

Corporate governance report

RBI places great importance on responsible and transparent business management, in order to build and maintain a relationship of trust with its various stakeholders, including capital market participants in particular. To this end it undertakes to adhere to the Austrian Corporate Governance Codex (ACGC) as amended in January 2010. The ACGC can be freely downloaded from the website of the Austrian Working Group for Corporate Governance (www.corporate-governance.at) and from the RBI website (www.rbinternational.com → Investor Relations → Corporate Governance).

Transparency in the matter of corporate governance is of particular importance to RBI. Its corporate governance report is divided into sections following the legal guidelines of Section 243b of the Austrian Commercial Code (UGB), and is based on the structure set forth in Appendix 2 of the ACGC.

The ACGC is organized into L, C and R Rules. L Rules (Legal Requirements) are based on compulsory legal requirements. C Rules (Comply or Explain) should be observed; any deviation must be explained and justified, in order to ensure conduct that complies with the Codex. R Rules (Recommendations) have the character of recommendations; non-compliance does not need to be reported or justified.

RBI deviates from the following C Rules, but achieves conduct in accordance with the Codex through the following explanations and justifications:

C Rule 31: RBI deviates from C Rule 31 of the ACGC, which provides for publication of the remuneration, both fixed and performance-based, paid to individual members of the Management Board during the year 2010. Publication of remuneration by RBI is made for the Management Board as a whole. Individual remuneration amounts are not published for reasons of data privacy law and out of consideration for the individual Management Board members' right to privacy.

C Rule 45: RBI deviates from C Rule 45 of the ACGC, which provides a non-competition clause for members of the Management Board. RBI is a flotation of the Raiffeisen Bankengruppe Österreich (RBG), which is also a majority shareholder in its central institution, the RZB. Some members of the Management Board therefore also exercise duties in corporate function in RBG banks. A number of members of the Management Board have duties in corporate function in other banks and financial service institutions. In this way know-how and experience specific to the industry are applied to the exercising of supervisory functions of the Management Board, to the benefit of the company.

Corresponding to R Rule 62 of the ACGC, the society commissioned – as it has done in previous years – an external evaluation by the research company, Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. The report on this external evaluation is publicly available on the RBI website (www.rbinternational.com → Investor Relations → Corporate Governance → Explanation of CG Codex).

The year 2010 was marked by the development and implementation of a new strategic concept. The goal of this concept was to merge the principal business areas of RZB with Raiffeisen International. As a first step, the “corporate customer business” operating unit, with all its related participations, was spun off from RZB and made into a 100 per cent subsidiary, which immediately afterwards was merged with Raiffeisen International. Since then, Raiffeisen International has been trading under the name Raiffeisen Bank International AG, through the merger acquired an Austrian banking license and remained quoted on the stock exchange as before. The transaction did not comprise the business divisions and participations related to RZB’s role as head bank of the RBG.

One of the most important steps on the way to implementation was the approval of this transaction by the Annual General Meeting of Raiffeisen International, which was granted on 8 July 2010. The final step was the registration of the merger in the commercial register on 10 October 2010, with which RBI officially commenced business.

In line with Austrian law, RBI, as the acquiring company, is the successor of all legal rights relating to the separated principal business areas of RZB. For customers, the business relations assumed by RBI continue unchanged in their current form. Through the merger, RBI, as the largest Group of RZB, strengthened its market position, and a future-oriented restructuring reached its conclusion.

Through the merger of Raiffeisen International with the principal business areas of RZB, the following important goals should be achieved in the future:

- As a result of the merger, RBI became a rated and licensed bank and in connection with the existing exchange listing of Raiffeisen International was afforded broader possibilities for accessing the capital and money markets.
- With a broad network in the CEE markets, the corporate customer business in Austria and the additional business in Asia, RBI covers all the markets previously developed by the RZB Group from a single source.
- Additionally, the RBI network profits even more strongly from product development know-how that was previously lodged in RZB.
- In general, the merger allows a meaningful reallocation of resources in the CEE markets. As one of the leading banks there, and as the Austrian bank with the strongest presence in the Asian emerging markets, RBI is optimally positioned for future growth.
- The newly created structure establishes better conditions for the fulfillment of potential Basel III demands.

RBI remains a part of the RZB Group, which is controlled by RZB, the controlling institution of the RBG.

