

Annual Report
for the Business Year
2008/2009

Energie AG Oberösterreich

(Financial statements for the Group and the Company)

ANNUAL REPORT 2008/2009

A YEAR FULL OF ACCOMPLISHMENTS

 **ENERGIE AG**
Oberösterreich

Full of Energy

Energie AG
Annual Report
2008/2009

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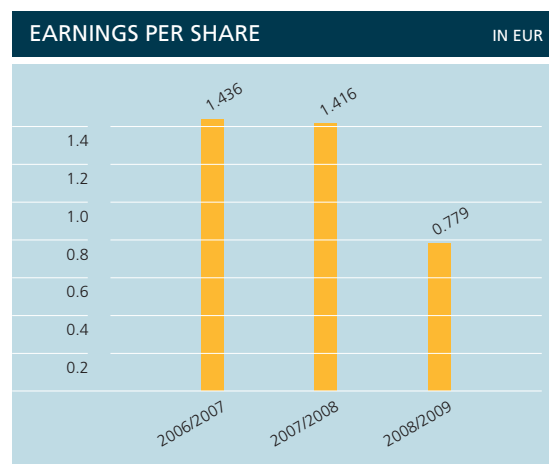
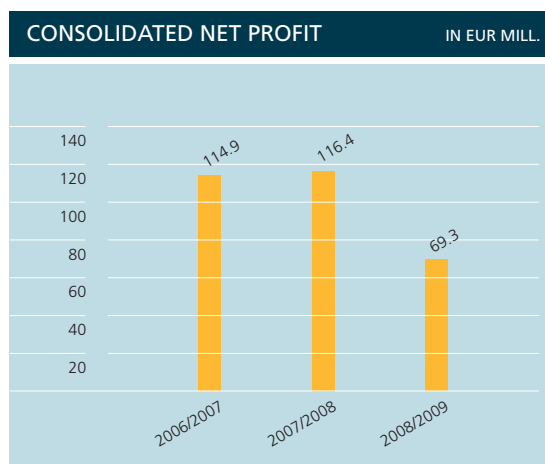
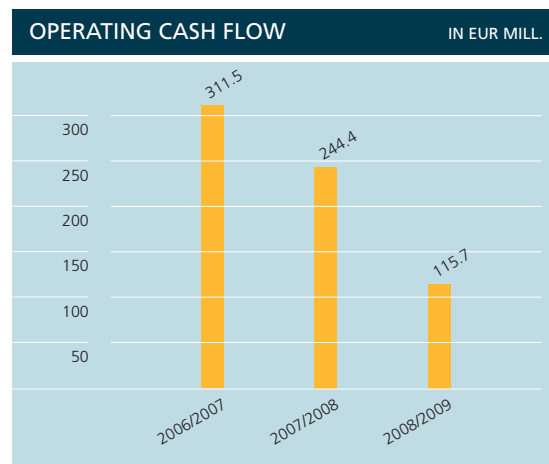
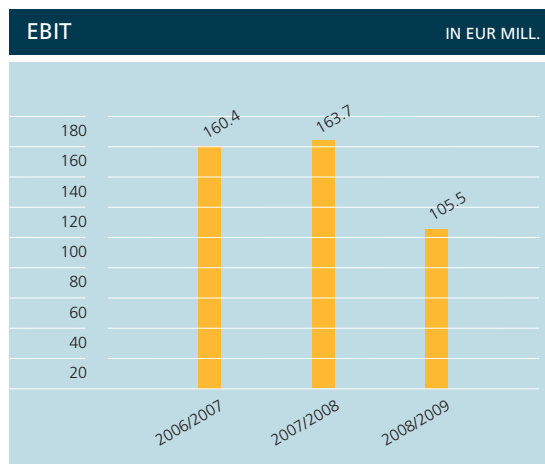
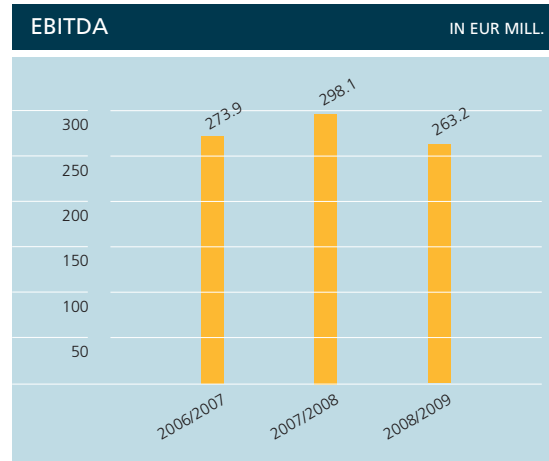
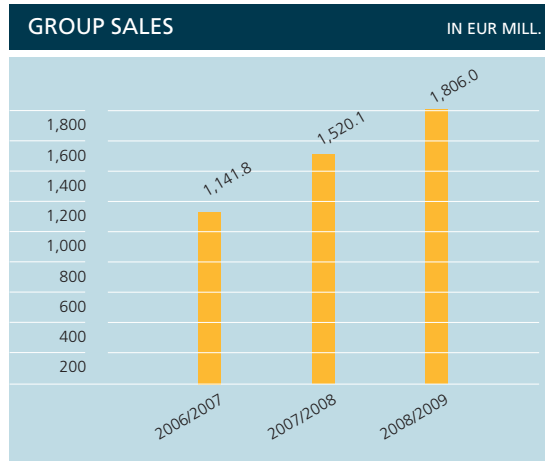
ANNUAL REPORT 2008/2009

A YEAR FULL OF ACCOMPLISHMENTS

Energie AG at a Glance

	in	2008/2009	Change	2007/2008	2006/2007
Sales					
Energy Segment	EUR mill.	1,369.4	22.7%	1,116.1	819.6
Waste Management Segment	EUR mill.	328.7	1.5%	323.8	255.2
Water Segment	EUR mill.	107.9	34.5%	80.2	67.0
Group sales	EUR mill.	1,806.0	18.8%	1,520.1	1,141.8
Results					
EBITDA	EUR mill.	263.2	- 11.7%	298.1	273.9
EBITDA margin	%	14.6	- 25.5%	19.6	24.0
Result of Operations (EBIT)	EUR mill.	105.5	- 35.6%	163.7	160.4
EBIT adjusted	EUR mill.	114.5	- 17.3%	138.5	110.4
EBIT margin	%	5.8	- 46.3%	10.8	14.0
Result before taxes	EUR mill.	90.6	- 36.8%	143.3	149.6
Consolidated net profit	EUR mill.	69.3	- 40.5%	116.4	114.9
Earnings per share	EUR	0.779	- 42.9%	1.416	1.436
Dividend per share	EUR	0.600	0.0%	0.600	0.477
Balance sheet					
Balance sheet total	EUR mill.	3,658.5	- 1.0%	3,693.9	2,748.7
Equity	EUR mill.	1,302.2	- 4.1%	1,357.9	956.1
Equity ratio	%	35.6	- 3.3%	36.8	34.8
Net debt	EUR mill.	950.6	51.6%	627.1	466.3
Net gearing	%	73.0	58.0%	46.2	48.8
Cash flow from operating activities					
	EUR mill.	115.7	- 52.7%	244.4	311.5
Rate of return					
ROCE	%	4.8	- 47.8%	9.2	10.5
ROCE adjusted	%	5.3	- 32.1%	7.8	7.0
Staff (average)					
Energy Segment	FTE	2,135	10.5%	1,933	1,842
Waste Management Segment	FTE	3,238	20.1%	2,695	2,190
Water Segment	FTE	1,508	34.0%	1,125	1,197
Group	FTE	6,881	19.6%	5,753	5,229

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ENERGIE AG

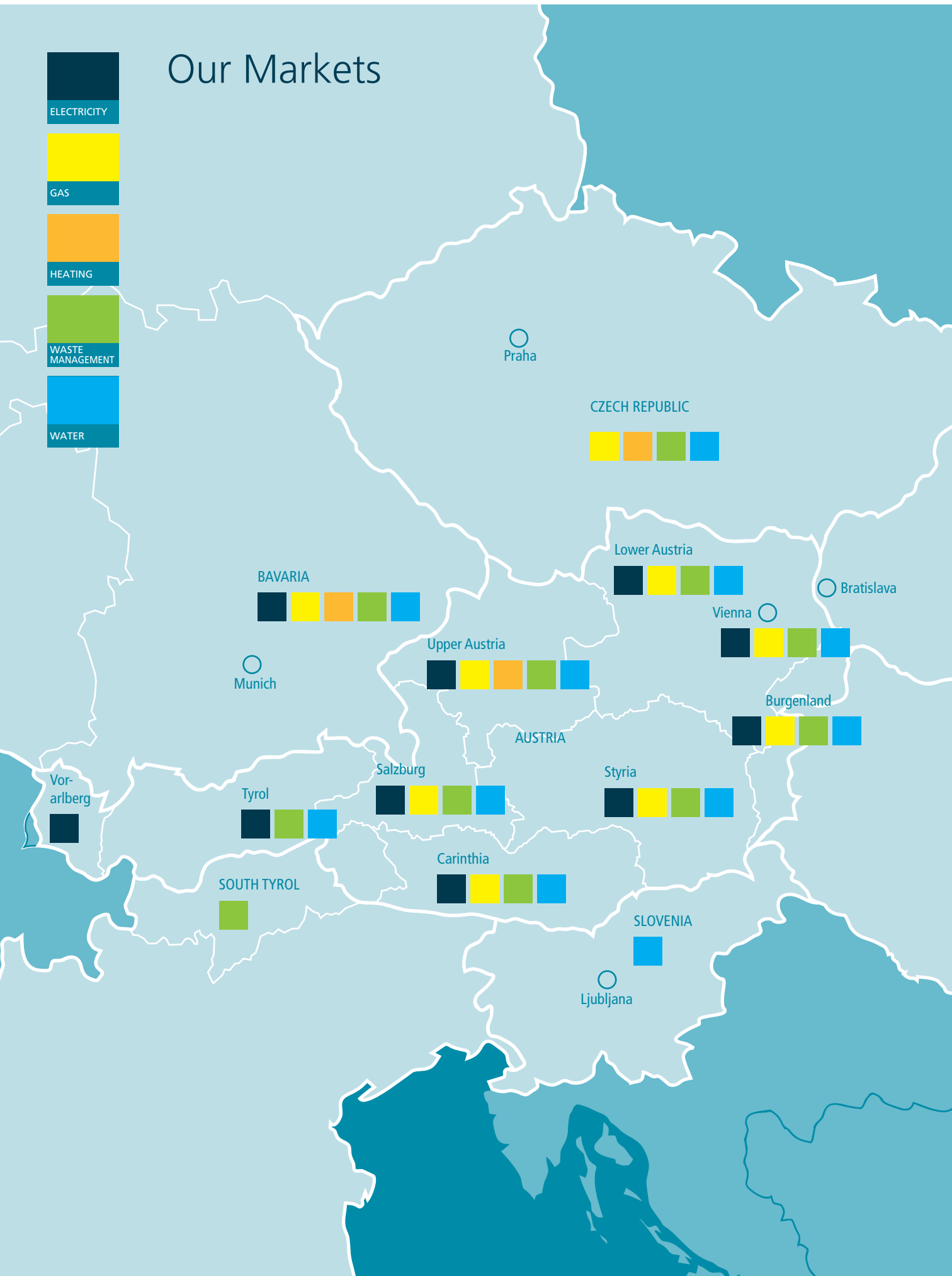
ENERGIE AG

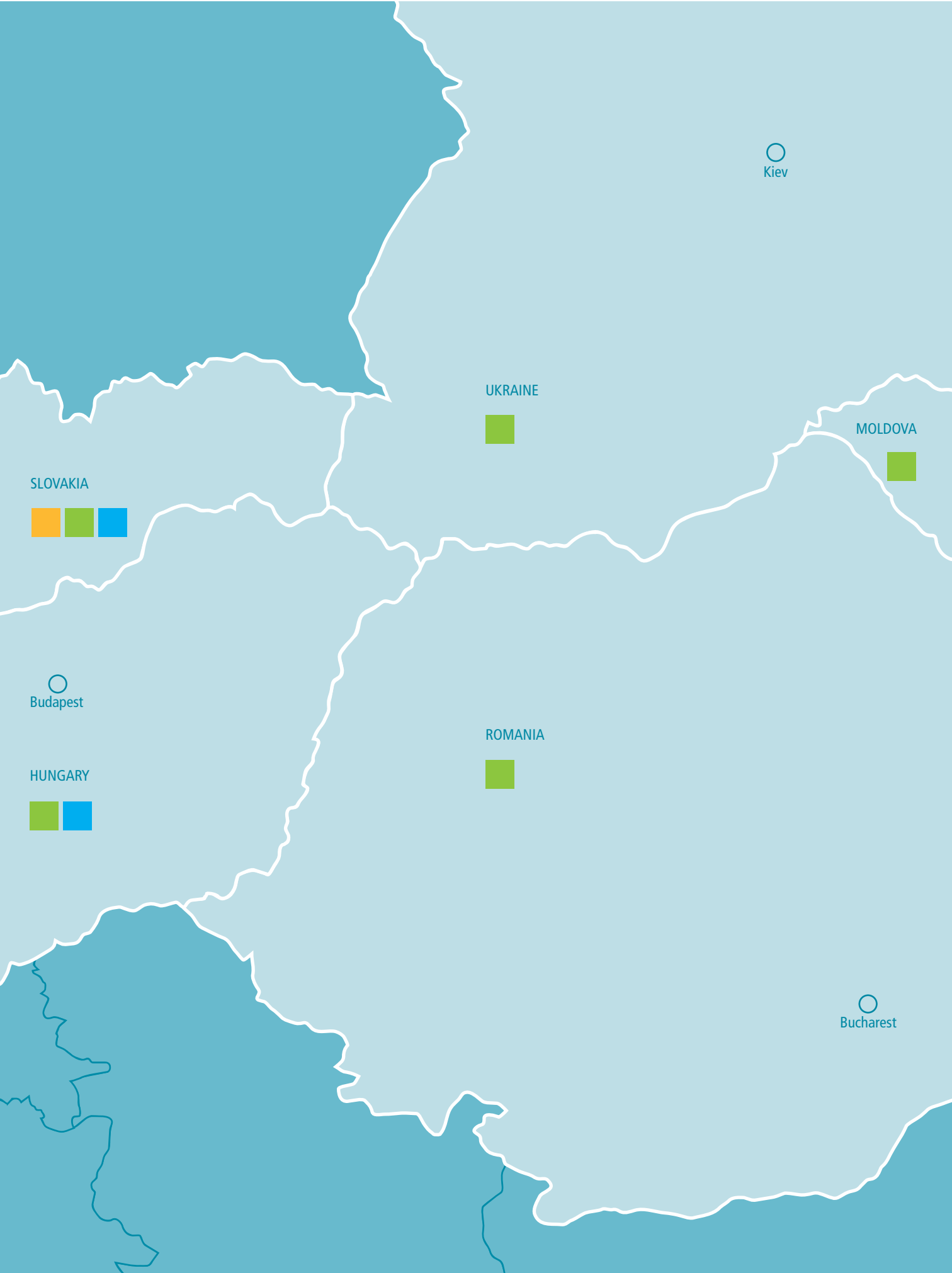
ENERGIE AG

ALFRED FUCHS Energie AG Oberösterreich Kraftwerke GmbH

**I HAVE A CLEAR PERCEPTION
OF MY WORK: WHATEVER I DO,
I PUT ALL MY ENERGY INTO IT.**

Our Markets





SLOVAKIA



Budapest

HUNGARY



UKRAINE



Kiev

MOLDOVA



ROMANIA



Bucharest

Main Sites

Group Holding Company

Energie AG Oberösterreich
4021 Linz, Böhmerwaldstraße 3
Austria

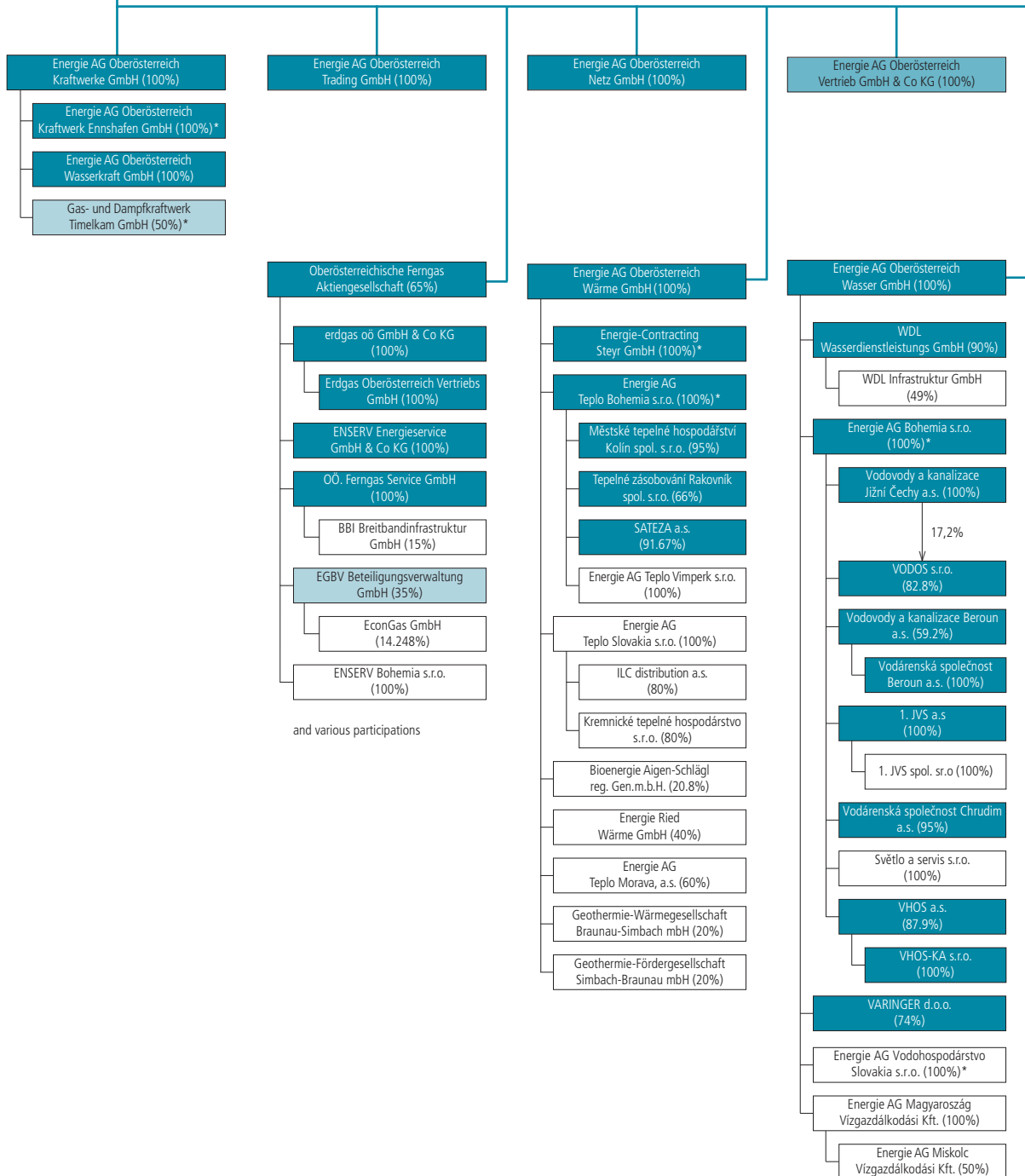
Business Units

- Energie AG Oberösterreich Kraftwerke GmbH
4021 Linz, Böhmerwaldstraße 3
- Energie AG Oberösterreich Trading GmbH
4021 Linz, Böhmerwaldstraße 3
- Energie AG Oberösterreich Netz GmbH
4021 Linz, Böhmerwaldstraße 3
- Energie AG Oberösterreich Data GmbH
4021 Linz, Böhmerwaldstraße 3
- Energie AG Oberösterreich Vertrieb GmbH & Co KG
4021 Linz, Böhmerwaldstraße 3
- Oberösterreichische Ferngas AG
4030 Linz, Neubauzeile 99
- Fair Energy GmbH
4021 Linz, Böhmerwaldstraße 3
- Energie AG Oberösterreich Wärme GmbH
4021 Linz, Böhmerwaldstraße 3
 - Energie AG Teplo Bohemia s.r.o.
370 80 České Budějovice, Boženy Němcové 38/4
Czech Republic
 - Energie AG Teplo Slovakia s.r.o.
811 02 Bratislava, Hviezdoslavovo nám. 25
Slovakia
- Energie AG Oberösterreich Wasser GmbH
4021 Linz, Böhmerwaldstraße 3
 - Energie AG Bohemia s.r.o.
370 80 České Budějovice, Boženy Němcové 38/4
Czech Republic
 - Energie AG Vodohospodárstvo Slovakia s.r.o.
811 02 Bratislava, Hviezdoslavovo nám. 25
Slovakia
 - Energie AG Magyarország vízgazdálkodási Kft.
1062 Budapest, Andrásy ut. 64
Hungary
- AVE Energie AG Oberösterreich Umwelt GmbH
4021 Linz, Böhmerwaldstraße 3
 - AVE Österreich GmbH
4063 Hörsching, Flughafenstraße 8
 - AVE CZ odpadové hospodářství s.r.o.
102 00 Praha 10, Pražská 38a,
Czech Republic
 - AVE Magyarország Hulladékgazdálkodási Kft.
1062 Budapest, Andrásy ut. 64,
Hungary
 - AVE SK odpadové hospodárstvo s.r.o.
811 02 Bratislava, Hviezdoslavovo nám. 25
Slovakia
 - AVE Abfallwirtschaft GmbH
94094 Roththalmünster, Penning 2,
Germany
 - AVE RottaMix GmbH - S.r.l.
39057 Frangarto, Pillhof 83,
Italy
 - AVE Waste Romania S.R.L.
011943 Bucuresti, sector 1,
Str. Pictor Ion Negulici nr. 32, ap 1,
Romania
 - AVE Ungheni SRL
3606 Primaria Ungheni, Str. Națională, 11
Moldova
 - AVE Umwelt Ukraine TOB
79008 Lviv, pl. Rinok, 18 M.,
Ukraine

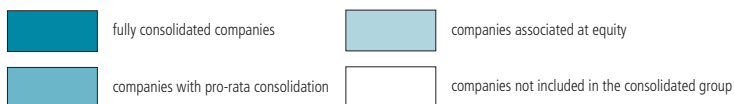
Service Units

- Energie AG Oberösterreich Tech Services GmbH
- Energie AG Oberösterreich Business Services GmbH
- Energie AG Oberösterreich Customer Services GmbH
- Energie AG Oberösterreich Personal Services GmbH
4021 Linz, Böhmerwaldstraße 3

BUSINESS UNITS

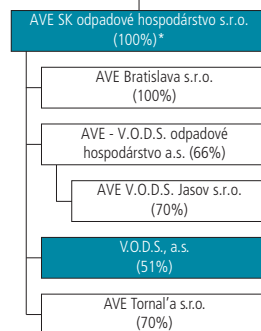
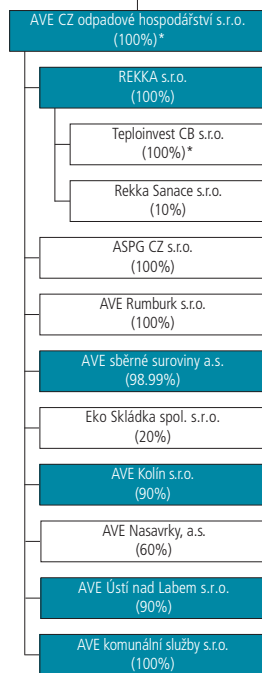
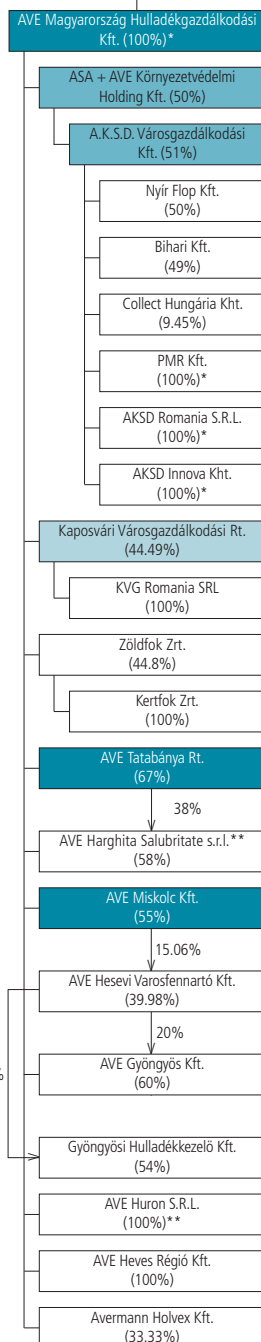
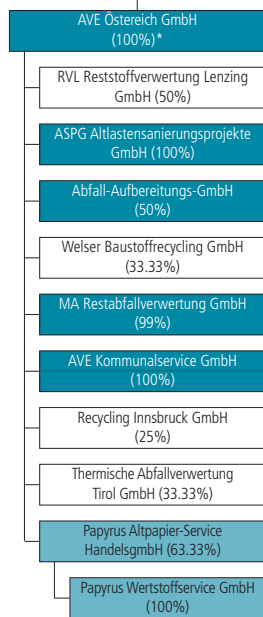
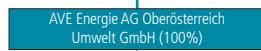
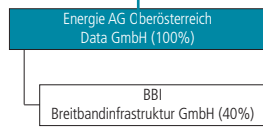


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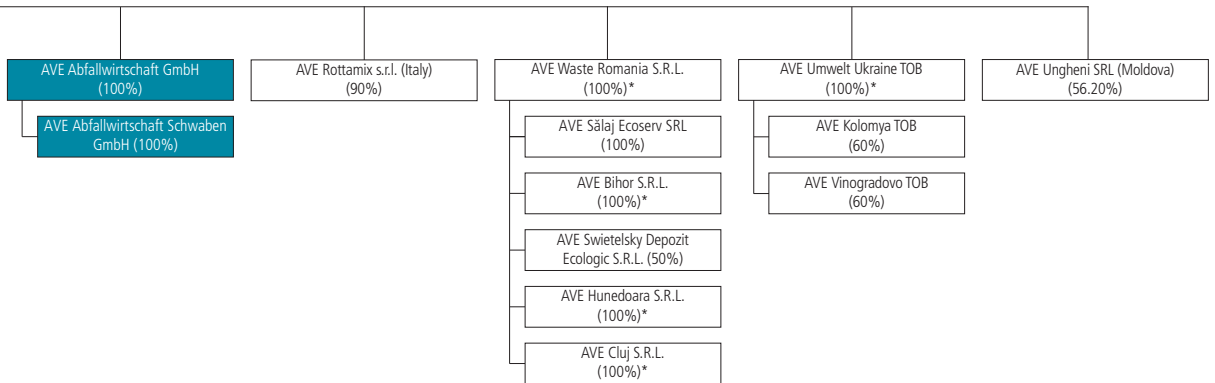
*) The shares shown relate to the participation held by the Group.

Energie AG Oberösterreich (Holding)

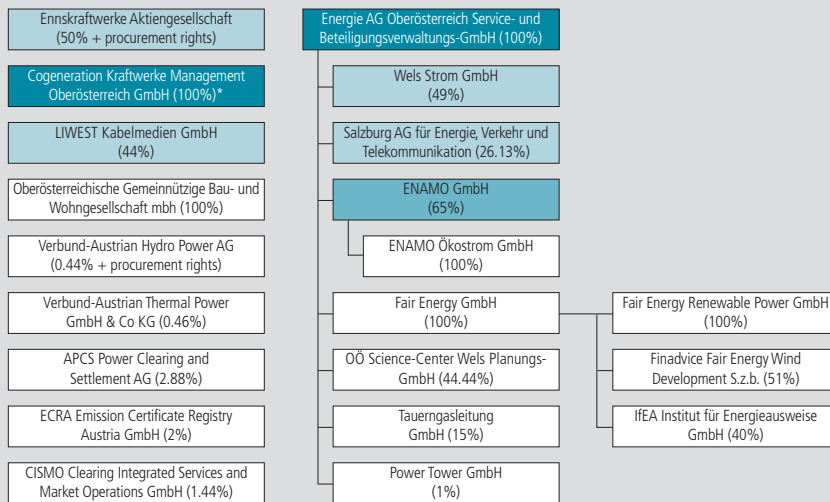


** part of AVE Romania

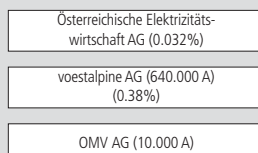
SERVICE UNITS



PRINCIPAL STRATEGIC PARTICIPATIONS

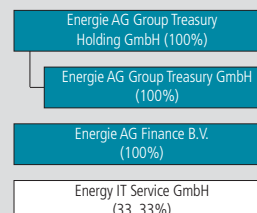


FINANCIAL PARTICIPATIONS



And misc. small, low-value participations

SERVICE PARTICIPATIONS



Corporate Bodies

BOARD OF MANAGEMENT

Leo Windtner, Chief Executive Officer, Chairman of the Board of Management
Werner Steinecker, Member of the Board of Management
Roland Pumberger, Member of the Board of Management

SUPERVISORY BOARD

Shareholder Representatives

Gerhard Falch, CEO, Austria Metall Aktiengesellschaft (Chairman)
Erich Haider, Deputy Governor of the Federal Province of Upper Austria (First Deputy Chairman)
Ludwig Scharinger, CEO, Raiffeisenlandesbank Oberösterreich AG (Second Deputy Chairman)

Alois Froschauer, CEO, Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste
Franz Gasselsberger, CEO, Oberbank AG
Anna Maria Hochhauser, Secretary General, Austrian Federal Economic Chamber
Michaela Kepplinger-Mitterlehner, Member of Managing Board, Raiffeisenlandesbank Oberösterreich AG
Manfred Klicnik, Attorney-at-Law
Ruperta Lichtenecker, Member of the National Council
Manfred Polzer, Deputy Director of the Chamber of Labor of Upper Austria
Viktor Sigl, Senator
Bruno Wallnöfer, CEO, TIWAG-Tiroler Wasserkraft AG

Works Council Representatives

Manfred Harringer, Chairman of Works Council, Energie AG Oberösterreich Netz GmbH
Isidor Hofbauer, Chairman of Works Council, Energie AG Oberösterreich Kraftwerke GmbH
Gottfried Laherstorfer, Chairman, Group Representative of Energie AG
Peter Neißl, Chairman of Works Council, Energie AG Oberösterreich AG Tech Services GmbH
Bernhard Steiner, Works Council Member (up to 17 April 2009)
Christian Strobl, Works Council Member (since 17 April 2009)
Gerhard Störinger, Chairman of Central Works Council, AVE Österreich GmbH (since 17 April 2009)
Egon Thalmair, Deputy Chairman of Works Council, OÖ. Ferngas AG (since 17 April 2009)

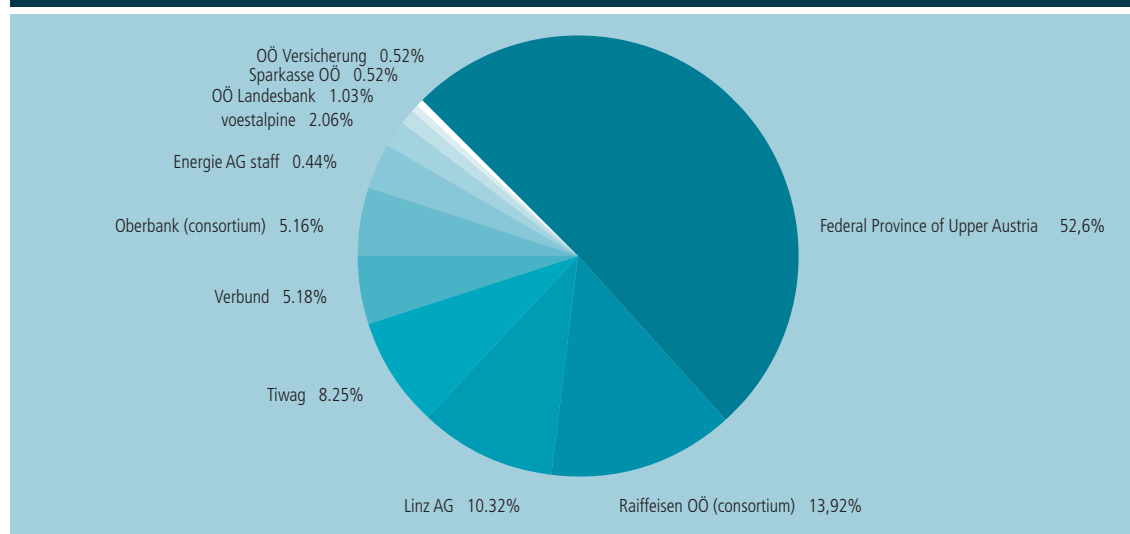
Shareholder Structure of Energie AG Oberösterreich^{*)}

● Federal Province of Upper Austria	52.60%
● Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (Consortium)	13.92%
● Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste	10.32%
● TIWAG-Tiroler Wasserkraft AG	8.25%
● Österreichische Elektrizitätswirtschafts-Aktiengesellschaft	5.18%
● Oberbank AG (Consortium)	5.16%
● Energie AG Belegschaft Privatstiftung	0.44%
● voestalpine Stahl GmbH	2.06%
● Oberösterreichische Landesbank Aktiengesellschaft	1.03%
● Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft	0.52%
● Oberösterreichische Versicherung Aktiengesellschaft	0.52%

*) Status on 30 September 2009

It is planned to expand staff participation up to 3.475% in the course of the approved capital increase.

SHAREHOLDER STRUCTURE OF ENERGIE AG



The Strategy of the Energie AG Group

A value-based growth strategy

Energie AG is pursuing a consistent, value-based growth strategy which serves the goal of being a leading supplier of infrastructure services in Austria and other countries of Central and Eastern Europe in its core business segments, i.e. energy, waste management and water. Profitable growth opportunities are being utilized in these countries whenever the development steps are in line with the value-based and risk-optimized corporate strategies, as well as with the financial planning of the Group. Holding the market-leader position or that of a first challenger in defined market areas is an essential goal for all business areas. The value-based growth strategy is implemented by organic growth, by increasing efficiency, as well as through investments, acquisitions and creating cost and market synergies.

Sustainable and reliable supplies of electricity

One major strategic thrust in the core business "electricity" is to secure a sustainable and reliable supply of electricity in Upper Austria and defined regions in the neighboring federal provinces of Austria. The business area power plants aims at increasing its own power generation by investing in the fleet of power plants and securing and/or further developing possible sites for future projects. This supports the goal of having a long-term power generation portfolio with diversified risks and optimized costs in relation to the total quantity of generated electricity, as well as to securing the mix of our own generation, procurement rights and third-party sources. At present, we are looking into obtaining further procurement rights from Austrian power-plant projects in order to maintain a balanced portfolio for the generation of electricity. In the field of renewable energy the focus is on optimizing the hydro power plants and on utilizing further potential sources for generating electricity at hydro power stations. With the construction of the largest photovoltaic power station in Austria, Energie AG is also taking up its position in the field of alternative energy as well as concerning research into alternative applications.

Quality supply to our electricity customers

ENAMO, the joint-venture company of Energie AG and Linz AG for electricity supply, is basically guided by a quality strategy under the slogan of "First Class Energy". The consistent and customer-oriented implementation of the statutory efficiency targets and the expansion of additional services are proof of the high level of competency in energy efficiency and innovation. The area of the market served has been expanded to include all of Austria and the adjoining countries in order to secure the quantities sold. In connection with minimizing risk, we have been moving in new direction for our large-scale customers.

Reliable supplies and stable profitability of the distribution system

The basic strategy of the business area distribution is to provide an electricity distribution system which ensures high quality of supplies on a sustainable basis. The underlying condition for this quality-related goal is to reach the maximum value added possible, generating at least the return on investment admitted by E-Control, the regulatory authority. Thanks to a climate during the 2nd Regulatory Period that supports investments by system operators, the Group is pursuing the long-term goal of obtaining benchmark leadership in the peer group of Austrian distribution operators, by applying consistent cost management.

Innovative developments in metering and telecommunication services

The business area data is positioning itself both as an internal and external provider of cost-optimized and technically innovative metering and telecommunication services. For metering purposes, a Smart Metering system is being implemented, together with AMIS (Automation Metering Information System), which can be expanded to meter not only electricity but also other sources of consumption. The most important step in the development strategy of our telecommunication carrier is to build an optical fiber network, together with partners, which covers all of Upper Austria. The optimum use of the optical fiber network and the unique market position will be ensured by means of long-term customer relations, cooperation and contracts.

Utilizing profitable growth potential in the heating market

The business area heating utilizes the available profitable growth opportunities both in Upper Austria and in the neighboring regions of Austria and abroad. The specific measures are the extension and optimization of the existing district-heating networks. For heat generation the focus is on biomass and geothermal applications. In addition to the core business, we also provide planning services for thermal generation and distribution systems. In order to raise competitiveness, we work on an ongoing basis to increase profitability, to optimize the organization and to use synergies within the Group.

Secure and sustainable supplies of natural gas for Upper Austria

OÖ. Ferngas AG is engaged in the further extension of the natural gas network, with the costs being recognized by the regulatory system, as well as in maintaining its benchmark leadership position. Natural gas activities are geared to securing supplies for the domestic market, to enlarging the market share in supplies to Regulatory Zone East, to entering the market in Germany and to achieving growth in the number of natural gas filling stations. In order to use the growth potential of renewable energy sources, biogas is fed into the natural gas pipeline system via strategically deployed feeding points. We work on utilizing cost and market synergies by optimizing the organizational structures, which will also result in a broader range of products and services offered.

Energie AG has a 15% stake in Tauerngasstudien- und Planungsgesellschaft m.b.H., which is conducting a feasibility study, sponsored by the EU, on building a natural gas pipeline from the border between Germany and Upper Austria to Italy. With the construction of the Tauern gas pipeline, Austria and the other countries in the European natural gas group would obtain a higher level of security for their supplies.

Positioned as a leading waste-management company in CEE

With AVE as its brand name, the Waste Management Segment, which is a fully integrated enterprise that has its own processing plants, is becoming established in the top league of the European waste management industry by pursuing organic growth, realizing acquisitions and using cost and market synergies. AVE thereby follows the trend towards setting up powerful international waste management companies. Unique growth opportunities result

especially from privatizations and the raising of environmental standards in the countries of Central and Eastern Europe. AVE's goal is to operate on all waste management levels where added value is generated, as well as to offer customers a full range of services.

A decentralized organizational structure, operating in close proximity to the market, supports the focused integration of the companies that were acquired in recent years, as well as the consolidation of the country structures. We are countering the currently difficult situation on the European waste management market by engaging in consistent cost and risk management and by further optimizing the added-value chain, in order to be well prepared for the expected upswing in economic activities. The strategy is to strengthen, expand or obtain a leading market position in all market segments. We use the "first mover advantage" for our activities in Ukraine and Moldova.

Growth with long-term and stable profitability for the Water Segment

The Water Segment pursues a value-based growth strategy with the goal of making a significant and stable contribution to the value and result of the Group. Primarily drinking water and waste water management plants, owned mainly by municipalities, are taken over for operation, on the basis of long-term license agreements. Growth is to be achieved via acquisition, particularly in the Czech Republic, Slovakia and Hungary.

An additional business activity is to provide comprehensive water services such as tightness testing, sewage cleaning and similar services to industrial, SME and municipal customers. As we hold the position of an Austrian market leader in the field of sewage services, we now pursue a structured expansion of our water services in Austria and abroad.

Value and risk management – the principles for all actions

With its clear strategic growth plan, based on systematic value and risk management, as well as an appropriate corporate culture and corporate identity, the Energie AG Group will continue to pursue – also in volatile times – the stable course on which it embarked.

Statement by the Chairman of the Board of Management



ROLAND PUMBERGER,
MEMBER OF THE BOARD
OF MANAGEMENT

LEO WINDTNER,
CHAIRMAN OF THE BOARD
OF MANAGEMENT

WERNER STEINECKER,
MEMBER OF THE BOARD
OF MANAGEMENT

Challenging Overall Economic Conditions

During the expired 2008/2009 business year Europe's energy industry was affected by the repercussions of the international financial and economic crisis. Since summer 2008, prices for primary energy tumbled and, with some delay, electricity prices as well. As a consequence, the electricity demand of industrial customers decreased massively, as they cut back and partly even shut down their production. As our core market, Upper Austria, has a high rate of industrialization, and as our electricity supply portfolio therefore comprises a considerable share of industrial and large-scale customers, the markedly lower electricity demand had a comparatively big impact on Energie AG.

At the same time, the overall conditions on the European waste management market were also exacerbated. The prices for recycling materials such as waste paper and waste metal sank to historic lows, while the continuing waste exports from Austria and the decrease in waste from industrial and SME companies led to intensive competition to secure the capacity utilization of processing plants.

In the volatile overall economic environment, the water business gave proof of its stable basic design. We succeeded to a large extent in compensating the lower quantities bought by industrial and SME customers by growing private cus-

tomers demand. Moreover, our operating agreements permit us to partly offset revenue fluctuations against the rental payments due to our municipal partners.

Although Energie AG, which is a diversified infrastructure group, was less affected by the impact of the difficult overall economic conditions than many industrial enterprises, it was not able to fully escape the general market developments on account of its close customer relations.

Coping with Challenges and Identifying Opportunities

In spite of the difficult market conditions, we succeeded in generating sales of EUR 1,806.0 million and an EBIT of EUR 105.5 million during the expired 2008/2009 business year. While we managed to increase sales in comparison to the year before, a reduction in EBIT was recorded. It needs to be mentioned, though, that the EBIT of the previous year was the best in the Group's history and marked by a significant positive one-off effect resulting from a first-time consolidation.

We succeeded, though, in considerably improving our financial result, in spite of higher interest payments in connection with our corporate growth. The underlying reasons are a better result for investments of our strategic financial reserves and the successful termination of the cross-border leasing transaction for the electricity distribution system. This transaction was successfully completed with a markedly positive overall financial outcome.

The investment volume of Energie AG amounted to EUR 194.1 million and remained more or less stable compared to the year before, when considering the first-time full consolidation for the entire year of OÖ. Ferngas AG. The unchanged focus was on securing a sustainable quality of energy supplies to our customers. In this context, the 400 MW combined-cycle gas turbine power station at Timelkam successfully went into operation in December 2008. This power station substantially increases the electricity generated by the Group and reduces the dependence on volatile electricity markets. At the beginning of the business year a program was started to place the medium-voltage lines of the electricity distribution system, which run through stretches of forest, into cables. In addition to reducing the exposure to interferences, this measure also considerably reduces operating costs. With a project called AMIS, a Smart Metering system was developed, which has reached maturity in the meantime. After successful test operations with 10,000 meters, this system is about to be rolled out to cover the entire region. Further investments into the Upper-Austrian infrastructure related to the

natural gas pipeline system, the optical fiber network, the expansion and construction of district heating networks, hydro power station projects and other generation facilities for renewable energy.

The focus of the Waste Management and Water Segments during the business year under review was on the integration of previously acquired companies, as well as on the consolidation of organizational structures. The more or less constant level of investment activities focused on a further risk-optimized market development, using opportunities deriving from the current economic crisis.

The strategy of value-based growth will be continued by a value-based and risk-optimized allocation of resources and consistent cost management.

Full of Energy – With Staff and Owners

Especially under the volatile overall conditions of the world's economy, the strategy of the Energie AG Group, i.e. to pursue without compromise a value-based course, and at the same time to rely on the motivation and performance potential of its staff members, has once again been confirmed. The commitment of our staff and our position as an integrated energy supplying corporation with stable business models in its distribution networks will also be the key factor to our success in the future. Diversified business areas will make use of the still available opportunities in the CEE countries in order to obtain an optimum position for the Group on those markets for the times after the crisis.

After the growth and success of recent years, just as much commitment and energy is now needed in order to successfully cope with the challenges of the current economic situation and to emerge stronger from it with renewed strength. The Board of Management would like to thank the staff, the shareholders and all business partners for the excellent and successful cooperation during the expired business year.

Together – and full of energy – we will continue the successful course of Energie AG Group.



Leo Windtner
Chairman of the Board of Management



SIMON KREISCHER Energie AG Oberösterreich Netz GmbH

**IT IS OUR TOP PRIORITY TO OFFER
QUALITY SUPPLY SERVICES.
THIS IS OUR CONTRIBUTION
TO OUR CUSTOMERS' SECURITY.**

Group Management Report 2008/2009 of Energie AG Oberösterreich

ECONOMIC ENVIRONMENT

The slackening of economic activities, which already became noticeable in the middle of 2008, has developed into a global economic crisis during the year under review. At present, most of the economic research institutes, as well as the experts of political representative bodies confirm that the biggest and deepest recession of the post-war period and in the history of the European Union has overcome its lowest point. However, given the volatility of the forecasts published in recent months, one may expect that the further economic development will hold considerable uncertainties.

According to forecasts of the European Commission, contained in their fall report of 3 November 2009, a slump in economic growth (real-term GDP) of about 4.0% is expected for the 27 EU member states, as well as for the euro zone for the year 2009. An economic recovery with GDP growth of 0.7% appears feasible for the European Union in the coming year.

In spite of the stabilized conditions on financial markets, the large number of loan losses caused by the crisis of the real economy might continue to exert a strain on the banking sector and, in turn, affect the real economy. The effects of the crisis will therefore continue to be strongly felt in the years to come. The national economies throughout Europe will be confronted with major challenges, especially on the labor market and in connection with their national debt. Unemployment will rise further in the future, as a result of reduced working time and a pro-cyclical development of labor productivity. The strong increase in state indebtedness could lead to an increase in longer-term interest rates.

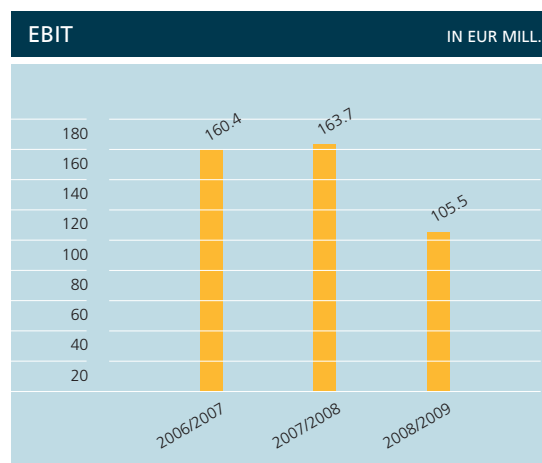
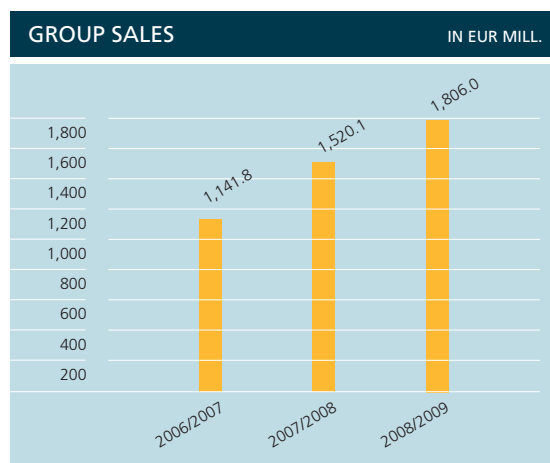
Austria, which continues to be the primary core market of the Energie AG Group, felt the full impact of the global economic crisis. Exports and gross investments experienced a particularly slack development. However, the considerable wage and salary hikes, obtained by collective bargaining one year ago, the low inflation rate and the tax reform gave a boost to the real income of private households. Private consumption supported the economic development in Austria, although the rise in unemployment is a dampening factor on demand.

The European Commission expects for Austria's economy a decrease of 3.7% for the current year, and a growth of 1.1% for 2010. As a mean value for 2009, it expects an inflation rate of 0.5%. In the coming year inflation might go up to 1.3%, especially on account of energy prices that will once again move upwards.

In the years up to 2007 the CEE countries, where Energie AG has operations in the business areas waste management, water and heating, had significantly higher economic growth than the EU area. However, the worldwide economic down-swing had a very strong impact on these regions.

Both the main market areas of Energie AG in Eastern Europe – the Czech Republic, Slovakia, Hungary – and the more recent markets of Energie AG in Romania and Ukraine are struggling with shrinking economic performance. Although there are still uncertainties in the portfolios of Western European banks, economic operators continue to regard these regions as a major growth factor for the future.

Business Development in the Group



During the expired business year the business activities of the Energie AG Group were marked by the effects of the global economic crisis.

Although our business models in the partly regulated distribution networks and our position as an integrated corporate energy supplier also proved to be a stabilizing factor on the Group's development in volatile times, individual business areas recorded decreases in their results.

On account of the economic downswing, there has been a clear drop in electricity demands by the industrial customers' segment since December 2008. These electricity volumes, which had been contracted as part of long-term procurement strategies, on the basis of supply agreements and on the basis of the still optimistic customer forecasts before the outbreak of the economic crisis, had to be sold on futures and spot markets, partly at highly unfavorable conditions.

As a consequence of the low prices on electricity markets, there was no scope for optimizations in electricity generation – especially at the thermal power stations – as compared to the year before. Although the electricity production at our own hydro power plants and the generation by means of procurement rights during the expired business year was 2% above the long-term mean value, on account of the very good water levels of rivers in the months of April to September 2009, the value was nevertheless below the excellent value of the year before by 2%.

As a result of the economic recession the prices of recycling materials such as waste paper and waste metals also dropped to a historic low. In addition, as the combined result of sustained legal and illegal exports of waste materials from Austria, and the restricted production at small and medium-

sized industrial enterprises, there was intensive competition over the decreasing volumes of waste materials.

