We‘ve been caring about tomorrow
for 120 years.

Annual Report 2011/2012

ENERGIE AG
Oberösterreich
We care about tomorrow

Energie AG at a Glance

	in	2011/2012	Change	2010/2011	2009/2010
Sales					
Energy Segment	EUR mill.	1,578.2	- 3.2 %	1,630.6	1,480.8
Waste Management Segment	EUR mill.	414.9	- 9.1 %	456.2	379.7
Water Segment	EUR mill.	130.7	- 1.8 %	133.1	118.3
Group Sales	EUR mill.	2,123.8	- 4.3 %	2,219.9	1,978.8
Results					
EBITDA	EUR mill.	292.2	2.1 %	286.3	289.3
EBITDA margin	%	13.8	7.0 %	12.9	14.6
Result of operations (EBIT)	EUR mill.	115.2	- 8.3 %	125.6	128.9
EBIT margin	%	5.4	- 5.3 %	5.7	6.5
Result before taxes	EUR mill.	81.6	- 6.3 %	87.1	94.6
Consolidated net profit	EUR mill.	56.9	- 10.0 %	63.2	64.6
Result per share	EUR	0.64	- 9.9 %	0.710	0.725
Dividend per share	EUR	0.60	—	0.600	0.600
Balance sheet					
Balance sheet total	EUR mill.	3,682.5	- 1.1 %	3,725.0	3,695.9
Equity	EUR mill.	1,341.4	- 1.9 %	1367.1	1,347.9
Equity ratio	%	36.4	- 0.8 %	36.7	36.5
Net debt[1)]	EUR mill.	683.1	- 4.0 %	711.7	782.4
Net gearing	%	50.9	- 2.3 %	52.1	58.0
Cash Flow from operating activities	EUR mill.	254.4	- 8.8 %	279.0	271.7
Rate of return					
ROCE	%	4.9	- 12.5 %	5.6	5.4
Staff (average)					
Energy Segment	FTE	2,205	1.1 %	2,181	2,169
Water Segment	FTE	3,948	2.0 %	3,870	3,482
Waste Management Segment	FTE	1,628	- 4.4 %	1,703	1,643
Group	FTE	7,781	0.3 %	7,754	7,294

[1)] Net debt = interest-bearing short-term and long-term liabilities minus liquid funds and short-term securities

Contents

Statement by the Chairman of the Board of Management

For Energie AG Oberösterreich, fiscal year 2011/2012 was one of the most challenging business years ever since the liberalisation of the electricity market in 1999. The past months in Europe were characterised by an atmosphere of political change, economic tension and difficult overall conditions in the energy and commodities markets. Against this backdrop, Energie AG Oberösterreich managed to generate sales of EUR 2,123.4 million and an EBIT of EUR 115.2 million in fiscal year 2011/2012, exhibiting solid performance.

The balance-sheet provision created for the combined-cycle gas turbine plant Timelkam, amounting to EUR 35.0 million, had a significant impact on EBIT performance. As with many other gas-fired power plants in Europe, this measure became necessary because of the current development in the energy market. Adjusted for this one-off effect, the operational corporate goals could be fully achieved by means of focused control measures.

Added to these macro-economic effects, which Energie AG Oberösterreich is exposed to in all of its segments, are the current, very specific economic conditions relevant to the energy industry. The high prices for primary energy sources, such as crude oil or gas, are set against a backdrop of moderate economic growth in Europe, and thus low wholesale market prices for electricity. Due to the low price levels, the necessary investments in non-subsidised power plant capacities across Europe can no longer be implemented in a cost-effective manner. However, for the strong expansion of renewable energy sources to continue, it is precisely this type of investment in new flexible power plants and high-capacity distribution systems that will be needed in the medium term.

With regard to the supply of customers with electricity, gas, heating and as a telecommunications carrier, the focus remains unchanged on ensuring the security and quality of supply and on the implementation and promotion of energy efficiency measures.

The Water Segment remains stable and is positioned in its core markets Austria and the Czech Republic as a reliable and long-term partner for municipalities and as a secure supplier for end-consumers.

In the Waste Management Segment, the Group's main focus during the fiscal year just expired was on the further consolidation of business. In the course of an evaluation of strategic options, efforts are currently under way to determine the interest of potential investors with regard to the AVE Group.

The production of electricity from renewable energy sources has been among the competences of Energie AG Oberösterreich for decades. Besides producing electricity from hydropower, the company is giving more and more attention to renewable energy sources. With its "Solar Energy for Upper Austria" campaign, in which it provides its expert know-how, Energie AG Oberösterreich is positioning itself as a pioneer and enabling customers to invest in the construction of photovoltaic systems. In addition, attractive wind farm sites are being developed in Upper Austria and Poland.

On 21 September 2012, Energie AG Oberösterreich invited employees and long-standing partners to Gmunden to celebrate its 120th anniversary. Team spirit, commitment and motivation of the employees are essential success factors for Energie AG Oberösterreich. This was also impressively confirmed in the award for the "company with the best image and the most popular company in our country" which it received from Wirtschaftsblatt (an Austrian business newspaper).

The joint efforts of the Board of Management and the staff are responsible for having achieved solid business results. The Board of Management would like to extend their sincere thanks to all those involved. The Board of Management would also like to thank the Supervisory Board, the shareholders and the business partners for their good and constructive collaboration.

Despite the uncertain economic conditions, the Energie AG Group is expected to continue to develop successfully in fiscal year 2012/2013. Thanks to the cost-management and efficiency enhancement measures already initiated, we are well positioned for the challenges that lie ahead.

Leo Windtner
Chairman of the Board of Management

Werner Steinecker
Member of the Board of Management

Leo Windtner
Chairman of the Board of Management

Andreas Kolar
Member of the Board of Management

Corporate Bodies

BOARD OF MANAGEMENT

Leo Windtner, Chief Executive Officer, Chairman of the Board of Management
Werner Steinecker, Member of the Board of Management
Andreas Kolar, Member of the Board of Management

SUPERVISORY BOARD

Shareholder Representatives

Gerhard Falch, CEO (Chairman)
Hermann Kepplinger (First Deputy Chairman)
Ludwig Scharinger, CEO retd. (Second Deputy Chairman)
Alois Froschauer, CEO
Franz Gasselsberger, CEO
Anna Maria Hochhauser, Secretary General
Michaela Keplinger-Mitterlehner, Member of the Management Board
Manfred Klicnik, Attorney at Law
Ruperta Lichtenecker, Member of the National Council
Maria Therese Niss, Managing Director
Manfred Polzer, Managing Director
Viktor Sigl, Member of the Provincial Government
Michael Strugl, Member of the Provincial Parliament
Bruno Wallnöfer, CEO

Works Council Representatives

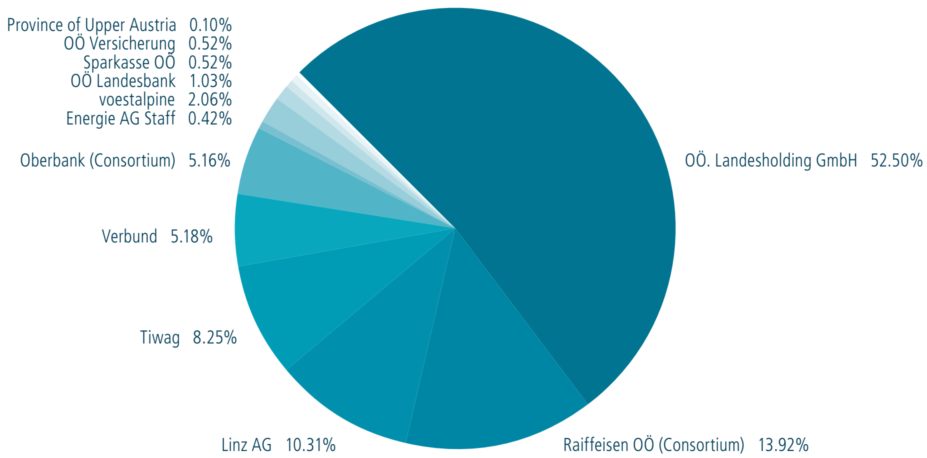
Manfred Harringer, Chairman of Works Council, Netz GmbH
Isidor Hofbauer, Chairman of Works Council, Kraftwerke GmbH
Peter Neissl, Chairman of Works Council, Tech Services GmbH
Bernhard Steiner, Chairman of Group Works Council
Gerhard Störinger, Chairman of Central Works Council, AVE Österreich GmbH
Egon Thalmair, Chairman of Central Works Council, OÖ. Ferngas AG
Daniela Wöhrenschimmel, Chairman of Works Council, Energie AG Oberösterreich (Holding)

Shareholder Structure of Energie AG Oberösterreich

• OÖ. Landesholding GmbH	52.50%
• Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (Consortium)	13.92%
• Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste	10.31%
• TIWAG-Tiroler Wasserkraft AG	8.25%
• VERBUND AG	5.18%
• Oberbank AG (Consortium)	5.16%
• Energie AG Belegschaft Privatstiftung	0.42%
• voestalpine Stahl GmbH	2.06%
• Oberösterreichische Landesbank Aktiengesellschaft	1.03%
• Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft	0.52%
• Oberösterreichische Versicherung Aktiengesellschaft	0.52%
• Province of Upper Austria	0.10%

The difference refers to own shares. As of 30 September 2012

Shareholder Structure of Energie AG Oberösterreich



The Strategy of the Energie AG Group

An Attractive and Reliable Partner to the Stakeholders

Paramount economic goal of the Energie AG Group is to improve its intrinsic share value and to maintain its single A rating as a reliable and stable partner to its providers of equity and debt capital.

Customer satisfaction is fundamental to our economic success. We seek to build long-term customer relations based on mutual trust. Our key focus is placed on quality orientation, security and optimum service standards.

Motivated employees secure mutual trust in our customer relations. A safe and healthy work environment, further training and personnel development encourage motivation and the qualifications of our employees.

With our principles of social responsibility we seek to ensure security of supply and responsible management of the environment and its resources.

To carry out infrastructure projects consensually with the general public and involved interest groups, we seek consensus by taking into account societal and political concerns in addition to the economic necessities when we plan and implement our infrastructure projects.

Increasing Own Electricity Procurement

The electricity procurement portfolio is continuously optimised with respect to its composition of own electricity generation, procurement rights and external procurement as well as to risk diversification, future security, sustainability and profitability.

Where run-of-river hydropower is concerned, efforts are being made to improve efficiency in existing plants and press ahead with the development of new projects to harness the economically and ecologically justifiable potential in the Group's own supply area.

To cover the growing need for backup and balancing energy, Energie AG is actively engaged in efforts to increase pumped storage capacities. It does this by developing its own projects such as the one in the area of Ebensee, but also by holding stakes in others such as the Reißeck II power plant.

Since 2009, Energie AG has been gaining experience in the development of wind farm projects in Poland due to the attractive regulatory environment. Based on the know-how acquired and the meanwhile improved economic and technical parameters, efforts are currently under way to develop a basis for deciding on specific locations in Upper Austria.

By operating the photovoltaic power plant in Eberstalzell, Energie AG is now also positioning itself in this particular technology sector. Further photovoltaic projects – particularly ones with customer participation – are currently under development. Economically attractive options are being explored in neighbouring countries.

The Renewable Energy Sources portfolio is complemented by the biomass power plant in Timelkam, where further developments concerning the subsidy regime will have an essential impact on its continued cost-effective operation.

Despite the currently difficult overall conditions, electricity generation from combined-cycle gas turbine power plants are gaining significance as a transitory technology, particularly so in view of the energy turnaround and Germany's abandonment of nuclear energy. In addition to the power plant in Timelkam, development is under way on another attractive option involving a combined-cycle gas turbine power plant at a location in Riedersbach. Work will continue until the permit has been obtained.

The way electricity trading and gas trading activities are dimensioned supports the cost-optimised management of the Group's entire electricity and gas portfolio and contributes to result optimisation.

Leading Expertise in Energy Efficient Electricity-Supply

Electricity supply is managed by ENAMO GmbH, a joint venture between Energie AG (65%) and Linz AG (35%).

With its consultation services and energy-saving campaigns, it has taken on a pioneering role. It consistently works on the implementation of the statutory efficiency targets and proactively meets the political requirements. This guarantees its customers stable and fair prices in spite of the volatile market development.

With regard to electricity from renewable energy sources, customers are offered attractive deals for climate-friendly heating with heat pump systems, eco-friendly electric mobility and decentralised production with photovoltaics. Making use of the Internet as a sales channel, eco-electricity will be offered to private and SME customers across Austria on a self-service basis. ENAMO is also represented in the German and Czech markets.

New Challenges for the Expansion of the Electricity Distribution System

The strategic goal of the business field Distribution is to provide an electricity distribution system which ensures high quality and security of supplies on a sustainable basis. The growing trend towards decentralised production is leading to the necessary conversion of the existing electricity distribution system into a Smart Grid, which enables an efficient balance between producers, storage operators and consumers. The economic objective is to secure a stable and low-risk return on investment while at least generating the values allowed by the regulatory authority. By consistent cost management, the Group is seeking to achieve 100% efficiency in accordance with the rules in the incentive-based regulation system currently in force.

Innovative Metering and Telecommunications Services

Being the owner of the largest Upper Austrian optical fibre network, the business field Data is positioning itself as a telecommunications infrastructure company, which is focused on the areas Carrier, Connectivity and Cube (3C), modelled on ICT (information and communication technology of the future).

In the business field Metering, a Smart Metering system called AMIS was developed up to the point of market maturity in collaboration with an industrial partner. The step-by-step roll-out has already begun, yet further development of the AMIS infrastructure in accordance with the relevant statutory requirements while observing cost-effectiveness considerations and financial viability depends on the regulatory requirements in place.

Promotion of Renewable Energy Sources in Heating Supply

In the area Heating Supply, efforts are being made to push ahead with the expansion of new district and process heating supply facilities based on renewable fuels and climate-friendly technologies, such as biomass and geothermal energy. In the industrial and SME customer segment, the focus is on cooperation in the area of heat-driven combined heat and power plants. The market areas are in Upper Austria and in chosen neighbouring regions in Austria and abroad. The acquired know-how in planning for biomass and geothermal power plants is also offered as a service in the third-party market.

Secure and Sustainable Natural Gas Supply in Upper Austria

The primary goal of OÖ. Ferngas AG is to ensure the secure and sustainable natural gas supply of the federal province of Upper Austria. To do so, the network company OÖ. Ferngas Netz GmbH continues its network expansion activities based on the amount of costs recognised in the regulatory model. Once major storage capacities are available in the supply area and at the junction of existing and planned transportation lines, the network will be of key supra-regional significance. The economic objective, in this respect, is to secure the company's standing as a benchmark leader.

With regard to natural gas supply, the company's leading position in the Upper Austrian domestic market is being strengthened, and the opportunities resulting from the market liberalisation in the Regulation Zone East and in Germany are being utilised. In the area Renewable Energies in Austria, conditioned biogas is fed into the existing natural gas network. The acquired expertise is used successfully in the Czech Republic and, in future, also in Slovakia, for the erection and operation of third-party plants.

Strategic Realignment in the Waste Management Segment

In the course of an evaluation of strategic options for the AVE Group, Energie AG has decided to address the market to determine the interest of potential investors with the support of an external consultant. This open-ended phase may result in a sale of the AVE Group, either in part or as a whole, or in the decision to keep the AVE Group as a group company of Energie AG. After the end of this phase, a decision will be made on how to proceed further.

Water Segment as Reliable Partner of the Municipalities

The Water Segment is positioned in Austria and the Czech Republic as a reliable and long-term partner for municipalities and as a secure supplier for end-consumers. The operations' business goal is to generate a stable contribution to the value and result of the Energie AG Group. With market leadership in South Bohemia and ranking third in the Czech Republic, the segment is participating in tenders and achieving organic growth to secure and expand its position. The main challenges the Group faces involve the competition-related and regulatory requirements. Due to the tense financial situation in the public sector, new market opportunities are expected in Austria. In the area of water services, the segment Water has already attained market leadership in Austria.

Portfolio Optimisation and Growth Course

The Group portfolio with presence both in regulated and liberalised markets has proved to have a stabilising effect on the Group results, particularly in volatile periods. Taking into account this balance, the Group will continue to pursue its profitable course of growth with a focused investment strategy, consistent cost efficiency and consolidation of its solid financial position. Financial management is based on value-oriented and rating-relevant performance ratios and indicators.

120 Years of Energie AG – Innovation by Tradition.

1892 – 1914

1892: **Stern & Hafferl** starts planning the steam power plant in St. Wolfgang. From 1894 onward, this very first power plant of today's Energie AG with a capacity of 18 kW supplies the Schafberghotel, the newly opened Wetterloch caves and the market town of St. Wolfgang with electric lighting.

1894: In Steyr construction starts on **the world's first hydroelectric power plant**. The generated electricity is used to light up the town square and Lamberg Castle during an electricity exhibition.

1908: **The Art Nouveau power plant Steyrdurchbruch**, built according to plans by Mauriz Balzarek, opens.

1914: At the outbreak of the First World War, **Stern & Hafferl Aktiengesellschaft** owns 7 power plants, 247 substations and 576.7 km of high-voltage lines. 2,600 customers are supplied with electricity.

1915 – 1945

1920: **Foundation of "Oberösterreichische Wasserkraft- und Elektrizitäts-AG"**

1924: **Partenstein power plant** starts operations. With a capacity of 22,100 kW, it is Austria's first large-scale hydroelectric power plant.

1924: **The pumped storage power plant Ranna and the steam power plant Timelkam** go into operation.

1929: **Foundation of "Österreichische Kraftwerke Aktiengesellschaft" (ÖKA)**

1941: ÖKA becomes **"Kraftwerke Oberdonau AG" (KOA)**. Stream development work starts on the River Enns.

1943: **The annual energy production** reaches one billion kWh for the first time. Almost half of this is produced in hydroelectric power plants.

1946 – 1970

1947: The Second Nationalisation Act leads to a restructuring of Austria's electricity supply. The company becomes a regional company and is renamed **"Oberösterreichische Kraftwerke Aktiengesellschaft" (OKA)**.

1954: **Capacity triples** at pumped storage power plant Ranna after the second expansion stage.

1955: Stable political and economic conditions bring prosperity. To meet the **growing demand in electricity**, the following years are devoted to expanding the power distribution system, erecting new power plants and modernising existing ones.

1965-1969: The **Gmunden, Riedersbach und Gosauschmied power plants** are constructed and commissioned; the two power plants Steeg and Großarl are expanded.

1971 – 1985

1978: The public referendum on Zwentendorf sealed the fate of the nuclear power plant, initiating **Austria's nuclear power phase-out**.

1979: From this point on, Energie AG resolves to deal with all types of energy. The **promotion and development of new energy technologies** becomes a corporate goal.

1980: **The first district-heating system** is erected in Ostermiething.

1981: Energie AG starts its **heat pump campaign** that aims at making electricity customers aware of ways to cut costs by utilising ambient heat. The rise of the heat pump begins.

1983: For the first time, Energie AG is represented at **trade exhibitions**.

1986 – 2000

1989: **The first solar power plant** opens on the Loser. Energie AG enters the **waste management** business.

1991: By founding Abfall-Verwertung-Entsorgungs Ges.m.b.H., the waste management business area is expanded further. The **AVE** brand is presented to the public for the first time.

1992: The **photovoltaic power plant in Seewalchen** starts its trial operation and feeds electricity into the Energie AG distribution system.

1997: At the **"Haus der Zukunft"** in Schmieding, visitors are given a fascinating, close-up view of the latest energy technologies.

1999: **The hydroelectric power plant Lambach**, an ecological showcase project, is connected to the grid.

2001 – 2008

2001: The electricity market in Austria is liberalised. The **business field water and wastewater** is added to Energie AG's business areas.

2004: All heating activities are bundled in **Energie AG Oberösterreich Wärme GmbH**.

2005: In Timelkam, **Austria's largest biomass power plant** is commissioned.

2008: **Energie AG's new corporate headquarters** open. The PowerTower is the first office tower in the world to be built according to the passive house standard.

Energie AG increases its shares in **OÖ. Ferngas** and takes on the management of the Upper Austrian consortium of owners.

2009 – 2012

2009: **The most efficient combined-cycle gas turbine power plant in the world** in Timelkam delivers electricity and district heating.

Energie AG is the first energy supplier to give its customers more than half a million energy-saving lamps to help them switch to new, energy-saving lighting.

2010: **"SolarCampus"**, Austria's largest solar power plant, is hooked up to the grid.

The **"Ich bin e-mobil"** ("I am e-mobile") initiative is launched. Attractive support available for the purchase of electric vehicles makes Upper Austria an exemplary electric mobility region.

2011: In cooperation with local partners, **Austria's largest geothermal energy project** for the town's district heating is implemented in Ried.

With 100,000 fully digital electricity meters, Upper Austria paves the way for **tomorrow's smart electricity system**.

1894
The first power plant supplies electric lighting to Schafberghotel, the Wetterloch caves and market town St. Wolfgang.

1892
Stern & Hafferl starts planning the steam power plant in St. Wolfgang.

1964
The rebuilt corporate headquarters of Oberösterreichische Kraftwerke Aktiengesellschaft (OKA) on Böhmerwaldstraße in Linz.

GROUP MANAGEMENT REPORT

1999

Power supplier OKA is renamed to **infrastructure group Energie AG Oberösterreich**. Besides electricity, Energie AG offers its customers water, district heating, natural gas, waste management services – and, most importantly, first-class consultancy services on energy matters.

2008

The PowerTower, the first office tower in the world to be constructed according to the passive house standard, becomes Energie AG's new corporate headquarters at the historic location on Böhmerwaldstraße in Linz.

Group Management Report 2011/2012 of Energie AG Oberösterreich

ECONOMIC ENVIRONMENT[1)]

Growth of the global economy slowed again noticeably after an upswing at the beginning of 2012. In 2012, renewed intensification of the economic and sovereign debt crisis in the euro zone marked the events in international finance markets and burdened trade relationships in the rest of the global economy. In particular, concerns about Spain's banking system and the public budgets in several euro countries contributed to the uncertainty.

The driving force behind the global economic situation will continue to be China. Growth amounting to 7.8% is expected in 2012 and 8.2% in 2013. As a result of the Chinese impact, global economic output, according to the IMF, will increase by 3.3% in 2012 and 3.6% in 2013 (2011: 3.8%).

Economic researchers are expecting that the confidence crisis in the euro zone will abate slowly, and the necessary structural change in the crisis countries will continue to move forward. However, revitalisation of the economic situation is only expected over the course of 2013. After experiencing a GDP of 1.4% in the euro zone in 2011, the economic output is expected to drop to -0.4% in 2012. Experts foresee a restrained increase of 0.1% to 0.5% in 2013.

Austria's economy cannot quite detach itself from the international dynamics in 2012. Therefore, economic researchers from WIFO and IHS have corrected their forecasts downwards. It is expected that the Austrian economy will grow considerably slower both in 2012 as well as 2013 than it did in 2011 (2.7%). The local economy is to grow between 0.6% and 0.9% in 2012 and between 0.9% and 1.3% in 2013, although the uncertainty for 2013 is quite high.

Hence, Austria still has higher growth than the euro zone and is among the driving forces behind growth in the euro zone.

Consumer prices were also curbed in Austria. Inflation in Austria in 2011 was 3.3% and 2.3% is predicted for 2012. That makes Austria one of the countries with the most stable prices in the euro zone. Due to the increasing import prices of energy and basic food products as well as the devaluation of the euro, an inflation rate of 2.0% is forecast for 2013.

Besides Austria, the economic development of the Czech Republic and Hungary are highly relevant to the Energie AG Group. A temporary recession is to be expected for the two national economies in 2012, and negative economic growth of -0.8% to -1.3% is predicted.

Economic experts expect to see an upward trend once again in 2013. The currently forecasted growth in the Czech Republic is between 0.8% and 1.0% and between 0.3% and 1.0% in Hungary.

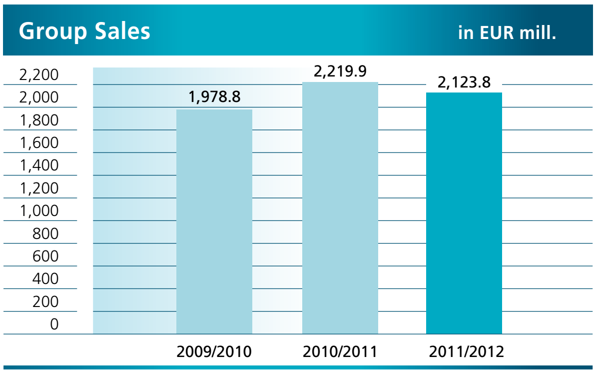
Due to the economic and sovereign debt crisis in the euro region and its consequences, the forecasts are still fraught with increased uncertainty. Forecast institutes consider continued downswing of economic output to be possible or alternatively have already announced corrections for the next publication of economic data.

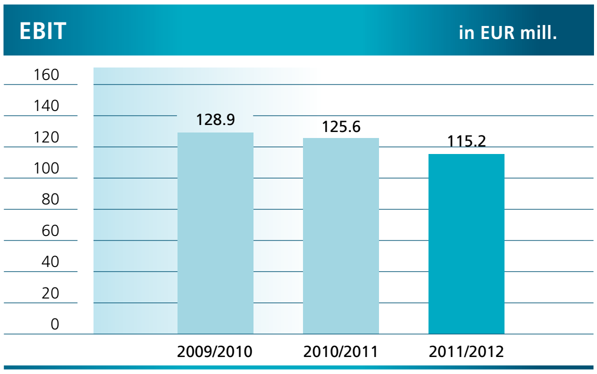
BUSINESS DEVELOPMENT IN THE GROUP

Deterioration of the economic situation is not directly reflected in the sales figures of the Energie AG Group. The greater challenge last fiscal year was the difficult environment in the energy and raw materials markets.

While price developments in the oil and gas markets showed an upward trend, the downward trend in the electricity trading market continued triggered by low economic output all across Europe, dropping CO_2 prices, and capacity increases especially in electricity generated from renewable sources or energy. These developments paved the way for continued divergence between procurement costs for fuels that are used and the achievable electricity prices, as well as a highly volatile electricity market under which the entire industry sector suffered. The resulting drop in electricity trading in order to minimise risk and the lack of optimisation possibilities in thermal production was felt accordingly in the sales and earnings performance. Within this context, balance sheet provisions were made for the combined-cycle gas turbine (CCGT) power plant Timelkam (GuD Timelkam).

[1)] Sources:
- European Commission, European Economic Forecast, Autumn 2012
- IHS (Institute for Higher Studies, Vienna), press release, 27.09.2012
- IMF (International Monetary Fund), World Economic Outlook, October 2012
- WIFO (Austrian institute for Business Research), press release of 28.09.2012





Hydraulic electricity production was 7% above average output and indicated a considerable increase over the prior fiscal year, which was characterised by very poor water levels (21% below the long-term average). However, these positive effects were still not able to compensate for declines in thermal production when it came to earnings.

The waste management segment focused on continued consolidation of the business. After selling the operating business of AVE Bayern in the previous year, AVE Tierkörperverwertungs GmbH was sold in August 2012. Sales declined due to this structural clean-up, the reduced recyclable material prices and stagnating quantities in the currently difficult economic environment.

Slight declines were seen in the water segment for billed drinking and wastewater. However, the subsidiaries reported solid and positive developments. Declines in orders only had to be taken into account in service activities. As a consequence, restructuring programmes were implemented to clean-up the portfolio of services.

Given this challenging economic environment in fiscal 2011/2012 (01.10.2011 to 30.09.2012), an an EBIT of EUR 115.2 million was generated with sales of EUR 2,123.8 million.

There was a slight decline from EUR 2,219.9 million (fiscal year 2010/2011) to EUR 2,123.8 million reported in the period under review. All three segments were affected by this downswing.

The EBIT amounting to EUR 115.2 million (previous year EUR 125.6 million) was significantly effected by balance sheet provisions made for the Timelkam combined-cycle gas turbine power plant amounting to EUR 35.0 million. As is the case with many gas-fired power plants in Europe, this measure was necessary due to current energy market developments. If one ignores this one-time effect, then the operating results were achieved.

During fiscal 2011/2012, EUR 178.2 million were spent on investments for tangible fixed assets and intangible assets, which puts this year's figure at EUR 9.1 million or 5.4% above those of the previous year. As was the case in previous fiscal years, the majority of the investments were made to secure a sustainable energy supply in Austria.

Human Resources Development

The indicated staff figures refer to full-time equivalents (FTEs) in the annual average of fully and proportionally consolidated companies.

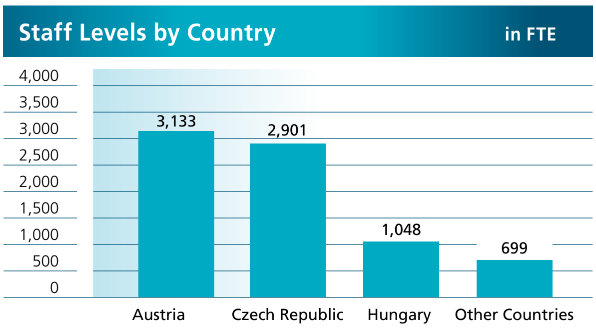
In fiscal year 2011/2012, the Group's average consolidated staff level was 7,781 employees, which meant it remained almost unchanged compared to the average of fiscal year 2010/2011 (7,754).

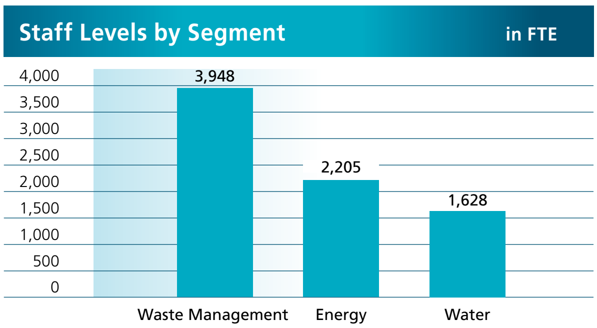
On the statement date (30 September 2012), 7,764 (FTE) worked for the Energie AG Group in 8 countries.

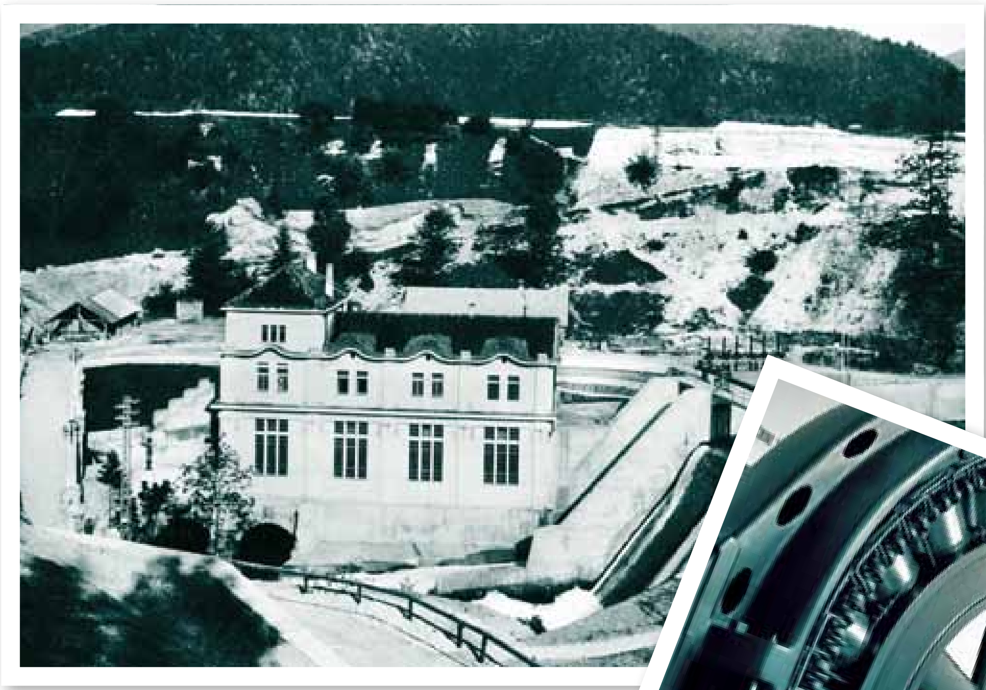
Energie AG ensures that the existing labour and safety regulations are complied with enterprise wide, and that the necessary preventative measures are taken.

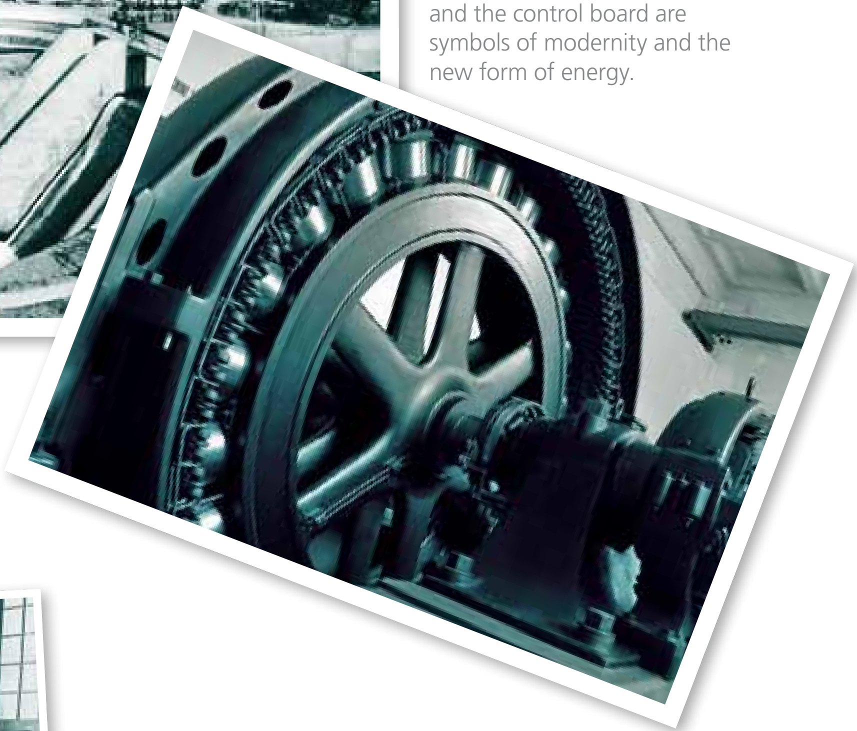
Branch Offices

Energie AG Oberösterreich has no branch offices.



