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**BAWAG P.S.K.
BANK FÜR ARBEIT UND WIRTSCHAFT UND ÖSTERREICHISCHE
POSTSPARKASSE AKTIENGESELLSCHAFT
ANNOUNCES RESULTS OF TENDER OFFER**

On 20 February 2012, BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG (the "**Bank**") announced an invitation to holders of:

- the 150,000 Perpetual Non-cumulative Non-voting Fixed/Floating Rate Preference Shares (ISIN XS0119643897) issued by BAWAG Capital Finance (Jersey) Limited on 31 October 2000 (the "**Fixed/Floating Rate Preference Shares**"); and
- the 6,000,000 Perpetual Non-cumulative Non-voting Fixed Rate Preference Shares (ISIN DE0008600966) issued by BAWAG Capital Finance (Jersey) II Limited on 27 June 2002 (the "**Fixed Rate Preference Shares**" and, together with the Fixed/Floating Rate Preference Shares, the "**Preference Shares**"),

to tender any and all of their Preference Shares for purchase by the Bank for cash (the "**Tender Offer**").

The Tender Offer was made on the terms of, and subject to the conditions contained in, the tender offer memorandum dated 20 February 2012 (the "**Tender Offer Memorandum**"). Capitalised terms used in this announcement and not otherwise defined herein shall have the meanings ascribed to them in the Tender Offer Memorandum.

The Tender Offer expired at 17:00 hours (CET) on 2 March 2012 (the "**Expiration Time**"). As of the Expiration Time, the Bank had received valid Tender Instructions in respect of:

- €91,371,000 in aggregate liquidation preference of the Fixed/Floating Rate Preference Shares; and
- €66,621,500 in aggregate liquidation preference of the Fixed Rate Preference Shares.

The Regulatory Condition has been satisfied and the Bank will accept for purchase all the Preference Shares validly tendered.

TENDER CONSIDERATION

Preference Shareholders whose Preference Shares have been validly tendered and

accepted for purchase by the Bank will receive the relevant Purchase Price together with Accrued Dividends, as set out in the table below:

Preference Shares	Purchase Price	Purchase Price as percentage of Liquidation Preference	Accrued Dividends	Outstanding Liquidation Preference following Settlement Date
Fixed/Floating Rate Preference Shares	€700 per €1,000 in liquidation preference	70%	€5.68 per €1,000 in liquidation preference	€58,629,000
Fixed Rate Preference Shares	€17.50 per €25 in liquidation preference	70%	€0.34 per €25 in liquidation preference	€83,378,500

The expected Settlement Date for the Tender Offer is 6 March 2012. The Bank intends to sell the Preference Shares repurchased by the Bank to the relevant issuer for cancellation. Preference Shares which have not been validly submitted and accepted for tender pursuant to the Tender Offer will remain outstanding.

FOR FURTHER INFORMATION

A complete description of the terms and conditions of the Tender Offer is set out in the Tender Offer Memorandum. Further details about the Tender Offer may be obtained from:

The Dealer Managers

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and

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Tel: +44 (0)20 7779 2468 / +44 (0)20 7325 4851
Attention: FIG syndicate / Liability Management
Email: FIG_syndicate@jpmorgan.com / emea_lm@jpmorgan.com

The Tender Agent

Lucid Issuer Services Limited

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Tel: +44 (0)20 7704 0880

Attention: Paul Kamminga / Yves Theis

Email: bawag@lucid-is.com

The Dealer Managers and the Tender Agent do not take any responsibility for the contents of this announcement, nor does this announcement constitute an offer to purchase any securities or a solicitation of an offer to sell any securities.

Announcement dated 5 March 2012