



Austria*

*The Perfect Location
for Your 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

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It's Up to You!
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The Großglockner mountain, Lake Wörthersee and the Wiener Philharmonic Orchestra: many people primarily associate the Alpine Republic with vacation and culture. This may hide the fact that Austria, with just a quarter of Germany's total land area and a tenth of its population, also plays in the premier league of Europe's leading economic nations.

Your Headquarters Location – It's Up to You!

A central geographical location with access to future markets, a stable economic environment and the highest quality of life. These are only three of the features Austria boasts to attract regional headquarters.



Good reasons for the business location

Some 300 regional headquarters of prominent companies coordinate transnational business operations from Austria. They span all sectors and industries, from the pharmaceutical multinational El Lilly and the electronics giant Siemens to Henkel, a leading producer of brand name products. According to a recent survey, these firms highly value the central geographical location, the direct access to markets in Central and Eastern Europe and the outstanding infrastructure. Many companies also consider the qualified employees, the economic and political stability and the moderate level of taxation to be further incentives in Austria's favor.

Numerous regional headquarters take advantage of their Austrian base to expand their business activities to the dynamic markets of Eastern and South East Europe. In contrast, an increasing number of firms are using Austria as a springboard to Western Europe.

More than 50 million people within 400 kilometers

And one can reach all of Europe from Vienna Airport in a maximum of three hours. Not to mention the fact that the airport boasts 45 destinations to Central and Eastern Europe, making it the leading flight hub to this region.

Reliable, innovative and lucrative

But the location is not the only factor luring investors. Measured in terms of purchasing power, Austria is the fourth richest country in the EU and its economic growth surpasses the EU average. The economic and political situation is stable, the country has a transparent public administration, and the headquarters of multinational firms also know exactly where they stand in terms of taxes. The corporate income tax rate of 25 percent is moderate, and the Group taxation system is attractive for setting up holdings.

A further competitive advantage is the promotion of research and development. Austria features the most dynamic expansion of research expenditures in the European Union, growing at a rate of 8 percent annually. The government offers tax benefits to companies and supports the cooperation of the private sector with the scientific community. And it has been quite successful in the process: one quarter of the regional headquarters in Austria have already assumed R&D competencies within their respective companies.



The best place to work and live

In Austria every corporate headquarters finds suitable employees, whether for a pharmaceutical company, a research facility or high-tech spin-off. Austria ranks among the top three in the EU with respect to the availability of qualified, specialized employees. The employees are excellently trained and particularly motivated and hard working. This is largely due to the practice-oriented educational system in Austria. In addition, an increasing number of outstanding specialists are moving to Austria from neighboring countries, above all Germany as well as from Eastern Europe.

Austria also has an outstanding position with regards to its quality of life. In the current Mercer study, Vienna has been rated the city with the highest quality of life in the world based on three main influencing factors which top executives highly value: the high level of personal security, political stability and the infrastructure.

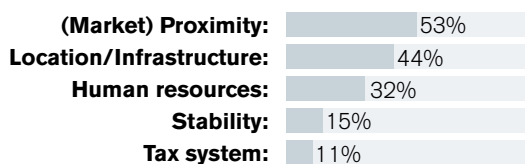
Welcome! You are in good company!

Regional corporate headquarters in Austria are part of an international community. Vienna is not only the sole United Nations headquarters in the European Union, but is also home to about 30 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).

The independent platform Headquarters Austria offers corporate headquarters a forum for networking, dialogue and the exchange of ideas. Managers are supported in their efforts to assert their joint interests.