With regard to continuity of personnel after the merger, the Management Board is composed of the former Board members of Raiffeisen International (Heinz Wiedner left office on 1 December 2010), and three former members of the RZB Management Board.

Composition of the Management Board

Currently the Management Board consists of seven members:

Board member	Year of birth	Original appointment	End of term
Herbert Stepic, Chairman	1946	14 June 2001	13 June 2011
Karl Sevelda, Deputy Chairman	1950	22 September 2010 ¹	10 March 2012
Aris Bogdaneris	1963	1 October 2004	25 September 2014
Patrick Butler	1957	22 September 2010 ¹	10 March 2012
Martin Grüll	1959	3 January 2005	1 January 2015
Peter Lennkh	1963	1 October 2004	25 September 2014
Johann Strobl	1959	22 September 2010 ¹	10 March 2012

¹ Appointment with effect from the recording of the merger in the commercial register on 10 October 2010.

From 1 January 2010 until the merger entered into effect with its recording in the commercial register on 10 October 2010, the Management Board of Raiffeisen International was composed as follows:

Board member	Year of birth	Original appointment	End of term
Herbert Stepic, Chairman	1946	14 June 2001	13 June 2011
Martin Grüll	1959	3 January 2005	1 January 2015
Aris Bogdaneris	1963	1 October 2004	25 September 2014
Peter Lennkh	1963	1 October 2004	25 September 2014
Heinz Wiedner	1953	14 June 2001	1 December 2010

Rainer Franz left the Management Board of Raiffeisen International on 30 June 2010.

Members of the Management Board held seats on the Supervisory Board or comparable functions in the following domestic and foreign companies that are not included in the consolidated financial statements:

- Herbert Stepic: OMV AG
Oesterreichische Kontrollbank AG
- Karl Sevelda: Bene AG
Raiffeisen Factor Bank AG (until 24 December 2010)
- Johann Strobl: Oesterreichische Clearingbank AG
- Patrick Butler: Raiffeisen Wohnbaubank AG
Wiener Börse AG
CEESEG AG

Composition of the Supervisory Board

The following members currently belong to the Supervisory Board:

Board member	Year of birth	Original appointment	End of term
Walter Rothensteiner, Chairman	1953	11 May 2001	Regular Annual General Meeting 2011
Erwin Hameseder, First Deputy Chairman	1956	8 July 2010 ¹	Regular Annual General Meeting 2015
Ludwig Scharinger, Second Deputy Chairman	1942	8 July 2010 ¹	Regular Annual General Meeting 2015
Markus Mair, Third Deputy Chairman	1964	8 July 2010 ¹	Regular Annual General Meeting 2015
Stewart D. Gager	1940	24 January 2005	Regular Annual General Meeting 2013
Kurt Geiger	1946	9 June 2009	Regular Annual General Meeting 2013
Hannes Schmid	1953	8 July 2010 ¹	Regular Annual General Meeting 2015
Johannes Schuster	1970	8 July 2010 ¹	Regular Annual General Meeting 2015
Friedrich Sommer	1948	8 July 2010 ¹	Regular Annual General Meeting 2015
Christian Teufl	1952	8 July 2010 ¹	Regular Annual General Meeting 2015
Martin Prater ²	1953	10 October 2010	Until further notice
Rudolf Kortenhof ²	1961	10 October 2010	Until further notice
Peter Anzeletti-Reikl ²	1965	10 October 2010	Until further notice
Sabine Chadt ²	1970	10 October 2010	Until further notice
Helge Rechberger ²	1967	10 October 2010	Until further notice

¹ Appointment with effect from the recording of the merger in the commercial register on 10 October 2010.

² Delegated by the Works Committee.

