

Raiffeisen **CENTROBANK**

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Prospekt gebilligt
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 **FINANZMARKTAUFSICHT**
Abt. III.1, Markt- und Börseaufsicht
1020 Wien, Praterstrasse 23

BASE PROSPECTUS
of
RAIFFEISEN CENTROBANK Aktiengesellschaft
of 18 July 2007
for the
Public Offering
and
Admission to Trading on the Semi-official Market of Wiener Börse
under the
Issuance Programme
2007/2008

amounting to EUR 5,000,000,000

for
WARRANTS
DISCOUNT CERTIFICATES
TURBO CERTIFICATES
RANGE TURBO CERTIFICATES
INVESTMENT CERTIFICATES
BONUS CERTIFICATES
SPEED CERTIFICATES
REVERSE CONVERTIBLES
LOCK-IN CERTIFICATES
OUTPERFORMANCE CERTIFICATES
GUARANTEE CERTIFICATES
CENTROBANK CERTIFICATES
TWIN WIN CERTIFICATES
REVERSE BONUS CERTIFICATES
EXPRESS CERTIFICATES
Vienna

The Issuance Programme was subsequently amended and updated:

- Base Prospectus for the Issuance Programme 2005/2006, dated 30 September, 2005; approved on 4 November, 2005
- Base Prospectus for the Issuance Programme 2006/2007, dated 21 July, 2006; approved on 27 July, 2006

With effect from the date hereof the Issuance Programme has been updated and this Base Prospectus supersedes and replaces the Base Prospectus dated 21 July, 2006

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ENGLISH LANGUAGE

I. SUMMARY

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

The following summary should be read together with the detailed information and financial statements contained in other sections of this prospectus.

WARNING NOTICE

The summary is to be understood as an introduction to the prospectus.

Investors (persons subscribing to securities) are requested to reach any investment decision relating to the concerned securities based on an examination of the entire prospectus.

It is hereby pointed out to potential investors that should an investor plan to file a claim before a court of law based on the information contained in this prospectus, the investor filing the claim might be required to pay for the costs of the translation of the prospectus before the commencement of the proceedings under the national laws of EEA member states.

Those persons having presented the summary (including its translation) and requested its notification, are liable only to the extent that the summary is misleading, incorrect or contradictory when read in conjunction with other parts of the prospectus.

This prospectus does not replace the advisory services of the bank or financial advisor needed before any reaching an investment decision.

1. Material Information on the Issuer

The issuer is Raiffeisen Centrobank AG. It is a joint stock company founded pursuant to the Austrian Companies Act and registered with the Commercial Court of Vienna under the Companies Register Number FN 117507 f. The issuer is seated in Vienna and the company address is Tegetthoffstraße 1, 1010 Vienna, Austria. The issuer is a credit institution in the meaning of the Austrian Banking Act and is thus subject to the supervision by the Financial Market Authority (FMA). It is authorized to carry on the business of banking in the meaning of the Banking Act within the scope of the license granted. The issuer has been a member of the Raiffeisen Group since the end of 2001 and does business mainly in Austria, Germany and the CEE countries.

The issuer is exposed to the diverse sector and market-specific as well as company-specific risks. Should such risks materialize, this could have a negative effect on the assets, liabilities, financial position and profit or loss of the issuer. For further issuer-related risk warnings, please refer to Chapter III.A.

2. Material Information on the Securities

The issuer issues warrants, discount certificates, turbo certificates, range turbo certificates, investment certificates, fixing certificates, speed certificates, reverse convertibles and lock-in certificates, outperformance certificates, guarantee certificates, centrobank certificates, twin win certificates, reverse bonus certificates and express certificates. These securities are the object of this base prospectus. The securities are structured securities in the meaning of Article 15 of Regulation No. 809/2004 of the European Commission. All of the securities are subject to Austrian law and will be available on the market for a longer period of time as an initial offering within the scope of the issuance programme of the issuer featuring the same terms. The most important feature of a structured security is that the investor acquires the right to a claim against the issuer calculated on the basis of a pre-defined underlying instrument. Possible underlying values are, among others, shares and baskets of shares, indices and commodities. As these underlying instruments may develop adversely for the most diverse reasons, the risk of loss in value exists for the securities offered by the issuer within the scope of the issuance programme. For investors, this might even result in a total loss of the capital invested in the structured products issued by the issuer. For further risk warnings relating to securities, please refer to Chapter III.B and C.

3. Description of the Issuance Programme

Pursuant to §1 par. 1 fig. 10 Austrian Capital Market Act, an issuance programme is understood to mean a plan which permits non-dividend paying instruments of similar type and/or a class to be issued on a permanent basis or repeatedly during a certain offer period. Such structured products offered by the issuer over a certain offer period on a permanent basis or repeatedly must be described for investors in a prospectus pursuant to the Austrian Capital Market Act in conjunction with the provisions of Commission Regulation No. 809/2004. This Base Prospectus contains risk warnings in addition to this summary as well as a description of the issuer and information on the structured securities. The Base Prospectus makes a specific reference to the warrants, discount certificates, turbo certificates, range turbo certificates, investment certificates, bonus certificates, speed certificates, reverse convertibles, lock-in certificates, outperformance certificates, guarantee certificates, centrobank certificates, twin win certificates, reverse bonus certificates and express certificates issued by the issuer.

The offer programme of Raiffeisen Centrobank AG for 2007/2008 has a total volume of up to EUR 5,000,000,000.

4. Publication of the Final Terms

At the time of writing of this base prospectus, not all detailed information regarding the individual securities and each of the issues within the scope of the issuance programme of the issuer was known. As regards this information, the Base Prospectus makes a reference to the terms (Final Terms) that are yet to be published. The specimen for the publication of the Final Terms is presented in Chapter VI.

GERMAN LANGUAGE

Zusammenfassung

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Die folgende Übersetzung der ursprünglichen Zusammenfassung ist ein separates Dokument das diesem Prospekt angeschlossen ist. Sie ist nicht Bestandteil des Prospekts selbst und wurde nicht von der FMA gebilligt. Weiters hat die FMA nicht ihre Übereinstimmung mit der ursprünglichen Zusammenfassung überprüft.

Die folgende Zusammenfassung ist im Zusammenhang mit den an anderer Stelle dieses Prospekts enthaltenen detaillierten Informationen sowie den Finanzausweisen zu lesen.

WARNHINWEISE

Die Zusammenfassung sollte als Einleitung zum Prospekt verstanden werden.

Die Anleger (Zeichner der Wertpapiere) werden hiermit aufgefordert, jede Entscheidung zur Anlage in die betreffenden Wertpapiere auf die Prüfung des gesamten Prospekts zu stützen.

Potentielle Anleger werden darauf hingewiesen, dass für den Fall, dass ein Anleger vor Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend zu machen beabsichtigt, der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Vorschriften der EWR-Vertragsstaaten die Kosten für die Übersetzung des Prospekts vor Prozessbeginn zu tragen haben könnte.

Diejenigen Personen, die die Zusammenfassung einschließlich einer Übersetzung davon vorgelegt und deren Meldung beantragt haben, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird.

Dieser Prospekt ersetzt nicht die in jedem individuellen Fall unerlässliche Beratung vor der Kaufentscheidung durch die Bank oder den Finanzberater.

1. Wesentliche Angaben zur Emittentin

Die Emittentin ist die Raiffeisen Centrobank AG. Sie ist eine gemäß österreichischem Aktiengesetz ("AktG") gegründete Kapitalgesellschaft und ist beim Handelsgericht Wien unter der Firmenbuchnummer FN 117507 f eingetragen. Die Emittentin hat ihren Sitz in Wien und ihre Geschäftsanschrift lautet Tegetthoffstraße 1, 1010 Wien. Die Emittentin ist ein Kreditinstitut im Sinne des österreichischen Bankwesengesetzes ("BWG") und unterliegt somit der Aufsicht der Finanzmarktaufsichtsbehörde ("FMA"). Sie ist zur Ausübung des Bankgeschäftes im Sinne des BWG im Rahmen der ihr erteilten Konzession berechtigt. Die Emittentin ist seit Ende 2001 Teil der Raiffeisengruppe und vorwiegend in Österreich, Deutschland und den CEE-Ländern tätig.

Die Emittentin ist unterschiedlichen branchen- und marktspezifischen sowie unternehmensspezifischen Risiken ausgesetzt. Sollten sich derartige Risiken verwirklichen, kann dies wesentliche negative Auswirkungen auf die Vermögens-, Finanz- und Ertragslage der Emittentin haben. Hinsichtlich weiterer Emittenten bezogener Risikohinweise siehe Kapitel III.A.

2. Wesentliche Angaben zu den Wertpapieren

Die Emittentin begibt Optionsscheine, Discount Zertifikate, Turbo Zertifikate, Range Turbo Zertifikate, Anlage Zertifikate, Bonus Zertifikate, Speed Zertifikate, Aktienanleihen, Lock-In Zertifikate, Outperformance Zertifikate, Garantiezertifikate, Centrobank Zertifikate, Twin Win Zertifikate, Reverse Bonus Zertifikate und Express Zertifikate. Diese Wertpapiere sind Gegenstand des vorliegenden Basisprospektes. Es handelt sich hierbei um strukturierte Wertpapiere im Sinne des Artikels 15 der Verordnung der Kommission (EG) Nr 809/2004. Die einzelnen Wertpapiere unterliegen österreichischem Recht und werden mit gleicher Ausgestaltung über einen längeren Zeitraum im Rahmen eines Angebotsprogramms der Emittentin am Markt zum Ersterwerb angeboten. Wesentliches Merkmal der strukturierten Wertpapiere ist, dass der Anleger einen Anspruch gegenüber der Emittentin erwirbt, der sich aufgrund eines im Vorhinein festgelegten Basiswertes errechnet. Als Basiswerte kommen unter anderem Aktien/Aktienkörbe, Indices, oder Rohstoffe/Rohstoffkörbe in Frage. Da sich diese Basiswerte aufgrund unterschiedlichster Faktoren ungünstig entwickeln können, besteht das Risiko eines Wertverlustes der im Rahmen des Angebotsprogramms der Emittentin angebotenen Wertpapiere. Dies kann unter Umständen soweit führen, dass der Anleger einen Totalverlust bezüglich seiner Investition in die von der Emittentin ausgegebenen strukturierten Wertpapiere erleidet. Hinsichtlich weiterer Wertpapier bezogener Risikohinweise siehe Kapitel III.B und C.

3. Beschreibung des Angebotsprogramms

Gemäß § 1 Abs 1 Z 10 Kapitalmarktgesetz ("KMG") ist unter einem Angebotsprogramm ein Plan zu verstehen, der es erlaubt, Nichtdividendenwerte ähnlicher Art und/oder Gattung dauernd und wiederholt während eines bestimmten Emissionszeitraumes anzubieten. Derartige von der Emittentin dauernd und wiederholt über einen bestimmten Emissionszeitraum angebotenen strukturierten Wertpapiere sind gemäß KMG in Verbindung mit den Bestimmungen der Verordnung der Kommission (EG) Nr 809/2004 in einem Prospekt für die Anleger zu beschreiben. Dieser Basisprospekt enthält zusätzlich zu dieser Zusammenfassung, Risikohinweise sowie eine Beschreibung der Emittentin und Angaben zu den strukturierten Wertpapieren. Der Basisprospekt bezieht sich im Besonderen auf die von der Emittentin ausgegebenen Optionsscheine, Discount Zertifikate, Turbo Zertifikate, Range Turbo Zertifikate, Anlage Zertifikate, Bonus Zertifikate, Speed Zertifikate, Aktienanleihen, Lock-In Zertifikate, Outperformance Zertifikate, Garantiezertifikate, Centrobank Zertifikate, Twin Win Zertifikate, Reverse Bonus Zertifikate und Express Zertifikate.

Das Angebotsprogramm der Raiffeisen Centrobank AG für 2007/2008 hat ein Gesamtvolumen von bis zu EUR 5.000.000.000.

4. Veröffentlichung der Endgültigen Konditionen

Zum Zeitpunkt der Erstellung dieses Basisprospektes sind noch nicht alle Detailinformationen hinsichtlich der einzelnen Wertpapierarten bzw. der einzelnen Emissionen die im Rahmen des Angebotsprogramms von der Emittentin angeboten werden, bekannt. Der Basisprospekt verweist bezüglich dieser Informationen auf die noch zu veröffentlichenden endgültigen Konditionen ("Endgültige Konditionen"). Das Muster für die Veröffentlichung ist im Kapitel VI. dargestellt.

POLISH LANGUAGE

PODSUMOWANIE

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Poniższe tłumaczenie oryginału streszczenia jest oddzielnym dokumentem dołączonym do niniejszego prospektu. Tłumaczenie nie jest częścią prospektu jako takiego, nie było zatwierdzane przez austriacką instytucję nadzoru nad rynkami finansowymi (FMA). Austriacka instytucja nadzoru nad rynkami finansowymi nie kontrolowała też wierności tłumaczenia wobec oryginału streszczenia.

Poniższe podsumowanie należy rozpatrywać w połączeniu z szczegółowymi danymi zamieszczonymi w innych częściach niniejszego prospektu oraz z parametrami finansowymi.

UWAGA!

Niniejsze podsumowanie stanowi jedynie wprowadzenie do prospektu.

Inwestorzy (subskrybenci papierów wartościowych) powinni podejmować decyzje o zainwestowaniu w przedmiotowe papiery wartościowe na podstawie oceny całego prospektu.

Potencjalni inwestorzy powinni mieć na uwadze, że zgodnie z przepisami obowiązującymi w poszczególnych państwach członkowskich Europejskiego Obszaru Gospodarczego, w wypadku dochodzenia roszczeń na drodze sądowej na podstawie informacji zawartych w niniejszym prospekcie, przed rozpoczęciem postępowania inwestor będący powodem może być obciążony kosztami tłumaczenia prospektu.

Osoby, które przedłożyły niniejsze podsumowanie wraz z jego tłumaczeniem i wystąpiły o jego zatwierdzenie, mogą zostać pociągnięte do odpowiedzialności jedynie w wypadku, w którym podsumowanie czytane w połączeniu z innymi częściami tego prospektu, wprowadzałoby w błąd, byłoby niewłaściwe lub sprzeczne.

Niniejszy prospekt nie zastępuje udzielanego przez bank lub doradcę finansowego poradnictwa, które jest niezbędne przed podjęciem decyzji zakupu w każdym indywidualnym przypadku.

1. Podstawowe informacje o Emitencie

Emitentem jest spółka akcyjna Raiffeisen Centrobank AG. Spółka ta jest spółką kapitałową zawiązaną zgodnie z austriacką ustawą o akcjach (Aktengesetz, AktG), zarejestrowaną w sądzie handlowym w Wiedniu pod numerem księgi firm FN 117507 f. Siedziba Emitenta mieści się w Wiedniu, pod adresem Tegetthoffstraße 1, 1010 Wien. Emitent jest instytucją kredytową w myśl austriackiej ustawy o bankowości (Bankwesengesetz, BWG) i tym samym podlega kontroli organów nadzoru nad rynkami finansowymi (Finanzmarktaufsichtsbehörde, FMA). Emitent jest uprawniony do prowadzenia transakcji bankowych w rozumieniu austriackiej ustawy o bankowości, w zakresie udzielonych mu koncesji. Od końca 2001 roku Emitent należy do grupy Raiffeisen, prowadząc działalność głównie w Austrii, Niemczech i w krajach Europy Środkowej i Wschodniej.

Emitent podlega różnorodnym czynnikom ryzyka związanym ze specyfiką branżową, rynkową i specyfiką prowadzonej działalności. Spełnienie się takich czynników ryzyka może mieć istotne negatywne następstwa na sytuację majątkową, finansową i dochodową Emitenta. Dalsze czynniki ryzyka związane z działalnością Emitenta przedstawiono w rozdziale III.A.

2. Ważne informacje o papierach wartościowych

Emitent emituje Warranty, Certyfikaty Dyskontowe, Certyfikaty "Turbo", Certyfikaty "Range Turbo", Certyfikaty Inwestycyjne, Certyfikaty Bonusowe, Certyfikaty "Speed", obligacje z prawem wymiany na akcje ("Reverse Convertibles"), Certyfikaty "Lock-In", Certyfikaty "Outperformance", Certyfikaty Gwarantowane, Certyfikaty „Centrobank”, Certyfikaty „Twin Win”, Certyfikaty „Reverse Bonus” i Certyfikaty „Express”. Te rodzaje papierów wartościowych są przedmiotem niniejszego prospektu podstawowego. Są to strukturyzowane papiery wartościowe w myśl artykułu 15 Rozporządzenia Komisji (WE) nr 809/2004. Wszystkie te papiery wartościowe podlegają prawu austriackiemu; będą one oferowane na rynku pierwotnym w tej samej postaci przez dłuższy okres czasu w ramach programu ofertowego Emitenta. Istotną cechą strukturyzowanych papierów wartościowych jest nabycie przez inwestora roszczeń wobec Emitenta, wyliczanych na podstawie określonych z góry wartości bazowych. Za wartości bazowe przyjmowane są między innymi akcje/koszyki akcji, wskaźniki lub surowce/koszyki surowców. Ponieważ pod wpływem różnorodnych czynników wartości bazowe mogą się rozwinąć niekorzystnie, istnieje ryzyko utraty wartości papierów wartościowych umieszczonych w programie ofertowym Emitenta. Może to w pewnych warunkach doprowadzić do całkowitej utraty środków zainwestowanych przez inwestora w strukturyzowane papiery wartościowe. Dalsze czynniki ryzyka związane z papierami wartościowymi przedstawiono w rozdziale III.B i C.

3. Opis programu ofertowego

Zgodnie z § 1 ust. 1 punkt 10 austriackiej ustawy o rynku kapitałowym (Kapitalmarktgesetz, KMG) pod pojęciem programu ofertowego rozumie się plan, który umożliwia stałe i wielokrotne oferowanie wartości niedywidendowych podobnego rodzaju i/lub gatunku podczas określonego okresu emisyjnego. Strukturyzowane papiery wartościowe tego rodzaju, oferowane przez Emitenta stałe i wielokrotnie w trakcie określonego okresu emisyjnego, należy zgodnie z ustawą o rynku kapitałowym oraz postanowieniami Rozporządzenia Komisji (WE) nr 809/2004 opisać w prospekcie emisyjnym przeznaczonym dla inwestorów. Ten podstawowy prospekt emisyjny zawiera poza niniejszym podsumowaniem informacje o czynnikach ryzyka, informacje o Emitencie i o strukturyzowanych papierach wartościowych. Prospekt podstawowy dotyczy w szczególności emitowanych przez Emitenta Warranty, Certyfikaty Dyskontowe, Certyfikaty "Turbo", Certyfikaty "Range Turbo", Certyfikaty Inwestycyjne, Certyfikaty Bonusowe, Certyfikaty "Speed", obligacje z prawem wymiany na akcje ("Reverse Convertibles"), Certyfikaty "Lock-In", Certyfikaty "Outperformance", Certyfikaty Gwarantowane, Certyfikaty „Centrobank”, Certyfikaty „Twin Win”, Certyfikaty „Reverse Bonus” i Certyfikaty „Express”.

Program ofertowy spółki akcyjnej Raiffeisen Centrobank AG na rok 2007/2008 ma całkowitą wartość dochodzącą do 5.000.000.000 euro.

4. Publikacja ostatecznych warunków prospektu

W okresie opracowywania niniejszego podstawowego prospektu emisyjnego nieznanne były jeszcze wszystkie informacje szczegółowe dotyczące poszczególnych rodzajów papierów wartościowych względnie poszczególnych emisji, oferowanych przez Emitenta w ramach programu ofertowego. Informacji tych należy zacytować z jeszcze nie opublikowanych ostatecznych warunków („Ostateczne warunki emisji”). Wzór publikacji zamieszczono w rozdziale VI.

SLOVAKIAN LANGUAGE

S Ú H R N

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Nasledujúci preklad pôvodného súhrnu je samostatný dokument, ktorý je pripojený k tomuto prospektu. Nie je súčasťou vlastného prospektu a nebol schválený FMA. FMA tiež nepreskúmala, či zodpovedá pôvodnému súhrnu.

Nasledujúci súhrn treba čítať v súvislosti s podrobnými informáciami a finančnými výkazmi, uvedenými na iných miestach tohoto prospektu.

UPOZORNENIE

Súhrn treba chápať ako úvod k prospektu.

Vkladateľov (upisovateľov cenných papierov) týmto vyzývame, aby pri každom rozhodnutí o vklade do predmetných cenných papierov preskúmali celý prospekt.

Potenciálnych vkladateľov upozorňujeme na to, že v prípade, ak by vkladateľ zamýšľal uplatniť na súde nároky na základe informácií, obsiahnutých v tomto prospekte, bude ten ako žalobca vystupujúci vkladateľ pri zohľadnení predpisov jednotlivých zmluvných štátov EHP pravdepodobne musieť uhradiť náklady za preklad prospektu pred zahájením súdneho konania.

Osoby, ktoré predložili súhrn vrátane jeho prekladu a požiadali o ich oznámenie, môžu byť zaviazané ručením, avšak len v tom prípade, ak by bol súhrn zavádzajúci, nesprávny alebo v protiklade s inými časťami prospektu.

Tento prospekt nenahrádza nevyhnutne potrebné poradenstvo pred rozhodnutím o kúpe, poskytované bankou alebo finančným poradcom.

1. Podstatné údaje o emitentke

Eminentkou je Raiffeisen Centrobank AG. Je to kapitálová spoločnosť, založená podľa rakúskeho Akciového zákona („AktG“), zapísaná na Obchodnom súde Viedeň v Knihe firiem pod číslom FN 117507 f. Eminentka má svoje sídlo vo Viedni a jej obchodná adresa znie Tegetthoffstraße 1, 1010 Viedeň. Eminentka je úverovým inštitútom v zmysle rakúskeho Zákona o bankovníctve („BWG“) a tým podlieha dozoru Dozorného orgánu pre finančný trh („FMA“). Je oprávnená vykonávať bankové obchodné činnosti v zmysle Zákona o bankovníctve („BWG“) v rámci jej udelenej koncesie. Eminentka je od konca roka 2001 súčasťou skupiny Raiffeisen a vykonáva svoju činnosť predovšetkým v Rakúsku, Nemecku a v krajinách CEE.

Eminentka je vystavená rozdielnym rizikám, špecifickým pre obchodné odvetvie, trh a podnikanie. Ak by sa takéto riziká uskutočnili, malo by to podstatný negatívny dopad na majetkovú, finančnú a výnosovú situáciu eminentky. Ďalšie údaje o rizikách, vzťahujúcich sa na eminentku pozri Kapitulu III.A.

2. Podstatné údaje o cenných papieroch

Eminentka dáva do obehu opčné listy, diskontné certifikáty, turbocertifikáty, range turbo certifikáty, investičné certifikáty, bonusové certifikáty, speed certifikáty, akciové obligácie, lock-in certifikáty, outperformance certifikáty, garančné certifikáty, „centrobank“ certifikáty, „twin win“ certifikáty, reverse bonusové certifikáty a „express“ certifikáty. Tieto cenné papiere sú predmetom predloženého základného prospektu. Pritom sa jedná o štrukturalizované cenné papiere v zmysle Článku 15 Nariadenia Komisie (ES) č. 809/2004. Jednotlivé cenné papiere podliehajú rakúskemu právu a eminentka ich ponúka na trhu v rovnakej podobe počas dlhšej doby v rámci jej ponukového programu na prvé nadobudnutie. Podstatným markantom štrukturalizovaných cenných papierov je to, že vkladateľ získava nárok voči eminentke, ktorý sa vypočítava na základe predom určenej základnej hodnoty. Ako základné hodnoty prichádzajú do úvahy medzi iným akcie/balíky akcií, indices alebo suroviny/surovinové balíky. Nakoľko sa tieto základné hodnoty v dôsledku najrôznejších faktorov môžu vyvíjať nepriaznivo, pozostáva riziko straty hodnoty cenných papierov, ktoré eminentka ponúka v rámci ponukového programu. To môže dôjsť podľa okolností tak ďaleko, že vkladateľ utrpí totálnu stratu svojej investície do štrukturalizovaných cenných papierov, vydaných eminentkou. Ďalšie informácie o rizikách vzťahujúcich sa na cenné papiere pozri Kapitulu III.B a C.

3. Popis ponukového programu

Podľa § 1 ods. 1 čísl. 10 Zákona o kapitálovom trhu („KMG“) sa pod ponukovým programom rozumie plán, ktorý dovoľuje ponúkať nedividendové hodnoty podobného druhu a/alebo druhového charakteru neustále a opakovane počas určitého emisného obdobia. Takéto eminentkou neustále a opakovane počas určitého emisného obdobia ponúkané štrukturalizované cenné papiere je potrebné podľa Zákona o kapitálovom trhu v spojení s ustanoveniami Nariadenia Komisie (ES) č. 809/2004 popísať pre vkladateľa v jednom prospekte. Tento základný prospekt obsahuje dodatočne k tomuto súhrnu informácie o rizikách ako i popis eminentky a údaje o štrukturalizovaných cenných papieroch. Základný prospekt sa vzťahuje obzvlášť na eminentkou vydané opčné listy, diskontné certifikáty, turbocertifikáty, range turbo certifikáty, investičné certifikáty, bonusové certifikáty, speed certifikáty, akciové obligácie, lock-in certifikáty, outperformance certifikáty, garančné certifikáty, „centrobank“ certifikáty, „twin win“ certifikáty, reverse bonusové certifikáty a „express“ certifikáty.

Ponukový program banky Raiffeisen Centrobank AG na rok 2007/2008 má celkový objem až do EUR 5.000.000.000.

4. Zverejnenie definitívnych kondícií

K okamihu vypracovania tohoto základného prospektu nie sú ešte známe všetky podrobné informácie týkajúce sa jednotlivých cenných papierov resp. jednotlivých emisií, ponúkaných eminentkou v rámci ponukového programu. Základný prospekt poukazuje týkajúc sa týchto informácií na definitívne kondície, ktoré je ešte potrebné zverejniť („Definitívne kondície“). Vzor na zverejnenie je obsiahnutý v Kapitole VI.

SLOVENIAN LANGUAGE

POVZETEK

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Sledeči prevod prvotnega povzetek je ločen dokument, ki je pridružen temu prospektu. Prevod ni sestavni del prospekta in FMA („Finanzmarktaufsichtsbehörde“, upravni organ za nadzor finančnega trga) ga ni odobrila. Razen tega FMA ni preverila skladnost prevoda s prvotnim izvlečkom.

Povzetek se navezuje na podrobnejše informacije in finančne izkaze, ki so zajeti v drugih poglavjih tega prospekta.

OPOZORILA

Izvleček je uvod k prospektu.

Investitorje (vpisnike vrednostnih papirjev) s tem pozivamo, da pred vsako odločitvijo za nakup omenjenih vrednostnih papirjev temeljito preučijo celoten prospekt.

Morebitne investitorje opozarjamo, da bo moral investitor v primeru, če bo vložil tožbo v zvezi z informacijami iz tega prospekta in nastopal kot tožnik, po potrebi in v skladu z zakonodajo držav članic evropskega gospodarskega prostora nositi stroške prevoda prospekta pred začetkom sodnega postopka.

Osebe, ki so sestavile izvleček, vključno z njegovim prevodom, in zaprosile za njegovo objavo, so odgovorne, vendar samo v primeru, če je izvleček zavajajoč, nepravilen ali protisloven, če se bere skupaj z drugimi deli prospekta.

V nobenem primeru ta prospekt ne nadomesti neizogibno potrebnega svetovanja s strani banke ali finančnega svetovalca pred odločitvijo za nakup.

1. Ključni podatki o izdajatelju

Izdajatelj je Raiffeisen Centrobank AG. Izdajatelj je v skladu z avstrijskim zakonom o delnicah (Aktiengesetz, „AktG“) ustanovljena kapitalska družba in je s številko FN 117507 f vpisana v sodni register pri Gospodarskem sodišču Dunaj (Handelsgericht Wien). Izdajatelj ima sedež na Tegetthoffstraße 1, 1010 Dunaj. Izdajatelj je kreditna institucija v skladu z avstrijskim zakonom o bančništvu (Bankwesengesetz, „BWG“) in v skladu s tem pod nadzorom Urada za nadzor finančnega trga (Finanzmarktaufsichtsbehörde - „FMA“). Upravičen je do opravljanja bančnih poslov v skladu z BWG v okviru dodeljene koncesije. Izdajatelj je od konca leta 2001 del skupine Raiffeisen in je dejaven pretežno v Avstriji, Nemčiji in v srednje- in vzhodnoevropskih državah.

Izdajatelj je izpostavljen različnim tveganjem, ki so specifična za panogo, trg in za podjetje. Če bi se tovrstna tveganja uresničila, lahko to zelo negativno vpliva na premoženjsko in finančno stanje izdajatelja. Za nadaljnja opozorila o tveganju, ki se nanašajo na izdajatelja, glejte poglavje III.A.

2. Ključni podatki o vrednostnih papirjih

Izdajatelj izdaja opcijske vrednostne papirje, diskontne certifikate, turbo certifikate, turbo certifikate z razponom, naložbene certifikate, bonusne certifikate, pospešene certifikate, obratno zamenljive certifikate, certifikate z zaklenjenim donosom, presežne certifikate in garantirane certifikate, „centrobank,“ certifikate, „twin win“ certifikate, „reverse bonus“ certifikate, „express“ certifikate. Ti vrednostni papirji so predmet tega osnovnega prospekta. Pri tem gre za strukturirane vrednostne papirje v smislu 15. člena Uredbe Evropske komisije (EK), št. 809/2004. Za posamezne vrednostne papirje velja avstrijsko pravo in se ponujajo na trgu v enaki obliki v daljšem obdobju v okviru izdajateljevega programa izdaj za prvo ponudbo. Bistvena značilnost strukturiranih vrednostnih papirjev je, da investitor pridobi pravico do terjatve do izdajatelja, ki se izračuna na podlagi vnaprej določenega osnovnega instrumenta. Kot osnovne vrednosti pridejo v poštev med drugim delnice/košarice delnic, indeksi ali surovine/košarice surovin. Ker se lahko te osnovne vrednosti zaradi najrazličnejših dejavnikov neugodno razvijejo, obstaja tveganje izgube vrednosti vrednostnih papirjev, ki jih izdajatelj ponuja v okviru ponudbenega programa. To utegne povzročiti, da investitor izgubi vrednost celotne naložbe v strukturirane vrednostne papirje, ki jih je izdal izdajatelj. Za nadaljnja opozorila o tveganju, ki izhaja iz naložb v vrednostne papirje, glejte poglavje III.B in C.

3. Opis ponudbenega programa

V skladu z 10. točko 1. odstavka 1. člena Zakona o kapitalskih trgih (Kapitalmarktgesetz, „KMG“) pomeni program izdaj, ki omogoči stalno in ponavljajoče se ponujanje nelastniških vrednostnih papirjev podobne vrste in/ali razreda v določenem obdobju izdaje. Tovrstni od izdajatelja v določenem obdobju izdaje stalno in ponavljajoče se ponujani strukturirani vrednostni papirji se morajo za investitorja v skladu s KMG v povezavi s predpisi Uredbe Evropske komisije (EK), št. 809/2004, opisati v prospektu. Ta osnovni prospekt vsebuje poleg tega povzetka še opozorila o tveganju ter opis izdajatelja in podatke o strukturiranih vrednostnih papirjih. Osnovni prospekt se nanaša predvsem na opcijske vrednostne papirje, diskontne certifikate, turbo certifikate, turbo certifikate z razponom, naložbene certifikate, bonusne certifikate, pospešene certifikate, obratno zamenljive certifikate, certifikate z zaklenjenim donosom, presežne certifikate in garantirane certifikate, „centrobank,“ certifikate, „twin win“ certifikate, „reverse bonus“ certifikate, „express“ certifikate ki jih izda izdajatelj.

Ponudbeni program Raiffeisen Centrobank AG za 2007/2008 ima skupno vrednost do 5.000.000.000,00 EUR.

4. Objava končnih pogojev

V trenutku priprave tega osnovnega prospekta še niso znane vse podrobne informacije o posameznih vrstah vrednostnih papirjev oziroma posameznih izdajah, ki jih bo izdajatelj ponudil v okviru programa izdaj. Glede teh informacij v osnovnem prospektu opozarjamo na dokončno veljavne pogoje („Končni pogoji“), ki bodo še objavljeni. Primer vzorca za objavo je opisan v poglavju VI.«

CZECH LANGUAGE

SHRNUTÍ

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Následující překlad původního souhrnu je samostatný dokument, který je připojen k tomuto prospektu. Není součástí vlastního prospektu a nebyl schválen FMA. FMA také nepřezkoumala, zda odpovídá původnímu souhrnu.

Níže uvedené shrnutí je třeba chápat v souvislosti s podrobnými informacemi uvedenými na jiném místě tohoto prospektu a finančními výkazy.

UPOZORNĚNÍ

Shrnutí představuje úvod k prospektu.

Investory (upisovatele cenných papírů) tak upozorňujeme na to, že by každé rozhodnutí týkající se investice do příslušných cenných papírů měli prověřit na základě informací obsažených v celém tomto prospektu.

Potenciální investory upozorňujeme na to, že v případě, že by investor zamýšlel uplatnit u soudu nároky na základě informací obsažených v tomto prospektu, mohl by jakožto investor v roli žalující strany při použití vnitrostátních předpisů jednotlivých smluvních států Evropského hospodářského prostoru nést náklady na překlad prospektu před zahájením řízení.

Osoby, které předložily toto shrnutí včetně překladu a požádaly o jeho nahlášení, mohou být vázány povinností ručení, ovšem pouze v případě, že by toto shrnutí bylo zavádějící, nesprávné nebo by obsahovalo rozpory při jeho čtení spolu s ostatními částmi prospektu.

Tento prospekt nenahrazuje konzultační služby nezbytné v každém individuálním případě před rozhodnutím o koupi poskytované bankou nebo finančním poradcem.

1. Základní údaje o emitentovi

Emitentem je Raiffeisen Centrobank AG /Raiffeisen Centrobank a.s./ Je kapitálovou společností založenou podle rakouského zákona o akciových společnostech ("AktG"), jež je zapsána u Obchodního soudu ve Vídni pod registračním číslem firmy FN 117507 f. Emitent má své sídlo ve Vídni a firemní adresu Tegetthoffstraße 1, 1010 Wien. Emitent je úvěrovým ústavem (bankou) ve smyslu rakouského zákona o bankovníctví ("BWG") a podléhá tak dohledu ze strany Úřadu pro dohled nad finančními trhy ("FMA"). Je oprávněn k provozování bankovních transakcí ve smyslu BWG v rámci koncesí, které mu byly uděleny. Emitent je od konce roku 2001 součástí koncernu Raiffeisen a působí převážně v Rakousku, Německu a v zemích střední a východní Evropy.

Emitent je vystaven různým rizikovým vlivům specifickým pro příslušná odvětví, trhy a podniky. Pokud by takováto rizika nastala, může to mít podstatný negativní vliv na situaci emitenta z hlediska jeho majetku, financí a výnosů. Co se týče dalších pokynů týkajících se rizik spojených s emitentem, viz kapitulu III.A.

2. Základní údaje o cenných papírech

Emitent vydává opční listy, discountní certifikáty, turbo certifikáty, range turbo certifikáty, investiční certifikáty, bonusové certifikáty, speed certifikáty, akciové obligace, lock-in certifikáty, outperformance certifikáty, garanční certifikáty, „centrobank“ certifikáty, „twin win“ certifikáty, „reverse bonus“ certifikáty a „express“ certifikáty. Tyto cenné papíry jsou předmětem tohoto základního prospektu. Jedná se zde o strukturované cenné papíry ve smyslu článku 15 Nařízení Komise (ES) č. 809/2004. Jednotlivé cenné papíry podléhají rakouskému právu a nabízejí se na trhu pro první nabyvatele ve stejné formě po delší dobu v rámci nabídkového programu emitenta. Podstatnou vlastností strukturovaných cenných papírů je to, že investor získává nárok ve vztahu k emitentovi, jenž se kalkuluje na základě základní hodnoty stanovené předem. Jako základní hodnoty přicházejí v úvahu mimo jiné akcie/soubory akcií, indexy nebo suroviny či jejich skupiny. Vzhledem k tomu, že se tyto základní hodnoty mohou na základě nejrůznějších faktorů vyvíjet nepříznivě, existuje zde riziko ztráty hodnoty cenných papírů prodávaných v rámci nabídkového programu emitenta. To může za určitých okolností vést až k tomu, že investor při investici do strukturovaných cenných papírů vydaných emitentem utrpí úplnou ztrátu. Co se týče dalších pokynů ohledně rizik spojených s cennými papíry, viz kapitoly III.B. a C.

3. Popis nabídkového programu

Podle § 1 odst. 1 č. 10 zákona o kapitálových trzích ("KMG") se za nabídkový program považuje plán, jenž trvale a opakovaně dovoluje nabízení ne dividendových hodnot podobného druhu a/nebo formy v průběhu určitého emisního období. Takovéto strukturované cenné papíry trvale a opakovaně nabízené emitentem v průběhu určitého emisního období je třeba podle KMG ve spojení s ustanoveními Nařízení Komise (ES) č. 809/2004 popsat formou prospektu pro investory. Tento základní prospekt navíc obsahuje kromě shrnutí i upozornění na rizika, charakteristiku emitenta a údaje o strukturovaných cenných papírech. Základní prospekt popisuje zejména opční listy, discountní certifikáty, turbo certifikáty, range turbo certifikáty, investiční certifikáty, bonusové certifikáty, speed certifikáty, akciové obligace, lock-in certifikáty, outperformance certifikáty, garanční certifikáty, „centrobank“ certifikáty, „twin win“ certifikáty, „reverse bonus“ certifikáty a „express“ certifikáty vydávané emitentem.

Nabídkový program Raiffeisen Centrobank AG platný pro období let 2007/2008 má celkový maximální objem až do 5.000.000.000 EUR.

4. Zveřejnění Definitivních podmínek

V okamžiku zpracování tohoto základního prospektu nejsou ještě známy všechny podrobné informace o jednotlivých druzích cenných papírů, resp. jednotlivých emisích, které bude emitent v rámci nabídkového programu prodávat. Co se týče těchto informací, odkazuje základní prospekt na Definitivní podmínky, které budou ještě uveřejněny ("Definitivní podmínky"). Vzor uveřejnění je uveden v kapitole VI.

HUNGARIAN LANGUAGE

ÖSSZEFOGLALÓ

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Az eredeti összefoglaló alábbi fordítása egy külön irat, mely jelen tájékoztató mellékletét képezi. A fordítás nem része a tájékoztatónak és a Pénzügyi Szervezeteket Felügyelő Hatóság (=FMA) nem hagyta jóvá. A Pénzügyi Szervezeteket Felügyelő Hatóság (=FMA) továbbá nem vizsgálta, hogy a fordítás az eredeti tájékoztatóval megegyezik-e.

Az alábbi összefoglaló a jelen tájékoztató egyéb oldalain szereplő részletes információkkal, valamint a pénzügyi kimutatásokkal együtt olvasandó.

FIGYELMEZTETÉS

Az összefoglaló a tájékoztatóhoz írott bevezetőnek minősül.

A befektetőket (az értékpapír jegyzőit) ezennel felszólítjuk, hogy minden egyes értékpapírba történő befektetési döntésüket a tájékoztató egészének ismeretében hozzák meg.

A potenciális befektetők figyelmét felhívjuk arra, hogy ha a tájékoztatóban foglalt információkkal kapcsolatban keresetindításra kerül sor, előfordulhat, hogy az EGT tagállamok nemzeti jogszabályai alapján a felperes befektetőnek kell viselnie a bírósági eljárás megindítását megelőzően a tájékoztató fordításának költségeit.

Abban az esetben, ha az összefoglaló félrevezető, pontatlan, vagy nincs összhangban a tájékoztató más elemeivel, kártérítési felelősség terheli a befektetőknek okozott kárért azokat a személyeket, akik az összefoglalót, beleértve annak fordítását is, nyilvánosságra hozták, és annak közzétételét kérelmezték.

Ez a tájékoztató nem helyettesíti vételre vonatkozó döntés előtt banki vagy pénzügyi tanácsadás igénybevételét, mely minden befektetési döntés előtt szükséges.

1. Lényeges adatok a kibocsátóról

A kibocsátó a Raiffeisen Centrobank AG, egy az osztrák Társasági törvény (=AktG) szerint alapított részvénytársaság, amelyet a Bécsi Cégbíróságnál a FN 117507 f cégjegyzékszámom jegyeztek be. A kibocsátó székhelye Bécsben van, címe a 1010 Bécs, Tegetthoffstraße 1. A kibocsátó az osztrák Bankokról szóló törvény értelmében (=BWG) hitelintézetnek minősül, és így a Pénzügyi Szervezeteket Felügyelő Hatóság (=FMA) által felügyelt. A társaság az engedélye keretein belül a BWG értelmében bankügyleteknek minősülő tevékenységek folytatására jogosult. A kibocsátó 2001 vége óta a Raiffeisen-csoport tagja és túlnyomórészt Ausztriában, Németországban és az EGK-országokban folytat tevékenységet.

A kibocsátó a sokféle szektor- és piac-specifikus, valamint vállalat-specifikus kockázatoknak van kitéve. Amennyiben ezen kockázatok fellépnek, ez jelentős negatív hatást gyakorolhat a kibocsátó vagyoni, pénzügyi és jövedelmi helyzetére. A kibocsátóhoz kapcsolódóan további kockázati figyelmeztetéseket lásd a III.A fejezetben.

2. Lényeges adatok az értékpapírokról

A kibocsátó opciós jegyeket, „Discount Certificates”, „Turbo Certificates”, „Range Turbo Certificates”, „Investment Certificates”, „Bonus Certificates”, „Speed Certificates”, „Reverse Convertibles”, „Lock-In Certificates”, „Outperformance Certificates”, „Guarantee Certificates”, „Centrobank Certificates”, „Twin Win Certificates”, „Reverse Bonus Certificates” és „Express Certificates” ad ki. Ezek az értékpapírok a jelen alaptájékoztató tárgyát képezik. Az értékpapírok a Bizottság (EK) 809/2004. számú rendelete 15. cikke szerinti származtatott értékpapírok. Az egyes értékpapírok az osztrák jog hatálya alá tartoznak, és a kibocsátó a kibocsátási programjában hozza hosszabb időszakon keresztül forgalomba azonos feltételek szerint A származtatott értékpapírok lényegi jellemzője, hogy a befektető a kibocsátóval szemben egy előre rögzített alaptermékre tekintettel meghatározott igényt szerez. A lehetséges alaptermék, többek között, részvények/részvénycsomagok, árfolyamindexek vagy tőzsdei termék. Mivel az alaptermékek a legkülönbözőbb okok miatt kedvezőtlenül is alakulhatnak, fennáll a kibocsátó kibocsátási programjában ajánlott értékpapírok értékvesztésének kockázata. Ez adott esetben azt is eredményezheti, hogy a befektető a kibocsátó által kibocsátott származtatott értékpapírokba történő befektetését teljesen elveszíti. Az értékpapírokhoz kapcsolódó további kockázati figyelmeztetéseket lásd a III.B és C fejezetben.

3. A kibocsátási program leírása

Az osztrák Tőkepiacról szóló törvény 1. § 1. bek. 10. pontja szerint kibocsátási programon olyan tervet kell érteni, amely lehetővé teszi, hogy hasonló fajtájú és/ vagy osztályú nem osztalékfizető papírokat folyamatosan vagy ismételten egy meghatározott kibocsátási időtartam alatt forgalomba hoznak. Az ilyen jellegű, a kibocsátó által meghatározott kibocsátási időtartam alatt folyamatosan vagy ismételten forgalomba hozott származtatott értékpapírokat egy tájékoztatóban kell a befektetők számára ismertetni az osztrák Tőkepiacról szóló törvény szerint, a Bizottság (EK) 809/2004. számú rendelete rendelkezéseinek együttes alkalmazásával. Ez az alaptájékoztató tartalmaz az összefoglalón túl kockázati figyelmeztetéseket, valamint a kibocsátó ismertetését és a származtatott értékpapírok leírását. Az alaptájékoztató részletesen szabályozza a kibocsátó által kibocsátásra kerülő opciós jegyeket, „Discount Certificates”, „Turbo Certificates”, „Range Turbo Certificates”, „Investment Certificates”, „Bonus Certificates”, „Speed Certificates”, „Reverse Convertibles”, „Lock-In Certificates”, „Outperformance Certificates”, „Guarantee Certificates”, „Centrobank Certificates”, „Twin Win Certificates”, „Reverse Bonus Certificates” és „Express Certificates”.

A Raiffeisen Centrobank AG 2007/2008-ra szóló kibocsátási programjának összterjedelme 5.000.000.000. EUR.

4. A végleges feltételek közzététele

Ezen alaptájékoztató készítésekor még nem ismeretes minden részletes információ a kibocsátó kibocsátási programja keretében vételre felajánlásra kerülő egyes értékpapír-fajtákról, ill. kibocsátásokról. Az alaptájékoztató felhívja a figyelmet ezen információk vonatkozásában a még közzéteendő végleges feltételekre („Végleges feltételek”). A közzététel mintáját a VI. fejezetben közöljük.

ROMANIAN LANGUAGE

REZUMAT

The following translation of the original summary is a separate document attached to the prospectus. It does not form part of the prospectus itself and has not been approved by the FMA. Further, the FMA did not review its consistency with the original summary.

Următoarea traducere a rezumatului original este un document separat, atasat acestui prospect. Ea nu este parte componentă a prospectului însuși și nu a fost aprobată de către FMA (Autoritatea de Supraveghere a Pieței Financiare). De asemenea, FMA nu a verificat conformitatea sa cu rezumatul original.

Rezumatul următor trebuie citit în relație cu informațiile detaliate cuprinse în altă parte a acestui prospect precum și cu den Finanzausweisen.

ATENȚIONĂRI

Rezumatul trebuie înțeles ca introducere la prospect.

Îndemnăm astfel deținătorii (persoanele care subscriu la hârtiile de valoare) să își bazeze fiecare decizie de a investi în hârtiile de valoare respective pe verificarea întregului prospect.

Atenționăm deținătorii potențiali că pentru cazul în care un deținător intenționează să susțină în justiție pretenții în baza informațiilor cuprinse în acest prospect, deținătorul reclamant s-ar putea să aibă de suportat cheltuielile pentru traducerea prospectului înainte de începerea procesului, în aplicarea prevederilor statelor individuale din cadrul statelor semnatare ale spațiului economic european.

Acele persoane care au prezentat și solicitat anunțarea rezumatului inclusiv a unei traduceri a acestuia, pot fi trase la răspundere, însă numai pentru cazul în care rezumatul provoacă erori, este incorect sau contradictoriu când este citit împreună cu alte părți ale prospectului.

Acest prospect nu înlocuiește consilierea înainte de luarea deciziei de cumpărare efectuată de către bancă sau consilierul financiar, consiliere care este absolut necesară în fiecare caz individual.

1. Date esentiale despre emitentă

Emitenta este Raiffeisen Centrobank AG. Aceasta este o societate de capital constituită conform Legii austriece a actiunilor ("AktG"), înregistrată la Tribunalul Comercial Viena sub numărul de înregistrare în Registrul Comerțului FN 117507 f. Emitenta își are sediul în Viena iar adresa ei este Tegetthoffstraße 1, 1010 Wien. Emitenta este o institutie de credit în sensul Legii austriece a sistemului bancar ("BWG") și este subordonată supravegherii Autorității de Supraveghere a Pieței de Capital ("FMA"). Ea are dreptul de a exercita activități bancare în sensul indicat de BWG în cadrul concesiunii care i-a fost acordată. Emitenta face parte de la sfârșitul anului 2001 din cadrul Grupului Raiffeisen și își desfășoară activitatea cu preponderență în Austria, Germania și țările CEE.

Emitenta este expusă unor riscuri diferite specifice branșei, pieței precum și companiilor. În cazul în care se vor realiza astfel de riscuri, acestea pot avea o influență negativă asupra situației patrimoniului, a finanțelor și a veniturilor emitentei. Cu privire la alte indicații asupra riscurilor în relație cu emitenta vezi capitolul III.A.

2. Date esentiale despre hârtiile de valoare

Emitenta emite certificate de opțiune, certificate de discount, certificate turbo, certificate range turbo, certificate de investiție, certificate bonus, certificate speed, obligațiuni convertibile în acțiuni, certificate lock-in, certificate outperformance, certificate de garanție, certificate de centrobank, certificate de twin win, certificate de reverse bonus și certificate de express. Aceste hârtii de valoare fac obiectul prezentului prospect de bază. În cazul lor, este vorba de hârtii de valoare structurate în sensul articolului 15 al Ordinului Comisiei (CE) nr. 809/2004. Hârtiile de valoare individuale se află sub incidența dreptului austriac și vor fi oferite în aceeași formă ca primă achiziție într-o perioadă de timp mai lungă, în cadrul unui program de oferte al emitentei. Caracteristica de bază a hârtiilor de valoare structurate este faptul că deținătorul dobândește o pretenție față de emitentă care este calculată în baza unei valori de bază dinainte stabilite. Ca valori de bază pot fi utilizate printre altele acțiuni/cosuri de acțiuni, indici sau materii prime/cosuri de materii prime. Deoarece aceste valori de bază se pot dezvolta nefavorabil datorită unor factori diversi, există riscul unei depreciere a hârtiilor de valoare oferite în cadrul programului de oferte al emitentei. În unele împrejurări, acest lucru poate duce la suferirea de către deținător a unei pierderi totale privind investiția sa în hârtiile de valoare structurate emise de emitentă. În ceea ce privește atenționarea privind alte riscuri în legătură cu hârtiile de valoare, vezi capitolul III.B și C.

