

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO  
THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN**

**PRELIMINARY RESULTS NOTIFICATION**

regarding Offers pursuant to § 2a FinStaG

concerning

**HETA ASSET RESOLUTION AG**  
("HETA")

by

**Kärntner Ausgleichszahlungs-Fonds**  
(the "Fund")

Reference is made to the announcement of the Fund dated 6 September 2016 regarding its offers on the basis of provisions of § 2a of the Austrian Financial Market Stability Act (*Finanzmarktstabilitätsgesetz – FinStaG*), BGBl. I Nr. 136/2008, to acquire certain debt instruments of HETA. For the avoidance of doubt, this preliminary results announcement does not constitute the announcement pursuant to § 2a (4) FinStaG.

The offers pertained to certain non-subordinated debt instruments of HETA (the "**Class A Instruments**") and certain subordinated debt instruments of HETA (the "**Class B Instruments**" and, together with the Class A Instruments, the "**Instruments**"). The Fund offered to purchase the Class A Instruments at the applicable purchase price plus the contingent additional purchase price and/or exchange the Class A Instruments at the applicable exchange ratio for secured zero coupon bonds plus the contingent additional purchase price (the "**Zero Coupon Bonds**") (the "**Class A Offer**"). The Fund offered to purchase the Class B Instruments at the applicable purchase price plus the contingent additional purchase price and/or exchange the Class B Instruments at the applicable exchange ratio for either (a) Zero Coupon Bonds or (b) long-term zero coupon assignable loans (*Schuldscheindarlehen*) (the "**Zero Coupon Assignable Loans**"), in each case plus the contingent additional purchase price (the "**Class B Offer**" and, together with the Class A Offer, the "**Offers**").

The Fund hereby announces that pursuant to the preliminary results available to it:

- (a) The Offers have been accepted by holders representing an aggregate nominal amount of EUR 10,671,968,023<sup>1</sup>. This equals to 98.71% of the aggregate outstanding nominal amount of all Instruments;
- (b) The Class A Offers have been accepted by holders representing an aggregate nominal amount of EUR 9,873,267,653<sup>1</sup>. This equals to 99.55% of the aggregate outstanding nominal amount of the Class A Instruments;
- (c) The Class B Offers have been accepted by holders representing an aggregate nominal amount of EUR 798,700,370<sup>1</sup>. This equals to 89.42% of the aggregate outstanding nominal amount of the Class B Instruments.

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<sup>1</sup> Instruments denominated in CHF and JPY have been converted into Euro by using the exchange rates for conversion as of 27 February 2015, which are CHF 1.0636 per EUR 1 and JPY 134.05 per EUR 1. The relevant conversion date was 27 February 2015 (as set forth in the FMA resolution dated March 1, 2015).

As a result of the above-referenced acceptances, the requisite FinStaG majorities have been reached and the Fund intends that the FinStaG Results Announcement pursuant to 2a (4) FinStaG will be made and settlement of the Offers will occur on 12 October 2016.

The K-AF intends to announce the maturity dates of the Zero Coupon Bonds and the Zero Coupon Assignable Loans at around 12:30 hours Vienna time (CEDT) on Monday, 10 October 2016.

### **Further Information**

In connection with the Offers, Citigroup Global Markets Limited and J.P. Morgan Securities plc are acting as offer agents (the "**Offer Agents**"). Citibank N.A., London Branch is acting as Tender Agent. In relation to the issuance of the Zero Coupon Bonds Citibank, N.A., London Branch is acting as security agent (the "**Security Agent**"), Citibank, N.A., London Branch is acting as principal paying agent (the "**Principal Paying Agent**"), Citigroup Global Markets Deutschland AG is acting as registrar (the "**Registrar**") and Citicorp Trustee Company Limited is acting as bond trustee (the "**Bond Trustee**", and together with the Registrar, the Principal Paying Agent and the Security Agent, the "**Zero Coupon Bond Agents**").

### **Disclaimer**

#### **General**

*This announcement is for information purposes only and shall not constitute or be construed as an offer to buy, sell, issue, or subscribe for, or the solicitation of an offer to buy, sell, issue, or subscribe for any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Copies of this announcement are not being made and may not be distributed or sent into Australia, Canada, Japan, the United States or any other jurisdiction in which such distribution would be unlawful or would require registration or other measures.*

#### **United States**

*The securities mentioned herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Subject to certain exceptions, the securities mentioned herein may not be offered or sold in the United States, except pursuant to registration or an exemption from the registration requirements under the Securities Act. No public offering of the securities will be made in the United States.*

#### **United Kingdom**

*The communication of this announcement and any other documents or materials relating to the Offers is not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000, as amended. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to (1) persons who have professional experience in matters relating to investments, being investment professionals as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (2) persons who fall within Article 49 of the Financial Promotion Order ("high net worth companies, unincorporated associations etc."); or (3) any other persons to whom these documents and/or materials may lawfully be communicated under the Financial Promotion Order.*

#### **France**

*The Offers are not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this announcement nor any other documents or materials relating to the Offers have been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411 -1, L.411-2 and D.411-1 to D.411-3 of the*

*French Code Monétaire et Financier, are eligible to accept the Offers. This announcement and any other document or material relating to the Offers have not been and will not be submitted for clearance to nor approved by the Autorité des marchés financiers.*

### **Belgium**

*Neither this announcement nor any other documents or materials relating to the Offers have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority and, accordingly, the Offers may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian Law of 1 April 2007 on public takeover bids, as amended or replaced from time to time. Accordingly, the Offers may not be advertised and the Offers will not be extended, and neither this announcement nor any other documents or materials relating to the Offers (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" within the meaning of Article 10 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (as amended from time to time).*

### **Italy**

*None of the Offers, this announcement or any other documents or materials relating to the Offers has been or will be submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa ("**CONSOB**"). The Offers are being carried out in the Republic of Italy as exempted offers pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Italian Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999. Holders, or beneficial owners of the Instruments, can tender some or all of their Instruments pursuant to the Offers through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Italian Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority. Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Instruments or the Offers.*