

Austria*

*The Perfect Location
for Headquarters

All of Europe by Air in 3 Hours



Austria's central location in Europe makes the country the ideal hub for East-West business relations.

Dynamic Headquarters Location

The business location Austria stands out thanks to its qualified specialized employees, high quality technologies and a modern infrastructure. This is complemented by the high quality of life in the country.



Austria ranks among the most innovative and successful countries in the European Union. The dynamic business location stands out thanks to its modern infrastructure, high quality technologies, well trained and highly motivated specialized personnel. It also offers broad-based research funding and a high level of reliability with respect to the energy supply in addition to political, social and economic stability. In addition, Austria is considered to be the ideal East-West business interface in a central geographical location.

Multinational companies highly value Austria as a headquarters location. More than 300 international firms have set up their headquarters in Austria, profiting from the good underlying conditions, an outstanding R&D infrastructure and a high quality of life. In this spirit we would like to warmly welcome you to Austria.

Reinhold Mitterlehner

Vice Chancellor of the Republic of Austria
and Federal Minister of Science, Research and Economy

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„The central location in the heart of Europe, the high quality of life, the good educational level of Austrian employees, the various programs to fund research and development as well as the attractive tax framework comprise strong arguments for establishing foreign holdings in Austria.”

Niklas J.R.M. Schmidt, lawyer, tax consultant, WOLF THEISS

Headquarters Location: The Perfect Mix!

The central location, high quality of life at moderate prices and tax advantages lure headquarters to Austria.



Footprint in Österreich. More than 300 regional headquarters of prominent multinational companies coordinate transnational business operations from Austria. They span all sectors and industries, from the financial services provider Banco de Brasil and the pharmaceutical company Eli Lilly to Citrosuco, one of the world's largest fruit juice producers, the German airline Lufthansa and the electronics specialist Nichicon.

The overall package is convincing. Austria is well-known for the music of Mozart, skiing, the breathtaking Alpine panorama, good food such as the "Wiener Schnitzel" and especially for its hospitality. The high quality of life at relatively affordable prices is the icing on the cake of the tried and tested business location factors comprising good reasons for companies to set up headquarters in Austria:

- Optimal holding location: Group taxation, double taxation agreements and a corporate tax rate of 25 percent
- Central location: Direct access to the markets of South East and Eastern Europe
- Lucrative market: Second most prosperous country in the EU, featuring a market of 50 million people within a radius of 400 kilometers
- Safe and stable: High level of personal security, political stability and legal certainty
- Excellent infrastructure: Hub for air and freight traffic
- International and cosmopolitan: One fifth of the population has a migration background
- Dynamic growth: Vienna is the second largest German-speaking metropolis and ranks among the fastest growing cities in the EU
- High quality of life



Central Location between West and East

Headquarters as a driving force for the entire corporate group, one-quarter with R&D competencies

Important role in the entire group. In a survey, two-thirds of the CEOs and CFOs of international headquarters in Austria confirm the enormous importance of Austrian headquarters within their corporate groups. Austria as a headquarters location is the leader with 314 international headquarters, ahead of the competitive locations of Poland, Slovakia, Czech Republic and Hungary, which host a total of 84 international corporate headquarters combined (the law firm Wolf Theiss).

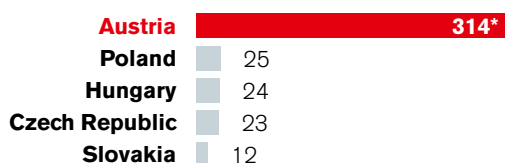
Gateway to the West. The dynamic markets of South East and Eastern Europe are a magnet attracting multinational companies. At the same time, an increasing number of Eastern European firms are using Austria as their springboard to Western Europe. Multinationals such as Lukoil and VTB Bank have established their headquarters in the Alpine Republic. The young Romanian software company TotalSoft recently selected Austria as its hub to serve customers in Central and Eastern Europe as well as in Germany and Switzerland. Austria's excellent infrastructure, quality of life and high educational standards were the decisive factors.

