

Investor Information May 2011



Covered Bond Conference 2011
May 27, 2011

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Agenda

1. General Overview – Austria’s favourable fundamentals.....3
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Austria – Key Data and Facts

Outperforming the Euro-Zone

in %	Austria			Euro-Zone		
Real GDP growth	2.0	2.5	2.0	1.8	1.6	1.8
Inflation (HICP)	1.9	2.8	2.4	1.6	2.6	1.8
Unemployment	4.4	4.1	4.0	10.1	10.0	9.7
Current Account Balance	3.2	3.7	4.3	-0.4	-0.2	-0.1
Budget Surplus/Deficit	-4.6	-3.9	-3.3	-6.0	-4.3	-3.5
Debt to GDP	72.3	73.6	75.0	85.4	87.7	88.5
	2010	2011	2012	2010	2011	2012

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

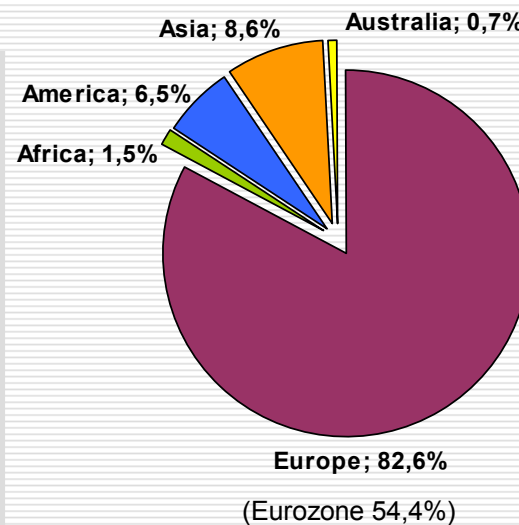
Austria – GDP and Exports

Composition of Austrian GDP*

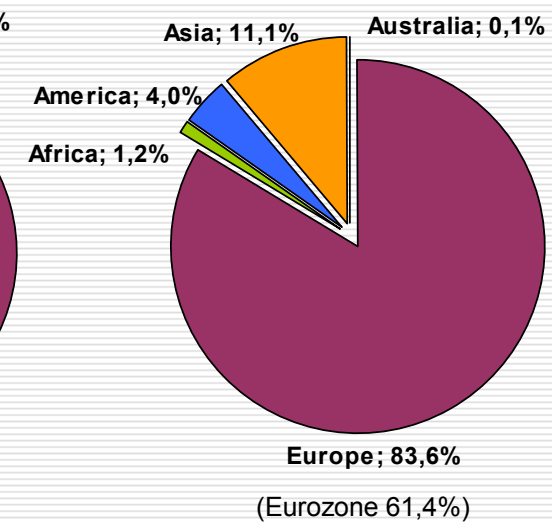
2010	EUR 284 bn
Consumption	73%
Investments	22%
Net exports	5%
Exports	55%
Imports	50%

Geographic Distribution**

Exports



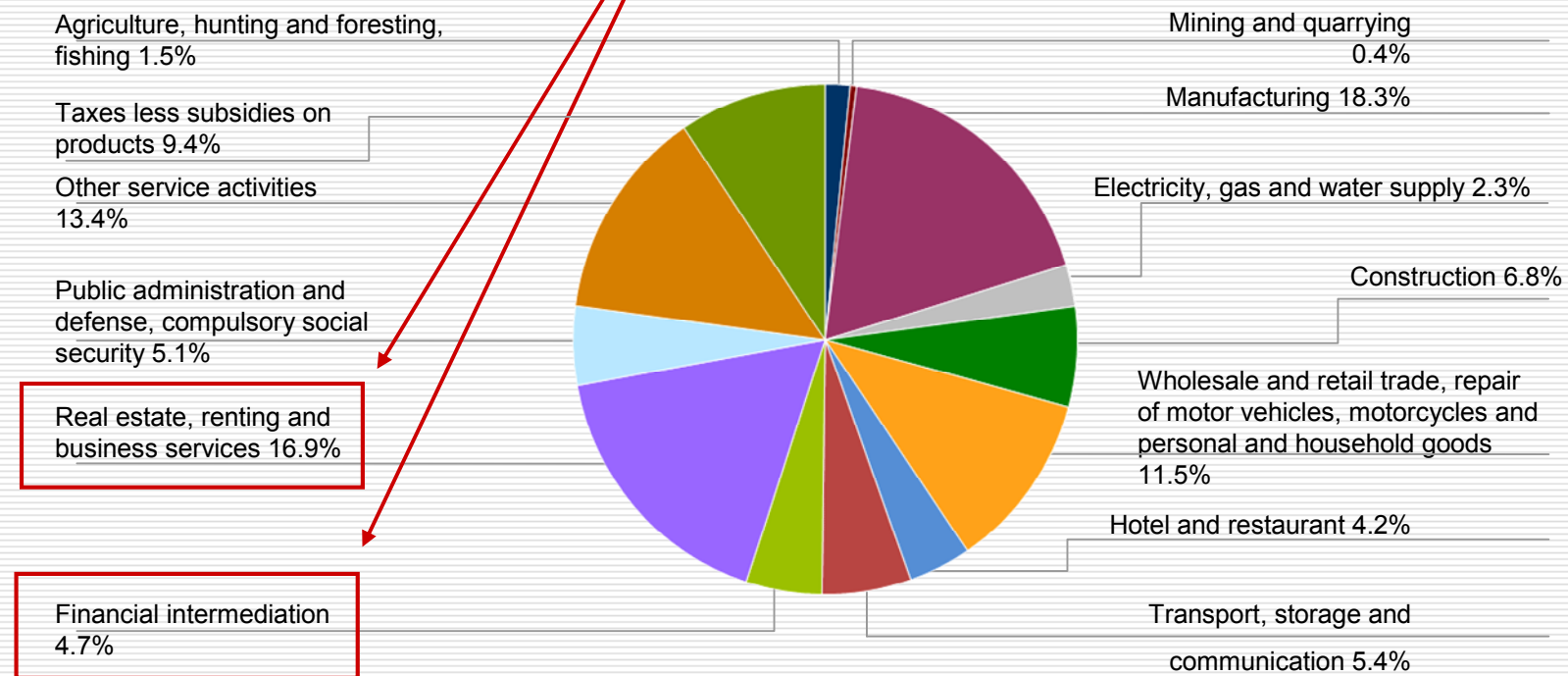
Imports



Sources: * Statistics Austria (as of March 2011)
** Statistics Austria (as of August 2010)

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

Well diversified structure:



