

**Unofficial translation from the German language. Only the German language version is authentic.**

## **ANNOUNCEMENT**

### **HETA ASSET RESOLUTION AG**

#### **Invitation to submit offers for redemption or repayment of non contentious, non subordinated bonds and other obligations**

**Valid from 15 November 2017, 8 a.m. Central European Time, until 07 December 2017, 5 p.m. Central European Time (each inclusive)**

HETA ASSET RESOLUTION AG ("**HETA**") herewith revocably invites the creditors of HETA's obligations as specified in more detail below to offer the repurchase or repayment of these obligations to HETA at the redemption amounts specified below.

The invitation to submit offers to HETA for repurchase or repayment of obligations of HETA exclusively refers to the following non-contentious, non-subordinated and unsecured eligible (*berücksichtigungsfähige*) obligations of HETA:

(i) Bonds

ISIN	Currency	Nominal value in currency at 1 March 2015 (100%)	Nominal value of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 1 March 2015 (100%)	Nominal value after write-down ( <i>Herabschreibung</i> ) of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 2 May 2017 (64,4%)	Interim distribution of 69% of the nominal value per 2 May 2017 per individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 20 July 2017
XS0232733492	EUR	25.000.000,00	100.000,00	64.400,00	44.436,00
XS0272401356	EUR	1.250.000.000,00	1.000,00	644,00	444,36
XS0281875483	EUR	2.000.000.000,00	50.000,00	32.200,00	22.218,00
XS0292051835	EUR	500.000.000,00	50.000,00	32.200,00	22.218,00
CH0028623145	CHF	600.000.000,00	5.000,00	3.220,00	2.221,80

- (ii) Other obligations of HETA not represented by securities, which are non-contentious as at 31 October 2017, 12 p.m. Central European Time, non-subordinated and unsecured; and
- (iii) Other obligations of HETA not represented by securities, which are non-subordinated and unsecured but are currently disputed (partly contentious obligations are considered to be contentious in their entirety) which, according to a domestic or foreign legally binding arbitral or court decision or a legally binding settlement in court or out of court become non-contentious until 07 December 2017, 5 p.m. Central European Time.

(the obligations mentioned above under (i) until (iii) (each inclusive) are hereinafter referred to as the "**Offer Obligations**" (*angebotsgegenständliche Verbindlichkeiten*)).

Obligations which are disputed at the relevant date do not form part of the Offer Obligations. HETA intends, without any commitment, to initiate a repurchase or repayment of those liabilities at a later date subject to the then existing circumstances, as far as these liabilities have become non-contentious until then.

HETA is authorized, however, subject to observing the principle of the equal treatment of its creditors, not bound, to accept offers concerning the Offer Obligations which fulfill the below mentioned requirements.

As a prerequisite for a repurchase or a repayment of the Offer Obligations by HETA, each creditor has to transmit a written (in addition for legal entities: duly signed by authorized representatives) offer (including the waiver) to HETA (each an "**Offer**") **exclusively using the form provided for download on the website of HETA** (<http://www.heta-asset-resolution.com/en/content/invitation-offer>). HETA will not take into consideration and cannot accept any Offers which are not compliant.

Offers to HETA in written form or via e-mail have to be sent to the following addresses:

If by mail:

HETA ASSET RESOLUTION AG  
attn: Treasury  
Alpen-Adria-Platz 1  
9020 Klagenfurt/Wörthersee

If by e-mail:

invitation@heta-asset-resolution.com

In case of submission via e-mail the duly signed Offer (by duly authorized representatives) has to be attached as pdf.

If a creditor holds several receivables (in particular several bonds), which are Offer Obligations, a separate form has to be submitted for each such obligation, because otherwise the fulfillment of the preconditions for an acceptance of an Offer cannot be verified.

Offers of legal entities which are registered in a public register have to be accompanied by an extract from the companies' register or commercial register or equivalent extract from a public register in German or English language, not older than five days at date of submission of the Offer such excerpt providing clear evidence of the signing power of the signatory (signatories) on behalf of the relevant legal entity.

Offers of legal entities which are not registered in a public register (e.g. legal entities under public law) have to be accompanied by a written confirmation of the authority to sign in German or English language, not older than five days at date of submission of the Of-

fer and providing clear evidence of signing power of the signatory (signatories) on behalf of the relevant legal entity.

The offer period starts at 15 November 2017, 8 a.m. Central European Time, and ends at 07 December 2017, 5 p.m. Central European Time, each inclusive. Offers that do not arrive until 07 December 2017, 5 p.m. Central European Time, at HETA in original or via e-mail (as described above) will not be considered.

HETA is prepared to accept Offers as follows:

With regard to the bonds according to (i) of the Offer Obligations, Offers that quote a fixed price (*fester Rückkaufkurs*) including interest accrued until 1 March 2015 as stated in the column *redemption amount* in the following table:

ISIN	Currency	Nominal value of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 1 March 2015 (100%)	Offered amount of nominal value of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 1 March 2015 (19,364%)	Offered amount of accrued interest of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 1 March 2015 (19,364%)	Offered total amount (nominal value plus accrued interest of individual bond ( <i>Teilschuldverschreibung</i> ) in currency) REDEMPTION AMOUNT
XS0232733492	EUR	100.000,00	19.364,00	209,71	19.573,71
XS0272401356	EUR	1.000,00	193,64	2,73	196,37
XS0281875483	EUR	50.000,00	9.682,00	41,78	9.723,78
XS0292051835	EUR	50.000,00	9.682,00	2,77	9.684,77
CH0028623145	CHF	5.000,00	968,20	14,72	982,928

With regard to the other obligations according to (ii) and (iii) of the Offer Obligations, Offers that quote a fixed redemption amount (*Rückzahlungsbetrag*) of 19,364 % of the nominal amount of the respective Offer Obligation as at 1 March 2015.