Research and innovation. The good conditions for research and development represent a further advantage for headquarters. The government offers tax benefits to companies carrying out research and promotes the cooperation of the private sector with the scientific community. And it has been quite successful. One quarter of regional headquarters based in Austria have assumed R&D competencies within their respective companies.

→ www.headquarters-austria.at

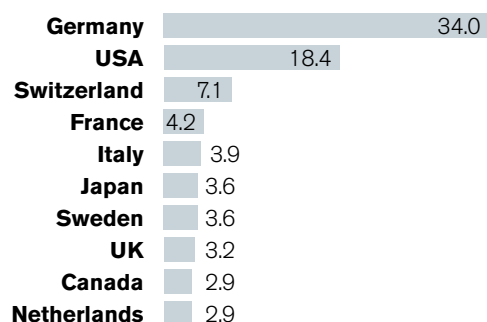
Top headquarter locations

Headquarters of international companies



Headquarters in Austria

Head office of the parent company, in percent



More than 300 Regional Headquarters in Austria

For Example:

A

Aastra Technologies
AB Energy
Agfa
Air Liquide
Alcatel
Allianz Versicherung
Alstom
Atos Origin

B

Banco do Brasil
Beiersdorf
BenQ
Berner Direktvertrieb
BMW
Boehringer Ingelheim
Borealis
Burton Snowboards

C

C&A
Canon
CNH
Compuware
CSC

D

Deka Bank
Denizbank
DHL Global Forwarding

E

EgyptAir
Electrolux
Eli Lilly
ERGO
Ericsson
Essilor

F

Flextronics
Fujitsu

G

Gefco
Grundfos

H

Henkel CEE
Hewlett-Packard
Hitachi Data Systems

I

Infineon
IPICO

J

Johnson Controls
JVC

K

Knauf
Knorr Bremse
Kühne + Nagel

L

Liebherr
Logwin Logistics
Lukoil

M

Magna
MAN
Mars
Mazda
Merck
Metro Cash & Carry
Mitsubishi Power Systems
Mondi

N

Neckermann Versand

P

Panasonic
Peek & Cloppenburg

Q

Quintiles

R

Rehau
Rewe
Rittal-Gruppe
Robert Bosch AG
Rohde & Schwarz

S

Samsung
Schenker
Schindler Holding
Sharp
Siemens
SIG Combibloc

T

Takeda
Thales
Tyssen Krupp

U

UniCredit Group
USU AG

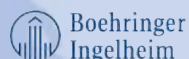
V

Vestas Wind Systems A/S
Volvo

Z

ZTE
Zürich Versicherungen

SIEMENS



ERICSSON



An Outstanding Holding Location

Numerous advantages based on Group taxation, double taxation agreements and private foundations

A globally operating company benefits from decisive competitive advantages in maximizing profits which are offered by Austria. Limited liability companies are only subject to a 25 percent corporate income tax and nothing else – no wealth or trade tax at all. Accordingly, the founding of a holding company represents an advantageous approach from a tax perspective.

The advantages of Austria as a holding location:

- More than 80 double taxation agreements have been concluded.
- Profits from foreign subsidiaries can be pooled tax-free in the Austrian holding company.
- Profits from the disposal of foreign subsidiaries are tax-free.
- Losses of foreign subsidiaries can be offset against the domestic profits of the holding (Group taxation).
- The corporate tax rate amounts to 25 percent.
- Interest expenses on borrowings used to acquire third-party equity interests are tax-deductible.
- Provisions can be recognized as reducing net income on the balance sheet.
- Dividends and capital gains from foreign subsidiaries are tax-free for the most part.
- E-government: Austria boasts “Finanz-Online”, a system enabling electronic legal transactions on tax matters including appeal proceedings.
- VAT (value added tax) credit balances are paid back quickly in Austria.

Federal Ministry of Finance:
→ www.bmf.gv.at

Bureaucracy made easier:
→ www.help.gv.at



“The tax conditions for holdings are very attractive in Austria. Various tax privileges, an extensive network of double taxation agreements and a stable legal system with an efficient financial administration stand up well to international comparison, providing an outstanding business environment.”