From 1 January 2010 until the merger entered into effect with its recording in the commercial register on 10 October 2010, the Supervisory Board was composed as follows:

Board member	Year of birth	Original appointment	End of term
Walter Rothensteiner, Chairman	1953	11 May 2001	Regular Annual General Meeting 2011
Manfred Url, Deputy Chairman	1956	11 May 2001	10 October 2010
Patrick Butler	1957	28 September 2004	10 October 2010
Stewart D. Gager	1940	24 January 2005	Regular Annual General Meeting 2013
Kurt Geiger	1946	9 June 2009	Regular Annual General Meeting 2013
Karl Sevelda	1950	11 May 2001	10 October 2010
Johann Strobl	1959	10 June 2008	10 October 2010

Independence of the Supervisory Board

In accordance with C Rule 53 of the ACGC, the Supervisory Board of RBI prescribed the following criteria for the independence of the members of the company's Supervisory Board:

- The Supervisory Board member shall not in the past five years have been a member of the Management Board or a leading employee of the company or of a subsidiary.
- The Supervisory Board member shall not have, or have had in the previous year, any significant business relationships with the company or a subsidiary. This applies also to business relationships with companies in which the Supervisory Board member has a considerable financial interest, however, not to the performance of functions in management bodies within the company. The approval of individual companies by the Supervisory Board according to L Rule 48 of the ACGC does not automatically lead to a qualification of not independent.
- Company circumstances and the mere exercise of the function of a Board member or business manager by a Supervisory Board member does not as a rule lead to the company concerned being regarded as a "company in which a Supervisory Board member has a considerable financial interest", to the extent that circumstances do not support the presumption that the Supervisory Board member derives a direct personal advantage from doing business with the company.
- The Supervisory Board member shall not in the previous three years have been an auditor of the company, or a shareholder or employee of the auditor.
- The Supervisory Board member shall not be a member of the Management Board of another company in which a Supervisory Board member of the company is a member of the Management Board.
- The Supervisory Board member shall not be a close family relation (direct descendant, spouse, partner, parent, uncle, aunt, sibling, nephew, niece) of a member of the Management Board or of persons who fill one of the positions described in the preceding points.

In accordance with the criteria for the independence of Supervisory Board members, all RBI Supervisory Board members are considered independent.

Stewart D. Gager and Kurt Geiger, as members of the Supervisory Board, are neither shareholders with a share of greater than 10 per cent, nor do they represent the interests of such shareholders. They are therefore "free float representatives" according to C Rule 54 of the ACGC 2010.

Members of the Supervisory Board have the following further Supervisory Board mandates or comparable functions in domestic and foreign companies listed on the stock exchange:

- Walter Rothensteiner: UNIQA Versicherungen AG
- Erwin Hameseder: AGRANA Beteiligungs-AG, STRABAG SE, UNIQA Versicherungen AG, Südzucker AG
- Ludwig Scharinger: voestalpine AG
- Christian Teuffl: AGRANA Beteiligungs-AG, VK Mühlen AG
- Hannes Schmid: UNIQA Versicherungen AG
- Kurt Geiger: Raiffeisen Bank Aval JSC

Members of committees

The rules of procedure of the Supervisory Board govern its organization and allocate particular tasks to the Working, Audit and Personnel Committees. These committees are composed as follows:

Supervisory Board members	Working Committee	Audit Committee	Personnel Committee
Walter Rothensteiner	Chairman	Chairman	Chairman
Erwin Hameseder	First Deputy Chairman	First Deputy Chairman	First Deputy Chairman
Ludwig Scharinger	Second Deputy Chairman	Second Deputy Chairman	Second Deputy Chairman
Markus Mair	Third Deputy Chairman	Third Deputy Chairman	Third Deputy Chairman
Johannes Schuster	Member	Member	Member
Martin Prater	Member	Member	-
Rudolf Kortenhof	Member	Member	-
Peter Anzeletti-Reikl	Member	Member	-

From 1 January 2010 until the merger entered into effect with its recording in the commercial register on 10 October 2010, the Committees were composed as follows:

