of the Borrower advise such a postponement.

The first stage of the project investment has been carried out or is nearing completion within the next few months. In detail, the following investments have been made or are under construction:

	<u>Machinery</u>	<u>Building</u>
	AS1000	
Investments in the raw material and waste paper preparation	1,200	-
Purchase of a calander including appurtenance	2,641	280
Heat recovery hood for paper machine 190	1,749	1,266
New roller and paper hall	655	4,240
Factory railway and transportation means	612	-
Electricity	700	-
Total	<u>7,557</u>	<u>5,786</u> ✓
The investments which were cancelled and postponed comprise:		
Extension of the pulp plant	4,415	1,662
Further investments in the raw material and waste paper preparation	<u>770</u>	<u>1,310</u>
	<u>5,185</u>	<u>2,972</u>

Copy in Austria No 237
Gelnuider Grundman - Project #

acc. July 25/63

186,519 5 copies

Should be 237

1963 707-8
RECEIVED
DECEMBER 1963

Сопровождающий документ № 333
 Счет № 00000000000000000000

001 1-11/22/12

RECEIVED
 GENERAL FILES
 CORRESPONDENCE

1963 JUL -8 AM 9:15

Investment and waste paper preparation
 further investments in the law
 execution of the public trust
 and postponed completion:
 The investments which were cancelled

	2,182	5,215
	110	1,210
	2,442	1,285
Later	1,221	2,182
Electricity	100	-
Wages	215	-
Factory rent and transportation	252	4,240
New roller and paper mill	247,1	1,285
Machine 100	142,5	280
Heat recovery hood for paper	1,500	-
Subscription		
Purchase of a standard including		
and waste paper preparation		
Investments in the law material		
	121000	
	Materially	Building

The following investments have been made or are under construction:
 or is nearing completion within the next few months. In detail,
 the first stage of the project investment has been carried out

followed advice such a postponement.
 poor market prospects and the financial resources of the
 and smaller part of the project investments for the time being.
 In the follow-up, a plan to postpone the execution of the second
 12-\$425,000 to 12-\$208,000. The reason for this reduction
 IAK loan by 12-\$124,000 from the original amount of
 in its letter of June 22, 1962, asked IAK to reduce the
 the GDR-Germany Papermill GDR-G.M.P.H. (the follow-up)

GDR-G.M.P.H.
 GDR-Germany Papermill
 №: loan no. 212 VDA

Gentlemen:

Department of Operations Europe
 Attention: Mr. S. B. Cobe, Director of the
 U.S.A.
 Washington 25, D.C.
 1818 H Street, N.W.
 Reconstruction and Development
 International Bank for

Handwritten notes and initials.

July 5, 1962.

КОНТРОЛЬНЫЙ № 01-1109
 ЛЕНИНСКИЙ РАЙОН
 СУДБЕ: ИНВЕСТИЦИИ
 ЛЕГЬНОЙ 02 48 31 БЕРИЕ
 МИЕН 1' УН НОР 4

Kleg. Vpf \ DLR \ HO

AKTIEINGEGESCHAFT
 ÖSTERREICHISCHE INVESTITIONSKREDIT

Thus, the reduced project compares with the original investment plan as follows:

	<u>original project</u>	<u>postponed investments</u>	<u>reduced project</u>
	AS1000		
Machinery	12,742	5,185	7,557
Buildings	8,758	2,972	5,786
Reserve for Unforeseen	<u>3,500</u>	<u>1,100</u>	<u>2,400</u>
	25,000 ✓	9,257 ✓	15,743 ✓
	=====	=====	=====

The IVK loan was earmarked to finance 48 per cent of the total project costs so that the reduced project would necessarily decrease the loan from the original US-\$462,000 to approx. US-\$308,000. So far, the Borrower as of June 30, 1963, drew US-\$273,000 and thus will be able to call for another US-\$35,000 in the next few months.

The reduced Project which includes the erection of a new paper hall, a calander and a heat recovering device for a paper machine is largely completed and has already shown positive effects on the Borrower's cost structure. IVK's technical experts were satisfied with the execution of the program; the cost and time schedule has been closely adhered to.

The Borrower's performance in 1962 was satisfactory, especially in view of the recession of the international pulp and paper market. Total sales remained at the 1961 level, but while in the preceding year a loss of about 2 per cent of total sales was recorded, the preliminary 1962 earnings record shows a small profit which indicates the positive effect of rationalization investments. For 1963 the Borrower expects some further improvement of earnings, since export prices have recovered to a certain extent and raw material costs should average lower than in 1962. Long-term prospects still depend largely on the overall structure of the international pulp and paper market and on the rise of domestic paper consumption which is expected to be lower in the 1960ties than in the last decade.

In the light of the circumstances described above IVK is prepared to comply with the Borrower's request to reduce the original loan by US-\$154,000. Since IVK's investment in the pulp and paper industry is substantial, we welcome a reduction of the investment in this branch. The reduction will effect the original repayment schedule in the way of cancelling the final five instalments and reducing the 15th instalment from US-\$27,000 to US-\$20,000 (for a revised schedule see annex).

BLATT 3 ZUM SCHREIBEN VOM July 2, 1963
AN International Bank for Recon-
struction and Development

We kindly ask you to agree to this procedure and would appreciate it highly if the cancelled amount could be credited to another investment project pursuant to Section 2.02 (c) of the Loan Agreement (loan No. 237 AUA). The respective Project Appraisal will be forwarded immediately under separate cover.

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT



Encl.



GUGGENBACHER PAPIERFABRIK GESELLSCHAFT M.B.H.A m o r t i s a t i o n s p l a n

1.	31. März 1964	US-\$	16.000
2.	30. September 1964		17.000
3.	31. März 1965		17.000
4.	30. September 1965		18.000
5.	31. März 1966		19.000
6.	30. September 1966		19.000
7.	31. März 1967		20.000
8.	30. September 1967		21.000
9.	31. März 1968		21.000
10.	30. September 1968		22.000
11.	31. März 1969		23.000
12.	30. September 1969		24.000
13.	31. März 1970		25.000
14.	30. September 1970		26.000
15.	31. März 1971		<u>20.000</u>
			308.000
			=====

Follow-Up-Report

Borrower: Guggenbacher Papierfabrik Ges.m.b.H.
Co-Borrower: Hans Bulla & Sohn
Line of Business:
 Borrower: Paper industry
 Co-Borrower: Printing industry
Loan No. 313: AS12,012,000.- (US-\$462,000)
Not Withdrawn: AS5,331,000.- (US-\$205,034)
Outstanding as of
December 31, 1962: AS6,681,000.- (US-\$256,966)
Currency: US-Dollar
Interest Rate: 7 1/4 per cent p.a.
Final Instalment: September 30, 1973

I. General

The debtor operates a medium-sized paper plant with an annual capacity of 20,000 tons (i.e. approx. 4 per cent of Austria's paper production). He produces mainly newsprint (70 p.c. of total production). The necessary cellulose is bought, the groundwood is produced by the Borrower.

II. Earnings and Financial Development (Annex 1a, 1b)

In accordance with the unfavorable situation of the total paper industry the Borrower's earnings position has also deteriorated in 1961. In 1962, the result is expected to improve slightly, since the preliminary balance sheet as of September 30, 1962 shows a gross profit (before depreciations) to the amount of AS2,600,000.-.

The liquidity is strained, since the earnings deterioration coincides with a substantial investment activity.

The earnings account of the co-debtor broke even in 1961, no considerable changes are expected for 1962.

III. Project

The new paper hall, the calander, and a heat recovering device for paper machine II of the Project investments are completed. The remaining part of the investment program, i.e. grinding plant and new material preparation, was postponed for the time being.

IV. Future Development and Market

In judging the company's development in 1963 careful optimism is justified since the completed investments and lower raw material prices are expected to have an advantageous effect on the earnings.

V. Protective Arrangements

The protective arrangements laid down in the loan agreement have been fulfilled in every respect. The mortgage, ranking equally with Österreichische Länderbank AG. includes aside from the Borrower's plant, his substantial forest property and real estate in Vienna (estimated value AS65 million).

Borrower:

