

Pricing Supplement

Republic of Austria

Euro 30,000,000,000 Medium Term Note Programme

Series No: 79

Tranche No: 4

U.S.\$100,000,000 5.00 per cent. Notes due 19 May 2014 (the "Notes")
issued by

The Republic of Austria

(to be consolidated and form a single series with the existing U.S.\$1,000,000,000 5.00 per cent. Notes due 19 May 2014 issued on 19 May 2004, the U.S.\$100,000,000 5.00 per cent. Notes due 19 May 2014 issued on 14 May 2007 and the U.S.\$100,000,000 5.00 per cent. Notes due 19 May 2014 issued on 29 June 2007)

Issue Price: 107.365 per cent. of the Aggregate Nominal Amount
(plus 336 days' accrued interest from and including 19 May 2007
to but excluding 25 April 2008)

Goldman Sachs International

The date of this Pricing Supplement is 25 April 2008

This Pricing Supplement is issued to give details of a Tranche of medium term notes (the "**Notes**") to be issued by The Republic of Austria (the "**Republic**") pursuant to its Euro 30,000,000,000 Medium Term Note Programme (the "**Programme**"). It is supplementary to, and should be read in conjunction with, the terms and conditions of the Notes (the "**Terms and Conditions**") set out in the Offering Circular dated 16 September 2003 (and attached as Annex A hereto) (together with the Offering Circular dated 23 March 2007 and any amendments or supplements thereto (other than other Pricing Supplements), the "**Offering Circular**") issued in relation to the Programme. Terms defined in the Offering Circular have the same meanings in this Pricing Supplement.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"). SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES. THIS PRICING SUPPLEMENT HAS BEEN PREPARED BY THE REPUBLIC FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") AND FOR LISTING OF THE NOTES ON THE LUXEMBOURG STOCK EXCHANGE. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THIS PRICING SUPPLEMENT AND OFFERING CIRCULAR, SEE "SUBSCRIPTION AND SALE" CONTAINED IN THE OFFERING CIRCULAR.

The issue of the Notes has been authorised by Article II of the Federal Budget Act 2008 in connection with Section 65(b)(1) of the Federal Budget Accounting Act 1986, as amended.

Terms and Conditions

The following items under this heading "Terms and Conditions" are the particular terms which relate to the Tranche of the Notes the subject of this Pricing Supplement.

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|---|---|---|
| 1 | Issuer: | The Republic of Austria |
| 2 | (i) Series Number: | 79 |
| | (ii) Tranche Number: | 4 |
| | | The Notes are fungible as of the Issue Date with the existing U.S.\$1,000,000,000 5.00 per cent. Notes due 19 May 2014 issued on 19 May 2004, the U.S.\$100,000,000 5.00 per cent. Notes due 19 May 2014 issued on 14 May 2007 and the U.S.\$100,000,000 5.00 per cent. Notes due 19 May 2014 issued on 29 June 2007. |
| 3 | Specified Currency or Currencies: | U.S. Dollars ("U.S.\$") |
| 4 | Aggregate Nominal Amount: | |
| | (i) Series: | U.S.\$1,300,000,000 |
| | (ii) Tranche: | U.S.\$100,000,000 |
| 5 | (i) Issue Price: | 107.365 per cent. of the Aggregate Nominal Amount (plus 336 days' accrued interest from and including 19 May 2007 to but excluding 25 April 2008) |
| | (ii) Net Proceeds: | U.S.\$ 112,031,666.67 |
| 6 | Specified Denominations: | U.S.\$1,000, U.S.\$10,000, U.S.\$100,000 |
| 7 | (i) Issue Date: | 25 April 2008 |
| | (ii) Interest Commencement Date (if different from the Issue Date): | 19 May 2007 |
| 8 | Maturity Date: | 19 May 2014 |
| 9 | Interest Basis: | 5.00 per cent. Fixed Rate |
| 10 | Redemption/Payment Basis: | Redemption at par |
| 11 | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12 | Put/Call Options: | Not Applicable |
| 13 | Status of the Notes: | Senior |
| 14 | Listing: | Luxembourg Stock Exchange |
| 15 | Method of distribution: | Non-syndicated |
| PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE | | |
| 16 | Fixed Rate Note Provisions | Applicable |