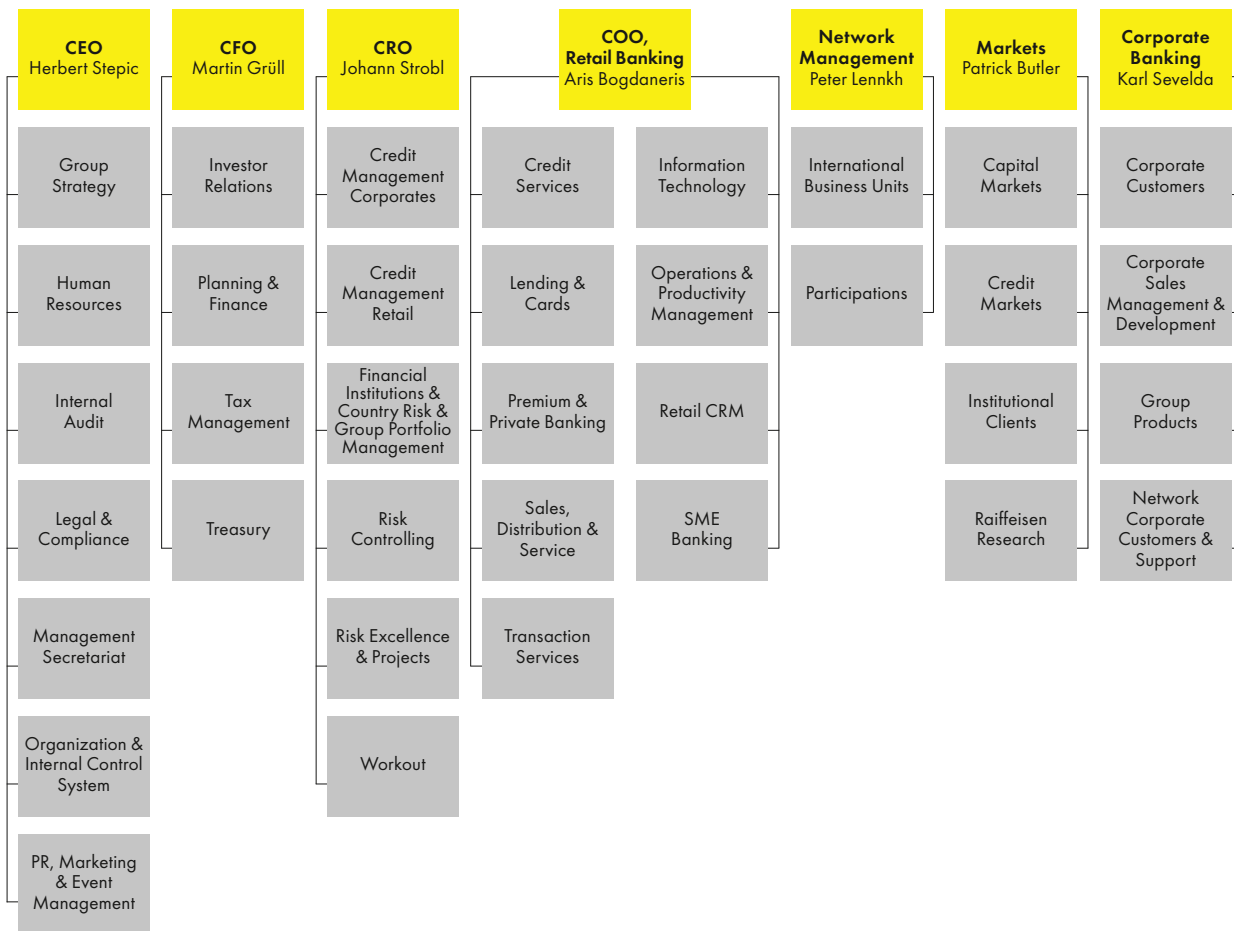
Supervisory Board members	Working Committee	Audit Committee	Personnel Committee
Walter Rothensteiner	Chairman	Chairman	Chairman
Manfred Url	Deputy Chairman	Deputy Chairman	Deputy Chairman
Johann Strobl	-	Member	-

Functioning of the Management Board and of the Supervisory Board

Allocation of duties and functioning in the Management Board

The Management Board of RBI leads the company according to clearly defined goals, plans and guidelines on its own responsibility with a focus on future-oriented business management in line with modern business principles. In this way it constantly pursues the good of the company and considers the interests of shareholders and employees.

The fields of activity of the members of the Management Board have been defined by the Supervisory Board, without prejudice to the general responsibility of the Management Board, as follows:



The Management Board manages the company's business in accordance with the law, the articles of association and the Management Board's rules of procedure. The weekly meetings of the Management Board are convened and led by the Chairman and provide mutual information gathering and decision making in all matters that require the Board's approval. The rules of procedure of the Supervisory Board and of the Management Board contain information and reporting duties of the Management Board as well as a catalog of measures that require the approval of the Supervisory Board.

Decision-making authority of the committees

The rules of procedure of the Management Board and of the Supervisory Board and its committees outline the business management measures that require the approval of the Supervisory Board or of the appropriate committee.