Guggenbacher - Hans Bulla & Sohn

Annex 1a

Condensed Balance Sheet

A. Balance Sheet

Guggenb. Bulla consolidated Guggenb. Bulla consolidated

	Contractual Ratio	19 60		19 60		19 60		19 61		19 61		19 61		19		19		19	
		AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%
		I. Balance Sheet Figures																	
1. Fixed Assets		32.961	57,1	3.934	73,4	36.895	64,5	41.675	64,4	3.678	68,3	45.353	69,7						
2. Investments		14	-	-	-	14	-	14	-	-	-	14	-						
3. Inventories		12.175	21,1	535	10,8	12.710	22,2	10.765	16,6	650	12,1	11.415	17,5						
4. Delivery Claims		5.378	9,3	774	14,4	4.663	8,2	5.661	8,8	963	17,9	5.367	8,3						
5. Sundry Current Assets		7.287	12,6	117	2,2	2.922	5,1	6.561	10,2	97	1,8	2.922	4,5						
6. Balance Total		57.815	100	5.360	100	57.204	100	64.676	100	5.388	100	65.071	100		100		100		100
7. Equity		36.986	64,1	1.615	30,1	35.371	61,8	34.515	53,4	1.833	34,1	32.682	50,2						
8. Long-term Liabilities		3.005	5,2	4.482	83,6	3.005	5,3	7.861	12,1	4.805	89,2	8.930	13,7						
9. Delivery Debts		6.779	11,7	1.723	32,1	7.013	12,3	9.482	14,7	1.579	29,3	9.804	15,1						
10. Short-term Bank Debts		6.276	10,9	590	11,1	6.866	12,0	8.584	13,3	650	12,1	9.234	14,2						
11. Sundry Short-term Debts		4.769	8,2	180	3,4	4.949	8,6	4.234	6,5	187	3,5	4.421	6,8						
12. Balance Total		57.815	100	5.360	100	57.204	100	64.676	100	5.388	100	65.071	100		100		100		100
II. Reference Figures																			
13. Fixed Assets (1 + 2)		32.975	57,1	3.934	73,4	36.909	64,5	41.689	64,4	3.678	68,3	45.367	69,7						
14. Current Assets (3 + 4 + 5)		24.840	42,9	1.426	26,6	20.295	35,5	22.987	35,6	1.710	31,7	19.704	30,3						
15. Equity + Long-term Liabilities (7 + 8)		39.991	69,2	2.867	53,5	38.376	67,1	42.376	65,5	2.972	55,2	41.612	63,9						
16. Short-term Liabilities (9 + 10 + 11)		17.824	30,8	2.493	46,5	18.828	32,9	22.300	34,5	2.416	44,8	23.459	36,1						
17. Net Current Assets (14 ./ 16)		7.016	12,1	1.067	19,9	1.467	2,6	687	1,1	706	13,1	3.755	5,8						
18. Balance Total		57.815	100	5.360	100	57.204	100	64.676	100	5.388	100	65.071	100		100		100		100
19. Fixed Assets + Extraordinary Depreciations ¹⁾		40.435	61,9	6.130	81,1	46.565	69,6	49.685	68,4	5.723	77,1	55.408	73,8						
20. Equity + Extraordinary Depreciations ¹⁾		44.446	68,1	581	7,7	45.027	67,2	42.511	58,5	212	2,9	42.723	56,9						
21. Equity + Extraordinary Depreciations ¹⁾ + Long-term Debts		47.451	72,7	5.063	67,1	48.032	71,6	50.372	69,3	5.017	67,5	51.653	68,8						
22. Balance Total + Extraordinary Depreciations ¹⁾		65.275	100	7.556	100	66.860	100	72.672	100	7.433	100	75.112	100		100		100		100
23. Total Net Operating Income		96.497		6.308		101.388		96.154		6.086		100.667							
24. Employees																			
25. Wage Earners																			
26. Salaried Personnel																			
III. Ratios																			
27. Current Assets : Short-term Liabilities (14 : 16)		139	: 100	57	: 100	108	: 100	103	: 100	71	: 100	84	: 100						
28. Turnover of Stock (23 : 3)		7,9	x	11,8	x	8	x	8,9	x	9,4	x	8,8	x						
29. Turnover of Debtors (23 : 4)		17,9	x	8,1	x	21,7	x	17,-	x	6,3	x	18,8	x						
30. Net Current Assets : Total Net Operating Income (17 : 23)		7,3	%	neg.		1,4	%	0,7	%	neg.		neg.							
31. Equity : Long-term Debts (7 : 8)		92	: 8	neg.		92	: 8	81	: 19	neg.		78	: 22						
32. Equity + Extraordinary Depreciations ¹⁾ : Long-term Debts (20 : 8)		94	: 6	11	: 89	94	: 6	84	: 16	4	: 96	83	: 17						
33. Fixed Assets per Wage Earner (1 : 25)																			
34. Salary Earners : Wage Earners (26 : 25)																			
35.																			

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¹⁾ As far as hidden reserves are represented.

Calculated:

Checked:

Borrower:

Guggenbacher - Hans Bulla & Sohn

Annex 1b

Condensed Balance Sheet

B. Profit & Loss Statement

Guggenb. Bulla consolidated Guggenb. Bulla consolidated

	19 60		19 60		19 60		19 61		19 61		19 61		19		19		19	
	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%	AS 1000	%
I. Profit and Loss Statement																		
1. Total Net Operating Income	96.497	100	6.308	100	101.388	100	96.154	100	6.086	100	100.667	100		100		100		100
2. Operating Expenditure before Taxes ¹⁾ and Normal Depreciation ²⁾	89.230	92,5	5.006	79,4	92.819	91,5	93.922	97,7	5.239	86,-	97.588	96,9						
3. Net Operating Profit before Taxes ¹⁾ and Normal Depreciation	7.267	7,5	1.302	20,6	8.569	8,5	2.232	2,3	847	14,-	3.079	3,1						
4. Normal Depreciation	3.499	3,6	565	8,9	4.064	4,-	3.004	3,1	569	9,4	3.573	3,6						
5. Net Operating Profit before Taxes ¹⁾	3.768	3,9	737	11,7	4.505	4,5	./ 772	0,8	278	4,6./	494	0,5						
6. Interest on Long-term Capital	-		352	5,6	352	0,3					192	0,2						
7. Interest on Short-term Capital	751	0,8	-		751	0,8	1.035	1,1	383	6,3	1.226	1,2						
8. Taxes ¹⁾	668	0,7	8	0,1	676	0,7	305	0,3	10	0,2	315	0,3						
9. Other Non-operating and Extraordinary Results ^{interest from earnings}							299	0,3	4	0,1	303	0,3						
a) Income	899	0,9	6	0,1	905	0,9	582	0,6	47	0,7	629	0,6						
b) Expenditure	2.157	2,2	132	2,1	2.289	2,3	704	0,7	56	0,9	760	0,8						
10. Extraordinary Depreciation	301	0,3	806	12,8	1.107	1,1	536	0,6	502	8,2	1.038	1,-						
11. Taxed Annual Profit (Loss)	790	0,8./	555	8,8	235	0,2	./ 2.471	2,6./	622	10,2./	3.093	3,1						
II. Reference Figures																		
12. Management Salary if not Included in Total Expenditures	-		-		-		-		-		-							
13. Interest Payments as far as They Exceed Earned Interest	751	0,8	352	5,6	1.103	1,1	736	0,8	379	6,2	1.115	1,1						
14. Annual Profit (Loss) + Extraordinary Depreciation (11 + 10)	1.091	1,1	251	4,0	1.342	1,3	./ 1.935	2,0./	120	2,0./	2.055	2,1						
15. Profits (Dividends) Withdrawn	-		-		-		-		-		-							
16. Annual Profit (Loss) + Extraordinary Depreciation + Interest on Long-term Capital (14 + 6)	1.091	1,1	604	9,6	1.695	1,6	-		-		./ 1.863	1,9						
17. Funds Available for Amortization (16 - 15)	1.091	1,1	604	9,6	1.695	1,6	-		-		-							
18. Repayment of Long-term Liabilities	394	-			394	-												
19. Repayment of Long-term Liabilities + Interest on Long-term Capital (18 + 6)	394	-			394	-												
20. Total Production in Units																		
III. Ratios³⁾																		
21. Net Yield from Equity (14 - 12 : A 20)	2,5 %		43,2 %		3,0 %						neg.							
22. Gross Yield from Equity (14 + 8 - 12 : A 20)	4,0 %		44,6 %		4,5 %						neg.							
23. Net Yield from Long-term Capital (16 - 12 : A 21)	2,3 %		11,9 %		3,5 %						neg.							
24. Gross Yield from Long-term Capital (16 + 8 - 12 : A 21)	3,7 %		12,1 %		4,9 %						neg.							
25. Debt Service Coverage I (17 : 19)	2,8 x		-		4,3 x						neg.							
26. Debt Service Coverage II (13 + 14 + 4 + 8 : 18 + 13 + 15)	5,2 x		-		4,8 x						neg.							
27. Total Net Operating Income per Employee (1 : A 24)																		
28. Total Net Operating Income per Wage Earner (1 : A 25)																		
²⁾ Cost of Materials																		
Wages and Salaries																		
Sundry Expense																		

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DEFINITIONS

¹⁾ Taxes: Trade Tax on Capital, Trade Tax on Income, Personal or Corporate Income Tax, Property Tax, Real Estate Tax.

²⁾ Yield from Equity: Taxed Annual Profit (Loss) if necessary - Management Salary + Extraordinary Depreciation : Equity + Extraordinary Depreciation.

³⁾ Yield: Taxed Annual Profit (Loss) if necessary - Management Salary + Extraordinary Depreciation + Interest on Long-term Capital : Equity + Extraordinary Depreciation + Long-term Debts.

Computing the gross yield taxes (8) have to be added to profit.

Debts Service Coverage I: Taxed Annual Profit + Extraordinary Depreciation + Interest on Long-term Capital - Profits (Dividends) Withdrawn : Annual Repayments + Interest on Long-term Debts.

Debts Service Coverage II: Taxed Annual Profit + Extraordinary and Normal Depreciation + Interest Payments as far as They Exceed Earned Interest + Taxes : Annual Repayments + Interest Payments as far as They Exceed Interest + Profits (Dividends) Withdrawn

Calculated:

Checked:

Official Documents Files

July 10, 1961

Michael H. Wiehen

AUSTRIA: Loan 237 AUA - Project No. 12
Guggenbacher Papierfabrik Gesellschaft m.b.H. 29

I am attaching herewith a letter from Oesterreichische Investitionskredit Aktiengesellschaft to the Bank (Attn: Mr. M. L. Lejeune) dated June 27, 1961, re above mentioned subject, enclosing copy of a letter from Michael L. Lejeune to Oesterreichische Investitionskredit Aktiengesellschaft, dated June 19, 1961, re Loan No. 237 AUA - Project No. 12, forwarding Amortization Schedule and Time of Prepayment or Redemption. The last three mentioned documents have been duly confirmed by Oesterreichische Investitionskredit Aktiengesellschaft.

Kindly furnish photostatic copies of attached to Messrs. Collier, Apar, Wishart, Rutland and to Legal Files.

Attachment^s

cc: Messrs. Collier, Apar, Wishart, Rutland
Legal Files

MHWiehen/rc

Approval
Prof. No. 12

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/Sch

WIEN I, AM HOF 4
TELEPHON 68 48 31 SERIE
CABLE: INVESTORED
FERNBONREIDER:
KONTROLLBANK 01-1441

June 27, 1961 ✓

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

Attention: Mr. M.L.Lejeune, Assistant Director

Gentlemen:

Loan No.237-AUA-Project No. 12-
Guggenbacher Papierfabrik Gesellschaft m.b.H.

Referring to your letter of June 19, 1961 we thank you for having approved above mentioned project and for having credited the Loan Account in the amount of US-\$462.000. We have also noted that the interest rate is 5-3/4% per annum.

Please find enclosed signed copy of the letter of approval.

We remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Henry M. ...

1801 JUN 30 11 2: 50

STARK WIRTSCHAFT
RECEIVED

COPY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

June 19, 1961

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna, Austria

Gentlemen:

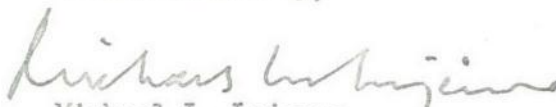
Loan No. 237-AUA - Project No. 12 - Guggenbacher
Papierfabrik Gesellschaft m.b.H

Referring to the Loan Agreement (Second Industrial Credit Project) dated September 25, 1959 between us, and to our cable of today, we hereby wish to confirm our approval, pursuant to Section 3.02 of the Loan Agreement, of the Guggenbacher Papierfabrik project referred to above for credit to the Loan Account. We have therefore, today, pursuant to Section 2.02 of the Loan Agreement, credited the Loan Account in the amount of \$462,000 in respect of this project. In accordance with Section 2.05 of the Loan Agreement, the rate of interest on this part of the Loan so credited to the Loan Account is 5-3/4% per annum.