3. Descrierea programului de oferte

Conform art. 1 alin. 1 cifra 10 Legea pieței de capital ("KMG"), printr-un program de oferte se înțelege un plan care permite oferirea unor valori nedividende de tip similar sau de specie similară în mod permanent sau repetat în timpul unei anumite perioade de emisie. Astfel de hârtii de valoare structurate oferite de emitentă în mod permanent sau repetat de-a lungul unei perioade de emisie vor fi descrise, conform KMG coroborat cu prevederile Ordinului Comisiei (CE) nr. 809/2004, într-un prospect pentru deținători. Acest prospect de bază conține pe lângă prezentul rezumat atenționări suplimentare privind riscurile precum și o descriere a emitentei și date cu privire la hârtiile de valoare structurate. Prospectul de bază face referire mai cu seamă la certificatele de opțiuni, certificatele de discount, certificatele turbo, certificatele range turbo, certificatele de investiție, certificatele bonus, certificatele speed, obligațiunile convertibile în acțiuni, certificatele lock-in, certificatele outperformance, certificatele de garanție, certificate outperformance, certificate de garanție, certificate de centrobank, certificate de twin win, certificate de reverse bonus și certificate de express.

Programul de oferte al Raiffeisen Centrobank AG pentru 2007/2008 are un volum total de până la EUR 5.000.000.000.

4. Publicarea conditiilor definitive

La momentul elaborării acestui prospect de bază încă nu sunt cunoscute toate informațiile de detaliu în legătură cu tipurile de hârtii de valoare individuale respectiv cu emisiunile individuale oferite în cadrul programului de oferte al emitentei. În legătură cu aceste informații, prospectul de bază face referire la condițiile definitive care urmează să fie publicate ("Condiții definitive"). Modelul pentru publicare este prezentat în capitolul VI.

II. DISCLAIMER

The Base Prospectus does not constitute an offer to sell and shall not serve as an offer or solicitation to third parties to make such an offer should such offers or solicitations be prohibited by the relevant legislation or unlawful in connection with the parties being addressed by the offer or solicitation. Special permission to offer the securities or to distribute the Base Prospectus in a jurisdiction that requires such permission has not been obtained.

With the exception of the publication and depositing for inspection of the prospectus, the issuer has not taken nor shall take any measures to render the public offering of the securities or their ownership or the distribution of offer documents relating to the securities lawful in any jurisdiction in which special measures must be taken to attain this end. The securities shall only be permitted to be offered, sold or delivered in a jurisdiction or from such jurisdiction if permitted under applicable law and other regulations, and this does not entail any obligations on the issuer.

United States of America

The securities are non-commodities-linked papers. They have not been registered in accordance with the United States Securities Act of 1933 ("Securities Act") and shall at no time be permitted to be offered or sold within the United States for the account of or on behalf of a US citizen. Any transaction in breach of this restriction may constitute a violation of the laws of the United States of America. The securities shall be offered on a continuous basis. Therefore, the offering or the sale of securities within the United States or to US citizens by a dealer, irrespective of whether or not he or she participates in the offer, shall constitute at all times a violation of registration obligations pursuant to the Securities Act. Furthermore, when warrants are exercised the submittal of a confirmation shall be required stating that no non-US beneficial ownership of the warrants exists. The designations used in this paragraph shall have the meaning defined in Regulation S of the U.S. Securities Act.

United Kingdom

The securities of this issuance programme with a maturity of one year or longer shall not be permitted to be offered or sold to persons in the United Kingdom before the end of a period of six months running as of the issue date of such securities with the exception of persons whose regular occupation involves the acquisition, holding and administration or the disposal of investment assets for business purposes (in the function of business owner or agent) or excepting circumstances that do not and shall not result in a public offering in the United Kingdom in the meaning of the Public Offers of Securities Regulations 1995.

Securities under the present issuance programme with a maturity of less than one year may only be acquired, held, administered or sold by persons whose regular occupation involves the acquisition, ownership, administration or selling of investment assets for business purposes (in the function of business owner or agent) as well as offered exclusively to persons or sold to persons whose regular occupation involves the acquisition, ownership, administration or selling of investment assets for business purposes (in the function of business owner or agent) or who may reasonably be expected to acquire, hold, administer or sell investment assets for business purposes (in the function of business owner or agent) unless the issuance of the securities under this issuance programme would constitute a violation of Section 19 of the Financial Services and Markets Act 2000 ("FSMA") by the issuer.

Any invitation or inducement to engage in investment activity (in the meaning of Section 21 of FSMA) made by the issuer in connection with the issuance or the sale of securities under this issuance programme, or the forwarding of such invitation or inducement shall only be permitted in circumstances in which the provisions of Section 21 (1) FSMA do not apply to the issuer.

Any actions taken relating to the securities being offered under this issuance programme shall comply with all applicable provisions of FSMA if they take place on the territory of the United Kingdom or are initiated there or relate to the U.K.

III. RISK FACTORS

A. Risk Factors Relating to the Issuer

The following section contains a compilation of the risk factors specific to the market or sector as well as to banking institutions to which the issuer is generally exposed – the same as all other market participants – and which could have an adverse effect on the financial situation of the issuer and thus its capacity to meet all obligations vis-à-vis investors relating to the issuance of the security.

1. Market and Sector-specific Risks to the Issuer

a) Economic Environment

Demand for products and services offered by the issuer basically depend on the general development of the economy. A slumping economy has a direct impact on demand for credit among businesses and results in a decrease in the volume of lending as well as a general deterioration of the average level of creditworthiness. Moreover, as the probability of insolvencies of companies is much higher in an economically weak environment in which the number of defaults increases, it is necessary to make higher risk provisions. Decreasing earnings prospects among businesses also lead to lower enterprise valuations and subsequently lowers the willingness to engage in mergers and acquisitions or capital market transactions such as initial public offerings, capital increases or takeovers; the proceeds from investment advisory services and the placement of issues decreases accordingly in a slumping economic environment. Furthermore, proprietary trading activities and earnings on trading depend on the capital market environment and the expectations of market participants.

Lower company valuations cause investors to shift to forms of investment with lower risks on which usually only small commissions can be earned.

The issuer's business activities focus on European markets, especially, the Austrian and German market. Therefore, the issuer is particularly exposed to the economic developments in the territory of the European Monetary Union, and above all, in Austria.

In the countries of Eastern Europe, the issuer's business activities are exposed to higher volatility and the risks arising from uncertain economic and macroeconomic framework conditions, which could result in earnings on business activity in this area that is far below expectations.

Should the economic framework conditions deteriorate or the impulses and reforms needed to liven up the Austrian and European economy fail to materialize, this could have major negative effects on the assets, liabilities, financial position and profit or loss of the issuer.

b) Intense Competition

The Austrian banking sector is characterized by intense competition. In business dealings with corporate customers, especially in the area of investment banking, the issuer is in the same market as a number of foreign competitors, which have considerably expanded their presence in the relevant markets of the issuer in the past few years. As a consequence of the intense competition, it is frequently not possible to obtain reasonable margins in some areas of business and some business must compensate other low-margin or no-margin business in other areas.

However, if the issuer fails to offer its products and services at competitive terms and in this way earn margins that at least cover the costs and risks relating to the business activity, this could have substantial negative effects on the assets, liabilities, financial position and profit or loss of the company.

2. Company-specific Risks

a) Strategic risks

A number of factors could threaten the attainment of some or of all of the goals defined by the issuer, among others, market slumps or market fluctuations, a shift in the market position of the entire Raiffeisen Group or a change in conditions in the core markets of Raiffeisen Centrobank AG, i.e., especially in Austria and Central Europe, or adverse overall market conditions in these markets. Should the issuer fail to completely achieve the strategic plans announced or if the costs of achieving the targets are higher than expected by the issuer, this could have a considerable detrimental influence on the future earnings power of the issuer and its competitiveness.

The earnings in the past few years of the business activity do not constitute any guarantee that the issuer will be able to retain its current operating level of profitability in the future or that it will improve profitability or achieve a net profit. The operating results could decrease or stagnate for various reasons such as stagnation of overall economic growth or a slump in the commission business.

A worsening of the economic positioning of the issuer may lead to higher refinancing costs for Raiffeisen Centrobank AG and thus have a lasting negative influence on the issuer's capability to engage in certain areas of business and on the assets, liabilities, financial position and profit or loss of the issuer.

b) Counterparty risks

The issuer is exposed to counterparty risk, i.e., the risk of losses or profits foregone due to the default or deterioration of the credit quality of business partners and the entailing negative changes to the market value of the financial products. The counterparty risk comprises in addition to the classical credit risk of default also country risk and issuer risks as well as counterparty credit risk and settlement risks arising from commercial transactions. Additionally, the possibility exists of illiquidity or insolvency of customers caused, for example, by the contracting business cycle, management errors at the respective customers or by competition reasons.

c) Risk of changes to market price

The risk of changes to the market price entail the possibility of loss in value due to unexpected changes to the underlying market parameters such as interest rates, stock prices and exchange rates as well as their volatility and correlations.

Fluctuations of current interest rates (including changes to the relations between short and long-term interest rates) may influence the results of the banking business of the issuer. Generally, fluctuations in short and long-term interest rates levels have an influence on the profits and losses from securities held as financial assets by the issuer and the point in time at which these profit or losses are realized. Higher interest rates can substantially reduce the value of fixed-interest financial assets and unexpected interest rate fluctuations can have a substantially negative effect on the value of the bonds and interest rate derivatives held by the issuer. Should it be impossible for the issuer to offset the imbalance between interest-bearing assets and liabilities, the consequences of a decline in interest rate margins and in interest income could have a substantial negative influence on the earnings of the issuer.

Generally, fluctuations in the level of both short-term and long-term interest rates (including changes in the relation between short and long-term interest rates) can influence the amount of the earnings or losses (especially from securities held as financial assets) of the issuer. Any hedging transactions entered into or closed out by the issuer could have a negative effect on the earnings situation of the issuer especially in the event of limited liquidity or major fluctuations in the prices of the securities serving as underlyings.

d) Currency risk

Part of the earnings and of the expenses of the issuer are incurred outside the euro zone. Thus, the issuer is generally exposed to currency risk. The earnings of Raiffeisen Centrobank AG are subject to the effects of the fluctuations of the euro vs. the other currencies such as the US dollar. If earnings in a currency other than the euro are lower due to currency fluctuations when converted into euro, and expenses incurred in a currency other than the euro are higher due to currency fluctuations when converted into euro, then this could have a negative effect on the assets, liabilities, financial position and profit or loss of the issuer.

e) Trading results

The trading results of the issuer may be volatile and depend on many factors that are outside the control of the issuer such as the general market environment, interest rates, currency fluctuations and general market volatility. Therefore, there is no guarantee that the trading result achieved in the business year 2004 will be retained or even improved. A sharp decline in the trading result of the issuer could detract from the issuer's capacity to operate profitably. In the case of certain securities issues, the issuer protects itself fully or completely against losses by entering into hedging transactions. In such hedging transactions, the issuer depends, on the one hand, on the reliability of its hedging partners, and on the other hand, on its own assessment regarding the scope of the required hedging transactions. If a partner to a hedging transaction is not in a position to meet its contractual obligations, this could lead to open positions for the issuer that would have a negative effect on the issuer. Should the issuer falsely assess the scope of the required hedging transactions, this could also have a negative influence on the issuer.

f) Risks from investments in other companies

The issuer has diverse investments in unlisted companies. To efficiently control the development of such portfolios, management expenses and refinancing costs are incurred. The successful management of investments in the past does not guarantee that these investments will contribute positively to the results of the issuer in the future.

g) Operational risks

Generally, operational risks arise due to the inappropriateness or failure of internal procedures, persons or systems, or as a consequence of external events. Operational risks include also legal risks. Operational risks are a separate type of risk due to the rising complexity of banking activities as well as to the widespread use of sophisticated technology in the banking business of the issuer. As a consequence, this could have a negative influence on the earnings capacity of the issuer.

h) Liquidity risk

Liquidity risk means that the bank will not be able to honour its current and future payment obligations on time due to incongruence of the due dates of asset and liability positions in conjunction with insufficient refinancing possibilities. A form of liquidity risk is the market liquidity risk which is a situation

in which the bank cannot sell or hedge trading positions in the short term due to lacking market liquidity or can only sell at a low price.

i) Regulatory risks

The business activities of the issuer are regulated and supervised by the central banks and supervisory authorities of the countries in which the issuer is active. A banking license or at least the notification to the national supervisory authorities is required in each of these countries. The banking supervision regime in the diverse countries is subject to change. Changes to the supervisory requirements in a country can impose additional obligations on the companies of the Raiffeisen Centrobank AG group. Furthermore, compliance with changed supervisory regulations can lead to much higher administration costs, which could have a negative impact on the assets, liabilities, financial position and profit or loss of Raiffeisen Centrobank AG.

Furthermore, there is the possibility of a negative impact on the business activity of the issuer as well as of higher costs for Raiffeisen Centrobank AG due to the progressing regulation of the banking sector, especially under the New Framework of the Basel Committee for Banking Supervision on the International Convergence of Capital Measurement and Capital Standards (Basel II) that will take effect as of the year 2007. Basel II regulations will probably result in a change to the capital structure of banks and could therefore have a negative impact on the business activity of the issuer. Furthermore, the issuer expects additional compliance costs to arise from Basel II regulations.

B. General risks of structured securities

a) Structured securities with currency risk

If a securitized claim in the form of a structured security relating to a foreign currency and/or being calculated in a foreign currency unit or if the value of the underlying instrument of the security is denominated in such a foreign currency or currency unit, then the risk of loss shall not depend solely on the development of the value of the underlying security but also on the adverse developments on the foreign exchange markets.

Adverse developments on foreign exchange markets can heighten the risk of loss in such a manner so as

- to cause the value of the structured security to diminish accordingly;
- decrease the potential settlement amount to be received, or
- lower the price of the underlying instrument accordingly.

Even in the case of structured securities hedged against currency risks by fixing the rate of exchange, interest rate risks can still arise due to the divergent interest rate levels that can have a negative influence on the price of the structured security.

b) Risks relating to the underlying instruments of the structured securities

The repayment of the securities issued within the scope of the issuance programme relates to an underlying asset, which can be one of the reference instruments given below as specified in the relevant Final Terms in detail, and may vary depending on the development of the reference instruments:

- Shares
- Baskets of shares
- Index (e.g. ATX, DAX, Dow Jones)
- Basket of indices
- Commodities (e.g. gold, silver, copper)
- Baskets of commodities

The risk of default of the repayments depends on the specific risks relating to the underlying asset. The relevant underlyings can undergo a strongly fluctuating (volatile) development and/or have a low creditworthiness in comparison to the issuer. This means that under certain circumstances, the repayment amount could be much smaller than the issue price. In the worst case, the total loss of the capital invested is possible.

Investors should be aware of the following specific features and risks of each of the underlying instruments given as examples.

1. Structured products on shares and baskets of shares

A share is a security that documents the right to a percentage ownership in a stock corporation. The holder or owner of a share, the so-called shareholder, participates in the share capital of the company – to a percentage or in the nominal amount stated on the share certificate.

Generally, the value/price of a stock follows the economic development of the company as well as the general economic and political framework conditions; irrational factors (sentiment, opinions) may also influence the course of a share's price and thus the return on the investment. Moreover, shares with tight

markets carry the risk of lacking tradability and not enough liquidity to sell the share. Any further specific risks relating to a securities issue will be stated in the Final Terms Chapter VI 4.1.7.

2. Index or basket of indices

An index is a calculated instrument that replicates the development of prices and quantities, frequently, for example, of certain shares traded on a regulated market. Depending on the index or basket of indices, the risk of a security linked to such index or basket of indices varies depending on which bonds, shares, warrants, derivatives, real estate or other assets are included in the index. In the worst case scenario, this may lead to total loss of the capital invested. Any further specific risks relating to a securities issue will be stated in the Final Terms Chapter VI 4.1.7.

3. Commodities or baskets of commodities

Certain commodities (gold, silver, copper, oil, etc.) are traded worldwide on the so-called commodity exchanges. Trades on commodity exchanges are concluded either as spot trades that must be settled immediately (spot market) or as forward transactions. The price trend of such commodities is usually very volatile and often contingent on political and technical (new production methods) factors. The risk of these issues is therefore in a false assessment of expected developments for world market prices for the commodities defined as underlying instruments. If an underlying commodity loses its entire value, the total loss of the capital invested may be the result. Any further specific risks relating to a securities issue will be stated in the Final Terms Chapter VI 4.1.7.

c) Trades to exclude or reduce risks

Buyers of structured products cannot rely on the exclusion or reduction of the risk in other securities positions by purchasing such products; these risks depend on the market conditions and on the respective underlying conditions. Under certain circumstances, such trades can only be executed at adverse market prices causing a loss for the buyer of a structured security.

d) Influence of ancillary costs on earnings opportunities

Commissions and other transaction costs that arise when buying or selling structured products can give rise to costs – especially in combination with a low order value – that can extremely reduce the earnings opportunities of the structured securities. Therefore, investors are recommended to inform themselves of the costs of buying or selling a structured product before acquiring it.

e) Trading in structured securities

Under usual market conditions, the issuer plans to regularly quote buy and sell prices for the structured products issued. The issuer, however, does not enter into any legal obligation vis-à-vis the holder of structured products to quote such prices or with respect to the amount or the determination of such prices. Therefore, the buyer of a structured security can not rely on being able to sell a structured product at a certain time or for a certain price. Market disruptions, for example, can delay the determination of prices.

f) Taking out loans

If the holder of structured securities finances the acquisition of structured securities by taking out a loan, he or she must not only repay the loss if the expectations are not realized, but must also repay the loan with interest. This substantially increases the risk of loss. The holder of a structured product should

therefore never rely on being able to repay the loan and interest from the profit made on the trade in structured securities. Rather the acquirer of structured securities has to examine his or her financial situation before the purchase to ascertain whether he or she will be able to pay interest and if necessary to repay the loan on short notice even if the expected profit turns out to be a loss.

g) Influence of trades, especially of hedging transactions by the issuer, on the structured securities

The issuer has the right to buy or sell on the open market or in non-public transactions the structured products at any time during the term of the structured securities. Within the scope of its regular business activities, the issuer engages in trading in the underlyings of the structured securities and furthermore hedges fully or in part against the financial risks related to the structured securities through hedging transactions in the respective underlying instruments.

The activities of the issuer can have an influence on the price of the underlying determined in the market as well as on the value of the structured securities or on redemption obligations vis-à-vis the holders of the structured securities.

The issuer is not under any obligation to inform the holders of structured securities of any such purchases or sale or any other event (such as a hedging transaction) that could have an influence on the development of the price of structured products or that of the underlying instrument. The holders of structured securities must therefore inform themselves on their own to gain a picture of the development of the prices of structured securities or their underlying instruments.

C. Description of the structured securities as well as special risk warnings

In the following sections, clear and comprehensive explanations will be given on each of structured securities issued under this issuance programme to help investors understand how the value of their investment is influenced by the value of the underlying instrument or instruments especially in cases in which the risks are the most apparent as well as special risk warnings relating to the specific structured securities.

1. Warrants

a) Description of the security

The buyer of a warrant acquires the right to claim payment of a money amount (cash settlement) or the delivery of the underlying instrument under certain conditions. Warrants can be issued as buy (call) or sell (put) warrants. In the case of a call warrant, the buyer usually expects the price of the underlying instrument to rise, while in the case of a put warrant the investor expects falling prices. Underlying instruments can be, for example, shares, American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"), indices, commodities.

b) Special risk warnings

Warrants are particularly risky investment instruments. Compared to other capital investment, the risk of loss – and even the risk of total loss of the capital invested – is very high.

A warrant does not entitle the holder to payment of interest or to dividend payments and therefore does not yield any regular returns. The possible loss of value of a warrant can therefore not be compensated by other returns on the warrants.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as volatility of the underlying security dividends, interest) can reduce the value of warrant excessively or even render it worthless. Considering the limited term of a warrant, one cannot rely on a recovery of the price of a warrant after a negative development. Therefore, there is the risk of partial or total loss of the premium paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

During the term of a warrant, the time value has a tendency to decline until it reaches zero. The loss accelerates the closer the expiry date. No notification is sent of the expiry of the exercise period.

Warrants are usually issued in small denominations and for this reason the liquidity risk is higher, i.e., under certain conditions it may not be possible to sell the warrant at any time desired.

As regards the capital invested, changes in the value of the warrant are disproportionately larger than those of the underlying instrument. This characteristic that is inherent to warrants is referred to as the so-called leverage effect. Thus, on the one hand, the warrant carries earnings opportunities that can be higher than those of other investments, and on the other hand, warrants carry the disproportionately high risk of loss that may even mean total loss.

The leverage effect therefore works in both directions: In the case of adverse price trends of the underlying instrument (e.g. shares, indices, commodities), the leverage effect works to the disadvantage of the investor; in contrast, if prices develop favourably, this benefits the investor. Basically, the larger

the leverage effect, the greater the risk of loss; additionally, the leverage effect is greater the shorter the term of a warrant. The subscription ratio (e.g. 10:1) also influences the leverage effect.

The value of a warrant is not only determined by the price changes of the underlying instrument but also by a number of other factors. These factors include in general the maturity of the warrant as well as the price volatility of the underlying instrument. A loss in the value of the warrant can even happen if the price of the underlying instrument remains constant.

2. Discount certificates

a) Description of the security

Discount certificates entitle the holder to receive on redemption date either the underlying instrument (e.g., a stock) or an amount which has been fixed in advance, the so-called "maximum redemption amount" ("CAP") in cash. A discount certificate is quoted at a price discount vs. the price of the underlying instrument to compensate this limitation imposed by the maximum redemption amount. Instead of delivering the underlying instrument, at maturity, the issuer has the right to pay the equivalent in cash.

b) Special risk warnings

Discount certificates are risky instruments used to invest assets. Should the price of the respective underlying instrument of a discount certificate develop adversely, an investor may lose part or all of his or her invested capital – the same as in the case of a direct investment in the underlying instrument.

The value of the discount certificate usually has a tendency to develop in the same way as that of the underlying instrument during its term, albeit to a lesser extent. The extent decreases continuously (or can even be zero) the higher the value of the underlying rises.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes of any of the other parameters that determine the value (such as volatility of the underlying security, dividends, interest) can reduce the value of the discount certificate. Considering the limited term of a discount certificate, one cannot rely on a recovery of the price of a discount certificate after a negative development. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Discount certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns. Therefore, possible losses in value of the discount certificate cannot be compensated by other returns on the discount certificates.

3. Turbo certificates

a) Description of the security

Turbo certificates are tied to the prices of the related underlying instrument (e.g. index, stock) and entitle the holder to payment of a redemption amount, which corresponds to the difference between the closing price of the underlying instrument upon maturity and the strike price defined in the terms of the securities issue (turbo long certificate) or the difference between an strike price defined in the terms of the certificate and the closing price of the underlying instrument upon maturity (turbo short certificates).

Turbo certificates feature a barrier defined in the terms of issue of the security. As soon as the price of the underlying instrument reaches or breaks through this barrier during the term of the certificate, the certificate is knocked out and it expires worthless or the investor receives the residual value, which can also be zero. In the case of open-end turbo certificates, adjustments to the barriers and to the strike price are made continuously during the term of the certificate.

The value of the turbo certificate develops inversely in the case of turbo long and turbo short certificate during the term of a certificate. A turbo long certificate usually loses value (i.e. if other decisive factors for the prices of turbo certificates are not taken into account) if the price of the underlying instrument declines. Vice versa, the value of a turbo short certificate decreases when the price of the underlying instrument rises. The leverage effect described for warrants (under a) also applies to turbo certificates, but here it is much stronger and this carries a higher risk. Changes in prices (or even the lack of an expected change in price) of an underlying instrument can reduce the value of a turbo certificate excessively (leverage effect) or even render it worthless. The development of the value of a turbo certificate in absolute terms almost correlates 1:1 with the development of the value of the underlying instrument before consideration of the subscription ratio.

b) Special risk warnings

Turbo long certificates rise in value when the price of the underlying instrument increases, but in contrast, the value of the certificates declines when the price of the underlying instrument decreases.

Turbo short certificates increase in value when the price of the underlying instrument decreases and their value declines when the price of the underlying instrument increases.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as dividends, interest, residual time to maturity) can reduce the value of a warrant excessively or even render it worthless. Considering the limited term of a turbo certificate, one cannot rely on a recovery of the price of a turbo certificate after negative developments. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Due to the adjustments of the barriers and of the strike price in the case of open-end turbo certificates during their term, the risk exists of a loss in value of the open-end turbo certificate. Furthermore, even an adjustment of the barriers may lead to a premature knock-out (suspension of trading) of the security.

Turbo certificates are risky instruments used to invest assets. If the underlying instrument of the respective certificate develops unfavourably, the risk exists of loss of a greater part or total loss of the invested capital.

The certificates do not entitle the holder to payments of interest or dividends and therefore do not yield any regular returns. Therefore, any losses in value of the turbo certificate cannot be compensated by other returns on the turbo certificate.

4. Range turbo certificates

a) Description of the security

Range turbo certificates have the same features as turbo certificates, with the maximum repayment amount being additionally limited by a CAP (range turbo long certificates) or FLOOR (range turbo short or reverse discount certificates).

The development in value of the range turbo certificates during their term is comparable to that of turbo certificates, however, the magnitude of the change in value decreases continuously in relation to the underlying instrument the higher (long) or lower (short) the price of the underlying instrument rises (long) or falls (short).

b) Special risk warnings

The risks of range turbo certificates are comparable to those of a turbo certificate, with changes in the volatility of the underlying instrument also additionally affecting the value of the range turbo certificates.

5. Investment certificates

a) Description of the security

The buyer of an investment certificate has the right to repayment from the issuer in accordance with the development of the underlying instrument (e.g. shares, commodities, indices or baskets).

During the term of an investment certificate, the development of its relative value correlates 1:1 with the value of the underlying instrument.

b) Special risks

Investment certificates are risky instruments used to invest assets. If the underlying instrument of the respective certificate develops unfavourably, there is a risk of loss of a greater part or of the total amount of the invested capital.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as dividends, and in the case of a currency-hedged certificate, interest and remaining time to maturity) can reduce the value of the investment certificate. Considering the limited term of an investment certificate, one cannot rely on a recovery of the price of an investment certificate after negative developments. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Investment certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns. Therefore, any losses in the value of the investment certificate cannot be compensated by other returns on the investment certificate.

6. Bonus certificates

a) Description of the security

On redemption date, the holder of a bonus certificate as described in this prospectus will automatically receive from the issuer payment of an amount ("redemption amount") in the currency of the product that will depend on the closing price of the underlying instrument (e.g. stock or index) on the relevant stock exchange upon maturity of the bonus certificate. Should the bonus certificate never reach or fall below the barrier during its term, the redemption amount (usually) shall be at least the bonus level. However, the maximum redemption amount can be limited.

The value of the bonus certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to changes of the price of the underlying instrument depending on a number of factors of influence (e.g. volatility of the underlying instrument, remaining time to maturity, distance of the underlying instrument to barrier).

b) Special risks

Bonus certificates are risky instruments used to invest assets. If the price of the underlying instrument of the respective certificate develops unfavourably, there is a risk of loss of a greater part or of the total amount of the invested capital. The leverage effect described for warrants (under a) also applies to bonus certificates.

Bonus certificates do not entitle the holder to claim payment of interest or dividends and therefore do not yield any regular returns. Thus, any losses in value of the bonus certificate cannot be compensated by other returns on the bonus certificate.

7. Speed certificates

a) Description of the security

On redemption date, the holder of a speed certificate as described in this prospectus shall automatically receive from the issuer payment of an amount ("redemption amount") in the currency of the product that shall depend on the closing price of the underlying instrument on the relevant stock exchange upon maturity of the speed certificate (e.g. shares or index). If, upon maturity, the price of the underlying instrument is between the starting value and any CAP defined, the holder of the certificate receives the starting value plus a multiple of the difference between the CAP and the starting value. If the price of the underlying instrument is below the starting value upon maturity, the redemption amount is based on the closing price of the underlying instrument. However, the maximum redemption amount can be limited.

The value of the speed certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to changes of the price of the underlying instrument depending on a number of factors of influence (e.g. volatility of the underlying instrument, remaining time to maturity, distance of underlying instrument to the starting value or cap).

b) Special risks

Speed certificates are risky instruments used to invest assets. If the price of the underlying instrument of the respective speed certificate develops unfavourably, the risk exists of loss of a greater part or of the total amount of the invested capital. The leverage effect described for warrants (under a) also applies to speed certificates.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as volatility of the underlying security (volatility), dividends, interest, remaining time to maturity) can reduce the value of the speed certificate. Considering the limited term of a speed certificate, one cannot rely on a recovery of the price of a speed certificate after a negative development. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Speed certificates do not entitle the holder to claim payments of interest or of dividends and therefore do not yield any regular returns. Thus, any losses in value of the speed certificate cannot be compensated by other returns on the speed certificate.

8. Reverse convertibles

a) Description of the security

Reverse convertibles are securities that entitle investors to high coupons (interest) with special repayment terms. Upon maturity, the issuer either fully repays the nominal capital or it redeems the security by delivery of shares (or their monetary value in cash). Whether the investor receives the nominal capital amount on redemption date or the pre-defined number of shares (or their monetary value in cash) depends largely on the development of the underlying share. The investor receives either redemption in the amount of the nominal capital if on the valuation date the value of the underlying instrument is higher than the strike price defined by the issuer at the time of issue or delivery of the pre-defined number of shares (or their monetary value in cash).

b) Special risk warnings

If the price of the underlying instrument of the respective reverse convertible develops adversely, the risk exists of loss of a greater part or of the total amount of the invested capital. It is possible that such losses cannot be compensated by the interest earnings on reverse convertibles.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as volatility of the underlying security, dividends, interest, remaining time to maturity) can reduce the value of the reverse convertibles. Considering the limited term of a reverse convertible, one cannot rely on a recovery of the price of a reverse convertible after a negative development. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Share prices are subject to strong fluctuations and therefore the holder of a reverse convertible carries the risk that in the event the share price declines he or she will receive instead of 100% of the capital invested only shares (or their monetary value in cash) that are worth much less or can even be worthless. Therefore, the holder of such reverse convertibles may suffer a considerable loss in comparison to the purchase price paid for the reverse convertible.

The yield of a reverse convertible depends in addition to the price and the interest also on whether the interest earned during the term of the reverse convertible can be reinvested at the same high or even better interest rate as that of the reverse convertibles. This reinvestment risk thus consists of the situation that the general market interest rate could drop below the interest on the reverse convertible during its term.

9. Lock-in certificates

a) Description of the security

On redemption date, the holder of a lock-in certificate described in this prospectus shall automatically receive from the issuer payment of an amount ("redemption amount") in the currency of the product that shall depend on the closing price of the underlying instrument on the relevant stock exchange upon

maturity of the lock-in certificate (e.g. shares or index). However, the maximum redemption amount can be limited.

If the issuer has defined a barrier and a bonus level, lock-in certificates guarantee a payment upon maturity of the bonus amount if the underlying instrument (e.g. shares or indices) never reaches or falls below the barriers – defined by the issuer at the start of the issue – during the term of the certificate.

Furthermore, lock-in certificates have lock-in levels at which the repayment of at least this lock-in level is guaranteed if the level is reached or surpassed. The guarantee of the lock-in levels shall also apply when a barrier – if defined by the issuer – is reached or the price falls below it anytime during the term of the certificate.

The value of the lock-in certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to changes in the price of the underlying instrument depending on a number of factors of influence (e.g. volatility of the underlying instrument, remaining time to maturity, distance of underlying instrument to barrier).

b) Special risk warnings

Lock-in certificates are risky instruments used to invest assets. If the price of the underlying instrument of the respective certificate develops unfavourably, there is a risk of loss of a greater part or of the total amount of the invested capital. The leverage effect described for warrants (under a) also applies to lock-in certificates.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as volatility of the underlying security, dividends, interest) can reduce the value of the lock-in certificate. Considering the limited term of a lock-in certificate, one cannot rely on a recovery of the price of a lock-in certificate after a negative development. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

Lock-in certificates do not entitle the holder to claim payments of interest or of dividends and therefore do not yield any regular returns. Therefore, any losses in value of the lock-in certificate cannot be compensated by other returns on the lock-in certificate.

10. Outperformance certificates

a) Description of the security

The buyer of an outperformance certificate acquires the right to payment of a money amount (cash settlement) from the issuer under certain conditions. The outperformance certificate has two underlying instruments (long and short instruments), with the buyer usually expecting the long instrument to perform better than the short instrument. Underlying instruments can be, for example, shares, American Depositary Receipts ("ADRs") or Global Depositary Receipts ("GDRs"), indices, commodities.

b) Special risk warnings

Outperformance certificates are particularly risky investment instruments. Compared to other capital investments, the risk of loss – even including the risk of total loss of the capital invested – is very high.

An outperformance certificate does not entitle the holder to payment of interest or to dividend payments and therefore does not yield any regular returns. Therefore, any losses in value of the outperformance certificate cannot be compensated by other returns on the outperformance certificate.

Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as volatility of the underlying security, dividends, interest) can reduce the value of outperformance certificates excessively or even render it worthless. Considering the limited term of an outperformance certificate, one cannot rely on a recovery of the price of an outperformance certificate after negative developments. Therefore, the risk exists of partial or total loss of the purchase price paid including the transaction fees incurred. This risk exists irrespective of the financial capacity of the issuer.

During the term of an outperformance certificate, the time value has a tendency to decline until it reaches zero.

Outperformance certificates are usually issued in small denominations and for this reason the liquidity risk is higher, i.e., under certain conditions it may not be possible to sell the outperformance certificate at any time desired.

As regards the capital invested, changes in the value of the outperformance certificate are disproportionately larger than those of the underlying instrument. This characteristic is referred to as the so-called leverage effect. Thus, on the one hand, the outperformance certificate offers earnings opportunities that can be higher than those of other investments, and on the other hand, outperformance certificates carry a disproportionately high risk of loss that may even mean total loss.

The leverage effect therefore works in both directions: In the case of adverse price trends of the underlying instrument (e.g. shares, indices, commodities), the leverage effect works to the disadvantage of the investor; in contrast, if the prices develop favourably, this benefits the investor. Basically, the larger the leverage effect the greater the risk of loss; additionally, the leverage effect is greater the shorter the term of the outperformance certificate. The subscription ratio (e.g. 10:1) also influences the leverage effect.

The value of an outperformance certificate is not determined only by the price changes of the underlying instrument but also by a number of other factors. These factors include in general the maturity of the outperformance certificate as well as the volatility of the price of the underlying instrument. A reduction in the value of the outperformance certificate can even happen if the price of the underlying instrument remains constant.

11. Guarantee certificates

a) Description of the security

On redemption date, the holder of a guarantee certificate described in this prospectus automatically receives the payment of a guaranteed amount defined by the issuer at the start of the issue (guaranteed amount) in the corresponding currency of the product. Additionally, the holder has the right to claim coupon payments and/or the payout of a participation amount which may depend on the development of the underlying instrument (e.g. shares or indices).

The certificate can react during its term more strongly or weakly to price changes in the underlying instrument due to a number of different factors of influence (e.g. volatility or correlation of underlying instruments, remaining time to maturity).

b) Special risks

Guarantee certificates are subject to price fluctuations during their term that can also move at levels below the capital invested. If the price of the underlying instrument of the respective guarantee certificate develops unfavourably, the risk exists of loss of a greater part or of the total amount of the invested capital. Upon maturity of the guarantee certificate, repayment is guaranteed of at least the guaranteed amount (taking the risks relating to the issuer mentioned in Chapter III.A. into account).

Guarantee certificates can entitle the holder to receive coupon payments and/or payout of a participation amount but not to payment of dividends. Therefore, any losses in the value of the guarantee certificates might not be compensated by other returns on the guarantee certificate.

12. Centrobank certificates

a) Description of the security

On redemption date a holder of the centrobank certificates which are described in this prospectus will automatically be paid the redemption amount defined by the issuer at the beginning of the offering period. In addition to the redemption amount the holder may also be entitled to receive coupon payments which may depend on the development of the underlying instrument(s).

Due to various factors (e.g., volatility and/or correlation of the underlying instruments, remaining term) the certificate may, during its term, respond more or less strongly to fluctuations in the value of the underlying instruments.

b) Special risks

During their term centrobank certificates will be subject to price fluctuations, which may also be below the capital invested. If the prices of the instruments underlying the respective centrobank certificate develop adversely, a substantial part or all capital invested may be lost.

Centrobank certificates may entitle the holder to coupon payments and/or dividend payments. Thus, it may not be possible to make up for losses in the value of centrobank certificates by other returns on the centrobank certificates.

13. Twin Win certificates

a) Description of the security

On redemption date a holder of twin win certificates which are described in this prospectus will automatically receive from the issuer payment of an amount ("redemption amount") in the product currency which will depend on the performance of the underlying instrument (e.g., stock or index). The certificates are equipped with a barrier.

If during the term of the twin win certificates the barrier is not reached or fallen short of, the investor will participate in the absolute performance of the underlying instrument on the basis of the strike price defined by the issuer, i.e. also losses of the underlying instrument are converted into gains of the certificate. If during the term of the twin win certificates the barrier is reached or fallen short of, redemption will be effected at least according to the development of the underlying instrument. If the strike price is exceeded a disproportionate participation in the performance of the underlying instrument may be provided for (if so determined by the issuer). Also, the maximum redemption amount may be limited.

Due to various factors (e.g., volatility of the underlying instrument, remaining term, distance between the underlying instrument and the barrier) the certificate may respond more or less strongly to fluctuations in the value of the underlying instruments.

b) Special risks

Twin win certificates are high-risk investment instruments. In the case that the price of the underlying instruments of the respective twin win certificate develops adversely a substantial part or all capital invested may be lost.

Twin win certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns. Thus, possible losses in the value of twin win certificates cannot be made up for by other returns on the twin win certificates.

14. Reverse Bonus certificates

a) Description of the security

On redemption date a holder of the reverse bonus certificates described in this prospectus will automatically receive from the issuer payment of an amount in the product currency ("redemption amount") which will depend on the closing price of the instrument underlying the reverse bonus certificate (e.g., stock or index), which is determined by the relevant exchange or price-fixing entity at the maturity date. If during the term of the reverse bonus certificates the barrier is not reached or exceeded redemption will be effected at least at the bonus amount.

During the term of the certificate the value of the certificate will develop in the opposite direction of the value of the underlying instrument, but, not to the same extent. Due to various factors (e.g., volatility of the underlying instrument, remaining term, distance between the underlying instrument and the barrier) the certificate may respond more or less strongly to fluctuations in the value of the underlying instrument.

b) Special risks

Reverse bonus certificates are high-risk investment instruments. If the price of the instruments underlying the respective reverse bonus certificate develops adversely, a substantial part or all capital invested may be lost. The leverage effect described for warrants (under a) also applies to reverse bonus certificates.

Reverse bonus certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns. Thus, possible losses in the value of reverse bonus certificates cannot be made up for by other returns on reverse bonus certificates.

15. Express certificates

a) Description of the security

An Express Certificate participates in the performance of the underlying instrument with the possibility of early redemption. If, on any of the observation dates, the underlying instrument fulfils the threshold criterion defined by the issuer, the certificate will end prior to maturity and will be automatically redeemed by the issuer at the redemption amount which is valid on the relevant observation date. If the underlying instrument fails to fulfil the specified threshold criterion also on the last observation date, redemption will be effected at the closing price of the underlying instrument determined on the maturity date/last observation date. If in that case, the issuer has, in addition, fixed a barrier at the beginning of the issue of the certificate and if the price of the underlying instrument has neither reached nor exceeded the barrier during the observation period, redemption will at least be effected at a minimum redemption amount defined by the issuer.

During the term of the certificate the value of the certificate will develop in the direction of the value of the underlying instrument but not to the same extent. Due to various factors (e.g., volatility of the underlying instrument, remaining term, distance between the underlying instrument and the barrier) the certificate may respond more or less strongly to fluctuations in the value of the underlying instrument.

b) Special risks

Express certificates are high-risk investment instruments. If the price of the instruments underlying the respective express certificate develops adversely, a substantial part or all capital invested may be lost.

Express certificates may entitle the holder to interest payments and/or dividend payments. Thus, it may not be possible to make up for losses in the value of express certificates by other returns on the express certificates.

IV. INFORMATION ABOUT THE ISSUER

1. Responsible persons

- 1.1. All persons responsible for the information given in the registration document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

Raiffeisen Centrobank AG whose registered office is in the political district of Vienna is responsible as issuer pursuant to § 11 par 1 fig 1 Austrian Capital Market Act for the information in the prospectus.

The responsible members of the corporate bodies of the issuer for the information in this prospectus are management board members Eva Marchart, Alfred Michael Spiss and Gerhard Grund.

- 1.2. A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The persons named in Item 1.1. hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The prospectus makes it possible for an investor to reach an informed judgement in the meaning of §7 par. 1 Austrian Capital Market Act on the assets and liabilities of the issuer, the financial position and profit or loss, and the future prospects of the issuer as well as on the rights relating to the securities.

The issuer hereby points out that events occurring at a later point in time could compromise the completeness, coherence and readability of the information contained in this prospectus.

In connection with the issue and sale of securities, no person shall be authorized to disseminate information or to make declarations that are not contained in this prospectus. The issuer does not assume any liability for any information not contained in this prospectus.

2. Statutory Auditors

- 2.1. Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).

The auditor for the historic financial information of the period covered is

- for the business year 2005: KPMG GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kolingasse 19, 1090 Vienna, Austria. The auditors of the financial statement ending on 31 December 2005 were Mr. Walter Knirsch and Mr. Kurt Eder, auditors and certified public accountants.

□ for the business year 2006: KPMG GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Kolingasse 19, 1090 Vienna, Austria. The auditors of the financial statement ending on 31 December 2006 were Mr. Walter Knirsch and Mr. Josef Kirchknopf, auditors and certified public accountants.

KPMG is a member of the Austrian Chamber of Auditors.

2.2. If auditors have resigned, been removed or not been reappointed during the period covered by the historical financial information, details if material.

Not applicable.

3. Risk factors

3.1. Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed 'Risk factors'.

See Chapter III on this item. Risk factors relating to the issuer.

4. Information about the Issuer

4.1. *History and Development of the Issuer*

4.1.1. the legal and commercial name of the issuer

The issuer is Raiffeisen Centrobank AG. The original name of the company is Centro Internationale Handelsbank Aktiengesellschaft. This name was changed by resolution of the extraordinary shareholders' meeting of 14 November 2001 and registered with the Companies Register on 21 December 2001 as Raiffeisen Centrobank AG. The commercial name of the company is Raiffeisen Centrobank.

4.1.2. the place of registration of the issuer and its registration number.

The seat of the issuer is Vienna and it is registered with the Commercial Court of Vienna under the Companies Register No. 117507 f.

4.1.3. the date of incorporation and the length of life of the issuer, except where indefinite.

The issuer was founded on 22 October 1973 in Vienna, Austria through the conversion of Centrofin, Finanzierungsvermittlungs-, Handels- und Treuhandgesellschaft mit beschränkter Haftung into Centro Internationale Handelsbank Aktiengesellschaft. The initial registration in the Companies Register was on 29 March 1974. The company has been established for an indefinite period of time. The share capital of the issuer at the time of the initial registration was Austrian schillings 350,000,000 and was increased with the registration of 13 June 1998 to Austrian schillings 655,000,000. This amount was adjusted at the time of the takeover by the Raiffeisen group at the extraordinary shareholders' meeting of 14 November 2001 with the registration in the Companies Register of 21 December 2001 to EUR 47,598,850. Since the end of 2001, the company has been part of the Raiffeisen group.

4.1.4. the domicile and legal form of the issuer; the legislation under which the issuer operates; its country of incorporation; and the address and telephone number of its registered office (or principal place of business if different from its registered office).

The registered office of the issuer is in Vienna, Austria. It is a joint stock corporation established under Austrian stock corporation law (*Aktiengesetz*). The issuer operates mainly in the Austrian financial market as well as in Germany and Central and Eastern Europe. Its business address and principle place of business is Tegetthoffstraße 1, 1010 Vienna, Austria. The phone number is +43 1 515 20 0.

4.1.5. any recent events particular to the issuer which are to a material extent relevant to the evaluation of the issuer's solvency.

Since 2001, Raiffeisen Zentralbank Österreich AG ("RZB") has directly or indirectly owned 99.99% of the issuer. Within the course of the related restructuring, the entire investment business of RZB was acquired by the issuer.

5. Business Overview

5.1. Principal Activities

5.1.1. A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed.

The object of the business of the company is banking activities of all kinds. In accordance with the scope of the license granted, it has the following activities in the meaning of § 1 par 1 of the Austrian Banking Act, Federal Law Gazette 532/1993 as amended.

Fig. 1. The acceptance of funds from third parties for the purpose of managing such funds or as a deposit (deposit business with the exception of savings deposits);

Fig. 2. Execution of non-cash payment transactions and clearing of checking accounts for third parties (checking account business).

Fig. 3. Entering into money loan contracts and the granting of money loans (credit business).

Fig. 4. The purchase of checks and bills of exchange, in particular, discounting of bills of exchange (discount business).

Fig. 5. The custody and administration of securities for the account of third parties (custody business).

Fig. 6. The issuance and administration of means of payment such as credit cards and travellers checks.

Fig. 7. Proprietary trading or trading for the account of others in

a) Money market instruments

b) Foreign means of payment (foreign exchange and foreign currency business)

c) Options and financial futures contracts (futures and options business)

d) Currency and interest rate instruments

e) Transferable securities (securities business)

f) Instruments derived from lit. a to e.

Fig. 8. The assumption of sureties, guarantees and other liabilities for third parties if the obligation is to be met by payment of money (guarantee business)

Fig. 10. The issuance of other securities restricted to the issuance of fixed-income securities other than those listed in §1 par. 1 fig. 9 Banking Act for the purpose of investing the proceeds in other banking activities.

Fig. 11. Participation in the underwriting of third party issues and the provision of services related thereto (third party issuing of securities business).

Fig. 15. The financing business through the acquisition and resale of shares (capital financing business).

Fig. 16. The purchase of accounts receivable arising from the delivery of goods or rendering of services, assumption of the risk of collection on such claims – excepting credit insurance – and, in connection therewith, the collection of such claims (factoring business);

Fig. 18. The brokerage of transactions according to

- a) Fig. 1, unless conducted by contractual insurance companies
- b) Fig. 3 except for the brokerage of mortgage loans and personal loans done by real estate agents, brokers of personal and mortgage loans, and investment advisers
- c) Fig. 7 lit. a, if it affects foreign exchange transactions
- d) Fig. 8

Fig. 20. The issuing of electronic money (e-money business).

Furthermore, the company is entitled to conduct the business of providing financial services and to execute transactions of financial institutions even if these are not pure banking transactions.

2. The company is furthermore authorized to execute and settle domestic and international commercial transactions of all kinds for its own account and for the account of third parties – with no open positions being permitted that would mean goods are bought for inventory – including trustee operations with the exception of those activities restricted to auditors.

The following business areas are the core areas of activity of the issuer:

a) Securities trading and sales

Raiffeisen Centrobank AG is specialized in the trading of warrants, certificates and structured products in Austria with a very strong market position in Austria on Austrian and a few foreign underlying instruments. The issuer also holds a significant niche position as a specialist for international products.

The issuer is a member of Wiener Börse AG, Deutsche Börse AG, Xetra (Frankfurt), Borsa Italiana (Milan), Budapest Stock Exchange, Warsaw Stock Exchange, London Stock Exchange, EUREX, SWX (Zurich) and Virt-X (London). Furthermore, to its knowledge the issuer is the only Austrian member in the largest warrants exchange in Europe, the European Warrants Exchange (EUWAX) in Stuttgart.

The issuer issues warrants, reverse convertibles, open-end index certificates, discount certificates, turbo certificates, speed certificates, guarantee certificates, twin win certificates, reverse bonus certificates, express certificates as well as custom-designed structured products. These types of products are offered by the issuer on practically all Austrian listed securities and on selected international securities and indices especially from the region of CEE. The main focus is on servicing institutional customers in Austria and abroad.