→ www.headquarters-austria.at

**Why Multinational Companies
Decide for Austria:**

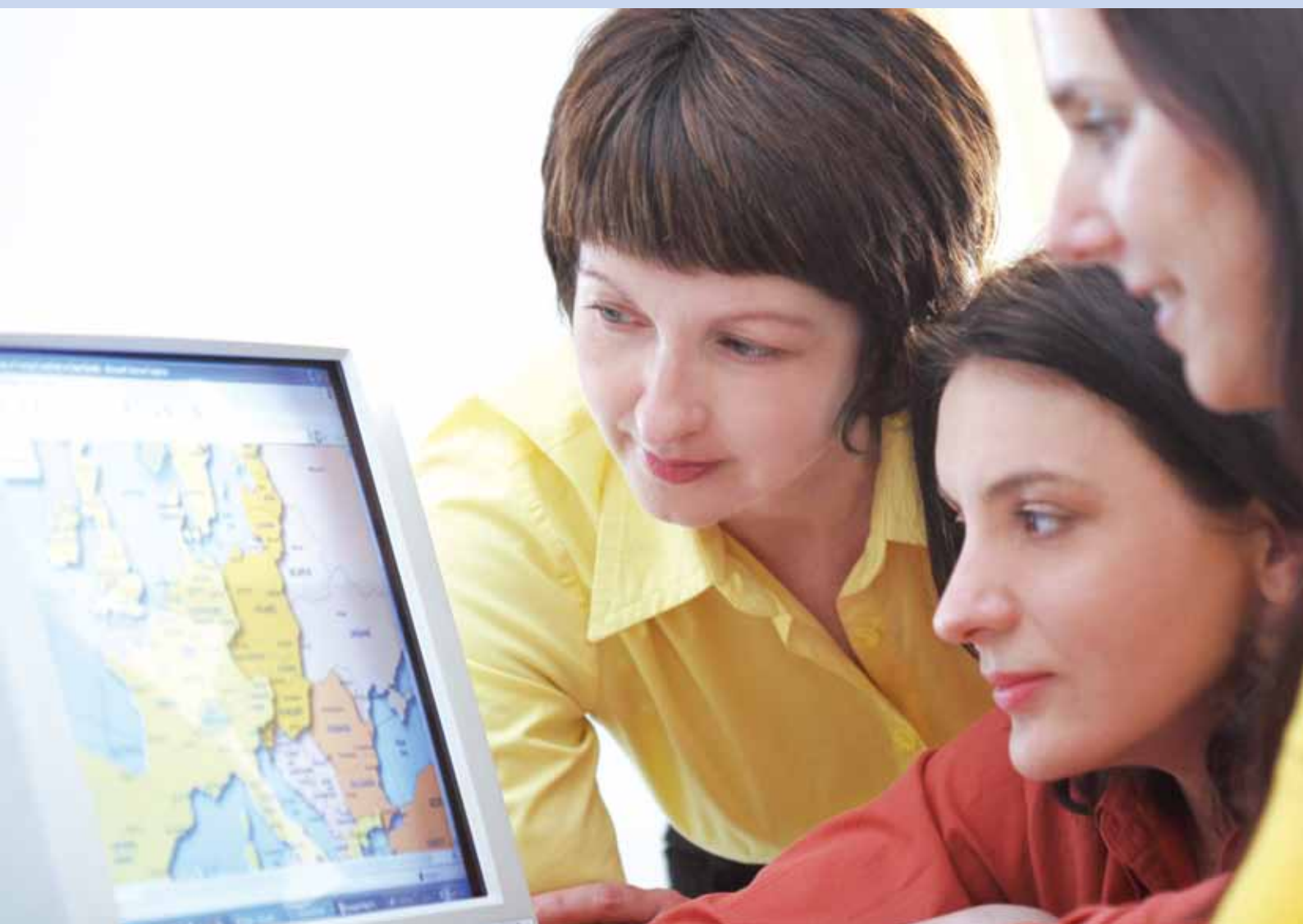


Austria at a Glance

Area:	83.859 km ²
Population:	8.36 Millionen
Economic growth:	1.7%*
Per capita GDP:	30,200 EUR*
Inflation rate:	2.1%*
R&D ratio:	2.76%*

Source: Headquarters Austria, 2009

*Forecast for 2011 (Status: January 2011)



Leo Hauska,
President Headquarters
Austria

Headquarters Austria offers a platform and service

Headquarters Austria supports corporate headquarters set up in Austria. It provides these headquarters with a platform for exchanging ideas and experience and engaging in an ongoing dialogue and advocates common interests. This independent organization cooperates with partners from the business and scientific communities as well as interest groups.