In accordance with Section 2.07 of the Loan Agreement we hereby enclose an amortization schedule and schedule of premiums on prepayment and redemption in respect of the part of the Loan credited to the Loan Account for the above project. Please confirm your agreement therewith by signing the form of confirmation on the enclosed copy of this letter and returning such copy to us.

As a matter of record, the Bank considers this investment project as Project No. 12 - Guggenbacher Papierfabrik Gesellschaft m.b.H.

Yours sincerely,



Michael L. Lejeune
Assistant Director of Operations
Europe, Africa and Australasia

Enclosures

CONFIRMED:

OESTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

By 

Date June 27, 1961

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

Amortization Schedule

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in dollars)*</u>
April 1, 1964	U.S. \$ 16,000
October 1, 1964	17,000
April 1, 1965	17,000
October 1, 1965	18,000
April 1, 1966	19,000
October 1, 1966	19,000
April 1, 1967	20,000
October 1, 1967	21,000
April 1, 1968	21,000
October 1, 1968	22,000
April 1, 1969	23,000
October 1, 1969	24,000
April 1, 1970	25,000
October 1, 1970	26,000
April 1, 1971	27,000
October 1, 1971	27,000
April 1, 1972	28,000
October 1, 1972	29,000
April 1, 1973	31,000
October 1, 1973	32,000
	<hr/>
	U.S. \$ 462,000
	<hr/> <hr/>

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

<u>Time of Prepayment or Redemption</u>	<u>Premium</u>
Not more than two years before maturity	1/2%
More than two years but not more than four years before maturity	2%
More than four years but not more than <u>eight</u> years before maturity	3-1/2%
More than <u>eight</u> years but not more than ten years before maturity	4-3/4%
More than <u>ten</u> years before maturity	5-3/4%

June 19, 1961

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna, Austria

Gentlemen:

Loan No. 237-ABA - Project No. 12 - Guggenbacher
Papierfabrik Gesellschaft m.b.H

Referring to the Loan Agreement (Second Industrial Credit Project) dated September 25, 1959 between us, and to our cable of today, we hereby wish to confirm our approval, pursuant to Section 3.02 of the Loan Agreement, of the Guggenbacher Papierfabrik project referred to above for credit to the Loan Account. We have therefore, today, pursuant to Section 2.02 of the Loan Agreement, credited the Loan Account in the amount of \$462,000 in respect of this project. In accordance with Section 2.05 of the Loan Agreement, the rate of interest on this part of the Loan so credited to the Loan Account is 5-3/4% per annum.

In accordance with Section 2.07 of the Loan Agreement we hereby enclose an amortization schedule and schedule of premiums on prepayment and redemption in respect of the part of the Loan credited to the Loan Account for the above project. Please confirm your agreement therewith by signing the form of confirmation on the enclosed copy of this letter and returning such copy to us.

As a matter of record, the Bank considers this investment project as Project No. 12 - Guggenbacher Papierfabrik Gesellschaft m.b.H.

Yours sincerely,

Michael L. Lejeune
Assistant Director of Operations
Europe, Africa and Australasia

Enclosures

CONFIRMED:

OESTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

By _____

Date _____

JHCollier:vmc

cleared and cc:
Mr. Apcar
Mr. Ferram
Mr. Wiehen
Treasurer

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

Amortization Schedule

<u>Date Payment Due</u>	<u>Payment of Principal (expressed in dollars)*</u>
April 1, 1964	U.S. \$ 16,000
October 1, 1964	17,000
April 1, 1965	17,000
October 1, 1965	18,000
April 1, 1966	19,000
October 1, 1966	19,000
April 1, 1967	20,000
October 1, 1967	21,000
April 1, 1968	21,000
October 1, 1968	22,000
April 1, 1969	23,000
October 1, 1969	24,000
April 1, 1970	25,000
October 1, 1970	26,000
April 1, 1971	27,000 27,000
October 1, 1971	27,000
April 1, 1972	28,000
October 1, 1972	29,000
April 1, 1973	31,000
October 1, 1973	32,000
	<hr/>
	U.S. \$ 462,000 308,000

*To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Loan No. 237-AUA

(Guggenbacher Papierfabrik Gesellschaft m.b.H. -
Project No. 12)

Oesterreichische Investitionskredit

<u>Time of Prepayment or Redemption</u>	<u>Premium</u>
Not more than two years before maturity	1/2%
More than two years but not more than four years before maturity	2%
More than four years but not more than eight years before maturity	3-1/2%
More than eight years but not more than ten years before maturity	4-3/4%
More than ten years before maturity	5-3/4%

OUTGOING WIRE

Austria - In 237
(12) Guggen -

TO: INVESTCRED
VIENNA

DATE: JUNE 19, 1961

CLASS OF LT
SERVICE:

MKT

COUNTRY: AUSTRIA

TEXT:
Cable No.:

REURLET JUNE 15 COMMA BANK HAS TODAY APPROVED PROJECT NUMBER TWELVE
GUGGENBACHER PAPIERFABRIK PROJECT AND CREDITED YOUR LOAN ACCOUNT IN AMOUNT
OF US DOLLARS 462,000 STOP INTEREST RATE FIVE THREE QUARTERS PERCENT
STOP LETTER FOLLOWS

LEJEUNE

NOT TO BE TRANSMITTED

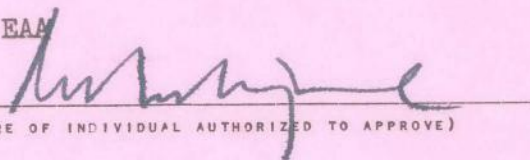
MESSAGE AUTHORIZED BY:

NAME: L. Lejeune

DEPT. Operations, EAM

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)



JHCollier:vmc ORIGINAL (File Copy)

(IMPORTANT: See back of yellow copy for guide in preparing form)

CLEARANCES AND COPY DISTRIBUTION:

cc and cleared: Mr. Apcar
Mr. Perram
Mr. Wiehen
cc: Treasurer's

For Use by Archives Division

Checked for Dispatch: _____

(INSTRUCTIONS: THE BACK OF THIS FORM IS TO BE USED FOR ADDITIONAL INFORMATION)

RECORDS SECTION: ORIGINAL (1/1/19 0001)

CLASSIFICATION: UNCLASSIFIED

104-1700-01-0000-0000-0000

STANDARD: [Handwritten signature]

DEPT: [Handwritten signature]

NAME: [Handwritten signature]

ADDRESS: [Handwritten signature]

DATE: 1/1/19
TIME: 10:00 AM
BY: [Handwritten signature]

STANDARD AND DATA DIVISION

NOT TO BE REPRODUCED

SECRET

THIS FORM IS TO BE USED FOR ADDITIONAL INFORMATION
ON THE BACK OF THIS FORM IS TO BE USED FOR ADDITIONAL INFORMATION
ON THE BACK OF THIS FORM IS TO BE USED FOR ADDITIONAL INFORMATION
ON THE BACK OF THIS FORM IS TO BE USED FOR ADDITIONAL INFORMATION

FORM NO. 1
TEXT

CLASSIFICATION: UNCLASSIFIED

[Handwritten initials]

DATE: 1/1/19
TIME: 10:00 AM

BY: [Handwritten signature]

DATE: 1/1/19
TIME: 10:00 AM

RECORDS SECTION: ORIGINAL (1/1/19 0001)

SECRET

CLASSIFICATION: UNCLASSIFIED

Dispatched June 19. After hours

Files

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/DrHa/Sch

WIEN I, AM HOF 4
TELEPHON 83 46 31 SERIE
CABLE: INVESTORED
FERNSCHREIBER:
KONTROLLBANK 01-1441

June 16th, 1961

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

Attention: Mr. S.R.Cope, Director of Operations,
Europe, Africa and Australasia

Gentlemen:

Guggenbacher Papierfabrik

We acknowledge receipt of your letter dated June 6, 1961 ✓
from which we are pleased to note that the Bank is prepared
to approve the proposed credit.

We refer to your remark on the insurance arrangement and
inform you on the reason of our arrangement as follows:

The Österreichische Länderbank Aktiengesellschaft is the
house bank of the Borrower. It has a mortgage registered
on which we have equal ranking and is beneficiary of all
insurances. In order to obtain all insurances in one hand
and to exclude any discussion to which insurance which
institution is entitled as beneficiary we have agreed with
the Länderbank that as far as insurances and mortgages are
concerned equal ranking takes place so that in any emergency
case our parts are taken care of respectively. This arrange-
ment seemed to us to largely simplify matters without impairing
any of our interests.

We hope this information clarifies whatever the situation
and remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT
Frein *Maunnd*

1961 JUN 16 10:11
BANK WAIF BOON
RECEIVED

RECEIVED
BANK MAIL ROOM

1961 JUN 19 AM 10:17

[Handwritten signature]
AKTIENGESELLSCHAFT
ÖSTERREICHISCHE INVESTITIONSBANK

London, England

Dear Sirs,
We note that information supplied must have the approval

and of our interests.
We seem to us to require a further written approval
and our bank are taken care of respectively. This arrange-
concerned about banking takes place so that in any emergency
the bank must be able to finance and work with the
institution is entitled to receive the same as well as with
and to exchange any discussion to which financial matter
concerns. In order to obtain all financial in one bank
on which we have about banking and is respectively of all
bank of the bank. It has a workable regulated
the Österreichische Bankvereinigung is the

information on the basis of our agreement as follows:
We refer to your remark on the financial arrangement and

to include the proposed credit.
Now which we are pleased to note that the bank is pleased
We acknowledge receipt of your letter dated June 9, 1961

Österreichische Bankvereinigung

Gentlemen:

Attention: Mr. S. B. Cobe, Director of Operations

Washington 25, D.C.
1818 H Street, N.W.
Reconstruction and Development
International Bank for

June 19, 1961

KONTROLLBANK 01-1961
LEIBNIZSTRASSE
ÖBGE: INWÄRTS
TELEFON 09 40 81 8818
WIEN 1. UH NOF 4

SEK/DRH/SC

AKTIENGESELLSCHAFT
ÖSTERREICHISCHE INVESTITIONSBANK

[Handwritten signature]

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/Sch

WIEN I, AM HOF 4
TELEPHON 68 46 91 SERIE
CABLE: INVESTORED
FERNSCHREIBER:
KONTROLLBANK 01-1441

June 15th, 1961

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

Attention: Mr. S.R.Cope, Director of Department of
Operations, Europe, Africa and Australasia

Gentlemen:

Referring to the Loan Agreement dated September 25, 1959,
Nr. 237-AUA, between us we are glad to inform you that we
have declared effective the Loan Agreement with

Guggenbacher Papierfabrik
Gesellschaft m.b.H. und
Hans Bulla & Sohn

on June 14th, 1961 and kindly ask you to credit the re-
spective Loan Account.

We remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT



1961 JUN 19 10:18 AM
BANK WIR BOON
RECEIVED

acc. June 19/61 by
Cahill & Utter

02/11/1961

RECEIVED
BANK MAIL ROOM

1961 JUN 19 AM 10:16

[Handwritten signature]

AKTIENGESELLSCHAFT
ÖSTERREICHISCHE INVESTITIONSKREDIT

London, England

Dear Sirs,

reference your account
on June 14th 1961 and kindly ask you to credit the re-

main bills of your
Gesellschaft w.p.H. and
Gesellschaft für Österreich

have declared effective the loan agreement with
No. 521-VVA, between us we are glad to inform you that we
referring to the loan agreement dated September 22, 1952,

Gentlemen:

Operations, Europe, Africa and Australasia
Attention: Mr. S.K. Cobe, Director of Department of

Washington 25, D.C.
1818 H Street, N.W.
Reconstruction and Development
International Bank for

June 14th 1961

KONTROLLBANK 01-1441
LEBENSWEISER:
CVRGE: INVESTOR
TELEFON 88 46 91 8818
MITEN 1. VM HOL 4

2021/202

AKTIENGESELLSCHAFT
ÖSTERREICHISCHE INVESTITIONSKREDIT

Austria - In 237
(Guggenbacher)

June 6, 1961

Gentlemen:

Guggenbacher Papierfabrik

Thank you for your letter of May 9 enclosing additional information on the above project. Our questions arose largely out of the relationship between Guggenbacher and the firm of Hans Bulla and Sohn and the possibility of the Bulla firm having an unfavorable effect on the financial position of Guggenbacher. After studying the additional information and noting your assurance that Bulla will have a beneficial influence on the concern as a whole, we are prepared to approve the project.

As far as the provision of Section 10.11 of IVK's loan agreement is concerned, we wonder why it was necessary to make in advance the exception in favor of the Länderbank. Was this because of a loan agreement between the Länderbank and the Borrower which contains a requirement to this effect or in consideration of the Länderbank's agreement to the "Gleichrangerklärung" in Section 10.09?

In the absence of these reasons or some other legitimate consideration, it would not appear in the interests of IVK to make such exception in advance.


We would be grateful for an explanation.

Yours sincerely,



E. R. Cope
Director of Operations
Europe, Africa and Australasia

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna 1, Austria

JHCollier:vmc 

cc: Mr. Fontein/Mr. Wiehen
Mr. Aparar
Mr. Perrem

TO: **INVESTCRED
VIENNA**

DATE: **JUNE 6, 1961**

CLASS OF
SERVICE: **LT**

COUNTRY: **AUSTRIA**

TEXT:
Cable No.:

C

**RADIO AUSTRIA AND GUGGENBACHER PROJECTS APPROVED STOP LETTERS
FOLLOW STOP**

O

COPE

P

Y

*Original in file 237-Radio
Austria*

NOT TO BE TRANSMITTED

MESSAGE AUTHORIZED BY:

NAME **SRCope**

DEPT. **Operations EAA**

SIGNATURE _____

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

CLEARANCES AND COPY DISTRIBUTION:

cc: **Mr. Perram
Mr. Apcar
Mr. Wiehen**

JHCollier:vmc

ORIGINAL (File Copy)

(IMPORTANT: See back of yellow copy for guide in preparing form)

For Use by Archives Division

Checked for Dispatch: _____

OFFICE MEMORANDUM

TO: The Working Party

FROM: G. A. Apcar *G.A.A.*

SUBJECT: Loan 237-AUA - Guggenbacher Papierfabrik Ges. M.B.H.
Application for \$462,000 loan equivalent
to S.12.0 million

DATE: June 1, 1961

Osterreichische Investitionskredit A.G. has submitted its appraisal report on a proposed loan to Guggenbacher Papierfabrik Ges. M.B.H. for the Bank's approval.

The Borrower

The borrower operates a paper and wood pulp factory at Guggenbach, a wood pulp plant at Schwanberg, a sawmill at Peggan and a paper wholesale firm in Vienna. All the shares of the company are owned by Mr. Hans Bulla, who is also the sole owner of a printing firm, Hans Bulla & Sohn, Vienna. IVK has confirmed that Hans Bulla & Sohn and Guggenbacher Papierfabrik Ges. M.B.H. will be co-borrowers and co-debtors of the proposed loan.

The Project

The project aims at rationalizing the production equipment and improving the quality of finished goods. Paper making capacity will remain at 19,000 - 20,000 tons per annum.

The total cost of the project, planned for completion in 1964, is estimated at S.25.0 million, broken down as follows:

In Million Schillings

Machinery	12,742
Buildings	8,758
Reserve for unforeseen	<u>3,500</u>
	<u>25,000</u>

IVK's loan represents 48% of the estimated expansion costs. The balance of S.13.0 million is expected to be provided out of earned profits and depreciation.

For Balance Sheets and Profit and Loss Statements for Guggenbacher Papierfabrik and Hans Bulla & Sohn see Annexes I and II.

Future Financial Position

Forecasted future earnings and balance sheets for Guggenbacher Papierfabrik are shown below. Completion of the project is scheduled for 1964.

Earnings

A comparison of actual earnings in 1959 with estimates for 1964 is given below:

	<u>1959</u> <u>Actual</u> (¹ 000 Schillings)	<u>1964</u> <u>Estimated</u> (¹ 000 Schillings)
Total Operating Income	81,974	86,142
Operating Expenditure	78,389	81,734
Net Operating Income before Normal Depreciation	<u>3,585</u>	<u>4,408</u>
<u>Non-Operating Expenditure</u>		
Interest	865	1,725
Taxes	106	1,200
Extraordinary Depreciation	429	-
Extraordinary Expenditure (Income)	<u>288</u>	<u>(750)</u>
Total Non-Operating Expense	1,688	2,175
<u>Annual Profit</u>	<u>1,897</u>	<u>2,233</u>

Summary Balance Sheets of Guggenbacher Papierfabrik are as follows:

	<u>Actual</u> <u>1959</u> (¹ 000 Schillings)	<u>Estimated</u> <u>1961</u> <u>1964</u> (¹ 000 Schillings)
<u>Assets</u>		
Fixed Net Assets ^{1/}	31,533	37,030
Investments(Incl. loans to Bulla) ^{2/}	3,689	14
Inventories	8,925	10,925
Sundry Current Assets	<u>8,321</u>	<u>12,086</u>
Total Assets	<u>52,468</u>	<u>60,055</u>
<u>Liabilities</u>		
Equity	35,370	36,424
Long-term Debt	2,404	9,430
Short-term Debt	<u>14,694</u>	<u>14,201</u>
Total Liabilities	<u>52,468</u>	<u>60,055</u>
<u>Ratios</u>		
Current Assets/Cur. Liabilities	1.17:1	1.62:1
Debt/Equity	6:94	21:79
		2.46:1
		28:72

^{1/} Total fixed assets (according to the borrower's statement of position) including actual hidden reserves, as at September 30, 1960 amounted to S.63.481 million -- the figure shown in the balance sheet at the end of fiscal 1959 was S.31.533 million.

^{2/} The amount loaned to Bulla at the end of 1960 amounted to approximately S.4.5 million. The estimated balance sheets for 1960 through 1964 do not show this debt -- one explanation may be that the debt has been included in "Sundry Current Assets" in which case the Current Assets/Current Liabilities ratio would be approximately 1.37:1 and 2.07:1 for the years 1961 and 1964 respectively.

Management

In its appraisal report IVK advised that all shares of Guggenbacher are owned by Mr. Hans Bulla. The Bank, in its letter of April 17, 1961, requested information on the legal, financial as well as managerial (personnel) aspects of the two companies (Hans Bulla & Guggenbacher). In its reply (May 9) IVK merely confirmed that Hans Bulla owns all the shares in the Guggenbacher Company, and that "after close examinationwe (IVK) consider it well worth being supported by our institute".

Production and Marketing

The borrower produces newsprint on four paper machines, the largest being 1,900 mm. IVK considers these machines suitable in the light of the special sales policy of the borrower which aims at accepting small orders demanding a flexible production program.

Under the Cartel Agreement, the borrower shares 4.845% of the domestic market.

Exports are handled in greater part by the company's agents abroad, and to a lesser degree by large Austrian Export firms. Orders received up to November 1960 were sufficient to keep the company in full production for the next six months.

It is expected that on completion of the project investment earnings will improve as a result of increased output and improved finished products. ||

Contractual Provisions

Rate of Interest: 7 $\frac{1}{4}$ % p.a.

Security^{1/}: Registration of a mortgage amounting to S.13.2 million to rank (after previous mortgages in the sum of approximately S.1.0 million) equally with an existing mortgage of S.9.0 million registered in favor of the Oesterreichische Lenderbank.

Repayment: In 10 years commencing March 31, 1964.

In its Appraisal Report IVK advises that the consolidated debt limitation is to be 50/50 whereas in the Subsidiary Loan Agreement (Section 10.04) the ratio mentioned is 40/60. This inconsistency should be mentioned to IVK.

1/ IVK advises that the total fixed assets including hidden reserves, according to the borrowers statement of position, as of September 30, 1960 amounted to S.63.48 million. Guggenbacher & Bulla consolidated fixed assets as per balance sheets amount to approximately S.34.8 million.

Conclusion

It is not possible to arrive at a judgment of the management of Guggenbacher on the information furnished. No information has been furnished as to the future prospects of Hans Bulla & Sohn nor have we any information as to how the advances of S.4.5 million are to be repaid to Guggenbacher except that the applicant proposes to turn Hans Bulla & Sohn into a limited partnership and the Guggenbacher loan "will be transformed in a limited deposit".

The Landerbank loan of S.9.0 million does not appear in the Guggenbacher or Bulla balance sheets under long-term debt and it is assumed that the loan has been (at least partly) included in the companies' current liabilities. We do not know the terms of repayment for this loan. In the Guggenbacher forecasted balance sheets for 1960 through 1964 the advances to Bulla amounting in 1960 to S.4.5 million are not shown.

