

Annual Report 2012/2013

Energie AG Oberösterreich

(Financial statements for the Group and the Company)

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Annual Report 2012/2013

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We care about tomorrow.

Annual Report 2012/2013

ENERGIE AG
Oberösterreich

We care about tomorrow

Energie AG at a Glance

| | in | 2012/2013 | Change | 2011/2012 |
|--|-----------|-----------|----------|-----------|
| Sales | | | | |
| Energy Segment | EUR mill. | 1,467.1 | - 7.1% | 1,579.1 |
| Waste Management Segment | EUR mill. | 215.1 | - 6.5% | 230.1 |
| Water Segment | EUR mill. | 130.4 | - 0.3% | 130.8 |
| Group Sales | EUR mill. | 1,812.6 | - 6.6% | 1,940.0 |
| Results | | | | |
| Result of operations (EBIT) | EUR mill. | 41.3 | - 62.7% | 110.6 |
| EBITDA margin | % | 2.3 | - 59.6% | 5.7 |
| Result before taxes | EUR mill. | 13.8 | - 83.0% | 81.3 |
| Consolidated net profit | EUR mill. | - 28.8 | - 144.7% | 64.4 |
| Result per share | EUR | - 0.379 | - 159.2% | 0.640 |
| Dividend per share | EUR | 0.600 | — | 0.600 |
| Balance sheet | | | | |
| Balance sheet total | EUR mill. | 3,273.1 | - 11.1% | 3,682.5 |
| Equity | EUR mill. | 1,223.6 | - 8.8% | 1,341.4 |
| Equity ratio | % | 37.4 | 2.7% | 36.4 |
| Net debt ¹⁾ | EUR mill. | 576.6 | - 15.6% | 683.1 |
| Net gearing | % | 47.1 | - 7.5% | 50.9 |
| Cash Flow from operating activities | | | | |
| | EUR mill. | 195.4 | - 23.2% | 254.4 |
| Rate of return | | | | |
| ROCE | % | 1.6 | - 67.3% | 4.9 |
| Staff (average) | | | | |
| Energy Segment | FTE | 2,099 | - 4.8% | 2,205 |
| Waste Management Segment | FTE | 3,880 | - 1.7% | 3,948 |
| Water Segment | FTE | 1,565 | - 3.9% | 1,628 |
| Group | FTE | 7,544 | - 3.0% | 7,781 |

As the AVE companies in the Czech Republic, Slovakia, Hungary, Romania, Ukraine and Moldova were sold, these operations were represented as discontinued operations in accordance with IFRS 5. The income and expenses are shown separately in the income statement; the previous year's values were adjusted accordingly.

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

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Statement by the Chairman of the Board of Management

It is not an exaggeration to say that the fiscal year just ended was one of the most difficult years in the company's history. A paradigm shift in the energy markets has caused the whole industry to come under severe pressure, the effects of which are not yet entirely foreseeable. Overly ambitious energy-policy visions have led to subsidy regimes that undermine any possible form of market mechanism in the European power markets. Paired with a non-functioning market for emissions certificates, this also sends highly ambivalent signals in terms of environmental and climate policy.

Although the energy component that makes up about a third of the end-consumer electricity price has been stable for years, prices for end-consumers are on the rise due to the mechanism of subsidising green electricity. In this system, the subsidised and, in fact, far more expensive types of production are driving highly efficient power plant capacities, which would otherwise bring together the principles of economics and ecology, out of the market. In fact, even embarking on new construction projects in the field of hydropower has become uneconomical in the face of these general conditions.

Translated into business terms, this is reflected in a wave of impairments and write-downs affecting balance sheets across the entire industry. In this fiscal year, Energie AG Oberösterreich has to make provisions in the balance sheet for such value adjustments, which have a significant impact on the result. Furthermore, many companies are launching programmes to evaluate and realign their strategic orientation, a process which Energie AG Oberösterreich, too, is proactively pursuing.

A second significant effect of these consolidated financial statements is the sale of the waste management activities of AVE in CEE, due to the evolving conditions in the waste management markets.

Worth mentioning favorably is the early termination of the US cross-border leasing transaction for power plants, which was successfully completed in the fiscal year just ended. Energie AG Oberösterreich is consequently no longer engaged in these kinds of business transactions, however, as a whole, was able to achieve considerable positive financial results.

All in all, Energie AG Oberösterreich has recorded a result with numerous one-off effects, which is borne by the company's future-oriented and responsible direction. In light of these general conditions, it cannot be stressed enough how hard the Group's employees have worked over the past fiscal year. The Board of Management wishes to express its sincere thanks to the employees for the commitment they have shown and would like to ask them to keep up their motivation and loyalty in the future. The Board of Management would also like to thank the shareholders and the Supervisory Board for their constructive collaboration in the fiscal year just ended.



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 (Member of the Board of Management and Second Deputy Chairman until 20 December 2012)
Heinrich Schaller, CEO (Member of the Management Board since 20 December 2012, Second Deputy Chairman since 20 March 2013)
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
Therese Niss, Member of the Management Board
Manfred Polzer, Managing Director
Viktor Sigl, President of the Provincial Parliament
Michael Strugl, Member of the Provincial Government
Bruno Wallnöfer, CEO

Works Council Representatives

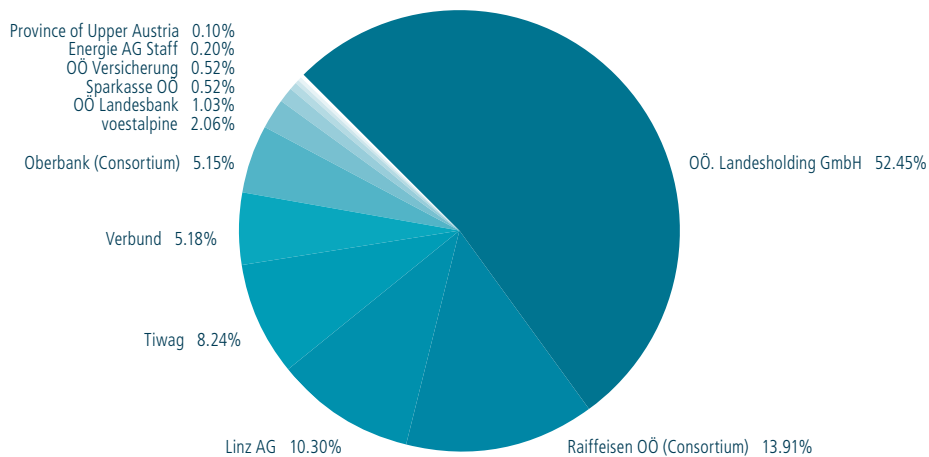
Robert Gierlinger, Chairman of Works Council, Energie AG Oberösterreich (Holding, Member since 1 July 2013)
Manfred Harringer, Chairman of Works Council, Energie AG Oberösterreich Netz GmbH
Isidor Hofbauer, Chairman of Works Council, Energie AG Oberösterreich Kraftwerke GmbH
Peter Neißl, Chairman of Works Council, Energie AG Oberösterreich Tech Services GmbH
Bernhard Steiner, Chairman of Group Works Council
Gerhard Störinger, Chairman of Central Works Council, AVE Österreich GmbH
Egon Thalmeier, Chairman of Central Works Council, OÖ. Ferngas AG
Daniela Wöhrensimmel, Chairman of Works Council, Energie AG Oberösterreich (Holding, Member until 30 June 2013)

Shareholder Structure of Energie AG Oberösterreich

| | |
|---|--------|
| • OÖ. Landesholding GmbH | 52.45% |
| • Raiffeisenlandesbank Oberösterreich Aktiengesellschaft (Consortium) | 13.91% |
| • LINZ AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste | 10.30% |
| • TIWAG-Tiroler Wasserkraft AG | 8.24% |
| • VERBUND AG | 5.18% |
| • Oberbank AG (Consortium) | 5.15% |
| • voestalpine Stahl GmbH | 2.06% |
| • Oberösterreichische Landesbank Aktiengesellschaft | 1.03% |
| • Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft | 0.52% |
| • Oberösterreichische Versicherung Aktiengesellschaft | 0.52% |
| • Energie AG Belegschaft Privatstiftung | 0.20% |
| • Province of Upper Austria | 0.10% |

The difference refers to own shares. As of 30 September 2013

Shareholder Structure of Energie AG Oberösterreich



Group Management Report 2012/2013 of Energie AG Oberösterreich¹⁾

ECONOMIC ENVIRONMENT²⁾

Whereas the economy outside Europe developed very heterogeneously, an end to the recession is in sight in the EU. An upward trend is also expected in the coming months for the Austrian economy.

The structural reforms in the European crisis countries have shown a positive effect. The downturn in Italy and Spain was halted, and the economies in Germany, France and Portugal were revitalised. Experts forecast a decline of the GDP in the European region in 2013 between -0.5% and -0.4% and growth of 1.0% to 1.2% in 2014. The positive global economic dynamics gained momentum over the course of the year, above all in the industrial countries. On the other hand, economic development in the emerging countries was more subdued, although these countries bore the expansion of the global economy in the past few years.

Although the uplifting forces are still small, it appears that the Austrian economy has already left behind the bottom turning point of the economic cycle. The improvement of the international environment and mood indicators are pointing to a moderate recovery. After a stagnation of the economic output in Austria in the first half of 2013, revitalisation is foreseeable in the second half of the year. Economic researchers are expecting that the domestic economy will grow between 0.4% and 0.5% in 2013, and by 1.6% to 1.8% in 2014.

Economic development in the Czech Republic is also highly relevant to the Energie AG Group in addition to Austria. A GDP in the bandwidth of -1.0% and -0.4% is forecast for the Czech Republic in 2013 and 1.5% to 2.0% in 2014.

BUSINESS DEVELOPMENT IN THE GROUP

The situation in the energy markets in fiscal year 2012/2013 corresponded by and large to the strained situation of the previous year. The oil and gas markets showed sideways movement at a high price level, while the electricity trading market continued to be characterised by low prices. The development was mainly caused by the energy policy change in Europe and the excessive promotion of renewable energy – especially in Germany – as well as subdued demand.

The difficult economic situation for existing thermal power plants intensified further, and new construction of conventional capacities practically came to a standstill. The consequences of this development to Energie AG are further balance sheet provisions for Gas- und Dampfkraftwerk Timelkam as well as for the coal-fired power plant Riedersbach 2 in connection with the planned shutdown in 2016. On the sales side, strong competitive pressure stood out in the commercial and private customer segment, which was compensated for in part through increased sales in the industrial customer sector. Gas sales were also confronted with lower margins due to current market developments and greater competitive intensity.

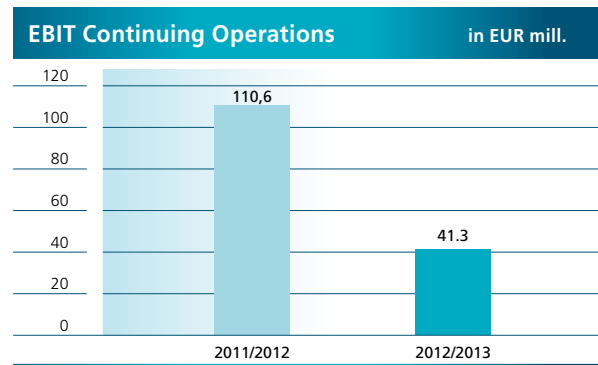
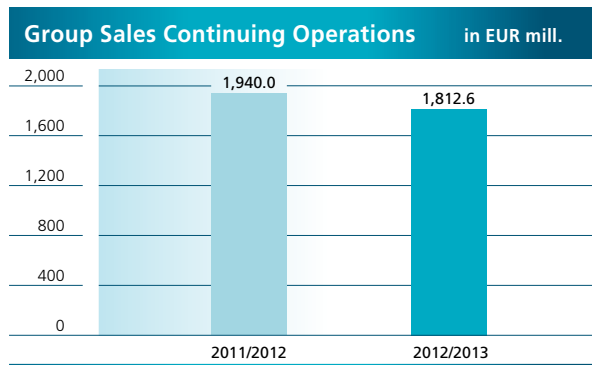
Economic development of the electricity and gas grids was stable in the framework of regulatory constraints. It was possible to maintain the market position in the heating business area.

The general conditions for the Waste Management Segment were largely unchanged in the past fiscal year. Recyclable material prices stabilised at a low level, while volumes stagnated or respectively declined. In Austria, the market continues to be characterised by excess capacities in thermal recycling and highly competitive forces, while continued re-municipalisation trends continue to be registered in individual CEE countries (Central and Eastern Europe). After evaluation of strategic options for the Waste Management Segment in the previous year and initiation of a structured selling process, the Executive Board accepted the offer of the Czech Republic's EP Industries, a.s. for the Eastern European operations of the AVE Group, and the Supervisory Board gave its approval in the meeting of 18.06.2013. The sales agreement was signed on 19.06.2013. The Austrian and South Tyrol business remains in the group of companies. The consequence of this sale for the year-end closing was the classification and separate reporting of the sold businesses as a discontinued business area in accordance with IFRS 5. The expenses and income as well as the property value and debts of the discontinued business area are shown separately. The consolidated profit and loss statement for fiscal year 2011/2012 was adjusted. Details can be found in the notes to the consolidated financial statements IFRS 5 "Discontinued Operations".

Both the external framework conditions as well as the economic development of the Water Segment remained stable. The solid

¹⁾ The Group Management Report presented here was prepared in accordance with the requirements of Section 245a of the Austrian Commercial Code (UGB) and refers to the consolidated financial statements of Energie AG in terms of Section 245a UGB.

²⁾ Sources: European Commission, European Economic Forecast Autumn 2013, November 2013; IHS (Institut für höhere Studien, Wien), Presseinformation, 02.10.2013; IMF (International Monetary Fund), World Economic Outlook, October 2013; WIFO (Österreichisches Institut für Wirtschaftsforschung), Monatsbericht 09/2013



positioning in Austria and efficiency increases in the Czech Republic contributed to positive EBIT development.

Under these challenging framework conditions, consolidated sales of EUR 1,812.6 million were generated (previous year EUR 1,940.0 million) in fiscal year 2012/2013 (01.10.2013 to 30.09.2013). The decline of 6.6% was mainly caused by declining gas purchases for the combined-cycle gas turbine (CCGT) power plant Timelkam.

The EBIT of the continuing operations in the amount of EUR 41.3 million (previous year EUR 110.6 million) was affected by numerous one-time effects. Besides the balance sheet provision for the thermal power plants Timelkam and Riedersbach due to the difficult market situation, provisions for a gradual step-in retirement programme for further staffing cutbacks negatively affected the EBIT.

During fiscal 2012/2013, EUR 157.1 million were spent on tangible fixed assets and intangible assets, which puts this year's figures at EUR 21.1 million or 11.8% above those of the previous year. As was the case in previous years, the majority of the investments were made in the Energy Segment in Austria.

The amount of the financial liabilities of the continuing operations dropped to EUR 637.2 million as of 30.09.2013. This corresponds to a reduction of more than 30% over the previous year's amount. It was possible to achieve this considerable drop in borrowed funds because, among other things, the US cross-border-leasing-transaction (CBL) for hydropower plants which existed since 2002 was terminated prematurely by mutual consent in April 2013. After the termination of the CBL power grid transaction of that took place in 2009, Energie AG is no longer involved in those kinds of transactions.

The cash flow from operating activities amounted to EUR 174.3 million (previous year EUR 242.3 million) for the continuing operations.

The international rating agency Standard & Poor's (S&P) confirmed the Energie AG Group's excellent credit standing once again in February 2013 with an unchanged rating of "A/outlook stable". With it, the Energy AG Group was able to distance itself from the current negative rating trend among European utilities due to the continued solid financial and business risk profile.

Human Resources Development

The indicated staff figures refer to full-time equivalents (FTEs) in the annual average of fully and proportionally consolidated companies. In accordance with IFRS 5, discontinued operations are shown separately.

In fiscal year 2012/2013, the Group's average consolidated staff level for the continuing operations was 4,602 employees (FTE), which meant it dropped on the average compared to the average of fiscal year 2011/2012 (4,855 employees).

On the statement date (30.09.2013), 4,581 employees (FTE) worked for the Energie AG Group in the continued business areas in 4 countries. In the discontinued business areas, there were 2,863 employees (FTE) on the statement date (30.09.2013).

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.

| STAFF LEVEL | in | 2012/2013 | Change | 2011/2012 |
|---|------------|--------------|---------------|--------------|
| Annual average continuing operations | | | | |
| Energie AG Group total | FTE | 4,602 | - 5.2% | 4,855 |
| Energy Segment | FTE | 2,099 | - 4.8% | 2,205 |
| Waste Management Segment | FTE | 938 | - 8.2% | 1,022 |
| Water Segment | FTE | 1,565 | - 3.9% | 1,628 |
| Annual average discontinued operations | | | | |
| Waste Management Segment | FTE | 2,942 | 0.5% | 2,926 |

ENERGY SEGMENT

| Energy Segment – Overview | in | 2012/2013 | Change | 2011/2012 | 2010/2011 |
|--|-----------|-----------|---------|-----------|-----------|
| Total electricity procured | GWh | 15,483 | 13.3% | 13,660 | 15,700 |
| Own electricity production | GWh | 3,607 | - 11.3% | 4,066 | 4,222 |
| Electricity distribution volumes | GWh | 7,530 | 7.8% | 6,985 | 6,710 |
| Electricity supply volumes | GWh | 7,751 | 6.6% | 7,268 | 6,814 |
| Natural gas supply volume | GWh | 2,463 | 9.3% | 2,254 | 2,250 |
| Heat supply volume | GWh | 1,460 | 2.5% | 1,424 | 1,414 |
| Total sales | EUR mill. | 1,475.2 | - 7.1% | 1,588.3 | 1,640.3 |
| EBIT | EUR mill. | 24.7 | - 71.1% | 85.6 | 105.4 |
| Investments in tangible fixed assets and intangible assets | EUR mill. | 137.5 | - 4.4% | 143.9 | 139.2 |
| Employees (average number) | FTE | 2,099 | - 4.8% | 2,205 | 2,181 |

The Economic Environment of the Energy Industry

Primary Energy Markets

Europe's energy markets were characterised by generally different development trends in fiscal year 2012/2013 for oil and gas markets on the one hand, and for electricity-relevant trading markets on the other hand.

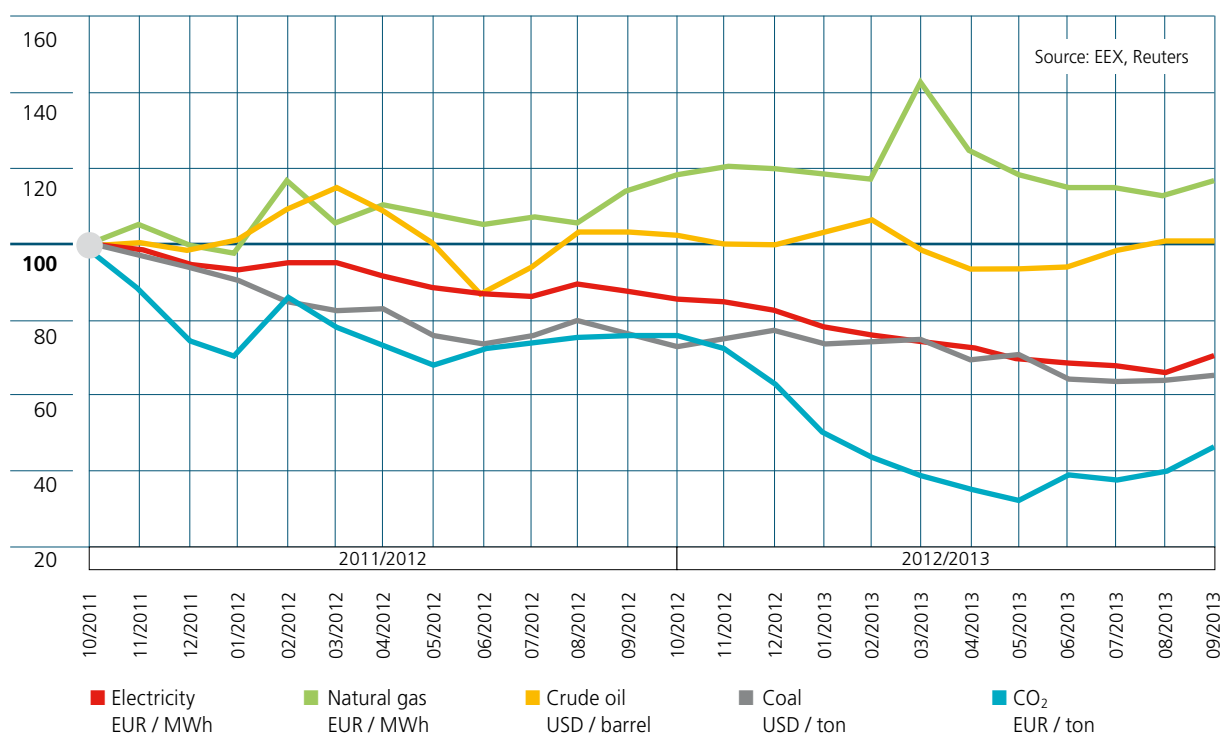
The oil and gas markets essentially had sideways movement at a high price level. The average crude oil price in the spot market for Brent crude was USD 109.0 in the reporting year making it around 2.3% below the mean value of the previous year. In contrast to

this, the spot market prices for natural gas increased by an average of 12.9%. At the fiscal year-end, the spot market price for natural gas was around EUR 26.6/MWh, and therefore 3.1% higher than in the previous year.

The oil and gas markets reflected in particular the high demand in the non-European markets and the uncertainty in the trading markets due to the unrest in the Middle East.

In contrast to this, the energy exchange in Europe as well as the electricity-relevant wholesale markets, specifically the coal market and CO₂ certificate trading, had declining prices. The energy policy change being pushed forward in Germany as well as subdued demand were important driving forces behind this price development.

Price Index Development on International Energy Markets



As a consequence of the declining demand, coal trading registered a price drop over the previous year of an average of around 17%. Hence, the price for API2 coal listed at the end of September on the Rotterdam coal exchange was an average of USD 84.1 / ton.

The drop in prices for CO₂ emission certificates was very distinct. On the average, emission rights for the NAP (National Allocation Plan) III period were traded 36% lower than in the same business period of the previous year. There was a slight price increase in the past few months to around EUR 5.0 / ton CO₂ in September 2013. The falling prices are essentially due to lower emissions in the energy sector and industrial area. This is primarily a consequence of the increasing displacement of fossil-based heat generation by renewable energy sources, but also due to the lower demand in the industrial segment.

Like in the previous year, the electricity trading market felt the strong effect of the increased use of power generation from renewable energy resources. In Germany above all, wind and solar energy are displacing thermal power stations from the electricity trading market to an increasing extent. Due to the uncontrolled capacity growth of regenerative generating plants, there was considerable excess capacity. However, only a fraction of this is available as secured power. Therefore, thermal power stations are still urgently required to compensate for the strong generation fluctuations of the renewable energy resources and to secure the supply of electricity.

As a consequence of the increasing generation from renewable energy, uncontrolled quantities of green electricity are pushing their way into the electricity trading market (spot market). Hence, the proportion of energy generated from conventional power plants is dropping noticeably, which in contrast to the supported power generating plants, have to hold their own in the power market. In fiscal year 2012/2013, the price level in the futures markets was an average of EUR 41.3/MWh and hence around 19% lower than in the previous year. Hence, the price development in the electricity trading market reflects the general price development of power generation to a lesser extent. Increasing requirements in the balancing and regulated market, but also increased subsidies for renewable energy, are to a greater extent determining the power provision costs in addition to the grid costs.

The Statutory Environment

There were intensive meetings in fiscal year 2012/2013 between the Austrian electricity grid operators and the regulatory 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 fixing of the future regulatory system.

Similar to the electricity grid fees, the system usage rates for gas grids were re-regulated for 2013 as of 01.01.2013 with the Gas System Usage Fee Ordinance 2013.

Fiscal year 2012/2013 was characterised by an intensive discussion of the Federal Government's energy efficiency package. Ultimately, there was no resolution for a federal energy efficiency act due to a lack of political agreement. The discussion will have to be continued in light of the deadline of June 2014 for implementing the EU guideline into national law.

An amendment to the Electricity Industry and Organisation Act (EIWOG) was resolved, which went into effect on 08.08.2013. It was intended for adaptation to the newly created administrative court, implementation of the REMIT provisions (EU ordinance on the integrity and transparency of the energy wholesale market), as well as creation of the general legal conditions for smart metering.

The Business Environment for the Energy Segment

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

In the Energy Segment, sales of EUR 1,475 million (previous year EUR 1,588.3 million) were generated in fiscal year 2012/2013.

A negative influencing factor is essentially lower gas sales to the at-equity consolidated GuD Timelkam GmbH. Positive sales effects were achieved due to volume and price increases in the heating supply area and higher electricity supply volumes in the sales and distribution area.

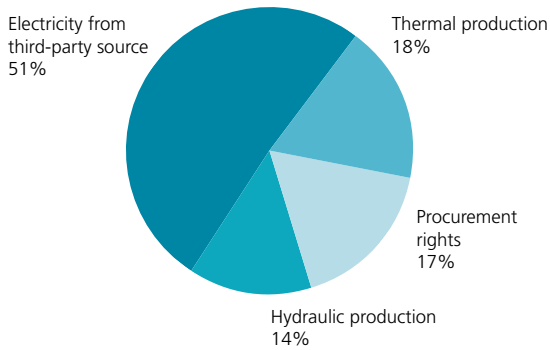
The EBIT in the Energy Segment in fiscal year 2012/2013 amounted to EUR 24.7 million (previous year's value EUR 85.6 million). The drop in the EBIT is essentially due to the difficult price development in the electricity trading market in which the conventional power plants are currently in competition to the supported power generating plants. Therefore, extensive provisions were made on the balance sheet for the CCGT Timelkam power plant and the coal-fired power plant Riedersbach 2. Furthermore, the costs of the Bad Goisern power plant project and CCGT Riedersbach were written off. As another one-time effect, provisions for a gradual step-in retirement programme for further staffing cutbacks had a negative effect on the EBIT. In addition, lower margins in the Gas business area from current market developments and changes from the regulatory authority affected the EBIT of the segment.

Electricity Procured by Energie AG

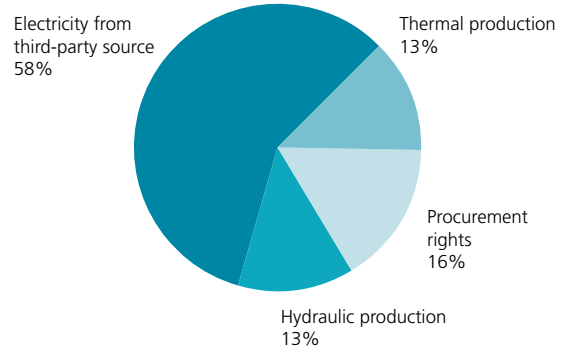
Power generation from hydropower plants in the Group (including subscription rights) was 2.7% lower in fiscal year 2012/2013 at 2,489 GWh than the comparable period of the previous year, however it was 3% higher than the long-term average. Looking over the course of the year, the first half-year was 15% higher than the average, but on the other hand, the second half-year was below the long-term average, in particular August 2013 with generation losses of 29%.

Electricity Procurement Structure Without Electricity Trading

2011/2012: Rate of own coverage: 49%



2012/2013: Rate of own coverage: 42%



Due to low energy exchange prices, the company's own production (1,118 GWh) from thermal power stations was reduced by 25.8% compared to the previous year. Hence, electricity purchased from third parties increased to 58%.

The total electricity volume in the Energie AG Group (15,483 GWh) increased in fiscal year 2012/2013 by 13.4% compared to the previous year. The increase resulted to a large extent from the increased electricity trading volume (+29.1%).

Difficult General Conditions for Power Generation

The general economic conditions, and here above all the low market prices caused by massive expansion of renewable energy in Germany, created major challenges for **Energie AG Oberösterreich Kraftwerke GmbH**. The lower production was reflected in market-related, favourable repurchases.

In the reporting timeframe, both the coal-fired power plant Riedersbach 1, which was built in 1960 and put into reserve in 2010, as well as the gas-fired power plant Timelkam III, which was built in 1974 and put into reserve in 2008, were shut down.

Considering the recent deterioration of the market situation for thermal power plants, especially the prices for electricity and gas, the future earnings situation of the combined cycle gas turbine plant Timelkam was reviewed. The analysis revealed additional reserve requirements for imminent losses in the amount of EUR 33.0 million.

Due to the planned closure of the Riedersbach 2 coal-fired power plant, provisions for future closure costs amounting to EUR 20.4 million were created. Furthermore, the inventories of coal were current-value adjusted at EUR 17.4 million. The Timelkam biomass power plant was also extraordinarily current-value adjusted at EUR 2.5 million.

The extreme flooding stood out as an extraordinary event of the past fiscal year, which led to damages amounting to EUR 2.2 million. Furthermore, refurbishment measures were required in the

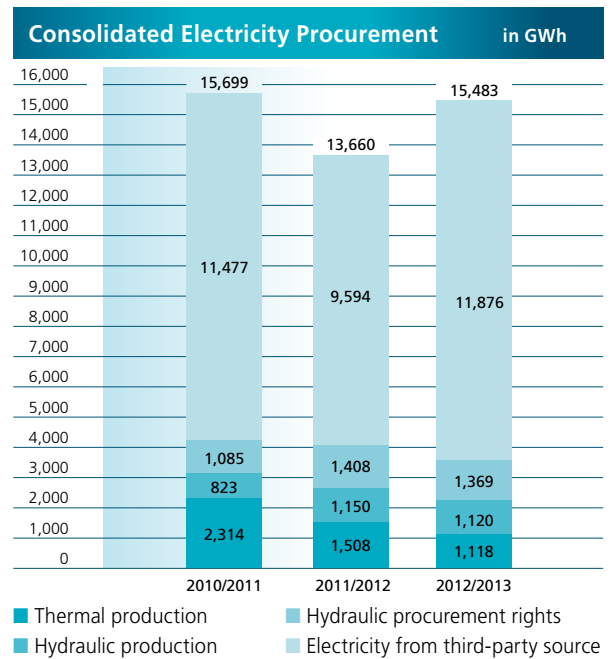
reservoir of the Traun Pucking hydropower plant. After receiving official approvals, the operations totalling EUR 4.5 million will be completed by the end of the year.

Expansion of Renewable Energy Forges Ahead

The gross production from the company's own hydropower plants was within the long-term average in fiscal year 2012/2013 at 1,120 GWh (previous year 1,150 GWh).

With regard to the own electricity generation, Kraftwerke GmbH is building on the development of hydropower in addition to optimisation of existing locations.

After nearly a two-year construction period, it was possible to put the Kleinarl and Stadl Paura hydropower plants into operation. In total, the plants have a maximum capacity in continuous operation of 5.5 MW and average output of 28 GWh. The Grafenberg power plant is another hydropower plant in the pipeline. The



work on this additional pillar for environmentally friendly own electricity generation is progressing on schedule. Due to the difficult economic situation, the costs of the preliminary project of the Bad Goisern power plant were written off.

As a precaution due to increasingly volatile power generation from booming renewable energies, the pumped storage power plant Ebensee (extended capacity 150 MW) was submitted for approval. Verbal negotiations for the UVP approval process are planned after sending in the submission documents and various responses. Due to the future electricity market conditions specific realisation has yet to wait.

With the finalisation of an electricity procurement right agreement for 10% participation in the pumped storage project Reißbeck II (extended capacity 430 MW), Energie AG will have an important energy storage unit in the future for the provision of backup and balancing energy. In the future, the pumped-storage power plant together with the existing Malta power plant (890 MW), in which Energie AG also holds 10%, will be one of the biggest pumped storage power plant complexes in Austria. This means greater flexibility in electricity supply for the Group. Realisation of the Reißbeck II pumped storage power plant is progressing rapidly. Its start-up is planned for September 2014. Asset management and operations optimisation are handled by **Energie AG Oberösterreich Trading GmbH** (Trading GmbH). Trading GmbH is the central electricity trading company in the Group and handles the administration of the procurement and sales side of the electricity portfolios.