"A regional headquarters in Austria encounters hundreds of other corporate headquarters. We support their exchange of views, help them to assert their interests and develop joint projects. Our members are corporate headquarters, managers and experts from a diverse range of sectors."



Draw Upon an Abundant Supply

Above-average productivity, the best specialized staff and well-founded expertise enable regional headquarters to profit from top performance “Made in Austria”.

“One never stops learning”. Many Austrians live in accordance with this motto. Education is business-oriented, and Austria is the European champion in further training and professional development. Regional headquarters have highly qualified and motivated employees at their disposal, and if required, reliable partners with extensive expertise for doing business in the EU as well as in Central and Eastern European markets.

Tapping a reservoir of top employees

Austria ranks among the top three in the European Union with respect to offering a sufficient supply of optimally trained skilled labor. Austria is also rated fifth in the world by the latest World Competitiveness Yearbook. Investors particularly value the professional competence and profound knowledge of their employees.

The motivation of employees is also extraordinarily high, and thus Austria is ranked third worldwide behind Switzerland and Denmark. Regional headquarters also profit from the close ties between the educational system and the business community. Some 35 universities of applied sciences and 22 public and private universities maintain intensive contacts to the industrial sector.

Know-how for international business

As a North-South and East-West interface, Austria offers bottom-line strategic advantages for international business. Banks, tax and management consultants, lawyers and advertising agencies have gained extensive experience 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.

And actually there are quite a few. Some 1,000 international companies coordinate their CEE activities from Austria, and about 16,000 Austrian firms have concluded joint ventures with Eastern European companies. By the same token, an increasing number of Eastern European firms have selected Austria to be their partner, with the expertise and service providers required to expand their business in the European Union. Approximately 2,100 Eastern European enterprises have already decided in favor of Austria as a business location.



Simone Thomsen,
Managing Director of
Eli Lilly Austria

Eli Lilly values access to qualified specialists

Eli Lilly has been operating in Vienna for about 35 years, employing a work force of close to 190 employees. In addition to serving as the business hub for the domestic market, the Vienna facility is also home to the Regional Medical Center with close to 50 researchers along with parts of the management team for the European MidSize branch offices, and for Africa and the Middle East. Elanco Animal Health is also represented.

“For Eli Lilly Austria is a hub of international research. The pool of excellent and optimally trained specialists is an important criterion in favor of the business location, along with the good infrastructure and cooperation with research centers. The tax environment is attractive, and only the staff costs are somewhat higher in international comparison.”



Industry: Top-notch performance at moderate costs

Productivity, reflecting the relationship between what is being produced and the work involved, is an important indicator of competitiveness. Manufacturing industry in Austria is ranked eighth worldwide for productivity by the most recent World Competitiveness Yearbook, based on an hourly output of close to USD 45 per employee. As a result, Austria is ahead of other industrialized nations such as Great Britain and Germany as well as Switzerland and Japan.

Industrial productivity rose at a disproportionately high rate in recent years, which more than compensated for the rise in labor costs. Austria ranks among the best in the world in terms of unit labor costs, which fell by almost 9 percent in the period 1998 to 2008.

The reasons were the good capacity utilization and the economic impetus provided by the fall of the Iron Curtain—and most important of all, the highly motivated and qualified staff.

Output per Man-hour in Manufacturing Industry

Hourly GDP per employee in USD

Norway	1	62.09
Luxembourg	2	57.78
USA	3	53.25
France	4	50.83
Netherlands	5	50.17
Austria	8	44.67
Italy	10	43.13
UK	14	40.56
Germany	18	38.54
Switzerland	20	37.89
Japan	25	33.00
Hungary	31	25.78
Czech Republic	32	25.33
Poland	35	22.06

