

Investor Information November 2011



Republic of Austria

Austrian Federal Financing Agency

Debt Management Office of the Republic of Austria

Agenda

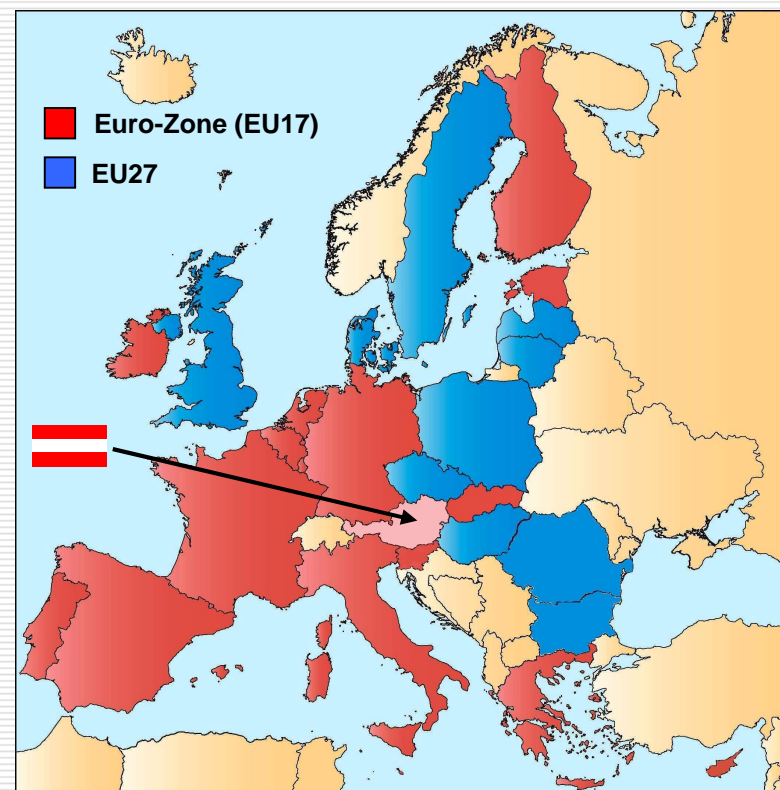
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Austria – Key Data and Facts

	Austria	Euro-Zone
Area (sq. km '000)	84	2,712
Population (million)	8.4	331
GDP per capita* (EUR)	34,172	27,797
Savings ratio (2010)	14.3%	13.8%
Real Unit Labour Costs (1999 – 2010, average yearly change)	-0.29%	-0.15%

* at current prices

Source: Statistics Austria, Eurostat, OECD



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Austria – Key Data and Facts

Outperforming the Euro-Zone

in %	Austria			Euro-Zone		
Real GDP growth	2.3	2.9	0.8	1.9	1.5	0.5
Inflation (HICP)	1.9	3.1	2.1	1.6	2.6	1.7
Unemployment	4.4	4.2	4.4	10.1	10.0	10.1
Current Account Balance	2.7	2.8	2.8	0.1	-0.1	0.0
Budget Surplus/Deficit	-4.4	-3.6	-3.2	-6.2	-4.1	-3.4
Debt to GDP	71.8	72.4	74.6	85.6	88.0	90.4
	2010	2011	2012	2010	2011	2012

Source: Data on Austria: Austrian Institute of Economic Research, Federal Ministry of Finance, October 2011
 Data on Euro-Zone: European Commission - Economic Forecast, Autumn 2011

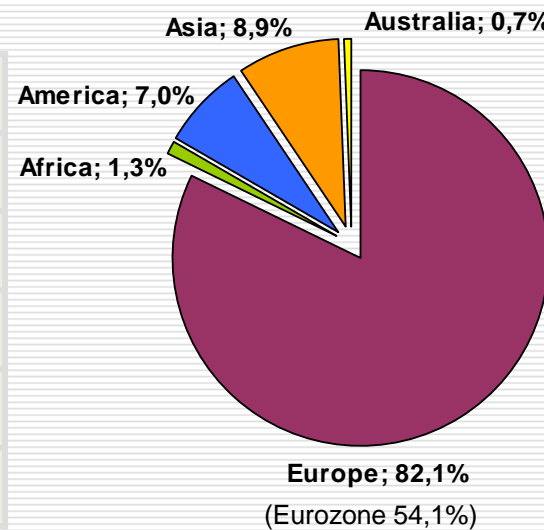
Austria – GDP and Exports

Composition of Austrian GDP*

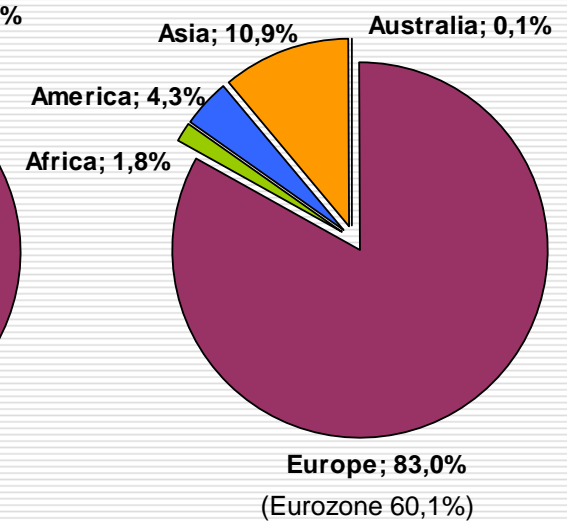
2010	EUR 286 bn
Consumption	73%
Investments	22%
Net exports	5%
Exports	55%
Imports	50%

Geographic Distribution**

Exports



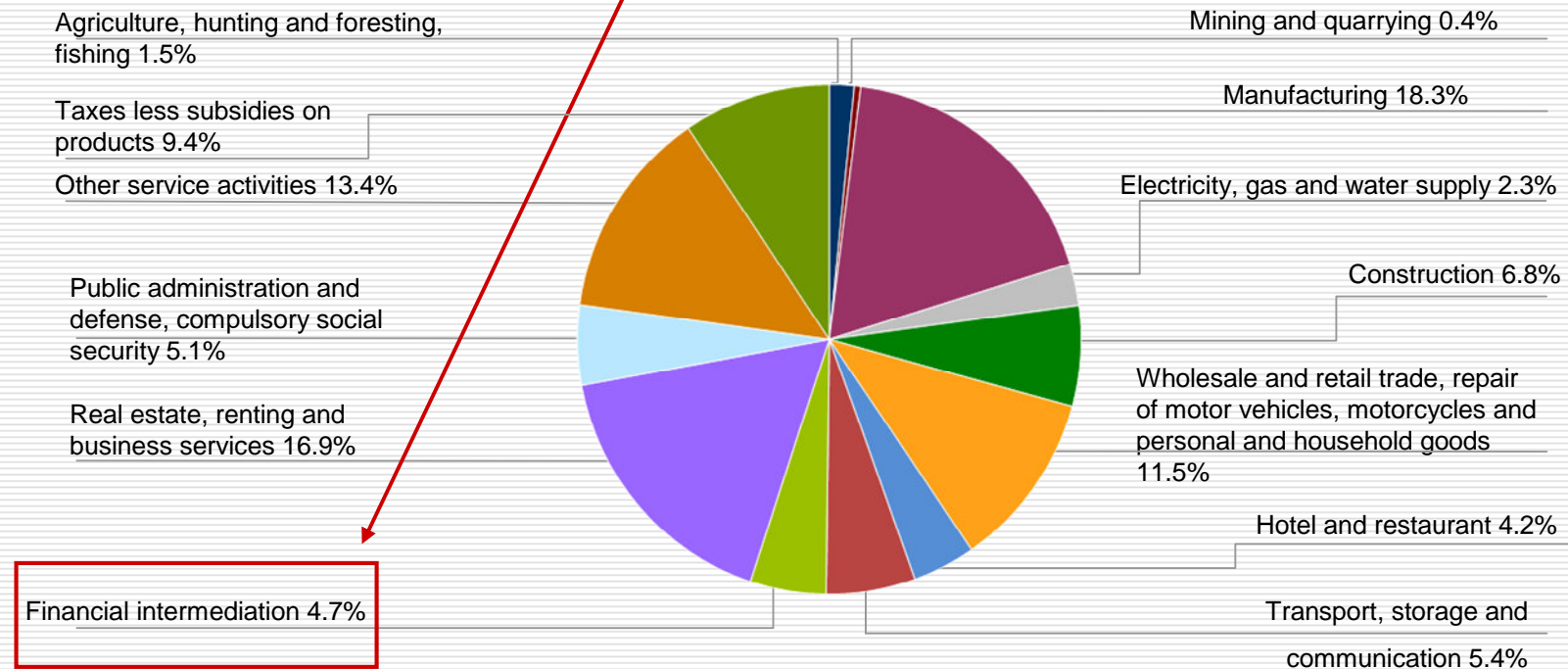
Imports



Sources: * Statistics Austria (as of June 2011)
** Statistics Austria (as of March 2011)

Composition of the Austrian GDP - Low exposure to financial sector (4.7% of GDP)

Well diversified structure:



Rating

- Top-rating (long- and short-term) from all major rating agencies / Outlook: stable
- Long track record (eg rated AAA by S&P since 1975)
- Only 12 other countries have such a top-rating*

	Long Term	Short Term	Outlook
Standard & Poor's	AAA (since 1975)	A-1+ (since 1986)	Stable
Moody's	Aaa (since 1977)	P-1 (since 1999)	Stable
Fitch	AAA (since 1994)	F1+ (since 1995)	Stable
DBRS	AAA (since 2011)		Stable
	Sustainability Country Rating		
Sustainalytics	Ranked 6th out of 136 countries worldwide		
oekom research	Ranked 5th out of 50 countries worldwide		

* AAA-rating (foreign currency, long-term) including outlook stable from S&P, Moody's and Fitch

Austria – A Robust Economy in a Challenging Environment

- “ Lowest unemployment in EU
- “ Diversified and competitive economy:
 - § ranked 2 out of 27 EU countries*
 - § ranked 14 out of 186 countries worldwide**
- “ High level of innovation:
 - § R&D expenditure 2010: 2.8% of GDP / among Top-10 worldwide***
- “ High institutional strength (Ranked 6 out of 210 countries****)
- “ Strong exports and tourism, sustainable current account surplus
- “ No bubble in the housing market
- “ High savings ratio / 3rd richest country in the EU*****
- “ Ranked as 2nd most secure country in the world*****

* The Lisbon Scorecard X - The road to 2020 (Centre for European Reform, February 2010)