Gerald Weiß, tax advisory and auditing company TPA Horwath, Wirtschaftstreuhand und Steuerberatung GmbH



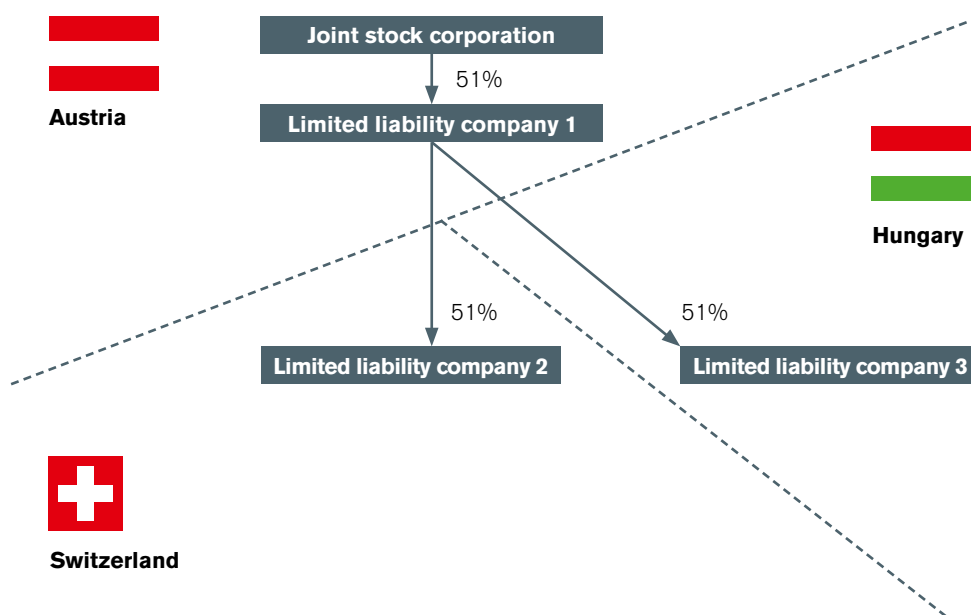
The Group taxation scheme for holdings serves as a role model in Europe

Offsetting of profits and losses. The profits and losses of subsidiaries are pooled at the parent company and subject to a unified tax rate. Loss carry-forwards of the group leader are consolidated with the taxable profits of the other companies. The pre-requisite is for the Austrian limited liability company to have a participatory stake in the foreign firm of at least 50 percent and one share. For regional headquarters, this system serves as the basis for greater competitiveness within the Group, and reduces the risk in expanding to new markets.

Private foundations generate tax advantages

There is also the possibility of setting up a foundation, which enables extensive organizational freedom and generates tax advantages. The feature of a private foundation is that one or several founders can devote assets (also different amounts) in the long term exclusively for the purpose of fulfilling the objective stipulated in the deed of foundation without the supervision of administrative authorities.

Model of a cross-border tax group





Highest Quality of Life

Austria stands for internationality and an unsurpassed recreational offering.

New York – Paris – London – Tokyo. All these cities are extremely popular both with companies and mobile employees. However, international rankings underscore the fact that other cities offer the highest quality of life at affordable costs, including Vienna. For years the Austrian capital has been the undisputed leader and has been ranked as the most popular metropolis for managers.

The perfect mix includes political and social stability and personal security as well as a healthy economy, an excellent health care and educational system, an intact natural environment and a great variety of leisure activities. This is because life continues after work. In Austria first class restaurants and a high quality cultural and recreational offering can be literally found at every corner. Austria, the “world tourism champion”, shows off its strengths, and does so at moderate prices!

Welcome! You are in good company! Regional headquarters in Austria benefit from these advantageous conditions and form part of an international community. Vienna is not only the sole United Nations headquarters in the European Union, but is also home to about 40 other international institutions such as the Organization of Petroleum Exporting Countries (OPEC), the Organization for Security and Cooperation in Europe (OSCE) and the International Atomic Energy Agency (IAEO).