Under these external overall conditions, we recorded an EBIT of EUR 105.5 million with sales of EUR 1,806.0 million during the 2008/2009 business year (1 October 2008 to 30 September 2009).

Sales went up by EUR 285.9 million or 18.8%, as compared to the previous year (EUR 1,520.1 million). The main reasons for this increase are the first-time full consolidation of OÖ. Ferngas AG and CMOO GmbH, which were previously consolidated at equity, the acquisition of 1. JVS a.s., the water company in southern Bohemia, our own electricity trading activities and the gas trading operations with GuD-Timelkam GmbH, which is consolidated at equity.

The Groups' result from operations (EBIT) amounted to EUR 105.5 million, which is EUR 58.2 million or 35.6% less than in the previous year (EUR 163.7 million). The EBIT of the previous business year included one positive one-off effect of EUR 25.2 million, resulting from the first-time consolidation of OÖ. Ferngas AG.

Furthermore, the main reasons for the deviation are that the electricity volumes, which industrial customers did not use, had to be marketed at low electricity market prices, and that recycling materials and industrial waste materials experienced a dramatic drop in prices.

A provision has been formed in the balance sheet, shown in the Group's present financial statements, in order to cover the losses which may be expected from marketing the remainders of any lower electricity consumption during the coming business year.

The EBIT of the expired business year contains the non-scheduled depreciation of waste-management plants which had become necessary on account of the significant deterioration of the overall economic conditions. After adjusting the EBIT for this one-off effect without impact on the cash position, the adjusted EBIT amounts to EUR 114,5 million. In comparison to the year before (EUR 136.5 million), the adjusted EBIT decreased by EUR 24.0 million or 17.3%.

During the 2008/2009 business year EUR 194.1 million were invested in intangible and tangible fixed assets, which marks an increase of EUR 12.6 million or 6.9% over the previous year (EUR 181.5 million). While the investment volume of the Waste Management and Water Segments remained more or less constant, it was expanded for the Energy Segment, mainly by the full consolidation of OÖ. Ferngas AG. On the liabilities side, these investments are offset by a little over EUR 25 million in contributions to construction costs made by customers.

Cross-border leasing

The cross-border leasing transaction (CBL) for the electricity transmission and distribution grid, which was entered into during the 2000/2001 business year, was successfully ended on 27 March 2009. The grid transaction was prematurely terminated with the mutual consent of the US investor. At the same time, all financing partners involved in the transaction were paid off. The commercial success of ending the CBL resulted in a balance-sheet contraction, as the deposits and swap values on the asset side, as well as the loan amounts, swaps and corresponding pro-rata deferred income items of the initially agreed present-value benefit on the liabilities side were written off completely. The re-transfer of the present-value benefit led to an increase in revenues in the amount of EUR 9.8 million.

The CBL transaction from the 2001/2002 business year for parts of the hydro power plants owned by Energie AG was secured by providing a letter of credit (L/C), conforming to market requirements, in favor of the US investor. We continue to further optimize the transaction structure in coordination with the investor. Until then, the securitization by means of the L/C provides a stable structure for the transaction.

As a consequence of the premature termination of the grid transaction it has been possible to reduce the contingent liabilities from EUR 1.4 billion one year ago to EUR 0.6 billion at present.

Internal control system

The Energie AG Group is constantly working on the efficiency and effectiveness of its processes and its internal control system. The internal audit unit is charged at regular intervals with reviewing all processes and systems.

On account of the new statutory requirements, which call for an appropriate effective internal control system, a project was launched at the beginning of 2009 to further optimize the existing system. The goal is a uniform, transparent and effective internal control system for the entire Group for the business processes that are essential from a corporate perspective.

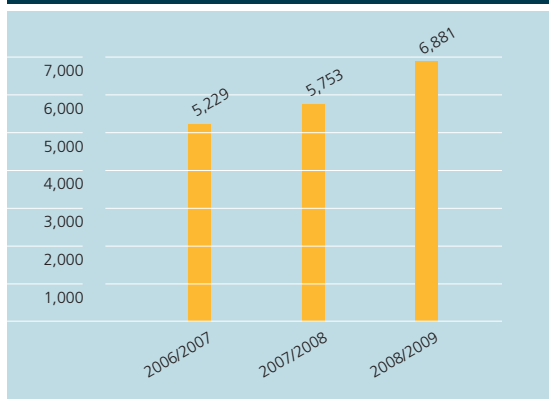
The internal control system is to provide support in reaching the development and profitability goals, to ensure reliable financial reporting and to contribute towards full compliance with legislation. It is also intended to avoid reputational damage and legal consequences.

Human resources

The figures on human resources refer to the full-time equivalents of the fully or pro-rata consolidated companies on an annual average.

The average consolidated staff level of the Group went up to 6,881 staff members during the 2008/2009 business year. The increase of 1,128 staff members or 19.6%, compared to the year before (5,753 FTEs) is the result of further growth in the Waste Management and Water Segments. In this connection, the first-time consolidation of the AVE regional organization in Germany, as well as of 1. JVS a.s. in southern Bohemia, which was acquired the year before, account for a major contribution. The fact that OÖ. Ferngas AG was consolidated for the full year for the first time accounts for the increase in the staff level of the Energy Segment.

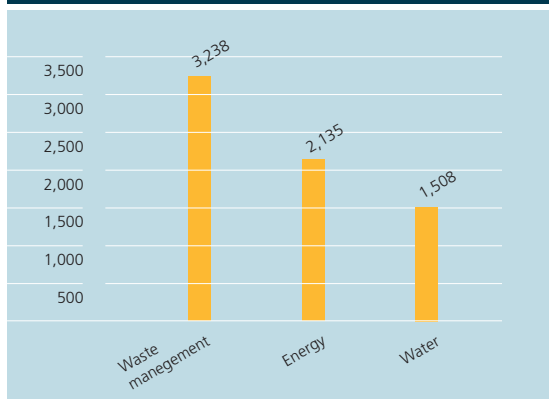
STAFF LEVELS IN FTES



While staff members in Austria, i.e. 3,097 FTEs (2,956 in the year before), continue to constitute the majority; the personnel in the Czech Republic already amounts to 2,800 (2,028 in the year before), to 679 (650 in the year before) in Hungary and to 136 (119 in the year before) in Slovakia. As a result of first-time consolidations, 164 staff members are included for Germany and 5 for Slovenia.

From the perspective of the segments, the Waste Management Segment has the largest number of staff members, i.e. 3,238 (2,695 in the year before). The Energy Segment had an average of 2,135 FTEs (1,933 in the year before), and the Water Segment 1,508 employees (1,125 in the year before).

STAFF LEVELS ACCORDING TO SEGMENTS



At the end of the 2008/2009 business year, the Energie AG Group had a total of 7,303 persons on its payroll.

Branch offices

Energie AG Oberösterreich does not have any branch offices.

STAFF LEVELS ACCORDING TO COUNTRIES





GASFLIRNGAS

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GAS-TEC

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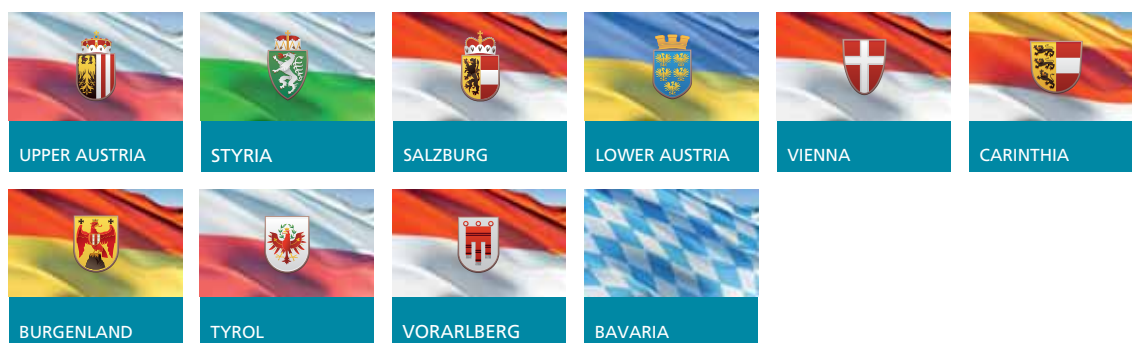
SEWERMANN

RENÉ HUML OÖ. Ferngas Netz GmbH

**MY WORK IS AN ESSENTIAL
PART OF MY LIFE.
IT IS GRATIFYING FOR ME
TO DO IT WELL,
AND TO DO MY BEST.**

The Energy Segment

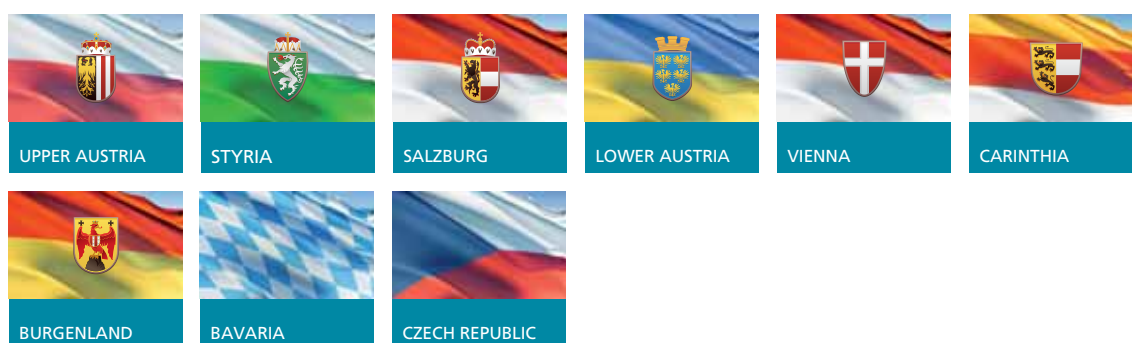
ELECTRICITY



HEATING



GAS



Energy Segment – Overview	in	2008/2009	Change	2007/2008	2006/2007
Total electricity procured	GWh	13,399	8.4%	12,364	10,382
Own electricity production	GWh	4,216	- 0.3%	4,227	3,431
Electricity distribution volumes	GWh	6,348	- 4.9%	6,675	6,529
Electricity supply volumes	GWh	6,156	- 9.9%	6,831	6,801
Natural-gas transports ¹⁾	m ³ mill.	2,041	- 9.5%	2,256	1,941
Heat sold ²⁾	GWh	1,086	9.1%	995	338
Total sales	EUR mill.	1,379.0	22.6%	1,124.6	826.1
EBITDA	EUR mill.	192.9	- 14.8%	226.5	207.1
EBITDA adjusted	EUR mill.	192.9	- 4.2%	201.3	157.1
EBIT	EUR mill.	100.7	- 28.4%	140.6	132.5
EBIT adjusted	EUR mill.	100.7	- 12.7%	115.4	82.5
Investments into tangible assets and intangible assets	EUR mill.	119.9	8.9%	110.1	208.7
Employees – average for the year	FTE	2,135	10.5%	1,933	1,842

¹⁾ Quantity transported to end consumers and regional grid operators in Upper Austria.

²⁾ The value for 2007/2008 includes the amounts sold during the full year for the heating companies that were only consolidated as of 1 July 2008.

The Business Environment of the Energy Segment

PRIMARY ENERGY MARKETS

Since the summer 2008 the international primary energy markets have been characterized by a decrease in prices. Wholesale prices for primary energy (crude oil, natural gas, coal) dropped in some cases to one third of the previous maximum prices.

The prices for crude oil of the Brent variety fell from USD 150/barrel in the summer 2008 to less than USD 40/barrel in February 2009. Similar price decreases could also be observed for other energy sources. The API2 quotations for hard coal, for example, declined from their maximum value of USD 211/ton to less than USD 45/ton. Prices on electricity trading markets, where EUR 90/MWh were still quoted for front-year base delivery contracts in early July 2008, were cut in half and amounted to less than USD 50/MWh.

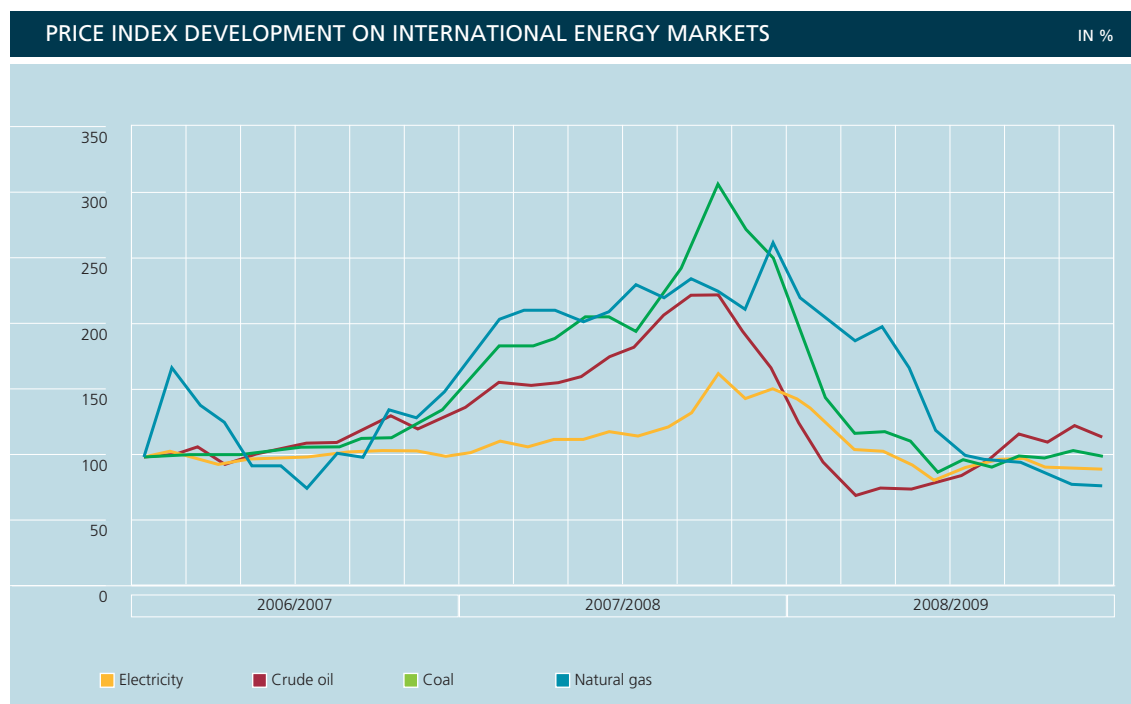
At the end of the 2008/2009 business year, different trends can be observed on international primary energy markets. Since spring, prices for boiler coal and electricity have moved sideways, whereas European gas prices continue to go down. The decrease in demand, triggered by the economic crisis, led to short-term surplus quantities and thus to a further drop in prices to below EUR 10/MWh.

The international oil market, though, reacted with market price hikes, as they are expecting a recovery of the world's economy, as announced by experts. At present, crude-oil prices of the Brent variety are quoted at USD 77/barrel, which is about three quarters above the prices for February 2009. To some extent, this price development is also having an impact on future electricity markets. For example, the quotations on futures markets for electricity at the European Energy Exchange (EEX) for base deliveries in 2011 and 2012 are currently up by 10% (EUR 53/MWh) and by about 20% (EUR 57/MWh), respectively, over those for 2010 (EUR 48/MWh).

ELECTRICITY TRADING MARKET

The mean value for the EEX yearly base product for 2010 amounted to about EUR 53.6/MWh during the period 1 October 2008 to 30 September 2009. This corresponds to a decline of almost 21% in comparison to the same period of the previous year.

As a result of the economic crisis, spot-market prices, too, were clearly lower than in the years before. As large industrial enterprises reduced their production levels, the demand for electricity sagged, which pushed spot-market prices further downwards. As of the end of September 2009, a few spot-market prices for daily base deliveries rose once again to prices above the yearly contracts for 2010. With a daily mean value of more than EUR 63/MWh, the



spot-market price exceeded the prices on the futures market by more than one third. Subsequently, with a mean value of about EUR 45/MWh and hourly prices oscillating between EUR 182/MWh and minus EUR 500/MWh, the spot market showed considerable volatility in October 2009. The negative hourly price that was recorded on 4 October 2009 during the second hour is the largest negative price since the market was opened. Negative prices of such dimensions are mostly the consequence of excess outputs during the respective hours of the night on weekends. They can be interpreted as insufficient flexibility and/or liquidity on regular markets and equalizing markets.

Because ecological power plants, especially wind power plants, are being promoted throughout Europe, the demands on regular and equalizing markets for electricity are also increasing considerably. The result is growing demand for capacities in connection with new and high-performing standard power plants such as gas-turbine plants or pump-storage power plants.

CO₂ CERTIFICATES MARKET

Until early February 2009 the prices obtained by CO₂ trading activities showed a similar development as the prices on electricity markets. Whereas the prices for CO₂ certificates amounted to EUR 23/ton of CO₂ at the beginning of the business year, they dropped to almost EUR 8/ton in early February, as a result of the economic crisis. Since the end of February 2009, higher CO₂ prices have been quoted than in the past, in relation to prices on electricity markets. This is maybe also a reaction to the future NAP regulations to some extent. When the third NAP period begins in 2013, free emission certificates for electricity generation purposes (at present they account for 80 to 90% of the demand for certificates) will be eliminated to a large ex-

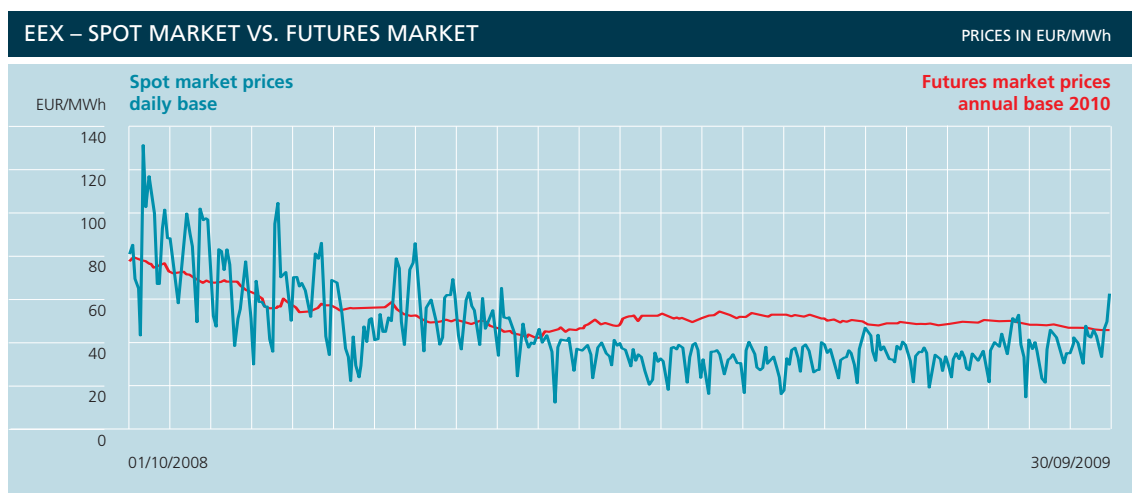
tent. One may expect that this will cause additional costs for the production of electricity and thus for electricity customers.

Most recently, CO₂ prices have oscillated laterally between EUR 13 and 15 per ton.

The Statutory Environment

More than ten years ago the first legislative steps towards a liberalized electricity market went into force. Today, too, the overall statutory conditions applicable to the electricity market are still undergoing a process of change. During the expired business year, for example, the discussions on the European level concerning a third package for the internal energy market were of significance. This was triggered by the results of studies conducted by the EU Commission stating that the implementation of a uniform internal energy market was facing problems.

After intensive discussions, the Council of the European Union and the EU Parliament adopted the third single energy market package in July 2009. The target of the new rules is to finally and swiftly implement a uniform European internal electricity market. The main features of this internal energy market package are a strengthening of the national regulatory authorities, the creation of a European agency to solve cross-border problems, more depth in unbundling the transmission grid sector, as well as a general boost to consumer rights. It was possible in the discussions to avoid compulsory unbundling, in terms of ownership rights, for the transmission-system operators. The rules applicable to distribution system operators were not changed substantially; clarifications were provided, though, on a number of points, i.e. to carefully implement organizational unbundling.



The third **single** energy market package must now be transposed into national law by member states by March 2011. It will depend on discussions within the country whether and to what extent there is also a demand for further action on the part of Austria's operators of distribution systems.

In statutory terms the expired business year was marked by discussions as to whether and to what extent the 2008 amendment of the law on ecological power sources would be approved by the EU Commission. In the meantime, the amendment has been partially approved. As an in-depth investigation is being conducted on alleviating the burden of energy-intensive enterprises, Austria had to implement transitional arrangements applicable until 2010.

The Group's Electricity Procurement

It is one of the priority tasks of a company operating in a liberalized electricity market to secure its competitiveness. The electricity procurement of Energie AG is therefore based on a balanced and risk-optimized procurement portfolio and an economic balance within the integrated Group. The Group's own power plants, its long-term secured electricity procurement rights and its electricity trading are the main pillars for making electricity available to customers.

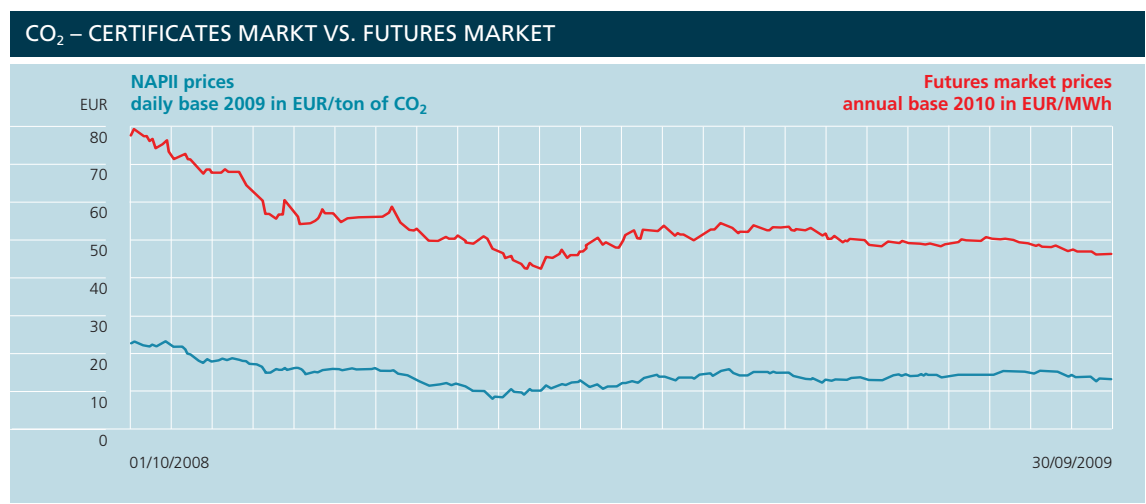
The Group's own electricity generation facilities comprise 35 hydro and 8 thermal power stations. The electricity generation capacities are primarily assigned to the Energy Segment. In addition, the Waste Management Segment also contributes to the production of electricity and heating on the basis of biogenic and fossil residual materials. All thermal power plants are co-generation plants. With their combined generation of electricity and heating, they thus contribute essentially towards realizing an efficient utilization of energy and an emission reduction.

Moreover, the electricity procurement of Energie AG is secured on a long-term basis by way of electricity procurement rights relating to ten hydro power plants of Ennskraftwerke AG, as well as power plants of Austrian Hydro Power AG (AHP), i.e. four facilities along the Danube and the storage power station at Malta.

In comparison to the year before, electricity generation from hydro power (own power plants and procurement rights) was lower by 2%. Altogether, though, production amounted to 2,504 GWh, which is 2% above the multi-year mean value. In the course of the year's seasons, electricity generation from hydro power consisted mainly of two phases. From October 2008 to March 2009 generation was below the multi-year mean value, while it was clearly above that value from April to September 2009.

Electricity production at thermal power plants increased by 3% over the previous year and amounted to 1,712 GWh, which is a new peak value. The increase was marked by the taking into operation of the 400 MW combined-cycle gas turbine plant at Timelkam in the fall of 2008 and the first-time full consolidation for the whole year of Cogeneration-Kraftwerke Management Oberösterreich GmbH. When adjusting for this effect, the production at our own thermal plants decreased by 20%, which was due to price levels on spot markets.

With a volume of 4,216 GWh, Energie AG's own electricity generation almost corresponded to the production figure of the year before. An additional 9,183 GWh was obtained from third parties, mainly on electricity trading markets (OTC, exchanges). The electricity quantities obtained from third-party sources went up by about 13%, which is largely due to more intensive electricity trading activities. Proprietary electricity trading went up by one third, compared to the previous year, and thus reached 6,165 GWh for the business year under review.



The consolidated electricity procurement of Energie AG (own production, procurement rights, and electricity from third-party sources) therefore amounted to 13,399 GWh during the 2008/2009 business year, which is 8.4% above the value of the previous year (12,364 GWh).

When excluding the electricity quantities obtained from proprietary electricity trading, 41% of the electricity procured during the expired business year came from our own production, 20% were derived from procurement rights and 39% was electricity from third-party sources. With the full-time operation of the combined-cycle gas turbine plant at Timelkam, the rate of own coverage of Energie AG (own generation and procurement rights) will go up to more than 70%.

The Business Development in the Energy Segment

The business development of the Energy Segment was marked by the first-time full consolidation for the whole year of OÖ. Ferngas AG, which had previously been consolidated at equity, and of CMOÖ GmbH, on the one hand, and by lower prices on electricity markets, as well as a clear decrease in sales of electricity to industrial customers.

During the 2008/2009 business year sales of EUR 1,379.0 million were earned, which account for an EBIT of EUR 100.7 million.

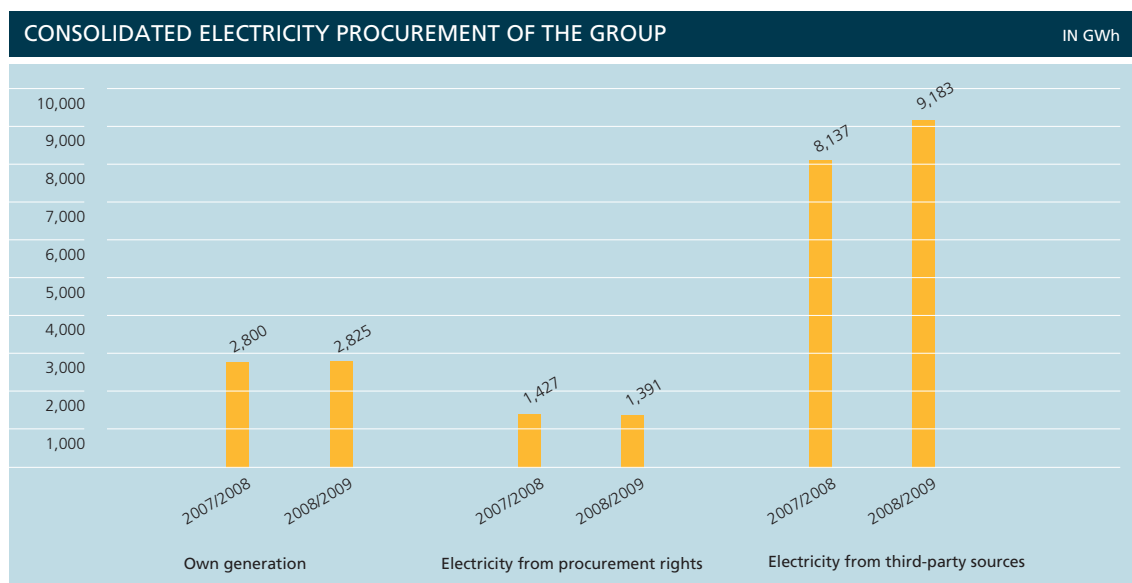
Sales rose by EUR 254,4 million or 22.6% against the year before (EUR 1,124.6 million), which is primarily due to the full consolidation of OÖ. Ferngas AG and CMOÖ GmbH, the

expansion of our proprietary electricity trading activities, as well as gas-trading activities with GuD-Timelkam GmbH, which is consolidated at equity. The EBIT amounted to EUR 100.7 million, which is EUR 39.9 million or 28.4% below the value of the previous year (EUR 140.6 million). The main underlying reasons were the need to market below delivery prices the electricity quantities which industrial customers did not buy, as well as the absence of possibilities to optimize electricity production as a result of lower prices on electricity markets. The present financial statements already contain a provision in the balance sheet in order to cover losses that are still expected from marketing lower sales levels of electricity during the coming business year. Furthermore, the EBIT of the previous fiscal year comprised a one-off effect in the amount of EUR 25.2 million, which resulted from the first-time consolidation of OÖ. Ferngas AG. After adjusting for this effect, the EBIT is lower by EUR 14.7 million, or 12.7%, than the year before.

During the 2008/2009 business year EUR 119.9 million were invested into fixed tangible assets and intangible assets, which is an increase by EUR 9.8 million or 8.9% over the year before (EUR 110.1 million). The main reason for this increase is the full consolidation of OÖ. Ferngas AG. On the liabilities side there are more than EUR 25 million, which were obtained from customers as contributions to building costs.

Expansion of the Electricity Production Capacities

The taking into operation of the 400 MW combined-cycle gas turbine (CCGT) plant at Timelkam was successfully



completed in December 2008. Since the beginning of the calendar year, the plant has been in full commercial use. The acceptance test by the authorities, pursuant to the law on environmental compatibility, took place on 2 July 2009.

With a total investment sum of more than EUR 200 million, the CCGT plant is the biggest single investment in the history of the Energie AG Group. With a bottleneck performance of 400 MW, 2,500 GWh of electricity per year can be produced at this plant.

The plant is a joint power plant venture with a partner from Switzerland. The Groupe E AG and Energie AG Oberösterreich Kraftwerke GmbH (Kraftwerke GmbH) each hold 50% of the shares in the power plant company. The electricity procurement rights were divided up at a ratio of 30% for the Groupe E AG and 70% for Kraftwerke GmbH. Kraftwerke GmbH is responsible for managing the company.

Long-term gas delivery contracts secure the supply of fuel to the CCGT. The fuel costs incurred by the production share of Energie AG, as well as the proceeds from electricity sales from this new plant have been hedged for the coming years of operation, in keeping with the international risk strategy.

Using state-of-the-art technologies at the new combined-cycle gas turbine plant at Timelkam increased efficiency by about 40%. It is possible to lower the specific CO₂ emissions by 65% and the specific NO_x emissions in fact by 90%.

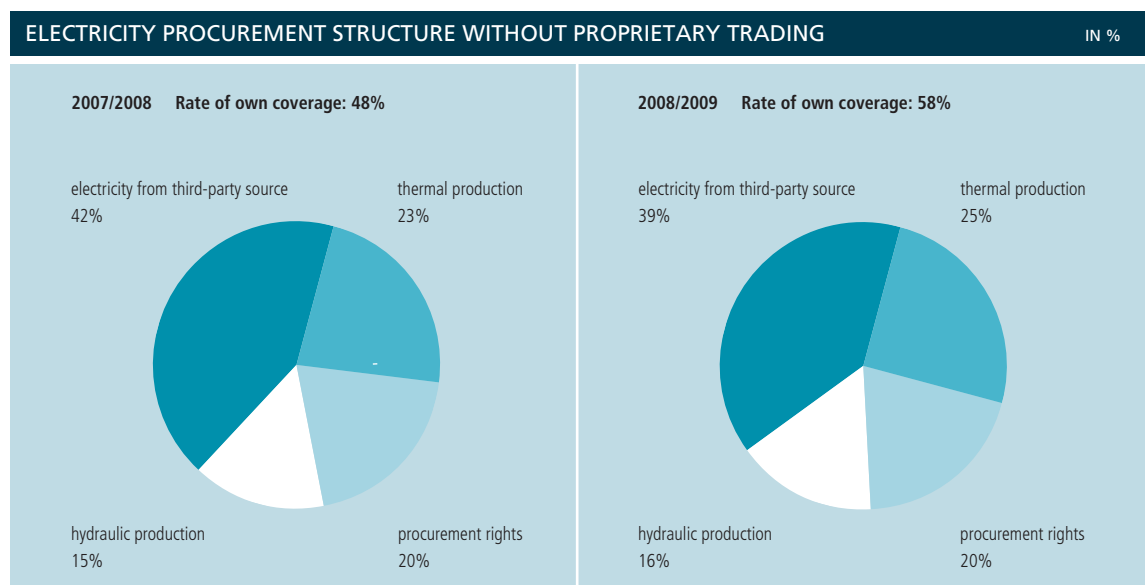
Following the test operation at the new CCGT plant, Block II at the Timelkam site, which had been in operation since 1962 and fired with hard coal, was closed down.

In order to be able to better utilize the primary energy used, a heat storage facility is being constructed in order to optimize supplies to the connected district-heating system. As a result, up to 60 MW thermal performance can be extracted, which can be stored with an energy content of up to 600 MWh.

On account of the high targets set by the EU with regard to increasing the production of electricity from alternative sources, as well as the measures proposed for transposition, i.e. the "Austrian Energy Strategy", efforts were stepped up to expand hydro power capacities. The technical drawings for the hydro power plants at Bad Goisern and Kleinarl, which need to be submitted to the authorities, have been finished. It was possible to successfully complete the environmental impact procedure concerning the power plant that will replace the facility at Stadl Paura.

Expanding Proprietary Trading

The volatile price development on international markets has shown that it is of major importance to have a dynamic orientation and direction concerning these developments. Energie AG Oberösterreich Trading GmbH (Trading GmbH), the central trading house of the Energie AG Group, can therefore be found on the most important energy market places in Europe. Activities include electricity trading at stock exchanges, bilateral transactions, as well as trans-



actions via brokers, but also trading in energy-related products such as CO₂ certificates or certificates of origin. Transactions concerning the procurement of primary energy on international market places for coal, natural gas and oil are also of major importance.

The central focus of trading activities is to manage the risks and optimize the costs of the entire intra-group electricity portfolio. This includes selling and marketing the electricity generated by our power plants, as well as electricity procurement rights and procuring the electricity volumes needed for electricity supply. Another major field of activity of Trading GmbH is to hedge the risks in connection with energy transactions and energy production facilities. Access to markets permits the most diverse forms of price hedging, which accounts for minimized risks and secured results.

In addition to optimizing the intra-group electricity portfolio, proprietary trading is further expanded as part of precisely defined and efficient risk management. During the 2008/2009 business year, proprietary electricity trading amounted to 6,165 GWh, which is about one third above the value of the previous year.

End of the first period of incentive-based regulation of the electricity distribution system in 2009

The incentive-based regulation system for the 2nd regulation period (2010 to 2013) was adapted in the summer of 2009 in negotiations with the Austrian regulatory authorities. The introduction of an investment and an operating-cost factor now ensures the full recognition of investments into reliable and high-quality supplies. In the future, too, the operating costs of system operators will have to be optimized.

As part of the incentive-based regulation system, the tariffs of Energie AG Oberösterreich Netz GmbH (Netz GmbH) were lowered by 2.11% by E-Control, the regulatory authority, effective 1 January 2009. In parallel, higher refunds (up by 2.51%) for grid losses were accepted on account of higher electricity prices during the procurement period, and the costs for the upstream transmission grid of Verbund Austrian Power Grid were raised. Without adjusting for inflation, the reduction of the system-utilization tariffs for end customers ultimately amounted to 0.01%.

The electricity quantities sold to customers during the expired business year were clearly marked by the effects of the economic crisis, and they showed two divergent developments. While the electricity consumed by private customers went up by 0.3%, the economic crisis clearly affected sales to industrial and SME customers. As a result

of reduced working times, production cutbacks and company leaves, electricity quantities sold decreased by 8.1% compared to the year before. The volumes sold, which amounted to 6,348 GWh, were therefore on the level of the 2005/2006 business year and fell short of last year's result by 5%. As of 30 September 2009, Netz GmbH transported electricity to about 448,000 active customer connections.

A comprehensive program to place into cables medium-voltage overhead electricity lines running through forests was started at the beginning of the 2008/2009 business year in order to reduce the exposure of grid facilities to interferences. About 10% of the total 6,000 km of medium-voltage overland lines of Netz GmbH extend through forests and densely overgrown areas. Meteorological influences occasionally have a strong negative impact on the uninterrupted operation of these grid segments. The program to place lines into cables does not only improve the availability of the grid, but at the same time it also helps to considerably reduce costs for keeping the line sections clear, as well as for maintenance and operating overheads. The program to place approximately 600 km of the overland lines running through forests into cables covers a period of ten years.

In contrast to previous years, the area supplied by Netz GmbH was largely spared of heavy storms and other adverse natural interferences during the expired business year. On account of the favorable weather conditions, the average periods of interruptions went down by 47% compared to the year before.

Successful data network integration in Upper Austria

Energie AG Oberösterreich Data GmbH (Data GmbH) has a network of lines totaling 3,550 km and 330 nodes. As an intra-group and external provider with the best-performing optical fiber network of all federal provinces, the company meets all telecommunications requirements. On the external market Data GmbH features under the brand name of "PrimeNet" and operates as a telecommunications carrier. Internet service providers and regional multi-site customers such as banks, public authorities and hospitals are its main customers. As another business activity Data GmbH provides the metering service for Netz GmbH. In this field, Smart Metering is currently being developed and introduced. On account of these two business activities, Data GmbH is subject to the control of two regulatory authorities, namely ECG, the Energy Market Regulatory Authority, and RTR, the Telecommunications Regulatory Authority. While this does restrict free action on the market, on the one hand, it has a stabilizing effect on business

activities, on the other hand. As part of operating the metering service, Data GmbH provides services to Netz GmbH relating to meter logistics, reading and calibrating. Furthermore, together with an industrial partner Smart Metering is being developed under the brand name of AMIS. In the meantime, AMIS has developed into a mature system and is just about to be rolled out throughout the region. After the successful test operation with 10,000 meters, there are plans to install an additional 50,000 meters during the coming business year and, subsequently, to expand the system to cover all of Upper Austria. However, the roll-out throughout Upper Austria will depend to a large extent on whether ECG, the regulatory authority, will recognize the investments in this context. It is only under these circumstances that it will be possible to complete the roll-out in Upper Austria. The integration of various multi-utility meters is currently in the development phase. Test operation with a gas meter has already commenced.

During the business year under review, Data GmbH acquired one more large-scale project on the external telecommunications carrier market. As part of a cooperation with BBI Breitbandinfrastruktur GmbH (BBI GmbH) it was contractually agreed to connect all municipalities in Upper Austria to the optical fiber network covering the entire federal province. Data GmbH holds 40% and OÖ. Ferngas Service GmbH holds 15% of BBI GmbH. Linz Strom GmbH (35%) and E-Werk Wels AG (10%) are the other partners.

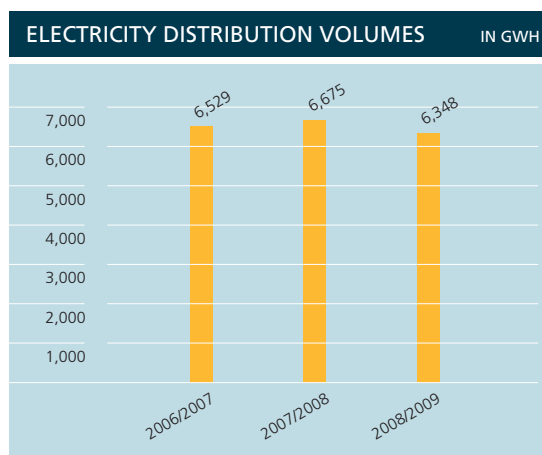
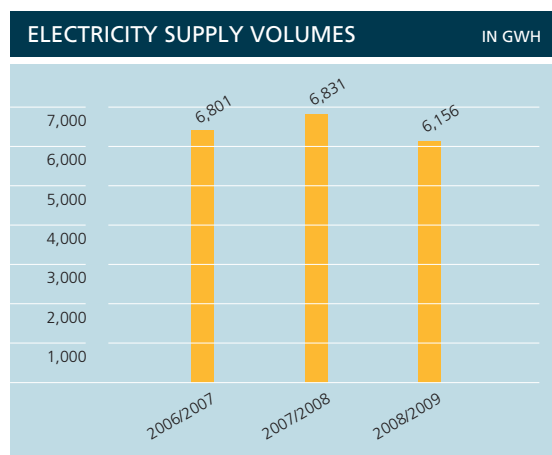
In the meantime 356 municipalities have signed a statement of intent, and by the end of the year 2010 some 200 municipalities will be connected to the optical fiber network. With this network technology, together with the central EDP server covering the entire federal province, which will be implemented at the same time, Upper Austria holds an outstanding position in terms of technology in Europe. As a result, e-government is not only a

buzz word but a living reality. Because of the success of this project, the regional government of Upper Austria took the initiative to launch another broadband campaign with the goal of expanding the glass fiber network to cover the entire federal province – Fiber to the Home (FTTH).

Fewer electricity sales to industrial customers

During the 2008/2009 business year, electricity sales to industrial customers decreased by about 17%, compared to the year before. As a result of the economic crisis, production facilities were partially closed down or cut back in their operations, especially since April 2009, which led to monthly declines in sales of up to 30% during the second half of the business year (April to September 2009). The drastic reduction in electricity demand from industrial customers has had repercussions on the value of electricity procurement measures undertaken in earlier years. Electricity quantities, which were contracted under a long-term procurement strategy on the basis of delivery contracts under the still optimistic customer forecasts before the outbreak of the economic crisis, had to be disposed of on futures and spot markets, partly at very unfavorable conditions.

In spite of the positive development of various economic indicators in recent months and continuously improved forecasts for domestic economic growth, wait and see continues to be the attitude concerning the estimates of quantities that industrial customers will buy. A provision for imminent losses has been formed in connection with quantities that have been procured, but which – from today's perspective – will have to be sold on futures and spot markets at less favorable conditions. In spite of the large number of industrial customers in the electricity



supply portfolio and the effects of slacker demand, the overall result of Energie AG is at a comparatively high level.

On the basis of experience with the volatile market developments during the expired business year, as well as changes in customer needs, adjustments have been made to the design of agreements and products, in order to cope with developments of this type in the future, so as to find optimum solutions for customers while effectively managing risks.

The business customer segment only recorded slight decreases in sales during the expired business year. The economic crisis has only shown minor effects in recent months. At the same time, it was possible to counter the intensive price competition by individual Austrian suppliers by offering flexible price models.

With regard to SME and private customers, the intensity of competition has changed during the last business year. On account of price guarantees for private customers up to 31 December 2009, as well as price hikes made by several competitors, the number of customers changing to another supplier once again decreased by more than one half compared to the already low numbers of the previous business year. The business area supply of Energie AG is therefore in a position to refer to clearly lower fluctuation rates in this segment than comparable Austrian suppliers. The unit positioned itself as a quality supplier, with a clear commitment to a regional supply structure, which contributed essentially to this development. It was possible to maintain the quantities sold to SME and private customers during the expired business year.

Overall, the electricity quantities sold to customers amounted to 6,156 GWh during the business year under review, which is a reduction over the previous year (6,830 GWh) by 675 GWh or 9.9%.

ENAMO GmbH is responsible for the distribution of electricity on behalf of the Energie AG Group. It is a joint venture of Energie AG (65%) and Linz AG (35%). In addition, ENAMO also operates as a supplier in the remaining parts of Austria and on the German market.

During the expired business year the focus of activities was once again on expanding competency and services in the field of energy efficiency.

In the course of a campaign that is unique in Europe, the customers of ENAMO GmbH were in a position to get 500,000 energy-saving light bulbs. When assuming a life cycle of 10 years, this campaign helps to save 300 GWh of electricity. This spares the environment almost 80,000 tons of CO₂.

The campaign to exchange household appliances was prolonged up to the end of 2009, on account of the great demand. As already in the years before, about 10,000 old household appliances were exchanged against new models with high energy efficiency. With the on-line service of the "Energy Check and Appliances Check" for household appliances, customers are in a position to establish how they rank with regard to the annual electricity consumption of their household, as compared to an average household, and what is the possible savings potential when exchanging their appliances.

The business area supply developed an energy efficiency management tool for factories and plants for its business customers in order to improve the energy efficiency of enterprises in Upper Austria. Energy consultants with special training analyze the energy consumption in all company units, in order to discover possible efficiency gaps and to show up potential for improvement.

Building thermography, which is a method to measure the temperature of infrared radiation, uses special cameras to precisely localize weak spots in terms of energy efficiency in buildings. In consequence, it is possible to exactly document individual weak spots or perform a quality check on a new building construction or after a building renovation.

The guidelines and objects that the business area supply of Energie AG supports in its campaigns were revised and newly introduced on the market on 1 July 2009. Circulating pumps and household appliances of the highest respective energy efficiency class, as well as environmentally friendly heat pumps and electrically driven forklifts are the current top priorities.

During the coming business year, promoting the topic of energy efficiency will be the priority theme for all customer segments. This will also be given more emphasis in the consultancy services for business and large-scale customers. As a result, energy efficiency and energy innovation will be priorities in the training of our consultant staff members.

Reliable supplies to natural gas customers

During the 2008/2009 business year the natural gas market was characterized by two extraordinary events: first, the political controversies between Ukraine and Russia which affected the deliveries of Russian natural gas in January 2009 and, second, the volatile development of crude-oil prices as a consequence of the economic crisis. Thanks to a procurement strategy comprising long-term delivery contracts, a diversified supplier structure, the production from natural-gas deposits in Upper Austria and

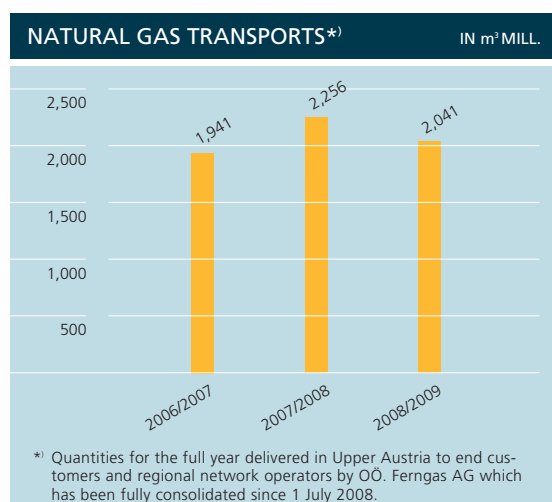
the use of domestic natural gas storage facilities, it was possible to ensure reliable and uninterrupted supplies to the customers of OÖ. Ferngas AG.

OÖ. Ferngas AG is the biggest operator of a natural gas pipeline system in Upper Austria. Approximately one quarter of the annual consumption of natural gas in Austria is transported to end consumers and regional system operators in Upper Austria. During the 2008/2009 business year, OÖ. Ferngas AG transported about 2,041 million m³ of natural gas through its pipelines. The decrease over the year before (2,256 million m³) can be explained by the warmer weather and the declining volumes bought by large customers as a result of the economic crisis.

After Energie AG took over the majority stake of 65% in OÖ. Ferngas AG, the company was fully consolidated for the present consolidated financial statements; during the previous year it was consolidated at equity with 50% for three quarters and fully consolidated for one quarter.

In order to increase the reliability of supplies, on the one hand, and to be able to supply new customers, on the other hand, the natural-gas pipeline network was extended by some 56 km during the 2008/2009 business year. OÖ. Ferngas AG thus now has a pipeline network with a length of more than 5,100 km, as well as more than 58,000 customers connected.

On the basis of the incentive-based regulation system that was introduced on 1 February 2008, the 2009 amendment to the 2008 Ordinance on Tariffs for the Use of the Gas System (GSTN-VO) once again adjusted the tariffs for 2009 for the use of the natural-gas system as of 1 January 2009. As efficiency criteria are applied, the costs of the existing network are subject to annual cost mark-downs.



Economical network extensions must be taken into account in the overall system calculation, once they have been checked by the authorities. In analogy, the additional quantities, obtained on account of new customers, have a tariff-reducing effect. With the entry into force of the new ordinance on tariffs, the transmission tariffs for customers within the network in Upper Austria were slightly lowered for Network Level 2, while they were raised for Network Level 3.

Erdgas Oberösterreich GmbH & Co KG (erdgas OÖ.), a 100% subsidiary of OÖ. Ferngas AG, specializes in supplying natural gas to customers in households, small and medium-sized businesses, municipalities and public institutions. As procurement costs went up considerably during the year 2008, prices were raised proportionately as of 1 November 2008. Immediately after the price hike, prices for crude oil dropped as a result of the economic crisis. As the price for natural gas reacts to oil prices with a certain delay, procurement costs began to go down again at the beginning of 2009, and it was possible to pass on this effect to customers in three steps. A total of about 63,000 customer systems in Regulation Zone East received supplies at the end of the business year. The natural gas sold by erdgas oö. amounted to 194 million m³ during the business year under review. Although there were 10.8% fewer heating-degree days than in the year before, it was possible to limit the reduction in quantity to 3.6%, as more customers joined the system.

EGBV Beteiligungsverwaltung GmbH (EGBV) is a 25% investment of OÖ. Ferngas AG. It holds 14.248% of the shares in EconGas GmbH, which takes care of customers with a minimum annual consumption of 500,000 m³ at one consumption site. During the expired business year, EconGas GmbH succeeded in selling 7.5 billion m³ of natural gas in Austria and abroad. EGBV is consolidated pursuant to the equity method in the present consolidated financial statements.

Since 2007 the Energie AG Group has held a stake of 15% in Tauerogasleitung GmbH. With EU support, the company is looking into the feasibility of a high-pressure gas pipeline with a length of 290 km from Bavaria through Upper Austria and via Salzburg and Carinthia to the Italian/Slo-venian border. The decision on the construction of the pipeline will most likely be taken in the second quarter of 2010.

If the Tauern gas pipeline were built, this would provide an opportunity for the Austrian energy market to tap new natural-gas sources, as a result of the additional natural-gas transport capacities. This would improve the security of supplies, as well as increase competition.