The goal of Raiffeisen Centrobank is to consistently pursue the enlargement and the further expansion of trading in shares and structured products within the scope of its strategy of internationalization of investment banking activities.

b) Company Research

The area of company research concentrates on the analysis of issues and primarily on sector analyses with a focus on Austrian companies listed on the exchanges in Vienna, Frankfurt and Zurich. Based on a sector approach, selected shares from the German-speaking region are covered as well as companies from Central and Eastern European markets. These analytical expert opinions are drafted to support sales activities for traditional investment business and for the core business areas of equity capital markets, mergers and acquisitions and private equity.

c) Equity Capital Markets (capital market financing)

The issuer is one of the leading underwriting banks in Austria. It offers consulting services for the phase before capital market transactions such as strategic consulting, company evaluations, legal structure

under companies law and marketing, public relations and investor relations consulting; it supports companies as an underwriting bank, (initial public offerings (IPOs), secondary public offerings (SPOs), capital increases, private placements, structured products (convertible bonds, exchangeable bonds) and provides support to listed Austrian companies after the transaction has been completed.

The issuer reached the strategic decision based on the achievements of Raiffeisen to expand its successful capital market business into Central and Eastern Europe and Russia. Jointly with the local Raiffeisen network, the attractive market for capital increases, public offerings and privatisations is covered. The combination of its international power for placing issues and product know-how with the close relations to customers and the direct access to local information through the local network banks makes the Raiffeisen group excellently positioned to conquer this new and lucrative business area. Raiffeisen Centrobank perceives this engagement as a completion of its range of products and as a supplement to its expansion in the area of stock trading as a direct exchange member in the growth region of Central and Eastern Europe.

d) Mergers & Acquisitions Consulting

Consulting services for mergers and acquisitions as well as helping companies to optimize their structure with respect to companies law and tax aspects in connection with takeovers and investments in companies are provided by the 100% subsidiary of the issuer, Raiffeisen Investment AG (RIAG).

Other services provided by RIAG are raising equity capital from strategic investors and financial investors, consulting for obtaining borrowed capital and for privatizations. In Central and Eastern Europe, RIAG is a privatisation consultant for governments, supranational organizations – especially the European Central Bank for Reconstruction and Development (EBRD), the World Bank, the Europe Union – and also arranges acquisitions of international companies in these countries.

e) Private Equity

The issuer provides consulting for private equity funds for investment decisions, for the creation of private equity portfolios by screening potential investments during the due diligence phase and in the selection of funds, the innovative structuring and for the ongoing, active monitoring of investments and portfolios. Furthermore, the issuer supports companies in their search for suitable financial partners.

f) Private Banking

The range of services offered by issuers in the area of private banking addresses equally private and institutional customers and covers asset management and brokerage, foundations and insurance models, and custom-tailored solutions for private and business assets.

g) Further activities

Furthermore, the issuer offers services such as international financing and foreign exchange and is also the clearing agent for Central and Eastern European banks for the clearing of all freely convertible currencies.

The issuer is also active in the areas of industrial off-setting, counter-purchasing and barter-and-buyback transactions.

5.1.2. Indication of any significant new products and/or services.

Not applicable.

5.1.3. Principal Markets

A brief description of the principal markets in which the issuer competes.

a.) Markets by area of business

- Securities trading and sales

The Trading and Sales Department plays a significant role as a regular offeror on the warrants market for warrants on Austrian shares, indices, baskets, reverse convertibles and investment certificates. Moreover, the issuer offers products on selected shares and indices from Germany and Eastern Europe (see above Chapter 5.1). With a total of 1,100 securities, this department is one of the largest offerors of structured financial products in Austria.

- Equity Capital Markets

With Basel II imminent, capital market financing will grow increasingly important in Austria. In line with trends on international capital markets, demand for equity financing has livened up in Austria as well in connection with the euro capital market.

With the introduction of the euro, a decisive move was made to integrate European financial markets. The elimination of foreign exchange risks and the increasing convergence of trading rules are making equity financing more transparent. On the whole, this is broadening access to capital market instruments.

Just a few years ago bond markets were characterised mainly by government bonds, bank bonds and mortgage bonds, while today, the market is much broader. Corporate bonds are constantly growing in significance and gaining market shares.

The positive development on the market for initial public offerings has continued in comparison to the previous year even though the value of initial listings has decreased slightly versus the previous year.

The East European market is assessed as very promising by the issuer for capital market transactions at an annual potential of EUR 1.2bn in IPOs, EUR 1.9bn in capital increases and EUR 1.5bn in SPOs. The year 2004 saw a strong sign of life from the region with over 50 new issues on local capital markets. A similarly dynamic trend is also becoming apparent in Russia.

- Mergers & acquisitions

After a few years of a declining trend in mergers and acquisitions in Austria, the global tendency points to growing merger and acquisition activity. The market in Austria is characterised not so much by transactions within the country, but by cross-border acquisitions. Purely national deals on the Austrian M&A market play a much less important role in comparison.

A look at the merger and acquisition activities by region reveals that the Asian-Pacific region has growing transactions volumes while the total volume decreased in the US in the first five months of 2005, while Western Europe posted a gain. The increase in Eastern Europe is also remarkable compared to the preceding year's level.

Apart from the issuer, there are many other banks in the market for M&A transactions. Apart from specialized M&A banks, major banks like the issuer are also active in this segment with their specialized departments.

- Private Equity

The overall tendency in the private equity market is pointing upwards compared to the preceding years, with Austria lagging behind in international comparison.

Thus, the volume of investments in Austria in 2004 was again at the level of 2002 after plunging in 2003, and surpassed the EUR 140mn mark again.

b.) Markets by stock exchange

- Wiener Börse

One of the most important trading markets of the issuer is Wiener Börse. Wiener Börse is the securities exchange and authority for the admission to listing in Austria and operates an innovative derivatives market (otob market) in addition to the traditional cash market (equity market, bond market) and also has a separate segment for structured products. All trading on Wiener Börse is done through the fully electronic trading system Xetra® (cash market) and OMex® (derivatives market, warrants).

- Stuttgart Stock Exchange

Apart from Wiener Börse, the Stuttgart Stock Exchange is an important market for the issuer. The Stuttgart Stock Exchange is the second-largest market in Germany with an average share in orders of some 40% in floor trading in Germany in 2004. The Stuttgart Stock Exchange plays an outstanding role in the area of structured financial products and initiated the trading segment for warrants, EUWAX, on 1 July 1999. Currently, there are almost 60,000 securitised derivatives trading on the Stuttgart Stock Exchange.

- Further memberships in stock exchanges of the issuer

The issuer is also a member of the stock exchanges of Frankfurt, London, Milan, Budapest and Warsaw.

Raiffeisen Centrobank AG's clients come mainly from Austria. Furthermore, Raiffeisen Centrobank AG services mainly German-speaking, foreign clients.

5.1.4. The basis for any statements in the registration document made by the issuer regarding its competitive position.

Not applicable.

6. Organizational Structure

6.1. If the issuer is part of a group, a brief description of the group and the issuer's position within it.

The issuer is 99.99% subsidiary of RZB IB Beteiligungsgesellschaft m.b.H. RZB IB Beteiligungsgesellschaft m.b.H. is 100% subsidiary of RZB KI Beteiligungsgesellschaft m.b.H., which is a 100% subsidiary of Raiffeisen Zentralbank Österreich AG ("Raiffeisen Zentralbank"). The issuer is included in the scope of consolidation of Raiffeisen Zentralbank.

The issuer in turn holds the following investments, directly and indirectly, (as of July 2006):

CENTROTRADE CHEMICALS AG (100%), Zug, Switzerland
CENTROTRADE DEUTSCHLAND GMBH (100%), Eschborn
CENTROTRADE HOLDING AG (100%), Vienna, Austria
CENTROTRADE INVESTMENT AG (100%), Zug, Switzerland
CENTROTRADE MINERALS AND METALS, INC. (100%), Virginia Beach, USA
CENTROTRADE SINGAPORE PTE LTD. (100%), Singapore
RAIFFEISEN Investment AG (100%), Vienna, Austria
SCANVIWOOD LTD. (4%), Vietnam
SYRENA IMMOBILIEN HOLDING AG (46%), Vienna, Austria

Furthermore, some project companies and special purpose vehicles have been established as subsidiaries of the issuer.

Raiffeisen Zentralbank was founded in 1927 and is the leading company of the RZB Group and the major shareholder of the issuer. It is one of the leading commercial and investment banks in Austria. Raiffeisen Zentralbank is organized according to sectors and the issuer belongs to the investment banking sector along with Raiffeisen Investment AG.

The RZB Group is a banking concern with its origins in Austria and plays an important role in the Central and East European market. Apart from the CEE markets, the RZB Group is also represented on a number of international financial marketplaces and in the growth markets of Asia.

The issuer is an affiliated company of Raiffeisen-Landesbanken-Holding GmbH, Vienna, and is included in its consolidated financial statements. Furthermore, the issuer is included in the consolidated financial statements of Raiffeisen Zentralbank, which prepares the consolidated statements for the smallest consolidation scope.

6.2. If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.

As a rule, the management board of the issuer is not subject to follow instructions and is independent pursuant to the Austrian Companies Act. However, pursuant to § 87 Companies Act, the members of the supervisory board are elected by simple majority at the annual general meeting of the issuer. The appointment and dismissal of members of the board of management is done by the supervisory board by a simple majority vote pursuant to §75 Austrian Companies Act. This means that the appointment of the supervisory board and thus indirectly of the management board of Raiffeisen Centrobank AG depends exclusively on Raiffeisen Zentralbank due the controlling interest it holds.

7. Trend Information

7.1. Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements. In the event that the issuer is unable to make such a statement, provide details of this material adverse change.

Since the date of disclosure of the last audited financial statements on 28. Juni 2007, there have not been any material negative changes to the outlook of the issuer.

7.2. Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.

There is no information that is likely to have a material effect on the issuer's prospects for at least the current financial year.

8. Profit forecasts or estimates

If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 8.1 and 8.2:

The issuer chooses not to include a profit forecast or estimate.

9. Administrative, executive, and supervisory bodies

9.1. Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:

- a) members of the administrative, management or supervisory bodies;**
- b) partners with unlimited liability in the case of a limited partnership with a share capital;**

The bodies of the issuer are the management board, which consists of at least two members and the supervisory board. The issuer is represented by two members of the management board jointly or by one of the management board members jointly with a senior officer conferred with a general power of attorney.

Members of the Management board:

Eva Marchart:	born 12 July 1956, chairman of the management board, represents the company since 01.01.2000 jointly with another member of the management board or with a senior officer conferred the general power of attorney
Gerhard Grund:	born 26 March 1956, represents the company since 1 January 2002 jointly with another member of the management board or with a senior officer conferred the general power of attorney
Alfred Michael Spiss	born 07 September 1961, deputy chairman of the management board, represents the company since 1 January 2000 jointly with another member of the management board or with a senior officer conferred the general power of attorney

The members of the management board mentioned above are also active in the bodies of the previously mentioned subsidiaries (Chapter IV.6). Apart from this, they do not carry on any activities outside of the issuer that are of significance for the issuer.

All members of the management board can be reached at the address: Raiffeisen Centrobank AG, Tegethoffstraße 1, 1010 Vienna, Austria.

Supervisory Board:

Chairman Walter Rothensteiner

The most important areas of activities outside of the issuer: Chief Executive Officer of RZB; management board member of Österreichische Raiffeisen-Einlagensicherung registrierte Genossenschaft mit beschränkter Haftung; supervisory board member of Raiffeisen Bausparkasse Gesellschaft m.b.H., ÖPAG Pensionskassen Aktiengesellschaft, Kathrein & Co. Privatgeschäftsbank Aktiengesellschaft, Casinos Austria Aktiengesellschaft, Österreichische Lotterien Ges.m.b.H., Raiffeisen International Bank-Holding AG and ÖVK Vorsorgekasse AG; Vice Chairman of the supervisory board of UNIQA Versicherungen AG, Oesterreichische Kontrollbank Aktiengesellschaft, Casinos Austria International Holding GmbH and LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft; member of the supervisory board of Österreichische Volksbanken-Aktiengesellschaft, Österreichische Galerie Belvedere, KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H., KURIER Redaktionsgesellschaft m.b.H., Wiener Staatsoper GmbH and Austrian Airlines Österreichische Luftverkehrs-Aktiengesellschaft; Member of the General Council of Oesterreichische Nationalbank AG.

Vice Chairpersons:

Herbert Stepic

The most important areas of activities outside of the issuer: Vice Chief Executive Officer of RZB, chairman of the management board of Raiffeisen International Bank-Holding AG, member of the supervisory board of Oesterreichische Kontrollbank Aktiengesellschaft and OMV AG;

Patrick Butler

The most important areas of activities outside of the issuer: Member of the management board of RZB; member of the supervisory board of Raiffeisen International Bank-Holding AG, of RZB Private Equity Holding AG, of Kathrein & Co Privatgeschäftsbank Aktiengesellschaft and Raiffeisen Wohnbaubank Aktiengesellschaft.

Members:

Helfried Marek

The most important areas of activities outside of the issuer: Senior partner of a consulting company. Supervisory board member of Griffner Haus AG

Christian Teufl

The most important areas of activities outside of the issuer: head of division of investment management and authorized signatory of RZB. Member of the supervisory board of Kathrein & Co Privatgeschäftsbank Aktiengesellschaft, of AGRANA Beteiligungs-Aktiengesellschaft and VK Mühlen AG; Member of the management board of LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft.

Karl Sevelda

The most important areas of activities outside of the issuer: Member of the management board of RZB; member of the management board of Bene Privatstiftung AG, of FEPIA Privatstiftung and Herbert Depisch Privatstiftung; Vice Chairman of the supervisory board of top.equity Unternehmensbeteiligungs AG; member of the supervisory board of A.S.A. Abfall Service AG, of Österreichische Hotel- und Tourismusbank Gesellschaft m. b. H., of Unternehmens Invest Aktiengesellschaft, of Raiffeisen International Bank-Holding AG, of RZB Private Equity Holding AG, of NOAG Autobahnerrichtungs AG, of Österreichische Bundesbahnen-Holding Aktiengesellschaft, of ÖBB-Infrastruktur Bau AG and BENE AG.

All members of the supervisory board can be reached at the address Raiffeisen Zentralbank Österreich Aktiengesellschaft, Am Stadtpark 9, 1010 Vienna, Austria.

9.2. Administrative, management, and supervisory bodies conflicts of interest

Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, make a statement to that effect.

There are no conflicts of interest on the part of the members of the bodies of the issuer and there are no potential conflicts of interest with respect to their duties to the issuer and their private interests or other duties.

10. Major shareholders

10.1. To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.

At present, the shareholder structure is as follows:

99.99% of Raiffeisen Centrobank AG are held by RZB IB Beteiligungs GmbH and 0.01% by Raiffeisen-Invest-Gesellschaft m.b.H. RZB IB Beteiligungs GmbH is a 100% subsidiary of RZB KI Beteiligungs GmbH, which is a 100% subsidiary of Raiffeisen Zentralbank.

10.2. A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.

Not applicable.

11. Financial Information Concerning the Issuer's Assets and Liabilities, Financial Position and Profits and Losses

11.1. *Historical financial information*

Audited historical financial information covering the latest two financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards for issuers from the Community. For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial statements. The most recent year's audited historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under Regulation (EC) No 1606/2002, or if not applicable to a Member State national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation

(EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.

If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:

- a) the balance sheet;
- b) the income statement;
- c) in the case of an admission of securities to trading on a regulated market only, a cash flow statement;
- d) the accounting policies and explanatory notes.

The historical annual financial information must be independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.

The annual financial statements for the year ending 31 Dec. 2005 and 31 Dec. 2006 are enclosed with this prospectus as Annex 1 and Annex 2 in Chapter VIII.

The annual financial statements give a true and fair view of the situation of the issuer.

The statements of sources and for the application of funds for the business years ending 31 Dec. 2005 and 31. Dec. 2006 as well as a auditors confirmation on these statements are enclosed with this prospectus as Annex 3 in Chapter VIII.

11.2. *Financial Statements*

If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.

Not applicable.

11.3. *Auditing of historical annual financial information*

11.3.1. A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.

The annual financial statements for the year ended 31 Dec. 2005 (Annex 1) and ended on 31 Dec. 2006 (Annex 2) were audited and assigned an unqualified auditor's opinion pursuant to § 274 par 1 Commercial Code. The balance sheets of changes in inventories for the business years ending 31 Dec. 2005 and 31. Dec. 2006 as well as an audit report on these balance sheets are enclosed with this prospectus as Annex 3.

11.3.2. An indication of other information in the registration document which has been audited by the auditors.

Not applicable.

11.3.3. Where financial data in the registration document is not extracted from the issuer's audited financial statements state the source of the data and state that the data is unaudited.

Not applicable.

11.4. *Age of latest financial information*

11.4.1. The last year of audited financial information may not be older than 18 months from the date of the registration document.

The last year of audited financial information is not older than 18 months from the date of the registration document.

11.5. *Interim and other financial information*

11.5.1. If the issuer has published quarterly or half yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half yearly financial information has been reviewed or audited the audit or review report must also be included. If the quarterly or half yearly financial information is unaudited or has not been reviewed state that fact.

The issuer does not publish any quarterly or half-yearly financial information.

11.5.2. If the registration document is dated more than nine months after the end of the last audited financial year, it must contain interim financial information, covering at least the first six months of the financial year. If the interim financial information is un-audited state that fact. The interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the years end balance sheet.

Not applicable.

11.6. *Legal and arbitration proceedings*

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.

To the knowledge of the issuer, since 1 January 2006, no governmental interventions, legal or arbitration proceedings or proceedings due to violations of administrative law have been initiated or are pending that have had a significant impact on the issuer's financial position or profitability in the recent past.

11.7. *Significant change in the issuer's financial position*

A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.

Since the end of the end of the last financial year ended 31 December 2006 there have been no negative changes in the financial situation or trading position of the issuer.

12. Material contracts

A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.

Not applicable.

13. Third party information and statement by experts and declarations of any interest.

13.1. Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.

Not applicable.

13.2. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

Not applicable.

14. Documents on display

A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:

- a) the memorandum and articles of association of the issuer;
- b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document;
- c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.

An indication of where the documents on display may be inspected, by physical or electronic means.

Copies of the following documents in paper form can be inspected during the period of validity of this Base Prospectus at the registered office of the issuer:

- a) the memorandum and articles of association of the issuer;
- b) not applicable;
- c) the financial statements for the years ended 31 December 2005 and 31 December 2006 including the audit opinion (these are available at the website of the issuer <http://www.rcb.at>) as well as statements of sources and for the application of funds for the financial years ended 31 December 2005 and 31 December 2006.

V. INFORMATION ON THE STRUCTURED SECURITIES PURSUANT TO
ANNEX XII OF REGULATION OF THE COMMISSION (EU) NO.
809/2004

References without chapter numbers refer to the respective sections containing descriptions of the individual securities.

1. RESPONSIBLE PERSONS

1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.

Raiffeisen Centrobank AG whose registered office is in the political district of Vienna is responsible as issuer pursuant to § 11 par 1 fig 1 Austrian Capital Market Act for the information in the prospectus.

The responsible members of the corporate bodies of the issuer for the information in this prospectus are management board members Eva Marchart, Alfred Michael Spiss and Gerhard Grund.

1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The persons named in Item 1.1. hereby declare that having taken all reasonable care to ensure that such is the case, the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

The prospectus makes it possible for an investor to reach an informed judgement in the meaning of §7 par. 1 Austrian Capital Market Act on the assets and liabilities of the issuer, the financial position and profit or loss, and the future prospects of the issuer as well as on the rights relating to the securities.

The issuer hereby points out that events occurring at a later point in time could compromise the completeness, coherence and readability of the information contained in this prospectus.

In connection with the issue and sale of securities, no person shall be authorized to disseminate information or to make declarations that are not contained in this prospectus. The issuer does not assume any liability for any information not contained in this prospectus.

2. RISK FACTORS

See Chapter III. B. General Risks of Structured Securities and Chapter III C. discuss the individual structured securities issued within the scope of this issuance programme by the issuer in detail as well as the special risks that are typical for such securities.

3. KEY INFORMATION

3.1. *Interest of natural and legal persons involved in the issue/offer*

A description of any interest, including conflicting ones that is material to the issue/offer, detailing the persons involved and the nature of the interest.

The interests of the issuers consist of offering investors as many products as possible. The issuer earns income on the possible commissions as well as subsequently on the difference between buy and sell prices in trading on the secondary market.

3.2. *Reasons for the offer and use of proceeds when different from making profit and/or hedging certain risks.*

If reasons for the offer and use of proceeds are disclosed provide the total net proceeds and an estimate of the total expenses of the issue/offer.

The issuance of such securities is part of the usual business activity of the issuer and is carried out with the intention of earning a profit.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ADMITTED TO TRADING

4.1. *Information concerning the securities*

4.1.1. A description of the type and the class of the securities being offered and/or admitted to trading, including the ISIN (International Security Identification Number) or other such security identification code.

The securities are structured securities in the meaning of Article 15 of Regulation No. 809/2004 of the European Commission.

Raiffeisen Centrobank issues the following securities within the scope of the issuance programme described in this base prospectus: Warrants, discount certificates, turbo certificates, range turbo/reverse discount certificates, investment certificates, bonus certificates, speed certificates, reverse convertibles, lock-in certificates, outperformance certificates, guarantee certificates, centrobank certificates, twin win certificates, reverse bonus certificates and express certificates.

The category of structured securities of each of the securities offerings is defined in the Final Terms, Chapter VI. "4.1.1 Category of Security".

Warrants may be call (buy) or put (sell) warrants. The acquisition of a call or put warrant gives the investor the right to buy or to sell an underlying instrument at a certain price. In the case of turbo certificates or range turbo certificates, these may be issued as long or short certificates or open-end certificates. Moreover, investment certificates and centrobank certificates may also be issued as open-end certificates. The specific type of security is defined in the Final Terms, Chapter VI. "4.1.1 Type of Security".

The ISIN (International Security Identification Number) is given in the Final Terms Chapter VI. "4.1.1 ISIN" for each specific security.

4.1.2. A clear and comprehensive explanation to help investors understand how the value of their investment is affected by the value of the underlying instrument (s), especially under the circumstances when the risks are most evident unless the securities have a denomination per unit of at least EUR 50 000 or can only be acquired for at least EUR 50 000 per security.

For details on the conversion of foreign currency securities and a description of the consideration and explanation of the exchange ratio, please refer to the explanations in Chapter 4.1.7.

a) The following applies to warrants:

A buyer of warrants as described in this Base Prospectus (on shares, commodities or an index) acquires the right to claim payment of a money amount (cash settlement) from the issuer under certain conditions or delivery of the underlying instrument (in the case of "classical" warrants on shares/ADRs/GDRs). The value of call and put warrants develops conversely during the term of a warrant: A call warrant usually loses value (i.e. if other decisive factors for the prices of warrants are not taken into account) when the price of the underlying instrument declines. Vice versa, the value of a put warrant decreases when the price of the underlying instrument rises. Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as fluctuation ranges of the underlying security (volatility), dividends, interest) can reduce the value of warrant excessively or even render it worthless.

b) The following applies to discount certificates

Discount certificates entitle the holder to receive on redemption date either the underlying instrument (e.g., a stock) or an amount which has been fixed in advance, the so-called "maximum redemption amount" ("CAP") in cash (Final Terms see Chapter VI. "4.1.7 CAP and/or FLOOR"). As compensation, this discount certificate is quoted at a price discount vs. the price of the underlying instrument to compensate this limitation defined by the maximum repayment amount.

The value of the discount certificate usually has a tendency to develop in the same way as that of the underlying instrument during its term, albeit to a lesser extent. The extent decreases continuously (or can even be zero) the higher the value of the underlying rises.

If the price of the underlying instrument upon maturity is higher than the CAP, the buyer of the discount certificate receives only the CAP. If the closing value of the underlying instrument is below or at the CAP upon maturity, the buyer receives the closing price of the underlying instrument.

c) The following applies to turbo certificates

Turbo certificates are issued with terms for investors who expect rising prices (long variant) or with terms for investors who expect falling prices. These securities have a defined strike price which lowers the amount of the capital to be invested and enables a leverage effect on the invested capital.

The value of long and short turbo certificate develops conversely during the term of a certificate: A turbo long certificate usually loses value (i.e. if other decisive factors for the prices of turbo certificates are not taken into account) if the price of the underlying instrument declines. Vice versa, the value of a turbo short certificate decreases when the price of the underlying instrument rises. Changes in prices (or even the lack of an expected change in price) of an underlying instrument can reduce the value of a turbo certificate excessively (leverage effect) or even render it worthless. The development of the value of a turbo certificate in absolute terms correlates almost 1:1 with the development of the value of the underlying instrument before consideration of the exchange ratio.

As soon as the price of an underlying instrument reaches or passes (short certificates) or reaches or falls below (long certificates) the barrier defined by the issuer at the start of the term of the turbo certificate (see Final Terms Chapter VI. "4.1.7 Barrier"), the certificate is suspended from trading. The certificate then either expires worthless or a small residual value that results from the closing out of the hedging transactions of the issuer is prematurely repaid.

Upon maturity, an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the currency of the product ("redemption amount") is paid out, which in the case of turbo long certificates results from the difference between the closing price of the underlying instrument upon maturity and the strike price, and in the case of the turbo short certificates, from the difference between the strike price and the closing price of the underlying instrument upon maturity.

d) The following applies to range turbo certificates:

Range turbo certificates are issued either with terms for investors who expect rising prices (long certificates) or with terms for investors who expect falling prices (short certificates or reverse discount certificates). Range turbo certificates enable investors to participate disproportionately high in the development of the underlying instruments, but feature a CAP (range turbo long certificates) or a FLOOR (range turbo short/reverse discount certificates) (see Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR").

The value of long or short range turbo certificates develops conversely during the term of a certificate. A range turbo long certificate usually loses value (i.e. if other decisive factors for the prices of range turbo certificates are not taken into account) when the price of the underlying instrument declines. Vice versa, the value of a range turbo short/reverse discount certificate decreases when the price of the underlying instrument rises. Changes in prices (or even the lack of an expected change in price) of an underlying instrument can reduce the value of a range turbo certificate excessively (leverage effect) or even render it worthless. The value of the range turbo certificate usually develops the same (long) as or contrary (short) to that of the underlying instrument during its term albeit to a lesser extent. This extent decreases steadily the higher (long) or lower (short) the price of the underlying instrument rises (long) or falls (short).

As soon as the price of the underlying instrument reaches or passes (short/reverse discount certificates) or reaches or falls below (long certificates) the barrier defined by the issuer at the start of the term of the range turbo certificate (see Final Terms Chapter VI. "4.1.7 Barrier"), the certificate is suspended from trading. The certificate then either expires worthless or a small residual value that results from the closing out of the hedging transactions of the issuer is prematurely repaid.

Upon maturity, an amount is paid out (for foreign currency securities converted into the product currency) ("redemption amount"), which in the case of range turbo long certificates results from the difference between the closing price of the underlying instrument upon maturity and the strike price, and in the case of the range turbo short/reverse discount certificates, from the difference between the strike price and the closing price of the underlying instrument upon maturity.

If upon maturity of the range turbo long certificate, the closing price of the underlying instrument is higher than the CAP, an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the currency of the product ("redemption amount") is paid out, which results from the difference between the CAP and the strike price.

If upon maturity of the range turbo long certificate, the closing price of the underlying instrument is lower than the FLOOR, an amount is paid out (for foreign currency securities converted into the product

currency) ("redemption amount"), which results from the difference between the strike price and the FLOOR.

e) The following applies to investment certificates

The buyer of an investment certificate has the right to claim repayment from the issuer in accordance with the development of the underlying instrument (e.g. shares, commodities, indices or baskets).

During the term of an investment certificate, its development of its relative value correlates 1:1 with the value of the underlying instrument.

On redemption date (see 4.1.7 and 4.1.11), the holder of investment certificates automatically receives payment from the issuer of an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the currency of the product that corresponds to the closing prices of the underlying instrument of the investment certificate upon maturity.

f) The following applies to bonus certificates

Bonus certificates guarantee the payment of a pre-defined fixed amount upon maturity – unless the Final Terms in Chapter VI. "4.1.7 Barrier" specify otherwise – if the underlying instrument (e.g. stock or index) does not touch or drop below the barrier defined by the issuer at the start of the issue during the term of the bonus certificate (see Final Terms Chapter VI. "4.1.7 Barrier").

The value of the certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to value fluctuations in the underlying instrument depending on a number of factors of influence (e.g. volatility of the underlying instrument, remaining term, distance of underlying instrument to barrier). If the price of the underlying instrument of the respective bonus certificate develops adversely, there is a risk of loss of a major part or of the total amount of the invested capital under certain conditions.

The certificate is redeemed at bonus level (see Final Terms Chapter VI. "4.1.7 "Bonus Level") if the underlying instrument trades below the starting value upon maturity (see Final Terms Chapter VI. "4.1.7 "starting value"), but above the barrier as long as it has not surpassed or touched the barrier during the term of the bonus certificate. Should the concerned underlying instrument rise above the bonus level defined by the issuer at the time the certificate was issued (see Final Terms Chapter VI. "4.1.7 "Bonus Level") then a higher value is paid out pro rata the participation. If the price of the underlying instrument reaches or falls below the barrier during the term of the certificate and the closing price upon maturity is equal to or below the bonus level, the certificate is redeemed at the closing price of the underlying instrument. If during the term of the certificates the defined barrier is reached or fallen short of and the closing price upon maturity exceeds the bonus level, then a higher value is paid out pro rata the participation.

A CAP defined by the issuer at the start of the issue may limit the maximum amount that can be paid out (see Final Terms Chapter VI. "4.1.7 CAP").

g) The following applies to speed certificates

The buyer of a speed certificate has the right to claim payment from the issuer in accordance with the development of the underlying instrument (e.g. stock, index) from a specified starting value (see Final Terms Chapter VI. "4.1.7 Starting Value"). If the value of the underlying instrument is lower upon maturity than the starting value, the investor is paid out the closing price of the underlying instrument. In

the event that the price of the underlying instrument is higher upon maturity than the starting value and – if a CAP was defined at the time of issue (see Final Terms Chapter VI. "4.1.7 CAP") by the issuer – lower than the CAP, then the investor receives the starting value plus a multiple of the difference between the closing price and the starting value of the underlying instrument as redemption amount (see Final Terms Chapter VI. "4.1.7 Participation"). If, upon maturity, the price of the underlying instrument is higher or equal to the CAP (if one was defined by the issuer), the certificate holder shall receive the starting value plus the multiple of the difference between the CAP and the starting value. If, upon maturity, the price of the underlying instrument equals the starting value, the certificate holder shall receive the starting value plus a multiple of the difference between the CAP and the starting value.

At below the starting value, the speed certificate develops like the underlying instrument and is redeemed at the closing price of the underlying instrument.

The value of the certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to value fluctuations in the underlying instrument depending on a number of factors (e.g. fluctuation range of the underlying instrument, remaining time to maturity, distance of underlying instrument to the starting value or CAP). If the price of the underlying instrument of the respective speed certificate develops adversely, the risk exists of loss of a greater part or of the total amount of the invested capital under certain conditions.

h) The following applies to reverse convertibles:

Reverse convertibles are securities that entitle investors to high coupons (interest) with special repayment terms. Upon maturity, the issuer either fully repays the nominal capital in cash or it redeems the security in the form of delivery of shares (or their monetary value in cash). Whether an investor receives the nominal capital amount on redemption date or the pre-defined number of shares (or their monetary value in cash) depends largely on the development of the underlying share (see Final Terms Chapter VI "4.1.7 Number of Shares"). The following applies: The investor shall receive either the amount of the nominal capital if, on the valuation day, the value of the underlying instrument is higher than the strike price defined by the issuer at the time of issue, or delivery of the pre-defined number of shares (or their monetary value in cash). The holder of a reverse convertible carries the risk that in the event the share price declines he or she will receive instead of 100% of the capital invested only shares (or their monetary value in cash) that are worth much less or can even be worthless.

Should the price of the underlying instrument develop adversely during the term of the bond, this may result in the loss of a major part of the capital invested or even of the entire capital.

i) The following applies to Lock-in certificates:

If the issuer has defined a barrier (see Final Terms Chapter VI. "4.1.7 Barriers") and a bonus level (see Final Terms Chapter VI. "4.1.7 Bonus Level"), lock-in certificates guarantee a payment upon maturity of the bonus level if the underlying instrument (e.g. shares or indices) do not touch or fall below the barriers defined by the issuer at the start of the issue.

Lock-in certificates also features lock-in levels defined by the issuer at the start of the issue (see Final Terms Chapter VI. "4.1.7 Lock-in level"). When the lock-in level is reached or exceeded, the repayment amount guaranteed upon maturity will be at least this lock-in level. The guarantee of the lock-in levels shall also apply when the price of the underlying instrument reaches or falls below the barrier – if defined by the issuer – during the term of the certificate.

The value of the certificate changes along with the value of the underlying instrument during its term, but not to the same extent. The certificate can react more strongly or weakly to value fluctuations of the

underlying instrument depending on a number of factors of influence (e.g. fluctuation range of the underlying instrument, remaining time to maturity, distance of underlying instrument to barrier resp. lock-in level). If the price of the underlying instrument of the respective certificate develops adversely, the risk exists of loss of a greater part or of the total amount of the invested capital under certain conditions.

If the concerned underlying instrument rises above a guaranteed repayment amount, this higher amount is paid out. If the price of the underlying instrument reaches or falls below the barrier during the term of the certificate, the certificate is redeemed at the closing price of the underlying instrument. A CAP defined by the issuer at the start of the issue can limit the maximum amount that can be paid out (see Final Terms Chapter VI. "4.1.7 CAP").

j) The following applies to outperformance certificates

The buyer of an outperformance certificate described in this Base Prospectus (e.g. on shares, commodities or an index) shall acquire the right to payment of a monetary amount (cash settlement) under certain conditions. An outperformance certificate usually loses value (i.e. if other decisive factors for the prices of warrants are not taken into account) when the price of the underlying long instrument declines or the price of the underlying short instrument rises. Changes in prices (or even the lack of an expected change in price) of an underlying instrument as well as changes to any of the other parameters that determine the value (such as fluctuation ranges of the underlying security (volatility), dividends, interest) can reduce the value of outperformance certificates excessively or even render them worthless.

k) The following applies to guarantee certificates:

The buyer of a guarantee certificate has the right to claim repayment from the issuer at the guaranteed amount plus the participation amount contingent on the development of the underlying instrument (e.g. shares, commodities, indices or baskets).

During the term of the certificate, the development of the value of the guarantee certificate shall depend on the development of the value of the underlying instrument.

On redemption date (see 4.1.7 and 4.1.11), the holder of a guarantee certificate described in this prospectus automatically receives payment of a guaranteed amount defined by the issuer at the start of the issue (guaranteed amount) in the corresponding currency of the product. Additionally, the holder has the right to claim coupon payments and/or the payout of a participation amount which may be contingent on the development of the underlying instrument (e.g. shares or indices).

l) The following applies to centrobank certificates:

During its term, performance of a centrobank certificate will depend on the performance of the underlying instruments.

On redemption date (see Chapter 4.1.7 and 4.1.11) a holder of the certificates which are described in this prospectus will automatically be paid a redemption amount ("redemption amount") in the relevant product currency defined by the issuer at the beginning of the offering period. In addition to the redemption amount the holder may have a claim for (a) coupon payment(s) and/or payment of dividends which may depend on the development of the underlying instrument(s) (e.g., stock or index).

m) The following applies to twin win certificates:

On redemption date a holder of twin win certificates will automatically receive from the issuer payment of an amount ("redemption amount") in the product currency which will depend on the performance of the underlying instrument (e.g., stock or index). The certificates are equipped with a barrier (see Final Terms Chapter VI. "4.1.7 Barrier").

If during the term of the twin win certificates the barrier is not reached or fallen short of, the investor usually participates in the absolute performance of the underlying instrument on the basis of the strike price fixed by the issuer (see Final Terms Chapter VI. "4.1.7 Strike Price"), i.e. also losses of the underlying instrument are converted into gains of the certificate. If during the term of the twin win certificates the barrier is reached or fallen short of, redemption will at least be effected according to the development of the underlying instrument. In the case of an excess of the strike price a disproportionate participation in the performance of the underlying instrument may be provided for (if so determined by the issuer) (see Final Terms Chapter VI. "4.1.7. Participation").

n) The following applies to reverse bonus certificates:

At the maturity date reverse bonus certificates guarantee payment of an amount fixed in advance – unless the Final Terms in Chapter VI. "4.1.7 Barrier" specify otherwise – if the underlying instrument (e.g. stock or index) does not touch or exceed the barrier defined by the issuer at the beginning of the issuing period during the term of the reverse bonus certificate (see Final Terms Chapter VI. "4.1.7 Barrier").

During the term of the certificate the value of the certificate will develop in the opposite direction of the value of the underlying instrument, but, not to the same extent. Due to various factors (e.g., volatility of the underlying instrument, remaining term, distance between the underlying instrument and the barrier) the certificate may respond more or less strongly to fluctuations in the value of the underlying instrument. If the price of the instruments underlying the respective reverse bonus certificate develops adversely, under certain conditions a substantial part or all capital invested may be lost.

Redemption at the bonus amount (see Final Terms Chapter VI. "4.1.7 Bonus Amount") will be effected even if upon maturity the price of the underlying instrument exceeds the starting value (see Final Terms Chapter VI. "4.1.7 Starting Value") but is below the barrier unless it has not exceeded or touched the barrier by during the term of the certificate. If the respective underlying instrument drops below the bonus level defined by the issuer at the beginning of the issuing period (see Final Terms Chapter VI. "4.1.7 Bonus Level") a higher price will be paid. If the defined barrier is reached or exceeded during the term, the investor will profit by any drop of the price of the underlying instrument.

o) The following applies to express certificates:

An express certificate participates in the performance of the underlying instrument with the possibility of early redemption. If, on any of the observation dates, the underlying instrument fulfils the threshold criterion defined by the issuer (see Final Terms Chapter VI. "4.1.7 Threshold(s)"), the certificate will end prior to maturity and will automatically be redeemed by the issuer at the redemption amount which is valid on the relevant observation date (see Final Terms Chapter VI. "4.1.7 Redemption Amount"). If the underlying instrument fails to fulfil the specified threshold criterion also on the last observation date, redemption will be effected at the closing price of the underlying instrument determined on the maturity date/last observation date. If in that case, the issuer has, in addition, fixed a barrier at the beginning of

the issue of the certificate and if the price of the underlying instrument has neither reached nor exceeded the barrier during the observation period (see Final Terms Chapter VI. "4.1.7 Observation Period"), redemption will at least be effected at a minimum redemption amount defined by the issuer (see Final Terms Chapter VI. "4.1.7 Minimum Redemption").

During the term of the certificate the value of the certificate will develop in the direction of the value of the underlying instrument but not to the same extent. Due to various factors (e.g., volatility of the underlying instrument, remaining term, distance between the underlying instrument and the barrier) the certificate may respond more or less strongly to fluctuations in the value of the underlying instrument.

4.1.3. Legislation under which the securities have been created

These securities are subject to Austrian law.

4.1.4. An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

The securities are bearer securities – unless otherwise specified in the Final Terms (see Final Terms Chapter VI. "4.1.4 Classification of Securities") – and are all represented in global certificates pursuant to § 24 lit b Securities Custody Act, Federal Law Gazette No. 424/1969 as amended by Federal Law Gazette No 650/1987, requiring the signature of two authorized signatories (member of the management board, director or holder of unlimited procuration). The global certificates are deposited for inspection with Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB"), Am Hof 4, Strauchgasse 1-3, 1011 Vienna, Austria, in its function as a central securities depository.

There is no entitlement to the handing over of the securities in the form of physical certificates.

4.1.5. Currency of the securities issue

The currency of the securities issue results from the Final Terms Chapter VI. "4.1.5 Currency of the Structured Securities".

4.1.6. Ranking of the securities being offered and/or admitted to trading, including summaries of any clauses that are intended to affect ranking or subordinate the security to any present or future liabilities of the issuer.

There securities do not have any different rankings.

4.1.7. A description of the rights, including any limitations of these, attached to the securities and procedure for the exercise of said rights.

The following conversion rules shall apply to all securities denominated in foreign currencies:

Conversion of foreign currency securities

Unless otherwise specified or supplemented in the Final Terms Chapter VI "4.1.7 Conversion", the following conversion rules shall apply for foreign currency securities:

- The conversion of the issue price of the structured product at the start of the issue and the conversion of the price of the structured security during its term is done on the basis of the respective foreign currency ("FC")/Product currency ("PC") median value.
- The conversion of the respective redemption amount or settlement amount upon maturity, on the exercise day (for warrants) and on the valuation day (for reverse convertibles) from the respective foreign currency into the corresponding product currency is done on the basis of the respective FC/PC fixings displayed on the effective day on the Reuters page <ECBREF=> or another page replacing such page or, if the exchange rate is not displayed on another Reuters page, on the exchange rate displayed on the page of another data vendor. Should the exchange rate no longer be calculated in the manner defined or displayed as mentioned above, the issuer shall have the right to define the applicable exchange rate on the basis the market rules effective at the time for calculating exchange rates.
- In the case of "quanto" – currency hedged – securities, the respective foreign currency is always expressed 1 : 1 in the product currency. This means that the respective foreign currency unit automatically corresponds to a unit of the respective product currency.
- "Foreign Currency" in the meaning of this Base Prospectus is a currency other than the product currency

Subscription ratio:

All redemptions and exercise of the structured products described in this prospectus are carried out taking into consideration the subscription ratio.

The subscription ratio states – represented in mathematical ratios (e.g. 10:1) – how many securities are needed for the (theoretical) subscription to the underlying instrument (see Final Terms Chapter VI. 4.1.7 Subscription Ratio).

Exchange trading day in the meaning of this prospectus is any day on which the exchange and related exchange are open for trading during their respective regular trading sessions other than a day on which trading on any such exchange or related exchange is scheduled to close prior to its regular weekday closing time.

- a) **The following applies to warrants:**

Exercise/redemption

The respective strike price is defined at the start of the issue of the warrants by the issuer (see Final Terms Chapter VI. "4.1.7 Strike Price").

The closing price corresponds to the price of the underlying instrument determined and published on the relevant exercise day by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity") (see Final Terms Chapter VI. "4.1.7 Closing Price").

- a. Cash settlement (see Final Terms Chapter VI. "4.1.7 Settlement"): Generally, the security entitles the holder to payment of a cash amount in the product currency amounting to the difference by which the closing price of the underlying instrument (see Final Terms Chapter VI. "4.1.7 Underlying Instrument") exceeds the strike price on the respective exercise day (call warrant) or falls below it (put warrant).
- b. Settlement by physical delivery (see Final Terms Chapter VI. "4.1.7 Settlement"): The holder of a warrant has the right to exercise the right conferred by the warrant to demand physical delivery.

Physical delivery shall consist of the right in the case of call warrants to purchase the underlying instrument at the strike price on the respective exercise day and in the case of put warrants to sell the underlying instrument at the strike price on the respective exercise day. (See Final Terms Chapter VI. "4.1.7 Strike Price").

Depending on the features of the security, physical delivery can take place either during the exercise period (also referred to as American style) or on exercise day (also referred to as "European style") (see the Final Terms Chapter VI. "4.1.7 Exercise"). The exercise period results from the Final Terms Chapter VI. "4.1.7 Exercise Period". The exercise day corresponds to the maturity date.

If the warrant holder exercises of the warrant, he or she must submit a duly completed declaration form to the issuer within the exercise period (American style) or on exercise day (European style).

The respective exercise day is:

- a. If the warrants holder exercises the warrant, the day the declaration to exercise the warrant is received by the warrants agent until 10:00 a.m., local time, Vienna (see Chapter 5.4.2) – unless otherwise specified in the Final Terms Chapter VI. "4.1.7. Exercise".
- b. In the case of automatic exercise of the warrant by the issuer, the maturity date.

A description of the exercise procedure when exercised by the warrants holder is contained in the Final Terms Chapter VI. "4.1.7 Exercise".

On maturity date, (see Final Terms Chapter VI. "4.1.9 Maturity Date") all warrants expire that have not been exercised effectively until that time and were not automatically exercised by the issuer. The warrants are thus rendered invalid.

No regular returns

Warrants do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

b) The following applies to discount certificates

Redemption

- a. If at the maturity date the price of the underlying instrument exceeds the maximum redemption amount (see Final Terms, Chapter VI "4.1.7 CAP and/or FLOOR"), the holder of discount certificates will automatically receive from the issuer on redemption date (see Chapter 4.1.11) payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency) that corresponds to the maximum redemption amount (CAP), with the subscription ratio being taken into account.
- b. If at the maturity date the price of the underlying instrument is equal to or below the maximum redemption amount (CAP), a holder of discount certificates will automatically receive from the issuer on redemption date either
 - delivery of the corresponding number of underlying instruments (see Chapter 4.1.13), with the subscription ratio being taken into account, or
 - payment of an amount (the "redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) that corresponds to the closing price of the underlying instrument determined and published by the relevant exchange or price-fixing entity at the maturity date (see Final Terms Chapter VI. "4.1.7 Closing Price"), taking into account the subscription ratio.

The maximum redemption amount is limited to the CAP (see Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR") multiplied by the subscription ratio.

No regular returns

Discount certificates do not entitle the holder to claim payment of interest or dividends and therefore do not yield any regular returns.

c) The following applies to turbo certificates:

Redemption

Unless prematurely redeemed because a barrier is reached, the turbo certificates are redeemed at an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the product currency per certificate that is calculated on the basis of the following formulae:

i). Turbo long certificates

Redemption amount = (closing price of underlying instrument – strike price) x subscription ratio

ii). Turbo short certificates

Redemption amount = (strike price - closing price of underlying instrument) x subscription ratio

The respective strike price is defined at the start of the issue of the turbo certificates by the issuer (see Final Terms Chapter VI. "4.1.7 Strike Price").

The barrier price is defined at the start of the issue of the turbo certificates by the issuer and is contained in the Final Terms Chapter VI. "4.1.7 Barrier").

The following applies to open-end turbo certificates:

The initial strike price is defined at the start of the issue of the certificates by the issuer and is derived from the Final Terms (see Final Terms Chapter VI. "4.1.7 Strike Price"). The initial barrier is defined at the start of the issue of the certificates by the issuer and is derived from the Final Terms (see Final Terms Chapter VI. "4.1.7 Barrier").

The strike price and the barrier are both adjusted as set out below – unless otherwise specified or supplemented in the Final Terms Chapter VI. "4.1.7 Barrier":

- The financing costs of open-end turbo certificates are added to the respective strike price and to the respective barrier for open-end certificates on a monthly basis at the beginning of every month if such day is a banking business day, otherwise on the next banking business day:

$$\text{Financing costs per day} = \text{financing rate} \times \text{strike price} / 360 \text{ days}$$

The financing costs calculated in this manner continuously reduce the intrinsic value of an open-end turbo long certificate, while the intrinsic value of an open-end turbo short certificate increases by the financing costs incurred.

The financing costs for the underlying instrument consist of the usual market interest rate plus an interest margin (open-end turbo long certificates) or minus an interest margin (open-end turbo short certificates).

- If the underlying instrument of an open end turbo certificate pays out dividends, the issuer may in its absolute and sole discretion, subtract the dividend amount in whole or in part from the respective strike price as well as from the respective barrier. Unless otherwise stipulated in the Final Terms (see Final Terms Chapter VI "4.1.7 Dividend Adjustment"), the adjustment will be effective on the ex-dividend-day. The proportion of the dividend amount which is relevant for the dividend adjustment will be regulated in Chapter VI "4.1.7 Dividend Adjustment" of the Final Terms.

The change in the strike price of the certificate changes the intrinsic value of the open-end turbo certificate and the calculated financing costs.

The intrinsic value of a certificate – taking into account potential exchange rates and the respective subscription ratio – results from the difference between

- (i) the price of the underlying instrument and the respective strike price of open-end turbo long certificates
[price of underlying instrument – strike price],
- (ii) the difference between the respective strike price and the price of the underlying instrument of open-end turbo short certificates
[strike price - price of underlying instrument].

The closing price corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

As soon as during the term of the turbo certificate the price of the underlying instrument reaches or falls below the barrier (turbo long certificates) or reaches or surpasses the barrier (turbo short certificates), the certificate is knocked out, which means that it is suspended from trading and either expires worthless or the issuer calculates a residual value from the closing out of the hedging deal (see Final Terms in Chapter VI. "4.1.7 Calculation of Residual Value").

No regular returns

Turbo certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

d) The following applies to range turbo certificates:

Redemption

Unless prematurely redeemed because a barrier is reached, the range turbo certificates are redeemed at an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the product currency per certificate that is calculated on the basis of the following formulae:

i). Range turbo long certificates

Redemption amount = (closing price of underlying instrument – strike price) x subscription ratio

Should the closing price of the underlying instrument rise above the CAP upon maturity, the redemption amount is calculated as follows:

Redemption amount = (CAP – strike price) x subscription ratio

ii). Range turbo short/reverse discount certificates

Redemption amount = (strike price - closing price of underlying instrument) x subscription ratio

Should the closing price of the underlying instrument fall below the FLOOR on redemption date, the redemption amount is calculated as follows:

Redemption amount = (strike price - FLOOR) x subscription ratio

The strike price is defined at the start of the issue of the range turbo certificates by the issuer and is contained in the Final Terms Chapter VI. "4.1.7 Strike Price").