Rating

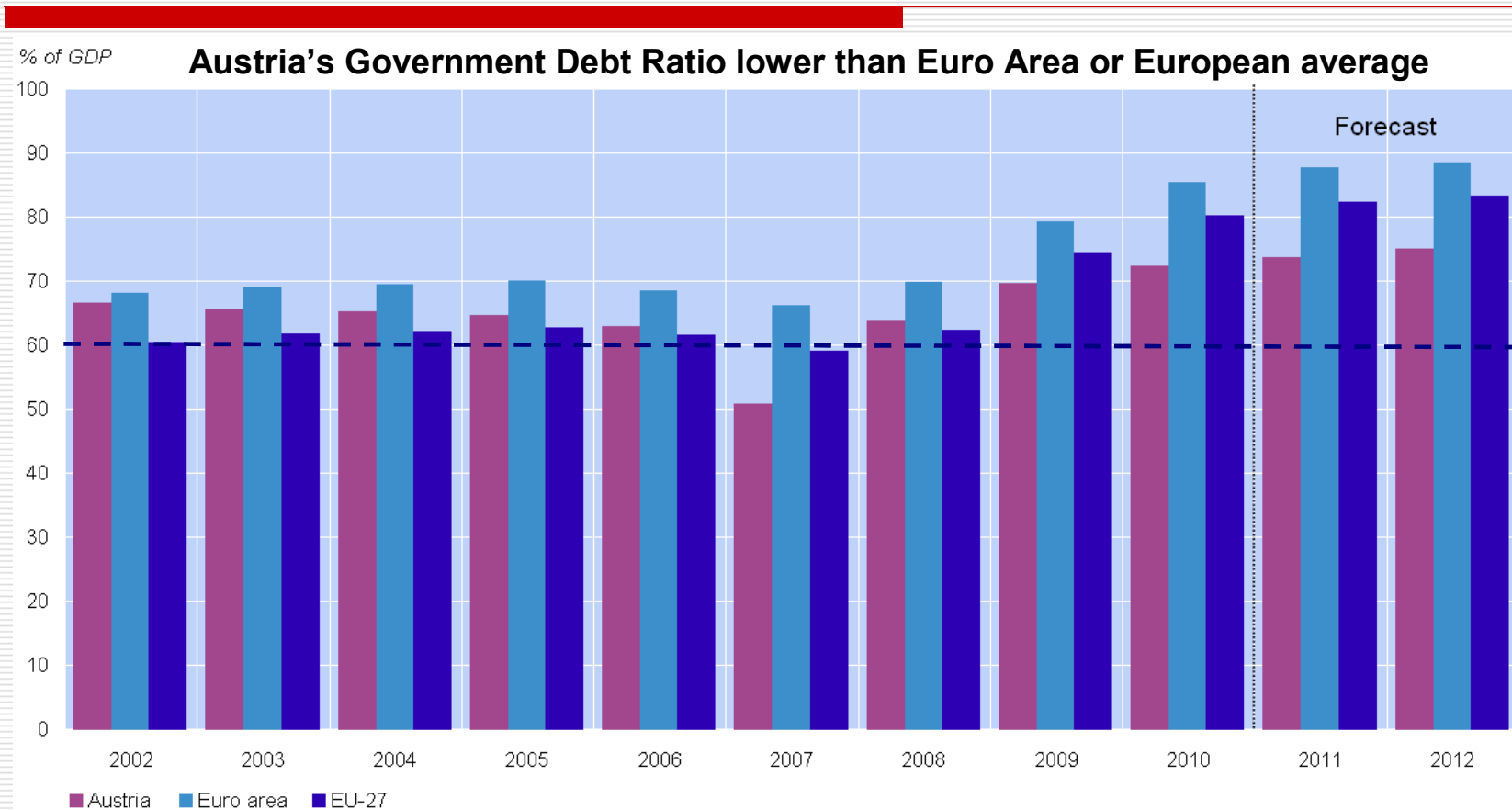
- ❑ Top-rating (long- and short-term) from all major rating agencies / Outlook: stable
- ❑ Long track record (eg rated AAA by S&P since 1975)
- ❑ Only 12 other countries have such a top-rating*

	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
	Sustainability Country Rating		
Sustainalytics	Ranked 8th 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's Favourable Fiscal Position

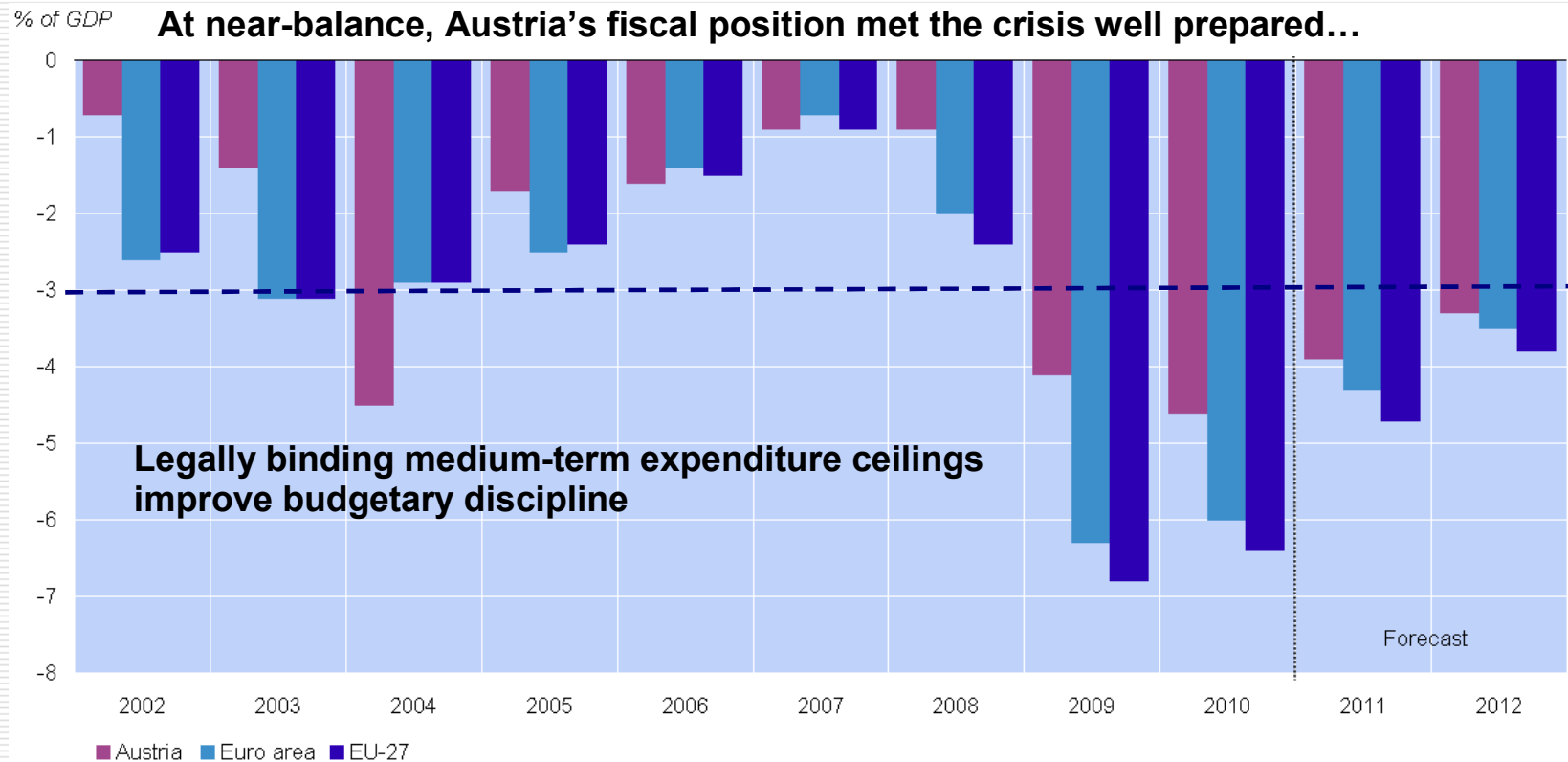
Government debt



Source: Data on Austria: Austrian Institute of Economic Research, Federal Ministry of Finance, April 2011
Data on Europe: Eurostat, European Commission - Economic Forecast, Spring 2011

Austria's Favourable Fiscal Position

Budget deficit



More details on the federal budget reform: http://english.bmf.gv.at/Budget/TheAustrianFederalB_399/start.htm