Cities with the highest quality of life

Rank	City
1	Vienna
2	Zurich
3	Auckland
4	Munich
5	Vancouver
7	Frankfurt
11	Amsterdam
16	Berlin
19	Stockholm
21	Brussels

Source: Mercer Quality of Living Survey 2014

The ten most expensive cities in the world

Rank	City
1	Singapore
2	Paris
3	Oslo
4	Zurich
5	Sydney
6	Caracas
7	Geneva
8	Melbourne
9	Tokyo
10	Copenhagen

Source: Economist, March 2014



“Austria stands out thanks to its sustainably reliable and stable conditions. These features are particularly important for a research-based company such as Boehringer Ingelheim. Furthermore, Vienna is a city with a good research infrastructure and a high quality of life, and is thus also an interesting place for highly qualified employees from Austria and abroad.”



Austria as a Safe Haven

Stability and legal certainty create reliable conditions for global business.

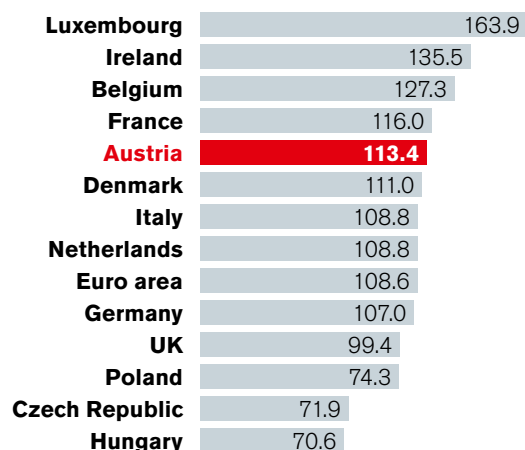
Headquarters carry out long-term planning and require reliable and stable conditions in order to be able to carry out their management and coordination functions for many countries from a safe haven. Austria not only offers a high level of legal certainty and political stability, but also protection of property and personal security.

Digital administrative procedures: Austria's public administration, which actively supports companies in handling administrative work, functions in a modern, transparent and reliable manner. Austria is a frontrunner in Europe when it comes to open government data and mobile applications, and has a top ranking in terms of e-Government services as indicated by the eGovernment Monitor 2014. More than 90 percent of all companies already take advantage of such services.

High productivity, hardly any strikes. According to the EU Commission, Austria ranks among the top five in the EU-27 with respect to labor productivity per employee in manufacturing industry. Accordingly, it outperforms industrial nations such as Germany, Italy and Great Britain. High productivity goes hand in hand with low unit labor costs and near-zero strike rates.

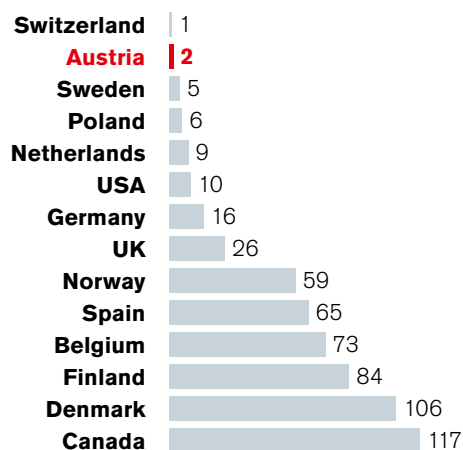
Labor productivity 2013 in EU comparison

GDP per person employed in PPS, EU-27=100



Strike duration in international comparison

Working days lost per 1,000 employees
Annual average 2005 - 2012





Günter Thumser,
President of Henkel CEE

Henkel uses Austria as a bridge to Eastern Europe

Henkel has been manufacturing in the Vienna business location for more than 85 years, and has also been operating a central warehouse facility for Austria, Czech Republic, Slovakia, Slovenia, Hungary and Croatia since 2005. In addition, the company has an adhesives plant in Ebensee. Henkel already began to gradually build up business ties to the Eastern European region from its Austrian base before the fall of the Iron Curtain.

"In this case we take advantage of the cultural proximity to Austria's neighboring countries as well as existing long-term contacts. The geographical location, positive economic climate and quality of life are the most important assets of Vienna and Austria."

→ www.henkel.at



International Employees as the Recipe for Success

A pool of top employees from all over the world is available to headquarters in Austria.