The respective barrier is defined at the start of the issue of the range turbo certificates by the issuer and are contained in the Final Terms Chapter VI. "4.1.7 Barrier"). The issuer also defines a CAP or a FLOOR at the start of the issue of the certificates. These are also contained in the Final Terms Chapter VI "4.1.7 CAP and/or FLOOR".

The closing price corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

Range turbo certificates may also be designed as open-end certificates (see 4.1.7.c).

No regular returns

Range turbo certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

e) The following applies to investment certificates

Redemption

On redemption date, (see Chapter 4.1.11) the holder of an investment certificate will automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the product currency that corresponds to the closing price of the underlying instrument of the certificates determined and published on the maturity date.

The closing price corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

In the case of investment certificates without a predefined maturity (open-end), the issuer shall have the right after three calendar years as of the issue date to define a maturity date for the certificates on any exchange trading day, with the remaining time to maturity of the certificates having to be at least one calendar year. The fixing of the maturity is published indicating the maturity date pursuant to 7.5 a.).

No regular returns

Investment certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

f) The following applies to bonus certificates

Redemption

On redemption date (see Chapter 4.1.11) the holder of a bonus certificate shall automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the product currency. The redemption amount will usually be contingent on the closing price determined and published on the maturity date by the relevant exchange or price-fixing entity of the underlying instrument of the bonus certificate; the maximum redemption amount can be limited by a CAP.

The redemption amount is calculated as follows:

- i). Should the price of the underlying instrument – unless otherwise defined or supplemented in the Final Terms "4.1.7 Barrier" – never reach or fall below the barrier defined at the start of the issuer by the issuer during the term of the certificate, the investor shall receive an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency, which is calculated according to the following formula:

bonus level + participation x max (0; closing price – bonus level)

at the maximum the CAP (if the issuer has defined a CAP).

- ii). Should the price of the underlying instrument – unless otherwise defined or supplemented in the Final Terms "4.1.7 Barrier" – reach or fall below the barrier defined at the start of the issue by the issuer during the term of the certificate, the investor shall receive an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency, which is calculated according to the following formula:

$$\text{min (closing price, bonus level) + participation x max (0; closing price – bonus level)}$$

at the maximum the CAP (if the issuer has defined a CAP).

The issuer defines the participation, the CAP, the bonus level and the barrier at the time the certificate is issued. (See Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR", "4.1.7 Bonus level" and "4.1.7. Barrier"). Unless otherwise or additionally provided in the Final Terms Chapter VI "4.1.7 Participation", the participation always amounts to 100 %.

The closing price of the underlying instrument corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

No regular returns

Bonus certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

- g) **The following applies to speed certificates:**

Redemption

On redemption date (see Chapter 4.1.11) an amount (for foreign currency securities converted into the product currency or expressed in the product currency) is paid out for each certificate in the product currency ("redemption amount") that is calculated in accordance with the following formulae:

- i). In the event that the closing price of the underlying instrument on maturity date is lower or equal to the starting value:

$$\text{Redemption amount} = \text{closing price of underlying instrument} \times \text{subscription ratio}$$

- ii). In the event that the closing price of the underlying instrument on maturity date is higher than the starting value and lower than the CAP:

$$\text{Redemption amount} = \{\text{Starting value} + [(\text{closing price of underlying instrument} - \text{starting value}) \times \text{participation}]\} \times \text{subscription ratio}$$

- iii). In case a CAP has been determined by the issuer: If the closing price of the underlying instrument on maturity date is higher or equal to the CAP, the holder of the certificate shall receive:

$$\text{Redemption amount} = \{\text{Starting value} + [(\text{CAP} - \text{starting value}) \times \text{participation}]\} \times \text{subscription ratio}$$

In case the issuer has determined a CAP at the start of the certificate, it shall be defined by the Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR". The starting value and the value of the participation are also derived from the Final Terms Chapter VI "4.1.7 Starting Value" and "4.1.7 Participation".

The closing price of the underlying instrument corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

No regular returns

Speed certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

h) The following applies to reverse convertibles:

Redemption

Reverse convertibles are redeemed at the choice of the issuer automatically three banking business days after the maturity date – this is the redemption date – in one of the following manners

- i). At 100% of the denomination or
- ii). if the price of the shares on the valuation day (see Final Terms Chapter VI. "4.1.7 Valuation Day") is below the strike price (see Final Terms in Chapter VI. "4.1.7 Strike Price") by delivering the pre-defined number of shares underlying the reverse convertibles (or their monetary value in cash)

The number of shares to be delivered per nominal amount (see Final Terms Chapter VI. "5.1.4 Denomination") is contained in the Final Terms Chapter VI. "4.1.7 Number of Shares".

The issuer retains the right instead of redeeming the reverse convertibles by delivery of shares pursuant to lit b), of paying an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency that corresponds to the closing price of the respective share underlying the reverse convertible on the valuation day ("cash settlement"). This is defined by the issuer at the start of the issue (see Final Terms Chapter VI "4.1.7 Settlement").

The type of redemption pursuant to lit a) and b) is defined on the valuation day by the issuer on the basis of the closing price of the share underlying the reverse convertible.

The closing price of the underlying instrument corresponds to the price of the underlying instrument determined and published on the relevant valuation day by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.7 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

Interest

Interest is paid at the rate defined by the issuer at the start of the issue in percentage p.a. (see Final Terms Chapter VI. "4.1.7 Coupon Payment(s)"). The interest is calculated from the start of effectiveness (inclusive) (see Final Terms in Chapter VI. "4.1.7 "Start of Interest") running to maturity date (inclusive) pursuant to the method defined in the Final Terms Chapter VI. "4.1.7 Method of Interest Calculation". If the maturity date has been moved due to these terms, the coupon shall be calculated up until this day (inclusive). Interest is paid out on redemption date (see Chapter 4.1.11).

i) **The following applies to lock-in certificates:**

Redemption

On redemption date (see Chapter 4.1.11) the holder of a lock-in certificate shall automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency) ("redemption amount") in the product currency. The redemption amount shall be usually be contingent on the closing price determined and published by the relevant exchange or price-fixing entity of the underlying instrument on maturity date of the lock-in certificate; the maximum redemption amount can be limited by a CAP.

The redemption amount is calculated as follows:

- i). If during the term of the certificate at least one lock-in level was reached or surpassed, then the following applies:

If the price of the underlying instrument is above the highest lock-in level hit during the term of the certificate, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency) an amount in the product currency that corresponds to the closing price of the underlying instrument on maturity date, but as a maximum the CAP. Otherwise, the investor shall receive an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency ("redemption amount") that corresponds to the highest lock-in level reached during the term of the certificate.

- ii). If during the term of the certificate no lock-in level was ever reached or surpassed, then the following applies:

- If a bonus level has been determined by the issuer and the price of the underlying instrument does not reach or fall below the barrier at any time during the term of the certificate, the investor shall receive an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency that corresponds to the closing price of the underlying instrument on the maturity date, but at least the bonus level.
- If no bonus level has been determined by the issuer or the price of the underlying instrument does reaches or falls below the barrier at any time during the term of the certificate, the investor shall receive an amount (for foreign currency securities converted into the product currency or expressed in the product currency) in the product currency that corresponds to the closing price of the underlying instrument on the maturity date.

The issuer determines the CAP – if applicable – at the start of the issue of the certificate as well as the barriers, lock-in levels and bonus levels. (See Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR", "4.1.7 Lock-in levels", "4.1.7 Lock-in levels" and "4.1.7. Bonus Level".)

The closing price of the underlying instrument corresponds to the price of the underlying instrument determined and published on maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity"). The Final Terms in Chapter VI. "4.1.7 Closing Price" contain further provisions on the determination of the closing price.

No regular returns

Lock-in certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

j) **The following applies to outperformance certificates:**

Redemption

The strike price is determined at the start of the issue of the outperformance certificates by the issuer, stated in the respective product currency (see Final Terms Chapter VI. "4.1.7 Strike Price").

The closing price corresponds to the price of the underlying instrument (long and short instruments) determined and published (see Final Terms Chapter VI. "4.1.7 Closing Price") on maturity date by the relevant stock exchange or price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing entity").

The security entitles the holder to payment of a cash amount in the product currency (see Final Terms Chapter VI "4.1.7 Settlement") which is calculated as follows:

$$\text{Redemption amount} = \text{Max (strike price – spread; 0)} \times \text{subscription ratio}$$

where

$$\text{Spread} = (I_s \times n_s) - (I_l \times n_l)$$

I_s = Closing price short instrument (converted into the product currency)

n_s = Number of short instruments

I_l = Closing price long instrument (converted into the product currency)

n_l = Number of long instruments

No regular returns

Outperformance certificates do not entitle the holder to claim payment of interest or of dividends and therefore do not yield any regular returns.

k) **The following applies to guarantee certificates:**

Redemption

On redemption date (see 4.1.11), the holder of a guarantee certificate described in this prospectus automatically receives payment of a guaranteed amount defined by the issuer at the start of the issue (guaranteed amount) in the corresponding currency of the product (see Final Terms Chapter VI "4.1.7 Guarantee Amount"). In addition to the guaranteed amount, the certificate holder may claim interest payment(s) (see Final Terms Chapter VI "4.1.7 Coupon Payment(s)") and/or payment of a participation amount (see Final Terms Chapter VI „4.1.7 Participation Amount“) which may be contingent on the development of the underlying instrument(s) (see Final Terms Chapter VI "4.1.7 Underlying Instrument"). The redemption amount will be described in the Final Terms, Chapter VI "4.1.7 Redemption Amount").

Regular returns

Guarantee certificates may grant the right to claim payment of a coupon (see Final Terms Chapter VI "4.1.7 Coupon Payment(s)"), but not to payment of dividends.

l) **The following applies to centrobank certificates:**

Redemption

On redemption date (see Chapter 4.1.11) a holder of centrobank certificates described in this prospectus will automatically be paid the redemption amount defined by the issuer at the beginning of the offering period (see Final Terms Chapter VI "4.1.7 Redemption Amount"). In addition to the redemption amount the holder may also have a claim for (a) coupon payment(s) (see Final Terms Chapter VI "4.1.7 Coupon Payment(s)") which may depend on the development of the underlying instrument(s) (see Final Terms Chapter VI "4.1.7 Underlying Instrument").

Regular return

Centrobank certificates may entitle the holder to coupon payments (see Final Terms Chapter VI "4.1.7 Coupon Payment(s)") and dividend payments (see Final Terms Chapter VI "4.1.7 Dividend Payments").

m) **The following applies to twin win certificates:**

Redemption

On redemption date (see Chapter 4.1.11) the holder of twin win certificates will automatically be paid by the issuer an amount ("redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). The amount of the redemption amount usually depends on the closing price of the underlying instrument of the twin win certificates, which is determined and published by the relevant exchange or price-fixing entity at the maturity date; the maximum redemption amount may be limited by a CAP.

The redemption amount is calculated as follows:

- i). If during the term of the certificate the price of the underlying instrument never reaches or falls short of the barrier defined at the beginning of the issuing period (see Final Terms Chapter VI. "4.1.7 Barrier") the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\text{Strike price} + P_D \times \max(0, \text{strike price} - \text{closing price}) + P_U \times \max(0, \text{closing price} - \text{strike price}),$$

where

P_D = downward participation in percent (see Final Terms Chapter VI. "4.1.7 Participation")

P_U = upward participation in percent (see Final Terms Chapter VI. "4.1.7 Participation")

but not more than the CAP (if the issuer has defined a CAP; see Final Terms Chapter VI. "4.1.7 CAP and/or FLOOR").

- ii). If during the term of the certificate the price of the underlying instrument reaches or falls short of the barrier (see Final Terms Chapter VI. "4.1.7 Barrier") defined by the issuer at the beginning of the issuing period at any time, the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\min(\text{closing price}, \text{strike price}) + P_U^* \times \max(0, \text{closing price} - \text{strike price})$$

where

P_U = upward participation in percent (see Final Terms Chapter VI. "4.1.7 Participation"), unless the Final Terms define that an upward participation forfeits if the barrier is reached or fallen short of. In the case the upward participation forfeits, P_U^* shall be 100 %. In the Final Terms (Chapter VI. "4.1.7 Participation") forfeiture of an upward participation will be defined by the note "upward participation K.O."

but not more than the CAP (if the issuer has fixed a CAP; see Final Terms Chapter VI. "4.1.7 CAP").

Upon issuance of the certificate the issuer will determine the participation, the CAP, the strike price and the barrier (see Final Terms Chapter VI. "4.1.7 Participation", "4.1.7 CAP and/or FLOOR", "4.1.7 Strike price", and "4.1.7 Barrier".).

The closing price of the underlying instruments corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant effective date (see Final Terms Chapter VI. "4.1.7 Relevant Exchange or Price-Fixing Entity"). Further provisions regarding determination of the closing price are regulated in Chapter VI. "4.1.7 Closing Price" of the Final Terms.

No regular return

twin win certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns.

n) The following applies to reverse bonus certificates:

Redemption

On redemption date (see Chapter 4.1.11) the holder of reverse bonus certificates will automatically be paid by the issuer an amount ("redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). The amount of the redemption amount will usually depend on the closing price of the instrument underlying the reverse bonus certificates which is determined and published by the relevant exchange or price-fixing entity at the maturity date.

The redemption amount is calculated as follows:

- i). If during the term of the certificate the price of the underlying instrument – unless otherwise or additionally provided in the Final Terms Chapter VI. "4.1.7 Barrier" – at no time reaches or exceeds the barrier fixed by the issuer at the beginning of the issuing period, the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\text{bonus amount} + \max [0, \text{participation} \times (2 \times \text{starting value} - \text{bonus amount} - \text{closing price})]$$

- ii). If during the term of the certificate the price of the underlying instrument – unless otherwise or additionally provided in the Final Terms Chapter VI. "4.1.7 Barrier" - reaches or exceeds the barrier fixed by the issuer at the beginning of the issuing period at any time, the investor will receive payment of an amount in the product currency (for foreign currency securities converted

into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\max [2 \times \text{starting value} - \text{closing price, bonus amount} + \text{participation} \times (2 \times \text{starting value} - \text{bonus amount} - \text{closing price})]$$

Upon issuance of the certificate the issuer will determine the participation, the bonus amount, the bonus level, the starting value and the barrier (see Final Terms Chapter VI. "4.1.7 Participation", "4.1.7 Bonus Amount", "4.1.7 Bonus Level", "4.1.7 Starting Value", and "4.1.7 Barrier").

The closing price of the underlying instrument corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant effective date (see Final Terms Chapter VI. "4.1.7 Relevant Exchange or Price-Fixing Entity"). Further provisions regarding determination of the closing price are regulated in Chapter VI. "4.1.7 Closing Price" of the Final Terms.

No regular return

Reverse bonus certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns.

o) The following applies to express certificates:

Redemption

- i). If, on any of the observation dates, the underlying instrument fulfils the threshold criterion defined by the issuer (see Final Terms Chapter VI. "4.1.7 Threshold(s)"), the certificate will end prior to maturity and will automatically be redeemed by the issuer at the redemption amount valid on the relevant observation date (see Final Terms Chapter VI. "4.1.7 Redemption Amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency).
- ii). If the underlying instrument fails to fulfil the specified threshold criterion also on the last observation date, redemption will be effected at the closing price of the underlying instrument determined on the maturity date/last observation date in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). If in that case, the issuer has, in addition, fixed a barrier at the beginning of the issue of the certificate and if the price of the underlying instrument has neither reached nor exceeded the barrier during the observation period (see Final Terms Chapter VI. "4.1.7 Observation Period"), redemption will at least be effected at a minimum redemption amount defined by the issuer (see Final Terms Chapter VI. "4.1.7 Minimum Redemption") in the product currency (for foreign currency securities or expressed in the product currency).

Upon issuance of the certificate the issuer defines the threshold criterion, the observation dates, the redemption amount and the minimum redemption amount as well as - if applicable - the barrier, the observation period and additional coupon payments and/or dividend payments (see Final Terms Chapter VI. "4.1.7 Threshold(s)", "4.1.7 Observation Date(s)", "4.1.7 Redemption Amount", "4.1.7 Minimum Redemption", "4.1.7. Barrier", "4.1.7 Observation Period", "4.1.7 Coupon Payments").

The closing price of the underlying instrument corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant effective date (see Final Terms Chapter VI. "4.1.7 Relevant Exchange or Price-fixing Entity"). Further provisions regarding determination of the closing price are regulated in Chapter VI. "4.1.7 Closing Price" of the Final Terms.

Regular return

Express certificates may entitle the holder to payment of interest and/or dividends (see Final Terms Chapter VI. "4.1.7 Coupon Payments" and "4.1.7 Dividend Payments").

- p) **The following applies to all structured securities issued within the scope of this issuance programme:**

Termination

Unless otherwise defined or supplemented in the Final Terms, (see Final Terms Chapter VI "4.1.7 Termination"), the following applies:

As a rule, it shall be irrevocably excluded that a holder of a structured security has the right to terminate the securities.

The issuer shall have the right to terminate the securities not yet settled prematurely by making an announcement as defined in Chapter 7.5 a.) stating the termination amount:

- should the listing of the respective underlying instrument be irrevocably ceased on the relevant exchange or price-fixing entity or on its primary exchange for any reason whatsoever;
- if, as a result of any change in the legal situation or any proposed change in the legal situation or any change in the official application, enforcement or interpretation of this legal situation, the issuer, as the case may be, has or will be obligated to pay additional amounts on any structured securities and such obligation cannot be avoided by the issuer, as the case may be, by any reasonable measures available to it which in the good faith opinion of the issuer will not have a material adverse impact on the conduct of its business.

In the case of issues on individual securities (e.g. on shares/ADRs/GDRs):

If the underlying instrument is an individual share, the issuer shall also be entitled to terminate the security stating the termination amount if in its opinion liquidity in the shares/ADRs/GDRs is very low on the relevant exchange/price-fixing entity or on the primary exchange.

In the case of issues on indices or index baskets:

If the underlying instrument is an index, the issuer is also entitled to terminate the security stating the termination amount if in its opinion liquidity is very low in the shares included in the index on the relevant exchange/price-fixing entity or on the primary exchange or on a derivatives exchange on which futures or options contract on such index are traded.

In the case of issues on commodities:

The issuer is also entitled to prematurely terminate securities not yet settled in the event of a market disruption (see below) stating the termination amount (see below).

In the case of issues on share basket(s):

The issuer shall also be entitled to terminate the security stating the termination amount if in its opinion liquidity in one or more shares of the basket is very low on the relevant exchange/price-fixing entity or on the primary exchange so that the economic situation of the holder of the securities in the issuer's opinion has changed substantially.

Generally, in the event the issue is terminated prematurely, the issuer shall automatically pay to every security holder for every security held an amount in the product currency ("termination amount") five

banking business days after the termination date that in the opinion of the issuer is an equitable amount and it has defined as the appropriate market price of the security.

Any other reasons that the issuer may state for prematurely termination a security and the legal consequences are contained in the Final Terms Chapter VI "4.1.7 Termination".

Premature redemption/termination of open-end securities

Unless otherwise defined or supplemented in the Final Terms, (see Final Terms Chapter VI "4.1.7 Termination"), the following applies:

The holders of a structured security is entitled for the first time after four calendar years of the start of the issue to terminate a structured security prematurely on every first banking business day of a month ("termination date").

These redemption rights may be exercised only for at least one hundred (100) structured securities with the same ISIN or security identification number or a multiple thereof in whole numbers. The premature redemption of fewer than 100 structured securities shall not be valid or effective. The premature redemption of more than 100 structured securities having a number not divisible by 100 shall be executed at the next-lower number of structured products divisible by 100. With the redemption of the structured securities on the respective termination date, all rights under the redeemed structured securities shall expire.

For the premature redemption to be effective, the holder of the structured securities must submit to its custodian bank a duly completed notice of termination on the last banking business day before a termination date:

The notice of termination must contain:

- i). Name and address of the holder of the structured securities or of the person authorized on his or her behalf,
- ii). the ISIN code and/or security identification number of the structured securities which are being terminated,
- iii). the number of structured securities being terminated, and
- iv). the termination date on which the securities will be terminated.

This notice of termination is irrevocable and binding. To be effective, the issuer must have received the notice of termination on the last banking business day before a termination date prior to 12:00 noon (local time Vienna).

If the issuer does not receive the notice of termination or the structured securities in time on the termination date stated in the notice of termination, the termination shall not be effective. This shall also apply to turbo certificates if the certificate is knocked out by the termination date inclusive. In this case, the turbo certificate shall expire worthless or a residual value shall be paid out that is derived from the closing out of the hedging deals of the issuer (see Chapter 4.1.7).

If the number of structured securities stated in the notice of termination for which the premature redemption/termination is being applied for differs from the number of the structured securities received by the issuer, the notice of termination shall apply only for the lower of the two figures corresponding to the structured securities submitted. Any excess structured securities shall be returned at the expense and risk of the holder of the structured securities.

The holder of structured securities shall be prematurely paid the redemption amount (see Chapter 4.1.7) in the respective product currency five banking business days after the respective termination date.

In this case, the closing price of the underlying instrument on the date the notice of termination is received by the issuer shall be effective.

Limitation

The right to claim payment of capital due shall expire after thirty years as of the due time; claims to payments of interest shall expire after three years as of the due time.

4.1.8. In the case of new issues, a statement of the resolutions, authorisations and approvals by virtue of which the securities have been or will be created and/or issued.

New issues are approved by the management board after presentation of the issuance plan. This resolution to approve the issue is the basis for the issuance of the securities.

4.1.9. The issue date of the securities

The term of the issue is given in the Final Terms Chapter VI. "4.1.9 Issue Date" and "4.1.9 Maturity Date".

The following applies to open-end certificates:

Open-end certificates do not have a predefined time – unless otherwise defined in the Final Terms in Chapter VI. "4.1.9 Maturity Date". The issuer shall have the right to determine a maturity date for the certificates at the earliest three calendar years after the issue date on any exchange trading day in Vienna and Stuttgart, with the remaining time to maturity of the certificate having to be at least one calendar year. The fixing of the maturity is published indicating the maturity date pursuant to 7.5. a.).

4.1.10. A description of any restrictions on the free transferability of the securities.

As co-ownership shares, the securities are transferable. They can be individually transferred within the scope of securities giro transactions. Unless otherwise specified in the Final Terms Chapter VI. "4.1.10 Transferability of the Securities", there are no restrictions on the free transferability of the securities.

4.1.11. The expiration or maturity date of the derivative securities;

The following generally applies to structured securities:

The due date of the payment ("redemption date") for the redemption of structured securities is three banking business days after the maturity date (see Final Terms Chapter VI. "4.1.9 Maturity Date") or after the relevant exercise day (for warrants – see Chapter 4.1.7 a), unless otherwise specified in the Final Terms in Chapter VI. "4.1.12 Redemption Date".

A "banking business day" in the meaning of this Base Prospectus is – unless otherwise specified or supplemented in the Final Terms – a day on which commercial banks are open for business in Austria and Germany.

If the redemption date is not a banking business day, the payment shall be made on the next following banking business day. The holder of structured securities shall not have the right to demand interest or any other compensation for such a delay in payment.

Any taxes, charges or other duties falling due upon the payment of money shall be borne and paid by the holder of the structured securities. The issuer or the payment agent shall be entitled to retain money amounts for taxes, charges or other duties that are to be paid by the holder of the structured securities.

Moreover, the following shall apply to certain structured securities:

a) The following applies to warrants:

All warrants not effectively exercised by the warrants holder on the maturity date and not automatically exercised by the issuer shall expire on the maturity date and become worthless.

b) The following applies to turbo certificates:

All rights granted by turbo certificates shall expire upon knock-out with the exception of the right to payout of the residual value.

c) The following applies to range turbo/reverse discount certificates:

All rights granted by range turbo/reverse discount certificates shall expire upon knock-out with the exception of the right to payout of the residual value.

Exercise date or final reference date.

For details on the exercise day or exercise period, see 4.1.7.

4.1.12.A description of the settlement procedure of the derivative securities.

Please refer to the description of the settlement procedures in Chapter 4.1.7 for the exercise/redemption of structured securities.

4.1.13.A description of how any return on derivative securities takes place, the payment or delivery date, and the way it is calculated.

The investor does not receive any return on structured securities, but rather the redemption amount. All payments are done in the respective product currency. The payment date or delivery date is contained in the Final Terms Chapter VI "4.1.13 Payment Date".

In the case of warrants and discount certificates with physical delivery, the details on the delivery are contained in the Final Terms Chapter VI "4.1.13 Delivery of Securities".

4.1.14.In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:

- a. information on taxes on the income from the securities withheld at source,
- b. indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.

The description refers exclusively to the relevant provisions of the taxation of income on capital assets and of other income on securities held by individual non-business investors resident in the respective country (thus treatment of income not from business operations). The explanations do not comprise all

aspects of these types of taxation. The description does not deal with the individual tax situation of individual investors.

The information presented in 4.1.14 does not replace the necessary advice that must be obtained from a tax advisor in every individual case, considering the respective product, the investor's tax position and the recent legal position in the respective country, before reaching a decision to buy. Before buying a security, interested investors should in any case seek advice from their local tax advisors on the tax consequences of the acquisition, holding, sale and redemption of these securities. This is particularly true considering the current amendments to taxation law. The explanations provide general information based on the legal framework as per June 2007. The information has not been confirmed by court rulings or any explicit statements of the tax authorities and therefore should not be understood to mean that the tax consequences described are guaranteed to occur. Changes in the law, jurisdiction and administrative practice as well as deviating judgements of tax authorities due to the scope of potential divergent interpretations cannot be excluded and are not within the liability of the issuer. The individual tax status and assumptions thereon made by the investor are not subject of the contract between the issuer and the investor.

ad a)

I Regarding holders of securities who are subject to taxation in Austria

1. Warrants

Returns on securities are income from speculation dealings pursuant to § 30 par.1 fig. 2 Income Tax Act (margin no. 7757a ff income tax law 2000-decree 2005 of 2 Jan. 2006).

As the legal situation concerning the taxation of warrants in Austria before November 2005 was not explicitly regulated, the Federal Ministry of Finance has ruled, that for warrants issued prior to 1 Dec. 2005 which were declared to be subject to capital yields tax at the time of issue, the stance adopted by the respective custodian was not to change. However, a warrants holder has the possibility of obtaining the refund of the capital yields tax paid by requesting a tax assessment, or, if the conditions for such tax assessment are not given, by submitting an application to the competent tax office pursuant to § 240 par. 3 Federal Tax Code.

2. Leverage securities (turbo certificates, range turbo certificates):

Returns on securities are income from speculation dealings pursuant to § 30 par.1 fig. 2 Income Tax Act (margin no. 7757a ff income tax law 2000-decree 2005 of 2 Jan. 2006) if at the time of the start of the issue (see Final Terms Chapter VI. "4.1.9 Issue Date") the capital expenditure for the respective security is smaller than or equal to 20% in relation to the price of the underlying instrument.

If at the time of the start of the issue the capital expenditure for the respective security is more than 20% in relation to the price of the underlying instrument, then the returns on the securities are income on capital assets pursuant to § 27 par. 1 fig. 4 Income Tax Act 1988 and are therefore subject to capital yields tax.

Due to the unclear legal situation prior to the decree of 2005 (margin no. 7757b income tax law 2000 - decree 2005 of 2 Jan. 2006) the following transition rules apply to leverage products:

- If, prior to 1 October 2005 leverage products were issued not having a subordinated capital expenditure ("leverage is smaller than 5" - see margin no. 6197b) and were treated as capital

yields tax free on 1st October 2005, then until the expiry of these securities no capital yields tax or credit shall apply.

- If, prior to 1 October 2005 leverage products were issued that had a subordinated capital expenditure ("as of leverage 5" - see margin no. 6197b) and were treated as capital yields tax obligatory on 1st October 2005, then until the expiry of these securities, capital yields tax shall be deducted and a credit shall apply.

However, a securities holder has the possibility of obtaining a refund of the capital yields tax paid by requesting a tax assessment, or, if the conditions for such tax assessment are not given, by submitting an application to the competent tax office pursuant to § 240 par. 3 Federal Tax Code.

3. Discount, Investment, Bonus, Speed, Lock-In, Outperformance, Centrobank, Twin Win, Reverse Bonus and Express certificates:

Returns on securities pursuant to § 97 par. 1 in conjunction with § 93 par. 3 and § 124b fig. 85 Income Tax Act are subject to a final 25 % capital yields tax. This means that income and inheritance tax obligations are also covered. Pursuant to § 78 Insurance Surveillance Act, the certificates are suitable as cover for actuarial provisions (eligible for cover).

4. Reverse convertibles:

Interest income is income on capital assets pursuant to § 27 par. 1 fig 4 Income Tax Act and is therefore subject to income tax.

Interest income is subject to a capital yields tax of 25 % pursuant to § 93 par. 3 Income Tax Act, if the interest paying agent is seated in Austria. The interest paying agent is the credit institution that pays out or credits to the investor interest earned on redemptions or the sale of securities.

With the deduction of the capital yields tax, the income tax is generally deemed to be paid (final taxation effect). Therefore, in this case investors are not obligated to include interest income on reverse convertibles in their income tax reports.

If the income tax due according to the taxation schedule is lower than the capital yields tax, the investor may request an assessment of interest income at the lower income tax rate. Capital yields tax is credited against income tax in this case or the excess amount is refunded. Expenses in connection with securities (fees, commissions, etc.) may not be deducted for taxation purposes pursuant to § 20 par 2 Income Tax Act (deduction prohibition).

Redemption gains or gains on sales from the redemption or sale of securities within one year of acquisition of the securities are taxable pursuant to § 30 Income Tax Act. This type of income on speculation gains is subject to the general income tax schedule.

The redemption by delivery of shares creates a new acquisition transaction for the investor, namely, the acquisition of shares. Gains on sales made from selling such shares within one year are subject to full taxation pursuant to § 30 Income Tax Act. Gains on sales after the end of the speculation period are not subject to income tax if the percentage of the share represents less than 1 %.

5. Guarantee certificates:

According to the current legal opinion of the issuer, returns on certificates pursuant to § 97 par. 1 in conjunction with § 93 par. 3 and § 124b fig. 85 Income Tax Act are subject to 25 % capital yields tax. This means that income and inheritance tax obligations are also covered. Pursuant to § 14 Income Tax Act, the certificates are suitable for provisions for pension and severance payments as well as pursuant to § 78 Insurance Surveillance Act as cover for actuarial provisions (eligible for cover).

II Holders of securities who do not have their habitual place of residence or domicile in Austria

If an investor does not have his or her habitual place of residence or domicile in Austria, then capital yields from the redemption or sale of certificates are not subject to income tax in Austria.

If such capital yields are paid out by an Austrian interest paying agent, the capital yields tax is not deducted, if the investor has furnished proof or credibly documented the status of non-resident to the paying agent.

Capital yields from the redemption or sale of certificates shall generally be subject to EU withholding tax as of 1st July 2007, if they are paid out by a domestic paying agent to a natural person who has his or her domicile in another member state of the EU. The paying agent is the credit institution which pays out the capital yields to the investor.

EU withholding tax is 15 % for payments as of 1st July 2005, 20 % for payments as of 1st July 2008 and 35 % for payments as of 1st July 2011. EU withholding tax is not levied if the investor presents to the paying agent a confirmation of his or her home tax office on the disclosure of the capital yields.

Interest income from the reverse convertibles and coupon payments on the guarantee certificates, described in this prospectus are deemed by the Federal Ministry of Finance to be interest income subject to EU withholding tax. All other income on capital from the certificates described in this prospectus does not constitute interest income that would be subject to EU withholding tax in the opinion of the Federal Ministry of Finance.

III The following applies to holders of securities subject to taxation in the Federal Republic of Germany:

The following presentation is limited to the presentation of taxation of privately-held assets (*Privatvermögen*) pursuant to the German Income Tax Act (excluding Church Tax (*Kirchensteuer*)) without German paying agent (*Zahlstelle*) and is based on the current state of the law. In addition it includes an outlook to the investment flat rate tax (*Abgeltungssteuer*) which passed German upper house of parliament on July 6th, 2007 as part of the Unternehmensteuerreform 2008.

A. Current Taxation

1. Warrants (with cash settlement/with delivery of underlying value)

A profit from the sale of a warrant is only then subject to taxation as a private sale if the period between acquisition and disposition is no more than one year (Disposition of securities within the meaning of § 23 (1) No. 2 EStG, BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Notes 17 and 22). This also applies to the exercise of an option with cash settlement, provided that the period between acquisition and exercise is no more than one year (forward transaction within the meaning of § 23 (1)

No. 4 EStG, BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Notes 16 and 21). The purchase price and ancillary purchase costs of the warrants are then deemed to be income-related expenses (*Werbungskosten*) pursuant to § 23 (3) Sentence 5 EStG. Losses from the warrants may only be offset against profits received by the tax payer from private sales (*private Veräußerungsgeschäfte*) in the same calendar year (§ 23 (3) Sentence 8 EStG). Losses which may not be offset reduce, to a limited extent, the earnings from private sales of the immediately preceding or the following assessment periods (§ 23 (3) Sentence 9 EStG).

Dispositions and redemptions with cash settlement which occur after a holding period of more than one year are not subject to taxation.

In the event that a call option is exercised and the underlying value is delivered, this will not have any direct tax consequences regardless of the holding period. The option premium paid is included in the purchase price of the acquired shares (BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Note 15) and, as the case may be, may have profit-reducing effect upon a later taxable sale of these shares. The exercise of a put option and delivery of the underlying value results in taxable profits from a private sale if the underlying value subject to the disposition was acquired within one year prior to the disposition (BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Note 20).

The tax treatment of the expiration of an option within the one year holding period is not conclusively clarified at this time. Currently a case (IX R 11/06) is pending before the German Fiscal High Court (Bundesfinanzhof) regarding the question whether the acquisition costs of warrants which are expired within the holding period qualify as expenses related to income from private sales (*private Veräußerungsgeschäfte*). However, for the time being the German fiscal authorities adhere to the view that such expiration has no tax consequences.

2. Turbo, Range Turbo, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-In, Outperformance and Twin Win Certificates as well as Centrobank and Express Certificates without coupon and/or dividend payments and without (partial) capital guarantee:

The tax treatment of certificates is not conclusively clarified as this time. According to current opinion, earnings from the disposition and redemption of the issued certificates with a holding period of more than one year should not be subject to taxation as neither compensation nor a capital repayment (at least in part) was guaranteed (§ 20 (1) No. 7 of the German Income Tax Act (*Einkommensteuergesetz* or "EStG"; see Circular of the German Federal Ministry of Finance (*Bundesministerium für Finanzen* or "BMF") dated 16 March, 1999, German Federal Tax Gazette (*Bundessteuerblatt* or "BStBl.") I 1999, 433). In particular, the sale proceeds should not represent earnings pursuant to § 20 (2) EStG. In general the German fiscal authorities have hitherto not differentiated into different underlying values (except for the Rexp, see Regional Finance Office (*Oberfinanzdirektion* or "OFD") Rheinland, No. 19/2007, dated 5 March 2007) but focused on whether the capital repayment was guaranteed in whole or in part or compensation was promised.

However, sale proceeds are subject to taxation as profits from a private sale if the period between acquisition and disposition was not more than one year (§ 23 (1) No. 2 EStG). This applies equally to profits from the redemption of certificates if the period between acquisition and redemption was no more than one year. Losses from such private sales (*private Veräußerungsgeschäfte*) may only be offset against the amount of profits which the tax payer earned from private sales in the same calendar year (§ 23 (3) Sentence 8 EStG). Losses which cannot be offset reduce, to a limited extent, the earnings from private sales of the immediately preceding or the following assessment periods (§ 23 (3) Sentence 9 EStG). Dispositions and redemptions which occur after a holding period of more than one year are not subject to taxation.

The Investment Tax Act (*Investmentsteuergesetz*) should not be applicable as a certificate is not a foreign investment unit (BMF dated 2 June, 2005, BStBl. I 2005, 728, Margin Note 9). However, a separate tax analysis for certificates not linked to a generally accepted index, especially for fund linked notes is recommended.

3. Guarantee Certificates as well as Centrobank and Express Certificates with coupon payments and/or (partial) capital guarantee:

The tax treatment of certificates with partial capital guarantee is not conclusively clarified at this time.

As a capital repayment (at least in part) has been guaranteed but at the same time an issue yield does not exist due to the uncertain component, both current earnings and sale and redemption proceeds (i.e. all earnings generated from the certificate) are subject to taxation as income from capital assets pursuant to § 20 (1) No. 7 and § 20 (2) EStG (taxation according to market yield) according to the German fiscal authorities. As this is deemed to be income from capital assets pursuant to § 20 EStG, this rule applies regardless of the holding period.

The fiscal authorities are of the opinion that the guarantee of even a partial capital repayment is sufficient to assume the existence of an other receivable within the meaning of § 20 (1) No. 7 EStG, see for example BMF dated 16 March, 1999, BStBl. 1999 I, Page 433. The required repayment amount cannot be limited to an amount below which a guarantee can no longer be assumed. Rather, every guaranteed repayment is sufficient. Accordingly, the tax character of the guarantee certificate is therefore independent of the specific amount of the guaranteed amount.

The tax treatment of certificates without (partial) capital guarantee but with coupon payments is also not conclusively clarified at this time.

Recent decisions by the German Fiscal High Court (Bundesfinanzhof) again stressed the traditional view on the tax treatment of products generating a yield in return for providing a certain cash amount. However, we think that even under the principals adhered to by the German Fiscal High Court in the most recent decisions (BFH 11/07/2006, VIII R 67/04; BFH 20/11/2006, VIII R 43/05; BFH 20/11/2006, VIII R 7/02; BFH 13/12/2006, VIII R/05; BFH 13/12/2006, VIII R 62/04; BFH 13/12/2006, VIII R 79/03) all amounts received out of certificates as described in this paragraph, will still be taxable when coupon payments are promised. As a consequence not only the coupon payments will be subject to taxation but amounts paid out as (capital-) repayments because of an increase/decrease of the underlying or because of any other reason, will as well be subject to tax.

4. Centrobank and Express Certificates with "dividend payments":

If the holder is not entitled to coupon payment but to dividend payment in the event an underlying share would entitle to a dividend payment, the tax treatment is unclear.

The fact that in such a case the payments are fully dependent on whether a direct holder of such a share would receive a dividend and therefore such a payment is not in any way granted, would speak in favor of not subjecting such a certificate to the tax treatment of a financial innovation as long as it does not as well include a (partial) capital guarantee.

However, no guideline for the treatment of such certificates has been issued by the German fiscal authorities nor has been a court decision dealt specifically with such an issue.

5. Reverse Convertible Bonds (Aktienanleihe):

According to the German fiscal authorities, reverse convertible bonds are receivables, the earnings of which depend on an uncertain event (BMF dated 2 March, 2001, BStBl. I 2001, 206, Margin Notes 12). Pursuant to § 20 (1) No. 7 Sentence 1 EStG, the current income is therefore subject to taxation as income from capital assets.

The treatment of profits and losses from a sale and losses following the exercise of the right of redemption has not yet been conclusively clarified at the highest court level. According to the opinion of the fiscal authorities (BMF dated 2 March, 2001, BStBl. I 2001, 206), an issue yield does not exist (§ 20 (2) Sentence 1 No. 4 EStG) as it is uncertain at the time of acquisition whether the right of redemption will be exercised or not. Consequently, such profits and losses will be taxed according to market yield (as difference between acquisition costs and amount paid out) pursuant to § 20 (2) Sentence 1 No. 4 Sentence 2 EStG, i.e. profits from the sale or redemption in the event of the actual repayment of the capital amount (non-exercise of the right) are subject to tax as capital income in the actual amount accrued and losses from the sale or redemption are considered as negative income from capital assets (BMF dated October 25, 2004, BStBl. I 2004, 1034).

Investment flat tax (Abgeltungssteuer)

B. German Tax Reform 2008 (Unternehmensteuerreform 2008)

On July 6th 2007 German Parliament has passed the so called Unternehmensteuerreform 2008. One part of the Unternehmenssteuerreform 2008 is the introduction of an investment flat tax which includes fundamental changes to the principles of taxation of capital income (Einkünfte aus Kapitalvermögen) and capital gains (Einkünfte aus Veräußerungsgeschäften) for privately held assets.

This new investment income flat tax will be fully applicable for all certificates which have been acquired on January 1st 2009 or later.

1. The **warrants** (see par. A.1) will remain taxable under the current rules if acquired before January 1st 2009. Thereafter the income flat tax will apply.
2. For **certificates** described in par. A.1 and A.2 (**without coupon payments and (partial) capital guarantee**) which have been acquired before this date but after March 14th of 2007, the investment flat tax will also be applicable if
 - a. the capital income or capital gain out of a sale or redemption of the certificate paid out as realized after June 30th 2009 and
 - b. the time period between acquisition and alienation exceeded the period of 1 year.
3. For **certificates** described in par. A.3 to A.5 (**with coupon payments or (partial) capital guarantee**) the investment flat tax will be applied on all amounts paid out on January 1st 2009 or later.

When the investment flat tax is to be applied, all capital income in the form of coupons or other payments and capital gains out of the sale or redemption of the certificates are treated as capital income within the meaning of section 20 part 2 no. 7 German Income Tax Act. In principle they are subject to a flat tax of 25 % plus 5.5 % solidarity surcharge thereon. This is applied to all certificates whether they are to be considered as being speculative or not.

Losses out of the sale or redemption of the certificates can only be netted with other positive capital income. In so far as this is not possible within the tax year assessment in which the losses occurred, these losses can be carried forward without restriction in future years to be then netted with positive capital income.

IV The following applies to holders of securities subject to taxation in Poland:

Explanations restricted to the taxation of private (individual) investors resident in Poland.

1. Warrants

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The same applies for the redemption of the product by cash settlement.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying triggers capital gains tax under the respective applicable tax provisions (depending on the nature of the underlying).

2. Discount certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying triggers capital gains tax under the respective applicable tax provisions (depending on the nature of the underlying).

3. Investment, Bonus, Reverse Bonus, Speed, Lock-in, Outperformance and Twin Win certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

4. Turbo and Range Turbo certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is taxable at a flat rate of 19 % without the possibility to deduct related costs. Depending on the taxation in Austria, the following two cases may be distinguished: 1) leverage less than five = revenues taxed as interest in Austria: tax base = interest revenue, no deduction

of related costs (Art 30a PIT Act); 2) leverage at least five = revenues taxed as capital gains in Austria: tax base = capital gains less related costs, losses of the previous five years may be offset against other income (maximum 50 % of the losses per year – Art 30b PIT Act).

5. Guarantee certificates

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

6. Reverse convertibles

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying (share) is taxable under Article 30b PIT Act at a flat rate of 19 % with the tax base being the capital gains less related costs.

7. Centrobank and Express certificates

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

V The following applies to holders of securities subject to taxation in the Slovak Republic:

Explanations restricted to the taxation of private (individual) investors resident in the Slovak Republic.

1. Warrants

The sale of the product or the redemption at maturity (settlement in cash or in kind) is a taxable "transaction with derivatives" under Art 8 SITA.. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one warrant can be offset with the profit from the transaction on another warrant under the condition that both transactions are realized within one taxation period (profit or loss is incurred).

Please note that, if warrants are sold before their expiration, a loss from these transactions belongs to the bucket "transfer of options" and cannot be offset with a profit from transactions, where warrants are held until their expiration. The general condition of offsetting profit or loss from the same buckets of income must be met.

2. Discount, Investment, Bonus, Speed, Lock-in, Turbo, Range Turbo, Outperformance, Twin Win and Reverse Bonus certificates (certificates qualifying as "instruments with embedded derivatives")

- The sale of the product or the redemption at maturity in the form of settlement in cash is a taxable "transaction with derivatives" under Art 8 SITA. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

- **Redemption in the form of underlying asset:**

- Underlying asset (security) has negative development:

If the underlying asset has negative development and the investor will receive at the redemption date instead of cash the relevant underlying asset which market price will be lower than the nominal value of the certificate, there are no tax implications for the investor. Upon a later sale of the underlying, the difference between the sales revenue and the nominal value of the certificate is taxable other income according to Art 8 SITA, less deductible expenses plus expenditure related to the acquisition of the certificate.

- Underlying asset (security) has positive development:

If the underlying asset has a positive development, and the investor will receive the underlying instrument instead of cash, this gain (difference between fair value of underlying asset at the moment of redemption and nominal value of certificate) will represent taxable income (Art 2 SITA). Upon a later sale of the underlying asset, the difference between the fair value of the underlying asset and the nominal value of the certificate should not be taxed twice; only the difference between the sales revenue and the fair value of the underlying asset at the moment of redemption is taxable income.

3. Guarantee, Express and Centrobank certificates

- Current income in the form of **guaranteed** coupon from guarantee certificate is taxable as interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.
- Current income in the form of **variable** coupon from guarantee certificate provided that it is paid to the investor regularly, is taxable interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.
- Current income in the form of "dividend" payments is taxable as "income from capital" under Art 7 SITA at a flat rate of 19 %; related costs are not deductible. In this case as the "dividends" investor will regularly receive do not result from his/her ownership on the registered capital of the company paying such "dividend", such "dividends" will not be tax free.
- The sale of the product (redemption amount and participation sum) or the redemption at maturity (settlement in cash) is a taxable "transaction with derivatives" under Art 8 SITA. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

4. Reverse convertibles

Current income is taxable as interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.

The sale of the product or the redemption at maturity (settlement in cash or in kind) is a taxable "transaction with derivatives" under Art 8 SITA. Tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

VI The following applies to holders of securities subject to taxation in Slovenia:

Explanations restricted to the taxation of private (individual) investors resident in Slovenia.

1. General:

These financial instruments are not extensively traded on the Slovenian market. These informations have been prepared in accordance with the current legislation and opinions of the Ministry of Finance of the Republic of Slovenia, or other competent authorities. The Securities Market Act ("SMA") of Slovenia defines in the first paragraph of Article 6 **derivative financial instruments**, which is only a general legal definition.

Financial instruments according to Article 6a of the SMA are:

- Securities and
- Derivative financial instruments

The explained taxation in Slovenia is the most likely taxation under the current legal situation and based on the experience made so far with the Slovenian tax authorities. As the legal situation in connection with the taxation of these structured securities is not clear, a ruling should be required from the Ministry of Finance of the Republic of Slovenia.

2. All products, if/as far as qualifying as „derivatives“ (Warrants, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-in, Turbo, Range Turbo, Guarantee, Outperformance, Twin Win and Express Certificates, Reverse Convertibles) are taxable as follows:

If the product is qualified as “derivative financial instrument” pursuant to Art 6a of the SMA, any income from the product is treated as a tax exempt “capital gain” (Art 32 PITA).

According to the Slovene personal income tax law **capital gains** realised by derivative financial instruments are **not subject to taxation** (Article 32 of the Personal Income Tax Law).

The subsequent sale of the in kind redemption is taxable under the general Slovenian taxation rules. In the case of the underlying being a share (e.g. Reverse Convertibles), the capital gain is taxable. The taxable base is the difference between the value of a share upon disposal and the acquisition value of the share, taking into account certain expenses incurred upon acquisition or disposal of the share. The tax rate depends on the holding period of the share and amounts to 20 % for a holding period of up to five years, 15 % for a holding period from five to ten years, 10 % for a holding period from 10 to 15 years and 5 % for a holding period from 15 to 20 years. Sales of shares that have been held for more than twenty years are tax exempt.

However there are following open questions:

- whether the **redemption amount** (when it is higher than the principal value) presents **interest income** due to the fact that the legal nature of certificates is debt security (no clear definition in the Slovene legislation) – especially in case when the certificate is not sold before maturity; or
- whether the **redemption amount** presents **capital gains** (either by a disposal of a debt security or derivative financial instrument), which is **not subject to taxation**.

3. All products, if/as far as qualifying as „debt securities“ (Warrants, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-in, Turbo, Range Turbo, Guarantee, Outperformance, Twin Win and Express Certificates, Reverse Convertibles) are taxable as follows:

Capital gains realised by a disposal of debt securities are **exempt from taxation** (Article 96 of the Personal Income Tax Law).

Any **current income** is taxable as interest income at a **flat rate of 15 %**. The tax rate will amount to 20 % from the year 2008 on. Related costs are not deductible.

A sale of the product is not taxable (exemption under Art 96 PITA).

The subsequent sale of the in kind redemption is taxable as capital gain. The taxable base is the difference between the value of a share upon disposal and the acquisition value of the share, taking into account certain expenses incurred upon acquisition or disposal of the share. The tax rate depends on the holding period of the share and amounts to 20 % for a holding period of nil to five years, 15 % for a holding period of five to ten years, 10 % for a holding period of 10 to 15 years and 5 % for a holding period of 15 to 20 years. Sales of shares that have been held for more than twenty years are taxed with 0% tax rate.

VII The following applies to holders of securities subject to taxation in the Czech Republic:

Explanations restricted to the taxation of private (individual) investors resident in the Czech Republic.