Skilled Labor

10 = Sufficiently available on the labor market

Israel	1	7.64
Denmark	2	7.60
Austria	5	7.41
Switzerland	8	7.01
USA	9	6.96
Japan	10	6.87
Germany	11	6.82
Netherlands	14	6.69
Czech Republic	17	6.42
France	22	6.10
UK	24	6.00
Poland	27	5.87
Italy	37	5.13
Hungary	47	4.65

Source: World Competitiveness Yearbook 2010

Source: World Competitiveness Yearbook 2010



Günter Thumser
President Henkel CEE

Henkel uses Austria as a bridge to Eastern Europe

Henkel Central Eastern Europe (Henkel CEE) based in Vienna is one of the most important growth drivers for the German Henkel Group. It is responsible for coordinating business operations in 32 countries in Central and Eastern Europe and in Central Asia, with 35 production facilities and a work force of about 9,500 people. Henkel manufactures more than 200,000 tons of detergents and cleaners at its Vienna facility, of which 80 percent are designed for export.

“Henkel is committed to the Austrian business location. A major competitive advantage is its unique location in the center of Europe. We coordinate our entire Eastern European business from Vienna, and invested close to EUR 30 million in our central warehouse and detergent plant in 2010. With the Henkel CEE Academy, we take advantage of the enormous know-how in the region for the purpose of knowledge transfer.”



Your Reliable Partner

A stable economy, an efficient public administration and moderate taxes all make Austria a safe haven for your headquarters.

Which company would not like to save time and money dealing with authorities? The main pre-requisites are a business-friendly tax system and an efficient public administration. International companies based in Austria benefit from both these advantages. Not to mention an extremely stable political, economic and social landscape.

Stable conditions and digital handling of administrative procedures

Austria not only ranks among the most prosperous countries in the EU, but is also one of the safest and most reliable places on Earth. According to the World Competitiveness Yearbook 2010, Austria is the most secure country on the globe as measured by personal security and the protection of private property. The low crime rate and high level of legal certainty are particularly attractive to companies. Moreover, Austria is rated number one in the world with respect to labor peace, boasting less than one day on strike per 1,000 employees annually.

The public administration in Austria works efficiently and reliably using state-of-the-art technologies. The electronic access to extensive information and documents facilitates the cooperation with public authorities, simplifying administrative work. A recent study by Capgemini concluded that Austria is the e-Government champion in Europe based on the availability of online services. Over 80 percent of all companies already take advantage of such services. The leading position of Austria underlines the business-friendly and customer-oriented attitude of public authorities.

Moderate taxation for headquarters

Another competitive advantage for regional headquarters is the moderate level of taxation. Limited liability companies in Austria only pay a 25 percent corporate tax rate, and no wealth or trade tax at all. In addition, companies make use of a tax-exempt research allowance or education allowance under certain conditions.



Robert Gulla,
CEO LUKOIL Holding

LUKOIL opens its doors to Europe

LUKOIL, the second largest Russian oil conglomerate, has been managing its foreign subsidiaries or shareholdings in the refinery and gas station sectors (e.g. in 13 EU member states as well the USA) for 15 years via its Vienna-based holding company LUKOIL INTERNATIONAL GmbH.

“Austria is the pre-eminent East-West business hub. We highly value the outstanding infrastructure (particularly the excellent flight connections), the high quality of the labor market as well as the outstanding quality of life in Vienna. In addition to its geographical location, the high level of economic and political stability was an important factor underlying our headquarters decision in favor of Vienna.”



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

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.

Moreover, in the case of acquisitions, the capitalized goodwill purchased in the transaction can be amortized over a period of 15 years, which is not possible in other countries at the present time.