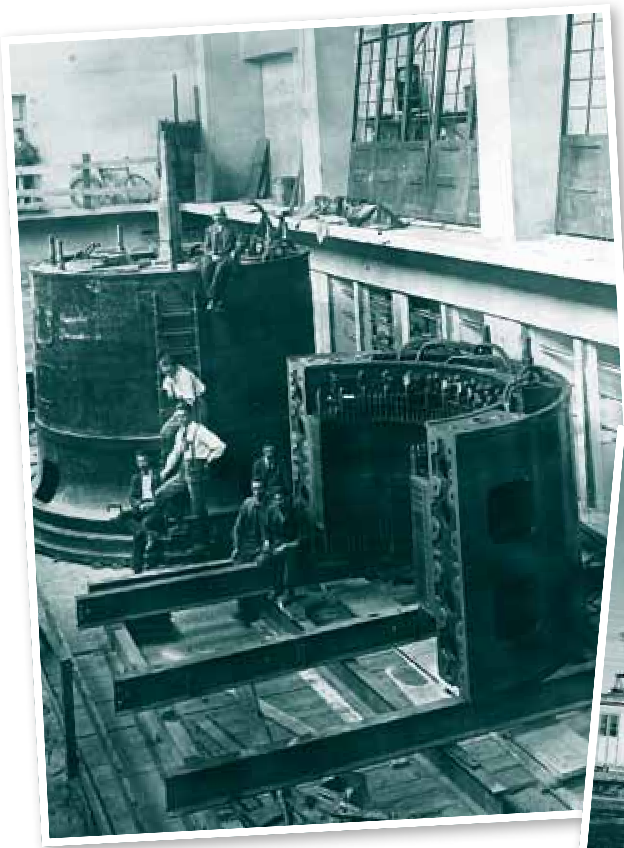






1908

Art Nouveau power plant Steyrdurchbruch, built according to plans by Mauriz Balzarek, is connected to the grid. The machinery platform and the control board are symbols of modernity and the new form of energy.



1924

Partenstein, Austria's first large-scale hydroelectric power plant, delivers electricity as far as Austria's federal capital Vienna. The same year, the coal-fired power plant **Timelkam** is connected to the grid.

ENERGY SEGMENT

1997

The initially heatedly debated **power plant Lambach** is built. The completed power plant becomes an ecological show-case project.

2008

The combined-cycle gas turbine power plant Timelkam with an installed capacity of 400 MW goes into operation. At the time it is commissioned, it is the world's most modern, efficient and environmentally friendly power plant of its kind.

2012

As part of the **"Solar energy for Upper Austria"** campaign, citizens are invited to participate in photovoltaic power plants at local sites. At the end of the year, the first of the power plants go online.

Energy Segment

ELECTRICITY


Upper Austria


Styria


Salzburg


Lower Austria

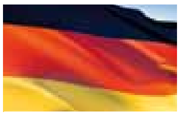

Vienna


Carinthia


Burgenland


Tyrol


Vorarlberg


Germany

HEATING


Upper Austria


Bavaria


Czech Republic


Slovakia

GAS


Upper Austria


Styria


Salzburg


Lower Austria


Vienna


Carinthia


Burgenland


Germany


Czech Republic


Slovakia

Energy Segment – Overview	in	**2011/2012**	Change	2010/2011	2009/2010
Total electricity procured	GWh	13,660	- 13.0%	15,700	15,660
Own electricity production	GWh	4,066	- 3.7%	4,222	4,554
Electricity distribution volumes	GWh	6,985	4.1%	6,710	6,490
Electricity supply volumes	GWh	7,268	6.7%	6,814	6,356
Natural-gas transports[1]	GWh	25,762[2]	- 9.1%	28,343	27,320
Heat sold	GWh	1,424	0.7%	1,414	1,357
Total sales	EUR mill.	1,588.3	- 3.2%	1,640.3	1,490.6
EBITDA	EUR mill.	203.2	0.5%	202.2	218.9
EBIT	EUR mill.	85.6	- 18.8%	105.4	125.3
Investments into tangible fixed assets and intangible assets	EUR mill.	143.9	3.4%	139.2	140.6
Employees (average number)	FTE	2,205	1.1%	2,181	2,169

[1] Quantity transported to end consumers and regional distribution system operators in Upper Austria

[2] Preliminary figures as of 06 October 2012, dependent on final clearing

The Economic Environment of the Energy Industry

Primary Energy Markets

In fiscal year 2011/2012, the average price level in the international oil markets was around 6% higher than prices in the same period of the previous year. During that time, there were considerable price fluctuations. For example, spot market prices for Brent crude fluctuated between a daily high value of more than USD 128 per barrel (8 March 2012) and a daily low value of USD 88 per barrel (21 June 2012) with an average of around USD 112 per barrel. The considerable price increase in the first half of the period under review was triggered due to tensions between the international economic powers because of Iran's nuclear policy. In the middle of the financial year, continuing difficulties in European financial and economic markets led to considerable price drops in international oil markets. Oil price listings rose again back to the average price level at the end of September 2012 along with the flare-up of the Syrian conflict.

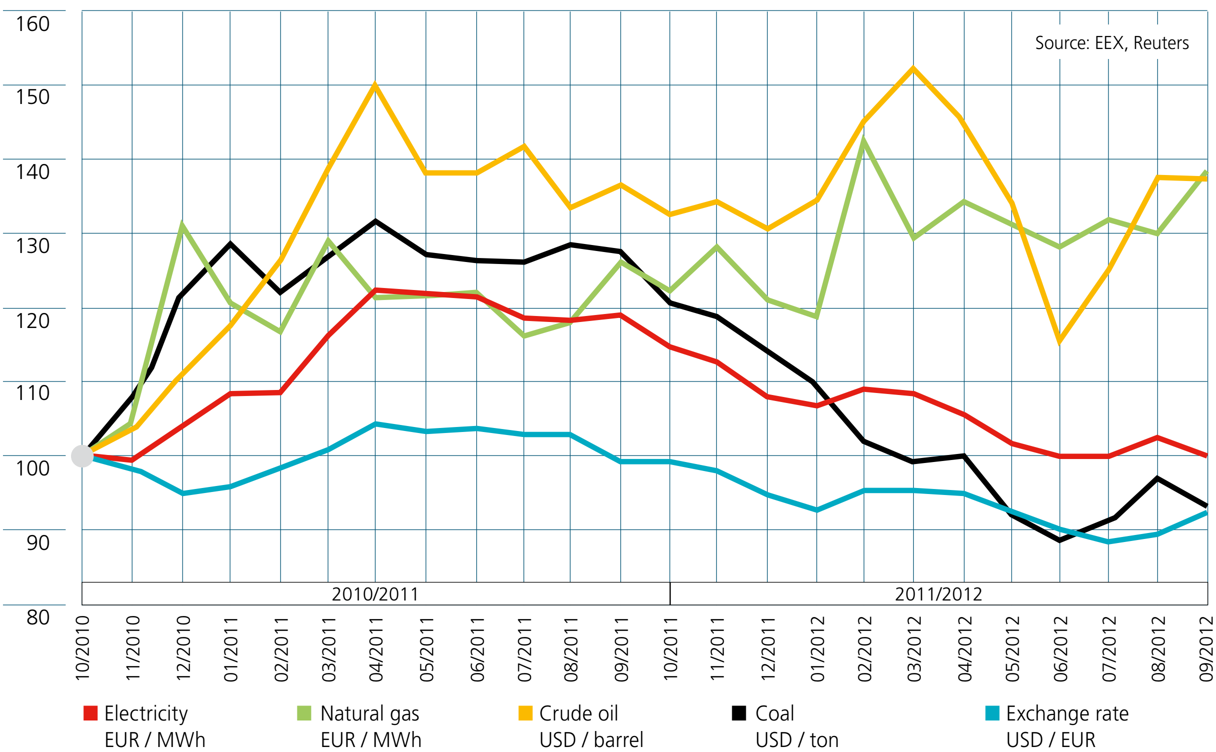
The gas market was characterised by a rapid price increase in the first half-year. With spot market prices on the EEX in October 2011 averaging EUR 22.4/MWh, they were around EUR 24.2/MWh in March 2012. The highest daily price was on 9 February 2012 at more than EUR 38/MWh. Subsequently, natural gas prices were listed at around EUR 24.4/MWH and increased in September 2012 on the average to EUR 25.4/MWh. The price level in the European spot market for natural gas (approx. EUR 24.2/MWh) was around 9% higher than in the same period of the previous year.

The international hard coal market was marked by a considerable price decline in the first three quarters of the reporting timeframe. In September 2012, the average price level for API 2 coal on the Rotterdam coal exchange was around USD 90.8/ton making it 27% lower than one year ago. The lowest monthly average was in June 2012 at around USD 86.6/ton. Coal trading was under high price pressure due to lower demand from the energy industry.

The downswing in the electricity trading market continued in the year under review. The average price level for the base front year product in the futures market was around EUR 51.1/MWh and therefore 6.6% below the previous year. In September 2012, the average price level was around EUR 48.4/MWh and therefore around 16% below the price level one year ago.

Development of the electricity market in Europe was essentially characterised by low economic output, dropping CO_2 prices and considerable capacity growth in electricity generation from wind and solar energy. Furthermore, fluctuating electricity generation from regenerative energy sources had a considerable effect on short-term pricing, especially in spot and intra-day markets. Here and there, with excess production from wind or solar energy, peak prices were registered on some days (time window from 8:00 a.m. to 8:00 p.m.) in 2012 that were below the base prices (daily average). Hence it has been documented that due to the increasing proportion of electricity from wind and solar energy, market price relationships for the electricity trading market have changed considerably and are more volatile. While, in the past, electricity prices were mainly determined by the demand for electricity, the effects on the generation side for weather-dependent wind and solar energy are moving more into the forefront. Hence, the pro-

Price Index Development on International Energy Markets



vision of backup and balancing energy is becoming more and more important, especially for storage capacities for electric energy.

Another reason for the drop in electricity prices despite Germany's withdrawal from nuclear energy was the decline in the prices for CO_2. They dropped from a monthly average of approx. EUR 11.80/ton of CO_2 in September 2011 to an average of EUR 7.3/ton of CO_2 in the summer of 2012. The average prices were EUR 7.8/ton of CO_2 in September 2012 making them approximately one-third below those of the previous year. The main reason for this price drop was weak economic development and the associated subdued demand. Lower demand for electricity and increased electricity production from renewable energy also led to lower CO_2 emissions in the generating sector, which in turn drove down the price development in the emission certificate market.

The European electricity trading markets are currently going through a thorough, structural change. The increasing offer of electricity generation from renewable sources is causing considerable fluctuations in connection with supply and demand. The quantities of green electricity required by the German Renewable Energies Act (EEG) are being marketed via EPEX spot trading (EPEX SPOT European Power Exchange).

Hence, the uncertainty in forecasting is reflected directly by increased volatility of the hourly prices of the spot market at the energy exchange.

The day ahead prices on the EPEX SPOT (European Power Exchange Spot) were EUR 44.74/MWH on the average in fiscal year 2011/2012, which was around EUR 6.8/MWh lower (-13.2%) than in the same period of the previous year (EUR 51.52/MWh). The electricity trading prices in February 2012 (average of EUR 54.92/MWh) were considerably above average as a consequence of the cold wave. Above average prices were seen in March 2012 at EUR 41.13/MWh as well as in June 2012 at EUR 41.02/MWh. Here, the abundant quantities of electricity generated from wind (March) and solar energy (July) had a considerable effect.

According to an analysis by Energie Control Austria (E-Control), electricity consumption in the first half of 2012 in Austria grew by 1.4% or just short of 500 GWh compared to the previous year. Over the course of the year, the months alternated between consumption increase and decrease. After correction of the effects of temperature, domestic electricity demand was at the same level as for the period in the previous year. According to E-Control, only minor effects were felt from the economic situation.

The Statutory Environment

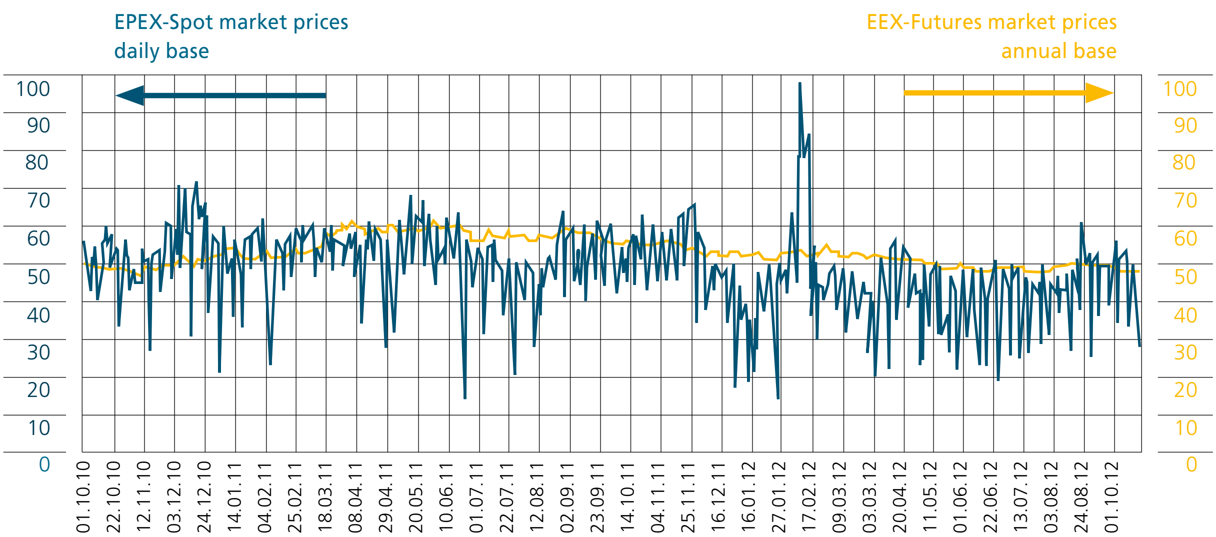
There were intensive meetings in fiscal year 2011/2012 between the Austrian electricity grid operator and the regulator authority E-Control about objective improvements to the regulatory system as of the beginning of the next regulation period (01.01.2014). Further developments were discussed in different expert groups concerning topics such as efficiency comparisons, investments and financing, quality regulation and tariff structure. Only after the end of the reporting timeframe was there any harmonisation in the various subject areas. However, the key points of the future regulatory system have not yet been defined.

The new state legislation went into effect on 1 June 2012, which changes the Electricity Industry and Organisation Act of 2006 (Oö. ElWOG amendment 2012) as well as various ordinances concerning Smart Metering.

The European Commission approved the Green Electricity Act 2012. The federal law went into force completely on 1 July 2012, whereby there was a change in raising the subsidies. The subsidies are collected by the grid operators and paid to the promotion agency for green electricity (OeMAG).

Work is currently underway in Austria to amend the Austrian Natural Gas Act (GWG). In the future, access to the gas grids is to be based on entry/exit tariff models, like the ones already

EPEX-Spot Market Versus Futures Market Prices in EUR / MWh



realised in Germany. Through the introduction of a virtual trading centre, a central import/export point will be created in the future for the Austrian natural gas trading market. This is intended to develop easier ways for participants in the natural gas trading market to access the grid. As preparation for a smooth start, which is planned for 1 January 2013, there are currently numerous information events, clarification rounds and simulation runs taking place.

The Business Environment for the Energy Segment

The Energy Segment comprises all activities of the Energie AG Group along the value creation chains of electricity, gas and heat, intragroup service companies, strategic participations and the holding company.

In the reporting period, an EBIT of EUR 85.6 million was generated with sales of EUR 1,588.3 million.

Despite increasing sales volumes in the areas of electricity, gas and heat, a drop in sales of -3.2% was observed compared to the reporting timeframe of the previous year. This decline is mainly attributable to the decrease in electricity trading.

The EBIT was 18.8% lower than the previous year's value of EUR 105.4 million. The reasons for this drop were the balance sheet provisions made for the Timelkam combined-cycle gas turbine power plant amounting to EUR 35.0 million as well as uneconomical conditions of use and a lack of optimisation possibilities in thermal production. Positive factors such as above average water levels and the implementation of optimisation and cost-reduction programmes were only able to compensate for this decline in earnings in part.

Positive Development in Hydraulic Electricity Generation

In the reporting timeframe of October 2011 to September 2012, electricity generation from hydropower plants and procurement rights (2,558 GWh) were characterised by above average conditions. Production capacity in fiscal year 2011/2012 was around 7% higher than average output. Compared to the previous year with its poor water level, this was an increase of 34.1%.

Due to the low prices in the spot market, the use of thermal power plants in the reporting timeframe (1,508 GWh) was 34.8% lower than in the same period of the previous year. Own electricity production with 4,066 GWh was around 3.7% lower than that of the previous year (4,222 GWh).

Hence, the rate of coverage of the electricity demand from our own generation without electricity trading dropped to a proportion of around 49% (previous year 53%). Due to favourable water levels, the proportion from the own hydropower and procurement rights increased to 31% (previous year 24%).

The total electricity procured in fiscal year 2011/2012 amounted to 13,660 GWh, which is 13.0% lower than in the same period of the previous year (15,700 GWh). This drop is mainly based on less activity in electricity trading (-33.8%).

Expansion of Generation of Own Electricity with Renewable Energies

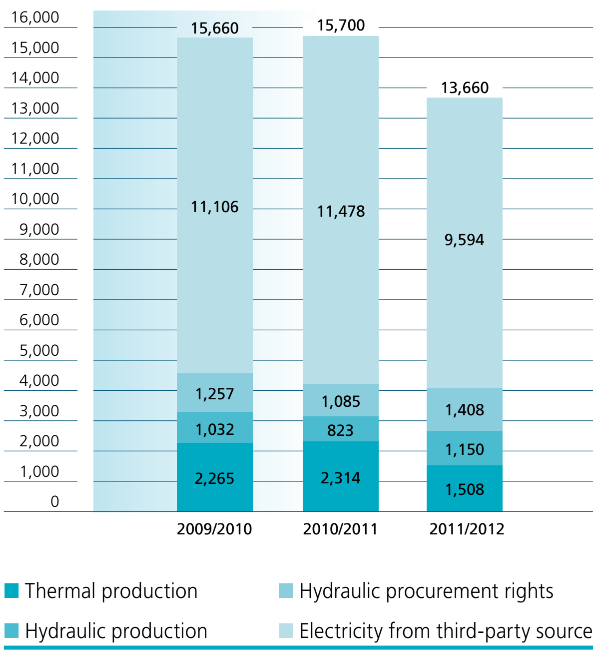
With regard to own electricity generation, **Energie AG Oberösterreich Kraftwerke GmbH** (Kraftwerke GmbH) is building on the development of environmentally friendly hydropower in addition to optimisation of existing locations.

Construction of the two hydropower plants Stadl-Paura and Kleinarl started in the previous fiscal year. In total, the plants will have a maximum capacity of 5.6 MW and average output of 28 GWh. Furthermore, all official approvals have been received for the projected Bad Goisern power plant.

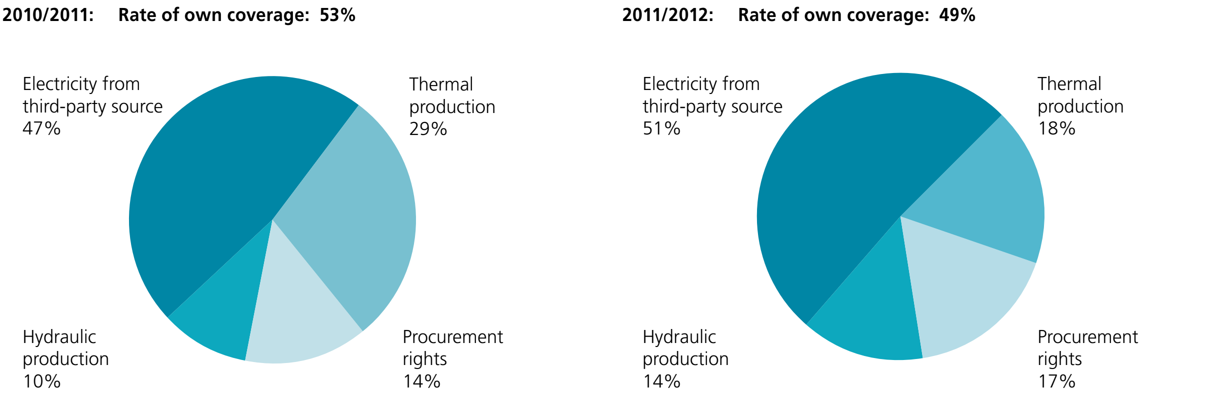
Another step towards flexibility and securing the electricity supply, especially in light of the increasingly volatile electricity generation from renewable energies, was initiated with the submission of the Ebensee pumped storage project (extended capacity 170 MW in turbine mode, 150 MW in pump mode) for environmental compatibility certification at the end of October 2012.

With the finalisation of an electricity procurement right agreement for 10% participation in the pumped storage project Reißeck II (extended capacity 430 MW), Energie AG will have an important energy storage unit for the provision of backup and balancing energy in the future. This means greater flexibility in electricity supply for the Group. Realisation of the Reißeck II pumped storage power plant is progressing rapidly. Its start-up

Consolidated Electricity Procurement in GWh



Electricity Procurement Structure Without Electricity Trading



is planned for the second half of 2014. Asset management and use optimisation are the core business areas of **Energie AG Oberösterreich Trading GmbH** (Trading GmbH).

Even though the economic conditions for thermal projects are difficult in the present situation, the approval process for construction of a combined-cycle gas turbine plant at the Riedersbach location has been concluded positively. With the current conditions in the energy markets, the project realisation is still open.

Energie AG realises projects in the area of wind and photovoltaics with Group subsidiary **Energie AG Oberösterreich Fair Energy GmbH** (Fair Energy GmbH).

During the course of last fiscal year, a public participation model was started in order to construct photovoltaic plants in Upper Austria with a capacity of 1,200 KWp. The high demand for shares in the projects was met and the first plants in Timelkam and Waldneukirchen were completed. Other projects in Großraming and Ternberg are in preparation.

In the area of wind power in Upper Austria, possible locations and projects were sounded out in the supply area. Wind measurements are currently being carried out at three selected locations.

Fair Energy GmbH has developed wind power projects in Poland since 2009. The investment in Finadvice Fair Energy Projektentwicklungsgesellschaft, which is developing four projects at different locations in Poland, was increased to 100% in the previous fiscal year.

Increased Presence of ENAMO

Energie AG Oberösterreich Vertrieb GmbH & Co KG (Vertrieb KG) is controlled by ENAMO GmbH, the supply joint-venture company of Energie AG (65%) and Linz AG (35%). During the course of bringing large customers into the joint venture in the previous fiscal year, the consolidated share of ENAMO was increased from a previously 65% to 80% as of 1 October 2011, and converted to at-equity as of 1 April 2012. ENAMO is engaged in business activities across Austria and in the German and Czech markets.

There was a low change rate in the segment for private and commercial customers in fiscal year 2011/2012 despite unchanged fierce competition. Nevertheless, there was a slight decline in sales volume (-0.4%) compared to the previous year due to the weather conditions. The focus of the content in this customer segment was once again offering energy-efficiency and eService products, which will be developed even further in the future. One area of application is the use of the new electronic meters, time-of-day dependent energy price models, and a unique real-time display of electricity consumption.

There was noticeably increased acquisition activity by other energy supply companies in the business customer segment, above all in the small-scale industry and municipality sectors. However, these activities are only reflected slightly in market share losses, which – as shown by market studies – is attributable to good and trusting customer loyalty through regional consultants and their know-how.

The margin situation in the industrial customer segment is still very strained. Nevertheless, we have been successful at recovering some customers who used to be supplied by other suppliers. It was possible to increase the quantities sold in the industrial customers segment by 4.7% compared to fiscal year 2010/2011.

The consolidated quantity sold to electricity customers was 7,268 GWh in fiscal 2011/2012. The increase of 454 GWh compared to the same period of the previous year is attributable to the extended consolidation of ENAMO on the one hand, and to increased sales volumes to industrial customers on the other hand.

Once again in the fiscal year that just ended, electricity supply operations focused on giving customers optimum advice for increasing energy efficiency and support in saving energy.

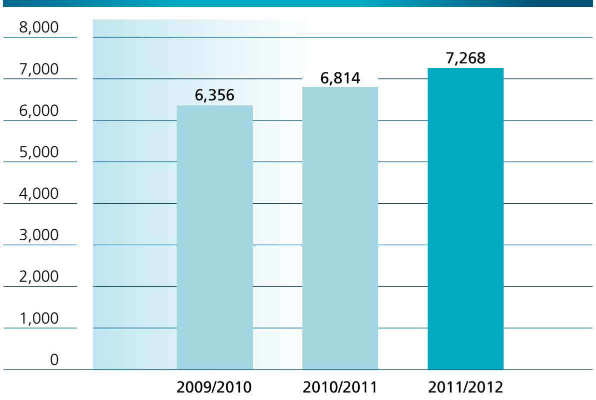
Implementation measures for this in fiscal year 2011/2012 included a promotion in which a voucher could be used to buy LED lamps for a good price, the power saver package that customers were able to request after receiving the bill, as well as the related home appliance exchange.

Altogether, the ENAMO group of companies delivered 85,000 LED lamps and supported the replacement of 12,276 old electrical appliances (refrigerators and freezers, washing machines, dryers, dishwashers) with new energy-efficient models. An attractive promotion in this fiscal year is the energy saving package for needy customers, which is being realised together with Caritas and Volkshilfe.

During the course of changing the Green Electricity Act 2012, the almost complete discontinuation of additional costs for suppliers was passed on to end customers. This situation was used to replace the now 10 year old price models in the area of household, agricultural and commercial customers with new, modern models, and to harmonise them for the customers of Energie AG and Linz AG.

At the same time, due to the changes of the last ElWOG amendment and various legal consumer protection court decisions, an adaptation of the existing general terms of delivery (ALB) was necessary for private and commercial customers.

Electricity Supply Volumes in GWh



The ENAMO group of companies has been breaking new (distribution) ground since November 2011 with its Internet portal www.stromdiskont.at which offers green electricity for a discount price to household, agricultural and commercial customers all across Austria with annual consumption of up to 100,000 kWh.

Electricity Supplies of Energie AG – 100% Nuclear Power Free

Despite extensive, tangible activities and measures, Energie AG was repeatedly the focus of public discussion, and the Group was accused several times that its electricity supplies are not completely without nuclear power. Yet, independent auditors, such as E-Control, have confirmed for years the seamless documentation of the origin of energy for electricity supplies to customers in their annual electricity disclosure reports. In a follow-up to a nuclear power summit meeting with representatives from Austria, Greenpeace and Global2000 finally also established that Energie AG's electricity is free of nuclear generated power.

A Strong Electricity Grid for Upper Austria

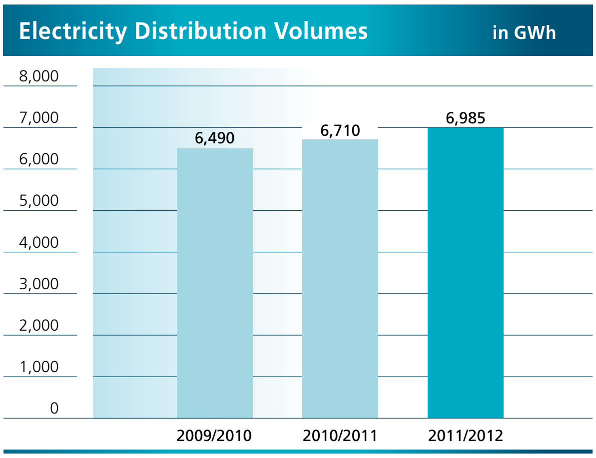
As part of the currently valid incentive-based regulatory system, the tariffs of **Energie AG Oberösterreich Netz GmbH** (Netz GmbH) were lowered by E-Control, the regulatory authority, effective the beginning of January 2012. However, the reduction of the grid tariffs turned out to be considerably lower than in previous years due to increasing upstream grid costs and the investment in Smart Metering. Consequently, the tariffs in the low-voltage area only dropped by 0.4%.

The electricity grid quantities sold in fiscal year 2011/2012 followed the trend set in the past few years. While electricity consumption remained rather constant in the private customer segment (only a slight decrease of 0.3% due to weather conditions), the relaxation of the economic situation was reflected in the large and commercial customer electricity consumption. This customer segment used 6.8% more electricity than the previous year. In total, 6,985 GWh of electricity was distributed to end-consumers.

As of 30/09/2012, Energie AG Oberösterreich Netz GmbH supplied power to around 466,000 active customer facilities.

In the year under review, the grid area of Netz GmbH was mainly spared from any natural events so that the construction and maintenance projects could be carried out according to plan.

Project activities in the fiscal year that just finished were marked by the official presentation of the wind master plan for Upper Austria, continuation of the programme for placing medium-



voltage overhead lines that are particularly prone to breakdowns into cables, and several large projects such as the Almtal and Kremstal electricity supply project, the Wegscheid diversion line and the Jochenstein and Ranna connection.

In the course of the ten-year programme that was started in 2008, medium-voltage overhead lines which are particularly prone to breakdowns are placed into cables. A total of 260 kilometres of overhead lines have been placed in cables so far. During fiscal 2012/2013, another 60 kilometres will be accomplished. The successive improvements in breakdown events and in keeping line sections clear in the Energy AG electricity grid are already very noticeable.

The boom in photovoltaic systems is uninterrupted in the decentralised generation segment. Approximately 2,000 systems were put into operation in the Netz GmbH grid area last fiscal year. The sharp increase in photovoltaic systems is expected to continue in the coming years.

Fibre Networks and Smart Meters Gaining Importance

Energie AG Oberösterreich Data GmbH (Data GmbH) is the Group's telecommunications company, which produces high-quality telecommunications, metering and surveying solutions for the Group's own companies as well as for external customers.

With a network of lines totalling 5,000 km, the company has the most powerful optical fibre network in Upper Austria. In the external telecommunications market business field, co-operation with subsidiary BBI - Breitbandinfrastruktur GmbH (share held by Group: 55%) continues to connect banks, public administration, health facilities, Internet service providers and multi-site customers to the network in a safe and highly efficient manner.

Due to market demand, and building on years of experience as a carrier, services were developed along the value-added chain (Internet connectivity, server housing, etc.).

Metering is an important business field. Essentially, Data GmbH provides the full scope of electricity metering services to its affiliate Netz GmbH and develops these further, applying innovative solutions. Besides its operating business, Data GmbH was commissioned with the development and design of Smart Metering and developed a complete system for meter and grid automation under the brand name AMIS together with a partner. The high stability of AMIS, which was seen in trial operation, makes widespread expansion possible. Phase 1 of the area-wide rollout was carried out in fiscal year 2011/2012. There are currently around 115,000 active AMIS end devices in use.

Further developments – specifically in the area of interfaces to multi-utility meters, in-house displays, and home automation functions – are being constantly evaluated and gradually developed.

OÖ. Ferngas AG – The Backbone of Natural Gas Supply in Upper Austria

OÖ. Ferngas AG has been a strong and reliable partner to the Upper Austrian industry, commercial business, municipalities and private households for more than five decades. Together with its subsidiaries OÖ. Ferngas Netz GmbH, OÖ. Gas-Wärme GmbH and OÖ. Ferngas Service GmbH, OÖ. Ferngas AG is the backbone of natural gas supply in Upper Austria

In the recently completed fiscal year 2011/2012, OÖ. Ferngas Netz GmbH transported approx. 25,762 GWh (2,302.2 million m³) of natural gas through its grid. The drop of 2,581 GWh compared to fiscal year 2010/2011 resulted mainly from lower sales volumes to power plants. Its smooth operation, its optimum service and the expansion of this natural gas pipeline network according to the customers' needs and requests is the full responsibility of OÖ. Ferngas Netz GmbH.

Construction work amounting to 49 km of system pipelines with an operating pressure of up to six bar (building connection lines and main lines) led to 974 new customers connected during fiscal year 2011/2012 (2010/2011: 979).

Based on the incentive-based regulation system that was introduced on 1 February 2008, the 2012 amendment to the 2008 Ordinance on Tariffs for the Use of the Gas System (GSNT-VO) once again led to an adjustment of the tariffs for the use of the natural gas system as of 1 January 2012 for the year 2012. Pursuant to efficiency criteria, the transmission tariffs for the existing system are subject to an annual deduction. Following assessment by the authorities, economical network expansions are to be considered in the overall system. Synchronously, the additional volumes achieved through the acquisition of new customers have a tariff-lowering effect. With the entry into force of the new tariff ordinance, the transmission tariffs for customers within the Upper Austria distribution system area were raised slightly in network level 2 and lowered slightly in network level 3.

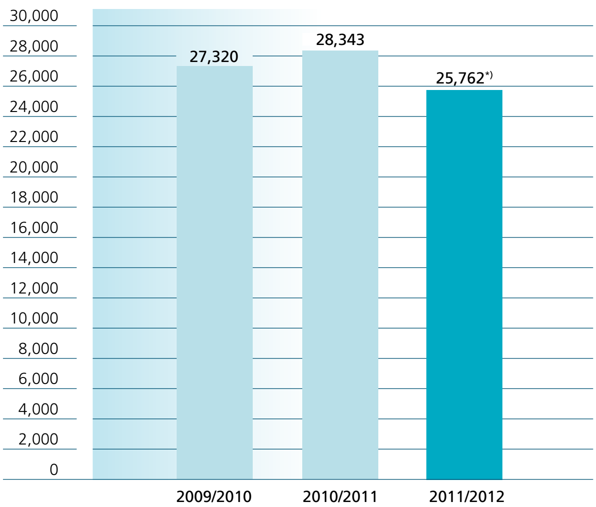
The 7-Fields gas storage tank has been in operation as another energy storage system for more than one year. Running the gas storage system makes additional flexibility and optimisation of natural gas procurement possible.

The gas sales subsidiary OÖ. Gas-Wärme GmbH supplied around 68,300 customer facilities in Austria and 270 customer facilities in Germany in fiscal year 2011/2012. During the past year, the company succeeded in acquiring 5,600 new customers with annual quantities sold amounting to 179 GWh in Austria and more than 150 customer facilities with annual quantities sold amounting to 61 GWh in Germany. Hence, the number of newly acquired customers increased two and a half times compared to the previous year. Around two-thirds of this growth was achieved by the successful introduction of the Internet product "www.gasdiskont.at". With it, it was possible to successfully counter the difficult market conditions and achieve considerable net growth (82 GWh in Austria and 27 GWh in Germany). Besides its core business of supplying natural gas, OÖ. Gas-Wärme is active in the markets for heating supply, energy services, natural gas as a fuel and engineering for biogas plants in the Czech Republic and Slovakia.

The total quantity sold during the period under review amounted to 2,361 GWh, which is above the level of the previous year. It was possible to achieve this sales increase through new customers, especially in the area outside the grid area of OÖ. Ferngas, because the heating-degree days were at the level of the previous year.

