

15 YEAR EUR CMS SPREAD FLOATER NOTE

TRADED TERMS AND CONDITIONS

Issuer:	Republic of Austria
Issuer's Ratings:	Aaa/AAA
Status:	Senior Unsubordinated
Specified Denomination:	EUR 1,000 per Note
Nominal Amount:	EUR 130 million
Issue Price:	100.00%
Launch Date:	23 March 2005
Issue Date:	22 April 2005
Maturity Date:	22 April 2020
Interest Rate:	<p>If Spread Index for the relevant Interest Period is greater than zero, then Interest Rate for that Interest Period shall be:</p> <p>6 month Euribor + 70 basis points</p> <p>Otherwise Interest Rate for that Interest Period shall be zero</p> <p>Where:</p> <p>6 month Euribor is set according to Telerate Page 248 two Target Business Days prior to the start of the Interest Period</p>
Interest Payment Amount per Specified Denomination	Interest Rate x Day Count x Specified Denomination
Day Count:	Actual/Actual (ISMA)
Interest Period:	The periods (a) from and including the Issue Date to but excluding the first Interest Payment Date, and thereafter (b) all subsequent periods from, and including, one Interest Payment Date to, but not including, the following Interest Payment Date.
Spread Index:	<p>In respect of an Interest Period, shall be</p> <p>CMS10 – CMS2</p> <p>as observed from the Rate Source on the day that is 2 (two) TARGET Business Days prior to the first day of the Interest Period.</p>
Additional Interest Amount:	<p>An Additional Interest Amount per Specified Denomination shall be payable on the Maturity Date equal to:</p> <p>Max(0, (Aggregate Interest Floor minus Aggregate Interest Amount))</p> <p>Where:</p> <p>Aggregate Interest Floor is 30% x Specified Denomination</p> <p>Aggregate Interest Amount is the sum of all the Interest Payment Amounts per Specified Denomination for all Interest Payment Dates prior to and including the Maturity Date</p>

Rate Source:

Rate	Rate Source
CMS2	means the mid-market annual swap rate expressed as a percentage for a EURIBOR interest rate swap transaction with a term equal to two years which appears on the Reuters Page ISDAFIX2 Page at 11.00 a.m., (Frankfurt time)
CMS10	means the mid-market annual swap rate expressed as a percentage for a EURIBOR interest rate swap transaction with a term equal to ten years which appears on the Reuters Page ISDAFIX2 Page at 11.00 a.m., (Frankfurt time)

If either CMS2 or CMS10 does not appear on the Reuters Page ISDAFIX2 on a Valuation Date, for the relevant Interest Payment Date the Index will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11.00 a.m. (Frankfurt time) on that Valuation Date.

The Calculation Agent will request the principal London office of each of the Reference Banks to provide a quotation and will take the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest (or, in the event of equality, one of the lowest). If three or less than three quotations are provided, the arithmetic average will be calculated using all quotations available.

For this purpose, the "mid-market annual swap rate" means the arithmetic mean of the bid and offered rate quotations for the annual fixed leg, calculated on 30/360 day count basis, of a fixed-for-floating Euro denominated interest rate swap transaction with a designated maturity of two years or of ten years for CMS2 and CMS10, respectively, commencing on the Reset Date for the relevant Calculation Period for a representative amount of EUR 50,000,000 with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis is equivalent to EUR-EURIBOR-Telorate (as defined in the Annex to the 2000 ISDA Definitions published by the International Swap and Derivatives Association (June 2000 version)), with a designated maturity of six months.

"Reference Banks" means five leading swap dealers in the interbank market as chosen by the Calculation Agent.

Calculation Agent:	UBS AG, London Branch
Interest Payment Dates:	22 April and 22 October in each year commencing on 22 October 2005, adjusted as per the Business Day Convention.
Business Day Convention:	Following Unadjusted
Redemption Amount:	100%
Listing:	Luxembourg, MOT Italian Stock Exchange
Business Days:	TARGET
Settlement:	Standard EMTN via Euroclear / Clearstream Banking
Documentation:	Issued off the Issuer's Debt Issuance Programme. Purchase of the Notes is subject to and should be read in conjunction with the terms and conditions

of the Notes, the Offering Circular for the Programme and the Pricing Supplement relating to this issue of Notes.

Valoren 2106314

ISIN: XS0216258763

Product Risk Disclosure: If prior to the start of an Interest Period, the Spread between the EUR 10y Swap rate and the EUR 2y Swap rate is negative, then the Interest Payment Amount for that Interest Period will be zero.

This information is communicated by UBS AG and/or its affiliates ("UBS"). UBS may from time to time, as principal or agent, have positions in, or may buy or sell, or make a market in any securities, currencies, financial instruments or other assets underlying the transaction to which the termsheet relates. UBS may provide investment banking and other services to and/or have officers who serve as directors of the companies referred to in this term sheet. UBS may pay or receive brokerage or retrocession fees in connection with this transaction. UBS's hedging activities related to this transaction may have an impact on the price of the underlying asset and may affect the likelihood that any relevant barrier is crossed.

Structured transactions are complex and may involve a high risk of loss. Prior to entering into a transaction you should consult with your own legal, regulatory, tax, financial and accounting advisors to the extent you consider it necessary, and make your own investment, hedging and trading decisions (including decisions regarding the suitability of this transaction) based upon your own judgement and advice from those advisers you consider necessary. Save as otherwise expressly agreed, UBS is not acting as your financial adviser or fiduciary in any transaction.

This document is for information purposes only and should not be construed as an offer, recommendation or solicitation to conclude a transaction and should not be treated as giving investment advice. The terms of any investment will be exclusively subject to the detailed provisions, including risk considerations, contained in the Information Memorandum, Prospectus or other issuer documentation for the issue of the Notes (the "Prospectus").

UBS makes no representation or warranty relating to any information herein which is derived from independent sources. This term sheet may not be copied or reproduced without UBS's prior written permission.

No action has been or will be taken in any jurisdiction that would permit a public offering of the securities described herein, save where explicitly stated in the Prospectus. The securities must be sold in accordance with all applicable selling restrictions in the jurisdictions in which they are sold. Not for distribution in the United States or to U.S. persons.

© 2005 UBS AG. All rights reserved