** Euromoney Country Risk Survey (October 2011)

*** Research and Development Expenditures in % of GDP (World Bank, as of October 2011)

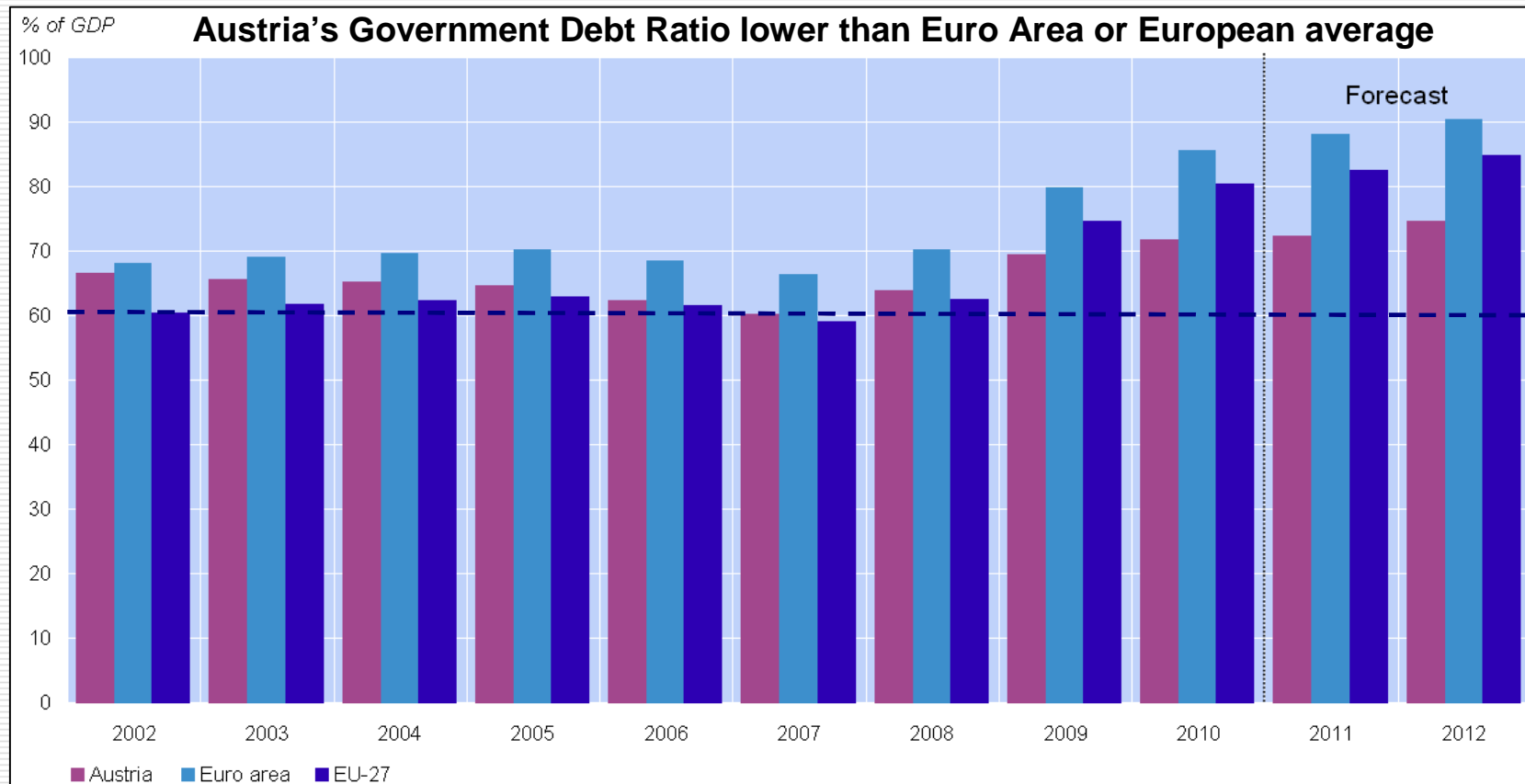
**** Government effectiveness 2010 (Source: World Bank Governance Indicators)

***** IMF World Economic Outlook Database, September 2011 (2012 GDP per capita on purchasing power parity)

*****IMD World Competitiveness Report, May 2011

Austria's Favourable Fiscal Position

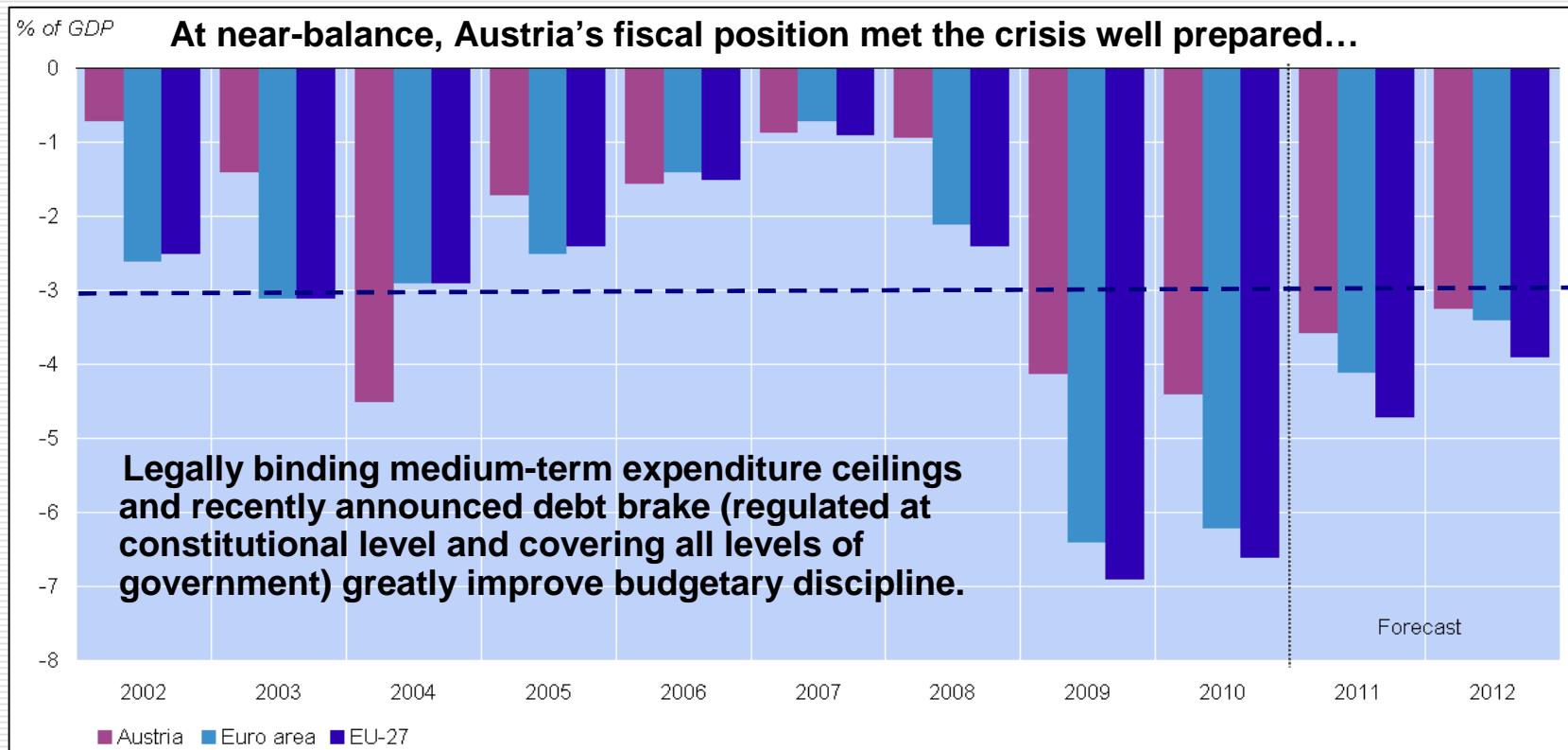
Government debt



Source: Data on Austria: Federal Ministry of Finance, October 2011
Data on Europe: Eurostat, European Commission - Economic Forecast, Autumn 2011

Austria's Favourable Fiscal Position

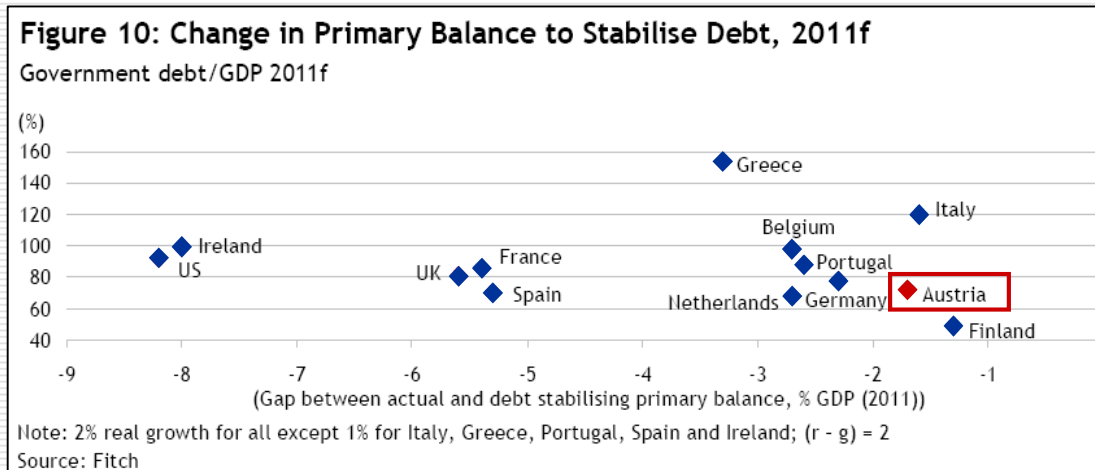
Budget deficit



More details on the federal budget reform: <http://english.bmf.gv.at/Budget/TheAustrianBudgetReform/start.htm>

Source: Data on Austria: Federal Ministry of Finance, October 2011
Data on Europe: Eurostat, European Commission - Economic Forecast, Autumn 2011