(i)	Rate of Interest:	5.00 per cent. per annum payable annually in arrear
(ii)	Interest Payment Dates:	19 May in each year, commencing 19 May 2008
(iii)	Fixed Coupon Amounts:	U.S.\$50.00 per U.S.\$1,000 in nominal amount U.S.\$500.00 per U.S.\$10,000 in nominal amount U.S.\$5,000.00 per U.S.\$100,000 in nominal amount
(iv)	Broken Amount:	Not Applicable
(v)	Day Count Fraction (Condition 5(k)):	30/360
(vi)	Determination Date(s) (Condition 5(k)):	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17	Floating Rate Note Provisions	Not Applicable
18	Zero Coupon Note Provisions	Not Applicable
19	Index Linked Interest Note Provisions	Not Applicable
20	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21	Call Option (Condition 6(d))	Not Applicable
22	Put Option (Condition 6(e))	Not Applicable
23	Final Redemption Amount	Nominal Amount
24	Early Redemption Amount	
(i)	Early Redemption Amount(s) payable on an event of default (Condition 9) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Nominal Amount
(ii)	Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(e)):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	Form of Notes:	Registered Notes
(i)	Temporary or Permanent Global Note/Certificate:	Regulation S Global Note
(ii)	Applicable TEFRA exemption:	Not Applicable
(iii)	Interim Note required:	Yes
(iv)	New Global Note:	No

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| 26 | Additional Financial Centre(s) (Condition 7(a)(iii)) or other special provisions relating to payment dates: | London, New York and TARGET |
| 27 | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | Not Applicable |
| 28 | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Republic to forfeit the Notes and interest due on late payment: | Not Applicable |
| 29 | Details relating to Instalment Notes: | Not Applicable |
| 30 | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 31 | Consolidation provisions: | Not Applicable |
| 32 | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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|----|---------------------------------------|-----------------------------|
| 33 | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager(s) (if any): | Not Applicable |
| | (iii) Dealer's Commission: | Not Applicable |
| 34 | If non-syndicated, name of Dealer: | Goldman Sachs International |
| 35 | Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

- | | | |
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| 36 | Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| 37 | ISIN Code: | XS0192781150 |
| 38 | Common Code: | 19278115 |
| 39 | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| 40 | Delivery: | Delivery against payment |
| 41 | The Agents appointed in respect of the Notes are: | The Fiscal Agent, Transfer Agent, Registrar and Exchange Agent shall be Citibank, N.A. |

The Listing Agent and Paying Agent shall be Fortis Banque Luxembourg S.A.

GENERAL

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| 42 | Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): | Not Applicable |
| 43 | The aggregate nominal amount of Notes issued has been translated into euro at the rate on 18 April 2008 of Euro1.00 to U.S.\$ 1.575, producing a sum of (for Notes not denominated in euro): | Euro 63,492,063 |

LISTING APPLICATION

This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the Euro 30,000,000,000 Medium Term Note Programme of The Republic of Austria.

Signed on behalf of The Republic of Austria:

By:

Duly authorised


Kurt Sumper, MBA
Managing Director

Annex A

Terms and Conditions from the Offering Circular dated 16 September 2003

The Notes are issued pursuant to an Agency Agreement originally dated 11 March 1999 as amended and restated by an Amended and Restated Agency Agreement on 1 March 2002 (as further amended, supplemented and/or restated from time to time, the "Agency Agreement") and made between The Republic of Austria (the "Republic"), Citibank, N.A. as fiscal agent, transfer agent and calculation agent, Citibank, N.A. as registrar, transfer agent and exchange agent and the other agents named in it and with the benefit of a Deed of Covenant originally dated 11 March 1999 (as supplemented by a Supplemental Deed of Covenant dated 1 March 2002 and as further supplemented from time to time, the "Deed of Covenant") and a Deed Poll originally dated 11 March 1999 (as supplemented by a Supplemental Deed Poll dated 1 March 2002 and as further supplemented from time to time, the "Deed Poll") and executed by the Republic. The fiscal agent, the paying agents, the calculation agent, the registrar, the exchange agent and the transfer agents for the time being are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Calculation Agent", the "Registrar", the "Exchange Agent" and the "Transfer Agents" and together as the "Agents". The Noteholders (as defined in Condition 1(c)) and the holders of the Coupons (if any) (the "Couponholders") and, where applicable in the case of interest-bearing Notes in bearer form, talons for further Coupons (the "Talons") and the holders of the receipts for the payment of instalments of principal (the "Receipts") relating to Notes in bearer form of which the interest is payable in instalments are deemed to have notice of all of the provisions of the relevant Pricing Supplement (as defined in Condition 1(e)) and of those applicable to them of the Agency Agreement.

