

**HETA ASSET RESOLUTION AG |
Sale of all Skiper Group Companies to the best bidder ISTRIAN HOTELS
d.o.o./Tampten Ltd.**

Klagenfurt am Wörthersee/Savudrija, 17. October 2017

HETA ASSET RESOLUTION AG (HETA) informs that it has achieved a further significant progress in its wind down efforts. On October 16th 2017, HETA (together with HETA Beteiligungen GmbH) and ISTRIAN HOTELS d.o.o./Tampten Ltd. signed a sale and purchase agreement for the sale and transfer of the entire interest in all Skiper group companies, including all outstanding loans granted by HETA. The purchase price was not disclosed. Skiper group companies own and operate hospitality and tourism assets in Savudrija, Croatia comprising, inter alia, a branded luxury hotel, unfurnished luxury villas and apartments and furnished mid-market to upper-market level apartments as well as an 18-hole golf course.

In the run-up to the signing, HETA, together with its financial advisor Jones Lang LaSalle (JLL) and its legal advisor Eisenberger & Herzog conducted a structured, open, transparent and non-discriminatory international tender process for the Skiper group companies. Following the public announcements and the submitted expressions of interest, the first process phase, which lasted until 31 July 2017, resulted in a high double-digit number of non-binding bids. The submitted bids were evaluated by an expert group together with JLL on the basis of a neutral evaluation grid. As a result short-listed bidders were invited to perform their due diligence over several weeks. The second phase of the sales process was completed at the end of September 2017.

The sales transaction is to be completed within the next weeks.

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About HETA:

Following its nationalisation in 2009, HETA is now a wind-down company owned by the Republic of Austria which owns a €9.913 bn portfolio as of December 2016. Its statutory task is to dispose of its assets as effectively as possible whilst preserving value.

About ISTRIAN HOTELS d.o.o./Tampten Ltd.:

ISTRIAN HOTELS d.o.o. is a member of MK Group, which holds Grand Hotel & Spa **** and Angella Hotel & Residence - Konaci Sunčevi vrhovi **** on Kopaonik, 88 Rooms Hotel in Belgrade and Kempinski Palace in Portorož. Additionally, MK Group is a minority shareholder in Budvanska Rivijera Hotel Group in Montenegro, and has 30% of shares in Airport Portorož.

After successful cooperation with the hotel chain Kempinski, MK Group has established cooperation with the Sheraton Hotel chain from Starwood Group and plans to open the first Sheraton hotel in Serbia in January 2018. Currently, the total accommodation capacity is 2,500 accommodation units with a tendency of constant growth in the forthcoming period.