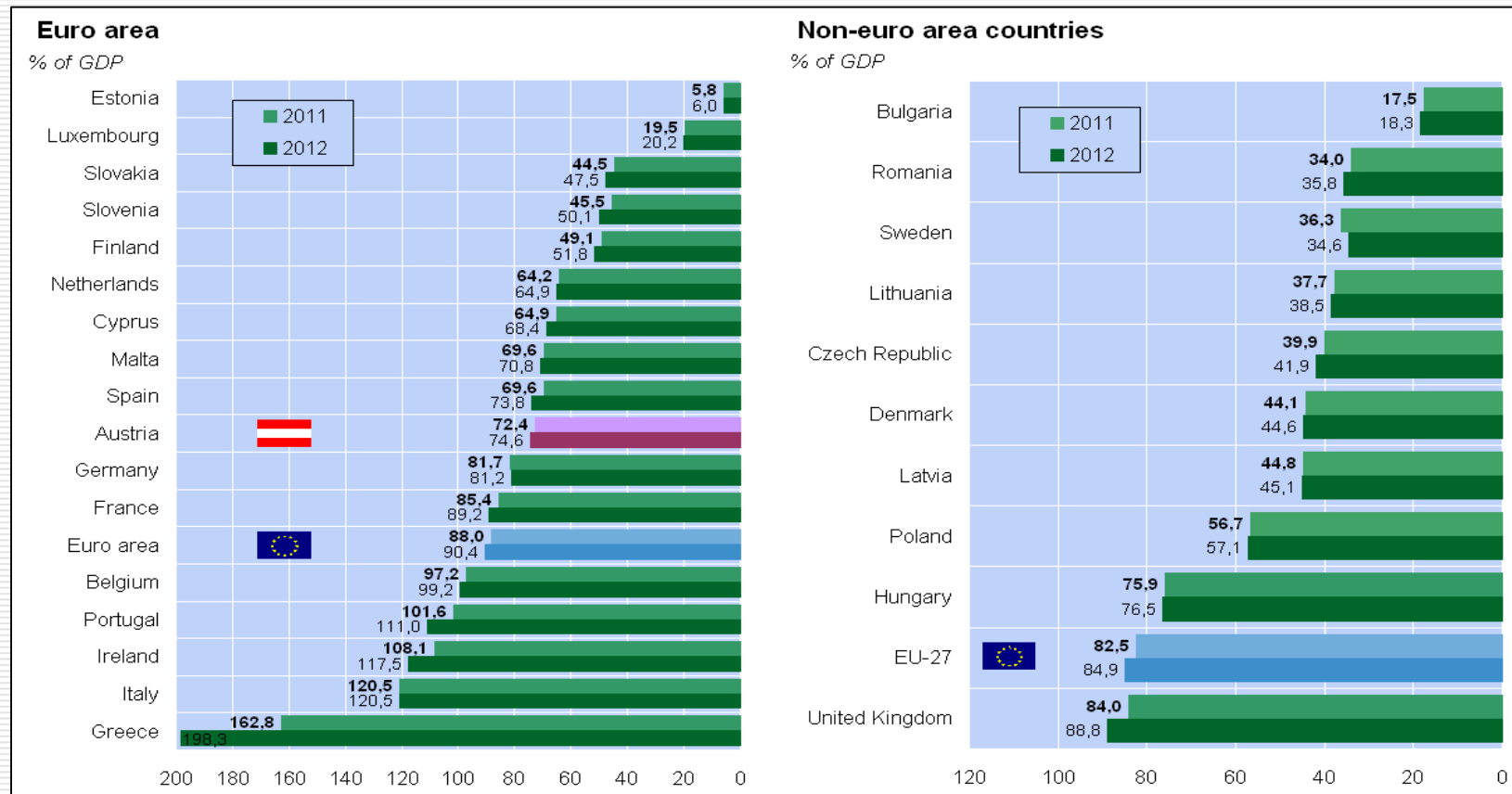
Austria's Favourable Fiscal Position



* Horizontal axis shows the change in the primary (i.e. non-interest) budget balance as a percentage of GDP that will be necessary to stabilize debt at its 2011 levels — shown on the vertical axis.

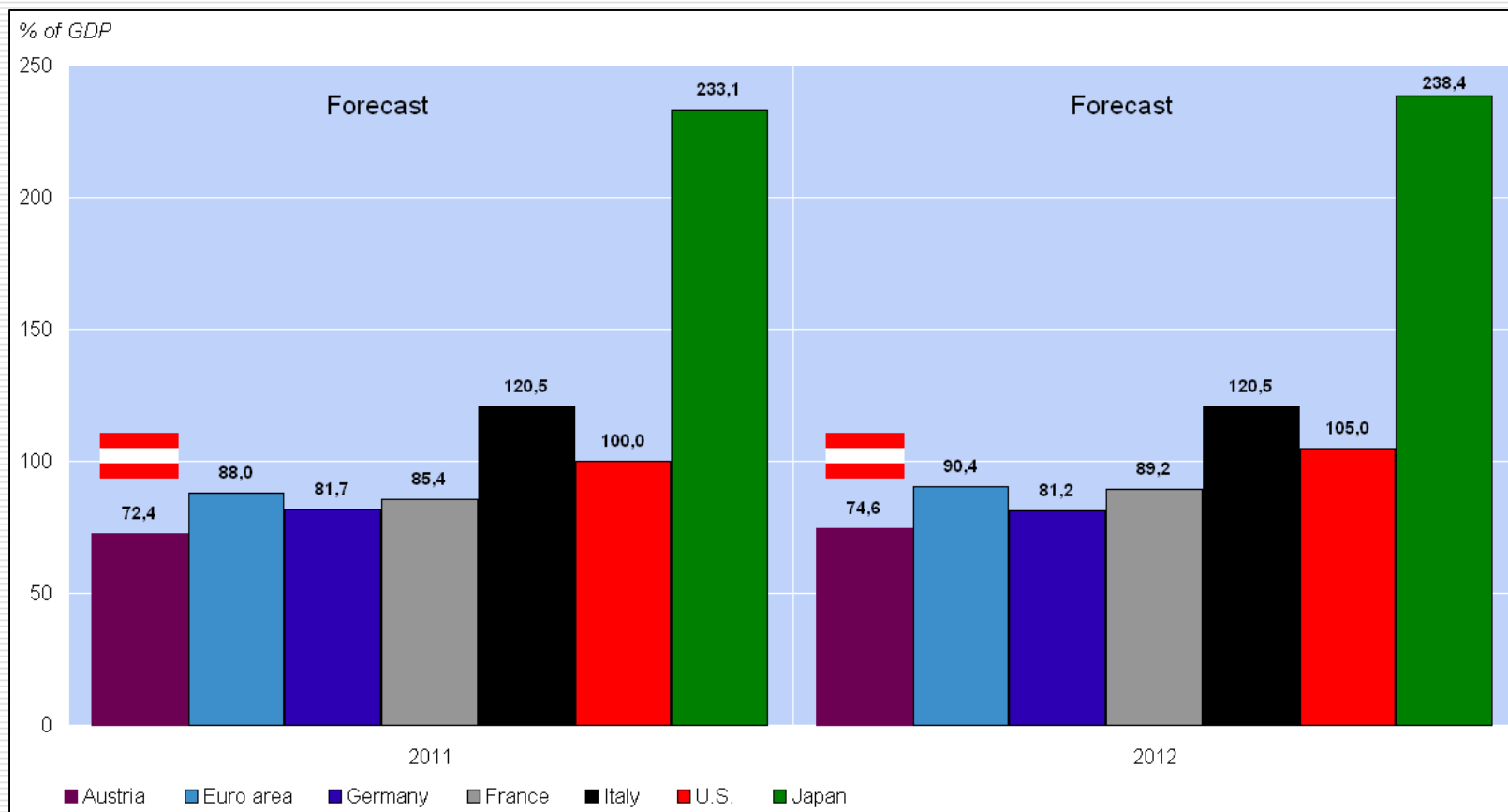
- Budgetary adjustments necessary to stabilize debt levels* are relatively small in Austria compared to other countries.
- This underscores the solid public finances before the financial crisis offering substantial room for maneuver.
- Nevertheless, Austria is strongly committed to consolidation efforts and achievement of a balanced budget over the economic cycle.

Public Debt/GDP - Europe



Source: Data on Austria: Federal Ministry of Finance, October 2011
Data on Euro-Zone & EU27: European Commission - Economic Forecast, Autumn 2011

Public Debt/GDP - International

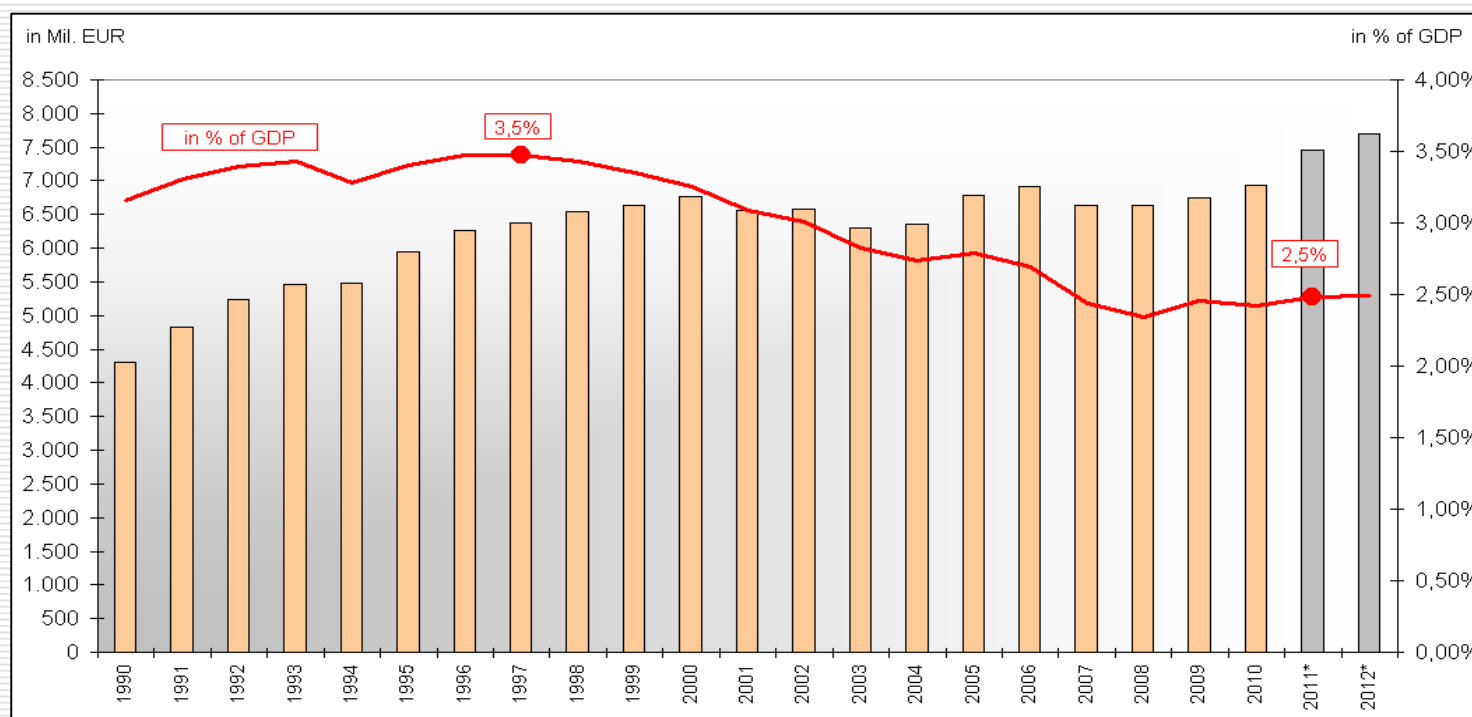


Source: Federal Ministry of Finance, IMF World Economic Outlook September 2011, European Commission - Economic Forecast, Autumn 2011