Copies of the Agency Agreement, the Deed Poll and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1. FORM, DENOMINATION, TITLE, SPECIFIED CURRENCY AND PRICING SUPPLEMENT

(a) Form

Each Series (as defined in Condition 1(c)) of Notes of which the Note to which these Conditions are attached forms part (in these Conditions, the "Notes") is issued either in bearer form ("Bearer Notes") or in registered form ("Registered Notes") and Notes comprising each such Series will be issued in each case in the Specified Denomination(s) (as defined in Condition 1(b)). These Conditions must be read accordingly.

A registered certificate will be issued to each holder of Registered Note(s) in respect of its registered holding or holdings (each a "Certificate"). Each Certificate will be numbered serially with an identifying number which will be recorded in the register (the "Register") which the Republic shall procure to be kept by the Registrar.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

(b) Specified Denomination

"Specified Denomination" means the denomination or denominations specified on such Note. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination (if any).

(c) Title

Title to the Bearer Notes, the Receipts, the Coupons relating thereto and, where applicable, the Talons relating thereto shall pass by delivery. Title to the Registered Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt,

Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, "Noteholder" and, in relation to a Note, Receipt, Coupon or Talon, "holder", means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), "Tranche" means Notes which are identical in all respects (including as to listing) and "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single Series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

(d) Specified Currency

The Specified Currency of any Note is as specified on such Note. All payments of principal and interest in respect of a Note shall be made in the Specified Currency.

(e) Pricing Supplement and Additional Terms

References in these Conditions to terms specified on a Note shall be deemed to include references to terms specified in the applicable Pricing Supplement issued in respect of a Tranche which includes such Note (each a "Pricing Supplement"). Capitalised terms used in these Conditions in respect of a Note, and not specifically defined in these Conditions, have the meaning given to them in the applicable Pricing Supplement issued in respect of a Tranche which includes such Note. Additional provisions relating to the Notes may be contained in the Pricing Supplement or specified on the Note and will take effect as if originally specified in these Conditions.

2. TRANSFERS OF REGISTERED NOTES AND ISSUE OF CERTIFICATES

(a) Transfer of Registered Notes

A Registered Note may be transferred in whole or in part in a Specified Denomination upon the surrender of the Certificate issued in respect of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed (together with any other evidence as the Registrar or Transfer Agent may reasonably require), at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note a new Certificate in respect of the balance not transferred will be issued to the transferor. Each new Certificate to be issued upon transfer of such Registered Note will, within three business days of receipt of such form of transfer and surrender of the Certificate for exchange, be mailed at the risk of the holder entitled to the new Certificate to such address as may be specified in such form of transfer. For the purposes of this Condition 2(a), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(b) Transfer Free of Charge

Registration of transfer will be effected without charge by or on behalf of the Republic, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 60 days prior to any date on which Notes of the relevant Series may be redeemed by the Republic at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption in whole or in part in accordance with Condition 6 or (iv) during the period of seven days ending on and including any Record Date (as defined in Condition 7(b)(i)).

(d) Regulations

All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Republic, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any holder of a Registered Note upon request.

3. STATUS

The Notes, the Receipts and Coupons of all Series constitute (subject to Condition 4) unsecured, unconditional, direct and general obligations of the Republic and rank *pari passu* with all other loan or bond indebtedness of the Republic resulting from financial debts. The Republic pledges its full faith and credit for the due and punctual payment of the principal of, interest on and any payment on the Notes.

4. NEGATIVE PLEDGE

The Republic undertakes for the benefit of the Noteholders and the Couponholders that for so long as any Note, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) it will not create or permit to subsist any charge, pledge, encumbrance or other security interest in respect of any loan or bond indebtedness of the Republic resulting from financial debts unless, at the same time or prior thereto, all amounts payable in respect of the Notes, Receipts and Coupons are secured equally and rateably therewith.

5. INTEREST

One or more of the following provisions apply to each Note, as specified on such Note.

(a) Interest on Fixed Rate Notes

This Condition 5(a) applies to a Note specified as being a Fixed Rate Note.

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

This Condition 5(b) applies to a Note specified as being a Floating Rate Note or an Index Linked Interest Note.

(i) Interest Payment Dates

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, "Interest Payment Date" shall mean each date which falls the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject

to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), "ISDA Rate" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) in the case of a Note which specifies that the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
 - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or interest rate per annum or is customarily supplied by one entity) or
 - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates so appear on that Page

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

- (y) in the case of a Note which specifies that the Primary Source for Floating Rate shall be Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and

(z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Specified Currency or, if the Specified Currency is euro, in the Euro-zone as selected by the Calculation Agent (the "Principal Financial Centre") are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

(iv) **Rate of Interest for Index Linked Interest Notes**

The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.

(c) **Zero Coupon Notes**

This Condition 5(c) applies to a Note specified as being a Zero Coupon Note.