1. Warrants

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place more than six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rate between 12 and 32 %. Capital gains may be offset against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

2. Turbo, Range Turbo, Investment, Bonus, Speed, Lock-in, Outperformance, Twin Win and Reverse Bonus certificates

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rate between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place more than six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

3. Guarantee certificates

Current income is taxable as interest at the progressive tax rate between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

4. Reverse convertible bonds

Current income is taxable as interest at the progressive tax rates between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

5. Discount certificates

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

6. Express and Centrobank certificates

Current income is taxable as interest at the progressive tax rates between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

VIII The following applies to holders of securities subject to taxation in Hungary:

Explanations restricted to the taxation of private (individual) investors resident in Hungary.

1. Warrants

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Exercise of a **call-option** by delivery of a publicly traded underlying security is not taxable. Exercise of a call-option by delivery of a non-security underlying is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the fair market value of the underlying and the exercise price and the purchase price of the call-option. Related costs are deductible. The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

Exercise of a **put-option** is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the exercise price and the fair market value of the underlying and the purchase price of the put-option. This applies on both, security and non-security underlyings. If the underlying has previously been bought in order to settle the put-option, the difference between the fair market value of the underlying security and the original purchase price of the underlying security is taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000 with the acquisition expenses being deductible. In case of an underlying security which is traded at an EU or OECD stock exchange, the 20 % flat rate (no health tax) applies. In case of a non-security underlying, the 25 % flat rate applies, but no health tax.

2. Investment, Bonus, Reverse Bonus, Speed, Lock-in, Outperformance, Turbo, Range Turbo and Twin Win certificates

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

3. Guarantee certificates (repayment of purchase price not guaranteed)

Current income is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

4. Reverse convertibles

Current income is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Settlement by **delivery of an underlying security** is not taxable.

The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

5. Discount certificates

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Settlement by **delivery of a publicly traded underlying security** is not taxable. Settlement by **delivery of a non-security underlying** is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the fair market value of the underlying and the exercise price and the purchase price of the call-option. Related costs are deductible.

The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

6. Centrobank and Express certificates

Current income (not qualifying as "dividends" in Austria) is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

IX The following applies to holders of securities subject to taxation in Romania:

The below explanations are restricted to the taxation of individual non-business investors resident in the respective country and provide general information based on the legal position as per June 2007.

1. General

Alternative instruments represent a new area in Romania, rarely used as compared to the classical financial instruments. Consequently, these types of financial instruments are not extensively traded on the Romanian market. **The Romanian Fiscal Code does not provide a clear definition of financial instruments or investment titles.** You can find reference in Title III Personal Income Tax. Thus, under the general investment title term fall any securities, investment titles at open investment funds or any other financial instrument qualified as such by the National Securities Committee, including the derivatives.

These alternative investment instruments may be assimilated to different investment titles as described in the Romanian Fiscal Code. As such, the tax treatment of these investment titles depends significantly on the category under which they can be classified.

The issues presented in this document are clear only in relation to the interest/coupon and dividend revenue. For the other income derived from these types of certificates a ruling should be required from the National Securities Committee together with the Ministry of Finance. This ruling should address the classification of the income generated by this certificate and the tax applicable thereon. Depending on the classification as a security and on the holding period the tax is either 1% or 16%.

2. Warrants and Discount Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

The redemption by settlement in kind¹ is not taxable. At the subsequent sale of the in kind redemption any capital gain arising will be subject to the above mentioned rules.

3. Turbo, Range Turbo, Investment, Bonus, Reverse Bonus, Speed, Lock-In, Outperformance and Twin Win Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

4. Centrobank and Express Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

Dividend income is taxable at 16 % rate applied to the gross amount (no deduction of related costs).

5. Reverse Convertibles

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions

¹ By settlement in-kind we understand the receipt of the underlying instrument.

with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

6. Guarantee Certificates

The sale of the product, the redemption by cash settlement and the payout of a participation amount upon maturity is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

ad b):

The issuer does not assume any responsibility for the withholding of the above mentioned withholding taxes.

4.2. Information concerning the underlying

4.2.1. The exercise price or the final reference price of the underlying

The final reference price is the price of the underlying instrument determined and published on maturity date (see Final Terms Chapter VI. "4.1.9 Maturity Date") or on the respective exercise day (for warrants) by the relevant exchange/price-fixing entity (see Final Terms Chapter VI. "4.1.12 Relevant Exchange/Price-fixing Entity").

4.2.2. A statement setting out the type of the underlying and details of where information on the underlying can be obtained:

For the type of underlying instrument and details on where information on the underlying instrument can be obtained, refer to Final Terms Chapter VI. "4.1.7 Underlying Instrument". For the specific features and risks related to the different underlying instrument, refer to Chapter III.B.b). The underlying instrument of the respective security is selected from the group of underlying instruments listed in Chapter III.B.b).

- (i) An indication where information about the past and the future performance of the underlying and its volatility can be obtained;**

Information on the past and future performance of the underlying instrument and its volatility is available at the website of the relevant exchange/price-fixing entity (see Chapter "4.1.12 Relevant Exchange/price-fixing entity" in the Final Terms), at the website of the issuer (<http://www.rcb.at>), on the free stock market information pages (e.g. <http://www.onvista.de>) and in the pay information systems (such as Reuters, Bloomberg), if these sites provide such information.

- (ii) **Where the underlying is a security:**
- the name of the issuer of the security;
- the ISIN (International Security Identification Number) or other such security identification code;

See Final Terms Chapter VI. "4.1.7 Underlying Instrument".

- (iii) **Where the underlying is an index:**
- the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained;

See Final Terms Chapter VI. "4.1.7 Underlying Instrument".

- (iv) **Where the underlying is an interest rate:**
- a description of the interest rate;

See Final Terms Chapter VI. "4.1.7 Underlying Instrument".

- (v) **Others:**
Where the underlying does not fall within the categories specified above the securities note shall contain equivalent information;

See Final Terms Chapter VI. "4.1.7 Underlying Instrument".

- (vi) **Where the underlying is a basket of underlyings:**
- disclosure of the relevant weightings of each underlying in the basket.

See Final Terms Chapter VI. "4.1.7 Underlying Instrument".

4.2.3. A description of any market disruption or settlement disruption events that affect the underlying.

Unless otherwise specified or supplemented in the Final Terms Chapter VI "4.2.3 Market Disruption", the following rules shall apply:

a. In the case of securities on shares/ADRs/GDRs:

A market disruption means the temporary suspension or essential limitation (either)

- of trading in the underlying instruments on the relevant exchanges,
- in the shares on the primary exchange, or
- in futures or options contracts relating to the underlying instrument on any derivatives exchange on which futures or options contracts on the underlying instrument are traded ("derivatives exchange"),

if this suspension or limitation occurs or exists during the one hour period prior the calculation of the closing price of the underlying instrument.

b. In the case of securities on commodities:

A market disruption means (either)

- the suspension or essential limitation of the calculation and/or publication of the value of the commodities by the relevant price-fixing entity, or

- the suspension or essential limitation of trading in futures or options contracts relating to the commodities on any derivatives exchange, on which futures or options contracts relating to the commodities are traded ("derivatives exchange").

c. In the case of securities on indices:

A market disruption means the temporary suspension or essential limitation of trading in the shares contained in an index on a stock market or in a trading system, whose quotes are used for the calculation of the respective index, if in the opinion of the issuer, this suspension or limitation means that the index cannot be determined, because the index is not published in general or for the relevant time period, or there is a material change in the formula for or the method of calculating the index last in effect at the time the security was issued, to such an extent that the expected index will not be comparable with the index at the time of issue of the security (except for the fact that other continuously traded securities will be included in the index).

d. In the case of securities on baskets of instruments (e.g. share basket, commodities basket):

A market disruption means (either)

- the suspension or essential limitation of the calculation and publication of the closing prices for one or more of the instruments (such as shares, commodities) contained in the underlying (basket of instruments) by the relevant exchange/price-fixing entity, or
- the suspension or essential limitation of trading in futures or options contracts on one or more of instruments (such as shares, commodities) contained in the underlying (basket of instruments) on a derivatives exchange on which futures and options contracts on the respective instruments (e.g. shares, commodities) are traded ("derivatives exchange").

A limitation of trading hours or number of trading days will not constitute a market disruption, if it was announced by the relevant exchange prior to the occurrence of the limitation.. A limitation imposed on trading during a trading day by reason of movements in price exceeding limits permitted by the relevant exchange will only constitute a market disruption if the trading limitation remains until the end of the trading session on the relevant trading day.

e. In the case of guarantee certificates:

(1) A "market disruption" means (A) in respect of one or more shares, contained in the basket or one or more shares which are part of at least one index contained in the basket the occurrence or existence of a (i) "trading disruption", (ii) "exchange disruption", which in either case the issuer determines is essential, at any time during the one hour period that ends at the relevant valuation time, or (B) an "early closure" in respect of

a) shares that comprise 20 per cent. or more of the level of the Index; or

b) in futures or options contracts relating to the relevant index on any related exchange;

(2) A "trading suspension" means any suspension of or limitation imposed on trading by the relevant exchange or related exchange (as well as any limitations imposed on trading by reason of movements in price exceeding limits permitted by the exchange or a "related exchange") or otherwise (i) relating to the shares or the shares contained in the indices on the exchange or (ii) in futures or options contracts relating to the shares or to the shares contained in the indices on any related exchange.

- (3) An **"exchange disruption"** means any event other than an "early closure" that – in the equitable discretion of the issuer – disrupts or impairs the ability of market participants in general
- a) to effect transactions in, or obtain market values for, the respective share or the respective shares contained in the indices on the exchange, or
 - b) to effect transactions in, or obtain market values for, futures or options contracts on the respective shares or on the respective shares contained in the indices on any related exchange.
- (4) An **"early closure"** means the unscheduled closure of the exchange or related exchange on any exchange trading day unless such earlier closure was announced at least one hour prior to the earlier of
- a) the actual closing time for the regular trading session on such exchange or related exchange on this exchange trading day, and
 - b) the submission deadline for orders to be entered into the exchange or related exchange system for execution on such exchange trading day.
- (5) The **"valuation time"** is the official closing time of trading on the relevant exchange.
- (6) The **"exchange"** is each exchange or quotation system specified as such for the relevant share or any successor to such exchange or quotation system or any substitute exchange or quotation system on which the respective shares are temporarily traded; provided however that if the specified exchange ceases to list or otherwise include the relevant share, the issuer will select another exchange or quotation system (if any) in relation to such share.
- (7) **"Related exchange"** means any exchange or quotation system (including any substitute or temporary exchange or quotation system) on which futures contracts and/or options contracts on the relevant share are traded and any exchange or quotation system where trading has a material effect - as determined by the issuer - on the overall market for futures or options contracts relating to such share.

In any case, the issuer shall make every effort to notify the parties involved immediately of the occurrence of a market disruption. However, he has no obligation to do so.

4.2.4. Adjustment rules with relation to events concerning the underlying.

Unless otherwise specified or supplemented in the Final Terms Chapter VI "4.2.4 Adjustment Rules", the following shall apply:

1. If, during the term of the securities, a corporate action in the underlying instrument occurs, these terms will be adjusted in accordance with the ÖTOB Rules pr the EUREX (German futures exchange) Rules or with the rules applicable at the respective exchange/price-fixing entity in order to ensure that the holder of the securities will remain in the original economic situation.

The relevant effective day ("effective day") shall be

- a. for warrants, the respective exercise day
- b. for reverse convertibles, the respective valuation day, and
- c. for all other structured securities, the maturity date.

2. If no closing price is determined and published for the respective underlying instrument on this relevant effective day or if in the opinion of the issuer there is a market disruption, the following procedures apply, unless otherwise stipulated in the Final Terms in Chapter VI "4.2.3 Adjustment Rules":

a. Securities on individual shares (e.g. shares/ADRs/GDRs):

The relevant effective day is postponed to the next following banking business day in Austria and the country of the primary exchange of the underlying instrument on which no longer a market disruption exists. If the market disruption lasts for a longer period of time and the relevant effective day has been postponed for five banking business days in Austria and in the country of the primary exchange of the underlying instrument, this day shall be deemed the relevant effective day and a substitute price is determined.

A substitute price is, if available, the price determined by the relevant exchange/price-fixing entity for the share/ADR/GDR or if such price is not available, a price determined by the issuer for the share/ADR/GDR which according to the issuer corresponds to the market situation on this day.

b. Securities on indices:

The relevant effective day is postponed to the next banking business day in Austria and in the country of the home exchange of the underlying instrument, on which

- a closing price is determined and published again for the relevant index, or
- the issuer calculates and publishes pursuant to Chapter 7.5. b.) a substitute index itself, and
- no market disruption exists.

The issuer may determine the index for the relevant effective day itself ("Substitute Index"). The basis for the calculation of this substitute index is the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index, that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.

c. Securities on commodities:

The relevant effective day is postponed to the next calendar day on which the closing price of the concerned underlying instrument is determined and published again.

d. Securities on baskets of shares:

- i. If during the term of the certificates – from the point of view of the issuer – (i) a corporate action occurs, or (ii) a suspension from the official market without substitution of one of the shares contained in the basket occurs on the relevant exchange, or (iii) a tender offer for the relevant business exists, or (iv) the liquidity of the relevant share reduces essentially, the issuer shall take measures to put the holder of the certificates back into the original economic situation. In the issuer's sole discretion:
- the value of such share shall be distributed among the shares remaining in the basket on the basis of the latest available price in equal shares according to the currently applicable weighting; or
 - the affected share will be substituted by another share according to the prevailing market conditions; or
 - a "substitute price" is calculated for the affected share. The substitute price will be the price calculated by the relevant exchange, or, if such a price is not available, the price which corresponds, in the opinion of the issuer, to the fair market value of this share according to the prevailing market conditions.

There shall be no disadvantage for the holders of the certificates caused by such rounding. The decision of the issuer on such adjustments of the basket by the issuer or a third party commissioned by the issuer shall be binding on all parties involved and shall be published unless an obvious mistake has been made.

- ii. If the maturity date in respect of a share contained in the basket is not an exchange trading day or a market disruption exists, then the maturity date (A) for each share not affected by the occurrence of this disruption shall be the scheduled maturity date and (B) for each share affected by the occurrence of such a disruption shall be the first succeeding exchange trading day, where no market disruption exists, unless the issuer determines that on each of the three exchange trading days immediately following the maturity date a market disruption exists. In that case:
 - that third exchange trading day shall be deemed to be the maturity date for the relevant share notwithstanding the fact that a market disruption exists; and
 - the issuer shall determine its good faith estimate of the value for that share on that maturity date; and
 - the redemption date will be postponed accordingly (three banking business days after the maturity date).
- iii. **"Exchange trading day"** in the meaning of this terms is any day on which the exchange is open for trading during their respective regular trading sessions other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.

e. Securities on baskets of indices:

- i. If, in respect of any index, an initial fixing date or an observation date is a disrupted day, then
 - the relevant initial fixing date or observation date, for each index not affected by the occurrence of a disrupted day shall be the scheduled initial fixing date or observation date (as the case may be) and
 - the initial fixing date or observation date, for each index affected by the occurrence of a disrupted day shall be the first succeeding scheduled trading day that is not a disrupted day relating to the relevant index, unless there is a disrupted day relating to that index on each of the eight scheduled trading days immediately following the date that, but for the occurrence of the disrupted day, would have been the relevant observation date.

In that case:

- that eighth following scheduled trading day shall be deemed to be the relevant initial fixing date or observation date, as the case may be (the "Deemed Date") for the relevant Index notwithstanding it is a disrupted day; and
 - the issuer shall determine the index for the relevant day itself ("Substitute Index"). The basis for the calculation of this substitute index is the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.
- ii. **"Disrupted Day"** means in respect of an Index any scheduled trading day on which a relevant exchange or any related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred; and

- iii. **“Scheduled Trading Day”** means any day on which the exchange is scheduled to be open for trading for their respective regular trading sessions other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.

f. Securities on baskets of other underlyings (e.g. basket of commodities):

The postponement of the relevant effective day is determined in the Final Terms Chapter VI “4.2.4 Adjustment Rules”.

e. The following applies to guarantee certificates

l. If

- 1) on the initial fixing date in respect of any share contained in the basket or in the index a market disruption exists,
 - a. then the initial fixing date for each share not affected by the occurrence of a market disruption event shall be the original initial fixing date, and
 - b. the initial fixing date for each share affected by the occurrence of a market disruption shall be the first succeeding exchange trading day on which there is no market disruption event. If there is a market disruption on that day and on each of the eight exchange trading days immediately following the initial fixing date, that eighth exchange trading day shall be deemed to be the initial fixing date for the relevant share, and
 - i. the issuer – in case of guarantee certificates with a basket of shares as underlying – determines a substitute price which according to the issuer corresponds to the market situation on that eighth exchange trading day;
 - ii. the issuer – in case of guarantee certificates with an index or a basket of indices as underlying – determines a substitute index which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index, that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.
- 2) on any observation date in respect of any share contained in the basket or in the index there is a market disruption event,
 - a. then the observation date for each share not affected by the occurrence of a market disruption event shall be the original observation date, and
 - b. the observation date for each share affected by the occurrence of a market disruption event shall be the first succeeding exchange trading day on which there is no market disruption. If there is a market disruption on that day and on each of the eight exchange trading days immediately following the observation date, that eighth exchange trading day shall be deemed to be the observation date for the relevant share, and

- i. the issuer – in case of guarantee certificates with a basket of shares as underlying – determines a substitute price which according to the issuer corresponds to the market situation on that eighth exchange trading day
 - ii. the issuer – in case of guarantee certificates with an index or a basket of indices as underlying - determines a substitute index which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index, that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.
- II. Furthermore, for guarantee certificates with an index or basket of indices as underlying instrument the following applies:
 1. In case that the index
 - a) is not calculated and published by the designated index sponsor, but is calculated and published by a successor to the sponsor ("Successor Sponsor") accepted as such by the issuer; or
 - b) was replaced by a subsequent index which at the issuers own discretion is similar to the relevant index with regard to the type and method of calculation;then this index will be deemed to be the index so calculated and published by the successor sponsor or this subsequent index is viewed as a new index and replaces the previous relevant index.
 2. If the index sponsor (or the successor sponsor)
 - a) on or immediately prior the respective observation date
 - (i) makes a material change in the formula for or the method of calculating the index, or
 - (ii) permanently cancels the index calculation and no successor sponsor exists, resp.
 - b) on the respective observation date, fails to calculate and publish a relevant index,then the issuer may determine a substitute index which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect when the index was last published or that applied immediately prior to a change in the index, and calculate the redemption amount on this basis.
- III. Furthermore, for guarantee certificates with a basket of shares as underlying instrument:
 1. If, during the term of the certificates
 - a) a share is changed due to a potential adjustment event (par.2), or

- (b) due to this action relating to the respective share of the company, adjustments are made in respect to the options contracts on the futures and options exchanges of the relevant share or the options contracts are changed in any other manner or such adjustments are not made because at the time they should have been made no options contracts were outstanding on the related exchange,

the respective share may be adjusted accordingly and, if necessary, further adjustments will be made. These adjustments and the determination of the time as of when they are effective shall be done by the issuer at its own discretion taking into consideration the principles of this provision. The announcement is made in accordance with 7.5. b.).

2. A "**potential adjustment event**" with respect to shares may be:

- (a) A stock split, a consolidation of shares or the conversion of classes of shares (unless it is a merger event) or a free distribution or allotment of shares to existing shareholders of the companies by way of bonus, capitalization or similar issue;
- (b) the issue of additional securities to the shareholders of the company granting the right to receive payments or dividends or liquidation proceeds of the company proportionately to the shares they already hold; the issue to the shareholders of further share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer as a result of a spin-off or another comparable action; the issue of other securities, rights or warrants or other assets to the shareholders for payment that is below the respective market price deemed relevant by the calculation agent;
- (c) any extraordinary dividend;
- (d) a request to pay in contributions in shares that are not fully paid;
- (e) a repurchase of shares by the company whether out of profits or capital and irrespective whether the consideration for such repurchasement is cash, securities or other assets;
- (f) of any other event that may have a diluting or concentrative effect on the theoretical, intrinsic value of the share.

3. **Other events:**

If during the term of the certificates

- (a) a share is changed due to takeovers, mergers, nationalization, delisting, insolvency or similar events, or
- (b) this/these event(s) entail adjustments to the respective share of the company, adjustments in the options contracts on the futures and options exchanges of the relevant share or the options contracts are changed in any other manner or such adjustments are not made because at the time they should have been made no options contracts were outstanding on the relevant exchange,

the issuer may

- (i) adjust the relevant share and if necessary carry out further adjustments; and/or

- (ii) terminate the certificate indicating the termination amount. In the event the security is terminated the issuer will pay to every certificate holder instead of the nominal value, an amount per certificate (termination amount) determined by the issuer according to its equitable opinion as the adequate market price of a certificate immediately before the event entitling the termination of the certificate.

These adjustments and the determination of the point in time as of when they shall apply, is fixed by the issuer at its own discretion and shall be binding (unless there is an obvious error) for all concerned parties and will be announced in accordance with 7.5. b.)

5. TERMS AND CONDITIONS OF THE OFFER

5.1. *Conditions, offer statistics, expected timetable and action required to apply for the offer*

5.1.1. **Conditions to which the offer is subject.**

The offer is not subject to any conditions.

The features of the individual securities issues result from the General Securities Terms (Chapter VI.) and the Final Terms (Chapter VI) supplementing the General Securities Terms.

At the time of preparation of this base prospectus, the Final Terms of the individual securities that the issuer will offer under the issuance programme describe were not yet final. However, as soon as these are final, the so-called Final Terms of the issuer in accordance with §7 par. 4. Capital Market Act will be deposited for inspection with the Financial Market Authority (FMA). A specimen for such final terms is included in this Base Prospectus (see Annex 4).

The Final Terms are to be read together with this Base Prospectus of Raiffeisen Centrobank AG of 18 July 2007. This Base Prospectus contains the complete and comprehensive information on the issuance programme and the individual securities issues.

5.1.2. **Total amount of the issue/offer; if the amount is not fixed, description of the arrangements and time for announcing to the public the amount of the offer.**

The total amount of the securities issue is EUR 5,000,000,000. The sum of the individual security issues results from the Final Terms Chapter VI. "5.1.2 Total Volume". The issuer has the right to issue further structured securities with the same features (as applicable except for the exercise period) as the structured securities described in this Base Prospectus so that these form a uniform issue together with the respective structured securities and increase the number.

5.1.3. **The time period, including any possible amendments, during which the offer will be open and description of the application process.**

The issue is continuous and repeated (continuous issue). Generally, in the case of continuous issues of structured securities, the offer period corresponds to the term of the securities. The issuer has the right to define a subscription period. This shall be stated in the Final Terms Chapter VI "5.1.3 Subscription Period".

The invitation to make an offer to the initial buyers shall be done by the distribution partners, if any, of the issuer. The interested investors subsequently submit an offer to the issuer or other distribution partner

for the purchase of the structured securities. The acceptance of the offer is done by the issuer by way of securities settlement or allotment. The issuer shall retain the right without having to state reasons for not accepting offers or to execute only parts of offers.

5.1.4. Details of the minimum and/or maximum amount of application, (whether in number of securities or aggregate amount to invest).

The denomination of the securities results from the Final Terms Chapter VI. "5.1.4 Denomination". No maximum amount is fixed. The maximum amount of the offering therefore is generally derived from the total volume of the concrete securities issue (see Final Terms Chapter VI. "5.1.2 Volume").

5.1.5. Method and time limits for paying up the securities and for delivery of the securities.

Unless otherwise stipulated in the Final Terms or supplemented therein, the payment of the purchase price is based on a purchase contract between the investor and the issuer (General Securities Terms in conjunction with the Final Terms) on the purchase of the structured securities. The structured securities are delivered upon payment within the period usual on the market.

5.1.6. A full description of the manner and date in which results of the offer are to be made public.

The issue is a continuous issue and therefore no disclosure of the proceeds of the offer can be done.

5.2. *Plan of distribution and allotment*

5.2.1. The various categories of potential investors to which the securities are offered. If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

There are no plans for categories of investors. Information on the tranche in the case of admission to trading on two or more markets is contained in the Final Terms Chapter VI "5.2 Exchange Listing".

5.2.2. Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made.

Not applicable.

5.3. *Pricing*

Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure. Indicate the amount of any expenses and taxes specifically charged to the subscriber or purchaser.

The issue price of the structured securities is fixed taking into account several different factors (e.g. price of the underlying instrument of the security on a certain date and the fluctuation range, current interest rates, exchange rates, future dividend expectations and product-specific parameters).

The issue price is disclosed in the Final Terms Chapter VI "5.3. Issue Price". Generally, no issue surcharge is planned. Should the issuer, however, intend to fix such an issue surcharge, it will be disclosed in the Final Term Chapter VI "5.3 Issue Surcharge".

The costs that may arise include transaction costs and the usual banking purchase fees. The costs and expenses of indirect buying are not subject to the control of the issuer.

5.4. Placing and underwriting

5.4.1. Name and address of the coordinator(s) of the global offer and of single parts of the offer and, to the extent known to the issuer or to the offeror, of the placers in the various countries where the offer takes place.

Not applicable.

5.4.2. Name and address of any paying agents and depository agents in each country.

a) The following applies to warrants:

The paying agent, application agent and warrants agent is Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna, Austria. The crediting of redemption payments to the holder shall be done by the respective custodian bank of the securities holder. The issuer shall have the right to name additional paying agents and warrants agents and to revoke their appointment. Appointments and revocations shall be disclosed pursuant to 7.5 a.). The paying agents and warrants agents shall act in this function solely as parties commissioned by the issuer and their relationship with the holders of warrants shall not be one of contractor or trustee.

The paying agents, application agents and warrants agent shall only be liable for any representations made or omitted, declarations accepted or actions taken or not taken to the extent they do not violate the due diligence and prudence principles of a proper merchant.

The depository shall be OeKB in its function as central securities depository.

b) Applicable to other structured securities to be offered under this issuance programme:

Paying agent is Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna, Austria. The crediting of redemption payments to the holder shall be done by the respective custodian bank of the securities holder. The issuer shall have the right to name additional paying agents and to revoke their appointment. Appointments and revocations shall be disclosed pursuant to 7.5 a.). Any further paying agents shall act in this function solely as parties commissioned by the issuer and their relationship with the holders of warrants shall not be one of contractor or trustee.

The paying agents shall only be liable for any representations made or omitted, or declarations accepted or actions taken or not taken to the extent they do not violate the due diligence and prudence principles of a proper merchant.

The depository shall be OeKB in its function as central securities depository.

5.4.3. Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Where not all of the issue is underwritten, a statement of the portion not covered.

Not applicable.

5.4.4. When the underwriting agreement has been or will be reached.

Not applicable.

5.4.5. Name and address of a calculation agent.

The issuer is the calculation agent.

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

6.1. An indication as to whether the securities offered are or will be the object of an application for admission to trading, with a view to their distribution in a regulated market or other equivalent markets with indication of the markets in question. This circumstance shall be mentioned, without creating the impression that the admission to trading necessarily will be approved. If known, the earliest dates on which the securities will be admitted to trading shall be given.

Should an application to trading on a regulated market/markets or an equivalent market be made for the securities to be newly issued under this issuance programme, this shall be stated in the Final Terms Chapter VI "6.1 Admission to Trading/Markets". In such case, it will be possible to trade the securities on every exchange trading day on the exchange and over the counter in continuous trading.

At present, the issuer plans to apply to trading for the securities on the Semi-official Market of Wiener Börse, on the Regulated Unofficial Market (EUWAX) of the Stuttgart Stock Exchange and on a regulated market in the EU member states of Hungary, Poland, Slovenia, Slovakia, the Czech Republic and Romania.

6.2. All the regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.

To the knowledge of the issuer, such securities are traded on the Semi-official Market and the Third Market of Wiener Börse as well as on the Unregulated Market and Regulated Unofficial Market of the Stuttgart Stock Exchange (EUWAX).

6.3. Name and address of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment.

Not applicable.

7. ADDITIONAL INFORMATION

7.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.

Not applicable.

7.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.

Not applicable.

7.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such person's name, business address, qualifications and material interest, if any, in the issuer. If the report has been produced at the issuer's request a statement to that effect that such

statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the Securities Note.

Not applicable.

7.4. Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the issuer shall identify the source(s) of the information.

Not applicable.

7.5. An indication in the prospectus whether or not the issuer intends to provide post-issuance information. Where the issuer has indicated that it intends to report such information, the issuer shall specify in the prospectus what information will be reported and where such information can be obtained.

Generally, the publication of information is not planned for after the issue. In those cases in which

- a.) a reference is made to Chapter 7.5 a.), announcements concerning structured securities described in this prospectus will be made in accordance with the law in the Official Gazette of "Wiener Zeitung". Should this newspaper discontinue publication, it shall be replaced by the daily newspaper serving as medium for official announcements. A special notification of each individual holder of a warrant shall not be required.
- b.) a reference is made to Chapter 7.5 b.), announcements concerning structured securities described in this prospectus will be made by deposit with the Austrian Financial Market Authority and simultaneously publication on the website of the issuer (<http://www.rcb.at/>).

Unless otherwise stipulated in these securities terms, these announcements shall only serve for information purposes and do not constitute any requirement for the effectiveness of the issue.

VI. FINAL TERMS

At the time of preparation of this base prospectus, the final terms of the individual securities that the issuer will offer under the issuance programme described were not yet final. However, as soon as these terms become final, the so-called Final Terms of the issuer in accordance with §7 par. 4. Austrian Capital Market Act will be deposited for inspection with the Financial Market Authority (FMA). A specimen of such final terms is included in this Base Prospectus (see below).

The final terms are to be read together with this Base Prospectus of Raiffeisen Centrobank AG of 18 July 2007. This Base Prospectus contains the complete and comprehensive information on the issuance programme and the individual securities issues.

**Specimen
Final Terms**

**Issuance Programme 2007/2008
of
Raiffeisen Centrobank AG**

for

**Warrants
Discount Certificates
Turbo Certificates
Range Turbo Certificates
Investment Certificates
Bonus Certificates
Speed Certificates
Reverse convertibles
Lock-in Certificates
Outperformance Certificates
Guarantee Certificates
Centrobank Certificates
Twin Win Certificates
Reverse Bonus Certificates
Express Certificates**

The complete and comprehensive information on Raiffeisen Centrobank AG and on the issuance programme and the individual securities issues are contained in the Base Prospectus of Raiffeisen Centrobank AG of 18 July 2007 which is to be read in conjunction with these Final Terms. The Base Prospectus will be made available at Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna, Austria during the usual business hours. These Final Terms also serve to complete the General Securities Terms of Raiffeisen Centrobank (Annex 4 of the Base Prospectus of 18 July 2007).

For issues of individual securities which are only offered in Austria and/or Germany the Final Terms and the General Securities Terms are exclusively drawn up in German language.

Information pursuant to General Securities Terms	Information pursuant to (EC) 809/2004 Chapter V of the Base Prospectus	Final Terms
1	"4.1.1 Category of Security" ²	
2	"4.1.1 ISIN"	
3	"4.1.1 Type of Security" ³	
4	"4.1.4 Classification of Security" ⁴	
5	"4.1.5 Currency of Structured Security"	
6	"4.1.7 Exercise" ⁵	
7	"4.1.7 Exercise Period"	
8	"4.1.7 Strike Price"	
9	"4.1.7 Barrier"	
10	"4.1.7 Underlying Instrument"	
11	Type	
12	Description of underlying instrument ⁶	
13	"4.1.7 Subscription Ratio"	
14	"4.1.7 Calculation of Residual Value"	
15	"4.1.7 Bonus Level" ⁷	
16	"4.1.7 Bonus Amount" ⁸	
17	"4.1.7 CAP and/or FLOOR" ⁹	
18	"4.1.7 Starting Value" ¹⁰	
19	"4.1.7 Number of Shares" ¹¹	
20	"4.1.7 Interest Calculation Method" ¹²	
21	"4.1.7 Start of Interest"	
22	"4.1.7 Coupon Payment(s)" ¹³	
23	"4.1.7 Valuation Day" ¹⁴	
24	"4.1.7 Participation" ¹⁵	
25	"4.1.7 Lock-in level" ¹⁶	

² Indication of structured security which is the object of the securities issue.

³ Call or put, and long or short

⁴ Bearer securities/registered securities

⁵ Exercise is either automatically or by the security holder; American style: Exercise is within the exercise period; European style: Exercise is on the exercise day which corresponds to the maturity date (see "4.1.7 Maturity Date").

⁶ For shares/ADR/GDR: issuer and ISIN number.

For indices: name of index and description if the index has been composed by the issuer. Otherwise indication of the system where information on the index is available.

For commodities: price of the respective commodity and ISIN number.

For reverse convertibles: information on shares and index as well as ISIN number.

Furthermore, currency of the underlying instrument is to be indicated.

⁷ For bonus certificates.

⁸ For reverse bonus certificates.

⁹ FLOOR is to be indicated only for range turbo/reverse discount certificates.

¹⁰ For speed and (reverse) bonus certificates.

¹¹ For reverse convertibles

¹² The method of interest calculation must contain: end date of calculation of interest and interest payment day.

¹³ For guarantee, centrobank and express certificates as well as reverse convertibles.

¹⁴ For reverse convertibles.

¹⁵ For speed, bonus and twin win certificates

¹⁶ For lock-in certificates

Information pursuant to General Securities Terms	Information pursuant to (EC) 809/2004 Chapter V of the Base Prospectus	Final Terms
26	"4.1.7 (Initial) Fixing Date" ¹⁷	
27	"4.1.7 Guaranteed Amount" ¹⁸	
28	"4.1.7 Participation Amount" ¹⁹	
29	„4.1.7 Redemption Amount“	
30	„4.1.7 Observation Dates“ ²⁰	
31	"4.1.7 Dividend Adjustment" ²¹	
32	"4.1.7 Dividend Payments" ²²	
33	"4.1.7 Threshold(s)" ²³	
34	"4.1.7 Observation Period" ²⁴	
35	"4.1.7 Minimum Redemption" ²⁵	
36	"4.1.7 Closing Price" ²⁶	
37	"4.1.7 Settlement" ²⁷	
38	"4.1.7 Conversion"	
39	"4.1.7 Termination"	
40	"4.1.9 Issue Date"	
41	"4.1.9 Maturity Date" ²⁸	
42	"4.1.10 Transferability of Securities"	
43	"4.1.11 Redemption Date"	
44	"4.1.12 Relevant Exchange/Price-fixing Entity"	
45	"4.1.13 Delivery of Securities" ²⁹	
46	"4.1.13 Payment Date" ³⁰	
47	"4.2.3 Market Disruption"	
48	"4.2.4 Adjustment Rules"	
49	"5.1.2 Volume"	
50	"5.1.3 Subscription Period"	
51	"5.1.4 Denomination"	
52	"5.2. Exchange Listing"	
53	"5.3 Issue Surcharge"	
54	"5.3 Issue Price"	
55	"6.1 Admission to Trading/Markets"	

17 If applicable, the (initial) fixing date is to be indicated for bonus and guarantee certificates.

18 For guarantee certificates

19 For guarantee certificates

20 For guarantee certificates

21 For turbo certificates.

22 For centrobank and express certificates.

23 For express certificates.

24 For express certificates.

25 For express certificates.

26 Indication of closing price and its method of calculation.

27 Cash settlement or effective delivery.

28 For certificates with no pre-defined maturity, "open-end" must be indicated.

29 In the case of warrants and reverse convertibles with physical delivery.

30 In the case of warrants with physical delivery, the delivery date is to be indicated instead of the payment date.

VII. SIGNATURES PURSUANT TO THE AUSTRIAN CAPITAL MARKET ACT

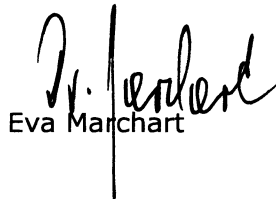
Pursuant to § 8 par. 1 Capital Market Act

Raiffeisen Centrobank Aktiengesellschaft

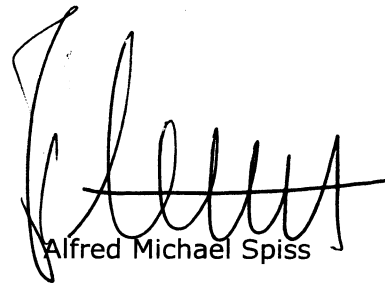
hereby signs as issuer



Gerhard Grund



Eva Marchart



Alfred Michael Spiss

Vienna, on 18th July, 2007

VIII. ANNEXES

- Annex 1: Financial Statements for the year ending on 31 December 2005 including audit opinion
- Annex 2: Financial statements for the year ending 31 December 2006 including audit opinion
- Annex 3: Statements of sources and for the application of funds for the business years ending 31 Dec. 2005 and 31 Dec. 2006 including the auditors confirmation
- Annex 4: General Securities Terms

ANNEX 1

Financial Statements for the year ending
on 31 December 2005 including audit opinion

Balance Sheet

as of December 31, 2005

Assets

	EUR	Dec. 31, 2005 EUR	TEUR	Dec. 31, 2004 TEUR
1. Cash in hand and balances with central banks		3,478,373.44		3,000
2. Treasury bills and similar securities eligible for refinancing with central banks		15,786,308.22		18,138
3. Claims on credit institutions				
a) repayable on demand	90,699,439.74		39,894	
b) other claims	87,406,719.52	178,106,159.26	38,901	78,795
4. Claims on costumers		180,794,688.79		195,227
5. Bonds and other fixed-income securities				
a) issued by public issuers	2,091,531.47		438	
b) issued by other borrowers	95,716,914.08	97,808,445.55	118,148	118,586
6. Shares and other variable-yield securities		885,241,260.26		486,793
7. Investments in related companies		5,167,850.12		5,168
8. Investments in subsidiaries		11,952,364.54		18,457
9. Intangible fixed assets		420,188.00		582
10. Tangible fixed assets		19,543,171.96		5,226
hereof: land and buildings used by the credit institution for its own activities EUR 14,563,495.92; previous year: TEUR 1,263				
11. Other assets		207,141,363.32		41,076
12. Deferred expenses		942,807.60		2,038
Total assets		1,606,382,981.06		973,086
Items shown below the balance sheet				
1. Foreign assets		1,030,174,115.26		608,088

Liabilities and Shareholders' Equity

	EUR	Dec. 31, 2005 EUR	TEUR	Dec. 31, 2004 TEUR
1. Liabilities to credit institutions				
a) repayable on demand	7,930,860.50		31,038	
b) with agreed maturity dates or periods of notice	60,248,390.72	68,179,251.22	132,683	163,721
2. Other liabilities to customers				
a) repayable on demand	88,514,828.88		76,314	
b) with agreed maturity dates or periods of notice	27,339,159.17	115,853,988.05	36,505	112,819
3. Liabilities evidenced by certificates				
a) issued bonds		654,652,314.66		392,125
4. Other liabilities		656,899,117.60		218,337
5. Deferred income		551,615.76		840
6. Provisions				
a) provisions for severance compensation	2,736,196.51		2,510	
b) provisions for pensions	262,804.81			
c) provisions for taxes	1,807,065.00		516	
d) other provisions	15,421,460.88	20,227,527.20	9,460	12,486
7. Subscribed capital		47,598,850.00		47,599
8. Share premium account (appropriated reserves)		6,651,420.71		6,651
9. Revenue reserves (statutory reserve)		1,030,936.83		1,031
10. Reserve under Sec. 23 subsec. 6 Austrian Banking Act		13,029,860.00		11,795
11. Net profit		21,708,099.03		5,682
Total liabilities and shareholders' equity		1,606,382,981.06		973,086
Items shown below the balance sheet				
1. Contingent liabilities guarantees and assets pledged as security		6,414,715.94		9,301
2. Commitments		2,106,055.69		16,287
3. Liabilities arising from trust transactions		7,211,141.16		7,211
4. Total net capital resources under Sec. 23 subsec. 14, Banking Act hereof capital resources under Sec. 23 subsec. 14, ref 7 Banking Act EUR 0.00; previous year: TEUR 0		67,890,879.54		66,494
5. Required capital resources under Sec. 22 subsec. 1 Austrian Banking Act hereof required capital resources under Sec. 22 subsec. 1, ref 1 and 4 Austrian Banking Act EUR 19,043,000.00; previous year: TEUR 17,892		49,891,000.00		38,795
6. Foreign shareholders' equity and liabilities		154,230,445.74		199,970

Profit and Loss Account

for the Year ended December 31, 2005

	EUR	2005 EUR	2004 TEUR
1. Interest and similar income		12,015,336.48	7,764
hereof: from fixed-income securities	1,200,388.05		1,211
2. Interest and similar expenses		-8,223,303.98	-6,127
I. NET INTEREST INCOME		3,792,032.50	1,637
3. Income from securities and from investments in related companies and subsidiaries		7,649,038.23	4,772
a) income from shares and other variable- yield securities	7,649,038.23		4,772
4. Fee and commission income		12,628,523.81	7,726
5. Fee and commission expenses		-8,122,827.89	-5,423
6. Net profit on financial trading activities		40,724,285.08	25,115
7. Other operating income		1,818,818.30	1,261
a) net profit on commercial trading activities	456,157.95		397
b) remaining other operating income	1,362,660.35		864
II. OPERATING INCOME		58,489,870.03	35,088
8. General administrative expenses		-28,028,663.49	-22,067
a) staff expenses			
aa) wages and salaries	15,497,464.62		12,208
bb) statutory social security contributions as well as levies and compulsory contributions dependent on wages and salaries	2,588,267.91		2,403
cc) other employee benefits	288,703.73		257
dd) expenses for old age pension scheme	511,142.18		239
ee) allocation to the provision for severance compensation	973,502.85		818
	19,859,081.29		15,925
b) other administrative expenses	8,169,582.20		6,142
9. Depreciation in respect of asset items 9 and 10		-1,639,822.14	-1,442
10. Other operating expenses		-67,354.24	-65
III. OPERATING EXPENSES		-29,735,839.87	-23,574

	EUR	2005 EUR	TEUR	2004 TEUR
IV. OPERATING RESULT		28,754,030.16		11,514
11. Expenditures arising from the valuation of receivables and from securities held as other current assets		-1,310,471.16		-2,778
12. Income arising from the valuation of receivables		137,835.40		1,872
13. Expenditures arising from the valuation of securities valued as financial fixed assets and of subsidiaries		-3,141,841.34		-3,163
14. Income arising from the disposal of securities valued as financial fixed assets		279,983.95		0
V. RESULT OF ORDINARY ACTIVITIES		24,719,537.01		7,445
15. Taxes on income		-1,801,417.02		-385
16. Other taxes unless included in item 15		-908,599.41		-565
VI. ANNUAL SURPLUS		22,009,520.58		6,495
17. Adjustment of reserves		-1,235,000.00		-1,474
thereof donation of liability reserve	1,235,000.00		1,474	
VII. PROFIT FOR THE YEAR		20,774,520.58		5,021
18. Profit brought forward from the previous year		933,578.45		661
VIII. NET PROFIT		21,708,099.03		5,682

Fixed Assets

as of December 31, 2005

	As at Jan. 1, 2005 EUR	Additions EUR	Cost Disposals EUR
I. Intangible fixed assets			
EDP-software-licenses	2,153,069.22	71,321.13	0.00
II. Tangible fixed assets			
1. Land and buildings occupied by the credit institution for its own activities hereof value of land: EUR 3,066,200.92; previous year: TEUR 266	1,329,004.61	13,460,780.50	0.00
2. Office furniture and fixtures	13,203,645.39	2,387,120.55	493,223.74
	14,532,650.00	15,847,901.05	493,223.74
III. Financial fixed assets			
1. Investments in subsidiaries hereof credit institutions: EUR 0.0	50,161,365.65	1,244,789.46	31,888,384.43
2. Investments in related companies hereof credit institutions: EUR 0.0	5,168,286.12	0.00	0.00
3. Other financial fixed assets	19,432,853.32	15,669,750.00	19,432,853.32
	74,762,505.09	16,914,539.46	51,321,237.75
Total	91,448,224.31	32,833,761.64	51,814,461.49

<i>As at</i> Dec. 31. 2005 EUR	<i>Depreciation</i> <i>accumulated</i> EUR	<i>Net book value</i>		<i>Depreciation</i> 2005 EUR
		<i>As at</i> Dec. 31, 2005 EUR	<i>As at</i> Dec 31, 2004 EUR	
2,224,390.35	1,804,202.35	420,188.00	581,880.00	233,013.13
14,789,785.11	226,289.19	14,563,495.92	1,262,551.92	159,836.50
15,097,542.20	10,117,866.16	4,979,676.04	3,963,430.00	1,246,972.51
29,887,327.31	10,344,155.35	19,543,171.96	5,225,981.92	1,406,809.01
19,517,770.68	7,565,406.14	11,952,364.54	18,456,766.17	490,000.00
5,168,286.12	436.00	5,167,850.12	5,167,850.12	0.00
15,669,750.00	161,250.00	15,508,500.00	19,090,092.51	161,250.00
40,355,806.80	7,727,092.14	32,628,714.66	42,714,708.80	651,250.00
72,467,524.46	19,875,449.84	52,592,074.62	48,522,570.72	2,291,072.14

Notes to the Accounts

A. Accounting and Valuation Principles

General principles

The financial statements 2005 have been prepared in accordance with the general accounting principles of the Commercial Code and the regulations of the Austrian Banking Act. The balance sheet as well as the profit and loss account have been set up according to the classification rules as specified in § 43 of the Austrian Banking Act, whereas the structure of the profit and loss account has been supplemented by sub-item 7. a) in order to indicate specific countertrade transactions.

Changes in the accounting and valuation methodology have not been made compared with the 2004 financial statements.

Currency conversion

Assets and liabilities denominated in foreign currencies have been valued at the middle rates of exchange fixed by the European Central Bank on the balance sheet date. Amounts denominated in currencies for which the European Central Bank published no rates have been converted at the middle rates of exchange published by Raiffeisen Zentralbank Österreich AG.

Forward exchange contracts have been valued at forward rates.

All differences in rates resulting from currency conversion have been stated with effect to the profit and loss account.

Valuation of securities

Fixed interest-bearing securities considered to be a long-term investment have been treated as fixed assets and have been stated at redemption or carried forward acquisition costs.

Shares held for trading purposes or as other current assets as well as fixed income securities have either been stated at market prices as of December 30, 2005 or at prices quoted by Reuters or other credit institutions.

Valuation of options and futures

Options on securities, on securities' indices and futures held for trading purposes which are quoted at stock exchanges have been valued at market rates as at December 30, 2005. OTC options have been shown at a synthetic market price. Conventional options have been valued according to the Black Scholes model or binomial pricing model and Asian options have been valued according to Monte Carlo simulations.

Claims on credit institutions and customers

Claims on credit institutions and customers have been shown at nominal value. Provisions for depreciation have been made in case of risk of default of customers.

Subsidiaries and investments in related companies

Subsidiaries and investments in related companies have been shown at cost, unless permanent diminution in value has led to extraordinary depreciation.

Intangible fixed assets and tangible fixed assets

Intangible fixed assets and tangible fixed assets (land and buildings, office furniture and fixtures) have been valued at cost less normal, linear depreciation.

Depreciation rates applied are 33.3% and 14.3% p.a. for intangible fixed assets, 2.5% and 10% p.a. for immovable fixed assets (e.g. buildings) and for 10% to 20% p.a. for movable fixed assets (e.g. office equipment).

Liabilities to credit institutions and customers

Liabilities to credit institutions and customers have been shown at their redemption price.

Liabilities evidenced by certificates

The value shown under balance sheet item "liabilities evidenced by certificates" (certificates related to stocks and indices) has been stated at the quotes determined by Raiffeisen Centrobank AG as market maker by means of the Monte Carlo simulation.

Countertrade obligations

Commissions received for taking over countertrade obligations are only booked as profit at the time of fulfilling countertrade obligations.

Provisions for severance compensation

Reserves have been established in order to fulfil the legal and contractual demands for severance compensation. In this regard, the bank abided by the guidelines specified by IAS 19 (Employee Benefits). The Projected Unit Credit Method was applied.

The tables and charts following the method of Pagler&Pagler were used as the biometric basis for actuarial calculations. A decreasing fluctuation rate in connection to the years of employment, as well as an annual salary increase amounting to 3%, were incorporated in the calculation. The presumption underlying the calculation was using the earliest possible retirement date, taking into account the changes in the General Social Security Law in accordance with the Budgetary Side Law 2003, Article 73 (BGBl I No. 71/2003). The calculatory interest rate amounted to 4.25% compared to 5.25% in 2004.

Provisions for pensions

Provisions for pensions have been established in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method. A calculatory interest rate of 4.25% has been applied, assuming a profit sharing rate of 2% and a retiring age of 60 years.

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined.