The company established its own subsidiaries in the Czech Republic and Slovakia in order to meet the requirements of continued development and expansion of biogas activities in those countries from an organisational perspective. It was possible to put nine additional biogas plants into operation in the Czech Republic which were constructed as turnkey plants. As of the balance sheet date, six plants were in the completion phase and fourteen others were under construction. The market in Slovakia was successfully entered, and one biogas plant is currently in the completion phase and another one is under construction.

Natural Gas Transports in GWh



*) Preliminary figures as of 06 October 2012, dependent on final clearing

OÖ. Gas-Wärme's own feed-in plant in Engerwitzdorf for supplying processed biogas into the natural gas grid operated to complete satisfaction and supplied a feed-in volume of around 12 GWh of biogas with natural gas quality. With these activities as well as with heating supply based on renewable energy sources and customer consultation services on the efficient use of energy, the company paid due attention to the goals of Austria's energy strategy and Upper Austria's energy concept. The defined goals to enhance energy efficiency were exceeded, both in terms of the government's strategy and that of Upper Austria.

EGBV Beteiligungsverwaltung GmbH (EGBV) is a 35% investment of OÖ. Ferngas AG and holds 14.248% of the shares in EconGas GmbH, which takes care of customers with annual requirements of 500,000 m³ of natural gas at one consumption site. During the recently concluded fiscal year, EconGas GmbH succeeded in increasing its sold volumes of natural gas at home and abroad from 13.1 billion m³ to 19.6 billion m³.

Renewable Heat for Upper Austria

Energie AG Oberösterreich Wärme GmbH (Wärme GmbH) operates six supply networks, of which two district heating networks are located in the proximity of the Group's own thermal power plants in Timelkam and Riedersbach. Meanwhile, Wärme GmbH subsidiaries provide district heating to seven cities in the Czech Republic.

The energy strategy 2030 of the province of Upper Austria influences the strategic orientation of the heating sector decisively. Energy efficiency and sustainability are determinant topics in the heating sector as well.

In the fiscal year 2011/2012, a total of 624 GWh of heat was delivered in the networks in Upper Austria and the Czech Republic. As compared to the same period of the previous year, almost the same level could be reached (634 GWh), although declining specific consumption due to improved energy efficiency awareness as well as unfavourable weather conditions prevailed.

Energie Contracting Steyr GmbH (ECO) operates in the industrial customer segment, and continued its positive development in supplying its industrial customers in the previous fiscal year. In addition, the cooperative venture with the new district heating project in Steyr (Bioenergie Steyr GmbH and Fernwärme Steyr GmbH) had a very good effect on the further development of that company. The biomass plant of ECO was used throughout the entire year for the first time in fiscal year 2011/2012.

A sustained positive business trend can still be seen in the Czech subsidiaries.

The development of Austria's largest geothermal project in Ried im Innkreis, in which Wärme GmbH holds a 40% share and is responsible for planning the district heating network, is right on track. After drilling was completed successfully, a continuous pumping trial started at the end of the fiscal year. At the same time, construction work was being done on the heating centre as well as on the district heating network so that the district heating supply for the city of Ried im Innkreis can be put into execution in autumn 2013. Through this project, up to 15,000 tons of CO_2 will be saved in the medium term, and an important contribution will be made to Austria's energy strategy.

Due to the expert know-how of Energie AG Wärme in the field of geothermal energy, the company was commissioned with a project to research geothermal potential in connection with electricity and district heating utilisation. Project partners are Geoteam and Joanneum Research, and the final report will be available in mid 2014.

Revitalisation of the power plant location in Kirchdorf started in fiscal year 2011/2012. Even more efficient heat production will be made possible through the construction of three combined heat and power plants.

In fiscal year 2011/2012, a trendsetting project was started by founding the two companies Bioenergie Steyr GmbH and Fernwärme Steyr GmbH together with EVN Wärme GmbH. In the city of Steyr, parts of the heating requirements will be taken over by district heating. Construction started on the biomass combined heat and power plant in the fiscal year just completed for the generation of more environmentally protective district heating with lower emissions. Construction also started on parts of the district heating line network.

Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ) operates a cogeneration power plant in Laakirchen and delivers process heat to its main customer and district heat to surrounding businesses. During fiscal 2011/2012, the amount of heat sold was 579 GWh, which is slightly below the previous year's figures (601 GWh).

Group company AVE Austria (AVE Österreich) feeds heat from the waste in-cineration plant in Wels (WAV) into the district heating network of Wels Strom GmbH. It was possible to increase output considerably in fiscal year 2011/2012 compared to the previous year (112 GWh, Previous year: 79 GWh).

With the brand ENSERV, OÖ. Gas-Wärme supplies its customers in the public institutions, residential trade and commercial segments. At 108 GWh, the quantity sold in the fiscal year in the heating segment was 8% higher than the previous year's value (100 GWh).

Besides expansion in heating contracting, the supply for Freistadt-Nord was bolstered with a biomass local district heating plant. Around 5 GWh of heat are to be sold there in the future. Involvement in the renewable energy sector was expanded through the acquisition of Biowärme B3 GmbH including its investments. Altogether, six municipalities are supplied by these companies with expected sales volume of 57 GWh on completion.

Cost and Process Optimisations with Shared Services in the Group

The Energie AG Group has four service companies that are responsible for providing intragroup services. The offered products and services must, on the one hand, comply with the Group's internal quality and safety standards and, on the other hand, meet external market conditions.

In the 2011/2012 reporting timeframe, the cost-reduction and process optimisation programmes of the past fiscal years were continued, and measures focusing on quality, efficiency enhancement and service level adjustment were implemented.

- The range of services for procurement and logistics, facility management, information technology, accounting and legal services are pooled under **Energie AG Oberösterreich Business Services GmbH** (Business Services GmbH).

  Significant measures for cost reduction and process optimisation in the reporting timeframe were the implementation of the electronic procurement platform and an insurance management system as well as full IT servicing of OÖ. Ferngas AG.

- **Energie AG Oberösterreich Customer Services GmbH** (Customer Services GmbH) provides billing and customer services including collection management and change-of-supplier services. Besides its main customers, Netz GmbH, and electricity supply, the company provides its services to further intragroup units. The company also has a "crisis hotline" which is set up and made available to the federal province of Upper Austria whenever the need arises.

  The 60% subsidiary Market Calling Marketinggesellschaft m.b.H. has been included in the scope of consolidation since 30 September 2011, and now performs complete customer service at three locations. The third party market is also being supported successfully in addition to customers of Energie AG.

- On 1 March 2012, Energie AG Oberösterreich Personal Services GmbH was renamed **Energie AG Oberösterreich Personalmanagement GmbH** (Personalmanagement GmbH). This also expresses the definition and pursuance of human resources policy strategies and the management tasks associated with them by order of the Executive Board in addition to the services in HR consulting and payroll, training services and trainee education for the Group. A gradual step-in model was developed by 30 September 2012 in the past fiscal year and the "Job and Family" audit process was started. This commitment to a family-friendly work environment was honoured by the Federal Ministry of Economics, Family and Youth by awarding the base certificate (Grundzertifikat).

- **Energie AG Oberösterreich Tech Services GmbH** (Tech Services GmbH) is the technical service company for electrical facilities, particularly those in Energie AG's electricity and data network. During the course of fiscal year 2011/2012, not only were additional projects awarded by the internal customers, but many contracts were also won in the third party market. This ensured full utilisation of the entire engineering and installation team.

Further intragroup synergy leveraging as well as continuation of process optimisations are planned for the coming fiscal year in addition to the key activities of the service companies.

Strategic Participations

The associated at equity companies including Ennskraftwerke AG, LIWEST Kabelmedien GmbH (LIWEST), Wels Strom GmbH, Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg AG) and other minority shareholdings complement the Energie AG Group's operational business portfolio at various stages along the value creation chain.

At **Ennskraftwerke AG** – a 50% investment of Energie AG – business activities focus on generation of electricity from environmentally friendly hydropower with total available capacity of approximately 430 MW. With regard to Energie AG's procurement portfolio, electricity procurement rights from Ennskraftwerke AG make up a very important part of the renewable energy share, at optimised costs and risks.

Ennskraftwerke AG with its twelve hydropower plants along the rivers Enns and Steyr in Upper Austria is one of the biggest Austrian producers of electricity from environmentally friendly hydropower. Due to the dryness that prevailed in 2011 in the catchment area of Ennskraftwerke AG, the annual electricity production was one of the lowest since completion of the Enns chain. It only amounted to 1,363.25 GWh making it 495.75 GWh or alternatively around 26.7% below the average output of 1,859.00 GWh. There were considerably better generation possibilities in 2012 due to the weather. By the end of September 2012, it had already been possible to generate 1,776 GWh, which corresponds to 96% of the average annual output.

Triggered by flood protection measures in the Enns by the City of Steyr and the associated changes to the cityscape, Ennskraft pursued the "Rederbrücke power plant project" in the urban area of Steyr. Clarification of issues dealing with topics of ecology, hydrogeology, as well as management of debris and suspended sediment is a prerequisite for processing the environmental impact assessment, which will be initiated soon.

Wels Strom GmbH – a 49% shareholding – positions itself primarily as a fully integrated energy supplier to the town of Wels and several municipalities on its outskirts. Its business activities comprise the generation, distribution and sale of electricity and heat as well as the energy systems business field.

During the last fiscal year (1 January to 31 December 2011), the company's own electricity generation dropped by 27.9% to 133.4 GWh compared to 2010. On the one hand, this shift in contribution reflects the low water levels for the run-of-river power plant on the Traun, and on the other hand it makes the changed cost ratio between gas and electricity prices visible. Active contract management in electricity and gas purchases as well as an even more advanced mode of operation of the Wels district heating plant making use of waste heat from the Group's own waste-to-energy plant (WAV) in Wels facilitated a commercially optimised contribution mix and complete utilisation of the liberalised energy market. Wels Strom GmbH delivered 483.5 GWh of electricity (incl. grid loss) by its distribution system, which means an increase of 0.24% compared to the same period the year before. On the total delivery side, it was possible to successfully increase the Austrian-wide electricity sales volume by 19% to 527 GWh due to the market development offensive. Hydropower production improved considerably in the first calendar quarter of 2012 due to sufficient precipitation. The generation value is 14.2% above plan in this fiscal year 2012.

In addition to the industrial wind power plants in Eberschwang (annual electricity volume of 1.5 GWh), it was possible for Wels Strom GmbH to get the Laussa wind power plants (annual electricity volume of 2.5 GWh) under contract as the exclusive supplier. This volume of green electricity is supplemented by a supply contract from Windpark Mönchhof (together with Energie AG) through which Wels Strom GmbH will be the first area-wide supplier in Austria to cover more than 10% of the energy supplied to the household and small commercial sales sector with electricity that can be directly attributed to wind power.

In order to be able to continue to ensure a high-quality electricity supply in the Wels Strom GmbH grid area, the entire 10 kV switching station of the central substation was renewed at the end of 2011/beginning of 2012. This was done after 50 years of operation in order to be able to ensure the supply of the central Wels region with its approx. 2,800 households in the future as well.

In the telecommunications sector, Energie AG has a stake of 44% in **LIWEST Kabelmedien GmbH**. Business activities include the operation of a cable TV network, the provision of Internet access products and the operation of switched network voice telephony.

The telecommunications industry is currently experiencing intensive predatory competition in which the battle for customers is being driven mainly by dumping prices. Therefore, declines in yearly sales to the amount of around 5% are typical across the industry sector.

LIWEST was able to counter this trend successfully and increase its earnings in the single-digit range.

Through acquisition of the existing cable network, the supply area was expanded to include the municipalities of St. Ulrich bei Steyr and Garsten. With its analogue cable television connections, LIWEST has a range of up to 80% of residences that can be supplied, thereby making it the market leader. With around 123,500 serviced households, the company is the largest Upper Austrian cable TV network operator and the second largest in all of Austria. In the Internet sector, LIWEST places a great deal of attention on high quality and currently offers a transmission speed of 100 mbps. The central components are already prepared for up to 400 mbps.

The company has also been able to expand its customer base in the previous fiscal year, and supported around 37,400 telephone customers and approximately 55,300 Internet customers as of the cut-off date of 30 September 2012.

Energie AG has a stake of 26.13% in **Salzburg AG für Energie, Verkehr und Telekommunikation** (Salzburg AG). A regional infrastructure supplier, Salzburg AG is engaged in business activities in electricity, gas, heat, water, transport and telecommunications.

Just like in the previous year, last fiscal year (1 January to 31 December 2011) ended up with a drop of around 2.9% to 14,712.6 GWh including electricity trading, losses and own consumption. Both end customer business as well as energy trading experienced a slight decline.

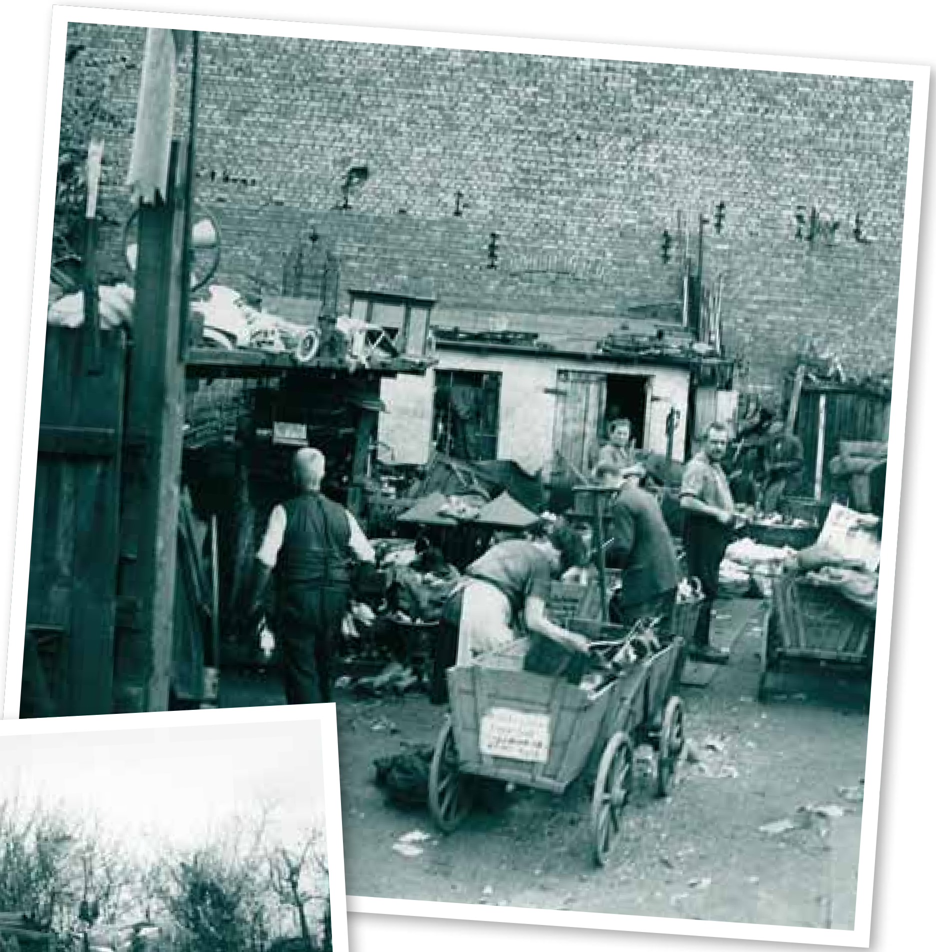
Salzburg AG has a power plant park of 27 hydropower plants with total output of 428 MW and an output capacity of 1,072 GWh. The proportion of electricity consumption coming from own consumption is 52%. Due to markedly low precipitation in 2011, own electricity production in the hydropower plants declined. At 1,237.9 GWh, production was less than both the previous year's value as well as average output. Generation from the combined heat and power plants of 331.1 GWh was around 2.2% less than the previous year's value. In total, own production was 6.5% less than the previous year.

Just like in the previous year, the expansion of its gas trading business led to a rise in the total distribution volumes of natural gas including own consumption in the company's own combined heat and power plants by 11.8% to 12,245.1 GWh. Electricity distribution volumes to end-consumers in the distribution system area of Salzburg AG dropped by 1.4% to 3,546.2 GWh. Gas distribution volumes declined by 1.6% to 3,182.9 GWh. At 869.9 GWh, the total district heating sold was 5.5% less than the level in the previous year, which is also attributable to the warm weather. Water consumption amounting to 12.2 million m^3 dropped slightly compared to last year's figures. Strong growth in the telecommunications sector continued. The number of customers in cable TV, Internet, and telephony continued to rise significantly. Furthermore, additional cable TV networks were acquired.

Besides the companies mentioned, further associated companies included at equity are the combined-cycle gas turbine (CCGT) power station Timelkam GmbH, the Hungarian waste disposal company Kaposvári Városgazdálkodási Rt, the Hungarian water company Energie AG Miskolc Vizgazdálkodási Kft., EGBV Beteiligungsverwaltung GmbH, the heating companies Bioenergie Steyr GmbH and Fernwärme Steyr GmbH as well as ENAMO GmbH as of 1 April 2012.

The share of profit of associated at-equity companies during the fiscal year 2011/2012 amounted to EUR 15.0 million. This is an increase of approx. EUR 4.0 million compared to the previous year (EUR 11.0 million).

Energie AG has a 17.72% stake in **Tauerngasleitung GmbH**. Based on a study sponsored by the EU, evaluation of the feasibility of a natural gas line from Bavaria through Upper Austria, Salzburg and Carinthia towards the south was the company's main task. The Tauern gas pipeline would contribute essentially towards providing transport capacities between the north and the south for the growing natural gas requirements, thus raising the security of supply with natural gas in Europe and Austria in the long term and creating high-capacity connections between the Member States to optimise the Internal Market. The technical feasibility study was mainly completed. Currently, the environmental impact study process is being submitted for the Auerbach-Arnoldstein section. Regarding economic feasibility, the existing official decisions must be adapted to the third single energy market package. The required national state process for the development of standards has already been completed. In this connection, the responsible authority must initiate an administrative procedure.



1930

In towns of the early 20th century, waste like rags, old iron or paper still used to be picked up **by horse-drawn carts** to be taken to the collection points.

1948

Standard dustbins and special trucks only started to come into use for waste disposal in the fifties.

WASTE MANAGEMENT SEGMENT

1991

The AVE Group provides its reliable waste management and recycling services to households, municipalities, SME and industrial customers across Upper Austria.

2012

As an integrated waste management company in possession of its own facilities, AVE offers comprehensive services at approx. **160 locations in eight European countries**.

Waste Management Segment


Upper Austria


Styria


Salzburg


Lower Austria


Vienna


Carinthia


Burgenland


Tyrol


South Tyrol


Czech Republic


Slovakia


Hungary


Romania


Ukraine


Moldova

Waste Management Segment – Overview	in	**2011/2012**	Change	2010/2011	2009/2010
Total waste volume handled	1,000 to	5,227	- 4.8%	5,488	5,203
Thermally processed waste	1,000 to	633	1.1%	626	590
Total sales	EUR mill.	428.1	- 8.6%	468.5	395.6
EBITDA	EUR mill.	72.1	5.6%	68.3	57.6
EBIT	EUR mill.	21.1	63.6%	12.9	- 1.5
Investments into tangible fixed assets and intangible assets	EUR mill.	29.1	22.3%	23.8	31.1
Employees (average number)	FTE	3,948	2.0%	3,870	3,482

The Waste Management Segment of the Energie AG Group operates in the market under the brand name AVE. The consolidated financial statements for 2011/2012 comprise the markets Austria, the Czech Republic, Hungary, Slovakia, South Tyrol, Romania and the Ukraine.

The Business Environment of the Waste Management Sector

Against the background of long-term trends concerning raw materials becoming more expensive and subject to shortages, the subject of resources and secondary raw material recovery continued to gain significance at a national and international level. In September 2011, the European Commission presented the long anticipated "Roadmap" aimed at making Europe's economy resource-efficient by 2050. In a participative process that involves all interest groups (politicians, businesspeople and consumers), clearly defined targets and indicators are to be developed by 2013 at the latest. In the discussion and consulting on political measures dealing with how to transform European economies into resource-efficient growth, the European Commission founded a working group consisting of representatives of the Commission, the European Parliament, the economy, the scientific community and civil society with the name "European Platform for Resource Efficiency" (EREP).

It is becoming increasingly noticeable at a European level that the EU Commission is punishing the lack of implementation of waste-relevant guidelines by individual member states with infringement proceedings. This will result in another positive boost for waste and recycling management in the future.

Development of recyclable material prices was very volatile in fiscal year 2011/2012. Autumn 2011 was characterised by lower recyclable material prices, especially for paper and cardboard. After a noticeable recovery due to increases in demand in spring 2012, recyclable material prices were once again on a downswing in the second half of the fiscal year.

In the environment of a highly fragmented structure in the private waste sector, the pressure continues to drive market shakeout, even against the background of global economic fluctuations over the last quarters. By contrast, the situation in the public sector is rather more differentiated: While there are already legislation drafts for the implementation of tangible re-municipalisation plans in Hungary and there are signs of re-municipalisation trends in some areas in Romania, continued privatisation of municipal services is to be expected in the majority of Eastern European countries due to the locally strained budget situation.

The Business Develoment of the Waste Management Segment

Sales in the Waste Management Segment in fiscal 2011/ 2012 declined from EUR 468.5 million in the corresponding period of the previous year to EUR 428.1 million. Besides selling the operating business of AVE Bayern in the previous year and AVE Tierkörperverwertungs GmbH in August 2012, the reduced recyclable material prices and a negative exchange rate change of HUF and CZK were the main reasons for a decline in sales compared to fiscal year 2010/2011.

The EBIT rose in the reporting timeframe from EUR 12.9 million to EUR 21.1 million. Declining recyclable material prices, increased fuel expenditures and debt write-offs, negative exchange rate developments and balance sheet provisions for pending proceedings were more than compensated for by selling AVE Tierkörperverwertungs GmbH and continued, consistent implementation of earnings improvement measures.

The total waste volumes handled reached 5,277,000 tons, which was a slight decline of -4.8%. Besides cautious development of the economic situation with stagnating volumes, the sale of the operating business of AVE Bayern played a decisive role for this change. The thermally processed waste volume climbed slightly during the past fiscal year from 626,000 to 633,000 tons.

Austria

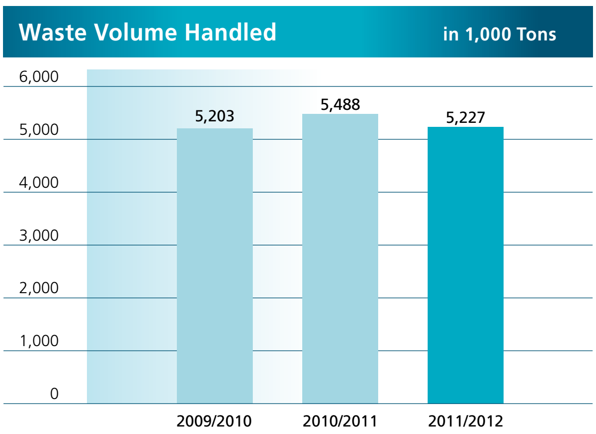
In response to the difficult general conditions, AVE in Austria enhanced its focus on selective market development, broadened its cooperation with the municipalities even further and intensified cost management, which it started last fiscal year. It was possible for the company to acquire numerous attractive new customers in the commercial and industrial sectors, which helped to ensure full utilisation of the thermal processing facilities. Hence, the planned waste throughput was realised completely with full utilisation in Wels and Lenzing. Furthermore, AVE Austria was able to hold its position to a great extent in orders for collection, sorting and recycling of light packaging as part of the ARA system so that the utilisation of the fleet and sorting facilites is secured for the next few years. Operation of the pelletising plant in Wels ended with expiry of the contract on 31 December 2011.

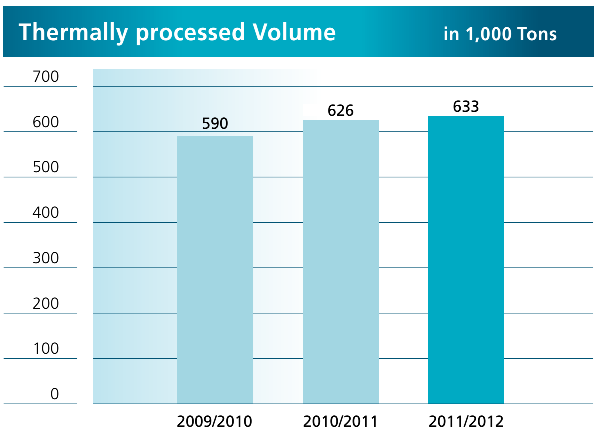
Against the background of a cautious economic situation, there was a downswing in the prices of recyclable materials, especially paper and cardboard. The trend towards dropping prices for disposal prices in the area of commercial waste and hazardous waste continued in the last few months of the last fiscal year. The comparably high collective agreement concluded for wages and salaries, continuously increasing diesel prices and the persistently low level of energy proceeds in the thermal processing facilities were additional, but manageable challenges.

Through consistent continuation of the course of consolidation that has been taken, increased focus on balanced market policies and cost efficiency, it was possible to stabilise the economic development of AVE Austria. Based on this, the position as market and quality leader shall be expanded even further thereby providing a secure value contribution.

South Tyrol

It was possible to increase the business volume of AVE in South Tyrol once again in fiscal year 2011/2012, although the prices or recyclable materials were dropping in Italy as well. As a result of starting up the refuse derived fuel plant in Neumarkt, winning the bid invitation for the Italian waste paper collection system, and a further increase to third-party business with refuse derived fuel for the cement industry from Italy to Austria and Germany, it was possible to achieve considerable quantity increases. Taking over the remaining shares of AVE





Südtirol Recycling followed the merger of the two operating companies as of 31 December 2011. This created the conditions for future realisation of synergy potential.

Czech Republic

AVE CZ expanded its business operations by taking over AVE Harrachov, which is a company specialised in winter services, and by acquiring the majority of EKO-BIO Vysočina in the Mähren region. Low sales revenue in the winter service sector due to the weather, lower order volumes, lower landfill quantities, recyclable material prices and quantities, as well as delayed bid invitations for the remediation of contaminated sites by the ministries led to a reduction in business volume compared to the previous year.

AVE CZ responded actively to the current market development and initiated an extensive optimisation and efficiency-increasing programme in January 2012. The already implemented sales, optimisation and efficiency-increasing measures made an important contribution to supporting the results. The corporate structure was cleaned up and further synergy potential raised through the merger and integration of several associated companies in AVE Czech Republic.

AVE CZ was a participant in an administrative procedure in connection with a violation of the legislation on protection of competition, for which balance sheet provisions were made based on current findings.

Hungary

The nationalistic political developments in Hungary are generally having a destabilising effect, putting economic growth at risk, and leading to uncertainty among foreign investors. In order to implement the EU Waste Framework Directive, the Hungarian government submitted a draft law that triggered unrest in Hungary's waste management market. The disputed law envisaged re-municipalisation of the pickup, transport and handling of waste originating from households as of 2013. Thereupon, the European Federation of Waste Management and Environmental Services (FEAD) lodged a complaint with the EU Commission, because in the opinion of FEAD, the draft law violated the fundamental principles of the EU treaties, such as freedom of competition, for example. Price increases for municipal waste collection were prohibited by law in December 2011. A subsequent amendment to the law provided flexibility for price adjustments once again.

Although the disputed waste management law had not gone into force by the end of the fiscal year, it is to be expected that the Hungarian government will continue to pursue the re-municipalisation measures in the area of municipal waste collection and transport in the medium term.

Compared to the weakness of the Hungarian forint against the euro, weather-related poor winter service sales, increased adjustments of receivables and increased fuel expenditures, the difficult political environment was compensated for by the positive effects of two companies that were consolidated for the entire year for the first time, cost optimisations and publically financed land reclamation orders, which made stable business development possible.

Slovakia

In the municipal segment, thanks to some successful tenders and acquisition of the activities of another competitor in eastern Slovakia, services were provided to more than 230,000 inhabitants in around 150 cities and municipalities in the last fiscal year. Furthermore, the remaining shares of VODS were acquired so that AVE SK now holds 100% of the company's shares. This structure clean-up was an important step in realis-ing further synergies.

The business volume once again increased, especially the quantities of recyclable materials as well as the quantities delivered to the landfill sites. Low recyclable material prices, increased fleet expenses, delayed bid invitations and one-time expenses from the take-overs mentioned above were compensated for through offensive market development in the municipal and commercial/industrial sector and the focus on permanent cost and earnings optimisation.

Romania, Moldova, Ukraine

The after-effects of the economic crisis can still be felt in **Romania**, and the consequences of domestic and structural problems for the national economy cannot be predicted. It was possible for AVE Romania to use consistent market consolidation and organic growth to increase its share of municipal customers in the defined market regions to almost 400,000 residents despite a difficult environment. Consistent execution of measures for increasing sales as well as optimising costs and earnings will continue to be promoted.

AVE has run a PPP company together with the town of Ungheni in western **Moldova** since 2008. The share of contracts concluded with households in Ungheni has reached almost 100%, and together with municipal and private customers in the Chisinau region, as many as 30,000 inhabitants and 600 commercial and industrial customers are already receiving services.

In western **Ukraine**, AVE already provides its services to more than 580,000 private customers as well as more than 6,000 commercial and industrial customers. In the defined market areas relevant to AVE, its operations already have a leading position. Sales increased as the result of a new fee model in the city of Lemberg. Due to technological progress, the selective collection of PET and waste paper was introduced in Mukachevo and Vinogradovo. In the target region, long-term contracts were concluded with several cities, and multiple price increases well above the inflation level were implemented in existing contracts. Three operating companies and the Landesholding were incorporated into the scope of Group consolidation on 1 January 2012.

1948

Only a few decades ago, people still had to fetch every drop of water in buckets – in rural areas from the well, in towns from the communal washbasin in the corridor.

1955

In the mid-fifties, it was still quite normal for women to wash their laundry by the river. Piped water supply made life much easier. Now there was always plenty of drinking-water, and the first washing machines facilitated house-work even further.

WATER SEGMENT

2001

Energie AG enters the water supply business. Today, the company delivers around 54 million cubic metres of drinking-water per year and uses an 8,400-km distribution system to supply more than one million customers.

2012

Environmentally friendly waste-water disposal also belongs to the tasks taken care of by Energie AG's water segment. Even in Central Europe, more than 1,000 cities and municipalities rely on its expertise in constructing and operating water pipelines, sewage systems and waste-water treatment plants.

Water Segment


Upper Austria


Styria


Salzburg


Lower Austria


Vienna


Carinthia


Burgenland


Tyrol


Bavaria


Czech Republic


Slovakia


Hungary


Slovenia

Water Segment – Overview	in	**2011/2012**	Change	2010/2011	2009/2010
Billed drinking water quantities	m^3 mill.	53.3	- 0.6%	53.6	51.7
Billed waste water quantities	m^3 mill.	44.0	- 0.9%	44.4	43.0
Inhabitants supplied with drinking water	in 1,000	1,048	0.1%	1,047	995
Inhabitants with waste-water treatment	in 1,000	696	0.1%	695	663
Total sales	EUR mill.	131.3	- 2.0%	134.0	118.8
EBITDA	EUR mill.	16.9	7.0%	15.8	12.8
EBIT	EUR mill.	8.5	16.4%	7.3	5.1
Investments into tangible fixed assets and intangible assets	EUR mill.	5.2	- 14.8%	6.1	7.2
Employees (average number)	FTE	1,628	- 4.4%	1,703	1,643

The Business Environment of the Water Sector

The European Union declares the protection and sustainable management of the resource water to be one of its central goals. The regulatory framework for Community measures in the field of water policy is summarised in the European Water Framework Directive.

Pricing, a central element of European water policy, plays a vital role in achieving the defined sustainability goals. The EU member countries are obliged to set charging policies that provide incentives for the efficient and sustainable utilisation of water. In future, the users of water services will be confronted with cost-covering, consumption-based prices as an incentive to use this resource more sparingly. This also serves to maintain the value of the infrastructure and pave the way for its expansion and optimisation.

State subsidies and EU funding currently play an important role not only in the CEE countries but also in Austria. The politicians, however, intend to establish a system which, in the long term, functions in an independent and sustainable manner without the massive subsidies, whereby the prices should be socially acceptable. Due to the tense financial situation across the whole of Europe, changes are generally expected in the subsidy policy at a national and European level.

The Czech water market is characterised by, in part, antiquated water sector infrastructure, and the geological conditions frequently necessitate the adoption of technically complex systems for the extraction and treatment of drinking water from surface waters. The introduction of the high EU standards entails massive investment requirements which were met, on the one hand, through state subsidies as well as EU funding and, on the other, through the privatisation of formerly public water management companies. Approximately 80% of the market is already supplied by organisational models that involve the private sector. In most cases, the water sector infrastructure remains the property of the municipalities and is operated by private companies which provide know-how and, in some cases, capital. The tendering of licences leads to a high level of competition. Moreover, the price calculation principles defined at a public level and the financial model rules implemented in connection with EU funding regulate and control the pricing mechanism.

In Austria, the responsibility for the water infrastructure and its operation is mainly in the hands of the municipalities, in other words, the public sector. The massive need for reinvestment in the infrastructure along with a reduction in municipal budget funds may also result in the prospect of a more widespread utilisation of alternative models for operation and financing in Austria. The control over the infrastructure and decisions relating to fees would remain in municipal hands. The trend in this direction could be strengthened even further by the expected changes to the current grant regime from 2014 onwards.

In Slovenia a market entry is still regarded as likely, however the general conditions are currently difficult due to the overall economic situation. The conditions are similarly challenging in Hungary. At the moment, a trend towards privatisation is no longer apparent. Instead re-municipalisation is taking place – similar to what is happening in the waste sector.

The Business Development of the Water Segment

In fiscal 2011/2012, sales in the Water Segment amounted to EUR 131.3 million and the EBIT realised was EUR 8.5 million. This corresponds to a sales decrease of 2.0% compared to the previous year's figures (EUR 134.0 million), which is attributable to an unfavourable development in the CZK exchange rates compared to the previous year and a decline in orders in the area of service provision. The negative effects on earnings could not be fully offset by the favourable performance in the core business area of drinking water supply and waste water disposal.

The EBIT in the Water Segment rose 16.4% from EUR 7.3 million in the previous year to EUR 8.5 million. Despite the unfavourable developments mentioned above, this positive earnings development is attributable to further consistent savings in the areas of corporate organisation, market and project development as well as contract optimisations and efficiency enhancements.

In fiscal 2011/2012, the companies in the Water Segment billed 53.3 million m^3 of drinking water and 44.0 million m^3 of waste water, which roughly equals the levels of the previous year.

As of 30 September 2012, approximately 1,048,000 inhabitants were supplied with drinking water while waste water management was carried out for 696,000 customers.

