



## **AVS intends to launch public tender offer for shares in Česká spořitelna**

The Anteilsverwaltungssparkasse ("AVS") today will apply to the Czech Securities Commission for its approval for AVS to make an unconditional and unlimited tender offer for the common shares issued by Česká spořitelna. AVS intends to offer CZK 375 for each common share, and it is anticipated that the tender offer will remain open for approximately six weeks. Settlement and other terms will be specified once they are approved by the Securities Commission. The offer price and other terms of this tender offer are subject to approval by the Securities Commission.

The intended offer price of CZK 375 would represent a premium of 22% over the 6-month weighted average trading price. An independent Czech expert has performed a valuation of the company and calculated a fair offer price of approximately CZK 311 per share. The intended offer price exceeds such fair offer price by 21% and otherwise exceeds all minimum requirements for the common shares which would have been applicable had a mandatory tender offer been required at this time. Under the intended terms of the offer, AVS would pay a premium of 1% over the last closing price, and an implied 2001 price-book multiple of 2.3x as well as 12.1x estimated 2002 earnings consensus.

AVS believes it offers an attractive opportunity for those shareholders who have supported the company over the last two years to realize the capital gains they have accumulated, locking in the strong share price performance near its all-time high. Since August 1999, the stock price has increased almost 100% due to the successful implementation of a restructuring plan by Česká spořitelna's majority shareholder, Erste Bank. After the most recent share price increase, any acquisition premium is already priced in, and AVS considers the shares now to be fully valued. As the tender offer will be unconditional and unlimited, AVS will acquire as many or as few common shares as are tendered by shareholders.

AVS believes shareholders should accept the offer because the offer enables shareholders to take advantage of the strong recent performance of the Česká spořitelna share price, which, AVS believes, contains an implicit acquisition premium.

AVS is the biggest single shareholder of Erste Bank with a 41% stake. While AVS acts for its own account, it wishes to emphasize that the intended offer is fully compatible with and supportive of the strategy of Erste Bank and Česká spořitelna. Under the Czech Commercial Code, AVS will be considered acting-in-concert with Erste Bank. AVS does not anticipate any changes in the business or any material adverse effect on employees or directors of Česká spořitelna, but would likely support a de-listing of Česká spořitelna from the Prague Stock Exchange and/or other legal methods to acquire all minority shareholdings.

JPMorgan has acted as exclusive financial advisor to AVS on this transaction.

AVS has authorized Patria Finance, a.s. to arrange for the implementation of such tender offer.

The tender offer is pursuant to Section 183a of the Act No. 513/91 Coll., as amended (the Czech Commercial Code), while the publication of the intention of the tender offer is pursuant

to Section 183e(3) of the Czech Commercial Code. AVS, formally known as DIE ERSTE österreichische Spar-Casse Anteilsverwaltungssparkasse, is a legal entity organized as a savings bank holding company (*Anteilsverwaltungssparkasse*) under the laws of the Republic of Austria, having its registered offices at Graben 21, A-1010 Vienna, Austria . The common shares issued by Česká spořitelna, a.s. are identified through ISIN CZ0008023801 (common shares).

This press release has been issued by AVS and is the sole responsibility of AVS and has been approved solely for the purposes of Section 21 of the Financial Services and Markets Act 2000 by J.P.Morgan plc ("JPMorgan") of 125 London Wall, London EC2Y 5AJ. JPMorgan is acting for AVS and no one else in connection with the tender offer and will not be responsible to any other person for providing the protections afforded to clients by JPMorgan or for providing advice in relation to the tender offer.

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