

GENERAL TERMS AND CONDITIONS FOR AUSTRIAN GOVERNMENT BONDS 144A THE ORIGINAL TRANCHE OF WHICH HAS BEEN ISSUED BEFORE 31 DECEMBER 2012

§ 1 Interest Payment

Interest (Actual/Actual) is paid on the nominal value per annum, payable annually in arrear. The interest payment period of the Bonds begins on the first day of the term of Bundesanleihen and ends on the day before the redemption date. The interest payment is effected exclusively by payment to the Central Securities Depository (see below) for the banks holding securities accounts for Bundesanleihen.

§ 2 Redemption

The Bundesanleihen are redeemed on the redemption date at par. The payment is effected exclusively by payment to the Central Securities Depository (see below) for the banks holding securities accounts for Bundesanleihen.

§ 3 Termination

Neither the Issuer nor the holders of the Bundesanleihen may terminate the Bundesanleihen.

§ 4 Denomination, Form and Transfer

The Bonds are issued in nominal values of Euro 1,000 and are represented entirely by a global certificate in bearer form. There will be no claim for receiving individual Bundesanleihen, even in case of dissolution of the Central Securities Depository. Transfer of title in the global Bond and of interests in it is only legally valid if made within the Central Securities Depository safekeeping bookentry system or in case of Bundesanleihen registered in the Federal Debt Registry by respective entries in that registry.

The interests of any participant in the Central Securities Depository safekeeping system (the "**Participant**") in the global certificate will be evidenced in book entries by the Central Securities Depository. Each Participant is obliged to make entries in its books showing the interests of its customers and of itself. Each customer of a Participant is obliged to make entries in its own books which it keeps as a matter of law or in case of private investment, on the purchase document which it holds to show the beneficial owner if different from itself.

The global Bond is properly signed by the Austrian Federal Financing Agency and the Court of Account of the Republic of Austria and is deposited with Oesterreichische Kontrollbank Aktiengesellschaft in its function as Central Securities Depository until all of the obligations of the Issuer under the Bundesanleihen are satisfied.

§ 5 Trustee Investments

The Bundesanleihen are eligible for use as trustee investments.

§ 6 Limitation of Claims

Claims for the payment of interest and principal expire after 3 years (in the case of interest) and after 30 years (in the case of the principal) after the due date in relation to payment thereof.

§ 7 Status

The Bundesanleihen will constitute unsecured, unconditional and unsubordinated obligations

of the Issuer and will rank *pari passu* with all other indebtedness resulting from financial debts of the Issuer.

§ 8 Negative Pledge

The Issuer undertakes for the benefit of the holders of Bundesanleihen for such period until the principal and all other payments under the Terms and Conditions of the Bonds have been made by the Paying Agent

- (a) that it will ensure that the Bundesanleihen will continue to rank *pari passu* with all other loan indebtedness resulting from financial debts of the Issuer, and
- (b) that it will not provide security for any other loan indebtedness resulting from financial debts without simultaneously securing the Bondholders equally.

§ 9 Taxation

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatsoever nature, imposed or levied by or within the Republic of Austria or any province, municipality or other political subdivision or taxing authority therein or thereof, unless the deduction of such taxes or duties is required by law. In that event, the Republic will pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Bundesanleihen and of the Coupons after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Bonds or, as the case may be, Coupons in the absence of such deduction. The Republic must not pay such additional amounts in respect of any Bond or Coupon if:

- (a) Bonds or Coupons are presented for payment in the Republic of Austria; or
- (b) such deduction would not be required if the holder or any person acting on his behalf had presented the requested form or certificate or had made the requested declaration of non-residence or similar claim for exemption upon the presentation or making of which that holder would have been able to avoid such deduction; or
- (c) by or on behalf of a holder who is liable to such taxes or duties in respect of such Bond or Coupon by reason of his having some connection with the Republic of Austria other than the mere holding of the Bond or Coupon, or
- (d) Bonds or Coupons are presented more than 30 days after the due date except to the extent that the holder thereof would have been entitled to additional amounts on presenting the same for payment at the latest on the expiry of such period of 30 days.

§ 10 Bond Stripping

The stripping of Bonds, specifically designated for this purpose by the Issuer, into the Bond capital and Bond interest coupons according to the conditions of the Strip Programme for Bundesanleihen, is possible.

§ 11 Reopening of Issues

Individual issues of Bundesanleihen may be reopened later on.

§ 12 Stock Exchange Listing and Tier 1 Collateral

The Bundesanleihen will be at least listed in the Official Market at the Vienna Stock

Exchange at the earliest date possible. An application for inclusion in the list of assets eligible for use as Tier 1 collateral in the System of European Central Banks credit operations will be made.

§ 13 Announcements

All announcements will be valid if published in the "*Amtsblatt zur Wiener Zeitung*". The holders of the Bundesanleihen will be deemed to have been notified of the contents of any such notice.

§ 14 Principal Paying Agent

Oesterreichische Kontrollbank Aktiengesellschaft.

§ 15 Applicable Law

Austrian Law.