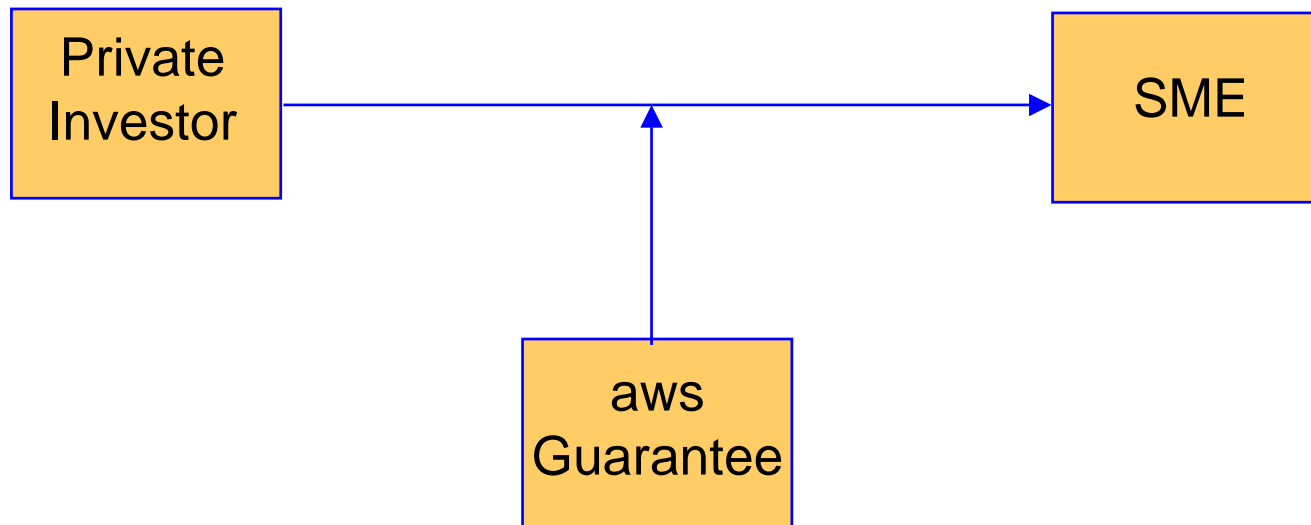


EQUITY GUARANTEES



Purpose

- Promote equity financing for SMEs through private investors



Eligibility Criteria (1)

- Target group: SMEs (startup/existing) of all industry sectors (except tourism)
- Private Investors are:
 - Individuals (e.g. Business Angels, Friends, Family)
 - Companies
 - Institutional Investors (e.g. Funds, Banks)
 - NOT Eligible for Guarantee
 - Majority Owner (“Entrepreneur”)
 - Management
 - and close relatives (e.g. spouse, children, parents)

Eligibility Criteria (2)

Equity Investments are defined as

- Additional Cash
- Minority Share
(less than 50 % of voting equity)
- Quasi-Equity, if:
 - Subordinated
 - Term at least 10 Years
 - Return depends on the profit of the SME

Guarantee

- Covers the risk of loss of the equity invested in case of insolvency of the SME for
 - Individual investors:
 - 100% for investments up to EUR 20.000,--
 - 50% for investments above EUR 20.000,--
 - Other investors: 50%
- max. Guarantee Amount/Project: EUR 1 mio
- max. Guarantee Maturity: 10 Years

Advantages for SMEs

- Strengthening of the Equity Base of the Company
- Equity may be used as Leverage for additional Loan Financing
- Experienced Investors contribute to the Business Development
- no fixed Costs of Equity Capital

Experience (1)

- 310 projects approved since 1997
- 1013 investors with equity of EUR 89 mio
- average guarantee rate 70 %
- 86 % private investors
- average loss rate 4,8 % p.a.
- counter guarantee under MAP since 2004

Experience (2)