Reference to the amount of interest payable (other than as provided below), Coupons and Talons in these Conditions are not applicable. Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(c)(i)).

(d) **Dual Currency Notes**

This Condition 5(d) applies to a Note specified as being a Dual Currency Note.

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.

(e) **Partly Paid Notes**

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified hereon.

(f) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding**

(i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(g) Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Republic, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the second Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) Interest Accrual

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation or surrender, payment of principal is improperly withheld or refused. In such event interest will continue to accrue at the rate and in the manner provided in this Condition 5 (both before and after judgment) until the Relevant Date (as defined in Condition 8) (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

(j) Calculation Agent and Reference Banks

The Republic shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency

Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Republic shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Republic shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

(k) Definitions

As used in these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets are open generally for business in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET system is operating (a “TARGET Business Day”) and/or
- (iii) in the case of a currency and/or one or more Additional Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open generally for business in the principal financial centre for such currency and/or in the Additional Business Centre(s) or, if no currency is indicated, generally in each of the Additional Business Centres.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “Calculation Period”):

- (i) if “Actual/365” or “Actual/Actual — ISDA” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month))

- (v) if "30E/360" or "Eurobond Basis" is specified hereon, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) and
- (vi) if "Actual/Actual — ISMA" is specified hereon,
 - (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of day in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"Determination Period" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"Determination Date" means the date specified as such hereon or, if none is so specified, the Interest Payment Date.

"Effective Date" means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

"Euro-zone" means the region comprising member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

"Interest Accrual Period" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"Interest Amount" means the amount of interest payable, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

"Interest Commencement Date" means the Issue Date or such other date as may be specified as the Interest Commencement Date hereon.

"Interest Determination Date" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

"Interest Payment Date" means each date which falls in the Specified Interest Period specified on the relevant Note after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Note, in each case as adjusted by the Business Day Convention specified on such Note.

"Interest Period" means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date.

"Interest Period Date" means each Interest Payment Date unless otherwise specified hereon.

"ISDA Definitions" means the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

"Issue Date" means, in respect of any Note or Notes, the date of issue of such Note or Notes.

"Page" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 ("Reuters") and Bridge/Telerate ("Telerate")) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

"Rate of Interest" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

"Reference Banks" means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be the Euro-zone).

"Relevant Financial Centre" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be the Euro-zone) or, if none is so connected, London.

"Relevant Rate" means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

"Relevant Time" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to the Euro-zone as a Relevant Financial Centre, 11.00 hours, Brussels Time.

"Representative Amount" means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

"Specified Currency" means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“Specified Duration” means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

“TARGET System” means the Trans-European Automated Real-Time Gross-Settlement Express Transfer (TARGET) System or any successor thereto.

6. REDEMPTION, PURCHASE AND OPTIONS

(a) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any option in accordance with Condition 6(d) or 6(e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed or purchased and cancelled as provided in this Condition 6 or its maturity is extended pursuant to any option in accordance with Condition 6(d) or 6(e), each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within (i) above, its final Instalment Amount, on the applicable Maturity Date specified hereon or other date(s) specified on such Note.

(b) Purchases

The Republic may at any time purchase Notes at any price (provided that all unmatured Receipts and Coupons and unexchanged Talons relating to them are attached thereto or surrendered therewith) in the open market or otherwise, provided that in any such case such purchase or purchases are in compliance with all relevant laws, regulations and directives. The Notes so purchased, while held by or on behalf of the Republic, shall not entitle the holder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 11.

(c) Early Redemption

(i) Zero Coupon Notes

This Condition 6(c)(i) applies to a Note the interest basis for which is specified on such Note as a Zero Coupon Note.

- (a) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(d) or (e), if applicable, or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (b) Subject to Condition 6(c)(i)(c), the “Amortised Face Amount” of any Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (c) If the Early Redemption Amount payable in respect of any Note upon redemption of such Note pursuant to Condition 6(d) or (e), if applicable, or upon it becoming due and payable as provided in

Condition 9, is not paid when due, the amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(c)(i)(b), except that Condition 6(c)(i)(b) shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(c)(i)(c) will continue to be made (both before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest which may accrue on such Note in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) Other Notes

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 9, shall be the Final Redemption Amount unless otherwise specified hereon.

(d) Redemption at the Option of the Republic

If Call Option is specified hereon, the Republic may, subject to compliance with all relevant laws, regulations and directives, on giving to the holder of such Note irrevocable notice in accordance with Condition 15 of not more nor less than the number of days specified hereon redeem all or, if so specified on such Note, some of the Series of Notes of which such Note forms part, on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon. All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6(d).