The current liquidity of the companies separately, and in consolidated form, is not good and the general consolidated financial strength is such that it may meet with difficulties in the event of a recession in the Austrian paper trade. An explanation submitted by IVK is that the relatively poor liquidity for the years 1956 through 1958 resulted from short-term financing of investments during those years. The position at the end of 1959 showed improvement and it is IVK's opinion that the unfavorable liquidity is actually less critical than the ratios would imply.

This is not a project I would recommend for a direct Bank loan without more information than is presently available to the Bank. However, after being put on notice of our misgivings, IVK has indicated that after close examination it is satisfied that the project is sound and that it (IVK) is anxious to make the loan. In the circumstances, I do not think we should withhold our approval.

G.A.Apcar:ejw
cc. to : Messrs. Collier
Wiehen
Perram
Wishart

SUMMARY BALANCE SHEETS
(*000 Schillings)

Assets	1956			1957			1958			1959		
	Guggenbacher	Bulla	Consolidated	Guggenbacher	Bulla	Consolidated	Guggenbacher	Bulla	Consolidated	Guggenbacher	Bulla	Consolidated
Fixed Assets	37,469	3,189	40,658	40,588	3,408	43,996	35,811	3,436	39,247	31,533	3,653	35,186
Investments	29	-	29	29	-	29	14	-	14	14	-	14
Inventories	11,969	501	12,470	13,312	637	13,949	9,822	-	10,327	8,925	498	9,423
Sundry Current Assets	8,528	956	9,484	9,601	978	10,579	9,036	1,000	10,036	8,321	897	9,218
Claims against Associated Companies ^{1/}	<u>1,442</u>			<u>2,311</u>			<u>2,973</u>			<u>3,675</u>		
Total	<u>59,437</u>	<u>4,646</u>	<u>62,641</u>	<u>65,841</u>	<u>5,023</u>	<u>68,553</u>	<u>57,656</u>	<u>4,941</u>	<u>59,624</u>	<u>52,468</u>	<u>5,048</u>	<u>53,841</u>

^{1/} Represents loans to Hans Bulla & Sohn to finance additions to fixed assets, and has been excluded in computing the current ratios; also excluded from the consolidated long-term debt.

Liabilities

Equity	39,275	487	39,762	34,438	(307)	34,131	33,473	(495)	32,978	35,370	(583)	34,787
Long-term Debt	1,007	2,941	2,506	1,372	4,384	3,445	1,783	4,586	3,396	2,404	4,583	3,312
Current Liabilities	<u>19,155</u>	<u>1,218</u>	<u>20,373</u>	<u>30,031</u>	<u>946</u>	<u>30,977</u>	<u>22,400</u>	<u>850</u>	<u>23,250</u>	<u>14,694</u>	<u>1,048</u>	<u>15,742</u>
Ratios	<u>59,437</u>	<u>4,646</u>	<u>62,641</u>	<u>65,841</u>	<u>5,023</u>	<u>68,553</u>	<u>57,656</u>	<u>4,941</u>	<u>59,624</u>	<u>52,468</u>	<u>5,048</u>	<u>53,841</u>
Current Assets/Current Liabilities	1.09:1	1.20:1	1.07:1	0.76:1	1.71:1	0.79:1	0.84:1	1.77:1	0.88:1	1.17:1	1.33:1	1.19:1
Current Assets(Excl. Inventories)/ Current Liabilities	0.44:1	0.80:1	0.47:1	0.32:1	1.03:1	0.34:1	0.40:1	1.18:1	0.43:1	0.57:1	0.85:1	0.59:1
Debt/Equity	3:97	98:2	6:94	4:96		9:91	5:95		9:91	6:94		9:91

PROFIT AND LOSS STATEMENTS
('000 Schillings)

	1956			1957			1958			1959		
	<u>Guggenbacher</u>	<u>Bulla</u>	<u>Consolidated</u>	<u>Guggenbacher</u>	<u>Bulla</u>	<u>Consolidated</u>	<u>Guggenbacher</u>	<u>Bulla</u>	<u>Consolidated</u>	<u>Guggenbacher</u>	<u>Bulla</u>	<u>Consolidated</u>
Total Operating Income	75,844	4,268	80,112	77,220	5,304	82,524	79,751	5,787	85,538	81,974	5,495	87,469
Gross Profit before Depreciation, Taxes and Interest	6,939	(35)	6,904	6,709	236	6,945	6,051	473	6,524	7,010	635	7,645
Depreciation - Normal	4,004	178	4,182	4,022	203	4,225	4,985	295	5,280	3,713	344	4,057
- Extraordinary	-	-	-	5,828	681	6,509	900	623	1,523	429 ✓	426	855
Interest	574	121	695	622	136	758	850	191	1,041	865 ✓	240	1,105
Taxes	1,566	10	1,576	257	4	261	281	7	288	106 ✓	5	111
Annual Profit (Loss)	795	(344)	451	(4,020)	(788)	(4,808)	(965)	(643)	(1,608)	1,897 ✓	(380)	1,517
Annual Profit (Loss) plus Extraordinary Depreciation ^{1/}	795	(344)	451	1,808	(107)	1,701	(65)	(20)	(85)	2,326	46	2,372

^{1/} There is a saving of approximately 50% in taxes during the period when extraordinary depreciation is permitted. No provisions have been made for the time when extraordinary depreciation may no longer be taken and the company will have heavy tax liabilities.

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/DrHa/Sch

WIEN I, AM HOF 4
TELEPHON 68 46 31 SERIE
CABLE: INVESTORED
FERNSCHREIBER:
KONTROLLBANK 01-1441

May 9, 1961

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

*No acknowledgment
necessary.
JAA*

Attention: Mr. S.R.Cope, Director of Operations
Europe, Africa and Australasia

Gentlemen:

Loan 237 AUA - Guggenbacher Papierfabrik

With reference to your letter of April 17, 1961 regarding the above mentioned project we like to discuss in the first place the problems raised by you in the third paragraph of your letter, concerning the situation in the paper industry as such.

As of December 1960 out of a total of loans granted of 441.8 million AS, 35% were concentrated in the paper field and 6% in the board industry. We believe that economically the board and paper industry should not be regarded one branch of industry, especially not in Austria, where we have very few concerns dealing with both matters within one company. When we regard the total expected volume of credits at the moment we find the following distribution.

Total amount of projects planned	S 1,424.847		
Concluded and proposed loans	S 547.409		
Total investments in paper projects	S 581.131	Percentage of total investment volume	40.79
Loans for paper projects	S 187.252	Percentage of total loans	34.21

We think that from this table can be drawn that in our lending operations we have de-concentrated in this branch of industry rather than enlarged our commitments.

1961 MAY 12 10:10:40

BANK WAIR BOOM
RECEIVED

Red June 6/61

055 2-100 p/11

RECEIVED
BANK MAIL ROOM

1961 MAY 15 AM 10:46

of industrial capital than anticipated and commitments.
Pending observations we have de-concentrated in this respect
We think that from this table can be drawn that in our

Projects Total for Haber	2	181.525	Total loans Percentage of	24.51
In Haber projects Total investments	2	281.121	Total investment volume Percentage of	40.12
Proposed loans Concluded and	2	241.402		
Projects planned Total amount of	2	1,454.841		

credits at the moment we find the following distribution
one company. When we regard the total expected volume of
have left few concerns dealing with both matters within
presence of industrial, especially not in Austria, where we
the road and Haber industrial should not be regarded one
and also in the road industrial. We believe that economically
44.8 million vs. 22% were concentrated in the Haber field
as of December 1960 out of a total of loans planned of

industrial as such.
of your letter concerning the situation in the Haber
place the problems raised by you in the first paragraph
the whole mentioned project we like to discuss in the first
with reference to your letter of April 11, 1961 regarding

Form 521 VVA - Gussenscher Patentartikel

Gentlemen:

Enclosed, please find attached
Attention: Mr. G.H. Cohe, Director of Operations

Washington 22, D.C.
1818 H Street, N.W.
Reconstruction and Development,
International Bank for

Handwritten:
1961
with necessary
No acknowledgment -

MAY 2 1961

КОНТРОЛЛЕРСКИЙ ОТДЕЛ
ЛЕВИНШВЕИДЕН:
ОБЪЕКТ: ИНВЕСТИЦИИ
ТЕЛЕФОН 93 49 21 БЕРЛИН
МИН 1' УМ НОБ 4

SEKUL/DINA/SON

AKTIENGESELLSCHAFT
ÖSTERREICHISCHE INVESTITIONSBANK

Handwritten:
Ob
1961
1961

BLATT 2 ZUM SCHREIBEN VOM May 9, 1961
AN International Bank for
Reconstruction and Development

Furthermore, we have to draw your attention to the fact that in a country like ours the paper industry enjoys a particularly important role since primarily the production is based on internal resources. Due to the large portion this industry holds in export business a favorable influence on the balance of payment situation is eminent. Lastly we point out that the paper industry is the last capital intensive industry in Austria which is still privately owned. The concerns cannot rely for their capital supply on other sources than those provided either by ERP or our institution, because the capital market is not open for private borrowings at the moment as you are, no doubt, well aware of.

The problem paper industry was discussed also in the Working Party of the Board of Directors which fully accepted the views now communicated to you. Of course, both, the Working Party of our Board of Directors and the Management, are well aware of the problem concentrating a larger portion of investments in one single branch of industry. While this problem has to be considered, it cannot be regarded to be so important as to ^{dis}qualify a project as such.

Reviewing the general situation in the paper branch it might be stated that since 1957 production and sales conditions have improved year by year. With separate mail we forward to you Annual Report of Österreichische Papierverkaufs-Gesellschaft m.b.H., the top organization of the cartel of the Austrian paper industry, from which details on the paper-, cellulose and wood pulp industry might be derived. This report states a paper production increase in 1959 as regards value of 3.2% , as regards quantity of 4% compared with 1958. The ÖPA report for 1960 will not be available before mid year, however, we shall send you copy as soon as edited. Preliminary figures for 1960 reveal an intensified upward trend in this year.

Both, Welser Papierfabrik.m.b.H. and Guggenbacher Papierfabrik m.b.H., are medium sized companies of the paper branch which, after close examination of the financial position as well as their investment projects and their management we consider well worth being supported by our institute.