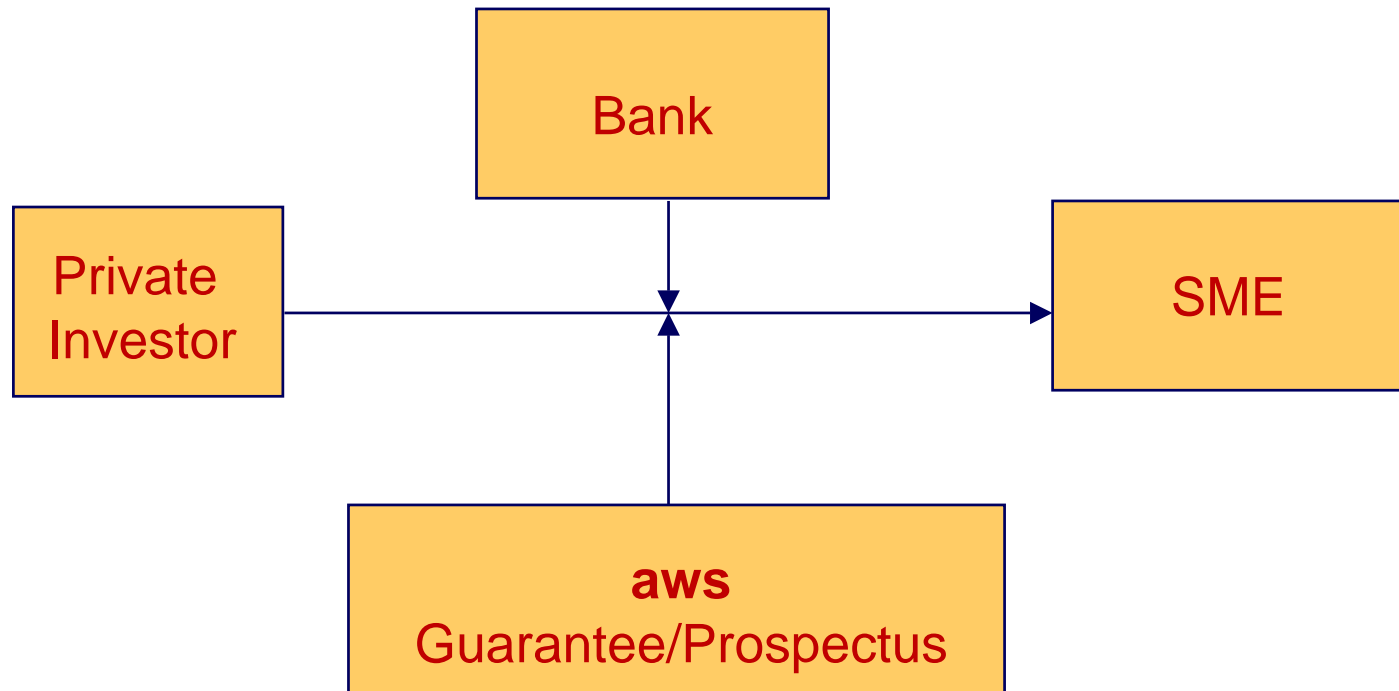
- Equity finances projects, that banks are not willing/able to evaluate, therefore we see
 - earlier project stages (seed/startup)
 - more high-tech-projectsthan in loan guarantee programs.
- Due to the higher risk
 - evaluation of management
 - risk sharingare essential.

Profit-sharing Bonds „Gewinnwertpapier“



Purpose

- Promote access to capital markets for SMEs through „Going Public“



Eligibility Criteria

- Target group
 - SMEs
 - Expansion projects (e.g. production upscale, buildup of international sales, acquisition of other companies)
- Potential issuers must show
 - turnover of min. EUR 3-5 mio
 - positive results in a reference market
- max. amount of Profit-sharing Bond EUR 2 mio

Main features of a Profit-sharing Bond

- Investors participate in the profit generated by the SME, not in the company value (no shares)
- Minimum term 10 years, unregulated third market at the Vienna Stock Exchange
- Principal amount of the Bond guaranteed by **aws** (Equity Guarantee)

Profit-sharing

- Investor participates in annual profit before taxes and reserves
Return on Investment depends on expected profit
- no fixed minimum interest rate - no upper limit
- Fixed ROIs:
 - Trade sale with termination of Profit-sharing
Bond: Expected ROI
 - Trade sale with continuation of Profit-sharing
Bond: 8 % p.a.
 - Termination after 10 years by the SME: 8 % p.a.

Pricing

- Expected return for investors at market level
- Guarantee fee at cost-covering-level, divided in
 - fixed fee
 - success-based fee (profit-share)
- Pricing structure
 - approx. 10% of the principal amount are fixed costs (incl. legal, marketing, underwriting, fixed guarantee fee), to be paid at the time of the public offering
 - no annual fixed cost, but profit-share for investors and **aws**

Services provided by aws

- Consulting (free of charge)
- Risk evaluation
- Guarantee for the investors
- Prospectus underwriting
- Marketing support (Roadshows, Investor Relations)

Results

- 24 Profit-sharing Bonds issued since 1999 with a volume of EUR 25 mio
- 2 trade sales
- 6 losses