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

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

Economic Growth

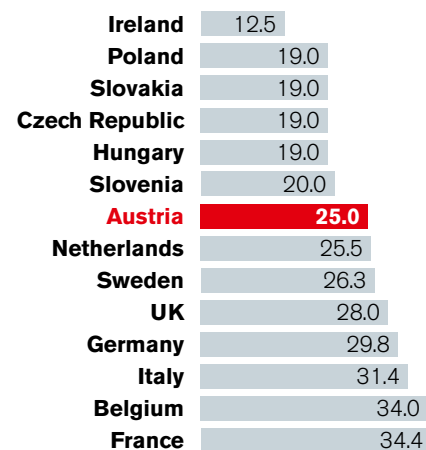
Economic growth (GDP increase in %)

	2008	2009	2010*	2011*
Austria	2.2	-3.9	2.0	1.7
EU-27	0.5	-4.2	1.8	1.7
Euro-zone	0.5	-4.1	1.7	1.5
Germany	1.0	-4.7	3.7	2.2
France	0.2	-2.6	1.6	1.6
UK	-0.1	-4.9	1.8	2.2
Italy	-1.3	-5.0	1.1	1.1
Netherlands	1.9	-3.9	1.7	1.5
Poland	5.0	1.7	3.5	3.9
Czech Republic	2.5	-4.1	2.4	2.3
Hungary	0.6	-6.3	1.1	2.8

*Forecasts
 Source: EU-Kommission, EUROSTAT, OECD

Corporate Income Tax Rates 2010

Tax levied on non-distributable profits



Source: KPMG



Edeltraud Stiftinger,
Head of Siemens Corporate
Technology CEE

Siemens relies on the power of research

Siemens Aktiengesellschaft has set up the Siemens Cluster CEE to coordinate its business in 19 Central and Eastern European markets. Siemens Corporate Technology CEE founded in Vienna in 2009 is an important location on the research and development map of the Group. Approximately 1,000 employees in eight countries develop products and solutions for the energy, healthcare and industrial sectors.

“Austria is a central player in the research landscape of the Siemens Group. Austrian competencies are highly valued, particularly in the future-oriented fields of smart grids, electromobility and sustainable cities. Our path is clear: on the basis of technological know-how, we want to position the research location Siemens Austria as a European center of excellence.”



Hot Spot for R&D Headquarters

Electric-powered cars, wind turbines and drugs against cancer are among the inspiring ideas currently in demand. It's a good thing that Austria promotes the work of R&D headquarters.

The impressive achievements of the Austrian innovation location speak for themselves. Whereas research and development was still in a state of infancy at the beginning of the 1980s, Austria now boasts the most dynamic growth in the EU. This is a bottom-line advantage for setting up regional R&D headquarters in the country. Research is publicly promoted, the required infrastructure is available and the specialist staff is excellently trained.

Whoever conducts research pays less

This bonus is highly valued by international companies. Four out of five multinationals carrying out 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. Multinational companies such as Baxter, Siemens, Philips and BMW account for approximately one quarter of Austria's total R&D expenditures.

The government offers tax benefits to companies carrying out research and promotes their cooperation with the scientific community. Regional headquarters can benefit from a research premium of 10 percent of all R&D expenditures, which is refunded in cash.

Top position in Europe

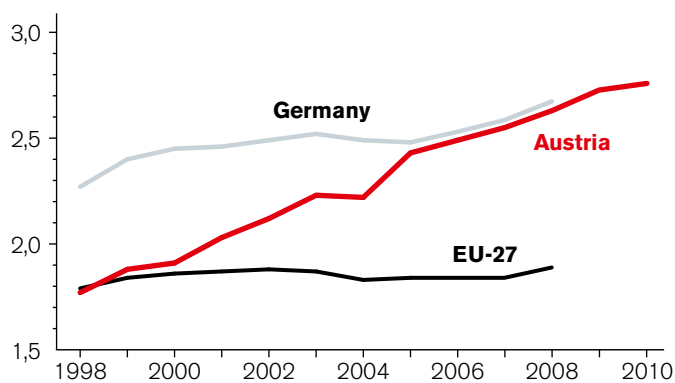
Austria is ranked third for its innovative prowess in Europe, surpassed only by Luxembourg and Denmark, according to the Innovation Scoreboard of the EU. Everything is in Austria's favor for being recognized globally as a think tank. Research expenditures have doubled since 1999, and are rising by close to 8 percent annually. In 2010 the country dedicated 2.76 percent of its gross domestic product to research and development, or about EUR 7.8 billion.