Energie AG Oberösterreich Fair Energy GmbH (Fair Energy GmbH) develops and realises projects in the areas of wind power and photovoltaics. In fiscal year 2012/2013, additional photovoltaic plants were constructed with citizen participation with total power output of 1.1 MWp. In addition, a 0.4 MWp photovoltaic plant was put into operation with a regional commercial company. Hence, the total installed photovoltaic power output of the Energie AG Group including the photovoltaic research facility Solar Campus in Eberstallzell was increased to 2.5 MWp.

In the wind power sector, the projects at two locations in Upper Austria were no longer pursued after extensive wind measurement due to economically unattractive wind conditions. The company is forging ahead with the identification of other wind power locations. Fair Energy GmbH is currently operating wind power development projects in Poland with total power output of around 250 MW.

Changing Customer Requirements in Electricity Supply

The electricity supply of Energie AG is bundled in ENAMO, the joint trading company of Energie AG and LINZ AG. The ENAMO group of companies is made up of the companies ENAMO GmbH, ENAMO Ökostrom GmbH with stromdiskont.at, ENAMO s.r.o., Energie AG Oberösterreich Vertrieb GmbH & Co KG and Linz Strom Vertrieb GmbH & Co KG.

This fiscal year, the ENAMO group of companies was confronted with increased competition and very different segment-specific

change rates. While competitive pressure increased over the previous year in the private and business customer segment, the change rate in the industrial customer segment was more than halved compared to 2012 which was against the general trend. The trend towards customers and suppliers spreading their risk continued here as well. More and more customers are changing from time-based to time-period-based supply agreements.

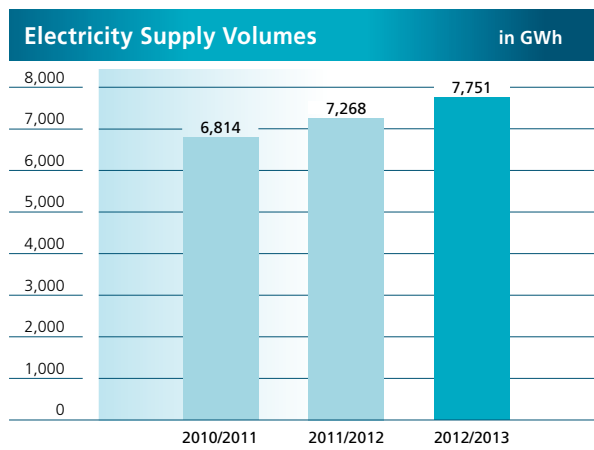
The transfer of customer contracts from this segment of **Energie AG Oberösterreich Vertrieb GmbH & Co KG** to **ENAMO GmbH** began in fiscal year 2012/2013 and is slated to be completed to a great extent by the end of 2015.

The focus in the commercial and private customer segment was in the expansion of eService activities. For customers who have already had a smart meter installed by the grid operator, the possibility was created to retrieve the energy consumption on a daily basis. This is also intended to lead to savings effects on the part of the customers in the medium term.

The demand for electricity from renewable primary energy carriers is increasing. Energie AG covers these requirements of the market in the ENAMO group of companies with ENAMO Ökostrom GmbH. ENAMO Ökostrom GmbH has a 100% renewable supplier mix. That way it also meets all current conditions of various subsidy providers. At the beginning, only supplying private customers was planned, but in the meantime there is now demand in the business customer segment. It has been possible to acquire one large pool customer in the current fiscal year, which will be supplied as of 2014.

Flexibility, quick response to market changes, as well as the constant presence in the tariff calculator are the basic pillars for the successful development of the Internet sales portal stromdiskont.at. The customers acquired through this sales channel are handled contractually in ENAMO Ökostrom GmbH. Here, the customer profile ranges from domestic customers up to agricultural and commercial customers who value 100% green power from local generation for favourable prices. These prices are made possible through a high level of automation in customer acquisition and support. The expansion of this sales channel will continue consistently in the next few years.

The consolidated quantity sold in the supply area was 7,751 GWh in fiscal year 2012/2013 (fiscal year 2011/2012: 7,268 GWh). The increase of around 483 GWh came mainly from industrial customers. Several customers have shutdown their own generation plants due to the current electricity price situation and purchased electricity in the form of special deliveries instead.



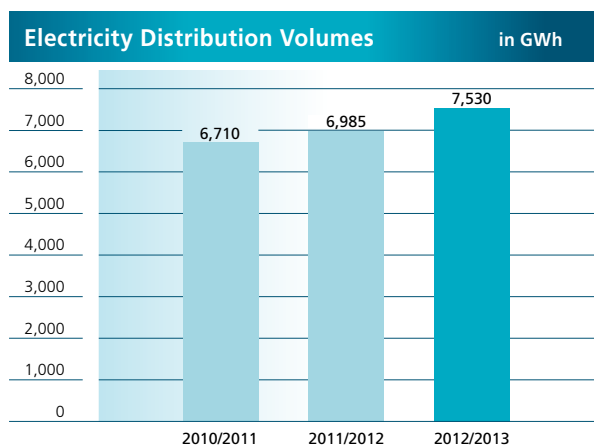
A Secure Electricity Grid for Upper Austria

After a two year period, discussions between the Austrian grid operator and the regulatory authority E-Control regarding the future general conditions in the regulatory system have come to an end.

The process was not yet concluded by the balance sheet date 30.09.2013. However, parameters such as the WACC at 6.42% before taxes and the general industry productivity reduction (Xgen) at 1.25% are set. The third regulatory period, which starts on 01.01.2014, will last 5 years. The implementation of quality regulation will only become relevant for the next regulatory period.

Other general conditions have also changed in the past fiscal year. The ordinance of the Executive Board of E-Control concerning the quality of grid services went into force in December 2012. There was an EIWOG amendment in summer 2013, which was originally supposed to be part of the energy efficiency package.

As part of the currently applicable incentive-oriented regulatory system, there was once again a grid fee fixing by the regulatory authority E-Control at the beginning of January 2013. Based on the quantity sold, there was a reduction of the grid fees of **Netz Oberösterreich GmbH** (formerly: Energie AG Oberösterreich Netz GmbH) (Netz GmbH) of 0.9%. The service flat rate at "level 7 not measured (base price)" was increased considerably.



The electricity quantities sold in fiscal year 2012/2013 followed the trend set in the past few years. Whereas the increase in electricity consumption in the private customer segment was more moderate (+1.8%), the economic upturn continued clearly and hence electricity consumption in the large and commercial customer segment increased as well. This customer segment used 11.3% more electricity than the previous year. In total, 7,530 GWh of electricity was distributed to end-consumers. As of 30.09.2013, Netz GmbH supplied power to around 472,000 active customer systems.

Due to the good weather situation and the scheduled openings for hook-up and maintenance work, the non-availability key performance indicator in the past fiscal year was around the level of the previous year. Regarding projects, the past fiscal year was characterised by continuation of the program for placing medium-voltage overhead lines, which are particularly prone to breakdowns, into cables, and the project planning of several high-voltage lines such as the Almtal and Kremstal power supply, the supply of electricity for Pramtal South, the Wegscheid diversion line and the Jochenstein grid connection.

There is an ongoing boom in photovoltaic plants. In the past fiscal year, more than 3,300 plants were put into operation in the grid area of Netz GmbH. The installed capacity increased from approx. 40 MWp to 70 MWp.

While the cost pressure from more than a decade of regulation is becoming more and more of a challenge on the one hand, the dynamics and intensity of the technical, economic and legal general conditions reached new heights at the same time in the past fiscal year. Keeping up with these contradictory objectives and simultaneously giving supply reliability and the quality of customer relationships the attention they deserve will be the greatest challenges for the electricity grid sector in the coming years.

Fibre Optics and Smart Meters as Future Technologies

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.

In the external telecommunications market business field, co-operation with subsidiary BBI – Breitbandinfrastruktur GmbH continues in order to ensure reliable networking of banks, public administration, health facilities, Internet service providers and multi-site customers. The high-availability fibre optics network of the company with its high security standard currently encompasses approx. 5,000 kilometres. During the course of the broadband initiative of the state of Upper Austria and the existing support programmes, expansion of this network will be pushed ahead constantly in order to also make it possible for Upper Austrian homes to have a fast data connection in the future.

There was particular focus in the past fiscal year on supplying small and medium-size companies, who can fall back on combination offers (fibre optics data connection, Internet services, server housing,...). Due to market demand and the existing know-how, Data GmbH opened the PowerCube computer centre for business customers.

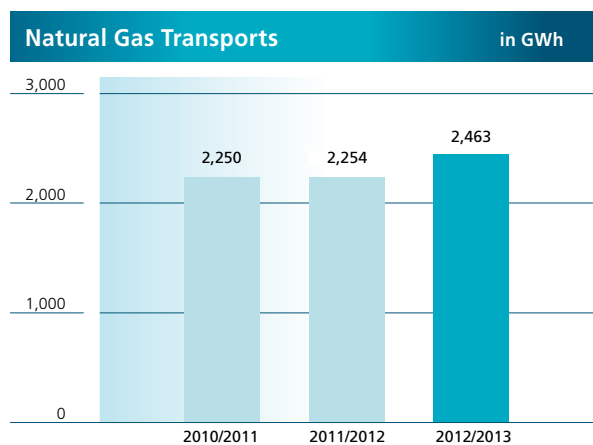
Metering is an important business field. Essentially, Data GmbH provides the full scope of electricity metering services to its affiliate Netz GmbH and develops these further, applying innovative solutions. The Smart Metering System called AMIS developed by Data GmbH together with a partner is now being expanded across the board.

Ongoing replacement of old meters with AMIS units continued in fiscal year 2012/2013 as well. There are currently around 138,000 active AMIS end devices in use.

OÖ. Ferngas AG – Natural Gas Supply for Upper Austria

OÖ. Ferngas AG has been a strong and reliable partner to the Upper Austrian industry, commercial business, municipalities and private households since 1957. 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 fiscal year 2012/2013, OÖ. Ferngas Netz GmbH transported natural gas in the order of 23,421 GWh (2,091.7 million m³) through its grid, which has grown to a length of approx. 5,300 kilometres. The decline of 2,341 GWh compared to fiscal year 2011/2012 resulted from shortfalls for the power plants as well as economic situation re-lated shortfalls for individual industrial businesses. An investment priority in the past fiscal year was construction of the natural gas high-pressure line "EHDL 100 Puchkirchen – Haidach" and "EHDL 076 Kühshinken – Zagling (7fields reservoir)". The commissioning of the 34 kilometre long Puchkirchen-Haidach section is to take place at the end of the year. At full capacity, this line can transport 1.26 million m³ of natural gas per hour.



Due to construction works amounting to 53 km of system pipelines with an operating pressure of up to six bar (building connection lines and main lines), 975 new customers were connected during fiscal year 2012/2013 (2011/2012: 974).

OÖ. Ferngas Netz GmbH has a 15% stake in the distribution region manager, Austrian Gas Grid Management AG, which was installed by the legislator as the distribution region manager.

The sales subsidiary OÖ. Gas-Wärme GmbH (OÖGW) supplied around 68,150 customer facilities in Austria and 250 customer facilities in Germany by the end of the financial year. In the past year, it was possible to acquire around 3,250 new customers with annual quantities sold of 151 GWh. Around half the growth was achieved through the online brand "gasdiskont.at". Based on the supply volume, it was possible to achieve slight net growth. The number of customers in Germany dropped by 7.5% and reflects the dynamic development of the German natural gas market and the predatory competition. 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.

The total quantity sold during the period under review of 2,463 GWh – including nearly 11 GWh in the mobility sector – was above the level of the previous year. Besides the additional quantities from somewhat colder weather conditions, the acquisition successes, especially in the last fiscal year, had a positive effect on the quantity development.

The subsidiaries in the Czech Republic and Slovakia for the Biogas Engineering business closed the fiscal year successfully. The two subsidiaries processed new orders for the construction of biogas plants as general contractors. Since incoming orders in the Czech Republic declined compared to the extremely successful fiscal year 2011/2012, there were commensurate staffing cutbacks. At the balance sheet date, there were nine plants under construction in the Czech Republic and two plants in Slovakia (one in Austria). Altogether, the business area of Biogas Engineering contributes around 20% to the total sales of OÖ. Gas-Wärme.

The focus of OÖGW was adaptation of processes to strongly changed general legal conditions, and the pinnacle was found in the changeover to the new gas market model in January 2013 and the central nation-wide supplier switching platform at the end of the fiscal year.

EGBV Beteiligungsverwaltung GmbH (EGBV) is a 35% participation of OÖ. Ferngas AG and holds 14.248% of the shares of EconGas GmbH. In the recently completed fiscal year, OÖ. Ferngas AG exercised its option to cede its shares in EGBV due to the financially strained situation of EconGas GmbH.

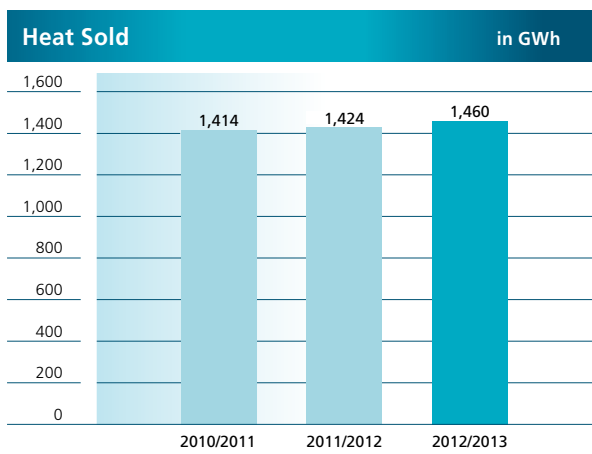
Sustainable Development of the Heating Supply Area

In Upper Austria, **Energie AG Oberösterreich Wärme GmbH** (Wärme GmbH) operates six supply networks, of which two district heating distribution systems are located in proximity to the Group's own thermal power plants in Timelkam and Riedersbach. Furthermore, seven Czech subsidiaries of Wärme GmbH now supply several Czech regions with district heating.

The strategic orientation and the related development of the area of heating supply is decisively characterised by the energy strategy 2030 of Upper Austria and the topics of energy efficiency and sustainability. The positive business development shows that the company is up to this challenge and will also cope well with it positively in the long term.

In fiscal year 2012/2013, a total of 650 GWh (previous year 624 GWh) of heat was delivered in the distribution systems in Upper Austria and the Czech Republic. Hence (also due to weather-related conditions), the level of the previous year was exceeded, and this was accomplished against the background of declining specific consumption per customer system due to improved energy efficiency awareness.

The 100%-subsidiary Energy-Contracting Steyr GmbH operates in the industrial customer segment and continued its positive development in supplying its industrial customers in the past fiscal year. The cooperation with EVN Wärme GmbH as part of the new district heating project in Steyr (Bioenergie Steyr GmbH und Fernwärme Steyr GmbH) also brought positive momentum to the company. The biomass combined heat and power plant of Bioenergie Steyr GmbH was put into operation successfully in fiscal year 2012/2013. The expansion of Fernwärme Steyr GmbH's distribution system proceeded on schedule through which it was possible to deliver heat amounting to 37 GWh and electricity to customers amounting to 29 GWh.



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

Revitalisation of the power plant location in Kirchdorf was completed in fiscal year 2012/2013. Even more efficient heat production was made possible through the construction of a combined heat and power plant. Through optimised use of energy, CO₂ emissions as well as the use of primary energy for the generation of district heating were reduced significantly. Heat storage was also installed to increase efficiency further.

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 distribution system, was right on track. The district heating supply of the city of Ried im Innkreis was therefore added as planned at the beginning of the 2013 heating period.

Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMOÖ) operates a cogeneration power plant in Laakirchen and delivers process heat to its main customers and district heat to surrounding businesses. During fiscal 2012/2013, the amount of heat sold was 561 GWh, which is slightly below the previous year's figures (580 GWh).

Group company **AVE Österreich GmbH** feeds heat from the waste incineration plant in Wels (WAV) into the district heating distribution system of Wels Strom GmbH. It was possible to noticeably increase output once again in fiscal year 2012/2013 compared to the previous year (134 GWh, previous year: 112 GWh).

OÖ. Gas-Wärme GmbH supplies its customers including public institutions, residential trade and commercial segments under the brand ENSERV. At 115 GWh, the quantity sold in fiscal year 2012/2013 in the heating supply area was 7.0 % higher than the previous year's value. Altogether, approx. 10,000 heating customers were supplied with the 523 heating energy plants (previous year 497 heating energy plants). There is to be a focus in the future on heating contracting in the commercial and industrial customer segment. After signing the first contract with an industrial enterprise, plans for another plant have already been initiated.

During the course of the integration of the contractually set acquisition of Biowärme B3 GmbH in fiscal year 2011/2012, considerable, undisclosed legal and technical deficiencies were revealed. Therefore, a reversal of the transaction was agreed on, which is currently in progress and is to be completed by the end of 2013.

The involvement in the biomass local heating sector will be continued for financially sound projects and suitable initiatives of municipalities. Another project is currently in the planning stage.

Cost and Process Optimisations with Shared Services in the Group

The products and services offered by Shared Services must, on the one hand, comply with the Group's quality and safety standards and, on the other hand, be orientated around external market conditions. If need be, the third party market will also be serviced in addition to internal Group customers for resource optimisation. The cost-reduction and process-optimisation programmes of the past years were continued consistently in fiscal year 2012/2013, and it was possible to raise further synergies through structural measures in this business area.

- **Energie AG Oberösterreich Business Services GmbH** is the Group's own internal service company for procurement and logistics, facility management, information technology, accounting and legal services. Relevant activities in the reporting timeframe were the optimisation and further development of the IT systems and the implementation of strategic real estate management in order to manage the buildings and properties in the Group more optimally and to exploit synergies in this area.
- The billing and customer services of the Group are combined in **Energie AG Oberösterreich Customer Services GmbH**. The services of this company are mainly used by Netz GmbH and Vertrieb KG. Furthermore, however, other internal Group and external companies have become customers of Customer Services GmbH. For example, the "Crisis Hotline" service was provided for the state of Upper Austria and organised as needed.

The billing and charge management was carried out in fiscal year 2012/2013 for more than 1.35 million customer contracts. The customer service is handled by the 60% subsidiary Market Calling Marketing GmbH. The support of external customers and the co-owner market-Marktforschungsinstitut was pushed forward in the past fiscal year as well.

- Besides tasks related to HR consulting and payroll, training services and trainee education, **Energie AG Personalmanagement GmbH's** activities also included performing the HR policy control function for the Group by order of the Executive Board.

A new gradual step-in retirement model was introduced in the last fiscal year and the modelling cluster was implemented. This new market-oriented salary system, which is based on the EVU collective agreement, has been applied to new employees since 01.09.2013.

- The technical services for all grid-related equipment in the Group are provided by **Energie AG Oberösterreich Tech Services GmbH**. Netz GmbH and Data GmbH are mainly serviced as customers. Additional Group-internal as well as external contracts ensure full utilisation of the engineering and installation team.

Strategic Participations

The associated companies included at-equity, i.e. 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% participation 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. Ongoing improvement to the generating possibilities of the power plants, universal optimisation of business processes, as well as strict cost management characterise the work of Ennskraftwerke AG.

The highest annual power generation since Ennskraftwerke AG was founded was achieved in fiscal year 2012 (01.01.2012 to 31.12.2012). It amounted to 2,137 GWh making it 272 GWh or respectively around 14.6% higher than the average output of 1,865 GWh. Compared to the poor generation year in 2011, this resulted in an increase of around 773 GWh or 56.7%.

The first three quarters of 2013 indicate a generation volume in the range of the average output conditional on the good generation possibilities in the spring, but also a very dry summer.

The Rederbrücke power plant project pursued by Ennskraftwerke AG in the urban area of Steyr was discontinued even before the beginning of the actual UVP process. This step was justified by the surprising sale of Rederinsel, which was privately held, to WWF Austria (World Wide Fund For Nature) with the objective of preventing the present hydropower plant. That property was absolutely necessary for construction of the power plant. The expected legal hurdles would have to be resolved if ever by very complex legal proceedings.

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 production, distribution and supply of electricity and heat and the energy systems business field.

During the last fiscal year (01.01.2012 to 31.12.2012), the company's own electricity generation dropped by 10.2% to 147 GWh compared to 2011. The production of the hydropower plants increased by 36.4% to 86 GWh (previous year 63 GWh) due to the good water level of the Traun. Production of the heat-controlled district heating plant declined by 13.4% to 61 GWh. In total, the own generation level was 26.2% (previous year 25.3%) for 2012 in relation to the sale of electricity to customers of Wels Strom GmbH. There is currently an evaluation of techni-

cal and operating efficiency options at the Traunleiten hydropower plant. Electricity generation from hydropower plants was on schedule in the first half-year of 2013.

The electricity volume delivered by Wels Strom GmbH to its customers increased considerably compared to the previous year from 527 GWh to 562 GWh. The quantity of power distributed into the Wels Strom GmbH grid by the competition dropped from 81 GWh to 78 GWh. Sales into external grids increased to 164 GWh (previous year 143 GWh). The electricity sales channel Voltino is responsible for almost all of this increase. With this low-cost product series, Wels Strom GmbH is contributing to the spirit of the free power market and the requirements of customers to have 24-hour purchasing possibilities. In order to ensure risk-optimised market-side energy coverage in the area of purchasing, a suitable electricity supply/purchasing contract was signed up to the end of 2015. For the following years 2016 to 2018, it is also possible for the first time to secure quantities of electricity via a newly agreed on EEX standard trading product agreement. This means maximum flexibility and minimised risk for possible power market shifts and the best possible ability to react to possible customer requirements.

In the telecommunications sector, Energie AG has a stake of 44% in **LIWEST Kabelmedien GmbH**. Business activities include the reception and forwarding of radio and television programs, the operation and also further expansion of the fibre optics/coaxial hybrid networks necessary for this, as well as 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. On the average, competitors are losing a sales volume of 3% to 5% annually. In contrast to this general trend, LIWEST was able to achieve far better business development than the rest of the industry, which was also due to the ambitious restructuring programme of the past years.

The cable TV networks that were acquired in the previous fiscal year were technically integrated into the company's own network this year and brought up to the LIWEST standard. There were no additional network acquisitions.

Very encouraging business development occurred in the past fiscal year (01.10.2012 to 30.09.2013). On the balance sheet date, the company reached the level of around 59,300 Internet customers (+7.1%), around 67,300 digital television customers (+25.2%) and around 40,100 telephone customers (+7.1%).

Energie AG has a stake of 26.13% in **Salzburg AG für Energie, Verkehr und Telekommunikation**. 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, the last fiscal year (01.01.2012 to 31.12.2012) closed with a drop in the use of electrical energy

of around 1.5% to 14,487 GWh including electricity trading, losses and own consumption. This was exclusively attributable to declining sales from trading. Sales to end customers increased slightly.

Salzburg AG has a power plant park of 27 hydropower plants with maximum capacity in continuous operation of 428 MW and an output capacity of 1,072 GWh. Due to the good water level in 2012, it was possible to increase own production in the hydropower plants considerably. At 1,500 GWh, production was higher than both the previous year's value as well as average output. Electricity generation from the combined heat and power plants of 215 GWh was around 35% less than the previous year's value due to changed deployment of power plants. In total, own production was 9.4% higher than the previous year.

Likewise as to the electricity segment, there was also a decline in the total sales of natural gas including the company's own requirements in the company's own combined heat and power plants. In total, this resulted in a decline of 4.3% to 11,700 GWh, against which deliveries to end customers increased by 6.5%.

Electricity distribution volumes to end-consumers in the distribution system area of Salzburg AG rose by 1.3% to 3,592 GWh. Gas distribution volumes climbed slightly by 0.1% to 3,185 GWh. At 945 GWh, the total district heating sold including grid loss was 8.6% higher than the level in the previous year, which is mainly attributable to the effects of weather. Water consumption amounting to 12.0 million m³ 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.

Shares in results of companies associated at equity during fiscal 2012/2013 amounted to EUR 12.8 million, which is a decline of approx. EUR 2.7 million compared to the previous year (EUR 15.5 million).

Energie AG has a 17.75% stake in **Tauerngasleitung GmbH**. The key responsibility of the company is an EU funded review of the feasibility of a natural gas line through Austria from Bavaria to Italy. Due to the now effective requirements of the third natural gas single market package regarding the independence of pipeline companies from the determining influence of vertically integrated natural gas companies, a non-discriminatory tendering procedure was started by the project operators for selling holdings, which had to be stopped again because the interested parties were not able to fulfil the independence requirements themselves in their operations as integrated industry companies. Although the project was decreed by the European Commission in November 2013 to have the status of "Project of Common Interest", the obligatory unbundling provisions are standing in the way of project continuation by the current shareholders. Now possible financial investors are to be addressed directly for continuation of the advanced project. Due to the current conditions, the current projects costs were written off by Energie AG.

WASTE MANAGEMENT SEGMENT

| Waste Management Segment Overview – Continuing Operations | | in | 2012/2013 | Change | 2011/2012 |
|---|-----------|----|--------------------|---------|-----------|
| Total waste volume handled | 1,000 to | | 2,188 | - 6.5% | 2,339 |
| Thermally processed waste | 1,000 to | | 624 | 0.2% | 623 |
| Total sales | EUR mill. | | 228.0 | - 5.9% | 242.4 |
| EBIT | EUR mill. | | 7.1 | - 57.0% | 16.5 |
| Investments into tangible fixed assets and intangible assets | EUR mill. | | 13.2 ¹⁾ | - 54.6% | 29.1 |
| Employees (average number) | FTE | | 938 | - 8.2% | 1,022 |

¹⁾ Investments of the discontinued operations have been taken into account until 31 March 2013.

The Waste Management Segment of the Energie AG Group operates in the market under the brand name AVE. Due to changing general conditions in the waste management markets the strategic options for the Waste Management Segment were evaluated in summer 2012. As a result of the assessment procedure, a structured sales process with an international tender was initiated. The goal was to achieve a full or partial sale of the AVE Group. As the sales process was focused on East-European activities, the Board of Management accepted a proposal submitted by Czech EP Industries, a.s. This was approved by the Supervisory Board at the Meeting on 18.06.2013. The received funds amounting to EUR 106.5 million have given the Energie AG Group additional financial leeway, improving its ability to overcome the pending challenges in the energy markets. The AVE Group's business activities in Austria and South Tyrol will remain within the Group and are currently being realigned in terms of strategy and organization in the context of an intra-Group project.

The Business Environment of the Waste Management Sector

Given the long-term trends of increasing scarcity and costs of raw materials, the subject of resources and secondary raw material recovery is gaining significance, both at a national and international level. The continuing shift in image – from waste to resource – is expected to boost the waste and recycling industry even further in the future. In contrast, there is high competitive pressure in the heavily fragmented waste management markets, sluggish or declining volumes of residual waste due to the increased quality of waste separation in households and continued re-municipalisation tendencies.

The development of the prices for recyclable materials during the fiscal year 2012/2013 remained relatively unchanged. Following a price decline in the past fiscal year, the prices stabilised at a low level, while the volume levels remained stagnant or decreased, respectively. For the coming months, the current economic environment suggests a sideways movement for recyclable material and fuel prices and a persistently tense volume situation.

The Business Development of the Waste Management Segment

In the Waste Management Segment, the continuing operations achieved an EBIT of 7.1 million with sales of EUR 228.0 million. Compared to the previous year, this means a decline in sales due to dwindling quantities and low recyclable material prices. In addition, the previous year's EBIT still contained the operating activities of Tierkörperverwertungs GmbH, which was sold in the past fiscal year. With regard to the total waste volumes handled, 2,188,000 tons were achieved, equalling a decline of 6.5%.

Austria

Despite the poor state of the general economy, the fiscal year 2012/2013 was generally characterized by moderate business performance. The prices for recyclable materials showed a decline compared to the previous year, which had an adverse effect on the business performance. Particularly in the area of waste paper and cardboard, the prices dropped continuously at the beginning of the year and remained at a low level. A further negative effect resulted from the structural crisis in the area of industrial waste materials, which affects the entire waste management industry: On the one hand, the classical-waste quantities are declining due to intensified waste processing and recycling material recovery, as well as due to notifications for waste shipped abroad. On the other, the existing over-capacities are leading to a continuous decline in prices for industrial waste materials.

Conversely, AVE Österreich GmbH succeeded in the market by achieving increased quantities with its existing customers, and by acquiring numerous attractive new customers by selective market management. Based on this solid foundation, the thermally processed waste volume in Wels and Lenzing amounted to around 624,000 tons in the current fiscal year (previous year: 623,000 tons), which, compared to the previous year, is once again a slight increase.

On 01.02.2013, AVE Österreich GmbH acquired a further 16.67% stake in Innsbruck-based Thermische Abfall-Verwertung Tirol Gesellschaft m.b.H., and now holds 50% of the shares.

To further strengthen the company’s financial position, the cost-management project that was launched in the fiscal year 2011/2012 was consistently continued. In the course of the decision-making process regarding the Waste Management Segment’s reorientation, an evaluation and reorganisation project was initiated for business operations in Austria.

South Tyrol

In spite of a difficult market environment in Italy, AVE was able to stabilise its business volume in South Tyrol by increasing its third-party business with key focus on paper and cardboard trading. Key contracts in the municipal segment were renewed, and a number of new contracts in the area of recyclable materials were won. The refuse derived fuel plant in Neumarkt, which went into operation the previous fiscal year, showed a pleasing performance with good capacity utilisation.

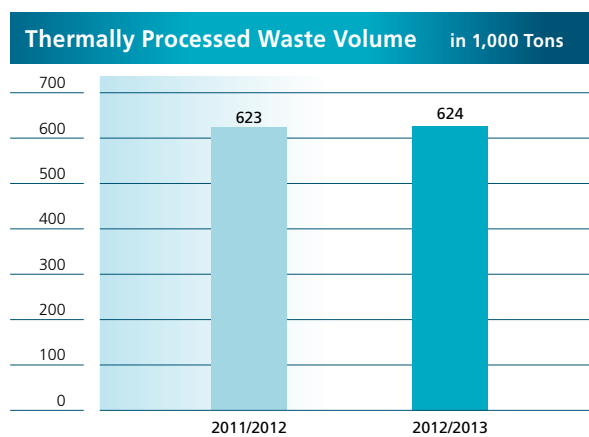
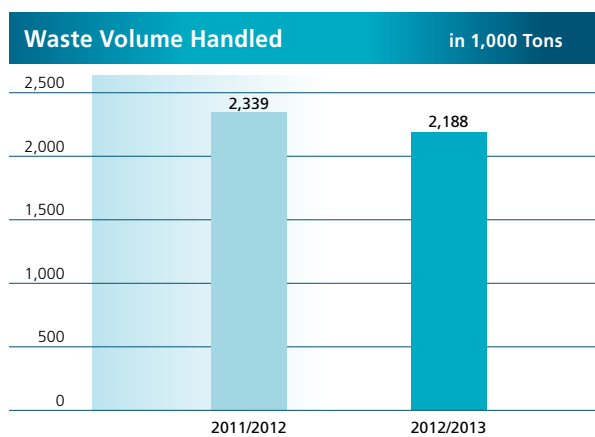
Areas shown in the financial statements in accordance with IFRS 5:

Business performance in the **Czech Republic** in the fiscal year 2012/2013 was characterized by a decline in prices and lower trading volumes of recyclable materials, as well as bid invitations for the remediation of contaminated sites, which were delayed several times or even postponed altogether by the relevant ministries. Also, lower landfill and incineration quantities adversely impacted the sales result. Efficiency-enhancing measures and increased revenues from winter services had a favourable effect on the result.

The waste management market in **Hungary** was characterised by the new Hungarian waste management law that went into force on 01.01.2013 and contains large-scale re-municipalisation measures. Further statutory requirements such as the introduction of a landfill fee, a new flat-rate tax to be paid to the Hungarian energy authorities and the requirement of a ten-percent price reduction as well as the weak Hungarian forint versus the euro have aggravated the situation further. The higher revenues from winter services, publicly financed re-cultivation contracts and cost optimizations were able to compensate these economic disadvantages only partially.