B. Notes to the Accounts

I. Assets

Classification of claims other than those repayable on demand according to their time to maturity

<i>Figures in TEUR as per 31. 12. 2005</i>	<i>up to 3 months</i>	<i>more than 3 months up to 1 year</i>	<i>more than 1 year up to 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
<i>Debt instruments of public bodies</i>	278	0	15,508	0	15,786
<i>Claims on credit institutions</i>	87,407	0	0	0	87,407
<i>Claims on customers</i>	4,271	26,990	60,359	19,762	111,382
<i>Bonds</i>	2,181	0	32,874	62,753	97,808
<i>Other assets with maturity</i>	3,651	0	0	0	3,651
	97,788	26,990	108,741	82,515	316,034

Comparative figures as at 31.12.2004

<i>Figures in TEUR as per 31. 12. 2004</i>	<i>up to 3 months</i>	<i>more than 3 months up to 1 year</i>	<i>more than 1 year up to 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
<i>Debt instruments of public bodies</i>	138	18,000	0	0	18,138
<i>Claims on credit institutions</i>	38,888	0	0	0	38,888
<i>Claims on customers</i>	13,179	29,627	53,793	23,840	120,439
<i>Bonds</i>	1,026	0	42,024	75,536	118,586
<i>Other assets with maturity</i>	10,385	179	0	0	10,564
	63,616	47,806	95,817	99,376	306,615

II. Securities

II.1. Figures according to § 64 sec. 1, items 10 and 11 Banking Act:

<i>Figures in TEUR as at 31.12.2005</i>	<i>unlisted</i>	<i>listed</i>	<i>valued as financial assets</i>	<i>valued at market price</i>	<i>Total</i>
<i>Debt instruments of public bodies, A2</i>	0	15,786	15,786	0	15,786
<i>Bonds and other fixed income securities, A5</i>	2,090	95,718	0	97,808	97,808
<i>Shares and other variable- yield securities, A6</i>	117	885,124	0	885,241	885,241
<i>Investments in related companies, A7</i>	5,168	0	5168	0	5,168
<i>Subsidiaries, A8</i>	11,952	0	11,952	0	11,952

Investment securities are mainly employed as cover for securities transactions.

The balance sheet items A 2 and A 5 include in the amount of TEUR 15,786 securities treated as fixed assets, the balance sheet value of which exceeds by TEUR 13 the market value as at December 31, 2005 (2004: TEUR 187).

The market value of portfolio securities and of securities held as other current assets at the market price as at December 31, 2005 exceeded the purchase price by TEUR 18,346.

The balance sheet items A 2 and A 5 include fixed-income securities amounting to TEUR 113,594 (2004: TEUR 136,724), from which an amount of TEUR 2,090 will fall due in the course of 2006.

II.2. Subordinated assets

Item A 5 "Bonds and other fixed income securities" shows a subordinated convertible bond of Radex Heraklit International AG to the amount of TEUR 5,704 (2004: TEUR 11,730).

III. Other Assets

Item A "11 Other assets" amounting to TEUR 207,141 (2004: TEUR 41,076) primarily includes assets valued at market price stemming from trading in derivative financial instruments, amounting to TEUR 201,332 (2004: TEUR 24,974).

IV. Liabilities

IV.1. Classification of liabilities other than those repayable on demand according to their tenor to maturity

<i>Figures in TEUR as at 31.12.2005</i>	<i>up to 3 months</i>	<i>more than 3 months up to 1 year</i>	<i>more than 1 year up to 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
<i>Liabilities to credit institutions</i>	<i>57,906</i>	<i>1,689</i>	<i>654</i>	<i>0</i>	<i>60,249</i>
<i>Liabilities to other customers</i>	<i>2,571</i>	<i>19</i>	<i>21,627</i>	<i>3,123</i>	<i>27,339</i>
<i>Liabilities evidenced by certificates</i>	<i>13,485</i>	<i>1,093</i>	<i>234,202</i>	<i>405,872</i>	<i>654,652</i>
<i>Other liabilities with maturity</i>	<i>333</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>333</i>
	<i>74,295</i>	<i>2,801</i>	<i>256,483</i>	<i>408,995</i>	<i>742,573</i>

Comparative figures as at 31.12.2004

<i>Figures in TEUR as at 31.12.2004</i>	<i>up to 3 months</i>	<i>more than 3 months up to 1 year</i>	<i>more than 1 year up to 5 years</i>	<i>more than 5 years</i>	<i>Total</i>
<i>Liabilities to credit institutions</i>	124,551	7,000	818	0	132,369
<i>Liabilities to other customers</i>	13,531	16,425	0	5,046	35,002
<i>Liabilities evidenced by certificates</i>	60,657	0	147,438	184,030	392,125
<i>Other liabilities with maturity</i>	577	652	0	0	1,229
	199,316	24,077	148,256	189,076	560,725

IV.2. Liabilities evidenced by certificates

Item L 3 contains issued bonds amounting to TEUR 14,578 (2004: TEUR 60,657), which will fall due in the course of 2006.

IV.3. Other liabilities

Item L 4 "Other liabilities" amounting to TEUR 656,899 (2004: TEUR 218.337) contains in particular liabilities valued at market prices and premiums received from trading in securities and derivative financial instruments amounting to TEUR 652,803 (2004: TEUR 214.654).

V. Commitments for Use of Tangible Fixed Assets Not Shown on the Balance Sheet

In the period under report the rental expenses amounted to TEUR 480 (2004: TEUR 528). For the financial year 2006, we expect rental expenses of TEUR 326 and for the years 2006-2010 rental expenses of TEUR 1,794.

VI. Supplemental Data

Assets and liabilities in foreign currencies

The balance sheet total includes the following foreign currency amounts:

<i>Counter value in TEUR</i>	31.12.2005	31.12.2004
<i>Assets</i>	371,348	143,604
<i>Liabilities</i>	90,147	83,754

Forward business transactions not yet matured

At the balance sheet date the following forward business transactions had not yet matured:

	<i>Amounts in TEUR</i> 31.12.2005	31.12.2004
Purchase contracts		
<i>Interest rate options</i>	85,541	0
<i>Currency and interest rate swaps (only one currency)</i>	44,443	53,339
<i>Foreign exchange forward transactions</i>	33,746	56,043
<i>Index forward transactions</i>	241,730	33,998
<i>Options on substantial values and securities options</i>	780,300	380,736
<i>Share contracts</i>	15,725	7,445
Sales contracts		
<i>Interest rate options</i>	1,128	43,479
<i>Currency and interest rate swaps (only one currency)</i>	44,443	53,339
<i>Foreign exchange forward transactions</i>	33,947	55,664
<i>Index forward transactions</i>	60,869	50,863
<i>Options on substantial values and securities options</i>	1,453,628	585,803
<i>Options on commodities</i>	5,779	317
<i>Precious metal options</i>	14,867	7,788

Securities trading book

In accordance with § 22 b of the Austrian Banking Act, a securities trading book is held. At the balance sheet date the securities trading book, valued at market price (derivatives with delta values), amounted to (please see table on next page):

Amounts in TEUR	as at 31.12.2005	as at 31.12.2004
Shares	400,343	308,078
Listed options	8,377	3,565
Certificates	-64,491	-241,706
Bonds	11,531	23,022
OTC options	122,525	5,144
Warrants	-602,288	-53,899
Futures	203,456	-14,332
Bond futures	79,864	31,239
Total	159,488	61,490

C. Explanatory Notes to the Profit and Loss Account

Other operating income

Net profit on commercial trading activities amounting to TEUR 456 (2004: TEUR 397) contained in item "Other operating income" stems primarily from the realisation of countertrade obligations for third parties to Indonesia and from the performance of offset transactions.

D. Other Information

Contingent liabilities

Breakdown of contingent liabilities disclosed off-balance amounted to TEUR 6,415 (2004: TEUR 9,301):

Amounts in TEUR	31.12.2005	31.12.2004
Letters of Credit	2,319	3,236
Guarantees	4,096	6,065
hereof for subsidiaries and other related companies	414	1,842
Total	6,415	9,301

In accordance with § 93 of the Austrian Banking Act, the bank is legally obliged to provide for a proportionate deposit insurance within the framework of its professional association. Since May 1, 2003, Raiffeisen Centrobank AG has been a member of the Raiffeisen Group. This also entails an

affiliation with Austrian Raiffeisen Deposit Insurance, registered as a limited liability company in Vienna. In the 2004 financial year, the theoretical claim on this insurance is limited to a rate of 0.83 percent of the assessment basis in accordance with § 22 of the Austrian Banking Act at the balance sheet date, plus the weighted items of the Securities Trading Book in accordance with § 22 of the Austrian Banking Act. These contingent liabilities have been declared at a market value of EUR 0.07.

Commitments shown off-balance

Commitments shown off-balance amounting to TEUR 2,106 (2004: TEUR 16.287) refer exclusively to irrevocable credit commitments and credit limits.

Other contractual obligations

The following assets have been pledged as collateral for obligations:

Item A 3 "Claims on credit institutions"

TEUR 82,889 (2004: TEUR 33,579)
deposited with credit institutions and stock exchanges for the securities and options business

Items A 2 and A 5 "Fixed income securities"

TEUR 17,598 (2004: TEUR 19,402)
deposited with credit institutions as collaterals for the securities and options business

Item A 4 "Claims on customers"

TEUR 1,459 (2004: TEUR 8,622)
as collaterals for liabilities arising from refinancing of export loans with Oesterreichische Kontrollbank AG (item L 1 b "Liabilities to credit institutions")

Number of staff during the period under report

	2005		2004	
	as per 31.12.	average of the year	as per 31.12.	average of the year
<i>Employees (including members of the Executive Board)</i>	157	157	147	143
<i>hereof part time</i>	15	14	13	12
<i>Workers</i>	7	5	6	5
<i>hereof part time</i>	1	1	2	2
Total	164	162	153	148

Advances and loans to members of the Executive Board and Supervisory Board

At the balance sheet date, loans and advances amounting to EUR 179,937 had been granted to members of the Executive Board (2004: EUR 7,651). Repayments during the period under review amounted to EUR 2,715 (2004: EUR 2,914).

No advances, loans or guarantees were granted to members of the Supervisory Board.

Expenses for severance compensation and retirement benefits

Expenses for severance compensations and pensions (including allocation to pension funds, funds allocated to employee retirement benefit plans and provisions to the reserves for severance compensation) amounted to EUR 1,128,583 (2004: EUR 564,993) for members of the Executive Board and to EUR 356,062 for other employees (2004: EUR 492,207).

Provisions for pensions (including provisions to the reserves for severance compensation) as under item 8.ee) of the Profit and Loss Account amounted to TEUR 993 in 2005 (2004: TEUR 787).

Remuneration for members of the Executive Board and the Supervisory Board

In the year under report, remuneration for the four actual members of the Executive Board amounted to EUR 2,075,434 (2004: EUR 1,834,513). In 2005 severance compensation in the amount of EUR 567,156 to relatives of a member of the Executive Board, who had passed away, was paid. No attendance fees for meetings were paid to members of the Supervisory Board in 2005.

Group relations

The company is a related company of Raiffeisen-Landesbanken Holding GmbH, Vienna. The financial statements are integrated both into the consolidated financial statements of Raiffeisen-Landesbanken Holding GmbH, Vienna and Raiffeisen Zentralbank Österreich AG, which provides consolidated financial statements for the least number of companies required.

The consolidated financial statements are available at the relevant parent company and are also available at the Commercial Court of Vienna.

Since 2005 the company has been a member of RZB KI Beteiligungs GmbH as of § 9 Corporation Tax Law.

E. Members of the Executive Board, the Supervisory Board and State Commissioners

Executive Board

Chairman:

Gerhard VOGT (until May 18, 2005)

Speaker of the Executive Board:

Eva MARCHART (since September 14, 2005)

Members:

Alfred Michael SPISS

Gerhard GRUND

Supervisory Board

Chairmen:

Walter ROTHENSTEINER, Chairman of the Management Board Raiffeisen Zentralbank Österreich AG, Vienna

Deputy Chairmen

Patrick Butler, MA, Member of the Management Board Raiffeisen Zentralbank Österreich AG, Vienna –
First Deputy Chairman

Herbert STEPIC, Chairman Raiffeisen International Bankholding AG, Vienna –
Second Deputy Chairman

Members

Karl SEVELDA, Member of the Management Board Raiffeisen Zentralbank Österreich AG, Vienna

Christian TEUFL, Director Raiffeisen Zentralbank Österreich AG, Vienna

Helfried MAREK

State Commissioners

Peter BRAUMÜLLER, Divisional Director

Otto PLÜCKHAHN, Deputy Assistant (until November 30, 2005)

Tamara ELS, Deputy Assistant (since December 1, 2005)

Vienna, April 12, 2006

The Executive Board

Eva Marchart

Speaker of the Executive Board

Alfred Michael Spiss
Member of the Executive Board

Gerhard Grund
Member of the Executive Board

Auditor's Report

The preceding notes to the accounts accompanying the financial statements of Raiffeisen Centrobank AG, Vienna, as at December 31, 2005, represent the abridged version for the purpose of fulfilling the legal requirements of public disclosure, as specified in § 65 Sec. 2 of the Austrian Banking Act. We give the following unqualified opinion on all unabridged versions of the financial statements of Raiffeisen Centrobank AG, Vienna, and to the Report of the Executive Board, in accordance with § 274 Sec. 1 of the Austrian Commercial Code.

We conducted the audit of the financial statements of Raiffeisen Centrobank for the business year starting on January 1, 2005 and ending on December 31, 2005, taking account of the company's accounts. The accounting, presentation and the contents of these financial statements as well as the management report in accordance with the binding legal regulations of the Austrian Commercial Code are the responsibility of the legally appointed representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audit, and to state whether the management report for the company is in accordance with the financial statements.

We conducted our audit in accordance with the regulations and principles applicable in Austria in accordance with generally accepted standards on auditing. These principles require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether we can state that the management report for the company is in accordance with the financial statements. In determining the audit procedures, we considered our knowledge of the businesses, the economic and legal environment of the company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the financial statements on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. As a result of our duly-implemented audit, we can certify that the accounting records and the financial statements comply with binding legal regulations. The financial statements provide, in all material respects, a true and fair picture of the company's assets, financial position and profit or loss, in conformity with generally accepted accounting principles. The Report of the Executive Board is fully consistent with the financial statements of the company.

Vienna, April 12, 2006

KPMG

Wirtschaftsprüfungs- und Steuerberatungs GmbH

Walter Knirsch ppa. Kurt Eder
Certified public accountants and tax consultants

The financial statements were approved by the Supervisory Board of Raiffeisen Centrobank AG on May 17, 2006. The company is officially listed in the Commercial Register of the Commercial Court of Vienna, under the number FN 117507 f.

ANNEX 2

Financial Statements for the year ending
on 31 December 2006 including audit opinion

BALANCE SHEET AS AT DECEMBER 31, 2006

ASSETS	31.12.2006 Amounts in Euros	31.12.2005 Amounts in thousand Euros
1. Cash on hand and assets deposited with central banks	2,012,486.98	3,478
2. Treasury bills eligible for refinancing with central banks	31,206,986.30	15,786
<i>a) Treasury bills and similar securities</i>	<i>31,206,986.30</i>	<i>15,786</i>
3. Claims on financial institutions	301,634,878.96	178,107
<i>a) repayable on demand</i>	<i>98,587,385.44</i>	<i>90,700</i>
<i>b) other claims</i>	<i>203,047,493.52</i>	<i>87,407</i>
4. Claims on customers	147,966,527.11	180,795
5. Bonds and other fixed income securities	21,104,089.43	97,809
<i>a) issued by public issuers</i>	<i>3,033,156.10</i>	<i>2,092</i>
<i>b) issued by other issuers</i>	<i>18,070,933.33</i>	<i>95,717</i>
6. Shares and other variable-yield securities	1,152,309,682.08	885,241
7. Investments in related companies	5,167,850.12	5,168
8. Investments in subsidiaries	11,952,362.54	11,952
9. Intangible fixed assets	488,564.00	420
10. Tangible fixed assets thereof: properties and buildings used by the credit institution for its own activities EUR 14,270,404.92; previous year: TEUR 14,563	19,970,980.64	19,543
11. Other assets	313,835,801.37	207,141
12. Deferred expenses	822,602.93	943
Total Assets	2,008,472,812.46	1,606,383
Items shown below the balance sheet		
1. Foreign assets	1,387,483,953.85	1,030,174

EQUITY AND LIABILITIES	31.12.2006 Amounts in Euros	31.12.2005 Amounts in thousand Euros
1. Liabilities to credit institutions	42,397,400.71	68,179
<i>a) repayable on demand</i>	211,010.00	7,931
<i>b) with agreed maturity dates or periods of notice</i>	42,186,390.71	60,248
2. Other liabilities to customers	271,561,658.77	115,854
<i>a) repayable on demand</i>	87,035,630.97	88,515
<i>b) with agreed maturity dates or periods of notice</i>	184,526,027.80	27,339
3. Liabilities evidenced by certificates	823,609,435.83	654,652
<i>a) issued bonds</i>	823,609,435.83	654,652
4. Other liabilities	751,347,854.04	656,899
5. Deferred income	463,657.42	552
6. Provisions	22,732,004.18	20,228
<i>a) termination benefits</i>	3,381,889.61	2,736
<i>b) pension</i>	516,707.76	263
<i>c) taxes</i>	4,733,357.00	1,807
<i>d) other</i>	14,100,049.81	15,422
7. Subscribed capital	47,598,850.00	47,599
8. Share premium reserves	6,651,420.71	6,651
9. Revenue reserves	7,030,936.83	1,031
<i>a) statutory reserves</i>	1,030,936.83	1,031
<i>b) other reserves</i>	6,000,000.00	0
10. Reserve pursuant to § 23 Sect. 6 Austrian Banking Act	13,538,860.00	13,030
11. Net profit for the period	21,540,733.97	21,708
Total equity and liabilities	2,008,472,812.46	1,606,383
Items shown under the balance sheet		
1. Contingent liabilities arising from guarantees and assets pledged as security	1,106,540.84	6,415
2. Credit risks	521,776.87	2,106
3. Liabilities arising from trust transactions	7,091,124.48	7,211
4. Total net capital resources pursuant to § 23 Sect. Austrian Banking Act; thereof capital resources pursuant to § 23 Sect. 14 (7) Austrian Banking Act, EUR 0.00; previous year: TEUR: 0	74,331,503.54	67,891
5. Required capital resources pursuant to § 22 Sect. 1 Austrian Banking Act; thereof required capital resources pursuant to § 22 Sect. 1 (1) and 4 Austrian Banking Act, EUR 17,948,000.00; previous year: TEUR 19,043	56,979,000.00	49,891
6. Foreign equity and liabilities	300,463,116.70	154,230

PROFIT AND LOSS ACCOUNT FOR THE 2006 FINANCIAL YEAR

	2006 Amounts in Euros	2005 Amounts in thousand Euros
1. Interest and related income	30,609,696.12	12,015
<i>Thereof fixed-interest securities</i>	8,105,846.05	1,200
2. Interest and related expenses	- 24,548,789.89	- 8,223
I. Net Interest Income	6,060,906.23	3,792
3. Income from securities and investments	9,274,725.50	7,649
<i>a) Income from shares, related companies and subsidiaries and variable-yield securities</i>	9,274,725.50	7,649
4. Fee and commission income	15,289,531.64	12,629
5. Fee and commission expenses	- 2,501,130.26	- 8,123
6. Net profit on financial trading activities	29,680,533.21	40,724
7. Other operating income	1,134,304.29	1,819
<i>a) net profit on commercial trading activities</i>	159,677.03	456
<i>b) other operating income</i>	974,627.26	1,363
II. Operating Income	58,938,870.61	58,490
8. General administrative expenses	- 30,690,499.74	- 28,029
<i>a) staff costs</i>	22,455,266.90	19,859
<i>aa) wages and salaries</i>	17,703,173.88	15,497
<i>bb) statutory social security contributions as well as levies and compulsory contributions based on wages and salaries</i>	3,090,629.14	2,588
<i>cc) other employee benefits</i>	315,064.48	289
<i>dd) expenses for retirement benefits</i>	575,338.76	511
<i>ee) expenses for termination benefits and contributions to company pension funds</i>	771,060.64	974
<i>b) other administrative expenses (materials)</i>	8,235,232.84	8,170
9. Value adjustments (depreciation) on asset items 9 and 10	- 2,120,008.76	- 1,640
10. Other operating expenses	- 42,423.11	- 67
III. Operating Expenses	- 32,852,931.61	- 29,736

	2006 Amounts in Euros	2005 Amounts in thousand Euros
IV. Operating Result	26,085,939.00	28,754
11. Expenditures arising from the valuation and disposal of receivables and securities held as other current assets	- 376,520.26	- 1,310
12. Income arising from the valuation and disposal of receivables and securities held as other current assets	441,582.26	138
13. Expenditures arising from the valuation of securities capitalised as financial fixed assets, as well as investments in related companies and subsidiaries	- 60,037.34	- 3,142
14. Income arising from the disposal of shareholdings in related companies and subsidiaries	0.00	280
V. Result on Ordinary Activities (amount carried forward)	26,090,963.66	24,720
15. Income tax expense (thereof passed on from parent company: EUR 2,926,292.00; previous year: TEUR 1,801)	- 2,926,292.00	- 1,801
16. Other taxes, unless included in item 15	- 1,758,036.72	- 909
VI. Annual Surplus	21,406,634.94	22,010
17. Adjustment of reserves	- 509,000.00	- 1,235
<i>Thereof: allocation to the liability reserve</i>	<i>509,000.00</i>	<i>1,235</i>
VII. Profit for the Year	20,897,634.94	20,775
18. Profit carried forward from the previous year	643,099.03	933
VIII. Net Profit	21,540,733.97	21,708

DEVELOPMENT OF FIXED ASSETS IN THE 2006 FINANCIAL YEAR

Amounts in Euros	Acquisition costs Balance on 1. 1. 2006	Acquisition costs Additions	Acquisition costs Disposals
I. Intangible fixed assets			
Software licenses	2,224,390.35	329,979.57	0.00
II. Tangible fixed assets			
1. Property and buildings used by the credit institution for its own activities; thereof value of the property: EUR 3,066,200,92; previous year: TEUR 3,066	14,789,785.11	0.00	0.00
2. Office equipment, furniture and fittings	15,097,542.20	2,304,713.87	375,191.52
	29,887,327.31	2,304,713.87	375,191.52
III. Financial assets			
1. Investments in subsidiaries; thereof shareholdings in credit institutions: EUR 0.00	19,517,770.68	10,000.00	4,025,504.19
2. Investments in related companies; thereof shareholding in credit institutions: EUR 0.00	5,168,286.12	0.00	0.00
3. Other fixed financial assets (securities)	15,669,750.00	0.00	15,669,750.00
	40,355,806.80	10,000.00	19,695,254.19
Total	72,467,524.46	2,644,693.44	20,070,445.71

Acquisition costs Balance on 31. 12. 2006	Accumulated Depreciation	Net book value 31. 12. 2006	Net book value 31. 12. 2005	Depreciation in the 2006 financial year
2,554,369.92	2,065,805.92	488,564.00	420,188.00	261,603.57
14,789,785.11	519,380.19	14,270,404.92	14,563,495.92	293,091.00
17,027,064.55	11,326,488.83	5,700,575.72	4,979,676.04	1,565,314.19
31,816,849.66	11,845,869.02	19,970,980.64	19,543,171.96	1,858,405.19
15,502,266.49	3,549,903.95	11,952,362.54	11,952,364.54	10,000.00
5,168,286.12	436.00	5,167,850.12	5,167,850.12	0.00
0.00	0.00	0.00	15,508,500.00	0.00
20,670,552.61	3,550,339.95	17,120,212.66	32,628,714.66	10,000.00
55,041,772.19	17,462,014.89	37,579,757.30	52,592,074.62	2,130,008.76

NOTES

A. Accounting policies

General principles

The financial statements of Raiffeisen Centrobank for the 2006 financial year have been prepared in accordance with the general accounting principles stipulated in the Austrian Commercial Code and the specific sectoral regulations as specified by the Austrian Banking Act. The balance sheet as well as the profit and loss account have been structured according to Appendix 2 of the forms contained in § 43 Austrian Banking Act. The structure of the profit and loss account in regards to ensuring an adequate representation of the commodity trading (countertrade) activities of Raiffeisen Centrobank have been expanded to include a sub-item entitled "Net profit on commercial trading activities".

Changes in the accounting and valuation methods have not been made compared to the 2005 financial statements.

Currency conversion

Assets and liabilities denominated in foreign currencies are reported at the middle rates of exchanges fixed by the European Central Bank on the balance sheet date. Amounts denominated in currencies for which the European Central Bank published no rates are converted at the middle rates of exchange published by Raiffeisen Zentralbank Österreich AG on the balance sheet date.

Currency futures and options transactions in foreign currencies are capitalised at the forward exchange rates. Any differences in rates resulting from currency conversion are reported as a profit or loss in the financial statements.

Securities portfolio – valuation of securities, futures and options

A daily market price system is applied for the valuation of securities held for trading purposes or as other current assets.

In terms of securities held for trading purposes or as other current assets, the company's portfolio of shares in publicly-listed companies as well as fixed-interest securities are reported at the share price prevailing on the balance sheet date.

Certificates acquired based on a share price related or index related performance are valued with the assistance of valuation models to illustrate stochastic development processes.

Bonds issued by borrowers from Eastern European markets as well as shares issued by Eastern European companies held by the company for trading purposes are valued at the market rates announced by other credit institutions and brokers, or as quoted by Reuters, provided that share prices for these securities are not available or do not provide sufficient information.

Options on securities of publicly-listed companies and options on security indices (i.e. sold and bought calls and puts, primarily OeTOB and EUREX options) as well as futures held for trading purposes are valued according to the market prices prevailing on the balance sheet date.

The valuation of conventional OTC options is shown at a synthetic market price, based on the Black Scholes model (for European options) or binomial pricing models (for American options). Asian options are valued according to Monte Carlo simulation methods.

Claims on financial institutions and customers

Claims on financial institutions and customers are shown at their nominal value. Individual value adjustments or provisions for depreciation are made in the case of an identifiable recognisable risk of default on the part of borrowers.

Subsidiaries and investments in related companies

Subsidiaries and investments in related companies are principally capitalised according to the principle of “going concern” (the ability to continue functioning as a business entity) at their cost of acquisition. Depreciation is carried out when, in all probability, a permanent diminution in value has taken place.

Intangible and tangible fixed assets

The valuation of intangible fixed assets as well as tangible fixed assets (i.e. property and buildings, office equipment, furniture and fittings) is carried out at the cost of acquisition less their scheduled, linear depreciation.

Depreciation rates applied are 33.3% and 14.3% p.a. for intangible fixed assets, 2.5% and 10.0% p.a. for immovable fixed assets, and 10%–20% p.a. for movable fixed assets. A full year’s depreciation is taken in the case of additions made during the first half of the financial year, whereas half-year depreciation applies to additions in the second half of the financial year. Assets with an extremely low value (cost of acquisition per item less than TEUR 0.4) are fully depreciated in the year of acquisition.

Liabilities from bank transactions

Liabilities from bank transactions are reported at the amount of repayment, taking into consideration the principle of financial prudence.

Liabilities to credit institutions

Liabilities evidenced by certificates (e.g. certificates partially with a capital guarantee, the interest on which is dependent on the share price performance or the performance of the share index) are reported using valuation methods to depict the stochastic development of share prices (Monte Carlo simulation models).

Provisions for termination benefits

The provisions for termination benefits are designed to fulfil legal demands, as well as those arising from individual or collective contractual agreements. Provisions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 4.5% (2005: 4.25%), as well as an unchanged annual salary increase amounting to 3.0%. The underlying presumption is a decreasing fluctuation rate in connection with an increase in the number of years working for the company, and the earliest possible retirement date, taking into account the changes to Austria’s General Social Security Law in accordance to the Budgetary Amendment 2003. The premium reserve amounts to 58.9% of the statistical termination

Provisions for pensions

Provisions for pensions are calculated in accordance with the guidelines specified by IAS 19, applying the Projected Unit Credit Method and assuming a calculatory interest rate of 4.5% (2005: 4.25%), an unchanged 2% increase in the probable profit sharing rate, and a retirement age of 60 years. In 2005, pension commitments were allocated to a specified group of eligible employees. The cash value of the pension plan reinsurance concluded for future beneficiaries is reported as "Other assets".

Other provisions

Other provisions have been made according to expected demands. They comprise identifiable risks and liabilities, the extent of which has not yet been determined.

B. Notes to the Accounts

I. Cash on hand and assets deposited with central banks

The balance sheet item A1, which encompasses cash on hand and assets deposited with the Austrian National Bank, is reported as TEUR 2,012 (2005: TEUR 3,478). The bank abided by prevailing regulations pertaining to liquidity and minimum reserves.

II. Claims on financial institutions and customers

II.1. Classification of claims other than those repayable on demand according to their term to maturity

as at 31.12.2006 Amounts in thousand Euros	0-3 months	3-12 months	1-5 years	> 5 years	Total
Debt instruments of public bodies	997	0	30,210	0	31,207
Claims on financial institutions	203,047	0	0	0	203,047
Claims on customers	98,184	40,403	491	8,889	147,967
Bonds	18,102	0	3,000	2	21,104
	320,330	40,403	33,701	8,891	403,325

Comparative figures as at 31.12.2005 Amounts in thousand Euros	0-3 months	3-12 months	1-5 years	> 5 years	Total
Debt instruments of public bodies	278	0	15,508	0	15,786
Claims on financial institutions	87,407	0	0	0	87,407
Claims on customers	4,271	26,990	60,359	19,762	111,382
Bonds	2,181	0	32,874	62,753	97,808
	94,137	26,990	108,741	82,515	312,383

III. Securities

III.1. Figures supplied pursuant to §64 Sect. 1 (10/11) Austrian Banking Act

as at 31.12.2006 Amounts in thousand Euros	Unlisted	Publicly listed	Total	Valued at market price
Debt instruments of public bodies, A2	0	31,207	31,207	31,207
Bonds and other fixed-interest securities, A5	3,031	18,073	21,104	21,104
Shares and other variable-yield securities, A6	680,076	472,234	1,152,310	1,152,310
Investments in related companies, A7	5,168	0	5,168	0
Investments in subsidiaries, A8	11,952	0	11,952	0

The market value of securities held in a portfolio for trading purposes or which are held as current assets at the market price exceeded the purchase price by TEUR 1,160.

The balance sheet items A2 and A5 include fixed-interest securities amounting to TEUR 52,311 (2005: TEUR 113,594), of which a total of TEUR 3,031 will fall due in the course of 2007.

The balance sheet items A7 and A8 are reported according to the lower of cost or market rule.

III.2. Subordinated assets

The balance sheet item A5, "Bonds and other fixed-interest securities" shows subordinated bonds valued at TEUR 4,984 (2005: TEUR 5,704).

IV. Liabilities

IV.1. Classification of liabilities other than those payable on demand according to their term to maturity

as at 31.12.2006 Amounts in thousand Euros	0-3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to credit institutions	40,150	1,538	498	0	42,186
Liabilities to customers	181,339	0	0	3,187	184,526
Liabilities evidenced by certificates	3,985	22,190	394,441	402,994	823,610
	225,474	23,728	394,939	406,181	1,050,322

Comparative figures as at 31.12.2005 Amounts in thousand Euros	0-3 months	3-12 months	1-5 years	> 5 years	Total
Liabilities to credit institutions	57,906	1,689	654	0	60,249
Liabilities to customers	2,571	19	21,627	3,123	27,339
Liabilities evidenced by certificates	13,485	1,093	234,202	405,872	654,652
	73,962	2,801	256,483	408,995	742,240

IV.2. Liabilities evidenced by certificates

Balance sheet item E/L3 contains issued bonds amounting to TEUR 26,175 (2005: TEUR 14,578), which will fall due in the course of 2007.

IV.3. Other liabilities

Balance sheet item E/L4, "Other liabilities" amounting to TEUR 751,348 (2005: TEUR 656,899) primarily refer to liabilities reported at market prices as well as premiums received from trading in securities and derivative financial instruments totalling TEUR 740,494 (2005: TEUR 652,803).

V. Obligations derived from the use of tangible fixed assets not shown on the balance sheet

In the period under review, the rental expenses incurred by the company amounted to TEUR 330 (2005: TEUR 480). Total rental expenses of TEUR 367 are expected for the 2007 financial year, whereas rental expenses of TEUR 1,834 are anticipated for the years 2007–2011.

VI. Supplementary data

The balance sheet total includes the following items reported in foreign currencies:

Assets and liabilities in foreign currencies:

Amounts in thousand Euros	31.12.2006	31.12.2005
Assets	646,502	371,348
Liabilities	286,873	90,147

At the balance sheet date, the following futures and options transactions had not yet been settled:

Purchase contracts	31.12.2006	31.12.2005
Amounts in thousand Euros		
Interest rate options	123,511	85,541
Currency and interest rate swaps in a single currency	22,846	44,443
Forward exchange transactions	87,773	33,746
Currency options	92,990	0
Index futures contracts	165,164	241,730
Options on asset values and security index options	1,113,992	780,300
Share contracts	47,801	15,725
Sales contracts		
Amounts in thousand Euros		
Interest rate options	0	1,128
Currency and interest rate swaps in a single currency	22,846	44,443
Forward exchange transactions	87,652	33,947
Currency options	92,990	0
Index futures contracts	62,000	60,869
Options on asset values and security index options	1,799,437	1,453,628
Share contracts	47,810	20,646

A securities trading book is maintained in accordance with § 22b of the Austrian Banking Act. At the balance sheet date, the securities trading book, valued at the market price (derivatives with delta values), amounted to:

Securities trading book Amounts in thousand Euros	31.12.2006	31.12.2005
Shares	398,324	400,343
Listed options	56,658	24,355
Certificates	- 560,008	- 522,705
Bonds	142,846	96,341
Structured products	- 195,806	- 108,218
OTC options	294,897	122,525
Warrants	- 129,783	- 120,695
Share futures	103,596	187,508
Bond futures	123,511	79,864
	234,235	159,317

C. Notes to the profit and loss account

As the result of changes made in the reporting structure, the previous year's amounts pertaining to the items "Fee and commission income", "Fee and commission expenses", "Net profit on financial trading activities" and "Other operating income" are not comparable to the figures of the 2006 financial year.

In adjusting the values of the 2005 financial year, income from capital market transactions amounting to TEUR 8,300, and from making research services available totalling TEUR 400, which were included in the financial result or in "Other operating income" in the 2005 financial year, were then incorporated as "Fee and commission income". In contrast, there was a reclassification of fee and commission expenses from securities transactions totalling approximately TEUR 6,800 to the financial result.

I. Other operating income

Net profit on commercial trading activities amounting to TEUR 160 (2005: TEUR 456) contained in the item "Other operating income" can be primarily attributed to the realisation of countertrade obligations for third parties to Indonesia and the performance of offset transactions.

D. Other Information

I. Contingent liabilities

The breakdown of contingent liabilities arising from guarantees and assets pledged as security totalling TEUR 1,107 (2005: TEUR 6,415) disclosed within the framework of off balance sheet arrangements consists of the following:

Amounts in thousand Euros	31.12.2006	31.12.2005
Letters of credit	454	2,319
Guarantees	653	4,096
<i>thereof for subsidiaries</i>	454	414
	1,107	6,415

In accordance with § 93 Austrian Banking Act, the bank is legally obliged to provide for a proportionate deposit insurance as part of its membership in a professional association. Raiffeisen Centrobank AG is a member of the Raiffeisen Group. This also entails an affiliation with Oesterreichischen Raiffeisen Einlagensicherung reg. GenmbH, Vienna (the deposit insurance arm of the Raiffeisen Group, registered as a limited liability company). In the 2006 financial year, the theoretical claim on this insurance is limited to a rate of 0.83 per cent of the assessment basis in accordance with § 22 Sect. 2 Austrian Banking Act at the balance sheet date, plus the weighted items of the Securities Trading Book, also in accordance with § 22 Austrian Banking Act. These contingent liabilities are reported at a market value of EUR 0.07.

II. Credit risks shown under the balance sheet

Credit risks shown under the balance sheet amounting to TEUR 522 (2005: TEUR 2,106) refer exclusively to irrevocable credit commitments and lines of credit.

III. Other contractual bank guarantee obligations

The following assets have been pledged as security for obligations:

Amounts in thousand Euros	2006	2005	Explanation
Claims on financial institutions (A3)	84,354	82,889	Collateral deposited with credit institutions and stock exchanges for the securities and options business
Fixed income securities (A2 and A5)	18,070	17,598	Collateral deposited with credit institutions and stock exchanges for the securities and options business
Claims on customers (A4)	491	1,459	Deposited as collateral for liabilities arising from the refinancing of export loans granted by Oesterreichische Kontrollbank AG (item L/E1 b "Liabilities to credit institutions")
Shares and other variable-yield securities (A6)	164,154	0	Collateral deposited with Clearstream for the securities and options business

IV. Number of employees

	31.12. 2006	Average in 2006	31.12. 2005	Average in 2005
Employees (including Executive Board)	174	172	157	157
<i>thereof part-time</i>	<i>11</i>	<i>12</i>	<i>15</i>	<i>14</i>
Workers	6	6	7	5
<i>thereof part-time</i>	<i>1</i>	<i>1</i>	<i>1</i>	<i>1</i>
	180	178	164	162

V. Advances and loans to members of the Executive Board and Supervisory Board

At the balance sheet date, loans and advances made to members of the Executive Board amounted to EUR 2,023 (2005: EUR 179,937). During the period under review, repayments totalled EUR 177,914 (2005: EUR 2,715). No advances, loans or guarantees were granted to members of the Supervisory Board.

VI. Expenses for termination benefits and retirement benefits

Expenses for termination benefits and pensions (including contributions to pension funds and employee retirement benefit plans, as well as provisions allocated to the reserves for termination benefits) amounted to EUR 591,259 for members of the Executive Board (2005: EUR 1,128,583), and to EUR 755,141 for other employees (2005: EUR 356,062).

Expenses for termination benefits (including provisions to the reserves for termination benefits), reported under item 8. ee) of the profit and loss account amounted to TEUR 708 in the 2006 financial year (2005: TEUR 993).

VII. Remuneration for members of the Executive Board and Supervisory Board

In the year under review, remuneration for the members of the Executive Board totalled EUR 2,282,421 (2005: EUR 2,075,434). No fees for attending meetings were paid to members of the Supervisory Board in 2006.

VIII. Group relations

The company is a related company of the Raiffeisen-Landesbanken Holding GmbH, Vienna. The annual financial statements are integrated both into the consolidated financial statements of Raiffeisen-Landesbanken Holding GmbH, Vienna, and Raiffeisen Zentralbank Oesterreich AG, Wien, which provides consolidated financial statements for the least number of companies required. The company itself is considered to be a parent company, which draws up its own consolidated financial statements. These consolidated financial statements are available at the relevant parent company as well as at the Commercial Court of Vienna.

Since 2005, the company has been a member of the corporate group RZB KI Beteiligungs GmbH, pursuant to § 9 Austrian Corporation Tax Act. Based on the official notification 1/23 from Vienna's financial authorities dated February 6, 2006, the application submitted by the company to set up a corporate group has been approved. In this case, the taxable business results of the members of the Group are attributed to the parent company. Any tax adjustments between the parent company and the individual members of the corporate group are regulated in the form of a tax allocation agreement.

Members of the Executive Board, the Supervisory Board and State Commissioners

Executive Board

Speaker

Eva Marchart

Members

Alfred Michael Spiss

Gerhard Grund

Supervisory Board

Chairman

Walter Rothensteiner, Chairman of the Management Board

Raiffeisen Zentralbank Österreich AG, Vienna

Deputy Chairmen

Patrick Butler, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna – First Deputy Chairman

Herbert Stepic, Chairman Raiffeisen International Bankholding AG, Vienna – Second Deputy Chairman

Members

Karl Sevelda, Member of the Management Board, Raiffeisen Zentralbank Österreich AG, Vienna

Christian Teufl, Director, Raiffeisen Zentralbank Österreich AG, Vienna

Helfried Marek, Vienna

State Commissioners

Peter Braumüller, Divisional Director

Tamara Els, Deputy Assistant

Vienna, April 19, 2007

The Executive Board

Eva Marchart
Chairman of the Executive Board

Alfred Michael Spiss
Deputy Chairman of the Executive Board

Gerhard Grund
Member of the Executive Board

AUDITOR'S REPORT

We conducted the audit of the financial statements of Raiffeisen Centrobank for the business year starting on January 1, 2006 and ending on December 31, 2006, taking account of the company's accounts. The accounting, presentation and the contents of these financial statements as well as the management report, in accordance with the binding legal regulations of the Austrian Commercial Code, are the responsibility of the legally appointed representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audit, and to state whether the management report for the company is in accordance with the financial statements. We conducted our audit in accordance with the regulations and principles applicable in Austria and with generally accepted standards on auditing. These principles require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether we can state that the management report for the company is in accordance with the financial statements. In determining the audit procedures, we considered our knowledge of the businesses, the economic and legal environment of the company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the accounts and the financial statements on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. As a result of our duly implemented audit, we can certify that the accounting records and the financial statements comply with binding legal regulations. The financial statements provide, in all material respects, a true and fair picture of the company's assets, financial position and profit or loss, in conformity with generally accepted accounting principles. The Management Report is fully consistent with the financial statements of the company

Vienna, April 20, 2007

KPMG

Wirtschaftsprüfungs- und Steuerberatungs GmbH

Walter Knirsch
Certified public accountant

ppa. Josef Kirchknopf
Tax consultant

AUDITOR'S REPORT

We conducted the audit of the financial statements of Raiffeisen Centrobank for the business year starting on January 1, 2006 and ending on December 31, 2006, taking account of the company's accounts. The accounting, presentation and the contents of these financial statements as well as the management report, in accordance with the binding legal regulations of the Austrian Commercial Code, are the responsibility of the legally appointed representatives of the company. Our responsibility is to express an opinion on these financial statements based on our audit, and to state whether the management report for the company is in accordance with the financial statements. We conducted our audit in accordance with the regulations and principles applicable in Austria and with generally accepted standards on auditing. These principles require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement, and whether we can state that the management report for the company is in accordance with the financial statements. In determining the audit procedures, we considered our knowledge of the businesses, the economic and legal environment of the company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the accounts and the financial statements on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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Vienna, April 20, 2007

KPMG

Wirtschaftsprüfungs- und Steuerberatungs GmbH

Walter Knirsch
Certified public accountant

ppa. Josef Kirchknopf
Tax consultant

ANNEX 3

Statements of sources and for the application of funds
for the business years
ending 31 Dec. 2005 and 31 Dec. 2006
including the auditors confirmation

Raiffeisen Centrobank AG

Statement of Sources and Application of Funds for the Year 2005

Sources of Funds

	2005	
	in TEUR	%
Increase in Liabilities and Shareholders' Equity		
Liabilities to customers (other liabilities)	3.035	0,4%
Liabilities evidenced by certificates	262.527	33,9%
Other liabilities	438.562	56,6%
Provisions	7.741	1,0%
Reserve under Sec. 23 subsec. 6 Austrian Banking Act	1.235	0,2%
Net profit	16.026	2,1%
	<u>729.126</u>	<u>94,2%</u>

Decrease in Assets

Treasury bills and similar securities eligible for refinancing with central banks	2.352	0,3%
Claims on customers	14.432	1,9%
Bonds and other fixed-income securities	20.777	2,7%
Investments in subsidiaries	6.505	0,8%
Intangible fixed assets	162	0,0%
Deferred expenses	1.095	0,1%
	<u>45.323</u>	<u>5,8%</u>
	<u>774.449</u>	<u>100,0%</u>

Application of Funds

Increase in Assets

Cash in hand and balances with central banks	478	0,1%
Claims on credit institutions	99.311	12,8%
Shares and other variable-yield securities	398.448	51,5%
Tangible fixed assets	14.317	1,9%
Other assets	166.065	21,4%
	<u>678.619</u>	<u>87,7%</u>

Decrease in Liabilities

Liabilities to credit institutions	95.542	12,3%
Deferred income	288	0,0%
	<u>95.830</u>	<u>12,3%</u>
	<u>774.449</u>	<u>100,0%</u>

Raiffeisen Centrobank AG

Statement of Sources and Application of Funds for the Year 2006

Sources of Funds

	2006	
	in TEUR	%
Increase in Liabilities and Shareholders' Equity		
Liabilities to customers (other liabilities)	155.708	28,9%
Liabilities evidenced by certificates	168.957	31,3%
Other liabilities	94.361	17,5%
Provisions	2.505	0,5%
Reserve under Sec. 23 subsec. 6 Austrian Banking Act	509	0,1%
Taxed reserves (other (unrestricted) reserves)	6.000	1,1%
	<u>428.040</u>	<u>94,2%</u>
 Decrease in Assets		
Cash in hand and balances with central banks	1.466	0,3%
Claims on customers	32.828	6,1%
Bonds and other fixed-income securities	76.704	14,2%
	<u>110.998</u>	<u>5,8%</u>
	<u>539.038</u>	<u>100,0%</u>

Application of Funds

Increase in Assets

Treasury bills and similar securities eligible for refinancing with central banks	15.421	2,9%
Claims on credit institutions	123.529	22,9%
Shares and other variable-yield securities	267.069	51,5%
Intangible fixed assets	67	
Tangible fixed assets	428	1,9%
Other assets	106.575	19,8%
	<u>513.089</u>	<u>87,7%</u>

Decrease in Liabilities and Shareholders'Equity

Liabilities to credit institutions	25.782	4,8%
Net profit	167	0,0%
	<u>25.949</u>	<u>12,3%</u>
	<u>539.038</u>	<u>100,0%</u>



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Internet www.kpmg.at

The Directors of
Raiffeisen Centrobank AG
Tegetthoffstraße 1
1010 Vienna

WT-Code 804138

Your Ref

Our Ref 1479

Contact Wilhelm Kovsca

July 10, 2007

Confirmation of the Statements of sources and application of funds of Raiffeisen Centrobank Aktiengesellschaft for the years 2006 and 2005

We were required by the Executive Board of Raiffeisen Centrobank Aktiengesellschaft (the "Bank") to confirm that the Statements of sources and applications of funds ("Mittelherkunfts- und Mittelverwendungsrechnung") of Raiffeisen Centrobank Aktiengesellschaft for the years ended December 31, 2006 and 2005 have been correctly prepared on the basis of the unconsolidated financial statements in accordance with Austrian GAAP of Raiffeisen Centrobank Aktiengesellschaft for the years ended December 31, 2006, 2005 and 2004.

The preparation and content of these Statements of sources and application of funds are the responsibility of the legal representatives of the Bank. Our responsibility is to confirm based on our procedures agreed-upon with the Bank that the Statements of sources and application of funds have been properly drawn up from the audited unconsolidated balance sheets in accordance with Austrian GAAP of the Bank as at December 31, 2006, 2005 and 2004.

Our engagement was undertaken in accordance with the International Standard on Related Services (ISRS) 4400 applicable to agreed-upon procedures engagements.

For the purpose of this report we have performed the following procedures agreed with the Bank and enumerated below:

- i. We obtained the Statements of sources and application of funds for the years ended December 31, 2006 and 2005 which have been prepared by the Bank on the basis of the audited unconsolidated financial statements in accordance with Austrian GAAP of the Bank for the years ended December 31, 2006, 2005 and 2004 and examined whether the Statements of sources and application of funds were correctly drawn up by calculating the differences between the amounts of

each item stated in the Bank's balance sheets as at December 31, 2006, 2005 and 2004.

- ii. We examined whether increases in liabilities and shareholders' equity and decreases in assets have been correctly stated as sources of funds and whether increases in assets and decreases in liabilities, respectively, have been correctly stated as application of funds in the Statements.

Based on the results of our procedures we confirm

- a) with respect to item i. that the Statements of sources and application of funds for the years ended December 31, 2006 and 2005 have been correctly calculated and drawn up from the audited unconsolidated balance sheets in accordance with Austrian GAAP of Raiffeisen Centrobank Aktiengesellschaft for the years ended December 31, 2006, 2005 and 2004 and
- b) with respect to item ii. that increases in liabilities and shareholders' equity and decreases in assets have been correctly stated as sources of funds and that increases in assets and decreases in liabilities have been correctly stated as application of funds.

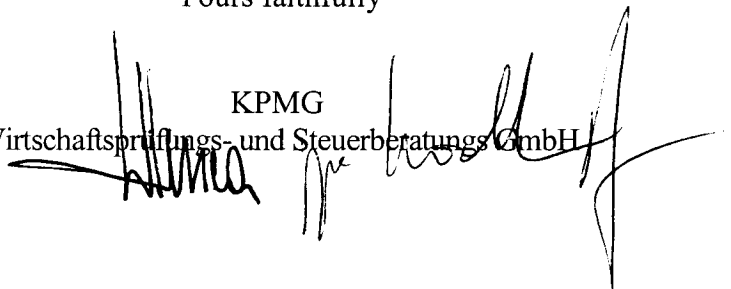
To this report and to the procedures conducted in connection with this report the liability provisions pursuant to Section 275 of the Austrian Commercial Code (Handelsgesetzbuch – HGB) are applicable.

This report and all acts or omissions in connection with the services performed in providing this report shall solely be governed by Austrian law not taking into account its conflict of laws rules.

Courts located in Austria shall have exclusive jurisdiction to determine any dispute or claim arising out of or in connection with this letter.