Federal government - Interest payments 1990-2012

Absolute level of interest payments relatively stable

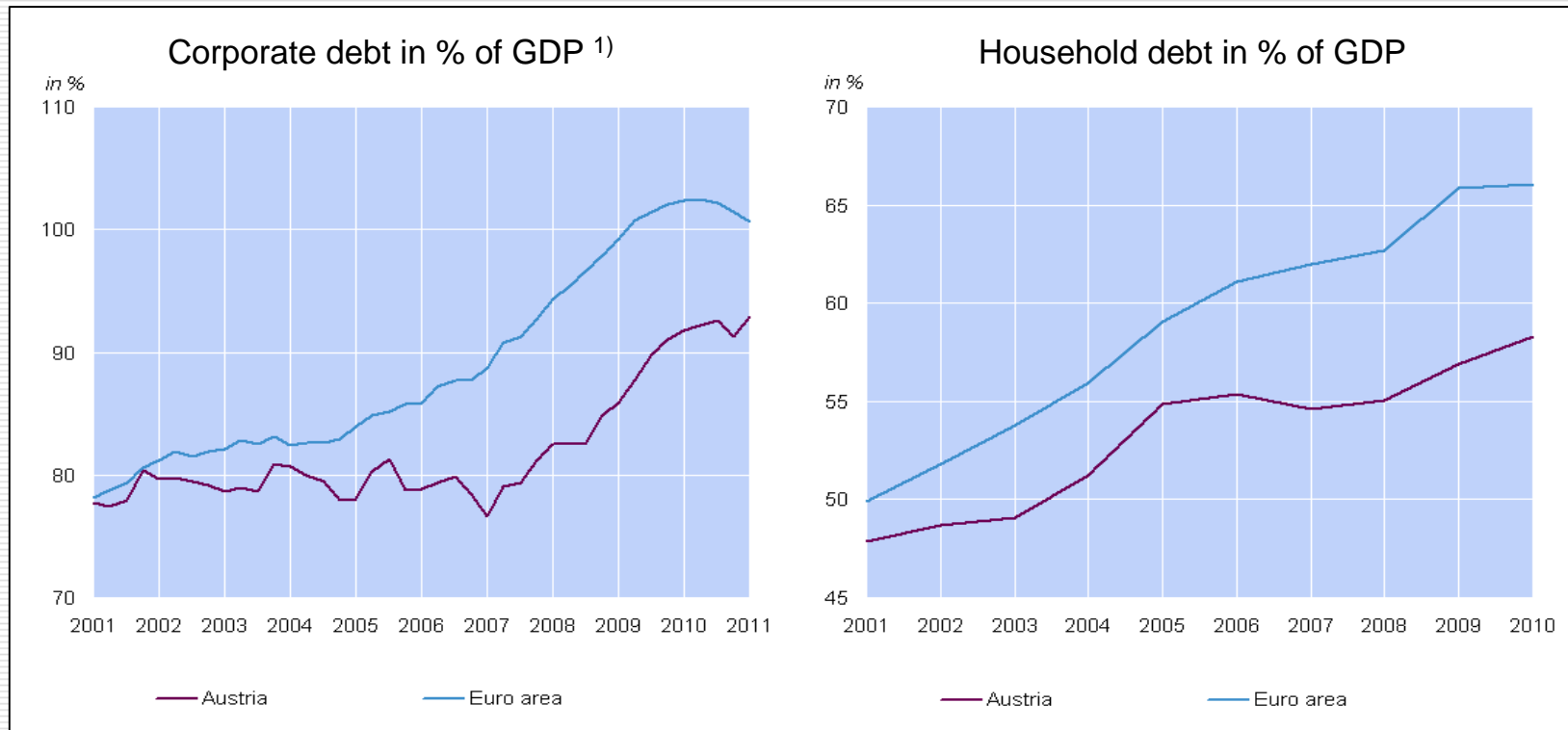
Relative to GDP interest payments are now at around 2.5% and still well below peak levels in 1997



* Forecast Federal Ministry of Finance

Indebtedness of companies and households

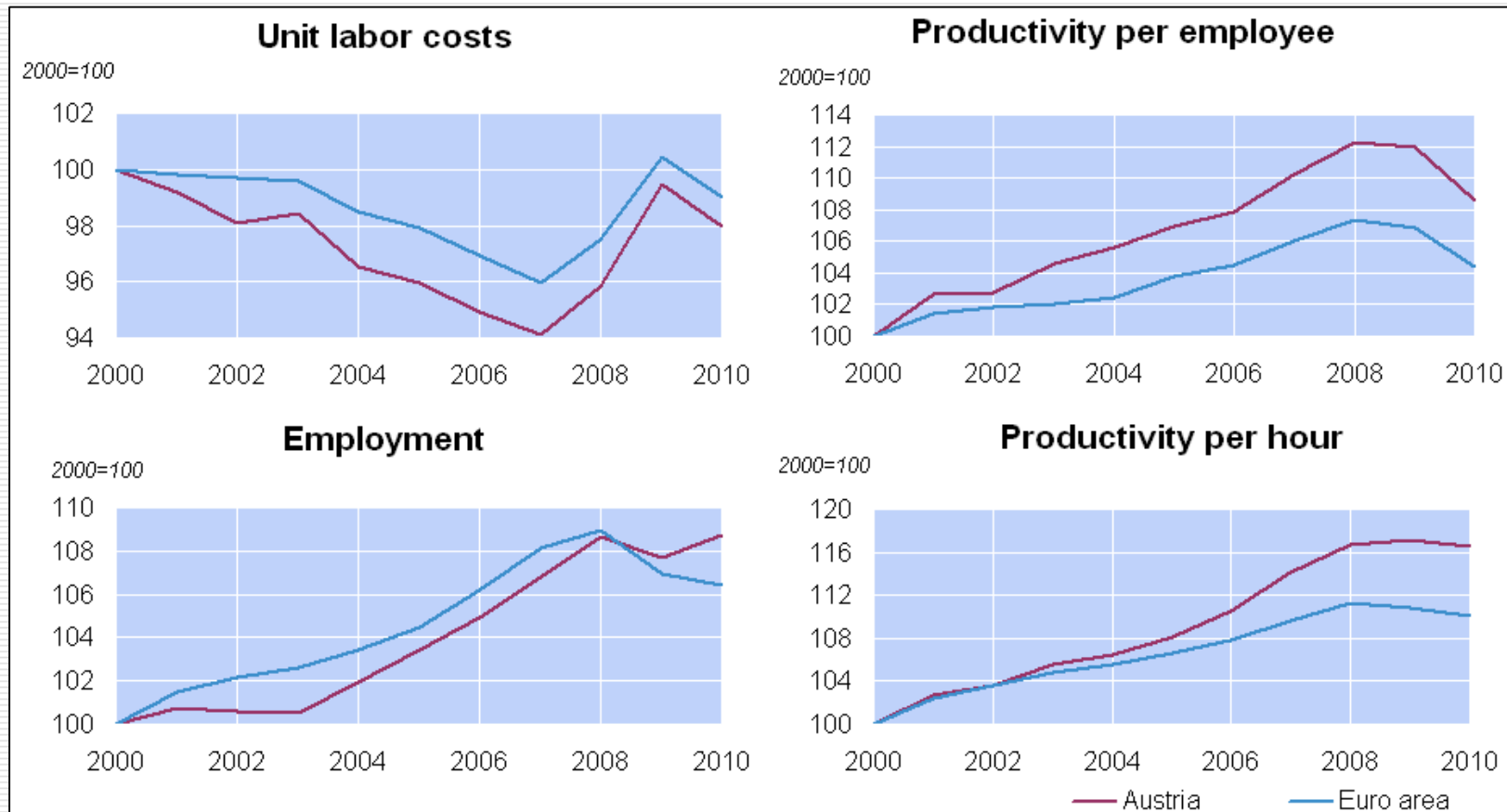
Austria: level of corporate and household indebtedness substantially below Euro zone average



1) Short- and long-term loans, money and capital market instruments.

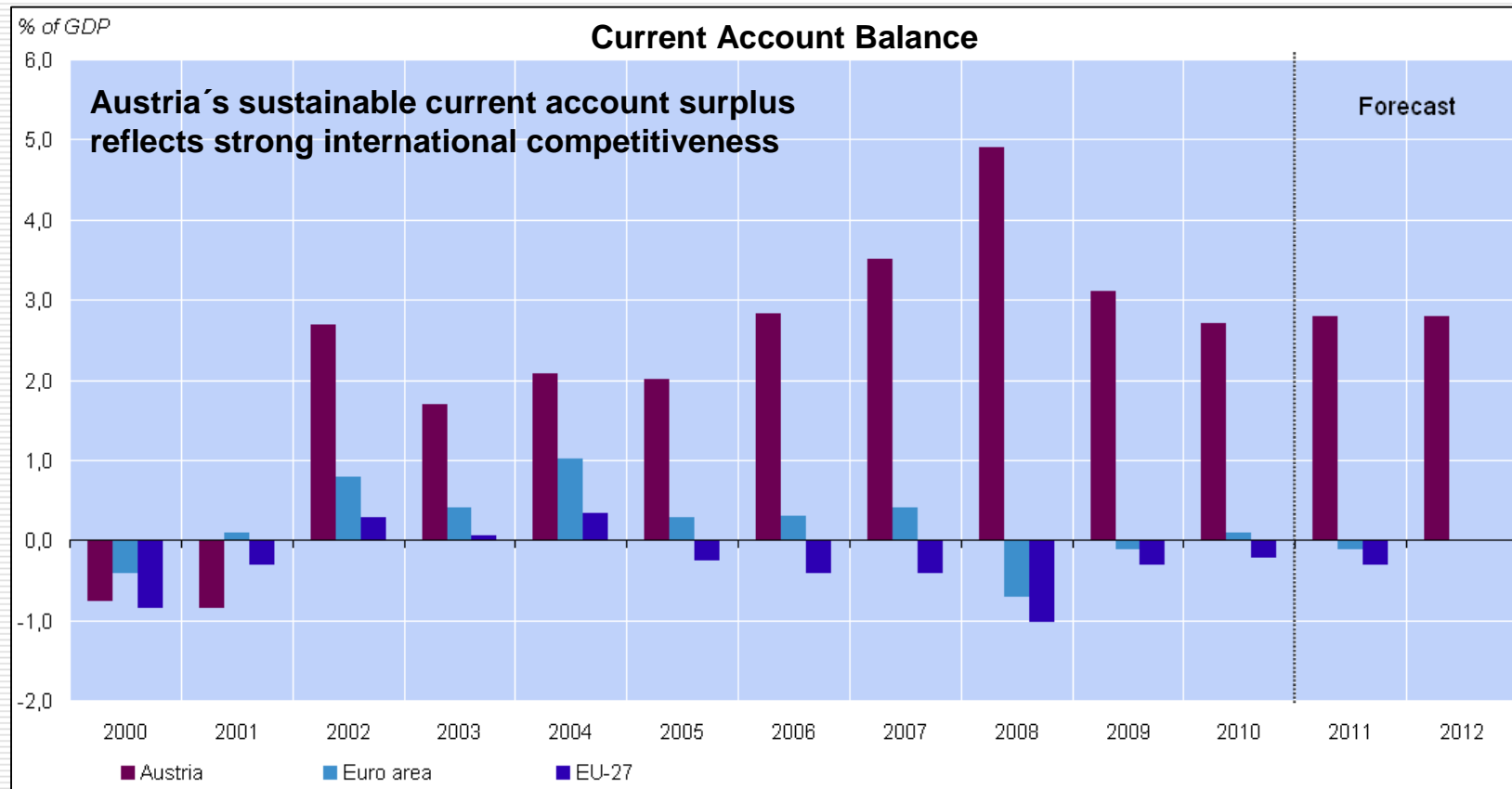
Source: European Central Bank, Austrian National Bank

