

## Investor Relations *Release*

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### **Hypo Alpe Adria sells Schlosshotel Velden to an Italian investor**

- C.T.S. Complesso Turistico Schloss GmbH signs purchase agreement for the Schlosshotel plus apartments
- Closing of the transaction agreed for 31.05.2011
- New owner to take over hotel operation as of 01.06.2011
- Professional sale process to ensure hotel is transferred to new owner with long-term perspective
- Hotel operation planned to be in 5-star deluxe category with special focus on medical treatment
- Extensive capital investment programme of around EUR 15 million will secure continuation of the region's principal tourist operation

Hypo Alpe-Adria-Bank International AG (HAA) is happy to announce that the purchase agreement for Schlosshotel Velden plus apartments was signed today with C.T.S. Complesso Turistico Schloss GmbH (C.T.S.), whose main shareholder is Dott. Ugo Barchiesi. The business transfer will take place on 01.06.2011, by which date both parties will have fulfilled the finalising contractual conditions. At the purchaser's request, it has been agreed that no information on the purchase price will be disclosed.

With Dott. Ugo Barchiesi, a successful Italian entrepreneur, Schlosshotel Velden and its apartments are transferred to a strategic investor with a long-term perspective. The C.T.S. group has owned a five-star hotel near Bari for a number of years and therefore has the necessary experience in tourism.

The new owner will continue to manage the hotel as a five-star deluxe establishment, anchoring it even more firmly in the Alps-Adriatic region. A new concept aimed at the "medical treatment" sector is intended to ensure higher occupancy in the hotel. To that end, the spa and wellness area will be expanded. The hotel will therefore be closed for conversion works from the end of September 2011 to the end of March 2012. C.T.S. is to invest around EUR 15 million in the realisation of the new concept. The new owner is thus underlining his long-term interest in the hotel, the apartments and the region.

The resort consists of 105 rooms/suites, the "Seespitz" Restaurant, as well as a Beach Club and a marina. The hotel complex includes 45 apartments, 25 in the castle villas and 20 in the park villas. 21 apartments (120 m<sup>2</sup> to 388 m<sup>2</sup>) are still available for purchase. An extensive spa and wellness area including treatment rooms and fitness facilities are attached to the hotel.

Dr. Gottwald Kranebitter, CEO of Hypo Alpe Adria, comments: "With the signing of the agreement we are close to achieving our declared aim of finding a long-term permanent owner for the Schlosshotel through a professional sale process. This is very good news for Hypo Alpe Adria, for the hotel and its employees, and for the region as a whole."

Dott. Ugo Barchiesi comments: "For me as a guest at the hotel for many years, this is not just a business decision but also a project that is close to my heart. I feel I have links with the region and we will make every effort to take the hotel forward into a successful future with a first class concept."

Seite 2 von 2

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Contact:

Dr. Valentin Unterkircher

Head of Investor Relations

Phone: +43 (0)5 0202 2841

E-Mail: [valentin.unterkircher@hypo-alpe-adria.com](mailto:valentin.unterkircher@hypo-alpe-adria.com)