In the fiscal year just expired, AVE **Slovakia** continued to rely consistently on the recyclable materials and secondary raw materials sector and achieved around half of its sales in this promising business field. Its municipal services segment has increased and now provides services to more than 230,000 inhabitants.

The unfavourable political environment and the after-effects of the economic crisis can still be felt in **Romania**. In its existing market territory, AVE Romania continued to place its focus on proactive market activities, price increases in municipalities and the securing of new small and medium-sized enterprises (SME) and industrial customers. In **Western Ukraine**, price adjustments in the municipal sector enforced via the inflation rate and the acquisition of new SME customers, primarily in the city of Lviv, led to further increased sales and results. The PPP company, which was established in cooperation with the town of Ungheni in Western **Moldavia** in 2008, provides its services to 23,000 inhabitants and 700 SME and industrial customers.



WATER SEGMENT

| Water Segment – Overview | | in | 2012/2013 | Change | 2011/2012 | 2010/2011 |
|--|----------------------|----|-----------|--------|-----------|-----------|
| Billed drinking water quantities | m ³ mill. | | 52.2 | - 2.1% | 53.3 | 53.6 |
| Billed waste water quantities | m ³ mill. | | 43.7 | - 0.7% | 44.0 | 44.4 |
| Inhabitants supplied with drinking water | in 1,000 | | 1,049 | 0.1% | 1,048 | 1,047 |
| Inhabitants with waste water treatment | in 1,000 | | 693 | - 0.4% | 696 | 695 |
| Total sales | EUR mill. | | 130.8 | - 0.3% | 131.2 | 134.0 |
| EBIT | EUR mill. | | 9.5 | 11.8% | 8.5 | 7.3 |
| Investments into tangible fixed assets and intangible assets | EUR mill. | | 6.4 | 23.1% | 5.2 | 6.1 |
| Employees (average number) | FTE | | 1,565 | - 3.9% | 1,628 | 1,703 |

The Business Environment of the Water Sector

At a European level, the water sector will shortly be facing amendments to the regulations on public procurement, the Utilities Directive and – with the introduction and expansion of the EU Concessions Directive to include new areas – changes to the public procurement law. The directive is expected to take effect at the beginning of January 2014 and has to be implemented by the EU Member States within a period of three years. Up to now, the current EU procurement regime only applied for works concessions. With the planned registration of service concessions with a value of at least EUR 5.0 million, concessions awarded between public contracting authorities and suppliers (private companies) in the area of residential water management, for example, would also be covered by the regulations.

Although the new directive was not under any circumstances going to curtail the autonomy of decision-makers for or against externally awarded contracts, some politicians, the trade unions and citizens' action committees were concerned that the new regulations might lead to "privatisation through the back door", particularly where the supply of drinking-water was concerned. Due to the massive resistance from various interest groups, it was decided to exempt service and works concessions in the water sector completely from the Concessions Directive.

The majority of sales in the segment are achieved in the Czech water market. The Czech water market is partly characterized by the high reinvestment requirements relating to the water sector infrastructure. On the other hand, the geological conditions frequently necessitate the adoption of technically more complex systems for the extraction and treatment of drinking-water from surface waters. The introduction of the EU quality standards entails massive investment requirements, which were and are being 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, also in the form of concession models. Approximately 80% of the market is already supplied through 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 by the state and the financial model rules implemented in connection with EU funding regulate and control the pricing mechanism.

Unlike in the Czech Republic, the responsibility for the water infrastructure and its operation in Austria is mainly in the hands of the municipalities, respectively the public sector. Triggered by the political debate on the EU Concessions Directive, the municipal responsibility with regard to water supply was constitutionally protected as part of services for the public. Concession models of the type that are applied in the Czech Republic have so far not been applied in Austria.

In Slovenia, apart from the existing service business, ways to expand the engagement are still being assessed; however the general conditions remain difficult due to the overall economic situation.

The Business Development of the Water Segment

Fiscal 2012/2013 saw sales in the Water Segment amounting to EUR 130.8 million and an EBIT of EUR 9.5 million. Compared to previous year's sales figures (EUR 131.2 million) this corresponds to a decrease of 0.3%, which is primarily attributable to the development of the CZK exchange rates. The EBIT in the Water Segment rose 11.8% from EUR 8.5 million in the previous year to EUR 9.5 million. Despite the unfavourable development of the exchange rates, this positive earnings development is attributable to optimisations in corporate organisation, savings in market and project development and efficiency enhancement measures.

In fiscal 2012/2013, the companies in the Water Segment billed 52.2 million m³ of drinking water and 43.7 million m³ of waste water. This corresponds to a decline of 1.1 million m³ or 2.1% in drinking water and 0.3 million m³ or 0.7% in

waste water. The consumption levels in supplied areas are within the bandwidth of the previous years.

As of 30.09.2013, around 1,049,000 inhabitants were supplied with drinking water; waste water management was carried out for 693,000 customers.

Organisational Optimisation and Efficiency Enhancements in the Czech Republic

One central measure in the fiscal year just expired was the finalisation of the re-integration of central service provider business services into the operational water companies. These steps made it possible to achieve significant cost savings in the areas administration and management. It additionally helped to make the services more market-oriented.

Besides concentrating on initial renewable energy projects in the water management infrastructure, for example drinking-water power plants for producing electricity, combined heat and power plants and photovoltaic systems, work continued on already existing optimisation programmes to enhance efficiency in business management, administration and the commitment of capital in the fiscal year under review. With the completion of comprehensive benchmarking systems for the areas water treatment systems, waste-water treatment plants and water loss, a basis was created for the use of intra-Group best practices.

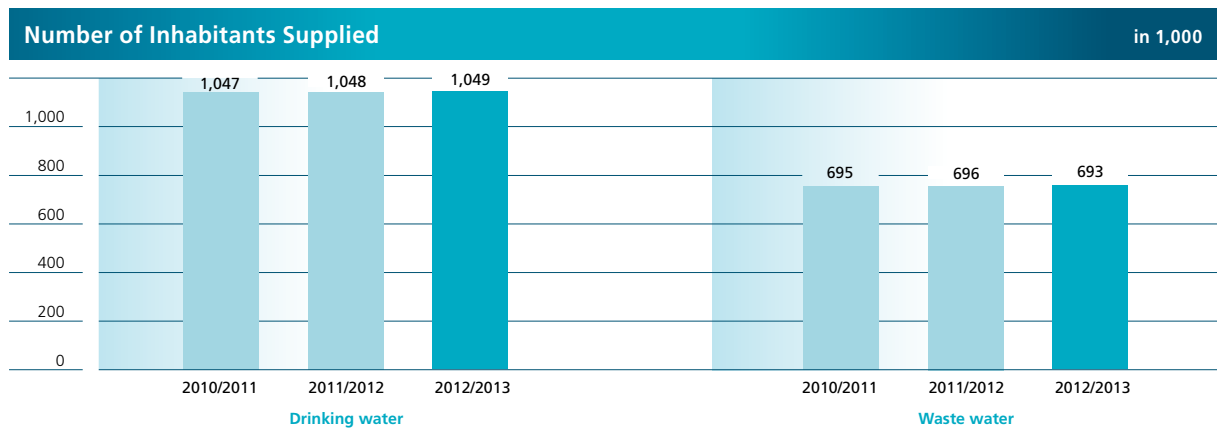
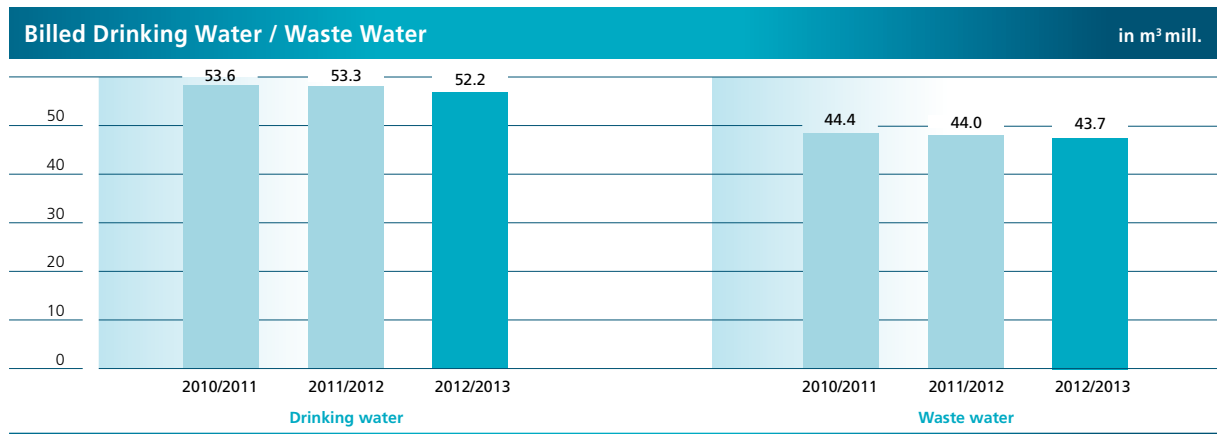
Stable Development in Austria

In Austria, WDL-WasserdienstleistungsGmbH (WDL) supplies drinking water to 47 cities, municipalities and cooperatives and provides services in the drinking water and waste water area. Its portfolio currently comprises the provision of water services (e.g. water loss analysis, hydrant services, container cleaning and disinfection), sewage services (pipe inspection and pressure checks) and the operation of water and waste-water plants. In the context of its organisational management function, the company is in charge of business management in six organisations. The company's sales activities were concentrated across the entire national territory (Austria) and Southern Bavaria. In addition, all of the companies participated in tenders for licences within and outside of the operated areas in an effort to secure and enlarge the market share.

Slovenia, Hungary and Slovakia

Varinger d.o.o., based in Maribor, operates in the sewage and water services area. A new business field was launched in the area of domestic sewer services (eliminating blockages in domestic sewer systems).

Due to the prevailing difficult conditions in the last fiscal year, the Hungarian subsidiary Energie AG Miskolc Kft. as well as the branch of Energie AG Oberösterreich Wasser GmbH in Bratislava was sold respectively closed.



RESULTS OF OPERATIONS AND FINANCIAL POSITION

| | in | 2012/2013 | 2011/2012 | Change |
|--|-----------|-----------|-----------|---------|
| Sales revenues | EUR mill. | 1,812.6 | 1,940.0 | - 6.6% |
| Operating result (EBIT) | EUR mill. | 41.3 | 110.6 | - 62.7% |
| EBIT margin | % | 2.3 | 5.7 | - 59.6% |
| Financial result | EUR mill. | - 27.5 | - 29.3 | 6.1% |
| Profit or loss on ordinary activities | EUR mill. | 13.8 | 81.3 | - 83.0% |
| Balance sheet total | EUR mill. | 3,273.1 | 3,682.5 | - 11.1% |
| Equity | EUR mill. | 1,223.6 | 1,341.4 | - 8.8% |
| Equity ratio | % | 37.4 | 36.4 | 2.7% |
| Net debt | EUR mill. | 576.6 | 683.1 | - 15.6% |
| Net gearing | % | 47.1 | 50.9 | - 7.5% |
| Investments into tangible fixed assets and intangible assets | EUR mill. | 157.1 | 178.2 | - 11.8% |
| Cash flow from operating activities | EUR mill. | 174.3 | 242.3 | - 28.1% |
| ROCE | % | 1.6 | 4.9 | - 67.3% |
| WACC | % | 6.0 | 6.5 | - 7.7% |

In fiscal 2012/2013, sales revenues decreased to EUR 1,812.6 million, and were thus 6.6% below the previous year's value (EUR 1,940.0 million). Net sales revenues amounted to EUR 1,682.4 million (previous year EUR 1,798.8 million).

The decline in sales concerned the Energy and Waste Management Segments. In the Energy Segment, gas sales to Gas- und Dampfkraftwerk Timelkam GmbH dropped because of lower power plant utilisation. Additionally, the sales revenues from proprietary trading activities in electricity and gas decreased by 11.1 million from EUR 141.2 million to EUR 130.1 million. The sales decline in the Waste Segment essentially results from the sale of AVE Tierkörperverwertungs GmbH that took place in fiscal 2011/2012.

The EBIT for fiscal 2012/2013 amounts to EUR 41.3 million and is thus 62.7% below the value recorded in the previous year (EUR 110.6 million). The EBIT includes an additional transfer to the provision for losses in connection with the combined-cycle gas turbine plant Timelkam amounting to EUR 33.0 million. With regard to the planned close-down of the coal-fired unit Riedersbach 2, a provision was created for costs of closure amounting to EUR 20.4 million. An inventory valuation adjustment was made for stone coal in the amount of EUR 17.4 million. Furthermore, additional provisions were created for the gradual step-in pension plan.

The EBIT in the Waste Management Segment dropped from EUR 16.5 million by EUR 9.4 million to EUR 7.1 million. The decline is essentially attributable to the profitable sale of AVE Tierkörperverwertungs GmbH in the previous year.

The financial result improved by EUR 1.8 million from EUR -29.3 million to EUR -27.5 million. The financial result of the current financial year contains positive contributions from the termination of the cross-border-leasing transaction.

The balance sheet sum fell from EUR 3,682.5 million to EUR 3,273.1 million. The change resulted from the sale of US treasures that served as collateral for the cross-border-leasing transaction as well as the sale of shares in investment funds. The decline in liquid funds is, among other things, attributable to the repayment of the borrower's note loan 2009-2013 in the amount of EUR 134.5 million. EGBV Beteiligungsverwaltung GmbH, which was consolidated at equity the previous year, was sold.

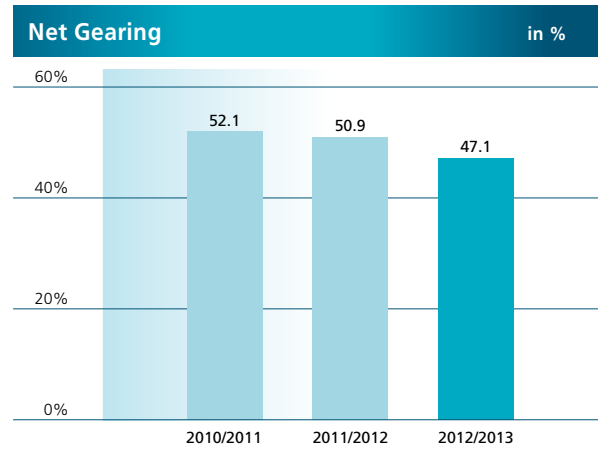
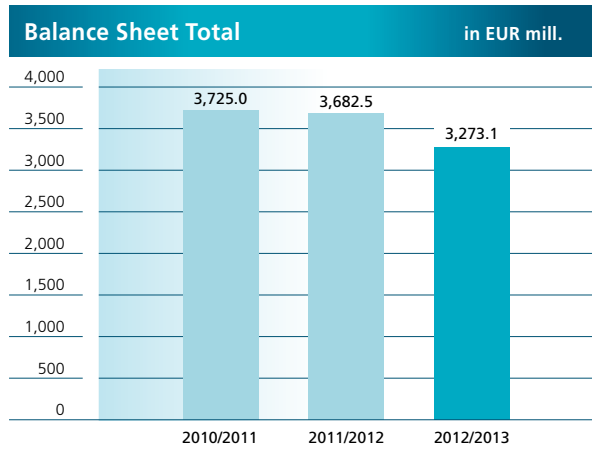
Equity was reduced compared to the previous year by -8.8% to EUR 1,223.6 million. Due to the lower balance sheet sum, the equity ratio rose to 37.4%.

Net debt was reduced by -15.6% to EUR 576.6 million compared to the previous year with the result that gearing improved to 47.1% (previous year 50.9%).

Investment in tangible fixed assets and intangible assets in the Group amounted to EUR 157.1 million, which is 11.8% below the value recorded in the previous year (EUR 178.2 million). Investments of the discontinued operations were taken into account until 31.03.2013.

The investments are offset by contributions to construction costs by customers in the amount of EUR 27.0 million which are recorded on the liabilities side.

The cash flow from operating activities amounted to EUR 174.3 million, exhibiting a decrease compared to the previous year (EUR 242.3 million). The decline is essentially due to payments from hedging transactions.



Financing and Investment Strategy

The current positive trend shown by the economic indicators in the industrial countries is also reflected in the recovery of the financial and capital markets. But it still remains to be seen what effects the expected withdrawal of the central banks from the multi-billion liquidity assistance programmes is going to have on the global economy and financial markets. Energie AG Oberösterreich continues to adhere to its proven strategy of taking an extremely conservative approach in the Group's financing and investment policy.

Maintaining High Financial Flexibility

In the course of consolidating and streamlining its business activities, the Energie AG Group managed to significantly reduce the amount of its financial liabilities by more than EUR 300.0 million in fiscal 2012/2013. At the beginning of the fiscal year, a borrower's note loan with variable interest rate was repaid early. Due to the successful termination of the cross-border-leasing transaction in April 2013, a further reduction of external funding was able to be achieved.

As the Group's repayment profile remains balanced for the long term, the Energie AG Group will not face any major re-financing requirements before fiscal 2015/2016.

By maintaining sufficient liquidity reserves, the Group's solvency is ensured at all times. As of the reporting date, the Energie AG Group had liquid funds amounting to EUR 60.6 million as well as marketable securities worth EUR 222.7 million. The credit lines not being used, which are thus available as reserves, were at around EUR 282.0 million, which reflects the Group's high financial flexibility.

Top Rating Reconfirmed

In a difficult market environment, a strong rating is a guarantee for smooth access to the national and international bank and capital market financing options. In February 2013, Standard & Poor's once again confirmed the very good "A" credit rating (outlook: "stable") for Energie AG Oberösterreich. In view of the fact that the general rating trend in the European utilities sector is pointing downward, this confirmation of the good credit standing is quite impressive.

Central Group Financing

Internal financing management within the Group is carried out via Energie AG Group Treasury GmbH. As of 30.09-2013, 31 group companies participated in the Group's cash pooling system. Long-term funding within the Group is also forwarded to the Group companies by Energie AG Group Treasury GmbH, in line with needs and at arm's length conditions.

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 assurance of the corporate value and of capital market-oriented returns for the owners each year is the central goal of Group management.

The primary ratio for Group controlling operations in the course of the year is return on capital employed (ROCE). The value-based corporate goals are broken down into 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 reports of Group Controlling, and monitored by the management. Value-based criteria and methods (for example, project-specific risk mark-ups) are used in the prioritisation of projects for the purpose of allocating resources for future investments and acquisitions.

Calculation of Cost of Capital for the Energie AG Group

| | |
|-----------------------------|-------|
| Risk-free interest rate | 4.0% |
| Country risk premium | 0.6% |
| Market risk premium | 5.2% |
| Beta factor | 0.65 |
| Cost of equity after taxes | 7.9% |
| Cost of debt before taxes | 5.1% |
| Tax rate | 23.9% |
| Cost of debt after taxes | 3.9% |
| Equity ratio | 52.7% |
| Debt ratio | 47.3% |
| Cost of capital after taxes | 6.0% |

The minimum demands of providers of equity and external funding for the return of invested capital (capital employed) are derived from developments in the capital market. Based on this, the weighted average cost of capital (WACC) after taxes is determined. To this end, the individual cost-of-capital parameters of the non-regulated business areas are determined on the basis of the market with the help of peer groups. These are then calculated for the individual segments and the entire Group by applying the bottom-up method. The calculation additionally takes into account country-risk premiums and country-specific marginal tax rates. The regulated areas are included in accordance with the requirements of the regulatory authorities.

For fiscal 2012/2013, the Group WACC amounted to 6.0% (previous year: 6.5%). The reduction compared to the previous year was primarily the result of taking into account the regulated, low cost of capital rates of the network companies.

In the fiscal year 2012/2013, the ROCE of the Energie AG Group amounted to 1.6%, which is well below the value reported for the previous year (4.9%).

MATERIAL EVENTS AFTER THE END OF THE FISCAL YEAR

The sale of the East-European activities of AVE was finalized with the sales contract concluded on 19.06.2013. After the balance sheet date, all of the agreed contractual conditions were fulfilled on the part of the contracting parties, and the necessary approvals obtained. With closing date 12 November 2013, the transaction was able to be successfully completed.

With regard to its shares in OÖ. Ferngas AG, E-Werk Wels AG declared in a letter received by Energie AG Oberösterreich on

27.09.2013 that it would accept the put option agreed upon in the syndication contract. Accordingly, Energie AG Oberösterreich is acquiring 1,222,800 shares of OÖ. Ferngas AG (3.5% share) by share purchase agreement, which was duly signed by Energie AG on 28.10.2013 and by E-Werk Wels AG on 04.11.2013.

INTERNAL CONTROL SYSTEM

The Group's Internal Control System (ICS) is established in all of the processes relevant for accounting and will be further expanded in the essential areas of the Group. The required control activities were designed to suit each of the risks and are regularly reviewed by the Group Revision to check their effectiveness and efficiency. Control manuals and measure catalogues for each of the group companies are updated on a continuous basis. By assigning responsibilities clearly and ensuring high process transparency, the Group has been able to develop a very good level of control awareness over the past years.

Areas covered by the ICS include regular reporting to the Group management and maps for maturity levels, which illustrate the status of current trends. Reports are also submitted to the Audit Committee in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungs-

gesetz (URÄG)] 2008. All controlling activities and measures as well as test results are managed and documented in a computer-assisted environment. The operational implementation is carried out by the respective persons responsible for the processes. Accompanying monitoring activities ensure the measures' success.

The equal treatment of all customers of Netz GmbH as required by the Austrian Electricity and Organisation Act (EiWOG) is taken into account by the internal control system and is monitored by the Compliance Officer.

As a valid component of the controlling and steering instruments, the ICS guarantees that the principles of the error avoidance strategy are complied with and can thus contribute as expected towards securing the Group assets and enhancing the efficiency of the corporate processes.

RISKS AND OPPORTUNITIES

The entire energy industry, and thus also the Energie AG Group, is currently faced with increasing pressure from the economic and energy policy-related market environment. The Group's risk management system is responding to these challenges by taking targeted measures to exploit the opportunities available and reduce risks to a minimum. It is a firmly established part of the Group's management and control system and is continuously developed further. The evaluation of the risk positions is included in strategic decisions and supports investment management activities.

The central risk management is based on an operational risk management system in the 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 opportunities and risks are analysed and aggregated to the Group's overall risk position as a possible deviation from the Group result before taxes.

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

A major part of the Energie AG Group's value added chain is exposed to fluctuating market prices. The subsidised expansion of renewable energy sources overrides competition and market mechanisms. Accordingly, the energy markets recorded a side-ward trend at a high level for oil and gas prices; on the other hand, prices dwindled in the power trading market. In the fiscal year 2012/2013, this led to further declines in production.

In November 2012, the European Energy Efficiency Directive went into force. The Directive includes an obligation on energy suppliers to make yearly savings on the energy distributed to its end-users from 2014 to 2020. Non-compliance with the requirements results in penalty payments which would increase the Group's risk position.

The EU Emission Trading Directive was transposed into national law with the 2011 Emission Certificate Act. For the third commitment period from 2013 to 2020 certificates have to be acquired in the context of auctions.

Waste Management

The situation in the Waste Management Segment remains challenging in the competitive environment. The development of the prices for recyclable materials during fiscal 2012/2013 remained relatively unchanged compared with the previous year. Following

the price declines in the fiscal year 2011/2012, the prices stabilised at a low level, while the volume levels remained stagnant or decreased, respectively.

The companies belonging to the Waste Management Segment in the countries Czech Republic, Hungary, Slovakia, Romania, Ukraine and Moldova were the subject of a structured divestment process in fiscal 2012/2013. This resulted in the classification and separate representation of the CEE countries as Discontinued Operations in accordance with IFRS 5. For the business activities in Austria and South Tyrol, an assessment and reorganisation project was initiated.

Water

In fiscal 2012/2013, the Water Segment exhibited a stable sales and earnings development, which is to be strengthened further in the coming fiscal year 2013/2014 despite the fact that there are several pending tenders for licences, and that there are demands for the introduction of a central regulatory authority for the Czech water business.

Politics and Law

Alongside the legal and regulatory situation in the electricity and gas network, changing political conditions are posing great challenges to the Energie AG Group.

Finances

Financial instruments and risk management: see Notes

Counterparties

see Notes

Participations

The divestment process concerning AVE CEE in the fiscal year 2012/2013 was a major step towards optimising the participation portfolio. The implementation as well as the transaction's treatment in the balance sheet are associated with risks which, in part, concern the fiscal year just completed, but also may affect the coming periods under review.

To manage the transaction, the Energie AG Group has concluded long-term contracts with partners. Changes in the framework conditions partially affected the economic efficiency of these commitments. Contract adjustments reduce the risk to a certain extent. Balance sheet provisions were created which were necessary from the company's present point of view.

Risks are essentially optimized by the continuous monitoring of existing participations and risk prophylaxis which involves integrating risk management across the entire project cycle.

Production, Distribution, Waste Management and Other Infrastructure Facilities

Natural disasters such as floods, storms or avalanches can result in unplanned downtimes of electricity production or transmission systems. 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. To minimise risks, the Group is continuing its cabling activities in forest areas.

Opportunities and Risks in 2013/2014

The result of the Energie AG Group is essentially affected by the general conditions in the energy industry and possible write-

downs concerning interests. Given the persistently high volatilities in the energy markets and high competitive and regulatory pressure, the risks resulting from write-downs on systems and investments remain.

In spite of this, as of 30.09.2013, no risks can be identified which, either separately or jointly, might threaten the existence of the Group.

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 as well as 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.

In fiscal 2012/2013, the expenditure for research, development and innovation totalled EUR 3.2 million. In the various entities of the Group, 291 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):

- The cooperation established between **Vertrieb KG** and the Johannes Kepler University Linz, Institute for Pervasive Computing for the projects "Power IT" and "Power Saver" continued in the fiscal year under review and led to the launch of a large-scale field study. Its aim is to evaluate the theoretically established savings potential of annual domestic electricity consumption of up to 17% in a long-term experiment involving around 40 families. The developed system, which, in its experimental set-up, consists of sensors worn by the users, a central control unit and a central gateway node which, depending on the individual user's behaviour, sets the necessary and planned control commands. The experiment is expected to reveal to what extent this system can meet the requirements of the scientific approach and the market. The development of the involved energy management system is intended to lead to corresponding improvements in energy efficiency. As a result, a marketable energy efficiency product will be available just in time for the implementation of the Austrian Energy Efficiency Act that is expected in the fiscal year 2013/2014.
- In the context of the eService Portal, which has been operating for several years, a so-called "Energy Manager" has now become available for customers equipped with an AMIS Smart Meter with remote readout; **Vertrieb KG** has been the first company to offer this in the whole of Austria. This gives customers the option of displaying, analysing and optimising their individual consumption levels. This becomes possible if customers are able to shift their consumption to times of the day that are distinguished by a correspondingly attractive price signal.

- To continue its national and international research cooperation efforts, **Netz GmbH** launched the research project IGREENGrid with major European distribution system operators. The project focuses on the scalability and transferability of the network data from the individual project partners. The aim of this large-scale field test is to carry out technical and economical evaluations that will allow the comparison of different designs in each of the partner countries, thus enabling solutions that can then be employed cost-efficiently across Europe.

- At **Data GmbH**, work on the project EU PIANO+ Impact continued. This project involved the evaluation of technical options, particularly in view of next-generation broadband solutions. One selected option is to be developed up to marketability. A special focus was placed on the development of a new feed device for inserting miniature tubes into existing empty conduit systems, in order to make broadband expansion more cost-efficient.

- **OÖ. Ferngas Netz GmbH** established Austria's first pilot plant for producing hydrogen (H₂) and charging the hydrogen into the natural gas grid. A newly established photovoltaic system (10.3 kWp) produces electricity, the majority of which is used for electrolysis water. The hydrogen which is produced from environmentally friendly solar electricity is fed into the local natural gas network where it is mixed with natural gas.

The process is intended to help acquire experiences in how the components

- volatile solar electricity
 - electrolysis
 - utilisation of waste heat from the electrolysis for pre-heating the natural gas pressure regulation station
- interact with each other.

This research plant makes renewable energy storable and transportable and is based on a concept that is unique in Europe.

- **AVE Österreich GmbH** has been concentrating on the recovery of ferrous and non-ferrous metals from incineration slag from the thermal waste processing plants in Wels for several years. In the fiscal year under review, particular attention was given to bioleaching in cooperation with an Upper Austrian research institution. After some basic analysis, particular emphasis is to be placed on the raw material potential of ashes and slag and, in the area of electrical appliance recycling, on

the recovery of copper, zinc, cobalt, nickel, gold and other metal compounds with low solubility. Extensive bioleaching tests were conducted for the above-mentioned metals on a laboratory and technical-centre scale, and some promising recovery results were achieved. Due to the particular scientific environment in these specific technologies, and because of the complexity of the newly emerging methods, it will take several years of research in the basic sciences and applications before complete and large-scale recycling processes can be developed that are feasible and make economic sense.

- In the fiscal year just expired, Energie AG's first grid-connected photovoltaic system had its 25th anniversary. **Fair Energy GmbH** seized the occasion as an opportunity to conduct a detailed analysis on the long-term behaviour of three makes of photo-

voltaic panels installed at the site. The study brought to light that there was a significant 20% decrease in the efficiency of just one of the products; the two other products exhibited just a very minor reduction in efficiency. Judging from long-term observation, the choice of concept originally implemented can certainly be interpreted as correct and appropriate. To expand this high-Alpine research plant, a further panel field was installed, which was made in Austria using state-of-the-art manufacturing methods, this time with a smaller gradient. This should help engineers gain insights on which panel gradients deliver better results, firstly, for producing electricity and, secondly, for allowing the panels to free themselves of snow, an ability which is required in Alpine regions. Hence it can be ensured that this old/new facility can continue to produce scientifically utilisable results.

STRATEGIC ORIENTATION AND OUTLOOK

The energy industry is currently undergoing a persistently intense transformation process which, due to the strong expansion of renewable energies, has led to upheavals in the electricity market. These upheavals are reflected in low wholesale market prices and in the fact that conventional energy forms are being forced out of the market. For economic reasons, investments in conventional electricity production plants are therefore no longer being made. Apart from this, customer requirements have changed and there is a growing desire to be independent and have one's own production facilities, which has caused the entire energy sector to redefine its strategies.

To prepare the Energie AG Group for these myriad challenges in the best possible way, Energie AG is currently working on a strategic realignment and examining its external standing very thoroughly at the same time. In a first step, optimisation and development areas have been identified. The exploitation of future market potentials and the development of new business models to satisfy the evolving customer requirements will constitute the basis for measures to be adopted, as will consistent cost management and further structural optimisations.

Energie AG continues to adhere to its policy of operating both in regulated and de-regulated markets. This strategy has proved to have a stabilising effect on the Group's result in the past, particularly in volatile times, and will remain one of the Group's priorities in order to maintain profitable performance.

Another factor that will have significant impact on the future strategic alignment is the changed situation in the Waste Management Segment. Following the decision to focus on activities in Austria, a project is under way to work out the strategic and organisational re-orientation.

Independent of the challenging framework conditions which the Energie AG Group is currently facing, preservation of the share value and the maintenance of a strong A rating will remain essential guiding principles in the company's strategy in order to remain an attractive partner for equity investors and providers of external funding.

Business development in the fiscal year ahead in the Energy Segment will be significantly affected by the tense situation in the energy markets as well as regulatory requirements.

With regard to the business area power plants, the Group's focus will therefore remain on enhancing the efficiency of existing power plants and securing sites for future production facilities. A crucial factor for the implementation of new conventional power plant projects will be the price development and the associated economic viability of projects.

In the area of new, renewable energy sources, the development of wind farm projects and the expansion of photovoltaic systems will be pursued further, as long as appropriate cost efficiency is maintained.

In terms of sales, the focus will also concentrate on efficiency measures. As part of the Austrian Energy Efficiency Act, the national implementation of the EU directive must be completed by summer 2014. The goal is to achieve energy savings amounting to 0.6% of energy quantities sold. In sales, priority will also be given to intensifying the sales channels New Media and Internet in the coming fiscal year.