Tops in Europe. Each headquarters located in Austria finds the right employees. More qualified, specialized employees with foreign language skills are available in Austria than in other Western European countries. About 19 percent of the population and every second inhabitant of Vienna have a migration background. Close to three-thirds of all immigrants in Austria come from Central and Eastern Europe. People with a migration background speak an average of three languages and boast above-average qualifications. The percentage of immigrants with academic qualifications (i.e. university degrees) is very high.

Reservoir of top international staff. Companies operating in Austria can turn to highly qualified managers with business development experience in Eastern Europe. This expertise can also be applied to other regions, such as Turkey, North Africa and the CIS countries. Future managers from East and West are also trained and practically educated at customized CEE training programs offered at Austrian universities.

Optimally trained specialists are highly valued by investors from all over the world. The motivation of employees is also extraordinarily high, with Austria ranked fifth in international comparison. Regional headquarters also profit from the close ties between the educational system and the business community. Some 60 public and private universities and academies of applied sciences maintain intensive contacts to the industrial sector.

Know-how for international business. As a North-South and East-West interface, Austria offers strategic advantages for international business. Banks, tax and management consultants, lawyers and advertising agencies have gained extensive experience working with international companies and organizations. On the basis of their know-how and contacts, they serve as reliable partners to regional headquarters responsible for doing business in emerging markets from their Austrian base.



Shinya Miyajima
Managing Director,
NICHICON (Austria)

International employees are an advantage in customer relationships

The Japanese electronics specialist Nichicon, one of the world leaders in the development and production of aluminum electrolytic and polymer capacitors, set up its CEE headquarters in Vienna in 2001 and upgraded the site to its EMEA (Europe, Middle East and Africa) headquarters in 2004.

“As a company operating in the high-tech sector, our EMEA headquarters should be established in a country with strong economic competence. Nichicon selected Vienna due to its central location in Europe and the related good access to our key European markets. Similarly, the cultural diversity of our international employees brings advantages in dealing with and understanding our customers throughout Europe.”