Austria's strong competitive position / 1



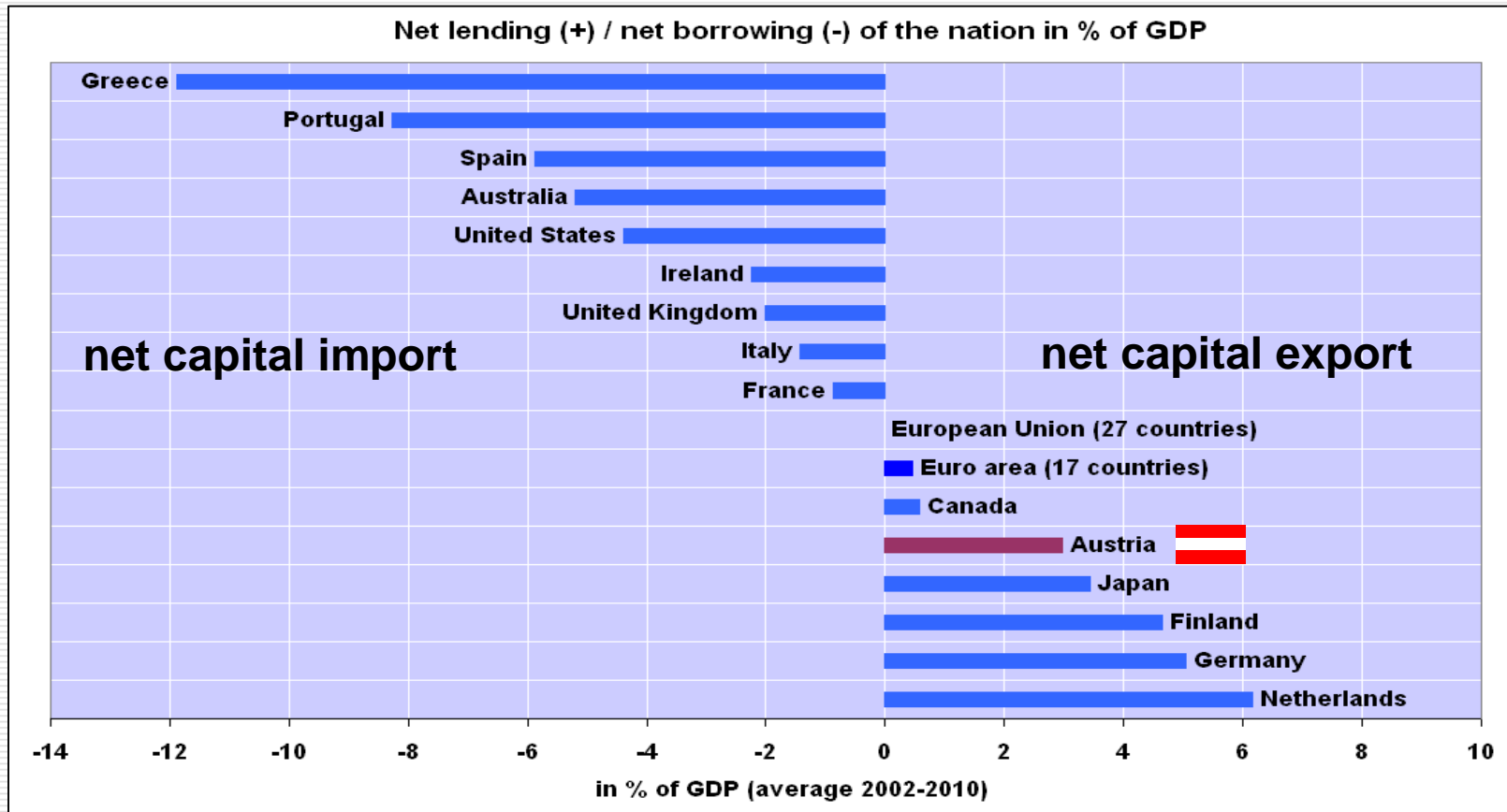
Source: European Commission, Austrian National Bank

Austria's strong competitive position / 2



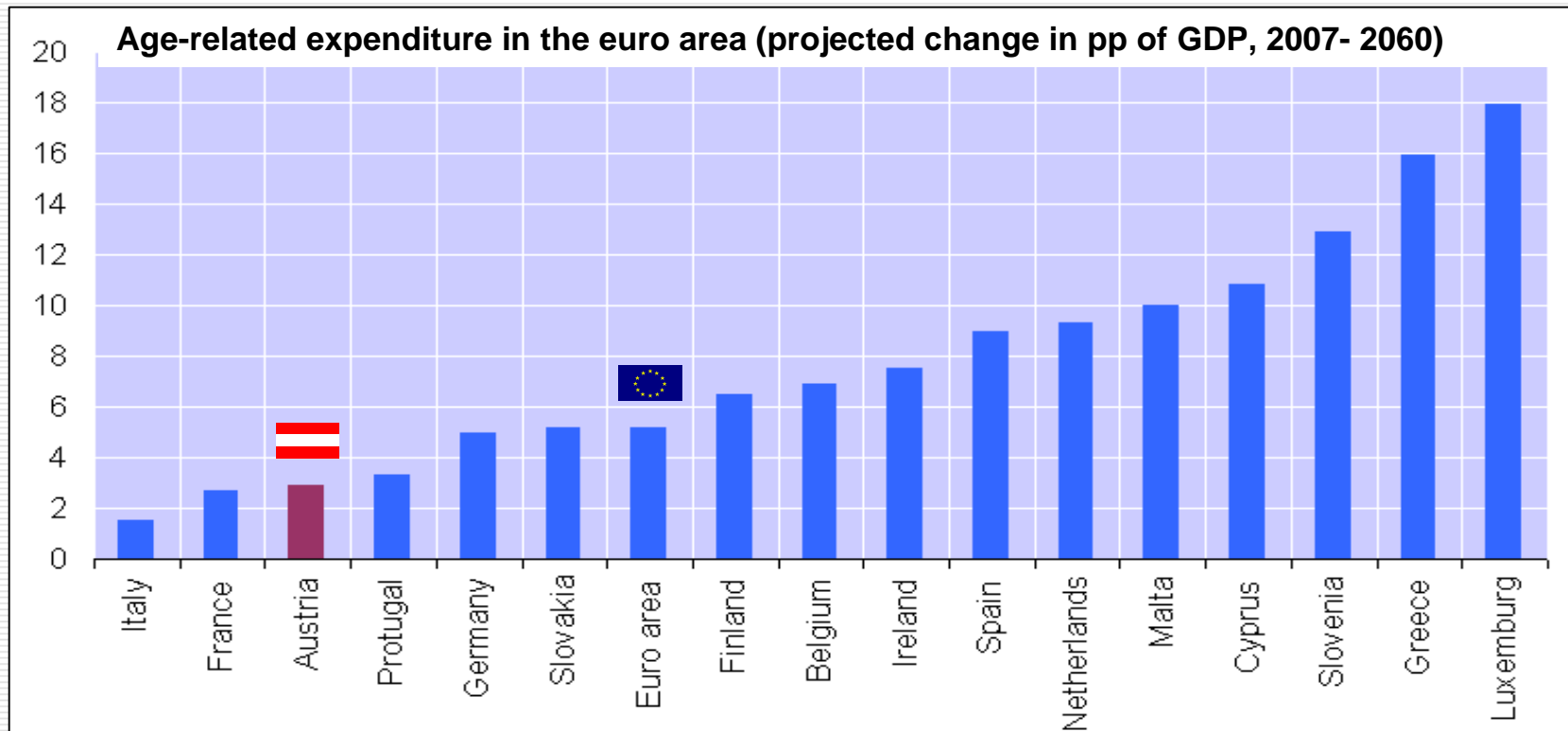
Source: Austrian Institute for Economic Research September 2011, Austrian National Bank, European Commission Autumn 2011 Economic Forecast

Austria is an international net lender



Source: European Commission – European Economic Forecast Autumn 2011

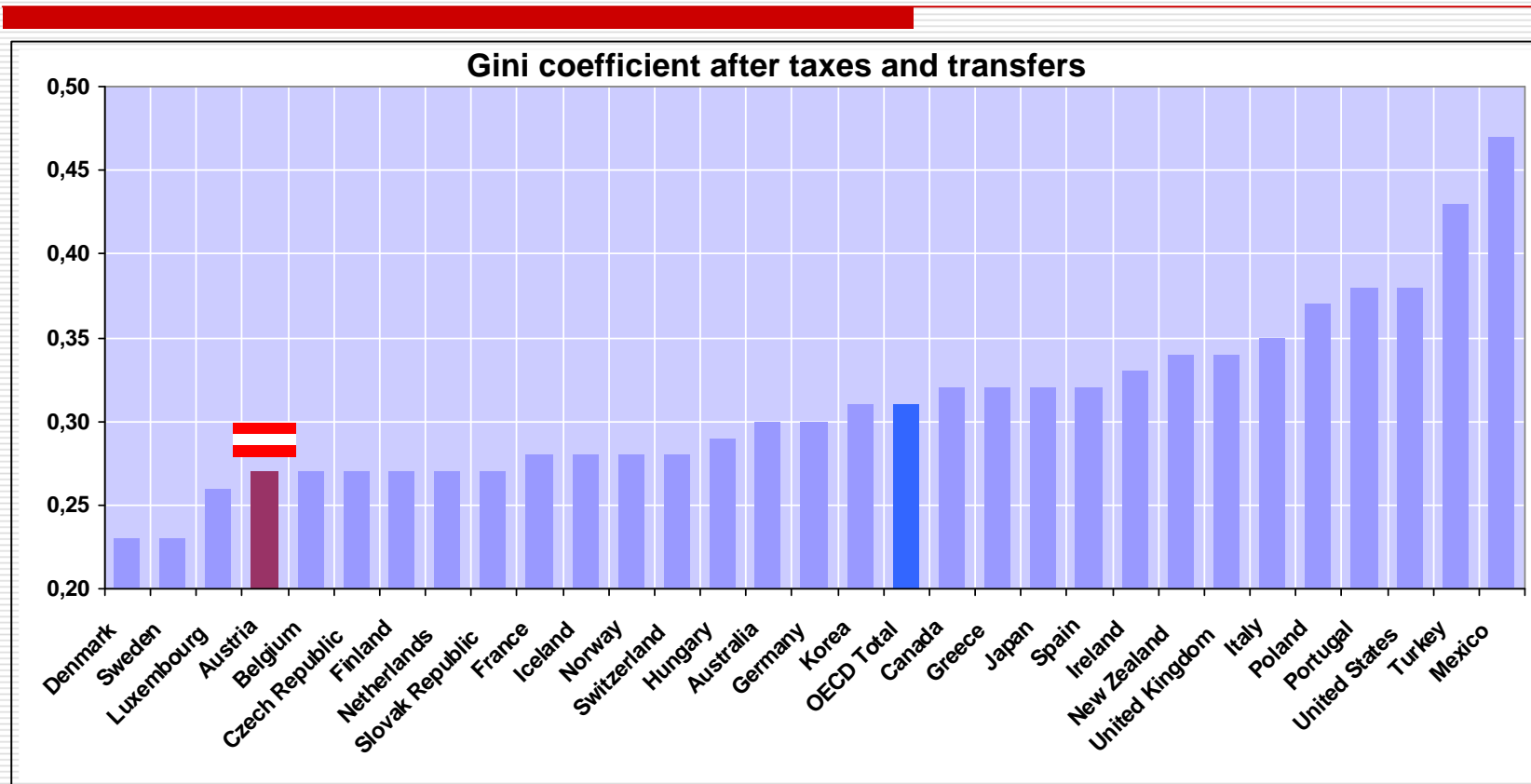
Age-related expenditure well under control



Austria's pension reforms have successfully mitigated the demographical issue.