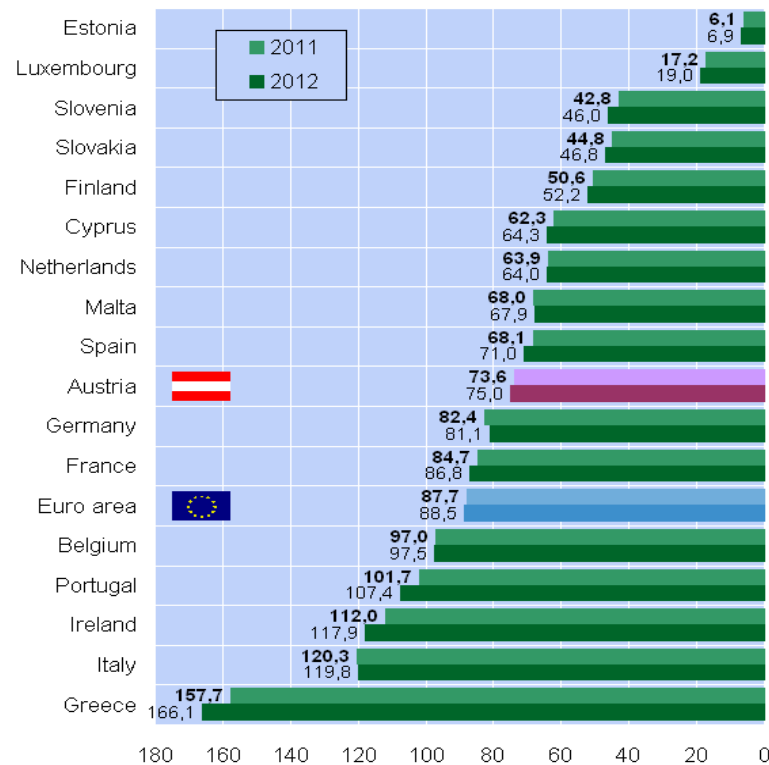
Source: Data on Austria: Austrian Institute of Economic Research, Federal Ministry of Finance, April 2011