Replying to your questions in connection with the Guggenbacher project we enclose an extensive statement. As this

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

BLATT 3 ZUM SCHREIBEN VOM May 9, 1961
AN International Bank for
Reconstruction and Development

project has been pending for more than a year we should
be grateful for an early decision on your part, if possible
by cable.

Answers as regard the Welser Papierfabrik project will be
forwarded shortly.

We remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT



Encl.

Guggenbacher Papierfabrik Project

General

Ad 2.:

Mr. Hans Bulla is the owner of both firms as stated in the Project Appraisal on page 2. This fact is certified by

- a) a statement of the Public Register showing that Mr. Hans Bulla has been the sole owner of the Hans Bulla & Sohn company, Vienna, since August 23, 1946 (date of his father's death),
- b) the communication to the Public Register Vienna according to paragraph 26, Private Limited Company Law, that Mr. Hans Bulla owns all shares of Guggenbacher Papierfabrik Ges.m.b.H.

Ad 3.:

We confirm that the firm Hans Bulla & Sohn and the Guggenbacher Papierfabrik Ges.m.b.H. together are borrower and debtor. You stated correctly in your letter of April 17, that on page 9 of the Project Appraisal the provision of a guarantee of Hans Bulla & Sohn for the loan to be granted to Guggenbacher was suggested. Later it proved useful, however, to include the Hans Bulla & Sohn company as co-debtor, which was already duly considered in the Loan Agreement.

Financial

Ad 4.:

Enclosed please find the balance sheet and profit and loss statement for 1960 of the Hans Bulla & Sohn company (enclosures 2 and 3).

Ad 5.:

An analysis of the financial statements 1956 - 1959 of above mentioned company discloses that the balance losses since 1958 have solely been caused by extraordinary depreciation.

	<u>1956</u>	<u>1957</u>	<u>1958</u>	<u>1959</u>	<u>1960</u>
			AS 1000		
Total Net Operating Profit	- 98	+ 130	+236	+ 329	+ 679
Interest Paid	- 121	- 136	-191	- 240	- 295
Extraordinary Depreciation	-	- 681	-623	- 426	- 807
Other non-operating and extraordinary items	- 125	- 101	- 65	- 43	- 131
Annual Loss	- 344	- 788	-643	- 380	- 554
			+ 623	+ 426	+ 807
			(20)	+ 46	+ 253

At present the printing firm has been earning a total operating income of an average of AS 50.000 a month. We are, therefore, of the opinion that the Hans Bulla & Sohn company needs not be considered a burden for the whole concern but influences the earnings position favorably.

Ad 6.:

The amounts of about AS 455,000.-- and AS 292,00.-- shown in the line "legal reserves" in the balance sheets of the printing firm in the years 1958 and 1959 respectively, represent deposits made by Mr. Hans Bulla. The development of equity is indicated in the balance sheets insofar as additions and losses are separately shown; thus deposits made by Hans Bulla were put in the line "legal reserves". These deposits originate from restitutions of taxes. Hans Bulla, as manager of the Guggenbacher Papierfabrik receives an annual salary of AS 600,000.-- for which a wage tax is deducted. According to his annual statement of income this salary income is approximately compensated by losses incurred by Hans Bulla's printing firm. Therefore, the originally deducted wage tax is, to a large part, restituted by the bureau of revenue, and is deposited in the printing firm.

Ad 7.:

Additions to fixed assets in the years 1957-1960 were to an essential part financed by loans from Guggenbacher Papierfabrik which up to the end of 1960 amounted to about AS 4,5 million. Due to this financial structure the applicant intends to change the legal set up of the firm Hans Bulla & Sohn by transforming it into a limited partnership. The loan of the paper company will be transformed in a limited deposit.

Protective Arrangements

Ad 8.:

Section 10.07 of the Loan Agreement provides the registration of a mortgage of AS 13,000,000.-- on the Borrower's total real estate with all appurtenance on behalf of ÖIK.

We are, however, of the opinion that the enumeration of the Borrower's property in the Loan Agreement is not absolutely necessary and would simply serve to make the contract rather bulky.

In the course of project examinations we have received accurate informations on the Borrower's property, the respective documents are in our hands.

Apart from the mortgage of Österreichische Länderbank Aktiengesellschaft the existing encumbrance is of minor significance. In order to define ÖIK's mortgage rank exactly Section 10.07 of the Loan Agreement will be altered as follows:

"The Borrower has to register a maximum sum mortgage amounting to AS13,200,000.-- on the total real estate with appurtenance of Guggenbacher Papierfabrik Ges.m.b.H., including all machingery belonging to the

enterprise ranking after a mortgage of RM 618,718.36*) registered on behalf of the Pensionsversicherungsanstalt and after two mortgages amounting to AS 214,000 and AS 165,000 respectively, registered on behalf of Zentralsparkasse der Gemeinde Wien, and ranking equally with a mortgage of AS 9,000.000 registered on behalf of Österreichische Länderbank AG., to secure all claims which might arise from the Loan Agreement for ÖIK. The Borrower shall cause all mortgages, preceding ÖIK's mortgage, to be cancelled after repayment and have a notice of this obligation made in the Public Register with the preceding mortgages."

We wish to add, however, that the loans of Pensionsversicherungsanstalt and Zentralsparkasse der Gemeinde Wien, on account of which mortgages were registered, were almost entirely repaid. Only an amount of AS 295,000.-- is still outstanding.

We shall receive draft mortgage deed from Guggenbacher these days which we shall forward to you immediately for your information.

Ad 9.:

With regard to the security arrangements concerning the insurances we like to draw your attention to Section 10.10 of the proposed subsidiary loan agreement in which we have stated that any payment covered by these insurances shall be divided between Österreichische Länderbank AG. and us according to the receivables out of loans granted. Since you agree that our arrangements with Österreichische Länderbank regarding the mortgages are satisfactory we do not understand why this should not be the case regarding the insurances. Of course, this arrangement comprises present and future insurances taken out.

*) Exchange rate 1 Reichsmark = 1 Schilling

ITEM		19 6	%	19	19	%	19	to letter of	
							May 9, 1961		
Fixed Assets	1. Housing and Administrative Buildings (including land)								
	2. Factory and Related Buildings								
	3. Empty Lots								
	4. Machinery and Mechanical Installations								
	5.								
	6.								
	7. Tools, Sundry Plant and Office Installations								
	8. Fixed Assets under Construction								
	9. Prepayments on Fixed Assets								
	10. Concessions, Patents, Licenses and Similar Rights								
	11. Total Fixed Assets	3,934.196,--	73.4						
Investments	12. Participations								
	13. Other Long-term Investments								
	14. Mortgages and other Long-term Claims								
	15. Total Investments								
16. Fixed Assets and Investments, Total		3,934.196,--	73.4						
17. Fixed Assets and Investments at beginning of Accounting Year		3,652.930,17							
18. Additions		1,719.603,67							
19. Sales and Retirements		36.674,--							
20. Depreciation		1,401.663,84							
Current Assets	21. Cash	30.737,27							
	22. Banks								
	23. Raw and Auxiliary Materials	303.184,29							
	24. Semi-finished Products	170.963,84							
	25. Finished Products and Traded Commodities	9.001,77							
	26. Prepayments by the Company								
	27. Trade Receivables	826.384,05							
	28. Trade Notes								
	29. Marketable Securities								
	30. Treasury Stock and Shares in Parent Company								
	31. Other Receivables	59.971,81							
	32. Claims against Associated Companies								
	33.								
	34.								
	35. Total Current Assets		1,400.243,03	26.1					
	36. Deferred Accounts		25.934,21	0.5					
GRAND TOTAL		5,360.373,24	100		100		100		

ITEM		19 6	%	19 ____	19 ____	%	19 ____	%
EQUITY	1. Share Capital (Owner's Capital)	- 1,060.552,96						
	2. Legal Reserves							
	3. Free Reserves							
	4. Accumulated Earnings (deducting dividends payable) Net Loss a)	- 554.105,11						
	5. Total Equity	- 1.614.658,07	-30					
Long-term Liab.	6. ERP Loans							
	7. Other Mortgage Loans							
	8. Other Long-term Debts	4,481.826,11						
	9.							
10. Total Long-term Debts b)	4,481.826,11	83,6						
Sundry Prov.	11. Provisions for Pensions							
	12. Other Long-term Provisions							
	13. Provisions for Taxes							
	14. Other Short-term Provisions	45.547,20						
	15. Total Provisions	45.547,20	0,8					
Short-term Liab.	16. Prepayments by Customers	10.000,--						
	17. Trade Liabilities	1,723.113,04						
	18. Liabilities to Associated Companies							
	19. Notes Payable							
	20. Short-term Bank Debts	589.677,11						
	21. Other Short-term Liabilities	107.561,96						
	22. Dividends Payable c)							
	23. Repayments due within one year b)							
	24. Total Short-term Liabilities	2,430.352,11	45,3					
25. Deferred Accounts	17.305,89	0,3						
GRAND TOTAL d)	5,360.373,24	100		100		100	100	

ÖIK-B/987

a) The available net income plus "reserved earnings" minus dividends payable should be added to equity; any accumulated net loss should be deducted from the total equity.

b) Repayments on long-term debt due within one year should be deducted from the long-term debt and added under the short-term liabilities.

c) The dividends payable each year should be regarded as short-term liabilities.

d) For the purpose of the above summary, value adjustment accounts entered under liabilities should in principle be deducted from the relevant categories on the assets side.