Reorganisation and Efficiency Enhancements in the Czech Republic

Due to the previously mentioned developments which were reflected in the form of declining orders and sales, AQUASERV a.s. which focuses on the internal and external service activities of the Czech water segment, was merged with CEVAK a.s., the operating water company in South Bohemia, as of 30 September 2012. As the expected growth in sales and results in the third-party market could not be achieved, the restructuring of the service business segment can lead to significant cost savings in the areas administration and management. While core areas, such as laboratory services, water metre workshop, GIS, water management and sewage services, are being reintegrated, other areas, such as construction and installation, are being largely discontinued.

During the fiscal year just expired, further cross-company projects were also carried out in the area of business management and administration to enhance efficiency. Benchmarks and various cost analyses were performed across the entire company to identify best practices for individual areas, make them transparent and accordingly subsequently transfer them to the other Water Segment companies. During the fiscal year just expired, work started on the first step of the benchmark survey. Another project was initiated to optimise the commitment of capital in each of the companies.

In addition, all of the companies are continuously participating in tenders for licences within and outside of the existing areas to secure and increase the market share.

The business relating to the participating interest in the Beroun District, the only company of the water group in the Czech Republic that owns the operated water sector infrastructure, is once again developing positively. Due to operational optimisation measures, the operating companies in the regions of Kolín, Chrudim and Rychnov managed to further improve their results against a background of slight declines in the billed drinking water volumes and slight increases in waste-water volumes.

The largest company in the Water Segment – ČEVAK a.s. with headquarters in Budweis – closed the fiscal year with positive results, recording a year-on-year decline in services. Positive effects were primarily attributable to efficiency enhancement measures as well as contract optimisation efforts in the drinking water and waste water area.

Extensive system harmonisation and standardisation measures were completed in the companies in the area of commercial organisation.

Solid Development in Austria

In Austria, WDL-Wasserdienstleistungs GmbH (WDL) supplies drinking water to 47 towns, municipalities and cooperatives and provides services in the drinking water and waste water area. Its portfolio currently comprises the provision of water services, sewage services and the operation of water and waste water plants. Services are additionally provided in the area of water loss analysis, hydrant service and operation management. The company's sales activities were concentrated across the entire national territory (Austria) and Southern Bavaria. In fiscal 2011/2012, technical activities focused closely on the development of new methods to reduce water loss. This resulted in the development of the "WDL-Rohrinspektor" (literally "WDL pipe inspector"), an analysis tool that helps to detect leaks in pipes sooner. For this innovation the company received the Energy Globe Award Austria. Sales and EBIT of WDL are slightly below the previous year's figures.

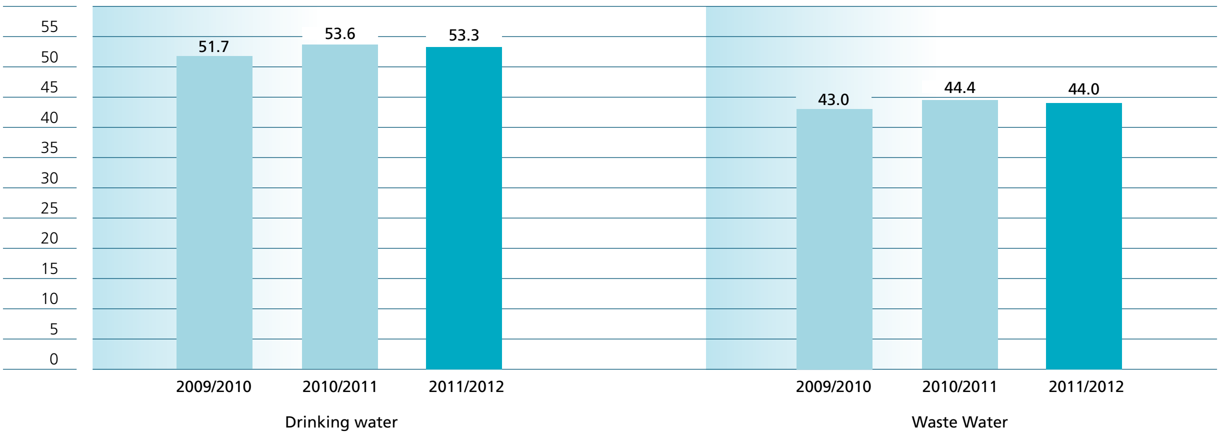
Slovenia, Hungary and Slovakia

The Slovenian subsidiary Varinger d.o.o. operates in the sewage and water services area. Despite the difficult economic and political situation, which is marked by fierce competition and the tense financial conditions in the municipalities, the company managed to close fiscal 2011/2012 positively.

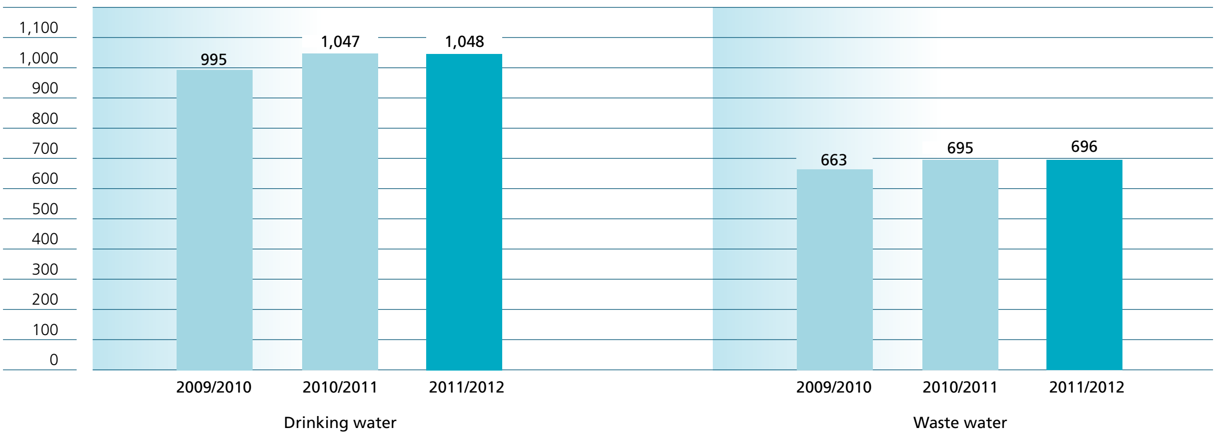
The Hungarian subsidiary Energie AG Miskolc Kft. was established as a joint venture with the city of Miskolc and provides water and waste water services and engages in preparatory measures for the modernisation of the infrastructure. In fiscal 2011/2012, its economic performance was below the previous year's figures, attributable to noticeable declines in the provision of water and sewage services. Considerations are currently underway to carry out corporate structure optimisation measures.

In Slovakia market management and development is now carried out by the subsidiary of Energie AG Oberösterreich Wasser GmbH in Bratislava, which was established in fiscal 2010/2011. During the period under report, no specific opportunities opened up for an entry into the operator market.

Billed Drinking Water / Waste Water in m³ mill.



Number of Inhabitants Supplied in 1,000



RESULT OF OPERATIONS AND FINANCIAL POSITION

	in	2011/2012	2010/2011	Change
Sales revenues	EUR mill.	2,123.8	2,219.9	- 4.3%
EBITDA	EUR mill.	292.2	286.3	2.1%
EBITDA margin	%	13.8	12.9	7.0%
Operating result (EBIT)	EUR mill.	115.2	125.6	- 8.3%
EBIT margin	%	5.4	5.7	- 5.3%
Financial result	EUR mill.	- 33.6	- 38.5	12.7%
Profit or loss on ordinary activities	EUR mill.	81.6	87.1	- 6.3%
Balance sheet total	EUR mill.	3,682.5	3,725.0	- 1.1%
Equity	EUR mill.	1,341.4	1,367.1	- 1.9%
Equity ratio	%	36.4	36.7	- 0.8%
Net debt	EUR mill.	683.1	711.7	- 4.0%
Net gearing	%	50.9	52.1	- 2.3%
Investments into tangible fixed assets and intangible assets	EUR mill.	178.2	169.1	- 5.4%
Cash flow from operations	EUR mill.	254.4	279.0	- 8.8%
ROCE	%	4.9	5.6	- 12.5%
WACC	%	6.5	6.5	0.0%

In fiscal 2011/2012, sales revenues decreased to EUR 2,123.8 million, and were thus 4.3% below the value recorded in the previous year (EUR 2,219.9 million). Net sales revenues amounted to EUR 1,982.5 million (previous year EUR 1,951.8 million).

The decline in sales concerned all three segments. In the Energy Segment the drop in sales was primarily the result of the reduced electricity trading activities. The decline in sales in the Waste Management Segment is attributable to the sale of the operational business of AVE Bayern the previous year and of AVE Tierkörperverwertungs GmbH in August 2012, as well as to the reduced prices for recyclable materials and negative changes in the exchange rates. In the Water Segment, the decline in sales was also caused by an unfavourable development in the exchange rates and a decline in orders in the area of service provision.

The EBIT for fiscal 2011/2012 amounts to EUR 115.2 million and is thus -8.3% below the value recorded in the previous year (EUR 125.6 million). The decline in EBIT in the Energy Segment is attributable to uneconomic operating conditions and a lack of optimisation possibilities in thermal production as well as to a provision created in the balance sheet relating to the combined-cycle gas turbine power station Timelkam. In contrast, improved water levels compared to the previous year along with optimisation and cost-lowering programmes had a positive effect on the result.

In the Waste Management Segment, a rise in EBIT to EUR 21.1 million (previous year EUR 12.9 million) was achieved. A positive effect in the earnings development was the profitable sale of AVE Tierkörperverwertungs GmbH. Balance-sheet effects, on the other hand, had a negative effect on the earnings: AVE CZ has been participating in administrative proceedings over a possible breach of the law on the protection of fair competition. On account of these facts, a provision for contingent losses was created.

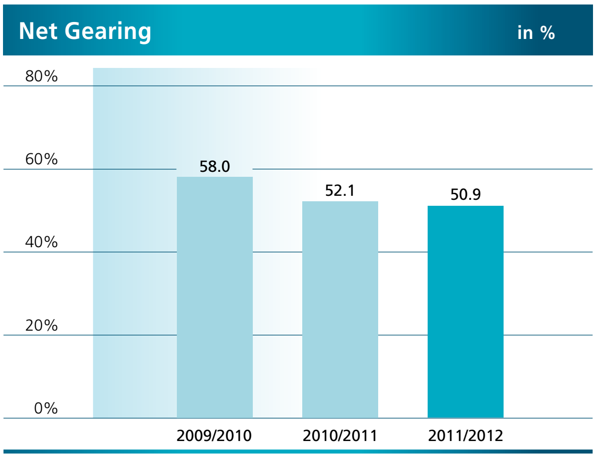
In the Water Segment, a positive EBIT development was able to be achieved due to efficiency enhancements and consistent saving measures relating to corporate organisation.

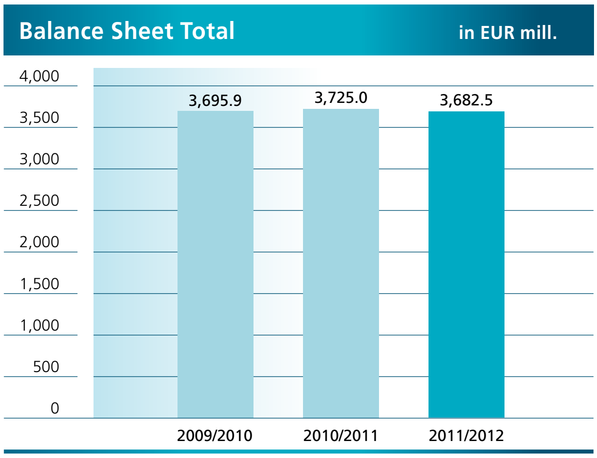
The financial result amounts to EUR -33.6 million (previous year: EUR -38.5 million). The change is primarily due to lower financing costs as well as higher financial income and capital gains compared to the previous year.

The balance sheet sum came to EUR 3,682.5 million, displaying a very stable year-on-year development. With a year-on-year decline of 1.1% it now lies approximately at the value recorded in 2009/2010. Equity displayed a year-on-year decline of -1.9% to EUR 1,341.4 million thus leading to a slightly reduced equity ratio of 36.4%.

Net debt was reduced by -4.0% to EUR 683.1 million compared to the previous year with the result that the gearing ratio improved to 50.9% (previous year 52.1%).

Investment in tangible fixed assets and intangible assets in the Group amounted to EUR 178.2 million, which is 5.4% above the value recorded in the previous year (EUR 169.1 million) and approximately at the same level as in 2009/2010. The investments are offset by contributions to construction costs by customers in the amount of EUR 22.9 million which are recorded on the liabilities side.





The operating cash flow amounted to EUR 254.4 million, exhibiting a decrease compared to the previous year (EUR 279.0 million). The decline is essentially due to payments from hedging transactions.

Financing and Investment Strategy

Due to the persistent tension relating to the national budgets of the EURO Member States the Group continues to enhance its focus on the maintenance of liquidity and a good credit rating. In the fiscal year just expired, the consistent implementation of a conservative financing and investment strategy therefore remained significant. The Energie AG Group attaches great importance to securing the greatest possible financial flexibility in order to ensure solvency at all times and to optimise financing costs. The Group's financing and investment strategy is essentially based on three pillars:

Securing a sustainable and high credit standing
A good credit standing and a strong rating ensure access to the national and international financial and capital markets at all times. In February 2012, Standard & Poor's once again confirmed the very good "A" credit rating for Energie AG Oberösterreich. The rating outlook was also maintained as "stable". This strong credit rating puts the Group in a position to access funds at optimum conditions at all times. The very good rating additionally enables Energie AG to draw on a variety of funding sources. These include bonds, promissory notes, private placement, conventional loans as well as project financing. Basically, when selecting financing structures, the Group strives to diversify its financing sources as much as possible.

The Energie AG Group can rely on a balanced maturities structure of its financings. The Group's repayment profile is characterised by bullet financial liabilities with remaining maturity terms of up to 18 years. After an early repayment of financial liabilities due in April 2013, the Group will not have significant refinancing requirements until fiscal 2015/2016. Thanks to having solid liquidity reserves, the Group's future refinancing needs are appropriately covered. Thus, from today's perspective the refinancing risk can be classified as minimal.

Constant availability of a sufficient liquidity reserve
To ensure its solvency at all times, the Group holds a mix of liquidity reserves. As of 30 September 2012, the Energie AG Group had around EUR 161 million of liquid funds at its disposal. In addition, the Group has available around EUR 350.5 million at the end of the period invested in marketable securities which are held as strategic liquidity reserve. The risk profile of the strategic liquidity reserve is outstandingly conservative, which means that the majority of invested funds are held in cash and similar instruments. As of 30 September 2012, the credit lines not being used at present, which are thus available as reserves, were at EUR 318 million.

Central Group Financing
Internal financing management within the Group is carried out via Energie AG Group Treasury GmbH (Group Treasury GmbH). The Group's financing is generally handled centrally through Group Treasury GmbH. The necessary funding is forwarded to the group companies in line with needs and at arm's length conditions. Short-term liquidity compensation among the Austrian companies of the Group is obtained within the context of a modern cash-pooling system. As of 30 September, 2012, 36 group companies participated in the Group cash pooling system, as to which Group Treasury GmbH acts as the pooling centre. This structure ensures a cost-optimised Group financing structure. In the fiscal year just expired, the Group-internal financing management was concentrated – Energie AG Finance BV based in Amsterdam was merged with the Austrian company Group Treasury GmbH.

Value Based Management

In Energie AG Oberösterreich, the principles of value based management (VBM) are firmly anchored in all management systems and in all management processes. The long-term maintenance and increase of the corporate value and the assurance of capital market-based returns each year for the owners are central goals of the Group management.

As Energie AG is not listed on the stock exchange, the corporate value is determined annually by an external auditor on the basis of the discounted cash flow method. The input parameters for this calculation are subject to ongoing internal monitoring within the Group. In the course of the year, return on capital employed (ROCE) is used as the key ratio for Group controlling operations.

The value-based corporate goals are broken down to the individual segments and business areas in line with the adopted strategy and business-specific conditions in the form of result and investment tasks. As a result, the pre-tax values for the top corporate goals are measured on an ongoing basis in the periodic controlling reports of the Group and monitored by the management. Value-based criteria and methods are used in the prioritisation of projects for the purpose of allocating resources for future investments and acquisitions.

The minimum demands for the return of invested capital (capital employed) by providers of equity and external funding are derived from the developments in the capital market. Based on this, the weighted average cost of capital (WACC) after taxes is determined.

The current Group WACC is determined against the backdrop of a persistently low interest level, a risk profile that is characterised by a high share of stable business models, and a weighting of equity and borrowed capital on the basis of a peer-group analysis. For internal control purposes, the WACC is adjusted according to business area and region. Segment, country and project-specific adjustments of the risk mark-ups are applied when evaluating investment projects.

As the market conditions, primarily at the interest-rate front, are currently characterised by distortions in the area of the European sovereign debt crisis, longer average values were applied to determine the risk-free interest rate. It is expected that if the low-interest environment continues, future WACC calculations will reflect these new overall conditions.

In fiscal 2011/2012, the ROCE of the Energie AG Group amounted to 4.9% which is 0.7 percentage points below the value reported in the previous year (5.6%).

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 taxes	5.2%
Tax rate	25.0%
Cost of debt after taxes	3.9%
Debt ratio	42.0%

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

MATERIAL EVENTS AFTER THE END OF THE FISCAL YEAR

After September 30, 2012, variable-interest rate tranches of a promissory note bond with a term until April 2013 were terminated early and repaid in October 2012 (volume EUR 109.5 million).

As part of a strategy review, Energie AG Oberösterreich is currently evaluating the possibility of selling its waste disposal business (AVE Group). Against this background, the decision was made to invite tenders for the acquisition of the AVE Group as a whole or of AVE Austria including Italy or AVE CEE in a structured process. The process may be modified or terminated at any time by Energie AG.

INTERNAL CONTROL SYSTEM

In the fiscal year just passed, the Group's Internal Control System (ICS) was further expanded, and its effectiveness in important processes tested by the holding unit Group Revision. Recommendations and measures to increase process safety and efficiency were implemented. Complying with the ICS principles makes processes more reliable and control activities more transparent. The control activities abide by uniform principles and standards to ensure they comply with the legal requirements.

Good control awareness and a well-documented and transparent ICS were confirmed in each of the tested areas.

The results are documented in an IT database, in the control manuals, in the measure catalogue for the individual companies as well as in maps for maturity levels.

The continuous updating of the ICS alongside the development of key processes within the Group is intended not only to contribute to the preservation of the Group assets but also to improve the efficiency of internal Group processes in the future.

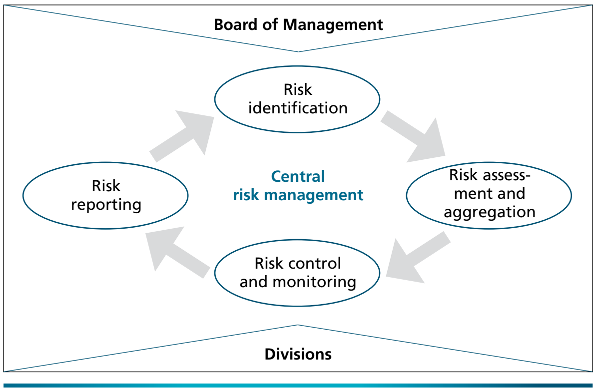
RISK MANAGEMENT

The development of the energy industry and thus of the Energie AG Group is currently affected by a gloomier economic outlook, changing energy policies, high volatility in the energy markets as well as fierce competitive and regulatory pressure.

The Energie AG Group is responding to these challenges also by taking targeted strategic and operational measures – in the context of the Group-wide risk management system – in order to reduce risks to a minimum and exploit the opportunities available.

The central risk management system – integrated in the Controlling and Risk Management department – coordinates and monitors the entire risk management process. Risk and opportunity management is a firm part of the Group's planning, reporting and control processes.

Risk Management System



The risk management system is adapted to the Group's structure and is based on an operational risk management system in decentralised business areas. The risks and measures are updated on a quarterly basis and recorded with a software tool that is implemented across the Group.

At the Group level, the reported risks/opportunities and measures are analysed and aggregated to the Group's overall risk position.

Reports are submitted to the Board of Management on a quarterly basis and, if necessary, ad hoc. Risk management is an integral part of supervisory board reporting and, in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)], is also brought to the notice of the Audit Committee with a view to confirming the efficiency and validity of the process.

Correct documentation and verifiability is guaranteed through archiving at the reporting dates.

Risk Profile and Development Trends

Energy
During fiscal 2011/2012, the international oil and gas markets were characterised by higher volatility than the electricity markets. The average price level in the international oil markets and the European spot market for natural gas was above that of the same period the previous year; in the electricity trading market the downturn continued during the year under report.

Key drivers were the unrest in the Middle East, the international political power play over Iran's nuclear policy, the global developments, and also the short period of cold temperatures in Europe in February 2012.

The operating result of the Energie AG Group is heavily impacted by electricity production from **hydropower**, which fluctuates depending on hydrological factors beyond the Group's control. In fiscal 2011/2012, electricity production from hydropower was characterised by above-average conditions and was above the multi-year mean value. The result contribution additionally depends on the development of the electricity prices.

In fiscal 2011/2012, the general economic conditions – the development of the prices for electricity, primary energy and CO_2 certificates – led to essential declines in production in the **thermal area**.

Electricity supply is characterised by the price risk in the procurement and end-customer market and by the volume risk. In all customer segments, Energie AG is exposed to fierce competition; the margin situation is very tense.

Optimised **management strategies** help to utilise synergies within the Group and reduce possible risks. Moreover, external hedging transactions help to limit market price risks.

Proprietary trading activities are limited by means of an internally developed limit system and subject to ongoing risk monitoring.

Waste Management
In the Waste Management Segment, the prices for recyclable materials during fiscal 2011/2012 exhibited a very volatile trend. Autumn 2011 was primarily characterised by declining prices for recyclable materials, particularly for paper and cardboard. Following a noticeable recovery due to the increased demand in spring 2012, the prices for recyclable materials during the second half-year again showed a downward trend.

Fiscal 2012/2013 presents a further challenge for the Waste Management Segment. In fiscal 2012/2013, the prices for recyclable materials and fuels are expected to show a sideward trend at the current level; the prices for waste from SMEs are forecasted to exhibit persistent slight declines due to sluggish industrial production, existing excess capacities and waste exports.

Currently, in the course of a strategy review, several strategic options are being evaluated, which also involve a possible partial or full sale of the Waste Management Segment. Against this background, a call for expression of interest was published in the context of a structured process. It concerned the acquisition of the AVE Group, either in part or as a whole.

Water
In fiscal 2011/2012, the Water Segment exhibited a stable sales and earnings development, which is to be strengthened further in fiscal 2012/2013, despite the fact that there will be several tenders for licences in fiscal 2012/2013, for example in the drinking water and waste water area, and that there are demands for the introduction of a central regulatory authority in the Czech water business.

Politics and Law
Changing political, legal and regulatory conditions are posing a great challenge to the Energie AG Group.

Particular regulatory risks exist in the **electricity and gas distribution system**; in the electricity distribution system, in particular, these are the result of the not yet finalised corner points of the future regulatory system (new regulation period from 1 January 2014 onward).

The trend towards re-municipalisation, which has been present in **Hungary** since 2011 and lately also in Romania, which also provides for massive legal intervention into ownership rights of investors and into existing contracts, presents a risk which is difficult to predict and is being given particular attention.

AVE CZ has been participating in administrative proceedings over a possible breach of the law on the protection of fair competition, in relation to which, according to the current state of knowledge, a provision was created in the balance-sheet.

Finances
The Energie AG holding unit Group-Treasury is responsible for the central control and monitoring of financial risks. The main financial risks are the liquidity risk, the foreign exchange and interest-rate risk as well as the market price risk of the securities portfolio.

The liquidity risk is countered by planning liquidity requirements with foresight. By maintaining sufficient liquidity reserves as well as keeping undrawn, partially committed credit lines with banks, the liquidity risk is currently classified as very low. Short-term intra-group liquidity management is carried out by means of cash pooling with Energie AG Group Treasury GmbH acting as pool master. As of 30 September 2012, already 36 group companies were participating in Energie AG's cash pooling system.

In the fiscal year just expired, liquidity reserves were invested by adopting a conservative and risk-optimised strategy. In this respect, even counterparties for short-term investments underwent strict risk monitoring.

Exposure in the area of foreign currencies primarily results from the risk of translating the company and asset values (net investment) of the foreign group companies whose functional currency is not the euro (in particular the Czech Republic and Hungary). No hedging transactions for the net investment in the CEE area were carried out in the fiscal year just expired. Apart from this, there is an exchange rate risk resulting from a CHF financing arrangement for the CCGT power plant Timelkam. In fiscal 2011/2012, a part of this CHF exchange rate exposure was hedged by means of forward exchange transactions.

The share of fixed-interest rate liabilities at the end of fiscal 2011/2012 is approx. 70% of the entire interest-rate bearing portfolio of financial liabilities. This reflects a further increase compared to the same period of the previous year (+6%). This is attributable to the fact that in the previous fiscal year Group-Treasury turned additional variable interest-bearing portions of external funding to attractive fixed interest levels by means of interest-rate swaps.

Cross Border Leasing (CBL)
In the fiscal year just past, the CBL structure was optimised. The existing Letter of Credit (L/C) from a financial institution was exchanged for a new collateral instrument. The collateral is now provided by US Treasuries. This is intended to ensure that the transaction is continued steadily in accordance with the agreement and with long-term risk reduction.

Rating
In February 2012, the rating agency Standard & Poor's confirmed the Energie AG Group's "A/outlook stable" credit rating. This very good credit rating, even compared to other companies in the sector, is prerequisite for maintaining financial flexibility and ensuring optimal financing conditions from the credit and capital market. To maintain this single-A credit rating in the long term, rating-relevant ratios are continuously reviewed in the context of the annual planning process, and the effects of major investment projects on the rating are determined.

Counterparties
In its treasury and energy trading activities, Energie AG only engages in transactions with counterparties with first-class ratings in order to minimise counterparty risks. The bundling of the design and processing of the financial transactions takes place in the holding unit Group Treasury, while commodity trading activities (electricity, gas, coal and CO_2) are concentrated in the Group's own trading subsidiary Trading GmbH.

This approach guarantees optimal control operations with valid process flows, suitable control mechanisms and qualified personnel. Risks are also mitigated by limit systems and intensive monitoring.

For the purpose of engaging in hedging transactions and commodity futures transactions with several counterparties, the Group has signed German master agreements with a credit support attachment in the annex, in order to minimise risk. For the operational implementation of this hedging attachment, the discounted contracted values with mark-to-market accounting are coordinated with the counterparties concerned.

Participation
Risks are seen in fluctuations in the shares held, in the dividends/ dividend pay-outs and in changes in the value of interests. Risks are optimised by identification, analysis, quantification and monitoring.

Production, Distribution, Waste Management and Infrastructure Facilities
Energie AG counters risks associated with facilities and the associated revenue losses with strict maintenance and quality controls, an optimised maintenance strategy and insurance coverage.

In the fiscal year just expired, Energie AG's distribution area remained largely unaffected by heavy storms or other natural disasters. The Group is working to minimise risks by the proactive continuation of its cabling activities in forest areas.

The gloomier economic outlook, the changes in the energy policy, the high volatility in the energy markets as well as the fierce competitive and regulatory pressure are increasing the risk of depreciation in participations and plants.

Due to the generally difficult market situation for gas-fired power plants and the adverse development of the clean spark spread, a provision had to be created in the balance sheet in fiscal 2011/2012 for the combined-cycle gas turbine power plant Timelkam.

For fiscal 2012/2013, it is expected that the Group will display further positive growth. As of 30 September 2012, no risks could be identified which, either separately or jointly, might threaten the existence of Energie AG.

RESEARCH AND DEVELOPMENT

The Energie AG Group is engaged in research, development and innovation in numerous Group projects, and also as a professional partner in national and international cooperation projects.

The intra-group projects focus on technical research and development activities and innovation processes. Great importance is also attached to innovations that focus on business administration aspects, socio-political topics and developments in the human resources area.

The employees of the Energie AG Group also provide their expertise and assume project tasks in cooperation with a wide variety of areas in the group companies as well as in national and international projects.

In fiscal 2011/2012, the expenditure for research, development and innovation totalled EUR 3.3 million. In the various entities of the Group, 207 staff members were responsible for performing this work, in addition to their day-to-day business.

During the year under review, research, development and innovation was carried out in the following projects (extract):

- Similar to its pre-project "PowerSaver", "PowerIT" is a cooperation project between **Vertrieb KG** and the Johannes Kepler University Linz, Institute for Pervasive Computing.
  The "PowerIT" project aims at transferring the results gained through PowerSaver into marketable solutions suitable for daily use.

  In the fiscal year just expired, mathematical methods and embedded hardware and software solutions were developed to utilise the savings potential (gained through Power Saver) under real field conditions. In fiscal 2012/2013 a final, comprehensive field study is planned that will evaluate to what extent the developed technical solution meets the requirements of the scientific approach and serves the demand structures of the market for which the solution is intended.

- The trend of installing photovoltaic systems on rooftops that began several years ago has made it necessary to implement voltage stability measures in local low-voltage distribution systems. At **Netz GmbH** (in cooperation with Austrian partners in industry and science) several research projects, receiving support from the Climate Fund, are focusing on novel voltage stability methods to be applied as an alternative to line strengthening. The entire activities in the context of these projects focus on two core areas: detailed distribution system analysis and voltage control. In particular, real voltage ratios in low-voltage distribution systems are the key for efficient network utilisation.

- In cooperation with renowned international partners and in the scope of the EU PIANO+ project, development and testing activities are underway for next-generation broadband solutions. More specifically, these are passive optic components which are used in Upper Austria in the context of a laboratory expansion and a FTTH pilot project (FTTH = Fibre to the home) carried out by **Data GmbH**. This project is intended to make these network components more efficient in terms of cost and energy and help to further develop the technology. Efforts will continue to step up FTTH expansion in Austria.

- Following the incineration process, the incineration slag from the thermal recycling plant in Wels contains approx. 2% non-ferrous metals and 2% ferrous metals. Since 2008, about 14,000 tons of metal have been recovered in the **AVE Group** by processing the incineration slag and recycling it. Besides adding to the value creation chain and raising the recycling rate, this additional process step results in savings of landfill volume and about 20,000 tons of CO_2 a year. With the aim to integrate this additional step in the value creation chain throughout the entire AVE Group and for further development of the technology, a joint venture, AVE Metal Recovery GmbH, was founded in early 2012 together with a partner from Holland with many years of experience in slag processing. In a joint effort to develop further the joint venture partner's technology in fiscal 2012/2013, the aim is to remove the metal portions of the fine fraction (< 6 mm) too, thus generating additional economic and ecological benefits.

- In the fiscal year just expired, **Fair Energy GmbH** was once again able to achieve interesting operating results at Austria's largest photovoltaic research power plant.

  - Already for the second year in a row, the plant's specific annual yield stayed slightly above 1,150 kWh/kWp. Normally a value of around 1,000 kWh/kWp is expected in this region of Austria.
  - This excellent performance is primarily attributable to the high availability of the overall plant, but also to the slightly above-average solar radiation levels.
  - The main fixed panels designed in crystalline Si technology showed a difference in yield between the five manufacturers within a range of +/- 1.5%, which is close to measurement accuracy. No signs whatsoever of degradation are noticeable in the yield. Accurate IR thermography tests, however, led to the detection of conspicuous features in individual modules which are now undergoing more detailed examination.
  - The following trackers were able to achieve yields that were 20% - 37% higher. These trackers, however, require higher maintenance and – due to the higher investment costs – the provision for depreciation is significantly higher, which makes it currently impossible to present an economic benefit.
  - With regard to the thin-layer module technology in the testing grounds, a decrease in yield was noticed in one of the makes. By running characteristic curve tests for current and voltage, it was possible, in cooperation with the solar research institute ASIC, to confirm a degradation. Together with the manufacturer work is currently underway to identify the cause.
  - The other thin-layer systems that were examined show very similar behaviour to that of the main crystalline panels but generate yields that are approx. 3-5% lower. This is largely attributable to the lower efficiency of the inverters applied there.

OUTLOOK

Due to the uncertain economic situation, fiscal 2012/2013 will be a challenging year for the Energie AG Group. The pricing in the energy and commodity markets, which are key factors for business development, depend heavily on the currently difficult overall economic situation.

Despite these general conditions, the focus of the **Energy Segment** remains on ensuring security and quality of supply as well as on implementing and promoting energy efficiency measures. These key areas aim at raising customer satisfaction and customer benefit as well as fulfilling and implementing the legal requirements and political programmes in an economically reasonable way.

With regard to electricity production, the further course of the clean spark spread will be crucial to the operation of existing thermal power plants and to the further procedure in the case of planned power plant projects.

With regard to the electricity distribution system, preparations are underway for the next regulatory period, starting on 1 April 2014. In this respect, there will be a cost examination procedure that will establish the new starting point for the recognised costs. In the regulated gas distribution system a tariff determination procedure is already underway. It is based on the GWG 2011 (Gas Act) that will serve as a basis for the second period of the incentive-based regulation system. The implementation of the new GWG with its tighter regulations on unbundling and the constant media coverage initiated by E-Control and politicians concerning supplier switching will result in higher switching rates.

Another step towards the enhancement of security of supply is the construction of the natural gas high-pressure line from Puchkirchen to Friedburg / Haidach to integrate domestic storage facilities, as well as the expansion of the fibre-optic network in Upper Austria.

Where SMART metering is concerned, the rollout can take place technically in accordance with the Smart Metres Introduction Regulation [Intelligente Messgeräte-Einführungs-Verordnung (IME-VO)]. However, the specified deadlines can only be met if the remaining open legal framework conditions are settled immediately, and the state of the art in view of IT security is established. These SMART meters represent a timely display of consumption via the electricity supplier's eService portal and give customers an overview of their consumption behaviour. The further development of this ePortal to increase its attractiveness and the range of new and innovative efficiency products and services and qualified customer consultation services will be the main focus of electricity supply activities in fiscal 2012/2013.

Activities in the business area heating will also centre on energy efficiency. With regard to the continuation and development of sustainable and profitable projects aiming at the efficient and future-proof heating supply of customers, a particular focus will be placed on the utilisation of renewable energy sources, such as biomass and geothermal projects.

Currently, in the course of a strategy review, several strategic options are being evaluated which also involve a possible partial or full sale of the **Waste Management Segment**. Against this background, potential buyers were sent an invitation for expression of interest in the acquisition of the AVE Group, either in part or as a whole in the context of a structured process. Aside from this project, the AVE Group continues to pursue its aim to further strengthen its position as market and quality leader by consistent continuation of its chosen consolidation measures, risk-optimised use of market opportunities accompanied by continuous structural optimisation measures.

