

## Kärntner Ausgleichszahlungs-Fonds

### Kärntner Ausgleichszahlungs-Fonds Provides Update on Tender and Exchange Offer

Klagenfurt, 6 October 2016 – Kärntner Ausgleichszahlungs-Fonds (K-AF) today announced that it has received information that, pursuant to the offers set forth in the offering memorandum dated 6 September 2016 (the “Offering Memorandum”), as of 17:00 hours Vienna time (CEDT) on 5 October 2016, the aggregate nominal amount of senior debt instruments and subordinated debt instruments subject to the offers which have been tendered by holders are above the requisite majorities required by § 2a (4) of the Austrian Financial Market Stability Act (*Finanzmarktstabilitätsgesetz* or “FinStaG”). Based on the currently available preliminary calculations, holders have tendered instruments in the aggregate of approximately 94.8% of the outstanding nominal amount of senior and subordinated debt instruments subject to the offers (including approximately 95.3% of the outstanding nominal amount of senior debt instruments and approximately 89.2% of the outstanding nominal amount of subordinated debt instruments).

Assuming that holders of tendered instruments do not withdraw their tenders prior to the end of the offer period, the K-AF expects that the requisite majorities under § 2a (4) FinStaG will have been obtained. There can be no guarantee however that the requisite majorities under § 2a (4) FinStaG will be achieved and that the transaction conditions to the offers will therefore be satisfied.

The offer period ends at 17:00 hours Vienna time (CEDT) on Friday, 7 October 2016 and cannot be extended. There is no possibility to tender debt instruments after expiry of the offer period.

The K-AF intends to announce the preliminary results of the offers at around 10:30 hours Vienna time (CEDT) on Monday, 10 October 2016 and the maturity dates of the New Debt Instruments (as defined in the Offering Memorandum) at around 12:30 hours Vienna time (CEDT) on Monday, 10 October 2016. The FinStaG results announcement pursuant to § 2a (4) FinStaG is expected to be made and settlement of the offers is expected to occur on 12 October 2016.

The details of the offers are published on the website of K-AF at <http://kaerntner-ausgleichszahlungsfonds.gv.at>.

### DISCLAIMER

#### General

This press release 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 press release 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 press release 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 press release 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 3 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 press release 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 press release 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 press release 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 press release 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.