Yours faithfully

KPMG
Wirtschaftsprüfungs- und Steuerberatungs GmbH



Enclosures

ANNEX 4

General Securities Terms

The securities issues of Raiffeisen Centrobank AG are subject to these General Securities Terms. The Final Terms (see Chapter VI of the Base Prospectus) will contain any supplementary information specific to the individual securities. Raiffeisen Centrobank AG retains the right to change these General Securities Terms.

For issues of individual securities which are only offered in Austria and/or Germany the General Securities Terms are exclusively drawn up in German language.

GENERAL SECURITIES TERMS

of

Raiffeisen Centrobank AG

for *[Name of structured securities]* (see Final Terms, line 1)

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§ 1. Investor Rights

1. Raiffeisen Centrobank AG, Tegetthoffstraße 1, 1010 Vienna ("Issuer") will issue as of [*Issue Date*] (see FT, line 40) a total volume of up to [*indication of total volume*] (see FT, line 49) [*Name of structured security*] (see FT, line 1) pursuant to these Securities Terms, ISIN [*ISIN Product*] (see FT, line 2) on the [*underlying instrument*] (see FT, line 10-12).
2. The structured security entitles the holder the right to claim redemption pursuant to § 9.
3. If the structured securities are listed on an exchange, they can be traded continuously in denominations of one [*indication of the denomination*] (see FT, line 51) or a multiple thereof on every exchange trading day on the exchange and over the counter. Securities not listed on an exchange can be traded continuously over the counter.
4. The issuance of structured securities is done in the form of a continuous issue.
5. The issue price of the securities is fixed taking into account several different factors (e.g. price of the underlying instrument of the security on a certain date and the fluctuation range, current interest rates, exchange rates, future dividend expectations and product-specific parameters).
6. Unless otherwise stipulated or supplemented in the Final Terms (see FT, line 38), the conversion of the issue price at the start of the term of the issue and during its term is based on the respective foreign currency (FC) FC/product currency (PC) median rate.

In the case of "quanto" – currency hedged – securities, the respective foreign currency is always expressed 1:1 in the product currency. This means that the respective foreign currency unit automatically corresponds to a unit of the respective product currency.

"Foreign Currency" in the meaning of these Securities Terms is a currency other than the product currency.

§ 2. General Risks

1. The issuer has the intention – under usual market conditions – to quote current buy and sell prices. The issuer, however, does not enter into any legal obligation vis-à-vis the holder of structured products to quote such prices or with respect to the amount or the determination of such prices. Therefore, the buyer of a structured security cannot rely on being able to sell a structured product at a certain time or for a certain price. Market disruptions (see § 14), for example, can delay the determination of prices.
2. The structured securities are risky instruments used to invest assets. If the underlying instrument of the respective certificate develops adversely, there is a risk of loss of a greater part or of the total amount of the invested capital. The holder of structured securities therefore also carries the risk that the financial situation of the issuer of the structured securities could change for the worse.
3. The value of structured securities is influenced not only by the changes to the price of the underlying instrument, but additionally by a number of other factors such as the maturity of the structured securities (and other product-specific parameters) as well as by the frequency and intensity of price fluctuations (volatility) of the underlying instrument. A reduction in the value of a structured security may occur even if the price of the underlying instrument remains constant.

§ 3. Currency Risks

In the case of a securitized claim in the form of a structured security relating to a foreign currency and/or being calculated in a foreign currency unit, or if the value of the underlying instrument of the security is denominated in such a foreign currency or currency unit, then the risk of loss shall not depend solely on the development of the value of the underlying security, but also on the adverse developments on the foreign exchange markets. Adverse developments on foreign exchange markets can heighten the risk of loss in the following ways:

- the value of the structured securities acquired is accordingly reduced;
- there is a decrease in the potential settlement amount to be received, or
- the price of the underlying instrument decreases accordingly.

Even in the case of structured securities hedged against currency risks by fixing the rate of exchange, interest rate risks can still arise due to the divergent interest rate levels that can have a negative influence on the price of a structured security.

§ 4. Influence of Ancillary Costs on Earnings Opportunities

Commissions and other transaction costs that arise when buying or selling structured products can give rise to costs – especially in combination with a low order value – that may extremely reduce the earnings opportunities of the structured securities. Therefore, investors are recommended to inform themselves of the costs of buying or selling a structured product before investing.

§ 5. Using Credit

If a holder of structured securities finances the acquisition of such securities by taking out a loan, he or she must not only repay the loss if expectations are not realized, but must also repay the loan with interest. This substantially increases the risk of loss. The holder of a structured product should therefore never rely on being able to repay the loan and interest from the profit made on the trade in structured securities. Rather, the buyer of structured securities has to examine his or her financial situation before the purchase to ascertain whether he or she will be able to pay interest, and if necessary, to repay the loan on short notice even if the expected profit turns out to be a loss.

§ 6. Influence of Trades, especially of Hedging Transactions by the Issuer, on the Structured Securities

The issuer has the right to buy or sell on the open market or in non-public transactions the structured products at any time during the term of the structured securities. Within the scope of its regular business activities, the issuer engages in trading in the underlyings of the structured securities and furthermore hedges fully or in part against the financial risks related to the structured securities by entering into hedging transactions in the respective underlying instruments.

These activities of the issuer can have an influence on the price of the underlying determined in the market as well as on the value of the structured securities or on redemption obligations vis-à-vis the holders of the structured securities.

The issuer is not under any obligation to inform the holders of structured securities of any such buy or sell trades or any other event (such as a hedging transaction) that could have an influence on the development of the price of structured products or the price of the underlying instrument. The holders of structured securities must therefore inform themselves on their own to gain a picture of the development of the prices of structured securities and their underlying instruments.

§ 7. Form of the Structured Securities; Transferability

1. The structured securities are all represented in global certificates pursuant to § 24 lit b Securities Custody Act, Federal Law Gazette No. 424/1969 as amended by Federal Law Gazette No 650/1987, requiring the signature of two authorized signatories (member of the executive board, director or holder of unlimited procuration).
2. The global certificates are deposited for inspection with Oesterreichische Kontrollbank Aktiengesellschaft in its function as a central securities depository. As co-ownership shares, the structured securities are transferable.
3. The structured securities can be individually transferred within the scope of securities giro transaction.
4. There is no entitlement to receive the structured securities physically.

§ 8. Maturity

1. The maturity of structured securities starts on [*Issue Date*] (see Final Terms, line 40) and ends on [*Maturity Date*] (see FT, line 41). If a subscription period has been defined for the structured securities, the securities are available for subscription during the period [*Subscription Period*] (see FT, line 50).

THE FOLLOWING APPLIES TO OPEN END STRUCTURED SECURITIES:

§ 8 Maturity

1. The issuance of structured securities starts on [*Issue Date*] (see FT, line 40) ("start of life of security"). These structured securities are open-end securities. This means that the structured securities do not have a predefined maturity.
2. The issuer shall have the right to determine a maturity date for the certificates for the first time at the earliest three calendar years after the issue date on any exchange-trading day in Vienna or Stuttgart, with the remaining time to maturity of the certificate having to be at least one calendar year. The fixing of the maturity is published, indicating the maturity date pursuant to § 23 par. 1.a.

§ 9. Exercise/Redemption

The following supplements and/or amendments to the following provisions governing the structured securities under this issuance programme may become necessary. Please refer to the Final Terms for these provisions. [*With respect to further provisions in connection with § 9 see FT*]

THE FOLLOWING APPLIES TO WARRANTS:

§ 9.1. Exercise/Redemption

Warrants are exercised as follows:

1. Cash Settlement:

Generally, the securities entitle holders to payment of (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) a cash amount that is made up of the difference by which the closing price of the underlying instrument exceeds (call warrants) the strike price on the respective exercise date or falls below it (put warrants), with this spread being multiplied by the subscription ratio [*Subscription Ratio*] (see FT, line 13).

The warrants can be exercised either automatically by the issuer or by the warrants holder (see FT, line 6). When exercised by the issuer, the payment of the cash amount in the respective product currency is done automatically after three banking business days (Redemption Date § 13).

2. Settlement by physical delivery:

The holder of a warrant has the right to exercise the warrant by demanding physical delivery within the exercise period [*Exercise Period*] (see FT, line 7) ("American style") or on exercise day ("European style").

In the case of buy warrants, effective delivery consists of the right of the warrants holder to buy the underlying instrument at the strike price [*Strike Price*] (see FT, line 8) on the respective exercise day taking into consideration the subscription ratio [*Subscription Ratio*] (see FT, line 13) and in the case of put warrants to sell the underlying instrument at the strike price on the respective exercise day taking into consideration the subscription ratio.

If the warrant holder exercises the warrant, he or she must submit a duly completed declaration form ("exercise declaration") to the issuer within the exercise period (American style) or on exercise day (European style; this corresponds to the maturity date) in order to exercise the warrant.

§ 9.2. Strike Price; Exercise Day; Closing Price; Subscription Ratio

1. The respective strike price is defined at the start of the issue of the warrants by the issuer (see Final Terms, line 8).
2. The respective exercise day is:
 - a. If the warrant is exercised by the warrants holder pursuant to § 9.3 par 1 through 5, this shall be the day on which the exercise declaration of the warrants holder is received by the warrants agent.
 - b. In the case of automatic exercise of the warrant by the issuer pursuant to § 9.3 par 6, this shall be the maturity date.
3. The closing price (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the respective exercise day by the relevant exchange or price-fixing entity. Any other provisions regarding the determination of the closing price shall be contained in the FT, line 36).
 - a. When a warrants holder exercises a warrant pursuant to § 9.3 par 1 through 5, the closing price of the underlying instrument shall apply on the day the exercise declaration is received by the warrants agent by 10:00 hrs (local time Vienna); if the exercise declaration is received later than 10:00 hrs (local time Vienna), the closing price of the next exchange trading day after receipt of the exercise declaration shall apply.
 - b. In the case of automatic exercise of the warrant by the issuer pursuant to § 9.3 par 6, the closing price of the underlying instrument on the maturity date shall apply.
4. The **subscription ratio** shall be [*Subscription Ratio*] (see FT, line 13).

§ 9.3. Exercise of Warrants by Warrants Holders

1. If the exercise of a warrant is not done automatically by the issuer upon maturity (see FT, line 6), the warrant holder must submit a duly completed declaration ("exercise declaration") to the warrants agent in order to exercise the warrant. This exercise declaration is irrevocable and binding.
2. Types of warrants:
 - a. A warrant may be exercised – unless otherwise regulated in par. 3 or postponed pursuant to § 15 – on every banking business day during the entire exercise period § 9.5 ("American style").
 - b. A warrant may be exercised – unless postponed pursuant to § 15 – by the warrant holder on the maturity date ("European style").
3. The right to exercise a warrant does not apply in the following instances set out below for warrants having shares as underlying instruments:
 - a. on the day of the annual general meeting of the company,
 - b. on days on which banks and exchanges are closed for business in Austria, Germany or in the respective primary market of the underlying instrument,
 - c. during the period between the day on which the company publishes in the applicable mandatory disclosure publication an offer to its shareholders to subscribe to new shares (including preferred shares and similar securities), or to partial debt securities (including similar securities) and/or to profit-sharing rights with conversion rights or option rights to new shares, and the last day of the respective subscription period.
4. The warrants holder must deliver the corresponding number of warrants at the latest when submitting the exercise declaration to the warrants agent, specifically, by either an irrevocable order to the warrants agent to use the warrants on any custody account maintained with the warrants agent, or by delivery of the warrants to the custody account named by the warrants agent.
5. When acquiring a warrant, the usual banking fees shall be charged. Any taxes or duties that may fall due in connection with the exercise of the warrants and/or the acquisition of the underlying instrument shall be borne by the concerned warrants holders.
6. All rights granted by the warrants, which have not been effectively exercised or automatically exercised by the issuer by then, shall expire upon maturity; the warrants thus expire worthless.

§ 9.4. Automatic Exercise by Issuer

The exercise of warrants rights is done automatically by the issuer, with the warrants being settled on the maturity date at the intrinsic value with the closing price.

§ 9.5. Exercise Period for American Style Warrants

The exercise period of warrants starts three banking business days after the issue of the warrant and ends at 10:00 hrs (local time Vienna) at the end of the day of the maturity date.

THE FOLLOWING APPLIES TO DISCOUNT CERTIFICATES:

§ 9.1. Redemption

1. If at the maturity date the price of the underlying instrument exceeds the maximum redemption amount (see § 9.2) the holder of discount certificates will automatically receive from the issuer on redemption date (see § 13) payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) that corresponds to the maximum redemption amount (CAP), with the subscription ratio being taken into account.
2. If at the maturity date the price of the underlying instrument is equal to or below the maximum redemption amount (CAP), the holder of discount certificates will automatically receive from the issuer on redemption date either
 - a. delivery of the corresponding number of underlying instruments (see FT, line 46), with the subscription ratio being taken into account, or
 - b. payment of an amount (the "redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) that corresponds to the closing price of the underlying instrument (see Final Terms, line 36) determined and published at the maturity date by the relevant exchange or price-fixing entity (see Final Terms, line 44), taking into account the subscription ratio. Any other provisions regarding the determination of the closing price are contained in the Final Terms, line 36).
3. The subscription ratio shall be [*Subscription Ratio*] (see FT, line 13)
4. The redemption amount to be paid out per discount certificate is limited in accordance with § 9.2 .

§ 9.2. Maximum Redemption Amount

The maximum redemption amount is limited to the CAP (see FT, line 23) multiplied by the subscription ratio. The CAP is defined by the issuer at the commencement of the issue.

§ 9.3. Adjustment of the Maximum Redemption Amount

If a change to the share capital of the underlying instrument occurs during the term of the discount certificate, the issuer will change the maximum redemption amount and, if necessary, the so-called modalities of the discount certificates pursuant to the Rules of the ÖTOB or EUREX (German futures exchange) or pursuant to the Rules of the respective exchange/price-fixing entity in order to reinstate the original economic situation of the holder of the discount certificates. (See also Adjustment Rules in § 15.)

THE FOLLOWING APPLIES TO TURBO CERTIFICATES:

§ 9.1. Redemption

1. Unless prematurely redeemed because a barrier is reached, the turbo certificates are redeemed on the redemption date (§ 13) at an amount (for foreign currency securities converted into the product currency or expressed in the product currency § 10) per certificate ("redemption amount") that is calculated on the basis of the following formulae:

- a. Turbo long certificates

$$\text{Redemption amount} = (\text{closing price of underlying instrument} - \text{strike price}) \times \text{subscription ratio}$$

- b. Turbo short certificates

$$\text{Redemption amount} = (\text{strike price} - \text{closing price of underlying instrument}) \times \text{subscription ratio}$$

2. The "closing price of underlying instrument" (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity. Any other provisions regarding the determination of the closing price are contained in the Final Terms, line 36).

§ 9.2. Strike Price; Barrier

1. The respective strike price is determined by the issuer at the commencement of the issue (see FT, line 8).
2. The barrier is determined by the issuer at the commencement of the issue (see FT, line 9).

THE FOLLOWING APPLIES TO OPEN-END TURBO CERTIFICATES:

§ 9.2. Strike Price; Barrier

1. The initial strike price is defined at the start of the issue of the certificates by the issuer (see Final Terms, line 8).
2. The initial barrier is determined by the issuer at the commencement of the issue (see FT, line 9).
3. The strike price and the barrier – unless otherwise stipulated in the Final Terms (see FT, line 8 and line 9) – are both adjusted as follows:
 - a. The financing costs of open-end turbo long certificates and of open-end turbo short certificates are continuously added to the respective strike price and to the respective barrier for open-end turbo certificates on a monthly basis at the beginning of every month if such day is a banking business day, otherwise on the next following banking business day:

$$\text{Financing costs per day} = \text{financing rate} \times \text{strike price} / 360 \text{ days}$$

The financing costs calculated in this manner continuously reduce the intrinsic value of an open-end turbo long certificate, while the intrinsic value of an open-end turbo short certificate increases by the financing costs incurred.

The financing costs for the underlying instrument consist of the usual market interest rate plus an interest margin (open-end turbo long certificates) or minus an interest margin (open-end turbo short certificates).

- b. If the underlying instrument of an open end turbo certificate pays out dividends, the issuer may in its absolute and sole discretion, subtract the dividend amount in whole or in part from the respective strike price as well as from the respective barrier. Unless otherwise stipulated in the Final Terms (see Final Terms, line 31 "4.1.7 Dividend Adjustment"), the adjustment will be effective on the ex-dividend-day. The proportion of the dividend amount which is relevant for the dividend adjustment will be regulated in line 31 "4.1.7 Dividend Adjustment" of the Final Terms.
4. The change in the strike price of the certificate changes the intrinsic value according to the calculated financing costs.
 5. The **intrinsic value** of a certificate – taking into account potential exchange rates and the respective exchange ratios – results from the difference between
 - a. the difference between the respective strike price and the price of the underlying instrument of open-end turbo long certificates;
[price of underlying instrument – strike price],
 - b. the difference between the respective strike price and the price of the underlying instrument of open-end turbo short certificates
[strike price - price of underlying instrument].

§ 9.3. Barrier; Residual Value

1. As soon as during the term of the turbo certificate the price of the underlying instrument [indicate underlying instrument] (see FT, line 10) reaches or falls below (turbo long certificates) the barrier [indicate barrier] or reaches or surpasses the barrier (turbo short certificates), the certificate is knocked out, which means that it is suspended from trading and either expires worthless or the issuer calculates a residual value [calculation of the residual value] from the closing out of the hedging deal (see Final Terms, line 14).
2. Calculation of residual value:
 - a. Variant 1: The issuer determines a residual value at the latest within three trading hours, which is derived from the closing out of the hedging deal.
 - b. Variant 2: The issuer determines a residual value after knock-out that results from the closing out of the hedging deal. The issuer determines the residual value within the period up until the determination of the closing price of the underlying instrument on the next trading day following the knock-out day.

If permitted by the liquidity of the underlying, this period may also be shortened substantially. Under extreme market conditions, the residual value of the certificates may even be zero.
3. When the certificates are knocked out, the residual value is determined by the issuer. Five banking business days later, the residual value of the certificate is automatically paid out by the issuer. If the day of the payout is not a banking business day, it is postponed to the next following banking business day.

4. The amount of the residual value is determined by how the underlying instrument behaves within the three hours after the knock-out.
 - a. If in the case of turbo long certificates, the underlying instrument rises again after the barrier has been reached, the residual value will be slightly higher. Vice versa, if the underlying instrument falls further after the barrier is reached, the residual value will be accordingly lower.
 - b. If in the case of turbo short certificates the underlying instrument rises again after the barrier has been reached, the residual value will be slightly lower, while the residual value will be slightly higher if the underlying instrument continues to fall after reaching the barrier.

THE FOLLOWING APPLIES TO RANGE TURBO CERTIFICATES:

§ 9.1. Redemption

1. Unless prematurely redeemed because barrier has been reached, the range turbo certificates are redeemed on the redemption date (§ 13) at an amount (for foreign currency securities converted into the product currency or expressed in the product currency § 10) per certificate ("redemption amount") that is calculated on the basis of the following formulae:

- a. Range turbo long certificates

$$\text{Redemption amount} = (\text{closing price of underlying instrument} - \text{strike price}) \times \text{subscription ratio}$$

Should the closing price of the underlying instrument rise above the CAP (see FT, line 17), the redemption amount is calculated as follows:

$$\text{Redemption amount} = (\text{CAP} - \text{strike price}) \times \text{subscription ratio}$$

- b. Range turbo short/reverse discount certificates

$$\text{Redemption amount} = (\text{strike price} - \text{closing price of underlying instrument}) \times \text{subscription ratio}$$

Should the closing price of the underlying instrument fall below the FLOOR (see FT, line 17), the redemption amount is calculated as follows:

$$\text{Redemption amount} = (\text{strike price} - \text{FLOOR}) \times \text{subscription ratio}$$

2. The closing price (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see FT, line 44). Any other provisions regarding the determination of the closing price are contained in the Final Terms, line 36).
3. The strike price is determined by the issuer at the commencement of the issue (see FT, line 8).
4. The barrier is determined by the issuer at the commencement of the issue (see FT, line 9).

§ 9.2. CAP; FLOOR

The CAP for each range turbo long certificate and the FLOOR for each range turbo short/reverse discount certificate are defined by the issuer at the commencement of the issue [*CAP and/or FLOOR*] (see FT, line 17).

§ 9.3. Barrier; Residual Value

1. As soon as during the term of the range turbo certificate, the price of the underlying instrument (see FT, line 10) reaches or falls below (range turbo long certificates) the barrier (see FT, line 9) or reaches or surpasses the barrier (range turbo short/reverse discount certificates), the certificate is knocked out, which means that it is suspended from trading and either expires worthless or the issuer calculates a residual value from the closing out of the hedging deal (see Final Terms, line 14).

2. Calculation of residual value:

- a. Variant 1: The issuer determines a residual value after knock-out at the latest within three trading hours, which is derived from the closing out of the hedging deal.
- b. Variant 2: The issuer determines a residual value after the knock-out that results from the closing out of the hedging deal. The issuer determines the residual value within the period up until the determination of the closing price of the underlying instrument on the next trading day following the knock-out day.

If permitted by the liquidity of the underlying, this period may also be shortened substantially. Under extreme market conditions, the residual value of the certificates may even be zero.

3. When the certificates are knocked out, the residual value is determined by the issuer. Five banking business days later, the residual value of the certificate is automatically paid out by the issuer. If the day of the payout is not a banking business day, it is postponed to the next following banking business day.
4. The amount of the residual value is determined by how the underlying instrument behaves within three hours after the knock-out.
 - a. If in the case of range turbo long certificates, the underlying instrument rises again after the barrier has been reached, the residual value will be slightly higher. Vice versa, if the underlying instrument falls further after the barrier is reached, the residual value will be accordingly lower.
 - b. If in the case of range turbo short/reverse discount certificates the underlying instrument rises again after the barrier has been reached, the residual value will be slightly lower, while the residual value will be slightly higher if the underlying instrument continues to fall after reaching the barrier.

THE FOLLOWING APPLIES TO INVESTMENT CERTIFICATES:

1. On the redemption date (see § 13) the holder of an investment certificate will automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency – § 10) ("redemption amount") that corresponds to the closing price of the underlying instrument of the certificates determined and published on the maturity date taking into account the subscription ratio.
2. In the case of investment certificates without a predefined maturity (open-end), the issuer shall have the right for the first time after three calendar years as of the issue date to determine a maturity date for the certificates on any exchange-trading day, with the remaining time to maturity of the certificates having to be at least one calendar year. The fixing of the maturity is published indicating the maturity date pursuant to § 23 par. 1.a .
3. The closing price (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see FT, line 44). Any other provisions regarding the determination of the closing price shall be contained in the FT, line 36).

THE FOLLOWING APPLIES TO BONUS CERTIFICATES:

1. On redemption date (see § 13), the holder of a bonus certificate shall automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) ("redemption amount"). The redemption amount will usually be contingent on the closing price determined and published by the relevant exchange or price-fixing entity of the underlying instrument on the maturity date of the bonus certificate, taking into account the subscription ratio; the maximum redemption amount can be limited by a CAP.

2. The redemption amount is calculated as follows:

a) If the price of the underlying instrument – unless otherwise stipulated – never reaches or falls below the barrier (see FT, line 9) defined by the issuer at the commencement of the issue at any time during the term of the certificates (fixing date – inclusive of maturity date), the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the respective product currency, which is calculated according to the following formula – taking into account the subscription ratio (see FT, line 13) in each case:

bonus level + participation x max (0; closing price – bonus level)

at the maximum the CAP (if the issuer has defined a CAP at the start of the issue).

b) If the price of the underlying instrument (fixing date – inclusive of maturity date) reaches or falls below the barrier (see FT, line 9) defined by the issuer at the commencement of the issue at any time during the term of the certificate, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the respective product currency, which is calculated according to the following formula – taking into account the subscription ratio (see FT, line 13) in each case:

min (closing price, bonus level) + participation x max (0; closing price – bonus level)

at the maximum the CAP (if the issuer has defined a CAP at the start of the issue).

3. The closing price of the underlying instrument (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see FT, line 44). Any other provisions regarding the determination of the closing price are contained in the Final Terms, line 36).

4. The CAP (see FT, line 17) is that price of the underlying instrument, which limits the performance of the certificates upwards. The CAP is defined by the issuer at the commencement of the issue.

5. The "fixing date" is, unless there is a possible market disruption, the [Fixing Date] (see FT, line 26) or if no closing price is usually determined on this day for the underlying instrument, the next day on which a closing price is determined.

6. The "participation" (see FT, line 24) is determined by the issuer at the commencement of the issue. Unless otherwise or additionally provided in the Final Terms, line 24 "4.1.7 Participation", the participation always amounts to 100 %.

THE FOLLOWING APPLIES TO SPEED CERTIFICATES:

1. On redemption date (see § 13), the holder of a speed certificate shall automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) ("redemption amount"). The redemption amount shall usually be contingent on the closing price determined and published by the relevant exchange or price-fixing entity of the underlying instrument on the maturity date of the speed certificate, taking into account the subscription ratio; the maximum redemption amount can be limited by a CAP.

In the event that the price of the underlying instrument is higher upon maturity than the starting value (see FT, line 18) and lower than the CAP – if a CAP was defined at the time of issue by the issuer – then the investor receives the starting value plus a multiple of the difference ("participation") between the closing price and the starting value of the underlying instrument as redemption amount.

If, upon maturity, the price of the underlying instrument is higher or equal to the CAP (if one was defined by the issuer), the certificate holder shall receive the starting value plus the multiple of the difference between the CAP and the starting value, multiplied by the subscription ratio. If the price of the underlying instrument upon maturity is equal to the starting value, the certificate holder shall receive the starting value multiplied by the subscription ratio.

2. The **redemption amount** is thus calculated as follows:

- a. In the event that the closing price of the underlying instrument is lower or equal to the starting value upon maturity:

$$\text{Redemption amount} = \text{closing price of underlying instrument} \times \text{subscription ratio}$$

- b. In the event that the closing price of the underlying instrument is higher than the starting value and lower than the CAP upon maturity:

$$\text{Redemption amount} = \{ \text{Starting value} + [(\text{closing price of underlying instrument} - \text{starting value}) \times \text{participation}] \} \times \text{subscription ratio}$$

- c. When a CAP has been defined by the issuer: If the closing price of the underlying instrument upon maturity is higher or equal to the CAP, the holder of the certificate shall receive:

$$\text{Redemption amount} = \{ \text{Starting value} + [(\text{CAP} - \text{starting value}) \times \text{participation}] \} \times \text{subscription ratio}$$

3. The starting value is determined by the issuer on the last banking business day before the commencement of the issue on which a closing price is determined and published for the respective underlying instrument (see FT, line 18). As regards the "participation", see FT, line 24.
4. The CAP (see FT, line 17) is that price of the underlying instrument, which limits the performance of the certificates upwards. The CAP is defined by the issuer at the commencement of the issue.
5. The closing price of the underlying instrument (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see FT, line 36). Any other provisions regarding the determination of the closing price are contained in the Final Terms, line 36).

THE FOLLOWING APPLIES TO REVERSE CONVERTIBLES:

1. Reverse convertibles are redeemed in one of the following manners at the discretion of the issuer automatically three banking workdays after maturity – this is the redemption date (see § 13):
 - a. at 100% of the denomination, or
 - b. if the price of the shares on valuation day (see FT, line 23) is below the strike price (see FT, line 8), by delivery of the shares – underlying the reverse convertibles – (or their monetary value in cash). The number of shares to be delivered per denomination [*denomination*] (see FT, line 51) is specified in the FT, line 19.

The issuer retains the right instead of redeeming the reverse convertibles by delivery of shares pursuant to lit b), of paying an amount (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) that corresponds to the closing price of the respective share underlying the reverse convertible on the valuation day ("cash settlement"). This is determined by the issuer at the commencement of the issue (see FT, line 37 "Settlement").

The type of redemption pursuant to lit a) and b) is defined on the valuation day by the issuer based on the closing price of the share underlying the reverse convertible. The relevant exchange for determining the closing price of the underlying instrument is [*Relevant Exchange/Price-fixing Entity*] (see FT, line 44).

2. The strike price is defined at the start of the issue of the certificates by the issuer (see Final Terms, line 8).
3. The closing price of the underlying instrument (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the relevant valuation day by the relevant exchange or price-fixing entity (see FT, line 44). Any other provisions regarding the determination of the closing price shall be contained in the FT, line 36).

THE FOLLOWING APPLIES TO LOCK-IN CERTIFICATES:

1. On redemption date (see § 13), the holder of a lock-in certificate shall automatically receive from the issuer payment of an amount (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) ("redemption amount"). The redemption amount shall usually be contingent on the closing price determined and published by the relevant exchange or price-fixing entity of the underlying instrument on the maturity date of the lock-in certificate, taking into account the subscription ratio [*Subscription Ratio*] (see FT, line 13); the maximum redemption amount can be limited by a CAP (see FT, line 17).
2. The redemption amount is calculated as follows – taking into account the subscription ratio:
 - a. If during the term of the certificate at least one lock-in level was reached or surpassed, then the following applies:

If the price of the underlying instrument is above the highest lock-in level hit during the term of the certificate, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the product currency that corresponds to the closing price of the underlying instrument on maturity date, but as a maximum the CAP. Otherwise, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the product currency ("redemption amount") that corresponds to the highest lock-in level reached during the term of the certificate.
 - b. If during the term of the certificate no lock-in level was ever reached or surpassed, then the following applies:
 - i. If a bonus level has been determined by the issuer (see FT, line 15) and the price of the underlying instrument does not reach or fall below the barrier (see FT, line 9) at any time during the term of the certificate, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the product currency that corresponds to the closing price of the underlying instrument on the maturity date, but at least the bonus level.
 - ii. If no bonus level has been determined by the issuer (see FT, line 15) and the price of the underlying instrument reaches or falls below the barrier (see FT, line 9) at any time during the term of the certificate, the investor shall receive (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) an amount in the product currency that corresponds to the closing price of the underlying instrument on the maturity date.
3. The bonus level (see FT, line 15), the barrier (see FT, line 9) and the lock-in levels (see FT, line 25) are determined – if thus planned – by the issuer at the start of the issue.
4. The closing price of the underlying instrument (see FT, line 36) corresponds to the price of the underlying instrument determined and published on the maturity date by the relevant exchange or price-fixing entity (see FT, line 36). Any other provisions regarding the determination of the closing price shall be contained in the FT, line 36).

THE FOLLOWING APPLIES TO OUTPERFORMANCE CERTIFICATES:

1. The security entitles the holder to payment of (for foreign currency securities converted into the product currency or expressed in the product currency – see § 10) a cash amount that is calculated as follows:

$$\text{Redemption amount} = \text{Max (strike price – spread; 0)} \times \text{subscription ratio}$$

where

$$\text{Spread} = (I_s \times n_s) - (I_l \times n_l)$$

I_s = Closing price short instrument (converted into the product currency)

n_s = Number of short instruments

I_l = Closing price long instrument (converted into the product currency)

n_l = Number of long instruments

2. The strike price is defined at the start of the issue of the outperformance certificates by the issuer and is stated in the respective product currency (see Final Terms, line 8).
3. The closing price corresponds to the price of the underlying instrument (long and short instruments) determined and published (see Final Terms, line 43) on the maturity date by the relevant stock exchange or price-fixing entity (see FT, line 36). Any other provisions regarding the determination of the closing price shall be contained in the FT, line 36).

THE FOLLOWING APPLIES TO GUARANTEE CERTIFICATES:

1. On redemption date, the holder of a guarantee certificate automatically receives payment of a guaranteed amount defined by the issuer at the start of the issue (guaranteed amount; see FT, line 27) in the corresponding currency of the product. Additionally, the holder has the right to claim coupon payments (see FT, line 22) and/or the payout of a profit share (participation amount; see FT, line 28), the amount of which may depend on the development of the underlying instrument (see FT, line 10-12). The "redemption amount" will be described in the FT, line 29.
2. Guarantee certificates may grant the right to claim payment of a coupon (see Final Terms, line 22), but not to payment of dividends.

THE FOLLOWING APPLIES TO CENTROBANK CERTIFICATES:

1. On redemption date (see FT, line 43) a holder of centrobank certificates described in this prospectus will automatically be paid the redemption amount defined by the issuer at the beginning of the offering period (see FT, line 29). In addition to the redemption amount the holder may also have a claim for (a) coupon payment(s) (see FT, line 22) which may depend on the development of the underlying instrument(s) (see FT, line 10-12).
2. Centrobank certificates may entitle the holder to coupon payments (see FT, line 22) and dividend payments (see FT, line 32).

THE FOLLOWING APPLIES TO TWIN WIN CERTIFICATES:

1. On redemption date (see FT, line 43) the holder of twin win certificates will automatically be paid by the issuer an amount ("redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). The amount of the redemption amount usually depends on the closing price of the underlying instrument of the twin win certificates, which is determined and published by the relevant exchange or price-fixing entity at the maturity date; the maximum redemption amount may be limited by a CAP (see FT, line 17).

2. The redemption amount is calculated as follows:

a. If during the term of the certificate the price of the underlying instrument never reaches or falls short of the barrier defined at the beginning of the issuing period (see FT, line 9) the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\text{Strike price} + P_D \times \max(0, \text{strike price} - \text{closing price}) + P_U \times \max(0, \text{closing price} - \text{strike price}),$$

where

P_D = downward participation in percent (see FT, line 24)

P_U = upward participation in percent (see FT, line 24)

but not more than the CAP (if the issuer has defined a CAP; see FT, line 17).

b. If during the term of the certificate the price of the underlying instrument reaches or falls short of the barrier (see FT, line 9) defined by the issuer at the beginning of the issuing period at any time, the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\min(\text{closing price}, \text{strike price}) + P_U^* \times \max(0, \text{closing price} - \text{strike price})$$

where

P_U = upward participation in percent (see FT, line 24), unless the Final Terms define that an upward participation forfeits if the barrier is reached or fallen short of. In the case the upward participation forfeits, P_U^* shall be 100 %. In the Final Terms, line 24 forfeiture of an upward participation will be defined by the note "upward participation K.O.".

but not more than the CAP (if the issuer has fixed a CAP; see FT, line 17).

3. Upon issuance of the certificate the issuer will determine the participation, the CAP, the strike price and the barrier (see FT, line 24 "4.1.7 Participation", line 17 "4.1.7 CAP and/or FLOOR", line 8 "4.1.7 Strike price", and line 9 "4.1.7 Barrier").

4. The closing price of the underlying instruments corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant

effective date (see FT, line 44). Further provisions regarding determination of the closing price are regulated in the Final Terms, line 36.

5. Twin win certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns.

THE FOLLOWING APPLIES TO REVERSE BONUS CERTIFICATES:

1. On redemption date (see FT, line 43) the holder of reverse bonus certificates will automatically be paid by the issuer an amount ("redemption amount") in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). The amount of the redemption amount will usually depend on the closing price of the instrument underlying the reverse bonus certificates which is determined and published by the relevant exchange or price-fixing entity at the maturity date.

2. The redemption amount is calculated as follows:

a. If during the term of the certificate the price of the underlying instrument – unless otherwise or additionally provided in the Final Terms, line 9 – at no time reaches or exceeds the barrier fixed by the issuer at the beginning of the issuing period, the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\text{bonus amount} + \max [0, \text{participation} \times (2 \times \text{starting value} - \text{bonus amount} - \text{closing price})]$$

b. If during the term of the certificate the price of the underlying instrument – unless otherwise or additionally provided in the Final Terms, line 9 - reaches or exceeds the barrier fixed by the issuer at the beginning of the issuing period at any time, the investor will receive payment of an amount in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency) which will be calculated according to the following formula:

$$\max [2 \times \text{starting value} - \text{closing price}, \text{bonus amount} + \text{participation} \times (2 \times \text{starting value} - \text{bonus amount} - \text{closing price})]$$

3. Upon issuance of the certificate the issuer will determine the participation, the bonus amount, the bonus level, the starting value and the barrier (see FT, line 24 "4.1.7 Participation", line 16 "4.1.7 Bonus Amount", line 15 "4.1.7 Bonus Level", line 18 "4.1.7 Starting Value", and line 9 "4.1.7 Barrier").

4. The "closing price" of the underlying instrument corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant effective date (see FT, line 44). Further provisions regarding determination of the closing price are regulated in the FT, line 36.

5. Reverse bonus certificates do not entitle the holder to payment of interest or dividends and therefore do not yield any regular returns.

THE FOLLOWING APPLIES TO EXPRESS CERTIFICATES:

1. The “redemption amount” will be calculated as follows:
 - a. If, on any of the observation dates (see FT, line 30), the underlying instrument fulfils the threshold criterion defined by the issuer (see FT, line 33), the certificate will end prior to maturity and will automatically be redeemed by the issuer at the redemption amount valid on the relevant observation date (see FT, line 29) in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency).
 - b. If the underlying instrument fails to fulfil the specified threshold criterion (see FT, line 33) also on the last observation date, redemption will be effected at the closing price of the underlying instrument determined on the maturity date/last observation date in the product currency (for foreign currency securities converted into the product currency or expressed in the product currency). If in that case, the issuer has, in addition, fixed a barrier (see FT, line 9) at the beginning of the issue of the certificate and if the price of the underlying instrument has neither reached nor exceeded the barrier during the observation period (see FT, line 34), redemption will at least be effected at a minimum redemption amount defined by the issuer (see FT, line 35) in the product currency (for foreign currency securities or expressed in the product currency).
2. Upon issuance of the certificate the issuer defines the threshold criterion, the observation dates, the redemption amount and the minimum redemption amount as well as - if applicable - the barrier, the observation period and additional coupon payments and/or dividend payments (see Final Terms line 33 "4.1.7 Threshold(s)", line 30 "4.1.7 Observation Date(s)", line 29 "4.1.7 Redemption Amount", line 35 "4.1.7 Minimum Redemption", line 9 "4.1.7. Barrier", line 34 "4.1.7 Observation Period" and line 22 "4.1.7 Coupon Payments").
3. The “closing price” of the underlying instrument corresponds to the price of the underlying instrument which is determined and published by the relevant exchange or price-fixing entity at the relevant effective date (see FT, line 44). Further provisions regarding determination of the closing price are regulated in the Final Terms, line 36.
4. Express certificates may entitle the holder to payment of interest and/or dividends (see FT, line 22 and 32).

§ 10. Conversion of Foreign Currency Securities

1. The conversion of the respective redemption amount or settlement amount upon maturity, on the exercise day (for warrants) and on the valuation day (for reverse convertibles) from the respective foreign currency into the corresponding product currency is done on the basis of the respective FC/PC fixings displayed on the effective day on the Reuters page <ECBREF=> or another page replacing such page or, if the exchange rate is not displayed on another Reuters page, it is based on the exchange rate displayed on the page of another data vendor. Should the exchange rate no longer be calculated in the manner defined or displayed as mentioned above, the issuer shall have the right to define the applicable exchange rate on the basis of the market rules effective at the time for calculating exchange rates.
2. In the case of "quanto" – currency hedged – securities, the respective foreign currency is always expressed 1:1 in the product currency. This means that the respective foreign currency unit automatically corresponds to a unit of the respective product currency.

§ 11. Underlying Instrument

The underlying instrument of the structured security is [*Description of underlying instrument*] (see FT, line 10 - 12).

§ 12. Interest

The following applies to structured securities that bear interest:

Interest is [*indicate percentage*]% p.a. (see line 22). Interest runs from [*date of start of interest-bearing period*] (see FT, line 21) (inclusive) up to [*cut-off date for calculation of interest*] (see FT, line 20) (inclusive) calculated based on [*Interest Calculation Method*]. Interest is paid out on [*Interest Payment Day*] (see FT, line 20).

The following applies to securities that do not bear interest:

There are no interest payments on structured securities.

§ 13. Redemption date/Due Date of Payment

1. The due date of payment ("redemption date") for the redemption of structured securities is three banking business days after the maturity date (see FT, line 41) or the respective exercise day (for warrants) unless otherwise specified in the FT line 43.
2. If the due date is not a banking business day, the payment shall be made on the next following banking business day. The holder of structured securities shall not have the right to demand interest or any other compensation for such a delay in payment.

3. Any taxes, charges or other duties falling due upon the payment of the money shall be borne and paid by the holder of the structured securities. The issuer or the warrants agent shall have the right to retain money amounts for taxes, charges or other duties that are to be paid by the holder of the structured securities in accordance with the preceding sentence.
4. A "**banking business day**" in the meaning of these General Securities Terms is – unless otherwise specified or supplemented in the Final Terms – a day on which commercial banks are open for business in Austria and Germany.

§ 14. Market Disruption; Substitute Price

The following provisions shall apply unless otherwise specified or supplemented in the FT, line 47:

1. In the case of securities on shares/ADRs/GDRs:

A market disruption means the temporary suspension or essential limitation (either)

- of trading in the underlying instruments on the relevant exchanges,
- in the shares on the primary exchange or
- in futures or options contracts relating to the underlying instrument on any derivatives exchange on which futures or options contracts on the underlying instrument are traded ("derivatives exchange"),

if this suspension or limitation occurs or exists during the one hour period prior the calculation of the closing price of the underlying instrument.

2. In the case of securities on commodities:

A market disruption means (either)

- the suspension or essential limitation of the calculation and/or publication of the value of the commodities by the relevant price-fixing entity, or
- the suspension or essential limitation of trading in futures or options contracts relating to the commodities on any derivatives exchange on which the futures or options relating to the commodities are traded ("derivatives exchange").

3. In the case of securities on indices:

A market disruption means the temporary suspension or essential limitation of trading in the shares contained in an index on a stock market or in a trading system whose quotes are used for the calculation of the respective index, if in the opinion of the issuer, this suspension or limitation means that

- the index cannot be determined because the index is not published in general or for the relevant time point in time, or
- there is a material change in the formula for or the method of calculating the index last in effect at the time the security was issued, to such an extent that the expected index will not be

comparable with the index at the time of issue of the security (except for the fact that other continuously traded securities will be included in the index)..

4. In the case of securities on baskets of instruments (e.g. share basket, commodities basket):

A market disruption means that (either)

- the suspension or essential limitation of the calculation and publication of the closing prices for one or more of the instruments (such as shares, commodities) contained in the underlying (basket of instruments) by the relevant exchange/price-fixing entity, or
 - the suspension or essential limitation of trading in futures or options contracts on one or more of instruments (such as shares, commodities) contained in the underlying (basket of instruments) on a derivatives exchange on which futures and options contracts on the respective instruments (e.g. shares, commodities) are traded ("derivatives exchange").
5. A limitation of trading hours or number of trading days will not constitute a market disruption, if it was announced by the relevant exchange prior to the occurrence of the limitation. A limitation imposed on trading during a trading day by reason of movements in price exceeding limits permitted by the relevant exchange will only constitute a market disruption if the trading limitation remains until the end of the trading session on the relevant trading day..

6. In the case of guarantee certificates:

- a. A "market disruption" means (A) in respect of one or more shares, contained in the basket or one or more shares which are part of at least one index contained in the basket the occurrence or existence of a (i) "trading disruption", (ii) "exchange disruption", which in either case the issuer determines is essential, at any time during the one hour period that ends at the relevant valuation time, or (B) an "early closure" in respect of
 - i. to shares that comprise 20% or more of the level of the index; or
 - ii. in futures or options contracts relating to the relevant index on any related exchange;
- b. A "trading suspension" means any suspension of or limitation to trading by the relevant exchange or related exchange (as well as any limitations to trading by reason of movements in price exceeding limits permitted by the exchange or a "related exchange") or otherwise (i) relating to the shares or the shares contained in the indices on the exchange or (ii) in futures or options contracts relating to the shares or to the shares contained in the indices on any related exchange.
- c. An "exchange disruption" means any event other than an "early closure" that – in the equitable discretion of the issuer – disrupts or impairs the ability of market participants in general
 - i. to effect transactions in or obtain market values for the respective share or the respective shares contained in the indices on the exchange, or
 - ii. to effect transactions in or obtain market values for futures and options contracts on the respective shares or on the respective shares contained in the indices on any related exchange.

- d. An "early closure" means the unscheduled closure of the exchange or related exchange on an exchange on any exchange trading day unless such earlier closure was announced at least one hour prior to the earlier of
 - i. the actual close time for the regular trading session on such exchange or related exchange on this exchange trading day, and
 - ii. the submission deadline for orders to be entered into the exchange or related exchange system for execution on such exchange trading day.
 - e. The "valuation time" is the official closing time of trading on the relevant exchange.
 - f. The "exchange" is each exchange or quotation system specified as such for the relevant share or any successor to such exchange or quotation system or any substitute exchange or quotation system on which the respective shares are temporarily traded; provided however that if the specified exchange ceases to list or otherwise include the relevant share, the issuer will select another exchange or quotation system (if any) in relation to such share.
 - g. The "related exchange" means any exchange or quotation system (including any substitute or temporary exchange or quotation system) on which futures contracts and/or options contracts on the relevant share are traded and any exchange or quotation system where trading has a material effect - as determined by the issuer - on the overall market for futures or options contracts relating to such share.
7. The issuer shall make every effort to notify the parties involved immediately of the occurrence of a market disruption. However, he has no obligation to do so.
8. "Exchange trading day" in the meaning of this terms is any day on which the exchange and the related exchange are open for trading during their respective regular trading sessions other than a day on which trading on any such exchange or related exchange is scheduled to close prior to its regular weekday closing time.

§ 15. Adjustment Rules

1. If, during the term of the securities, a corporate action in the underlying instrument occurs, these Terms will be adjusted in accordance with the ÖTOB Rules and the EUREX (German futures exchange) Rules or with the rules applicable at the respective exchange/price-fixing entity in order to ensure that the holder of the securities will remain in the original economic situation.

The relevant effective day ("effective day") shall be

- for warrants, the respective exercise day;
- for reverse convertibles, the respective valuation day;
- for all other structured securities, the maturity date.

2. If no closing price is determined and published for the respective underlying instrument on this relevant effective day or, if in the opinion of the issuer, there is a market disruption on this day, the following procedures shall apply unless otherwise stipulated in the Final Terms, line 48:

a. Securities on individual shares (e.g. shares/ADRs/GDRs):

The relevant effective day is postponed to the next following banking business day in Austria and the country of the primary exchange of the underlying instrument on which no longer a market disruption exists. If the market disruption lasts for a longer period of time and the relevant effective day has been postponed for five banking business days in Austria and in the country of the primary exchange of the underlying instrument, this day shall be deemed the relevant effective day and a substitute price is determined.

A substitute price is, if available, the price determined by the relevant exchange/price-fixing entity for the share/ADR/GDR or if such price is not available, a price determined by the issuer for the share/ADR/GDR which according to the issuer corresponds to the market situation on that day.

b. Securities on indices:

The relevant effective day is postponed to the next banking business day in Austria and in the country of the home exchange of the underlying instrument, on which

- i. a closing price is determined and published again for the relevant index, or
- ii. the issuer calculates and publishes pursuant to § 23 par. 1.b a substitute index itself and .
- iii. no market disruption exists.

The issuer may determine the index for the relevant effective day itself ("Substitute Index"). The basis for the calculation of this substitute index is the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.

c. Securities on commodities:

The relevant effective day is postponed to the next calendar day on which the closing price of the concerned underlying instrument is determined and published again.

d. Securities on baskets of shares:

- i. If during the term of the certificates – from the point of view of the issuer – (i) a corporate action occurs, or (ii) a suspension from the official market without substitution of one of the shares contained in the basket occurs on the relevant exchange, or (iii) a tender offer for the relevant business exists, or (iv) the liquidity of the relevant share reduces essentially, the issuer shall take measures to put the holder of the certificates back into the original economic situation. In the issuer's sole discretion:
 - the value of such share shall be distributed among the shares remaining in the basket on the basis of the latest available price in equal shares according to the currently applicable weighting; or

- the affected share will be substituted by another share according to the prevailing market conditions; or
- a “substitute price” is calculated for the affected share. The substitute price will be the price calculated by the relevant exchange, or, if such a price is not available, the price which corresponds, in the opinion of the issuer, to the fair market value of this share according to the prevailing market conditions.

There shall be no disadvantage for the holders of the certificates caused by such rounding. The decision of the issuer on such adjustments of the basket by the issuer or a third party commissioned by the issuer shall be binding on all parties involved and shall be published unless an obvious mistake has been made.

- ii. If the maturity date in respect of a share contained in the basket is not an exchange trading day or a market disruption exists, then the maturity date (A) for each share not affected by the occurrence of this disruption shall be the scheduled maturity date and (B) for each share affected by the occurrence of such a disruption shall be the first succeeding exchange trading day, where no market disruption exists, unless the issuer determines that on each of the three exchange trading days immediately following the maturity date a market disruption exists. In that case:
 - that third exchange trading day shall be deemed to be the maturity date for the relevant share notwithstanding the fact that a market disruption exists; and
 - the issuer shall determine its good faith estimate of the value for that share on that maturity date; and
 - the redemption date will be postponed accordingly (three banking business days after the maturity date).
- iii. “**Exchange trading day**” in the meaning of this terms is any day on which the exchange is open for trading during their respective regular trading sessions other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.

e. Securities on baskets of indices:

- i. If, in respect of any index, an initial fixing date or an observation date is a disrupted day, then
 - the relevant initial fixing date or observation date, for each index not affected by the occurrence of a disrupted day shall be the scheduled initial fixing date or observation date (as the case may be) and
 - the initial fixing date or observation date, for each index affected by the occurrence of a disrupted day shall be the first succeeding scheduled trading day that is not a disrupted day relating to the relevant index, unless there is a disrupted day relating to that index on each of the eight scheduled trading days immediately following the date that, but for the occurrence of the disrupted day, would have been the relevant observation date.