Borrower: Hans Bulla & Sohn (printing firm)

ITEM	19 60	%	19	%	19	%	19	%
1. Gross Sales of Major Products	6,850.589,77							
2. Sales of Secondary Products and Sundry Income	93.749,17							
3. Internal Receipts								
4. Export Bonus								
5.								
6. Total Operating Income	6,944.338,94	110						
7. Freights, etc.	29.744,99							
8. Discounts and Allowances	104.348,08							
9. Turnover Tax	332.513,54							
10. Total Deductions from Income	466.606,61	7						
11. Changes in Inventories of Semi-finished and Finished Goods	- 169.653,15	3						
12. Total Net Operating Income	6,308.079,18	100		100		100		100
13. Cost of Materials (raw material, other production material)	1,877.262,45	30						
14. Merchandise								
15. Manufacturing Wages (direct)	2,721.941,28	43						
16. Other Manufacturing Wages (Indirect)								
17. Expense Pertinent to Manufacturing Wages (social insurance, etc.)								
18. Manufacturing Salaries and Pertinent Expense								
19. Sundry Manufacturing Expense	434.924,60	7						
20. Manufacturing Costs before Depreciation and Trade Tax (line 13 - 19)	5,034.128,33	80						
21. Sundry Wages								
22. Sundry Salaries								
23. Sundry Administration and Sales Expense								
24. Administration and Sales Expense (line 21 - 23)								
25. Normal Depreciation	595.134,11	9						
26. Operating Expenditure (lines 20, 24, 25)	5,629.262,44	89						
27. Net Operating Profit (Loss) line 12 ./. line 26	+ 678.816,74	11						

ITEM	19 60	%	19.....	%	19.....	%	19.....	%
	Non-operating Account	28. Non-Operating Income	5.935,--					
29. Profits from Investments								
30. Interest Received								
31. Extraordinary Profits								
32. Total Non-Operating Income and Extraordinary Profit		5.935,--						
33. Non-Operating Expenditure								
34. Interest Paid		294.957,14						
35. Trade Tax on Capital and Profit, Real Estate Tax		48.368,51						
36. Extraordinary Depreciation		806.529,73						
37. Extraordinary Expenditure		84.321,47						
38. Total Non-Operating and Extraordinary Expenditure (line 33 ./. line 37)		1,234.176,85	20					
39. Non-Operating and Extraordinary Profit (Loss) (line 32 ./. line 38)		1,228.241,35	20					
40. Operating Profit (Loss) line 27		+ 678.816,74	11					
41. Non-Operating Profit (Loss) line 39		-1,228.241,85	20					
42. Net Profit (Loss) for Accounting Year before Income and Capital Tax		- 549.425,11	9					
43. Taxes on Income and Capital		4.680,--						
44. Taxed Annual Profit (Loss)		- 554.105,11	-09					
45. Net Profit Brought Forward from Previous Year								
46. Net Loss from Previous Year								
47. Available Net Profits (Loss) (line 44 + 45 ./. 47)								

COPY

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
WASHINGTON 25, D. C.

~~Mr. Lejeune~~
Mrs. F. J. - Sm.
3) File

April 17, 1961

Gentlemen:

Loan 237 AUA - Projects: ~~-Welscher Papierfabrik m.b.H.~~
✓ ~~-Guggenbacher Papierfabrik~~
m.b.H.

We have now studied the remaining two of the five projects submitted to us with your letters of February 27 and March 2, 1961 and the amended part of the draft loan agreement for the Welscher project enclosed in your letter of March 10, 1961. We regret that we cannot approve either of the two projects on the basis of the material submitted. Both present particular problems arising from the close but not always clear relationship between the firms involved. Many of our questions stem from these relationships, but there are also other questions on which we need answers before giving a decision.

In an effort to be as specific as possible, we attach for each of the two projects a list of points on which we need additional information. We realize that providing this information requires extra work and may cause delays, but we feel that it is necessary for our consideration of the projects. We shall be happy to continue the study of both projects as soon as we have your reply.

We note that your investments in the paper and cardboard industry, including the two projects under consideration, would amount to Sch. 212 million, corresponding to roughly 43% of your total outstanding and pending loans. In view of the importance the paper industry carries in Austria's economy, it could be expected that your investments in this sector would be extensive. But the present concentration of investment calls for a very careful consideration of the prospects for the paper industry as a whole. The statistical data contained in Annex 2 to your appraisal

Oesterreichische Investitionskredit
Aktiengesellschaft
Am Hof 4
Vienna, Austria

Yellow copy in fn 237
(Welscher)

report on the Welser project gave some indication of how Austria's production, consumption and exports of paper have developed since 1952. We assume that you have studied these developments in detail and that you have endeavored to assess the prospects of the paper industry in Austria. If you have a study report on this subject, we would be very grateful to receive a copy.

Yours sincerely,

S. R. Cope
Director of Operations
Europe, Africa and Australasia

Annexes (2)

Cleared with and copies to: Mr. Apcar
Mr. Ferran
Mr. Wichen
Mr. Wishart

cc: Mr. Lajeune

OMyhrer:fgs

Annex I

The Welser Papierfabrik Project

1. The following additional information is required:
 - a) IVK's confirmation that, except for tax accounting purposes, the three firms participating in the "Orgenschaftsverhältnis" are completely independent from each other legally, in particular, that a creditor of one of the three companies can not enforce his claims against any of the other two;
 - b) Balance sheet and Profit- and Loss Statements covering the past four years for Oesterraeichische Papier & Zellulose-Export Gesellschaft m.b.H.;
 - c) Balance sheet of St. Michael for the past four years;
 - d) A statement on St. Michael's income from sales in 1958, 1959, and 1960 (if available), broken down by (i) exports, (ii) sales to Welser, and (iii) other sales on the domestic market. Show main products in each of the three categories and indicate quantity and unit value. Indications of prices obtained by other local producers for similar products and sales would also be appreciated.
2. It is not clear whether the project involves an immediate increase in production capacity. From statements on Pages 1 and 6 of the Appraisal Report, it would appear that no immediate increase is contemplated, whereas on Page 8, reference is made to a "50% rise in the paper producing capacity." A clarification on this point would be appreciated.
3. Page 6 of the Appraisal Report refers to a possible future increase in the production capacity from 12,000 tons per year to 18,000 tons per year which could be obtained with "relatively insignificant costs." Would it not be in the borrower's interest to expand the new paper machine to its full capacity instead of pre-paying suppliers' credits as intended? In any event, a clause should be inserted in the Loan Agreement limiting prepayments of suppliers' credits if, by so doing, the current assets would fall below 15% of net sales.
4. Presumably, IVK is satisfied that the equipment to be purchased from Black Clawson Ltd., London, a company in which Mr. Landegger has significant interest, will be supplied at prices and terms at least as good as those which would have resulted from competitive bidding.
5. Is the guarantee given by Welser for the ERP loan of Sch. 6.3 million to St. Michael secured and, if so, how is it secured?
6. In regard to the protective arrangements, it would presumably be necessary to register the mortgage. Since the intended mortgage,

ranking after an existing mortgage of Sch. 1.6 million, would raise the encumbrance to a total of Sch. 23.6 million, while existing fixed assets total no more than Sch. 31 million, there is a comparatively small margin of cover. In this connection, the arrangements between the company and the supplier of the machinery, Black Clawson Ltd. should be disclosed. Will the machines become the property of the borrower upon delivery? Will they be available to the mortgagors in case the mortgages are realized, or would they remain the property of the supplier until full payment has been made?

April 17, 1961

CMG:hrer:fgs

Annex II

Guggenbacher Papierfabrik Project

1. The following additional information is required:

General

2. The Project Appraisal does not give any information as to the relationship between Guggenbacher Papierfabrik and Hans Bulla & Sohn. According to the draft loan agreement, the two firms will be co-borrowers, and the Bank therefore needs information on the legal, financial as well as managerial (personnel) aspects of their relationship.

3. IVK's confirmation is required that Guggenbacher Papierfabrik and Hans Bulla & Sohn in fact will be co-borrowers and co-debtors, as set forth in the draft loan agreement. On Page 1 of the Project Appraisal, reference is made to Guggenbacher alone as "the borrower" and on Page 9, Hans Bulla & Sohn is referred to as "guarantor."

Financial

4. For Hans Bulla & Sohn, the Bank requires at least unaudited balance sheets and profit and loss statements for 1960.

5. Hans Bulla & Sohn has suffered continuous losses over the four years from 1956 through 1959. What is the outlook and what are the plans for this company?

6. In the balance sheet of Hans Bulla & Sohn (Annex 4 to the Appraisal Report), substantial legal reserves are shown for 1958 and 1959. Where do these reserves come from?

7. In the balance sheet for Guggenbacher (Annex 2 to the Appraisal Report), claims against associated companies are entered in the amount of Sch. 1.4 million in 1956, rising to Sch. 3.7 million in 1959. What is the status in 1960? What are the terms of these claims?

Protective Arrangements

8. By Section 10.09 of the draft loan agreement, the mortgage proposed to secure the IVK loan would obtain equal ranking with the existing Sch. 9 million mortgage in favor of the Oesterreichische Länderbank A.G. From the Project Appraisal (Page 9) it appears that several other mortgages are registered on the property which is scheduled to secure IVK's loan. It is therefore necessary to include the following two statements in the loan documents:

- a) A detailed list of all property that will be mortgaged to secure IVK's loan, and
- b) A list of all mortgages already registered on this property.

Such statements may be appropriately included under Section 10.07 or, perhaps, in side letters.

9. Section 10.11 of the draft loan agreement should be changed to provide that any future insurance claims may not be assigned to any third party, including the Oesterreichische Länderbank A.G., without consent by the IVK.

April 17, 1961

CM/yhrer:fgs

ROUTING SLIP

Date

April 12, 1961

NAME	ROOM NO.
Mr. Apear	323
Mr. Wiehen	1122
Mr. Ferran	4A14
Mr. Wishart	508

To Handle	Note and File
Appropriate Disposition	Note and Return
Approval	Prepare Reply
Comment	Per Our Conversation
Full Report	Recommendation
Information	Signature
Initial	Send On

REMARKS

The attached draft reply to the IVK will be discussed at a Working Party Meeting Thursday, April 13, at 3 p.m. in room 803.

From

OMyhrer

DRAFT: OMyhrer:fgs
April 11, 1961

Gentlemen:

Loan 237 AUA - Projects: 1. Welser Papierfabrik Gesellschaft m.b.H.
2. Guggenbacher Papierfabrik Gesellschaft
m.b.H.

We have now studied the remaining two of the five projects submitted to us with your letters of February 27 and March 2, 1961 and the amended part of the draft loan agreement for the Welser project enclosed in your letter of March 10, 1961. We regret that we cannot approve the two projects on the basis of the material submitted. Both projects present particular problems arising from the close but not always clear relationship between the firms involved. Many of our questions stem from these relationships, but there are also other questions on which we would need answers before giving a ~~ix~~ decision.

In an effort to be as specific as possible, we attach for each of the two projects a list of questions and points on which we need additional information. We realize that answering these questions requires extra work and may cause delays, but we feel this information is necessary for our consideration of the projects. We shall be happy to continue the study of both projects as soon as we have your answers.