If some only of the Notes of a Series are to be redeemed at any time, the Notes to be redeemed shall be determined by the drawing of lots. In the case of a partial redemption by way of lot, the notice to Noteholders shall also contain the serial numbers and nominal amount of the Notes to be redeemed, which shall have been drawn in such place as the Republic may determine and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements. So long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require, the Republic shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Luxembourg a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

(e) Redemption at the Option of Noteholders

If Put Option is specified hereon, the Republic shall, subject to compliance with all relevant laws, regulations and directives, at the option of the holder of such Note, upon the holder of such Note giving not less than 15 or more than 30 days' notice to the Republic (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date at its Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption. To exercise such option (which must be exercised on an Option Exercise Date) the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices, together with a duly completed notice of redemption ("Redemption Notice") in the form obtainable from any Agent not more nor less than the number of days specified on such Note prior to the relevant date for redemption. Unless otherwise specified on such Note, no Note (or Redemption Notice) so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Republic.

(f) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.

(g) Cancellation

All Notes purchased by or on behalf of the Republic may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with, if appropriate, all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Republic, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Republic in respect of any such Notes shall be discharged.

7. PAYMENTS

(a) Bearer Notes

(i) Payments of Principal and Interest

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Bearer Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(e)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(e)(ii)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions:

- (1) in respect of payments denominated in a Specified Currency other than U.S. dollars or euro, at the option of the holder either by a cheque in such Specified Currency drawn on, or by transfer to an account in such Specified Currency maintained by the payee with a bank in the Relevant Financial Centre of such Specified Currency;
- (2) in respect of payments denominated in U.S. dollars, subject to Condition 7(a)(ii), at the option of the holder either by a U.S. dollar cheque drawn on a bank in New York City or by transfer to a U.S. dollar account maintained by the payee with a bank outside the United States;
- (3) in respect of payments denominated in euro, by cheque or, at the option of the holder, by transfer to a euro account specified by the payee in a city in which banks have access to the TARGET System; or
- (4) as may otherwise be specified on such Notes.

(ii) Payments in the United States

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated in U.S. dollars may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (1) the Maturity Date of such Bearer Notes is not more than one year from the Issue Date for such Bearer Notes or (2) (a) the Republic shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bearer Notes in the manner provided above when due, (b) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (c) such payment is then permitted by United States law. If, under such circumstances, a Bearer Note is presented for payment of principal at the specified office of any Paying Agent in the United States or its possessions in circumstances where interest (if any is payable against presentation of the Bearer Note) is not to be paid there, the relevant Paying Agent will annotate the Bearer Note with the record of the principal paid and return it to the holder for the obtaining of interest elsewhere.

(iii) **Payments on Business Days**

Subject as provided on a Note, if any date for payment in respect of any Bearer Note, Receipt or Coupon comprising all or part of a Tranche is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. For the purposes of this Condition 7(a), "business day" means a day on which banks and foreign exchange markets are open generally for business in the relevant place of presentation and in such jurisdiction(s) (if any) shall be specified as "Additional Financial Centre(s)" hereon and:

- (1) in the case of payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (2) in the case of payment in euro, a TARGET Business Day.

If the due date for redemption or repayment of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Bearer Note the interest basis for which is specified on such Note as Zero Coupon from its Maturity Date shall be payable on repayment of such Bearer Note against presentation thereof.

(b) **Registered Notes**

(i) **Payments of Principal and Interest**

Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) and interest (which for the purposes of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) in respect of a Series of Registered Notes will be made or procured to be made by the Fiscal Agent to the person shown on the Register at the close of business on the fifteenth DTC business day, or, where such Series is neither represented by Certificates registered in the name of, or for a nominee of, The Depository Trust Company ("DTC") nor in the name of a common nominee of Clearstream Banking, société anonyme and Euroclear Bank S.A./N.V., as operator of the Euroclear System, on the fifteenth business day in the place of the specified office of the Registrar (being a day on which banks are open generally for business in such place), before the due date for payment thereof (the "Record Date"):

- (1) in respect of payments denominated in a Specified Currency other than euro, by cheque drawn on, or by transfer to an account in such Specified Currency maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency;
- (2) in respect of payments denominated in euro by cheque or, at the option of the holder, by transfer to a euro account specified by the payee in a city in which banks have access to the TARGET System; or
- (3) as may otherwise be specified on such Notes,

subject in each case to Condition 7(b)(iii). For the purposes of this Condition 7(b), "DTC business day" means any day on which DTC is open for business and "business day" means:

- (1) in the case of a payment in a currency other than euro where payment is to be made by transfer to an account maintained with a bank in the relevant currency, a day on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
- (2) in the case of payment in euro, a TARGET Business Day.