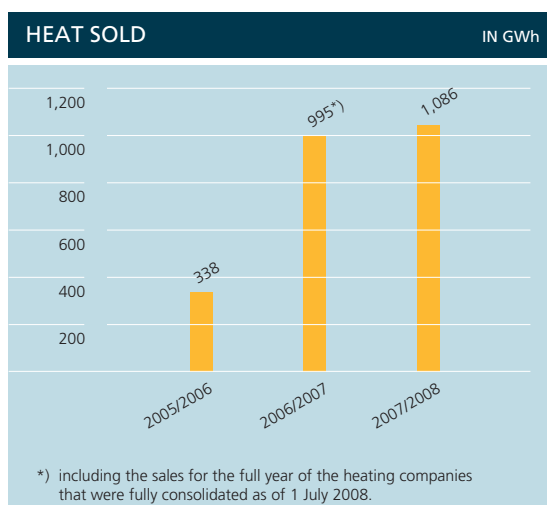
Stable development of heating supplies

With its various stakes in companies **Energie AG Oberösterreich Wärme GmbH** (Wärme GmbH) operates two district heating networks in the vicinity of the thermal power plants at Timelkam and Riedersbach, as well as three further distribution networks in Upper Austria and three in the Czech Republic.

As households account for a large number of the customers, the effects of the economic crisis on the development of sales is comparatively very small. This supports the goal of generating a stable contribution to the result. The sale of heating supplies, which depends on weather conditions, was marked by a decrease in the number of heating degree days by about 7%, as compared to the year before. The generally mild weather in the course of the business year was only interrupted by a comparably cold period between the end of December and March 2009.

The decrease in quantities, caused by weather conditions, was, however, largely offset by linking up new customers. Enlarging the customer base was facilitated by the drastic increase in primary energy prices during the summer of 2008, which continue to be quite volatile, as well as by the public funding granted to environmentally friendly district-heating systems.

With these overall conditions, a total of 472 GWh of heating supplies were sold during the expired business year, which is an increase of about 16% in comparison to the previous year. This volume includes two network companies in the Czech Republic that were consolidated for the first time. When adjusting sales figures for this effect, sales showed a decrease of about 3%.



As a result of the drastic rise in primary energy prices during the summer of 2008, it was possible to increase the officially regulated prices for the supply networks in Upper Austria in a range between 1.5% and 3.0% as of 1 November 2008.

As of the 2008/2009 business year the heat-supplying companies Tepelné zásobování Rakovík, spol. s.r.o. and Sateza a.s. at Sumperk, which were acquired the year before, were fully consolidated for the first time. The total quantity of heat sold by the currently three Czech subsidiaries amounted to 158 GWh during the period under review. Other possible interesting acquisition projects in the Czech Republic and Slovakia are being examined on an ongoing basis..

With our stake in a geothermal project at Ried im Innkreis we strengthen and expand our position in Upper Austria in this promising market of the future.

Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOO GmbH) operates a co-generation plant at Laakirchen in Upper Austria, which supplies process heat and electricity to an industrial partner, as well as district heating to several further industrial and SME customers. CMOO GmbH has been wholly taken over by Energie AG and is fully consolidated in the present consolidated financial statements. In the previous business year it had been consolidated pursuant to the equity method during three quarters and fully consolidated in one quarter.

During the expired business year CMMO GmbH sold a total of 480 GWh of steam to its main customer, as well as 21 GWh of heating to further industrial and SME customers. This corresponds to a minor decrease in sold heating supplies in comparison to the year before (511 GWh), which was due to the general audit that took place, as scheduled, in June 2009. In addition, this plant generated 422 GWh of electricity (443 GWh the year before).

The gas turbine has an availability rate of 92.6%, the fuel utilization rate amounted to 77.5%, including the stand-by boiler and district-heating supplies.

Enserv Energieservices GmbH & CO KG, a 100% subsidiary of OÖ. Ferngas AG, supplies heating to nearby customers which primarily comprise housing cooperatives, real-estate managers, industrial parks, shopping centers, public buildings, municipalities and tourism undertakings. During the 2008/2009 business year, it was possible to increase the quantities sold by 7.5% to 82.2 GWh, compared to the year before, primarily by increases in the number of customer contracts.

Since December 2008 AVE Österreich GmbH has fed heating from the waste incineration plant at Wels into the district heating system of the city of Wels. During summers, the total quantity of the heat required in the Wels supply area can be provided from this source, and in the winter at a rate of 50%. During the 2008/2009 business year AVE sold 31 GWh of heating supplies.

Quality and market orientation of the intra-group service companies

The four intra-group service companies provide high-quality and cost-optimized services. The resources available to these companies are geared to their tasks and to the needs of their intra-group counterparts. Orders by external customers are accepted for the sake of optimizing capacity.

At the beginning of the expired business year, a consistent, market-oriented billing system was introduced at our service companies. The exchange of services between demand and offer is based on service contracts, defined product lists and service-level agreements. In this context, prices are guided by target costs which are established for the individual business activity or groups of activities by an external consultant on the basis of a benchmarking system. The adjustment of the cost structure to the established target costs was once again validated by product benchmarking during the current business year. To this end, the products or groups of products offered were checked, whenever possible, for their marketability against external tenders or alternatively against peer-to-peer comparison within or outside the industry. The benchmarking process has been completed for one service company, and measures aiming at cost optimization and service focusing have been elaborated by using the experience gained in the process. In spring 2010 the results will be available for all service companies so that market-oriented prices will already be available for the forthcoming planning process, which will make it possible to include corresponding measures into the planning process to achieve optimum service and cost structures.

Energie AG Oberösterreich Tech Services GmbH is the technical service company for facilities of the electricity distribution system and data network of Energie AG. Netz GmbH and Data GmbH are the main counterparts. In spite of the general recession in the economic area of Upper Austria, we succeeded in slightly exceeding the target planned for its sales. In the coming years it will be necessary to further optimize costs and structures, as the maintenance budgets for the electricity grid will be cut by the regulatory authorities and as the Group will reduce its overall funds for investments.

Energie AG Oberösterreich Customer Services GmbH offers billing and customer services, including collection management and vendor switches.

Netz GmbH and the business area supply are the main business partners. In addition, the company provides services to other intra-group units, as well as to external customers, so as to balance the customer base.

The 2008/2009 business year was mainly characterized by further process optimizations in all fields. The exclusive cooperation with an external overflow call center was activated, for example, after successfully training its staff and providing it with all information.

Energie AG Oberösterreich Business Services GmbH has bundled the services for procurement and logistics, facility management, information technology, billing and legal services, as well as insurance services.

During the expired business year the benchmarking project concerning data collection and analysis of the products offered by Business Services GmbH was completed. The knowledge obtained from the project will serve to draw up measures to adjust the cost structure. First implementing steps will already be taken during the 2009/2010 business year.

By applying the "one stop" principle, Energie AG Oberösterreich Personal Services GmbH is in a position to offer its customers a single contact point in all staff-related matters. The services comprise staff management, personnel accounting, recruiting, staff training and apprentices' training.

The 2008/2009 business year focused on a distinct expansion of the HR system, including the integration of OÖ. Ferngas AG with regard to IT technology and processes.

Strategic participations round off the business operations portfolio

The strategic participations of the Energie AG Group comprise companies associated at equity, i.e. Ennskraftwerke AG, Wels Strom GmbH, Liwest Kabelmedien GmbH (Liwest) and Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg AG), as well as numerous other unconsolidated companies.

The portfolio of the various participations along the value-added chain provides the Energie AG Group with synergy effects, on the one hand, and a reduced business risk in its operations, on the other hand.

Ennskraftwerke AG has a total output of approximately 430 MWh and a standard operating capacity of almost 1,860 GWh, which makes it one of the largest Austrian producers of electric energy from environmentally friendly hydro power. The main tasks of the company are to operate and maintain twelve hydro power stations along the rivers Enns and Steyr. Energie AG holds a 50% share in Ennskraftwerke AG. Thanks to weather conditions that provided good water levels, as well as very few output losses, the electricity generated by the entire group of power plants amounted to 1,876 GWh during the last completed business year (1 January to 31 December 2008), which is slightly more than 1% over the standard operating capacity. In terms of the expired 2008/2009 business year of Energie AG, the water levels were 8% above the multi-year average.

The electricity procurement rights of Ennskraftwerke AG constitute an important share of renewable energy, at optimized costs and risks, in the procurement portfolio of Energie AG. Continuous studies with a view to improving efficiency, as well as optimizing existing facilities are intended to increase electricity production in the future. Measures to lower costs are being taken in order to offset the negative impact of changes in overall regulatory conditions.

Wels Strom GmbH, in which the Energie AG Group holds a 40% share, is the regional supplier of electricity to the Upper Austrian town of Wels and several surrounding municipalities. The objects of the company, which is a fully integrated energy supplier, comprise the generation and procurement, the distribution and supply of electric energy, as well as the area of energy systems. During the last completed business year (1 January to 31 December 2008) total (in and out of area) sales of Wels Strom GmbH amounted to 391 GWh (+0.3%). The heat produced by the district heating plant, which amounted to 147 GWh (+10% the year before), is being sold to Elektrizitätswerk Wels AG, the second shareholder of Wels Strom GmbH. The rate of its own electricity generation relative to the quantities sold to its own customers was slightly more than 58% in 2008.

In reaction to the negative impact of the worldwide economic crisis, measures to optimize costs were initiated in the company during the reporting period, some of which have already been implemented.

In the telecommunications sector, Energie AG has a stake of 44% in **Liwest Kabelmedien GmbH**. Measured in terms of its actively connected customers, LIWEST is the biggest cable TV network operator in Upper Austria and ranks second in Austria. As cable television programs via Internet protocol are increasingly present on the market, there has been more pressure on the cable TV market. In addition to receiving programs via digital satellite, this is one more substitute product which will play a major role on the market in the future. This development resulted in a slight decrease of Liwest's cable TV customers to 124,783 (-1.5%).

The trend towards an increased use of digital television already observed last year became even stronger during the expired business year.

In spite of the prevailing competitive pressure on the telephone and broadband Internet market, caused inter alia by special low-price offers by competitors, as well as the aggressive appearance of new providers on the Upper Austrian market, Energie AG managed to increase both the number of telephone customers to 24,839 (+12%) and the number of Internet customers to 47,496 (+2%).

In the area of growth by acquisitions, the main activities during the business year under review were focused on the complete technical and commercial integration of the networks that were acquired the previous year.

The Energie AG Group holds 26.13% in **Salzburg AG für Energie, Verkehr und Telekommunikation**, which is a multi-utility supply company in the federal province of Salzburg. The enterprise operates in the areas of electricity, district heating, water, transport and telecommunications.

For the 2008 business year (1 January to 31 December 2008) the total amount of electricity sold (including trading) amounted to 13,748 GWh (+27%). Total sales of natural gas (including trading) amounted to 6,497 GWh (+4%). In 2008 the company supplied 3,370 GWh (+1%) to the some 250,000 electricity customers and 1,880 GWh (+4%) to about 32,000 natural gas customers. 650 GWh (+8%) of district heating was supplied to more than 9,000 customers. The telecommunications business was marked by a strong increase in customer numbers.

There are plans to increase the rate of our own electricity generation, which currently stands at a little less than 50%, by building and obtaining shares in a number of power stations, in order to improve the security of supplies, as well as to obtain more independence from market price fluctuations.

Other companies associated at equity are Gas und Dampfkraftwerk Timelkam GmbH (GuD Timelkam GmbH), the Hungarian waste management company Kapsvári Város-gazdálkodási Rt. and EGBV Beteiligungsverwaltung GmbH (EGBV GmbH), which is a subsidiary of OÖ. Ferngas AG.

The share in the result of the companies associated at equity amounted to EUR 12.1 million for the 2008/2009 business year. The decrease compared to the year before (EUR 15.4 million) is mainly due to the fact that OÖ. Ferngas AG and CMOÖ have now been fully consolidated. In the previous year, they had been consolidated at a rate of 50% pursuant to the equity method during three quarters (1 October 2007 to 30 June 2008). The share in GuD-Timelkam GmbH and the first consolidation of EGBV GmbH have a compensating effect.

Energy efficiency and renewable energy

Fair Energy GmbH is a wholly owned subsidiary of Energie AG. It operates in the areas of energy efficiency and the renewable energies wind and sun. By holding a share of 40% in Institut für Energieausweis GmbH (IfEA), which issues energy passports for buildings, Fair Energy GmbH succeeded in obtaining a gratifying market position for itself in the field of energy efficiency and building services. The business model of IfEA comprises energy passports for buildings, as well as services to owners of large buildings.

The construction of Austria's largest photovoltaic facility at Eberstalzell in Upper Austria by Fair Energy Renewable Power GmbH, a 100% subsidiary, underlines the competency of Energie AG in the field of renewable energies. With an output of 1 MW and a collector surface of 10,000 m², the Group is setting new standards in the field of photovoltaics in Austria. Construction work on the power plant began during the expired business year, and the facility is slated to go into operation in the summer of 2010. An open center of competence and innovation for

energy efficiency and renewable energies will be set up on the premises of the photovoltaics plant. Together with external partners, this will be used as a presentation platform for all energy topics of the Group.

Finadvice Fair Energy Wind Development S.z.o., in which a 51% stake is held, develops wind power projects in Poland. Together with a partner, these services are provided to third parties.

As a founding member of the Österreichische Gesellschaft für nachhaltige Immobilienwirtschaft (Austrian Society for Sustainable Real-Estate Management = ÖGNI), the topic of sustainable building in Austria is to be established with Fair Energy. The Energie AG Power Tower in Linz serves as a reference building and is one of the first buildings in Austria certified by ÖGNI.

By using the opportunities offered by new legislation in the EU and Austria, Fair Energy GmbH will continue to focus on profitable business areas in the field of energy efficiency and renewable energies and position the Energie AG Group as a competent player on this market.



JOHANN SCHÖFFMANN AVE Österreich GmbH

**IT TAKES COMMITMENT
TO WORK FOR OUR COUNTRY
EVERY DAY,
AND YOU NEED TO BE PREPARED
TO DO A LITTLE MORE
THAN NECESSARY.**

The Waste Management Segment



Waste Management Segment – Overview		in	2008/2009	Change	2007/2008	2006/2007
Total waste volume handled	1,000 tons		4,651	0.9%	4,610	4,270
Thermally processed waste	1,000 tons		607	0.8%	602	597
Total sales	EUR mill.		343.1	2.2%	335.6	265.8
EBITDA	EUR mill.		59.1	- 7.5%	63.9	60.2
EBIT	EUR mill.		0.3	- 98.5%	20.6	25.9
EBIT adjusted	EUR mill.		9.3	- 54.9%	20.6	25.9
Investments into tangible fixed assets and intangible assets	EUR mill.		67.3	2.3%	65.8	46.4
Employees	FTE		3,238	20.1%	2,695	2,190

Under the brand name AVE, the Waste Management Segment is the second-largest segment of the Energie AG Group. It is bundled under the lead company AVE Energie AG Oberösterreich Umwelt GmbH.

The Business Environment in the Waste Management Sector

The market environment of the waste management industry in Europe was characterized by the global economic crisis which triggered an enormous volatility of prices for primary materials. As a result, there were major fluctuations concerning secondary materials. In connection with the approximately 700,000 tons of recycling materials that the Waste Management Segment handled during the expired 2008/2009 business year, market prices first plummeted to historic lows and gradually recovered slightly as of spring 2009. At times, the prices of waste paper and cardboard were about 80%, and those for scrap steel and waste plastic materials up to 95% below the values of the previous business year.

Larger processing capacities in Austria and sustained legal and illegal exports of waste materials from Austria to low-price landfills in neighboring countries, combined with decreases in quantity, due to production cutbacks at SMEs and industrial enterprises, exerted additional pressure on waste management prices.

The eight-year period for adapting all waste material landfills in the EU to meet the requirements of the EU Directive on waste material landfills ended on 16 July 2009. In order to ensure sustainable, environmentally friendly and health-preserving landfill management, the operation of about 1,600 landfills that did not comply with the EU Directive was forbidden and discontinued with immediate effect. The transposition deadline had been agreed with immediate mandatory effect for the Czech Republic, Hungary and Slovakia. Romania, amongst others, though, obtained an extension of the deadline until July 2017. The landfill closures that were ordered and are still planned relate exclusively to communal services and private competitors. This constitutes one further competitive advantage for the AVE group. AVE owns and operates 26 landfills with a state-of-the-art standard in conformity with EU specifications.

As the concentration process of the waste management industry in CEE continues, an upswing of the acquisition activities, which had clearly decreased temporarily on account of the crisis, became noticeable again in recent months with the take-over of private small and medium-sized enterprises. In contrast to this development, the public sector presented a two-pronged picture. While trends continue to prevail in Germany and Austria to once again put municipalities in charge of waste management services, a wave of privatiza-

tions is expected in Eastern Europe due to the tight budget situation.

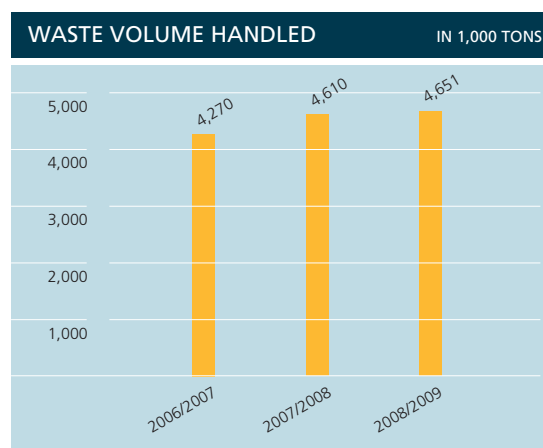
The currently large share held by municipalities in the total operations on East European market, in particular, had a stabilizing effect on the AVE group. Growth will therefore focus on the acquisition of private companies, as well as on developing and expanding projects, structures and new private public partnership models.

The Business Development of the Waste Management Segment

During the 2008/2009 business year the Waste Management Segment generated total sales of EUR 343.1 million and an adjusted EBIT of EUR 9.3 million. The significant deterioration in the overall economic conditions required unscheduled depreciation of facilities in Austria and Bavaria in the amount of EUR 9.0 million. After taking account of these one-off effects which do not affect the cash position, the EBIT of the AVE group amounts to 0.3 million. The consolidated financial statements comprise Austria, the Czech Republic, Hungary, Slovakia and Bavaria. The increase in sales of EUR 7.5 million or 2.2% compared to the year before (EUR 335.6 million) is primarily due to acquisitions in the Czech Republic during the previous business year, as well as the first-time full consolidation of the country organizations in Slovakia and Bavaria.

The decline in adjusted EBIT from EUR 20.6 million in the year before to EUR 9.3 million is essentially a consequence of the economic crisis on Austria and Germany and was only partly compensated by the positive development of the results in the CEE countries.

Investments into tangible fixed assets and intangible assets amounted to EUR 67.3 million, which is slightly above the figure for the previous year (EUR 65.8 million).



Challenging Market Environment in Austria, Bavaria and South Tyrol

AUSTRIA

The business activities of AVE Austria during the 2008/2009 business year were marked by a clear reduction in sales in connection with waste and recycling materials, with the traditional waste quantities and also with hazardous waste materials. There were, however, increases in sales primarily in connection with waste timber, on account of a positive price development, and in building-related activities, as several large-scale orders were awarded.

In addition to the massive price slumps in connection with recycling materials, there were also decreases in waste volumes and temporary acceptance stops by the processing industry. As AVE engages in these activities primarily as a collector and intermediate operator, these price losses have a direct effect both on sales and on the margins that can be realized. Moreover, this development also leads to intensive competition over the available waste volumes in order to be able to utilize the capacity of the incineration plants with the available quantities of waste materials. Both the thermal processing plant at Lenzing and waste incineration plants at Wels worked at satisfactory rates and were actually in a position to exceed the quantities recorded for the 2007/2008 business year. For the pelletizing plant at Wels, which produces substitute fuels for the steel industry from high-caloric waste materials, a new orientation must be found, on account of unforeseeable, considerably deteriorated overall economic conditions. In order to optimize the technological process, which is part of the plant assets, an unscheduled depreciation was made of the existing plant.

After the offensive growth course of recent years, the focus of AVE Austria during the expired business year was on consolidating the existing company structure. This includes, in particular, optimizing the utilization of capacities of the plants and streamlining sites. An efficiency enhancement program was started in order to secure the earning power of the company with sustainable effect. Together with targeted and sustainable cost management, as well as by exploiting all synergies, we will succeed in further strengthening and expanding our position as market leader in Austria.

BAVARIA

The beginning of the second year of operations was marked by streamlining structures in the course of integrating the newly acquired companies, as well as by building up and expanding the organization. A drastic slump in recycling prices, reductions of quantities available on the market due to the crisis, and the subsequent reduction of prices for industrial waste materials clearly decreased sales and, correspondingly, had a negative impact on the result. As an immediate effect, the deteriorated profitability of the processing facility for industrial waste at Rotthalmünster required special depreciation.

AVE succeeded in maintaining its position, as competition in Bavaria increased. It was possible, for example, to obtain additional quantities on the market, to further expand municipal activities by winning the waste disposal tender for the Augsburg region, and to enter the field of collecting systems for packaging materials by winning the DSD tender ("Dual System Germany") in three districts. A comprehensive cost optimizing program was implemented in order to increase the value of the company.

SOUTH TYROL

At the end of December 2008, we entered the market in South Tyrol by acquiring a company near Bolzano. The company handles, inter alia, the collection of waste and waste materials in the town of Bolzano and in surrounding municipalities and acquires waste volumes for processing at the large plants in Austria.

Stable Development of Primarily Municipal Business in the CEE Countries

CZECH REPUBLIC

The business volume of the AVE group in the Czech Republic continued to grow significantly. In addition to the positive development of the proceeds from winter services, it was possible to raise the prices (by an average of more than 10%) for the municipal services throughout the country as of 1 January 2009 and, moreover, to obtain good results in connection with environmental remediation. After taking over the activities of Remondis CZ in the summer of 2008, the 2008/2009 business year was taken up completely by integrating and successfully structuring today's AVE komunální služby GmbH.

Further acquisitions are being implemented in the field of municipal services. In particular, we strengthened our market position in the district town of Ústí nad Labem.

Altogether, it was possible to largely offset the negative impact of the economic crisis on primary materials, as well as on production capacity utilization and quantities of historical burdens with industrial customers. The result of the AVE group in the Czech Republic, adjusted for foreign-exchange influences, for the expired business year was clearly above that of the previous year.

HUNGARY

During the business year under review the AVE companies in Hungary succeeded in obtaining sales increases in spite of the difficult economic situation, as well as in delivering stable contributions to the result. It was possible to compensate slackening prices for recycling materials and waste quantities in the SME and industrial sector by increasing prices, providing winter services and obtaining one-off transactions for the municipal services sector.

Through acquisitions AVE Hungary further strengthened its position in the Heves district and thus created a sound basis for further expansions in this region. With the taking into operation of two reloading stations and one landfill for the Heves district at Hejőpapi, as well as winning the operations management tender for the Borsod district, AVE succeeded in strengthening its leading position there for the coming decades.

SLOVAKIA

During the expired business year both the waste management services to municipalities and to industrial and SME customers in connection with the newly expanded landfill site were consistently expanded. In Slovakia AVE has more than 600,000 m³ of free landfill capacities. By year-end 2009 the number of municipal customers will go up to about 100,000 inhabitants. In spite of the impact of the economic crisis, the positive development of the result was stabilized thanks to a program to increase efficiency and to obtain cost leadership, as well as a program to promote the collection of used tires. At all existing and new locations the high AVE quality standards were implemented. As a result, all companies now have certification according to ISO 9001, ISO 14001 and OHSAS 2801.

ROMANIA, UKRAINE, MOLDOVA

On account of the high share of municipalities, AVE's waste management business in Romania hardly felt the effects of the economic crisis. The operations of the AVE companies showed a gratifying economic development. It has been possible to reach a market share of more than 50%, in relation to population figures, in certain defined target regions. The market share in the Salaj district was extended by continuous market consolidation. The most modern regional landfill in Romania, complying with EU requirements, went into operation in Harghita, and AVE Bihor was set up at Oradea.

The AVE group has expanded its commitment in Ukraine, beginning in the Transcarpathian region, to the neighboring regions of Lviv and Ivano-Frankivsk, as well as begun to collect the municipal waste in the towns and districts of Kolomyia, Snyatin and Horodenka (about 3,400 contracts). Consolidation of activities in the field of collecting household and industrial waste in the Vinogradovo region (more than 13,000 contracts) was continued successfully.

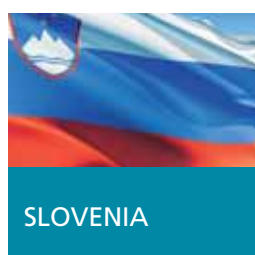
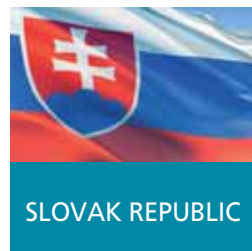
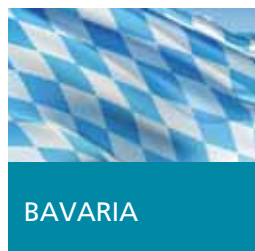
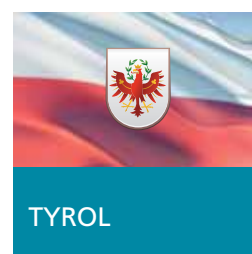
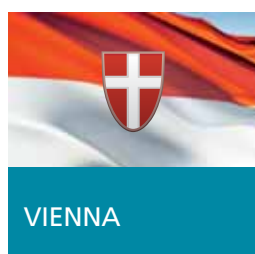
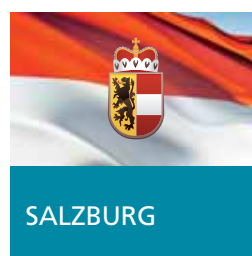
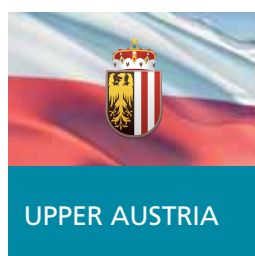
The joint venture "AVE Ungheni SRL", which was begun in August 2008 in the town of Ungheni in Moldova, situated close to the border, continued market consolidation activities through organic growth. Nearly 6,000 contracts have been signed to date with household and industrial customers, and the selective collection of recycling materials was begun in the town itself.



JOHANN FLOSS Wasserdienstleistungs GmbH

**I REGARD MY WORK
AS AN IMPORTANT SERVICE
TO OUR CUSTOMERS –
AND I AM PROUD
OF WHAT WE ACHIEVE
ON A DAILY BASIS.**

The Water Segment



The Water Segment – Overview		in	2008/2009	Change	2007/2008	2006/2007
Billed drinking water quantities	m ³ mill.		48.0	- 2.2%	49.1	47.1
Billed waste water quantities	m ³ mill.		50.7	27.2%	31.1	27.6
Number of inhabitants supplied with drinking water	in 1,000		934	30.4%	716	700
Number of inhabitants with waste water treatment	in 1,000		619	50.2%	412	404
Total sales	EUR mill.		108.7	34.2%	81.0	67.6
EBITDA	EUR mill.		11.3	46.8%	7.7	6.6
EBIT	EUR mill.		4.5	80.0%	2.5	2.0
Investments into tangible fixed assets and intangible assets	EUR mill.		6.9	23.2%	5.6	10.8
Employees (average number)	FTE		1,508	34.0%	1,125	1,197

The Business Environment of the Water Sector

At the center of discussions in the European water industry are such topics as the security of drinking water supplies, waste water management, high-quality water, an increase in the connection rate of sewage installations, the construction and renovation of treatment plants, a sustainable, environmentally friendly use of our water resources, together with socially acceptable water and waste water prices.

The privatization of public water supply and waste water management systems in Europe is on very different levels. However, private-sector water supply companies are increasingly gaining in importance. The most frequently encountered privatization or PPP model is based on the so-called operator models, where the public sector continues to own the water supply infrastructure and the plants are operated by private companies on the basis of long-term contracts.

The business environment of the water sector, especially in the CEE countries, is characterized by the conflicting demands of EU regulations, the introduction of EU environmental standards and national conditions. Compliance with EU regulations concerning water supplies and waste water management requires very high investments of the CEE countries into the sometimes very antiquated infrastructure of the water industry.

The Czech Republic, which is the main market area of the Water Segment, is also confronted with an antiquated water sector infrastructure, as well as significant losses of water quantities due, in part, to the old structures. As expansion and modernization of the infrastructure is urgently needed, considerable investments are required, which the mainly public owners have to finance. The tight financial situation in which municipalities find themselves leaves only little leeway to raise additional money for investments. As a consequence, substantial grants are required, which are made available by the EU in significant amounts. Because of the process to implement the EU regime for grants in the Czech Republic and the fact that the guidelines for grants have, as yet, still not been definitely clarified, the privatization process in the Czech Republic has become a lot less dynamic. Nevertheless, in the wake of the negative effects of the current economic crisis on municipalities, we can expect to see the privatization trend grow to an increasing degree.

In Austria, the public and political decision-makers continue to take an overwhelmingly critical attitude towards privatization. From today's perspective, larger-scale privatization trends or PPP models can only be regarded as long-term development opportunities. The services sector,

though, is recording steady growth rates in Austria. The underlying reasons are the continuously rising demand for services to operate the water management infrastructure and the stimuli emanating from public investment programs during the economic crisis.

During the business year under review, except for statements of intent by public institutions, no major changes have occurred in the faltering privatization processes in Slovakia and Hungary.

The EU Water Framework Directive (WFD) stipulates that, as of 2010, all processes in the water industry must be performed on the basis of transparent costs. It is expected that this will result in positive impulses for the future business activities of private companies in the water industry and that the public cross-subsidizing of water and/or waste water prices in some countries will become more transparent.

The Business Development in the Water Segment

The critical conditions of the international financial and economic crisis and the volatile overall economic developments of recent months has confirmed the stability of our business model for the Water Segment.

In the Czech Republic, which is our principal market, we succeeded in almost completely compensating the slight decrease in the sales of drinking water, caused by the business cycle development, with larger volumes of water sold in Austria, as well as by first-time consolidations. With regard to the volume of waste water, it was even possible to record a significant increase over the previous year.

The changes in the key indicators for performance and finances are mainly due to the first-time consolidation of 1. JVS a.s. in southern Bohemia, which had been acquired the year before. In addition, the operating result is marked by two further first-time consolidations, as well as price adjustments for drinking and waste water, the expansion of the services business, the integration and merger costs of the companies in southern Bohemia and the weak relation of the Czech crown against the euro.

With an annual average of 1,508 staff members (FTEs) the segment generated consolidated total sales of EUR 108.7 million. It was thus possible to significantly increase the business volume of this segment by EUR 29.9 million or 34.2% compared to the year before (EUR 81.0 million). The recorded EBIT of EUR 4.5 million also shows a considerable increase compared to the year before (EUR 2.5 million).

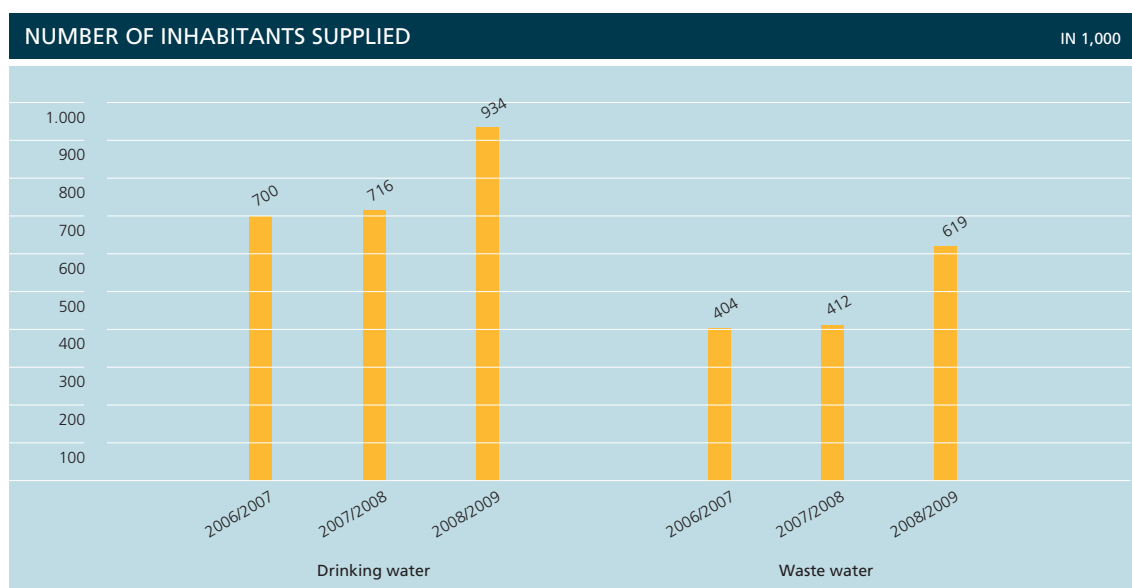
Investments into fixed tangible assets and intangible assets rose from EUR 5.6 million the year before to EUR 6.9 million, which is mainly due to new consolidations.

During the 2008/2009 business year the seven operating companies supplied about 934,000 inhabitants (716,000 in the year before) with drinking water, which is an increase of 219,000 inhabitants or 30.4%. The waste water of 619,000 inhabitants was treated, which is an increase over the year before (412,000) of 207,000 inhabitants or 50.2%. The companies of the Water Segment billed 48.0 million m³ of drinking water (49,1 million m³ the year before) and 41.0 million m³ of waste water (27.2 million m³ the year before). The billing for drinking water quantities was on the same level as in the year before, which is due to the fact that, already in the past, 1. JVS a.s. had obtained almost the total volume of the drinking water supplied to end customers from one company in the Group.

The growing requirement to provide reliable supplies and quality has been met by obtaining comprehensive ISO certification. Four companies of the Water Segment have been certified for quality (ISO 9000), environmental standards (ISO 14000) and safety management (ISO 18000). Sub-entities of other enterprises in the group have also obtained certification.

Growth in the Czech Republic

The activities of the Water Segment in the Czech Republic have been integrated into the country company Energie AG Bohemia s.r.o. It manages the associated companies and follows up on the acquisition of further privatization-driven projects. The business development in southern Bohemia was characterized by the ongoing efforts to merge 1. JVS a.s. and VaK JČ, the two operating companies. The business trend was very positive in the market area of the town of Beroun, where both drinking and waste water quantities were boosted through organic growth. The two companies operating in the region of Kolín and Chrudim were harder hit by production cut-backs and plant shutdowns by large customers due to the crisis. Both companies were also able to compensate this development in the result by way of additional service activities. Towards the end of the expired business year, we succeeded in taking one further step in the direction of growth in the Czech Republic by acquiring VHOS a.s., a medium-sized operating company to the north of Brno. With its staff of 189 FTEs, the company generates sales of about EUR 10 million. The annual sales of drinking water amount to about 7.4 million m³ which are supplied to about 78,000 inhabitants. As the date of the acquisition is close to the reporting date, the first-time consolidation is merely on the basis of the balance sheet. As of the



2009/2010 business year the profit-and-loss statement will be consolidated. Projects are launched on a continuous basis in order to optimize the operating companies on an ongoing basis, so as to identify and implement synergy potential.

Expanding the Sewage Service Activities

WDL Wasserdienstleistungs GmbH (WDL) engages in operating activities on the Austrian water market. The product portfolio comprises the delivery of water, water services, sewage services, and operations management. WDL did very well during the expired business year. It billed 8.3 million m³ of water (8.1 million m³ the year before) and thus supplies water to about 178,000 inhabitants. The current investment projects for three municipalities in Upper Austria were successfully completed and put into operation.

The sewage service area covers the entire Austrian market. The service business operations also offer synergies with Varinger d.o.o., the Slovene subsidiary, which are being fully exploited. This company, which has its office in Maribor, was acquired in December 2008. The company specializes in sewage services and has a large market share in the field of sewage services. Operations are

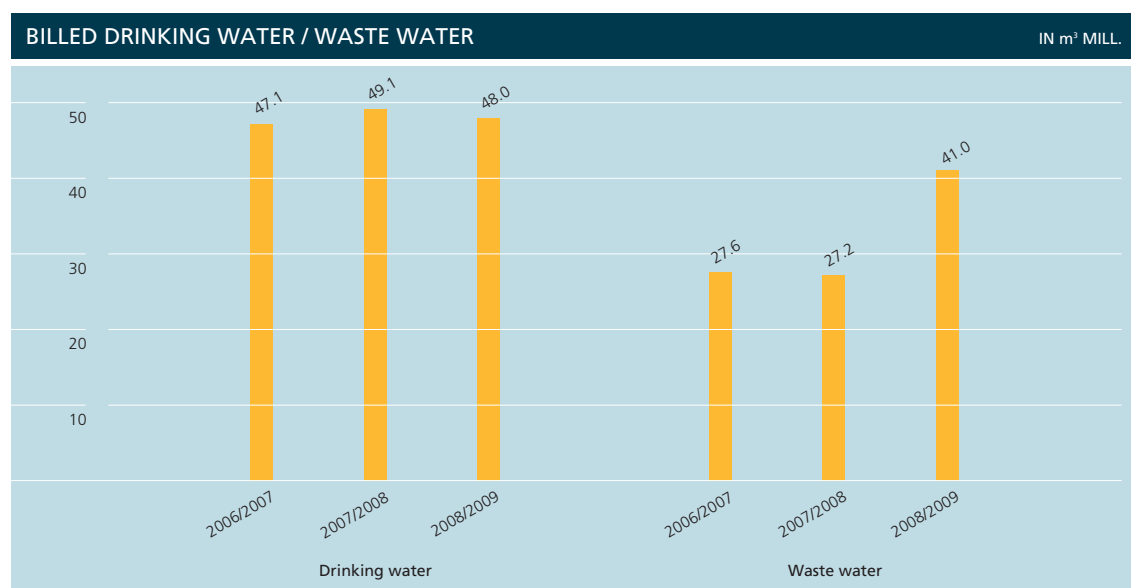
managed from the nearby WDL location in Styria, which also helps to exploit technical and commercial synergies. As a result, cross-border marketing of WDL products is now also possible in Slovenia.

In this context, we attach great importance to the exchange of know-how between WDL and the other service companies in this segment. WDL thus succeeded in maintaining and expanding its leading position in the intensive competition over services.

Our Presence in Hungary and Slovakia

Through its country companies in Budapest and Bratislava, the Water Segment continues to work on potential privatization projects, which have reached different stages of maturity.

Founded in Hungary and not consolidated in the accounts, the joint venture between the Hungarian country company and a municipal partner undertaking in the town of Miskolc commenced full business operations in spring 2009. The company provides comprehensive water and waste water services for the town of Miskolc and the entire region of eastern Hungary.



Results of Operations and Financial Position

	in	2008/2009	2007/2008	Change
Sales revenues	EUR mill.	1,806.0	1,520.1	18.8%
EBITDA	EUR mill.	263.2	298.1	- 11.7%
EBITDA margin	%	14.6	19.6	- 25.5%
Operating result (EBIT)	EUR mill.	105.5	163.7	- 35.6%
EBIT margin	%	5.8	10.8	- 46.3%
EBIT adjusted	EUR mill.	114.5	138.5	- 17.3%
Financial result	EUR mill.	- 14.9	- 20.4	27.0%
Profit or loss on ordinary activities	EUR mill.	90.6	143.3	- 36.8%
Balance sheet total	EUR mill.	3,658.5	3,693.9	- 1.0%
Equity	EUR mill.	1,302.2	1,357.9	- 4.1%
Equity ratio	%	35.6	36.8	- 3.3%
Net debt	EUR mill.	950.6	627.1	51.6%
Net gearing	%	73.0	46.2	58.0%
Investments into tangible fixed assets and intangible assets	EUR mill.	194.1	181.5	6.9%
Cash flow from operations	EUR mill.	115.7	244.4	- 52.5%
ROCE	%	4.8	9.2	- 47.8%
ROCE adjusted	%	5.3	7.8	- 32.1%
WACC	%	6.5	7.0	

The sales revenues of Energie AG during the 2008/2009 business year amounted to EUR 1,806.0 million and were thus above the value of the previous year (EUR 1,520.1 million) by EUR 278.3 million or 18.3%.

This further increase in sales is primarily due to the first-time full consolidation for the entire year of OÖ. Ferngas AG and CMOÖ GmbH, which were previously consolidated at equity, the acquisition of 1. JVS a.s., the water company in southern Bohemia, as well as the gas trading activities with GuD-Timelkam GmbH, which is consolidated at equity.

The consolidated operating result (EBIT) amounted to EUR 105.5 million, which is lower by EUR 58.2 million or 35.6% than the year before (EUR 163.7 million). The reasons for this decrease are a positive one-off effect in the EBIT of the previous year in the amount of EUR 25.2 million, obtained through the acquisition of the majority share in OÖ. Ferngas AG, on the one hand, and the impact of the economic crisis on the business operations of the Energie AG Group, on the other hand.

The pronounced reduction in the demand for electricity by industrial customers made it necessary to market electricity volumes, which had been contracted for our customers as part of the long-term procurement strategy, at unfavorable conditions on futures and spot markets.

In addition, both the prices for recycling materials and waste paper as well as waste metal dropped to historic lows on the waste management market. The prices for industrial waste also took a downward turn due to the intensive competition over shrinking waste volumes.

The EBIT of the expired business year comprises unscheduled depreciation of waste management facilities which became necessary on account of the significant deterioration of the economic environment in the waste management sector. After adjustment for this one-off effect which has no impact on the cash position, the adjusted EBIT amounts to EUR 114.5 million. In comparison to the year before (EUR 138.5 million), the adjusted EBIT was lower by EUR 24.0 million or 17.3%.

The financial result of the Group for the 2008/2009 business year amounted to EUR -14.9 million, which corresponds to an improvement of EUR 5.5 million or 27.0% in comparison to the year before. The higher interest payments in connection with expanding the scope of business activities and a higher net debt, as well as the lower interest income for short-term money investments were partly compensated in the course of the expired business year by realizing gains from the termination of the cross-border leasing transaction for the electricity grid. Moreover, it was possible to obtain a clearly better result from investments of the strategic financial reserves of the Group.

The balance sheet total of the Energie AG Group amounted to EUR 3,658.5 million as at 30 September 2009, which is a slight contraction of 1% compared to the previous year.

The equity ratio amounted to 35.6% as at 30 September 2009, which is slightly below the value of the previous year (36.8%). One of the reasons for this development is the temporary equity reduction by valuations of derivative securitizing instruments on the reporting date.

The increase in net debt and gearing from 46.2% last year to 73.0% as at 30 September 2009 mainly results from loans against borrowers' notes in the amount of EUR 250.0 million, a private placement in the amount of EUR 50.0 million and a reduction of the liquid funds by EUR 114.8 million. The timely redemption of a bond in the amount of EUR 150.0 million had a compensating effect. The reasons for the expansion of the net debt are the financing requirements for investment and acquisition projects,

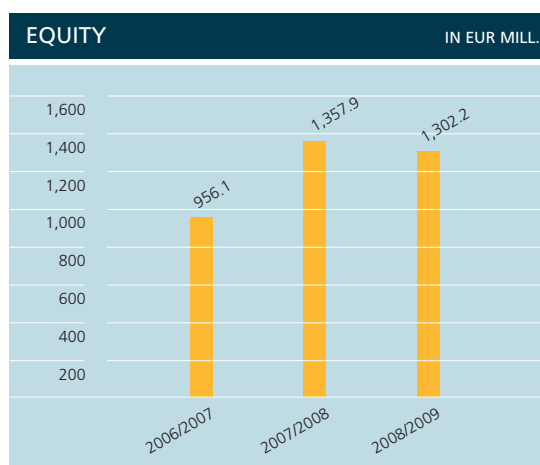
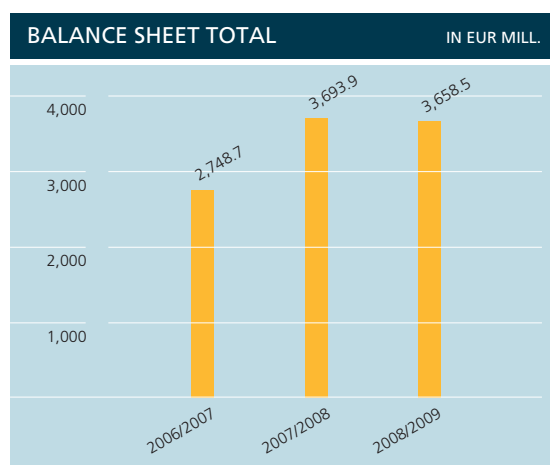
securitization commitments in connection with energy trading activities, as well as the expansion of the financial reserves of the Group.

The investments into fixed tangible assets and intangible assets amounted to EUR 194.1 million, which is an increase of EUR 12.6 million or 6.9% compared to the previous year (EUR 181.5 million). The investment volume of the Waste Management and Water Segments has remained more or less the same. It rose, though, for the Energy Segment, mainly because OÖ. Ferngas AG has now been fully consolidated. On the liabilities side the investments are offset by contributions to construction costs by customers in the amount of EUR 25 million.

The cash flow from operations, EUR 115.7 million, was more or less cut in half compared to the year before. The main underlying reasons are a lower contribution from the result and payments for securitizing transactions.

Financing Structure and Strategy

The developments on financial markets during the expired business year have shown the importance of a conservative financing strategy. The Energie AG Group attaches great importance to securing sufficient financial flexibility in order to ensure both current and structural solvency and to optimize financing costs. This also means having reasonable strategic liquidity reserves and maintaining the target rating Single A in the long run. When selecting financing structures, we strive to diversify our financing sources and to ease the burden on bank credit lines.



During the 2008/2009 business year, we succeeded in optimizing the structure of the long-term financing of the Energie AG Group by issuing a borrowers' note loan (nominal amount: EUR 250.0 million), as well as by a private placement (nominal amount: EUR 50.0 million). About 80% of the Group's external funding is of a long-term nature and has times to maturity of up to 16 years.

The balanced redemption profile of the Group's external funding is dominated by capital market and capital market-like structures with final maturity. The Group will only have an increased re-financing demand in the year 2013 and then in the year 2016 – from today's perspective the re-financing risk can therefore be classified as minimal.

A strong rating ensures high flexibility of financing and access to the financial markets. Standard & Poor's, the international rating agency, repeatedly reviewed Energie AG on several occasions during the 2008/2009 business year – the most recent review was in November 2009. Against the background of the tense overall economic situation, which has had a noticeable impact on the markets of Energie AG, the credit rating was lowered from A+ (Outlook Negative) to A (Outlook Negative). As a result, we achieved our goal of maintaining a Single A rating, even at times of a difficult economic environment. Especially with a view to the overall conditions on capital markets, which have changed since the outbreak of the financial market crisis, a good credit rating is of outstanding importance in order to secure optimum conditions when obtaining funds on credit and capital markets.

Rating-relevant key data and indicators are taken into account when drawing up the business plan, and the impact on our rating is also considered when evaluating individual projects in order to maintain a Single A rating on a long-term basis.

In addition to the financial reserves from invested funds, the Energie AG Group has credit lines with Austrian and international banks at its disposal as at 30 September 2009, which total about EUR 500 million and have partly been committed. 70% of these lines are not being used at present.

As a rule, the Group's financing is handled on a central basis via Energie AG Oberösterreich and Energie AG Finance B.V. (Amsterdam), which was founded in 2009. Using the positive credit rating of the Group as a basis, the Group's long-term financing has thus been bundled with optimum effect. Funding within the Group is then forwarded in line with needs and at arm's length con-

ditions. Short-term liquidity compensation among the Austrian companies of the Group is obtained by means of a cash pooling system that is being handled together with two Austrian banks.

Value-Based Management in the Energie AG Group

Value-Based Management (VBM) has solid roots on all management levels and in all management processes of the Energie AG Group. Although Energie AG is not listed on the stock exchange, the demands on value-based management have remained unchanged on a high level. Against the background of the economic crisis, the management of the Energie AG Group focuses on maintaining a stable corporate value and securing returns for the owners that are guided by capital market conditions. The central, value-based key data for the financial targets serve to increase the company value in the context of our medium-term strategic direction. In the course of the year, the return on capital employed (ROCE) is used for controlling and directing operations.

The Group's goals have been defined by taking account of the performance of the value-drivers, as well as business-specific aspects. They are broken down to the individual segments and business areas, in line with a consistent set of targets.

The minimum demands of providers of equity and external funding for the return of invested capital (capital employed) are determined by the WACC (weighted average cost of capital).

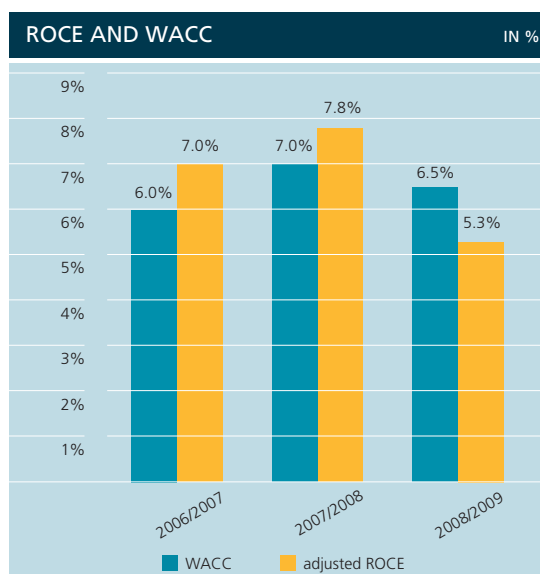
CALCULATION OF THE WACC FOR THE ENERGIE AG GROUP

Risk-free interest rate	4.2%
Market risk premium	5.0%
Beta factor	0.84
Cost of equity	8.4%
Equity ratio	58.0%
Cost of debt before tax	5.2%
Tax rate	25.0%
Cost of debt after tax	3.9%
Debt ratio	42.0%

Weighted average cost of capital after tax (WACC) = 6.5%

For internal control purposes, the WACC is adjusted according to business area and region. Specific risk markups for segments, countries and projects are applied when evaluating investments projects.