Data on Europe: Eurostat, European Commission - Economic Forecast, Spring 2011

Public Debt/GDP - Europe

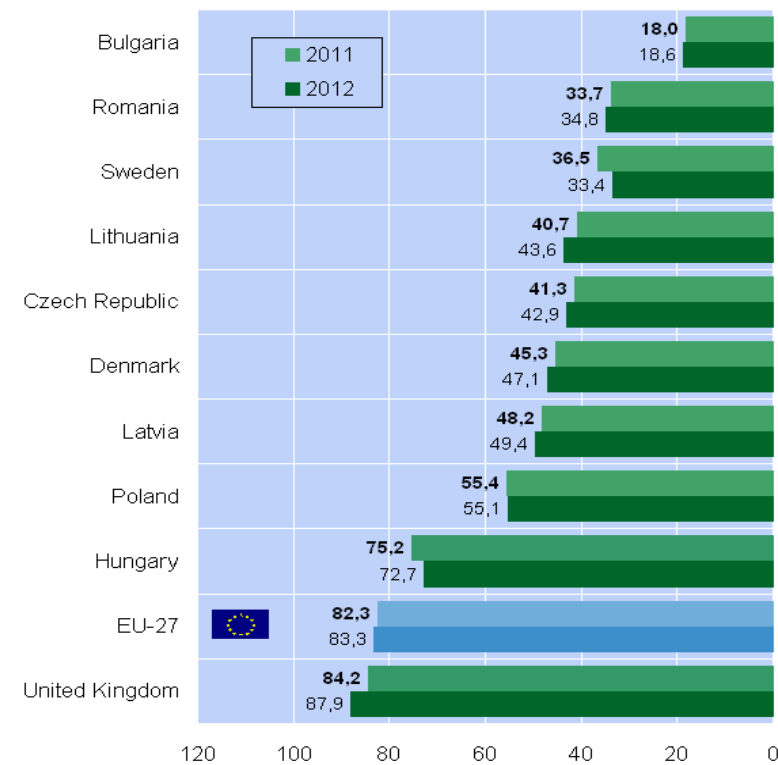
Euro area

% of GDP



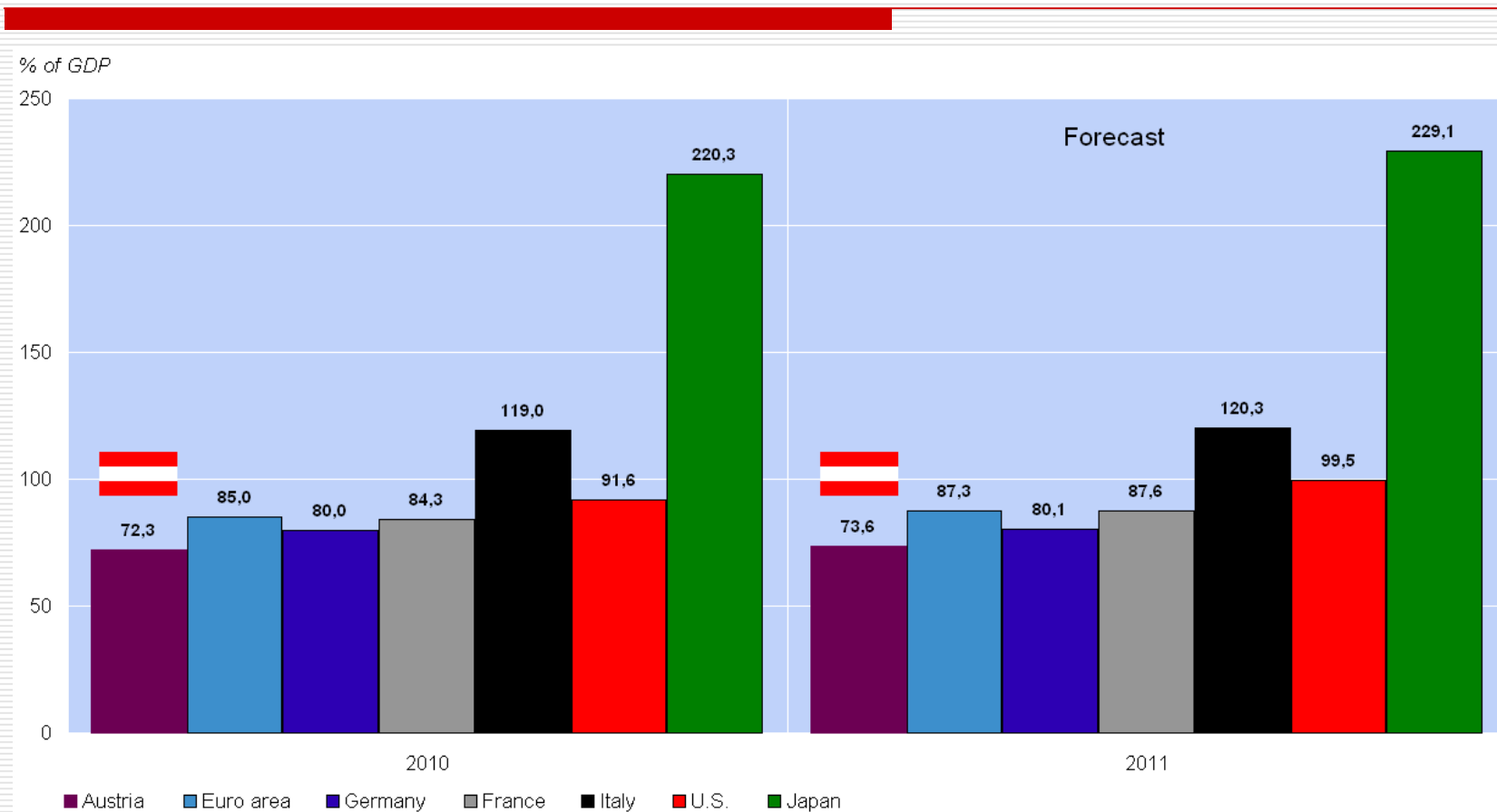
Non-euro area countries

% of GDP



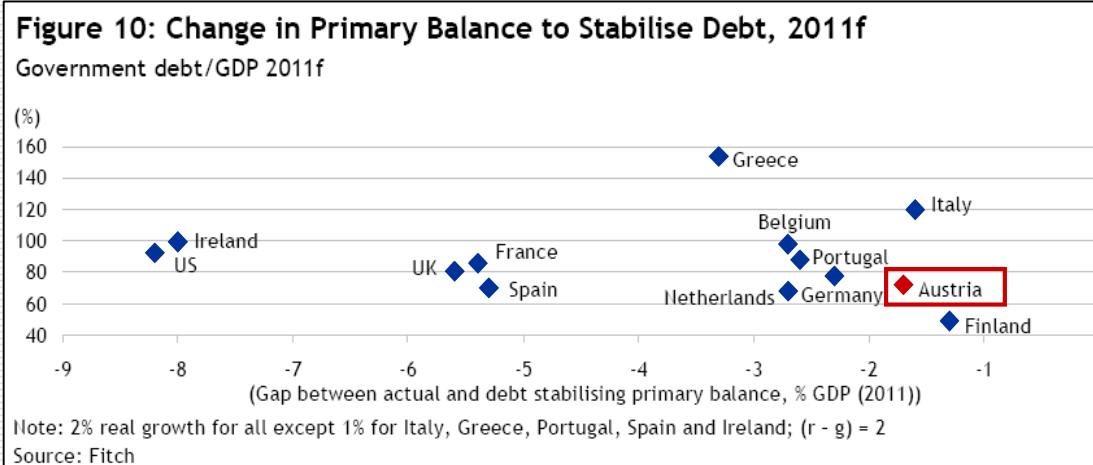
Source: Data on Austria: Austrian Institute of Economic Research, Federal Ministry of Finance, April 2011
Data on Euro-Zone & EU27: European Commission - Economic Forecast, Spring 2011

Public Debt/GDP - International



Source: Statistics Austria, Federal Ministry of Finance, IMF World Economic Outlook April 2011

Austria's Favourable Fiscal Position



□ 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.

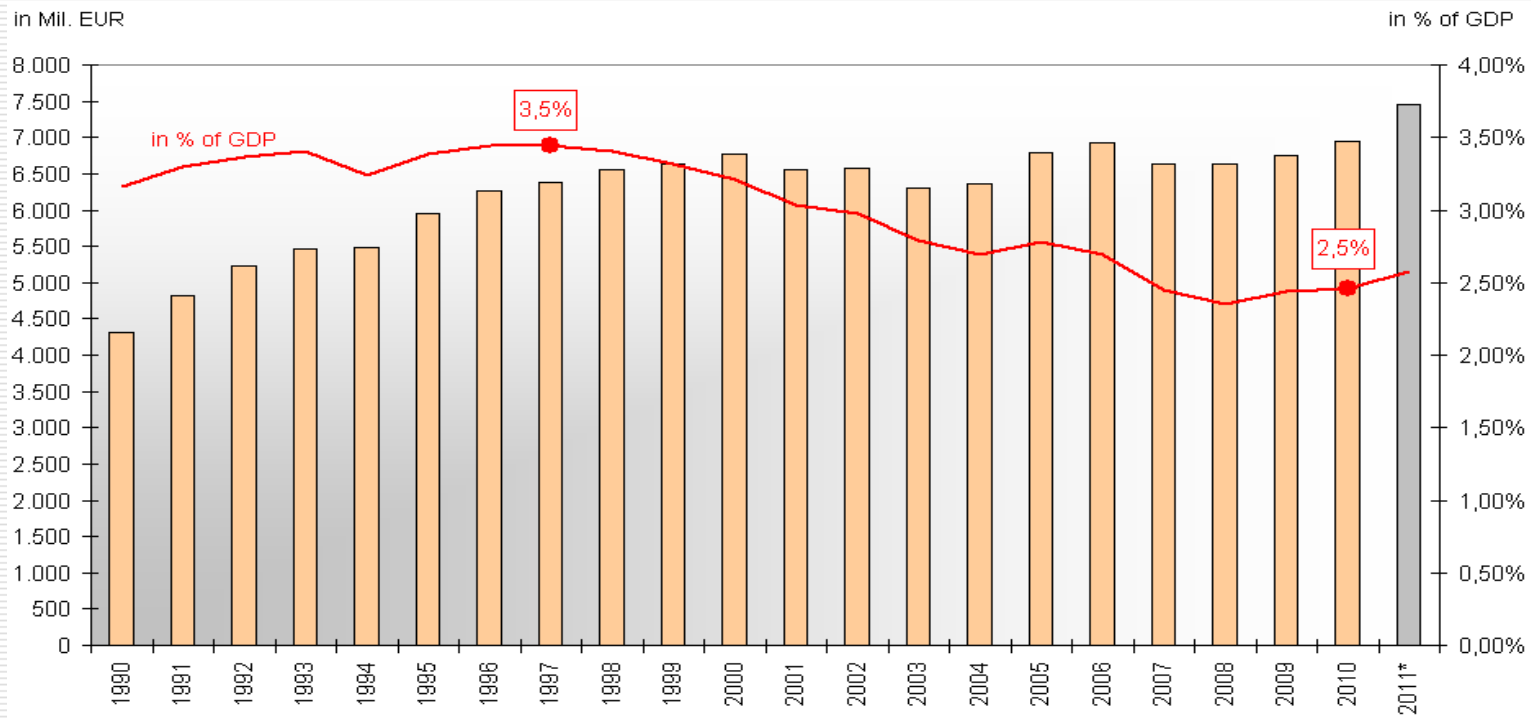
□ Nevertheless, Austria is strongly committed to consolidation efforts and achievement of a balanced budget over the economic cycle.

* 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.

Central government - Interest payments 1990-2011

Absolute level of interest payments stable between €6-7bn EUR (1995-2011)