In the **Water Segment**, efficiency enhancement projects initiated in fiscal 2011/2012 will be continued. This is an essential requirement for achieving higher earnings in the fiscal year to come. The position among the top three in the Czech water market is to be further strengthened. In the drinking and waste water business area, the companies are preparing for several tenders for licences that will be conducted in fiscal 2012/2013. In Austria further alternative licence and/or cooperation models are to be developed. In Slovenia, the service business is to be stabilised. The operator market is being watched carefully.

In the fiscal year to come, the management will be focusing on the review and further development of the measures so far taken to manage the volatile challenges presented by the environment. The cost management and efficiency enhancement programmes already begun will be continued to ensure the Group's stable development in the future.

Despite the uncertain economic conditions, the Energie AG Group is expected to have continued solid earnings in fiscal 2012/2013.

Linz, 29 November 2012

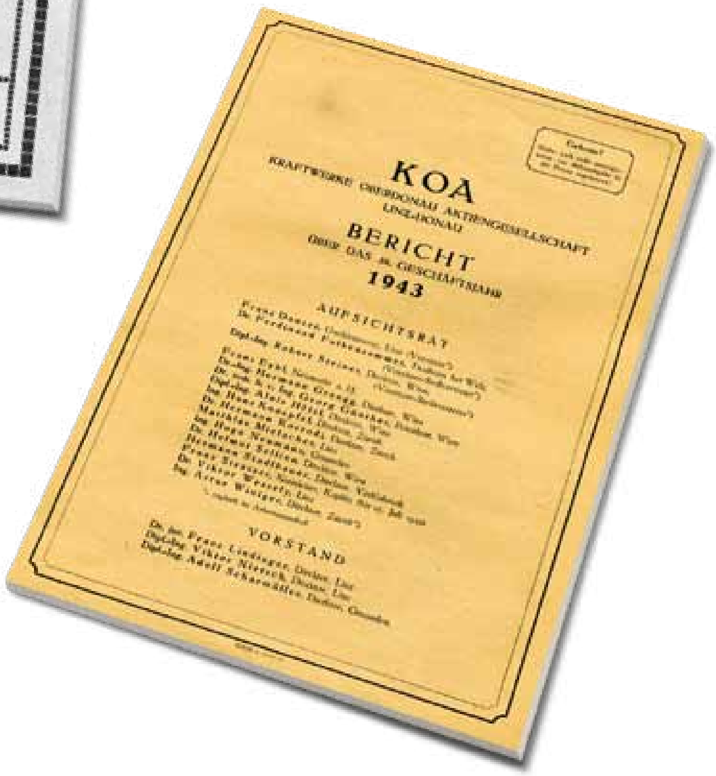
The Board of Management of Energie AG Oberösterreich

Leo Windtner Chairman of the Board of Management	Werner Steinecker Member of the Board of Management	Andreas Kolar Member of the Board of Management


Geschäfts-Bericht
des Verwaltungsrates der Oberösterr. Wasserkraft- und Elektrizitäts-Aktien-Gesellschaft über das I. Geschäftsjahr
1·9·2·0
vorgetragen in der ersten ordentlichen General-Versammlung am 2. Juli 1921.
Linz 1921.

1920 / 1943

The consolidated financial statements of OWEAG (Oberösterreichische Wasserkraft- und Elektrizitäts-Aktiengesellschaft) and KOA (Kraftwerke Oberdonau Aktiengesellschaft) reflect how the times have changed.


KOA
KRAFTWERKE OBERDONAU AKTIENGESELLSCHAFT
LINZ-DONAU
BERICHT
ÜBER DAS ... GESCHÄFTSJAHR
1943
AUFSICHTSRAT
VORSTAND


AKTIE
Nº063504
ÖSTERREICHISCHE KRAFTWERKE AKTIENGESELLSCHAFT
HUNDERT SCHILLING
Österreichische Kraftwerke Aktiengesellschaft.

1929

An ÖKA share certificate with a nominal value of one hundred Austrian shillings.

CONSOLIDATED FINANCIAL STATEMENTS

1998

OKA's last annual report before being renamed to Energie AG Oberösterreich. In the first phase of deregulation, OKA presents itself as a modern, future-oriented company.

2003

Energie AG, as the number-one infrastructure company, positions itself as a pioneer for the future and a leader in the industry.

2008

At the opening of the PowerTower, Energie AG's annual report is designed to match the look of the new corporate headquarters.

Consolidated Profit and Loss Statement
01 October 2011 to 30 September 2012

			01/10/2011 - 30/09/2012 in EUR 1,000	01/10/2010 - 30/09/2011 in EUR 1,000
1.	Sales	(6)	**2,123,780.6**	2,219,896.3
	Procurement Costs for Electricity and Gas Proprietary Trading		**- 141,244.0**	- 268,055.1
	Net Sales Revenue		**1,982,536.6**	1,951,841.2
2.	Change in inventories of finished and unfinished products		**- 862.8**	1,108.7
3.	Other capitalised costs of self-constructed items		**33,648.5**	32,522.7
4.	Shares in result of companies associated at equity	(2,17)	**15,014.3**	11,010.6
5.	Other operating income	(8)	**45,585.5**	36,503.4
6.	Cost of materials and other purchased manufacturing services	(9)	**- 1,211,325.3**	- 1,165,506.1
7.	Personnel expenses	(10)	**- 341,623.0**	- 340,927.6
8.	Depreciation	(11)	**- 176,963.0**	- 160,720.5
9.	Other operating expenses	(12)	**- 230,820.5**	- 240,232.1
10.	**Result of operations**		115,190.3	**125,600.3**
11.	Financing expenditure	(13)	**- 47,498.8**	- 48,641.4
12.	Other interest income	(13)	**10,279.3**	6,162.8
13.	Other financial results	(14)	**3,618.1**	3,971.3
14.	**Financial result**		- 33,601.4	**- 38,507.3**
15.	**Result from ordinary business activities**		81,588.9	**87,093.0**
16.	Taxes on income	(15)	**- 17,172.3**	- 17,425.5
17.	**Consolidated net result**		64,416.6	**69,667.5**
	attributable to minority shareholders		**7,480.6**	6,486.6
	attributable to shareholders of parent company			
	Consolidated net profit		**56,936.0**	63,180.9
	Result per share[1)] (in EUR)	(35)	**0.640**	0.710
	Proposed dividend per share (in EUR)	(35)	**0.600**	0.600

[1)] Diluted result corresponds to undiluted result.

Consolidated Income Statement
01 Oktober 2011 to 30 September 2012

		01/10/2011 - 30/09/2012 in EUR 1,000	01/10/2010 - 30/09/2011 in EUR 1,000
1.	**Consolidated net result**	64,416.6	**69,667.5**
2.	**Income and expenses recognised in equity**		
	Currency translation	**- 5,847.4**	2,151.4
	Changes in fair values of available-for-sale financial assets	**2,270.3**	- 7,437.4
	Changes in value, without effect on the result, at companies associated at equity	**- 874.7**	- 865.6
	Hedging reserve	**- 37,316.7**	16,608.2
	Deferred taxes	**8,760.6**	- 2,292.8
	Total income and expenses recognised in equity	- 33,007.9	**8,163.8**
3.	**Overall result after taxes**	31,408.7	**77,831.3**
4.	**thereof overall result of minorities**	7,192.6	**5,828.1**
5.	**thereof overall result of parent company**	24,216.1	**72,003.2**

Consolidated Balance Sheet as at 30 September 2012

ASSETS				30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
A.	Long-term assets				
	I.	Intangible assets and goodwill	(16)	296,205.8	319,367.9
	II.	Tangible fixed assets	(16)	1,966,610.1	1,940,955.7
	III.	Investments (of these companies associated at equity: EUR 255,897.2 thousand [2011: 243,908.9 thousand])	(2. 17)	281,719.2	281,668.3
	IV.	Other financial assets	(18)	482,167.4	448,510.9
				3,026,702.5	2,990,502.8
	V.	Other long-term assets	(19)	32,019.7	107,895.3
	VI.	Deferred taxes	(15)	23,522.6	18,671.3
				3,082,244.8	3,117,069.4
B.	Short-term assets				
	I.	Inventories	(20)	98,007.1	104,909.3
	II.	Accounts receivable and other assets	(21)	341,290.2	378,971.7
	III.	Cash in hand, checks and bank balances	(22)	160,982.0	105,453.0
				600,279.3	589,334.0
	IV.	Assets classified as available for sale	(38)	—	18,611.7
				600,279.3	607,945.7
				3,682,524.1	3,725,015.1

LIABILITIES				30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
A.	Equity				
	I.	Share capital	(23)	89,000.0	89,000.0
	II.	Capital reserves	(23)	213,106.9	213,106.9
	III.	Revenue reserves	(23)	926,968.1	922,926.2
	IV.	Other reserves	(23)	30,265.7	63,097.3
	V.	Minority interest in equity	(23)	82,100.1	78,972.1
				1,341,440.8	1,367,102.5
B.	Long-term debt				
	I.	Financial liabilities	(24)	717,273.9	889,295.0
	II.	Long-term provisions	(25)	219,628.8	212,894.2
	III.	Deferred tax liabilities	(15)	107,353.5	111,435.2
	IV.	Contributions to construction costs	(26)	336,698.1	334,238.9
	V.	Deferred credit for cross-border leasing	(5)	33,440.0	34,693.1
	VI.	Advances from customers	(27)	76,283.1	80,132.4
	VII.	Other long-term debt	(28)	89,337.8	83,982.8
				1,580,015.2	1,746,671.6
C.	Short-term debt				
	I.	Financial liabilities	(24)	226,801.2	76,368.6
	II.	Short-term provisions	(29)	51,501.0	42,003.5
	III.	Tax provisions	(30)	140.3	1,992.2
	IV.	Accounts payable	(24)	199,909.6	194,886.3
	V.	Deferred credit from cross-border leasing	(5)	1,253.0	1,253.0
	VI.	Other short-term debt	(31)	281,463.0	289,660.1
				761,068.1	606,163.7
	VII.	Liabilities associated with available-for-sale assets	(38)	—	5,077.3
				761,068.1	611,241.0
				3,682,524.1	3,725,015.1

Development of Fixed Assets 2011/2012 (Annex to the Notes)

	Cost of purchase or production						
	As at 01/10/2011 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	As at 30/09/2012 in EUR 1,000
I. Intangible assets and goodwill							
1. Electricity procurement rights	211,317.3	—	—	7,718.2	—	—	219,035.5
2. Other rights	123,025.9	- 123.4	194.4	6,311.9	- 2,666.8	- 4,323.7	122,418.3
3. Goodwill	150,719.6	- 1,451.6	964.4	—	—	—	150,232.4
4. Customer base	89,126.1	- 1,329.4	2,061.4	—	—	—	89,858.1
5. Payments on account and assets under construction	1,721.5	25.0	90.6	734.9	-185.0	- 425.9	1,961.1
Total for intangible assets	**575,910.4**	**- 2,879.4**	**3,310.8**	**14,765.0**	**- 2,851.8**	**- 4,749.6**	**583,505.4**
II. Tangible fixed assets							
1. Land and buildings	1,048,031.8	- 2,622.9	6,324.9	10,533.0	- 1,838.4	5,620.9	1,066,049.3
2. Plant and machinery	3,097,022.6	- 2,314.7	4,451.3	87,487.9	- 10,556.5	9,085.8	3,185,176.4
3. Factory and office equipment	181,610.6	- 144.9	1,767.2	12,271.0	- 6,581.5	7,546.3	196,468.7
4. Payments on account and assets under construction	42,002.3	- 43.7	1,856.2	53,118.5	- 1,539.2	- 22,704.2	72,689.9
Total for tangible fixed assets	**4,368,667.3**	**- 5,126.2**	**14,399.6**	**163,410.4**	**- 20,515.6**	**- 451.2**	**4,520,384.3**
III. Investments							
1. Shares in affiliated undertakings	27,310.9	- 60.1	- 15,825.1	1,443.1	- 3.0	22.6	12,888.4
2. Shares in associated undertakings	259,527.9	8.7	5,200.0	8,141.7	- 1,362.1	—	271,516.2
3. Investments available for sale	121.5	—	—	—	—	—	121.5
4. Other investments	31,623.9	- 35.9	- 126.7	3,391.3	- 231.9	- 22.6	34,598.1
Total for investments	**318,584.2**	**- 87.3**	**- 10,751.8**	**12,976.1**	**- 1,597.0**	**—**	**319,124.2**
IV. Other financial assets							
1. Shares in affiliated undertakings	3,103.7	- 28.9	- 1,305.5	671.5	- 170.1	—	2,270.7
2. Due to undertakings with which the company is linked by virtue of participating interests	25,000.0	—	—	—	- 5,000.0	—	20,000.0
3. Other loans	19,389.1	104.6	154.2	2,595.5	- 3,802.5	5,200.8	23,641.7
4. Securities available for sale	24,572.2	—	—	89,448.0	- 3,466.2	—	110,554.0
5. Other securities (loan stock rights) held as tangible assets	341,298.0	—	—	284.7	- 50,624.3	—	290,958.4
Total for other financial assets	**413,363.0**	**75.7**	**- 1,151.3**	**92,999.7**	**- 63,063.1**	**5,200.8**	**447,424.8**
Total for fixed assets	**5,676,524.9**	**- 8,017.2**	**5,807.3**	**284,151.2**	**- 88,027.5**	**—**	**5,870,438.7**

Accumulated depreciation							
As at 01/10/2011	Currency differences	Write-ups/ depreciation	Disposals	Transfers	As at 30/09/2012	**Carrying value 30/09/2012**	Carrying value 30/09/2011
in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	**in EUR 1,000**	in EUR 1,000
127,892.3	—	22,782.3	—	—	150,674.6	68,360.9	83,425.0
66,148.6	- 90.0	6,702.1	- 2,381.2	- 1,834.9	68,544.6	53,873.7	56,877.3
41,011.5	- 6.3	—	—	—	41,005.2	109,227.2	109,708.1
21,300.5	- 180.4	5,955.2	—	—	27,075.3	62,782.8	67,825.6
189.6	- 4.8	—	- 184.9	—	- 0.1	1,961.2	1,531.9
256,542.5	**- 281.5**	**35,439.6**	**- 2,566.1**	**- 1,834.9**	**287,299.6**	**296,205.8**	**319,367.9**
487,759.0	- 968.1	23,557.0	- 38.3	- 121.1	510,188.5	555,860.8	560,272.8
1,810,685.3	- 1,104.7	101,009.7	- 7,516.4	- 2,466.4	1,900,607.5	1,284,568.9	1,286,337.3
128,992.6	- 95.8	16,952.2	- 6,037.0	3,120.7	142,932.7	53,536.0	52,618.0
274.7	1.3	4.5	- 235.0	—	45.5	72,644.4	41,727.6
2,427,711.6	**- 2,167.3**	**141,523.4**	**- 13,826.7**	**533.2**	**2,553,774.2**	**1,966,610.1**	**1,940,955.7**
4,730.9	- 3.0	166.1	—	—	4,894.0	7,994.4	22,580.0
15,619.0	—	—	—	—	15,619.0	255,897.2	243,908.9
- 352.2	—	167.2	—	—	- 230.3	351.8	473.7
		- 45.3					
16,918.3	0.1	204.0	—	—	17,122.4	17,475.8	14,705.7
36,916.0	**- 2.9**	**537.3**	**—**	**—**	**37,405.1**	**281,719.2**	**281,668.3**
		- 45.3					
—	- 21.4	792.5	—	—	771.1	1,499.6	3,103.7
—	—	—	—	—	—	20,000.0	25,000.0
—	—	—	- 1,301.7	1,301.7	—	23,641.7	19,389.1
-2,260.7	1,942.9	3,623.5	- 449.9	—	- 2,710.0	113,264.0	26,832.9
		- 5,565.8					
- 32,887.2	—	—	2,764.1	—	- 32,803.7	323,762.1	374,185.2
		- 2,680.6					
- 35,147.9	**1,921.5**	**4,416.0**	**1,012.5**	**1,301.7**	**- 34,742.6**	**482,167.4**	**448,510.9**
		- 8,246.4					
2,686,022.2	**- 530.2**	**181,916.3**	**- 15,380.3**	—	**2,843,736.3**	**3,026,702.5**	**2,990,502.8**
		- 8,291.7					

Development of Fixed Assets 2010/2011 (Annex to the Notes)

	Cost of purchase or production						
	As at 01/10/2010 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	As at 30/09/2011 in EUR 1,000
I. Intangible assets and goodwill							
1. Electricity procurement rights	202,488.2	—	—	8,829.1	—	—	211,317.3
2. Other rights	112,127.2	- 222.8	2,406.4	11,255.2	- 2,958.8	418.7	123,025.9
3. Goodwill	155,062.9	189.8	482.5	—	- 5,081.4	65.8	150,719.6
4. Customer base	89,133.1	62.0	823.2	—	- 826.4	- 65.8	89,126.1
5. Payments on account and assets under construction	1,874.8	- 69.1	—	401.9	—	- 486.1	1,721.5
Total for intangible assets	**560,686.2**	**- 40.1**	**3,712.1**	**20,486.2**	**- 8,866.6**	**- 67.4**	**575,910.4**
II. Tangible fixed assets							
1. Land and buildings	1,027,975.0	- 774.7	3,417.8	19,385.2	- 11,018.6	9,047.1	1,048,031.8
2. Plant and machinery	2,998,472.8	- 1,225.6	4,551.4	90,583.7	- 41,017.1	45,657.4	3,097,022.6
3. Factory and office equipment	196,796.3	- 83.7	598.9	9,068.5	- 4,855.6	- 19,913.8	181,610.6
4. Payments on account and assets under construction	47,680.2	- 54.4	1,139.4	29,568.1	- 1,607.7	- 34,723.3	42,002.3
Total for tangible fixed assets	**4,270,924.3**	**- 2,138.4**	**9,707.5**	**148,605.5**	**- 58,499.0**	**67.4**	**4,368,667.3**
III. Investments							
1. Shares in affiliated undertakings	30,247.0	- 187.5	- 7,960.5	7,223.9	- 614.8	- 1,397.2	27,310.9
2. Shares in associated undertakings	269,236.5	- 21.4	—	1,793.1	- 11,480.3	—	259,527.9
3. Investments available for sale	303.2	—	—	323.2	- 504.9	—	121.5
4. Other investments	28,921.4	- 85.4	—	2,073.1	- 682.4	1,397.2	31,623.9
Total for investments	**328,708.1**	**- 294.3**	**- 7,960.5**	**11,413.3**	**- 13,282.4**	**—**	**318,584.2**
IV. Other financial assets							
1. Loans to affiliated undertakings	10,350.6	- 359.1	- 6,399.2	181.4	- 670.0	—	3,103.7
2. Due to undertakings with which the company is linked by virtue of participating interests	30,060.6	0.8	—	—	- 5,061.4	—	25,000.0
3. Other loans	14,670.2	1.3	5,872.7	902.3	- 2,057.4	—	19,389.1
4. Securities available for sale	23,745.1	—	25.5	3,850.7	- 3,049.1	—	24,572.2
5. Other securities (loan stock rights) held as tangible assets	346,484.0	—	—	1,263.7	- 6,449.7	—	341,298.0
Total for other financial assets	**425,310.5**	**- 357.0**	**- 501.0**	**6,198.1**	**- 17,287.6**	**—**	**413,363.0**
Total for fixed assets	**5,585,629.1**	**- 2,829.8**	**4,958.1**	**186,703.1**	**- 97,935.6**	**—**	**5,676,524.9**

Book value disposals for other rights in the amount of EUR 848.4 thousand, for land and buildings in the amount of EUR 5,069.2 thousand, for plant and machinery in the amount of EUR 8,437.2 thousand, for factory and office equipment in the amount of EUR 1,373.5 thousand as well as for payments on account and assets under construction in the amount of EUR 855.7 thousand relate to the disposal group in accordance with IFRS 5 (see item 38).

Accumulated depreciation							
As at 01/10/2010 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	As at 30/09/2011 in EUR 1,000	**Carrying value 30/09/2011 in EUR 1,000**	Carrying value 30/09/2010 in EUR 1,000
123,111.0	—	4,781.3	—	—	127,892.3	83,425.0	79,377.2
59,562.7	- 85.1	8,637.6	- 1,967.4	0.8	66,148.6	56,877.3	52,564.5
46,053.9	- 2.2	—	- 5,081.4	41.2	41,011.5	109,708.1	109,009.0
16,252.5	42.5	5,873.1	- 826.4	- 41.2	21,300.5	67,825.6	72,880.6
189.4	0.2	—	—	—	189.6	1,531.9	1,685.4
245,169.5	**- 44.6**	**19,292.0**	**- 7,875.2**	**0.8**	**256,542.5**	**319,367.9**	**315,516.7**
467,940.9	- 189.3	21,904.5	- 1,907.1	10.0	487,759.0	560,272.8	560,034.1
1,724,089.1	- 793.8	101,459.5	- 21,248.2	7,178.7	1,810,685.3	1,286,337.3	1,274,383.7
120,854.2	- 48.4	18,036.4	- 2,660.1	- 7,189.5	128,992.6	52,618.0	75,942.1
268.3	- 10.1	28.1	- 11.6	—	274.7	41,727.6	47,411.9
2,313,152.5	**- 1,041.6**	**141,428.5**	**- 25,827.0**	**- 0.8**	**2,427,711.6**	**1,940,955.7**	**1,957,771.8**
2,321.9	0.5	3,105.4	- 313.3	- 383.6	4,730.9	22,580.0	27,925.1
15,619.0	—	—	—	—	15,619.0	243,908.9	253,617.5
- 2,326.8	—	2,086.9 - 112.3	—	—	- 352.2	473.7	2,630.0
16,558.2	- 23.5	—	—	383.6	16,918.3	14,705.7	12,363.3
32,172.3	**- 23.0**	**5,192.3** **- 112.3**	**- 313.3**	**—**	**36,916.0**	**281,668.3**	**296,535.9**
—	—	—	—	—	—	3,103.7	10,350.6
—	—	—	—	—	—	25,000.0	30,060.6
—	—	—	—	—	—	19,389.1	14,670.2
- 7,638.8	—	14,198.5 - 8,725.9	- 94.5	—	- 2,260.7	26,832.9	31,383.9
- 31,300.3	—	406.7 - 1,993.4	- 0.2	—	- 32,887.2	374,185.2	377,784.3
- 38,939.1	**—**	**14,605.2** **- 10,719.3**	**- 94.7**	**—**	**- 35,147.9**	**448,510.9**	**464,249.6**
2,551,555.2	**- 1,109.2**	**180,518.0** **- 10,831.6**	**- 34,110.2**	**—**	**2,686,022.2**	**2,990,502.8**	**3,034,074.0**

Notes to the Consolidated Financial Statements 2011/2012

1. GENERAL INFORMATION

The Energie AG Oberösterreich Group is a leading infrastructure group of Upper Austria that offers a wide range of high-quality 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 fiscal 2011/2012 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 following amendments adopted by the EU were not applied on an early basis in the consolidated financial statements 2011/2012:

- IAS 1 (Presentation of Financial Statements), effective date: 1 July 2012
- IAS 19 (Employee Benefits), effective date: 1 January 2013

According to current assessments, the future application of these amendments will take place at the time they enter into force. The amendments of IAS 19 lead to the actuarial gains and losses being entered directly in "Other Comprehensive Income". The voting right exercised thus far, the delayed entry according to the corridor method, was dropped. Regarding the actuarial gains and losses, we refer to section 25.

On 1 January 2013, IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) as well as IFRS 12 (Disclosures of Interests in Other Entities) go into force. Based on current estimates, the application of these standards will not lead to any significant change to the consolidation accounting method of the Group companies. The development of the interpretation of these standards is being observed constantly.

The following standards, amendments and improvements of standards go into force on 1 January 2013, although they have not yet been adopted by the European Union at this time.

- IFRS 1 (Amendments: Government Loans)
- IFRS 7 (Amendments: Disclosures – Offsetting Financial Assets and Financial Liabilities)
- IFRS 13 (Fair Value Measurements)
- Improvements to IFRS 2011 (IFRS 1, IAS 1, 16, 32, 34)
- IAS 27 (Separate Financial Statements)
- IAS 28 (Investments in Associates and Joint Ventures)
- IAS 32 (Amendments: Offsetting Financial Assets and Financial Liabilities)

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.

PRINCIPLES OF CONSOLIDATION

2. Scope of Consolidation

The principles of IAS 27 (Consolidated financial statements and accounting for investments in subsidiaries) were applied to determine the scope of consolidation. As a result, in addition to Energie AG Oberösterreich, the parent company, the consolidated financial statements comprise 83 (previous year: 78) subsidiary companies, in which Energie AG Oberösterreich directly or indirectly holds a majority of the voting rights.

Four (previous year: 6) joint venture companies were included in the consolidated financial statements on a pro rata basis. Twelve (previous year: 8) associated companies were drawn up on the basis of the equity method, 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 financial statements of the fully or proportional consolidated companies included in the consolidated financial statements as well as the associated companies shown in the balance sheet according to the equity method have been drawn up for the Group's balance sheet date. As a result of specific company law agreements, "Papyrus" Altpapierservice Handelsgesellschaft m.b.H.(Vienna) as well as Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) were included in the consolidated financial statements on a pro-rata basis, and Fernwärme Steyr GmbH was included at equity.

The following undertakings will be consolidated for the first time in fiscal 2011/2012:

	Registered office	Share (in %)	Type of consolidation	Consolidated since
ENERGY				
AUSTRIA				
Energie AG Oberösterreich Fair Energy GmbH	Linz	100.00	KV	30/09/12
Energie AG Oberösterreich Fair Energy Renewable Power GmbH	Linz	100.00	KV	30/09/12
Fernwärme Steyr GmbH	Steyr	51.00	KE	30/09/12
Bioenergie Steyr GmbH	Behamberg	49.00	KE	30/09/12
WASTE MANAGEMENT				
CZECH REPUBLIC				
AVE Harrachov a.s.	Harrachov	100.00	KV	01/10/11
EKO - BIO VYSOČINA spol. s r.o.	Praha	100.00	KV	01/10/11
HUNGARY				
AVE Tatabánya Hulladékhasznosító Kft.	Tatabánya	61.00	KV	30/09/12
ROMANIA				
AVE Bihor SRL	Oradea	100.00	KV	30/09/12
UKRAINE				
AVE Umwelt Ukraine TOB	Lemberg	100.00	KV	01/10/11
AVE Mukatschewo TOB	Mukatschewo	95.38	KV	01/10/11
AVE Vinogradovo TOB	Vinogradovo	91.99	KV	01/10/11
AVE Lwiw TOB	Lemberg	70.00	KV	01/10/11

Energie AG Group Treasury Holding GmbH as well as Energie AG Finance BV were merged with Energie AG Group Treasury GmbH.

AVE Südtirol Recycling GmbH was merged into AVE Rottamix GmbH and then AVE Rottamix GmbH was renamed to AVE Südtirol Recycling GmbH.

As of 1 October 2011, TKO s.r.o. was merged with AVE CZ odpadové hospodárství s.r.o. and ROPO Recycling s.r.o. was merged with AVE sberné suroviny a.s.

Energie AG Magyarország Vízgazdálkodási Kft was liquidated.

The remaining shares in Abfall-Aufbereitungs GmbH as well as V.O.D.S. a.s. were purchased increasing holdings to100%.

Due to changes to company law agreements, ENAMO GmbH was included in the consolidated financial statements using the equity method.

The main changes in the group of consolidated companies in fiscal 2011/2012 are shown below:

	TOTAL in EUR mill.
Long-term assets	**23.5**
Short-term assets (of which receivables: EUR 4.8 mill.)	**- 9.8**
Long-term provisions and liabilities	**- 8.1**
Short-term provisions and liabilities	**9.4**
Net worth	**15.0**
Offsetting with no affect on net income	**- 0.5**
Offsetting with an affect on net income	**2.7**
Changes to minority interests	**0.3**
Goodwill	**1.0**
	18.5
Purchase price paid in previous periods	**- 15.8**
Acquisition of unconsolidated, associated companies	**1.4**
Acquired cash and cash equivalents	**1.2**
Net cash outflow	**5.3**
thereof acquisition of minority interests	**- 1.4**
	3.9

The contribution of companies with first-time consolidation to the result, including consolidation effects, comes to EUR -2,592.7 thousand (previous year: EUR -2,420.2 thousand). No fictitious indication of corporate values is given with the assumption that all company mergers were made as of 1 September 2011, as separate allocations for the acquisition price were not made for all company acquisitions at that time.

The pro-rata consolidated companies and the companies valued on the basis of the equity method are shown below:

	Pro-rata consolidated companies (pro rata)		Associated companies at-equity	
	30/09/2012 in EUR mill.	30/09/2011 in EUR mill.	**30/09/2012 in EUR mill.**	30/09/2011 in EUR mill.
Long-term assets	**13.3**	12.9	**1,619.6**	1,586.7
Short-term assets	**6.7**	21.5	**241.6**	209.8
	20.0	**34.4**	**1,861.2**	**1,796.5**
Equity	**7.7**	15.2	**532.7**	496.7
Long-term debt	**2.4**	2.3	**865.1**	886.6
Short-term debt	**9.9**	16.9	**463.4**	413.2
	20.0	**34.4**	**1,861.2**	**1,796.5**
	2011/2012 in EUR mill.	2010/2011 in EUR mill.	**2011/2012 in EUR mill.**	2010/2011 in EUR mill.
Sales revenues	**90.9**	124.4	**1,920.6**	1,726.4
Result after taxes	**0.4**	3.1	**45.0**	37.4

The associated companies not valued on the basis of the equity method have a total balance sum of EUR 108.9 million (previous year EUR 81.0 million), debts in the amount of EUR 93.4 million (previous year EUR 69.5 million), sales revenues in the amount of EUR 33.7 million (previous year EUR 33.1 million) as well as a profit on ordinary activities in the amount of EUR 1.1 million (previous year EUR 0.4 million).