Close to half of direct public subsidies are for non-university research. More than 1,500 employees from science and industry jointly work on projects within the framework of the research promotion initiative "COMET – Competence Centers for Excellent Technologies." Organizations such as the Austrian Institute for Technology or JOANNEUM RESEARCH conduct research at an internationally competitive level. Furthermore, corporate clusters bundle strengths and promote trend-setting developments.



Development of R&D Expenditures in Austria, Germany and the EU-27

as a % of GDP



Source: Eurostat

Funding:

Austria Wirtschaftsservice (AWS)

All public subsidies and grants under one roof.
 → www.awsg.at

Austrian Research Promotion Agency (FFG)

National funding institution for applied research.
 → www.ffg.at

Austrian Science Fund (FWF)

Central funding organization for basic research.
 → www.fwf.ac.at



Work with the Highest Quality of Life

Austria wins points for its unsurpassed quality of life and a cosmopolitan environment. Vienna is the world's most popular city for managers.

Everyone who has lived and worked abroad knows one thing: the selection of a business location is not only a rational decision but a gut feeling. And in this case Austria has a lot in its favor: no other country offers a comparable quality of life, as underlined by the current ranking of the World Competitiveness Yearbook.

Managers love Vienna

The "Quality of Living Survey 2010" compiled by the international Mercer Consulting Group concludes that Vienna is the most livable capital city in the world, ahead of the Swiss cities of Zurich and Geneva. The Austrian capital scores big for the second straight year based on the location factors which top executives value in business cities, i.e. stability, security, education and health care.

Expatriates are lured to the green capital city due to its high level of social security, cultural highlights as well as its impressive shopping facilities and recreational offering. Moreover, living costs in Vienna are still affordable, as Mercer's global "Cost of Living Survey" shows. The study evaluates living costs for employees sent to 143 large cities abroad. Vienna is rated 28th. The most expensive metropolises are Tokyo and Moscow.

Personal security

Quality of life also encompasses the highest possible level of personal security, based on a low crime rate. There is hardly any other country in the world which matches Austria in respect to security of persons and property. Even in big cities, it goes without saying that people can safely use public transportation late at night or take a stroll around town after attending a theater performance.



“Austria stands out due to its long-term 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.”



Seat of international organizations and world's leading conference center

Employees of regional headquarters in Austria encounter an international community with their own kindergartens, schools and cultural facilities. Vienna is not only home to numerous headquarters, but also the seat of some 30 international organizations. More than 14,000 international employees and diplomats live and work here. They are supported by the Expat Center Vienna of the Vienna Business Agency.

Furthermore, Vienna is the world's most highly sought after destination for international congresses and conferences. According to the International Congress and Convention Association (ICAA), Vienna was the most popular congress city in 2009 for the fifth straight year. A total of 160 international congresses took place in Vienna in 2009, followed by Barcelona (135 congresses) and Paris (131 congresses).

Consulting services for international employees are provided by the Expat Center Vienna:
 → www.expatcenter.at

Most Livable Capital City in the World

Ranking by quality of life

Ranking	City	Country
1	Vienna	Austria
2	Zurich	Switzerland
3	Geneva	Switzerland
4	Vancouver	Canada
7	Frankfurt	Germany
11	Copenhagen	Denmark
13	Amsterdam	Netherlands
15	Brussels	Belgium
17	Berlin	Germany
19	Luxembourg	Luxembourg
20	Stockholm	Sweden
34	Paris	France
39	London	UK
40	Tokyo	Japan
41	Milan	Italy
49	New York	USA
70	Prague	Czech Rep.
73	Budapest	Hungary
84	Warsaw	Poland
87	Bratislava	Slovakia

Source: Mercer Consulting – Worldwide Quality of Living Survey 2010

Uncompared Quality of Life

10 = Quality of life is high

Austria	1	9.81
Norway	2	9.59
Switzerland	3	9.52
Denmark	6	9.16
Netherlands	8	9.10
Germany	10	8.78
France	13	8.77
USA	18	7.94
UK	22	7.37
Czech Rep.	23	7.33
Japan	25	6.94
Italy	27	6.71
Hungary	43	4.76
Poland	47	4.48