Payments of principal in respect of Registered Notes will only be made if the relevant Certificate shall have been surrendered at the specified office of any Transfer Agent or of the Registrar. Upon application by the holder to the specified office of any Transfer Agent, which shall not be less than 15 days before the due date for any payment in respect of a Note, such payment will be made by transfer to an account maintained by the payee with a bank in the Relevant Financial Centre or, if such payment is denominated in euro, in Europe. If the amount of principal being paid is less than the nominal amount of the relevant Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Republic or a Noteholder) issue a new Certificate with a nominal amount equal to the remaining unpaid nominal amount.

(ii) Payment Initiation

Where payment is to be made by transfer to an account in the relevant Specified Currency, payment instructions (for value the due date, or if that is not a business day, for value the first following day which is a business day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Fiscal Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar prior to the due date for payment, on a day on which the Fiscal Agent is open for business following that on which the relevant Certificate is so surrendered.

(iii) Payments Through DTC

Registered Notes, if so specified on them, will be issued in the form of one or more Certificates and may be registered in the name of, or in the name of a nominee for, DTC. Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with Conditions 7(b)(i) and (ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency other than U.S. dollars will be made or procured to be made by the Fiscal Agent in the relevant Specified Currency in accordance with the following provisions. The amounts in such Specified Currency payable by the Fiscal Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Republic by the Fiscal Agent who will make payments in such Specified Currency by wire transfer of same day funds to the designated bank account in such Specified Currency of those DTC participants entitled to receive the relevant payment who have made an irrevocable election to DTC, in the case of interest payment, on or prior to the third DTC business day after the Record Date for the relevant payment of interest and, in the case of payments of principal, at least 12 DTC business days prior to the relevant payment date, to receive that payment in such Specified Currency. The Fiscal Agent, after the Exchange Agent has converted amounts in such Specified Currency into U.S. dollars, will deliver such U.S. dollar amount in same day funds to DTC for payment through its settlement system to those DTC participants entitled to receive the relevant payment who did not elect to receive such payment in such Specified Currency. The Agency Agreement sets out the manner in which such conversions are to be made.

(iv) Delay in Payment

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Note if the due date is not a business day, if the Noteholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(b)(ii) arrives after the due date for payment.

(v) Payment Not Made in Full

If the amount of principal or interest which is due on any Registered Note is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Registered Note.

(c) Payments Subject to Fiscal Laws, etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(d) Appointment of Agents

The Paying Agents, the Registrar, the Calculation Agent, the Exchange Agent and the Transfer Agents initially appointed by the Republic and their respective specified offices are listed below. The Republic reserves the right at any time to vary or terminate the appointment of any Agent, to appoint another Registrar, Exchange Agent or Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Republic will at all times maintain (i) a Fiscal Agent, (ii) a Registrar and a Transfer Agent (having a specified office in a major European city outside The Republic of Austria) in relation to Registered Notes, (iii) Paying Agents having specified offices in at least two major European cities which, so long as the Exchange on which the Notes are listed is the Luxembourg Stock Exchange and the rules of that exchange so require, shall include Luxembourg, (iv) a Calculation Agent, (v) an Exchange Agent, (vi) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vii) a Paying Agent with a specified office in a European Union member state (if any) that will not be obliged to withhold or deduct tax pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive. In addition, the Republic shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(a)(ii).

Notice of any such change or any change in the specified office of any Agent will promptly be given by the Republic to the Noteholders in accordance with Condition 15.

(e) Unmatured Coupons and Receipts and Unexchanged Talons

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment of principal together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment on such Note. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 12 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 10). If the date for payment of principal is any date other than a date for payment of interest, the accrued interest on such principal shall be paid only upon presentation of the relevant Note.
- (ii) If so specified on a Bearer Note, upon the due date for redemption of any Bearer Note prior to the Maturity Date, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.
- (iii) Upon the due date for redemption of any Bearer Note prior to the Maturity Date any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption prior to the Maturity Date without all unmatured Coupons relating to it and where any Bearer Note is presented for redemption prior to the Maturity Date without any unexchanged Talon relating to it, redemption of such Bearer Note shall be made only against the provisions of such indemnity as the Republic may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer

Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(f) Talons

Except where such Talon has become void pursuant to Condition 7(e)(iii), on or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 10).