The Group's Companies

	Registered office	Share in %	Type of consolidation	Equity	Annual profit/loss
ENERGY					
AUSTRIA				**in EUR 1,000**	**in EUR 1,000**
Energie AG Oberösterreich	Linz	Parent company		1,019,696.8	40,615.3
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH	Linz	100.00	FC	329,114.7	10,118.9
Energie AG Oberösterreich Vertrieb GmbH & Co KG	Linz	100.00	FC	32,167.2	18,709.0
Energie AG Oberösterreich Business Services GmbH	Linz	100.00	FC	6,203.3	- 235.5
Energie AG Oberösterreich Customer Services GmbH	Linz	100.00	FC	2,773.8	1,226.5
Energie AG Oberösterreich Data GmbH	Linz	100.00	FC	12,200.3	3,227.7
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100.00	FC	13,334.9	- 188.2
Energie AG Oberösterreich KraftwerEC GmbH	Linz	100.00	FC	13,629.3	- 33,213.2
Energie AG Oberösterreich Personalmanagement GmbH vormals: Energie AG Oberösterreich Personal Services GmbH	Linz	100.00	FC	1,197.3	39.1
Energie AG Oberösterreich Trading GmbH	Linz	100.00	FC	2,718.5	- 303.7
Energie AG Oberösterreich Tech Services GmbH	Linz	100.00	FC	12,596.6	1,162.8
Energie AG Oberösterreich Netz GmbH	Linz	100.00	FC	47,417.2	- 1,788.7
Energie-Contracting Steyr GmbH	Steyr	100.00	FC	3,153.6	746.0
Energie AG Oberösterreich Wärme GmbH	Linz	100.00	FC	15,795.5	- 643.6
Energie AG Oberösterreich Wasserkraft GmbH	Linz	100.00	FC	8,324.1	480.8
Energie AG Oberösterreich Fair Energy GmbH	Linz	100.00	FC	4,467.7	[2]
Energie AG Oberösterreich Fair Energy Renewable Power GmbH	Linz	100.00	FC	5,633.9	[2]
Energie AG Group Treasury GmbH	Linz	100.00	FC	7,104.6	1,572.6
Cogeneration-KraftwerEC Management Oberösterreich GmbH	Linz	100.00	FC	29,487.8	1,590.6
Oberösterreichische Ferngas Aktiengesellschaft	Linz	65.00	FC	147,590.0	10,973.0
OÖ. Ferngas Netz GmbH	Linz	65.00	FC	146,498.0	9,189.0
OÖ. Ferngas Service GmbH	Linz	65.00	FC	4,320.0	1,125.0
OÖ. Gas-Wärme GmbH	Linz	65.00	FC	19,945.0	3,910.0

The Group's Companies

	Registered office	Share in %	Type of consolidation	Equity	Annual profit/loss
ENSERV Energieservice GmbH	Linz	65.00	FC	62.0	0.6
MarECt Calling MarECtinggesellschaft m.b.H.	Linz	60.00	FC	160.4	75.3
ENAMO GmbH	Linz	80.00	EC	8,000.0	- 384.6
Fernwärme Steyr GmbH	Steyr	51.00	EC	1,980.8	- 54.2
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50.00	EC	20,137.8	2,708.9
EnnskraftwerEC Aktiengesellschaft	Steyr	50.00	EC	42,039.0	2,116.4
Bioenergie Steyr GmbH	Behamberg	49.00	EC	5,318.2	- 295.3
Wels Strom GmbH	Wels	49.00	EC	16,954.8	2,073.7
LIWEST Kabelmedien GmbH	Linz	44.00	EC	21,433.3	3,350.4
EGBV Beteiligungsverwaltung GmbH	Linz	35.00	EC	13,085.0	5,085.0
Salzburg AG für Energie, VerEChr und TeleOCmmunikation	Salzburg	26.13	EC	415,159.4	36,485.5
ENAMO ÖOCstrom GmbH	Linz	65.00	EC	35.0	- 326.9
IfEA Institut für Energieausweis GmbH	Linz	100.00	OC	- 556.3	93.6
Wärme Oberösterreich GmbH	Linz	100.00	OC	35.6	- 119.6
Energie Austria GmbH	Linz	100.00	OC	44.4	- 1.3
BBI Breitbandinfrastruktur GmbH	Linz	55.00	OC	49.6	14.6
OÖ Science-Center Wels Errichtungs-GmbH	Wels	47.67	OC	1,078.3	41.5
Energie Ried Wärme GmbH	Ried im Innkreis	40.00	OC	4,770.6	- 13.5
GRB Geothermie Ried Bohrung GmbH	Ried im Innkreis	40.00	OC	2,759.9	- 65.0
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40.00	OC	797.8	543.6
Bioenergie Aigen Schlägl reg, GenmbH	Aigen	20.80	OC	899.6	21.9
GERMANY				**in EUR 1,000**	**in EUR 1,000**
Erdgas Oberösterreich Vertriebs GmbH	Tittling	65.00	FC	709.0	81.0
Geothermie-Fördergesellschaft Simbach-Braunau mbH	Simbach	40.00	OC	1,471.5	54.5
CZECH REPUBLIC				**in TCZK**	**in TCZK**
Energie AG Teplo Bohemia s.r.o.	České Budějovice	100.00	FC	93,841.0	11,923.0
Energie AG Teplo Vimperk s.r.o.	České Budějovice	100.00	FC	16,610.0	614.0
Energie AG Teplo Rokycany s.r.o.	Rokycany	100.00	FC	12,003.0	144.0
Tepelne zasobovani RaOCvník spol, s.r.o.	RaOCvník	100.00	FC	82,267.0	4,407.0
Městské tepelné hospodářství OClín. spol. s r.o	OClín	95.00	FC	80,521.0	7,876.0
SATEZA a.s.	Šumperk	91.67	FC	45,198.0	8,397.0
ENAMO s.r.o.	České Budějovice	65.00	OC	237.5	- 266.7
ENSERV Bohemia s.r.o.	České Budějovice	65.00	OC	9,899.0	3,924.0
POLAND				**in TPLN**	**in TPLN**
Finadvice Fair Energy Wind Development sp.zo.o.	Warszawa	100.00	OC	- 2,880.6	- 1,612.2
Finadvice Fair Energy Wind Development 1 Sp. z o.o.	Warszawa	100.00	OC	1,789.5	-34.1
Finadvice Fair Energy Wind Development 2 Sp. z o.o.	Warszawa	100.00	OC	2,148.9	- 41.0
Finadvice Fair Energy Wind Development 3 Sp. z o.o.	Warszawa	100.00	OC	2,147.4	- 41.5
Finadvice Fair Energy Wind Development 5 Sp. z o.o.	Warszawa	100.00	OC	668.2	- 11.8
SLOVAKIA				**in EUR 1,000**	**in EUR 1,000**
Bioenergia Teplo Slovakia s.r.o.	Bratislava	100.00	OC	38.8	17.6
Energie AG Teplo Slovakia s.r.o.	Bratislava	100.00	OC	- 356.2	- 239.9
Kremnickè tepelné hospodárstvo, s.r.o.	Kremnica	100.00	OC	- 238.2	- 142.2
WASTE MANAGEMENT					
AUSTRIA				**in EUR 1,000**	**in EUR 1,000**
AVE Energie AG Oberösterreich Umwelt GmbH	Linz	100.00	FC	77,061.3	- 5,645.9
AVE Österreich GmbH	Hörsching	100.00	FC	88,804.6	13,593.5
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100.00	FC	264.2	88.3
AVE OCmmunalservice GmbH	Hörsching	100.00	FC	150.4	- 0.9
Abfall-Aufbereitungs-GmbH	Hörsching	100.00	FC	144.1	4.1
MA Restabfallverwertung GmbH	Hörsching	99.00	FC	39.9	- 0.4
„Papyrus" Altpapierservice Handelsgesellschaft m.b.H.	Vienna	63.33	QC	2,654.8	- 2,627.4
AVE Bohemia GmbH	Linz	100.00	OC	29.3	- 5.7
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50.00	OC	72.9	0.7
AVE Metal Recovery GmbH	Linz	50.00	OC	32.3	- 2.7
Thermische Abfallverwertung Tirol Gesellschaft m.b.H.	Innsbruck	33.33	OC	46.1	- 16.1

The Group's Companies

	Registered office	Share in %	Type of consolidation	Equity	Annual profit/loss
Recycling Innsbruck GmbH	Innsbruck	25.00	OC	98.9	15.6
ELG Liegenschaftsverwertung GmbH	Wallern	20.00	OC	71.1	- 3.9
HUNGARY				**in THUF**	**in THUF**
AVE Magyarország HulladékgazdálOCdási Kft	Budapest	100.00	FC	2,174,477.0	206,596.0
AVE Heves Régió Kft.	Hejöpapi	100.00	FC	95,296.0	36,382.0
AVE Zöldfok Zrt.	Siófok	69.80	FC	1,974,560.0	264,439.0
AVE Tatabánya Zrt.	Tatabánya	67.00	FC	1,810,215.0	512,242.0
AVE Tatabánya Hulladékhasznosító Kft.	Tatabánya	61.00	FC	262,399.0	[2)]
AVE Hevesi Városfenntartó Kft.	Heves	55.04	FC	9,809.0	126.0
AVE MisOClc Kft	MisOClc	55.00	FC	1,700,589.0	470,930.0
A.S.A, + AVE Kft	Gyál	50.00	QC	644,779.0	273,908.0
A.K.S.D. Kft.	Debrecen	50.00	QC	2,556,782.0	878,148.0
Kaposvári VárosgazdálOCdási Zrt.	Kaposvár	44.57	EC	91,032.0	- 332,554.0
AVE ECRTFOK Kft.	Siófok	100.00	OC	115,285.0	10,069.0
AVE Gyöngyös HulladékECzelö Kft.	Gyöngyös	98.00	OC	163,008.0	32,653.0
P.M.R. Kft	Debrecen	50.00	OC	135,855.0	108,474.0
ENIN Környezetipari Klaszter Kft	MisOClc	40.67	OC	- 8,602.0	170.0
Avermann-Holvex Kft	Alsózsolca	33.33	OC	94,948.0	- 49,398.0
NYÍR-FLOP Kft.	Nyíregyháza	25.00	OC	417,414.0	23,656.0
Bihari HulladékgazdálOCdási Kft.	Berettyóujfalu	24.50	OC	209,624.0	69,053.0
CZECH REPUBLIC				**in TCZK**	**in TCZK**
AVE CZ odpadové hospodárství s.r.o.	Praha	100.00	FC	1,296,924.0	26,428.0
AVE sberné suroviny a.s.	Plzeň	100.00	FC	100,227.0	3,151.0
REKKA s.r.o.	České Budějovice	100.00	FC	56,712.0	9,069.0
AVE Harrachov a.s.	Harrachov	100.00	FC	53,559.0	2,409.0
EOC - BIO VYSOČINA spol. s r.o.	Praha	100.00	FC	20,310.0	2,475.0
AVE Kralupy s.r.o.	Kralupy	99.00	FC	84,667.0	- 8,180.0
AVE OClín s.r.o.	OClin	90.00	FC	80,817.0	6,824.0
AVE Ústí nad Labem s.r.o.	Ústi nad Labem	90.00	FC	101,945.0	13,449.0
AVE Nasavrky a.s.	Nasavrky	60.00	FC	42,831.0	2,947.0
ASPG CZ s.r.o.	Praha	100.00	OC	1,001.0	32.0
AVE FrantišOCvy Lázně s.r.o.	FrantišOCvy Lazně	100.00	OC	7,481.0	- 2,483.0
OCgeneravce Zalmanov s.r.o.	Karlovy Vary	100.00	OC	784.0	- 680.0
Teploinvest CB s.r.o.	České Budějovice	100.00	OC	3,459.0	406.0
Pražská odpadová a.s	Praha	65.00	OC	2.0	—
EOC SKLÁDKA s.r.o.	Jindřichův Hradec	24.00	OC	16,593.0	816.0
ROMANIA				**in TRON**	**in TRON**
AVE Waste Romania SRL	Cluj-Napoca	100.00	FC	12,023.0	-4,316.0
AVE Huron SRL	Miercurea-Ciuc	100.00	FC	4,599.0	741.0
AVE Salaj ECOSERV SRL	Zalău	100.00	FC	747.0	- 1,830.0
AVE Bihor SRL	Oradea	100.00	FC	- 3,634.0	[2)]
AVE Harghita Salubritate SRL	Odorheiu Secuisec	94.00	FC	- 83.0	- 1,493.0
AVE Cluj SRL	Cluj-Napoca	100.00	OC	- 2,149.1	- 1,036.6
A.K.S.D. Romania SRL	Targu Mures	50.00	OC	2,624.8	- 1,670.8
SLOVAKIA				**in EUR 1,000**	**in EUR 1,000**
AVE SK odpadové hospodárstvo s.r.o.	Bratislava	100.00	FC	15,652.1	- 520.3
AVE Bratislava s.r.o.	Bratislava	100.00	FC	4,100.1	148.2
AVE OCšice s.r.o.	OCšice	100.00	FC	1,513.4	- 273.5
AVE Tornaľa s.r.o.	Tornaľa	100.00	FC	31.2	- 133.3
V.O.D.S., a.s.	OCšice	100.00	FC	3,165.8	- 51.3
AVE Jasov s.r.o.	OCšice	70.00	FC	465.8	- 28.7
AVE Sturovo a.s.	Štúrovo	65.00	OC	516.2	18.1
GERMANY				**in EUR 1,000**	**in EUR 1,000**
AVE Abfallwirtschaft GmbH	Rotthalmünster	100.00	FC	28.5	- 33.7
Papyrus Wertstoff Service GmbH	Bad Reichenhall	63.33	QC	428.3	180.5

The Group's Companies

	Registered office	Share in %	Type of onsolidatio	Equity	Annual profit/loss
ITALY				**in EUR 1,000**	**in EUR 1,000**
AVE Südtirol Recycling GmbH	Eppan	100.00	FC	1,063.1	- 229.6
MOLDOVA				**TMDL**	**TMDL**
AVE Ungheni SRL	Ungheni	67.83	OC	17,171.8	- 475.7
UKRAINE				**TUAH**	**TUAH**
AVE Umwelt Ukraine TOB	Lemberg	100.00	FC	62,222.8	- 1,149.5
AVE Mukatschewo TOB	Mukatschewo	95.38	FC	19,870.4	1,446.8
AVE Vinogradovo TOB	Vinogradovo	91.99	FC	2,709.5	- 78.5
AVE Lwiw TOB	Lemberg	70.00	FC	18,045.7	1,405.7
AVE Ushgorod TOB	Ushgorod	100.00	OC	[1]	[1]
AVE Iwano Frankiwsk TOB	Iwano Frankiwsk	83.54	OC	- 1,090.8	- 660.9
WATER					
AUSTRIA				**in EUR 1,000**	**in EUR 1,000**
Energie AG Oberösterreich Wasser GmbH	Linz	100.00	FC	37,784.2	3,545.8
WDL WasserdienstleistungsGmbH	Linz	90.00	FC	18,639.9	666.7
WDL Infrastruktur GmbH	Linz	49.00	OC	- 843.6	- 9.0
CZECH REPUBLIC				**in TCZK**	**in TCZK**
Energie AG Bohemia s.r.o.	České Budějovice	100.00	FC	1,279,791.0	289,872.0
Aquaserv s.r.o.	České Budějovice	100.00	FC	60,197.0	3,833.0
CEVAK a.s.	České Budějovice	100.00	FC	785,732.0	114,492.0
VHOS-KA s.r.o.	Moravská Třebová	100.00	FC	1,808.0	- 139.0
Vodáreská společnost Beroun a.s.	Beroun	100.00	FC	29.0	8.0
VODOS s.r.o.	OClín	100.00	FC	90,136.0	15,801.0
Vodáreská spolecnost Chrudim a.s.	Chrudim	95.00	FC	186,285.0	14,913.0
VHOS a.s.	Moravská Třebová	87.90	FC	70,327.0	6,998.0
Aqua Servis a.s.	Rychnov nad Kněžnou	66.00	FC	96,803.0	10,849.0
Vodovody a kanalizace Beroun a.s.	Beroun	59.20	FC	512,120.0	21,738.0
Energie AG Bohemia Service s.r.o.	České Budějovice	100.00	OC	35.0	- 12.0
1. Jihočeská vodohospodářská spol. s r.o.	České Budějovice	100.00	OC	7,820.0	- 188.0
HUNGARY				**in THUF**	**in THUF**
Energie AG MisOClc VizgazdalOCdasi és Környezetvedelmi Kft.	MisOClc	50.00	EC	103,769.0	1,714.0
SLOVENIA				**in EUR 1,000**	**in EUR 1,000**
VARINGER d.o.o.	Maribor	84.00	FC	606.9	37.5
OTHERS				**in EUR 1,000**	**in EUR 1,000**
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung	Linz	100.00	OC	5,268.4	291.2
Energy IT Service GmbH	Linz	66.67	OC	85.2	7.3

[1] Newly founded

[2] Incorporated for first time

FC fully consolidated company

QC company with pro-rata consolidation

EC company included on the basis of the equity method

OC company not included in the group due to insignificance

3. Consolidation Methods

The purchase method is applied to capital consolidation through offsetting the quid pro quo for the acquired company with the proportionate, revalorised equity of the subsidiary at the time of acquisition.

Goodwill resulting from company mergers is entered pursuant to IFRS 3. The acquired goodwill is essentially based on expected future revenues and synergy effects. Every year it is tested for impairment, pursuant to IAS 36, at least once a year. In fiscal 2011/2012, goodwill in the amount of EUR 0.0 thousand (previous year : EUR 0.0 thousand) was amortised. Differentials carried on the liabilities side according to IFRS 3 are recognised immediately as affecting net income. Incidental acquisition costs in the amount of EUR 524.5 thousand (previous year: EUR 469.8 thousand) arising from the acquisition of investments are shown under other operating expenses.

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 made in particular with regard to staff provisions, provisions for imminent losses as well as for allocations for the acquisition price.

Estimates and assumptions relate, in particular, to interest rates, wage and salary trends, fluctuations, the future realisability of deferred tax assets as well as future surpluses in cash inflows.

Customer-related assets resulting from company mergers are entered. They result from contractual and non-contractual customer relationships. The fair value is determined on the basis of estimated, future surpluses in cash inflows.

During the course of verifying the recoverability of assets and goodwill, future cash flow as well as interest rates were estimated.

In determining the provisions for landfills, estimates were made concerning the amount of future expenses for covering the surfaces and land restoration of the landfills as well as removal of drainage water, diversion of surface water, degassing, measurement and monitoring programmes. Furthermore, there is uncertainty regarding the time period of the aftercare required for the landfills as well as any changes to the general legal conditions.

The estimates made may deviate from actual amounts and affect future consolidated financial statements. Regarding possible effects of changes to estimations of future impairment tests, we refer to the sensitivity analyses.

Intangible Assets, Goodwill and Tangible Fixed Assets

Intangible assets and tangible fixed assets are valued at acquisition or production costs including the estimated costs subject to capitalisation for the demolition, removal as well as restoration of the location, minus scheduled straight line depreciation, or depreciation due to use.

The cost of financing is recognised on the asset side, in accordance with IAS 23 (Borrowing Costs). In this context, an interest rate of 3.5 % 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 capitalised.

The application of IAS 40 (Investment Property) does not have any effect on the consolidated financial statements as 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
Customer base	8 – 25
Dumping rights and landfills	depending on utilization
Building structures	
Buildings	50
Other structures	10 – 50
Water engineering structures	50 – 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

IAS 36 (Impairment of Assets) requires that intangible assets, goodwill and tangible fixed assets are tested for impairment if there is an indication that the value of an item might have decreased. Moreover, goodwill must be subjected to an impairment test at least once a year.

The impairment tests are carried out on the basis of cash-generating units.

Whenever intangible assets and tangible fixed assets are put together as cash-generating units, for lack of cash flow, their recoverable amount is established. In the Waste Management segment, recoverability is reviewed on the basis of subgroup financial statements prepared at a country level.

The value in use is cited as the recoverable amount. The value in use is determined from the perspective of management. To do this, the surplus in revenue, projected on the basis of approved medium-term planning up to five years, is discounted applying weighted average capital costs. Performance measurements are based both on past experience and on external information sources. Assumptions made about cash flow after the end of the detailed planning period are based on analyses of the past as well as future forecasts. According to the detailed planning time period, a growth rate of up to 2% is applied. Future restructuring is not taken into consideration. The assumptions on future GDP growth are taken from the European Commission.

The interest rates used for discounting are determined on the basis of market data. Depending on the industry and/or the country, to which the asset belongs, an interest rate between 6.1 % and 11.3 % (previous year: 6.1 % to 9.2 %) is used.

If the recoverable amount is less than the book value, then the book value is written off down to the recoverable amount.

A rise in interest rate of 0.25% would result in depreciation/amortisation of goodwill in the amount of EUR 0.8 million (previous year: EUR 5.1 million). A drop in future cash flow of 10.0% would result in depreciation/amortisation of goodwill in the amount of EUR 15.7 million (previous year: EUR 17.3 million).

Gas- und Dampfkraftwerk Timelkam GmbH

The Group procures electrical energy generated by Gas- und Dampfkraftwerk Timelkam GmbH – minus quantities allocated to other contract partners – in exchange for compensation for the expenses plus a reasonable return on equity.

The recoverability was checked considering the recent deterioration of the market situation for combined-cycle gas turbine plants, especially the prices for electricity and gas. The value in use was used as the recoverable amount. The value in use was determined by applying the DCF method. The planning period corresponds to the most likely remaining life of the plant.

Besides the discount rate, the future prices for electricity and gas are the most important assumptions for determining the value in use. A discount rate of 6.4% was used. The discount rate was determined on the basis of sustainable market parameters and peer group reference values.

The installed electrical capacity is a maximum of 422 MW, and the maximum district heating extraction is 100 MW. A level of efficiency of 55.7% was assumed. The annual electricity production was defined to be 1,592 GWh per year.

Assumptions for future electricity and gas prices are based on market data to the extent that such data was available. If no market data was available, then estimations based on market studies were used.

Expenses for service and maintenance were taken into consideration respectively in the maintenance plans and contracts. Other important expense items such as staff costs, insurance and infrastructure costs in particular are increased annually by the estimated rate of increase.

Reviewing recoverability resulted in complete extraordinary depreciation of the book value of the electricity purchasing rights to the amount of EUR 18 million. Furthermore, reserves for imminent loss were created in the amount of EUR 17.0 million.

A drop of the forecasted cash flow of 10% would reduce the present value of future cash inflow surpluses by EUR 11.1 million. An increase of 0.25% to the interest rate would mean a reduction of EUR 3.3 million.

Investments

Investments classified as "available for sale" are entered at market values if they can be reliably determined. Changes in value are entered without affecting the operating result, unless there is a major or lasting impairment. Investments for which a listed price is not available on an active market or for which the fair value cannot be reliably determined are valued at cost.

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 present value. Value adjustments are made for identifiable exposures. Securities and loan stock rights carried as fixed assets are valued at market prices.

Securities that are managed in accordance with a documented investment or risk management strategy, and their value development is appraised based on the fair value, are classified as "at fair value through profit or loss". Value changes of these securities are entered as with an 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 impairment. Financial assets classified as "held to maturity" are entered at cost as carried forward. Impairments are entered with effect on the result. Financial receivables that are classified as "loans and receivables" are valued at cost as carried forward.

Inventories

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

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

Accounts Receivable 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 that are classified as "loans and receivables" are valued at cost, as carried forward.

Cash in Hand, Checks and Bank Balances

The item cash and cash equivalents comprises cash in hand and cheques received as well as sight deposits at banks. These are valued at cost, 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 amortised cost".

Provisions for Pensions and Severance Payments

Provisions for pensions, severance payments and anniversary bonuses are calculated according to the projected unit credit method in accordance with IAS 19 (Employee Benefits). Expected increases in wages, salaries and pensions are taken into account. Actuarial gains and losses exceeding the corridor of 10 % of the present 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.

Reduced costs for commitments from the demolition or removal of assets from the fixed assets as well as from restoration of locations are estimated, capitalised at the time of addition of the plant and entered as a provision.

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.

Constributions to Construction Costs

This item primarily comprises financing 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 using the mean exchange rate for the period. Differences from translating the pro-rata equity are booked under 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 2012, the exchange rate for the Czech crown was 25.132 (previous year: 24.55855), for the Hungarian forint 285.35 (previous year: 291.585), for the Romanian lei 4.53884 (previous year: 4.31473), for the Swiss franc 1.20839 (previous year: 1.21994), for the Ukrainian Hrywnja 10.52805 and for the US dollar 1.28579 (previous year: 1.35975). Currency translation differences from long-term, intra-group shareholder loans are shown under currency differentials without effect on the result.

Income Realisation

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 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)". With regard to the recognition of construction contracts under IAS 11, we refer to item 34.

Interest income is realised 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 a cross-border leasing transaction for some of its power plants in fiscal 2001/ 2002. In the course of the transaction, 14 hydropower plants were leased to a US investor 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.

The funds received as advance lease payments from the US trust – except for the present value benefit – were invested via payment undertaking agreements and used to cover the future instalments under the lease-back arrangement, conforming to 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 Öberösterreich is liable to the US trust for compliance with the commitments that the financial institutes have assumed in connection with the payment undertaking agreements (see item 32).

For protection against an uncovered deficit in case of a premature contract termination, there is insurance for the investor against financial failure with an American financial institute for the entire remaining time to maturity of the transaction. Energie AG Oberösterreich has a replacement risk if the credit rating of the financial institute drops below a specific minimum rating.

For the CBL transaction referred to above, additional securitisation for the pre-payment tool had to be provided in fiscal 2008/2009 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 securitised by a cash deposit, was issued by an international financial institute of adequate credit rating in favour of the US investor. Optimisation of the form of collateralisation was carried out in fiscal year 2011/2012. Collateralisation is now based on US government bonds (Other Financial Assets) with a book value of EUR 86,819.9 thousand which are pledged to the investor. To improve the informational value, the payments for the acquisition of the US government bonds were balanced in the cash flow with the divestiture of the previously pledged cash deposit. The remaining amount of EUR 12,662.3 thousand is shown in the cash flow from the financing area.

NOTES TO THE INCOME STATEMENT

6. Sales

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Electricity	**1,054,282.3**	**1,215,544.3**
District heating	**60,141.7**	**58,060.3**
Gas	**334,300.9**	**268,373.3**
Reversal of contributions to construction costs	**20,426.3**	**20,221.2**
Waste management	**408,427.6**	**448,981.9**
Water	**115,374.8**	**113,575.9**
Other Sales Revenue	**130,827.0**	**95,139.4**
Sales revenue	**2,123,780.6**	**2,219,896.3**
Procurement Costs for Electricity and Gas Proprietary Trading	**- 141,244.0**	- 268,055.1
Net Sales Revenue	**1,982,536.6**	**1,951,841.2**

To improve the informational value, the procurement costs for electricity and gas proprietary trading were balanced with the sales revenue. The previous year was adjusted accordingly.

7. Segment Reporting

Segment Reporting According to Business Sectors

The segment reporting of the Energie AG Group is carried out pursuant to IFRS 8 in accordance with the internal reporting and internal management approach. 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 accounting and valuation principles of the reported segments are the same as those used throughout the Group. Sales between the segments ("inter-segment sales") are invoiced at market prices. The operating result is the result for the period which, being regularly monitored by the main decision-makers, is primarily used as a basis to assess the level of success and the allocation of resources.

Unscheduled depreciation and amortisation in the amount of EUR 18,000.0 thousand relate to intangible assets in the Energy Segment (previous year: tangible fixed assets in the Energy Segment of EUR 1,257.5 thousand). The gains from the retransfer of contributions to construction costs relate to the Energy Segment.

The segment reporting according to business segments is as follows:

2011/2012	Energy in EUR mill.	Waste disposal in EUR mill.	Water in EUR mill.	Transition/ elimination in EUR mill.	**Group in EUR mill.**
Sales to third parties	1,578.2	414.9	130.7	—	2,123.8
Inter-segment sales	10.1	13.2	0.6	- 23.9	—
Total sales	1,588.3	428.1	131.3	- 23.9	2,123.8
Income from shares in equity companies	15.5	- 0.5	—	—	15.0
Depreciations	- 117.6	- 51.0	- 8.4	—	- 177.0
Income from operations	85.6	21.1	8.5	—	115.2
Financing costs	- 38.0	- 15.0	- 1.4	6.9	- 47.5
Other net interest income	14.1	2.9	0.2	- 6.9	10.3
Taxes on income	- 10.4	- 4.9	- 1.9	—	- 17.2
Book value of stakes in equity undertakings	255.6	0.1	0.2	—	255.9
Goodwill	1.5	83.6	24.1	—	109.2
Investments into intangible assets and tangible fixed assets	143.9	29.1	5.2	—	178.2

2010/2011	Energy in EUR mill.	Waste disposal in EUR mill.	Water in EUR mill.	Transition/ elimination in EUR mill.	**Group in EUR mill**
Sales to third parties	1,630.6	456.2	133.1	—	2,219.9
Inter-segment sales	9.7	12.3	0.9	- 22.9	—
Total sales	1,640.3	468.5	134.0	- 22.9	2,219.9
Income from shares in equity companies	11.0	—	—	—	11.0
Depreciations	- 96.8	- 55.4	- 8.5	—	- 160.7
Income from operations	105.4	12.9	7.3	—	125.6
Financing costs	- 38.2	- 14.9	- 1.7	6.2	- 48.6
Other net interest income	9.2	3.1	0.1	- 6.2	6.2
Taxes on income	- 13.5	- 2.7	- 1.2	—	- 17.4
Book value of stakes in equity undertakings	243.1	0.6	0.2	—	243.9
Goodwill	1.5	83.7	24.5	—	109.7
Investments into intangible assets and tangible fixed assets	139.2	23.8	6.1	—	169.1

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 (Slovakia, Romania, Italy, Germany, Slovenia and the Ukraine) are summed up in the geographical segment "other countries".

2011/2012	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	1,722.2	298.7	53.5	49.4	—	2,123.8
Carrying value of segment assets	2,694.4	306.3	57.4	70.1	554.3	3,682.5

2010/2011	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	1,819.7	303.1	54.9	42.2	—	2,219.9
Carrying value of segment assets	2,748.1	325.1	56.6	64.1	531.1	3,725.0

8. Other Operating Income

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Income from the disposal of intangible assets and tangible fixed assets	**2,192.4**	1,589.5
Income from the disposal of assets and debts classified as to be kept for sale	**12,832.0**	—
Capitalised production costs	**699.0**	676.4
Income from leases and rentals	**3,579.3**	4,075.6
Income from the reversal of investment grants	**3,408.1**	3,462.1
Income from CO_2 certificates	**6,149.4**	11,000.9
Other income	**16,725.3**	15,698.9
	45,585.5	**36,503.4**

9. Cost of Material and Other Purchased Manufacturing Rights

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Electricity purchased from third parties	**672,890.8**	796,887.6
Cost of use of system	**75,488.1**	76,508.8
Cost of fuels	**70,317.6**	82,490.1
Cost of other materials	**391,678.9**	328,075.0
Cost of purchased services	**142,193.9**	149,599.7
	1,352,569.3	**1,433,561.2**
Procurement Costs for Electricity and Gas Proprietary Trading	**- 141,244.0**	- 268,055.1
	1,211,325.3	**1,165,506.1**

10. Payroll and Related Expenses

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Wages and salaries	**239,671.9**	238,578.0
Expenses for severance payments and benefits to company pension funds	**7,817.7**	8,776.2
Pension payments	**25,469.2**	23,485.0
Statutory social-security charges and remuneration-related charges and compulsory contributions	**63,116.7**	62,699.5
Other social expenses	**5,547.5**	7,388.9
	341,623.0	**340,927.6**

Expenses for defined-contribution pension schemes amounted to EUR 5,718.0 thousand (previous year: EUR 5,664.4 thousand). Expenses for severance payments in the amount of EUR 44.0 thousand (previous year: EUR 26.0 thousand) and for pension payments in the amount of EUR 346.0 thousand (previous year: EUR 274.0 thousand) 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:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Board of Management	**1,001.0**	831.0
Former members of the Board of Management and their dependents	**842.0**	832.0
Supervisory Board	**113.0**	109.7
	1,956.0	**1,772.7**

Average employment figures for the year under review amounted to 7,781 (previous year: 7,754). Part-time staff members are accounted for on a pro-rata basis.

11. Depreciation and amortisation

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Scheduled depreciation	**158,858.2**	159,453.1
Non-scheduled depreciation	**18,104.8**	1,267.4
	176,963.0	**160,720.5**

Please refer to the table "Development of Fixed Assets" for the depreciation of individual items under fixed assets. Regarding the unscheduled depreciation, we refer to section 4.

12. Other Operating Expenses

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Taxes	**17,272.6**	16,418.9
Outside services	**51,770.8**	53,203.5
Travel expenses	**9,726.5**	9,826.4
Insurance premiums	**6,577.1**	9,547.4
Postage and telecommunication fees	**6,994.2**	6,993.5
Rentals and leases	**12,497.0**	12,185.6
Write-downs of receivables	**2,585.2**	2,210.0
Allocated value allowance for receivables	**1,860.7**	2,925.6
Expenses for vehicles	**37,474.0**	39,807.8
Losses from the disposal of intangible assets	**3,158.5**	9,404.5
Repairs	**22,829.2**	27,737.5
Other expenses	**58,074.7**	49,971.4
	230,820.5	**240,232.1**

Taxes comprise mainly land taxes, location-dependent charges, electricity levies, as well as contributions to remedial action on abandoned waste sites. The fees charged by the Group auditor KPMG Austria AG for auditing services and other assurance services provided for the companies of the Energie AG Oberösterreich Group amount to EUR 0.8 million (previous year: EUR 0.8 million). Moreover, the Group auditor provided other auditing services for the Energie AG Group to the value of EUR 0.3 million (previous year: 0.2 million).

13. Income from Interest

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Cost of financing		
Interest and similar expenses	**- 42,098.8**	- 41,979.8
Exchange-rate losses from financial liabilities	**- 5,400.0**	- 6,661.6
	- 47,498.8	**- 48,641.4**
Income from financing		
Interest and similar income	**3,697.3**	3,879.1
Cross-border leasing	**1,253.0**	1,253.0
Exchange-rate gains from financial liabilities	**3,776.4**	1,342.6
Changes in market value from interest swaps	**1,552.6**	- 311.9
	10,279.3	**6,162.8**
	- 37,219.5	**- 42,478.6**

14. Other Financial Results

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Income from participations		
Non-consolidated affiliated companies	**80.5**	379.0
Other investments	**1,443.3**	1,597.2
Income from the disposal of investments	**1.0**	2,300.8
Write-down of participations	**- 370.1**	- 3,105.4
Others	**- 694.1**	- 882.5
	460.6	**289.1**
Securities		
Income from securities	**1,440.8**	1,832.3
Write-downs of securities	**- 792.5**	- 406.7
Write-ups of securities	**2,680.6**	1,993.4
Losses from the disposal of securities	**- 255.1**	- 40.8
Gains from the disposal of securities	**83.7**	304.0
	3,157.5	3,682.2
	3,618.1	**3,971.3**

15. Taxes on Income

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Expenses for current taxes on income	**17,826.6**	24,906.8
Changes in deferred taxes on income	**- 654.3**	- 7,481.3
	17,172.3	**17,425.5**

Expenses for taxes on income are EUR 1,954.9 thousand lower (previous year: EUR 2,862.1 thousand lower) than the calculated expenses for taxes on income that result from applying the respective 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:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Profit before taxes on income	**81,588.9**	87,093.0
Calculated expenses for taxes	**19,127.2**	20,287.6
Effect on taxes due to		
income from investments	**- 4,388.0**	- 3,306.4
changes in value adjustments/utilisation of deferred taxes	**488.0**	- 3,998.6
non-recurrent tax income/expenses	**- 180.8**	2,369.8
non-tax-deductible expenses	**2,186.2**	1,817.4
tax credits for investments, apprenticeship-related, research and educational measures	**- 89.5**	- 118.6
other items	**29.2**	374.3
Effective tax expenses	**17,172.3**	17,425.5
Effective Tax Rate in %	**21.0**	**20.0**

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:

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Intangible assets	**- 21,580.0**	- 21,629.9
Tangible fixed assets	**- 83,908.2**	- 83,811.6
Financial assets	**3,217.3**	3,735.3
Other long-term assets	**- 2,833.5**	- 2,561.8
Provisions	**7,124.9**	8,530.7
Contributions to construction costs	**22,208.0**	20,982.6
Tax losses carried forward	**566.0**	356.8
Equity	**- 16,284.3**	- 17,767.2
Other items	**7,658.9**	- 598.8
	- 83,830.9	**- 92,763.9**
of these deferred taxes carried as assets	**23,522.6**	18,671.3
of these deferred taxes carried as liabilities	**- 107,353.5**	- 111,435.2

On the liability side, no deferred taxes were entered for temporary differences concerning companies associated on the basis of the equity method in the amount of EUR 86,830.6 thousand (previous year: EUR 83,830.9 thousand).

Deferred taxes amounting to EUR -567.6 thousand (previous year: EUR 1,859.3 thousand) are allotted to changes in the value of participations and securities classified as "available for sale", which do not have an effect on the result, and EUR 9,328.2 thousand to changes in the value from hedge accounting that do not have an effect on the result (previous year: EUR -4,152.1 thousand).

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 3.3 million (previous year: EUR 3.3 million) are carried as expenses. Interest on external funds in the amount of EUR 591.9 thousand (previous year: EUR 1,589.5 thousand) was recognised under assets.

Additions to plants under construction led to outflows of funds in the amount of EUR 42,402.6 thousand (previous year: EUR 21,122.7 thousand). The obligations to acquire tangible fixed assets amount to EUR 17,569.5 thousand (previous year: EUR 41,994.1 thousand).

In fiscal 2007/2008, assets from tangible fixed assets were sold in the Waste Management Segment and leased back for a period of 15 years ("sale and lease back"). The assets under this financing leasing relationship continue to be recognised as assets in the balance sheet, and the same amount for the present value of the minimum leasing payments was recognised under liabilities.

During, and to the end of the term of the contract, there are cancellation options for the outstanding loan amount at specific points in time. The lessor has a right to offer the outstanding loan amount up to the end of the term of the contract. Subleasing to third parties is not permitted during the term of the contract. On 30 September 2012, the book value was to EUR 49,750.8 thousand (previous year: EUR 53,317.4 thousand). The future minimum leasing payments for the following year are EUR 2,082.0 thousand (previous year: EUR 1,984.1 thousand), EUR 9,309.4 (previous year: EUR 8,905.4 thousand) for periods between one and five years, and EUR 51,546.5 thousand (previous year: EUR 54,032.6 thousand) for longer than five years. Leasing payments determined on the basis of variable interest in the amount of EUR -719.6 thousand (previous year: EUR -1,084.6 thousand) 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	2,082.0	7.6	2,074.4
Terms between one and five years	9,309.4	204.2	9,105.2
Terms in excess of five years	51,546.5	3,679.9	47,866.6
	62,937.9	**3,891.7**	**59,046.2**

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 essentially comprise 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 value of derivative hedging instruments as well as instruments to collateralise land restoration obligations (previous year: positive market value of derivative hedging instruments as well as instruments for collateralization of the cross-border leasing transaction).