Source: Quarterly Report on the Euro Area II/2009, European Commission

High social stability



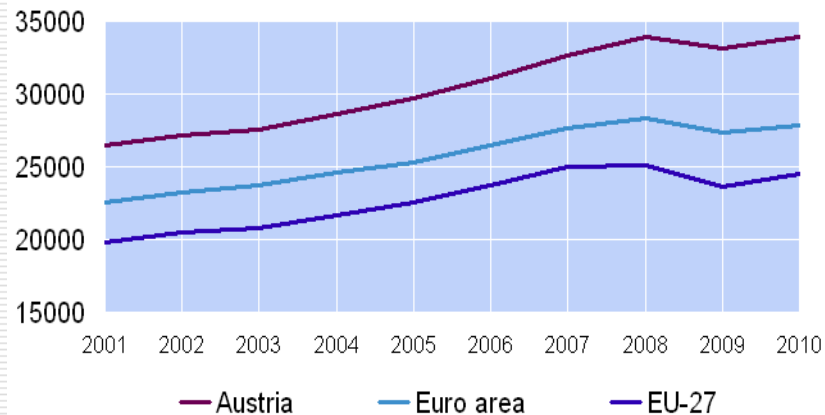
Austria's low Gini coefficient indicates a relatively equal income distribution

Source: OECD, September 2011

Austria's favourable fundamentals

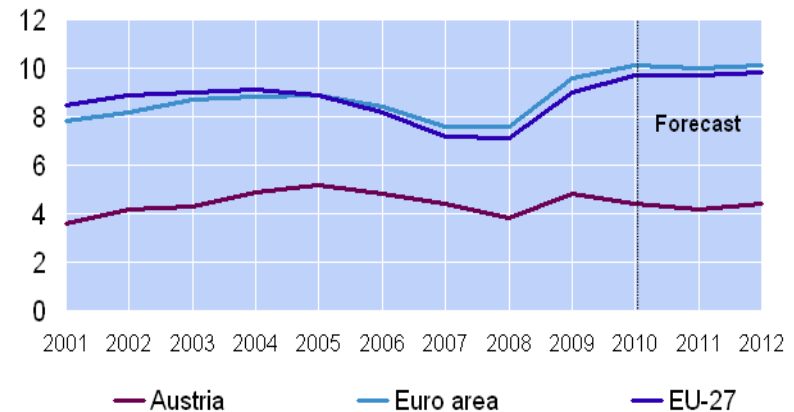
High GDP per capita and low unemployment

Austria's GDP* per capita clearly and consistently above EA and EU...



GDP per capita exceeds EU average by around 40%

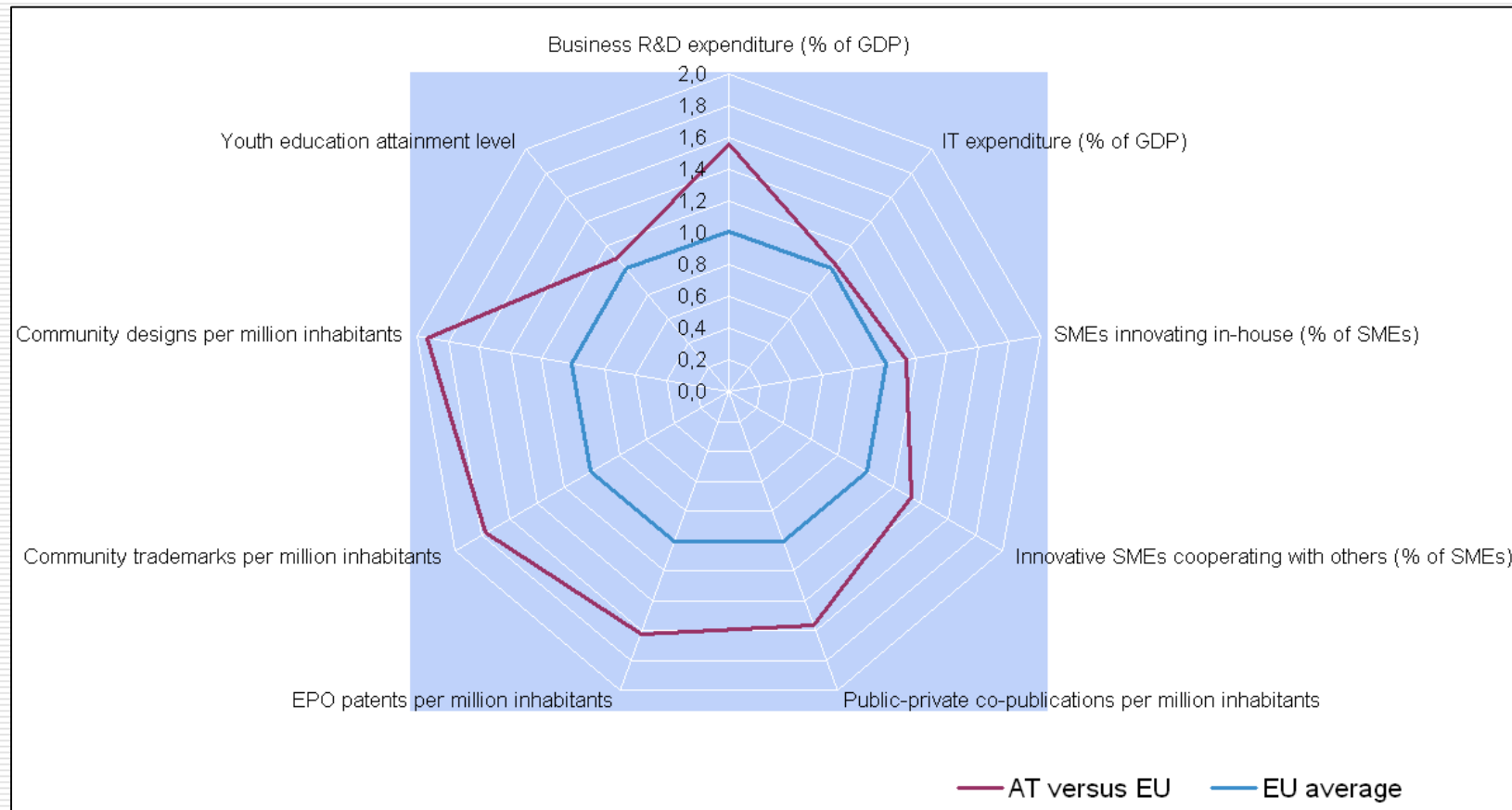
Austria's unemployment rate: Lowest in EU



Unemployment rate around half of the EU-average

Source: Austrian National Bank, European Commission, Eurostat.
* GDP at current prices

Innovation Performance - Austria exceeds EU by far

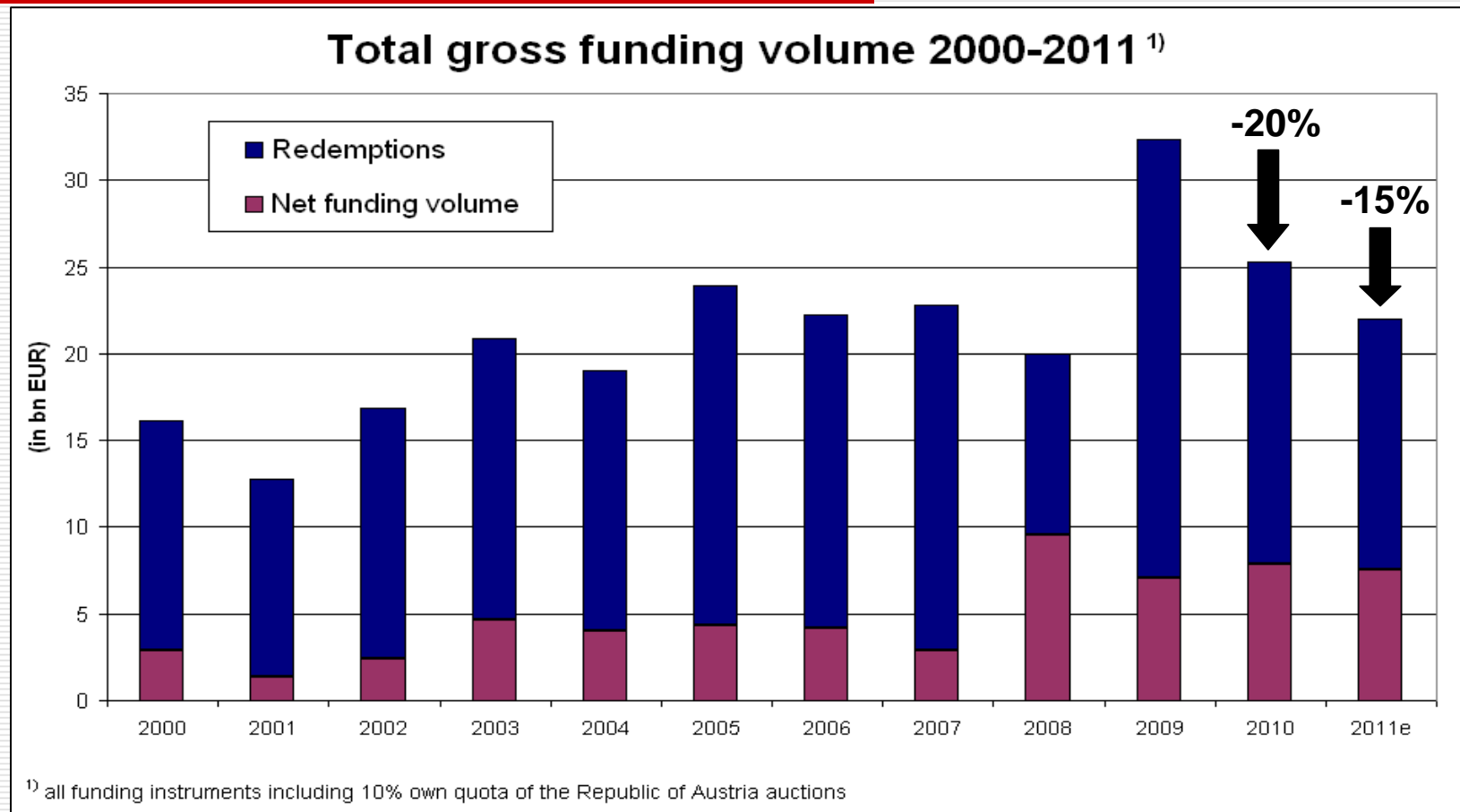


Source: Eurostat

Funding 2011 - Overview

- The funding plan projects total RAGB issuance for 2011 of EUR 16 – 19 bn
- Total issuance including short-term and other instruments: EUR 22 – 25 bn (-15% compared to 2010)
- Monthly auctions with re-opening of existing issues to enhance liquidity
- Other instruments: Austrian T-Bills, MTNs, Schuldschein-Format, Loans
- As of November 2011: close to 100% of the total funding program has been completed

Funding 2011 - Back to „normal“ levels



Funding 2011 – Auction Calendar

Source: www.oebfa.at

Tender	Closing	Volume
Jan 12	Jan 17	EUR 4.00 bn syndicated issue RAGB Apr 2022
Feb 1	Feb 4	EUR 0.74 bn increase of RAGB Mar 2037
Mar 1	Mar 4	EUR 0.94 bn increase of RAGB Feb 2017
Apr 5	Apr 8	EUR 0.69 bn increase of RAGB Apr 2022
May 3	May 6	EUR 0.66 bn increase of RAGB Jul 2015
Jun 7	Jun 10	EUR 0.77 bn increase of RAGB Apr 2022
Jul 5	Jul 8	EUR 0.88 bn increase of RAGB Feb 2017
(Aug 2)	(Aug 5)	EUR 0.66 bn increase of RAGB Mar 2026
Sep 6	Sep 9	EUR 0.66 bn increase of RAGB Feb 2017
Oct 4	Oct 7	EUR 0.88 bn increase of RAGB Mar 2037
Nov 8	Nov 11	EUR 0.88 bn increase of RAGB Apr 2022
Dec 6	Dec 9	EUR 0.79 bn increase of RAGB Apr 2022
		EUR 0.89 bn increase of RAGB Oct 2013
		Reserve date not used
		EUR 0.73 bn increase of RAGB Mar 2037
		EUR 0.66 bn increase of RAGB Feb 2017
		EUR 0.44 bn increase of RAGB Mar 2037
		EUR 0.66 bn increase of RAGB Jul 2015
		EUR 0.72 bn increase of RAGB Sep 2021
		EUR 0.56 bn increase of RAGB Sep 2016

Volume and tenors are announced one week prior to the auction date. The average tenor of the outstanding debt is 8.2 years. A re-opening of existing issues is regularly done in order to enhance liquidity.