8. TAXATION

All payments of principal and interest will be made without deduction for or on account of any present or future taxes or duties of whatsoever nature imposed or levied by or within The Republic of Austria or any province, municipality or other political subdivision or taxing authority therein or thereof, unless the deduction of such taxes or duties is required by law. In that event, the Republic shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Notes, Receipts and Coupons after such deduction shall equal the respective amounts of principal and interest which would have been receivable in respect of the Notes, Receipts or, as the case may be, the Coupons, in the absence of such deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(i) in the case of Bearer Notes, Receipts or Coupons presented for payment:

- (a)** in The Republic of Austria; or
- (b)** where such deduction would not be required if the holder or any person acting on his behalf had presented the requested form or certificate or had made the requested declaration of non-residence or similar claim for exemption upon the presentation or making of which that holder would have been able to avoid such deduction; or
- (c)** by or on behalf of a holder who is liable to such taxes or duties in respect of such Bearer Note, Receipt or Coupon by reason of his having some connection with the Republic other than the mere holding of such Bearer Note, Receipt or Coupon; or
- (d)** more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (e)** where such deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (f)** presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.

(ii) in the case of Registered Notes:

- (a)** if the Certificate in respect of such Registered Note is required to be surrendered and is surrendered in The Republic of Austria; or
- (b)** where such deduction would not be required if the holder or any person acting on his behalf had presented the requested form or certificate or had made the requested declaration of non-

residence or similar claim for exemption upon the presentation or making of which that holder would have been able to avoid such deduction; or

- (c) to a holder (or to a third party on behalf of a holder) where such holder is liable to such taxes or duties in respect of such Registered Note by reason of his having some connection with the Republic, other than the mere holding of such Registered Note or the receipt of the relevant payment in respect thereof;
- (d) if the Certificate in respect of such Registered Note is required to be surrendered and is surrendered more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to additional amounts on presenting the same for payment on the expiry of such period of 30 days; or
- (e) where such deduction is imposed on a payment to an individual and is required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive.

As used in these Conditions, "Relevant Date" in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due, but if the full amount of the money payable has not been received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such money having been so received, notice to that effect shall have been given to Noteholders in accordance with Condition 15. References in these Conditions to "principal" shall be deemed to include Amortised Face Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts and any premium payable in respect of the Notes and any reference to "principal" and/or "interest" shall be deemed to include any additional amounts which may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Agency Agreement.

9. EVENTS OF DEFAULT

Upon the happening of either of the following events in respect of any Note of a Series, the holder of any Note of such Series may give notice to the Fiscal Agent at its specified office that such Note of such Series held by such holder is immediately repayable at the Early Redemption Amount specified on such Note or, if none is so specified, at the nominal amount of such Note, together with accrued and unpaid interest or, in relation to a Note the interest basis for which is specified on such Note as Zero Coupon, the Amortised Face Amount of such Note:

(a) Non-Payment

There is default for more than 30 days in the payment of principal or interest due on any of the Notes of such Series; or

(b) Breach of Other Obligations

There is default in the performance of any material obligation under the Notes of such Series which shall continue for more than 60 days after written notification requiring such default to be remedied shall have been given to the Fiscal Agent at its specified office by the holder of any Note of such Series.

10. PRESCRIPTION

Claims against the Republic for payment in respect of the Notes, Receipts and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within 30 years (in the case of principal) and 3 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

11. MEETINGS OF NOTEHOLDERS AND MODIFICATION

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such

Series (including these Conditions insofar as the same may apply to such Notes). Such a meeting may be convened by the Republic or Noteholders holding not less than 10 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons holding or representing holders of Notes of the relevant Series whatever the nominal amount of the Notes of the relevant Series held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes of any Series or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount of, any Instalment Amount of or any premium payable on redemption of, the Notes of any Series, (iii) to reduce the rate or rates of interest in respect of the Notes of any Series or to vary the method or basis of calculating the rate or rates or amount of interest, (iv) if there is specified on the Notes of any Series a Minimum Interest Rate and/or a Maximum Interest Rate and/or Minimum Instalment Amount and/or Maximum Instalment Amount and/or a maximum or minimum nominal amount to be redeemed, to reduce such Minimum Interest Rate and/or such Maximum Interest Rate and/or Minimum Instalment Amount and/or Maximum Instalment Amount and/or a maximum or minimum nominal amount to be redeemed, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount (if any) of any Series, (vi) to change the currency or currencies of payment of the Notes of any Series or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders of any Series or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes of the relevant Series for the time being outstanding. An "Extraordinary Resolution" is defined in the Agency Agreement to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Agency Agreement by a majority of at least 75 per cent. of the votes cast. A written resolution of holders of not less than 90 per cent. in nominal amount of the Notes of the relevant Series for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all holders of Notes of the relevant Series (whether or not they were present or represented at the meeting at which such resolution was passed) and on all Couponholders (if any).

