

Investor Relations *Release*

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Hypo Alpe Adria sells off its biogas plants in Germany

- All eight biogas plants to be sold to the German agri.capital GmbH
- The move brings an end to Hypo Alpe Adria's involvement in German biogas
- Retreat from biogas sector in Austria is planned for second half of 2011

Hypo Alpe Adria has successfully sold off all of its German biogas plants with a total power generating capacity of 4.8 megawatts. All eight sites in the German federal state of Saxony-Anhalt, trading under the name of Biogaspark Alpe Adria, were sold in a transparent transaction to the German biogas operator agri.capital GmbH.

Headquartered in the city of Münster, agri.capital GmbH has been constructing, financing and operating regenerative energy plants since 2004. With 66 plants and a connected power capacity of around 51 megawatts, the agri.capital group is one of Europe's largest producers of biogas-based energy.

From Hypo Alpe Adria's point of view, an essential prerequisite for accepting a takeover bid was to find a competent and sustainable successor to take over control of the biogas plants.

With the sale of its biogas plants, Hypo Alpe Adria is systematically pursuing its strategy of consolidation and focussing the bank on its core business. The bank's next step will be a retreat from the biogas sector in Austria.

Dr. Gottwald Kranebitter, CEO of Hypo Alpe Adria, commented: "The withdrawal from Hypo Alpe Adria's involvement in the biogas sector is the logical consequence of our strategy to make the bank smaller, simpler and more customer-oriented. This particular step has succeeded in preserving the bank's capital while maintaining the value of the assets sold, thereby enabling us to progress on our course towards restructuring Hypo Alpe Adria in a way that minimises previous damages suffered by the taxpayer."

If you require any further information, please do not hesitate to contact us directly. Additional details about Hypo Alpe Adria can also be found on our website (www.hypo-alpe-adria.com).

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