

NOTICE

by
HETA ASSET RESOLUTION AG,
formerly Hypo Alpe-Adria-Bank International AG,

and the
Republic of Austria

to the
Holders of the
EUR 1,000,000,000 2.375% Subordinated Government Guaranteed Notes 2012-2022
(ISIN XS0863484035),
issued by Hypo Alpe-Adria-Bank International AG,
guaranteed by the Republic of Austria,

through the Clearing Systems
Clearstream Banking, société anonyme, Luxembourg
and
Euroclear Bank SA/NV



HETA ASSET RESOLUTION AG („HETA“), formerly Hypo Alpe-Adria-Bank International AG, as Issuer of the *EUR 1,000,000,000 2.375% Subordinated Government Guaranteed Notes 2012-2022 (ISIN XS0863484035)* ("Notes") and the Republic of Austria as Guarantor under the Guarantee of 7 December 2012 hereby announce the following according to § 12 Conditions of Issue:

The Austrian Financial Market Authority (*Österreichische Finanzmarktaufsichtsbehörde – "FMA"*), in its capacity as the Austrian resolution authority, issued the administrative ruling GZ FMA-AW00001/0044-AWV/2016 on 10 April 2016 ordering the write-down of the Notes to zero.

The Republic of Austria as Guarantor will pay the relevant Interest on the Interest Payment Date 13 December 2016 directly to the Paying Agent (CITIBANK, N.A., London Branch) with the effect of discharging the debt of the Guarantor.

The Paying Agent will be ordered by the Guarantor with HETA's consent to transfer the amount, received from the Guarantor, to the Clearing Systems Clearstream Banking, société anonyme, Luxembourg, and Euroclear Bank SA/NV, without undue delay, in order that the Clearing Systems transfer the respective amounts of Interest to the relevant custodian institutes holding accounts (custodian banks) to be paid out to the Holders of Notes.

It is not required that Holders undertake any action in order to receive Interest payment according to this notice.

According to § 12 (1) Conditions of Issue this notice is deemed to have been given to the Holders on the day on which the notice was given to the Clearing Systems for publication to the Holders, that is 24 November 2016.

In case any Holder does not want to receive Interest payment according to this notice, a notification has to be sent to the following address not later than 2 December 2016:

Federal Ministry of Finance
Gruppe III/B



e-mail: post.iii-b@bmf.gv.at

fax: +43 1 514 33 5903 100

Though, this notice shall not constitute any rights.

Vienna, 23 November 2016



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