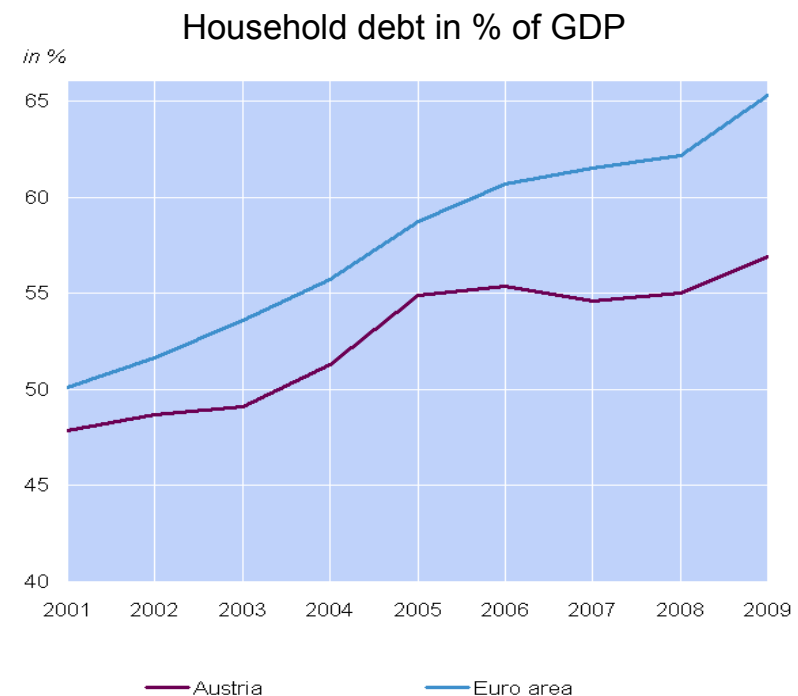
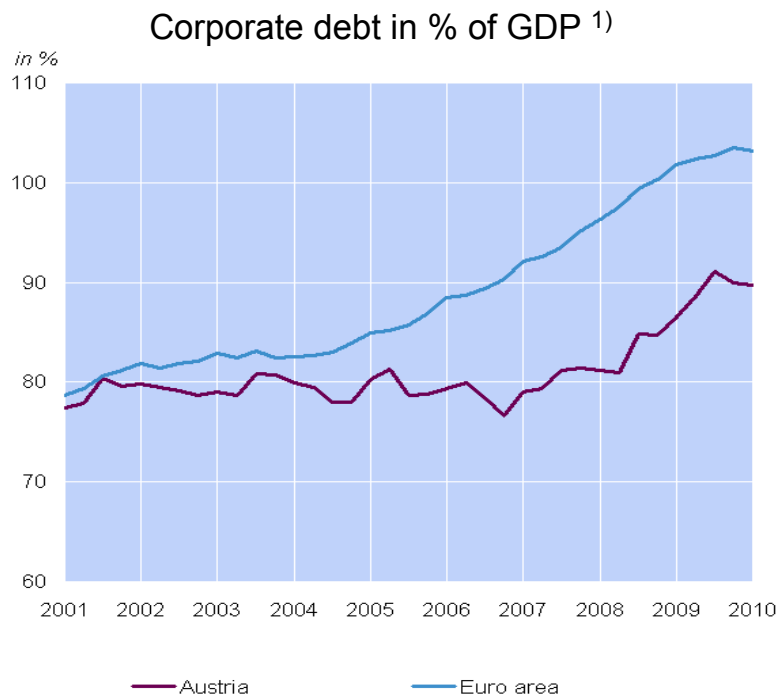
Relative to GDP interest payments are now at around 2.5% and still well below peak levels in 1997.



* Forecast Federal Ministry of Finance

Indebtedness of companies and households

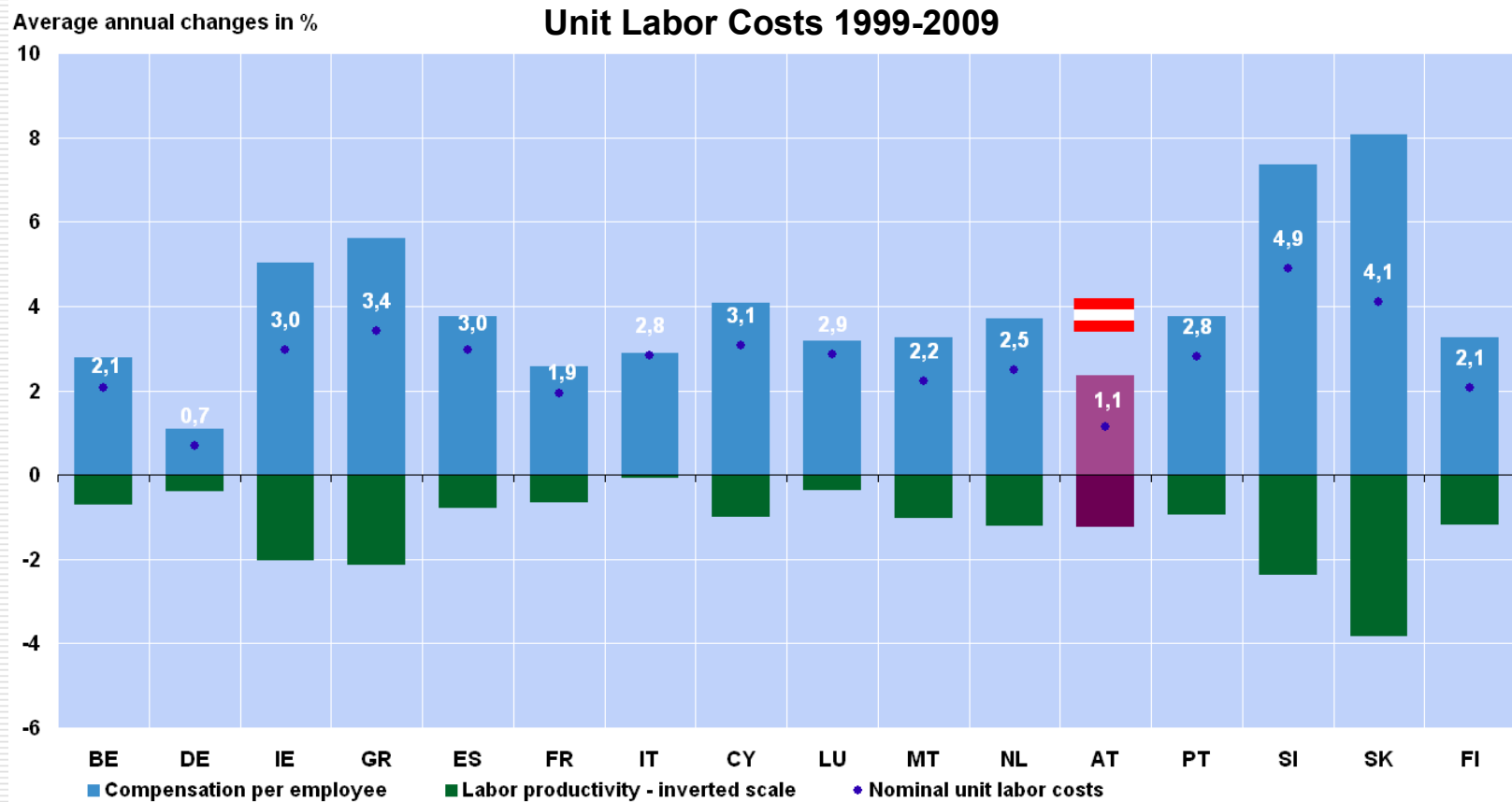
Austria: level of corporate and household indebtedness substantially below Euro zone average