We note that your investments in the paper and cardboard industry, including the two projects under consideration, ^{would} amount to Sch. 212 million, corresponding to roughly 43% of your total outstanding and pending loans. In view of the high importance the

Oesterreichische Investitionskredit A.G.
Am Hof 4
Vienna, Austria

Is this quite clear?

paper industry carries in Austria's economy, it could be expected that your investments in this sector would be extensive. But the present concentration of investment calls for a very careful consideration of the prospects for the paper industry as a whole, ~~in addition to the examination of the separate projects.~~ The statistical data contained in Annex 2 to your appraisal report on the Welser project gave some indication of how Austria's production, consumption and exports of paper have developed since 1952. We assume that you have studied these developments in detail and that you have endeavored to assess the prospects of the paper industry in Austria. If you have a study report on this subject we would be very grateful to receive a copy.

Yours sincerely,

S.R. Cope

Annex I

The Welser Papierfabrik Project

1. We require the following additional information regarding this project:

- 4) Your confirmation that, except for tax accounting purposes, the three firms participating in the "Organschaftsverhältnis" are completely independent ^{from each other} legally, in particular, that a creditor of one of the three companies can not enforce his claims against any of the other two.
- 5) Balance sheet and Profit- and Loss Statements covering the past four years for Oesterreichische Paper and Zellulose-Export Gesellschaft m.b.H.
- 6) Balance sheet of St. Michael for the past four years.
- 7) A statement on St. Michael's income from sales in 1958, 1959, and 1960 (if available), broken down by ~~xxx~~ a) exports, b) sales to Welser, and c) other sales on the domestic market. Show main products in each of the three categories and indicate quantity and unit value. Indications of prices obtained by other local producers for similar products and sales would also be appreciated.

2. It is not clear to us whether the project involves an immediate increase in the production capacity. From statements on Pages 1 and 6 of your appraisal report, it would appear that no immediate increase is contemplated, whereas on Page 8, reference is made to a "50% rise in the paper producing capacity." A clarification on this point would be appreciated.

3. On Page 6 of the Appraisal Report you refer to a possible future increase in the production capacity from 12,000 tons per year to 18,000 tons per year, which could be obtained with "relatively insignificant

costs." Would it not be in the borrower's interest to expand the new paper machine to its full capacity instead of pre-paying suppliers' credits as intended? In any event, a clause should be inserted in the Loan Agreement limiting prepayments of suppliers' credits if, by so doing, the current assets would fall below 15% of net sales.

4. We presume that IVK is satisfied that the equipment to be purchased from Black Clawson Ltd., London, a company in which Mr. Landegger has significant interest, will be supplied at prices and terms not more onerous than would have resulted from competitive bidding.

5. We would like to know whether the guarantee given by Welser for the ERP loan of Sch. 6.3 million, to St. Michael, is secured, and if so, how it is secured.

6. In regard to the protective arrangements, we think it would be necessary to register the mortgage. Since the intended mortgage, ranking after an existing mortgage of Sch. 1.6 million, would raise the encumbrance to a total of Sch. 23.6 million, while existing fixed assets total no more than Sch. 31 million, ^{there is a comparatively small margin of cover.} ~~the security offered for the loan may prove inadequate.~~ ^{In this connection, we partly require to know} ~~The answer would depend upon the arrangements between the company and the supplier of the machinery, Black Clawson, Ltd., London,~~ ^{and have} ~~in particular upon~~ the following questions: Will the machines become the property of the borrower upon delivery? Will they be available to the mortgagors in case the mortgages are realized? ^{or} ~~or~~ would they remain the property of the supplier until full payment has been made?

rather would the "cover" be on the loan side.

Annex II

Guggenbacher Papierfabrik Project

1. For a decision regarding this project, we need additional information and clarification on the following points:

General

2. The project appraisal does not give any information as to the relationship between Guggenbacher Papierfabrik and Hans Bulla & Sohn. According to the draft loan agreement, the two firms will be co-borrowers, and we therefore need information on the legal, financial as well as managerial (personnel) aspects of their relationship.

3. ^{We need} Your confirmation that Guggenbacher Papierfabrik and Hans Bulla & Sohn in fact will be co-borrowers and co-debtors, as set forth in the draft loan agreement. On Page 1 of the project appraisal, reference is made to Guggenbacher alone as "the borrower" and on Page 9 the printing firm is referred to as "guarantor".

Financial

4. ~~Projected financial statements have only been submitted for Hans Bulla & Sohn, and for the two companies combined.~~ We would, ~~in this instance,~~ require at least unaudited balance sheets and profit and loss statements for 1960.

5. We note that Hans Bulla & Sohn has suffered continuous losses over the four years from 1956 through 1959. ~~Again, what are the figures for 1960?~~ What is the outlook and what are the plans for this company?

6. In the balance sheet of Hans Bulla & Sohn (Annex 4 to the

Appraisal Report) substantial legal reserves are shown for 1958 and 1959. Were do these reserves come from?

7. In the balance sheet for Guggenbacher (Annex 2 to the Appraisal Report) claims against associated companies are entered in the amount of Sch. 1.4 million in 1956, rising to Sch. 3.7 million in 1959. What is the status in 1960? What are the terms of these claims?

Protective Arrangements

8. By Section 10.09 of the draft loan agreement, the mortgage proposed to secure the IVK loan would obtain equal ranking with the existing Sch. 9 million mortgag in favor of the Oesterreichische Länderbank A.G. From the project appraisal (page 9) it appears that several other mortgages are ~~mentioned~~ registered on the property which is scheduled to secure your loan. We therefore deem it necessary to include the following two statements in the loan documents:

- a) A detailed list of all property that will be mortgaged to secure your loan, and
- b) A list of all mortgages already registered on this property.

Such statements may be appropriately included under Section 10.07 or, perhaps, in side letters.

9. Section 10.11 of the draft loan agreement should be changed to provide that any future insurance claims may not be assigned to any third party, including the Oesterreichische Länderbank A.G., without consent by the IVK.

Should like to know the reason for this

Mr. S. R. Cope

March 23, 1961

O. Myhrer

Austria - Loan 237-AUA - New Projects

Your question about the rank of inheritance taxes in Austria proved to be very much to the point. According to information collected from a lawyer at the Austrian Embassy by Mr. Wiehen, inheritance taxes rank before all other pledges in Austria. We have, therefore, added one sentence requesting the IVK to obtain a legal opinion in order to clarify this matter. The new version of the letter is attached for your signature.

At your request, the names of the five projects submitted to us by the IVK under their letters of February 27 and March 2, 1961, are:

Julius Weissenberger "Columbia" Kaffee und Teehandel;
Ernst Pollmann O.H.G.
"Ergee" Textilwerk Ges. m.b.h.
Welser Papierfabrik Gesellschaft m.b.h.
✓ Guggenbacher Papierfabrik Gesellschaft m.b.h.

O. Myhrer

C
O
P
Y

Guggenbacher

March 9, 1961

Gentlemen:

This is to acknowledge receipt of your letters dated February 27 and March 2, 1961 to which were attached appraisals and loan agreements for five different projects. We have started to study the projects and you will hear from us as soon as these studies are completed.

Yours sincerely,

J. H. Collier
Department of Operations
Europe, Africa and Australasia

Oesterreichische Investitionskredit A.G.
Am Hof 4
Vienna
Austria

Mfhrer:fgs

Copies filed in Austria Loan 237
"Columbia" Kaffee-and-Tee project
Ernst Pollmann project
"Ergee" project
Welser Papierfabrik project
✓Guggenbacher Papierfabrik project

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/Sch

WIEN I, AM HOF 4
TELEPHON 68 46 81 SERIE
CABLE: INVESTORED
FERNSCHREIBER:
KONTROLLBANK 01-1441

March 2, 1961

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

Attention: Mr. S.R. Cope, Director of Department of
Operations, Europe, Africa and Australasia

Gentlemen:

Loan 237-AUA

We refer to our letter of February 27, 1961 and forward
enclosed Loan Agreements to be concluded with our sub-
borrowers

✓ "ERGEE" Textilwerk Gesellschaft m.b.H.
✓ Welser Papierfabrik Ges.m.b.H.
✓ Guggenbacher Papierfabrik Ges.m.b.H.
Ernst Pollmann, Uhren u. Apparatebau OHG.
"COLUMBIA" Kaffee- u. Teehandel

for your information.

We remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Maximilian

geh'd 3/9-61
O.H.
original filed in "Ergee" project
→ Copies filed in Austria - Inv 237.
Welser Papierfabrik project
Guggenbacher Papierfabrik project
Ernst Pollmann project
"Columbia" Kaffee- und Tee

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT

Sekr/Sch

WIEN I, AM HOF 4
TELEPHON 68 46 31 SERIE
CABLE: INVESTORED
FERNSCHREIBER:
KONTROLLBANK 01-1441

February 27, 1961

International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
Washington 25, D.C.

Attention: Mr. S.R. Cope, Director of Department of
Operations, Europe, Africa and Australasia

Gentlemen:

Loan 237-AUA

Please find enclosed 5 copies each of the English version
of our project appraisals concerning

"ERGEE" Textilwerk Gesellschaft m.b.H.

Loan Amount: US-\$347.000,--
Project: Erection of a textile plant
(stockings and gloves)

Welser Papierfabrik Gesellschaft m.b.H.

Loan Amount: US-\$770.000,--
Project: Rationalization and
enlargement

✓ Guggenbacher Papierfabrik Gesellschaft m.b.H.

Loan Amount: US-\$462.000,--
Project: Acquisition of a new paper
machine

Ernst Pollmann, Uhren-u.Apparatebau OHG.

Loan Amount: US-\$39.000,--
Project: Enlargement of its clock and
precision-mechanical
instruments production

"COLUMBIA" Kaffee- u. Teehandel, Vienna

Loan Amount: US-\$58.000,--
Project: Enlargement of coffee roastery

Above enumerated projects were submitted to the Working
Party of the Board of Directors on January 28, 1961 and
received its unanimous approval.

Original filed in "Ergel" project
Copies filed in Austria - L 237
Welser Papierfabrik project
Guggenbacher Papierfabrik project
Ernst Pollmann project
"Columbia" Kaffee- und -tee project
3/9-61
0.17

*where
filed?
not in #237*

BLATT 2 ZUM SCHREIBEN VOM February 27, 1961

AN International Bank for
Reconstruction and Development

We, therefore, submit these projects to the Bank in accordance with Article III, Section 3.02, of the Loan Agreement between us, No. 237, AUA, of September 25, 1959, for approval.

Should any further additional informations be deemed necessary, we are, of course, glad to furnish them immediately.

Looking forward to your favorable decision, we remain,

Yours truly,

ÖSTERREICHISCHE INVESTITIONSKREDIT
AKTIENGESELLSCHAFT



P.S.: Loan Agreements to be concluded will be forwarded
by separate mail.

Encl.