During the 2008/2009 business year the ROCE of the Energie AG Group amounted to 4.8% which is substantially below the WACC value of 6.5%. After adjusting for one-off effects and taking account of the adjusted EBIT, the adjusted ROCE amounts to 5.3%. Because of the difficult overall economic conditions, the management of the Energie AG Group initiated consistent cost management during the expired business year in order to obtain the financial targets with sustainable effect. The allocation of resources for future investments and acquisition projects will be geared more to value-based criteria and methods. The measures taken are intended as a contribution so as to ensure that we will be able to continue to obtain the goals of a value-based management in the future.



Material Events after the End of the Business Year

No events of particular significance occurred in the Energie AG Group after the reporting date.

Risk Management

Energie AG has implemented a risk management system throughout the Group which is integrated into the control tools used by the Board of Management and supports a development of the Group's companies that maintains their value.

The risk management process complies with the requirements of the Austrian standard ÖNORM 49000 and has been certified as part of the matrix certification according to ISO 9000 since the previous business year. An external audit in 2009 once again confirmed its validity.

The standardized, IT-supported identification of risks and opportunities throughout the Group facilitates the aggregation of individual risks into a total risk position of the Group. This

increases risk transparency and thus the quality of the input for strategic and operating decisions. Moreover, this takes account of the correlations between the companies, which in turn permit the use of compensatory effects in order to design cost-efficient measures. The ongoing attention to risk topics also enhances the possibility to pro-actively identify risks and opportunities and to thus achieve an optimized performance.

The current project, conducted jointly by risk managers and the intra-group insurance managers has been largely completed and work on its implementation has already begun. The objective of the project is to develop a risk-based insurance plan for the entire Energie AG Group, with the goal of optimizing the relations between assuming own risks and risk transfers at minimized risk costs.

Development of the Risk/Opportunity Situation

● Competition

The risk profile of Energie AG is influenced by the high rate of industrialization in Upper Austria. The industrial customer segment is therefore of particular significance to our core business segments, energy and waste management.

The economic crisis gave rise to the risk of decreased sales of electricity quantities that were previously procured on a back-to-back basis, in conjunction with simultaneous slumps in electricity market prices. Adjustments were made in the design of contracts and products in order to face up to this situation so that it will be possible to counter difficult situations of this type with sustainability, effectiveness and efficiency.

The Waste Management Segment must counter the risk of growing competition, as incineration capacities on the market are on the rise. Securing quantities for thermal waste management has a high priority. By the same token, there is additional pressure on waste management prices from the increase of waste exports and the production cutbacks at SME and industrial companies, as a result of the economic crisis.

● Finances

Group Treasury manages financial risks on a central basis. The main financial risks are the liquidity risk, the foreign-exchange and interest-rate risk, the market price risk of the securities portfolio, as well as the counterparty risk.

We counter the liquidity risk by planning our liquidity with foresight and by maintaining liquidity reserves, as well as by keeping open credit lines with banks. Moreover, great attention is paid to maintaining a strong financial profile and high level of credit worthiness (Single A is the target rating). Especially with a view to the overall conditions, which have changed since the outbreak of the financial market crisis, a good credit rating secures access to capital and facilitates optimum conditions when obtaining funding. At present, increased attention is being paid to further developing working capital management in order to optimize internal financing processes.

The exposure in connection with foreign-exchange risks is restricted mainly to the risk of translating the company and asset values in the CEE area (net investment). No hedging transactions were made for the net investments. The transaction risk of Energie AG can be classified as minimal.

At the end of the 2008/2009 business year, the share of variable interest-bearing liabilities amounted to about 50% of the total financing portfolio. On account of the current market situation and the expected development of interest rates on capital markets, variable interest-bearing portions of external funding are gradually being replaced by attractive fixed interest-bearing titles by means of interest-rate swaps. During the expired business year, Group Treasury used these swaps to secure the risk of interest rate changes.

Group Treasury primarily determines on a central basis the design and implementation of hedging strategies. Derivative financial instruments are used in this context. As a matter of principle, these transactions are only conducted with counterparties with a very high rating in order to minimize the risk of deterioration of the counterparty rating.

The exchange-rate risk in connection with our invested liquidity reserves is limited by a conservative and risk-optimized investment strategy, as well as by continuous monitoring. In spite of the dramatic developments during the first six months of the expired business year, it was possible to obtain a positive investment result throughout the Group for the entire 2008/2009 business year. When integrating companies, the goal is to transfer the conservative approach and the clear limitation of risks in connection with financial investments, which is in line with our central investment management.

Please refer to the information in the Group's Notes with regard to the effect of derivative hedging transactions and their effect on the balance sheet.

● Participations

Participation risks are the result of fluctuations in the shares held, in the dividends, the pro-rata net income for the year in the case of associated companies with at-equity consolidation, and of liabilities. The risks are optimized by identifying, analyzing, quantifying and monitoring them. In this area, too, the effects of the general economic development must be countered by stepping up the controlling of the participations.

● Counterparties

In connection with financial energy trading activities, Energie AG only engages in transactions with counterparties with first-class ratings in order to minimize counterparty risks. The risk is further restricted by a limit system and monitoring. For the purpose of engaging in hedging transactions and commodity futures transactions with several counterparties, we signed the German master agreement on financial derivatives, with

an attachment on hedging shown in the annex, in order to minimize risks. For the operational implementation of this hedging attachment, the discounted contracted values with mark-to-market valuation are coordinated with the counterparties concerned on a weekly basis.

During the 2008/2009 business year the activities of Energie AG Oberösterreich Trading GmbH (Trading GmbH) were expanded by adding gas trading activities. The respective framework agreements were signed with gas suppliers, the trading portfolio on the EEX was enlarged by the product gas, and the necessary access points to the network were confirmed contractually. Since 1 September 2009 the management of balance sheet groups for Austria and Germany is handled in operational terms.

In connection with the economic development, the statistics of the credit protection association also show a significant increase in the number of bankruptcies. Energie AG is reacting to this with tight receivables management, increased external credit rating monitoring, shortened dunning periods and express collection procedures, if so required. The goal is to maintain the very good key data of our receivables management.

- **Procurement**

Procurement risks are monitored and controlled by means of institutionalized processes. At present, the entire procurement process is being validated in the course of a project and we are utilizing the optimizing potential arising from the current supply situation.

- **Production, Grid, Waste Management and Infrastructure Facilities**

Energie AG counters the risk related to facilities and their interruptions by strict maintenance and quality controls, an optimized maintenance strategy and insurance coverage.

During the year under review there were clearly fewer facility interruptions in the electricity grid due to adverse weather conditions than in the year before. We proactively counter this risk by focusing on placing in cables overland lines extending through forest sections.

- **Water Levels**

Energie AG depends to a large extent on the water levels of rivers. This concerns both our own generation and our electricity procurement rights. The start-up of the combined-cycle gas turbine power station at Timelkam contributes to more diversification of the power plant fleet and thus to risk optimization. During the expired business year the water levels of rivers were 2% above the standard production capacity.

- **Energy Markets**

All electricity trading activities of the Group have been bundled in Trading GmbH. This company receives and markets the electricity quantities generated at our own power stations and obtained from procurement rights via products fit for trading on futures market and spot markets, and it also handles the procurement of the electricity quantities needed for supply purposes.

This system to handle the internal market avoids risks incurred on external electricity trading markets. Moreover, external hedging transactions help to limit market price risks. The hedging transactions are carried out both for supply purposes in order to secure prices when signing contracts with large-scale customers, and for our power stations in order to limit fluctuations in result (cash-flow hedging).

A limitation of the trading risk is ensured for our proprietary trading activities by means of comprehensive reporting on business activities, as well as by continuously monitoring compliance with risk guidelines.

Please refer to the Notes for details on hedging methods and their representation in the balance sheet.

As of 30 September 2009, no risks can be identified for the 2009/2010 business year which, either separately or jointly, might threaten the existence of Energie AG.

Research and Development

Research and development are integral components of the entrepreneurial activities of the Energie AG Group.

During the expired business year, the expenses for research, development and innovation amounted to EUR 3.1 million for the entire Group. In the various entities of the Group, about 269 staff members were responsible for performing this work, in addition to their day-to-day duties.

In addition to the activities within the company, the Energie AG Group participates substantially in projects sponsored by the Climate and Energy Fund of the Federal Government. Staff members of the Group also make considerable contributions to the energy research group of the Austrian Association of Electricity Companies and, on top of this, in the research-policy bodies that deal with electricity issues of the European Commission, Directorate General Research, and Directorate General for Energy and Transport. In this context, they provide their expert knowledge and assume project tasks.

In addition to a general technical orientation of research and development activities, and innovation processes, developments focusing on business administration aspects, socio-political topics and new forms of staff development and staff management also are a special priority.

During the year under review, research, development and innovation were promoted, inter alia, in the following projects:

- At the site of a thermal power plant, new possibilities for re-utilizing CO₂ emissions are being studied together with partners, and detailed operating data are being obtained from a pilot test.
- At the biomass power plant at Timelkam, various fuel mixes are analyzed with a view to their ash quality and emission mix. In this context, the focus is also on analyzing corrosion processes which may appear with different compositions of used-timber qualities.
- In cooperation with external companies, the so-called "Airborne Laser Scanning" was developed for planning new high-voltage lines and improving documentation of existing systems. This involves mounting a laser scanner on a flying object to produce comprehensive topographical data and high-resolution surface profiles. The data are used when determining the outline of new constructions, increasing the performance of existing high-voltage lines and documenting existing systems. As a result of the high quality of the data, interest has also been expressed by third parties.
- In cooperation with an external institute, a pilot test was conducted to determine what instruments, information and analyses are needed by customers from different market segments in order to optimize and subsequently reduce their energy consumption. In this context, special emphasis is put on precise and comprehensive data, on the one hand, and on various motivating factors, on the other hand.
- A project comprising all supply activities of the Energie AG Group looked into possible applications for the further development of the new generation of AMIS meters, to record not only electricity consumption but also other media, which would provide an additional useful benefit. The goal of the project is the remote reading of consumption data such as, for example, gas, heat or water. In addition, a standardized radio system for the wireless interconnection of all meters at a customer's site is being developed in cooperation with various producers of meters.

- During the expired business year comprehensive analyses on expectations, applicable technologies and the necessary infrastructure were made which provide an intra-group basis for a broad range of discussion topics and measures on electric mobility. One main focus was the possible repercussions and influences on the grid structure, especially in the medium-voltage range, as well as on possible charging structures for fully electric mobility.
- Since the expired business year a gas heat pump in a municipal building has been put on a multi-year test operation. The system has been designed as a hybrid heating appliance with an absorption heat pump and a depth probe as a heat source. This pilot operation is intended to document the stability of this technology, on the one hand, and, on the other hand, the analysis of the long-term measuring data is intended to lead to further improvements of this technology.
- In cooperation with the Vienna Technical University a detailed analysis of the optimizing potential was made in connection with thermal waste processing plants. The next step is to examine the various proposals of how to implement this in technical and economic terms.

Outlook

With regard to the further economic development in the market areas of the Energie AG Group, renowned institutes for economic research and no less than the EU Commission in its fall report published in early November 2009 expect a distinct recovery of economic activity. However, as many indicators provide only a short-term perspective, and because they are based on specific political assumptions, the forecasts continue to be of considerable uncertainty.

Regardless of the future economic environment, the Energie AG Group is assuming that economic activities will stabilize. Measures taken to further reduce costs, a tight-fisted allocation of funding for investments and acquisitions, the optimization of identified risk positions, as well as financial provisions constitute the basis for continuing the success course of recent years.

With the objective of a balanced corporate portfolio, the individual business areas face different challenges in the coming business year.

- According to the binding RES Directive of the European Union, Austria must increase its share of renewable energies in total energy consumption to 34% by the year 2020. The National Action Plan, which must define how this goal will be reached, is currently being drawn up, under the leadership of the Federal Ministry of Economy, Family and Youth and the Federal Ministry of Agriculture and Forestry, Environment and Water Management. Its implementation is a major challenge to the industry and thus also to our business area power generation.

According to a study by the Vienna Technical University, 3 to 6 GW of new power station capacities will be required in Austria in the coming five to ten years in order to compensate the shut-down of old plants and consumption growth. During the 2009/2010 business year, as well, the business area power generation will make intensive efforts to enhance the efficiency of existing power stations, develop new projects and secure sites for future production facilities.

- Shortly after the end of the expired business year, on 8 October 2009, E-Control communicated to Netz GmbH the report on the investigation procedure concerning changes in the system utilization tariffs pursuant to § 55 of the Electricity Industry and Organization Act, which was followed by a draft for the 2010 Ordinance on Tariffs for Systems Utilization. A position statement on the report is currently being drafted.

The 2nd Regulatory Period (2010 to 2013) begins on 1 January 2010. Ensuring fair recognition of investments creates a climate favoring investments for electricity grid operators, which, in turn, ensures reliable and high-quality supplies. The pressure on operating costs will continue and also require ongoing efficiency measures and structural optimization.

- After the successful test operation with 10,000 "Smart Meters" it is planned to install another 50,000 meters during the coming business year. Further expansion of the system will largely depend on whether the regulatory authority recognizes the expenses incurred.

As part of a cooperation project it was agreed that all municipalities in Upper Austria will be linked up to the optical fiber network. By the end of 2010, already more than half of the municipalities will have been connected.

- For the ENAMO group of companies, efforts will be made to maintain its position as Number 2 on the Austrian electricity supply market and to secure it, primarily by virtue of its commitment to the market in Upper Austria. The emphasis in this context will be placed on regional roots and its position as a quality distributor.

In the coming business year, we will have to expect distinctly lower sales volumes in the industrial customer

segment, as compared to the originally budgeted quantities. Thanks to the adequate provision for imminent losses made during the 2008/2009 business year, this should not have any negative effect on the result.

The business area supply is facing a special challenge, i.e. to satisfy the changing needs of customers and to control the impact of volatile market developments on the Group's result, in accordance with optimum risk management.

- The business area heating will use opportunities available for further stable growth. In addition to signing up new customers in the existing networks, the focus in Upper Austria is on using renewable energy forms such as biomass and geothermal applications. We count on growth by acquisitions in the Czech Republic and Slovakia, using possibilities for technical and organizational optimization.

- The new organizational structure of OÖ. Ferngas AG enters into force at the beginning of the 2009/2010 business year. In addition to divesting the natural gas network operations into a separate company, the activities concerning natural gas distribution and in-area heat sources were merged into one joint company. This is to further focus our activities on products and offers to customers on the heating market, as well as in connection with out-of-area supplies and natural gas filling stations.

A new tariff setting procedure is under way at the cut-off date of the financial statements, which will have an impact on 2010. The procedure is expected to be completed at year-end 2009.

- The 2009/2010 business year will be a major challenge to the Waste Management Segment. On the one hand, the development of prices for recycling materials and the utilization of capacities at processing companies

cannot, as yet, be estimated; on the other hand, thermal processing capacities and export permits for waste from the municipal, business and industrial sectors are increasing constantly. On the basis of a high share of municipal operations and the sound basis of private-public-partnership models, the CEE area should also be in a position in the coming years to deliver more than proportionate contributions to the result of the AVE group.

The main, medium-term tasks of AVE are the consistent continuation of the consolidation course in Austria and Germany, the risk-optimized market expansion with a focus on municipalities in CEE, and the exploitation of market opportunities arising from the economic crisis. Moreover, ongoing efforts are being made to optimize the group structure.

On the basis of these activity priorities, the AVE group will be able to further strengthen and expand its position as an integrated waste management company in Central Europe.

- In the Water Segment the coming months will be characterized by the completion of the merger of the two big operating companies in southern Bohemia. At the same

time, a new technical services company was founded, which has a business portfolio similar to the service products offered by WDL. The position as Number 3 on the Czech water market is to be strengthened and expanded gradually with the help of efficiency increases and further acquisitions.

In Austria, the existing business portfolio is to be further developed by implementing the water supply projects and by organically expanding the services business.

The systematic implementation of our defined growth strategy, which includes continuous enhancement of segment performance, will enable this segment to achieve its goal of making a stable, risk-minimized and crisis-resistant contribution to the corporate result and playing a leading role on its core markets.

The Energie AG Group will apply its stable business models and further strengthen its position as an integrated infrastructure group in order to unwaveringly pursue its goal of value-based growth in spite of the additional external challenges. Systematic, value-based and risk-optimized corporate management and direction, committed staff members and an experienced management team will ensure that this goal is reached.

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich



Leo Windtner



Werner Steinecker



Roland Pumberger



MONIKA LEHNER Energie AG Oberösterreich Kraftwerke GmbH

**WE NEED NEW APPROACHES
AND SOLUTIONS FOR OUR
FUTURE ENERGY SUPPLIES.
WE USE OUR EXPERTISE TO
DEVELOP THEM.**

Consolidated Income Statement

01 October 2008 to 30 September 2009

		01/10/08 to 30/09/09 in EUR 1,000	01/10/07 to 30/09/08 in EUR 1,000
1. Sales	(6)	1,805,967.8	1,520,063.3
2. Change in inventories of finished and unfinished products		1,983.9	1,665.8
3. Other capitalized costs of self-constructed items		33,606.2	27,564.8
4. Shares in result of companies associated at equity	(17)	12,142.9	15,394.6
5. Other operating income	(8)	35,617.9	57,196.8
6. Cost of materials and other purchased manufacturing services	(9)	- 1,135,528.4	- 876,814.1
7. Personnel expenses	(10)	- 299,029.5	- 256,979.0
8. Depreciation	(11)	- 157,757.5	- 134,383.7
9. Other operating expenses	(12)	- 191,545.1	- 189,968.6
10. Result of operations		105,458.2	163,739.9
11. Financing expenditure	(13)	- 45,784.0	- 44,721.4
12. Other interest income	(13)	19,132.0	26,479.1
13. Other financial results	(14)	11,789.7	- 2,157.4
14. Financial result		- 14,862.3	- 20,399.7
15. Result from ordinary business activities		90,595.9	143,340.2
16. Taxes on income	(15)	- 17,461.4	- 26,765.0
17. Consolidated net result		73,134.5	116,575.2
attributable to minority shareholders		3,801.9	171.3
attributable to shareholders of parent company			
Consolidated net profit		69,332.6	116,403.9
		EUR	EUR
Result per share ¹⁾	(34)	0.779	1.416
Proposed dividend per share	(34)	0.600	0.600

¹⁾ Diluted result corresponds to undiluted result.

Consolidated Balance Sheet as at 30 September 2009

ASSETS		30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
A. Long-term assets			
I.	Intangible assets and goodwill (16)	280,635.2	271,839.8
II.	Tangible fixed assets (16)	1,914,581.8	1,876,684.1
III.	Investments (of these companies associated at equity: EUR 246,212.4 thousand [2008: EUR 238,741.1 thousand]) (17)	307,071.6	305,382.7
IV.	Financial assets from cross-border leasing (5)	—	87,217.8
V.	Other financial assets (18)	468,024.2	370,840.5
		2,970,312.8	2,911,964.9
VI.	Other long-term assets from cross-border leasing (5)	—	16,287.2
VII.	Other long-term assets (19)	119,936.1	85,752.6
VIII.	Deferred taxes (15)	18,639.4	7,715.7
		3,108,888.3	3,021,720.4
B. Short-term assets			
I.	Inventories (20)	81,197.4	82,427.7
II.	Accounts receivable and other assets (21)	359,374.9	365,998.5
III.	Cash in hand, checks and bank balances (22)	108,996.0	223,786.8
		549,568.3	672,213.0
		3,658,456.6	3,693,933.4
LIABILITIES			
		30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
A. Equity			
I.	Equity of shareholders of parent company (23)	1,230,634.1	1,288,857.1
II.	Minority interest in equity (23)	71,521.1	69,025.2
		1,302,155.2	1,357,882.3
B. Long-term debt			
I.	Financial liabilities (24)	833,806.6	482,074.2
II.	Liabilities from cross-border leasing (5)	—	93,237.1
III.	Long-term provisions (25)	190,004.1	201,397.3
IV.	Deferred tax liabilities (15)	105,867.7	117,879.7
V.	Contributions to construction costs (26)	328,259.0	322,518.4
VI.	Deferred credit for cross-border leasing (5)	37,199.2	79,519.2
VII.	Advances from customers (27)	86,561.9	89,284.2
VIII.	Other long-term debt (28)	106,108.8	94,921.6
		1,687,807.3	1,480,831.7
C. Short-term debt			
I.	Financial liabilities (24)	225,825.0	368,812.6
II.	Short-term provisions (29)	43,261.6	36,203.3
III.	Tax provisions (30)	4,801.9	13,080.9
IV.	Accounts payable (24)	149,268.5	179,601.2
V.	Deferred credit from cross-border leasing (5)	1,253.0	3,817.3
VI.	Other short-term debt (31)	244,084.1	253,704.1
		668,494.1	855,219.4
		3,658,456.6	3,693,933.4

Development of Fixed Assets

2008/2009 (Annex to the Notes)

	Cost of purchase or production						As at 30/09/2009 in EUR 1,000
	As at 01/10/2008 in EUR 1,000	Currency differences in EUR 1,000	Change in consolidated group in EUR 1,000	Additions in EUR 1,000	Disposals in EUR 1,000	Transfers in EUR 1,000	
I. Intangible assets and goodwill							
1. Electricity procurement rights	198,318.1	—	—	—	—	—	198,318.1
2. Other rights	78,379.0	- 251.1	172.2	4,711.5	- 3,202.9	6,517.6	86,326.3
3. Goodwill	129,371.7	- 483.5	12,178.5	—	- 337.5	—	140,729.2
4. Customer base	72,556.7	- 652.6	6,629.2	—	—	—	78,533.3
5. Payments on account and assets under construction	674.8	3.0	19.1	1,249.8	- 8.4	- 558.9	1,379.4
Total for intangible assets	479,300.3	- 1,384.2	18,999.0	5,961.3	- 3,548.8	5,958.7	505,286.3
II. Tangible fixed assets							
1. Land and buildings	967,899.9	- 4,528.9	5,610.6	12,958.2	- 4,038.1	6,614.9	984,516.6
2. Plant and machinery	2,773,151.1	- 4,034.3	8,286.6	88,593.4	- 18,931.0	35,938.6	2,883,004.4
3. Factory and office equipment	154,810.5	- 263.1	171.0	23,784.3	- 4,589.5	4,735.9	178,649.1
4. Payments on account and assets under construction	56,957.1	- 361.7	104.6	62,796.2	- 2,703.0	- 53,248.1	63,545.1
Total for tangible fixed assets	3,952,818.6	- 9,188.0	14,172.8	188,132.1	- 30,261.6	- 5,958.7	4,109,715.2
III. Investments							
1. Shares in affiliated undertakings	45,402.8	- 1,861.4	- 18,141.0	17,602.6	- 141.3	35.5	42,897.2
2. Shares in associated undertakings	254,360.0	- 50.3	—	8,261.8	- 740.2	—	261,831.3
3. Investments available for sale	303.2	—	—	—	—	—	303.2
4. Other investments	32,856.8	21.9	28.2	868.2	- 3,188.1	- 35.5	30,551.5
Total for investments	332,922.8	- 1,889.8	-18,112.8	26,732.6	- 4,069.6	—	335,583.2
IV. Financial assets from cross-border leasing	128,891.2	—	—	2,020.0	-130,911.2	—	0.0
V. Other financial assets							
1. Loans to affiliated undertakings	2,611.2	208.2	- 808.6	8,276.2	- 261.1	—	10,025.9
2. Due to undertakings with which the company is linked by virtue of participating interests	3,689.9	- 350.7	—	31,057.4	—	—	34,396.6
3. Other loans	17,645.9	- 86.9	142.8	732.7	- 2,621.9	—	15,812.6
4. Securities available for sale	26,178.2	—	—	3,902.5	- 6,074.6	—	24,006.1
5. Other securities (loan stock rights) held as tangible assets	306,253.0	—	—	50,461.1	- 289.9	—	356,424.2
Total for other financial assets	356,378.2	- 229.4	- 665.8	94,429.9	- 9,247.5	—	440,665.4
Total for fixed assets	5,250,311.1	- 12,691.4	14,393.2	317,275.9	- 178,038.7	—	5,391,250.1

	Accumulated depreciation					As at 30/09/2009 in EUR 1,000	Carrying value 30/09/2009 in EUR 1,000	Carrying value 30/09/2008 in EUR 1,000
	As at 01/10/2008	Currency differences	Write-ups/ depreciation	Disposals	Transfers			
	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000			
	113,822.4	—	4,506.3	—	—	118,328.7	79,989.4	84,495.7
	46,504.6	- 49.0	7,708.2	- 662.5	667.2	54,168.5	32,157.8	31,874.4
	41,763.3	—	—	—	—	41,763.3	98,965.9	87,608.4
	5,180.2	- 5.1	5,030.6	—	—	10,205.7	68,327.6	67,376.5
	190.0	- 5.1	—	—	—	184.9	1,194.5	484.8
	207,460.5	- 59.2	17,245.1	-662.5	667.2	224,651.1	280,635.2	271,839.8
	430,205.8	- 1,352.4	20,856.7	- 330.5	- 649.0	448,730.6	535,786.0	537,694.1
	1,554,133.2	- 2,143.3	101,506.6	- 12,342.4	16.1	1,641,170.2	1,241,834.2	1,219,017.9
	91,082.3	- 178.0	18,133.9	- 4,036.1	- 38.3	104,963.8	73,685.3	63,728.2
	713.2	- 24.2	15.2	- 439.4	4.0	268.8	63,276.3	56,244.0
	2,076,134.5	- 3,697.9	140,512.4	- 17,148.4	- 667.2	2,195,133.4	1,914,581.8	1,876,684.1
	- 26.4	4.6	106.9	—	—	85.1	42,812.1	45,429.2
	15,619.0	—	—	—	—	15,619.0	246,212.3	238,741.0
	- 4,011.8	—	1,629.0	—	—	- 3,151.8	3,455.0	4,315.0
	15,959.4	—	—	—	—	15,959.4	14,592.2	16,897.5
	27,540.2	4.6	1,735.9	—	—	28,511.7	307,071.6	305,382.7
			- 769.0					
	41,673.4	—	5.9	- 40,789.3	—	—	0.0	87,217.8
			- 890.0					
	10.1	—	—	- 0.3	—	9.8	10,016.1	2,601.1
	—	—	—	—	—	—	34,396.6	3,689.9
	—	—	—	—	—	—	15,812.6	17,645.9
	- 5,904.3	—	10,476.1	- 3,679.5	—	- 9,244.0	33,250.1	32,082.5
			- 10,136.3					
	- 8,568.1	—	3,634.3	- 27.6	—	4,718.7	374,548.8	314,821.1
			- 13,163.2			- 22,843.3		
	- 14,462.3	—	14,110.4	- 3,707.4	—	- 27,358.8	468,024.2	370,840.5
			- 23,299.5					
2,338,346.3	- 3,752.5	173,609.7	- 62,307.6	—	2,420,937.4	2,970,312.8	2,911,964.9	
			- 24,958.5					

Development of Fixed Assets

2007/2008 (Annex to the Notes)

	Cost of purchase or production						As at 30/09/2009 in EUR 1,000
	As at 01/10/2008 in EUR 1,000	Currency differences in EUR 1,000	Change in consolidated group in EUR 1,000	Additions in EUR 1,000	Disposals in EUR 1,000	Transfers in EUR 1,000	
I. Intangible assets and goodwill							
1. Electricity procurement rights	198,313.7	—	4.4	—	—	—	198,318.1
2. Other rights	67,528.2	512.0	4,155.8	7,564.1	- 3,199.7	1,818.6	78,379.0
3. Goodwill	84,361.2	645.6	44,858.1	1,313.6	- 1,806.8	—	129,371.7
4. Customer base	22,898.0	1,715.4	47,693.4	249.9	—	—	72,556.7
5. Payments on account and assets under construction	2,041.0	101.4	138.7	893.5	- 787.4	- 1,712.4	674.8
Total for intangible assets	375,142.1	2,974.4	96,850.4	10,021.1	- 5,793.9	106.2	479,300.3
II. Tangible fixed assets							
1. Land and buildings	900,489.0	10,901.7	35,428.0	13,283.0	- 583.1	8,381.3	967,899.9
2. Plant and machinery	2,329,319.9	8,568.1	315,422.0	86,090.4	- 6,402.1	40,152.8	2,773,151.1
3. Factory and office equipment	121,218.4	1,088.4	21,021.0	19,579.8	- 4,746.2	- 3,350.9	154,810.5
4. Payments on account and assets under construction	47,780.3	654.1	2,502.5	52,492.0	- 1,182.4	- 45,289.4	56,957.1
Total for tangible fixed assets	3,398,807.6	21,212.3	374,373.5	171,445.2	- 12,913.8	- 106.2	3,952,818.6
III. Investments							
1. Shares in affiliated undertakings	21,242.3	1,856.1	- 7,211.0	29,114.3	- 372.8	773.9	45,402.8
2. Shares in associated undertakings	284,156.4	18.0	- 64,355.2	52,324.2	- 17,783.4	—	254,360.0
3. Investments available for sale	303.2	—	—	—	—	—	303.2
4. Other investments	28,306.8	508.4	892.3	5,435.6	- 1,512.4	- 773.9	32,856.8
Total for Investments	334,008.7	2,382.5	- 70,673.9	86,874.1	- 19,668.6	—	332,922.8
IV. Financial assets from cross-border leasing	125,808.5	—	—	8,022.7	- 4,940.0	—	128,891.2
V. Other financial assets							
1. Loans to affiliated companies	1,814.6	320.7	- 1,381.2	2,070.1	- 213.0	—	2,611.2
2. Due to undertakings with which the company is linked by virtue of participating interests	—	94.0	—	3,595.9	—	—	3,689.9
3. Other loans	17,728.5	55.8	1,550.9	1,606.1	- 3,295.4	—	17,645.9
4. Securities available for sale	5,280.3	—	21,318.7	1,450.0	- 1,870.8	—	26,178.2
5. Other securities (loan stock rights) held as tangible assets	198,598.4	—	15,181.5	92,662.6	- 189.5	—	306,253.0
Total for other financial assets	223,421.8	470.5	36,669.9	101,384.7	- 5,568.7	—	356,378.2
Total for fixed assets	4,457,188.7	27,039.7	437,219.9	377,747.8	- 48,885.0	0.0	5,250,311.1

	Accumulated depreciation					As at 30/09/2009 in EUR 1,000	Carrying value 30/09/2009 in EUR 1,000	Carrying value 30/09/2008 in EUR 1,000
	As at 01/10/2008 in EUR 1,000	Currency differences in EUR 1,000	Write-ups/ depreciation in EUR 1,000	Disposals in EUR 1,000	Transfers in EUR 1,000			
	110,147.3	—	3,675.1	—	—			
43,879.1	269.3	5,374.8	- 3,108.7	90.1	46,504.6	31,874.4	23,649.1	
34,625.3	- 74.3	8,127.5	- 915.2	—	41,763.3	87,608.4	49,735.9	
2,431.9	- 17.8	2,766.1	—	—	5,180.2	67,376.5	20,466.1	
872.9	83.8	184.3	- 951.0	—	190.0	484.8	1,168.1	
191,956.5	261.0	20,127.8	- 4,974.9	90.1	207,460.5	271,839.8	183,185.6	
406,189.1	4,187.0	19,876.9	- 76.3	29.1	430,205.8	537,694.1	494,299.9	
1,468,905.2	4,546.8	80,018.0	- 2,510.2	3,458.2	1,554,133.2	1,219,017.9	860,414.7	
		- 284.8						
83,972.0	821.7	14,075.0	- 4,209.0	- 3,577.4	91,082.3	63,728.2	37,246.4	
439.5	7.2	286.0	- 9.0	—	713.2	56,244.0	47,340.9	
		- 10.5						
1,959,505.8	9,562.7	114,255.9	- 6,804.5	- 90.1	2,076,134.5	1,876,684.1	1,439,301.8	
- 295.3								
- 0.4	2.5	—	- 28.5	—	- 26.4	45,429.2	21,242.7	
15,619.0	—	—	—	—	15,619.0	238,741.0	268,537.4	
- 3,738.8	—	- 273.0	—	—	- 4,011.8	4,315.0	4,042.0	
15,949.3	- 0.8	0.8	10.1	—	15,959.4	16,897.5	12,357.6	
27,829.1	1.7	0.8	- 18.4	—	27,540.2	305,382.7	306,179.7	
		- 273.0						
39,600.1	—	3,688.0	- 1,614.7	—	41,673.4	87,217.8	86,208.4	
10.7	—	—	- 0.3	—	10.1	2,601.1	1,803.9	
		- 0.3						
—	—	—	—	—	—	3,689.9	—	
—	—	—	—	—	—	17,645.9	17,728.5	
- 33,971.3	—	27,777.8	4,160.6	—	- 5,904.3	32,082.5	39,251.6	
		- 3,871.4						
- 12,330.5	—	5,020.2	- 0.2	—	- 8,568.1	314,821.1	210,928.9	
		- 1,257.6						
- 46,291.1	—	32,798.0	4,160.1	—	- 14,462.3	370,840.5	269,712.9	
		- 5,129.3						
2,172,600.3	9,825.4	170,870.5	- 9,252.4	0.0	2,338,346.2	2,911,964.9	2,284,588.4	
			- 5,697.6					

Notes to the Consolidated Financial Statements 2008/2009

1. General Information

The Energie AG Oberösterreich Group is a leading infrastructure group of Upper Austria. It provides high-quality services in connection with supplying energy, as well as waste management and providing services in its Energy, Waste Management and Water Segments.

The registered office of Energie AG Oberösterreich is located at Böhmerwaldstrasse 3 in Linz, Austria.

The consolidated financial statements of Energie AG Oberösterreich for the 2008/2009 business year were drawn up in accordance with the International Financial Reporting Standards (IFRS), as they were required to be applied on the balance-sheet date, together with the applicable interpretations, as published by the International Accounting Standards Board (IASB) and adopted by the European Union. The changes in IAS 23 (Borrowing Costs) were applied on an early basis. For the 2008/2009 business year interest in the amount of EUR 1.2 million were recognized as assets.

The following standards and interpretations were not applied on an early basis in the consolidated financial statements 2008/2009:

To be applied as of 1 January 2009: IFRS 8 (Operating Segments), IFRIC 15 (Agreements for the Construction of Real Estate); changes in IFRS 2 (Share-Based Payments); revision of IAS 1 (Presentation of Financial Statements), as well as changes in IAS 32 (Financial Instruments; Presentation)

To be applied as of 1 July 2009: Changes in IAS 27 (Consolidated and Separate Financial Statements); changes in IAS 28 (Investments in Associates); changes in IAS 39 (Financial Instruments); changes in IFRS 1 (First time adoption of International Financial Reporting Standards); revision of IFRS 3 (Business Combinations), as well as changes in IFRS 7 (Financial Instruments: Disclosures).

According to current assessments, the future application of these standards and/or interpretations will not have any major impact on the assets, financial and earnings position of the Group.

The consolidated financial statements comply with the directives of the European Union on corporate reporting.

The present consolidated financial statements according to the IFRS release the company from its obligation under § 245a of the Austrian Commercial Law Code to prepare consolidated annual accounts in keeping with the Austrian Commercial Law Code. Whenever the Austrian Commercial Law Code so requires, additional information is provided in the respective notes.

The consolidated financial statements were prepared in thousand euros (EUR 1,000).

Rounding differences may appear as a result of using automatic calculation tools for summing up rounded amounts and percentages.

Consolidation Principles

2. Consolidated Group

The principles of IAS 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries) were applied in order to determine the consolidated group. As a result, in addition to Energie AG Oberösterreich, the parent company, the consolidated financial statements comprise 59 subsidiary companies (49 in the year before), in which Energie AG Oberösterreich directly or indirectly holds a majority of the voting rights.

The consolidated financial statements comprise six joint ventures (6 in the year before), which are included on a pro-rata basis.

For the business year under review, the accounts of seven associated companies (7 in the year before) were drawn up at equity, pursuant to the principles of IAS 28 (Accounting for Investments in Associates).

Shares in subsidiaries, joint ventures or associated companies, which are of minor significance from the Group's perspective, are shown in the balance sheet at historical costs. The companies that were not included on account of their minor significance remain insignificant even when taken together.

Uniform accounting and valuation principles are applied to the financial statements of the undertakings included in the consolidated financial statements as fully consolidated or pro-rata consolidated undertakings. The individual fi-

ancial statements of the subsidiary companies have been drawn up for the Group's balance-sheet date. As a result of specific company-law agreements, ENAMO GmbH (Linz), Energie AG Oberösterreich Vertrieb GmbH & Co KG (Linz), "Papyrus" Altpapierservice Handelsgesellschaft mbH (Vienna), as well as Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) were included in the consolidated financial statements on a pro-rata basis, and Abfall-Aufbereitungs GmbH was full consolidated in the consolidated financial statements.

For the 2008/2009 business year, the following undertakings were consolidated for the first time:

	Registered office	Share (in %)	Type of consolidation	Consolidated since
ENERGY				
AUSTRIA				
Energie AG Oberösterreich Wasserkraft GmbH	Linz	100.00	FC	16/12/08
NETHERLANDS				
Energie AG Finance B.V.	Amsterdam	100.00	FC	18/02/09
CZECH REPUBLIC				
SATEZA a.s.	Šumperk	91.67	FC	01/10/08
Teplne zasobovani Rakovník spol. s.r.o.	Rakovník	66.00	FC	01/10/08
GERMANY				
Erdgas Oberösterreich Vertriebs GmbH	Tittling	65.00	FC	28/11/08
WASTE MANAGEMENT				
AUSTRIA				
Abfall-Aufbereitungs GmbH	Hörsching	50.00	FC	01/10/08
CZECH REPUBLIC				
AVE komunální služby s.r.o.	Praha	100.00	FC	01/01/09
WATER				
CZECH REPUBLIC				
VHOS a.s.	Moravská Třebová	87.90	FC	30/09/09
VHOS-KA s.r.o.	Moravská Třebová	87.90	FC	30/09/09
Vodárenská společnost Beroun a.s.	Beroun	59.20	FC	01/10/08
SLOVENIA				
VARINGER d.o.o.	Maribor	74.00	FC	01/01/09

FC = fully consolidated company

As of 1 October 2008 AVE Recycling GmbH (Rotthalmünster, Germany), as well as TSH Abfallwirtschaft Niederbayern GmbH (Offenberg/Neuhasen, Germany) were merged with AVE Abfallwirtschaft GmbH, and Johann Spiels & Co GmbH (Vienna) was merged with AVE Österreich GmbH. Moreover, Fortygo s.r.o. (Nejdek, Czech Republic), AVE CZ Hořovice s.r.o. (Hořovice, Czech Republic), as well as AVE CZ Pardubice s.r.o. (Pardubice, Czech Republic) were merged with AVE CZ odpadové hospodářství s.r.o.

The main changes in the group of consolidated companies during the 2008/2009 business year are shown below:

	Total in EUR mill.
Long-term assets	20.4
Short-term assets	17.1
Long-term provisions and liabilities	- 6.9
Short-term provisions and liabilities	- 15.6
Net worth	15.0
Differentials carried on the liabilities side	- 0.3
Goodwill	12.1
	26.8
Purchase price paid in previous periods	- 17.6
Acquisition of unconsolidated, associated companies	17.6
Changes in minority interests	- 1.0
Acquired cash and cash equivalents	- 2.9
Net cash outflow	22.9

The companies with first-time consolidation during the 2008/2009 business year generated a profit on their ordinary activities in the amount of EUR 2,200.1 thousand (EUR 5,976.7 thousand in the year before). No fictitious indication of corporate values is given with the assumption that all company mergers were made as of 1 October 2008, as separate allocations for the acquisition price were not made for all company acquisitions at that time.

The pro-rata consolidated companies and the associated companies valued at equity are shown below:

	Companies with proportional consolidation (pro-rata)		Associated companies (at equity)	
	30/09/2009 in EUR mill.	30/09/2008 in EUR mill.	30/09/2009 in EUR mill.	30/09/2008 in EUR mill.
Long-term assets	32.1	26.5	1,586.1	1,538.5
Short-term assets	79.4	70.3	164.1	133.9
	111.5	96.8	1,750.2	1,672.4
Equity	9.5	18.9	474.4	442.5
Long-term debt	10.1	11.0	892.4	792.8
Short-term debt	91.9	66.9	383.4	437.1
	111.5	96.8	1,750.2	1,672.4
Sales revenues	466.4	492.4	1,765.8	1,489.1
Result after taxes	- 20.5	- 3.5	34.7	47.2

The associated companies valued at equity have a total balance sum of EUR 86.0 million, debts in the amount of EUR 76.7 million, sales revenues in the amount of EUR 37.3 million, as well as a profit on ordinary activities in the amount of EUR 0.8 million.

THE GROUP'S COMPANIES

	Registered office	Share in %	Type of consolidation	Equity	Net income/loss for the year
ENERGY				in EUR 1,000	in EUR 1,000
AUSTRIA					
Energie AG Oberösterreich	Linz	Parent company		1,041,037.4	51,353.5
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH	Linz	100.00	FC	247,108.0	8,737.2
Energie AG Oberösterreich Business Services GmbH	Linz	100.00	FC	6,850.6	918.8
Energie AG Oberösterreich Customer Services GmbH	Linz	100.00	FC	4,026.9	2,923.3
Energie AG Oberösterreich Data GmbH	Linz	100.00	FC	9,414.0	4,829.5
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100.00	FC	6,837.9	- 162.2
Energie AG Oberösterreich Kraftwerke GmbH	Linz	100.00	FC	10,570.8	- 1,618.8
Energie AG Oberösterreich Personal Services GmbH	Linz	100.00	FC	1,249.0	153.3
Energie AG Oberösterreich Trading GmbH	Linz	100.00	FC	6,518.7	1,994.5
Energie AG Oberösterreich Tech Services GmbH	Linz	100.00	FC	13,844.3	3,722.3
Energie AG Oberösterreich Netz GmbH	Linz	100.00	FC	42,226.7	9,186.1
Energie-Contracting Steyr GmbH	Steyr	100.00	FC	2,832.5	431.3
Energie AG Oberösterreich Wärme GmbH	Linz	100.00	FC	12,044.9	667.4
Energie AG Oberösterreich Wasserkraft GmbH	Linz	100.00	FC	1,149.1	- 0.9
Energie AG Group Treasury Holding GmbH	Linz	100.00	FC	46.7	2.1
Energie AG Group Treasury GmbH	Linz	100.00	FC	2,814.0	1,375.9
Cogeneration-Kraftwerke Management Oberösterreich GmbH	Linz	100.00	FC	30,082.1	2,332.6
Oberösterreichische Ferngas Aktiengesellschaft	Linz	65.00	FC	143,399.7	- 80.3
ENSERV Energieservice GmbH & Co KG	Linz	65.00	FC	2,553.4	484.7
ENSERV Energieservice GmbH	Linz	65.00	FC	66.6	3.2
Erdgas Oberösterreich GmbH & Co KG	Linz	65.00	FC	10,563.8	2,854.5
Erdgas Oberösterreich GmbH	Linz	65.00	FC	47.1	0.8
Oberösterreichische Ferngas Service GmbH	Linz	65.00	FC	5,303.5	1,093.0
Energie AG Oberösterreich Vertrieb GmbH & Co KG	Linz	100.00	QC	- 4,455.2	- 22,362.5
ENAMO GmbH	Linz	65.00	QC	8,000.0	- 897.3
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50.00	EC	24,326.6	4,849.3
Ennskraftwerk Aktiengesellschaft	Steyr	50.00	EC	40,671.8	220.1
Wels Strom GmbH	Wels	49.00	EC	14,739.6	614.0
LIWEST Kabelmedien GmbH	Linz	44.00	EC	17,121.9	1,819.5
EGBV Beteiligungsverwaltung GmbH	Linz	35.00	EC	39,098.3	4,777.5
Salzburg AG für Energie. Verkehr und Telekommunikation	Salzburg	26.13	EC	376,125.9	26,955.0
Energie Ried Wärme GmbH	Ried	100.00	OC	²⁾	²⁾
Fair Energy Renewable Power GmbH	Linz	100.00	OC	2,494.3	0.3
Fair Energy GmbH	Linz	100.00	OC	6,392.8	- 636.0
Wärme Oberösterreich GmbH	Linz	100.00	OC	35.6	0.6
ENAMO Ökostrom GmbH	Linz	65.00	OC	²⁾	²⁾
OÖ, Ferngas Netz GmbH	Linz	65.00	OC	²⁾	²⁾
BBI Breitband Infrastruktur GmbH	Linz	55.00	OC	55.1	20.1
NEET GmbH	Linz	51.00	OC	- 601.1	- 982.4
OÖ Science-Center Wels Planungs-GmbH	Wels	44.44	OC	313.8	-4.2
IfEA Institut für Energieausweis GmbH	Linz	40.00	OC	198.8	286.5
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40.00	OC	- 120.6	88.0
Energie Austria GmbH	Vienna	31.25	OC	¹⁾	¹⁾

THE GROUP'S COMPANIES

	Registered office	Share in %	Type of consolidation	Equity	Net income/loss for the year
ENERGY					
				in EUR 1,000	in EUR 1,000
GERMANY					
Erdgas Oberösterreich Vertriebs GmbH	Tittling	65.00	FC	- 135.0	- 160.0
Geothermie-Fördergesellschaft Simbach-Braunau mbH	Simbach	40.00	OC	1,287.2	2.6
				in CZK 1,000	in CZK 1,000
CZECH REPUBLIC					
Energie AG Teplo Bohemia s.r.o.	České Budejovice	100.00	FC	46,989.0	6,378.0
Městské tepelné hospodářství Kolín spol. s.r.o.	Kolín	95.00	FC	73,954.0	5,921.0
SATEZA a.s.	Šumperk	91.67	FC	56,558.0	7,732.0
Tepelne zasobovani Rakovník spol. s.r.o.	Rakovník	66.00	FC	79,924.0	2,473.0
ENSERV Bohemia s.r.o.	České Budejovice	100.00	OC	1,566.0	180.0
Energie AG Teplo Vimperk s.r.o.	Vimperk	100.00	OC	14,476.0	- 1,724.0
Energie AG Teplo Morava a.s.	Kolin	60.00	OC	1,938.0	
				in PLN 1,000	in PLN 1,000
POLAND					
Finadvice Fair Energy Wind Development sp.zo.o.	Warszawa	51.00	OC	- 551.2	- 651.2
				in EUR 1,000	in EUR 1,000
NETHERLANDS					
Energie AG Finance BV	Amsterdam	100.00	FC	2,024.0	21.2
				in EUR 1,000	in EUR 1,000
SLOVAKIA					
Energie AG Teplo Slovakia s.r.o.	Bratislava	100.00	OC	65.6	- 44.6
Kremnické tepelné hospodárstvo s.r.o.	Kremnica	80.00	OC	4,236.0	- 5,162.0
ILC distribution a.s.	Bratislava	80.00	OC	675.0	- 1,045.0
WASTE MANAGEMENT					
				in EUR 1,000	in EUR 1,000
AUSTRIA					
AVE Energie AG Oberösterreich Umwelt GmbH	Linz	100.00	FC	118,481.9	- 2,174.2
AVE Österreich GmbH	Hörsching	100.00	FC	77,554.0	-6,270.4
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100.00	FC	389.4	176.5
AVE Kommunalservice GmbH (previously: RE-PLAST Kunststoff Wiederverwertungs GmbH)	Hörsching	100.00	FC	49.3	- 10.6
MA Restabfallverwertung GmbH	Hörsching	99.00	FC	41.2	0.6
Abfall-Aufbereitungs-GmbH ³⁾	Hörsching	50.00	FC	423.7	387.4
"Papyrus" Altpapierservice Handelsgesellschaft m.b.H.	Vienna	63.33	QC	5,433.1	- 115.9
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50.00	OC	68.8	4.8
Welser Baustoffrecycling GmbH	Wels	33.33	OC	836.7	81.3
Thermische Abfall-Verwertung					
Tirol Gesellschaft m.b.H.	Innsbruck	33.33	OC	299.0	- 1.0
Recycling Innsbruck GmbH	Innsbruck	25.00	OC	158.2	21.8
				in HUF 1,000	in HUF 1,000
HUNGARY					
AVE Magyarország Hulladékgazdálkodási Kft	Budapest	100.00	FC	2,225,398.0	145,496.0
AVE Tatabánya Rt	Tatabánya	67.00	FC	878,338.0	206,824.0
AVE Miskolc Kft	Miskolc	55.00	FC	1,057,204.0	269,465.0
A.S.A. + AVE Kft	Gyál	50.00	QC	643,534.0	193,551.0
A.K.S.D. Kft.	Debrecen	50.00	QC	1,987,013.0	790,221.0
Kaposvári Városgazdálkodási Rt.	Kaposvár	44.35	EC	398,783.0	63,014.0
AVE Gyöngyös Kft.	Gyöngyös	100.00	OC	²⁾	²⁾
AVE Heves Régió Kft.	Hejőpapi	100.00	OC	95,940.0	- 4,060.0
Gyöngyösi Hulladékkezelő Kft.	Gyöngyös	90.00	OC	28,934.0	15,032.0
AVE Hevesi Városfenntartó Kft	Heves	55.04	OC	52,909.0	878.0
Nyír Flop Kft.	Nyíregyháza	50.00	OC	320,622.0	3,602.0
AKSD Innova Kht	Debrecen	50.00	OC	2,650.0	- 73.0
P.M.R. Kft	Debrecen	50.00	OC	40,107.0	20,692.0

THE GROUP'S COMPANIES

	Registered office	Share in %	Type of consolidation	Equity	Net income/loss for the year
WASTE MANAGEMENT					
BIHARI Hulladékgazdálkodási Kft.	Budapest	49.00	OC	35,362.0	32,900.0
Zöldfok Településgazdálkodási és Kommunális Részvénytársaság	Siófok	44.80	OC	1,290,055.0	189,629.0
Avermann-Holvex Kft	Orosháza	33.33	OC	220,163.0	9,795.0
				in CZK 1,000	in CZK 1,000
CZECH REPUBLIC					
AVE CZ odpadové hospodárství s.r.o.	Praha	100.00	FC	1,135,370.0	57,417.0
REKKA s.r.o.	České Budejovice	100.00	FC	73,045.0	16,240.0
AVE komunální služby s.r.o.	Praha	100.00	FC	11,283.0	- 2,427.0
AVE sberné suroviny a.s.	Pilsen	98.99	FC	68,210.0	3,304.0
AVE Ústí nad Labem s.r.o.	Ústí nad Labem	90.00	FC	208,320.0	3,140.0
AVE Kolín s.r.o.	Kolín	90.00	FC	76,240.0	9,267.0
AVE Rumburk s.r.o.	Rumburk	100.00	OC	273.0	- 198.0
ASPG CZ s.r.o.	Praha	100.00	OC	1,200.0	274.0
Teploinvest CB s.r.o.	České Budejovice	100.00	OC	1,942.0	101.0
AVE CZ Nasavrky. a.s.	Nasavrky	60.00	OC	37,566.0	2,768.0
EOC SKLÁDKA spol. s.r.o.	Jindřichův Hradec	20.00	OC	11,856.0	1,026.0
				in RON 1,000	in RON 1,000
ROMANIA					
AVE Bihor S.R.L.	Oradea	100.00	OC	521.5	- 168.5
AVE Waste Management Romania SRL	Bucharest	100.00	OC	- 477.2	- 2,420.5
AVE Hunedoara S.R.L.	Petřila	100.00	OC	²⁾	²⁾
AVE Cluj SRL (previously: AVE Ardeal S.R.L.)					
AVE Salaj ECOSERV SRL	Zalău	100.00	OC	2,294.3	455.0
AVE Huron S.R.L.	Miercurea-Ciuc	100.00	OC	2,523.3	633.8
AVE Harghita Salubritate SRL	Oderheiu Secuisec	96.00	OC	3,499.2	60.4
AVE Swietelsky Depozit Ecologic S.R.L.	Bucharest	50.00	OC	146.0	—
A.K.S.D. Romania SRL (previously: ECO VASANO SRL)	Targu Mures	49.50	OC	1,372.6	- 364.8
				in EUR 1,000	in EUR 1,000
SLOVAKIA					
AVE SK odpadové hospodárstvo s.r.o.	Bratislava	100.00	FC	17,556.1	- 777.4
V.O.D.S., a.s.	Košice	51.00	FC	3,600.6	524.8
AVE Bratislava s.r.o.	Bratislava	100.00	OC	984.4	- 15.6
AVE Tornala s.r.o.	Tornala	70.00	OC	- 317.6	- 33.6
AVE V.O.D.S. Jasov s.r.o.	Jasov	70.00	OC	475.6	-18.3
AVE - V.O.D.S. odpadové hospodárstvo a.s.	Košice	66.00	OC	- 596.1	- 596.1
				in EUR 1,000	in EUR 1,000
GERMANY					
AVE Abfallwirtschaft GmbH	Rotthalmünster	100.00	FC	8,048.1	- 5,791.5
CH Abfallwirtschaft Schwaben GmbH	Gersthofen	100.00	FC	3,882.7	- 1,139.1
Papyrus Wertstoff Service GmbH	Bad Reichenhall	63.33	QC	456.7	121.2
				in MDL 1,000	in MDL 1,000
MOLDOVA					
AVE Ungheni SRL	Ungheni	56.20	OC	7,499.0	- 773.0
				in EUR 1,000	in EUR 1,000
ITALY					
AVE Rottamix s.r.l.	Eppan	90.00	OC	630.4	- 382.3
				in UAH 1,000	in UAH 1,000
UKRAINE					
AVE Umwelt Ukraine TOB	Lviv	100.00	OC	5,425.0	97.0
AVE Koloyama TOB	Koloyama	60.00	OC	²⁾	²⁾
AVE Vinogradovo TOB	Vinogradovo	60.00	OC	272.0	-350.0

THE GROUP'S COMPANIES

	Registered office	Share in %	Type of consolidation	Equity	Net income/loss for the year
WATER					
AUSTRIA				in EUR 1,000	in EUR 1,000
Energie AG Oberösterreich Wasser GmbH	Linz	100.00	FC	43,919.5	- 1,465.4
WDL-WasserdienstleistungsGmbH	Linz	90.00	FC	17,785.1	399.0
WDL Infrastruktur GmbH	Linz	49.00	KO	- 786.0	- 177.5
CZECH REPUBLIC				in CZK 1,000	in CZK 1,000
Energie AG Bohemia	České Budejovice	100.00	FC	1,001,893.0	15,732.0
1. JVS a.s.	České Budejovice	100.00	FC	334,487.0	174,552.0
VODOS s.r.o.	Kolín	100.00	FC	100,728.0	15,024.0
Vodovody a kanalizace Jizny Cechy a.s.	České Budejovice	100.00	FC	600,800.0	24,414.0
Vodárenská společnost Chrudim a.s.	Chrudim	95.00	FC	170,181.0	9,772.0
VHOS a.s.	Moravská Třebová	87.90	FC	86,064.0	—
VHOS-KA s.r.o.	Moravská Třebová	87.90	FC	1,135.0	—
Vodovody a kanalizace Beroun a.s.	Beroun	59.20	FC	489,846.0	11,221.0
Vodárenská společnost Beroun a.s.	Beroun	59.20	FC	617.0	68.0
1. Jihočeská vodohospodářská spol. s r.o.	České Budejovice	100.00	KO	6,279.0	1,287.0
AQUASERV s.r.o. (previously: SVETLO A SERVIS s.r.o.)	České Budejovice	100.00	KO	- 163.1	- 36.7
SLOVAKIA				in EUR 1,000	in EUR 1,000
Energie AG Vodohospodárstvo Slovakia s.r.o.	Bratislava	100.00	KO	1.6	- 164.3
HUNGARY				in HUF 1,000	in HUF 1,000
Energie AG Magyarország Vízgazdálkodási Kft	Budapest	100.00	KO	4,104.0	- 34,797.0
Energie AG Miskolc Vízgazdálkodási Kft.	Miskolc	50.00	KO	4,886.0	14.0
SLOVENIA				in EUR 1,000	in EUR 1,000
VARINGER d.o.o.	Maribor	74.00	FC	480.4	44.6
OTHERS					
AUSTRIA				in EUR 1,000	in EUR 1,000
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung	Linz	100.00	KO	4,324.5	318.3
Energy IT Service GmbH	Linz	66.67	KO	63.5	7.3

FC fully consolidated company

QC company with pro-rata consolidation

EC company associated at equity

OC company not included in the group due to insignificance

¹⁾ applying the protective clause under § 241 (2) item 2 of the Austrian Commercial Law Code

²⁾ new company

³⁾ due to voting right majority

3. Consolidation Methods

The revaluation method is applied to capital consolidation. The historical cost for acquiring the investment is offset against the share in the revalorized equity of the subsidiary at the time of acquisition.