20. Inventories

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Primary energy	**76,307.3**	82,778.8
Raw materials and supplies	**14,045.3**	12,382.7
Work in progress	**4,419.9**	6,223.5
Finished goods and goods for resale	**3,234.6**	3,524.3
	98,007.1	**104,909.3**

21. Accounts Receivable and Other Assets

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Accounts receivable (trade debtors)	**261,694.9**	277,011.6
Due from non-consolidated affiliated companies	**8,388.8**	10,638.2
Due from undertakings with which the company is linked by virtue of participating interests	**2,869.2**	1,837.1
Accruals and deferrals of interest	**5,125.7**	5,668.4
Market value of derivatives	**5,463.0**	11,224.1
Others	**57,748.6**	72,592.3
	341,290.2	**378,971.7**

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

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Cash in hand	**405.5**	469.1
Cash in bank accounts	**160,576.5**	104,983.9
	160,982.0	**105,453.0**

23. Shareholders Equity

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

The Board of Management of Energie AG Oberösterreich is authorised, up to 8 July 2013, to increase the nominal capital of the company 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 fiscal 2006/07.

During fiscal 2007/08, 390,000 preferred shares without voting rights were contributed to Energie AG Oberösterreich. These shares were offered to Group staff members at favourable conditions during fiscal 2007/2008. 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.

Other reserves include IAS 39 reserves, revaluation reserves, reserves for treasury stock as well as reserves from currency differences.

The IAS 39 reserves 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 2012, the cash flow hedge provision amounts to EUR -34,601.1 thousand (previous year: EUR 2,715.6 thousand). The effective share of the fair value changes concerning cash-flow hedges is entered in the cash-flow provision, with-out 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 (previous year: EUR 0.0 thousand) is entered in the income statement with effect on the result. During the fiscal year, EUR 1,051.8 thousand (previous year: EUR 5,389.0 thousand) was taken from the cash-flow hedge provision and recorded in the income statement. Of this amount, EUR 0.0 thousand (previous year: EUR 14.4 thousand) was shown in the financial result, and EUR 1,051.8 thousand (previous year: EUR 5,374.6 thousand) was 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 2012, the AFS provision amounted to EUR 11,398.8 thousand (previous year: EUR 9,128.5 thousand).

During the fiscal year, changes in market value in the amount of EUR 1,919.6 thousand (previous year: EUR -7,437.4 thousand) were shown under equity, without any effect on the result, and EUR 350.7 thousand (previous year: EUR 0.0 thousand) was taken from the AFS provision and entered in the income statement.

The provision for new valuation results from the first-time consolidations in the previous years.

On 30 September 2012, 16,381 (previous year: 11,155) treasury stock was held.

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. Value based management is firmly anchored in all management systems and in all management processes. Pursuant to IFRS, the management considers the equity in the books to be the capital. As at the balance sheet date the equity ratio amounted to 36.4 % (previous year: 36.7 %).

24. Financial Instruments and Financial Risk Management

24.1. Principles

The Energie AG Oberösterreich Group holds primary and derivative financial instruments.

On the asset side, primary financial instruments essentially comprise participations, other financial assets and accounts receivable. 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 payable.

Derivative financial instruments are used, in particular, to hedge the risk of changes in interest rates as well as electricity and gas price risks. The use of derivative financial instruments is subject to the respective authorisation 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 recognised 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.

Criteria for impairment include financial difficulties of the issuer or debtor, delayed payment, an increased probability of insolvency, a measurable decrease in the expected future cash flow as well as a significant decline in the market value of the financial instrument.

24.2. Derivative Financial Instruments and Hedging

Interest swaps are used to hedge the exposure to interest-rate changes of bonds and also to hedge future variable interest payments from financing and leasing agreements.

Futures and swaps are entered in order to cover variable prices and/or to reduce the counterparty risk for purchased electricity/gas and sold electricity/gas. Futures are only used to a minimal extent to hedge the purchase or sale of CO_2 certificates.

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.

Fair-value hedges serve as protection against the risk of change in the fair value of balance sheet assets or balance sheet liabilities. The derivatives and the corresponding underlying transactions are valued at fair 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 (interest swaps).

Cash-flow hedges are entered as protection against the risk from 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/gas/CO_2 futures as well as gas 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 from the financial sector comprise the following items:

	30/09/2012			30/09/2011		
	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 100.0 mill.	6,191.6	—	EUR 100.0 mill.	6,236.1	—
Derivatives with cash-flow hedge relation						
Interest swaps	EUR 184.5 mill.	—	- 21,796.2	EUR 121.6 mill.	—	- 12,131.8
Foreign-currency derivatives	EUR 0.0 mill.	—	0.0	EUR 0.1 mill.	—	- 1.9
Derivatives without hedge relation						
Interest swaps	EUR 5.0 mill.	—	-195.0	EUR 5.0 mill.	—	- 186.7
Interest swaps	CZK 14.2 mill.	—	- 34.5	CZK 18.6 mill.	—	-49.0
Foreign-currency derivatives	EUR 15.1 mill.	34.6	—	EUR 8.0 mill.	217.4	—
Structured interest and foreign-currency derivatives	EUR 35.0 mill.	—	- 4,352.0	EUR 55.0 mill.	—	- 5,926.3

Derivative financial instruments from the energy sector comprise the following items:

30/09/2012	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 258.7 mill.	EUR 0.0 mill.	256.1	- 13,250.2
Gas futures	EUR 0.0 mill.	EUR 3.5 mill.	31.3	- 44.0
CO_2 futures	EUR 1.3 mill.	EUR 1.8 mill.	727.4	- 39.6
Gas swaps	EUR 5.2 mill.	EUR 0.0 mill.	2,866.9	0.0
Derivatives without hedge relation				
Electricity forwards	EUR 21.3 mill.	EUR 23.0 mill.	1,934.3	- 1,882.9
Gas forwards	EUR 1.2 mill.	EUR 1.5 mill.	42.3	- 9.3
Electricity futures	EUR 1.8 mill.	EUR 0.0 mill.	0.0	- 68.0
Gas swaps	EUR 0.8 mill.	EUR 0.9 mill.	784.8	- 749.4

30/09/2011	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 92.1 mill.	EUR 12.4 mill.	1,527.5	- 2,931.5
Gas futures	EUR 0.0 mill.	EUR 3.4 mill.	21.6	- 19.1
CO_2 futures	EUR 0.3 mill.	EUR 1.1 mill.	164.0	- 119.8
Gas swaps	EUR 19.5 mill.	EUR 0.0 mill.	8,489.4	- 759.0
Derivatives without hedge relation				
Electricity forwards	EUR 40.4 mill.	EUR 40.8 mill.	4,473.0	- 4,550.1
Gas forwards	EUR 1.7 mill.	EUR 1.8 mill.	100.2	- 64.9
Electricity futures	EUR 0.5 mill.	EUR 0.0 mill.	1.8	0.0
Gas swaps	EUR 3.4 mill.	EUR 3.5 mill.	1,965.7	- 1,824.0

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 transactions have an effect on the result:

30/09/2012	Nominal value		Maturity
	Purchase	Sale	
Hedging transaction			
Interest swaps and foreign-currency derivatives	EUR 184.5 mill.	EUR 0.0 mill.	2012 - 2028
Electricity futures	EUR 258.7 mill.	EUR 0.0 mill.	2012 - 2017
Gas futures	EUR 0.0 mill.	EUR 3.5 mill.	2012 - 2013
CO_2 futures	EUR 1.3 mill.	EUR 1.8 mill.	2012 - 2014
Gas swaps	EUR 5.2 mill.	EUR 0.0 mill.	2012 - 2013

30/09/2011	Nominal value		Maturity
	Purchase	Sale	
Hedging transaction			
Interest swaps and foreign-currency derivatives	EUR 121.7 mill.	EUR 0.0 mill.	2011 - 2028
Electricity futures	EUR 92.1 mill.	EUR 12.4 mill.	2011 - 2014
Gas futures	EUR 0.0 mill.	EUR 3.4 mill.	2011 - 2012
CO_2 futures	EUR 0.3 mill.	EUR 1.1 mill.	2011 - 2012
Gas swaps	EUR 19.5 mill.	EUR 0.0 mill.	2011 - 2012

As at 30 September 2012, hedging instruments, as they are shown above, were designated as part of fair value hedges. For fiscal year 2011/2012, the adjustments of book values for the underlying transactions result in gains, recorded under other financial results, of EUR 44.5 thousand (previous year: EUR 161.8 thousand). The changes in the fair values of hedging transactions resulted in losses of EUR 44.5 thousand (previous year: EUR 161.8 thousand) 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 30/09/2012 in EUR 1,000	Fair value 30/09/2012 in EUR 1,000	Book value 30/09/2011 in EUR 1,000	Fair value 30/09/2011 in EUR 1,000
Participations		25,822.0	25,822.0	**37,759.4**	**37,759.4**
Shares in affiliated companies	AfS (at cost)	**7,994.4**	**7,994.4**	22,579.8	22,579.8
Other participations	AfS	**351.8**	**351.8**	473.7	473.7
Other participations	AfS (at cost)	**17,475.8**	**17,475.8**	14,705.9	14,705.9
Other financial assets		482,167.4	482,220.3	**448,510.9**	**448,575.5**
Loans to affiliated companies	LaR	**1,499.6**	**1,552.4**	3,103.7	3,162.5
Loans to companies with which the company is linked by virtue of participating interests	LaR	**20,000.0**	**20,000.0**	25,000.0	25,000.0
Other loans	LaR	**23,641.7**	**23,641.7**	19,389.1	19,389.1
Securities (held to maturity)	HtM	**524.8**	**524.8**	3,973.4	3,979.2
Securities (available for sale)	AfS	**113,264.0**	**113,264.1**	26,832.9	26,832.9
Securities (fair value option)	AtFVP&L (FV Option)	**323,237.3**	**323,237.3**	370,211.8	370,211.8

AfS available for sale
LaR loans and receivables
HtM held to maturity
AtFVP&L at fair value through profit or loss

	Category according to IAS 39*)	Book value 30/09/2012 in EUR 1,000	Fair value 30/09/2012 in EUR 1,000	Book value 30/09/2011 in EUR 1,000	Fair value 30/09/2011 in EUR 1,000
Accounts receivable and other assets (long and short-term) according to the balance sheet		373,309.9	—	**486,867.0**	—
of which non-financial assets		42,670.2	—	**54,945.1**	—
of which financial assets		330,639.7	330,639.7	**431,921.9**	**431,921.9**
Accounts receivable (trade debtors)	LaR	**262,187.0**	**262,187.0**	277,190.0	277,190.0
Due from affiliated companies	LaR	**8,887.0**	**8,887.0**	13,509.6	13,509.6
Due from undertakings with which the company is linked by virtue of participating interest	LaR	**3,614.1**	**3,614.1**	2,652.6	2,652.6
Derivatives with hedge relation (cash-flow hedge)	n/a	**2,866.9**	**2,866.9**	8,489.4	8,489.4
Derivatives with hedge relation (fair-value hedge)	n/a	**6,191.6**	**6,191.6**	6,236.1	6,236.1
Derivatives without hedge relation	AtFVP&L (Trading)	**2,796.0**	**2,796.0**	6,756.3	6,756.3
Other long-term financial assets	LaR	**44,097.1**	**44,097.1**	117,087.9	117,087.9
Cash and cash equivalents	LaR	160,982.0	160,982.0	**105,453.0**	**105,453.0**
Total for financial assets		999,611.1	999,664.0	**1,023,645.2**	**1,023,709.8**
Financial liabilities (long and short-term)		944,075.1	989,728.5	**965,663.6**	**975,459.5**
Bonds	FLAC	**303,976.5**	**322,920.0**	303,843.1	315,831.0
Due to banks	FLAC	**468,829.4**	**476,154.4**	486,995.2	487,093.8
Liabilities – financing leasing	IAS 17	**64,020.9**	**64,020.9**	66,622.1	66,622.1
Other financial liabilities	FLAC	**107,248.3**	**126,633.2**	108,203.2	105,912.6
Accounts payable (short-term)	FLAC	199,909.6	199,909.6	**194,886.3**	**194,886.3**
Other debts (long and short-term) according to balance-sheet		370,800.8	—	**373,642.9**	—
of these non-financial debts		235,345.1	—	**247,133.4**	—
of these financial debts		135,455.7	135,455.7	**126,509.5**	**126,509.5**
Due to affiliated companies	FLAC	**5,647.7**	**5,647.7**	7,491.5	7,491.5
Due to undertakings with which the company is linked by virtue of participating interests	FLAC	**22,885.9**	**22,885.9**	27,868.9	27,868.9
Derivatives with hedge relation (cash-flow hedge)	n/a	**21,796.2**	**21,796.2**	12,892.7	12,892.7
Derivatives with hedge relation (fair-value hedge)	n/a	—	—	—	—
Derivatives without hedge relation	AtFVP&L (Trading)	**7,223.1**	**7,223.1**	12,601.0	12,601.0
Other financial liabilities (long and short-term)	FLAC	**77,902.8**	**77,902.8**	65,655.4	65,655.4
Total for financial liabilities		1,279,440.4	1,325,093.8	**1,287,059.4**	**1,296,855.3**
Book values in valuation categories according to IAS 39					
Loans and receivables (LaR)		**524,908.5**	—	563,385.9	—
Held-to-maturity investments (HtM)		**524.8**	—	3,973.4	—
Available-for-sale financial assets (AfS)		**139,086.0**	—	64,592.3	—
Financial assets at fair value through profit or loss (AtFVP&L (trading))		**2,796.0**	—	6,756.3	—
Financial assets at fair value through profit or loss (AtFVP&L (FV option))		**323,237.3**	—	370,211.8	—
Financial liabilities measured at amortised cost (FLAC)		**1,186,400.2**	—	1,194,943.6	—
Financial liabilities at fair value through profit or loss (AtFVP&L (trading))		**7,223.1**	—	12,601.0	—

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

Pursuant to IFRS 7, each financial instrument that is valued at fair value must be classified within a fair value hierarchy. In view of possible uncertainties relating to estimates of the fair values, a distinction is made between three levels:

Level 1: Valuation on the basis of a published price quotation for identical assets or liabilities on an active market.

Level 2: Valuation on the basis of input factors observable either directly or indirectly on the market.

Level 3: Valuation on the basis of factors not observable on the market.

The allocation of the book values of the financial instruments valued at fair value at levels 1 to 3 is as follows (in EUR 1,000):

30/09/2012

Assets	Valuation at market prices Level 1	Valuation on the basis of input factors observable on the market Level 2	Other valuation factors Level 3	Total
Investments				
Other investments	351.8	—	—	351.8
Other financial assets				
Securities (available for sale)	105,837.4	5,715.1	1,711.5	113,264.0
Securities (fair value option)	317,689.4	5,547.9	—	323,237.3
Receivables and other assets				
Derivatives with a hedging relationship (cash flow hedge)	—	2,866.9	—	2,866.9
Derivatives with a hedging relationship (fair value hedge)	—	6,191.6	—	6,191.6
Derivatives with no hedging relationship	—	2,796.0	—	2,796.0
Total	**423,878.6**	**23,117.5**	**1,711.5**	**448,707.6**

Liabilities				
Other debts				
Derivatives with a hedging relationship (cash flow hedge)	—	21,796.2	—	21,796.2
Derivatives with no hedging relationship	—	7,223.1	—	7,223.1
Total	**—**	**29,019.3**	**—**	**29,019.3**

30/09/2011

Assets	Valuation at market prices Level 1	Valuation on the basis of input factors observable on the market Level 2	Other valuation factors Level 3	Total
Investments				
Other investments	473.7	—	—	473.7
Other financial assets				
Securities (available for sale)	19,690.9	5,688.2	1,453.8	26,832.9
Securities (fair value option)	365,629.1	4,582.7	—	370,211.8
Receivables and other assets				
Derivatives with a hedging relationship (cash flow hedge)	—	8,489.4	—	8,489.4
Derivatives with a hedging relationship (fair value hedge)	—	6,236.1	—	6,236.1
Derivatives with no hedging relationship	—	6,756.3	—	6,756.3
Total	**385,793.7**	**31,752.7**	**1,453.8**	**419,000.2**

Liabilities				
Other debts				
Derivatives with a hedging relationship (cash flow hedge)	—	12,892.7	—	12,892.7
Derivatives with no hedging relationship	—	12,601.0	—	12,601.0
Total	**—**	**25,493.7**	**—**	**25,493.7**

The financial instruments in level 3 displayed the following development:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Book value as of 01 October	**1,453.8**	1,102.0
Profits (losses)		
- with effect on the result	**—**	—
- with no effect on the result	**- 464.8**	- 148.2
Purchases	**722.5**	500.0
Sales	**—**	—
Redemptions	**—**	—
Reclassifications	**—**	—
Book value as of 30 September	**1,711.5**	1,453.8

In the current fiscal year, no profits/losses for financial instruments in level 3 were entered with effect on the result.

The majority of the accounts receivable (trade debtors) as well as other financial assets have short terms to maturity. As a result, their book values as at the balance sheet date correspond approximately to the fair value. The fair values of long-term borrowings, if material, correspond to the present 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 cost. The book values can be taken from the table above. The losses from the disposal of such assets amounted to EUR 5.5 thousand (previous year: EUR 591.0 thousand) during fiscal year 2011/2012.

Accounts payable and other financial debts regularly have short times to maturity; the values in the balance sheet approximately reflect the attributable fair values. The current values of financial liabilities, if material, are established at present values of the payments linked to debts, on the basis of 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:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Loans and receivables	**- 1,595.1**	- 658.2
Held to maturity investments	**79.8**	288.4
Available for sale financial assets	**3,410.1**	- 6,001.3
Financial assets at fair value through profit or loss (FV option)	**2,803.8**	1,649.6
Financial assets/liabilities at fair value through profit or loss (trading)	**762.9**	- 3,145.7
Financial liabilities measured at amortised cost	**- 33,561.4**	- 33,678.1
Net result	**- 28,099.9**	**- 41,545.3**
Total gains from interest	**2,553.7**	3,316.8
Total expenses for interest	**- 33,561.4**	- 33,678.1

The net result of the category "loans and receivables" mainly comprises interest gains from invested money, as well as borrowings, and 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 operating result.

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 for sale" financial assets shows the valuation result of participations, valued with no effect on the result and securities, as well as gains from participations. It is 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 amortised cost" essentially comprises interest expenses for financial liabilities and 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 minimise 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 value of assets in neighbouring countries (especially the Czech Republic and Hungary). 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 translation risk of a subordinated extent, due to payments in foreign currencies.

The sensitivity of the financial instruments to foreign currency risks was analysed to show the effects of assumed changes in the exchange rate on the result (after tax) and on equity. The instruments held on the balance sheet date were used as a basis for the analysis. In this context, it was assumed that the risk prevailing on the balance sheet date essentially represented the risk during the entire fiscal year. The corporate tax rate of 25% was used as tax rate. Another assumption for the analysis was that all other vari-ables, especially interest rates, will remain unchanged. Foreign currency risks linked to financial instruments which are denominated in a currency other than the functional currency and are of a monetary nature are included in the analysis. Exchange rate-related differences resulting from the conversion of financial statements into the Group currency are not considered.

An appreciation of the euro – in keeping with the aforementioned assumptions – by 10% against all other currencies as at the balance sheet date would have resulted in an increase in the result (after tax) in the amount of EUR 75.5 thousand (previous year: EUR 1,298.6 thousand) and an increase in equity in the amount of EUR 75.5 thousand (previous year: EUR 1,298.6 thousand).

A depreciation of the euro – in keeping with the aforementioned assumptions – by 10% against all other currencies as at the balance sheet date would have resulted in a reduction in the result (after tax) in the amount of EUR 51.4 thousand (previous year: EUR 2,055.1 thousand) and a reduction in equity in the amount of EUR 51.4 thousand (previous year: EUR 2,055.1 thousand).

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 the 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. Moreover, interest risk accrues from interest-related derivatives.

The sensitivity of these financial instruments to risks of changes in interest rate is analysed to show the effects of assumed changes in the level of market interest rates on the result (after tax) and on equity. The instruments held on the balance sheet date were used as a basis for the analysis. In this context, it was assumed that the risk prevailing on the balance sheet date essentially represented the risk during the entire fiscal 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 – in keeping with the aforementioned assumptions – of 50 basis points as at the balance sheet date would have resulted in an increase in the result (after tax) in the amount of EUR 494.2 thousand (previous year: EUR 56.0 thousand) and an increase in equity in the amount of EUR 5,618.8 thousand (previous year: EUR 3,212.4 thousand). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash flow hedging provision in the amount of EUR 5,124.6 thousand (previous year: EUR 3,156.4 thousand), in addition to the sensitivity of the result (after tax).

A decrease in the level of market interest rates – in keeping with the aforementioned assumptions – of 50 basis points as at the balance sheet date would have resulted in a reduction in the result (after tax) in the amount of EUR 452.1 thousand (previous year: EUR 68.6 thousand) and a reduction in equity in the amount of EUR 5,869.2 thousand (previous year: EUR 3,409.9 thousand). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash flow hedging provision in the amount of EUR 5,417.1 thousand (previous year: EUR 3,341.3 thousand), 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 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 carried out for the commodity price risk. These show the effect of assumed changes at the level of market prices on the result (after tax) and on equity. The respective amounts held on the balance sheet date were used as a basis. In this context, it was assumed that the risk prevailing on the balance sheet date essentially represented the risk during the entire fiscal 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. The analysis did not include contracts that are used to receive or supply non-financial items in keeping with the expected procurement, sales and utilisation requirements of the company (own use) and thus need not be shown in the balance sheet, according to IAS 39, with the exception of encumbered contracts.

Sensitivity of derivative contracts in connection with the electricity price:

An increase (reduction) of the market price level – in keeping with the aforementioned assumptions – by 15% on the balance sheet date would have resulted in an increase (reduction) in the result (after tax) in the amount of EUR 0.0 thousand (previous year: EUR 6.0 thousand) and an increase (reduction) in equity in the amount of EUR 27,641.3 thousand (previous year: EUR 8,810.6 thousand). In this context, equity sensitivity was influenced by the sensitivity of the cash flow hedging provision in the amount of EUR 27,641.3 thousand (previous year: EUR 8,804.6 thousand) relating to electricity prices, in addition to the sensitivity of the result (after tax).

Sensitivity of derivative contracts in connection with the gas price:

An increase (reduction) of the market price level – in keeping with the aforementioned assumptions – by 25% on the balance sheet date would have resulted in a reduction (increase) in the result (after tax) in the amount of EUR 56.6 thousand (previous year: EUR 0.0 thousand) and an increase (reduction) in equity in the amount of EUR 794.1 thousand (previous year: EUR 4,719.4 thousand). In this context, equity sensitivity was influenced by the sensitivity of the cash flow hedging provision in the amount of EUR 850.7 thousand (previous year: EUR 4,719.4 thousand) relating to gas prices, in addition to the sensitivity of the result (after tax).

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 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 analysed 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 amounts held on the balance sheet date were used as a basis. In this context, it was assumed that the risk prevailing on the balance sheet date essentially represented the risk during the entire fiscal year. The corporate tax rate of 25% was used as tax rate. 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 aforementioned assumptions – by 15% on the balance sheet date would have resulted in an increase (reduction) in the result (after tax) in the amount of EUR 36,364.2 thousand (previous year: EUR 41,648.8 thousand) and an increase (reduction) in equity in the amount of EUR 49,144.8 thousand (previous year: EUR 44,719.7 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 12,780.6 thousand (previous year: EUR 3,070.9 thousand), 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 analysing the ratings of the customer portfolio. In the area of financial and energy trading, transactions are only carried out 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 comprise the following items:

	Book value 30/09/2012 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: 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	Of these: impaired as at the reporting date in EUR 1,000
Other financial assets	**23,641.7**	**23,641.7**	**—**	**—**	**—**	**—**	**—**
Other loans	23,641.7	23,641.7	—	—	—	—	—
Receivables and other financial assets (long and short-term)	**318,785.2**	**282,729.1**	**17,815.3**	**3,782.9**	**1,881.3**	**9,560.2**	**3,016.4**
Accounts receivable (trade debtors)	262,187.0	227,639.0	17,450.4	3,724.0	1,858.8	8,520.2	2,994.6
Due from affiliated companies	8,887.0	8,195.7	6.6	58.4	12.0	614.3	—
Due from undertakings with which the company is linked by virtue of participating interests	3,614.1	3,211.3	261.9	0.4	4.3	136.2	—
Other financial assets	44,097.1	43,683.1	96.4	0.1	6.2	289.5	21.8
Total	**342,426.9**	**306,370.8**	**17,815.3**	**3,782.9**	**1,881.3**	**9,560.2**	**3,016.4**

	Book value 30/09/2011 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: 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	Of these: impaired as at the reporting date in EUR 1,000
Other financial assets	**19,389.1**	**19,356.5**	**—**	**—**	**—**	**32.6**	**—**
Other loans	19,389.1	19,356.5	—	—	—	32.6	—
Receivables and other financial assets (long and short-term)	**410,440.1**	**363,867.4**	**24,979.0**	**5,336.6**	**2,258.1**	**10,941.2**	**3,057.8**
Accounts receivable (trade debtors)	277,190.0	231,652.2	24,888.3	5,300.0	2,246.6	10,258.0	2,844.9
Due from affiliated companies	13,509.6	12,997.1	—	34.0	10.7	467.8	—
Due from undertakings with which the company is linked by virtue of participating interests	2,652.6	2,496.6	76.2	0.4	0.8	78.6	—
Other financial assets	117,087.9	116,721.5	14.5	2.2	—	136.8	212.9
Total	**429,829.2**	**383,223.9**	**24,979.0**	**5,336.6**	**2,258.1**	**10,973.8**	**3,057.8**

Impairments of financial assets have developed as follows:

	Status 01/10/2011 in EUR 1,000	Change in consolidated Group in EUR 1,000	Additions in EUR 1,000	Consumption in EUR 1,000	Retransfers in EUR 1,000	Status 30/09/2012 in EUR 1,000
Other financial assets	**1,218.8**	**—**	**—**	**—**	**—**	**1,218.8**
Securities (available for sale)	1,218.8	—	—	—	—	1,218.8
Accounts receivable and other financial assets (long and short-term)	**11,551.5**	**236.3**	**1,860.7**	**- 986.2**	**- 1,001.6**	**11,660.7**
Accounts receivable (trade debtors)	11,311.5	196.5	1,850.0	- 986.2	- 955.2	11,416.6
Other financial assets	240.0	39.8	10.7	—	- 46.4	244.1
Total	**12,770.3**	**236.3**	**1,860.7**	**- 986.2**	**- 1,001.6**	**12,879.5**

	Status 01/10/2010 in EUR 1,000	Change in consolidated Group in EUR 1,000	Additions in EUR 1,000	Consumption in EUR 1,000	Retransfers in EUR 1,000	Status 30/09/2011 in EUR 1,000
Other financial assets	**1,303.5**	**—**	**—**	**- 84.7**	**—**	**1,218.8**
Securities (available for sale)	1,303.5	—	—	- 84.7	—	1,218.8
Accounts receivable and other financial assets (long and short-term)	**9,199.9**	**1,525.9**	**2,778.6**	**- 1,168.1**	**- 784.8**	**11,551.5**
Accounts receivable (trade debtors)	9,067.6	1,418.2	2,778.6	- 1,168.1	- 784.8	11,311.5
Other financial assets	132.3	107.7	—	—	—	240.0
Total	**10,503.4**	**1,525.9**	**2,778.6**	**- 1,252.8**	**- 784.8**	**12,770.3**

Expenses for the complete retirement of accounts receivable amounted to EUR 2,585.2 thousand (previous year: EUR 2,210.0 thousand). Revenues from the receipt of retired accounts receivable amounted to EUR 103.2 thousand (previous year: 67.9 thousand). In the fiscal year, expenses for impairments amounted to EUR 859.1 thousand (previous year: EUR 1,993.8 thousand) concerning financial assets in the category "loans and receivables", EUR 0.0 thousand (previous year: EUR 0.0 thousand) concerning financial assets in the category "available for sale" and EUR 0.0 thousand (previous year: EUR 0.0 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 balance sheet date.

The value of the 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 the 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 sould arise if the liquidity reserves and/or the debt capacity were insufficient in order to meet financial obligations in time. As Energie AG engages in farsighted 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 30/09/2012 in EUR 1,000	Cash flows 2012/2013		Cash flows 2013/14 to 2016/17		Cash flows as of 2017/18	
		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)	**944,075.1**	**27,301.4**	**226,847.8**	**94,011.5**	**190,392.0**	**150,848.9**	**530,505.7**
Bonds	303,976.5	13,500.0	0.8	54,000.0	—	114,750.0	306,191.6
Amounts due to banks	468,829.4	8,263.1	223,107.3	18,954.1	126,839.7	3,770.7	120,337.1
Liabilities from financing leasing	64,020.9	645.2	2,538.6	5,023.6	9,716.1	6,621.1	51,766.0
Other financial liabilities	107,248.3	4,893.1	1,201.1	16,033.8	53,836.2	25,707.1	52,211.0
Accounts payable (short term)	**199,909.6**	**—**	**199,909.6**	**—**	**—**	**—**	**—**
Other debts (long and short-term) according to balance sheet	**370,800.8**						
of these non-financial debts	**235,345.1**						
of these financial debts	**135,455.7**	**5,442.3**	**91,760.4**	**15,921.8**	**10,689.4**	**18,378.2**	**6,840.5**
Due to affiliated companies	5,647.7	—	5,424.8	—	222.7	—	—
Due to undertakings with which the company is linked by virtue of participating interests	22,885.9	—	22,885.9	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	21,796.2	4,354.3	—	13,847.2	—	17,860.7	—
Derivatives with hedge relation (fair-value hedge)	—	—	—	—	—	—	—
Derivatives without hedge relation	7,223.1	916.7	2,512.4	2,074.6	129.2	517.5	—
Other financial liabilities (long and short-term)	77,902.8	171.3	60,937.3	—	10,337.5	—	6,840.5
Total	**1,279,440.4**	**32,743.7**	**518,517.8**	**109,933.3**	**201,081.4**	**169,227.1**	**537,346.2**

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. A mean term to maturity of 12 months is assumed for the ongoing operating loans. 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 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 securitisation for financial liabilities in the amount of EUR 0.0 thousand (previous year: 1,283.0 thousand).

24.5 Conditions of the Main Financial Instruments

Energie AG Oberösterreich has emitted the following bonds:

4.5% bonds issued by Energie AG OOe, 2005-25 ISIN: XS0213737702 volume: EUR 300,000,000 coupon: 4. March
Energie AG Oberösterreich Group Treasury GmbH:
Borrower's note loan 2009-2013: EUR 134,500,000, of which EUR 109,500,000 with variable interest rate
Borrower's note loan 2009-2016: EUR 115,500,000, of which EUR 101,000,000 with variable interest rate
Bond (private placement) 2009-2015, 5.217%, volume: EUR 50,000,000
Registered bond 2010-2030, 4.75%, volume: EUR 40,000,000

	Book value 30/09/2011 in EUR 1,000	Cash flows 2011/2012 Interest in EUR 1,000	Cash flows 2011/2012 Redemption in EUR 1,000	Cash flows 2012/2013 to 2015/2016 Interest in EUR 1,000	Cash flows 2012/2013 to 2015/2016 Redemption in EUR 1,000	Cash flows as of 2016/2017 Interest in EUR 1,000	Cash flows as of 2016/2017 Redemption in EUR 1,000
Financial liabilities (long and short-term)	**965,663.6**	**32,087.0**	**76,368.6**	**108,868.0**	**200,329.8**	**159,386.9**	**693,047.7**
Bonds	303,843.1	13,500.0	1.2	54,000.0	—	114,750.0	306,236.1
Amounts due to banks	486,995.2	12,280.3	70,336.6	28,699.2	187,503.4	3,699.0	230,843.5
Liabilities from financing leasing	66,622.1	1,387.3	2,590.1	6,577.6	9,699.2	12,219.6	54,332.8
Other financial liabilities	108,203.2	4,919.4	3,440.7	19,591.2	3,127.2	28,718.3	101,635.3
Accounts payable (short term)	**194,886.3**	**—**	**194,886.3**	**—**	**—**	**—**	**—**
Other debts (long and short-term) according to balance sheet	**373,642.9**						
of these non-financial debts	**247,133.4**						
of these financial debts	**126,509.5**	**2,670.4**	**91,689.4**	**8,926.2**	**11,839.1**	**10,009.9**	**4,995.3**
Due to affiliated companies	7,491.5	—	7,458.9	—	32.6	—	—
Due to undertakings with which the company is linked by virtue of participating interests	27,868.9	—	27,868.9	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	12,892.7	1,882.9	759.0	6,737.9	—	9,072.5	—
Derivatives with hedge relation (fair-value hedge)	—	—	—	—	—	—	—
Derivatives without hedge relation	12,601.0	787.5	5,577.0	2,188.3	862.0	937.4	—
Other financial liabilities (long and short-term)	65,655.4	—	50,025.6	—	10,944.5	—	4,995.3
Total	**1,287,059.4**	**34,757.4**	**362,944.3**	**117,794.2**	**212,168.9**	**169,396.8**	**698,043.0**

25. Long-Term Provisions

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Pension provisions	**72,932.7**	75,242.7
Provisions for pension payments	**51,746.3**	55,443.8
Provisions for anniversary bonuses	**14,944.0**	13,513.9
Provisions for early retirement payments and gradual step-in pension	**33,623.2**	23,037.8
Provisions for landfills and other provisions	**46,382.6**	45,656.0
	219,628.8	**212,894.2**

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

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:

	2011/2012	2010/2011
Assumed interest rate	**4.25 %**	5.50 %
Trend regarding salaries	**3.00 %**	3.00 %
Trend regarding pensions	**2.25 %**	2.25 %
Expected income from pension fund assets	**4.25 %**	4.50 %

"AVÖ 2008 P Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler" was 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.

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Present value of pension commitment (DBO) as at 01/10	**92,827.3**	100,442.5
+/- Changes in consolidated group	**—**	- 89.9
+ current service cost	**951.9**	783.9
+ interest costs	**4,642.4**	4,826.6
- actual benefit payments	**- 7,364.7**	- 7,353.6
+/- actuarial loss/profit	**14,511.9**	- 5,782.2
Present value of pension commitment (DBO) as at 30/09	**105,568.8**	**92,827.3**
- fair value of fund assets	**- 10,199.2**	- 9,236.2
- non-realised net loss	**- 22,436.9**	- 8,348.4
Pension provision as at 30/09, as shown in the balance sheet	**72,932.7**	**75,242.7**

Development of Fund Assets	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Budgeted assets as at 01/10	**9,236.2**	9,463.8
Contributions paid to fund	**573.6**	277.0
Payments from fund	**- 338.9**	- 336.9
Expected income from budgeted assets	**417.0**	483.7
Actuarial profits/losses	**311.3**	- 651.4
Budgeted assets as at 30/09	**10,199.2**	**9,236.2**

The fund assets comprise the following items:	30/09/2012 %	30/09/2011 %
Bonds (euros)	**50.7**	46.6
Shares	**36.1**	15.1
Miscellaneous	**13.2**	38.3
	100.0	100.0

Expenses recognised in income statement:	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Current service cost	**951.9**	783.9
Interest costs	**4,642.4**	4,826.6
Expected gains from investment	**- 417.0**	- 483.7
Actuarial profits and losses	**112.4**	731.0
	5,289.7	**5,857.8**

Historical information on pension provision

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000	30/09/2010 in EUR 1,000	30/09/2009 in EUR 1,000
Present value of pension commitments (DBO)	**105,568.8**	92,827.3	100,442.5	95,575.3
Fair value of fund assets	**- 10,199.2**	- 9,236.2	- 9,463.8	- 8,788.3
Under-coverage	**95,369.6**	83,591.1	90,978.7	86,787.0
Adjustments based on experience in % of the present value of the commitment	**-1.50**	1.03	0.86	- 0.22

The actual income from the budgeted assets amounts to EUR 728.3 thousand (previous year: EUR -167.7 thousand).