(b) Modifications of the Agency Agreement

The Republic may, without the consent of any Noteholder, amend the Agency Agreement to cure any ambiguity or to correct or supplement any defective provision contained therein or any matter which the parties thereto deem necessary or desirable provided that any such amendment shall not be inconsistent with the Conditions and shall not reasonably be expected to be prejudicial to the Noteholders.

(c) Modifications of the Deed Poll and Deed of Covenant

The Republic shall only permit any modification or any waiver of authorisation of any breach of, or any failure to comply with, Deed Poll or the Deed of Covenant, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

12. REPLACEMENT OF BEARER NOTES, RECEIPTS, COUPONS, TALONS AND CERTIFICATES

If any Bearer Note, Receipt, Coupon, Talon or Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Paying Agent in London (in the case of Bearer Notes, Receipts, Coupons and Talons) or the Registrar in London (in the case of Certificates) subject to all applicable laws, regulations and stock exchange or other relevant authority requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Republic may require (provided that the requirement is reasonable in the light of prevailing market practice). Mutilated or defaced Bearer Notes, Receipts, Coupons, Talons or Certificates must be surrendered before replacements will be issued.

13. FURTHER ISSUES

The Republic may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes of any Series in all respects (or in all respects except for the first payment of interest on them) so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes of any Series). References in these Conditions to the "Notes" of any Series include (unless the context requires otherwise) any other securities issued pursuant to this Condition 13 and forming a single series with the Notes of such Series.

14. AGENTS

In acting under the Agency Agreement, the Agents act solely as agents of the Republic and do not assume any obligation or relationship of agency or trust for or with any holder.

15. NOTICES

Notices to holders of Registered Notes will be mailed to them at their respective addresses in the Register and shall be published (so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a daily newspaper having general circulation in London and (so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of that exchange so require) in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Financial Times* and the *Luxemburger Wort*, respectively). If such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper having general circulation in Europe. Notices will, if published more than once in the same manner, be deemed to have been given on the date of the first publication in both such newspapers as provided above and will, if published more than once on different dates or in a different manner, be deemed to have been given on the date of the last publication in both such newspapers as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 15.

16. CURRENCY INDEMNITY

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Receipt or Coupon is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction or otherwise) by any Noteholder, holder of a Receipt or Couponholder in respect of any sum expressed to be due to it from the Republic shall only constitute a discharge to the Republic to the extent of the amount in the currency of payment under the relevant Note, Receipt or Coupon that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Receipt or Coupon, the Republic shall indemnify it against any loss sustained by it as a result. In any event, the Republic shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition 16, it shall be sufficient for the Noteholder, holder of a Receipt or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Republic's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder, holder of a Receipt or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Receipt or Coupon or any other judgment or order.

17. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

18. GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Notes, the Receipts, the Coupons, the Talons, the Deed Poll and the Deed of Covenant are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The Republic, for the exclusive benefit of each of the holders of the Notes, Receipts, Coupons and Talons, hereby irrevocably submits to the jurisdiction of the courts of England for all purposes in relation to the Notes, the Receipts, the Coupons and the Talons provided that such agreement and submission shall not prevent any such proceeding being taken in any other competent courts (except that the reference to such other courts shall not include any courts whose inclusion would otherwise render ineffective the Republic's agreement and submission to the jurisdiction of the English courts).

The Republic hereby irrevocably waives any claim that any legal action or proceedings brought in connection with the Notes, Receipts, Coupons and Talons in such courts has been brought in an inconvenient forum and, to the extent that it is legally able to do so, the Republic waives irrevocably any immunity to which it might otherwise be entitled in proceedings brought before such courts and consents irrevocably and generally in respect of any proceedings arising out of or in connection with the Notes, Receipts, Coupons and Talons to the giving of any relief or the issue of any process in the English courts in connection with such proceedings including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any judgement which may be given in such proceedings.

(c) Service of Process

The Republic appoints the Ambassador for the time being of The Republic of Austria to the Court of St. James's as its authorised agent for the receipt of any writ, judgment or other process in connection with any proceedings in England and agrees that any writ, judgment or other process shall be sufficiently and effectively served on it if delivered to the said Ambassador at his official address for the time being in England or in any other manner permitted by law

STATUTORY AGENT OF THE REPUBLIC

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FISCAL AGENT

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**REGISTRAR, TRANSFER AGENT AND
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