In that case:

- that eighth following scheduled trading day shall be deemed to be the relevant initial fixing date or observation date, as the case may be (the “Deemed Date”) for the relevant Index notwithstanding it is a disrupted day; and

- the issuer shall determine the index for the relevant day itself ("Substitute Index"). The basis for the calculation of this substitute index is the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.
 - ii. "**Disrupted Day**" means in respect of an Index any scheduled trading day on which a relevant exchange or any related exchange fails to open for trading during its regular trading session or on which a market disruption event has occurred; and
 - iii. "**Scheduled Trading Day**" means any day on which the exchange is scheduled to be open for trading for their respective regular trading sessions other than a day on which trading on any such exchange is scheduled to close prior to its regular weekday closing time.
- f. Securities on baskets of other underlyings (e.g. basket of commodities):

The postponement of the relevant effective day is regulated in the FT, line 48.

THE FOLLOWING APPLIES TO GUARANTEE CERTIFICATES:

Unless otherwise stipulated or supplemented in the Final Terms, line 48, the following shall apply to guarantee certificates:

I. If

- 1) on the initial fixing date in respect of any share contained in the basket or in the index a market disruption exists,
 - (a) then the initial fixing date for each share not affected by the occurrence of a market disruption event shall be the original initial fixing date, and
 - (b) the initial fixing date for each share affected by the occurrence of a market disruption shall be the first succeeding exchange trading day on which there is no market disruption event. If there is a market disruption on that day and on each of the eight exchange trading days immediately following the initial fixing date, that eighth exchange trading day shall be deemed to be the initial fixing date for the relevant share, and
 - (i) the issuer – in case of guarantee certificates with a basket of shares as underlying – determines a substitute price which according to the issuer corresponds to the market situation on that eighth exchange trading day;
 - (ii) the issuer – in case of guarantee certificates with an index or a basket of indices as underlying – determines a substitute index which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied immediately prior to a change in the index, that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.
- 2) on any observation date in respect of any share contained in the basket or in the index there is a market disruption event,
 - (a) then the observation date for each share not affected by the occurrence of a market disruption event shall be the original observation date, and
 - (b) the observation date for each share affected by the occurrence of a market disruption event shall be the first succeeding exchange trading day on which there is no market disruption. If there is a market disruption on that day and on each of the eight exchange trading days immediately following the observation date, that eighth exchange trading day shall be deemed to be the observation date for the relevant share, and
 - (i) the issuer – in case of guarantee certificates with a basket of shares as underlying – determines a substitute price which according to the issuer corresponds to the market situation on that eighth exchange trading day
 - (ii) the issuer – in case of guarantee certificates with an index or a basket of indices as underlying - determines a substitute index which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect prior to the index last published or that applied

immediately prior to a change in the index, that was the reason why the issuer decided to calculate a substitute index. The substitute index shall then replace the original index.

II. Furthermore, for guarantee certificates with an index or basket of indices as underlying instrument the following applies:

1. In case that the index

- a) is not calculated and published by the designated index sponsor, but rather by a successor sponsor to the sponsor ("Successor Sponsor") who is accepted as such by the issuer; or
- b) was replaced by a subsequent index which at the issuers own discretion is similar to the relevant index with regard to the type and method of calculation;

then this index will be deemed to be the index so calculated and published by the successor sponsor or this subsequent index is viewed as a new index and replaces the previous relevant index.

2. If the index sponsor (or the successor sponsor)

- a) on or immediately prior the respective observation date
 - (i) makes a material change in the formula for or the method of calculation relating to an index, or
 - (ii) permanently cancels the calculation of an index and no successor sponsor exists,resp.

b) on the respective observation date, fails to calculate and publish a relevant index,

then the issuer may determine a substitute index ("substitute index") which is calculated in accordance with the formula for and method of calculation and the composition and weighting of the prices and shares in the index last in effect when the index was last published or that applied immediately prior to a change in the index, and calculate the redemption amount on this basis.

III. Furthermore, for guarantee certificates with a basket of shares as underlying instrument:

1. If during the term of the certificates

- (a) a share is changed due to a potential adjustment event (par.2), or
- (b) due to this action relating to the respective share of the company, adjustments are made in respect to the options contracts on the futures and options exchanges of the relevant share or the options contracts are changed in any other manner or such adjustments are not made because at the time they should have been made no options contracts were outstanding on the related exchange,

the respective share may be adjusted accordingly and, if necessary, further adjustments will be made. These adjustments and the determination of the time as of when they are effective shall be

done by the issuer at its own discretion taking into consideration the principles of this provision. The announcement is made in accordance with § 23 par. 1.b.

2. A "potential adjustment event" with respect to shares may be:

- (a) A stock split, a consolidation of shares or the conversion of classes of shares (unless it is a merger event) or a free distribution or allotment of shares to existing shareholders of the companies based by way of bonus, capitalization or similar issue;
- (b) the issue of additional securities to the shareholders of the company granting the right to receive payments or dividends or liquidation proceeds of the company proportionately to the shares they already hold; the issue to the shareholders of further share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer as a result of a spin-off or another comparable action; the issue of other securities, rights or warrants or other assets to the shareholders for payment that is below the respective market price deemed relevant by the calculation agent;
- (c) any extraordinary dividend;
- (d) a request to pay in contributions in shares that are not fully paid;
- (e) a repurchase of shares by the company whether out of profits or capital and irrespective whether the consideration for such repurchasement is cash, securities or other assets;
- (f) any other event that may have a diluting or concentrative effect on the theoretical, intrinsic value of the share.

3. Other events:

If during the term of the certificates

- (a) a share is changed due to takeovers, mergers, nationalization, delisting, insolvency or similar events, or
- (b) this/these event(s) entail adjustments to the respective share of the company, adjustments to the options contracts on the futures and options exchanges of the relevant share or if the options contracts are changed in any other manner or such adjustments are not made because at the time they should have been made, no options contracts were outstanding on the relevant exchange,

the issuer may

- (i) adjust the relevant share, and if necessary, carry out further adjustments; and/or
- (ii) terminate the certificate indicating the termination amount. In the event the security is terminated, the issuer will pay to every certificate holder instead of the nominal value, an amount per certificate (termination amount) determined by the issuer at its equitable discretion as the adequate market price of a certificate immediately before the event entitling the termination of the certificate.

These adjustments and the determination of the point in time as of when they shall apply, is fixed by the issuer at its own discretion and shall be binding (unless there is an obvious error) for all concerned parties and will be announced in accordance with § 23 par. 1.b.

Any further adjustment procedures are regulated in the FT, line 48.

§ 16. Payout of Amounts

The pay out of the respective amounts is done exclusively in the respective product currency.

§ 17. Termination

1. As a rule, it shall be irrevocably excluded out that a holder of a security has the right to terminate the securities.
2. The issuer shall have the right to terminate the securities not yet settled prematurely by making an announcement as defined in § 23 par. 1.a stating the termination amount:
 - a. should the listing of the respective underlying instrument be irrevocably ceased on the relevant exchange or price-fixing entity or on its primary exchange for any reason whatsoever;
 - b. if, as a result of any change in the legal situation or any proposed change in the legal situation or any change in the official application, enforcement or interpretation of this legal situation, the issuer, as the case may be, has or will be obligated to pay additional amounts on any structured securities and such obligation cannot be avoided by the issuer, as the case may be, by any reasonable measures available to it which in the good faith opinion of the issuer will not have a material adverse impact on the conduct of its business
 - c. In the case of issues on individual securities (e.g. on shares/ADRs/GDRs):

If the underlying instrument is an individual share, the issuer shall also be entitled to terminate the security stating the termination amount if in its opinion liquidity in the shares/ADRs/GDRs is very low on the relevant exchange/price-fixing entity or on the primary exchange.

- d. In the case of issues on indices or index baskets:

If the underlying instrument is an index, the issuer is also entitled to terminate the security stating the termination amount if in its opinion liquidity is very low in the shares included in the index on the relevant exchange/price-fixing entity or on the primary exchange or on a derivatives exchange on which futures or options contracts on such index are traded.

- e. In the case of issues on commodities:

The issuer is also entitled to prematurely terminate securities not yet settled in the event of a market disruption (see § 14) stating the termination amount (see below).

f. In the case of issues on share basket(s):

The issuer shall also be entitled to terminate the security stating the termination amount if in its opinion liquidity in one or more shares of the basket is very low on the relevant exchange/price-fixing entity or on the primary exchange so that the economic situation of the holder of the securities in the issuer's opinion has changed substantially.

3. Unless otherwise stipulated in the Final Terms, line 39, in the event the issue is terminated prematurely, the issuer shall automatically pay to every security holder for every security held an amount in the product currency ("termination amount") five banking business days after the termination date that in the opinion of the issuer is an equitable amount and it has defined as the appropriate market price of the security.

PREMATURE REDEMPTION/TERMINATE OF OPEN-END SECURITIES:

Unless otherwise defined or supplemented in the Final Terms, (see FT, line 39), the following applies to open-end securities:

The holder of a structured security is entitled for the first time after four calendar years of the start of the issue to terminate a structured security prematurely on every first banking business day of a month (termination date). These redemption rights may be exercised only for at least one hundred (100) structured securities with the same ISIN or security identification number or a multiple thereof in whole numbers. The premature redemption of fewer than 100 structured securities shall not be valid or effective. The premature redemption of more than 100 structured securities having a number not divisible by 100 shall be executed at the next-lower number of structured products divisible by 100. With the redemption of the structured securities on the respective termination date, all rights under the redeemed structured securities shall expire.

For the premature termination to be effective, the holder of the structured securities must submit to its custodian bank a duly completed notice of termination:

The notice of termination must contain:

- a. Name and address of the holder of the structured securities or of the person authorized on his or her behalf,
- b. the ISIN and/or security identification number of the structured securities which are being terminated,
- c. the number of structured securities being terminated, and
- d. the termination date on which the securities will be terminated.

This notice of termination is irrevocable and binding. To be effective, the issuer must have received the notice of termination on the last banking business day before a termination date prior to 12:00 noon (local time Vienna).

If the issuer does not receive the notice of termination or the structured securities in time on the termination date stated in the notice of termination, then the termination shall not be effective. This shall also apply to turbo certificates if the certificate is knocked out by the termination date inclusive. In this case, the turbo certificate shall expire worthless or a residual value shall be paid out that is derived from the closing out of the hedging deal of the issuer (see § 9).

If the number of structured securities stated in the notice of termination for which the premature redemption/termination is being applied for differs from the number of the structured securities received by the issuer, then the notice of termination shall apply only to the lower of the two figures corresponding to the structured securities submitted. Any excess structured securities shall be returned at the expense and risk of the holder of the structured securities.

The holder of structured securities shall be prematurely paid the redemption amount (see § 9) in the respective product currency five banking business days after the respective termination date.

In this case, the closing price of the underlying instrument on the date the notice of termination is received by the issuer shall be effective.

[Any other grounds for the issuer to terminate the securities and their legal consequences are stated in Final Terms, line 39.]

§ 18. Taxation

The description refers exclusively to the relevant provisions of the taxation of income on capital assets and of other income on securities held by individual non-business investors resident in the respective country (thus treatment of income not from business operations). The explanations do not comprise all aspects of these types of taxation. The description does not deal with the individual tax situation of individual investors.

The information presented herein does not replace the necessary advice that must be obtained from a tax advisor in every individual case, considering the respective product, the investor's tax position and the recent legal position in the respective country, before reaching a decision to buy. Before buying a security, interested investors should in any case seek advice from their local tax advisors on the tax consequences of the acquisition, holding, sale and redemption of these securities. This is particularly true considering the current amendments to taxation law. The explanations provide general information based on the legal framework as per June 2007. The information has not been confirmed by court rulings or any explicit statements of the tax authorities and therefore should not be understood to mean that the tax consequences described are guaranteed to occur. Changes in the law, jurisdiction and administrative practice as well as deviating judgements of tax authorities due to the scope of potential divergent interpretations cannot be excluded and are not within the liability of the issuer. The individual tax status and assumptions thereon made by the investor are not subject of the contract between the issuer and the investor.

The issuer does not assume any responsibility for the withholding of the mentioned withholding taxes

A. Regarding holders of securities who are subject to taxation in Austria

1. Warrants

Returns on securities are income from speculation dealings pursuant to § 30 par.1 fig. 2 Income Tax Act (margin no. 7757a ff income tax law 2000-decree 2005 of 2 Jan. 2006).

As the legal situation concerning the taxation of warrants in Austria before November 2005 was not explicitly regulated, the Federal Ministry of Finance has ruled, that for warrants issued prior to 1st Dec. 2005 which were declared to be subject to capital yields tax at the time of issue, the stance adopted by

the respective custodian was not to change. However, a warrants holder has the possibility of obtaining the refund of the capital yields tax paid by requesting a tax assessment, or, if the conditions for such tax assessment are not given, by submitting an application to the competent tax office pursuant to § 240 par. 3 Federal Tax Code.

2. Leverage securities (Turbo Certificates, and Range Turbo Certificates):

Returns on securities are income from speculation dealings pursuant to § 30 par.1 fig. 2 Income Tax Act (margin no. 7757a ff income tax law 2000-decree 2005 of 2nd Jan. 2006) if at the time of the start of the issue (see Final Terms Chapter VI. "4.1.9 Issue Date") the capital expenditure for the respective security is smaller than or equal to 20% in relation to the price of the underlying instrument.

If at the time of the start of the issue the capital expenditure for the respective security is more than 20% in relation to the price of the underlying instrument, then the returns on the securities are income on capital assets pursuant to § 27 par. 1 fig. 4 Income Tax Act 1988 and are therefore subject to capital yields tax.

Due to the unclear legal situation prior to the decree of 2005 (margin no. 7757b income tax law 2000 - decree 2005 of 2nd Jan. 2006) the following transition rules apply to leverage products:

- If, prior to 1st October 2005 leverage products were issued not having a subordinated capital expenditure ("leverage is smaller than 5" - see margin no. 6197b) and were treated as capital yields tax free on 1st October 2005, then until the expiry of these securities no capital yields tax or credit shall apply.
- If, prior to 1st October 2005 leverage products were issued that had a subordinated capital expenditure ("as of leverage 5" - see margin no. 6197b) and were treated as capital yields tax obligatory on 1st October 2005, then until the expiry of these securities, capital yields tax shall be deducted and a credit shall apply.

However, a securities holder has the possibility of obtaining a refund of the capital yields tax paid by requesting a tax assessment, or, if the conditions for such tax assessment are not given, by submitting an application to the competent tax office pursuant to § 240 par. 3 Federal Tax Code.

3. Discount, Investment, Bonus, Speed, Lock-In, Outperformance, Centrobank, Twin Win, Reverse Bonus and Express Certificates:

Returns on securities pursuant to § 97 par. 1 in conjunction with § 93 par. 3 and § 124b fig. 85 Income Tax Act are subject to a final 25 % capital yields tax. This means that income and inheritance tax obligations are also covered. Pursuant to § 78 Insurance Surveillance Act, the certificates are suitable as cover for actuarial provisions (eligible for cover).

4. Reverse Convertibles:

Interest income is income on capital assets pursuant to § 27 par. 1 fig 4 Income Tax Act and is therefore subject to income tax.

Interest income is subject to a capital yields tax of 25 % pursuant to § 93 par. 3 Income Tax Act, if the interest paying agent is seated in Austria. The interest paying agent is the credit institution that pays out or credits to the investor interest earned on redemptions or the sale of securities.

With the deduction of the capital yields tax, the income tax is generally deemed to be paid (final taxation effect). Therefore, in this case investors are not obligated to include interest income on reverse convertibles in their income tax reports.

If the income tax due according to the taxation schedule is lower than the capital yields tax, the investor may request an assessment of interest income at the lower income tax rate. Capital yields tax is credited against income tax in this case or the excess amount is refunded. Expenses in connection with securities (fees, commissions, etc.) may not be deducted for taxation purposes pursuant to § 20 par 2 Income Tax Act (deduction prohibition).

Redemption gains or gains on sales from the redemption or sale of securities within one year of acquisition of the securities are taxable pursuant to § 30 Income Tax Act. This type of income on speculation gains is subject to the general income tax schedule.

The redemption by delivery of shares creates a new acquisition transaction for the investor, namely, the acquisition of shares. Gains on sales made from selling such shares within one year are subject to full taxation pursuant to § 30 Income Tax Act. Gains on sales after the end of the speculation period are not subject to income tax if the percentage of the share represents less than 1 %.

5. Guarantee Certificates:

According to the current legal opinion of the issuer, returns on certificates pursuant to § 97 par. 1 in conjunction with § 93 par. 3 and § 124b fig. 85 Income Tax Act are subject to 25 % capital yields tax. This means that income and inheritance tax obligations are also covered. Pursuant to § 14 Income Tax Act, the certificates are suitable for provisions for pension and severance payments as well as pursuant to § 78 Insurance Surveillance Act as cover for actuarial provisions (eligible for cover).

B. Holders of securities who do not have their habitual place of residence or domicile in Austria

If an investor does not have his or her habitual place of residence or domicile in Austria, then capital yields from the redemption or sale of certificates are not subject to income tax in Austria.

If such capital yields are paid out by an Austrian interest paying agent, the capital yields tax is not deducted, if the investor has furnished proof or credibly documented the status of non-resident to the paying agent.

Capital yields from the redemption or sale of certificates shall generally be subject to EU withholding tax as of 1st July 2007, if they are paid out by a domestic paying agent to a natural person who has his or her domicile in another member state of the EU. The paying agent is the credit institution which pays out the capital yields to the investor.

EU withholding tax is 15 % for payments as of 1st July 2005, 20 % for payments as of 1st July 2008 and 35 % for payments as of 1st July 2011. EU withholding tax is not levied if the investor presents to the paying agent a confirmation of his or her home tax office on the disclosure of the capital yields.

Interest income from the reverse convertibles and coupon payments on the guarantee certificates, described in this prospectus are deemed by the Federal Ministry of Finance to be interest income subject to EU withholding tax. All other income on capital from the certificates described in this prospectus does

not constitute interest income that would be subject to EU withholding tax in the opinion of the Federal Ministry of Finance.

C. The following applies to holders of securities subject to taxation in the Federal Republic of Germany:

The following presentation is limited to the presentation of taxation of privately-held assets (*Privatvermögen*) pursuant to the German Income Tax Act (excluding Church Tax (*Kirchensteuer*)) without German paying agent (*Zahlstelle*) and is based on the current state of the law. In addition it includes an outlook to the investment flat rate tax (*Abgeltungssteuer*) which passed German upper house of parliament on July 6th, 2007 as part of the Unternehmensteuerreform 2008.

A. Current Taxation

1. Warrants (with cash settlement/with delivery of underlying value)

A profit from the sale of a warrant is only then subject to taxation as a private sale if the period between acquisition and disposition is no more than one year (Disposition of securities within the meaning of § 23 (1) No. 2 EStG, BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Notes 17 and 22). This also applies to the exercise of an option with cash settlement, provided that the period between acquisition and exercise is no more than one year (forward transaction within the meaning of § 23 (1) No. 4 EStG, BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Notes 16 and 21). The purchase price and ancillary purchase costs of the warrants are then deemed to be income-related expenses (*Werbungskosten*) pursuant to § 23 (3) Sentence 5 EStG. Losses from the warrants may only be offset against profits received by the tax payer from private sales (*private Veräußerungsgeschäfte*) in the same calendar year (§ 23 (3) Sentence 8 EStG). Losses which may not be offset reduce, to a limited extent, the earnings from private sales of the immediately preceding or the following assessment periods (§ 23 (3) Sentence 9 EStG).

Dispositions and redemptions with cash settlement which occur after a holding period of more than one year are not subject to taxation.

In the event that a call option is exercised and the underlying value is delivered, this will not have any direct tax consequences regardless of the holding period. The option premium paid is included in the purchase price of the acquired shares (BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Note 15) and, as the case may be, may have profit-reducing effect upon a later taxable sale of these shares. The exercise of a put option and delivery of the underlying value results in taxable profits from a private sale if the underlying value subject to the disposition was acquired within one year prior to the disposition (BMF dated 27 November, 2001, BStBl. I 2001, 986, Margin Note 20).

The tax treatment of the expiration of an option within the one year holding period is not conclusively clarified at this time. Currently a case (IX R 11/06) is pending before the German Fiscal High Court (Bundesfinanzhof) regarding the question whether the acquisition costs of warrants which are expired within the holding period qualify as expenses related to income from private sales (*private Veräußerungsgeschäfte*). However, for the time being the German fiscal authorities adhere to the view that such expiration has no tax consequences.

2. Turbo, Range Turbo, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-In, Outperformance and Twin Win Certificates as well as Centrobank and Express Certificates without coupon and/or dividend payments and without (partial) capital guarantee:

The tax treatment of certificates is not conclusively clarified as this time. According to current opinion, earnings from the disposition and redemption of the issued certificates with a holding period of more than one year should not be subject to taxation as neither compensation nor a capital repayment (at least in part) was guaranteed (§ 20 (1) No. 7 of the German Income Tax Act (*Einkommensteuergesetz* or "EStG"; see Circular of the German Federal Ministry of Finance (*Bundesministerium für Finanzen* or "BMF") dated 16 March, 1999, German Federal Tax Gazette (*Bundessteuerblatt* or "BStBl.") I 1999, 433). In particular, the sale proceeds should not represent earnings pursuant to § 20 (2) EStG. In general the German fiscal authorities have hitherto not differentiated into different underlying values (except for the RexP, see Regional Finance Office (*Oberfinanzdirektion* or "OFD") Rheinland, No. 19/2007, dated 5 March 2007) but focused on whether the capital repayment was guaranteed in whole or in part or compensation was promised.

However, sale proceeds are subject to taxation as profits from a private sale if the period between acquisition and disposition was not more than one year (§ 23 (1) No. 2 EStG). This applies equally to profits from the redemption of certificates if the period between acquisition and redemption was no more than one year. Losses from such private sales (*private Veräußerungsgeschäfte*) may only be offset against the amount of profits which the tax payer earned from private sales in the same calendar year (§ 23 (3) Sentence 8 EStG). Losses which cannot be offset reduce, to a limited extent, the earnings from private sales of the immediately preceding or the following assessment periods (§ 23 (3) Sentence 9 EStG). Dispositions and redemptions which occur after a holding period of more than one year are not subject to taxation.

The Investment Tax Act (*Investmentsteuergesetz*) should not be applicable as a certificate is not a foreign investment unit (BMF dated 2 June, 2005, BStBl. I 2005, 728, Margin Note 9). However, a separate tax analysis for certificates not linked to a generally accepted index, especially for fund linked notes is recommended.

3. Guarantee Certificates as well as Centrobank and Express Certificates with coupon payments and/or (partial) capital guarantee:

The tax treatment of certificates with partial capital guarantee is not conclusively clarified at this time.

As a capital repayment (at least in part) has been guaranteed but at the same time an issue yield does not exist due to the uncertain component, both current earnings and sale and redemption proceeds (i.e. all earnings generated from the certificate) are subject to taxation as income from capital assets pursuant to § 20 (1) No. 7 and § 20 (2) EStG (taxation according to market yield) according to the German fiscal authorities. As this is deemed to be income from capital assets pursuant to § 20 EStG, this rule applies regardless of the holding period.

The fiscal authorities are of the opinion that the guarantee of even a partial capital repayment is sufficient to assume the existence of an other receivable within the meaning of § 20 (1) No. 7 EStG, see for example BMF dated 16 March, 1999, BStBl. 1999 I, Page 433. The required repayment amount cannot be limited to an amount below which a guarantee can no longer be assumed. Rather, every guaranteed repayment is sufficient. Accordingly, the tax character of the guarantee certificate is therefore independent of the specific amount of the guaranteed amount.

The tax treatment of certificates without (partial) capital guarantee but with coupon payments is also not conclusively clarified at this time.

Recent decisions by the German Fiscal High Court (Bundesfinanzhof) again stressed the traditional view on the tax treatment of products generating a yield in return for providing a certain cash amount. However, we think that even under the principals adhered to by the German Fiscal High Court in the most recent decisions (BFH 11/07/2006, VIII R 67/04; BFH 20/11/2006, VIII R 43/05; BFH 20/11/2006, VIII R 7/02; BFH 13/12/2006, VIII R/05; BFH 13/12/2006, VIII R 62/04; BFH 13/12/2006, VIII R 79/03) all amounts received out of certificates as described in this paragraph, will still be taxable when coupon payments are promised. As a consequence not only the coupon payments will be subject to taxation but amounts paid out as (capital-) repayments because of an increase/decrease of the underlying or because of any other reason, will as well be subject to tax.

4. Centrobank and Express Certificates with "dividend payments":

If the holder is not entitled to coupon payment but to dividend payment in the event an underlying share would entitle to a dividend payment, the tax treatment is unclear.

The fact that in such a case the payments are fully dependent on whether a direct holder of such a share would receive a dividend and therefore such a payment is not in any way granted, would speak in favor of not subjecting such a certificate to the tax treatment of a financial innovation as long as it does not as well include a (partial) capital guarantee.

However, no guideline for the treatment of such certificates has been issued by the German fiscal authorities nor has been a court decision dealt specifically with such an issue.

5. Reverse Convertible Bonds (Aktienanleihe):

According to the German fiscal authorities, reverse convertible bonds are receivables, the earnings of which depend on an uncertain event (BMF dated 2 March, 2001, BStBl. I 2001, 206, Margin Notes 12). Pursuant to § 20 (1) No. 7 Sentence 1 EStG, the current income is therefore subject to taxation as income from capital assets.

The treatment of profits and losses from a sale and losses following the exercise of the right of redemption has not yet been conclusively clarified at the highest court level. According to the opinion of the fiscal authorities (BMF dated 2 March, 2001, BStBl. I 2001, 206), an issue yield does not exist (§ 20 (2) Sentence 1 No. 4 EStG) as it is uncertain at the time of acquisition whether the right of redemption will be exercised or not. Consequently, such profits and losses will be taxed according to market yield (as difference between acquisition costs and amount paid out) pursuant to § 20 (2) Sentence 1 No. 4 Sentence 2 EStG, i.e. profits from the sale or redemption in the event of the actual repayment of the capital amount (non-exercise of the right) are subject to tax as capital income in the actual amount accrued and losses from the sale or redemption are considered as negative income from capital assets (BMF dated October 25, 2004, BStBl. I 2004, 1034).

Investment flat tax (Abgeltungssteuer)

B. German Tax Reform 2008 (Unternehmensteuerreform 2008)

On July 6th 2007 German Parliament has passed the so called Unternehmensteuerreform 2008. One part of the Unternehmenssteuerreform 2008 is the introduction of an investment flat tax which includes

fundamental changes to the principles of taxation of capital income (Einkünfte aus Kapitalvermögen) and capital gains (Einkünfte aus Veräußerungsgeschäften) for privately held assets.

This new investment income flat tax will be fully applicable for all certificates which have been acquired on January 1st 2009 or later.

1. The **warrants** (see par. A.1) will remain taxable under the current rules if acquired before January 1st 2009. Thereafter the income flat tax will apply.
2. For **certificates** described in par. A.1 and A.2 (**without coupon payments and (partial) capital guarantee**) which have been acquired before this date but after March 14th of 2007, the investment flat tax will also be applicable if
 - a. the capital income or capital gain out of a sale or redemption of the certificate paid out as realized after June 30th 2009 and
 - b. the time period between acquisition and alienation exceeded the period of 1 year.
3. For **certificates** described in par. A.3 to A.5 (**with coupon payments or (partial) capital guarantee**) the investment flat tax will be applied on all amounts paid out on January 1st 2009 or later.

When the investment flat tax is to be applied, all capital income in the form of coupons or other payments and capital gains out of the sale or redemption of the certificates are treated as capital income within the meaning of section 20 part 2 no. 7 German Income Tax Act. In principle they are subject to a flat tax of 25 % plus 5.5 % solidarity surcharge thereon. This is applied to all certificates whether they are to be considered as being speculative or not.

Losses out of the sale or redemption of the certificates can only be netted with other positive capital income. In so far as this is not possible within the tax year assessment in which the losses occurred, these losses can be carried forward without restriction in future years to be then netted with positive capital income.

D. The following applies to holders of securities subject to taxation in Poland:

Explanations restricted to the taxation of private (individual) investors resident in Poland.

1. Warrants

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The same applies for the redemption of the product by cash settlement.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying triggers capital gains tax under the respective applicable tax provisions (depending on the nature of the underlying).

2. Discount certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying triggers capital gains tax under the respective applicable tax provisions (depending on the nature of the underlying).

3. Investment, Bonus, Reverse Bonus, Speed, Lock-in, Outperformance and Twin Win certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

4. Turbo and Range Turbo certificates

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is taxable at a flat rate of 19 % without the possibility to deduct related costs. Depending on the taxation in Austria, the following two cases may be distinguished: 1) leverage less than five = revenues taxed as interest in Austria: tax base = interest revenue, no deduction of related costs (Art 30a PIT Act); 2) leverage at least five = revenues taxed as capital gains in Austria:

tax base = capital gains less related costs, losses of the previous five years may be offset against other income (maximum 50 % of the losses per year – Art 30b PIT Act).

5. Guarantee certificates

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

6. Reverse convertibles

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

The redemption by settlement in kind (delivery of the underlying) is not taxable in Poland; the subsequent sale of the underlying (share) is taxable under Article 30b PIT Act at a flat rate of 19 % with the tax base being the capital gains less related costs.

7. Centrobank and Express certificates

Current income is taxable under Article 30a PIT Act at a flat rate of 19 % without the possibility to deduct related costs.

A sale of the product is taxable under Article 30b PIT Act at a flat rate of 19 %, whereby related costs are deductible and losses of the previous five years may be offset against other income (maximum 50 % of the losses per year).

The redemption by cash-settlement is (depending on the Austrian qualification) taxable under Article 30a PIT Act at a 19 % flat rate without the possibility to deduct related costs.

E. The following applies to holders of securities subject to taxation in the Slovak Republic:

Explanations restricted to the taxation of private (individual) investors resident in the Slovak Republic.

1. Warrants

The sale of the product or the redemption at maturity (settlement in cash or in kind) is a taxable "transaction with derivatives" under Art 8 SITA.. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one warrant can be offset with the profit from the transaction on another warrant under the condition that both transactions are realized within one taxation period (profit or loss is incurred).

Please note that, if warrants are sold before their expiration, a loss from these transactions belongs to the bucket "transfer of options" and cannot be offset with a profit from transactions, where warrants are held until their expiration. The general condition of offsetting profit or loss from the same buckets of income must be met.

2. Turbo, Range Turbo, Discount, Investment, Bonus, Speed, Lock-in, Outperformance, Twin Win and Reverse Bonus Certificates (certificates qualifying as "instruments with embedded derivatives")

a. The sale of the product or the redemption at maturity in the form of settlement in cash is a taxable "transaction with derivatives" under Art 8 SITA. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

b. Redemption in the form of underlying asset:

i. Underlying asset (security) has negative development:

If the underlying asset has negative development and the investor will receive at the redemption date instead of cash the relevant underlying asset which market price will be lower than the nominal value of the certificate, there are no tax implications for the investor. Upon a later sale of the underlying, the difference between the sales revenue and the nominal value of the certificate is taxable other income according to Art 8 SITA, less deductible expenses plus expenditure related to the acquisition of the certificate.

ii. Underlying asset (security) has positive development:

If the underlying asset has a positive development, and the investor will receive the underlying instrument instead of cash, this gain (difference between fair value of underlying asset at the moment of redemption and nominal value of certificate) will represent taxable income (Art 2 SITA). Upon a later sale of the underlying asset, the difference between the fair value of the underlying asset and the nominal value of the certificate should not be taxed twice; only the difference between the sales revenue and the fair value of the underlying asset at the moment of redemption is taxable income.

3. Guarantee, Express and Centrobank Certificates

- a. Current income in the form of **guaranteed coupon** from guarantee certificate is taxable as interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.
- b. Current income in the form of **variable coupon** from guarantee certificate provided that it is paid to the investor regularly, is taxable interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.
- c. Current income in the form of "**dividend**" payments is taxable as "income from capital" under Art 7 SITA at a flat rate of 19 %; related costs are not deductible. In this case as the "dividends" investor will regularly receive do not result from his/her ownership on the registered capital of the company paying such "dividend", such "dividends" will not be tax free.
- d. The sale of the product (redemption amount and participation sum) or the redemption at maturity (settlement in cash) is a taxable "transaction with derivatives" under Art 8 SITA. The tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

4. Reverse Convertible Bonds

Current income is taxable as interest income under Art 7 SITA at a flat tax rate of 19 %; related costs are not deductible. The interest income is included in the general tax base of the Slovak investor.

The sale of the product or the redemption at maturity (settlement in cash or in kind) is a taxable "transaction with derivatives" under Art 8 SITA. Tax base is the capital gain less related costs, which is included in the general tax base of the Slovak investor; the applicable tax rate is 19 %. A loss from a transaction on one certificate can be offset with the profit from the transaction on another certificate under the condition that both transactions are realized within one taxation period (profit or loss is incurred) and belong to the same bucket of income. The general condition of offsetting profit or loss from the same buckets of income must be met.

F. The following applies to holders of securities subject to taxation in Slovenia:

Explanations restricted to the taxation of private (individual) investors resident in Slovenia.

1. General:

These financial instruments are not extensively traded on the Slovenian market. These informations have been prepared in accordance with the current legislation and opinions of the Ministry of Finance of the Republic of Slovenia, or other competent authorities. The Securities Market Act ("SMA") of Slovenia defines in the first paragraph of Article 6 derivative financial instruments, which is only a general legal definition.

Financial instruments according to Article 6a of the SMA are:

- Securities and
- Derivative financial instruments

The explained taxation in Slovenia is the most likely taxation under the current legal situation and based on the experience made so far with the Slovenian tax authorities. As the legal situation in connection with the taxation of these structured securities is not clear, a ruling should be required from the Ministry of Finance of the Republic of Slovenia.

2. All products, if/as far as qualifying as „derivatives“ (Warrants, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-in, Turbo, Range Turbo, Guarantee, Outperformance, Twin Win and Express Certificates, Reverse Convertibles) are taxable as follows:

If the product is qualified as “derivative financial instrument” pursuant to Art 6a of the SMA, any income from the product is treated as a tax exempt “capital gain” (Art 32 PITA).

According to the Slovene personal income tax law capital gains realised by derivative financial instruments are not subject to taxation (Article 32 of the Personal Income Tax Law).

The subsequent sale of the in kind redemption is taxable under the general Slovenian taxation rules. In the case of the underlying being a share (e.g. Reverse Convertibles), the capital gain is taxable. The taxable base is the difference between the value of a share upon disposal and the acquisition value of the share, taking into account certain expenses incurred upon acquisition or disposal of the share. The tax rate depends on the holding period of the share and amounts to 20 % for a holding period of up to five years, 15 % for a holding period from five to ten years, 10 % for a holding period from 10 to 15 years and 5 % for a holding period from 15 to 20 years. Sales of shares that have been held for more than twenty years are tax exempt.

However there are following open questions:

- whether the **redemption amount** (when it is higher than the principal value) presents **interest income** due to the fact that the legal nature of certificates is debt security (no clear definition in the Slovene legislation) – especially in case when the certificate is not sold before maturity; or
- whether the **redemption amount** presents **capital gains** (either by a disposal of a debt security or derivative financial instrument), which is **not subject to taxation**.

3. All products, if/as far as qualifying as „debt securities“ (Warrants, Discount, Investment, Bonus, Reverse Bonus, Speed, Lock-in, Turbo, Range Turbo, Guarantee, Outperformance, Twin Win and Express Certificates, Reverse Convertibles) are taxable as follows:

Capital gains realised by a disposal of debt securities are exempt from taxation (Article 96 of the Personal Income Tax Law).

Any **current income** is taxable as interest income at a **flat rate of 15 %**. The tax rate will amount to 20 % from the year 2008 on. Related costs are not deductible.

The subsequent sale of an in kind redemption is taxable as capital gain. The taxable base is the difference between the value of a share upon disposal and the acquisition value of the share, taking into account certain expenses incurred upon acquisition or disposal of the share. The tax rate depends on the holding period of the share and amounts to 20 % for a holding period of nil to five years, 15 % for a holding period of five to ten years, 10 % for a holding period of 10 to 15 years and 5 % for a

holding period of 15 to 20 years. Sales of shares that have been held for more than twenty years are taxed with 0% tax rate.

G. The following applies to holders of securities subject to taxation in the Czech Republic:

Explanations restricted to the taxation of private (individual) investors resident in the Czech Republic.

1. Warrants

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place more than six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rate between 12 and 32 %. Capital gains may be offset against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

2. Turbo, Range Turbo, Investment, Bonus, Speed, Lock-in, Outperformance, Twin Win and Reverse Bonus Certificates

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rate between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place more than six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

3. Guarantee Certificates

Current income is taxable as interest at the progressive tax rate between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

4. Reverse Convertible Bonds

Current income is taxable as interest at the progressive tax rates between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

5. Discount certificates

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by settlement in kind is not taxable. The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The subsequent sale of the in kind redemption is not taxable if taking place at least six months after the acquisition. A sale within six months is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply).

6. Express and Centrobank certificates

Current income is taxable as interest at the progressive tax rates between 12 and 32 %; related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

The sale of the product within six months from acquisition is taxable with the tax base being the capital gain less related costs at the progressive tax rates between 12 and 32 %. Capital gains may be set off against losses from the sale of other financial instruments (the overall loss utilization rules/restrictions apply). Sales of the product, which are taking place at least six months after the acquisition, are not taxable.

The redemption by cash settlement is taxable with the redemption proceeds at the progressive tax rates between 12 and 32 %; acquisition costs or other related costs are not deductible. Alternatively, the investor may opt to include these proceeds into a separate tax base at a flat rate of 15 %.

H. The following applies to holders of securities subject to taxation in Hungary:

Explanations restricted to the taxation of private (individual) investors resident in Hungary. Please note that in certain cases capital gain can also be subject to 4% health tax in addition to the 25% personal income tax.

1. Warrants

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Exercise of a **call-option** by delivery of a publicly traded underlying security is not taxable. Exercise of a call-option by delivery of a non-security underlying is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the fair market value of the underlying and the exercise price and the purchase price of the call-option. Related costs are deductible. The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

Exercise of a **put-option** is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the exercise price and the fair market value of the underlying and the purchase price of the put-option. This applies on both, security and non-security underlyings. If the underlying has previously been bought in order to settle the put-option, the difference between the fair market value of the underlying security and the original purchase price of the underlying security is taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000 with the acquisition expenses being deductible. In case of an underlying security which is traded at an EU or OECD stock exchange, the 20 % flat rate (no health tax) applies. In case of a non-security underlying, the 25 % flat rate applies, but no health tax.

2. Investment, Bonus, Reverse Bonus, Speed, Lock-in, Outperformance, Turbo, Range Turbo and Twin Win certificates

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

3. Guarantee certificates (repayment of purchase price not guaranteed)

Current income is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

4. Reverse convertibles

Current income is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Settlement by **delivery of an underlying security** is not taxable.

The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

5. Discount certificates

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

Settlement by **delivery of a publicly traded underlying security** is not taxable. Settlement by **delivery of a non-security underlying** is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax with the tax base being the difference between the fair market value of the underlying and the exercise price and the purchase price of the call-option. Related costs are deductible.

The subsequent **sale of the underlying** is taxable depending on the nature of the underlying.

6. Centrobank and Express certificates

Current income (not qualifying as "dividends" in Austria) is taxable as "other income" at progressive rates of up to 40 % (including 4 % solidarity tax) plus 11 % health tax.

Capital gains from the **sale of the product** are taxable at a 25 % flat rate plus 14 % health tax up to HUF 450.000. Acquisition expenses are deductible. Capital gains from the sale of a product which is traded at an EU or OECD stock exchange are taxable at a 20 % flat rate (no health tax). The same applies for the redemption of the product by **cash settlement**.

I. The following applies to holders of securities subject to taxation in Romania:

The below explanations are restricted to the taxation of individual non-business investors resident in the respective country and provide general information based on the legal position as per June 2007.

1. General

Alternative instruments represent a new area in Romania, rarely used as compared to the classical financial instruments. Consequently, these types of financial instruments are not extensively traded on the Romanian market. **The Romanian Fiscal Code does not provide a clear definition of financial instruments or investment titles.** You can find reference in Title III Personal Income Tax. Thus, under the general investment title term fall any securities, investment titles at open investment funds or any other financial instrument qualified as such by the National Securities Committee, including the derivatives.

These alternative investment instruments may be assimilated to different investment titles as described in the Romanian Fiscal Code. As such, the tax treatment of these investment titles depends significantly on the category under which they can be classified.

The issues presented in this document are clear only in relation to the interest/coupon and dividend revenue. For the other income derived from these types of certificates a ruling should be required from the National Securities Committee together with the Ministry of Finance. This ruling should address the classification of the income generated by this certificate and the tax applicable thereon. Depending on the classification as a security and on the holding period the tax is either 1% or 16%.

2. Warrants and Discount Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

The redemption by settlement in kind¹ is not taxable. At the subsequent sale of the in kind redemption any capital gain arising will be subject to the above mentioned rules.

3. Turbo, Range Turbo, Investment, Bonus, Reverse Bonus, Speed, Lock-In, Outperformance and Twin Win Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

¹ By settlement in-kind we understand the receipt of the underlying instrument.

4. Centrobank and Express Certificates

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

Dividend income is taxable at 16 % rate applied to the gross amount (no deduction of related costs).

5. Reverse Convertibles

The sale of the product and the redemption by cash settlement is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

6. Guarantee Certificates

The sale of the product, the redemption by cash settlement and the payout of a participation amount upon maturity is taxable with the tax base being the capital gain less related costs at the tax rate of (i) 1 %, if the security was held for more than 365 days, and (ii) 16 %, if the security was held for less than 365 days. Losses incurred in respect of transactions with such securities (other than participation titles held in an open investment fund and shares in a non-listed entity) can be offset against profits obtained during the same year, however if at year end the taxpayer records a net annual loss, this loss cannot be carried forward.

Interest income (coupon) is taxable starting 1st January, 2007 at 16 % rate applied to the gross amount (no deduction of related costs).

§ 19. Increases; Repurchase

1. The issuer has the right to issue additional structured securities with the same features (if applicable, up to the start of the exercise period) so that these form a uniform issue together with the respective structured securities and increase the number. In such case, the term "structured securities" comprises any additional structured securities issued.
2. The issuer has the right to repurchase the structured securities at any time through the exchange or in over the counter. The issuer is not under the obligation to inform the holder of structured securities of

any such action. The issuer has the right to render the structured securities bought back worthless, to hold or resell them or use them in any other manner.

§ 20. Paying Agent, Application Agent and/or Warrants Agent

1. The paying agent, application agent and/or warrants agent (for warrants) is Raiffeisen Centrobank AG. The crediting of payments to the holder shall be done by the respective custodian bank of the securities holder.
2. The issuer shall have the right to name additional paying agents and warrants agents and to revoke their appointment. Appointments and revocations shall be disclosed pursuant to § 23 par. 1.a.
3. The paying agents and warrants agents shall act in this function solely as parties commissioned by the issuer and their relationship with the holders of warrants shall not be one of contractor or trustee.
4. The paying agents, application agents and warrants agent shall only be liable for any representations made or omitted, declarations accepted or actions taken or not taken to the extent they do not violate the due diligence and prudence principles of a proper merchant.

§ 21. Substitution of the Issuer

1. Any other company may enter into all of the obligations of the issuer imposed by these securities contingent on par. 2 at any time during the life of the structured securities after this has been announced by the issuer pursuant to § 23 par. 1.a. In the event of such takeover, the company taking over (hereinafter "new issuer") will legally succeed the issuer and replace it, and shall have the right to exercise all rights and obligations of the issuer arising from the structured securities with the same effect as if the new issuer had been named the issuer in these Securities Terms; the issuer (and in the event of a repeated application of § 21, any further new issuers) is thus released from the obligations under these Securities Terms and from liability as debtor under the structured securities. In the event of such a takeover, the term "issuer" shall designate in all provisions of these Securities Terms (except in these § 21) the new issuer.
2. Such a takeover shall be permissible if
 - a. the new issuer has undertaken to hold all holders of structured securities harmless with respect to any taxes, charges, prolongations or official duties that may be imposed in connection with such a takeover;
 - b. the issuer (called guarantor in this function) unconditionally and irrevocably guarantees the fulfilment of all payment obligations to be assumed by the new issuer vis-à-vis the holders of structured securities and discloses the text of this guarantee pursuant to § 23 par. 1.a;
 - c. the new issuer has all government authorizations, permits, approvals and concessions required in those countries in which the new issuer has its registered office or according to whose laws the company has been established.
3. After the issuer has been replaced by the new issuer, the provisions of § 21 shall apply again.

§ 22. Exchange Listing

Listing is on the Unregulated Market of Börse Stuttgart AG (European Warrant Exchange - EUWAX) and on the Semi-official Market of Wiener Börse. [*Further information and changes to exchange listing*]; [*Admission to Trading/Markets*] (see FT, line 55).

§ 23. Publications

1. All announcements relating to the structured securities shall be made as follows: In those cases in which
 - a. a reference is made to § 23 par. 1.a., announcements concerning structured securities described herein will be made in accordance with the law in the Official Gazette "Amtsblatt der Wiener Zeitung". Should this newspaper discontinue publication, it shall be replaced by the daily newspaper serving as medium for official announcements. A special notification of each individual holder of a structured security shall not be required.
 - b. a reference is made to § 23 par. 1.b., announcements concerning structured securities described herein will be made by deposit with the Austrian Financial Market Authority and simultaneously publication on the website of the issuer (<http://www.rcb.at/>).
2. Unless otherwise stipulated in these Securities Terms, such announcements shall only serve for information purposes and do not constitute any pre-condition for effectiveness.

§ 24. Statute of Limitation

The right to claim payment of capital due shall expire after thirty years as of the due date; claims to payments of interest shall expire after three years as of the due date.

§ 25. Obligation to Prepare a Listing Prospectus for Public Offerings

The structured securities are offered to the public in Austria and Germany [*Admission to Trading/Markets*] (see FT, line 55). They are issued in the form of a continuous issue. A base prospectus has been prepared in Austria pursuant to Art 7 par 4, fig. 1 of EU Regulation 809/2004. This base prospectus has been notified to

- the Federal Financial Supervisory Authority in Germany, Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin") for Germany,
- the Polish Securities and Exchange Commission (KPWiG Komisja Papierów Wartościowych i Giełd) for Poland,
- the National Bank of Slovakia "NBS" (and UFT, Financial Market Authority of the Slovak Republic) for Slovakia,
- the Securities Market Agency (SMA) for Slovenia,
- the Czech Securities Commission (CSC) for the Czech Rep. and
- the Hungarian Financial Supervisory Authority (HFSA) for Hungary.
- the Romanian National Securities Commission (CNVM).

§ 26. Liability

The issuer will be fully liable with its entire assets for all obligations from the issuance of structured securities.

§ 27. Exclusion of Liability

The issuer does not assume any liability for the correctness, completeness, continuity and continuous calculation of the prices of the underlying instruments by the relevant exchanges or price-fixing entities (see FT, line 44).

§ 28. Applicable Law, Jurisdiction and Place of Performance

1. The form and content of structured securities as well as all rights and obligations arising under the matters covered by these terms are governed in all respects by Austrian law.
2. Place of performance and jurisdiction is Vienna; nonetheless, the issuer retains the right to file a lawsuit with any other competent court.

§ 29. Severability Clause

Should any of the individual provisions of this Agreement become invalid or unenforceable, this shall not affect the validity or executability of the remaining provisions. The invalid or unenforceable provisions shall be replaced by such provisions that come as close as possible to the intent of the provisions of these Terms.

§ 30. Final Provisions

1. The issuer has the right to change or supplement the following without having to obtain the consent of the holders of the structured securities:
 - a. obvious typing or calculation errors or other obvious errors as well as
 - b. any contradictory provisions or provisions containing omissions.

The cases mentioned under b) only permit such changes or supplements that are acceptable to the holders of the structured securities while taking into account the interests of the issuer, i.e., do not substantially worsen the financial situation of the holders of structured securities. Changes and supplements to these Securities Terms are announced immediately in accordance with § 23 par. 1.b.

2. Definitions, calculations and other decisions by the issuer are binding for all parties involved unless there is an obvious mistake.

3. All taxes, fees and other duties falling due in connection with the redemption of the structured securities shall be borne and paid by the holders of the structured securities.

Vienna, [*Date of creation of Securities Terms*]

2007-0341

Prospekt gebilligt

20. JUN 2007



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