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 labour law and collective agreements and 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.

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Provision for severance payments, as shown in the balance sheet, as at 01/10	**55,443.8**	55,003.2
+/- change in consolidated group	**- 63.9**	- 648.4
+ current service cost	**2,877.9**	3,030.5
+ interest costs	**3,321.0**	3,190.9
+ past service cost	**676.2**	1,319.9
- net payments for transfers	**- 10,718.7**	- 7,000.0
+ realised actuarial loss	**210.0**	547.7
provision for severance payments, as shown in the balance sheet, as at 30/09	**51,746.3**	55,443.8
+ non-realised actuarial loss	**15,399.7**	7,640.6
Present value of severance payment commitment (DBO) as at 30/09	**67,146.0**	**63,084.4**

Provisions for Anniversary Bonuses

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

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Present value of anniversary bonus commitment (DBO) as at 01/10	**13,513.9**	14,305.2
- change in consolidated group	**6.7**	- 124.0
+ current service cost	**621.8**	676.5
+ interest costs	**702.3**	688.1
- amortisation due to plan amendment	**- 84.7**	- 117.6
- anniversary bonus payments	**- 1,172.6**	- 1,058.7
- realised actuarial profit	**1,356.6**	- 855.6
Present value of anniversary bonus commitment (DBO) as at 30/09 = Anniversary bonus commitment as at 30/09, shown in the balance sheet	**14,944.0**	**13,513.9**

Provisions for Early Retirement and Stepped Pension

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. Moreover, in fiscal year

2009/2010, a stepped pension model was developed which, under certain conditons, guarantees employees benefits in the period between the end of their employment relations and their actual entitlement to a statutory pension.

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.

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Present value of early retirement commitment (DBO) as at 01/10	**23,037.8**	14,294.8
+ interest expense	**1,158.4**	695.1
+ allocation due to new commitment	**13,047.8**	15,103.9
- early retirement payments	**- 3,876.1**	- 3,219.8
-/+ realised actuarial profit/loss	**255.3**	- 3,836.2
Present value of early retirement commitment (DBO) as at 30/09 = Early retirement provision as at 30/09, shown in the balance sheet	**33,623.2**	**23,037.8**

Provisions for Landfills and Other Provisions

Other long-term provisions result, in particular, from future expenses in connection with the covering, recultivation and follow-up monitoring of landfills (removal of seepage water, drainage of surface water, gas drainage, measurement and control programmes).

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Carrying value as at 01/10	**45,656.0**	41,717.7
Change in consolidated group	**2,616.2**	- 796.8
Consumptions	**- 1,723.3**	- 2,131.6
Reversals	**- 4,097.4**	- 711.7
Allocations	**4,152.6**	7,785.1
Currency differences	**- 221.5**	- 206.7
	46,382.6	**45,656.0**

26. Contributions to Construction Costs

This item primarily comprises financing contributions received from electricity, gas and district-heating customers. They are reversed 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 quantieis 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

	30/09/2012 in EUR 1,000	30/09/2012 in EUR 1,000
Investment grants	**32,867.0**	34,170.0
Other liabilities	**56,470.8**	49,812.8
	89,337.8	**83,982.8**

29. Short-Term Provisions

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

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Carrying value as at 01/10	**42,003.5**	44,568.5
Change in consolidated group	**- 443.3**	247.7
Consumption	**- 16,867.5**	- 24,363.3
Reversals	**- 1,468.4**	- 5,055.6
Allocation	**28,274.7**	26,690.6
Currency differences	**2.0**	- 84.4
	51,501.0	**42,003.5**

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

30. Tax Provisions

	30/09/2012 in EUR 1,000	30/09/2012 in EUR 1,000
Corporate income tax for the business year	**140.3**	**1,992.2**

31. Other Short-Term Debt

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Due to non-consolidated affiliated companies	**5,424.8**	7,458.9
Due to undertakings with which the company is linked by virtue of participating interest	**22,885.9**	27,868.9
Tax liabilities	**74,036.3**	81,216.2
Liabilities under social security	**7,735.4**	7,453.2
Advances from customers	**40,302.8**	40,243.0
Market value of derivatives	**4,104.0**	7,739.4
Liabilities vis-à-vis staff members	**45,662.2**	45,670.8
Other liabilities	**81,311.6**	72,009.7
	281,463.0	**289,660.1**

32. Liabilities to Third Parties

	30/09/2012 in EUR 1,000	30/09/2011 in EUR 1,000
Cross-border leasing	**676,977.1**	697,616.6
Others	**84,019.7**	80,165.2
	760,996.8	**777,781.8**

With regard to contingent liabilities from cross-border leasing we refer to item 5.

33. Other Commitments

In accordance with the energy supply contract between Energie AG Oberösterreich and VERBUND AG, dated 07/08 August 2001, Energie AG Oberösterreich receives from VERBUND AG 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 fiscal year 2007/2008, an operating lease agreement concerning the corporate headquarters in Linz, Böhmerwaldstraße 3, was entered. The lease contract was concluded for an indefinite period; a termination by the lessee is not permissible until 20 years after commencement of the agreement, under certain conditions, after 23 years. Purchase options at market value were granted for fixed dates. The contingent lease payments determined on the basis of variable interest in the amount of EUR -1,299.4 thousand (previous year: EUR -1,350.9 thousand) are shown under lease and rental expenses.

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 4,838.3 thousand (previous year: EUR 5,439.9 thousand) due to long-term rental, leasehold and leasing agreements.

The total amount of these commitments for the next five years amounts to EUR 22,644.6 thousand (previous year: EUR 25,026.8 thousand), and to EUR 15,239.1 thousand (previous year: EUR 20,864.3 thousand) for periods longer than five years.

34. Construction Contracts

Receivables from construction contracts are realised according to the percentage of completion method in compliance with IAS 11. The costs actually accrued as at the balance sheet date serve as a yardstick for the percentage of completion. Imminent losses from the remaining construction process are covered by corresponding write-downs.

The following amounts have been recorded for construction contracts not completed as at the balance sheet date:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Income from production activities	**86,225.9**	40,382.4
All orders not billed as at the balance sheet date:		
Costs incurred as at the balance sheet date	**45,200.8**	26,489.3
Profits accrued as at the balance sheet date	**2,316.6**	1,425.9
Accumulated losses	**- 96.7**	- 128.9
less receivables posted as liabilities	**- 1,782.7**	- 140.8
	45,638.0	**27,645.5**
Prepayments received on such receivables	**- 26,373.1**	- 15,545.2
Receivables	**19,264.9**	**12,100.3**

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

The nominal capital of Energie AG Oberösterreich consists of 89,000,000 share certificates (previous year: 89,000,000). The average number of outstanding shares amounted to 88,986,232 (previous year: 88,991,376). This results in consolidated earnings per share in the amount of EUR 0.640 (previous year: EUR 0.710).

The Board of Management of Energie AG proposes to the General Shareholders' Meeting to distribute a dividend in the amount of EUR 0.6 (previous year: EUR 0.6) per share, which altogether amounts to EUR 53,390.2 thousand (previous year: EUR 53,392.7 thousand).

36. Risk Management

The development of the energy industry and thus of the Energie AG Group is currently affected by a gloomier economic outlook, changing energy policies, high volatility in the energy markets as well as fierce competitive and regulatory pressure.

The Energie AG Group is responding to these challenges specifically by taking targeted strategic and operational measures – as part of the Group-wide risk management system – in order to reduce risks to a minimum and exploit the opportunities available.

Risk Management System
The central risk management system coordinates and monitors the entire risk management process. Risk and opportunity management is a firm part of the Group's planning, reporting and control processes.

The risk management system is adapted to the Group's structure and is based on an operational risk management system in decentralised business areas. The risks and measures are updated on a quarterly basis and recorded with a software tool that is implemented across the Group.

At the Group level, the reported risks/opportunities and measures are analysed and aggregated to the Group's overall risk position.

Reports are submitted to the Board of Management on a quarterly basis and, if necessary, ad hoc.

Risk management is an integral part of supervisory board reporting and, in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)], is also brought to the notice of the Audit Committee with a view to confirming the efficiency and validity of the process.

Correct documentation and verifiability is guaranteed through historisation at the reporting dates. The system is reviewed for its effectiveness by the auditor of the financial statements every year.

Energy

During fiscal year 2011/2012, the international oil and gas markets were characterised by higher volatility than the electricity markets. The average price level in the international oil markets and the European spot market for natural gas was above that of the same period the previous year; in the electricity trading market the downturn continued during the year under report.

Key drivers were the unrest in the Middle East, the international political play of power over Iran's nuclear policy, the global developments, and also the short period of cold temperature in Europe in February.

The operating result of the Energie AG Group is heavily impacted by electricity production from hydropower, which fluctuates depending on hydrological factors beyond the Group's control. In fiscal year 2011/2012, electricity production from hydropower was characterised by above-average conditions and was above the multi-year mean value. The result additionally depends on the development of the electricity prices.

In fiscal year 2011/2012, the general economic conditions – the development of the prices for electricity, primary energy and CO_2 certificates – led to essential declines in production in the thermal area.

Electricity supply is characterised by the price risk in the procurement and end-customer market and by the volume risk. In all customer segments, Energie AG is exposed to fierce competition; the margin situation is very tense.

Optimised management strategies help to utilise synergies within the Group and reduce possible risks. Moreover, external hedging transactions help to limit market price risks.

Proprietary trading activities are limited by means of an internally developed limit system and subject to ongoing risk monitoring.

Waste Management

In the Waste Management Segment, the prices for recyclable materials during fiscal year 2011/2012 exhibited a very volatile trend. Autumn 2011 was primarily characterised by declining prices for recyclable materials, particularly for paper and cardboard. Following a noticeable recovery due to the increased demand in spring 2012, the prices for recyclable materials during the second half-year again showed a downward trend.

Fiscal year 2012/2013 presents a continuing challenge for the Waste Management Segment. In fiscal year 2012/2013, the prices for recyclable materials and fuels are expected to show a sideward trend at the current level; the prices for waste from SMEs are forecasted to exhibit persistent slight declines due to sluggish industrial production, excess capacities and waste exports.

Currently, in the course of a strategy review, several strategic options are being evaluated, which also involve a possible partial or full sale of the Waste Management Segment. Against this background, a call for expression of interest was published in the context of a structured process. It concerns the acquisition of the AVE Group, either in part or as a whole.

Water

In fiscal year 2011/2012, the Water Segment exhibited a stable sales and earnings development, which is to be strengthened further in fiscal year 2012/2013, despite the fact that there will be several tenders for licences in fiscal year 2012/2013, for example in the drinking water and waste water area, and that there are demands for the introduction of a central regulatory authority in the Czech water business.

Politics and Law

Changing political, legal and regulatory conditions are posing a great challenge to the Energie AG Group.

The trend towards re-municipalisation, which has been present in Hungary since 2011 and lately also in Romania, which also provides for massive legal intervention into ownership rights of investors and into existing contracts, presents a risk which is difficult to predict and is being given particular attention.

AVE CZ has been participating in administrative proceedings over a possible breach of the law on the protection of fair competition, in relation to which, according to the current state of knowledge, a provision was created in the balance-sheet.

Particular regulatory risks exist in the electricity and gas distribution system; in the electricity distribution system, in particular, these are the result of the not yet finalised corner points of the future regulatory system (new regulation period from 1 January 2014 onward).

Finances

The Group Treasury is responsible for the central control and monitoring of financial risks. The main financial risks are the liquidity risk, the foreign exchange and interest-rate risk, as well as the market price risk of the securities portfolio.

Counterparties

In its treasury and energy trading activities, Energie AG only engages in transactions with counterparties with first-class ratings in order to minimise counterparty risks. The bundling of the design and processing of the financial transactions takes place in the Group Treasury, while energy trading activities (electricity, gas, coal and CO2) and derivative hedging transactions are concentrated in the Group's own trading subsidiary Trading GmbH.

This approach guarantees optimal control operations with valid process flows, suitable control mechanisms and qualified personnel. Risks are also mitigated by limit systems and intensive monitoring.

For the purpose of engaging in hedging transactions and commodity futures transactions with several counterparties, the

Group has signed a German master agreement with an attachment on hedging (credit support annex) shown in the annex, in order to minimise risk. For the operational implementation of this credit support annex, the discounted contracted values with mark-to-market valuation are coordinated with the counterparties concerned on a weekly basis.

Participation
Risks are the result of fluctuations in the shares held, in the dividends/dividend pay-outs and in changes in the value of interests.

Risks are optimised by identifying, analysing, quantifying and monitoring them.

Production, Distribution System, Waste Management and Infrastructure Facilities
Energie AG counters risks associated with facilities and the associated revenue losses with strict maintenance and quality controls, an optimised maintenance strategy and insurance coverage.

In the fiscal year just expired, Energie AG's distribution area remained largely unaffected by heavy storms or other natural disasters. The Group aims to minimise risks through the proactive continuation of its cabling activities in forest areas.

The gloomier economic outlook, the changes in the energy policy, the high volatility in the energy markets as well as the fierce competitive and regulatory pressure are increasing the risk of depreciation in participations and plants.

Due to the generally difficult market situation for gas-fired power plants and the adverse development of the clean spark spread, a provision had to be created in the balance sheet in fiscal year 2011/12 for the combined-cycle gas turbine power plant Timelkam.

37. Relations to Affiliated Companies and Persons

The affiliated companies and persons include the majority shareholder OÖ Landesholding GmbH as well as its subsidiaries, the federal province of Upper Austria, which is the sole shareholder of OÖ Landesholding GmbH, the proportionately 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.

		Revenues in EUR 1,000	Expenses in EUR 1,000	Accounts receivable in EUR 1,000	Accounts payable in EUR 1,000
Federal Province of Upper Austria	**2012**	**733.0**	**3,414.9**	**20.1**	**50,835.9**
	2011	771.1	2,618.3	28.5	50,888.3
OÖ Landesholding GmbH and subsidiaries	**2012**	**14,490.2**	**430.2**	**859.2**	**9.6**
	2011	11,128.8	1,289.0	729.7	18.9
Proportionately consolidated companies	**2012**	**36,123.7**	**7,734.0**	**15,693.5**	**874.0**
	2011	58,070.7	12,296.0	11,105.8	864.1
Companies consolidated at equity	**2012**	**189,832.7**	**137,753.6**	**23,593.2**	**25,172.7**
	2011	131,078.4	126,457.0	29,787.0	24,306.7

Federal Province of Upper Austria
The Federal Province of Upper Austria is the sole shareholder of OÖ Landesholding GmbH. OÖ Landesholding GmbH is majority shareholder of Energie AG Oberösterreich.

In fiscal year 2008/2009, the federal province of Upper Austria subscribed a bond (private placement). Please refer to section 24.5 for the conditions of this financial liability.

OÖ Landesholding GmbH
Energie AG Oberösterreich and selected group companies are members of the taxable group of companies of OÖ Landesholding GmbH. The stipulations in the group agreement of OÖ Landesholding GmbH apply in relations between Energie AG Oberösterreich and the holding company of the group. Energie AG Oberösterreich determines its taxable income in consideration of the taxable results of the subordinated companies. In the event of positive taxable income, distribution of the tax burden is provided for. Negative taxable results are carried forward. The tax allotments amounted to EUR 17,045.0 thousand (previous year: EUR 10,199.8 thousand).

Proportionately consolidated companies

ENAMO GmbH
ENAMO GmbH was set up as a joint venture of Energie AG Oberösterreich and LINZ AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste (LINZ AG) for the supply 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. A contractual obligation exists whereby negative results are accepted on a proportional basis. ENAMO GmbH is included in the consolidated financial statement on a proportional basis until 31 March 2012; taking effect on 1 April 2012, it is included at equity. Electricity and other supplies and services are delivered between the Group and ENAMO GmbH. The revenues until 31 March 2012 amounted to EUR 32,809.8 thousand (previous year: EUR 53,944.9 thousand), the expenses amounted to EUR 5,218.9 thousand (pre-vious year: EUR 9,019.2 thousand).

Companies consolidated at equity

Ennskraftwerke Aktiengesellschaft
The Group purchases the electricity generated at the Ennskraftwerke AG power plants – minus any amounts other contractual partners are entitled to – in return for compensation for expenses plus appropriate interest on equity capital. The expenses amounted to EUR 14,401.9 thousand (previous year: EUR 12,414.2 thousand). The accounts payable amounted to EUR 7,436.3 thousand (previous year: EUR 4,800.8 thousand).

Gas- und Dampfkraftwerk Timelkam GmbH
The Group purchases the electricity generated by Gas- und Dampfkraftwerk Timelkam GmbH – minus any amounts other contractual partners are entitled to – in return for compensation for expenses plus appropriate interest on equity capital. The expenses amounted to EUR 105,492.9 thousand (previous year: EUR 95,967.6 thousand). Gas deliveries and other supplies and services take place between the Group and Gas- und Dampfkraftwerk Timelkam GmbH in the amounted of EUR 132,426.6 thousand (previous year EUR 112,500.2 thousand). The receivables amounted to EUR 20,973.9 thousand (previous year: EUR 27,959.9 thousand) and the accounts payable amounted to EUR 16,514.1 thousand (previous year: EUR 19,223.6 thousand). For Gas-und Dampfkraftwerk Timelkam GmbH, liabilities to third parties exist in the amount of EUR 64,625.0 thousand (previous year: EUR 70,463.2 thousand).

Salzburg AG
Electricity and gas supplies are delivered between the Group and Salzburg AG. The sales amounted to EUR 9,623.7 thousand (previous year: EUR 14,641.5 thousand) and the expenses amounted to EUR 9,464.9 thousand (previous year: EUR 13,900.0 thousand).

ENAMO GmbH
Electricity supplies and other supplies and services are delivered between the Group and ENAMO GmbH consolidated at-equity from 1 April 2012 onward. The sales revenues from 1 April 2012 until 30 September 2012 amounted to EUR 41,337.8 thousand; services in the amount of EUR 3,708.3 thousand were purchased.

Key Management Personnel
Key management personnel comprise the members of the Board of Management and the members of the Supervisory Board of Energie AG Oberösterreich as well as the members of the Management and Supervisory Board of OÖ Landesholding GmbH. Please refer to item 10 regarding the remunerations of the Board of Management and the Supervisory Board. Moreover, there are no major service relations.

Other Disclosures
The liabilities of Geothermie-Wärmegesellschaft Braunau-Simbach mbH as well as Geothermie-Fördergesellschaft Simbach-Braunau mbH are secured by guarantees in the amount of EUR 430.3 thousand (previous year 536.3 thousand).
Shareholders' agreements were signed between Energie AG Oberösterreich and minority stakeholders, with the exception of staff members. These particularly concern Energie AG Oberösterreich Group in connection with the arrangements on dividends, rights to delegate members to the Supervisory Board, as well as specific minority rights.
Please refer to item 10 regarding the remunerations of the Board of Management and the Supervisory Board of Energie AG Oberösterreich.
Any other transactions with subsidiaries, joint ventions and associated companies not included in the consolidated financial statements were not reported due to their minor importance.

38. Disposal Group According to IFRS 5

In fiscal year 2010/11, the "Tierkörperverwertung" division of AVE Österreich GmbH (Waste Disposal Segment) was hived off into AVE Tierkörperverwertungs GmbH. The assets and liabilities are classified as a disposal group in accordance with IFRS 5 and disclosed separately in the balance sheet. Valuation was carried out at the lower value resulting from the book value and the fair value less divestment costs. The divestment took place in fiscal year 2011/2012. Income from the divestment in the amount of EUR 12.8 million is shown under other operating income.
The disposal group comprises the following assets and liabilities:

	30/09/2011 in EUR 1,000
Intangible fixed assets	848.4
Tangible fixed assets	15,735.6
Other financial assets	49.5
Inventories	349.0
Receivables	1,593.8
Cash in hand	35.4
	18,611.7
Long-term provisions	- 1,103.4
Deferred tax liabilities	- 252.7
Contributions to construction costs	- 1,313.2
Other long-term debt	- 414.1
Short-term provisions	- 335.8
Accounts payable	- 1,047.8
Other short-term debt	- 610.3
	- 5,077.3

39. Material Events after the Balance Sheet Date

As part of a strategy review, Energie AG Oberösterreich is currently evaluating the possible sale of its waste disposal business (AVE Group). Against this background, the decision was made to invite tenders for the acquisition of the AVE Group either as a whole or of AVE Austria including Italy or AVE CEE, in a structured process. The process can be modified or terminated at any time by Energie AG.

40. Information About the Group Management Bodies

The following persons were the appointed Members of the 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), until 4 January 2012
Andreas Kolar (Member of the Board of Management, Steyr), from 4 January 2012

During fiscal year 2011/2012, the Supervisory Board of Energie AG Oberösterreich consisted of the following members:

Gerhard Falch (Chairman); Hermann Kepplinger (First Deputy Chairman); Ludwig Scharinger (Second Deputy Chairman); Alois Froschauer; Franz Gasselsberger; Anna-Maria Hochhauser; Michaela Keplinger-Mitterlehner; Manfred Klicnik; Ruperta Lichtenecker; Maria Theresia Niss; Manfred Polzer; Viktor Sigl; Michael Strugl; Bruno Wallnöfer.

The following persons were delegated by the Works Council:

Manfred Harringer; Isidor Hofbauer; Peter Neißl; Bernhard Steiner; Gerhard Störinger; Egon Thalmair; Daniela Wöhrenschimmel.

Linz, 29 November 2012

The Board of Management of Energie AG Oberösterreich

Leo Windtner Chairman of the Board of Management	Werner Steinecker Member of the Board of Management	Andreas Kolar Member of the Board of Management

Cash-Flow Statement

		2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Result before taxes on income		81,588.9	**87,093.0**
Tax payments		**- 12,275.0**	- 11,795.5
Result after taxes on income		69,313.9	**75,297.5**
Depreciation/write-ups regarding fixed assets		**175,444.9**	162,239.2
Change in long-term provisions		**4,052.7**	14,058.5
Change in other long-term assets		**- 1,735.9**	- 1,288.8
Change in other long-term debt		**- 5,926.3**	- 593.5
Income from the reversal of the present-value benefit of the cross-border leasing transactions		**- 1,253.0**	- 1,253.0
Retained income from companies associated at equity		**- 3,547.2**	- 2,063.8
Contributions to construction costs received	(26)	**22,885.5**	22,713.2
Income from the reversal of contributions to construction costs	(26)	**- 20,426.3**	- 20,221.2
Losses from the disposal of assets		**3,413.6**	9,445.3
Gains from the disposal of assets		**- 15,109.1**	- 4,194.3
Other revenues without effect on payments		**2,280.4**	2,177.3
CASH FLOW FROM THE RESULT		229,393.2	**256,316.4**
Change in inventories and short-term receivables		**20,963.9**	- 50,728.6
Payments from hedging transactions		**- 25,052.4**	14,262.8
Change in short-term liabilities		**19,284.2**	60,387.8
Change in short-term provisions		**9,795.3**	- 1,256.1
CASH FLOW FROM OPERATING ACTIVITIES		254,384.2	**278,982.3**
Inpayments from the disposal of fixed tangible assets and intangible assets		**32,359.4**	5,820.9
Outflows for additions to fixed tangible assets and intangible assets		**- 188,579.3**	- 166,656.8
Inpayments from the disposal of financial assets		**63,376.9**	32,398.6
Acquisition of subsidiary companies less acquired net cash and cash equivalents	(2)	**- 3,855.5**	- 7,370.9
Outflows for additions to financial assets and other financial investments		**- 11,836.6**	- 8,594.5
CASH FLOW FROM INVESTMENTS		- 108,535.1	**- 144,402.7**
Dividend payment	(35)	**- 57,132.2**	- 56,981.1
Purchase of own shares and non-controlling interests	(23)	**- 1,501.7**	- 1,416.7
Cross-border leasing	(5)	**- 12,662.3**	—
Raising and redeeming financial debt		**- 19,023.9**	- 54,112.5
CASH FLOW FROM FINANCING ACTIVITIES		- 90,320.1	**- 112,510.3**
TOTAL CASH FLOW		55,529.0	**22,069.3**
Funds at the beginning of period	(22)	**105,453.0**	83,383.7
Funds at the end of period	(22)	**160,982.0**	105,453.0

The cash-flow statement includes the following items:

Interest received		**3,623.4**	3,077.6
Interest paid		**40,923.4**	38,172.8
Dividends received		**12,991.0**	9,361.5

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
Status as at 30/09/2010		89,000.0	213,106.9	913,606.4	550.3
Changes in equity interests and available-for-sale securities	(23)	—	—	—	- 7,039.3
Changes in value, without effect on the result, at companies associated at equity		—	—	—	- 865.6
Hedge accounting	(23)	—	—	—	16,578.7
Currency differences	(4)	—	—	—	—
Deferred taxes		—	—	—	- 2,384.9
Changes in value without effect on the result		—	—	—	6,288.9
Group result		—	—	63,180.9	—
Total revenues for the period		—	—	63,180.9	6,288.9
Dividend payment		—	—	- 53,396.3	—
Change in consolidated group	(2)	—	—	- 464.8	—
Own shares	(23)	—	—	—	—
Status as at 30/09/2011		89,000.0	213,106.9	922,926.2	6,839.2
Changes in equity interests and available-for-sale securities	(23)	—	—	—	2,214.7
Changes in value, without effect on the result, at companies associated at equity		—	—	—	- 874.7
Hedge accounting	(23)	—	—	—	- 37,316.7
Currency differences	(4)	—	—	—	
Deferred taxes		—	—	—	8,774.5
Changes in value without effect on the result		—	—	—	- 27,202.2
Group result		—	—	56,936.0	—
Total revenues for the period		—	—	56,936.0	- 27,202.2
Dividend payment		—	—	- 53,392.7	—
Change in consolidated group	(2)	—	—	498.6	—
Own shares	(23)	—	—	—	—
Status as at 30/09/2012		89,000.0	213,106.9	926,968.1	-20,363.0

Other reserves				Equity of shareholders of parent company	Minority interest in equity	**TOTAL**
Provision fpr new valuation	Own shares	Currency differences	Total			
in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	**in EUR 1,000**
37,541.1	-106.1	16,396.7	54,382.0	1,270,095.3	77,842.0	1,347,937.3
—	—	—	- 7,039.3	- 7,039.3	- 398.1	- 7,437.4
—	—	—	- 865.6	- 865.6	—	- 865.6
—	—	—	16,578.7	16,578.7	29.5	16,608.2
—	—	2,533.4	2,533.4	2,533.4	- 382.0	2,151.4
—	—	—	- 2,384.9	- 2,384.9	92.1	- 2,292.8
—	—	2,533.4	8,822.3	8,822.3	- 658.5	8,163.8
—	—	—	—	63,180.9	6,486.6	69,667.5
—	—	2,533.4	8,822.3	72,003.2	5,828.1	77,831.3
—	—	—	—	- 53,396.3	- 3,584.8	- 56,981.1
—	—	—	—	- 464.8	- 1,113.2	- 1,578.0
—	- 107.0	—	- 107.0	- 107.0	—	- 107.0
37,541.1	- 213.1	18,930.1	63,097.3	1,288,130.4	78,972.1	1,367,102.5
—	—	—	2,214.7	2,214.7	55.6	2,270.3
—	—	—	- 874.7	- 874.7	—	- 874.7
—	—	—	- 37,316.7	- 37,316.7	—	- 37,316.7
—	—	- 5,517.7	- 5,517.7	- 5,517.7	- 329.7	- 5,847.4
—	—	—	8,774.5	8,774.5	- 13.9	8,760.6
—	—	- 5,517.7	- 32,719.9	- 32,719.9	- 288.0	- 33,007.9
—	—	—	—	56,936.0	7,480.6	64,416.6
—	—	- 5,517.7	- 32,719.9	24,216.1	7,192.6	31,408.7
—	—	—	—	- 53,392.7	- 3,739.2	- 57,131.9
—	—	—	—	498.6	- 325.4	173.2
—	- 111.7	—	- 111.7	- 111.7	—	- 111.7
37,541.1	-324.8	13,412.4	30,265.7	1,259,340.7	82,100.1	1,341,440.8

Auditor's Certificate

Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Konzernabschlusses zum 30. September 2012
29. November 2012

3. Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der

Energie AG Oberösterreich,
Linz,

für das **Geschäftsjahr vom 1. Oktober 2011 bis zum 30. September 2012** geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. September 2012, die Konzern-Gewinn- und Verlustrechnung/Gesamtergebnisrechnung, die Konzernkapitalflussrechnung und die Konzern-Eigenkapitalveränderungsrechnung für das am 30. September 2012 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.

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Consolidated Financial Statements as at 30 September 2012
30 November 2012

3. Auditor's Certificate

Report on the Consolidated Financial Statements

We have audited the enclosed **consolidated financial statements** of

Energie AG Oberösterreich,
Linz,

for the **fiscal year from 1 October 2011 to 30 September 2012**. The consolidated financial statements comprise the consolidated balance sheet as at 30 September 2012, the consolidated profit and loss statement/income statement, the consolidated cash-flow statement and the development of Group equity for the fiscal year ending on 30 September 2012, as well as the notes on the consolidated accounts.

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

The legal representatives of the company are responsible for entity accounting and 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 standards 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

KPMG

Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Konzernabschlusses zum 30. September 2012

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 2012 sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Oktober 2011 bis zum 30. September 2012 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 29. November 2012

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gabriele Lehner
Wirtschaftsprüfer

Mag. Ulrich Pawlowski
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.

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Financial Statements as at 30 September 2012

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 2012, as well as of the earnings position and cash flows of the Group during the business year 01 October 2011 to 30 September 2012 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, 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, 29 November 2012

KPMG Austria AG
Firm of Chartered Accountants and Tax Consultants

Mag. Gabriele Lehner
(Chartered Accountant)

Mag. Ulrich Pawlowski
(Chartered Accountant)

The consolidated financial statements with our audit certificate may only be published or disseminated in the format certified by us. This Auditor's Certificate exclusively refers to the full German-language version of the consolidated financial statements including the Group's management report. Any and all deviating versions fall under § 281 (2) of the Commercial Code [Unternehmensgesetzbuch (UGB)].

Report of the Supervisory Board

During fiscal year 2011/2012, the Board of Management informed the Supervisory Board and the Supervisory Board's Audit Committee 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. In fiscal year 2011/2012, the plenary Supervisory Board regularly convened in a total of four meeting and the Audit Committee in two meetings. The corporate bodies gave their approval to all business events, which is mandatory in specific cases. No objections were raised in the course of the general supervisory activities or the audit.

The financial statements of Energie AG Oberösterreich for fiscal year 2011/2012 – drawn up according to the Austrian accounting regulations – together with the accounts and the management report of the Board of Management were audited by KPMG Austria AG, Chartered Accountants and Tax Consultants, Linz. The auditors reported in writing about the outcome of their audit and stated that the accounts and financial statements comply with the statutory requirements and that the management report complies with the financial statements. The auditing firm therefore issued its unqualified audit certificate.

It was established that – in accordance with § 243 b of the Austrian Commercial Law Code – there is no obligation to prepare a Corporate Governance Report.

The Supervisory Board examined the financial statements for 2011/2012, the management report of the Board of Management, as well as the proposal for the appropriation of earnings. The Audit Committee of the Supervisory Board also examined the financial statement for 2011/2012, the management report of the Board of Management, as well as the proposal for the appropriation of earnings. It drew up a written report and recommended to the Supervisory Board to approve the present financial statements as at 30 September 2012, 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 2011/2012. 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 established that the Supervisory Board, in turn, has no 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 Corporation Act (Aktiengesetz), and that it adopts the financial statements for 2011/2012, which are thus established.

The consolidated financial statements for fiscal year 2011/2012 (1 October 2011 to 30 September 2012), drawn up in accordance with the International Financial Reporting Standards (IFRS), were also audited by KPMG Austria AG, Chartered Accountants and Tax Consultants, Linz. The auditing firm reported in writing on the outcome and established that the financial statements comply with the statutory requirements and that the Group's management report conforms to 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 statements and the Group's management report. It drew up a written report and recommended to the Supervisory Board to approve the present consolidated financial statements and the management report as at 30 September 2012, 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 established that the Supervisory Board, in turn, has no objections regarding the statements.

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

The Supervisory Board would like to express its thanks to the Board of Management and all staff members for their successful work during fiscal year 2011/2012.

Linz, December 2012

On behalf of the Supervisory Board
The Chairman

Gerhard Falch

Erklärung des Vorstandes gem. § 82 Abs. 4 Z 3 BörseG

Der Vorstand der Energie AG Oberösterreich bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Konzernabschluss der Energie AG Oberösterreich 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 29. November 2012

Der Vorstand der Energie AG Oberösterreich

Dkfm. Dr. Leo Windtner	KommR Ing. DDr. Werner Steinecker MBA	Mag. Dr. Andreas Kolar
Vorsitzender des Vorstandes	Mitglied des Vorstandes	Mitglied des Vorstandes
C.E.O.	C.O.O.	C.F.O.

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

The Board of Management of Energie AG Oberösterreich confirms to the best of its knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

Linz, 29 November 2012

The Board of Management of Energie AG Oberösterreich

Leo Windtner	Werner Steinecker	Andreas Kolar
Chairman of the	Member of the	Member of the
Board of Management	Board of Management	Board of Management
C.E.O.	C.O.O.	C.F.O.

This business report contains statements relating to the future pertaining to 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 characterise statements relating to the future. We assume no guarantee that the forecasts and figures of our planning, which relate to economic, currency-related, technical, competition-related and several other important factors, will actually materialise, 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.

IMPRINT

Responsible publisher:
Energie AG Oberösterreich, Böhmerwaldstraße 3, 4020 Linz
Editors: Michael Frostel, Daniela Wöhrenschimmel, Gerald Seyr
Concept and graphic design: MMS Werbeagentur Linz
Photography: Cover: Florian Stöllinger; Photo of Board of Management: Hermann Wakolbinger; Introductory pages: Energie AG, Erwin Wimmer, APA-PictureDesk

Linz, December 2012

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We care about tomorrow