Funding Strategy

- Diversity of funding sources (geographically and by instruments)
- Flexibility to address specific investor demand
- Capitalizing on scarcity value and strong fundamentals
- Secondary market liquidity
- Monthly auctions, 24 primary dealers
- Modest refinancing-risk (low debt rollover ratio)
- Conservative debt management strategy (>95% fixed rate)
- Duration target and well-balanced maturity profile
- Reliability, Transparency
- Investor Relations

Debt Rollover Ratio among lowest in Euro area

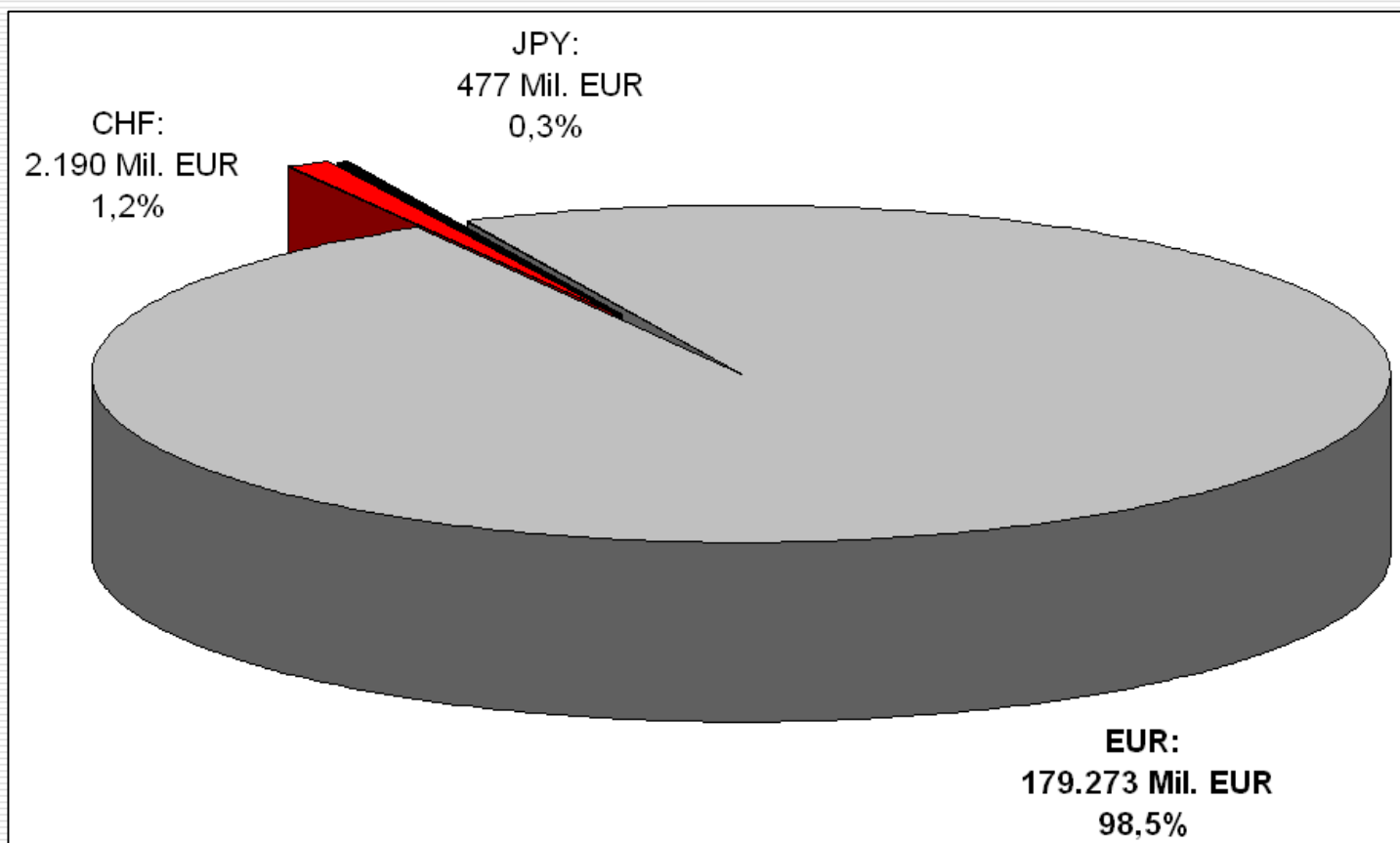
- defined as short-term debt stock of the previous year plus maturing medium- and long-term debt in % of GDP
 - n indicator for refinancing-risk
- Austria has a very low refinancing-risk
- Conservative strategy

Other	2009	2010	2011
Norway	5,9	10,6	11,9
Turkey	9,5	14,8	9
Sweden	9,8	9,7	7,8
UK	4,7	5,5	7
Switzerland	4	2,9	2,9

Source: S&P European Sovereign Issuance Survey, April 2011

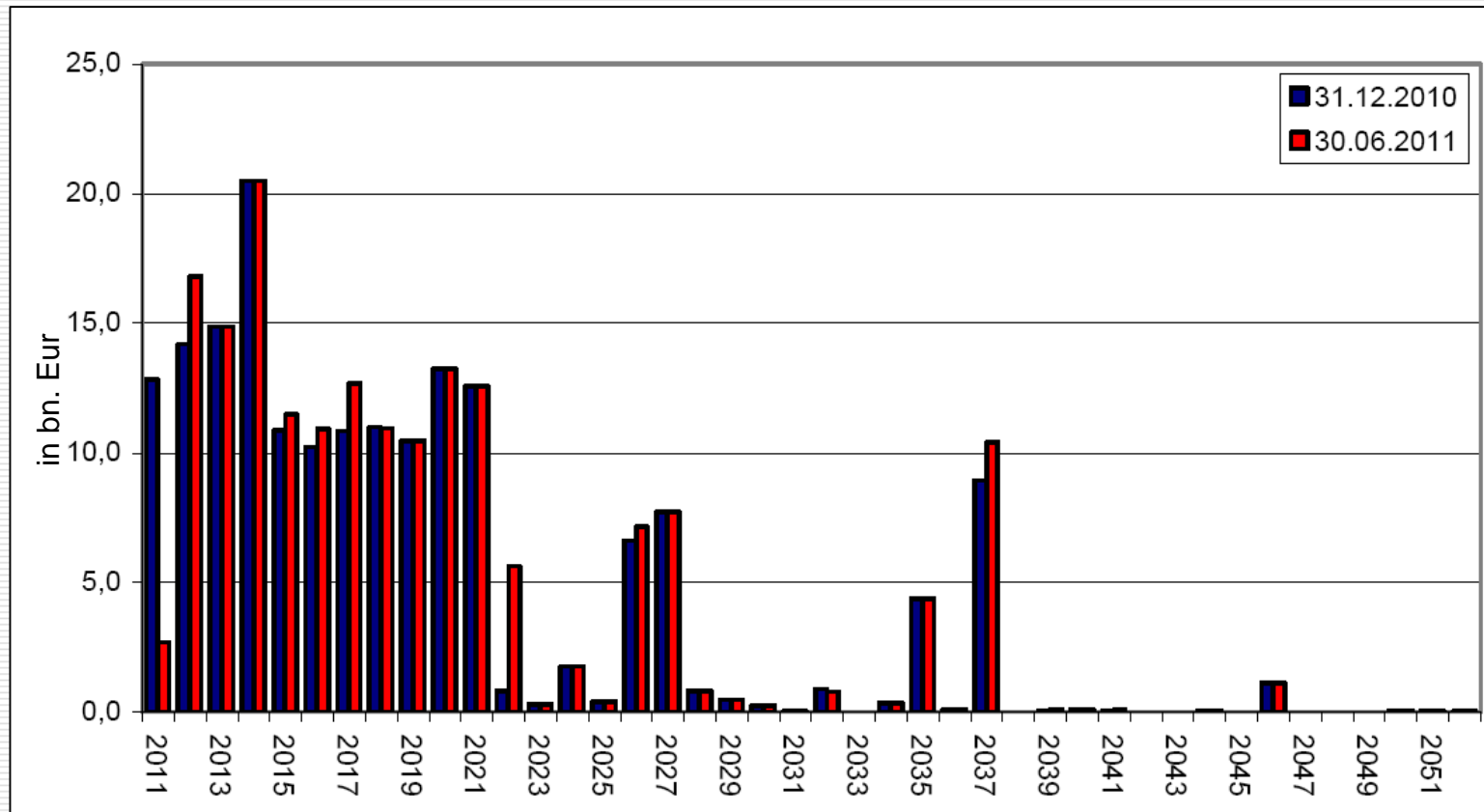
EU17	2009	2010	2011
Portugal	15,7	17,6	21,2
Belgium	22,5	22	19,6
Italy	20,2	20,4	18,3
Greece	14,2	13,1	16,7
France	12,7	15,1	14
Netherlands	20,7	13,9	14
Spain	7,9	11,5	11,9
Finland	7,7	10,2	10,7
Malta	10	11,5	9
Ireland	19,3	18,6	8,7
Germany	7,3	8,8	8,6
Cyprus	7,7	8,4	6,2
Slovakia	5,1	6,6	5,3
Austria	7,4	5,3	4,9
Slovenia	2,5	4,6	2,7
Estonia	0	0	0
Luxembourg	0	0	0
Average	10,6	11,0	10,1

Debt Portfolio by Currency (as of 31.10.2011)