Goodwill resulting from company mergers is entered pursuant to IFRS 3. Every year it is tested for impairment, pursuant to IAS 36, at least once a year. During the 2008/2009 business year, no goodwill impairments were entered (EUR 8,127.5 thousand in the year before). Differentials

carried as liabilities pursuant to IFRS 3 are entered with immediate effect on the result.

Intra-group receivables and liabilities, expenses and revenues, as well as interim results are eliminated, unless they are of minor significance.

Whenever there are put options of minority shareholders, these are shown under borrowed capital, in accordance with IAS 32 (Financial Instruments: Presentation).

4. Accounting and Valuation Principles

Estimates

The preparation of the consolidated financial statements requires that estimates are made, which affect the assets and liabilities, revenues and expenses that are shown in the consolidated financial statements, as well as information in the Notes. Estimates and assumptions were especially made with regard to staff provisions and long-term provisions for landfills, as well as when performing impairment tests. The estimates made may deviate from actual amounts. Estimates and assumptions relate, in particular, to interest rates, wage and salary trends, fluctuations, future costs of landfills, as well as future surpluses in cash inflows. A major impact of these estimates on the consolidated financial statements is not expected for the near future.

Intangible Assets and Tangible Fixed Assets

Intangible assets and tangible fixed assets are valued at purchase or production costs, minus scheduled straight-line depreciation, or depreciation due to use.

Development costs that are capitalized pursuant to IAS 38 (Intangible Assets) comprise all costs that are directly attributable to the development process, as well as reasonable portions of the development-related overhead costs.

As of 1 October 2008 the cost of financing is recognized on the asset side, in accordance with IAS 23 (Borrowing Costs). In this context, an interest rate of 4.2% is applied.

In addition to the direct costs, reasonable portions of the material and manufacturing overhead costs are other components of the manufacturing costs. General administrative expenses are not capitalized.

The application of IAS 40 (Investment Property) does not have any effect on the consolidated financial statements, since there are no major real-estate holdings serving as financial investments.

Whenever different useful life spans have to be entered for the main components of assets, these are taken into account in line with the Component Approach (IAS 16).

Scheduled depreciation for major equipment is measured pursuant to the following useful life spans which are applied throughout the Group:

	Useful life in years
Intangible assets	
Electricity procurement rights	15 – 50
Other rights	4 – 50
Dumping rights and landfills	depending on utilization
Building structures	
Buildings	50
Other structures	10 – 50
Water engineering structures	75
Plant and machinery	
Power plants	10 – 25
Electricity grid	15 – 40
Waste disposal systems	6 – 20
Telecommunications facilities	7 – 20
Plant and equipment, furniture and fixtures	3 – 10

Whenever a need for depreciation/amortization is noticed, the corresponding write-downs are made.

IAS 36 (Impairment of Assets) requires that intangible assets and tangible fixed assets are tested for impairment if there is an indication that the value of an item might have decreased. Whenever intangible assets and tangible fixed assets are put together as cash-generating units, for lack of cash flow, their attributable value is established. Whenever a need for depreciation/amortization is noticed, the corresponding write-downs are made. The surplus in revenues, projected on the basis of medium-term planning, is discounted, applying weighted average capital costs, in order to establish the attributable value. Performance measurements are based both on past experience and on external information sources. The assumptions on future GDP growth are taken from the European Commission. Depending on the industry and/or the country, to which the asset belongs, an interest rate between 6.1% and 8.5% is used (6.6% to 9.1% in the year before). In this context a growth rate of up to 2% is applied in keeping with the detailed planning schedule. A rise in interest rate of 0.25% would result in goodwill in the amount of EUR19.5 million.

Investments

Unless investments are valued pursuant to the equity method, they are entered at purchase costs or market value, if these can be reliably determined. Changes in the value of investments that are classified as "available for sale" are entered without affecting the operating result, unless there is a major or lasting impairment.

The share in companies valued according to the equity method is entered in keeping with the capital share held, which is increased or decreased according to the changes in equity.

Other Financial Assets and Other Long-Term Assets

Loans at market interest rates, as well as long-term receivables are shown at their nominal value. No-interest-bearing or low-interest loans and long-term receivables are valued at their cash value. Value adjustments are made for identifiable exposures. Securities and loan stock rights carried as fixed assets are valued at market prices.

Changes in the value of securities that are classified as "at fair value through profit or loss" are entered with effect on the result. Changes in the value of securities that are classified as "available for sale" are entered without effect on the result, unless there is a major or lasting im-

pairment. Financial assets classified as "held to maturity" are entered at costs, as carried forward. Impairments are entered with effect on the result. Financial receivables that are classified as "loans and receivables" are valued at purchase costs, as carried forward.

Inventories

Inventories are valued at average purchase or manufacturing costs (moving average price method), or at the lower net value at realization. The manufacturing costs comprise the directly attributable costs, as well as the pro-rata overhead costs for materials and production.

No interest is entered for borrowings.

Decreases in value due to reduced realizability are reflected in write-downs.

Receivables and Other Assets

Receivables and other assets are valued at their historical costs. Identifiable exposures are reflected by entering the corresponding adjustments in value. Financial receivables are classified as "loans and receivables" and valued at purchase costs, as carried forward.

Financial Liabilities

Financial liabilities are entered when incurred, in the actually received amount. Any share premium, discount or other issue costs are spread out over the financing term and shown in the financial result. Unless these are liabilities from financing leases, they are classified as "financial liabilities at amortized cost".

Derivative Financial Instruments

The Group uses derivative financial instruments especially for hedging against risks due to changes in interest rate, as well as electricity, coal and gas prices. They are valued at their market value on the balance-sheet date. Changes in the market value of derivative financial instruments are shown as separate items under equity, whenever the need for hedge accounting prevails (IAS 39). Changes in the market value of derivative financial instruments, for which no hedge accounting is made, are shown in the income statement, with effect on the result.

Provisions for Pensions and Severance Payments

Provisions for pensions, severance payments and anniversary bonuses are calculated according to the projected unit credit method. Expected increases in wages, salaries and pensions are taken into account. Actuarial gains and losses exceeding the corridor of 10% of the cash value of the commitments are distributed over the average remaining service period when forming provisions for pensions and severance payments.

Other Provisions

Other provisions comprise all commitments identifiable on the balance-sheet date that relate to earlier transactions and are uncertain as to their amount or maturity. The provisions are valued at the amount that is most likely to be incurred.

Deferred Taxes

Deferred taxes are entered for temporary deviations between the values shown in the consolidated balance sheet and the values shown in the tax balance sheets of the individual undertakings. Moreover, future tax benefits, resulting from tax losses carried forward, are taken into account. The values are adjusted, in case netting out cannot be expected with sufficient probability.

Contributions to Construction Costs

This item primarily comprises funding contributions received from electricity, gas and district-heating customers. Contributions to construction costs carried as liabilities are re-transferred with effect on the result in keeping with the course of depreciation for the corresponding asset.

Investment Grants

Public-sector benefits for asset acquisition are entered as investment grants and written back in keeping with their useful life under other operating income.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities are entered at historical costs or their higher amount repayable.

Liabilities to Third Parties

Possible or existing commitments, which are due to earlier events, are shown under liabilities and warranties, where an outflow of resources is unlikely.

Foreign-Currency Translations

Foreign-currency translations are made according to the principle of a functional currency. The respective national currency is the functional currency of all consolidated companies. Accordingly, balance sheet items are translated at the middle rate on the reporting date, while items in the income statement are translated by using the mean exchange rate for the period. Differences from translating the pro-rata equity are booked under revenue reserves without effect on the result. The differences from currency translations due to minority interests are shown in the item minority interests in equity. On 30 September 2009 the exchange rate for the Czech crown was 25.19072 (24.50954 in the year before), for the Hungarian forint 269.78 (241.514 in the year before) and for the US dollar 1.45917 (1.418 in the year before). Since 1 January 2009 the euro is the functional currency in Slovakia. Currency translation differences from long-term, intra-group shareholder loans are shown under currency differentials without effect on the result.

Income Realization

As a matter of principle, revenues are entered at the time of providing the service or performance, whenever the value of a receivable has been determined or can be determined and its collection is likely. Receivables from electricity, gas and water supplies that have, as yet, not been billed are assigned to the item "trade debtors".

Interest income is realized for the pro-rata period depending on the actual interest rate. Dividends are shown at the dates on which the title to the payment was created.

5. Cross Border Leasing

Energie AG Oberösterreich entered into so-called cross-border leasing transactions for its electricity transmission and distribution grids in fiscal 2000/20001, and for some of its power plants in fiscal 2001/2002. In the course of the transactions, the electricity transmission grid and 14 hydro power plants were leased to US investors by means of trusts, which were leased back for a shorter period at the same time. According to Austrian law, this did not change the civil-law and economic ownership relations. The financial benefit (present-value benefit) for Energie AG Oberösterreich – after deducting the transaction costs – is disclosed in the balance sheet under long-term debt as a differential amount carried as a liability and re-transferred with effect on revenues according to the term of the underlying leasing transaction.

In the course of these cross-border leasing transactions, the funds received as advance lease payments from the US trust – except for the present-value benefit – were invested in deposits with financial institutes of first-class credit standing or via payment undertaking agreements, and used to cover the future installments under the lease-back arrangement, conforming with time and currency requirements.

In the case of payment undertaking agreements, which are entered into with financial institutes, the financial institutes undertake to make all payments that arise under the lease-back arrangements directly to the US trust. Unlike the classical instrument of investing via deposits, this financing tool does not lead to an increase of the assets shown in the balance sheet. However, Energie AG Ober-

österreich is liable to the US trust for compliance with the commitments that the financial institutes have assumed in connection with the payment undertaking agreements.

The CBL transaction for the high, medium and low-voltage grid was terminated prematurely on 27 March 2009. The consensual termination of the contract, which originally had a term of 25 years, became possible by an offer made by the US investor. The termination of the grid transaction permitted the re-transfer and write-down of the corresponding deposits and loans, the swap values and the pro-rata deferred income on the cash-value benefit. The result was a balance sheet contraction as of the reporting date.

For the CBL transaction relating to the 14 power stations, additional securitization for the pre-payment tool had to be provided in the form of a letter of credit (L/C) conforming to market requirements, which was the result of a down-grading of the credit rating of the equity payment undertaker. This L/C, which was securitized by a cash deposit in the amount of EUR 73,791.9 thousand, was issued by an international financial institute of adequate credit rating. As a result, the transaction has a stable structure in the current economic environment. The payment flows are summed up and shown as cash flow from financing operations.

On account of the premature termination of the grid transaction it was possible to reduce the contingent liabilities from the cross-border leasing transaction from EUR 1,416.4 million at the end of the previous business year to EUR 611.3 million as of 30 September 2009.

Notes to the Income Statement

6. Sales

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Electricity	1,075,960.2	1,004,466.6
District heating	67,020.0	34,111.1
Gas	161,924.6	11,251.4
Reversal of contributions to construction costs	19,553.8	17,788.8
Waste management	324,612.4	320,978.5
Water/waste water	89,477.6	66,051.7
Other sales	67,419.2	65,415.2
	1,805,967.8	1,520,063.3

7. Segment Reporting

Segment Reporting according to Business Sectors

The Energie AG Group operates mainly in the segments "energy", "waste management" and "water". In this connection, the "energy" segment comprises primarily the production and distribution of electrical energy, gas and district heating. The "waste management" segment covers accepting, sorting, burning and dumping of household and industrial waste materials. The "water" segment consists primarily of the supply with drinking water, as well as of the disposal of waste water. The primary reporting format therefore comprises the segments "energy", "waste management" and "water".

Sales between the segments ("inter-segment sales") are invoiced at market prices. Segment assets only include

assets which are used by one segment for its operating activities and which can be attributed to one segment directly or on account of a reasonable basis. Debts from the operating activities of the segments are shown as segment debt.

Gains from the reversal of differentials shown as liabilities relate to the waste management segment (the energy segment in the year before). Unscheduled depreciation in the amount of EUR 9,032.6 thousand relate to waste management facilities (goodwill in the energy segment in the amount of EUR 7,212.3 thousand in the year before). The gains from the re-transfer of contributions to construction costs relate to the energy segment.

The segment reporting according to business segments is as follows:

	Energy in EUR mill.	Waste disposal in EUR mill.	Water in EUR mill.	Transitions/ Elimination in EUR mill.	Group in EUR mill.
2008/2009					
Sales to third parties	1,369.4	328.7	107.9	—	1,806.0
Inter-segment sales	9.6	14.4	0.8	- 24.8	—
Total sales	1,379.0	343.1	108.7	- 24.8	1,806.0
Depreciations	92.2	58.8	6.8	—	157.8
Income from operations	100.7	0.3	4.5	—	105.5
Income from shares in equity companies	12.0	0.1	—	—	12.1
Carrying value of segment assets	2,267.8	623.1	193.2	574.4	3,658.5
Goodwill	1.4	75.0	22.6	—	99.0
Book value of stakes in equity undertakings	245.5	0.7	—	—	246.2
Segment debt	505.7	204.3	45.9	1,600.4	2,356.3
Investments into intangible assets and tangible fixed assets	119.9	67.3	6.9	—	194.1

	Energy in EUR mill.	Waste disposal in EUR mill.	Water in EUR mill.	Transitions/ Elimination in EUR mill.	Group in EUR mill.
2007/2008					
Sales to third parties	1,116.1	323.8	80.2	—	1,520.1
Inter-segment sales	8.5	11.8	0.8	- 21.1	—
Total sales	1,124.6	335.6	81.0	- 21.1	1,520.1
Depreciations	85.9	43.3	5.2	—	134.4
Income from operations	140.6	20.6	2.5	—	163.7
Income from shares in equity companies	15.3	0.1	—	—	15.4
Carrying value of segment assets	2,515.1	608.1	185.9	384.8	3,693.9
Goodwill	0.6	66.0	21.0	—	87.6
Book value of stakes in equity undertakings	238.1	0.6	—	—	238.7
Segment debt	522.1	332.2	90.5	1,391.5	2,336.3
Investments into intangible assets and tangible fixed assets	110.1	65.8	5.6	—	181.5

Segment Reporting According to Geographical Segments

The Energie AG Oberösterreich Group operates mainly in the regions of "Austria", "Czech Republic" and "Hungary". The business activities in other countries, especially Germany and Slovakia, are summed up in the geographical segment "other countries".

2008/2009	Austria in EUR mill.	Czech Republic in EUR mill.	Hungary in EUR mill.	Other countries in EUR mill.	Transitions/ Elimination in EUR mill.	Group in EUR mill.
Sales to third parties	1,553.5	197.6	34.3	20.6		1,806.0
Carrying value of segment assets	2,693.2	299.0	44.4	47.5	574.4	3,658.5
Investment into intangible assets and tangible fixed assets	156.1	19.8	8.6	9.6		194.1

2007/2008	Austria in EUR mill.	Czech Republic in EUR mill.	Hungary in EUR mill.	Other countries in EUR mill.	Transitions/ Elimination in EUR mill.	Group in EUR mill.
Sales to third parties	1,329.5	149.1	36.3	5.2		1,520.1
Carrying value of segment assets	2,971.6	258.4	44.6	40.1	379.2	3,693.9
Investment into intangible assets and tangible fixed assets	154.4	18.8	8.2	0.1		181.5

8. Other Operating Income

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Gains from the disposal of and the write-up to intangible assets and tangible fixed assets	2,848.6	2,607.6
Capitalized production costs	1,041.7	2,123.6
Income from leases and rentals	3,349.9	3,330.8
Income from the reversal of investment grants	3,052.2	2,438.4
Re-transfer of differentials carried as liabilities	278.8	25,198.5
Sales of other primary energies	5,735.2	3,065.3
Other income	19,311.5	18,432.6
	35,617.9	57,196.8

9. Cost of Material and Other Purchased Manufacturing Rights

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Electricity purchased from third parties	661,966.0	548,911.3
Cost of use of system	47,824.3	40,645.9
Cost of fuels	94,562.7	73,251.7
Cost of other materials	204,774.9	100,592.3
Cost of purchased services	126,400.5	113,412.9
	1,135,528.4	876,814.1

10. Personnel Expenses

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Wages	34,331.3	29,611.5
Salaries	183,739.4	157,839.9
Expenses for severance payments and benefits to company pension funds	5,804.2	5,285.4
Pension payments	7,227.2	5,804.2
Statutory social-security charges and remuneration-related charges and compulsory contributions	56,975.7	50,528.6
Other social expenses	5,907.2	3,002.8
	299,029.5	256,979.0

Expenses for defined-contribution pension schemes amounted to EUR 5,212.9 thousand in 2008/2009 (EUR 4,152.5 thousand in the year before). Expenses for severance payments in the amount of EUR 42.9 thousand (EUR 27.3 thousand in the year before) and for pension payments in the amount of EUR 863.7 thousand (EUR 262.3 thousand in the year before) relate to members of the Board of Management.

The members of the Board of Management and of the Supervisory Board of Energie AG Oberösterreich received the following remunerations:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Board of Management	809.6	784.1
Former members of the Board of Management and their dependents	828.2	915.5
Supervisory Board	90.3	84.3
	1,728.1	1,783.9

Average employment figures for the year under review amounted to 6,881 (5,753 in the year before). Part-time staff members are accounted for on a pro-rata basis.

11. Depreciation

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Scheduled depreciation	148,724.9	125,101.9
Non-scheduled depreciation	9,032.6	9,281.8
	157,757.5	134,383.7

Please refer to the table "Development of Fixed Assets" for the depreciation of individual items under fixed assets. There was non-scheduled depreciation for the utility values, which decreased as a result of the difficult market environment, of waste processing facilities in Austria and Germany in the Waste Management Segment, in the amount of EUR 9,032.6 thousand during the 2008/2009 business year.

12. Other Operating Expenses

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Taxes	14,865.3	15,672.0
Outside services	36,422.9	49,302.3
Travel expenses	9,618.0	8,891.3
Insurance premiums	10,749.5	9,316.3
Postage and telecommunication fees	6,311.8	4,897.2
Rentals and leases	8,909.5	7,205.1
Write-downs of receivables	3,222.0	1,166.3
Allocated value allowance for receivables	2,306.6	1,534.8
Expenses for vehicles	29,044.5	25,472.0
Losses from the disposal of intangible assets and tangible fixed assets	2,033.1	2,809.7
Repairs	22,369.8	19,776.6
Other expenses	45,692.1	43,925.0
	191,545.1	189,968.6

Taxes comprise mainly land taxes, location-dependent charges, electricity levies, as well as contributions to remedial action on abandoned waste sites.

13. Income from Interest

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Cost of financing		
Interest and similar expenses	- 43,077.9	- 37,855.7
Cross-border leasing	- 1,303.9	- 5,279.8
Exchange-rate losses from financial liabilities	- 1,402.2	- 1,585.9
	- 45,784.0	- 44,721.4
Income from financing		
Interest and similar income	6,570.7	10,157.5
Cross-border leasing	11,783.5	8,828.4
Exchange-rate gains from financial liabilities	1,322.8	4,049.1
	19,677.0	23,035.0
Changes in market price		
Interest-swap transactions and bonds	-545.0	3,444.1
	- 26,652.0	- 18,242.3

14. Other Financial Results

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Income from participations		
Non-consolidated affiliated companies	70.0	198.2
Other investments	2,354.7	3,021.6
Income from the disposal of investments	25.3	—
Expenses from the disposal of investments	—	- 332.7
Write-down of participations	- 106.9	—
Others	- 466.4	- 60.4
	1,876.7	2,826.7
Securities		
Income from securities	3,040.8	1,521.4
Write-downs of securities	- 5,589.6	- 7,758.9
Write-ups of securities	13,163.2	1,257.9
Losses from the disposal of securities	- 1,134.6	- 4.5
Gains from the disposal of securities	433.2	—
	9,913.0	- 4,984.1
	11,789.7	- 2,157.4

15. Taxes on Income

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Expenses for current taxes on income	19,550.6	19,972.4
Changes in deferred taxes on income	- 2,089.2	6,792.6
	17,461.4	26,765.0

Expenses for taxes on income are lower by EUR 4,149.7 thousand (EUR 9,070.0 thousand in the year before) than the calculated expenses for taxes on income that result from applying the Austrian, Czech or Hungarian tax rates to the result before taxes on income. The causes for the difference between the calculated and the shown expenses for taxes on income are as follows:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Profit before taxes on income	90,595.9	143,340.2
Calculated expenses for taxes	21,611.1	35,835.0
Effect on taxes due to		
income from investments	- 3,775.6	- 5,034.0
changes due to value adjustments concerning deferred taxes	1,018.4	337.7
non-recurrent tax expenses	- 3,145.2	- 20.3
non-tax-deductible expenses	2,000.8	714.3
amortization of goodwill	—	2,031.9
reversal of differentials carried as liabilities	- 61.5	- 6,299.6
tax credits for investments, apprenticeship-related, research and educational measures	- 179.3	- 232.5
other items	- 7.3	- 567.6
Effective tax expenses	17,461.4	26,765.0
Effective tax rate in %	19.3	18.7

The temporary differences between the amounts stated in the consolidated financial statements and the respective taxable amounts have the following effect on the shown deferred taxes:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Intangible assets	- 21,067.7	- 19,979.8
Tangible fixed assets	- 79,741.8	- 78,588.6
Financial assets	914.4	1,321.8
Financial assets – cross-border leasing	—	10,420.5
Other long-term assets	7,661.7	- 20,393.6
Financial liabilities – cross-border leasing	—	- 6,234.1
Provisions	5,279.5	1,130.7
Contributions to construction costs	20,391.0	19,879.3
Tax losses carried forward	133.6	214.4
Untaxed reserves	- 15,528.3	- 12,748.7
Other items	- 5,270.7	- 5,185.9
	- 87,228.3	- 110,164.0
of these deferred taxes carried as assets	18,639.4	7,715.7
of these deferred taxes carried as liabilities	- 105,867.7	- 117,879.7

On the liability side no deferred taxes were entered for temporary differences concerning companies associated at equity in the amount of EUR 35,798.1 thousand (EUR 29,344.8 thousand in the year before).

Notes to the Balance-Sheet

16. Intangible Assets and Tangible Fixed Assets

Please refer to the table “Development of Fixed Assets” regarding the development of items under intangible assets and tangible fixed assets.

The item “other rights” primarily comprises rights of use regarding different facilities, rental rights, as well as dumping rights, in addition to IT software.

Research costs in the amount of EUR 3,145.3 thousand (EUR 2,530.4 thousand in the year before) are carried as expenses, interest on external funds in the amount of EUR 1,205.0 thousand was recognized under assets.

In the Water Segment the Group has service license agreements, on the basis of which the Group is entitled to use the plants of public-law corporations and associations for water supplies and waste water management. These are offset by rent payments. The Group has the right and the obligation to provide the public water supply and waste water management services. In this context the Group has the right to collect payments from the users of these

services. The agreements have been signed for periods of up to 25 years. Prices may be adjusted during the term of these agreements. Whenever the Group builds plants on the basis of these agreements, these are carried in the balance sheet as intangible assets, pursuant to IFRIC 12. Upon expiry of the term of an agreement, as a rule, the licensors become the owners of these plants. Sales under these agreements amount to EUR 556.9 thousand (EUR 268.4 thousand in the year before).

Additions to intangible assets (electricity procurement rights) during the 2006/2007 business years in the amount of EUR 22,155.0 thousand led to a reduction of the financial resources during the 2007/2008 business year. The additions to plants under construction led to outflows of funds in the amount of EUR 56,283.4 thousand. The obligations to acquire tangible fixed assets amount to 15,098.0 thousand.

In the 2007/2008 business year assets from tangible fixed assets were sold in the Waste Management Segment. These were leased back for a period of 15 years (“sale and lease back”). The assets under this financing leasing relationship continue to be recognized as assets in the balance sheet, and the same amount for the cash value of the minimum

leasing payments was recognized under liabilities. The book value amounts to EUR 61,028.7 thousand (EUR 64,979.0 thousand in the year before) as at 30 September 2009. The future minimum leasing payments amount to EUR 2,684.1 thousand for the following year (EUR 4,869.4 thousand in the year before), to EUR 11,625.4 thousand (EUR 24,428.1 thousand in the year before) for periods between one and

five years, and to EUR 66,463.0 thousand (EUR 77,253.2 thousand) for periods in excess of five years. Leasing payments determined on the basis of variable interest in the amount of EUR 2,807.8 thousand (EUR 1,689.9 thousand in the year before) are entered under expenses. The cash value of the minimum leasing payments can be shown as follows:

	Minimum leasing payments in EUR 1,000	Discounted in EUR 1,000	Cash value of minimum leasing payments in EUR 1,000
Term less than one year	2,684.1	- 16.4	2,667.7
Terms between one and five years	11,625.4	- 306.6	11,318.8
Terms in excess of five years	66,463.0	- 6,181.0	60,282.0
	80,772.5	- 6,504.0	74,268.5

17. Investments

The table "Development of Fixed Assets" contains a detailed breakdown of the investments and their development. Changes in the value of associated companies valued according to the equity method are shown under write-ups and/or disposals of assets.

18. Other Financial Assets

The table "Development of Fixed Assets" contains a detailed breakdown of the other financial assets and their development. Securities comprise essentially shares in investment funds that are used to some extent to cover the taxable provisions for pension payments.

19. Other Long-Term Assets

Other long-term assets comprise, in particular, the positive market price of financial instruments, which satisfy the criteria for hedge accounting pursuant to IAS 39 (Financial Instruments), as well as instruments to securitize the cross-border leasing transaction.

20. Inventories

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Primary energy	55,179.8	56,344.4
Raw materials and supplies	14,984.7	16,271.5
Work in progress	9,042.7	7,971.8
Finished goods and goods for resale	1,990.2	1,840.0
	81,197.4	82,427.7

21. Accounts Receivable and Other Assets

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Accounts receivable (trade debtors)	209,776.4	205,705.2
Due from non-consolidated affiliated companies	21,535.5	13,032.8
Due from undertakings with which the company is linked by virtue of participating interests	3,413.2	3,657.0
Accruals and deferrals of interest	4,894.1	10,551.5
Market value of derivatives	37,671.0	46,695.0
Others	82,084.7	86,357.0
	359,374.9	365,998.5

Receivables from electricity, gas and water deliveries, which had not been invoiced as at the reporting date, were deferred on a pro-rata basis and are shown under "accounts receivable (trade debtors)".

22. Cash in Hand, Checks and Bank Balances

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Cash in hand	368.1	401.6
Cash in banking accounts	108,627.9	223,385.2
	108,996.0	223,786.8

23. Equity

The capital stock of Energie AG Oberösterreich consists of 89,000,000 share certificates (89,000,000 in the year before), of which 88,600,000 are individual share certificates (88,600,000 in the year before) and 400,000 are preferred shares without voting rights (400,000 in the year before). The nominal capital has been fully paid in.

The Board of Management of Energie AG Oberösterreich is authorized, up to 8 July 2013, to increase the nominal capital of the company, with the approval of the Supervisory Board, by a maximum of EUR 2,800,000 by issuing bearer shares to staff members in the form of preferred shares without voting rights.

The capital reserves result from the share premium of the capital increase, minus the directly attributable costs of obtaining equity in the amount of EUR 1,771.9 thousand, as well as from the contribution of own shares during the 2006/2007 business year.

During the 2007/2008 business year, 390,000 preferred shares without voting rights were contributed to Energie AG Oberösterreich. These shares were offered to Group staff members at favorable conditions during the 2007/2008 business year. The benefit per staff member amounts to the maximum tax-exempt sum pursuant to § 3 (1) item 15 letter b of the Income Tax Act.

The profit reserves result from the profits that the Group generated but did not distribute.

The IAS 39 provisions comprise changes in market value from investments available for sale and securities, changes in the market value of cash-flow hedges, as well as changes in equity without effect on the business result of associated companies valued at equity.

As at 30 September 2009, the cash-flow provision amounts to EUR 48,518.4 thousand (EUR 44,961.0 thousand in the previous year). The effective share of the fair-value changes concerning cash-flow hedges is entered in the cash-flow provision, without effect on the result. The non-effective share of the fair-value changes concerning cash-flow hedges in the amount of EUR 0.0 thousand (EUR 0.0 thousand in the previous year) were entered in the income

statement with effect on the result. During the business year EUR 3,174.9 thousand (EUR 3,144.1 thousand in the year before) were taken from the cash-flow hedge provision and recorded in the income statement. Of this amount, EUR 960.0 thousand (EUR 0.0 thousand in the year before) were shown in the financial result, and EUR 2,214.9 thousand (EUR 3,144.1 thousand in the year before) were entered in the operating result.

The AFS provision, which is contained in the IAS 39 provisions, comprises changes in the value of participations and securities classified as "available for sale", which do not have an effect on the result. As of 30 September 2009 the AFS provision amounts to EUR 15,374.4 thousand (EUR 14,619.0 thousand in the year before). During the business year, changes in market value in the amount of EUR 755.4 thousand (EUR 25,055.3 thousand in the year before) were shown under equity, without any effect on the result, and EUR 0.0 thousand (EUR 0.0 thousand in the year before) were taken from the AFS provision and entered in the income statement.

As at 30 September 2009, 2,496 own shares were held (208 in the previous year).

Capital Management

It is the objective of capital management to preserve a strong capital base so that it is also possible in the future to earn an adequate return for the company in line with the risk situation of the company, to promote the future development of the company and to also create benefits for other interest groups. The management considers the equity in the books according to IFRS to be the capital. As at the balance-sheet date the equity ratio amounted to 35.6% (36.8% for the year before).

24. Financial Instruments and Financial Risk Management

24.1. PRINCIPLES

Energie AG holds primary and derivative financial instruments.

On the asset side, primary financial instruments essentially comprise participations, financial assets from cross-border leasing (in the year before), other financial assets and accounts receivable (trade debtors). Primary financial instruments are shown in the balance sheet, with the book value corresponding to the maximum default risk.

On the liability side of the balance sheet, primary financial instruments essentially comprise financial liabilities, as well as accounts receivable.

Derivative financial instruments are used to hedge the risk of changes in interest rates, electricity prices, as well as gas and coal prices. The use of derivative financial instruments is subject to the respective authorization and control procedures within the Group. A linkage to an underlying transaction is mandatory. The Group engages in proprietary trading only within very restricted limits.

Purchases and sales of primary financial instruments are entered on the day of performance. Purchases and sales of derivative financial instruments are entered on the trading date. As a matter of principle, the financial instruments are valued at fair value upon addition. The financial instruments are written off when the rights to payments under the investment have expired or have been transferred and the Group has transferred principally all exposures and opportunities that accrued as a result of the ownership title.

As a rule, the fair value of financial assets and debts corresponds to market prices on the balance-sheet date. Whenever the prices on active markets are not directly available, they are calculated – whenever they are not of subordinate significance – by applying recognized financial calculation models and current market parameters (especially interest rates, exchange rates and the credit ratings of the counterparties). Moreover, the cash flows of the financial instruments are discounted for the balance-sheet date.

24.2. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Interest swaps are used to partially hedge the exposure to interest-rate changes of bonds. Electricity futures, forwards and swaps are entered in order to cover variable prices and/or to reduce the counterparty risk for purchased electricity and sold electricity. Gas and coal swaps are used to secure future gas and coal prices.

Fair-value hedges serve as protection against the risk of change in the attributable current value of balance-sheet assets or balance-sheet liabilities. The derivatives and the corresponding underlying transaction are valued at the attributable current value, with effect on the result, when applying hedge accounting. The Group uses fair-value hedges to partly secure the risk of changes in interest rates in connection with bonds. It used to secure the risk of fixed-interest expenses under the US cross-border leasing liability of the 2000/2001 business year (interest swaps), before it was terminated.

Cash-flow hedges are entered as protection against future payment flows. Whenever the hedging transactions meet the requirements for hedge accounting, the result of the hedging instrument, which is established as effective security, is entered under equity, with no effect on the result. The non-effective part of the result is entered with effect on the result. Electricity futures and forwards, as well as electricity, gas and coal swaps are used to hedge variable prices and/or a reduction in counterparty risk. Interest swaps are used to secure the cash-flow risk of liabilities at variable-interest rates.

Derivative financial instruments comprise the following items:

	30/09/2009			30/09/2008		
	Nominal value	Positive market values in EUR 1,000	Negative market values in EUR 1,000	Nominal value	Positive market values in EUR 1,000	Negative market values in EUR 1,000
Derivatives with fair-value hedge relation						
Interest swaps – bonds	EUR 100 mill.	6,284.9	—	EUR 100 mill.	6,162.9	—
Interest swaps – cross-border leasing	EUR 0 mill.	—	—	USD 110 mill.	16,287.2	—
Derivatives with cash-flow hedge relation						
Interest swaps	EUR 60 mill.	—	- 531.9	EUR 0 mill.	—	—
Foreign-currency derivatives	EUR 1 mill.	—	- 148.2	EUR 0 mill.	—	—
Derivatives without hedge relation						
Interest swaps	EUR 5 mill.	—	- 91.5	EUR 0 mill.	—	—
Structured interest and foreign-currency derivatives	EUR 62 mill.	407.9	- 3,258.5	EUR 67 mill.	1,094.0	- 410.1

The derivative financial instruments from the energy sector comprise the following items:

30/09/2009	Nominal value		Positive market values in EUR 1,000	Negative market values in EUR 1,000
	Purchase	Sale		
Derivatives with cash-flow hedge relation				
Electricity futures	EUR 101.2 mill.	EUR 12.8 mill.	1,821.1	- 20,130.9
Electricity swaps	EUR 0.0 mill.	EUR 7.1 mill.	996.3	—
Gas swaps	EUR 89.5 mill.	EUR 1.4 mill.	1,724.4	- 22,617.6
Coal swaps	EUR 2.6 mill.	EUR 0.0 mill.	—	-99.4
Derivatives without hedge relation				
Electricity forwards	EUR 217.7 mill.	EUR 223.2 mill.	49,806.6	- 47,667.4
Electricity futures	EUR 9.9 mill.	EUR 2.8 mill.	270.3	- 661.9
Gas swaps	EUR 7.7 mill.	EUR 8.9 mill.	2,139.0	- 999.0

30/09/2008	Nominal value		Positive market values in EUR 1,000	Negative market values in EUR 1,000
	Purchase	Sale		
Derivatives with cash-flow hedge relation				
Electricity futures	EUR 78.5 mill.	EUR 104.7 mill.	8,086.0	- 18,656.0
Electricity swaps	EUR 0.0 mill.	EUR 7.1 mill.	—	- 2,731.3
Gas swaps	EUR 190.3 mill.	EUR 22.7 mill.	73,327.2	- 3,045.6
Coal swaps	EUR 4.1 mill.	EUR 0.0 mill.	2,872.3	—
Derivatives without hedge relation				
Electricity forwards	EUR 213.9 mill.	EUR 215.4 mill.	32,290.8	- 32,496.5
Electricity futures	EUR 14.3 mill.	EUR 1.6 mill.	3,569.7	- 189.1
Gas swaps	EUR 7.9 mill.	EUR 10.0 mill.	7,588.8	- 5,515.2

Positive market values are contained in other long-term and/ short-term assets, and negative market values are contained in other long-term and/or short-term debts.

The following table shows the contractual maturities of payments (nominal values) in connection with the cash-flow hedges, i.e. when the underlying transaction has an effect on the result.

30/09/2009	Nominal value		Maturity
	Purchase	Sale	
Hedging transaction			
Interest swaps and foreign-currency derivatives	EUR 61.1 mill.	EUR 0.0 mill.	2009 - 2016
Electricity futures	EUR 101.2 mill.	EUR 12.8 mill.	2009 - 2012
Electricity swaps	EUR 0.0 mill.	EUR 7.1 mill.	2010
Gas swaps	EUR 89.5 mill.	EUR 1.4 mill.	2009 - 2012
Coal swaps	EUR 2.6 mill.	EUR 0.0 mill.	2010

30/09/2008	Nominal value		Maturity
	Purchase	Sale	
Hedging transaction			
Interest swaps and foreign-currency derivatives	EUR 0.0 mill.	EUR 0.0 mill.	—
Electricity futures	EUR 78.5 mill.	EUR 104.7 mill.	2008 - 2011
Electricity swaps	EUR 0.0 mill.	EUR 7.1 mill.	2010
Gas swaps	EUR 190.3 mill.	EUR 27.7 mill.	2009 - 2011
Coal swaps	EUR 4.1 mill.	EUR 0.0 mill.	2010 - 2011

As at 30 September 2009, hedging instruments, as they are shown above, were designated as part of fair-value hedges. For the 2008/2009 business year, the adjustments of the book values for the underlying transactions result in losses, recorded in the financial result, of EUR 122.0 thousand (EUR 7,385.3 thousand for the previous year). The changes in attributable current values of hedging transactions resulted in gains of EUR 122.0 thousand (EUR 7,385.3 thousand for the previous year), which are shown under other financial results.

24.3. BOOK VALUES, FAIR VALUES AND VALUES ENTERED ACCORDING TO IAS 39

The book values, fair values and values entered for the financial assets and debts comprise the following classes and/or valuation categories according to IAS 39 and/or IAS 17:

	Category according to IAS 39*)	Book value 30/09/2009 in EUR 1,000	Fair value 30/09/2009 in EUR 1,000	Book value 30/09/2008 in EUR 1,000	Fair value 30/09/2008 in EUR 1,000
Participations		60,859.3	60,859.3	66,641.7	66,641.7
Shares in affiliated companies	AfS (at cost)	42,811.9	42,811.9	45,429.2	45,429.2
Other participations	AfS	3,455.0	3,455.0	4,315.0	4,315.0
Other participations	AfS (at cost)	14,592.4	14,592.4	16,897.5	16,897.5
Financial assets from cross-border leasing		—	—	87,217.8	87,217.8
Other financial assets		468,024.2	468,025.1	370,840.6	369,339.1
Loans to affiliated companies	LaR	10,016.1	10,016.1	2,601.1	2,601.1
Loans to companies with which the company is linked by virtue of participating interests	LaR	34,396.5	34,396.5	3,689.9	3,689.9
Other loans	LaR	15,812.5	15,812.5	17,645.9	16,144.3
Securities (available for sale)	AfS	33,250.2	33,250.2	32,082.5	32,082.5
Securities (held to maturity)	HtM	10,422.9	10,423.8	2,963.4	2,963.4
Securities (fair value option)	AtFVP&L (FV option)	364,126.0	364,126.0	311,857.8	311,857.8
Accounts receivable and other assets (long and short-term) according to the balance sheet of which non-financial assets		479,311.0	—	468,038.3	—
of which financial assets		41,461.1	—	29,431.5	—
of which financial assets		437,849.9	437,849.9	438,606.8	438,606.8
Accounts receivable (trade debtors)	LaR	209,937.1	209,937.1	205,932.4	205,932.4
Due from affiliated companies	LaR	24,360.1	24,360.1	14,714.2	14,714.2
Due from undertakings with which the company is linked by virtue of participating interest	LaR	4,398.0	4,398.0	4,730.9	4,730.9
Derivatives with hedge relation (cash-flow hedge)	n/a	2,720.7	2,720.7	76,199.5	76,199.5
Derivatives with hedge relation (fair-value hedge)	n/a	6,284.9	6,284.9	22,875.1	22,875.1
Derivatives without hedge relation	AtFVP&L (trading)	52,353.5	52,353.5	42,269.7	42,269.7
Other long-term financial assets	LaR	137,795.6	137,795.6	71,885.0	71,885.0
Cash and cash equivalents	LaR	108,996.0	108,996.0	223,786.8	223,786.8
Total for financial assets		1,075,729.4	1,075,730.3	1,187,093.7	1,185,592.2

AfS available for sale
LaR loans and receivables
HtM held to maturity

FLAC financial liability measured at amortised cost
AtFVP&L at fair value through profit or loss

	Category according to IAS 39*)	Book value 30/09/2009 in EUR 1,000	Fair value 30/09/2009 in EUR 1,000	Book value 30/09/2008 in EUR 1,000	Fair value 30/09/2008 in EUR 1,000
Financial liabilities (long and short-term)		1,059,631.6	1,022,370.6	850,886.8	810,108.9
Bonds	FLAC	303,535.1	282,461.1	453,079.1	417,600.0
Due to banks	FLAC	621,404.4	603,548.3	305,004.3	299,629.1
Liabilities – financing leasing	IAS 17	72,489.8	72,454.2	75,555.2	75,631.6
Other financial liabilities	FLAC	62,202.3	63,907.0	17,248.2	17,248.2
Liabilities from cross-border leasing	FLAC	—	—	93,237.1	93,237.1
Accounts payable (short-term)	FLAC	149,268.5	149,268.5	179,601.2	179,601.2
Other debts (long and short-term) according to balance-sheet of these non-financial debts of these financial debts		350,192.9	—	348,625.7	—
		200,471.3	—	212,405.4	—
		149,721.6	149,721.6	136,220.3	136,220.3
Due to affiliated companies	FLAC	4,310.8	4,310.8	817.8	817.8
Due to undertakings with which the company is linked by virtue of participating interests	FLAC	14,656.8	14,656.8	288.1	288.1
Derivatives with hedge relation (cash-flow hedge)	n/a	23,397.1	23,397.1	5,776.9	5,776.9
Derivatives with hedge relation (fair-value hedge)	n/a	—	—	—	—
Derivatives without hedge relation	AtFVP&L (trading)	52,016.4	52,016.4	39,596.9	39,596.9
Other financial liabilities (long and short-term)	FLAC	55,340.5	55,340.5	89,740.6	89,740.6
Total for financial liabilities		1,358,621.7	1,321,360.7	1,259,945.4	1,219,167.5
Book values in valuation categories according to IAS 39					
Loans and receivables (LaR)		545,711.9	—	632,204.0	—
Held-to-maturity investments (HtM)		10,422.9	—	2,963.4	—
Available-for-sale financial assets (AFS)		94,109.5	—	98,724.2	—
Financial assets at fair value through profit or loss (AtFVP&L (trading))		52,353.5	—	42,269.7	—
Financial assets at fair value through profit or loss (AtFVP&L (FV option))		364,126.0	—	311,857.8	—
Financial liabilities measured at amortised cost (FLAC)		1,210,718.4	—	1,139,016.4	—
Financial liabilities at fair value through profit or loss (AtFVP&L (trading))		52,016.4	—	39,596.9	—

AFS available for sale
LaR loans and receivables
HtM held to maturity

FLAC financial liability measured at amortised cost
AtFVP&L at fair value through profit or loss

Accounts receivable (trade debtors), as well as other financial assets mainly have short terms to maturity. As a result, their book values as at the balance-sheet date correspond approximately to the attributable current value. The attributable current values of long-term borrowings, if material, correspond to the cash values of the payments linked to the assets, always taking account of the current market parameters.