The Working Committee is responsible for all matters that are brought before it by the Supervisory Board. Thus it is called on to approve matters not reserved for the Supervisory Board. In particular, these include the creation and dissolution of subsidiaries and the acquisition of shares up to a certain book value, the conclusion and termination of syndicate and voting agreements with shareholders, the execution of functions in the management bodies of other companies by members of the

Management Board, and the appointment of persons to the Management Boards and supervisory bodies of banks within the Group. Furthermore, the Working Committee approves the acceptance of operational banking risk above a certain level.

The Personnel Committee concerns itself with matters relating to the remuneration of members of the Management Board and the contents of employment contracts of members of the Management Board. In particular, it is responsible for approving the bonus allocation and the allotment of stock to members of the Management Board through the Share Incentive Program.

The Audit Committee oversees the accounting process and the effectiveness of the company's internal control system, internal audit system and risk management system. Its tasks include supervising the annual audit of the financial statements and of the consolidated financial statements, as well as checking and supervising the independence of the Group's auditors, in particular with respect to the additional work performed for the audited company. The Committee audits the annual financial statements, the management report, the consolidated financial statements and the Group management report, as well as the preparation of their findings; it also audits the proposal for the appropriation of earnings and the Corporate governance report. It presents a report on the results of its audits to the Supervisory Board. The Committee is also responsible for preparing the recommendation of the Supervisory Board for the selection of the external auditors and bank auditors. The Audit Committee also discusses the contents of the management letter.

Number of meetings of the Supervisory Board and of the committees

In the period under review, the Supervisory Board held four meetings; in addition to this the Chairman informed the Supervisory Board regularly, promptly and fully concerning all relevant matters of the company's performance, including the risk position and risk management of the company and key Group companies, in particular at important junctures.

The Audit Committee met twice. The Working Committee met on 18 November 2010 and made its decisions in writing by means of a circular letter in 2010, as did the Personnel Committee.

Further information on the activities of the Supervisory Board and its committees can be found in the Supervisory Board's Report.

Disclosure of information on the remuneration of the Management Board and Supervisory Board

Remuneration of the Management Board

The following amounts were paid to the Management Board of RBI:

in € thousands	2010	2009
Fixed and performance-related amounts	8,191	4,610
Payments to pension funds and reinsurance policies	183	97
Share-based payments (performance-related)	156	267
Total	8,530	4,974

The table contains fixed and performance-based remuneration, including compensation for functions in the management bodies of associated companies, bonus payments and benefits in kind. In the financial year the share of performance-based components amounted to 1.9 per cent (2009: 5.5 per cent).

The performance-based components of the Board's remuneration normally consist of bonus payments that are linked to the achievement of the company's goals relating to profit after tax, return on risk-adjusted capital (RORAC) and the cost/income ratio, as well as the achievement of annually agreed personal goals and the value of an allocation of shares under the Share Incentive Program (SIP) (page 192). As in the previous year, the value of the shares allocated in 2010 corresponds to 100 per cent of the performance-based component of the Board's remuneration. There were no significant changes in the principles of profit sharing compared to the previous year. The previous Management Board of Raiffeisen International was given a commitment for retention bonuses, i.e. bonuses to retain managers in view of the merger, amounting to € 767,672, which is to be paid in 2013. The amount of the payment is linked to the share price of RBI.

It should be noted that the Board's remuneration figures for 2010 are not directly comparable with those for 2009, because as a result of the merger of Raiffeisen International with the principal business areas of RZB and due to departures during the year, the composition of the Management Board changed.

Share Incentive Program

In 2010 the second tranche of the SIP (2007 tranche) matured. In accordance with the terms and conditions of the program (published in the Wiener Zeitung's official register on 30 May 2007) the number of shares actually transferred was as follows:

SIP 2007

Group of persons	Number of shares falling due	Value at share price of € 31.91 on allotment date 9/3/2010 in €	Number of shares actually transferred
Members of the Management Board of the company	4,899	156,327	3,971
Members of the Management Boards of bank subsidiaries associated with the company	7,163	228,571	6,277
Managers of the company and other associated companies	2,189	69,851	1,354

In order to avoid legal uncertainties and in accordance with the program's terms and conditions, eligible employees in two countries were given a cash settlement instead of an allotment of shares. In Austria the eligible parties were granted the option of accepting a cash settlement in lieu of half of the matured shares in order to offset the wage tax payable at the time of transfer. Therefore, fewer shares were actually transferred than the number that had matured. The portfolio of own shares was subsequently reduced by the lower number of shares actually transferred.