Source: World Competitiveness Yearbook, 2010



Mike Borze,
Managing Director
BenQ Austria, CEE

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

The globally operating electronics manufacturer BenQ based in Taipei, Taiwan ranks among the most successfully expansive and innovative companies in Asia. The team in Vienna supports local consultants in more than 20 Central European and South East European countries. The product portfolio encompasses IT peripheral devices (monitors) and consumer electronics (projectors, digital cameras, monitor TVs) sold by selected wholesalers in the CEE region.

"For BenQ Austria's central geographical location and good transportation connections are what count. As a consequence, we can coordinate our business activities in the entire CEE region as well as selected markets in Southern Europe. In addition we highly value the availability of well trained employees who speak Eastern European languages and are familiar with the local markets".

More than 300 Regional Headquarters in Austria

For Example:

A	E	K	R
Aastra Technologies	EgyptAir	Kärcher	Rehau
Agfa	Electrolux	Keller Grundbau	Rewe
Air Liquide	Eli Lilly	Kia	Rittal-Gruppe
Alcatel	ERGO	Knauf	Robert Bosch AG
Allianz Versicherung	Ericsson	Knorr Bremse	
Ardex Baustoff	Essilor	Kühne & Nagel	S
Ascom	Eva Airways		Samsung
		L	Schenker
B	F	Logwin Logistics	Schindler Holding
Beiersdorf	Flextronics	Lukoil	Sharp
BenQ	Fresenius		Siemens
Berner Direktvertrieb		M	SIG Combibloc
Boehringer Ingelheim	G	Magna	SMC Pneumatik
Borealis	Gefco	MAN	Sunpor
Brenntag	GfK Austria	Mars	
Brother CEE	Glaxo Smith Kline	Mazda	T
	Global Refund	Metro Cash & Carry	Teekanne
C	International	Mondi	Torrex Pharma
C&A			Transearch International
Canon	H	N	
Compuware	Heineken	Neckermann Versand	U
Coface	Henkel CEE	Nestlé Nespresso	UGI Corp./Flaga
CNH	Hewlett-Packard	Nokia ASE	UniCredit Group
	Hitachi Data Systems	NXP Semiconductors	USU AG
D	Hoebinger		
Danone		O	V
Danzas	I	Obi	Vamed
Deka Bank	IPICO		Vestas Wind Systems A/S
DHL Global Forwarding	Jeld-Wen/Dana	P	Volvo
dm	Infineon	Panasonic	
		Peek&Cloppenburg	W
	J	PNO	Western Union
	JVC International		Westfalia
	Jetro	Q	
		Quintiles	Z
			Zürich Versicherung


SIEMENS



BOSCH
Technik fürs Leben


Henkel CEE

 **Nestlé**

 **Boehringer
Ingelheim**

ERICSSON 



The Best Partner for Your Headquarters

The national investment promotion and consulting company ABA-Invest in Austria (ABA) supports international companies – free of charge – in establishing business operations in Austria:

The information and personal consulting services encompass the following areas:

- Economic, political and legal conditions
- Tax issues and labor regulations
- Incentives and financing
- Support with administrative formalities (work permits, visas, etc.)
- National and regional contacts
- Ongoing support. ABA-Invest in Austria continues to be available as a service hub for firms already operating in Austria

Are you planning to set up a headquarters in Austria?

We look forward to our telephone call or e-mail:

ABA-Invest in Austria

Martin Müllner, Director Headquarters & Corporate Development

Tel. +43-1-58858-85

E-mail: m.muellner@aba.gv.at

Additional areas of competence: ABA-Invest in Austria offers personal consulting services and specialized brochures on the following topics:



- Business Location Austria
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- Research and Development
- Information Technology
- Life Sciences
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- Environmental Technologies & Renewable
- Chemicals / Plastics
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- Logistics
- Starting a Business in Austria
- Tax Aspects of Industrial Investments in Austria

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