The financial assets in valuation class "available for sale" comprise unquoted equity instruments, the fair value of which could not be reliably established and which are shown in the balance sheet at purchase prices. The book values can be gathered from the table above. The losses

from the disposal of such assets amounted to EUR 0.0 thousand during the 2008/2009 business year (EUR 332.7 thousand for the year before).

Accounts payable and other financial debts regularly have short times to maturity. The values in the balance sheet approximately reflect the attributable current values. The current value of financial liabilities, if material, are established as cash values of the payments linked to debts, on the basis of the respectively applicable market parameters.

The net result from valuation of the financial instruments is spread out as follows across the different classes of financial instruments:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Loans and receivables	3,825.8	12,847.5
Held-to-maturity investments	- 1,485.9	- 2,527.7
Available-for-sale financial assets	- 2,619.1	- 24,961.4
Financial assets at fair value through profit or loss (FV option)	11,956.6	78.1
Financial assets/liabilities at fair value through profit or loss (trading)	97.6	2,592.5
Financial liabilities measured at amortized cost	- 37,748.3	- 35,638.9
Net result	- 25,973.3	- 47,610.0
Total gains from interest	8,126.7	15,109.4
Total expenses for interest	- 37,748.3	-35,638.9

The net result of the category "loans and receivables" mainly comprises gains from cross-border leasing and gains from invested money, as well as borrowings. It is shown in the financial result. Moreover, the item comprises gains from the re-transfer of value adjustments, as well as gains from receiving written-off amounts due, as well as expenses from value adjustments and write-downs of accounts receivable. They are shown in the result of operations.

The net result of "held-to-maturity" investments is shown in the financial result and essentially comprises the write-downs made for these instruments, as well as gains from interest earned from securities and security deposits.

The net result of "available or sale" financial assets shows the valuation result of participations, valued with no effect on the result and securities, as well as gains from participations. They are shown under other financial results.

The net result of financial assets "at fair value through profit or loss (FV options)" essentially comprises the results of valuation, as well as distributions from securities. It is shown under other financial results.

The net result of "financial liabilities measured at amortized cost" essentially comprises expenses for interest for financial liabilities. It is part of the financial result.

The net result of financial assets and financial liabilities "at fair value through profit or loss (held for trading)" essentially derives from the derivatives used by Energie AG. The valuation result for the derivatives of the energy sector is comprised in the result of operations, that of interest and foreign-currency derivatives in the financial result.

24.4. MANAGEMENT OF FINANCIAL RISKS

PRINCIPLES OF FINANCIAL RISK MANAGEMENT

On account of its business activities and its financial transactions, Energie AG is exposed to various financial risks. These risks essentially comprise foreign-currency and interest risk, liquidity risk, default risk, share-price risk of securities, and price risk in the commodity area (price risks of the energy industry).

The central Group Treasury handles the management of financial risks. Any possible hedging is done on a central basis for all corporate entities. A corporate financial guideline (Treasury Policy) is the basis for managing financial risks. It applies to the main objectives, principles and the distribution of tasks within the Group.

Group Treasury primarily secures financial risks on a central basis, also using derivative financial instruments. As a matter of principle, such transactions are only entered with counterparties of very good rating in order to minimize the default risk.

If a controlling influence – and eventually full consolidation – is obtained when acquiring a company, the acquired company is integrated into the central Group Treasury in the course of a post-acquisition project.

Foreign-Currency Risk

The exposure is essentially limited to the risk of translating the values of assets in the neighboring countries (especially the Czech Republic, Hungary, Slovakia). The foreign-currency risk of the Energie AG Group can be classified as low, on account of the low level of financial assets exposed to the foreign-currency risk, as well as on account of the financing structure. Moreover, there is also a transaction risk of a subordinated extent, due to payments in foreign currency.

Interest Risk

The Energie AG Group holds financial instruments with sensitive interest rates in order to meet the operational and strategic requirements for controlling liquidity. The risk of changes in interest rates essentially results from financial instruments with variable interest rates (cash-flow risk). On the asset side, interest risks are due mainly to borrowings and credit balances with credit institutions, on the liability side they are mainly due to financial liabilities with variable interest rates, as well as amounts due to banks. Moreover, interest risk accrues from interest-related derivatives.

The sensitivity of these financial instruments to risks of changes in interest rate is analyzed so that the effects of assumed changes in the level of market interest rates on the result (after tax) and on equity is shown. The instruments held on the reporting date were used as basis for the analysis. In this context, it was assumed that the risk prevailing on the balance-sheet date essentially represents the risk during the entire business year. The corporate tax rate of 25% was used as tax rate. Another assumption for the analysis was that all other variables, especially exchange rates, will remain unchanged.

An increase in the level of market interest rates – after the aforementioned assumptions – of 50 basis points (100 basis points in the year before) as at the balance-sheet date would have resulted in a reduction of the result (after tax) in the amount of EUR 95.8 thousand (EUR 828.6 thousand for the previous year) and an increase (reduction in the year before) in equity in the amount of EUR 1,220.8 thousand (EUR 828.6 thousand for the previous year). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash-flow hedging provision in the amount of EUR 1,316.6 thousand (EUR 0.0 thousand in the year before), in addition to the sensitivity of the result (after tax).

A decrease in the level of market interest rates – after the aforementioned assumptions – by 50 basis points as at the balance-sheet date would have resulted in an increase of the result (after tax) in the amount of EUR 385.6 thousand (EUR 963.2 thousand for the year before) a reduction (increase for the year before) of equity in the amount of EUR 979.4 thousand (EUR 963.2 thousand for the previous year). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash-flow hedging provision in the amount of EUR 1,365.0 thousand (EUR 0.0 thousand in the year before), in addition to the sensitivity of the result (after tax).

Commodity Price Risk

Commodity price risks arise mainly from the procurement and sale of electricity, as well as from the procurement of the fuels coal and gas. Moreover, Energie AG incurs price risks when entering into speculative positions in the course of proprietary trading, which is therefore exercised only within tight limits. The risk can therefore be classified as immaterial.

Hedging instruments for electric energy and fuels (futures, forwards and swaps) are entered in order to secure risks of the energy industry.

Sensitivity analyses were made for the commodity price risk, which show the effect of assumed changes in the level

of market prices on the result (after tax) and on equity. The respective amounts held on the balance-sheet were used as a basis. In this context, it was assumed that the risk on the balance-sheet date essentially represents the risk during the business year. The corporate tax rate in the amount of 25% was used as a basis. Moreover, it was assumed for the purpose of the analysis that all other variables, especially exchange rates, will remain unchanged. The analysis did not include contracts that are used to receive or supply non-financial items in keeping with the expected procurement, sales and utilization requirements of the company (own use) and thus need not be shown in the balance sheet, according to IAS39, with the exception of encumbered contracts.

Sensitivity of derivative contracts in connection with electricity prices:

An increase (reduction) of the market price level – in keeping with the assumptions mentioned above – by 15% on the reporting date would have resulted in an increase (reduction) of the result (after tax) of EUR 384.1 thousand (EUR 1,683.7 thousand in the year before) and an increase (reduction) of equity of EUR 7,577.0 thousand (decrease (increase) of EUR 3,627.6 thousand in the year before). In this context, equity sensitivity was influenced by the sensitivity of the provision for cash-flow hedges in the amount of EUR 7,192.9 thousand (EUR 5,311.3 thousand in the year before) relating to electricity prices, in addition to the sensitivity of the result (after tax).

Sensitivity of the derivative contracts in connection with gas prices:

An increase (reduction) of the market price level – in keeping with the assumptions mentioned above – by 25% on the reporting date would have resulted in an increase (reduction) of the result (after tax) of EUR 5.7 thousand (EUR 0.0 thousand in the year before) and an increase (reduction) of equity of EUR 12,587.3 thousand (EUR 28,179.5 thousand in the year before). In this context, equity sensitivity was influenced by the sensitivity of the provision for cash-flow hedges in the amount of EUR 12,593.0 (EUR 28,179.5 thousand in the year before) relating to gas prices, in addition to the sensitivity of the result (after tax).

Sensitivity of derivative contracts in connection with coal prices:

An increase (reduction) of the market price level – in keeping with the assumptions mentioned above – by 15% on the reporting date would have resulted in an increase (reduction) of the result (after tax) by EUR 280.7 thousand (EUR 779.7 thousand in the year before). In this context, equity sensitivity was exclusively influenced by the sensitivity of the provision for cash-flow hedges relating to coal prices.

Market price risk due to the fair value valuation of securities (especially share price, financial investment and fund risks)

Energie AG holds securities, funds and financial investments and funds which may cause the company an exposure in the case of price changes. The risk of fluctuations concerning the held securities is limited by a conservative investment policy and by continuous monitoring, as well as by an ongoing quantification of the risk potential.

The sensitivity of the share price risk was analyzed so that the effect of assumed changes in the level of market prices on the result (after tax) and on equity is shown. The respective securities held on the balance-sheet were used as a basis. In this context, it was assumed that the risk on the balance-sheet date essentially represents the risk during the business year. The corporate tax rate in the amount of 25% was used as a basis. Moreover, it was assumed for the purpose of the analysis that all other variables, especially the currency will remain unchanged.

An increase (reduction) of the market price level – in keeping with the assumptions mentioned above – by 15% as at the balance sheet date would have resulted in an increase (reduction) of the result (after tax) in the amount of EUR 40,964.1 thousand (EUR 36,206.0 thousand in the year before), as well as of equity in the amount of EUR 45,288.8 thousand (EUR 41,981.5 thousand). In this context, equity sensitivity was influenced by the sensitivity of the available-for-sale provision, which is related to the share price, in the amount of EUR 4,324.7 thousand (EUR 5,775.5 thousand in the year before), in addition to the sensitivity of the result (after tax).

Default risk

Energie AG incurs credit risks whenever counterparties do not comply with their contractual agreements.

The company limits default exposure by regularly analyzing the ratings of the customer portfolio. In the area of financial and energy trading, transactions are only signed with counterparties of excellent rating. The risk is also restricted by limit systems and monitoring.

With regard to the financial assets not shown in the following tables there were no major arrears and/or impairments on the reporting date, and there are no indications on the reporting date that debtors will not meet their payment obligations.

The book values of the financial assets were comprised of the following items:

	Book value 30/09/2009 in EUR 1,000	Of these: neither impaired nor overdue at the reporting date in EUR 1,000	Of these not impaired but overdue during the below periods				Of these: impaired as at the reporting date in EUR 1,000
			less than 30 days in EUR 1,000	between 30 and 60 days in EUR 1,000	between 60 and 90 days in EUR 1,000	more than 90 days in EUR 1,000	
Other financial assets	10,016.1	10,016.1	—	—	—	—	—
Loans to affiliated undertakings	10,016.1	10,016.1	—	—	—	—	—
Receivables and other financial assets (long and short-term)	376,490.8	342,998.0	14,454.7	3,395.3	2,283.0	9,275.4	4,084.4
Accounts receivable (trade debtors)	209,937.1	181,786.6	11,001.1	3,369.1	2,249.5	7,646.0	3,884.8
Due from affiliated companies	24,360.1	22,220.3	565.3	9.1	22.8	1,542.6	—
Due from undertakings with which the company is linked by virtue of participating interests	4,398.0	4,268.8	58.1	11.2	10.7	49.2	—
Other financial assets	137,795.6	134,722.3	2,830.2	5.9	0.0	37.6	199.6
Total	386,506.9	353,014.1	14,454.7	3,395.3	2,283.0	9,275.4	4,084.4

	Book value 30/09/2008 in EUR 1,000	Of these: neither impaired nor overdue at the reporting date in EUR 1,000	Of these not impaired but overdue during the below periods				Of these: impaired as at the reporting date in EUR 1,000
			less than 30 days in EUR 1,000	between 30 and 60 days in EUR 1,000	between 60 and 90 days in EUR 1,000	more than 90 days in EUR 1,000	
Other financial assets	2,601.1	1,832.2	0.0	0.0	0.0	768.9	0.0
Loans to affiliated undertakings	2,601.1	1,832.2	0.0	0.0	0.0	768.9	0.0
Receivables and other financial assets (long and short-term)	297,262.5	268,200.5	14,564.5	3,464.9	2,562.1	6,116.6	2,354.0
Accounts receivable (trade debtors)	205,932.4	181,796.6	12,421.7	3,448.3	2,552.8	3,662.8	2,050.2
Due from affiliated companies	14,714.2	10,568.5	1,857.1	0.7	0.0	2,288.0	0.0
Due from undertakings with which the company is linked by virtue of participating interests	4,730.9	4,701.3	2.2	3.8	3.8	19.8	0.0
Other financial assets	71,885.0	71,134.2	283.5	12.1	5.5	145.9	303.8
Total	299,863.6	270,032.7	14,564.5	3,464.9	2,562.1	6,885.4	2,354.0

Impairments of financial assets have developed as follows:

	Status 01/10/2008 in EUR 1,000	Change in consolidated group in EUR 1,000	Additions in EUR 1,000	Con- sumption in EUR 1,000	Re- transfers in EUR 1,000	Currency translations in EUR 1,000	Status 30/09/2009 in EUR 1,000
Other financial assets	5,323.8	—	3,126.0	—	—	—	8,449.8
Securities (available for sale)	2,738.8	—	990.3	—	—	—	3,729.1
Securities (held to maturity)	2,585.0	—	2,135.7	—	—	—	4,720.7
Accounts receivable and other financial assets (long and short-term)	7,690.5	1,028.4	2,306.6	- 1,574.2	- 1,201.7	—	8,249.6
Accounts receivable (trade debtors)	6,437.3	1,012.2	2,298.5	- 693.0	- 954.4	—	8,100.6
Other financial assets	1,253.2	16.2	8.1	- 881.2	- 247.3	—	149.0
Total	13,014.3	1,028.4	5,432.6	- 1,574.2	- 1,201.7	—	16,699.4

	Status 01/10/2007 in EUR 1,000	Change in consolidated group in EUR 1,000	Additions in EUR 1,000	Con- sumption in EUR 1,000	Re- transfers in EUR 1,000	Currency translations in EUR 1,000	Status 30/09/2008 in EUR 1,000
Other financial assets	—	—	5,323,8	—	—	—	5,323,8
Securities (available for sale)	—	—	2.738,8	—	—	—	2.738,8
Securities (held to maturity)	—	—	2.585,0	—	—	—	2.585,0
Accounts receivable and other financial assets (long and short-term)	7,065,9	622,9	1,534,7	- 1,349,6	- 191,1	7,7	7,690,5
Accounts receivable (trade debtors)	5.765,9	563,7	1.473,6	-1.349,6	-28,5	12,2	6.437,3
Other financial assets	1.300,0	59,2	61,1	0,0	- 162,6	- 4,5	1.253,2
Total	7,065,9	622,9	6,858,5	- 1,349,6	- 191,1	7,8	13,014,3

Expenses for the complete retirement of accounts receivable amounted to EUR 3,222.0 thousand (EUR 1,166.3 in the year before). Revenues from the receipt of retired accounts receivable amounted to EUR 25.7 thousand (EUR 304.9 thousand in the year before). During the expired business year expenses for impairments amounted to EUR 1,104.3 thousand (EUR 1,343.6 thousand in the year before) concerning financial assets in the category "loans and receivables", EUR 990.3 thousand (EUR 2,738.8 thousand in the year before) concerning financial assets in the category "available for sale" and EUR 2,135.7 thousand (EUR 2,585.0 thousand) concerning financial assets in the category "held to maturity".

With regard to the financial accounts receivable that are neither impaired nor overdue there are no signs as at the balance-sheet date that debtors will not meet their payment obligations. With regard to the financial assets not shown in the table above, there were no material arrears and impairments on the reporting date.

The value of individual financial assets is adjusted whenever the book value of the financial assets is higher than the future discounted cash flow. The indicators for individual adjustments in value are financial difficulties, insolvency, breach of contract, and considerable arrears in payment on the part of customers. The individual adjustments in value are comprised of numerous individual items, of which any single one need not be considered as material. Moreover, graded impairments are entered according to risk group in order to take account of general credit risks.

Liquidity risk

A liquidity risk would arise if the liquidity reserves and/or the borrowing capacity were insufficient in order to meet financial obligations in time. As Energie AG engages in far-sighted liquidity planning and holds liquidity reserves, it is estimated that the liquidity risk is very low. Moreover, the company can draw on open credit lines with banks, as well as on the capital market in order to obtain financing. In this connection, attention is paid to an adequate capital structure and a conservative financial profile in order to maintain a strong "A" rating.

	Book value 30/09/2009 in EUR 1,000	Cash flows 2009/2010		Cash flows 2010/2011 to 2013/2014		Cash flows as of 2014/2015	
		Interest in EUR 1,000	Redemption in EUR 1,000	Interest in EUR 1,000	Redemption in EUR 1,000	Interest in EUR 1,000	Redemption in EUR 1,000
Financial liabilities (long and short-term)	1,059,631.6	35,271.5	225,825.0	119,912.7	217,313.8	170,636.2	620,045.0
Bonds	303,535.1	13,500.0	1.3	54,373.3	—	148,500.0	306,284.9
Amounts due to banks	621,404.4	17,843.1	220,242.8	50,668.0	202,492.3	11,083.0	199,470.4
Liabilities from financing leasing	72,489.8	1,018.7	2,668.2	3,528.1	10,663.3	6,362.4	59,158.3
Other financial liabilities	62,202.3	2,909.7	2,912.7	11,343.3	4,158.2	4,690.8	55,131.4
Liabilities from cross-border leasing	—	—	—	—	—	—	—
Accounts payable (short term)	149,268.5	—	149,268.5	—	—	—	—
Other debts (long and short-term) according to balance sheet	350,192.9						
of these non-financial debts	200,471.3						
of these financial debts	149,721.6	815.2	99,036.6	1,906.0	36,102.1	106.1	11,088.1
Due to affiliated companies	4,310.8	—	4,310.8	—	—	—	—
Due to undertakings with which the company is linked by virtue of participating interests	14,656.8	—	14,656.8	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	23,397.1	—	5,028.0	—	17,737.8	—	99.4
Derivatives with hedge relation (fair-value hedge)	—	—	—	—	—	—	—
Derivatives without hedge relation	52,016.4	815.2	34,065.5	1,906.0	14,601.0	106.1	—
Other financial liabilities (long and short-term)	55,340.5	—	40,975.5	—	3,763.3	—	10,988.7
Total	1,358,621.8	36,086.7	474,130.1	121,818.7	253,415.9	170,742.3	631,133.1

All financial instruments are included that are held on the balance-sheet date and for which payments have been contractually agreed. Projected figures with regard to future, new financial liabilities are not included. For the ongoing operating loans a mean term to maturity of 12 months is assumed. However, as a rule, these loans are prolonged and are available for longer periods in commercial terms. Amounts in foreign currency are always translated at the cash market price on the balance-sheet

date. The payments for variable interest on financial assets are determined on the basis of the interest rates applicable immediately prior to the balance-sheet date. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity margin.

There is real securitization for financial liabilities in the amount of EUR 0.0 thousand (EUR 0.0 thousand).

	Book value 30/09/2008 in EUR 1.000	Cash flows 2008/2009		Cash flows 2009/2010 to 2012/2013		Cash flows as of 2013/2014	
		Interest in EUR 1.000	Redemption in EUR 1.000	Interest in EUR 1.000	Redemption in EUR 1.000	Interest in EUR 1.000	Redemption in EUR 1.000
Financial liabilities (long and short-term)	850,886.8	37,167.0	368,812.6	78,996.6	103,198.5	193,479.0	381,962.3
Bonds	453,079.1	19,500.0	150,002.8	54,000.0	0.0	162,000.0	306,162.9
Amounts due to banks	305,004.3	13,518.1	209,999.9	10,155.5	86,849.9	4,380.8	8,154.5
Liabilities from financing leasing	75,555.2	3,727.4	2,662.3	13,495.6	11,226.8	26,348.3	61,666.1
Other financial liabilities	17,248.2	421.6	6,147.5	1,345.5	5,121.8	749.9	5,978.8
Liabilities from cross-border leasing	93,237.1	8,162.9	0.0	32,050.1	0.0	116,000.2	93,237.1
Accounts payable (short term)	179,601.2	0.0	179,601.2	—	—	—	—
Other debts (long and short-term) according to balance sheet of these non-financial debts of these financial debts	348,625.7						
	212,405.4						
	136,220.3	243.3	100,584.2	1,257.3	26,745.8	1,037.9	8,927.7
Due to affiliated companies	817.8	0.0	691.4	—	126.4	—	—
Due to undertakings with which the company is linked by virtue of participating interests	288.1	0.0	288.1	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	5,776.9	—	—	—	5,776.9	—	—
Derivatives with hedge relation (fair-value hedge)	—	—	—	—	—	—	—
Derivatives without hedge relation	39,596.9	243.3	21,164.3	1,257.3	18,022.6	1,037.9	—
Other financial liabilities (long and short-term)	89,740.6	—	78,440.4	—	2,819.9	—	8,927.7
Total	1,259,945.4	45,573.2	648,998.0	112,304.1	129,944.3	310,517.0	484,127.2

24.5 CONDITIONS OF THE MAIN FINANCIAL INSTRUMENTS

Energie AG Oberösterreich has issued the following bonds:

4.5% bonds issued by Energie AG Oberösterreich, 2005-25, ISIN: XS0213737702, volume: EUR 300,000,000, coupon: 3 March
 Energie AG borrower's note loan, 2009-2013, volume: EUR 134,500,000, of which EUR 109,500,000 with variable interest rate
 Energie AG borrower's note loan, 2009-2016, volume: EUR 115,500,000, of which EUR 101,000,000 with variable interest rate
 Energie AG Finance B.V, bonds (private placement), 2009-2016, volume: EUR 50,000,000, with fixed interest rate

25. Long-Term Provisions

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Pension provisions	78,556.1	80,861.1
Provisions for pension payments	51,008.3	46,660.3
Provisions for anniversary bonuses	14,062.1	13,505.5
Provisions for early retirement payments	12,950.7	18,857.2
Provisions for landfills and other provisions	33,426.9	41,513.2
	190,004.1	201,397.3

The provision for early retirement benefits will essentially result in cash outflows during the coming five years. All other long-term provisions have a maturity of more than five years for the most part.

Provisions for Pensions

On account of company agreements and commitments under individual contracts, pensions must be paid upon retirement to specific staff members who joined the company before 30 September 1996 and have accepted neither full nor partial compensation of their claims to direct payments. Moreover, there is an obligation to pay pensions to specific staff members who retired before 1 July 1998.

A pension provision has been formed for this group of persons pursuant to IAS 19 (Employee Benefits) according to the actuarial valuation method (projected unit credit method).

The company must pay additional contributions for the defined-benefit pension commitments that were transferred to the company's pension fund.

The calculation was based on the following parameters:

	2009	2008
Assumed interest rate	5.75%	6.00%
Trend regarding salaries	3.50%	3.50%
Trend regarding pensions	2.25%	2.25%
Expected income from pension fund assets	5.00%	6.00%

“AVÖ 2008 P Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler” were used as the biometric basis for the calculations.

The statutory retirement age was taken as a basis.

Depending on the period of employment, a fluctuation rate of 0 to 10% is assumed.

All expenses and revenues connected to the provisions are shown under personnel expenses.

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Present value of pension commitment (DBO) as at 01/10	94,424.2	95,033.4
Change in consolidated group	—	5,067.4
+ current service cost	5,373.5	684.1
+ interest costs	5,287.0	5,059.2
- actual benefit payments	- 7,429.2	- 7,275.2
+/- actuarial loss/profit	2,555.2	- 4,144.7
Present value of pension commitment (DBO) as at 30/09	95,575.3	94,424.2
- fair value of fund assets	- 8,788.3	- 7,983.1
- non-realized net loss	- 8,230.9	- 5,580.0
Pension provision as at 30/09, as shown in the balance sheet	78,556.1	80,861.1

Development of Fund Assets	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Budgeted assets as at 01/10	7,983.1	7,092.3
Contributions paid to fund	767.9	263.1
Payments from fund	- 334.7	- 225.9
Changes in consolidated group	—	1,231.1
Expected income from budgeted assets	478.5	389.3
Actuarial losses	- 106.5	- 766.8
Budgeted assets as at 30/09	8,788.3	7,983.1

The fund assets comprise the following items:	30/9/2009 %	30/9/2008 %
Bonds (euros)	56.4	64.3
Shares	20.9	15.2
Miscellaneous	22.7	20.5
	100.0	100.0

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Current service cost	651.6	684.1
Interest costs	5,373.5	5,059.2
Expected gains from investment	-478.5	-389.3
Actuarial profits and losses	5.8	143.0
	5,552.4	5,497.0

Historical information on pension provision	30/9/2009 in EUR 1,000	30/9/2008 in EUR 1,000	30/9/2007 in EUR 1,000
Present value of pension commitments (DBO)	95,575.3	94,424.2	95,033.4
Fair value of fund assets	- 8,788.3	- 7,983.1	- 7,092.3
Under-coverage	86,787.0	86,441.1	87,941.1
Adjustments based on experience in % of the present value of the commitment	- 0.22%	- 2.27%	1.16%

The actual income from the budgeted assets amounts to EUR 372.0 thousand (EUR -421.2 in the year before).

Provisions for Severance Payments

Severance payments are made to staff members at the time of retirement or on dismissal, on the basis of statutory obligations and collective-agreement commitments. The amount of this one-off payment is determined by the most recent remuneration and the number of service years.

A provision is formed on the basis of these stipulations under labor law and collective agreements, which is calculated by applying the projected unit credit method.

By including the corridor arrangements pursuant to IAS 19 (Employee Benefits), the same parameters were taken as a basis as are used for the pension provisions:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Provision for severance payments, as shown in the balance sheet, as at 01/10	46,660.4	38,037.8
+ change in consolidated group	—	5,322.4
+ current service cost	2,563.3	2,270.5
+ interest costs	3,404.5	2,625.7
- net payments for transfers	- 66.9	—
- severance payments	-2,108.3	-1,877.3
+ realized actuarial loss	555.3	281.3
provision for severance payments, as shown in the balance sheet, as at 30/09	51,008.3	46,660.4
+ non-realized actuarial loss	11,295.6	9,594.0
Present value of severance payment commitment (DBO) as at 30/09	62,303.9	56,254.4

Provisions for Anniversary Bonuses

For the calculations pursuant to IAS 19 (Employee Benefits) the same parameters were used as a basis as for the severance payments and pension provisions:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Present value of anniversary bonus commitment (DBO) as at 01/10	13,505.5	12,229.8
+ change in consolidated group	—	763.8
+ current service cost	594.3	578.8
+ interest costs	806.5	658.6
- net payments for transfers	- 12.6	—
- anniversary bonus payments	- 1,056.1	- 722.4
+/- realized actuarial loss/profit	224.5	- 3.1
Present value of anniversary bonus commitment (DBO) as at 30/09 =		
Anniversary bonus commitment as at 30/09, shown in the balance sheet	14,062.1	13,505.5

Provisions for Early Retirement

On the basis of a company agreement entered into in 1998, staff members of Energie AG Oberösterreich have the possibility to make use of an early-retirement model under certain conditions for a limited time.

The model offers employees temporary assistance in order to bridge the period between the end of their employment relations and their actual entitlement to a statutory pension payment pursuant to the stipulations of the Austrian General Social Security Act.

In keeping with IAS 19 (Employee Benefits) a provision was formed for the resulting commitment. The parameters of the pension provisions were used as a basis for the calculation.

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Present value of early retirement commitment (DBO) as at 01/10	18,857.2	25,837.2
+ interest expense	936.6	1,146.9
- early retirement payments	- 5,999.8	- 7,536.9
- realized actuarial profit	- 843.3	- 590.0
Present value of early retirement commitment (DBO) as at 30/09 =		
Early retirement provision as at 30/09, shown in the balance sheet	12,950.7	18,857.2

Provisions for Landfills and Other Provisions

Other long-term provisions result, in particular, from future expenses in connection with the covering and follow-up monitoring of landfills. The provisions developed as follows:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Carrying value as at 01/10	41,513.2	33,996.0
Change in consolidated group	993.7	4,145.5
Consumptions	- 909.7	- 1,243.0
Reversals	- 8,871.7	- 980.8
Allocations	2,151.0	4,291.1
Currency differences	- 1,449.6	1,304.4
	33,426.9	41,513.2

26. Contributions to Construction Costs

This item consists mainly of financing contributions received from electricity, gas and district-heating customers. They are retransferred in each case, with effect on the result, over the average depreciation period of the equipment concerned (up to 40 years).

27. Advances from Customers

This item mainly comprises accruals/deferrals from the sale of claims to minimum waste-material quantities. On the basis of a contractual agreement, the Group is obliged to accept specific waste-material quantities. Irrespective of the actually delivered quantities, the Group is entitled to the remuneration fixed for a specific minimum quantity of waste material, which is established in advance. The claims up to 30 September 2021 under these minimum waste-material quantities were sold, and a fixed interest rate of 4.2868% was agreed with the contracting partner for the entire term of the agreement. The amount was entered as an advance received and carried as a liability.

28. Other Long-Term Debt

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Investment grants	36,867.5	39,604.1
Other liabilities	69,241.3	55,317.5
	106,108.8	94,921.6

29. Short-Term Provisions

Short-term provisions developed as follows during the year under review:

	2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Carrying value as at 01/10	36,203.3	17,842.1
Change in consolidated group	117.4	14,808.1
Consumption	- 28,977.0	- 11,341.7
Reversals	- 2,389.6	- 2,418.8
Allocation	38,354.9	17,222.9
Currency differences	- 47.4	90.7
	43,261.6	36,203.3

Short-term provisions comprise mainly provisions for disposal costs, as well as provisions for imminent losses from pending transactions, as well as provisions for emission certificates.

30. Tax Provisions

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Corporate income tax for the business year	4,798.7	13,061.1
Corporate income tax for previous years	3.2	19.8
	4,801.9	13,080.9

31. Other Short-Term Debt

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Due to non-consolidated affiliated companies	4,339.1	691.4
Due to undertakings with which the company is linked by virtue of participating interest	14,656.9	288.1
Tax liabilities	57,942.8	70,115.1
Liabilities under social security	6,885.5	6,178.1
Advances from customers	27,002.2	19,167.0
Market value of derivatives	38,945.3	21,164.3
Liabilities vis-à-vis staff members	44,477.3	44,323.7
Other liabilities	49,835.0	91,776.4
	244,084.1	253,704.1

32. Liabilities to Third Parties

	30/09/2009 in EUR 1,000	30/09/2008 in EUR 1,000
Cross-border leasing	611,260.2	1,416,362.7
Others	98,946.6	126,294.2
	710,206.8	1,542,656.9

33. Other Commitments

In accordance with the energy supply contract between Energie AG Oberösterreich and Verbundgesellschaft, dated 07/08 August 2001, Energie AG Oberösterreich receives from Verbundgesellschaft a certain amount of electricity every year, on the basis of customary market products. The compensation for these electricity supplies is shown under cost of materials.

During the 2007/2008 business year, an operating lease agreement concerning the corporate headquarters in Linz, Böhmerwaldstrasse 3, was entered for a period of 20 years, applying a variable interest rate. Purchase options at market value were granted for fixed dates.

The use of tangible fixed assets, not shown in the balance sheet, results in a commitment for the following business year in the amount of EUR 5,482.8 thousand (EUR 5,401.7 thousand in the year before), which is due to long-term rent, lease and leasing arrangements. The total amount of these commitments for the next five years amounts to EUR 25,319.8 thousand (EUR 26,561.8 thousand in the year before), and to EUR 22,046.2 (EUR 40,114.4 in the year before) for periods longer than five years. The cash value of the minimum lease payments from operating lease agreements amounts to EUR 26,595.7 thousand (EUR 31,566.5 thousand in the year before).

34. Result per Share and Proposal for the Appropriation of Earnings

The nominal capital of Energie AG Oberösterreich is divided into 89,000,000 (89,000,000 in the year before) shares. The average number of outstanding shares amounted to 88,998,648 (82,184,827 in the year before). This results in a consolidated result per share in the amount of EUR 0.779 (EUR 1.416 in the year before) The Board of Management of Energie AG Oberösterreich proposes to the General Shareholders' Meeting to distribute a dividend in the amount of EUR 0.6 (EUR 0.6 in the year before) per share, which altogether amounts to EUR 53,398.5 thousand (EUR 53,399.6 thousand in the year before).

35. Risk Management

A risk management system has been implemented for the entire Energie AG Oberösterreich Group. It is integrated into the set of control instruments used by the Board of Management and supports a value-based development of our group of companies.

The risk management process complies with the requirements of Austrian standard 49000. Since the previous business year it has been certified as part of the matrix certification according to ISO 9000. An external audit in 2009 once again confirmed its validity.

The standardized, IT-supported identification of risk and opportunities throughout the Group facilitates the aggregation of the individual risk into the overall risk position of the Group and thus increases risk transparency and also the quality of the strategic and operating decisions.

The following main risk categories constitute the most relevant exposures/opportunities of the Group:

Finances

The main financial risks are the liquidity risk, the foreign-currency and interest risk, the market price risk of the securities portfolio, as well as the counterparty risk. The liquidity risk is controlled by forward-looking liquidity planning and holding liquidity reserves, as well as by means of credit lines with banks. Group Treasury is primarily responsible on a central basis for designing and implementing the hedging strategies for financial risks.

Water Levels

The earnings position of the Group depends, inter alia, to a large extent on the water levels of rivers, both for our own generation and our electricity procurement rights. The start-up of the combined-cycle gas turbine power station at Timelkam contributes to risk optimization, as it increases diversification.

Participations

Risks resulting from equity interests are primarily the result of fluctuations in the shares held, the dividends, and the pro-rata profit/loss for the year of companies associated at equity, as well as of receivables. Risks are optimized by identifying, analyzing, quantifying and monitoring them.

Counterparty Risk

In order to minimize counterparty risk, financial and energy trading transactions of Energie AG are limited to counterparties of first-class rating. The exposure is further restricted by a system of limits and monitoring. For the purpose of engaging in hedging transactions and commodities futures contracts with several counterparties the Group entered into a German framework agreement with an attachment on hedging enclosed with the annex, in order to limit risks. For the operational implementation of this hedging attachment the discounted revenue figures are offset in financial terms with the counterparties concerned on a weekly basis.

Generation, Grid, Waste Management and Infrastructure Facilities

Energie AG counters the facilities and failure risk by strict maintenance and quality controls, an optimized maintenance strategy and appropriate insurance coverage.

Energy Industry

The risks caused by the energy industry are countered by hedging instruments (forwards, futures and swaps) for electric energy, gas and fuels.

36. Relations to Affiliated Companies and Persons

The affiliated companies and persons include the federal province of Upper Austria, which is the majority shareholder, the pro-rata consolidated companies, the associated companies, as well as the members of the Board of Management and the Supervisory Board of Energie AG Oberösterreich and their close dependents.

Majority owner: The federal province of Upper Austria, which is the majority shareholder, subscribed bonds (private placement) during the 2008/2009 business year. Please refer to item 24.5 concerning the conditions of this financial liability.

ENAMO GmbH: ENAMO GmbH was set up as a joint venture of Energie AG and LINZ AG for the distribution of electricity. A business share of 35% is held by LINZ STROM GmbH für Energieerzeugung, -verteilung und Telekommunikation, which is a subsidiary of LINZ AG. The contractual obligation is to accept negative results on a proportional basis.

Electricity Deliveries: There are energy deliveries at customary market conditions between Energie AG and Ennskraftwerke AG, Cogeneration-Kraftwerke-Management Oberösterreich GmbH, LINZ AG, as well as Wels Strom GmbH. The income statement shows sales revenues from associated companies in the amount of EUR 56,485.4 thousand (EUR 29,073.8 thousand in the year before), as well as expenses in the amount of EUR 24,384.8 thousand (EUR 27,886.9 thousand). Electricity is delivered at arm's length between the Group and the pro-rata consolidated companies in the amount of EUR 284,737.5 thousand (EUR 295,519.7 thousand in the year before).

Guarantees/Bank guarantees: The liabilities of Geothermie-Wärmegesellschaft Braunau-Simbach mbH, as well as of Geothermie-Fördergesellschaft Simbach-Braunau mbH are secured by guarantees and/or bank guarantees in the amount of EUR 1,720.0 thousand (EUR 1,720.0 thousand in the year before).

Consortium Agreement: A consortium agreement was signed between Energie AG Oberösterreich and minority stakeholders, with the exception of staff members, which concerns the Ener-

gie AG Group especially in connection with the arrangements on dividends, rights to delegate members to the Supervisory Board, as well as specific minority rights.

37. Material Events after the Balance Sheet Date

At the beginning of the 2009/2010 business year the natural gas network operations of Oberösterreichische Ferngas Aktiengesellschaft, together with its long-distance and distribution networks were transferred to OÖ. FErngas AG Netz GmbH, which is a subsidiary of Oberösterreichische Ferngas Aktiengesellschaft by way of universal succession. As of that date, OÖ. Ferngas Netz GmbH will become fully consolidated in the financial statements.

38. Information about the Group Management Bodies

The following persons were the appointed members of the Board of Management of Energie AG Oberösterreich during the year under review:

Leo Windtner (CEO, Chairman of the Board of Management, St. Florian); Werner Steinecker (Member of the Board of Management, Kirchschlag); Roland Pumberger (Member of the Board of Management, Purkersdorf).

During the 2008/2009 business year, the Supervisory Board of Energie AG Oberösterreich consisted of the following members:

Gerhard Falch (Chairman); Erich Haider (First Deputy Chairman); Ludwig Scharinger (Second Deputy Chairman); Alois Froschauer; Franz Gasselsberger; Anna-Maria Hochhauser; Michaela Kepplinger-Mitterlehner; Manfred Klicnik; Rupert Lichtenecker; Manfred Polzer; Viktor Sigl; Bruno Wallnöfer.

The following persons were delegated by the Works Council:

Manfred Harringer; Isidor Hofbauer; Gottfried Laherstorfer; Peter Neissl; Bernhard Steiner (until 17 April 2009); Christian Strobl (until 17 April 2009); Gerhard Stöhringer (since 17 April 2009); Egon Thalmer (since 17 April 2009).

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich



Leo Windtner



Werner Steinecker



Roland Pumberger

Cash-Flow Statement

		2008/2009 in EUR 1,000	2007/2008 in EUR 1,000
Result before taxes on income		90,595.9	143,340.2
Tax payments		- 33,032.6	- 26,823.0
Result after taxes on income		57,563.3	116,517.2
Depreciation/Write-ups regarding fixed assets		150,291.3	140,481.2
Reversal of differentials carried as liabilities	(8)	- 278.8	- 25,198.5
Change in long-term provisions		- 9,150.4	- 3,324.2
Change in other long-term assets		- 2,189.6	- 4,067.4
Change in other long-term debt		- 4,097.1	- 3,230.1
Income from the reversal of the present-value benefit of the cross-border leasing transactions		- 10,479.6	- 3,817.3
Retained income from companies associated at equity		- 8,110.5	15,251.3
Contributions to construction costs received	(26)	25,294.4	25,759.2
Income from the reversal of contributions to construction costs	(26)	- 19,553.8	- 17,788.8
Losses from the disposal of assets		3,167.7	3,202.8
Gains from the disposal of assets		- 3,281.8	- 2,312.1
Other revenues without effect on payments		4,996.3	- 4,985.8
CASH FLOW FROM THE RESULT		184,171.4	236,487.5
Change in inventories and short-term receivables		15,076.9	- 47,756.6
Payments from hedging transactions		- 54,319.7	16,812.5
Change in short-term liabilities		- 28,398.0	33,811.2
Change in short-term provisions		- 860.0	5,040.1
CASH FLOW FROM OPERATING ACTIVITIES		115,670.6	244,394.7
Inpayments from the disposal of fixed tangible assets and intangible assets		13,747.9	6,430.7
Outflows for additions to fixed tangible assets and intangible assets		- 184,442.1	- 203,621.4
Inpayments from the disposal of financial assets		5,842.7	9,181.5
Acquisition of subsidiary companies minus acquired net cash and cash equivalents	(2)	- 22,959.1	- 96,447.7
Outflows for additions to financial assets and other financial investments		- 93,823.7	- 150,432.5
CASH FLOW FROM INVESTMENTS		-281,634.3	-434,889.4
Dividend payment	(34)	- 54,376.9	- 38,955.1
Capital increase	(23)	—	214,228.1
Sale/Buy-back of own shares	(23)	- 30.9	5,571.9
Cross-border leasing		- 24,376.7	—
Raising and redeeming financial debt		129,957.4	83,083.5
CASH FLOW FROM FINANCING ACTIVITIES		51,172.9	263,928.4
TOTAL CASH FLOW		- 114,790.8	73,433.7
Funds at the beginning of period	(22)	223,786.8	150,353.1
Funds at the end of period	(22)	108,996.0	223,786.8
The cash-flow statement includes the following items:			
Interest received		6,272.6	9,530.1
Interest paid		36,219.1	34,255.9

Development of Group Equity

		Group equity	Capital reserves	Revenue reserves	Reserves IAS 39
	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Status as at 30/09/2007		80,000.0	7,878.8	808,993.3	43,412.0
Changes in equity interests and available-for-sale securities	(23)	—	—	—	- 25,055.3
Changes in value, without effect on the result, at companies associated at equity		—	—	—	230.8
Hedge accounting	(23)	—	—	—	28,319.1
Currency differences	(4)	—	—	—	
Deferred taxes		—	—	—	- 816.0
Changes in value without effect on the result		—	—	—	2,678.6
Group result		—	—	116,403.9	—
Total revenues for the period		—	—	116,403.9	2,678.6
Dividend payment		—	—	- 38,157.2	—
Change in consolidated group	(2)	—	—	- 3,112.0	2,089.6
Capital increase	(23)	9,000.0	205,228.1	—	—
Own shares		—	—	—	—
Status as at 30/09/2008		89,000.0	213,106.9	884,128.0	48,180.2
Changes in equity interests and available-for-sale securities	(23)	—	—	—	773.3
Changes in value, without effect on the result, at companies associated at equity		—	—	—	- 588.9
Hedge accounting	(23)	—	—	—	- 92,825.5
Currency differences	(4)	—	—	—	
Deferred taxes		—	—	—	23,013.1
Changes in value without effect on the result		—	—	—	- 69,628.0
Group result		—	—	69,332.6	—
Total revenues for the period		—	—	69,332.6	- 69,628.0
Dividend payment		—	—	- 53,399.6	—
Change in consolidated group	(2)	—	—	—	—
Own shares	(23)	—	—	—	—
Status as at 30/09/2009		89,000.0	213,106.9	900,061.0	-21,447.8

	Other reserves				Equity of shareholders of parent company in EUR 1,000	Minority interest in equity in EUR 1,000	TOTAL
	Provision for new valuation in EUR 1,000	Own shares in EUR 1,000	Currency differences in EUR 1,000	Total in EUR 1,000			
	—	- 7,878.8	9,825.0	45,358.2	942,230.3	13,892.3	956,122.6
	—	—	—	- 25,055.3	- 25,055.3	—	- 25,055.3
	—	—	—	230.8	230.8	—	230.8
	—	—	—	28,319.1	28,319.1	—	28,319.1
	—	—	12,381.5	12,381.5	12,381.5	1,279.7	13,661.2
	—	—	- 5,301.4	- 6,117.4	- 6,117.4	- 342.6	- 6,460.0
	—	—	7,080.1	9,758.7	9,758.7	937.1	10,695.8
	—	—	—	—	116,403.9	171.3	116,575.2
	—	—	7,080.1	9,758.7	126,162.6	1,108.4	127,271.0
	—	—	—	—	- 38,157.2	- 797.9	- 38,955.1
	37,541.1	—	—	39,630.7	36,518.7	54,822.4	91,341.1
	—	—	—	—	214,228.1	—	214,228.1
	—	7,874.6	—	7,874.6	7,874.6	—	7,874.6
	37,541.1	- 4.2	16,905.1	102,622.2	1,288,857.1	69,025.2	1,357,882.3
	—	—	—	773.3	773.3	- 17.9	755.4
	—	—	—	- 588.9	- 588.9	—	- 588.9
	—	—	—	- 92,825.5	- 92,825.5	- 653.9	- 93,479.4
	—	—	- 7,024.9	- 7,024.9	- 7,024.9	- 778.1	- 7,803.0
	—	—	2,527.8	25,540.9	25,540.9	148.8	25,689.7
	—	—	- 4,497.1	- 74,125.1	- 74,125.1	- 1,301.1	- 75,426.2
	—	—	—	—	69,332.6	3,801.9	73,134.5
	—	—	- 4,497.1	- 74,125.1	- 4,792.5	2,500.8	- 2,291.7
	—	—	—	—	- 53,399.6	- 977.3	- 54,376.9
	—	—	—	—	—	972.4	972.4
	—	- 30.9	—	- 30.9	- 30.9	—	- 30.9
	37,541.1	- 35.1	12,408.0	28,466.2	1,230,634.1	71,521.1	1,302,155.2

Auditor's Certificate



Energie AG Oberösterreich, Linz

Bericht über die Prüfung des Konzernabschlusses zum 30. September 2009

27. November 2009

Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der

**Energie AG Oberösterreich,
Linz,**

für das **Geschäftsjahr vom 1. Oktober 2008 bis zum 30. September 2009** geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. September 2009, die Konzern-Gewinn- und Verlustrechnung, die Konzerngeldflussrechnung und die Konzern-Eigenkapitalveränderungsrechnung für das am 30. September 2009 endende Geschäftsjahr sowie den Konzernanhang.

Verantwortung der gesetzlichen Vertreter für den Konzernabschluss und die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Konzernbuchführung sowie für die Aufstellung eines Konzernabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns in Übereinstimmung mit den International Financial Reporting Standards (IFRSs), wie sie in der EU anzuwenden sind, vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Konzernabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und der vom International Auditing and Assurance Standards Board (IAASB) der International Federation of Accountants (IFAC) herausgegebenen International Standards on Auditing (ISAs) durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Konzernabschluss frei von wesentlichen Fehldarstellungen ist.

Auditor's Certificate

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Financial Statements as at 30 September 2009
27 November 2009

Unqualified Auditor's Certificate

Report on the Consolidated Financial Statements

We have audited the enclosed consolidated financial statements of

**Energie AG Oberösterreich,
Linz,**

for the **business year 1 October 2008 to 30 September 2009**. The consolidated financial statements comprise the consolidated balance sheet as at 30 September 2009, the consolidated income statement, the consolidated cash-flow statement and the development of Group equity for the business year ended on 30 September 2009, as well as a summary of the essential accounting and valuation methods that were applied, and further information in the notes.

Responsibility of the Legal Representatives for the Consolidated Financial Statements and the Group's Accounting

The legal representatives of the company are responsible for preparing the consolidated financial statements, which present, as fairly as possible, the assets, financial and earnings position of the Group in accordance with the International Financial Reporting Standards (IFRS), as they need to be applied in the EU. This responsibility comprises designing, implementing and maintaining an internal audit system, to the extent that this is of significance when preparing the consolidated financial statements and for conveying, as fairly as possible, the assets, financial and earning position of the Group, so that the consolidated financial statements are free from major misstatements, either on account of intended or unintended errors, as well as selecting and applying the appropriate accounting and valuation methods, and making estimates that appear to be appropriate when taking account of the existing overall conditions.

Responsibility of the Auditors and Outline of the Type and Scope of the Statutory Audit

It is our responsibility to issue an opinion on our audit of the consolidated financial statements, on the basis of our audit. We have conducted our audit in compliance with the statutory regulations applicable in Austria and the International Standards on Auditing (ISAs), published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we comply with the conduct of professional conduct and plan and perform our audit in such a manner that we are able to express an opinion with sufficient certainty as to whether the consolidated financial statements are free from any material misstatements.

Auditor's Certificate



Energie AG Oberösterreich, Linz

Bericht über die Prüfung des Konzernabschlusses zum 30. September 2009

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Konzernabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen des Konzerns abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Konzernabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Konzernabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. September 2009, sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Oktober 2008 bis zum 30. September 2009 in Übereinstimmung mit den International Financial Reporting Standards (IFRSs), wie sie in der EU anzuwenden sind.

Aussagen zum Konzernlagebericht

Der Konzernlagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Konzernabschluss in Einklang steht und ob die sonstigen Angaben im Konzernlagebericht nicht eine falsche Vorstellung von der Lage des Konzerns erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Konzernlagebericht mit dem Konzernabschluss in Einklang steht.

Der Konzernlagebericht steht nach unserer Beurteilung in Einklang mit dem Konzernabschluss.

Linz, am 27. November 2009



KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Michael Ahammer
Wirtschaftsprüfer

Mag. Peter Humer, CIA
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Konzernabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Konzernabschluss samt Konzernlagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

Auditor's Certificate

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Financial Statements as at 30 September 2009

An audit includes that audit activities are performed in order to obtain evidence concerning the amounts and other disclosures contained in the consolidated financial statements. It is the duty and lies in the discretion of the auditor to select specific audit activities, taking account of his/her assessment concerning the risk that material misstatements may appear, either on the basis of intended or unintended errors. When making this risk assessment, the auditor takes account of the internal audit system – to the extent that it is of significance for preparing the consolidated financial statements and for conveying, as fairly as possible the assets, financial and earnings position of the Group – in order to be able to determine the appropriate auditing activities (giving due consideration to the overall conditions), but does not judge the efficiency of the internal audit system of the Group. The audit also comprises an evaluation of the adequacy of the applied accounting and valuation methods and the material estimates made by the legal representatives, as well as an appraisal of the overall conclusions conveyed by the consolidated financial statements.

We are of the opinion that we have obtained sufficient and appropriate evidence in the course of the audit so that our auditing activities are a sufficiently reliable basis for our audit opinion.