With regard to the electricity grid, the changed regulatory requirements are to be implemented in fiscal 2013/2014. This concerns both the result of the cost examination procedure and the new

framework conditions for the price regulations and also the changed and added requirements in the ElWOG amendment and the ordinances, which, among other things, will result in a change in the general conditions that define access to the distribution system.

The main focus in project activities will be on the large-scale projects such as power distribution in the Almtal and Kremstal region, grid support Jochenstein and the cabling activities where medium-voltage overhead lines are placed into cables in forest areas.

Further regulatory requirements will also affect the business area gas in the new fiscal year. Besides the current tariff determination procedure, one significant factor in the coming year will be the new switching platform for processing supplier changes and the registration and de-registration of customers. On the other hand, the tightening of the Gas Act (Gaswirtschaftsgesetz) will lead to necessary adjustments in the area of customer services.

The business area heating will withdraw from Slovakia in the new fiscal year. The negotiations with potential purchasers were initiated in 2013 and the strategically planned withdrawal is expected to be concluded in fiscal 2013/2014. Besides continuing its efforts to win new customers in its existing supply areas, the business area heating in Austria will remain focused on its core competences and on strengthening the pioneering role it has

assumed in heat production based on renewable energy sources such as biomass and geothermal energy.

The situation in the Waste Management Segment remains challenging. Over the next months, work will focus on the consistent implementation of the already started evaluation and reorganisation project for business in Austria.

In the Water Segment, efficiency enhancement measures initiated in the fiscal year just expired will be continued. In the drinking and waste water business area, the companies are preparing for several tenders for licences that will be conducted in the fiscal year ahead. In Austria and Southern Bavaria, the water supply business area is to be maintained at the present level. In this respect, optimisations concerning the existing plants are to be expected. The service business is to be developed further. In Slovenia, it will be essential to broadly stabilise the service business while carefully observing the operator market at the same time.

Due to the challenging developments in the market environment, activities across the Group will remain focused on the consistent continuation of the cost management and efficiency enhancement programmes already started. Besides this, as part of the strategic realignment, there will be activities to examine the exploitation of new market potential and open up new sources of earnings by working out innovative business models.

Linz, 29 November 2013

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

Consolidated Income Statement

01 October 2012 to 30 September 2013

| | 01/10/2012 - 30/09/2013 | 01/10/2011 - 30/09/2012 |
|---|-------------------------|-------------------------|
| | in EUR 1.000 | in EUR 1.000 |
| 1. Sales (6) | 1,812,559.8 | 1,939,996.3 |
| Procurement Costs for Electricity and Gas Proprietary Trading | - 130,132.7 | - 141,244.0 |
| Net Sales Revenue | 1,682,427.1 | 1,798,752.3 |
| 2. Change in inventories of finished and unfinished products | - 555.2 | - 757.6 |
| 3. Other capitalised costs of self-constructed items | 32,554.7 | 33,627.6 |
| 4. Shares in result of companies associated at equity (2, 17) | 12,783.4 | 15,527.1 |
| 5. Other operating income (8) | 26,634.6 | 39,290.6 |
| 6. Cost of materials and other purchased manufacturing services (9) | - 1,080,697.1 | - 1,157,305.4 |
| 7. Personnel expenses (10) | - 329,866.1 | - 299,134.5 |
| 8. Depreciation (11) | - 140,588.0 | - 154,060.5 |
| 9. Other operating expenses (12) | - 161,440.2 | - 165,340.2 |
| 10. Result of operations | 41,253.2 | 110,599.4 |
| 11. Financing expenditure (13) | - 37,549.6 | - 44,844.8 |
| 12. Other interest income (13) | 10,938.7 | 10,888.0 |
| 13. Other financial results (14) | - 864.0 | 4,623.0 |
| 14. Financial result | -27,474.9 | - 29,333.8 |
| 15. Result from ordinary business activities | 13,778.3 | 81,265.6 |
| 16. Taxes on income (15) | - 268.7 | - 16,086.1 |
| 17. Profit after taxes from continuing operations | 13,509.6 | 65,179.5 |
| Discontinued operations | | |
| 18. Result after Taxes from Discontinued Operations (38) | - 42,309.1 | - 763.0 |
| 19. Group Result | - 28,799.5 | 64,416.5 |
| of which attributable to non-controlling interests | 4,854.2 | 7,480.6 |
| of which attributable to shareholders of parent company | - 33,653.7 | 56,935.9 |
| Result per share ¹⁾ (in EUR) (35) | - 0.379 | 0.640 |
| Proposed dividend per share (in EUR) (35) | 0.600 | 0.600 |

¹⁾ Diluted result corresponds to undiluted result.

Consolidated Statement

of Comprehensive Income

01 October 2012 to 30 September 2013

| | 01/10/2012 - 30/09/2013 | 01/10/2011 - 30/09/2012 |
|---|-------------------------|-------------------------|
| | in EUR 1.000 | in EUR 1.000 |
| 1. Consolidated net result | - 28,799.5 | 64,416.5 |
| 2. Other Comprehensive Income | | |
| Items which are subsequently reclassified in the income statement | | |
| Currency translation | - 3,608.0 | - 5,847.4 |
| Changes in fair values of available-for-sale financial assets | 7,313.3 | 2,270.3 |
| Changes in value, without effect on the result, at companies associated at equity | 747.9 | - 874.7 |
| Hedging Reserve | - 39,604.1 | - 37,316.7 |
| Deferred taxes | 8,072.6 | 8,760.6 |
| Total income and expenses recognised in equity | - 27,078.3 | - 33,007.9 |
| 3. Overall result after taxes | - 55,877.8 | 31,408.6 |
| 4. thereof overall result of non-controlling interest | 4,091.6 | 7,192.6 |
| 5. attributable to comprehensive income | - 59,969.4 | 24,216.0 |

Consolidated Balance Sheet as at 30 September 2013

| ASSETS | | 30/09/2013 | 30/09/2012 |
|-----------------------------|---|---------------------|--------------------|
| | | in EUR 1,000 | in EUR 1,000 |
| A. Long-term assets | | | |
| I. | Intangible assets and goodwill (16) | 227,059.1 | 296,205.8 |
| II. | Tangible fixed assets (16) | 1,838,125.1 | 1,966,610.1 |
| III. | Investments (of these companies associated at equity: EUR 233,340.9 thousand [2012: EUR 255,897.2 thousand]) (2, 17) | 253,714.4 | 281,719.2 |
| IV. | Other financial assets (18) | 246,914.8 | 482,167.4 |
| | | 2,565,813.4 | 3,026,702.5 |
| V. | Other long-term assets (19) | 19,701.0 | 32,019.7 |
| VI. | Deferred taxes (15) | 43,878.2 | 23,522.6 |
| | | 2,629,392.6 | 3,082,244.8 |
| B. Short-term assets | | | |
| I. | Inventories (20) | 66,582.9 | 98,007.1 |
| II. | Accounts receivable and other assets (21) | 303,476.8 | 341,290.2 |
| III. | Cash in hand, checks and bank balances (22) | 60,640.8 | 160,982.0 |
| | | 430,700.5 | 600,279.3 |
| IV. | Assets of discontinued operations (38) | 213,055.8 | — |
| | | 643,756.3 | 600,279.3 |
| | | 3,273,148.9 | 3,682,524.1 |
| LIABILITIES | | | |
| A. Equity | | | |
| I. | Share capital (23) | 89,000.0 | 89,000.0 |
| II. | Capital reserves (23) | 214,897.0 | 213,106.9 |
| III. | Revenue reserves (23) | 837,080.0 | 926,968.1 |
| IV. | Other reserves (23) | 856.4 | 30,265.7 |
| V. | Non-controlling interests (23) | 81,781.6 | 82,100.1 |
| | | 1,223,615.0 | 1,341,440.8 |
| B. Long-term debt | | | |
| I. | Financial liabilities (24) | 620,705.1 | 717,273.9 |
| II. | Long-term provisions (25) | 273,498.1 | 219,628.8 |
| III. | Deferred tax liabilities (15) | 100,106.7 | 107,353.5 |
| IV. | Contributions to construction costs (26) | 342,921.3 | 336,698.1 |
| V. | Deferred credit for cross-border leasing (5) | — | 33,440.0 |
| VI. | Advances from customers (27) | 69,840.8 | 76,283.1 |
| VII. | Other long-term debt (28) | 86,691.8 | 89,337.8 |
| | | 1,493,763.8 | 1,580,015.2 |
| C. Short-term debt | | | |
| I. | Financial liabilities (24) | 16,528.5 | 226,801.2 |
| II. | Short-term provisions (29) | 42,616.4 | 51,501.0 |
| III. | Tax provisions (30) | 108.6 | 140.3 |
| IV. | Accounts payable (24) | 163,240.0 | 199,909.6 |
| V. | Deferred credit from cross-border leasing (5) | — | 1,253.0 |
| VI. | Other short-term debt (31) | 256,168.8 | 281,463.0 |
| | | 478,662.3 | 761,068.1 |
| VII. | Debts from discontinued operations (38) | 77,107.8 | — |
| | | 555,770.1 | 761,068.1 |
| | | 3,273,148.9 | 3,682,524.1 |

Development of Fixed Assets

2012/2013

(Annex to the Notes)

| | Cost of purchase or production | | | | | | | As at 30/09/2013 in EUR 1.000 |
|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|---|-------------------------------------|
| | As at 01/10/2012 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 | Discontinued operation in EUR 1.000 | |
| | | | | | | | | |
| I. Intangible assets and goodwill | | | | | | | | |
| 1. Electricity procurement rights | 219,035.5 | — | — | 9,260.0 | — | — | — | 228,295.5 |
| 2. Other rights | 122,418.3 | - 304.4 | - 2.5 | 4,293.7 | - 3,537.3 | 316.4 | - 8,179.9 | 115,004.3 |
| 3. Goodwill | 150,232.4 | - 648.1 | - 4,161.0 | — | — | — | - 33,993.7 | 111,429.6 |
| 4. Customer base | 89,858.1 | - 886.2 | - 2,851.3 | — | — | 44.6 | - 30,750.6 | 55,414.6 |
| 5. Payments on account and assets under construction | 1,961.1 | - 41.6 | — | 302.9 | - 6.1 | - 323.7 | - 1,830.3 | 62.3 |
| Total for intangible assets | 583,505.4 | -1,880.3 | -7,014.8 | 13,856.6 | -3,543.4 | 37.3 | -74,754.5 | 510,206.3 |
| II. Tangible fixed assets | | | | | | | | |
| 1. Land and buildings | 1,066,049.3 | - 2,414.8 | - 2,854.1 | 4,005.0 | -858.4 | 10,631.1 | - 96,167.1 | 978,391.0 |
| 2. Plant and machinery | 3,185,176.4 | - 2,131.2 | - 1,042.5 | 83,819.4 | - 32,713.4 | 22,124.3 | - 118,797.3 | 3,136,435.7 |
| 3. Factory and office equipment | 196,468.7 | -242.3 | - 1,351.0 | 8,238.7 | - 5,040.9 | 2,499.8 | - 13,249.1 | 187,323.9 |
| 4. Payments on account and assets under construction | 72,689.9 | - 156.9 | — | 47,211.6 | - 62.0 | - 35,644.5 | - 8,501.5 | 75,536.6 |
| Total for tangible fixed assets | 4,520,384.3 | - 4,945.2 | - 5,247.6 | 143,274.7 | - 38,674.7 | - 389.3 | - 236,715.0 | 4,377,687.2 |
| III. Investments | | | | | | | | |
| 1. Shares in affiliated undertakings | 12,888.4 | - 153.8 | 3,767.2 | 2,729.7 | -788.0 | — | - 6,498.2 | 11,945.3 |
| 2. Shares in associated undertakings | 271,516.2 | -9.1 | 7,564.8 | 7,903.7 | - 37,824.9 | — | - 190.8 | 248,959.9 |
| 3. Investments available for sale | 121.5 | — | — | — | — | — | — | 121.5 |
| 4. Other investments | 34,598.1 | -98.2 | — | 931.0 | -1,300.0 | — | -1,567.4 | 32,563.5 |
| Total for investments | 319,124.2 | - 261.1 | 11,332.0 | 11,564.4 | - 39,912.9 | — | - 8,256.4 | 293,590.2 |
| IV. Other financial assets | | | | | | | | |
| 1. Loans to affiliated companies | 2,270.7 | 10.8 | — | 23.0 | - 205.6 | — | - 1,543.7 | 555.2 |
| 2. Due to undertakings with which the company is linked by virtue of participating interests | 20,000.0 | — | — | — | - 8,000.0 | — | — | 12,000.0 |
| 3. Other loans | 23,641.7 | - 341.1 | — | 1,630.6 | - 8,139.5 | 352.0 | - 240.2 | 16,903.5 |
| 4. Securities available for sale | 110,554.0 | — | — | 41,065.9 | - 96,855.6 | — | — | 54,764.3 |
| 5. Other securities (loan stock rights) held as tangible assets | 290,958.4 | — | — | 175,287.4 | -316,320.9 | — | — | 149,924.9 |
| Total for other financial assets | 447,424.8 | - 330.3 | — | 218,006.9 | - 429,521.6 | 352.0 | - 1,783.9 | 234,147.9 |
| Total for fixed assets | 5,870,438.7 | - 7,416.9 | - 930.4 | 386,702.6 | - 511,652.6 | — | - 321,509.8 | 5,415,631.6 |

1 Amortization of intangible assets and goodwill and depreciation of fixed assets includes amortization and depreciation from the discontinued operation for the period from 01.10.2012 through 03.03.2013 (classification as discontinued operations) in the amount of EUR 11.1 million.

Amortization of shares in affiliated companies and other shareholdings includes amortization from the discontinued operation for the period from 01.10.2012 through 03.03.2013 (classification as discontinued operations) in the amount of EUR 1.0 million.

| Accumulated depreciation | | | | | | | Carrying value 30/09/2013 in EUR 1.000 | Carrying value 30/09/2012 in EUR 1.000 |
|-------------------------------------|---|--|---------------------------|---------------------------|---|-------------------------------------|--|--|
| As at 01/10/2012 in EUR 1.000 | Currency differences in EUR 1.000 | Write-ups/ depreciation 1) in EUR 1.000 | Disposals in EUR 1.000 | Transfers in EUR 1.000 | Discontinued operation in EUR 1.000 | As at 30/09/2013 in EUR 1.000 | | |
| 150,674.6 | — | 3,673.6 | — | — | — | 154,348.2 | 73,947.3 | 68,360.9 |
| 68,544.6 | - 123.9 | 5,456.7 | - 1,127.3 | 14.4 | - 5,025.6 | 67,738.9 | 47,265.4 | 53,873.7 |
| 41,005.2 | - 4.1 | 14.2 | — | — | 3.3 | 41,018.6 | 70,411.0 | 109,227.2 |
| 27,075.3 | - 267.5 | 4,746.6 | — | — | - 11,512.9 | 20,041.5 | 35,373.1 | 62,782.8 |
| - 0.1 | - 19.5 | — | — | - 10.1 | 29.7 | — | 62.3 | 1,961.2 |
| 287,299.6 | - 415.0 | 13,891.1 | - 1,127.3 | 4.3 | - 16,505.5 | 283,147.2 | 227,059.1 | 296,205.8 |
| 510,188.5 | - 1,005.2 | 20,440.1 | - 622.6 | 96.4 | - 33,801.2 | 495,296.0 | 483,095.0 | 555,860.8 |
| 1,900,607.5 | - 1,373.2 | 101,149.1 | - 24,882.8 | - 19.6 | - 78,164.5 | 1,897,270.9 | 1,239,164.8 | 1,284,568.9 |
| | | - 45.6 | | | | | | |
| 142,932.7 | - 151.9 | 16,164.6 | - 4,571.6 | - 81.1 | - 7,150.1 | 147,142.6 | 40,181.3 | 53,536.0 |
| 45.5 | - 2.1 | 2.2 | 1.9 | — | - 194.9 | - 147.4 | 75,684.0 | 72,644.4 |
| 2,553,774.2 | - 2,532.4 | 137,756.0 | - 30,075.1 | - 4.3 | - 119,310.7 | 2,539,562.1 | 1,838,125.1 | 1,966,610.1 |
| | | - 45.6 | | | | | | |
| 4,894.0 | 4.0 | 1,477.8 | — | — | - 1,156.1 | 5,219.7 | 6,725.6 | 7,994.4 |
| 15,619.0 | — | — | — | — | — | 15,619.0 | 233,340.9 | 255,897.2 |
| -230.3 | — | 91.1 | — | — | — | -244.1 | 365.6 | 351.8 |
| | | -104.9 | | | | | | |
| 17,122.4 | - 26.0 | 2,750.4 | — | — | -565.5 | 19,281.3 | 13,282.3 | 17,475.8 |
| 37,405.1 | - 22.0 | 4,319.3 | — | — | - 1,721.6 | 39,875.9 | 253,714.4 | 281,719.2 |
| | | - 104.9 | | | | | | |
| 771.1 | 16.6 | — | — | — | -787.7 | — | 555.2 | 1,499.6 |
| — | — | — | — | — | — | — | 12,000.0 | 20,000.0 |
| — | — | — | — | — | — | — | 16,903.5 | 23,641.7 |
| - 2,710.0 | — | 5,019.9 | -1,949.9 | — | — | - 11,300.4 | 66,064.7 | 113,264.0 |
| | | - 11,660.4 | | | | | | |
| - 32,803.7 | — | — | 32,165.1 | — | — | - 1,466.5 | 151,391.4 | 323,762.1 |
| | | - 827.9 | | | | | | |
| - 34,742.6 | 16.6 | 5,019.9 | 30,215.2 | — | - 787.7 | -12,766.9 | 246,914.8 | 482,167.4 |
| | | - 12,488.3 | | | | | | |
| 2,843,736.3 | - 2,952.8 | 160,986.3 | - 987.2 | — | - 138,325.5 | 2,849,818.2 | 2,565,813.4 | 3,026,702.5 |
| | | - 12,638.8 | | | | | | |

Development of Fixed Assets

2011/2012

(Annex to the Notes)

| | Cost of purchase or production | | | | | | As at 30/09/2012 in EUR 1,000 |
|--|-------------------------------------|---|--|---------------------------|---------------------------|---------------------------|-------------------------------------|
| | 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 | |
| | | | | | | | |
| 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 | | | | | | Carrying value 30/09/2012 | Carrying value 30/09/2011 |
|--------------------------|-------------------------|----------------------------|-------------------|------------------|---------------------|------------------------------|------------------------------|
| As at 01/10/2011 | Currency differences | Write-ups/ depreciation | Disposals | Transfers | As at 30/09/2012 | | |
| 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 |
| 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 |
| - 32,887.2 | — | - 5,565.8 | 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 | | | | | |

Notes to the Consolidated Financial Statements 2012/2013

1. GENERAL INFORMATION

The Energie AG Oberösterreich Group is a leading Austrian infrastructure group and provides first-rate supply, disposal and other services in the Energy, Waste Management and Water segments.

The headquarters of Energie AG Oberösterreich is located in Linz, Böhmerwaldstraße 3 (Austria).

The consolidated financial statements of Energie AG Oberösterreich for the 2012/2013 fiscal year were prepared in accordance with the International Financial Reporting Standards, promulgated by the International Accounting Standards Board (IASB) and adopted by the European Union, which were required to be used on the reporting date.

As a result of the first-time use of IAS 1, amended, which took effect on 01.07.2012 (Amendment Presentation of Items of Other Comprehensive Income), there are, in particular effects on the presentation of the statement of comprehensive income in these consolidated financial statements.

In the 2012/2013 consolidated financial statements, the following amendments adopted by the EU were not used ahead of time:

Entry into effect on 01.01.2013

- IAS 12 (Amendment Deferred Tax: Recovery of Underlying Assets)
- IAS 19 (Employee Benefits)
- IFRS 1 (Amendments: Government Loans)
- IFRS 1 (Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters)
- IFRS 7 (Amendments: Disclosures – Offsetting Financial Assets and Financial Liabilities)
- IFRS 13 (Fair Value Measurement)
- Improvements to IFRS 2011 (IFRS 1, IAS 1, 16, 32, 34)
- IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine)

The effects on the consolidated balance sheet are as follows:

| | EUR mill. | | EUR mill. |
|-------------------|--------------|--------------------|--------------|
| ASSETS | | LIABILITIES | |
| Long-term assets | 115.4 | Equity | - 0.8 |
| Short-term assets | 3.8 | Long-term debt | 103.9 |
| | | Short-term debt | 16.1 |
| | 119.2 | | 119.2 |

The amendments to IAS 19 will mean that in the 2013/2014 consolidated financial statements, the actuarial profits and losses will have to be directly recognized in Other Comprehensive Income. The previously exercised option, time-delayed recognition according to the corridor method, will cease to exist. With regard to actuarial profits and losses, please refer to Item 25. With regard to the other standards mentioned, which are to be used for the first time the 2013-14 consolidated financial statements, no significant impact is to be expected.

Entry into effect in the EU as of 01.01.2014

- IAS 27 (Separate Financial Statements)
- IAS 28 (Investments in Associates and Joint Ventures)
- IFRS 10 (Consolidated Financial Statements)
- IFRS 11 (Joint Arrangements)
- IFRS 12 (Disclosure of Interests in Other Entities)
- IAS 32 (Amendments: Presentation - Offsetting Financial Assets and Financial Liabilities)
- IFRS 10, 11 and 12 (Amendments: Transition Guidance)
- IFRS 10, 12 and IAS 27 (Amendments: Investment Entities)

These standards will likely be used at the time of entry into effect. The first-time use of the new standards IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) and IFRS 12 (Disclosure of Interests in Other Entities) will, according to the current opinion, result in Gas- und Dampfkraftwerk Timelkam GmbH and Ennskraftwerke Aktiengesellschaft, currently included according to the equity method, being consolidated as a joint operation according to IFRS 11 (Joint Arrangements). Accordingly, the attributable assets and liabilities and share of earnings and expenses will be entered in the balance sheet. The change in the type of consolidation will lead to an increase in sales revenue in the amount of EUR 18.9 million and a decrease in material costs of around EUR 10.3 million. The result of operations will increase by EUR 3.2 million. The following standards, amendments and improvements of standards will enter into effect as of

01.01.2014 or later, although they have not yet been adopted by the European Union as of now.

- IFRS 9 (Financial Instruments)
- IFRS 7 (Amendments)
- IAS 36 (Amendments: Recoverable Amount Disclosures for Non-Financial Assets)
- IAS 39 (Amendments: Novation of Derivatives and Continuation of Hedge Accounting)
- IFRIC 21 (Levies)

The consolidated financial statements comply with European Union directives on consolidated accounting.

These consolidated financial statements per IFRS exempt pursuant to § 245a UGB [Business Enterprise Code] from the obligation to draw up consolidated financial statements pursuant to the Austrian UGB. If additional information is required pursuant to the UGB, these are added in the respective explanations.

The consolidated financial statements are prepared in thousand euros.

When totalling rounded amounts and percentages, rounding differences may arise as a result of the use of automatic calculation tools.

PRINCIPLES OF CONSOLIDATION

2. Scope of Consolidation

The scope of consolidation is determined according to the principles of IAS 27 (Consolidated Financial Statements and Accounting for Investments in Subsidiaries). Energie AG Oberösterreich has the option to determine the financial and busi-

ness policy of its subsidiaries by means of the direct or indirect majority of the voting rights.

The scope of consolidation changed as follows:

| | Full Consolidation | Proportional Consolidation | Equity Consolidation |
|--|--------------------|----------------------------|----------------------|
| 30/09/2012 | 84 | 4 | 12 |
| Included for the first time in the fiscal year | 2 | 0 | 0 |
| Merged in the fiscal year | - 2 | 0 | 0 |
| Disposed of in the fiscal year | - 1 | 0 | - 2 |
| Change in type of inclusion | 0 | - 2 | 2 |
| 30/09/2013 | 83 | 2 | 12 |

Interests in subsidiaries, joint ventures or in associated companies which, from the Group's perspective are of subordinate importance are classified as "available for sale". If there is no listed price on an active market and the fair value cannot be reliably determined, valuation is done at acquisition cost. The companies not included due to their subordinate importance are also non-essential in total.

The statements of the companies consolidated fully or proportionally in the consolidated financial statements are prepared according to standardized reporting and valuation principles. The individual company statements of the included fully or

proportionally consolidated companies and the associated companies reported according to the equity method are prepared as of the reporting date of the consolidated financial statements. Due to special corporate law agreements, ENAMO GmbH, ENAMO Ökostrom GmbH, "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. (Vienna), Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) and Fernwärme Steyr GmbH are included in the consolidated financial statements at equity, despite a majority of voting rights.

The following companies are consolidated for the first time in the 2012/2013 fiscal year:

| | Registered office | Share (in %) | Type of consolidation | Acquisition | Consolidated since |
|--|-------------------|--------------|-----------------------|-------------|--------------------|
| ENERGY | | | | | |
| POLAND | | | | | |
| Finadvice Fair Energy Wind Development sp.z.o.o. | Warszawa | 100.00 | FC | 25/5/2009 | 01/10/2012 |
| WASTE MANAGEMENT | | | | | |
| AUSTRIA | | | | | |
| AVE CEE Holding GmbH | Linz | 100.00 | FC | 03/06/2013 | 03/06/2013 |

Inclusion of Finadvice Fair Energy Wind Development sp.z.o.o. was established to develop wind power projects in Poland. In previous years, the company was not included for reasons of materiality.

AVE Frantiskovy Lazny s.r.o. and EKO-BIO VYSOCINA spol.s.r.o. were merged with AVE CZ odpadové hospodarstvi s.r.o., and Aquaserv s.r.o. merged with CEVAK a.s.

The change in the scope of consolidation for 2012/2013 is presented as follows:

| | Total in EUR mill. |
|---|-----------------------|
| Long-term assets | 2.3 |
| Short-term assets | 3.2 |
| Long-term provisions and liabilities | - 1.5 |
| Short-term provisions and liabilities | - 2.7 |
| Net worth | 1.3 |
| Offsetting with no affect on net income | — |
| Offsetting with an affect on net income | - 0.8 |
| Changes to minority interests | — |
| Goodwill | 0.7 |
| | 1.2 |
| Purchase price paid in previous periods | - 1.2 |
| Acquisition of unconsolidated, associated companies | 2.7 |
| Acquired cash and cash equivalents | 0.6 |
| Net cash outflow | 3.3 |
| thereof acquisition of minority interests | — |
| | 3.3 |

The earnings contribution of the companies consolidated for the first time, including consolidation effects was EUR - 1,360.5 thousand (previous year: EUR -2,592.7 thousand). The notional indication of Group values based on the assumption that all company mergers had been completed as of 01.10.2012, is omitted since separate purchase price allocations are not performed for all company acquisitions at this time.

The shareholdings in VHOS-KA s.r.o., EGBV Beteiligungsverwaltung GmbH and Energie AG Miskolc Vizgazdalkodasi were sold.

The proportionally consolidated companies and the associated companies valued at equity are presented as follows:

| | Pro-rata consolidated companies (pro rata) | | Associated companies at-equity | |
|--------------------|---|----------------------------|-----------------------------------|----------------------------|
| | 30/09/2013 in EUR mill. | 30/09/2012 in EUR mill. | 30/09/2013 in EUR mill. | 30/09/2012 in EUR mill. |
| Long-term assets | 6.0 | 13.3 | 1,635.0 | 1,619.6 |
| Short-term assets | 3.2 | 6.7 | 273.9 | 241.6 |
| | 9.2 | 20.0 | 1,908.9 | 1,861.2 |
| Equity | 5.5 | 7.7 | 555.8 | 532.7 |
| Long-term debt | 1.9 | 2.4 | 836.3 | 865.1 |
| Short-term debt | 1.8 | 9.9 | 516.8 | 463.4 |
| | 9.2 | 20.0 | 1,908.9 | 1,861.2 |
| | 2012/2013 in EUR mill. | 2011/2012 in EUR mill. | 2012/2013 in EUR mill. | 2011/2012 in EUR mill. |
| Sales revenues | 28.7 | 90.9 | 1,766.2 | 1,920.6 |
| Result after taxes | 0.5 | 0.4 | 40.5 | 45.0 |

The associated companies not valued at equity have a balance sheet total of EUR 101.5 million (previous year EUR 108.9 million), debts in the amount of EUR 86.4 million (previous year EUR 93.4 million), sales revenue in the amount of EUR 22.9 million (previous year EUR 33.7 million) as well as a result of ordinary operations in the amount of EUR 0.8 million (EUR 1.1 million).