→ www.nichicon.co.jp



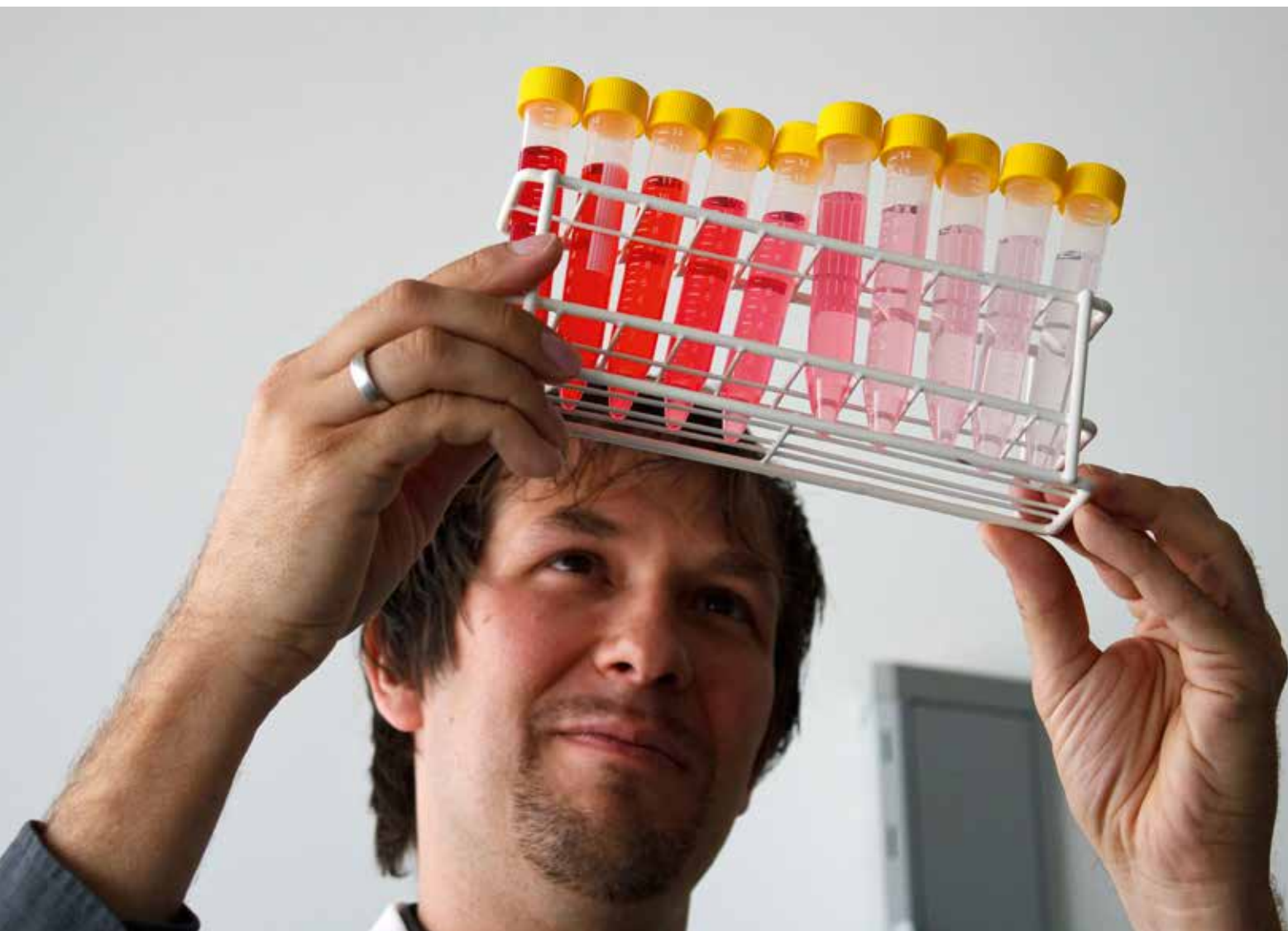
Hotspot for R&D Headquarters

Electric-powered cars, wind turbines and drugs against cancer: Austria promotes the work of R&D headquarters.

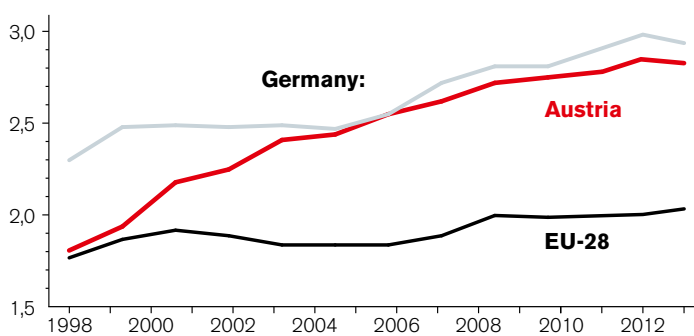
The performance of Austria as an innovative business location speaks for itself. The Austrian model of success creates optimal conditions for companies such as Baxter, BMW, Bosch, Infineon and Novartis which bundle their R&D activities and competence centers in Austria. Top-level research, innovative spin-offs, clusters and big players on the global marketplace ensure that inspiring ideas are turned into marketable products and services. The required support accelerates the process, in light of the fact that research is subsidized by the state, the related infrastructure exists and specialized staff is excellently trained.

Whoever conducts research pays less. This bonus is highly valued by international companies. Four out of five multinationals involved in production and about one quarter of regional headquarters carry out strategic research and development work on behalf of the entire Group from their Austrian base. The private sector accounts for more than two-thirds of Austrian R&D expenditures. The government offers tax benefits to companies carrying out research and promotes their cooperation with the scientific community. Companies are entitled to claim a research premium of 10 percent of R&D expenditures.

Funding for the business community. Close to half of direct public funding is designated for non-university research. The business and scientific communities collaborate on projects within the context of the funding initiative "COMET – Competence Centers for Excellent Technologies." Organizations such as the Austrian Institute for Technology (AIT) and JOANNEUM RESEARCH carry out top-of-the-line international research. More than 60 business clusters bundle the strengths of their members and promote trend-setting, future-oriented developments.