Under the SIP, a new tranche was previously issued each year. However, because of the merger of Raiffeisen International with the main business areas of RZB, no SIP tranche was issued in 2010. This means that on the balance sheet date shares in only two qualified tranches were allocated. As of 31 December 2010 the number of these qualified shares was 473,018 (of which 79,909 were attributable to the 2008 allocation and 393,109 to the 2009 allocation). The originally announced number of qualified allotted shares changed due to various personnel changes within Group units and the maturing of the 2007 SIP tranche, and is aggregated in the following table:

SIP 2008–2009

Group of persons	Number of qualified-allocated shares as at 31/12/2010	Minimum allocation of shares	Maximum allocation of shares
Members of the Management Board of the company	147,611	43,061	221,417
Members of the Management Boards of bank subsidiaries associated with the company	252,269	73,399	378,404
Managers of the company and other associated companies	73,138	21,449	109,707

No shares were repurchased for the SIP in 2010.

Expenditure for severance payments and pensions

For six members of the Management Board essentially the same rules apply as for employees, which provide for a basic contribution to a pension fund on the part of the company and an additional contribution, if the employee makes his own contributions in the same amount. One member of the Management Board has a performance-based pension benefit. For four members of the Management Board, additional individual pension benefits apply, which are financed by a re-insurance policy.

In the event of termination of office or employment and retirement from the company, of the remaining members of the Management Board – two left the company during 2010 – two members of the Management Board are entitled to severance payments in accordance with the Salaried Employees Act (Angestelltengesetz), two members in accordance with contractual agreements and three in accordance with the Employee Benefit Act (Betriebliches Mitarbeitervorsorgegesetz). In principle, the severance payment claims under the Salaried Employees Act and contractual agreements expire, with the exception of one member of the Management Board, when the employee terminates the employment relationship. In addition, three members of the Management Board are entitled to a contractual severance payment at the end of their current term in office or if a time limit is imposed on their employment relationship. Due to the departure of two members of the Management Board, severance payments totaled € 967,468 in 2010.

Furthermore, protection is in place against occupational disability risk through one pension fund and/or on the basis of an individual pension benefit, which is secured by a reinsurance policy. The contracts for members of the Management Board are concluded for the duration of their term in office or are limited to a maximum of five years.

Remuneration of the Supervisory Board

The Annual General Meeting on 8 July 2010 resolved upon an annual remuneration for the members of the Supervisory Board for the 2009 financial year totaling € 380,000. Attendance fees were not paid.

Remuneration of the Supervisory Board

in €	2009
Chairman of the Supervisory Board	70,000
Deputy Chairman of the Supervisory Board	60,000
Member of the Supervisory Board	50,000

D&O insurance

In 2010, a D&O (directors and officers) pecuniary loss and liability insurance policy was concluded with UNIQA Sachversicherung AG for the Management Board and Supervisory Board.

Annual General Meeting

The Annual General Meeting for 2009 was held on 8 July 2010 in the Stadthalle (Municipal Hall) in Vienna. The next Annual General Meeting for the past financial year will take place on 8 June 2011. The convocation will be published a minimum of 28 days before the Annual General Meeting in electronic form and in the Wiener Zeitung's official register.

The shareholders as owners of the company exercise their right by voting at the General Meeting. The principle of "one share, one vote" applies. Accordingly, there are no restrictions on voting rights; all shareholders have equal rights. Every share confers one vote; registered shares have not been issued. The stockholders may exercise their voting right themselves or by means of an authorized agent. Pursuant to the articles of association, RZB shareholders are granted the right to delegate up to one third of the Supervisory Board members to be elected by the Annual General Meeting. In the event that RZB makes use of its right to delegate, the number of Supervisory Board members to be elected by the Annual General Meeting would be reduced accordingly. Apart from this limitation, shares are subject to the principle of "one share, one vote".

The opening session and the Management Board's speeches are streamed live on the internet at www.rbinternational.com → Investor Relations → Events → Annual General Meeting, and can also be viewed there at a later time. This also creates maximum transparency for those shareholders who cannot attend the Annual General Meeting in person.