Audit Opinion

Our audit did not give rise to any objections. On the basis of the knowledge obtained in the course of the audit, it is our opinion that the consolidated financial statements comply with the statutory requirements and present fairly, in all material respects, the assets, financial and earnings position of the Group as at 30 September 2009, as well as of the earnings position and cash flows of the Group during the business year 1 October 2008 to 30 September 2009 in accordance with the International Financial Reporting Standards (IFRS), as they need to be applied in the EU.

Report on the Group's Management Report

On the basis of the statutory regulations valid in Austria, the Group's management report must be audited with the perspective as to whether it is in conformity with the consolidated financial statements and whether the other information disclosed in the Group's management report does not give rise to any misconceptions concerning the position of the Group.

In our opinion the Group's management report is in conformity with the consolidated financial statements.

Linz, 27 November 2009

KPMG Austria GmbH
Firm of Chartered Accountants and Tax Consultants

Michael Ahammer Peter Humer
 (Chartered Accountant) (Chartered Accountant)

The consolidated financial statements with our audit certificate may only be published or disseminated in the format certified by us. Any and all deviating versions (e.g. shortened versions or translations into another language) fall under § 281 (2) of the Commercial Law Code.

Report of the Supervisory Board

During the 2008/2009 business year, the Board of Management informed the Supervisory Board and the Audit Committee of the Supervisory Board in writing and orally of the activities of the Group and its subsidiaries on a regular basis, and it discussed all important business events with these bodies. The corporate bodies gave their approval to all business events, which is mandatory in specific cases.

The financial statements of Energie AG Oberösterreich for the 2008/2009 business year – drawn up according to Austrian accounting regulations – together with the accounts and the management report of the Board of Management were audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditors reported in writing about the outcome of their audit and stated that the accounts and the financial statements comply with the statutory requirements and that the management report is in conformity with the financial statements. The auditing firm therefore issued its unqualified audit certificate.

The Supervisory Board examined the financial statements for 2008/2009, the management report of the Board of Management, as well as the proposal for the appropriation of the earnings. The Audit Committee of the Supervisory Board also examined the financial statement for 2008/2009, the management report of the Board of Management, as well as the proposal for the appropriation of the earnings. It drew up a written report and recommended to the Supervisory Board to approve the present financial statements as at 30 September 2009, together with the notes, the management report of the Board of Management, as well as the auditor's report, together with the auditor's unqualified certificate, so as to thus adopt the financial statements for 2008/2009. The Audit Committee also recommended to the Supervisory Board to approve the proposal for the appropriation of the earnings. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee, as well as of the audit conducted by the firm of chartered accountants, and it established that the Supervisory Board, in turn, does not have any objections regarding the statements. The Supervisory Board states that it is in agreement with the management report, presented in accordance with § 96 of the Austrian Stock Corporations Act, and that it adopts the financial statements for 2008/2009, which are thus established.

The consolidated financial statements for the 2008/2009 business year (1 October 2008 to 30 September 2009), drawn up according to the International Financial Reporting Standards (IFRS), were also audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditing firm reported in writing on the outcome and established that the financial statements comply with statutory requirements and that the Group's management report is in conformity with the consolidated financial statements. The auditing firm therefore issued its unqualified audit certificate. The Supervisory Board examined in detail the consolidated financial statements and the Group's management report. The Audit Committee of the Supervisory Board also examined the consolidated financial statement and the management report. It drew up a written report and recommended to the Supervisory Board to approve the present consolidated financial statements as at 30 September 2009, together with the notes, the consolidated management report of the Board of Management, as well as the auditor's report, together with the auditor's unqualified certificate. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee, as well as of the audit conducted by the firm of chartered accountants, and it established that the Supervisory Board, in turn, does not have any objections regarding the statements.

By drawing up the consolidated financial statements according to the IFRS, the company is released from its obligation to prepare consolidated annual accounts according to Austrian commercial-law provisions.

The Supervisory Board thanks the Board of Management and all staff members of the Group for their successful work during the expired 2008/2009 business year.

Linz, December 2009

On behalf of the Supervisory Board:
The Chairman

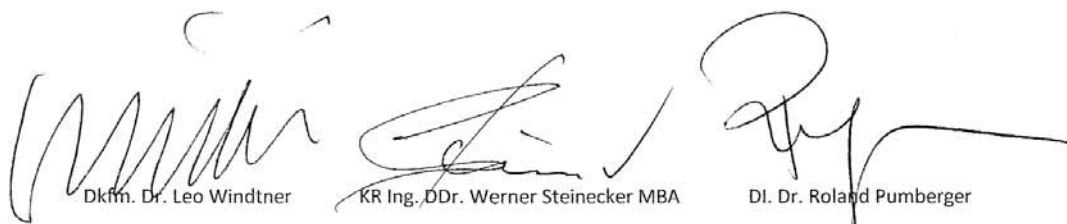
Gerhard Falch

Erklärung des Vorstandes gem. § 82 (4) Z3 BörseG

Der Vorstand der Energie AG Oberösterreich bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Konzernabschluss ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt und, dass der Konzernlagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Konzerns so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns entsteht, und dass der Konzernlagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen der Konzern ausgesetzt ist.

Linz, am 27. November 2009

Der Vorstand der Energie AG Oberösterreich



Dkfm. Dr. Leo Windtner KR Ing., DDr. Werner Steinecker MBA DI. Dr. Roland Pumberger

Statement by the Board of Management pursuant to § 82 (4) item 3 of the Stock Exchange Act

The Board of Management of Energie AG Oberösterreich confirms that – according to its best knowledge – the consolidated financial statements, prepared in conformity with the applicable accounting standards, give a fair picture of the results of operations and the financial position of the Group and that the Group’s management report describes the course of business, the business results and the status of the Group in such a manner that it gives a fair picture of the results of operations and the financial position of the Group, and that the Group’ management report describes the main risks and uncertainties to which the Group is exposed.

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich

Leo Windtner

Werner Steinecker

Roland Pumberger

Glossary

- **API2 (All Publications Index # 2)**

Coal price index

- **Back-to-back procurement**

The amounts procured correlate with the amounts sold.

- **Biogas plant**

A bio-gas plant is used to produce biogas from biomass (e.g. bio-waste, slurry, sludge, fats, cereals, corn). Biogas is used to produce electricity and heat.

- **Biomass power plant**

A biomass power plant is used to produce electric energy and/or heat by burning biomass.

- **Brent**

For Europe, Brent is the most important crude oil variety. It is found in the North Sea.

- **Capital employed**

On the asset side, capital employed is calculated on the basis of fixed assets and current assets, minus no-interest-bearing liabilities, or – on the liability side – on the basis of equity, plus interest-bearing borrowed capital, minus liquid funds.

- **Cash flow from operations**

The cash flow from operations is the inflow (outflow) of cash generated by the operating business activities.

- **CO₂ certificates market**

Trading in emission rights between countries and companies is one of the main instruments laid down in the Kyoto Protocol. In this context, every year, the state issues a limited number of emission certificates to all companies participating in emission trading so that the companies are induced to take modernizing measures, i.e. to apply production processes with higher energy efficiency.

- **Co-generation**

Co-generation is the production of electrical energy and heat in a combined process.

- **Combined-cycle gas turbine (CCGT) power station**

A combined cycle gas turbine power station is a thermal power station where a gas-turbine and a steam-turbine process are connected in series.

- **EBIT (earnings before interest and taxes)**

The EBIT is the result of operations.

EBIT adjusted is the result of operations adjusted for one-off effects.

EBIT margin is the share of of the EBIT (in per cent) in sales.

- **EBITDA (earnings before interest, taxes, depreciation and amortization)**

The EBITDA is the result of operations before the depreciation and amortization of tangible fixed assets and intangible assets.

EBITDA adjusted is the EBITDA adjusted for one-off effects.

The EBITDA margin is the share of the EBITDA (in per cent) in sales.

- **E-Control GmbH**

E-Control GmbH is the regulating authority. It has the task of monitoring and accompanying the liberalization of the Austrian electricity and gas market, as well as to intervene by regulatory action, if necessary.

- **Efficiency rate**

The efficiency rate is the ratio between primary energy input and generated useful energy.

- **Energy efficiency**

Energy efficiency refers to the relation between use and input of energy = the efficiency of the use of energy.

- **European Energy Exchange AG (EEX)**

EEX is the leading energy exchange in continental Europe. It operates market places for electricity, natural gas CO₂ emissions right and coal trading activities.

- **Fiber to the Home (FTTH)**

A telecommunications network leading into every shop and single or multi-family home via fiberglass lines (optical fiber network).

- **FTE (full-time equivalents)**

FTE expresses the time value of a worker within a time period.

- **Futures market**

A collective term for an institutionalized wholesale market, on which deals are traded and entered on electricity and gas markets on a longer-term basis The futures market can be found on stock exchanges and OTC markets.

- **GDP (gross national product)**

GDP is a measure for the economic performance of a country during a certain period of time. GDP is considered as the sum total of products and services that were produced by a country's economy within one year and are used by end consumers.

- **Geothermal energy**

Geothermal energy is the heat stored in the accessible part of the earth's crust. On the heating market it is used both for heating and cooling; it also used to produce electricity, or for power and heat co-generation.

- **German framework agreement**

The European Central Bank (ECB) uses this agreement in connection with financial futures transactions when entering into OTC derivative transactions, involving the currency reserves of the ECB, with contracting parties domiciled in Germany.

- **Heating degree days**

Heating degree days are based on the assumption that heating is required under a defined outside temperature. Heating degree days are the sum total of the daily difference between the mean room temperature of 20° C and the mean outside temperature.

- **Hedging**

Hedging is a deal to secure a transaction against risks (e.g. exchange-rate risk fluctuations or changes in primary material prices).

- **Incentive-based regulation**

Incentive-based regulation is a regulation system of the authorities in order to implement cost reductions concerning the remunerations paid for electricity and gas networks, and to pass them on to market participants in the form of price reductions.

- **National Allocation Plan (NAP)**

The NAP is an overview on the distribution of emission certificates which every EU member state must draw up at the beginning of a trading period (three and/or five years) as part of the EU greenhouse emission trading activities.

- **Net gearing**

Net gearing is the ratio between net indebtedness and equity.

- **Net indebtedness**

Net indebtedness is the balance between interest-bearing financial liabilities, minus cash and cash equivalents.

- **NOPAT (net operating profit after tax)**

NOPAT is the EBIT, minus the result of associated companies consolidated at equity, plus the pro-rata interest of the social capital, minus taxes on the result.

- **OTC (over the counter)**

The terms refers to trading operations conducted outside of stock exchanges.

- **Pellets**

Pellets are energy sources produced from wood choppings, wood chips, wood shavings, straw or plastic materials.

- **Photo-voltaic technology**

Photo-voltaic technology is the direct conversion of radiation energy, especially solar energy, into electric energy.

- **Portfolio**

On energy markets, portfolio management describes how energy companies or large industrial enterprises meet their demand. In a typical case, it comprises the different products on wholesale markets, deployable production facilities and also price-hedging instruments.

- **PPP (public private partnership)**

PPPs are a specific form of cooperation between the public sector and private companies.

- **Rating**

The assessment given by a rating agency concerning the ability of a debtor to repay certain liabilities completely and on time.

- **RES Directive of the EU (Renewable Energy Sources)**

This EU Directive promotes the use of energy from renewable energy sources.

- **ROCE (return on capital employed)**

ROCE is the ratio of NOPAT to the average capital employed. ROCE adjusted is the ROCE adjusted for one-off effects.

- **Smart Metering**

Smart Metering is a system for the automatic recording of electricity consumption data in households, with a possible extension of the automated network system, which can also integrate other media such as gas, water and heat.

- **Spot market**

A collective term for an institutionalized short-term market, on which deals are traded and entered as hour contracts, for example, on electricity and natural gas markets. The spot market usually closes 12 hours before contracts are performed.

- **Third Package of EU Directives on Single Gas and Electricity Markets**

The package has been in force since 3 September 2009. It supplements the previous regulations dating to 2003 and is intended to improve reliable supplies, to strengthen competition and to promote progress in sustainable energy supplies. Access to the energy markets is to be facilitated for companies generating energy from renewable sources. Consumers should be able to obtain energy at the most favorable prices possible.

- **WACC (weighted average cost of capital)**

WACC reflects the average weighted capital costs (equity and borrowed money) of a company for the capital employed.

This business report contains statements relating to the future and comprising risks and uncertainty factors that may ultimately lead to considerable deviations in the result. Terms used such as “it is presumed”, “it is assumed”, “it is estimated”, “it is expected”, “it is intended”, “may”, “to plan”, “to project”, “should” and similar expressions serve to characterize statements relating to the future. We assume no guarantee that the forecasts and figures of our planning will actually materialize, which relate to economic, currency-related, technical, competition-related and several other important factors. The actual results may therefore deviate from those on which the statements relating to the future are based. Energie AG does not intend to update the statements relating to the future and refuses any responsibility for any such updates. We have drawn up the business report with the greatest care and checked all data. The English version of the business report is a translation of the German report. The German version of the report is the only authentic version.

PUBLISHER'S INFORMATION

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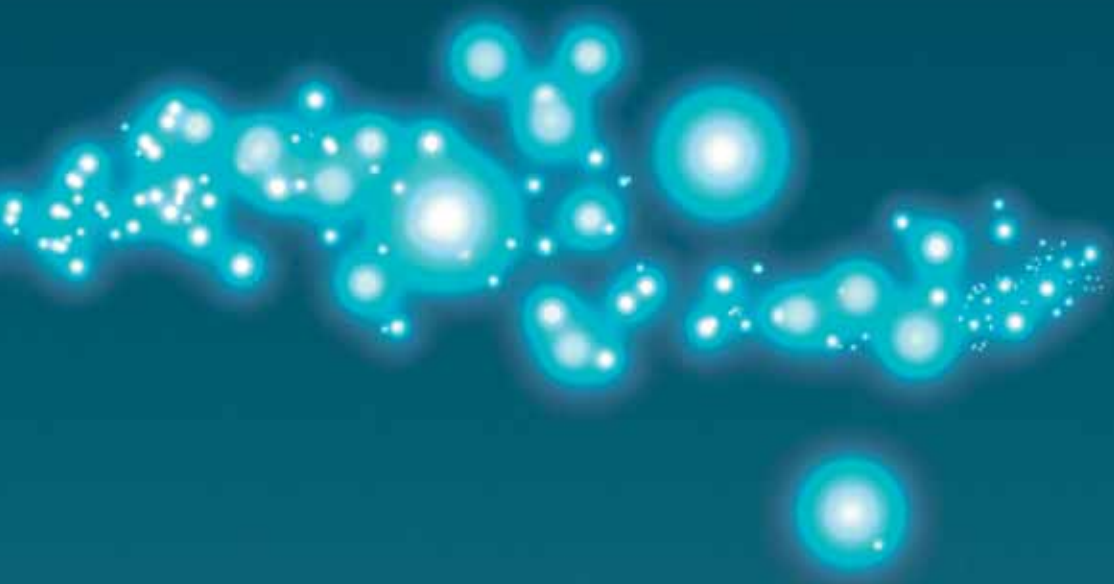
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Linz, December 2009





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 **ENERGIEAG**
Oberösterreich

Full of Energy

**Financial Statements and Management Report
for the 2008/2009 Business Year**

Energie AG Oberösterreich

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MANAGEMENT REPORT 2008/2009 OF ENERGIE AG OBERÖSTERREICH

Energie AG Oberösterreich is the holding company of the Energie AG Group. The Energie AG Group is one of the leading Austrian infrastructure companies with segments in energy, waste management and water. The energy segment includes the whole value added chain of the electricity business, the gas and heating divisions, intercompany service level companies and strategic participations. The market areas of the Group are located in Austria as well as other countries of Central- and Eastern Europe. Energie AG Oberösterreich is assuming the holding function and is retaining the long-term assets of the electricity business and of the intercompany service level companies. Due to the strong interdependence of the company with the Group, the following statement includes primarily the Group's perspective.

Economic Environment

The slackening of economic activities, which already became noticeable in the middle of 2008, has developed into a global economic crisis during the year under review. At present, most of the economic research institutes, as well as the experts of political representative bodies confirm that the biggest and deepest recession of the post-war period and in the history of the European Union has overcome its lowest point. However, given the volatility of the forecasts published in recent months, one may expect that the further economic development will hold considerable uncertainties.

According to forecasts of the European Commission, contained in their fall report of 3 November 2009, a slump in economic growth (real-term GDP) of about 4.0% is expected for the 27 EU member states, as well as for the euro zone for the year 2009. An economic recovery with GDP growth of 0.7% appears feasible for the European Union in the coming year.

In spite of the stabilized conditions on financial markets, the large number of loan losses caused by the crisis of the real economy might continue to exert a strain on the banking sector and, in turn, affect the real economy. The effects of the crisis will therefore continue to be strongly felt in the years to come. The national economies throughout Europe will be confronted with major challenges, especially on the labor market and in connection with their national debt. Unemployment will rise further in the future, as a result of reduced working time and a pro-cyclical development of labor productivity. The strong increase in state indebtedness could lead to an increase in longer-term interest rates.

Austria, which continues to be the primary core market of the Energie AG Group, felt the full impact of the global economic crisis. Exports and gross investments experienced a particularly slack development. However, the considerable wage and salary hikes, obtained by collective bargaining one year ago, the low inflation rate and the tax reform gave a boost to the real income of private households. Private consumption supported the economic development in Austria, although the rise in unemployment is a dampening factor on demand.

The European Commission expects for Austria's economy a decrease of 3.7% for the current year, and a growth of 1.1% for 2010. As a mean value for 2009, it expects an inflation rate of 0.5%. In the coming year inflation might go up to 1.3%, especially on account of energy prices that will once again move upwards.

In the years up to 2007 the CEE countries, where Energie AG has operations in the business areas waste management, water and heating, had significantly higher economic growth than the EU area. However, the world-wide economic down-swing had a very strong impact on these regions.

Both the main market areas of Energie AG in Eastern Europe – the Czech Republic, Slovakia, Hungary – and the more recent markets of Energie AG in Romania and Ukraine are struggling with shrinking economic performance. Although there are still uncertainties in the portfolios of Western European banks, economic operators continue to regard these regions as a major growth factor for the future.

The Business Environment of the Energy Segment

Primary energy markets

Since the summer 2008 the international primary energy markets have been characterized by a decrease in prices. Wholesale prices for primary energy (crude oil, natural gas, coal) dropped in some cases to one third of the previous maximum prices.

The prices for crude oil of the Brent variety fell from USD 150/barrel in the summer 2008 to less than USD 40/barrel in February 2009. Similar price decreases could also be observed for other energy sources. The API2 quotations for hard coal, for example, declined from their maximum value of USD 211/ton to less than USD 45/ton. Prices on electricity trading markets, where EUR 90/MWh were still quoted for front-year base delivery contracts in early July 2008, were cut in half and amounted to less than USD 50/MWh.

At the end of the 2008/2009 business year, different trends could be observed on international primary energy markets. Since spring, prices for boiler coal and electricity have moved sideways, whereas European gas prices continued to go down. The decrease in demand, triggered by the economic crisis, led to short-term surplus quantities and thus to a further drop in prices to below EUR 10/MWh.

The international oil market, though, reacted with market price hikes, as they are expecting a recovery of the world's economy, as announced by experts. At present, crude-oil prices of the Brent variety are quoted at USD 77/barrel, which is about three quarters above the prices for February 2009. To some extent, this price development is also having an impact on future electricity markets. For example, the quotations on futures markets for electricity at the European Energy Exchange (EEX) for base deliveries in 2011 and 2012 are currently up by 10% (EUR 53/MWh) and by about 20% (EUR 57/MWh), respectively, over those for 2010 (EUR 48/MWh).

Electricity trading market

The mean value for the EEX yearly base product for 2010 amounted to about EUR 53.6/MWh during the period 1 October 2008 to 30 September 2009. This corresponds to a decline of almost 21% in comparison to the same period of the previous year.

As a result of the economic crisis, spot-market prices, too, were clearly lower than in the years before. As large industrial enterprises reduced their production levels, the demand for electricity sagged, which pushed spot-market prices further downwards. As of the end of September 2009, a few spot-market prices for daily base deliveries rose once again to prices above the yearly contracts for 2010. With a daily mean value of more than EUR 63/MWh, the spot-market price exceeded the prices on the futures market by more than one third. Subsequently, with a mean value of about EUR 45/MWh and hourly prices oscillating between EUR 182/MWh and minus EUR 500/MWh, the spot market showed considerable volatility in October 2009. The negative hourly price that was recorded on 4 October 2009 during the second hour is the largest negative price since the market was opened. Negative prices of such dimensions are mostly the consequence of excess outputs during the respective hours of the night on weekends. They can be interpreted as insufficient flexibility and/or liquidity on regular markets and equalizing markets.

Because ecological power plants, especially wind power plants, are being promoted throughout Europe, the demands on regular and equalizing markets for electricity are also increasing considerably. The result is growing demand for capacities in connection with new and high-performing standard power plants such as gas-turbine plants or pump-storage power plants.

CO₂ certificates market

Until early February 2009 the prices obtained by CO₂ trading activities showed a similar development as the prices on electricity markets. Whereas the prices for CO₂ certificates amounted to EUR 23/ton of CO₂ at the beginning of the business year, they dropped to almost EUR 8/ton in early February, as a result of the economic crisis. Since the end of February 2009, higher CO₂ prices have been quoted than in the past, in relation to prices on electricity markets. This is maybe also a reaction to the future NAP regulations to some extent. When the third NAP period begins in 2013, free emission certificates for electricity generation purposes (at present they account for 80 to 90% of the demand for certificates) will be eliminated to a large extent. One may expect that this will cause additional costs for the production of electricity and thus for electricity customers. Most recently, CO₂ prices have oscillated laterally between EUR 13 and 15 per ton.

The Statutory Environment

More than ten years ago the first legislative steps towards a liberalized electricity market went into force. Today, too, the overall statutory conditions applicable to the electricity market are still

undergoing a process of change. During the expired business year, for example, the discussions on the European level concerning a third package for the internal energy market were of significance. This was triggered by the results of studies conducted by the EU Commission stating that the implementation of a uniform internal energy market was facing problems.

After intensive discussions, the Council of the European Union and the EU Parliament adopted the third single energy market package in July 2009. The target of the new rules is to finally and swiftly implement a uniform European internal electricity market. The main features of this internal energy market package are a strengthening of the national regulatory authorities, the creation of a European agency to solve cross-border problems, more depth in unbundling the transmission grid sector, as well as a general boost to consumer rights. It was possible in the discussions to avoid compulsory unbundling, in terms of ownership rights, for the transmission-system operators. The rules applicable to distribution system operators were not changed substantially; clarifications were provided, though, on a number of points, i.e. to carefully implement organizational unbundling.

The third single energy market package must now be transposed into national law by member states by March 2011. It will depend on discussions within the country whether and to what extent there is also a demand for further action on the part of Austria's operators of distribution systems.

In statutory terms the expired business year was marked by discussions as to whether and to what extent the 2008 amendment of the law on ecological power sources would be approved by the EU Commission. In the meantime, the amendment has been partially approved. As an in-depth investigation is being conducted on alleviating the burden of energy-intensive enterprises, Austria had to implement transitional arrangements applicable until 2010.

The Business Environment in the Waste Management Sector

The market environment of the waste management industry in Europe was characterized by the global economic crisis which triggered an enormous volatility of prices for primary materials. As a result, there were major fluctuations concerning secondary materials. In connection with the approximately 700,000 tons of recycling materials that the Waste Management Segment handled during the expired 2008/2009 business year, market prices first plummeted to historic lows and gradually recovered slightly as of spring 2009. At times, the prices of waste paper and cardboard were about 80%, and those for scrap steel and waste plastic materials up to 95% below the values of the previous business year.

Larger processing capacities in Austria and sustained legal and illegal exports of waste materials from Austria to low-price landfills in neighboring countries, combined with decreases in quantity, due to production cutbacks at SMEs and industrial enterprises, exerted additional pressure on waste management prices.

The eight-year period for adapting all waste material landfills in the EU to meet the requirements of the EU Directive on waste material landfills ended on 16 July 2009. In order to ensure sustainable, environmentally friendly and health-preserving landfill management, the operation of about 1,600 landfills that did not comply with the EU Directive was forbidden and discontinued with immediate effect. The transposition deadline had been agreed with immediate mandatory effect for the Czech Republic, Hungary and Slovakia. Romania, amongst others, though, obtained an extension of the deadline until July 2017. The landfill closures that were ordered and are still planned relate exclusively to communal services and private competitors. This constitutes one further competitive advantage for the AVE group. AVE owns and operates 26 landfills with a state-of-the-art standard in conformity with EU specifications.

As the concentration process of the waste management industry in CEE continues, an upswing of the acquisition activities, which had clearly decreased temporarily on account of the crisis, became noticeable again in recent months with the take-over of private small and medium-sized enterprises. In contrast to this development, the public sector presented a two-pronged picture. While trends continue to prevail in Germany and Austria to once again put municipalities in charge of waste management services, a wave of privatizations is expected in Eastern Europe due to the tight budget situation.

The currently large share held by municipalities in the total operations on East European market, in particular, had a stabilizing effect on the AVE group. Growth will therefore focus on the acquisition of private companies, as well as on developing and expanding projects, structures and new private public partnership models.

The Business Environment of the Water Sector

At the center of discussions in the European water industry are such topics as the security of drinking water supplies, waste water management, high-quality water, an increase in the connection rate of se-

wage installations, the construction and renovation of treatment plants, a sustainable, environmentally friendly use of our water resources, together with socially acceptable water and waste water prices.

The privatization of public water supply and waste water management systems in Europe is on very different levels. However, private-sector water supply companies are increasingly gaining in importance. The most frequently encountered privatization or PPP model is based on the so-called operator models, where the public sector continues to own the water supply infrastructure and the plants are operated by private companies on the basis of long-term contracts.

The business environment of the water sector, especially in the CEE countries, is characterized by the conflicting demands of EU regulations, the introduction of EU environmental standards and national conditions. Compliance with EU regulations concerning water supplies and waste water management requires very high investments of the CEE countries into the sometimes very antiquated infrastructure of the water industry.

The Czech Republic, which is the main market area of the Water Segment, is also confronted with an antiquated water sector infrastructure, as well as significant losses of water quantities due, in part, to the old structures. As expansion and modernization of the infrastructure is urgently needed, considerable investments are required, which the mainly public owners have to finance. The tight financial situation in which municipalities find themselves leaves only little leeway to raise additional money for investments. As a consequence, substantial grants are required, which are made available by the EU in significant amounts. Because of the process to implement the EU regime for grants in the Czech Republic and the fact that the guidelines for grants have, as yet, still not been definitely clarified, the privatization process in the Czech Republic has become a lot less dynamic. Nevertheless, in the wake of the negative effects of the current economic crisis on municipalities, we can expect to see the privatization trend grow to an increasing degree.

In Austria, the public and political decision-makers continue to take an overwhelmingly critical attitude towards privatization. From today's perspective, larger-scale privatization trends or PPP models can only be regarded as long-term development opportunities. The services sector, though, is recording steady growth rates in Austria. The underlying reasons are the continuously rising demand for services to operate the water management infrastructure and the stimuli emanating from public investment programs during the economic crisis.

During the business year under review, except for statements of intent by public institutions, no major changes have occurred in the faltering privatization processes in Slovakia and Hungary.

The EU Water Framework Directive (WFD) stipulates that, as of 2010, all processes in the water industry must be performed on the basis of transparent costs. It is expected that this will result in positive impulses for the future business activities of private companies in the water industry and that the public cross-subsidizing of water and/or waste water prices in some countries will become more transparent.

Cross-Border-Leasing

The cross-border leasing transaction (CBL) for the electricity transmission and distribution grid, which was entered into during the 2000/2001 business year, was successfully ended on 27 March 2009. The grid transaction was prematurely terminated with the mutual consent of the US investor. At the same time, all financing partners involved in the transaction were paid off. The commercial success of ending the CBL resulted in a balance-sheet contraction, as the deposits and swap values on the asset side, as well as the loan amounts, swaps and corresponding pro-rata deferred income items of the initially agreed present-value benefit on the liabilities side were written off completely. The re-transfer of the present-value benefit led to an increase in revenues in the amount of EUR 9.8 million.

The CBL transaction from the 2001/2002 business year for parts of the hydro power plants owned by Energie AG was secured by providing a letter of credit (L/C), conforming to market requirements, in favor of the US investor. We continue to further optimize the transaction structure in coordination with the investor. Until then, the securitization by means of the L/C provides a stable structure for the transaction.

As a consequence of the premature termination of the grid transaction it has been possible to reduce the contingent liabilities from EUR 1.4 billion one year ago to EUR 0.6 billion at present.

Internal control system

The Energie AG Group is constantly working on the efficiency and effectiveness of its processes and its internal control system. The internal audit unit is charged at regular intervals with reviewing all processes and systems.

On account of the new statutory requirements, which call for an appropriate effective internal control system, a project was launched at the beginning of 2009 to further optimize the existing system. The goal is a uniform, transparent and effective internal control system for the entire Group for the business processes that are essential from a corporate perspective.

The internal control system is to provide support in reaching the development and profitability goals, to ensure reliable financial reporting and to contribute towards full compliance with legislation. It is also intended to avoid reputational damage and legal consequences.

Human resources

The figures on human resources refer to the full-time equivalents of the fully or pro-rata consolidated companies on an annual average.

The average consolidated staff level of the Group went up to 6,881 staff members during the 2008/2009 business year. The increase of 1,128 staff members or 19.6%, compared to the year before (5,753 FTEs) is the result of further growth in the Waste Management and Water Segments. In this connection, the first-time consolidation of the AVE regional organization in Germany, as well as of 1. JVS a.s. in southern Bohemia, which was acquired the year before, account for a major contribution. The fact that OÖ. Ferngas AG was consolidated for the full year for the first time accounts for the increase in the staff level of the Energy Segment.

While staff members in Austria, i.e. 3,097 FTEs (2,956 in the year before), continue to constitute the majority; the personnel in the Czech Republic already amounts to 2,800 (2,028 in the year before), to 679 (650 in the year before) in Hungary and to 136 (119 in the year before) in Slovakia. As a result of first-time consolidations, 164 staff members are included for Germany and 5 for Slovenia.

From the perspective of the segments, the Waste Management Segment has the largest number of staff members, i.e. 3,238 (2,695 in the year before). The Energy Segment had an average of 2,135 FTEs (1,933 in the year before), and the Water Segment 1,508 employees (1,125 in the year before).

At the end of the 2008/2009 business year, the Energie AG Group had a total of 7,303 persons on its payroll.

Branch offices

Energie AG Oberösterreich does not have any branch offices.

Results of Operations and Financial Position

	Unit	2008/2009	2007/2008	Change
Sales revenues	Mio. EUR	358,6	376,0	-4,6%
Operating result (EBIT)	Mio. EUR	85,3	92,4	-7,7%
EBIT-margin	%	23,8%	24,6%	-3,2%
Profit or loss on ordinary activities	Mio. EUR	56,8	101,1	-43,8%
Balance sheet total	Mio. EUR	2.206,0	2.184,8	1,0%
Equity	Mio. EUR	941,1	956,4	-1,6%
Equity ratio	%	46,5%	46,6%	-0,2%
Cash Flow from Operating Activities	Mio. EUR	-98,7	116,5	-184,7%
Return on Equity	%	6,0%	10,6%	-42,9%

During the 2008/2009 business year, the sales revenues decreased by EUR 17,4 Mio. (or 4,6%) to EUR 358,6 Mio. as compared to the year before (EUR 376,0 Mio.). The year-on-year reduction is due to lower electricity revenues because of reduced quantities.

The lower sales volume was partly compensated at the EBIT level with reductions in costs of material and other purchased manufacturing services, and hence amounts to EUR 85,3 Mio. or a reduction of EUR 7,1 Mio. as compared to the year before (EUR 92,4 Mio.). The EBIT-margin decreased from 24,6% in the previous year to 23,8% in the business year of 2008/2009.

The reduction in the results on ordinary activities on a yearly basis can be mainly explained with lowered dividend payments from and increased loss compensation of Group subsidiaries. The profit on ordinary activities in the business year of 2008/2009 fell from EUR 101,1 Mio. to EUR 56,8 Mio., which is a drop of EUR 44,3 Mio. (or 43,8%) on a year-on-year basis.

Total assets in the business year stood at EUR 2.206,0 Mio. and they have increased only marginally versus the prior business year (EUR 2.184,8 Mio.). The equity capital has decreased to EUR 941,1 Mio. due to the distribution of dividends which was 1,6% higher than the operating profit before the release of reserves. The equity ratio (in relation to total capital minus investment subsidies) was nearly unchanged with 46,5%.

Cash flow from operating activities was reported with EUR -98,7 Mio. (prior year EUR 116,5 Mio.). The decrease resulted from a change in long-term liabilities and deferrals in relation to the termination of the cross border leasing grid transaction as well as lowered cash flow from the result.

The recent business year has generated a return on equity (result on ordinary activities/equity) of 6%. The decrease to the prior business year (10,6%) can be explained of the significant reduction on the profit from ordinary activities.

Financing Structure and Strategy

The developments on financial markets during the expired business year have shown the importance of a conservative financing strategy. The Energie AG Group attaches great importance to securing sufficient financial flexibility in order to ensure both current and structural solvency and to optimize financing costs. This also means having reasonable strategic liquidity reserves and maintaining the target rating Single A in the long run. When selecting financing structures, we strive to diversify our financing sources and to ease the burden on bank credit lines.

During the 2008/2009 business year, we succeeded in optimizing the structure of the long-term financing of the Energie AG Group by issuing a borrowers' note loan (nominal amount: EUR 250.0 million), as well as by a private placement (nominal amount: EUR 50.0 million). About 80% of the Group's external funding is of a long-term nature and has times to maturity of up to 16 years.

The balanced redemption profile of the Group's external funding is dominated by capital market and capital market-like structures with final maturity. The Group will only have an increased re-financing demand in the year 2013 and then in the year 2016 – from today's perspective the re-financing risk can therefore be classified as minimal.

A strong rating ensures high flexibility of financing and access to the financial markets. Standard & Poor's, the international rating agency, repeatedly reviewed Energie AG on several occasions during the 2008/2009 business year – the most recent review was in November 2009. Against the background of the tense overall economic situation, which has had a noticeable impact on the markets of Energie AG, the credit rating was lowered from A+ (Outlook Negative) to A (Outlook Negative). As a result, we achieved our goal of maintaining a Single A rating, even at times of a difficult economic environment. Especially with a view to the overall conditions on capital markets, which have changed since the outbreak of the financial market crisis, a good credit rating is of outstanding importance in order to secure optimum conditions when obtaining funds on credit and capital markets.

Rating-relevant key data and indicators are taken into account when drawing up the business plan, and the impact on our rating is also considered when evaluating individual projects in order to maintain a Single A rating on a long-term basis.

In addition to the financial reserves from invested funds, the Energie AG Group has credit lines with Austrian and international banks at its disposal as at 30 September 2009, which total about EUR 500 million and have partly been committed. 70% of these lines are not being used at present.

As a rule, the Group's financing is handled on a central basis via Energie AG Oberösterreich and Energie AG Finance B.V. (Amsterdam), which was founded in 2009. Using the positive credit rating of the Group as a basis, the Group's long-term financing has thus been bundled with optimum effect. Funding within the Group is then forwarded in line with needs and at arm's length conditions. Short-term liquidity compensation among the Austrian companies of the Group is obtained by means of a cash pooling system that is being handled together with two Austrian banks.

Value-Based Management in the Energie AG Group

Value-Based Management (VBM) has solid roots on all management levels and in all management processes of the Energie AG Group. Although Energie AG is not listed on the stock exchange, the demands on value-based management have remained unchanged on a high level. Against the background of the economic crisis, the management of the Energie AG Group focuses on maintaining a stable corporate value and securing returns for the owners that are guided by capital market conditions. The central, value-based key data for the financial targets serve to increase the company value in the context of our medium-term strategic direction. In the course of the year, the return on capital employed (ROCE) is used for controlling and directing operations.

The Group's goals have been defined by taking account of the performance of the value-drivers, as well as business-specific aspects. They are broken down to the individual segments and business areas, in line with a consistent set of targets.

The minimum demands of providers of equity and external funding for the return of invested capital (capital employed) are determined by the WACC (weighted average cost of capital).

Calculation of the WACC for the Energie AG Group			
Risk-free interest rate	4,2 %	Cost of debt before tax	5,2%
Market risk premium	5,0 %		
Beta factor	0,84	Tax rate	25,0 %
Cost of equity	8,4 %	Cost of debt after tax	3,9 %
Equity ratio	58 %	Debt ratio	42 %
Weighted average cost of capital after tax (WACC) = 6,5			

For internal control purposes, the WACC is adjusted according to business area and region. Specific risk markups for segments, countries and projects are applied when evaluating investments projects.

During the 2008/2009 business year the ROCE of the Energie AG Group amounted to 4,8% which is substantially below the WACC value of 6,5%. After adjusting for one-off effects and taking account of the adjusted EBIT, the adjusted ROCE amounts to 5,3%.

Because of the difficult overall economic conditions, the management of the Energie AG Group initiated consistent cost management during the expired business year in order to obtain the financial targets with sustainable effect. The allocation of resources for future investments and acquisition projects will be geared more to value-based criteria and methods. The measures taken are intended as a contribution so as to ensure that we will be able to continue to obtain the goals of a value-based management in the future.

Material Events after the End of the Business Year

No events of particular significance occurred in the Energie AG Group after the reporting date.

Risk Management

Energie AG has implemented a risk management system throughout the Group which is integrated into the control tools used by the Board of Management and supports a development of the Group's companies that maintains their value.

The risk management process complies with the requirements of the Austrian standard ÖNORM 49000 and has been certified as part of the matrix certification according to ISO 9000 since the previous business year. An external audit in 2009 once again confirmed its validity.

The standardized, IT-supported identification of risks and opportunities throughout the Group facilitates the aggregation of individual risks into a total risk position of the Group. This increases risk transparency and thus the quality of the input for strategic and operating decisions. Moreover, this takes account of the correlations between the companies, which in turn permit the use of compensatory effects in order to design cost-efficient measures. The ongoing attention to risk topics also enhances the possibility to pro-actively identify risks and opportunities and to thus achieve an optimized performance.

The current project, conducted jointly by risk managers and the intra-group insurance managers has been largely completed and work on its implementation has already begun. The objective of the project is to develop a risk-based insurance plan for the entire Energie AG Group, with the goal of optimizing the relations between assuming own risks and risk transfers at minimized risk costs.

Development of the Risk/Opportunity Situation

- **Competition**

The risk profile of Energie AG is influenced by the high rate of industrialization in Upper Austria. The industrial customer segment is therefore of particular significance to our core business segments, energy and waste management.

The economic crisis gave rise to the risk of decreased sales of electricity quantities that were previously procured on a back-to-back basis, in conjunction with simultaneous slumps in electricity market prices. Adjustments were made in the design of contracts and products in order to face up to this situation so that it will be possible to counter difficult situations of this type with sustainability, effectiveness and efficiency.

The Waste Management Segment must counter the risk of growing competition, as incineration capacities on the market are on the rise. Securing quantities for thermal waste management has a high priority. By the same token, there is additional pressure on waste management prices from the increase of waste exports and the production cutbacks at SME and industrial companies, as a result of the economic crisis.

- **Finances**

Group Treasury manages financial risks on a central basis. The main financial risks are the liquidity risk, the foreign-exchange and interest-rate risk, the market price risk of the securities portfolio, as well as the counterparty risk.

We counter the liquidity risk by planning our liquidity with foresight and by maintaining liquidity reserves, as well as by keeping open credit lines with banks. Moreover, great attention is paid to maintaining a strong financial profile and high level of credit worthiness (Single A is the target rating). Especially with a view to the overall conditions, which have changed since the outbreak of the financial market crisis, a good credit rating secures access to capital and facilitates optimum conditions when obtaining funding. At present, increased attention is being paid to further developing working capital management in order to optimize internal financing processes. The exposure in connection with foreign-exchange risks is restricted mainly to the risk of translating the company and asset values in the CEE area (net investment). No hedging transactions were made for the net investments. The transaction risk of Energie AG can be classified as minimal.

At the end of the 2008/2009 business year, the share of variable interest-bearing liabilities amounted to about 50% of the total financing portfolio. On account of the current market situation and the expected development of interest rates on capital markets, variable interest-bearing portions of external funding are gradually being replaced by attractive fixed interest-bearing titles by means of interest-rate swaps. During the expired business year, Group Treasury used these swaps to secure the risk of interest rate changes.

Group Treasury primarily determines on a central basis the design and implementation of hedging strategies. Derivative financial instruments are used in this context. As a matter of principle, these transactions are only conducted with counterparties with a very high rating in order to minimize the risk of deterioration of the counterparty rating.

The exchange-rate risk in connection with our invested liquidity reserves is limited by a conservative and risk-optimized investment strategy, as well as by continuous monitoring. In spite of the dramatic developments during the first six months of the expired business year, it was possible to obtain a positive investment result throughout the Group for the entire 2008/2009 business year. When integrating companies, the goal is to transfer the conservative approach and the clear limitation of risks in connection with financial investments, which is in line with our central investment management.

Please refer to the information in the Notes with regard to the effect of derivative hedging transactions and their effect on the balance sheet.

- **Participations**

Participation risks are the result of fluctuations in the shares held, in the dividends, the pro-rata net income for the year in the case of associated companies with at-equity consolidation, and of liabilities. The risks are optimized by identifying, analyzing, quantifying and monitoring them. In this area, too, the effects of the general economic development must be countered by stepping up the controlling of the participations.

- **Counterparties**

In connection with financial energy trading activities, Energie AG only engages in transactions with counterparties with first-class ratings in order to minimize counterparty risks. The risk is further restricted by a limit system and monitoring. For the purpose of engaging in hedging transactions and commodity futures transactions with several counterparties, we signed the German master agreement on financial derivatives, with an attachment on hedging shown in the annex, in order to minimize risks. For the operational implementation of this hedging attachment, the discounted contracted values with mark-to-market valuation are coordinated with the counterparties concerned on a weekly basis.

During the 2008/2009 business year the activities of Energie AG Oberösterreich Trading GmbH (Trading GmbH) were expanded by adding gas trading activities. The respective framework agreements were signed with gas suppliers, the trading portfolio on the EEX was enlarged by the product gas, and the necessary access points to the network were confirmed contractually. Since 1 September 2009 the management of balance sheet groups for Austria and Germany is handled in operational terms.

In connection with the economic development, the statistics of the credit protection association also show a significant increase in the number of bankruptcies. Energie AG is reacting to this with tight receivables management, increased external credit rating monitoring, shortened dunning periods and express collection procedures, if so required. The goal is to maintain the very good key data of our receivables management.

- **Procurement**

Procurement risks are monitored and controlled by means of institutionalized processes. At present, the entire procurement process is being validated in the course of a project and we are utilizing the optimizing potential arising from the current supply situation.

- **Production, Grid, Waste Management and Infrastructure Facilities**

Energie AG counters the risk related to facilities and their interruptions by strict maintenance and quality controls, an optimized maintenance strategy and insurance coverage.

During the year under review there were clearly fewer facility interruptions in the electricity grid due to adverse weather conditions than in the year before. We pro-actively counter this risk by focusing on placing in cables overland lines extending through forest sections.

- **Water Levels**

Energie AG depends to a large extent on the water levels of rivers. This concerns both our own generation and our electricity procurement rights. The start-up of the combined-cycle gas turbine power station at Timelkam contributes to more diversification of the power plant fleet and thus to risk optimization. During the expired business year the water levels of rivers were 2% above the standard production capacity.

- **Energy Markets**

All electricity trading activities of the Group have been bundled in Trading GmbH. This company

receives and markets the electricity quantities generated at our own power stations and obtained from procurement rights via products fit for trading on futures market and spot markets, and it also handles the procurement of the electricity quantities needed for supply purposes.

This system to handle the internal market avoids risks incurred on external electricity trading markets. Moreover, external hedging transactions help to limit market price risks. The hedging transactions are carried out both for supply purposes in order to secure prices when signing contracts with large-scale customers, and for our power stations in order to limit fluctuations in result (cash-flow hedging).

A limitation of the trading risk is ensured for our proprietary trading activities by means of comprehensive reporting on business activities, as well as by continuously monitoring compliance with risk guidelines.

The above described trading operations do not affect the individual company report of Energie AG Oberösterreich.

As of 30 September 2009, no risks can be identified for the 2009/2010 business year which, either separately or jointly, might threaten the existence of Energie AG.

Research and Development

Research and development are integral components of the entrepreneurial activities of the Energie AG Group.

During the expired business year, the expenses for research, development and innovation amounted to EUR 3.1 million for the entire Group. In the various entities of the Group, about 269 staff members were responsible for performing this work, in addition to their day-to-day duties.

In addition to the activities within the company, the Energie AG Group participates substantially in projects sponsored by the Climate and Energy Fund of the Federal Government. Staff members of the Group also make considerable contributions to the energy research group of the Austrian Association of Electricity Companies and, on top of this, in the research-policy bodies that deal with electricity issues of the European Commission, Directorate General Research, and Directorate General for Energy and Transport. In this context, they provide their expert knowledge and assume project tasks.

In addition to a general technical orientation of research and development activities, and innovation processes, developments focusing on business administration aspects, socio-political topics and new forms of staff development and staff management also are a special priority.

During the year under review, research, development and innovation were promoted, inter alia, in the following projects:

- At the site of a thermal power plant, new possibilities for re-utilizing CO₂ emissions are being studied together with partners, and detailed operating data are being obtained from a pilot test.
- At the biomass power plant at Timelkam, various fuel mixes are analyzed with a view to their ash quality and emission mix. In this context, the focus is also on analyzing corrosion processes which may appear with different compositions of used-timber qualities.
- In cooperation with external companies, the so-called "Airborne Laser Scanning" was developed for planning new high-voltage lines and improving documentation of existing systems. This involves mounting a laser scanner on a flying object to produce comprehensive topographical data and high-resolution surface profiles. The data are used when determining the outline of new constructions, increasing the performance of existing high-voltage lines and documenting existing systems. As a result of the high quality of the data, interest has also been expressed by third parties.
- In cooperation with an external institute, a pilot test was conducted to determine what instruments, information and analyses are needed by customers from different market segments in order to optimize and subsequently reduce their energy consumption. In this context, special emphasis is put on precise and comprehensive data, on the one hand, and on various motivating factors, on the other hand.

- A project comprising all supply activities of the Energy AG Group looked into possible applications for the further development of the new generation of AMIS meters, to record not only electricity consumption but also other media, which would provide an additional useful benefit. The goal of the project is the remote reading of consumption data such as, for example, gas, heat or water. In addition, a standardized radio system for the wireless interconnection of all meters at a customer's site is being developed in cooperation with various producers of meters.
- During the expired business year comprehensive analyses on expectations, applicable technologies and the necessary infrastructure were made which provide an intra-group basis for a broad range of discussion topics and measures on electric mobility. One main focus was the possible repercussions and influences on the grid structure, especially in the medium-voltage range, as well as on possible charging structures for fully electric mobility.
- Since the expired business year a gas heat pump in a municipal building has been put on a multi-year test operation. The system has been designed as a hybrid heating appliance with an absorption heat pump and a depth probe as a heat source. This pilot operation is intended to document the stability of this technology, on the one hand, and, on the other hand, the analysis of the long-term measuring data is intended to lead to further improvements of this technology.
- In cooperation with the Vienna Technical University a detailed analysis of the optimizing potential was made in connection with thermal waste processing plants. The next step is to examine the various proposals of how to implement this in technical and economic terms.

Outlook

With regard to the further economic development in the market areas of the Energie AG Group, renowned institutes for economic research and no less than the EU Commission in its fall report published in early November 2009 expect a distinct recovery of economic activity. However, as many indicators provide only a short-term perspective, and because they are based on specific political assumptions, the forecasts continue to be of considerable uncertainty.

Regardless of the future economic environment, the Energie AG Group is assuming that economic activities will stabilize. Measures taken to further reduce costs, a tight-fisted allocation of funding for investments and acquisitions, the optimization of identified risk positions, as well as financial provisions constitute the basis for continuing the success course of recent years.

With the objective of a balanced corporate portfolio, the individual business areas face different challenges in the coming business year.

- According to the binding RES Directive of the European Union, Austria must increase its share of renewable energies in total energy consumption to 34% by the year 2020. The National Action Plan, which must define how this goal will be reached, is currently being drawn up, under the leadership of the Federal Ministry of Economy, Family and Youth and the Federal Ministry of Agriculture and Forestry, Environment and Water Management. Its implementation is a major challenge to the industry and thus also to our business area power generation.

According to a study by the Vienna Technical University, 3 to 6 GW of new power station capacities will be required in Austria in the coming five to ten years in order to compensate the shut-down of old plants and consumption growth. During the 2009/2010 business year, as well, the business area power generation will make intensive efforts to enhance the efficiency of existing power stations, develop new projects and secure sites for future production facilities.

- Shortly after the end of the expired business year, on 8 October 2009, E-Control communicated to Netz GmbH the report on the investigation procedure concerning changes in the system utilization tariffs pursuant to § 55 of the Electricity Industry and Organization Act, which was followed by a draft for the 2010 Ordinance on Tariffs for Systems Utilization. A position statement on the report is currently being drafted.

After business year end, the negotiations about full compensation of contingency costs for the network energy losses were finished: Netz GmbH will participate from 2011 onwards in the common sourcing of network energy losses by the Austrian electricity companies.

- After the successful test operation with 10,000 "Smart Meters" it is planned to install another 50,000 meters during the coming business year. Further expansion of the system will largely depend on whether the regulatory authority recognizes the expenses incurred.

As part of a cooperation project it was agreed that all municipalities in Upper Austria will be linked up to the optical fiber network. By the end of 2010, already more than half of the municipalities will have been connected.

- For the ENAMO group of companies, efforts will be made to maintain its position as Number 2 on the Austrian electricity supply market and to secure it, primarily by virtue of its commitment to the market in Upper Austria. The emphasis in this context will be placed on regional roots and its position as a quality distributor.