The Group's Companies

| | Registered office | Share in % | Type of consolidation |
|---|-------------------|----------------|-----------------------|
| ENERGY | | | |
| AUSTRIA | | | |
| | | Parent company | |
| Energie AG Oberösterreich | Linz | | |
| Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Vertrieb GmbH & Co KG | Linz | 100.00 | FC |
| Energie AG Oberösterreich Business Services GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Customer Services GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Data GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Kraftwerk Ennshafen GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Kraftwerke GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Personalmanagement GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Trading GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Tech Services GmbH | Linz | 100.00 | FC |
| Netz Oberösterreich GmbH (previously: Energie AG Oberösterreich Netz GmbH) | Linz | 100.00 | FC |
| Energie-Contracting Steyr GmbH | Steyr | 100.00 | FC |
| Energie AG Oberösterreich Wärme GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Wasserkraft GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Fair Energy GmbH | Linz | 100.00 | FC |
| Energie AG Oberösterreich Fair Energy Renewable Power GmbH | Linz | 100.00 | FC |
| Energie AG Group Treasury GmbH | Linz | 100.00 | FC |
| Cogeneration-Kraftwerke Management Oberösterreich GmbH | Linz | 100.00 | FC |
| Oberösterreichische Ferngas Aktiengesellschaft | Linz | 65.00 | FC |
| OÖ. Ferngas Netz GmbH | Linz | 65.00 | FC |
| OÖ. Ferngas Service GmbH | Linz | 65.00 | FC |
| OÖ. Gas-Wärme GmbH | Linz | 65.00 | FC |
| ENSERV Energieservice GmbH | Linz | 65.00 | FC |
| Market Calling Marketinggesellschaft m.b.H. | Linz | 60.00 | FC |
| ENAMO GmbH | Linz | 80.00 | EC |
| Fernwärme Steyr GmbH | Steyr | 51.00 | EC |
| Gas- und Dampfkraftwerk Timelkam GmbH | Linz | 50.00 | EC |
| Ennskraftwerke Aktiengesellschaft | Steyr | 50.00 | EC |
| Bioenergie Steyr GmbH | Behamberg | 49.00 | EC |
| Wels Strom GmbH | Wels | 49.00 | EC |
| LIWEST Kabelmedien GmbH | Linz | 44.00 | EC |
| Salzburg AG für Energie, Verkehr und Telekommunikation | Salzburg | 26.13 | EC |
| ENAMO Ökostrom GmbH | Linz | 65.00 | EC |
| IfEA Institut für Energieausweis GmbH | Linz | 100.00 | OC |
| Wärme Oberösterreich GmbH | Linz | 100.00 | OC |
| Energie Austria GmbH | Linz | 100.00 | OC |
| BBI Breitbandinfrastruktur GmbH | Linz | 55.00 | OC |
| OÖ Science-Center Wels Errichtungs-GmbH | Wels | 47.67 | OC |
| Energie Ried Wärme GmbH | Ried im Innkreis | 40.00 | OC |
| GRB Geothermie Ried Bohrung GmbH | Ried im Innkreis | 40.00 | OC |
| Geothermie-Wärmegesellschaft | | | |
| Braunau-Simbach mbH | Braunau | 40.00 | OC |
| Bioenergie Aigen Schlägl reg. GenmbH | Aigen | 20.80 | OC |
| GERMANY | | | |
| Erdgas Oberösterreich Vertriebs GmbH | Tittling | 65.00 | FC |
| Geothermie-Fördergesellschaft Simbach-Braunau mbH | Simbach | 40.00 | OC |
| CZECH REPUBLIC | | | |
| Energie AG Teplo Bohemia s.r.o. | České Budějovice | 100.00 | FC |
| Energie AG Teplo Vimperk s.r.o. | České Budějovice | 100.00 | FC |
| Energie AG Teplo Rokycany s.r.o. | Rokycany | 100.00 | FC |
| Tepelne zasobovani Rakovník spol. s.r.o. | Rakovník | 100.00 | FC |

The Group's Companies

| | Registered office | Share in % | Type of consolidation |
|---|-------------------|------------|-----------------------|
| Městské tepelné hospodářství Kolín, spol. s r.o. | Kolín | 95,00 | FC |
| SATEZA a.s. | Šumperk | 91,67 | FC |
| ENAMO s.r.o., | České Budějovice | 65,00 | OC |
| ENSERV Bohemia s.r.o. | České Budějovice | 65,00 | OC |
| POLAND | | | |
| Finadvice Fair Energy Wind Development sp.zo.o. | Warszawa | 100,00 | FC |
| Finadvice Fair Energy Wind Development 1 Sp. z o.o. | Warszawa | 100,00 | OC |
| Finadvice Fair Energy Wind Development 2 Sp. z o.o. | Warszawa | 100,00 | OC |
| Finadvice Fair Energy Wind Development 3 Sp. z o.o. | Warszawa | 100,00 | OC |
| Finadvice Fair Energy Wind Development 5 Sp. z o.o. | Warszawa | 100,00 | OC |
| SLOVAKIA | | | |
| Bioenergia Teplo Slovakia s.r.o. | Bratislava | 100,00 | OC |
| Energie AG Teplo Slovakia s.r.o. | Bratislava | 100,00 | OC |
| Kremnické tepelné hospodárstvo, s.r.o. | Kremnica | 100,00 | OC |
| WASTE MANAGEMENT | | | |
| AUSTRIA | | | |
| AVE Energie AG Oberösterreich Umwelt GmbH | Linz | 100.00 | FC |
| AVE CEE Holding GmbH | Linz | 100.00 | FC |
| AVE Österreich GmbH | Hörsching | 100.00 | FC |
| ASPG Altlastensanierungsprojekte GmbH | Hörsching | 100.00 | FC |
| AVE Kommunalservice GmbH | Hörsching | 100.00 | FC |
| Abfall-Aufbereitungs-GmbH | Hörsching | 100.00 | FC |
| MA Restabfallverwertung GmbH | Hörsching | 99.00 | FC |
| "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. | Wien | 63.33 | EC |
| AVE Bohemia GmbH | Linz | 100.00 | OC |
| RVL Reststoffverwertung Lenzing GmbH | Lenzing | 50.00 | OC |
| AVE Metal Recovery GmbH | Linz | 50.00 | OC |
| Thermische Abfallverwertung Tirol Gesellschaft m.b.H. | Innsbruck | 50.00 | OC |
| Recycling Innsbruck GmbH | Innsbruck | 25.00 | OC |
| ELG Liegenschaftsverwertung GmbH | Wallern | 20.00 | OC |
| HUNGARY | | | |
| AVE Magyarország Hulladékgyűjtési Kft | Budapest | 100.00 | FC |
| AVE Heves Régió Kft. | Hejőpapi | 100.00 | FC |
| AVE Zöldfok Zrt. | Siófok | 69.80 | FC |
| AVE Tatabánya Zrt. | Tatabánya | 67.00 | FC |
| AVE Tatabánya Hulladékhasznosító Kft. | Tatabánya | 61.00 | FC |
| AVE Hevesi Városfenntartó Kft. | Heves | 55.04 | FC |
| AVE Miskolc Kft | Miskolc | 55.00 | FC |
| A.S.A. + AVE Kft | Gyál | 50.00 | QC |
| A.K.S.D. Kft. | Debrecen | 50.00 | QC |
| Kaposvári Városgazdálkodási Zrt. | Kaposvár | 44.57 | EC |
| AVE KERTFOK Kft. | Siófok | 100.00 | OC |
| AVE Gyöngyös Hulladékkezelő Kft. | Gyöngyös | 98.00 | OC |
| P.M.R. Kft | Debrecen | 50.00 | OC |
| Tiszabólina Regionális Hulladék Közszolgáltató | Tiszabólina | 49.00 | OC |
| Gyöngyös Hulladékkezelő Kft. | Gyöngyös | 48.00 | OC |
| Vértes Vidéke Hulladékgyűjtési Kft. | Tatabánya | 42.38 | OC |
| ENIN Környezetipari Klaszter Kft | Miskolc | 40.67 | OC |
| NYÍR-FLOP KFT. | Nyíregyháza | 25.00 | OC |
| Bihari Hulladékgyűjtési Kft. | Berettyóújfalú | 24.50 | OC |
| Debreceni Hulladék Közszolgáltató Nonprofit Kft. | Debrecen | 24.50 | OC |
| CZECH REPUBLIC | | | |
| AVE CZ odpadové hospodářství s.r.o. | Praha | 100.00 | FC |
| AVE sberné suroviny a.s. | Plzeň | 100.00 | FC |

The Group's Companies

| | Registered office | Share in % | Type of consolidation |
|---------------------------------------|---------------------|------------|-----------------------|
| REKKA s.r.o. | České Budějovice | 100.00 | FC |
| AVE Harrachov a.s. | Harrachov | 100.00 | FC |
| AVE Kralupy s.r.o. | Kralupy | 99.00 | FC |
| AVE Kolín s.r.o. | Kolín | 90.00 | FC |
| AVE Ústí nad Labem s.r.o. | Ústí nad Labem | 90.00 | FC |
| AVE Nasavrky a.s. | Nasavrky | 60.00 | FC |
| ASPG CZ s.r.o. | Praha | 100.00 | OC |
| Kogeneravce Zalmanov s.r.o. | Karlovy Vary | 100.00 | OC |
| Pražská odpadová a.s. | Praha | 65.00 | OC |
| EKO SKLÁDKA s.r.o. | Jindřichův Hradec | 24.00 | OC |
| ROMANIA | | | |
| AVE Waste Romania SRL | Cluj-Napoca | 100.00 | FC |
| AVE Huron SRL | Miercurea-Ciuc | 100.00 | FC |
| AVE Salaj ECOSERV SRL | Zalău | 100.00 | FC |
| AVE Bihor SRL | Oradea | 100.00 | FC |
| AVE Harghita Salubritate SRL | Odorheiu Secuiesc | 94.00 | FC |
| AVE Cluj SRL | Cluj-Napoca | 100.00 | OC |
| A.K.S.D. Romania SRL | Targu Mures | 50.00 | OC |
| SLOVAKIA | | | |
| AVE SK odpadové hospodárstvo s.r.o. | Bratislava | 100.00 | FC |
| AVE Bratislava s.r.o. | Bratislava | 100.00 | FC |
| AVE Košice s.r.o. | Košice | 100.00 | FC |
| AVE Tornaľa s.r.o. | Tornaľa | 100.00 | FC |
| V.O.D.S., a.s. | Košice | 100.00 | FC |
| AVE Jasov s.r.o. | Košice | 70.00 | FC |
| AVE Sturovo a.s. | Štúrovo | 65.00 | OC |
| GERMANY | | | |
| AVE Abfallwirtschaft GmbH | Rotthalmünster | 100.00 | FC |
| Papyrus Wertstoff Service GmbH | Bad Reichenhall | 63.33 | EC |
| ITALY | | | |
| AVE Südtirol Recycling GmbH | Eppan | 100.00 | FC |
| MOLDOVA | | | |
| AVE Ungheni SRL | Ungheni | 67.83 | OC |
| UKRAINE | | | |
| AVE Umwelt Ukraine TOB | Lemberg | 100.00 | FC |
| AVE Mukatschewo TOB | Mukatschewo | 95.38 | FC |
| AVE Vinogradovo TOB | Vinogradovo | 91.99 | FC |
| AVE Lwiw TOB | Lwiw | 70.00 | FC |
| AVE Ushgorod TOB | Ushgorod | 100.00 | OC |
| AVE Iwano Frankiwsck TOB | Iwano Frankiwsck | 91.96 | OC |
| WATER | | | |
| AUSTRIA | | | |
| Energie AG Oberösterreich Wasser GmbH | Linz | 100.00 | FC |
| WDL WasserdienstleistungsGmbH | Linz | 90.00 | FC |
| WDL Infrastruktur GmbH | Linz | 49.00 | OC |
| CZECH REPUBLIC | | | |
| Energie AG Bohemia s.r.o. | Praha | 100.00 | FC |
| CEVAK a.s. | České Budějovice | 100.00 | FC |
| Vodáreská společnost Beroun s.r.o. | Beroun | 100.00 | FC |
| VODOS s.r.o. | Kolín | 100.00 | FC |
| Vodáreská společnost Chrudim a.s. | Chrudim | 95.00 | FC |
| VHOS a.s. | Moravská Třebová | 88.40 | FC |
| Aqua Servis a.s. | Rychnov nad Kněžnou | 66.00 | FC |

The Group's Companies

| | Registered office | Share in % | Type of consolidation |
|--|-------------------|------------|-----------------------|
| Vodovody a kanalizace Beroun a.s. | Beroun | 59.20 | FC |
| Energie AG Bohemia Service s.r.o. | České Budějovice | 100.00 | OC |
| 1. Jihočeská vodohospodářská spol. s r.o. | České Budějovice | 100.00 | OC |
| SLOVENIA | | | |
| VARINGER d.o.o. | Maribor | 100.00 | FC |
| OTHERS | | | |
| Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung | Linz | 100.00 | OC |
| Energy IT Service GmbH | Linz | 66.67 | OC |

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

Capital consolidation is done according to the acquisition method, by offsetting the fair value of the consideration for the acquired company with the proportional, revalued equity capital of the subsidiary at the time of its purchase. The non-controlling shares are valued with the corresponding share of current ownership instruments in the amounts recognized for the identifiable net assets of the acquired company (partial goodwill method).

Goodwill resulting from company mergers are recognized according to IFRS 3. The goodwill acquired is based mainly on future earnings expectations and synergy effects. Impairment is tested at least once a year according to IAS 36. In the 2012/2013 fiscal year, goodwill of the discontinued operation in the amount

of EUR 34,302.3 thousand (previous year: EUR 0.0 thousand) was amortized. Liability-side difference amounts per IFRS 3 are immediately recognized with an effect on profit. Incidental acquisition costs of shareholding acquisitions in the amount of EUR 132.1 thousand (previous year: EUR 524.5 thousand) are reported in other operating expenses.

Intra-Group receivables and payables, expenses and income as well as interim results are eliminated.

Put options of minority shareholders are reported like acquired interests. Corresponding liabilities are recognized with changes being recognized with an effect on profit ("anticipated acquisition method").

4. ACCOUNTING AND VALUATION PRINCIPLES

4.1. Estimates

Preparation of the consolidated financial statements required estimates to be made which affect the assets and liabilities, income and expenses and information reported in the consolidated financial statements. In particular, estimates and assumptions were made for personnel provisions, provisions for impending losses and when performing purchase price allocations. Estimates and assumptions concern in particular interest rates, wage and salary trends, fluctuation, the future realizability of deferred tax assets as well as future payment surpluses.

Customer-related intangible assets are recognized when companies are merged. These result from contractual and non-contractual customer relationships. The fair value determination is made on the basis of estimated future payment surpluses.

In the course of verifying the recoverability of assets and goodwill, estimates of future cash flows as well as interest rates are made.

When valuing provisions for waste disposal sites, estimates are made with regard to the amount of the future expenses for surface covering and recultivation of the waste disposal sites as well as for the removal of seepage, drainage of surface water, degassing, measurement and monitoring programs. Uncertainties also exist with regard to the time frame for aftercare of the waste disposal sites as well as any changes to the legal framework conditions.

The estimates made can differ from the actually resulting amounts and affect future consolidated financial statements. With regard to potential impacts of changes to estimates on future impairment tests, please refer to the sensitivity analyses.

4.2. Intangible Assets, Goodwill and Tangible Fixed Assets

The goodwill resulting from the acquisition of subsidiaries is shown in immaterial assets. Goodwill is valued at acquisition costs minus cumulative impairment costs.

Other intangible assets which are acquired by the Group and have limited useful lives are valued at acquisition or production costs minus cumulative amortization and impairment costs.

Development costs are to be capitalized pursuant to IAS 38 (Intangible Assets) as company-produced intangible assets and then amortized over their useful life.

With the exception of goodwill, intangible assets are amortized over the period of the following estimated useful lives:

| | 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 |

Expenditure for research activities with a prospect of new scientific or technical insights are carried as expenses.

4.3. Tangible Assets

Tangible assets are valued at acquisition or production costs minus cumulative depreciation and cumulative impairment costs.

Acquisition or production costs include expenses which are directly attributable to the acquisition of the asset. The production costs for company-produced assets include:

- Material costs and production labor, including material and production overhead costs. General administration costs are not capitalized.
- All other directly attributable costs which are incurred in order to make the asset ready for operation for its intended purpose.
- The estimated costs for the demolition and removal of the objects and restoration of the site.
- Capitalized outside capital costs.

Financing costs are capitalized pursuant to IAS 23 (Borrowing Costs), with an interest rate of 3.5% (previous year: 3.5%) being used.

Subsequent expenses are only capitalized if it is likely that the Group will obtain the future economic benefit associated with the expenses. Ongoing repairs and maintenance are immediately recognized as expenses.

Tangible assets are depreciated as of the time they are available or, with regard to company-produced assets, as of the time in which the asset is completed and ready for use.

If different useful lives are to be recognized for essential components of assets, these are dealt with using the component approach (IAS 16.43).

Scheduled depreciation is measured for essential tangible assets according to following Group-wide useful lives:

| | Useful life in years |
|--|-------------------------|
| 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 |

4.4. Real Estate Held as Financial Investments

Real estate held as financial investments is real estate which is held for the purpose of collecting rent and/or for the purpose of appreciation.

There are no effects on the consolidated financial statements resulting from the application of IAS 40 (Investment Property) since there is no significant real estate used as financial investments exists.

from the past and external information sources. The assumptions regarding cash flow following the detailed planning period are based on analyses of the past and future projections. Future restructuring and expansion investments are not taken into account. After the detailed planning period, a growth rate of 1.5% is carried. The assumptions regarding future GDP growth come from the European Commission.

The discounting interest rate is an after tax interest rate which reflects the current market estimates and the specific risks of the cash generating unit.

4.5. Impairment of Goodwill

In the fourth quarter of every fiscal year, or during the year as well if an impairment indicator comes up, an impairment test for goodwill is carried out to determine any need for amortization. In these tests, the goodwill is attributed to the cash generating units which are expected to benefit from the synergies of the merger. The individual companies are generally identified as cash generating units. In the Waste Management Segment, the companies are generally combined by country into cash generating units due to the management and reporting structure. In deviation from this, in the 2012/2013 fiscal year, the countries affected by the purchase of the AVE CEE activities (abandoned business division) were combined into a cash generating unit since cash flows from this can only be realized overall in the form of the purchase price.

An impairment cost is carried if the book value of a cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value minus disposal costs or use value. The value in use is determined by discounting future cash flows which can likely be obtained from a cash generating unit. The fair value minus disposal costs is determined from an extra-company perspective whereas the value in use is determined from an intra-company perspective:

The cash flows used to determine the value in use are based on the five-year medium-term plan approved by the Board of Directors. The planning figures are based both on experiences

4.5.1. Waste Management Planning Forecasts

Budget planning for the Waste Management Segment takes into account the central budgeting premises established at the Group level regarding economic growth, inflation, interest and exchange rate changes during the budgeting period.

Revenue planning is based on detailed planning of the individual products and services for each location. In terms of incineration plants and significant major customers, individual customer budget forecasts associated with contractual framework parameters were also used. For waste and recyclable materials, price trends which seem realistic for the planning period at the time of planning are carried. For other products and services, a business trend to be expected was projected and electricity and district heating sales were determined based on the prices specified by the Group.

Based on the market developments to be expected, the processing and throughput volume were planned for significant disposal plants. Significant here refers to an expected throughput of 310,000 tons for the Wels Waste Processing Plant and 300,000 tons for the Residual Materials Incineration Plant in Lenzing.

Significant expense items such as personnel costs, fleet costs, maintenance and taxes were planned in accordance with sales and asset planning.

4.5.2. Water Segment Planning Forecasts

Planning for the Water Segment takes into account centrally specified, country-specific planning parameters, such as inflation rate, growth rate and interest and exchange rate trends.

Revenue planning in the drinking and waste water area is based on a volume price structure, which in turn, in sales planning, is based on historical consumption data and a trend derived by using the planning parameters. The planned drinking and waste water fees were set taking into account the existing contract information, an estimate of the future expense trends and following any applicable regulatory framework conditions of every planning unit.

Country-specific planning parameters, using external analyst estimates, were determined for the planning of significant expense items in the Water Segment. These include price trends for untreated water, chemicals, fuels and electricity and gas prices.

One significant planning premise concerns the maintenance of the existing drinking and waste water contracts with the municipalities and associations in the planning period.

4.6. Impairment of Other Intangible and Tangible Assets

Pursuant to IAS 36 (Impairment of Assets), intangible assets and tangible assets must be subjected to an impairment test if there is any indication that an asset or a cash generating unit could be impaired. An impairment is recognized if the book value exceeds the recoverable amount for the asset or the cash generating unit. The recoverable amount is the higher of the fair value minus disposal costs and the value in use.

The value in use is determined by discounting future cash flows which can likely be obtained from a cash generating unit. The cash flows used to determine the value in use are based on the five-year medium-term plan approved by the Board of Directors. The planning figures are based both on experiences from the past and external information sources. Future restructuring and expansion investments are not taken into account. The discounting interest rate is an after tax interest rate which reflects the current market estimates and the specific risks of the cash generating unit.

The fair value minus disposal costs is determined from an extra-company perspective whereas the value in use is determined from an intra-company perspective.

4.7. Participations

The value of shareholdings in companies using the equity method is increased or decreased according to the share held in the capital and the changes in equity.

4.8. Inventories

Valuation of inventories is done at average acquisition or production costs (sliding average price procedure) or at the lower net disposal value. Production costs include directly attributable costs as well as proportional material and production overhead costs.

Decreases in value due to reduced usability are accounted for by devaluing.

4.9. Emission Certificates

The CO₂ emission certificates issued free of charge under the Emission Certificates Act are carried at market value and recognized under short-term receivables and short-term payables. Market value fluctuations are recognized in the profit and loss statement. As the emission certificates are used, appropriate provisions are created and the liability resulting from the allocation is reduced with an effect on profit. When the emission certificates are submitted to the registry, the provision is balanced with the asset-side item. Additional certificates are recognized under short-term receivables. Market value fluctuations are recognized in the profit and loss statement. As the emission certificates are used, appropriate provisions are created. When the emission certificates are submitted to the registry, the provision is balanced with the asset-side item.

4.10. Grid Charges

Grid charges are set by Energy Control Austria based on the last available annual statement values and specified costs. Differences between the income actually earned and the income on which the ordinance is based, as well as investments, uncontrollable costs and expansion factors are considered when setting the cost basis for the next charge period.

Corresponding difference amounts are reported in the item "Receivables and Other Assets" or as a liability, respectively.

4.11. Cash and Cash Equivalents

Cash and Cash Equivalents include cash holdings, checks received and deposit accounts at financial institutions. They are carried at amortized cost.

4.12. Financial Instruments

Purchases and sales of primary financial instruments are recognized as of the settlement date. Purchases and sales of derivative financial instruments are recognized on the trading date. Financial assets are generally measured at fair value at the time of acquisition taking into account the transaction costs. The financial instruments are charged off once the rights to pay-

ments from the investment have expired or been transferred and the Group has essentially transferred all risks and opportunities associated with their ownership.

4.12.1. Primary Financial Instruments

Non-consolidated shareholdings are measured just as securities and uncertified securities in accordance with IAS 39 "Financial Instruments: Recognition and Measurement".

At Energy AG Oberösterreich, the measurement categories "At Fair Value through Profit or Loss," "Held to Maturity," "Loans and Receivables," "Available for Sale" and "Financial Liabilities measured at Amortized Cost" are used.

The category, "At Fair Value through Profit or Loss" is used for derivatives "Held for Trading" as well as financial assets, which are controlled according to a documented asset and risk management strategy and for which the change in value is assessed using the fair value.

The category "Held to Maturity" is attributed to securities. Financial assets in this category are primary financial assets with fixed or determinable payments which the company wants and can hold to maturity. They are measured at amortized cost as part of the subsequent measurement.

The category "Loans and Receivables" included loans, trade receivables and other financial receivables and assets at standard market rates of interest. "Loans and Receivables" are primary financial assets with fixed or determinable payments that are not listed on an active market. Interest-free or low interest loans and long-term receivables are carried at their cash value at acquisition. The subsequent measurement of the financial instruments in category "Loans and Receivables" is done at amortized cost.

For the categories "Held to Maturity" and "Loans and Receivables" value adjustments are made for recognizable as soon as there is an indication for an impairment. Criteria for a write down include financial difficulties of the issuer or debtor, delinquent payment, increased likelihood of insolvency, a measurable reduction in expected future cash flows as well as a significant decrease in the market value of the financial instrument. A direct charge-off of the financial assets only takes place if the contractual rights to payments from financial assets no longer exist (in particular in case of insolvency). If the reasons for the value adjustment cease to exist, the value is adjusted upward up to acquisition cost.

The category "Available for Sale" is attributed to shareholdings and securities. These are reported on an ongoing basis at fair

value, provided this can be reliably determined. Any resulting value changes are recognized after deducting deferred taxes with no effect on profit until realization, provided there is no material or continuing impairment. If there are objective indications for an impairment, losses previously reported in comprehensive income are recognized in financial income. When estimating a potential impairment, all available information such as creditworthiness, market conditions, duration and extent of the decrease in value are taken into account. Upward revaluations of equity capital instruments are made without an effect on profit, for outside capital instruments with an effect on profit.

The category "Available for Sale at Cost" is attributed to non-consolidated shareholdings and other shareholdings. There is no price listed on an active market for these shareholdings and the fair value cannot be reliably determined. They are carried at amortized cost taking into account impairments. Upward revaluations are not allowed.

Financial liabilities, trade payables and other financial debts are attributed to the category "Financial Liabilities measured at Amortized Cost" and are measured at amortized cost using the effective interest method. The initial measurement is done at fair value including transaction costs. A premium, discount and other flotation costs are distributed over the term of the loan and reported under financial income.

4.12.2. Derivative Financial Instruments and Hedge Transactions

Derivative financial instruments, in particular to hedge against interest rate, electricity price and gas price risks, are used at the Group.

The requirements pursuant to IAS 39 for Hedge Accounting include, in particular, documentation of the hedge relationship between the underlying and hedge transaction, the hedge strategy and regular retrospective and prospective measurements of effectiveness. All components of the market value change of derivatives are taken into account when measuring effectiveness. Hedge accounting is considered effective if the change in market value of the hedge instrument ranges from 80 to 125 percent of the counter-directional market value change of the underlying transaction.

If a derivative financial instrument pursuant to IAS 39 is used as a hedge transaction in a cash flow hedge, the effective part of the fair value change of the hedge instrument in the equity capital is reported as a component of other comprehensive income. A transfer to the profit and loss statement is made in the period in which the cash flows of the underlying transaction

have an effect on profit. If the hedged underlying transaction ceases to exist, the hedging result is transferred to the profit and loss statement with an effect on profit. The ineffective part of the market value change of a hedge instrument for which a cash flow hedge has been created is recognized with an effect on profit to the required extent.

As part of fair value hedge accounting, in addition to the market value change of the derivative, the counter-directional market value change of the underlying transaction is also recognized with an effect on profit if it is imputable to the hedged risk.

Market value changes of derivatives without a hedge relationship are reported in the operating result or financial income, respectively. Results from interest derivatives are reported for each contract as balanced in interest income. Results from derivative proprietary trading instruments are reported under sales revenue or material costs.

Contracts concluded for the purpose of receiving or supplying non-financial items according to the expected purchase, sales or use requirements and which are held to this end, are not carried as derivative instruments at fair value pursuant to IAS 39, but rather as pending transactions according to the provisions of IAS 37.

4.13. Provisions for Pensions and Severance Payments

Provisions for pensions, severance payments and retirement are calculated according to the projected unit credit method under IAS 19 (Employee Benefits). Expected increases in wages, salaries and pensions are taken into account. Actuarial profits and losses which exceed the corridor in the amount of 10% of the cash value of the benefit obligation are distributed, for pension and severance provisions, over the average remaining time in service.

4.14. Other Provisions

Other provisions include all recognizable obligations as of the reporting date which are based on past events and for which the amount or maturity is uncertain. Provisions are measured at the amount with the highest probability of occurrence. Discounted costs for obligations due to the demolition and/or removal of assets and restoration of the sites are estimated, capitalized at the time of acquisition of the asset and recognized as provision.

4.15. Deferred Taxes

Deferred taxes are created for temporary differences between the values stated in the consolidated balance sheet and the values stated in the tax balance sheets of the individual companies. In addition, future tax relief based on tax losses carried forward are also taken into account. Impairments can be performed if off-setting with sufficient probability cannot be assumed.

4.16. Construction Subsidies

This item includes primarily financing amounts collected from electricity, gas and district heating customers. Construction costs carried as liabilities are retransferred with an effect on profit in keeping with the course of depreciation for the corresponding asset.

4.17. Investments

Public sector grants for the acquisition of assets are recognized as investment subsidies and reversed according to the useful life under other operating income.

4.18. Contingent Liabilities

Potential or existing obligations based on past events and for which an outflow of resources is unlikely are carried under contingent liabilities to third parties.

4.19. Foreign Currency Conversion

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 in other comprehensive income. The differences from currency translations due to minority interests are shown in the item "non-controlling interests". On 30.09.2013, the exchange rate for the Czech crown was 25.7152 (previous year: 25.132), for the Hungarian forint 298.5135 (previous year: 285.35), for the Romanian lei 4.46032 (previous year: 4.53884), for the Swiss franc 1.22513 (previous year: 1.20839), for the Ukrainian hryvnia 11.0597 (previous year: 10.52805), for the Polish zloty 4.22282 and for the US dollar 1.35223 (previous year:

1.28579). Currency translation differences from long-term, intra-group shareholder loans are shown under currency differentials without effect on the result.

4.20. Revenue Recognition

Revenue is generally recognized at the time of provision of the supply or service, provided that the value of the receivable is fixed or determinable and recoverability is likely. Receivables from electricity, gas and water provision which are not yet settled as of the reporting date are accrued and recognized in the item "Trade receivables". With regard to the recognition of construction contracts as per IAS 11, please refer to Item 34.

Interest income is recognized on a pro rata basis according to effective interest rate. Dividends are recognized at the time at which the right to payment came into being.

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 leaseback 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 Oberösterreich 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).

Energie AG Oberösterreich was able, at the end of April 2013, to successfully terminate ahead of maturity its cross border lease (CBL-) transaction for 14 leased power plants with the consent of the US investor and all transaction parties involved. Due to the termination price for the early exit from the US lease transaction, a positive contribution to the financial income in this year's consolidated financial statements of Energie AG is reported. All of the existing prepayment and collateral instruments associated with the early termination of the CBL power plant transaction were repaid respectively released. The disclosure of contingent liabilities decreased by the CBL-relevant contingencies (EUR 677 million as of September 30, 2012).

NOTES TO THE PROFIT AND LOSS STATEMENT

6. Sales

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Electricity | 1,060,671.6 | 1,054,282.3 |
| District heating | 47,532.2 | 60,141.7 |
| Gas | 263,442.0 | 334,300.9 |
| Reversal of contributions to construction costs | 20,748.5 | 20,426.3 |
| Waste management | 215,062.5 | 230,052.0 |
| Water | 114,832.3 | 115,381.3 |
| Other Sales Revenue | 90,270.7 | 125,411.8 |
| Sales revenue | 1,812,559.8 | - 1,939,996.3 |
| Procurement Costs for Electricity and Gas Proprietary Trading | - 130,132.7 | - 141,244.0 |
| Net Sales Revenue | 1,682,427.1 | 1,798,752.3 |

Sales include income from electricity and gas proprietary trading; net sales – less purchase costs for electricity and gas proprietary trading – include the margin achieved.

7. Segment Reporting

Segment Reporting by Business Sectors

The segment reporting of the Energie AG Group is done pursuant to IFRS 8 according to internal reporting and internal control (Management Approach). The Energie AG Group operates in the segments "Energy", "Waste Management", and "Water". The Energy Segment includes, in particular, the generation and distribution of electrical energy, gas and heat. The Waste Management Segment mainly includes the handling, sorting, incineration and dumping of domestic and commercial waste. The Water Segment mainly includes supplying drinking water and disposal of waste water.

The reporting and valuation methods for the reported segments are the same as those for the entire Group. Sales made between the segments ("internal sales") are offset at standard

market prices. The operating result is the period result which is regularly monitored by the main decision makers to primarily measure profit and forms the basis for the allocation of resources.

Funding of the provision for gradual step-in retirement (see Item 25), depreciation of inventories (see Item 20) and funding of the provision for onerous contracts (see Item 25) concern the Energy Segment. Unscheduled depreciation concerns the Energy Segment (see Item 11). Income from the dissolution of construction cost subsidies concern the Energy Segment.