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

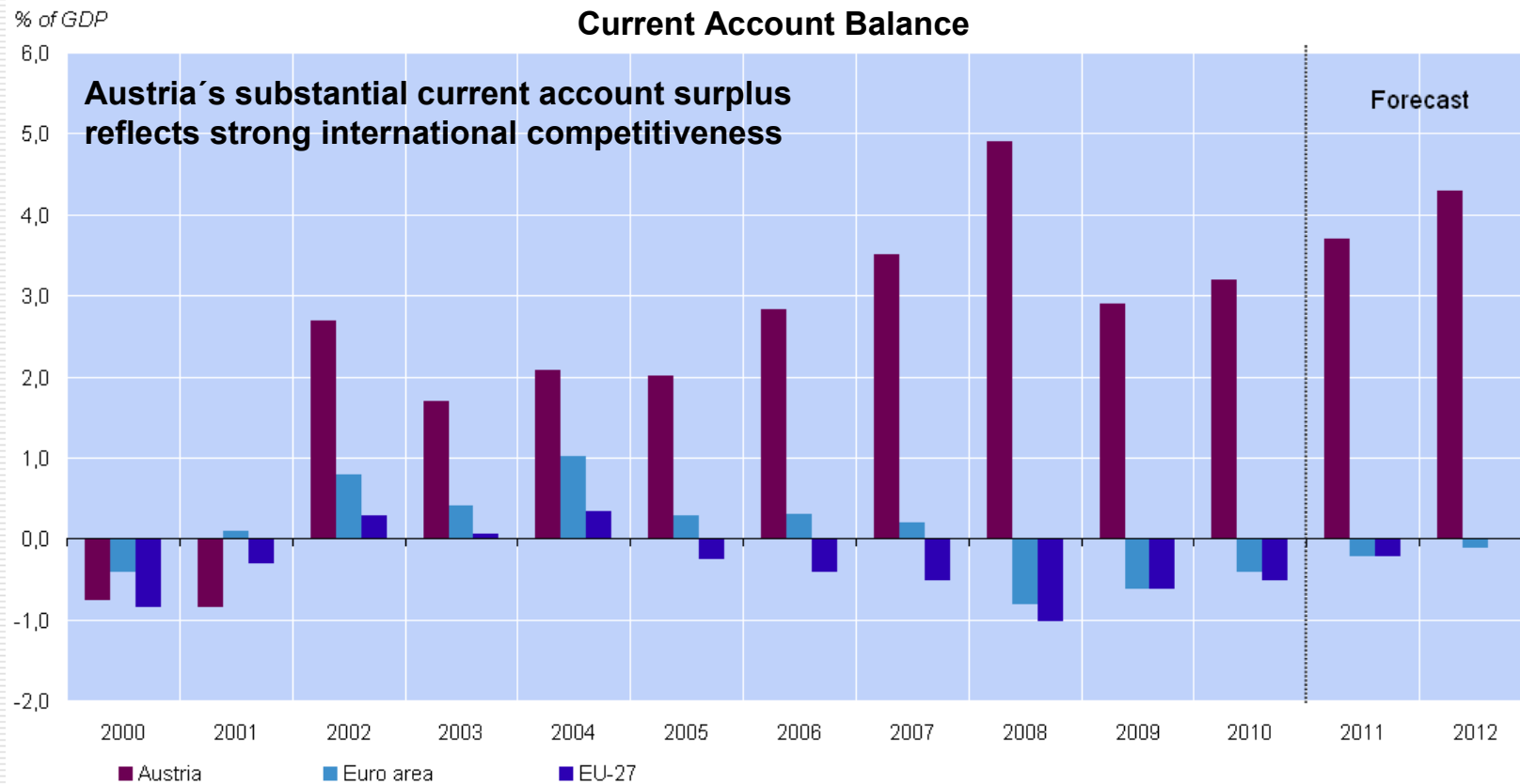
Source: European Central Bank, Austrian National Bank

Austria's strong competitive position / 1



Source: European Commission, Austrian National Bank

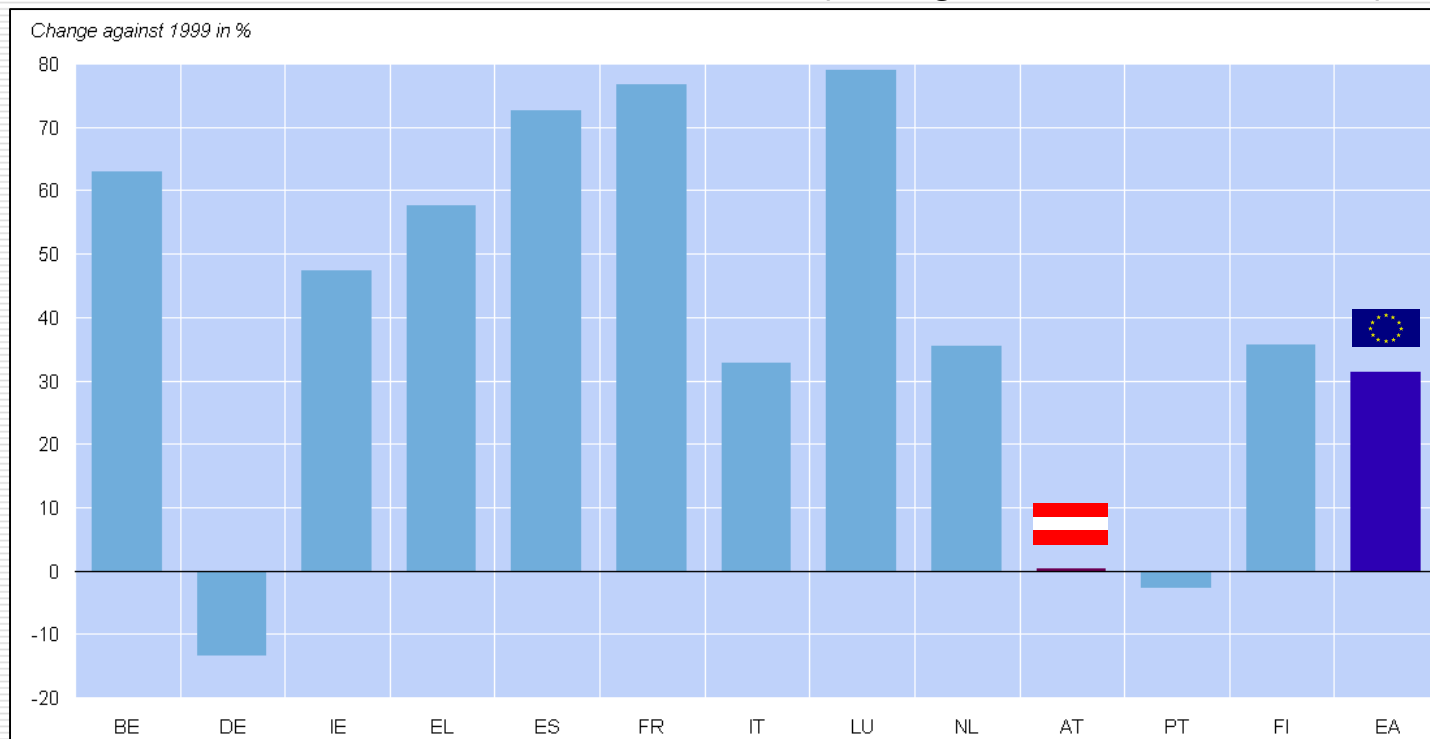
Austria's strong competitive position / 2



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

Real Estate Market - No Bubble in Austria

Real House Prices, Euro-area countries (change in %, 1999 to 2009)