In the coming business year, we will have to expect distinctly lower sales volumes in the industrial customer segment, as compared to the originally budgeted quantities. Thanks to the adequate provision for imminent losses made during the 2008/2009 business year, this should not have any negative effect on the result. The business area supply is facing a special challenge, i.e. to satisfy the changing needs of customers and to control the impact of volatile market developments on the Group's result, in accordance with optimum risk management.

- The business area heating will use opportunities available for further stable growth. In addition to signing up new customers in the existing networks, the focus in Upper Austria is on using renewable

energy forms such as biomass and geothermal applications. We count on growth by acquisitions in the Czech Republic and Slovakia, using possibilities for technical and organizational optimization.

- The new organizational structure of OÖ. Ferngas AG enters into force at the beginning of the 2009/2010 business year. In addition to divesting the natural gas network operations into a separate company, the activities concerning natural gas distribution and in-area heat sources were merged into one joint company. This is to further focus our activities on products and offers to customers on the heating market, as well as in connection with out-of-area supplies and natural gas filling stations.

A new tariff setting procedure is under way at the cut-off date of the financial statements, which will have an impact on 2010. The procedure is expected to be completed at year-end 2009.

- The 2009/2010 business year will be a major challenge to the Waste Management Segment. On the one hand, the development of prices for recycling materials and the utilization of capacities at processing companies cannot, as yet, be estimated; on the other hand, thermal processing capacities and export permits for waste from the municipal, business and industrial sectors are increasing constantly. On the basis of a high share of municipal operations and the sound basis of private-public-partnership models, the CEE area should also be in a position in the coming years to deliver more than proportionate contributions to the result of the AVE group.

The main, medium-term tasks of AVE are the consistent continuation of the consolidation course in Austria and Germany, the risk-optimized market expansion with a focus on municipalities in CEE, and the exploitation of market opportunities arising from the economic crisis. Moreover, ongoing efforts are being made to optimize the group structure.

On the basis of these activity priorities, the AVE group will be able to further strengthen and expand its position as an integrated waste management company in Central Europe.

- In the Water Segment the coming months will be characterized by the completion of the merger of the two big operating companies in southern Bohemia. At the same time, a new technical services company was founded, which has a business portfolio similar to the service products offered by WDL. The position as Number 3 on the Czech water market is to be strengthened and expanded gradually with the help of efficiency increases and further acquisitions.

In Austria, the existing business portfolio is to be further developed by implementing the water supply projects and by organically expanding the services business.

The systematic implementation of our defined growth strategy, which includes continuous enhancement of segment performance, will enable this segment to achieve its goal of making a stable, risk-minimized and crisis-resistant contribution to the corporate result and playing a leading role on its core markets.

The Energie AG Group will apply its stable business models and further strengthen its position as an integrated infrastructure group in order to unwaveringly pursue its goal of value-based growth in spite of the additional external challenges. Systematic, value-based and risk-optimized corporate management and direction, committed staff members and an experienced management team will ensure that this goal is reached.

Energie AG Oberösterreich expects for the upcoming business year 2009/1010 a stable and solid company performance.

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich

Dkfm. Dr. Leo Windtner KommR Ing. DDr. Werner Steinecker MBA Dipl.-Ing. Dr. Roland Pumberger

Profit and Loss Account 2008/2009

	2008/2009	previous year
	EUR	EUR 1,000
1. Sales	358,625,297.40	376,037.2
2. Changes in inventories of finished goods and work in progress	674,712.54	184.5
3. Capitalized cost of self-constructed assets	3,080.54	11.3
4. Sundry operating income	18,071,162.35	17,469.9
5. Cost of materials and other purchased services	-96,899,270.98	-102,478.5
6. Personnel expenses	-16,073,118.93	-15,266.2
7. Depreciation	-76,632,622.45	-77,194.1
8. Other operating expenses	-102,451,072.53	-106,395.6
9. Sub-total for items 1 - 8 (result from operations)	85,318,167.94	92,368.5
10. Income from investments	10,911,186.71	33,704.5
(thereof from affiliated companies: EUR 7,563,020.43; previous year: EUR 28,874.3 thousand)		
11. Income from securities and loans held as financial assets	10,542,323.33	6,962.0
(thereof from affiliated companies: EUR 3,741,830.75; previous year: EUR 0.1 thousand)		
12. Other interest and similar income	16,120,226.98	14,408.7
(thereof from affiliated companies: EUR 3,429,246.92; previous year: EUR 4,701.9 thousand)		
13. Income from disposals and write-ups of financial assets	390.95	0.6
(thereof from affiliated companies: EUR 390.95; previous year: EUR 0.6 thousand)		
14. Expenses for other financial assets	-26,514,169.77	-5,134.9
(thereof from affiliated companies: EUR 23,818,263.60; previous year: EUR 5,068.1 thousand)		
15. Interest and similar expenses	-39,550,180.02	-41,232.5
(thereof from affiliated companies: EUR 15,562,404.21; previous year: EUR 13,016.7 thousand)		
16. Sub-total for items 10 - 15 (financial result)	-28,490,221.82	8,708.4
17. Result of ordinary activities	56,827,946.12	101,076.9
18. Income taxes	-10,591,165.07	-17,802.1
19. Net income - current year	46,236,781.05	83,274.8
20. Reversal of untaxed reserves	2,148,090.62	2,607.9
21. Reversal of capital reserves	0.00	7,874.6
22. Reversal of revenue reserves	15,336,523.28	0.0
23. Allocations to untaxed reserves	-10,321,769.35	0.0
24. Allocations to revenue reserves	0.00	-40,600.1
25. Accumulated profit carried forward	600,374.40	842.8
26. Retained earnings	54,000,000.00	54,000.0

Balance-Sheet as at 30 September 2009

	30 Sept. 2009	previous year
	EUR	EUR 1,000
ASSETS		
A. Long-term assets		
I. Intangible assets	43,263,815.37	48,342.9
II. Property, plant and equipment	809,960,779.28	781,861.4
III. Financial assets	1,036,686,569.87	1,024,219.6
	1,889,911,164.52	1,854,423.9
B. Current assets		
I. Inventories	52,264,736.42	44,287.3
II. Accounts receivable and other assets	239,994,562.52	103,457.8
III. Own shares	35,119.01	4.2
IV. Cash and cash equivalents	21,765,418.21	179,499.3
	314,059,836.16	327,248.6
C. Prepaid expenses	2,028,302.45	3,137.5
	2,205,999,303.13	2,184,810.0

	30. September 2009	Vorjahr
	EUR	TEUR
EQUITY AND LIABILITIES		
A. Equity		
I. Share capital	89,000,000.00	89,000.0
II. Non-distributable capital reserves	207,000,000.00	207,000.0
III. Reserves for own shares	35,119.01	4.2
IV. Revenue reserves	591,036,708.26	606,404.1
V. Retained earnings (thereof accumulated profit carried forward: EUR 600,374.40; previous year: EUR 842.8 thousand)	54,000,000.00	54,000.0
	941,071,827.27	956,408.3
B. Untaxed reserves	58,175,953.65	50,002.3
C. Investments grants	23,785,004.81	25,774.5
D. Provisions	70,011,765.50	77,496.6
E. Liabilities	973,067,140.08	877,436.6
F. Contributions to building costs	101,264,359.18	114,179.0
G. Deferred income and accrued expenses	38,623,252.64	83,512.7
	2,205,999,303.13	2,184,810.0

Contingent liabilities	1,077,981,686.77	1,863,506.5
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NOTES on the FISCAL STATEMENTS 2008/2009

I. General Information

The financial statements for the 2008/2009 business year were drawn up observing the principles of proper accounting, as well as observing the general requirement to provide a sufficiently fair picture of the assets, the financial status and the earnings positions of the company.

A form of condensed presentation was chosen both for the balance-sheet and the profit-and-loss account for the benefit of a better representation and more clarity.

The Notes contain the required detailed information on the individual items, as well as the comments required by law.

Following the Group's submission of 30 September 2005, Energie AG Oberösterreich became the holding company for a group of companies. With the submission dated 27 September 2006 this group of companies submitted its expansion, to include the companies set up in the course of re-structuring the Energie AG Group. As at the balance-sheet date, the group of companies comprises 30 subsidiary companies (25 companies in the year before).

Positive contributions to taxes by Group members are entered at 25% of the assigned positive income.

Tax losses assigned to the holding company reduce the basis of the positive contributions to taxes of the subsequent business year, refundable to the holding company. However, the holding company may ultimately accept the assigned negative result by paying a negative contribution to taxes to the Group member in the amount of 97% of the tax share of the accepted negative income.

The company is a major stock corporation, as defined by § 221 of the Austrian Commercial Law Code.

As at 1 October 2004, Energie AG Oberösterreich introduced an effective cash-pooling system in order to optimize the Group's dispositions in relation to bank accounts, as well as the intra-group liquidity balance and the handling of payment transfers.

Energie AG Oberösterreich decided in favor of two polling groups, and since 1 October 2006 Energie AG Group Treasury GmbH has been the Group's lead company.

A total of 33 companies (30 companies in the year before) were comprised in the pool on the reporting date (30 September 2009).

II. Recognition and Valuation Methods

Long-term assets

Intangible assets are valued at initial costs, reduced by scheduled linear depreciation.

Property, plant and equipment are valued at initial costs or cost of production, reduced by scheduled depreciation. Non-scheduled depreciations are made whenever impairments are expected to have a lasting effect.

Investments in affiliated companies, as well as other investments are entered at initial costs and/or at their lower attributable values.

Securities (loan stock rights) held as long-term assets are valued at purchase prices or, in the event of a lasting impairment, at their lower stock-exchange prices.

Income equivalent to dividends from non-distributable interim certificates of a capital investment fund, as defined by § 40 (2) item 1 of the Austrian Investment Fund Act, are entered in keeping with the expert opinion of the Expert Panel on Corporate Law and Internal Audit, KFS/RL 16, by increasing the valuation entered for the interim certificates.

Non-interest-bearing and/or low-interest-bearing loans are shown at their cash value.

Current assets

Raw materials and supplies are valued at their average purchase price and/or cost of production (sliding average method), at the lower of market or fixed values.

Work in progress is valued at cost of production.

Receivables are valued at their nominal value, taking account of their collectability. Appropriate write-downs are entered for doubtful accounts receivable. Foreign-currency receivables are valued in keeping with the strict principle of lower of cost or market.

Provisions

Actuarial principles are applied to calculate provisions for severance payments, using the "projected-unit-credit" method, in keeping with IAS 19. The calculation is based on a retirement age in keeping with transitional provisions, an interest rate of 5.75% for the calculations (6.0% in the year before), planned salary increases of 3.5% (3.5% in the year before), as well as a discount for fluctuations according to probabilities, depending upon years of employment, i.e. 1.0% for 0 – 7 years of employment (1.0% for 0 – 3 years of employment in the year before), of 0.0% as of 31 years of employment (0.0% as of 30 years of employment in the year before).

Actuarial principles are applied to calculate old-age pension provisions, using the "projected-unit-credit" method, in keeping with IAS 19. The Pagler-Pagler calculation tables, AVÖ 2008 P, are used for the calculations, as well as an interest rate of 5.75% (6.0% in the year before), and a retirement trend of 2.25% (2.25% in the year before).

The principle of conservatism is applied when forming other provisions.

Liabilities

Liabilities are entered at the amounts repayable, observing the principle of conservatism. Liabilities in foreign currencies are valued in keeping with the principle of highest value.

Emission certificates

In connection with the expected under-coverage, the gratuitously allocated emission certificates are shown according to the alternative method admissible under the AFRAC opinion (Austrian Financial Reporting and Auditing Committee), whereby no item is entered on the asset side of the balance sheet, and a special item is shown under liabilities. In keeping with actual CO₂ emissions, a provision is entered for the expected under-coverage, deducting the actually allocated emission certificates.

Cross border leasing

Energie AG Oberösterreich entered into so-called cross-border leasing transactions for its electricity transmission and distribution grids in fiscal 2000/20001, and for some of its power stations in fiscal 2001/2002. In the course of the transactions, the electricity transmission grid and 14 hydro power stations were leased to US investors by means of trusts and, at the same time, leased back for a shorter period. According to Austrian law, this did not change the civil-law and economic ownership relations. The financial benefit (present-value benefit) for Energie AG Oberösterreich – after deducting the transaction costs – is disclosed in the balance sheet as a differential amount carried as a liability and re-transferred with effect on revenues according to the term of the underlying leasing transaction.

The cross-border leasing transaction for the electricity transmission grid and the distribution grid was terminated during the 2008/2009 business year. Please refer to the comments on pages 22 and 31 for the effect of the termination on the balance sheet.

III. Notes on the Profit-and-Loss Account

Sales

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Electricity	214,433.0	237,489.4
Others	144,192.3	138,547.8
	358,625.3	376,037.2

The sales from electricity deliveries comprise various promotional grants in the amount of EUR 24,301.4 thousand (EUR 13,155.5 thousand in the year before).

Sales of electricity primarily went down as a result of reduced quantities.

Other sales essentially consist of income from the re-transfer of contributions to building costs, income from de-stocking at subsidiary companies, lease settlements with regard to long-term assets, as well as rent invoiced to subsidiary companies.

Sundry operating income

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Income from the disposal of and the write-up of long-term assets with the exception of financial assets	1,372.9	671.1
Income from reversal of provisions	300.0	209.1
Other	16,398.3	16,589.8
	18,071.2	17,470.0

Sundry operating income essentially consists of income from lease and rent revenues, income from the use of investment grants, income from insurance refunds, income from production services performed that are carried as assets, as well as income from further settlements.

Cost of materials and other purchased services

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Cost of materials	96,530.9	101,924.3
Cost of purchased services	368.4	554.2
	96,899.3	102,478.5

The most important items under cost of materials are the electricity bought from electricity supply contracts that remained with Energie AG, the use of primary energy, the use of materials for de-stocking at subsidiary companies, as well as third-party materials.

Personnel expenses

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Salaries	11,122.9	10,422.5
Expenses for severance payments and payments to company pension funds	487.0	437.1
Expenses for old-age pensions	1,687.2	1,823.1
Expenses for statutory social security charges, as well as remuneration-dependant payments and compulsory contributions	2,183.9	2,099.2
Other social contributions	592.1	484.3
	16,073.1	15,266.2

The item expenses for severance payments includes expenses for members of the Board of Management in the amount of EUR 42.9 thousand (EUR 27.3 thousand in the year before), as well as lower expenses for senior staff members in the amount of EUR 71.5 thousand (EUR 79.9 thousand in the year before).

Expenses for old-age pensions comprise expenses for the old-age pensions of members of the Board of Management in the amount of EUR 863.7 thousand (EUR 262.3 thousand), as well as expenses for senior staff members in the amount of EUR 205.0 thousand (EUR 182.7 thousand in the year before).

The item expenses for severance payments and payments to company pension funds comprises expenses to company pension funds in the amount of EUR 49.2 thousand (EUR 39.6 thousand in the year before).

Depreciation

All ordinary depreciation relates to the depreciation of intangible assets held as long-term assets, as well as to property, plant and equipment. They are shown in the table "Development of Long-Term Assets". There was no non-scheduled depreciation during the business year under review, nor in the year before.

Sundry operating expenses

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Taxes, unless they are part of taxes on income	173.9	2,383.3
Others	102,277.2	104,012.3
	102,451.1	106,395.6

Sundry operating expenses comprise expenses for intra-group charges resulting from services, administrative expenses, reimbursements of expenses, insurances premiums, expenses for rent, third-party services (mainly from settling business management expenses of Energie AG Oberösterreich Kraftwerke GmbH), losses from the disposal of property, plant and equipment, as well as allocations to valuation adjustments.

The losses from the disposal of property, plant and equipment amount to EUR 942.4 thousand (EUR 1,618.1 thousand in the year before) and essentially relate to electrical plants.

Income from investments

Income from investments in the amount of EUR 10,911.2 thousand (EUR 33,704.5 thousand in the year before) includes EUR 4,700.0 thousand (EUR 2,598.0 thousand in the year before) paid as dividends for the respective time frames. The Board of Management of Energie AG Oberösterreich decided (in a documented resolution) that the dividends of certain Group companies are to be distributed in line with time frames. As a result, the respective company holds equity of about 20% of the balance-sheet total after distributing the dividend.

Other interest and similar income

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Interest	5,436.0	10,591.4
Similar income	10,684.2	3,817.3
	16,120.2	14,408.7

Similar income includes the re-transfer of the differentials carried as liability which remained after the termination of the US cross-border leasing transaction for the electricity grid, as well as the pro-rata re-transfer of the differential carried as liability under the US cross-border leasing transaction for the power stations in the amount of EUR 9,724.2 thousand (EUR 3,817.3 thousand in the year before).

Income from disposals and write-ups of financial assets

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Income from the disposal of financial assets	0.3	0.3
Write-ups to loans	0.1	0.3
	0.4	0.6

Expenses for other financial assets

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Depreciation	2,695.9	66.8
Expenses for affiliated companies	23,818.3	5,068.1
	26,514.2	5,134.9

The depreciation relates to securities (loan stock rights) held as long-term assets in the amount of EUR 208.8 thousand (EUR 66.8 thousand in the year before), as well as loans in foreign currencies in the amount of EUR 2,487.1 thousand (EUR 0.0 thousand in the year before).

Other financial expenses relate to losses incurred by Group companies on the basis of transfer of losses agreements. They amount to EUR 23,818.3 thousand (EUR 5,068.1 thousand in the year before).

Income taxes

On account of the fiscal position of the company in connection with its ordinary activity, the change in untaxed reserves resulted in a decrease of the corporate income tax of EUR 2,043.4 thousand (in the year before: an increase of EUR 580.5 thousand).

Deferred tax expenses in the amount of EUR 167.9 thousand (EUR 967.0 thousand in the year before) were entered during the business year.

IV. Notes on the Balance-Sheet

Long-term assets

The table "Development of Long-Term Assets" shows both the structure required by law and the development in the course of the business year, as well as the specific components which the company carries as long-term assets.

Intangible assets

In addition to electricity procurement rights, intangible assets also comprise various EDP software programs, user rights for various plants, rental rights, etc.

Property, plant and equipment

The full amount of low-value items is written off during the year of acquisition. They amounted to EUR 674.6 thousand (EUR 819.4 thousand in the year before).

The individual components under "land and buildings" show a value for land in the amount of EUR 28,406.3 thousand (EUR 28,226.4 thousand in the year before).

The disposals are both eliminated plant and equipment and corrections in the valuation of plant and equipment acquired in previous years.

On account of long-term rent, lease and leasing agreements, there are commitments for the use of property, plant and equipment not shown in the balance-sheet in the amount of EUR 2,246.8 thousand (EUR 3,192.0 thousand in the year before) for the subsequent business year. The commitments for the following five business years amount to EUR 10,736.5 thousand (EUR 15,998.2 thousand in the year before).

Financial assets

The table below provides information about the relevant data concerning those investments which account for a minimum stake of 20 per cent.

	share capital	share of company		equity of company	net loss / net income for the year
	EUR 1,000	%	EUR 1,000	EUR 1,000	EUR 1,000
Affiliated companies					
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung, Linz	730.0	100.0	730.0	4,329.1	322.9 ¹⁾
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH, Linz	35.0	100.0	35.0	247,108.0	8,737.2
Energie AG Oberösterreich Wärme GmbH, Linz	1,050.0	100.0	1,050.0	11,315.4	642.7
Energie AG Oberösterreich Vertrieb GmbH & Co KG, Linz	40.0	100.0	40.0	7,356.8	-22,035.0
AVE Energie AG Oberösterreich Umwelt GmbH, Linz	150.0	100.0	150.0	117,765.6	-2,178.6
Energie AG Group Treasury Holding GmbH, Linz	35.0	100.0	35.0	46.7	2.1
Energie AG Finance B.V., Amsterdam, Netherlands.....	18.0	100.0	18.0	2,024.0	21.2
Energie AG Oberösterreich Wasser GmbH, Linz	500.0	100.0	500.0	43,919.5	-1,465.4
Energie AG Oberösterreich Netz GmbH, Linz	5,000.0	100.0	5,000.0	43,952.0	11,373.9
Energie AG Oberösterreich Trading GmbH, Linz	150.0	100.0	150.0	11,456.4	2,470.7
Energie AG Oberösterreich Kraftwerke GmbH, Linz	150.0	100.0	150.0	23,359.8	-4,151.9
Energie AG Oberösterreich Tech Services GmbH, Linz	150.0	100.0	150.0	13,237.1	3,661.9
Energie AG Oberösterreich Business Services GmbH, Linz	35.0	100.0	35.0	6,421.4	876.1
Energie AG Oberösterreich Customer Services GmbH, Linz	35.0	100.0	35.0	3,941.0	2,914.8
Energie AG Oberösterreich Data GmbH, Linz	150.0	100.0	150.0	9,198.4	4,808.0
Energie AG Oberösterreich Personal Services GmbH, Linz	35.0	100.0	35.0	1,159.1	144.3
Energy IT Service GmbH, Linz	45.0	33.3	15.0	70.7	7.3
Oberösterreichische Ferngas Aktiengesellschaft, Linz	34,938.5	65.0	22,710.0	134,790.0	1,855.1
Cogeneration-Kraftwerke Management Oberösterreich GmbH, Linz	100.0	99.9	100.0	2)	2)
Other investments					
Ennskraftwerke Aktiengesellschaft, Steyr	3,400.0	50.0	1,700.0	14,129.6	499.6 ¹⁾
LIWEST Kabelmedien GmbH, Linz	145.5	44.0	64.0	16,889.6	1,169.5
Energie Austria GmbH, Vienna	70.0	31.3	21.9	53.4	-2.1 ³⁾

1) Values as at 31 December 2008

2) Use of the safeguard clause in § 241 (2) item 2 of the Austrian Commercial Law Code

3) Equity and net loss for the year as at 31 December 2008; the shares in the company were increased from 24% to 31.3% by means of purchase and assignment agreement dated 24 March 2009.

Securities (loan stock rights) held as long-term assets comprise dividend-like income in the amount of EUR 4,312.6 thousand (EUR 575.3 thousand in the year before) for the business year under review.

An amount of EUR 1.0 thousand (EUR 198.2 thousand in the year before) refers to loans with a maximum term to maturity of one year.

The so-called "B Depot" (securities Account B) from the US cross-border lease transaction entered during the 2000/2001 business year had been shown under financial assets in the item relating to other loans. The deposit was eliminated in the course of terminating the transaction for the electricity transmission and distribution grid.

Current assets

Inventories

	30/09/2009	previous year
	EUR 1,000	EUR 1,000
1. Raw materials and supplies	47,700.4	40,397.6
2. Work in progress	4,564.3	3,889.7
	52,264.7	44,287.3

Accounts receivable and other assets

	balance-sheet value 30/09/2009	thereof with a remaining maturity	thereof with bills of exchange as	accruals carried as assets
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
1. Trade receivables	2,175.9	0.0	0.0	0.0
previous year	1,952.4	0.0	0.0	0.0
2. Trade receivables from affiliated companies	143,691.9	0.0	0.0	0.0
previous year	88,177.7	17,114.4	0.0	0.0
3. Trade receivables due from associated companies	24.6	0.0	0.0	0.0
previous year	185.6	0.0	0.0	0.0
4. Other receivables and assets	94,102.1	73,854.5	0.0	6,888.4
previous year	13,142.1	50.8	0.0	11,520.9
	239,994.5	73,854.5	0.0	6,888.4
previous year	103,457.8	17,165.2	0.0	11,520.9

During the business year under review, no lump-sum allowance for itemized bad debts was formed for trade receivables (EUR 116.8 thousand in the year before).

Of the trade receivables from affiliated companies in the amount of EUR 143,691.9 thousand (EUR 88,177.7 thousand in the year before), EUR 9,509.6 thousand (EUR 10,095.1 thousand in the year before) are trade receivables, EUR 105,344.3 thousand (EUR 36,171.1 thousand in the year before) financial claims, EUR 30,633.5 thousand (EUR 47,011.0 thousand in the year before) other receivables, EUR 1,148.6 thousand (EUR 2,056.5 thousand in the year before) accounts payable, and EUR 646.9 thousand (EUR 3,042.9 thousand in the year before) other liabilities.

Trade receivables due from associated companies, which amount to EUR 24.6 thousand (EUR 185.6 thousand in the year before), all classify as trade receivables.

Other receivables comprise outstanding credit for accrued interest and receivables from securitization riders in the course of financial hedging transactions

As a result of the crisis on international financial markets, the Equity Payment Undertaking Agreement for the US cross-border lease transaction relating to power stations had to be securitized by a letter of credit (L/C), in conformity with markets, in November 2008. The amount of the L/C securitization had to be deposited with the L/C issuer (an international commercial bank) in the form of an interest-bearing securities account. This required the taking out a cash advance from an Austrian financial institute. The item "other receivables" shows the status of the securities account as at the reporting date.

On 25 February 2009 Energie AG Oberösterreich was allocated 481,014 gratuitous CO₂ emission certificates. The price of the certificates amounted to EUR 9.51 on that date. The total value of the CO₂ certificates thus amounts to EUR 4,574.4 thousand. On the balance-sheet date, the price of CO₂ certificates was EUR 13.14, which means that the total value of the gratuitous certificates was EUR 6,320.5 thousand on the reporting date (30 September 2009).

Own shares

An amount of EUR 7,878.8 thousand of the shares, which the Federal Province of Upper Austria transferred gratuitously as a shareholder's contribution during the 2006/2007 business year, were acquired by a defined group of staff members of the Energie AG Group at favorable prices, in the course of introducing a staff participation model. As at the reporting date, shares in the amount of EUR 35.1 thousand (EUR 4.2 thousand in the year before) had been acquired by former staff members.

Prepaid expenses

The discount on cost of finance, carried under assets, and the portions of issuing costs for bonds are written off in keeping with the term of these bonds.

Equity

Share capital

The share capital amounts to EUR 89,000.0 thousand and is made up of 89,000,000 individual share certificates (of which 88,600,000 are ordinary shares and 400,000 preferred shares) with a par value per share of EUR 1.00.

At the General Shareholders' Meeting on 3 July 2008, the Board of Management was authorized, in keeping with § 159 (3) of the Austrian Stock Corporations Act, to increase the share capital of the company by a maximum of EUR 2,800 thousand, by way of issuing individual bearer share certificates in the form of preferred shares without voting rights during an authorized period of five years, as of the registration of the amendment to the company's articles of incorporation in the company register.

The company has non-distributable reserves in the amount required by law.

Capital reserves

The reserve is a non-distributable capital reserve.

Reserves for own shares

The reserves for own shares was increased by the number of shares acquired by former staff members.

Revenue reserves

	30/09/2009	previous year
	EUR 1,000	EUR 1,000
1. Statutory reserve	8,000.0	8,000.0
2. Other reserves (distributable reserves) ..	583,036.7	598,404.1
	591,036.7	606,404.1

An amount of EUR 15,367.4 thousand (in the year before: an addition of EUR 40,600.2 thousand, of which EUR 287.8 thousand were assigned investment allowances) was withdrawn from the distributable reserves.

Untaxed reserves

The table "Development of Untaxed Reserves" shows the various components and the development in the course of the year under review.

Investment grants

The table "Development of Investment Grants" shows the various components and the development in the course of the year under review.

Provisions

	30/09/2009	previous year
	EUR 1,000	EUR 1,000
1. Provisions for severance payments	3,107.5	2,777.1
2. Provisions for pensions	6,557.6	7,092.2
3. Provisions for taxes	55,279.6	61,975.3
(thereof deferred taxes: EUR 47,511.9 thousand; EUR 47,679.8 thousand for the year before)		
4. Other provisions	5,067.1	5,652.0
	70,011.8	77,496.6

The losses in excess of the corridor (10% of DBO) are amortized, spread out over the remaining working period to which DBO capital weighting is applied (in the year before: expected period until entitlement).

As a result of applying the corridor method in keeping with IAS 19, the provisions for severance and pension payments developed as shown below:

	30/09/2009	previous year
	EUR 1,000	EUR 1,000
DBC provision for severance payments	4,011.5	3,710.0
Non-recorded actuarial loss	-904.0	-932.9
Provisions for severance payments (balance-sheet value)	3,107.5	2,777.1
DBC pension provision	14,824.0	13,814.4
Non-recorded actuarial loss	-535.4	29.8
attributable current value of the fund assets	-7,731.0	-6,752.0
Pension provision (balance-sheet value)	6,557.6	7,092.2

Deferred tax liabilities

The calculation of the deferred tax liabilities is based on the tax rate of 25%, applicable on the reporting date. Differentials between the values entered in the tax balance-sheet and the corporate balance-sheet only contain deferred taxes if they are limited in time. A valid fiscal relevance is assumed for differentials that continue to be shown. Deferred taxes carried as assets are offset against deferred taxes carried as liabilities.

Other provisions

Other provisions essentially consist of commitments to the staff (early retirement, anniversary bonuses), uncertain liabilities and commitments from the under-coverage with emission certificates.

Commitments from outstanding suppliers' invoices are shown under trade payables. Certain commitments to the staff (unused holiday leaves, accruals and deferrals from Christmas remunerations and holiday grants, bonuses, and similar items) are shown under other liabilities.

Liabilities

	balance-sheet value 30/09/2009	thereof with a maturity of < 1 year	thereof with a maturity of 1 - 5 years	thereof with a maturity of > 5 years	with real security	type of security	thereof accruals carried as liabilities
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000		EUR 1,000
1. Bonds	300,001.3	1.3	0.0	300,000.0			-
previous year	450,002.8	150,002.8	0.0	300,000.0			-
2. Bank loans and overdrafts	148,597.3	28,908.4	43,858.5	75,830.4	-		-
previous year	65,461.1	12,526.4	52,602.8	331.9	-		-
3. Advances from customers	166.0	166.0	0.0	0.0	-		-
previous year	67.0	67.0	0.0	0.0	-		-
4. Trade payables to third parties	18,710.6	18,688.0	22.6	0.0	-		-
previous year	19,800.3	19,798.5	1.8	0.0	-		-
5. Payables to affiliated companies	474,353.5	174,853.5	134,500.0	165,000.0	-		-
previous year	142,482.4	142,482.4	0.0	0.0	-		-
6. Payables to associated companies	4,270.0	4,270.0	0.0	0.0	-		-
previous year	1.7	1.7	0.0	0.0	-		-
7. Other liabilities	26,968.5	23,797.7	708.0	2,462.8	8.7	mortgage	14,512.4
previous year	199,621.3	78,079.7	700.8	120,840.8	9.5	mortgage	21,122.0
	973,067.1	250,685.0	179,089.1	543,293.2	8.7		14,512.4
previous year	877,436.6	402,958.5	53,305.4	421,172.7	9.5		21,122.0

Bank loans and overdrafts include the cash advance in connection with the L/C securitization. Payables to affiliated companies in the amount of EUR 474,353.5 thousand (EUR 142,482.4 thousand in the year before) are trade payables, i.e. EUR 1,918.8 thousand (EUR 5,115.5 thousand in the year before), financial liabilities, i.e. EUR 453,528.9 thousand (EUR 139,255.1 thousand in the year before), other liabilities, i.e. EUR 24,860.4 thousand (EUR 1,770.1 thousand in the year before), trade receivables, i.e. EUR 437.1 thousand (EUR 265.6 thousand in the year before), as well as other receivables, i.e. EUR 5,517.5 thousand (EUR 3,392.7 thousand in the year before).

Payables to associated companies amount to a total sum of EUR 4,270.0 thousand (EUR 1.7 thousand in the year before), of which EUR 4,270.0 thousand (EUR 10.8 thousand in the year before) are trade payables to third parties, and EUR 0.0 thousand (EUR 9.1 thousand in the year before) are trade receivables.

The most essential components under other liabilities are tax liabilities in an amount of EUR 6,217.3 thousand (EUR 17,621.9 thousand in the year before), liabilities under social-security schemes in the amount of EUR 1,150.8 thousand (EUR 556.2 thousand in the year before), as well as outstanding expenditure for interest. During the previous year, other liabilities included commitments under securitization riders in connection with financial hedging transactions, as well as liabilities under the US cross-border lease transaction of the 2000/2001 business year which was terminated during the 2008/2009 business year.

Information in connection with financial instruments

On the reporting date, **derivative financial instruments** comprised the following items:

	contract value	current value		book value EUR 1,000	balance-sheet item
		positive	negative		
		EUR 1,000	EUR 1,000		
Interest swap bonds (fixed interest remittees)	EUR 100.0 mill.	6,284.9	0.0	0.0	-
Interest swap loans (fixed interest payers)	EUR 140.0 mill.	0.0	2,150.8	0.0	-
Coal swaps Purchase	2,594.4 EUR thousand	13.1	112.5	0.0	-

Derivative financial instruments, which are not shown in the balance-sheet, are used to partially secure the risks of interest-rate changes incurred with bonds and loans. Securing the fixed-interest expense under the US cross-border lease transaction from the 2000/2001 business year was terminated during the year under review.

Swap valuation is the result of discounting the future cash flows (cash-value method), on the basis of an interest curve, as expected on 30 September 2009. A department independent of the credit institute concerned with the trading provides the interest curve.

Contributions to building costs

This item mainly comprises financing contributions obtained from electricity customers. They are re-transferred over a period of 20 years with effect on the result.

Since the 2005/2006 business year, Energie AG Oberösterreich Netz GmbH has been collecting the contributions to buildings costs in the course of connecting new electricity customers.

Deferred income and accrued expenses

Deferred income and accrued expenses essentially comprise the cash-value benefit remaining from the US cross-border lease transactions, which is re-transferred over the financing period, as well as the agio spread out over the term of issued bonds. As at 30 September 2009, this item amounted to EUR 38,623.3 thousand (EUR 83,512.7 thousand in the year before).

Contingent liabilities

	30/09/2009	thereof vis-à-vis affiliated companies	previous year	thereof vis-à-vis affiliated comapnies
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Liabilities under bills of exchange	1,200.0	1,200.0	1,200.0	1,200.0
Guarantees	465,521.5	400,246.3	445,943.8	328,953.9
Cross-border lease	611,260.2	0.0	1,416,362.7	0.0
	1,077,981.7	401,446.3	1,863,506.5	330,153.9

The guarantees relate to liabilities accepted for loans that various credit institutes granted to affiliated companies of Energie AG. In connection with energy trading transactions by Energie AG Oberösterreich Trading GmbH, guarantee statements and letters of comfort were issued to trading partners.

In the course of US cross-border lease transactions, the financial funds received from the US trust as advance lease payments on the transaction date are invested in securities accounts – after deducting the cash-value benefit – or in the form of so-called Payment Undertaking Agreements, and used to cover the future installments under the lease-back arrangement. For the Payment Undertaking Agreements, contracts are signed with financial institute of first-class rating on the transaction date, by means of which the financial institutes undertake to make all payments under the lease-back arrangement directly to the US fund. In consequence, this instrument does not result in a capital gain in the balance sheet, which is in contrast to the classical instrument of investing into a securities account. However, Energie AG is liable to the US trust for compliance with the commitments that the financial institutes have undertaken in connection with the Payment Undertaking Agreements. This liability is shown as a contingent liability and valued at the foreign-exchange selling rate on the reporting date. The clear reduction of the liabilities during the expired business year is due to the fact that the two cross-border lease transactions were terminated.

V. Other Information

Other financial commitments

The profit and loss transfer agreement between Energie AG Oberösterreich and Energie AG Oberösterreich Wärme GmbH, an affiliated company, was ended by the 39th General Shareholders' Meeting, with retroactive effect as of 1 October 2008. There are loss transfer agreements with ENAMO GmbH and, for the current business year, with Energie AG Oberösterreich Vertrieb GmbH & Co KG.

With the agreement, dated 11 September 2007 (updated on 1 October 2008), to cover the losses of Energie AG Oberösterreich Vertrieb GmbH & Co KG, Linz, the company undertook to pay up to a total amount EUR 35 million for the losses of a year. After covering the loss of the 2007/2008 business year in the amount of EUR 4,488 thousand and of the 2008/2009 business year in the amount of EUR 23,235 thousand, an amount of EUR 7,277 thousand still remains under this agreement.

Corporate bodies, staff

The remunerations of the Board of Management and of the Supervisory Board are as follows:

	2008/2009	previous year
	EUR 1,000	EUR 1,000
Board of Management	809.6	784.1
Former members of the Board of Management and their dependents	828.2	915.5
Supervisory Board	90.3	88.3

Below is the mean staff figure for the business year:

	2008/2009	previous year
Salaried employees	119	120

A separate table lists the members of the Board of Management and the Supervisory Board (Annex 1 to the Attachment).

Unbundling

In addition to the previous unbundling of functions and accounting, Energie AG implemented the unbundling requirement under corporate law (legal unbundling) by setting up legally autonomous companies during 2006/2007 business year.

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich

Dkfm. Dr. Leo Windtner

Dipl.-Ing. Dr. Roland Pumberger

KommR Ing. DDr. Werner Steinecker, MBA

Corporate Bodies (Annex 1 to the Notes)

SUPERVISORY BOARD

Gerhard Falch	CEO, Chairman, Ranshofen
Erich Haider	First Deputy Chairman, Linz
Ludwig Scharinger	CEO, Second Deputy Chairman, Linz
Alois Froschauer	CEO, Linz
Franz Gasselsberger	CEO, Linz
Anna-Maria Hochhauser	Secretary General, Vienna
Michaela Keplinger-Mitterlehner	Member of Managing Board, Linz
Manfred Klicnik	Attorney-at-law, Linz
Ruperta Lichtenecker	Member of the Federal Council, Linz
Manfred Polzer	Deputy Director, Linz
Viktor Sigl	Senator, Linz
Bruno Wallnöfer	CEO, Innsbruck

Works Council Representatives:

Manfred Harringer	Works Council Member, Leonding
Isidor Hofbauer	Deputy Chairman of the Works Council, Ostermiething
Gottfried Laherstorfer	Chairman of the Works Council, Pinsdorf
Peter Neissl	Member of the Works Council, Hartkirchen
Bernhard Steiner	Member of the Works Council, Ottensheim (until 17 April 2009)
Christian Strobl	Member of the Works Council , Gampern (until 17 April 2009)
Gerhard Störinger	Member of the Works Council, Zell a.P. (since 17 April 2009)
Egon Thalmeir	Member of the Works Council, Ampflwang (since 17 April 2009)

BOARD OF MANAGEMENT

Leo Windtner	CEO, Chairman of the Board of Management, St. Florian
Roland Pumberger	Member of the Board of Management, Purkersdorf
Werner Steinecker	Member of the Board of Management, Kirchsschlag

II. Property, plant and equipment										
1. Electricity equipment										
1.1 Power stations										
Land and buildings	408,968,236.71	334,359.90	-8,248.13	32,730.45	409,327,078.93	287,938,138.27	121,388,940.66	127,111,715.83	6,793,805.04	
Technical equipment and machinery	543,224,681.84	390,225.51	-2,398,993.40	-1,432,410.03	539,783,503.92	491,503,868.33	48,279,635.59	53,167,279.32	6,281,387.75	
Advances received and work in progress	2,852,178.95	3,268,077.97	-17,422.13	-1,739,674.41	4,363,160.38	-	4,363,160.38	2,852,178.95	-	
Total for power stations	955,045,097.50	3,992,663.38	-2,424,663.66	-3,139,353.99	953,473,743.23	779,442,006.60	174,031,736.63	183,131,174.10	13,075,192.79	
1.2 Sub-stations and distribution equipment										
Land and buildings	119,557,608.94	1,641,828.67	-210,716.64	2,045,629.63	123,034,350.60	90,416,619.74	32,617,730.86	31,382,993.88	2,355,792.59	
Technical equipment and machinery	442,359,481.59	14,509,440.02	-5,456,732.17	6,072,835.52	457,485,024.96	325,458,917.18	132,026,107.78	125,770,577.01	13,293,374.63	
Lines	886,710,903.39	39,351,828.94	-5,869,071.98	2,215,602.55	922,409,262.90	598,394,006.39	324,015,256.51	311,446,952.70	28,170,145.33	
Advances received and work in progress	12,098,272.07	12,050,640.13	-203,833.30	-10,639,866.50	13,305,212.40	-	13,305,212.40	12,098,272.07	-	
Total for sub-stations and distribution equipment	1,460,726,265.99	67,553,737.76	-11,740,354.09	-305,798.80	1,516,233,850.86	1,014,269,543.31	501,964,307.55	480,698,795.66	43,819,312.55	
Total for electricity equipment	2,415,771,363.49	71,546,401.14	-14,165,017.75	-3,445,152.79	2,469,707,594.09	1,793,711,549.91	675,996,044.18	663,829,969.76	56,894,505.34	
2. District-heating equipment										
Land and buildings	803,751.38	-	-	709,415.96	1,513,167.34	1,513,167.34	-	-	-	
Technical equipment and machinery	9,507,813.78	-	-	2,355,984.75	11,863,808.53	11,863,808.53	-	-	-	
Lines	381,189.34	-	-	-	361,189.34	361,189.34	-	-	-	
Advances received and work in progress	-	2,384,747.45	-	-	2,384,747.45	-	2,384,747.45	-	-	
Total for district-heating equipment	10,672,754.50	2,384,747.45	-	3,065,410.71	16,122,912.66	13,738,165.21	2,384,747.45	-	-	
3. Fixtures, fittings and other assets										
Land and buildings	73,712,989.20	269,639.04	-31,192.10	19,834.72	73,971,270.66	33,564,679.53	40,416,591.33	41,699,253.83	1,545,062.30	
Technical equipment and machinery	122,436,788.45	8,733,044.48	-166,998.02	5,243,086.16	138,245,901.05	79,565,453.79	56,680,447.26	49,397,699.03	6,569,897.37	
Fixtures and fittings	56,669,471.46	5,564,789.79	-3,379,063.27	3,177,550.04	62,032,748.02	46,073,446.66	15,959,301.34	12,128,327.07	4,838,624.35	
Advances received and work in progress	14,806,149.30	12,185,377.60	0.00	-8,447,879.18	18,523,647.72	-	18,523,647.72	14,806,149.30	-	
Total for fixtures, fittings and other assets	267,625,398.41	26,732,850.89	-3,577,253.39	-7,428.26	290,773,567.65	159,193,580.00	131,579,987.65	118,031,429.23	12,953,584.02	
Total - property, plant, equipment	2,694,069,516.40	100,663,899.48	-17,742,271.14	-587,170.34	2,776,604,074.40	1,966,643,295.12	809,960,779.28	781,861,398.99	69,848,089.36	
III. Financial assets										
1. Investments in affiliated companies	751,813,681.29	8,595,228.64	-	0.00	760,408,909.93	17,632,513.07	742,776,396.86	734,181,168.22	-	
2. Loans to affiliated companies	18,807.15	79,529,624.54	-849.11	-	79,547,582.58	2,497,213.88	77,050,368.70	8,567.22	-127.66	
3. Investments in associated companies	62,458,255.29	5,775.90	-	0.00	62,464,031.19	15,958,379.36	46,505,651.83	46,499,875.93	2,487,101.61	
4. Securities (loan stock rights) held as long-term assets	114,705,639.76	55,824,129.52	-	-	170,629,769.28	275,616.80	170,354,152.48	114,638,827.52	208,804.56	
5. Other loans	128,891,122.96	2,019,981.26	-130,911,104.22	-	0.00	-	0.00	128,891,122.96	-	
Total for financial assets	1,067,887,506.45	146,074,739.86	-130,911,853.33	-	1,073,050,292.98	36,363,723.11	1,038,686,569.87	1,024,219,561.85	2,695,778.51	
Total for long-term assets	3,975,360,676.89	248,198,667.05	-149,280,024.53	-	4,074,289,319.41	2,184,388,154.89	1,869,911,164.52	1,854,423,884.58	79,328,400.96	

Development of Untaxed Reserves (Annex 3 to the Notes)

	Status 1/10/2008	Allocations 2008/09	Reversals 2008/09		Re-classification 2008/09	Status 9/30/2009
			Consumption	Disposals		
	EUR	EUR	EUR	EUR	EUR	EUR
1. Valuation reserve on the basis of special depreciation (pursuant to § 8, § 122 1972 Income Tax Act, § 7a, § 110a, § 12 of 1972 and 1988 Income Tax Act)						
I. Intangible assets						
1. Electricity procurement rights	12,055,567.50	-	1,300,556.91	-	-	10,755,010.59
2. Other rights	2,142,280.51	-	120,409.84	-	-	2,021,870.67
Total for intangible assets	14,197,848.01	-	1,420,966.55	-	-	12,776,881.46
II. Property, plant and equipment						
1. Electricity equipment						
1.1 Power stations						
Land and building	24,589,411.81	65,769.56	247,056.71	5,381.18	4,748.74	24,407,492.22
Technical equipment and machinery	260,090.46	26,662.00	26,279.79	-	-	260,472.67
Advances received and work in progress	-	307,581.23	-	-	-	307,581.23
Total for power stations	24,849,502.27	400,012.79	273,336.50	5,381.18	4,748.74	24,975,546.12
1.2 Sub-stations and distribution equipment						
Land and buildings	1,876,801.93	4,928.76	32,249.09	43.83	-	1,849,428.76
Technical equipment and machinery	1,020.40	668,458.51	-	-	-	669,478.91
Lines	4,929,492.16	5,217,515.56	364,746.87	33.47	-	9,782,227.37
Advances received and work in progress	-	2,042,285.99	-	-	-	2,042,285.99
Total for sub-stations and distribution equipment	6,807,314.49	7,933,189.80	396,995.96	77.30	-	14,343,431.03
Total for electricity equipment	31,656,816.76	8,333,202.59	670,332.46	5,458.48	4,748.74	39,318,977.15
2. District-heating equipment						
Land and buildings	-	-	-	-	-	-
Technical equipment and machinery	-	-	-	-	-	-
Pipelines	-	-	-	-	-	-
Advances received and work in progress	-	715,424.22	-	-	-	715,424.22
Total for district-heating equipment	-	715,424.22	-	-	-	715,424.22
3. Fixtures, fittings and other assets						
Land and buildings	4,124,435.79	0.00	40,298.56	-	-4,748.74	4,079,388.49
Technical equipment and machinery	-	559,886.85	-	-	-	559,886.85
Fixtures and fittings	-	164,244.23	-	-	-	164,244.23
Advances received and work in progress	-	549,011.46	-	-	-	549,011.46
Total for fixtures, fittings and other assets	4,124,435.79	1,273,142.54	40,298.56	-	-4,748.74	5,352,531.03
Total for property, plant and equipment	35,781,252.55	10,321,769.35	710,631.02	5,458.48	-	45,386,932.40
Total for valuation reserve	49,979,100.56	10,321,769.35	2,131,597.57	5,458.48	-	58,163,813.86
2. Other untaxed reserves						
Investment allowances						
1995	476.37	-	-	-	-	476.37
1996	171.94	-	-	-	-	171.94
1997	3,135.89	-	-	390.90	-	2,744.99
1998	2,857.70	-	-	2,084.97	-	772.73
1999	11,528.73	-	-	6,727.73	-	4,801.00
2000	4,564.06	-	-	1,561.14	-	3,002.92
2001	439.67	-	-	269.83	-	169.84
Total for other untaxed reserves	23,174.36	-	-	11,034.57	-	12,139.79
Total for untaxed reserves	50,002,274.92	10,321,769.35	2,131,597.57	16,493.05	-	58,176,553.65

The allocations during the 2008/2009 business year relate to the premature depreciation pursuant to § 7a of the Income Tax Act.

Development of Investment Grants (Annex 4 to the Notes)


	Status 1/10/2008	Allocations 2008/09	Reversals 2008/09		Re-classification 2008/09	Status 9/30/2009
			Consumption	Disposals		
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Investment grants						
Investment grants	25,774,488.88	-	1,989,484.07	-	-	23,785,004.81
Total for investment grants	25,774,488.88	0.00	1,989,484.07	-	-	23,785,004.81

Erklärung des Vorstandes gem. § 82 (4) Z3 BörseG

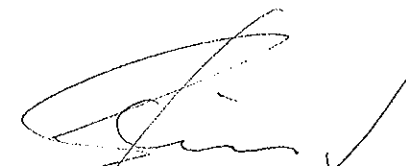
Der Vorstand der Energie AG Oberösterreich bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss der Energie AG Oberösterreich ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt und, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Linz, am 27. November 2009

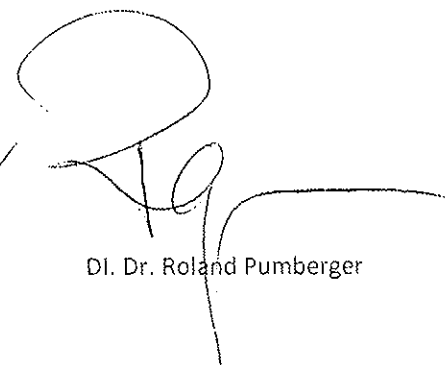
Der Vorstand der Energie AG Oberösterreich



Dkfm. Dr. Leo Windtner



KR Ing. DDr. Werner Steinecker MBA



DI. Dr. Roland Pumberger

**Statement by the Board of Management
pursuant to § 82 (4) item 3 of the Stock Exchange Act**

The Board of Management of Energie AG Oberösterreich confirms that – according to its best knowledge – the financial statements of Energie AG Oberösterreich, prepared in conformity with the applicable accounting standards, give a fair picture of the results of operations and the financial position of the company and that the company’s management report describes the course of business, the business results and the status of the company in such a manner that it gives a fair picture of the results of operations and the financial position of the company, and that the company’s management report describes the main risks and uncertainties to which the company is exposed.

Linz, 27 November 2009

The Board of Management of Energie AG Oberösterreich

Dkfm. Dr. Leo Windtner KR Ing. DDr. Werner Steinecker MBA DI. Dr. Roland Pumberger