Insofar as HETA accepts Offers, the Offer Obligations are completely, irrevocable and indefeasibly repaid and redeemed upon full payment of the price or redemption amount as to which Offers have been accepted.

If and to the extent that HETA accepts Offers, the settlement of the repurchase or repayment shall take place in relation to all Offers accepted at the same date probably with value date (*Wertstellung*) 20 December 2017 (the "**Settlement Date**"); HETA reserves the right to change the Settlement Date (especially if more time should be necessary or advisable for the review of the Offers received).

In case of the acquisition of bonds, the transfer of bonds for which HETA has accepted Offers, will take place simultaneously with (*Zug um Zug*) the payment of the repurchase price by HETA as delivery vs. payment transaction (*Lieferungs-/Zahlungsgeschäft*); the bondholders are asked to give appropriate instructions via their custodian bank until 18 December 2017 at the latest to allow the settlement to occur as delivery vs. payment transaction (*Lieferungs-/Zahlungsgeschäft*) at the Settlement Date. Creditors of other Of-

fer Obligations will receive the redemption amount on their receivable on the Settlement Date by transfer to the bank account mentioned in their Offer.

The repurchase price or redemption amount for the Offer Obligations is **fixed** and **under no circumstances** subject to an **adjustment upwards or downwards**, especially **no improvement or increase** shall occur in case that in the future HETA may distribute a **higher quota** (*Verwertungserlös*) to its creditors (or any of them).

It is explicitly stated that the information included herein or elsewhere in connection with this announcement (e.g. in the forms provided for the Offers) is **no recommendation or investment advice** but instead is exclusively for the information of the creditors of the Offer Obligations to decide whether they want to submit an Offer for repurchase or not. The decision, whether an Offer will be made or not, is exclusively to be made by the respective creditor of the Offer Obligations after its own independent evaluation (or after having obtained business, legal and/or tax advice by its bank, financial adviser and/or legal or tax adviser).

HETA reserves the right to update, change or restrict the invitation to submit offers at any time and without prior notice (e.g., by observing the principle of equal treatment, to only certain of the Offer Obligations) or to withdraw the invitation in its sole discretion. HETA does not assume any liability or guarantee that the information provided is current, correct or complete.

#### **Optional: Compensation payment by Kärntner Ausgleichszahlungs-Fonds**

HETA is prepared to process the settlement of the compensation payment for those Offer Obligations which were also subject to the offer by the Kärntner Ausgleichszahlungs-Fonds, Völkermarkter Ring 21-23, 9020 Klagenfurt am Wörthersee ("**KAF**"), dated 6 September 2016 (the "**KAF Offer**"), according to § 2a of the Financial Markets Stability Act (*Finanzmarktstabilitätsgesetz*) in the name and for the account of KAF. According to the KAF Offer, the compensation payment amounts to 10,97 % of the nominal value as of 1 March 2015 plus interest accrued until 1 March 2015 and refers to the following Offer Obligations which were also so-called *Class A Instruments* (*Klasse A Schuldtitel*) under the KAF Offer:

ISIN	Currency	Nominal value of individual bond ( <i>Teilschuldverschreibung</i> ) in currency at 1 March 2015 (100%)	KAF compensation payment of 10,97% of the nominal value and accrued interest (each at 1 March 2015) of individual bond ( <i>Teilschuldverschreibung</i> ) in currency
XS0232733492	EUR	100.000,00	11.090,12
XS0272401356	EUR	1.000,00	111,26
XS0281875483	EUR	50.000,00	5.509,32
XS0292051835	EUR	50.000,00	5.487,22
CH0028623145	CHF	5.000,00	556,90

HETA is not liable for and does not guarantee the compensation payment by KAF and only processes them in the name and for the account of KAF.

As a prerequisite for the settlement of the compensation payment by HETA in the name and for the account of KAF, a written (in addition for legal entities: duly signed by authorized representatives) waiver has to be sent to KAF exclusively using the form provided for download on the website of KAF (<http://kaerntner-ausgleichszahlungsfonds.gv.at>) and on the website of HETA (<http://www.heta-asset-resolution.com/en/content/invitation-offer>). If the settlement of the compensation payment by HETA is selected, the settlement of the compensation payment takes place together with the settlement of the repurchase of the bonds by delivery of *Class A Instruments (Klasse A Schuldtitel)* against payment (i) of the repurchase price and (ii) the compensation payment. Holders of these bonds are requested to give instructions until 18 December 2017 by way of their custodian bank that the settlement may take place on the Settlement Date as delivery vs. payment transaction (*Lieferungs-/Zahlungsgeschäft*).

Klagenfurt/Wörthersee, this 15 November 2017

HETA ASSET RESOLUTION AG