Development of R&D spending in Austria, Germany and the EU-28
Percentage of GDP



Source: Eurostat, Statistics Austria, * preliminary figure

Funding:

Austria Wirtschaftsservice (AWS)
All public funding and business promotion measures under one roof.
→ www.awsg.at

Austrian Research Promotion Agency (FFG)
Funding institution for application-oriented research.
→ www.ffg.at

Austrian Science Fund (FWF)
Funding of basic research.
→ www.fwf.ac.at

Federal Ministry for Transport, Innovation and Technology (BMVIT)
Funding of technology and innovation
→ www.foerderkompass.at



Robert Gulla, Managing Director,
LUKOIL Holding GmbH

Headquarters Location Lures Companies

Multinationals select Austria.

New companies steadily join the group of the more than 300 headquarters located in Austria. In the years 2013/14, the German airline Lufthansa relocated its CEE sales office from Budapest to Vienna, the Italian firm AB Energy set up its headquarters for eight subsidiaries in Tyrol and the American IT services provider Computer Science Corporation (CSC) opened its regional CEE headquarters in Vienna, similar to Honda and the mail order group Otto.

LUKOIL expands in Austria. Russia's second largest oil company LUKOIL has been managing the Group's international shareholdings in the fields of oil production, refineries and gas stations for more than 15 years via its the Group's holding headquarters based in Austria.

"Austria is an East-West business hub. We highly value the excellent infrastructure, especially the great flight connections, the high quality of the labor market as well as the outstanding quality of life in Vienna. In addition to the geographical location, the high level of economic and political stability was an important factor in our headquarters decision. Since 2014 LUKOIL has been producing lubricants in Austria. In this way LUKOIL has further strengthened its position in Austria based on a total of six companies. Another production plant is located in Vienna. The LUKOIL subsidiary LUKOIL LUBRICANTS has also assumed responsibility for the sales organization for Central and Eastern Europe. The superb geographical location, access to leading companies along with the highly-developed infrastructure and industry were the decisive factors underlying the decision to expand LUKOIL's portfolio in Austria."

→ www.lukoil.com

Strategic location and special know-how. The leading Chinese electric engine producer Wolong has been active on the Austrian market with its company ATB Austria Antriebstechnik AG since 2011. Here it manufactures industrial and electric motors for household and garden products as well as drive systems.

"Austria is located in the heart of Europe and has excellent ties to Eastern European countries, which are our growth markets. An important prerequisite for Wolong is the well-developed infrastructure featuring good flight connections to Eastern Europe. We profit from the central location and the Eastern European know-how in Austria and in particular from the excellently trained skilled employees. Austria's special know-how in mechanical engineering is almost unmatched. Moreover, the cooperation with scientific institutions gives us a decisive competitive edge."

→ www.atb-motors.com



Angel Chen,
CFO, Wolong Electric



Andreas Breinbauer,
Rector of the University of
Applied Sciences bfi Vienna

Magnet for regional headquarters

“Vienna is a magnet for the regional headquarters of multinational companies responsible for Central and Eastern Europe. We have good infrastructure links, many research institutions focusing on CEE and a particular understanding of the region due to the Austro-Hungarian Monarchy. We have many individuals with a migration background in Central and Eastern Europe, which is a unique selling proposition for Vienna. The high share of immigrants from the CEE region also creates an incomparable network in the countries of origin. Moreover, Austria is seen as a neutral place by the countries in Eastern Europe, from Turkey to Russia.”



Lukas Herrmanns,
Chief Executive Officer Marsh
Austria/CEE Chairman
Marsh & McLennan
Companies Austria

Immense Potential

The American company Marsh takes advantage of “Austria’s economic engine” for business activities in 12 CEE markets

What reasons did the company have for establishing its regional headquarters in Austria in 2013?

“We see Central and Eastern Europe as a major growth market. For this reason, we have long considered how we could best position ourselves to optimally exploit this immense market potential. Marsh consults companies in more than 100 countries across the globe on all issues relating to risk and insurance management, and has been active in the CEE region for more than 20 years. It is obvious that Austria plays an important role in this regard. In terms of our own business, this means, for example, that we pave the way for our customers in the region to access Western European insurance markets. This comprises an enormous advantage for our customers, especially when complex risks are involved.”

We believe this development will further intensify in the coming years, and that we will be able to offer added value to our customers both East to West and West to East. Marsh Austria has already been supporting a large number of international companies with a foothold in the region. All in all, there are many reasons for our confidence that we will be able to continue and expand our successful development in Eastern Europe, driven by ‘Austria’s economic engine’.”