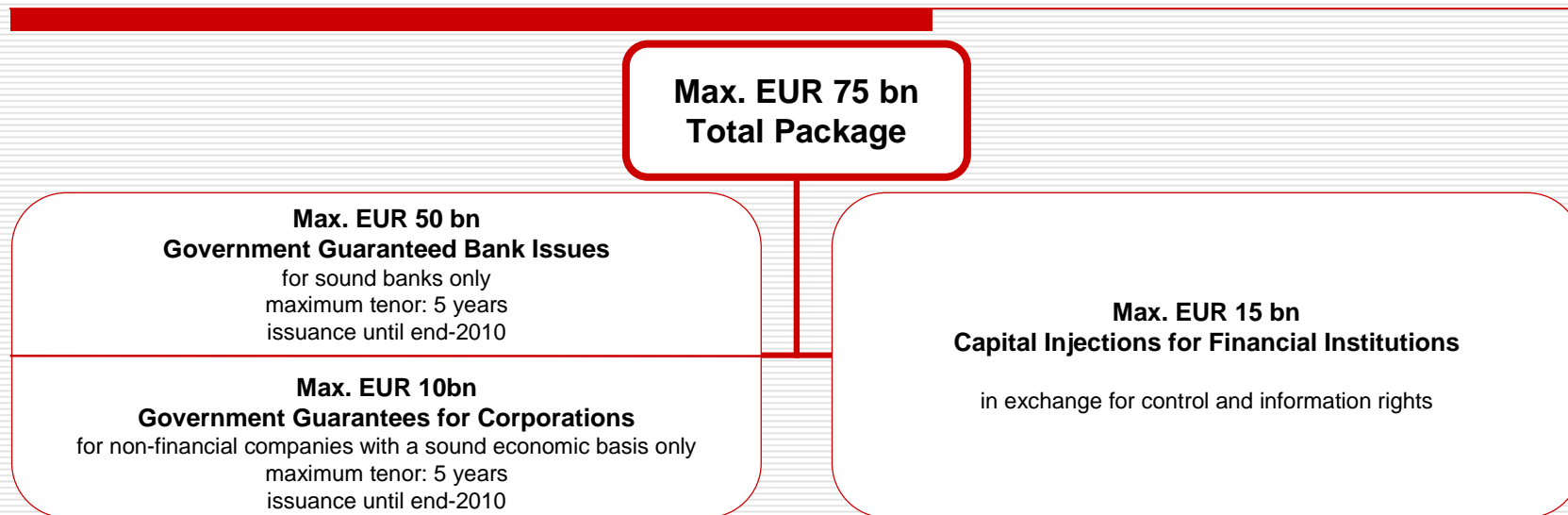


Debt Portfolio – Redemption Profile

Well diversified



Measures to Strengthen Austrian Interbank Market and Safeguard Financial Stability

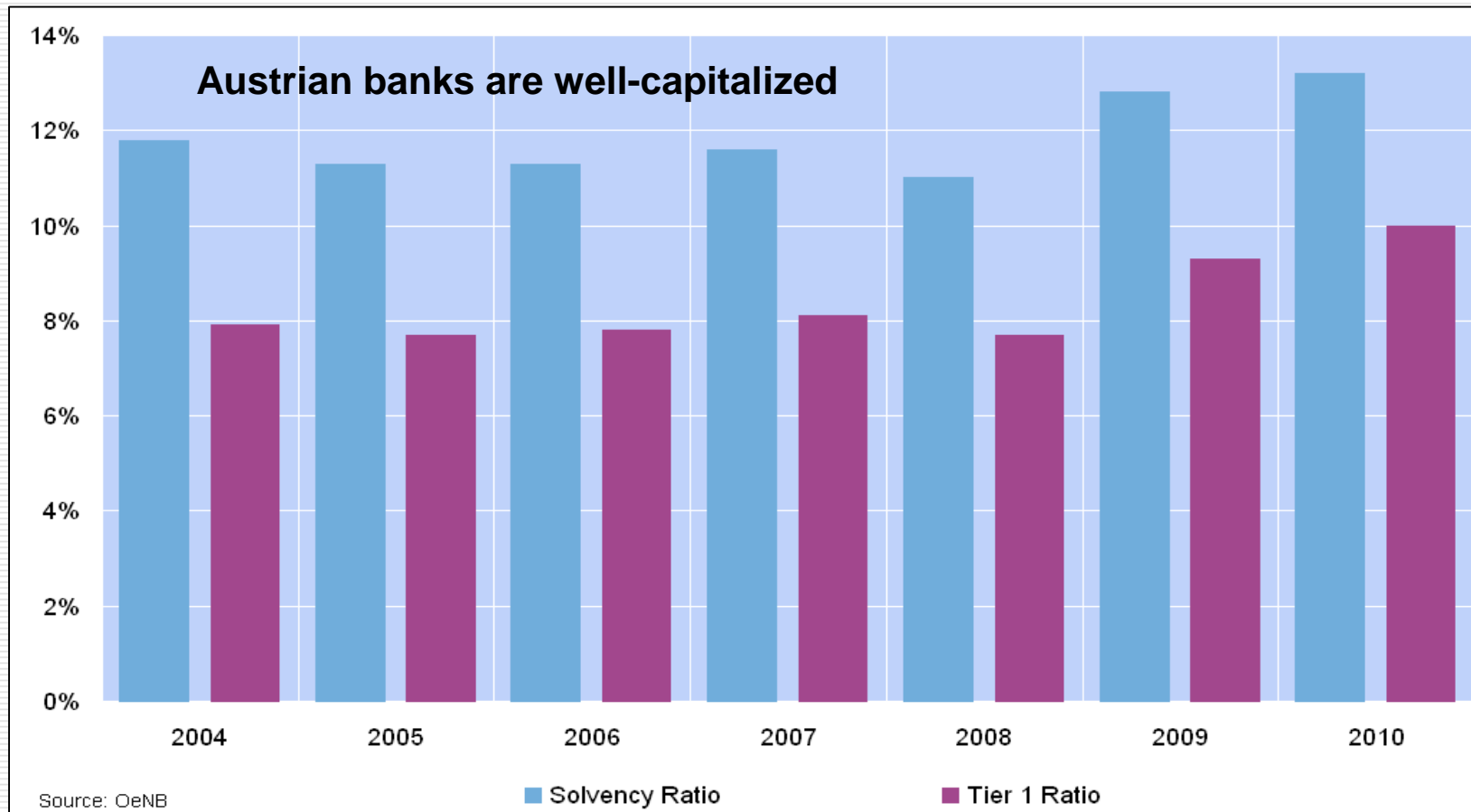


Main part of cash-relevant capital injections has been funded, partially already in 2008. Guarantees for Bank Issues, corporations and Depository Guarantee Scheme are not expected to become cash-relevant.

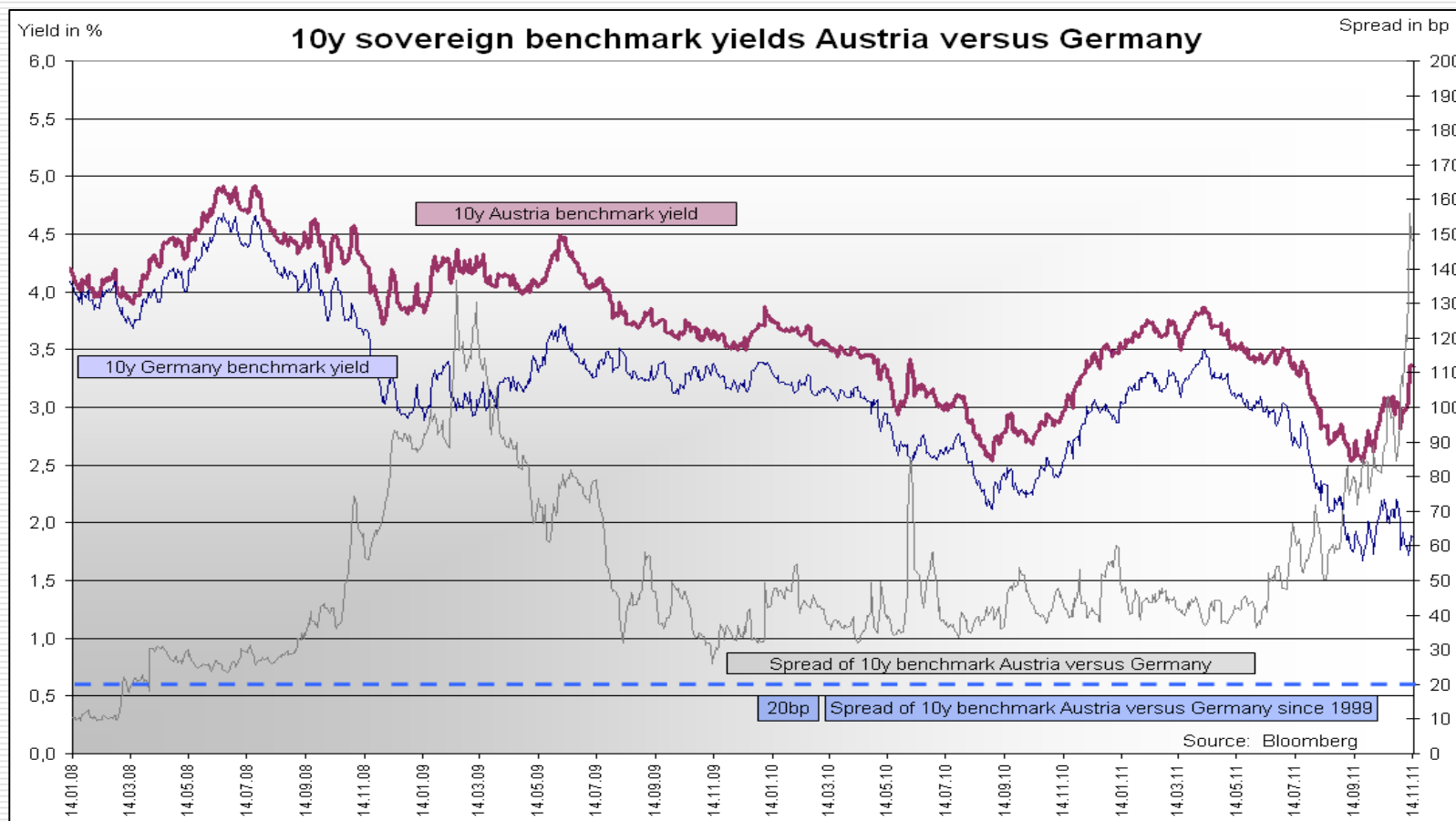
Around 50% of the total package has been needed.

See also: http://english.bmf.gv.at/FinancialSector/MeasuresforStabiliz_581/_start.htm
[http://english.bmf.gv.at/FinancialSector/MeasuresforStabiliz_581/IBSG-FinStaG_EN\(1\).pdf](http://english.bmf.gv.at/FinancialSector/MeasuresforStabiliz_581/IBSG-FinStaG_EN(1).pdf)

Austrian Stability Measures and Bank Capital Quotas



Yield and Spread - Austria vs. Germany



Conclusion - Austria retains excellent value

- Strong credit fundamentals, diversified and competitive economy
- Sound financial policies, high institutional strength
- Lowest unemployment in EU
- Strong exports and tourism, sustainable current account surplus
- No bubble in the housing market
- Current elevated spread levels are not in accordance with actual credit quality
- Present spread level of over 100 bp vs. 10y average of 20 bp over Germany



Risk/Reward implies that at present levels Austria is currently Eurozone's best buy

Further Information

- www.oebfa.at (Austrian Federal Financing Agency): auction calendar, debt portfolio, rating reports, etc.
- www.bundesschatz.at (Online retail savings product)
- www.bmf.gv.at (Federal Ministry of Finance): details on the Austrian budget and Financial Stability Measures
- www.statistik.at (Statistics Austria)
- www.oenb.at (Austrian National Bank)
- www.staatsschuldenausschuss.at (Government Debt Committee)
- www.epp.eurostat.ec.europa.eu (Eurostat)
- www.oekb.at/en/capital-market/government-bonds/pages/default.aspx (OeKB / Government Bonds page)

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