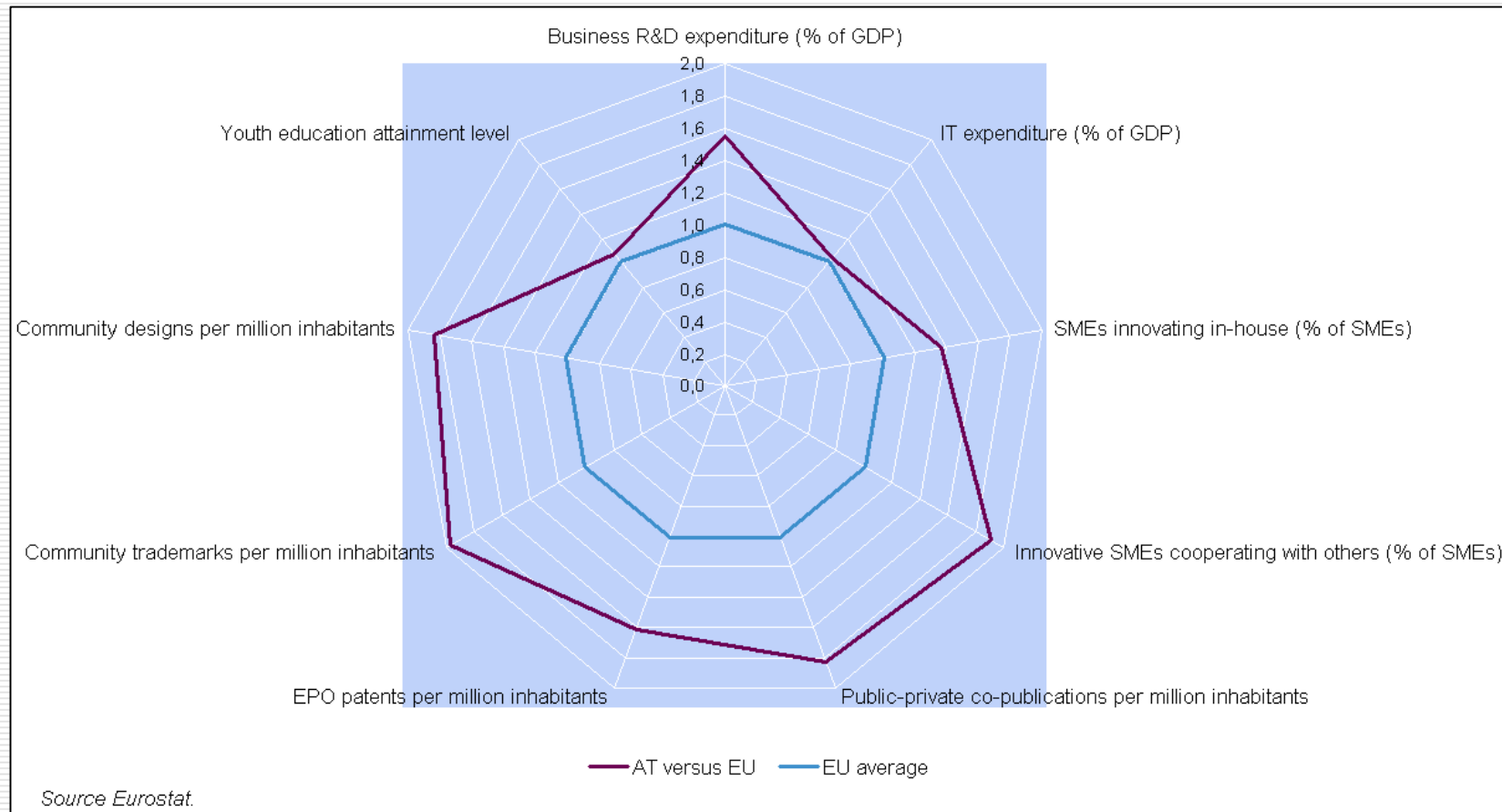
There is no housing bubble in Austria

Since 1999, real house prices remained stable

Source: ECB, European Commission

Note: Greece (EL) data cover the period 1999 to 2008, Luxembourg from 1999 to 2007. Nominal house price data are deflated by GDP deflator.

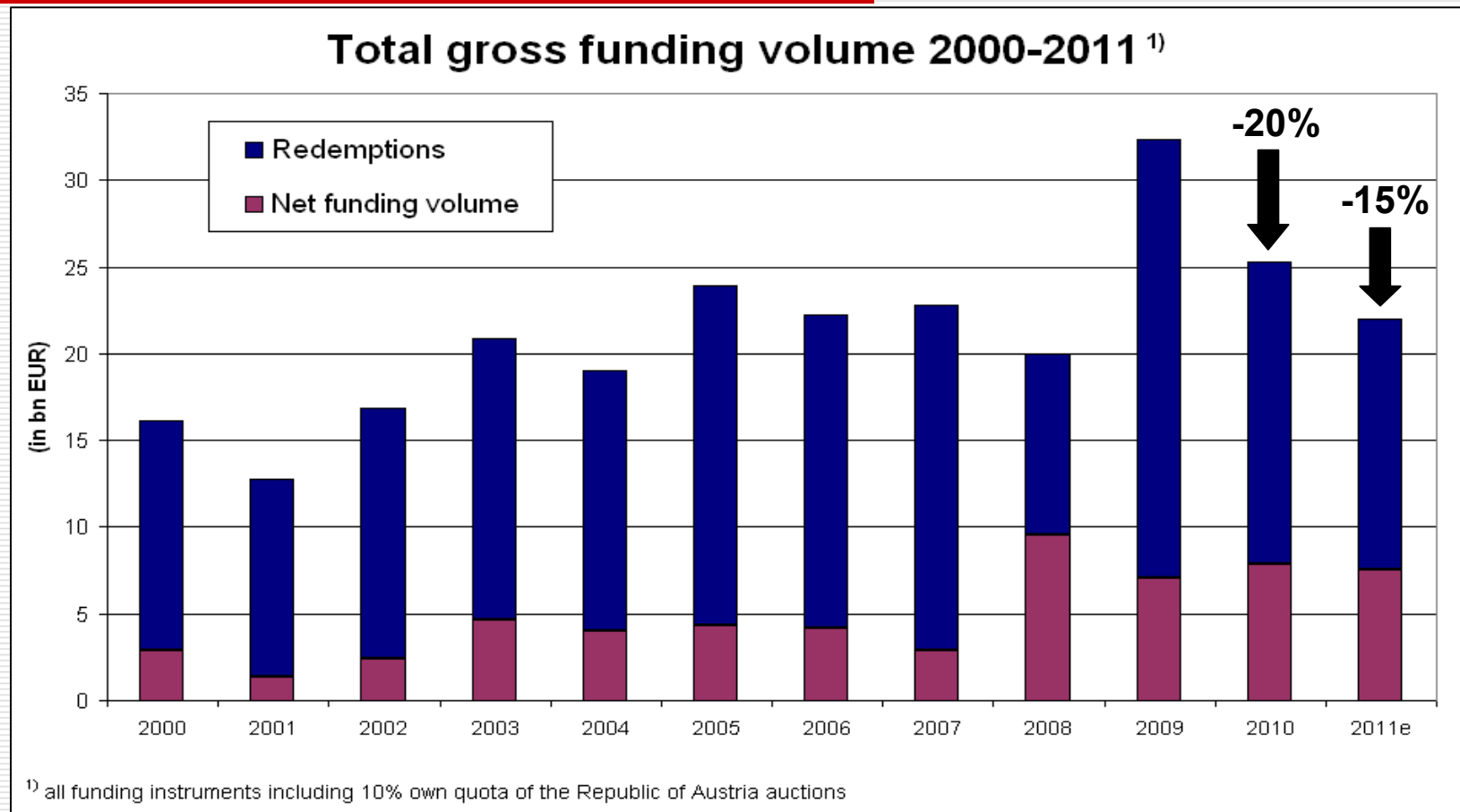
Innovation Performance - Austria exceeds EU by far



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 May 2011, more than 50% of the total funding plan for 2011 has been completed

Funding 2011 - Back to „normal“ levels



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, 23 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
 - indicator for refinancing-risk
- ❑ Austria has a very low refinancing-risk
- ❑ Conservative strategy