From which competitive advantages can Marsh benefit the most in expanding its business in Central and Eastern Europe?

“Austria is the leading investor in numerous Eastern European countries. Many important business partners and customers have also set up their CEE headquarters in Austria or invest heavily in this region. Against the backdrop of similar ambitious growth targets, this leads to synergies which all those involved ultimately profit from. Austria not only offers the best connections to the CEE region due to its central location in the heart of Europe, but never loses sight of its Western-oriented perspective. When operating out of Austria, it is easier to follow various trends and developments of Western economies, make the necessary adaptations and then transfer them to the region. Another point to be made is the large number of qualified employees in Austria with Eastern European know-how or multilingual abilities. Last but not least, Vienna is a very attractive city, and thanks to its international orientation, a very interesting option for young talents from all across Europe to continue their professional development.”

Marsh is a globally leading industrial insurance broker and risk consultant, and a fully owned subsidiary of Marsh / McLennan Companies (NYSE: MMC) which employs more than 54,000 people worldwide.

→ austria.marsh.com



Mike Borze, Managing Director
BenQ Austria, CEE

BenQ: top marks for the geographical location and quality of life

The globally operating electronics manufacturer BenQ headquartered in Taipei, Taiwan ranks among the most successfully expanding and innovative companies in Asia. The team in Vienna serves more than 20 countries in South East and Eastern Europe with the support of local consultants. The product portfolio encompasses IT periphery devices (monitors) and consumer electronics (projectors, digital cameras, monitor TVs) which are marketed by selected wholesalers in the CEE region.

"For BenQ the central location and good transportation connections are what counts. In this way we can coordinate our business activities in the entire CEE region and in selected markets in Southern Europe from our Austrian base. Vienna is tops in the world with respect to its quality of life. And we highly value the availability of well trained employees who speak Eastern European languages and are familiar with the local markets."

→ www.benq.at



Leo Hauska,
President Headquarters Austria

Headquarters Austria offers a platform and service

Headquarters Austria assists corporate headquarters in Austria. The platform supports the exchange of experience, promotes a dialogue and advocates the interests of its members. This independent organization cooperates with partners from the business and scientific communities as well as interest groups.

“Regional headquarters encounter hundreds of other corporate headquarters located in Austria. We support their exchange of experience, help them to assert their interests and develop joint projects. Our members are corporate headquarters, managers and experts from a diverse range of sectors.”

Best Consulting on Business Location Issues

ABA – Invest in Austria, the consulting company of the Republic of Austria, is the top choice of international investors.

- **Experienced investment consultants** personally serve you and provide all the necessary contacts required in Austria. Contact us at the beginning of your expansion project so that you will be given optimal support.
- ABA – Invest in Austria offers **customized information** on Austria as a business location – sectors, technologies and markets, political and economic conditions.
- We are happy to advise you on important issues relating to **site selection** such as labor and tax regulations, incentives or real estate prices.
- Employees of ABA – Invest in Austria assist and support you in **handling formalities** such as applying for public funding or operating licenses – also in cooperation with the regional investment promotion agencies in the federal provinces.
- ABA – Invest in Austria also provides extensive services to support expansion investments **after project completion**.
- Network: ABA puts its cooperation partners at your disposal and also acts as a liaison to the foreign trade centers of the Austrian Federal Economic Chamber.
- **Award-winning ABA.** ABA – Invest in Austria has won several awards for its consulting services: World’s Best Investment Promotion Agency, World Bank Benchmarking (2009), Global Leader in Online Investment Promotion, World Bank Benchmarking (2012); Second-Best Investment Promotion Agency and third-place award for its program to strengthen Austria as a headquarters location, FDI World Forum (2013).
- **Specialized brochures.** More detailed information on different topics and industries can be found in numerous specialized brochures such as:



- Business Location Austria
- Bridge Between East and West
- Information Technology / Telecom
- Research and Development
- Biotechnology
- Tourism
- Environmental Technologies & Renewable Energies
- Starting Business in Austria
- Tax Aspects of Investments in Austria

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