Segment reporting by business division is presented as follows:

| | Energy | Waste | Water | Minus | Transition/ | Group |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | in EUR mill. | disposal | in EUR mill. | discontinued | elimination | in EUR mill. |
| | | in EUR mill. | in EUR mill. | operation | in EUR mill. | in EUR mill. |
| 2012/2013 | | | | | | |
| Sales to third parties | 1,467.1 | 394.8 | 130.4 | - 179.7 | — | 1,812.6 |
| Inter-segment sales | 8.1 | 12.9 | 0.4 | — | 21.4 | — |
| Total sales | 1,475.2 | 407.7 | 130.8 | - 179.7 | 21.4 | 1,812.6 |
| Income from shares in equity companies | 12.8 | — | — | — | — | 12.8 |
| Depreciations | - 105.4 | - 89.4 | - 8.1 | 62.3 | — | - 140.6 |
| Income from operations | 24.7 | - 25.7 | 9.5 | 32.8 | — | 41.3 |
| Financing costs | - 32.3 | - 12.9 | - 1.0 | 5.1 | 3.6 | - 37.5 |
| Other net interest income | 14.2 | 2.7 | 0.2 | - 2.6 | 3.6 | 10.9 |
| Taxes on income | 4.3 | 3.0 | - 2.2 | - 5.4 | — | - 0.3 |
| Book value of stakes in equity undertakings | 225.7 | 7.7 | — | - 0.1 | — | 233.3 |
| Goodwill | 1.4 | 45.4 | 23.6 | — | — | 70.4 |
| Investments into intangible assets and tangible fixed assets | 137.5 | 23.2 | 6.4 | - 10.0 | — | 157.1 |
| | | | | | | |
| | | | | | | |
| 2011/2012 | | | | | | |
| Sales to third parties | 1,579.1 | 418.1 | 130.8 | - 188.0 | — | 1,940.0 |
| Inter-segment sales | 9.2 | 12.3 | 0.4 | — | - 21.9 | — |
| Total sales | 1,588.3 | 430.4 | 131.2 | - 188.0 | - 21.9 | 1,940.0 |
| Income from shares in equity companies | 15.5 | - 0.5 | — | 0.5 | — | 15.5 |
| Depreciations | - 117.6 | - 51.0 | - 8.4 | 22.9 | — | - 154.1 |
| Income from operations | 85.6 | 21.1 | 8.5 | - 4.6 | — | 110.6 |
| Financing costs | - 38.0 | - 15.7 | - 1.4 | 6.4 | 3.9 | - 44.8 |
| Other net interest income | 14.1 | 3.7 | 0.2 | - 3.2 | - 3.9 | 10.9 |
| Taxes on income | - 10.4 | - 4.9 | - 1.9 | 1.1 | — | - 16.1 |
| Book value of stakes in equity undertakings | 255.6 | 0.1 | 0.2 | — | — | 255.9 |
| Goodwill | 1.4 | 83.7 | 24.1 | — | — | 109.2 |
| Investments into intangible assets and tangible fixed assets | 143.9 | 29.1 | 5.2 | — | — | 178.2 |

Segment Reporting by Geographical Segments

The Energie AG Oberösterreich Group operates in the regions "Austria," "Czech Republic" and "Hungary". Business operations in other countries (Slovakia, Romania, Italy, the Ukraine, Germany, Slovenia, Poland) are summarized in the geographical segment "Other Countries".

| | 2012/2013 | | | | | | Group in EUR mill. |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|------------------------------------|---------------------------|---|-----------------------|
| | Austria in EUR mill. | Czech Republic in EUR mill. | Hungary in EUR mill. | Other countries in EUR mill. | Discontinued operation | Transitions/ elimination in EUR mill. | |
| Sales to third parties | 1,629.6 | 275.6 | 48.4 | 38.7 | - 179.7 | — | 1,812.6 |
| Carrying value of segment assets | 2,560.6 | 255.7 | 61.2 | 57.2 | - 207.3 | 545.7 | 3,273.1 |

| | 2011/2012 | | | | | | Group in EUR mill. |
|-------------------------------------|-------------------------|--------------------------------|-------------------------|------------------------------------|---------------------------|---|-----------------------|
| | Austria in EUR mill. | Czech Republic in EUR mill. | Hungary in EUR mill. | Other countries in EUR mill. | Discontinued operation | Transitions/ elimination in EUR mill. | |
| Sales to third parties | 1,723.7 | 299.8 | 55.1 | 49.4 | - 188.0 | — | 1,940.0 |
| Carrying value of segment assets | 2,694.4 | 306.3 | 57.4 | 70.1 | — | 554.3 | 3,682.5 |

8. Other Operating Income

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Income from the disposal of intangible assets and tangible fixed assets | 816.1 | 898.8 |
| Income from the disposal of assets and debts classified as to be kept for sale | — | 12,832.0 |
| Capitalised production costs | 787.5 | 699.0 |
| Income from leases and rentals | 3,167.2 | 2,522.2 |
| Income from the reversal of investment grants | 3,595.9 | 2,878.0 |
| Income from CO ₂ certificates | 3,572.5 | 6,149.4 |
| Other income | 14,695.4 | 13,311.2 |
| | 26,634.6 | 39,290.6 |

9. Cost of Material and Other Purchased Manufacturing Rights

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Electricity purchased from third parties | 665,982.1 | 672,176.5 |
| Cost of use of system | 65,347.5 | 75,488.1 |
| Cost of fuels | 88,684.5 | 69,683.8 |
| Cost of other materials | 270,945.1 | 364,760.2 |
| Cost of purchased services | 119,870.6 | 116,440.8 |
| | 1,210,829.8 | 1,298,549.4 |
| Procurement Costs for Electricity and Gas Proprietary Trading | - 130,132.7 | - 141,244.0 |
| | 1,080,697.1 | 1,157,305.4 |

10. Personnel Costs

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Wages and salaries | 203,752.6 | 209,250.6 |
| Expenses for severance payments and benefits to company pension funds | 8,106.6 | 7,800.5 |
| Pension payments | 42,868.2 | 25,306.7 |
| Statutory social-security charges and remuneration-related charges and compulsory contributions | 52,403.1 | 53,603.0 |
| Other social expenses | 22,735.6 | 3,173.7 |
| | 329,866.1 | 299,134.5 |

The cost of contribution-oriented benefit plans is EUR 5,426.1 thousand (previous year: EUR 5,718.0 thousand). The cost of severance payments concern, at EUR 10.0 thousand (previous year: EUR 44.0 thousand), the costs of retirement plans at EUR 451.0 thousand (previous year: EUR 346.0 thousand) Members of the Board of Directors.

The salaries paid to the Board of Directors and Supervisory Board of Energie AG Oberösterreich total:

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--|---------------------------|---------------------------|
| Board of Management | 813.0 | 1,001.0 |
| Former members of the Board of Management and their dependents | 856.0 | 842.0 |
| Supervisory Board | 125.0 | 113.0 |
| | 1,794.0 | 154,060.5 |

In the fiscal year, there were on average 7,544 (previous year: 7,781), employees, of which 2,942 (previous year: 2,926) in the abandoned business division. Part-time employees are considered on a proportional basis.

11. Amortization and Depreciation

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|----------------------------|---------------------------|---------------------------|
| Scheduled depreciation | 134,224.0 | 135,955.7 |
| Non-scheduled depreciation | 6,364.0 | 18,104.8 |
| | 140,588.0 | 134,060.5 |

With regard to the attribution of amortization and depreciation to the individual asset items, please see the statement of changes in net assets. Unscheduled depreciation during the fiscal year concerns depreciation of project costs for planned generation plants, for which realization is uncertain due to overall conditions in the energy sector as well as the depreciation of generation plants.

12. Other Operating Expenses

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Taxes | 7,959.9 | 8,668.7 |
| Outside services | 46,933.6 | 44,252.2 |
| Travel expenses | 8,849.4 | 9,486.3 |
| Insurance premiums | 5,282.9 | 5,528.8 |
| Postage and telecommunication fees | 5,470.6 | 5,792.2 |
| Rentals and leases | 7,739.6 | 7,438.2 |
| Write-downs of receivables | 1,670.2 | 1,746.4 |
| Allocated value allowance for receivables | 1,116.8 | 864.8 |
| Expenses for vehicles | 21,677.8 | 19,744.5 |
| Losses from the disposal of intangible assets | 2,095.2 | 2,709.9 |
| Repairs | 20,157.8 | 21,324.4 |
| Other expenses | 32,486.4 | 37,783.8 |
| | 161,440.2 | 165,340.2 |

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 financial auditor KPMG Austria AG for audits and other confirmation services for companies of the Energie AG Oberösterreich Group total EUR 888.9 thousand (previous year: EUR 793.2 thousand). In addition, the financial auditor performed other consulting services totalling EUR 165.3 thousand (previous year: EUR 286.2 thousand) for the Energie AG Group.

13. Income from Interest

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Cost of financing | | |
| Interest and similar expenses | - 36,663.6 | - 41,137.4 |
| Exchange-rate losses from financial liabilities | - 886.0 | - 3,707.4 |
| | - 37,549.6 | - 44,844.8 |
| Income from financing | | |
| Interest and similar income | 4,058.5 | 6,040.4 |
| Cross-border leasing | 4,496.4 | 1,253.0 |
| Exchange-rate gains from financial liabilities | 1,421.8 | 2,028.6 |
| Changes in market value from interest swaps | 962.0 | 1,566.0 |
| | 10,938.7 | 10,888.0 |
| | - 26,610.9 | - 33,956.8 |

14. Other Financial Results

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Income from participations | | |
| Non-consolidated affiliated companies | 24.3 | 24.3 |
| Other investments | 1,500.7 | 1,324.3 |
| Income from the disposal of investments | — | 1.0 |
| Write-down of participations | - 3,256.3 | - 4.0 |
| Others | - 218.8 | - 672.6 |
| | - 1,950.1 | 673.0 |
| Securities | | |
| Income from securities and loans | 593.6 | 1,440.8 |
| Write-downs of securities | - 659.1 | — |
| Write-ups of securities | 827.9 | 2,680.6 |
| Losses from the disposal of securities | - 26.5 | - 255.1 |
| Gains from the disposal of securities | 350.2 | 83.7 |
| | 1,086.1 | 3,950.0 |
| | - 864.0 | 4,623.0 |

15. Income Tax

| | 2012/2013 TEUR | 2011/2012 TEUR |
|--------------------------------------|-------------------|-------------------|
| Expenses for current taxes on income | 7,935.2 | 16,608.5 |
| Changes in deferred taxes on income | - 7,666.5 | - 522.4 |
| | 268.7 | 16,086.1 |

The income tax expense is EUR 2,916.4 thousand lower (previous year: EUR 4,026.7 thousand lower) than the calculated income tax expense which results when applying the respective tax rate to the result before income tax.

The reasons for the difference between the calculated and reported income tax expenses are presented as follows:

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--|---------------------------|---------------------------|
| Profit before taxes on income | 13,778.3 | 81,265.6 |
| Calculated expenses for taxes | 3,185.1 | 20,112.8 |
| Effect on taxes due to | | |
| income from investments | - 3,760.6 | - 4,172.8 |
| changes in value adjustments/utilisation of deferred taxes | 469.0 | - 162.2 |
| non-tax-deductible expenses | 633.7 | 579.3 |
| tax credits for investments, apprenticeship-related, research and educational measures | - 109.2 | - 89.5 |
| other items | - 149.3 | - 181.5 |
| Income tax | 268.7 | 16,086.1 |
| Effective Tax Rate in % | 2.0 | 19.8 |

Temporary differences between the values stated in the consolidated financial statements and the respective tax value recognized affect the reported tax liability as follows:

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|--|----------------------------|----------------------------|
| Intangible assets | - 15,962.9 | - 21,580.0 |
| Tangible fixed assets | - 82,020.0 | - 83,908.2 |
| Financial assets | 4,203.0 | 3,217.3 |
| Other long-term assets | - 2,174.3 | - 2,833.5 |
| Provisions | 14,128.5 | 7,124.9 |
| Contributions to construction costs | 21,340.3 | 22,208.0 |
| Tax losses carried forward | 11,295.4 | 566.0 |
| Equity | - 5,109.9 | - 16,284.3 |
| Other items | 6,477.4 | 7,658.9 |
| | - 56,228.5 | - 83,830.9 |
| of these deferred taxes carried as assets | 43,878.2 | 23,522.6 |
| of these deferred taxes carried as liabilities | - 100,106.7 | - 107,353.5 |

For temporary differences for associated companies measured at equity in the amount of EUR 89,937.1 thousand (previous year: EUR 86,830.6 thousand), no deferred tax assets were recognized.

Deferred taxes in the amount of EUR -1.828.4 thousand (previous year: EUR -567.6 thousand) are attributed to value changes in shareholdings and securities available for sale without an effect on profit, and EUR 9,901.0 thousand (previous year: EUR 9,328.2 thousand) to value changes from hedge accounting without an effect on profit.

NOTES ON THE BALANCE SHEET

16. Intangible Assets

With regard to the changes in intangible assets and property items, please refer to the statement of changes in net assets.

The item "Other Rights" mainly includes, besides computing software, usage rights to various plants, rental rights and dumping rights.

For the purposes of the impairment test, goodwill was attributed to the following cash generating units and the cash flows of these cash generating units were discounted with the following discount interest rate:

| | Goodwill | | Discount Rate | |
|---|----------------------------|----------------------------|--------------------|--------------------|
| | 30/09/2013 in EUR mill. | 30/09/2012 in EUR mill. | 30/09/2013 in % | 30/09/2012 in % |
| Energy Segment | | | | |
| Cash-Generating Units in the Energy Segment | 1.4 | 1.4 | 5.0 - 6.3 | 6.4 |
| Disposal Segment | | | | |
| Austria | 43.1 | 47.3 | 6.6 | 7.0 |
| Other Countries | 2.3 | 36.4 | 6.6 - 11.1 | 7.0 - 11.3 |
| | 45.4 | 83.7 | | |
| Water Segment | | | | |
| CEVAK a.s. | 15.1 | 15.5 | 6.3 | 6.9 |
| WDL Wasserdienstleistungen GmbH | 4.1 | 4.1 | 6.2 | 6.1 |
| Other Companies | 4.4 | 4.5 | 6.3 | 6.9 |
| | 23.6 | 24.1 | | |
| | 70.4 | 109.2 | | |

An increase in the interest rate by 0.25% would result in a depreciation of the goodwill of the Waste Management Segment in the amount of EUR 0.0 million (previous year: 0.0 million) and of the goodwill of CEVAK a.s. in the amount of 0.0 million (previous year: 0.0 million). A decrease in future cash flows by 10% would result in a depreciation of the goodwill of the Waste Management Segment in Austria in the amount of EUR 0.0 million (previous year: EUR 7.7 million) as well as in the goodwill of CEVAK a.s. in the amount of 0.0 million (previous year: 0.0 million).

The goodwill of the abandoned business division is presented as of 30.09.2013 under assets held for sales.

Research costs in the amount of EUR 3.2 million (previous year: EUR 3.3 million) are carried as an expense.

In the 2012/2013 fiscal year, interest on outside capital in the amount of EUR 837.6 thousand (previous year: EUR 591.9 thousand) was capitalized.

Additions to assets under construction resulted in cash outflows in the amount of EUR 35,428.7 thousand (previous year: EUR 42,402.6 thousand). Obligations to Purchase Tangible Assets amounted to EUR 25,334.7 thousand (previous year: EUR 17,569.5 thousand).

In the 2007/2008 fiscal year, in the Waste Management Segment tangible assets were sold and leased back over a period of 15 years ("sale and lease back"). These assets of this financing-leasing relationship continue to be capitalized on the balance sheet; the cash value of the minimum lease payments was entered on the liabilities side in the same amount. During and at the end of the contractual period, there are options to terminate at the outstanding loan amount at certain times. The lessor has a put option at the end of the contractual period at the outstanding loan amount. During the contractual period, sub-letting to third parties is not permitted. The book value as of 30.09.2013 is EUR 45,653.8 thousand (previous year: EUR 49,750.8 thousand). Future minimum lease payments total EUR 2,383.0 thousand for the following year (previous year: EUR 2,082.0 thousand), for longer than one year and up to five years EUR 10,967.8 thousand (previous year: EUR 9,309.4 thousand), and for longer than five years EUR 50,508.3 thousand (previous year: EUR 51,546.5 thousand). Conditional lease payments in the amount of EUR -2,531.0 thousand (previous year: EUR -1,907.7 thousand) calculated based on variable interest rates were carried as an expense.

The cash value of the minimum lease payments is presented 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 | 2,383.0 | 1.5 | 2,381.5 |
| Terms between one and five years | 10,967.8 | 40.8 | 10,927.0 |
| Terms in excess of five years | 50,508.3 | 532.3 | 49,976.0 |
| | 63,859.1 | 574.6 | 63,284.5 |

17. Participations

A detailed view and the changes in shareholdings can be found in the statement of changes in net assets.

The change in the values of the associated companies measured using the equity method is shown under asset additions and disposals.

18. Other Financial Assets

A detailed view and the changes in other financial assets can be found in the statement of changes in net assets.

Securities include primarily shares in investment funds which are partially used to cover the taxable provision for pensions.

19. Other Long-Term Assets

Other long-term assets result in particular from the positive market value of derivative hedge instruments.

20. Inventories

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|-------------------------------------|----------------------------|----------------------------|
| Primary energy | 52,901.2 | 76,307.3 |
| Raw materials and supplies | 9,642.5 | 14,045.3 |
| Work in progress | 3,126.8 | 4,419.9 |
| Finished goods and goods for resale | 912.4 | 3,234.6 |
| | 66,582.9 | 98,007.1 |

In the current fiscal year, impairments of primary energy inventories were performed on the net disposal value in the amount of EUR 17,400.0 thousand.

21. Accounts Receivable and Other Assets

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|---|----------------------------|----------------------------|
| Accounts receivable (trade debtors) | 209,599.2 | 261,694.9 |
| Receivables from non-consolidated affiliated companies | 14,480.2 | 8,388.8 |
| Receivables from undertakings with which the company is linked by virtue of participating interests | 22,479.4 | 2,869.2 |
| Accruals and deferrals of interest | 5,413.5 | 5,125.7 |
| Market value of derivatives | 4,962.7 | 5,463.0 |
| Others | 46,541.8 | 57,748.6 |
| | 303,476.8 | 341,290.2 |

Receivables from electricity, gas and water provision which are not yet settled as of the reporting date are accrued and recognized in the item "Trade receivables".

22. Cash in Hand, Checks and Bank Balances

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|-----------------------|----------------------------|----------------------------|
| Cash in hand | 256.2 | 405.5 |
| Cash in bank accounts | 60,384.6 | 160,576.5 |
| | 60,640.8 | 160,982.0 |

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 15 January 2018, 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 2006/2007 as well as from the issue of shares to employees which occurred in the 2012/2013 fiscal year.

During fiscal 2007/2008, 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.

In the 2012/2013 fiscal year, 87,750 shares were sold to Group employees at preferential rates.

The capital increase took effect on 29.10.2013 with its entry in the Register of Companies

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 shares and reserves from currency differences.

IAS 39 reserves include market value changes of shareholdings available for disposal and securities, market value changes of cash flow hedges and equity capital changes of associated companies measured at equity.

The cash flow hedge reserve as of 30.09.2013 was EUR -74,205.2 thousand (previous year: EUR -34,601.1 thousand). The effective share of the fair value changes of cash flow hedges is shown in other income in the cash flow hedge reserve. The ineffective share of the fair value changes of cash flow hedges in the amount of EUR 0.0 thousand (previous year:

EUR 0.0 thousand) was recognized in the profit and loss statement without an effect on profit. In the fiscal year, EUR 16,452.3 thousand (previous year: EUR 1,051.8 thousand) were taken from the cash flow hedge reserve and entered in the profit and loss statement as an expense. Of this amount EUR 0.0 thousand (previous year: EUR 0.0 thousand) were recognized in financial income and EUR 16,452.3 thousand (previous year: EUR 1,051.8 thousand) in operating income.

In the AFS reserve, which is included in the IAS 39 reserves, the changes in value of shareholdings and securities classified as available for sale were recognized as Other Income. As of 30.09.2013, the AFS reserve amounts to EUR 18,753.0 thousand (previous year: EUR 11,439.7 thousand). In the fiscal year, market value changes in the amount of EUR 7,357.5 thousand (previous year: EUR 1,919.6 thousand) were recognized in equity capital and EUR -44.2 thousand (previous year: EUR 350.7 thousand) were taken from the AFS reserve and entered in the profit and loss statement with an effect on profit.

The revaluation reserve results from first-time consolidations in previous years.

As of 30.09.2013, 297,811 (previous year: 16,381) treasury shares were held.

Capital Management

The goal of capital management is to maintain a strong capital basis so that shareholders obtain a return corresponding to the risk situation of the company which promotes the future development of the company and other benefits can be created for other interest groups as well. Value-based management is anchored in management systems and processes. The management considers the shareholders' equity pursuant to IFRS as capital. As of the reporting date, the equity share was 37.4% (previous year: 36.4%).

24. Financial Instruments and Financial Risk Management

24.1. Derivative Financial Instruments and Hedging

The use of derivative financial instruments is subject to appropriate authorization and control procedures. Association with an underlying transaction is absolutely required. Proprietary trading is only carried out within very narrow limits.

Interest swaps are used to hedge interest rate change risks associated with the loans as well as to hedge future variable interest payments from financing and leasing contracts.

Futures and swaps are concluded to hedge variable prices and to reduce the counterpart risk purchases and sales of electricity/gas. Futures are used to a limited extent to hedge purchases and sales of CO₂ certificates.

Fair value hedges are used in the Group for partial hedge of value fluctuations of the loans. In addition, there are firm obligations for electricity procurement and supply transactions which are reported as fair value hedges.

Cash flow hedges are concluded to hedge future cash flows. In the Group, electricity/gas/CO₂ futures and gas swaps are used to hedge variable prices and/or to reduce the counterpart risk and interest swaps are used to hedge the cash flow risk of liabilities with variable interest rates.

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

| | 30/09/2013 | | | 30/09/2012 | | |
|--|----------------|------------------------|------------------------|----------------|------------------------|------------------------|
| | Nominal value | Positive market values | Negative market values | Nominal value | Positive market values | Negative market values |
| | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 |
| Derivatives with fair-value hedge relation | | | | | | |
| Interest swaps – bonds | 100,0 Mio. EUR | 5.675,1 | — | 100,0 Mio. EUR | 6.191,6 | — |
| Derivatives with cash-flow hedge relation | | | | | | |
| Interest swaps | 184,5 Mio. EUR | — | - 16.855,3 | 184,5 Mio. EUR | — | - 21.796,2 |
| Derivatives without hedge relation | | | | | | |
| Interest swaps | 5,0 Mio. EUR | — | - 64,2 | 5,0 Mio. EUR | — | - 195,0 |
| Interest Futures | 2,5 Mio. EUR | — | - 37,0 | 0,0 Mio. EUR | — | — |
| Interest swaps | 0,0 Mio. CZK | — | — | 14,2 Mio. EUR | — | - 34,5 |
| Foreign-currency derivatives | 0,0 Mio. EUR | — | — | 15,1 Mio. EUR | 34,6 | — |
| Structured interest and foreign-currency derivatives | 30,0 Mio. EUR | — | - 2.056,1 | 35,0 Mio. EUR | — | - 4.352,0 |

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

| | 30/09/2013 | | Positive market values in EUR 1,000 | Negative market values in EUR 1,000 |
|--|-----------------|-----------------|--|--|
| | Nominal value | | | |
| | Purchase | Sale | | |
| Derivatives with cash-flow hedge relation | | | | |
| Electricity futures | EUR 272.8 mill. | EUR 4.4 mill. | 471.9 | - 40.681,6 |
| Gas futures | EUR 0.0 mill. | EUR 0.0 mill. | — | — |
| CO ₂ Futures | EUR 1.1 mill. | EUR 1.1 mill. | 178.9 | - 267,5 |
| Gas swaps | EUR 6.8 mill. | EUR 0.0 mill. | — | - 254,8 |
| Derivatives without hedge relation | | | | |
| Electricity futures | EUR 1.1 mill. | EUR 0.0 mill. | — | - 7,0 |
| Derivatives without hedge relation | | | | |
| Electricity forwards | EUR 129.2 mill. | EUR 129.5 mill. | 7.511,2 | - 7.240,8 |
| Gas forwards | EUR 0.0 mill. | EUR 0.0 mill. | — | — |
| Electricity futures | EUR 0.0 mill. | EUR 0.0 mill. | — | — |
| Gas swaps | EUR 0.0 mill. | EUR 0.0 mill. | — | — |
| | | | | |
| 30/09/2012 | | | | |
| | Nominal value | | Positive market values | Negative market values |
| | Purchase | Sale | in EUR 1,000 | in EUR 1,000 |
| 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 futures | EUR 0.0 mill. | EUR 0.0 mill. | — | — |
| 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 |

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

As of 30.09.2013, interest and electricity hedge instruments are designated in the scope of fair value hedges as presented above. As a result of the book value adjustment of the underlying transactions are, in the 2012/2013 fiscal year, profits of EUR 516.5 thousand (previous year: EUR 44.5 thousand) are recognized in other financial income and profits of EUR 7.0 thousand (previous year: EUR 0.0 thousand) are recognized in operating EUR 0.0 thousand). Losses resulting from changes in fair values of hedge transactions in the amount of EUR 516.5 thousand (previous year: EUR 44.5 thousand) were recognized in other financial income and in the amount EUR 7.0 thousand (previous year: EUR 0.0 thousand) in operating income.

The following table shows the contractual due dates of payments (nominal values) to the cash flow hedges, i.e. when the underlying transactions have an effect on profit:

| 30/09/2013 | Nominal value | | Maturity |
|----------------------------|-----------------|---------------|-------------|
| | Purchase | Sale | |
| Hedging transaction | | | |
| Interest swaps | EUR 184.5 mill. | EUR 0.0 mill. | 2013 - 2028 |
| Electricity futures | EUR 272.8 mill. | EUR 4.4 mill. | 2013 - 2018 |
| Gas futures | EUR 0.0 mill. | EUR 0.0 mill. | — |
| CO ₂ futures | EUR 1.1 mill. | EUR 1.1 mill. | 2013 - 2015 |
| Gas swaps | EUR 6.8 mill. | EUR 0.0 mill. | 2013 |

| 30/09/2012 | Nominal value | | Maturity |
|----------------------------|-----------------|---------------|-------------|
| | Purchase | Sale | |
| Hedging transaction | | | |
| Interest swaps | 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 |

24.2. 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 30/09/2013 in EUR 1,000 | Fair value 30/09/2013 in EUR 1,000 | Book value 30/09/2012 in EUR 1,000 | Fair value 30/09/2012 in EUR 1,000 |
|--|--------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| Participations | | 365.6 | 365.6 | 351.8 | 351.8 |
| Other participations | AfS | 365.6 | 365.6 | 351.8 | 351.8 |
| Other financial assets | | 246,914.8 | 246,970.0 | 482,167.4 | 482,220.3 |
| Loans to affiliated companies | LaR | 555.2 | 611.1 | 1,499.6 | 1,552.4 |
| Loans to companies with which the company is linked by virtue of participating interests | LaR | 12,000.0 | 12,000.0 | 20,000.0 | 20,000.0 |
| Other loans | LaR | 16,903.5 | 16,903.5 | 23,641.7 | 23,641.7 |
| Securities (held to maturity) | HtM | 501.7 | 501.0 | 524.8 | 524.8 |
| Securities (available for sale) | AfS | 66,064.7 | 66,064.7 | 113,264.0 | 113,264.1 |
| Securities (fair value option) | AtFVP&L (FV Option) | 150,889.7 | 150,889.7 | 323,237.3 | 323,237.3 |
| Accounts receivable and other assets (long and short-term) according to the balance sheet of which non-financial assets of which financial assets | | 323,177.8 | — | 373,309.9 | — |
| | | 28,313.0 | — | 42,670.2 | — |
| | | 294,864.8 | 294,864.8 | 330,639.7 | 330,639.7 |
| Accounts receivable (trade debtors) | LaR | 209,832.3 | 209,832.3 | 262,187.0 | 262,187.0 |
| Due from affiliated companies | LaR | 14,477.5 | 14,477.5 | 8,887.0 | 8,887.0 |
| Due from undertakings with which the company is linked by virtue of participating interest | LaR | 23,145.6 | 23,145.6 | 3,614.1 | 3,614.1 |
| Derivatives with hedge relation (cash-flow hedge) | n/a | — | — | 2,866.9 | 2,866.9 |
| Derivatives with hedge relation (fair-value hedge) | n/a | 5,675.1 | 5,675.1 | 6,191.6 | 6,191.6 |
| Derivatives without hedge relation | AtFVP&L (Trading) | 7,511.2 | 7,511.2 | 2,796.0 | 2,796.0 |
| Other long-term financial assets | LaR | 34,223.1 | 34,223.1 | 44,097.1 | 44,097.1 |
| Cash and cash equivalents | LaR | 60,640.8 | 60,640.8 | 160,982.0 | 160,982.0 |
| Total for financial assets | | 602,786.0 | 602,841.2 | 974,140.9 | 974,193.8 |

| | Category according to IAS 39*) | Book value 30/09/2013 in EUR 1,000 | Fair value 30/09/2013 in EUR 1,000 | Book value 30/09/2012 in EUR 1,000 | Fair value 30/09/2012 in EUR 1,000 |
|---|--------------------------------|--|--|--|--|
| Financial liabilities (long and short-term) | | 637,233.6 | 694,210.0 | 944,075.1 | 989,728.5 |
| Bonds | FLAC | 303,638.5 | 345,270.0 | 303,976.5 | 322,920.0 |
| Due to banks | FLAC | 166,033.9 | 171,780.6 | 468,829.4 | 476,154.4 |
| Liabilities – financing leasing | IAS 17 | 61,482.0 | 61,482.0 | 64,020.9 | 64,020.9 |
| Other financial liabilities | FLAC | 106,079.2 | 115,677.4 | 107,248.3 | 126,633.2 |
| Accounts payable (short-term) | FLAC | 163,240.0 | 163,240.0 | 199,909.6 | 199,909.6 |
| Other debts (long and short-term) according to balance-sheet of these non-financial debts of these financial debts | | 342,860.6 | — | 370,800.8 | — |
| | | 212,790.2 | — | 235,345.1 | — |
| | | 130,070.4 | 130,070.4 | 135,455.7 | 135,455.7 |
| Due to affiliated companies | FLAC | 614.3 | 614.3 | 5,647.7 | 5,647.7 |
| Due to undertakings with which the company is linked by virtue of participating interests | FLAC | 22,561.5 | 22,561.5 | 22,885.9 | 22,885.9 |
| Derivatives with hedge relation (cash-flow hedge) | n/a | 17,110.1 | 17,110.1 | 21,796.2 | 21,796.2 |
| Derivatives with hedge relation (fair-value hedge) | n/a | — | — | — | — |
| Derivatives without hedge relation | AtFVP&L (Trading) | 9,361.1 | 9,361.1 | 7,223.1 | 7,223.1 |
| Other financial liabilities (long and short-term) | FLAC | 80,423.4 | 80,423.4 | 77,902.8 | 77,902.8 |
| Total for financial liabilities | | 930,544.0 | 987,520.4 | 1,279,440.4 | 1,325,093.8 |
| Book values in valuation categories acc. to IAS 39 | | | | | |
| Loans and receivables (LaR) | | 371,778.0 | — | 524,908.5 | — |
| Held-to-maturity investments (HtM) | | 501.7 | — | 524.8 | — |
| Available-for-sale financial assets (AFS) | | 66,430.3 | — | 113,615.8 | — |
| Financial assets at fair value through profit or loss (AtFVP&L (trading)) | | 7,511.2 | — | 2,796.0 | — |
| Financial assets at fair value through profit or loss (AtFVP&L (FV option)) | | 150,889.7 | — | 323,237.3 | — |
| Financial liabilities measured at amortised cost (FLAC) | | 842,590.8 | — | 1,186,400.2 | — |
| Financial liabilities at fair value through profit or loss (AtFVP&L (trading)) | | 9,361.1 | — | 7,223.1 | — |
| AFS | available for sale | FLAC | financial liability measured at amortised cost | | |
| LaR | loans and receivables | AtFVP&L | at fair value through profit or loss | | |
| HtM | held to maturity | | | | |

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.

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 as present values of the payments linked to debts, on the basis of the respectively applicable market parameters.

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.

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 that are 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):

| 30/09/2013 | Valuation at market prices Level 1 | Valuation on the basis of input factors ob- servable on the market Level 2 | Other valuation factors Level 3 | Total |
|--|--|---|---------------------------------------|------------------|
| Assets | | | | |
| Investments | | | | |
| Other investments | 365.6 | — | — | 365.6 |
| Other financial assets | | | | |
| Securities (available for sale) | 56,641.0 | 7,344.8 | 2,078.9 | 66,064.7 |
| Securities (fair value option) | 145,037.3 | 5,852.4 | — | 150,889.7 |
| Receivables and other assets | | | | |
| Derivatives with a hedging relationship (cash flow hedge) | — | — | — | — |
| Derivatives with a hedging relationship (fair value hedge) | — | 5,675.1 | — | 5,675.1 |
| Derivatives with no hedging relationship | — | 7,511.2 | — | 7,511.2 |
| Total | 202,043.9 | 26,383.5 | 2,078.9 | 230,506.3 |
| Liabilities | | | | |
| Other debts | | | | |
| Derivatives with a hedging relationship (cash flow hedge) | — | 17,110.1 | — | 17,110.1 |
| Derivatives with no hedging relationship | — | 9,361.1 | — | 9,361.1 |
| Total | — | 26,471.2 | — | 26,471.2 |

| 30/09/2012 | Valuation at market prices Level 1 | Valuation on the basis of input factors ob- servable on the market Level 2 | Other valuation factors Level 3 | Total |
|--|--|---|---------------------------------------|------------------|
| Assets | | | | |
| 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 |

The financial instruments in level 3 displayed the following development:

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--------------------------------|---------------------------|---------------------------|
| Book value as of 01 October | 1,711.5 | 1,453.8 |
| Profits (losses) | | |
| - with effect on the result | — | — |
| - with no effect on the result | 589.9 | - 464.8 |
| Purchases | — | 722.5 |
| Sales | — | — |
| Redemptions | - 222.5 | — |
| Reclassifications | — | — |
| Book value as of 30 September | 2,078.9 | 1,711.5 |

In the current fiscal year, profits from the sale of financial instruments in level 3 in the amount of EUR 131.6 thousand (previous year: EUR 0.0 thousand) were carried in the financial result with effect on earnings.

The book values of available for sale (at cost) financial assets amount to:

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|---|----------------------------|----------------------------|
| Interests in Affiliated Companies AFS (at cost) | 6,725.6 | 7,994.4 |
| Other Shareholdings (at cost) | 13,282.3 | 17,475.8 |
| | 20,007.9 | 25,470.2 |

In fiscal 2012/2013, a disposal of other investments in the amount of EUR 1,300.0 thousand (previous year: EUR 176.3 thousand) was shown at cost. The loss from the disposal of this asset amounted to EUR 235.8 thousand (previous year: profit: EUR 1.0 thousand).