Report on the measures taken by the company for the advancement of women on the Management Board, the Supervisory Board and in management positions (Section 80 of the Austrian Stock Corporation Act [AktG]) pursuant to Section 243b (2) 2 of the Austrian Commercial Code (UGB)

One of Raiffeisen's fundamental values is to offer equal opportunities for equal performance within the company. This begins with the corresponding selection procedures, which ensure that equal standards are applied in hiring. The percentage of female employees at RBI, at 67 per cent, substantiates this practice and creates a foundation for further measures. It is necessary to create the corresponding conditions for the further advancement of women in the company.

One example of this is offered by the efforts to reconcile family and career. These include flexible working hours, part-time working models and teleworking, which are offered in nearly every country in accordance with the relevant legal provisions.

Further measures include the company kindergarten with employee-friendly hours of operation at the Vienna site and the "Mother Care" program at Raiffeisenbank Polska S.A., which supports women from the initial announcement of pregnancy until the child's first birthday. In addition, managers are instructed to afford employees with children special flexibility.

The Management Board is committed to consistently promoting the existing initiatives as well as maintaining its openness to new initiatives, in order to further increase the percentage of women in highly qualified positions. At RBI, 13 per cent of Board positions are currently filled by women.

Transparency

The internet and in particular the company website play an important role for RBI with regard to open communication with shareholders and their representatives, customers, analysts, employees and the interested public. Thus the website offers, among other things, regularly updated information about the following:

- Annual and interim reports
- Company presentations
- Telephone conferences via webcasts
- Ad-hoc-communications, press releases, investor relations communications
- Price information and stock data
- Information for outside creditors
- Financial calendar with advance notification of important dates
- Securities transactions of the Management Board and Supervisory Board subject to reporting requirements (directors' dealings)
- RBI's articles of association
- Corporate Governance Report
- Analysts' assessments
- Ordering service for written information and option to register for automatic delivery of "Investor Relations News" by e-mail

Conflicts of interest

Both the Management Board and the Supervisory Board of RBI are required to disclose any potential conflicts of interest.

Members of the Management Board must therefore disclose to the Supervisory Board any significant personal interests in transactions involving the company and Group companies, as well as any other conflicts of interest. They must also inform the other members of the Management Board. Members of the Management Board who occupy management positions within other companies must ensure that the interests of the companies in question are fairly balanced.

Members of the Supervisory Board must immediately report any potential conflicts of interest to the Chairman of the Supervisory Board. In the event that the Chairman himself should encounter a conflict of interest, he must report this immediately to his Deputy Chairman. Company agreements with members of the Supervisory Board that require the member to perform a service for the company or for a subsidiary outside his duty on the Supervisory Board (Section 228(3) UGB) in exchange for not-insignificant compensation require the approval of the Supervisory Board. This also applies to agreements with companies in which a member of the Supervisory Board has a significant financial interest. Furthermore, related party transactions as defined by Section 28 of the Austrian Banking Act (BWG) require the approval of the Supervisory Board.

Accounting and audit of financial statements

RBI's accounting complies with the provisions of the International Financial Reporting Standards (IFRS). The annual financial statements of RBI are prepared in accordance with the regulations of the Austrian Banking Act (BWG) with regards to the Austrian Commercial Code (UGB). The consolidated annual financial statements are published within the first four months of the financial year following the year under review; interim reports are published no later than 56 days after the end of the respective period under review.

The Annual General Meeting selected KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna as its external auditor and bank auditor for 2010. KPMG has confirmed that it has the certification of a quality auditing system. It has also declared to RBI that there are no grounds for disqualification or prejudice. The auditor prepares the statutory audit report and is responsible for exercising its disclosure obligations. The auditor also prepares a management letter to the Management Board, which includes details of weaknesses within the company. The management letter is presented to the Chairman of the Supervisory Board, who sees to it that the management letter is addressed by the Audit Committee and is reported on in the Supervisory Board.

Vienna, 10 March 2011

The Management Board



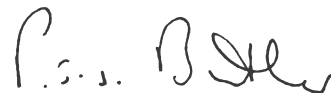
Herbert Stepic




Karl Sevelda



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Johann Strobl