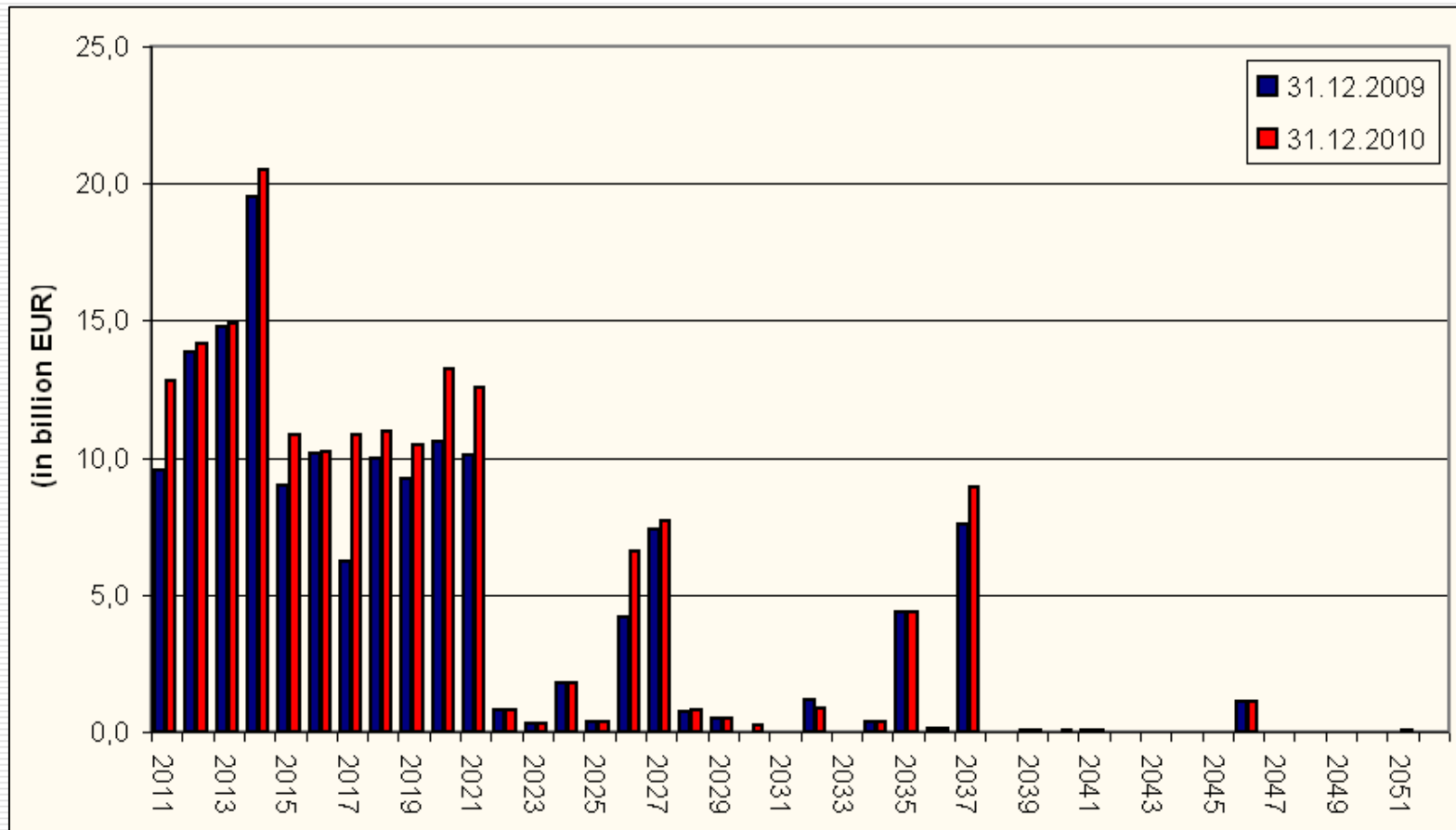
Other	2009	2010	2011
Norway	5,9	10,6	11,9
Turkey	9,5	14,8	9
Sweden	9,8	9,7	7,8
UK	4,7	5,5	7
Switzerland	4	2,9	2,9

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

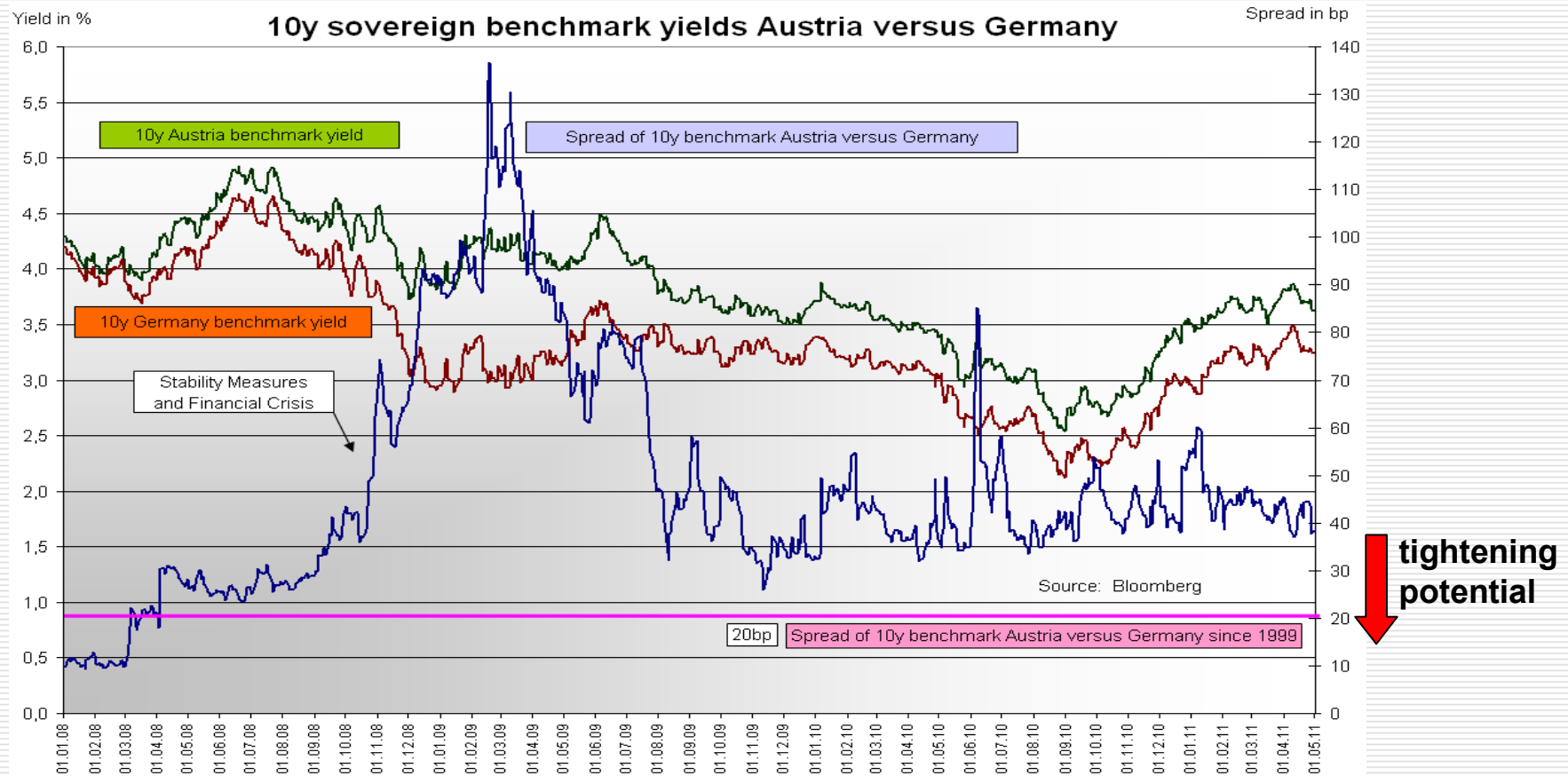
Source: S&P European Sovereign Issuance Survey, April 2011

Debt Portfolio – Redemption Profile

Well diversified



Yield and Spread - Austria vs. Germany



Conclusion - Austria retains excellent value

- Diversified and competitive economy
 - ranked 2 out of 27 EU countries*
 - ranked 13 out of 187 countries worldwide**
- Sound financial policies
- Strong exports and tourism, sustainable current account surplus
- Lowest unemployment in EU
- No bubble in the housing market
- High savings ratio / 3rd richest country in the EU***
- Current elevated spread levels are not in accordance with actual credit quality

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

** Euromoney Country Risk Survey (March 2011)

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

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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