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

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Loans and receivables | 1,506.3 | 3,229.6 |
| Held to maturity investments | 17.1 | 79.8 |
| Available for sale financial assets | 7,635.6 | 3,410.1 |
| Financial assets at fair value through profit or loss (FV option) | 1,226.8 | 2,803.8 |
| Financial assets/liabilities at fair value through profit or loss (trading) | - 182.2 | 771.7 |
| Financial liabilities measured at amortised cost | - 29,640.8 | - 33,559.8 |
| Net result | - 19,437.2 | - 23,264.8 |
| Interest Income and Expenses from Financial Instruments that are measured at amortized cause: | | |
| Total gains from interest | 3,930.4 | 5,053.9 |
| Total expenses for interest | - 29,640.8 | - 33,559.8 |

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 reversal 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 interest gains, write-downs and the result of disposals of securities and security deposits.

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

24.3. 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 values of assets in the 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 currency.

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 variables, 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 329.9 thousand (previous year: increase of EUR 75.5 thousand) and an increase in equity in the amount of EUR 329.9 thousand (previous year: increase of EUR 75.5 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 an increase in the result (after tax) in the amount of EUR 329.9 thousand (previous year: reduction of EUR 51.4 thousand) and an increase in equity in the amount of EUR 329.9 thousand (previous year: reduction of EUR 51.4 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 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 484.2 thousand (previous year: EUR 494.2 thousand) and an increase in equity in the amount of EUR 4,735.1 thousand (previous year: EUR 5,618.8 thousand). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash flow hedging provision in the amount of EUR 4,250.9 thousand (previous year: EUR 5,124.6 thousand), in addition to the sensitivity of the result (after tax).

An 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 of the result (after tax) in the amount of EUR 426.0 thousand (previous year: EUR 452.1 thousand) and a reduction of equity in the amount of EUR 5,035.5 thousand (previous year: EUR 5,869.2 thousand). In this context, equity sensitivity was influenced by the sensitivity of the interest-related cash flow hedging provision in the amount of EUR 4,609.5 thousand (previous year: EUR 5,417.1 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 securities 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) of the result (after tax) in the amount of EUR 0.0 thousand (previous year: EUR 0.0 thousand) and an increase (reduction) in equity in the amount of EUR 25,677.7 thousand (previous year: EUR 27,641.3 thousand). In this context, equity sensitivity was influenced by the sensitivity of the cash flow hedging provision in the amount of EUR 25,677.7 thousand (previous year: EUR 27,641.3 thousand), 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 0.0 thousand (previous year: EUR 56.6 thousand) and an increase (reduction) in equity in the

amount of EUR 1,226.2 thousand (previous year: EUR 794.1 thousand). In this context, equity sensitivity was influenced by the sensitivity of the gas price-related cash flow hedging provision in the amount of EUR 1,226.2 thousand (previous year: EUR 850.7 thousand), 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 financial instruments of the category "available for sale" and "at fair value through profit or loss" (Fair Value Option) 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) of the result (after tax) in the amount of EUR 16,975.1 thousand (previous year: EUR 36,364.2 thousand), and an increase (reduction) in equity in the amount of EUR 24,448.5 thousand (previous year: EUR 49,144.8 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 7,473.4 thousand (previous year: EUR 12,780.6 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.

In Energie AG Oberösterreich, the maximum default risk corresponds to the book value of the financial assets in the balance sheet plus the liabilities shown under Point 32.

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 30/09/2013 in EUR 1,000 | Of these: neither impaired nor overdue at the reporting date in EUR 1,000 | Of these not impaired but overdue during the below periods | | | | Of these: impaired as at the re- porting date in EUR 1,000 |
|---|--|--|---|--|--|--------------------------------------|--|
| | | | less than 30 days in EUR 1,000 | between 30 and 60 days in EUR 1,000 | between 60 and 90 days in EUR 1,000 | more than 90 days in EUR 1,000 | |
| Receivables and other financial assets (long and short-term) | 281,678.5 | 248,912.5 | 17,298.1 | 2,594.1 | 1,383.1 | 4,930.1 | 6,560.6 |
| Accounts receivable (trade debtors) | 209,832.3 | 181,577.4 | 17,279.6 | 2,594.1 | 1,383.1 | 4,865.8 | 2,132.3 |
| Due from affiliated companies | 14,477.5 | 14,433.4 | — | — | — | 44.1 | — |
| Due from undertakings with which the company is linked by virtue of participating interests | 23,145.6 | 23,133.9 | 11.7 | — | — | — | — |
| Other financial assets | 34,223.1 | 29,767.8 | 6.8 | — | — | 20.2 | 4,428.3 |
| Total | 281,678.5 | 248,912.5 | 17,298.1 | 2,594.1 | 1,383.1 | 4,930.1 | 6,560.6 |

| | 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 | | | | Of these: impaired as at the re- porting date in EUR 1,000 |
|---|--|--|---|--|--|--------------------------------------|--|
| | | | less than 30 days in EUR 1,000 | between 30 and 60 days in EUR 1,000 | between 60 and 90 days in EUR 1,000 | more than 90 days in EUR 1,000 | |
| 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 | 318,785.2 | 282,729.1 | 17,815.3 | 3,782.9 | 1,881.3 | 9,560.2 | 3,016.4 |

Impairments of financial assets have developed as follows:

| | Status 01/10/2012 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 | Currency translation in EUR 1,000 | Status 30/09/2013 in EUR 1,000 |
|---|--------------------------------------|--|---------------------------|-----------------------------|-----------------------------|---|--------------------------------------|
| Other financial assets | 1,218.8 | — | 508.1 | — | — | — | 1,726.9 |
| Securities (available for sale) | 1,218.8 | — | 508.1 | — | — | — | 1,726.9 |
| Accounts receivable and other financial assets (long and short-term) | 11,660.7 | - 5,967.8 | 1,113.5 | - 227.0 | - 622.3 | - 62.9 | 5,894.2 |
| Accounts receivable (trade debtors) | 11,416.6 | - 5,773.5 | 1,113.5 | -227.0 | - 622.3 | - 61.8 | 5,845.5 |
| Other financial assets | 244.1 | - 194.3 | — | — | — | -1.1 | 48.7 |
| Total | 12,879.5 | - 5,967.8 | 1,621.6 | - 227.0 | - 622.3 | - 62.9 | 7,621.1 |

| | 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 | Currency translation 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 |

Expenses for the complete retirement of accounts receivable amounted to EUR 1,670.2 thousand (previous year: EUR 2,585.2 thousand). Revenues from the receipt of retired accounts receivable amounted to EUR 108.0 thousand (previous year: EUR 103.2 thousand). In the fiscal year, expenses for impairments amounted to EUR 491.2 thousand (previous year: EUR 859.1 thousand) concerning financial assets in the category "loans and receivables", EUR 508.1 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 individual adjustments in value are comprised of numerous individual items, of which any single one need not be considered as material. Moreover, graded impairments are entered according to risk group in order to take account of general credit risks.

Liquidity Risk

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

| | Book value 30/09/2013 in EUR 1,000 | Cash flows 2013/2014 | | Cash flows 2014/2015 to 2017/2018 | | Cash flows as of 2018/2019 | |
|---|--|-------------------------|------------------|--------------------------------------|------------------|-------------------------------|------------------|
| | | Interest | Redemption | Interest | Redemption | Interest | Redemption |
| | | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 |
| Financial liabilities | | | | | | | |
| (long and short-term) | 637,233.6 | 24,908.9 | 16,528.5 | 86,755.5 | 182,801.5 | 130,983.6 | 441,212.2 |
| Bonds | 303,638.5 | 13,500.0 | 0.9 | 54,000.0 | — | 101,250.0 | 305,675.1 |
| Amounts due to banks | 166,033.9 | 6,339.5 | 13,552.4 | 13,879.0 | 120,428.4 | 2,378.6 | 33,324.2 |
| Liabilities from financing leasing | 61,482.0 | 205.0 | 2,337.6 | 5,545.7 | 10,063.6 | 5,189.7 | 49,080.8 |
| Other financial liabilities | 106,079.2 | 4,864.4 | 637.6 | 13,330.8 | 52,309.5 | 22,165.3 | 53,132.1 |
| Accounts payable (short term) | 163,240.0 | — | 163,240.0 | — | — | — | — |
| Other debts (long and short-term) | | | | | | | |
| according to balance sheet | 342,860.6 | | | | | | |
| of these non-financial debts | 212,790.2 | | | | | | |
| of these financial debts | 130,070.4 | 5,778.7 | 84,592.0 | 14,876.6 | 17,969.5 | 16,531.0 | 8,585.7 |
| Due to affiliated companies | 614.3 | — | 614.3 | — | — | — | — |
| Due to undertakings with which the company is linked by virtue of participating interests | 22,561.5 | — | 22,561.5 | — | — | — | — |
| Derivatives with hedge relation (cash-flow hedge) | 17,110.1 | 4,811.2 | 254.8 | 12,883.7 | — | 16,531.0 | — |
| Derivatives with hedge relation (fair-value hedge) | — | — | — | — | — | — | — |
| Derivatives without hedge relation | 9,361.1 | 967.5 | 4,653.1 | 1,992.9 | 2,587.7 | — | — |
| Other financial liabilities (long and short-term) | 80,423.4 | — | 56,508.3 | — | 15,381.8 | — | 8,585.7 |
| Total | 930,544.0 | 30,687.6 | 264,360.5 | 101,632.1 | 200,771.0 | 147,514.6 | 449,797.9 |

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 new financial liabilities in the future 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 the interest rates applicable immediately prior to the balance sheet date. Financial liabilities that can be repaid at any time are always allocated to the earliest maturity margin

There is real securitisation for financial liabilities in the amount of EUR 0.0 thousand (previous year: EUR 0.0 thousand).

24.4 Conditions of the Main Financial Instruments

Energie AG Oberösterreich has emitted the following bonds:

4.5% bonds issued by Energie AG OÖe, 2005-25 ISIN: XS0213737702 volume: EUR 300,000,000 coupon: 4. March

Energie AG Oberösterreich Group Treasury GmbH:

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 30/09/2012 in EUR 1,000 | Cash flows 2012/2013 | | Cash flows 2013/14 to 2016/17 | | Cash flows as of 2017/18 | |
|---|--|-------------------------|------------------|----------------------------------|------------------|-----------------------------|------------------|
| | | Interest | Redemption | Interest | Redemption | Interest | Redemption |
| | | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | in EUR 1,000 | 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 |

25. Long-Term Provisions

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|--|----------------------------|----------------------------|
| Pension provisions | 72,752.7 | 72,932.7 |
| Provisions for pension payments | 54,429.8 | 51,746.3 |
| Provisions for anniversary bonuses | 16,187.5 | 14,944.0 |
| Provisions for early retirement payments and gradual step-in pension | 56,903.0 | 33,623.2 |
| Provisions for landfills and other provisions | 73,225.1 | 46,382.6 |
| | 273,498.1 | 219,628.8 |

The provisions for pensions, severance payments and anniversary bonuses have, for the most part, a maturity of more than five years. The provision for early retirement benefits and the stepped pension will essentially result in cash outflows during the coming five fiscal 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 30.09.1996 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 01.07.1998.

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:

| | 2012/2013 % | 2011/2012 % |
|--|----------------|----------------|
| Assumed interest rate | 3.50 | 4.25 |
| Trend regarding salaries | 3.00 | 3.00 |
| Trend regarding pensions | 2.25 | 2.25 |
| Expected income from pension fund assets | 3.50 | 4.25 |

"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.

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Present value of pension commitment (DBO) as at 01/10 | 105,568.8 | 92,827.3 |
| +/- Changes in consolidated group | — | — |
| + current service cost | 761.9 | 951.9 |
| + interest costs | 4,106.5 | 4,642.4 |
| - actual benefit payments | - 7,312.6 | - 7,364.7 |
| +/- actuarial loss/profit | 8,825.2 | 14,511.9 |
| Present value of pension commitment (DBO) as at 30/09 | 111,949.8 | 105,568.8 |
| - fair value of fund assets | - 10,063.3 | - 10,199.2 |
| - non-realised net loss | - 29,133.8 | - 22,436.9 |
| Pension provision as at 30/09, as shown in the balance sheet | 72,752.7 | 72,932.7 |

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--------------------------------------|---------------------------|---------------------------|
| Development of Fund Assets | | |
| Budgeted assets as at 01/10 | 10,199.2 | 9,236.2 |
| Contributions paid to fund | 16.1 | 573.6 |
| Payments from fund | - 332.1 | - 338.9 |
| Expected income from budgeted assets | 427.1 | 417.0 |
| Actuarial profits/losses | - 247.0 | 311.3 |
| Budgeted assets as at 30/09 | 10,063.3 | 10,199.2 |

The fund assets comprise the following items:

| | 30/09/2013 % | 30/09/2012 % |
|---------------|-----------------|-----------------|
| Bonds (euros) | 50.3 | 50.7 |
| Shares | 34.9 | 36.1 |
| Miscellaneous | 14.8 | 13.2 |
| | 100.0 | 100.0 |

Expenses recognised in income statement:

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--------------------------------|---------------------------|---------------------------|
| Current service cost | 761.9 | 951.9 |
| Interest costs | 4,106.5 | 4,642.4 |
| Expected gains from investment | - 427.1 | - 417.0 |
| Actuarial profits and losses | 2,375.4 | 112.4 |
| | 6,816.7 | 5,289.7 |

| | 30/09/2013 in EUR 1,000 | 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) | 111,949.8 | 105,568.8 | 92,827.3 | 100,442.5 | 95,575.3 |
| Fair value of fund assets | - 10,063.3 | - 10,199.2 | - 9,236.2 | - 9,463.8 | - 8,788.3 |
| Under-coverage | 101,886.5 | 95,369.6 | 83,591.1 | 90,978.7 | 86,787.0 |
| Adjustments based on experience in % of the present value of the commitment | 0.26 | -1.50 | 1.03 | 0.86 | - 0.22 |

The actual income from the budgeted assets amounts to EUR 180.1 thousand (previous year: EUR 728.3 thousand).

Provisions for Severance Payments

Severance payments are made to staff members with employment contracts that commenced before 31.12.2002 on the basis of statutory obligations and collective-agreement commitments in Austria. The payments due at the time of retirement or on dismissal are determined on the basis of 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.

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Provision for severance payments, as shown in the balance sheet, as at 01/10 | 51,746.3 | 55,443.8 |
| +/- change in consolidated group | - 449.0 | - 63.9 |
| + current service cost | 2,977.7 | 2,877.9 |
| + interest costs | 2,743.5 | 3,321.0 |
| + past service cost | 1,015.9 | 676.2 |
| - net payments for transfers | - 4,115.8 | - 10,718.7 |
| + realised actuarial loss | 511.2 | 210.0 |
| provision for severance payments, as shown in the balance sheet, as at 30/09 | 54,429.8 | 51,746.3 |
| + non-realised actuarial loss | 20,148.6 | 15,399.7 |
| Present value of severance payment commitment (DBO) as at 30/09 | 74,578.4 | 67,146.0 |

In the case of employment contracts that commence in Austria after 01.01.2003, the employer must pay 1.53% of the respective monthly salary into an employee benefits fund. This form of severance payment is treated as a defined pension benefit plan in accordance with IAS 19 (Employee Benefits).

Provisions for Anniversary Bonuses

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

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Present value of anniversary bonus commitment (DBO) as at 01/10 | 14,944.0 | 13,513.9 |
| +/- change in consolidated group | - 134.1 | 6.7 |
| + current service cost | 696.0 | 621.8 |
| + interest costs | 619.5 | 702.3 |
| - amortisation due to plan amendment | - 124.9 | - 84.7 |
| - anniversary bonus payments | - 832.6 | - 1,172.6 |
| + realised actuarial profit | 1,019.6 | 1,356.6 |
| Present value of anniversary bonus commitment (DBO) as at 30/09 = | 16,187.5 | 14,944.0 |
| Anniversary bonus commitment as at 30/09, shown in the balance sheet | 16,187.5 | 14,944.0 |

Provisions for Early Retirement and Stepped Pension

A stepped pension model (early retirement model) was agreed with certain employees. This model offers employees assistance in order to bridge the period between the premature termination of their employment relations and their actual entitlement to a statutory pension payment. The amount paid

during this period is a predefined percentage of the salary previously received.

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

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--|---------------------------|---------------------------|
| Present value of early retirement commitment (DBO) as at 01/10 | 33,623.2 | 23,037.8 |
| + interest expense | 1,262.2 | 1,158.4 |
| + allocation due to new commitment | 27,551.6 | 13,047.8 |
| - early retirement payments | - 7,345.7 | - 3,876.1 |
| -/+ realised actuarial profit/loss | 1,811.7 | 255.3 |
| Present value of early retirement commitment (DBO) as at 30/09 = Early retirement provision as at 30/09. shown in the balance sheet | 56,903.0 | 33,623.2 |

Provisions for Encumbered Contracts and Other Provisions

| | 2012/13 | | | 2011/12 |
|--------------------------------------|--------------------------------------|-------------------------------------|-----------------------|-----------------|
| | Onerous contracts in EUR 1,000 | Other provisions in EUR 1,000 | Total in EUR 1,000 | in EUR 1,000 |
| Assets | | | | |
| Book value as of October 1 | — | 46,382.6 | 46,382.6 | 45,656.0 |
| Change in the basis of consolidation | — | 217.1 | 217.1 | 2,616.2 |
| Minus discontinued operation | — | - 18,762.2 | - 18,762.2 | — |
| Consumption | — | - 8,936.5 | - 8,936.5 | - 1,723.3 |
| Reversal | — | - 702.4 | - 702.4 | - 4,097.4 |
| Allocation | 33,000.0 | 22,222.1 | 55,222.1 | 4,152.6 |
| Currency Differences | — | - 195.6 | - 195.6 | - 221.5 |
| Total | 33,000.0 | 40,225.1 | 73,225.1 | 46,382.6 |

The provision for encumbered contracts includes impending losses resulting from the purchase of electricity from Gas- und Dampfkraftwerk Timelkam GmbH. The Group purchases electrical energy generated by Gas- und Dampfkraftwerk Timelkam GmbH – less the amounts to which other contracting parties are entitled – against reimbursement of expenses plus an appropriate return on equity. Due to the recent deterioration of the market situation for gas and steam power plants and, in particular, the prices for electricity and gas, the earnings situation was examined on the basis of the procurement contract.

The most important assumptions are – apart from the discount rate – the future prices for electricity and gas. The discount rate was set at 6.3%. The discount rate was determined on the basis of sustainable market parameters and peer group reference values. The installed electrical capacity amounts to maximum 422 MW, the maximum district-heat extraction comes to

100 MW. The efficiency level was set at 55.7%. Annual electricity production was set at a maximum of 1,381 GWh per year. The assumptions for future electricity and gas prices were based – where available – on market data. In cases where no market data was available, estimates were made on the basis of market studies.

Expenses for maintenance and repair were accounted for in accordance with the maintenance plans and contracts. The other key cost items, in particular, personnel costs, insurance and infrastructure costs, are increased annually by an estimated rate of increase.

Other long-term provisions result from the estimated costs for the closure of the coal-fired power plant Riedersbach in the amount of EUR 20.4 million. The provision includes the anticipated costs for technical closure costs as well as costs in connection with future social plans.

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 30.09.2021 under these minimum waste-material quantities were sold, and a fixed interest rate of 4.2868% was agreed with the contracting partner for the entire term of the agreement. The amount was entered as an advance received and carried as a liability.

28. Other Long-Term Debt

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|-------------------|----------------------------|----------------------------|
| Investment grants | 29,274.7 | 32,867.0 |
| Other liabilities | 57,417.1 | 56,470.8 |
| | 86,691.8 | 89,337.8 |

29. Short-Term Provisions

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

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|------------------------------|---------------------------|---------------------------|
| Carrying value as at 01/10 | 51,501.0 | 42,003.5 |
| Change in consolidated group | - 288.2 | - 443.3 |
| Minus discontinued operation | -6,764.7 | — |
| Consumption | -9,279.9 | - 16,867.5 |
| Reversals | - 2,885.7 | - 1,468.4 |
| Allocation | 10,448.6 | 28,274.7 |
| Currency differences | - 114.7 | 2.0 |
| | 42,616.4 | 51,501.0 |

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

30. Tax Provisions

| | 30/09/2013 TEUR | 30/09/2012 TEUR |
|--|--------------------|--------------------|
| Corporate income tax for the business year | 108.6 | 140.3 |
| | 108.6 | 140.3 |

31. Other Short-Term Debt

| | 30/09/2013 in EUR 1,000 | 30/09/2012 in EUR 1,000 |
|--|----------------------------|----------------------------|
| Due to non-consolidated affiliated companies | 614.3 | 5,424.8 |
| Due to undertakings with which the company is linked by virtue of participating interest | 22,561.5 | 22,885.9 |
| Tax liabilities | 72,309.2 | 74,036.3 |
| Liabilities under social security | 5,722.1 | 7,735.4 |
| Advances from customers | 37,294.8 | 40,302.8 |
| Market value of derivatives | 5,262.8 | 4,104.0 |
| Liabilities vis-à-vis staff members | 44,111.1 | 45,662.2 |
| Other liabilities | 68,293.0 | 81,311.6 |
| | 256,168.8 | 281,463.0 |

32. Contingent Liabilities

| | 30/09/2013 TEUR | 30/09/2012 TEUR |
|----------------------|--------------------|--------------------|
| Cross-border leasing | — | 676,977.1 |
| Others | 71,550.7 | 84,019.7 |
| | 71,550.7 | 760,996.8 |

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 Trading GmbH and VERBUND AG, the group receives 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.

In fiscal year 2007/2008, an operating lease agreement concerning the corporate headquarters in Linz, Böhmerwaldstraße 3, was entered. The lease was concluded for an indefinite period. Termination by the lessee is not permissible until 20 years after the commencement of the agreement, under certain conditions after 23 years. Purchase options at market value were granted

for fixed dates. The rent and leasing costs include leasing payments determined on the basis of variable interest in the amount of EUR -1,711.2 thousand (previous year: EUR -1,299.4 thousand).

The use of tangible fixed assets, not shown in the balance sheet, results in a commitment for the following business year in the amount of EUR 5,079.0 thousand (previous year: EUR 4,838.3 thousand). The total amount of these commitments for the next five years amounts to EUR 22,993.8 thousand (previous year: EUR 22,644.6 thousand), and to EUR 11,820.1 thousand (previous year: EUR 15,239.1 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 balan-

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|---|---------------------------|---------------------------|
| Income from production activities | 40,267.3 | 86,225.9 |
| All orders not billed as at the balance sheet date: | | |
| Costs incurred as at the balance sheet date | 21,155.4 | 45,200.8 |
| Profits accrued as at the balance sheet date | 1,082.5 | 2,316.6 |
| Accumulated losses | - 53.8 | - 96.7 |
| less receivables posted as liabilities | - 214.4 | - 1,782.7 |
| | 21,969.7 | 45,638.0 |
| Prepayments received on such receivables | - 15,187.3 | - 26,373.1 |
| Receivables | 6,782.4 | 19,264.9 |

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). In the fiscal year, the average number of outstanding shares amounted to 88,842,904 (previous year: 88,986,232). This results in consolidated earnings per share in the amount of EUR

-0.379 (previous year: EUR 0.640). 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 53,274.0 thousand (previous year: EUR 53,390.2 thousand).

36. Risk Management

The development of the energy industry and with it the Energie AG Group continues to be determined by dismal economic prospects, energy policy changes, significant volatility on the energy markets as well as high competitive and regulatory pressure.

The Energie AG Group faces these challenges in the scope of the Group-wide risk management system, by, among other things, instituting targeted strategic and operating measures in order to minimize risks and take full advantage of opportunities.

Energy

The European energy markets were characterized in the 2012/2013 fiscal year by two fundamentally different trend developments for the oil and gas markets on the one hand and the electricity-relevant trading markets on the other. Oil and gas prices mainly were characterised primarily by a sideways trend at a high level, whereas electricity sales in Europe, but also electricity-relevant wholesale markets such as black coal and CO₂ certificate trading showed falling prices.

The electricity trading market, as in the previous year, was strongly influenced by electricity generation from renewable energies which as a result of overcapacities reduced the share of electricity generated by conventional power plants.

Due to the difficult market situation, balance sheet provisions had to be made once again for the Timelkam gas-steam power plant. The Riedersbach 1 black coal-fired power plant and the

Timelkam 3 gasturbine plant were definitively decommissioned during the reporting period. A balance sheet provision was also made for the Riedersbach 2 coal-fired power plant.

Hydroelectric generation decreased compared to the above average previous year by - 2.6% to 1,107.0 GWh.

In the 2012/2013 fiscal year electricity sales were confronted, especially in the private and business customer segment, with significant supplier change rates. In the industrial segment, the supplier change rates decreased in the reporting period vs. the previous year, however with margins that remained narrow.

Intra-Group synergies are exploited and potential risks are reduced through the use of optimized management strategies. External hedge transactions also contribute to reducing market price risks.

Retail trade is limited by a specific limit system and subject to ongoing risk monitoring.

Waste Management

The companies in the Waste Management Segment in the Czech Republic, Hungary, Slovakia, Romania, the Ukraine and Moldova were the subject on a structured sale process during the 2012/2013 fiscal year. Accordingly, these activities were presented in the Energie AG consolidated financial statements as of 30.09.2013 as "discontinued operations" pursuant to IFRS 5.

Reusable material prices changed relatively little in the 2012/2013 fiscal year compared to the same period in the previous year. After the price decline in the previous 2011/2012 fiscal year, prices stabilized at a low level, while volume in the competitive environment stagnated or declined. For the coming months, sideways movement is expected for reusable material and fuel prices as is a continued tense volume situation.

An evaluation and reorganization project was initiated in the past 2012/2013 fiscal year for the other disposal divisions.

Water

In the 2012/2013 fiscal year, the water segment showed stable sales and earnings performance which, despite upcoming concession tenders and demand for the introduction of a central regulator for the Czech water industry, should also continue to further improve in the coming 2013/2014 reporting period.

Politics and Law

Changing political, legal and regulatory conditions represent a major challenge for the Energie AG Group.

Finances

Financial risks are centrally managed by the Energy AG holding unit Group Treasury. Risk monitoring and control focuses on the following: liquidity and interest risk, currency exposure and the market price risk from financial investments.

The short and medium-term financial needs of the Group are determined on the basis of a proactive liquidity planning. The ability of Energie AG to fulfill its payment obligations is guaranteed at all times with long-term, sufficient liquidity funding as well as bank credit lines available at short notice and partially committed. Short-term, need-based liquidity compensation is performed for the Austrian Group companies using cash-pooling. As of the reporting date, 30.09.2013, there are 31 Group companies in Energie AG Oberösterreich's cash pool, with Energie AG Group Treasury GmbH as pool master.

As of the end of the 2012/2013 fiscal year, the interest rate risk for Energie AG Oberösterreich is rated as extremely low due to the high fixed percentage of over 90% of the outstanding, interest-bearing financial liabilities.

As a consequence of the business activities of the Group in the CEE area, the company and asset values (net investment) of the foreign Group companies for which the functional currency is not in Euro, is subject to translation risks in the consolidated financial statements. Hedging measures for net investments in a foreign business operation were not carried out in the past fiscal year. Due to the disposal of AVE CEE, the net investment exposure is significantly reduced in the Eastern European participations and will, in the future, focus mainly on investments in Czech crowns.

There is a CHF exposure due to long-term CHF financing for the Timelkam Gas-Steam power plant. Due to the maintenance of a stable exchange rate at the lower limit of 1.2 by the Swiss Central Bank, this exchange rate risk was not hedged. The foreign currency risks in the Group are monitored on an ongoing basis and the degree of hedging determined when needed.

Energie AG holds financial assets (securities, funds) which result in price change risks for the company. The fluctuation risk of the securities held is limited through a conservative investment policy and ongoing monitoring as well as ongoing quantification of risk potential. The Group's investment policy follows the principle of risk-averse financial management.

Counterparty Risks

In order to limit the counterparty risk in the finance area, short-term available liquidity reserves as well as fixed deposits are invested under risk optimization and capital preservation requirements only at financial institutions with top creditworthiness. Systematic monitoring of the creditworthiness of business partners using appropriate early warning indicators allows Energie AG Group Treasury to ensure that internally set counterparty risks are limited and/or adjusted in a timely manner. The adherence to the counterparty limits is monitored at short notice and on a regular basis.

The Group trading subsidiary Trading GmbH handles control of transaction risks for the commodity division (electricity, gas, coal and CO₂) by guaranteeing process flows with suitable control mechanisms.

Rating

In February 2013, Energie AG's very good credit rating of A (with a stable outlook) was confirmed. As such, Energie AG continues to be among those European utilities with the best rating and top creditworthiness. The management of Energie AG continues to aspire to maintaining this single A- creditworthiness over the long-term. Investment projects are monitored using rating-relevant key figures and the corporate strategy is aligned accordingly.

Cross Border Leasing (CBL)

The CBL power plant transaction was terminated early at the end of April 2013. All of the associated prepayment and collateral instruments were properly reversed. Due to the successful termination of this transaction, Energie AG Oberösterreich is thus no longer involved in any other CBL transactions. The result of the termination of the transaction is a significant improvement of the financial and risk situation of the Energie AG Group due to the discharge of the CBL-relevant contingent liabilities and the repayment of the USD collateral financing.

Shareholdings

Risks are present in the fluctuation of income from shareholdings, dividends/profit distributions and due to changes in the recoverability of the value of the shareholdings.

Risk optimization is conducted using identification, analysis, quantification and monitoring.

Generation, Grid, Disposal and Other Infrastructure Assets

Asset risks and the associated losses of earnings are dealt with by Energie AG with strict servicing and quality controls, an optimized maintenance strategy and insurance policies.

In the past fiscal year, the grid region of Energie AG was largely unaffected by strong storms and other natural events. The flooding in June 2013 did not result in any large-scale supply disruptions. Due to the weather situation and the scheduled shut-offs for connection and maintenance activities, the non-availability figures are somewhat higher than in the past year.

Due to the continuing difficult energy sector and regulatory conditions and despite balance sheeting provisions made, risks associated with asset and shareholding impairments also continue to exist. Changes resulting from specifications of various regulatory conditions will also have to be implemented in the Group.

37. Relations to Affiliated Companies and Persons

The affiliated companies and persons include OÖ Landesholding GmbH as majority shareholder as well as its subsidiaries, the Federal State of Upper Austria as sole shareholder of OÖ Landesholding GmbH, the proportionally con-

solidated companies, the associated companies as well as the members of the Board of Directors and Supervisory Board of Energie AG Oberösterreich and their close family members.

| | | 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 | 2013 | 741.5 | 3,315.4 | 346.8 | 50,888.4 |
| | 2012 | 733.0 | 3,414.9 | 20.1 | 50,835.9 |
| OÖ Landesholding GmbH and subsidiaries | 2013 | 10,068.5 | 306.4 | 14,265.0 | 52.7 |
| | 2012 | 14,490.2 | 430.2 | 859.2 | 9.6 |
| Proportionately consolidated companies | 2013 | 1,373.1 | 1,033.1 | 7,125.9 | — |
| | 2012 | 35,244.6 | 6,497.9 | 15,693.5 | 874.0 |
| Companies consolidated at equity | 2013 | 165,182.0 | 84,844.2 | 26,846.9 | 22,565.6 |
| | 2012 | 189,832.7 | 137,753.6 | 23,593.2 | 25,172.7 |

Federal State of Upper Austria

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

The Federal State of Upper Austria subscribed a bond (private placement) in the 2008/2009 fiscal year. Regarding the conditions of this financial liability, please see Item 24.5.

OÖ Landesholding GmbH

Energie AG Oberösterreich as well as selected Group companies are members of the tax group of companies of OÖ Landesholding GmbH. The provisions of the Group contract of OÖ Landesholding GmbH apply in the relationship of Energie AG Oberösterreich with the head of the Group, with Energie AG Oberösterreich calculating its taxable income taking into account the taxable income of the subordinate Group companies. In the event of positive taxable income, offsetting of positive tax allocations is planned. Negative tax results are

carried forward. Tax allocations amount to EUR 19,574.5 thousand (previous year: EUR 17,045.0 thousand).

Companies Consolidated at Equity

ENAMO GmbH

ENAMO GmbH was established as a joint venture between Energie AG Oberösterreich und der LINZ AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste (LINZ AG).

A 35% share is held by LINZ STROM GmbH für Energieerzeugung, -verteilung und Telekommunikation, a subsidiary of LINZ AG. There is an obligation to proportionally assume negative results. Electricity supplies and other services are performed between the Group and ENAMO GmbH, included at equity starting on 01.04.2012. Earnings amount to EUR 57,363.2 thousand (previous year: EUR 74,147.6 thousand), services in the amount of EUR 7,092.6 thousand (previous year: EUR 8,927.2 thousand) were purchased.

Ennskraftwerke Aktiengesellschaft

The Group purchases the electric energy generated by Ennskraftwerke AG, minus the volume to which the other contract partners are entitled in exchange for reimbursement of expenses plus an appropriate return on equity. Expenses amount to EUR 14,632.9 thousand (previous year: EUR 14,401.9 thousand). Liabilities amount to EUR 9,902.6 thousand (previous year: EUR 7,436.3 thousand).

Gas- und Dampfkraftwerk Timelkam GmbH

The Group purchases the electric energy generated by Gas- und Dampfkraftwerk Timelkam GmbH, minus the volume to which the other contract partners are entitled in exchange for reimbursement of expenses plus an appropriate return on equity. Expenses amount to EUR 51,237.1 thousand (previous year: EUR 105,492.9 thousand). Gas supplies and other services are performed between the Group and Dampfkraftwerk Timelkam GmbH in the amount of EUR 51,441.8 thousand (previous year: EUR 132,426.6 thousand). Receivables amount to EUR 14,214.3 thousand (previous year: EUR 20,973.9 thousand), payables total EUR 11,498.0 thousand (previous year: EUR 16,514.2 thousand). There are contingencies in the amount of EUR 58,975.0 thousand (previous year: EUR 64,625.0 thousand) for Gas- und Dampfkraftwerk Timelkam GmbH.

Salzburg AG

Electricity and gas is supplied between the Group and Salzburg AG. Sales amount to EUR 5,683.2 thousand (previous year: EUR 9,623.7 thousand), expenses total EUR 6,339.8 thousand (previous year: EUR 9,464.9 thousand).

Key Management Personnel

The members of the Board of Directors and Supervisory Board of Energie AG Oberösterreich and the Management and Supervisory board of OÖ Landesholding GmbH are considered key management personnel. With regard to the remuneration of the Board of the Directors and Supervisory Board of Energie AG Oberösterreich, please see Item 10. There are no other significant performance relationships.

Other Disclosures

The liabilities of Geothermie-Wärmegesellschaft Braunau-Simbach mbH and Geothermie-Fördergesellschaft Simbach-Braunau mbH are secured by guarantees in the amount of EUR 341.1 thousand (previous year: EUR 430.3 thousand).

There are shareholder arrangements between Energie AG Oberösterreich and the minority shareholders, with the exception of employees. The Energie AG Oberösterreich Group is affected by these in particular by the establishment of a dividend arrangement, rights to appoint members to the Supervisory Board as well as special minority rights.

With regard to the remuneration of the Board of Directors and Supervisory Board of Energie AG Oberösterreich, please see Item 10.

Other transactions with non-included subsidiaries, joint ventures and associated companies are not recognized, due to their subordinate importance.

38. Discontinued Operations pursuant to IFRS 5

The companies in the Waste Magamenet Segment in the Czech Republic, Hungary (with the exception of AVE Heves Régió Kft.), Slovakia, Romania, the Ukraine and Moldova were sold in the 2012/2013 fiscal year, although the requirements for closing were not yet fully available as of the reporting date. The sale was concluded in November 2013. Accordingly, these activities are presented as discontinued operations pursuant to IFRS 5. The affected assets and liabilities are shown in a separate line on the balance sheet. The result of the discontinued operation, transaction costs and anticipate result of

sale are presented separately in the profit and loss statement. The cash flows of the operation are presented separately. The profit and loss statement as well as the segment report for the previous year were adjusted accordingly. An expense and income consolidation between the discontinued operation and continuing operation was foregone in the profit and loss statement. Receivables and payables between the discontinued operation and the continued operation were eliminated. Scheduled depreciation effective 01.04.2013 was abandoned with the classification as a discontinued operation.

| | 30/09/2013 EUR 1,000 |
|--|-------------------------|
| Assets | |
| Intangible Assets | 15,963.8 |
| Tangible Assets | 117,199.8 |
| Shareholdings | 4,087.7 |
| Other Financial Assets | 405.3 |
| Other Long-Term Assets | 15,320.9 |
| Deferred Tax Assets | 840.5 |
| Inventories | 4,193.1 |
| Trade Receivables | 45,136.4 |
| Cash and Cash Equivalents and Short-Term Investments | 9,908.3 |
| As Assets Held for Sale | 213,055.8 |
| Debts | |
| Financial Liabilities | - 13,483.9 |
| Provisions | - 29,347.9 |
| Trade Payables | - 13,150.8 |
| Other Debts | - 17,022.8 |
| Deferred Taxes | - 4,102.4 |
| Debts Associated with Assets Held for Sale | - 77,107.8 |
| Net assets directly associated with the discontinued operations | 135,948.0 |

| | 2012/2013 EUR 1,000 | 2011/2012 EUR 1,000 |
|--|------------------------|------------------------|
| Income | 185,887.2 | 194,864.8 |
| Expenses | - 167,249.1 | - 190,273.9 |
| Operating income | 18,638.1 | 4,590.9 |
| Financial income | - 10,917.5 | - 4,267.7 |
| | 7,720.6 | 323.2 |
| Tax expenses | - 1,726.3 | 1,086.2 |
| Profit/Loss before taxes from the discontinued operations | 5,994.3 | - 763.0 |
| Result of sale | - 50,601.7 | — |
| Costs of sale | - 4,821.0 | — |
| | - 55,422.7 | — |
| Tax expenses | 7,119.3 | — |
| Valuation result | - 48,303.4 | — |
| Earnings after taxes from the discontinued operations | - 42,309.1 | - 763.0 |

| | 2012/2013 EUR 1,000 | 2011/2012 EUR 1,000 |
|-----------------------------------|------------------------|------------------------|
| Cash flow from operations | | |
| Continuing operations | 174,313.5 | 242,342.8 |
| Discontinued operation | 21,121.8 | 12,041.4 |
| | 195,435.3 | 254,384.2 |
| Cash flow from investments | | |
| Continuing operations | 30,734.7 | - 94,210.7 |
| Discontinued operation | - 14,705.1 | - 14,324.4 |
| | - 16,029.6 | - 108,535.1 |
| Cash flow from financing | | |
| Continuing operations | - 298,886.4 | - 90,196.9 |
| Discontinued operation | - 3,011.4 | - 123.2 |
| | - 301,897.8 | - 90,320.1 |

39. Significant Events after the Reporting Date

All agreed upon contractual conditions were fulfilled with the sale of the companies in the disposal segment as discontinued operations after the reporting date.

With regard to its shares of OÖ Ferngas AG, E-Werk Wels declared that it accepted the put option established in the

syndicate agreement with its letter received on 27.09.2013 by Energie AG Oberösterreich. Accordingly, Energie AG Oberösterreich acquires, by means of a share purchase agreement signed on 10.10.2013 by Energie AG and 11.11.2013 by E-Werk Wels AG, 1,222,800 shares of OÖ Ferngas AG (3.5% share).

40. Information on Group Management Bodies

The members of the Board of Directors of Energie AG Oberösterreich serving during the fiscal year were:

Dkfm. Dr. Leo Windtner (CEO, Chairman of the Board of Management, St. Florian)
 KommR Ing. DDr. Werner Steinecker, MBA (Member of the Board of Management, Kirchsschlag)
 Mag. Dr. Andreas Kolar (Member of the Board of Management, Steyr)

During fiscal year 2012/2013, the Supervisory Board of Energie AG Oberösterreich consisted of the following members:

KommR Dipl.-Ing. Gerhard Falch (Chairman); Dr. Hermann Kepplinger (First Deputy Chairman);
 KommR Mag. Dr. Ludwig Scharinger (Second Deputy Chairman) until 20.12.2012;
 Dr. Heinrich Schaller (Second Deputy Chairman) from 20.12.2012; KommR Mag. Alois Froschauer;
 KommR Dr. Franz Gasselsberger, MBA; Mag. Anna-Maria Hochhauser; Mag. Michaela Keplinger-Mitterlehner;
 Dr. Manfred Klicnik; Dr. Ruperta Lichtenecker; Dr. Maria Theresia Niss, MBA; Mag. Dr. Manfred Polzer;
 KommR Viktor Sigl; Mag. Michael Strugl, MBA; Dr. Bruno Wallnöfer.

The following persons were delegated by the Works Council:

Ing. Robert Gierlinger, MSc (ab 01.07.2013); Manfred Harringer; Isidor Hofbauer; Ing. Peter Neißl, MBA MSc;
 Ing. Bernhard Steiner; Gerhard Störinger; Egon Thalmair; Mag. (FH) Daniela Wöhrenschiemmel (until 30.06.2013).

Linz, November 29, 2013

The Board of Management of Energie AG Oberösterreich



Generaldirektor Dr. Leo Windtner
 Chairman of the Board of Management



KommR Ing. DDr. Werner Steinecker MBA
 Member of the Board of Management



Dr. Andreas Kolar
 Member of the Board of Management

Cash-Flow Statement

| | 2012/2013 in EUR 1,000 | 2011/2012 in EUR 1,000 |
|--|---------------------------|---------------------------|
| Result before taxes on income | - 33,923.8 | 81,588.9 |
| Tax payments | - 24,840.6 | - 12,275.0 |
| Result after taxes on income | - 58,764.4 | 69,313.9 |
| Depreciation/write-ups regarding fixed assets | 155,629.1 | 175,444.9 |
| Loss from Sale of Discontinued Operation | 50,601.5 | — |
| Change in long-term provisions | 73,279.1 | 4,052.7 |
| Change in other long-term assets | 7,316.9 | - 1,735.9 |
| Change in other long-term debt | 1,014.9 | - 5,926.3 |
| Income from the reversal of the present-value benefit of the cross-border leasing transactions | - 4,496.4 | - 1,253.0 |
| Retained income from companies associated at equity | - 6,128.3 | - 3,547.2 |
| Contributions to construction costs received (26) | 26,971.7 | 22,885.5 |
| Income from the reversal of contributions to construction costs (26) | - 20,748.5 | - 20,426.3 |
| Losses from the disposal of assets | 2,901.4 | 3,413.6 |
| Gains from the disposal of assets | - 1,701.0 | - 15,109.1 |
| Other revenues without effect on payments | 20,561.4 | 2,280.4 |
| CASH FLOW FROM THE RESULT | 246,437.4 | 229,393.2 |
| Change in inventories and short-term receivables | 31,730.7 | 20,963.9 |
| Payments from hedging transactions | - 66,759.1 | - 25,052.4 |
| Change in short-term liabilities | - 16,439.0 | 19,284.2 |
| Change in short-term provisions | 465.3 | 9,795.3 |
| CASH FLOW FROM OPERATING ACTIVITIES | 195,435.3 | 254,384.2 |
| Inpayments from the disposal of fixed tangible assets and intangible assets | 8,994.9 | 32,359.4 |
| Outflows for additions to fixed tangible assets and intangible assets | - 172,689.8 | - 188,579.3 |
| Inpayments from the disposal of financial assets | 403,648.2 | 63,376.9 |
| Change in the basis of consolidation (2) | - 3,300.7 | - 3,855.5 |
| Outflows for additions to financial assets and other financial investments | - 220,623.0 | - 11,836.6 |
| CASH FLOW FROM INVESTMENTS | 16,029.6 | - 108,535.1 |
| Dividend payment (35) | - 58,999.3 | - 57,132.2 |
| Capital Increase | 1,521.7 | 1,501.7 |
| Purchase of own shares and non-controlling interests (23) | - 6,026.5 | - 1,501.7 |
| Cross-border leasing (5) | - 30,196.6 | - 12,662.3 |
| Raising and redeeming financial debt | - 208,197.1 | - 19,023.9 |
| CASH FLOW FROM FINANCING ACTIVITIES | - 301,897.8 | - 90,320.1 |
| TOTAL CASH FLOW | - 90,432.9 | 55,529.0 |
| Funds at the beginning of period (22) | 160,982.0 | 105,453.0 |
| Funds at the end of period (22) | 70,549.2 | 160,982.0 |
| Funds as at 30.09.2013 include cash and cash equivalents of the discontinued operations in the amount of EUR 9,908.3 thousand. | | |
| The cash-flow statement includes the following items: | | |
| Interest received | 1,476.1 | 3,623.4 |
| Interest paid | 35,979.5 | 40,923.4 |
| Dividends received | 8,390.0 | 12,991.0 |

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 30/09/2011 | 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 |
| Other Comprehensive Income | — | — | — | - 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 |
| Changes in equity interests and available-for-sale securities (23) | — | — | — | 7,451.7 |
| Changes in value, without effect on the result, at companies associated at equity | — | — | — | 747.9 |
| Hedge accounting (23) | — | — | — | - 39,604.1 |
| Currency differences (4) | — | — | - 2,907.8 | — |
| Deferred taxes | — | — | — | 8,038.0 |
| Other Comprehensive Income | — | — | - 2,907.8 | - 23,366.5 |
| Group result | — | — | - 33,653.7 | — |
| Total revenues for the period | — | — | - 36,561.5 | - 23,366.5 |
| Dividend payment | — | — | - 53,390.0 | — |
| Change in consolidated group (2) | — | — | 63.4 | — |
| Capital Increase | — | 1,790.1 | — | — |
| Own shares (23) | — | — | — | — |
| Status as at 30/09/2013 | 89,000.0 | 214,897.0 | 837,080.0 | - 43,729.5 |

| Provision for new valuation | Other reserves | | Total | Equity of shareholders of parent company | Non- controlling interests | TOTAL |
|--------------------------------|----------------|-------------------------|--------------|---|----------------------------------|--------------|
| | Own shares | Currency differences | | | | |
| 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 | -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 |
| — | — | — | 7,451.7 | 7,451.7 | - 138.4 | 7,313.3 |
| — | — | — | 747.9 | 747.9 | — | 747.9 |
| — | — | — | - 39,604.1 | - 39,604.1 | — | - 39,604.1 |
| — | — | - 41.4 | - 41.4 | - 2,949.2 | - 658.8 | - 3,608.0 |
| — | — | — | 8,038.0 | 8,038.0 | 34.6 | 8,072.6 |
| — | — | - 41.4 | - 23,407.9 | - 26,315.7 | - 762.6 | - 27,078.3 |
| — | — | — | — | - 33,653.7 | 4,854.2 | - 28,799.5 |
| — | — | - 41.4 | - 23,407.9 | - 59,969.4 | 4,091.6 | - 55,877.8 |
| — | — | — | — | - 53,390.0 | - 4,321.7 | - 57,711.7 |
| — | — | — | — | 63.4 | - 88.4 | - 25.0 |
| — | — | — | — | 1,790.1 | — | 1,790.1 |
| — | - 6,001.4 | — | - 6,001.4 | - 6,001.4 | — | - 6,001.4 |
| 37,541.1 | - 6,326.2 | 13,371.0 | 856.4 | 1,141,833.4 | 81,781.6 | 1,223,615.0 |

Auditor's Certificate



Energie AG Oberösterreich, Linz

Bericht über die Prüfung des Konzernabschlusses zum 30. September 2013

29. November 2013

3. Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der

**Energie AG Oberösterreich,
Linz,**

für das **Geschäftsjahr vom 1. Oktober 2012 bis zum 30. September 2013** geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. September 2013, die Konzern-Gewinn- und Verlustrechnung/Gesamtergebnisrechnung, die Konzernkapitalflussrechnung und die Konzern-Eigenkapitalveränderungsrechnung für das am 30. September 2013 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 und den zusätzlichen Anforderungen des § 245a UGB, 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 2013
29 November 2013

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 2012 to 30 September 2013. The consolidated financial statements comprise the consolidated balance sheet as at 30 September 2013, 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 2013, 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 (IFRSs), as they need to be applied in the EU and the additional requirements as specified in § 245a of the Commercial Code [Unternehmensgesetzbuch (UGB)]. 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.



Energie AG Oberösterreich, Linz

Bericht über die Prüfung des Konzernabschlusses zum 30. September 2013

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 2013 sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Oktober 2012 bis zum 30. September 2013 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 2013



KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Mag. Gabriele Lehner
Wirtschaftsprüfer
ppp MMag. Wilfried Straßl
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 2013

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, on the basis of either 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 2013, as well as of the earnings position and cash flows of the Group during the business year 01 October 2012 to 30 September 2013 in accordance with the International Financial Reporting Standards (IFRSs), 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. The Auditor's Certificate must also contain a statement on whether the Group's management report is in conformity with the consolidated financial statements.

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

Linz, 29 November 2013

KPMG Austria AG
Firm of Chartered Accountants and Tax Consultants

Mag. Gabriele Lehner
(Chartered Accountant)

ppa MMag. Wilfried Straßl
(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 in accordance with § 96 of the Austrian Stock Corporation Act (Aktiengesetz)

During fiscal year 2012/2013, 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 2012/2013, the plenary Supervisory Board regularly convened in a total of four meetings 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 2012/2013 – 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 2012/2013, 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 2012/2013, 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 30.09.2013, 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 2012/2013. 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 2012/2013, which are thus established.

The consolidated financial statements for fiscal year 2012/2013 (01.10.2012 to 30.09.2013), 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 30.09.2013, 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 2012/2013.

Linz, December 2013

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 2013

Der Vorstand der Energie AG Oberösterreich


Dkfm. Dr. Leo Windtner
Vorsitzender des Vorstandes
C.E.O.


KommR Ing. DDr. Werner Steinecker MBA
Mitglied des Vorstandes
C.O.O.


Mag. Dr. Andreas Kolar
Mitglied des Vorstandes
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 of Energie AG Oberösterreich 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 2013

The Board of Management of Energie AG Oberösterreich

Leo Windtner
Chairman of the
Board of Management
C.E.O.

Werner Steinecker
Member of the
Board of Management
C.O.O.

Andreas Kolar
Member of the
Board of Management
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.

LEGAL NOTICE

Medieninhaber, Verleger und Herausgeber:

Energie AG Oberösterreich, Böhmerwaldstraße 3, 4020 Linz

Editors: Michael Frostel MSc, Margit Lang, Gerald Seyr

Concept and Graphic Design: MMS Werbeagentur Linz

Photos: Title: Florian Stöllinger/Getty Images, Board of Directors photo:

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Subject to errors and misprints.

Linz, December 2013

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 **ENERGIE AG**
Oberösterreich

We care about tomorrow

**Financial Statements and Management Report
for the Fiscal Year 2012/2013**

Energie AG Oberösterreich

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Management Report for Fiscal Year 2012/2013 of Energie AG Oberösterreich

Energie AG Oberösterreich is the holding company of the Energie AG Group. The Energie AG Group is a leading Austrian infrastructure group with the business segments Energy, Waste Management and Water. Centralised in the energy segment are all value-added steps of the electricity business, the business areas of gas and heating, internal group service units and strategic shareholdings. The Group's market areas are in Austria and other Central and Eastern European countries.

Energie AG Oberösterreich assumes the role of a holding company and, in terms of its capital assets, holds the majority share of electricity business assets and internal Group service units. On account of the company's close ties with the Group as a whole, the following is mainly seen from the Group's perspective.

ECONOMIC ENVIRONMENT¹

Whereas the economy outside Europe developed very heterogeneously, an end to the recession is in sight in the EU. An upward trend is also expected in the coming months for the Austrian economy.

The structural reforms in the European crisis countries have shown a positive effect. The downturn in Italy and Spain was halted, and the economies in Germany, France and Portugal were revitalised. Experts forecast a decline of the GDP in the European region in 2013 between -0.5% and -0.4% and growth of 1.0% to 1.2% in 2014. The positive global economic dynamics gained momentum over the course of the year, above all in the industrial countries. On the other hand, economic development in the emerging countries was more subdued, although these countries bore the expansion of the global economy in the past few years.

Although the uplifting forces are still small, it appears that the Austrian economy has already left behind the bottom turning point of the economic cycle. The improvement of the international environment and mood indicators are pointing to a moderate recovery. After a stagnation of the economic output in Austria in the first half of 2013, revitalisation is foreseeable in the second half of the year. Economic researchers are expecting that the domestic economy will grow between 0.4% and 0.5% in 2013, and by 1.6% to 1.8% in 2014.

Economic development in the Czech Republic is also highly relevant to the Energie AG Group in addition to Austria. A GDP in the bandwidth of -1.0% and -0.4% is forecast for the Czech Republic in 2013 and 1.5% to 2.0% in 2014.

The Economic Environment of the Energy Industry

Primary Energy Markets

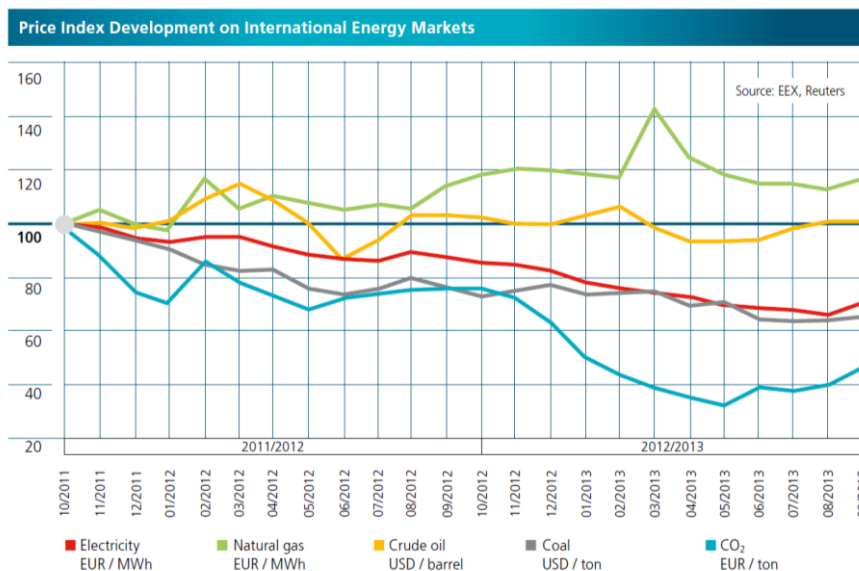
Europe's energy markets were characterised by generally different development trends in fiscal year 2012/2013 for oil and gas markets on the one hand, and for electricity-relevant trading markets on the other hand.

¹ Sources:

- European Commission, European Economic Forecast Autumn 2013, November 2013;
- IHS (Institut für höhere Studien, Wien), Presseinformation, 02.10.2013;
- IMF (International Monetary Fund), World Economic Outlook, October 2013;
- WIFO (Österreichisches Institut für Wirtschaftsforschung), Monatsbericht 09/2013

The oil and gas markets essentially had sideways movement at a high price level. The average crude oil price in the spot market for Brent crude was USD 109.0 in the reporting year making it around 2.3% below the mean value of the previous year. In contrast to this, the spot market prices for natural gas increased by an average of 12.9%. At the fiscal year-end, the spot market price for natural gas was around EUR 26.6/MWh, and therefore 3.1% higher than in the previous year.

The oil and gas markets reflected in particular the high demand in the non-European markets and the uncertainty in the trading markets due to the unrest in the Middle East.



In contrast to this, the energy exchange in Europe as well as the electricity-relevant wholesale markets, specifically the coal market and CO₂ certificate trading, had declining prices. The energy policy change being pushed forward in Germany as well as subdued demand were important driving forces behind this price development.

As a consequence of the declining demand, coal trading registered a price drop over the previous year of an average of around 17%. Hence, the price for API2 coal listed at the end of September on the Rotterdam coal exchange was an average of USD 84.1/ton.

The drop in prices for CO₂ emission certificates was very distinct. On the average, emission rights for the NAP (National Allocation Plan) III period were traded 36% lower than in the same business period of the previous year. There was a slight price increase in the past few months to around EUR 5.0/ton CO₂ in September 2013. The falling prices are essentially due to lower emissions in the energy sector and industrial area. This is primarily a consequence of the increasing displacement of fossil-based heat generation by renewable energy sources, but also due to the lower demand in the industrial segment.

Like in the previous year, the electricity trading market felt the strong effect of the increased use of power generation from renewable energy resources. In Germany above all, wind and solar energy are displacing thermal power stations from the electricity trading market to an increasing extent. Due to the uncontrolled capacity growth of regenerative generating plants, there was considerable excess capacity. However, only a fraction of this is available as secured power. Therefore, thermal power stations are still urgently required to compensate for the strong generation fluctuations of the renewable energy resources and to secure the supply of electricity.

As a consequence of the increasing generation from renewable energy, uncontrolled quantities of green electricity are pushing their way into the electricity trading market (spot market). Hence, the proportion of energy generated from conventional power plants is dropping noticeably, which in contrast to the supported power generating plants, have to hold their own in the power market. In fiscal year 2012/2013, the price level in the futures markets was an average of EUR 41.3/MWh and hence around 19% lower than in the previous year. Hence, the price de-

velopment in the electricity trading market reflects the general price development of power generation to a lesser extent. Increasing requirements in the balancing and regulated market, but also increased subsidies for renewable energy, are to a greater extent determining the power provision costs in addition to the grid costs.

The Statutory Environment

There were intensive meetings in fiscal year 2012/2013 between the Austrian electricity grid operators and the regulatory 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 fixing of the future regulatory system. Similar to the electricity grid fees, the system usage rates for gas grids were re-regulated for 2013 as of 01.01.2013 with the Gas System Usage Fee Ordinance 2013.

Fiscal year 2012/2013 was characterised by an intensive discussion of the Federal Government's energy efficiency package. Ultimately, there was no resolution for a federal energy efficiency act due to a lack of political agreement. The discussion will have to be continued in light of the deadline of June 2014 for implementing the EU guideline into national law.

An amendment to the Electricity Industry and Organisation Act [Elektrizitätswirtschafts- und -organisationsgesetz 2010 (EIWOG)] was resolved, which went into effect on 08.08.2013. It was intended for adaptation to the newly created administrative court, implementation of the REMIT provisions (EU ordinance on the integrity and transparency of the energy wholesale market), as well as creation of the general legal conditions for smart metering.

The Business Environment of the Waste Management Sector

Given the long-term trends of increasing scarcity and costs of raw materials, the subject of resources and secondary raw material recovery is gaining significance, both at a national and international level. The continuing shift in image – from waste to resource – is expected to boost the waste and recycling industry even further in the future. In contrast, there is high competitive pressure in the heavily fragmented waste management markets, sluggish or declining volumes of residual waste due to the increased quality of waste separation in households and continued re-municipalisation tendencies.

The development of the prices for recyclable materials during the fiscal year 2012/2013 remained relatively unchanged. Following a price decline in the past fiscal year, the prices stabilised at a low level, while the volume levels remained stagnant or decreased, respectively. For the coming months, the current economic environment suggests a sideways movement for recyclable material and fuel prices and a persistently tense volume situation.

The Business Environment of the Water Sector

At a European level, the water sector will shortly be facing amendments to the regulations on public procurement, the Utilities Directive and – with the introduction and expansion of the EU Concessions Directive to include new areas – changes to the public procurement law. The directive is expected to take effect at the beginning of January 2014 and has to be implemented by the EU Member States within a period of three years. Up to now, the current EU procurement regime only applied for works concessions. With the planned registration of service concessions with a value of at least EUR 5.0 million, concessions awarded between public contracting authorities and suppliers (private companies) in the area of residential water management, for example, would also be covered by the regulations.

Although the new directive was not under any circumstances going to curtail the autonomy of decision-makers for or against externally awarded contracts, some politicians, the trade unions and citizens' action committees were concerned that the new regulations might lead to "privatisation through the back door", particularly where the supply of drinking-water was concerned. Due to the massive resistance from various interest groups, it was decided to exempt service and works concessions in the water sector completely from the Concessions Directive.

The majority of sales in the segment are achieved in the Czech water market. The Czech water market is partly characterized by the high reinvestment requirements relating to the water sector infrastructure. On the other hand, the geological conditions frequently necessitate the adoption of technically more complex systems for the extraction and treatment of drinking-water from surface waters. The introduction of the EU quality standards entails massive investment requirements, which were and are being 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, also in the form of concession models. Approximately 80% of the market is already supplied through 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 by the state and the financial model rules implemented in connection with EU funding regulate and control the pricing mechanism.

Unlike in the Czech Republic, the responsibility for the water infrastructure and its operation in Austria is mainly in the hands of the municipalities, respectively the public sector. Triggered by the political debate on the EU Concessions Directive, the municipal responsibility with regard to water supply was constitutionally protected as part of services for the public. Concession models of the type that are applied in the Czech Republic have so far not been applied in Austria.

In Slovenia, apart from the existing service business, ways to expand the engagement are still being assessed; however the general conditions remain difficult due to the overall economic situation.

Human Resources Development

The indicated staff figures refer to full-time equivalents (FTEs) in the annual average of fully and proportionally consolidated companies. In accordance with IFRS 5, discontinued operations are shown separately.

In fiscal year 2012/2013, the Group's average consolidated staff level for the continuing operations was 4,602 employees (FTE), which meant it dropped on the average compared to the average of fiscal year 2011/2012 (4,855 employees).

On the statement date (30.09.2013), 4,581 employees (FTE) worked for the Energie AG Group in the continued business areas in 4 countries. In the discontinued business areas, there were 2,863 employees (FTE) on the statement date (30.09.2013).

The Group parent company, Energie AG Oberösterreich, employed an average of 96 employees (FTE) in fiscal year 2012/2013, compared with 103 employees in the previous year (FTE).

Fiscal year 2012/2013 again saw the development of a gradual step-in pension plan that, under certain circumstances, guarantees employees benefits after their employment relationship has ended until their entitlement to statutory pension payment. As of the reporting date, balance sheet provisions were consequently made for obligations to 6 employees in the form of a reserve in the current Energie AG Oberösterreich annual report.

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

Branch Offices

Energie AG Oberösterreich has no branch offices.

RESULTS OF OPERATIONS AND FINANCIAL POSITION

| | in | 2012/2013 | 2011/2012 | Change |
|---------------------------------------|-----------|-----------|-----------|--------|
| Sales revenues | EUR mill. | 356 | 352 | 1% |
| Operating result (EBIT) | EUR mill. | 8 | 62 | -88% |
| EBIT margin | % | 2,3% | 17,6% | -87% |
| Profit or loss on ordinary activities | EUR mill. | -47 | 49 | -195% |
| Balance sheet total | EUR mill. | 2.267 | 2.371 | -4% |
| Equity | EUR mill. | 826 | 918 | -10% |
| Equity ratio | % | 39,8% | 42,2% | -6% |
| Net debt | | | | |
| Cash Flow from operations | EUR mill. | 106 | 143 | -26% |

Compared with the previous year (EUR 352 mill.), the sales revenue only showed a marginal increase of EUR 4 mill. or 1 % to EUR 356 mil.

The marginally increased sales revenue and other operating income is offset by the increased material expenditure, primarily on account of the depreciation of the coal supply in Riedersbach power plant (EUR 17 mill.). Amortisation rose by EUR 2 mill. and personnel costs increased by EUR 6 mill., primarily on account of a further gradual step-in pension plan, as well as the allocation for obligations relating to personnel and retirees. Other operating income rose by EUR 36 mill., mainly on account of provisions for the planned shutdown of the Riedersbach coal-fired power plant and allocation of costs for the gradual step-in pension plan within the context of the operating contract with Kraftwerke GmbH. The EBIT, which amounts to EUR 8 mill., has there-with sunk by 54 mill. (88 %) compared to the previous year (EUR 62 mill.).

The EBIT margin has now sunk from 17.6 % to 2.3 % in comparison with the previous year.

Year-on-year, the financial result has been reduced by EUR 41 mill., largely on account of lower income from investments, absorption losses amounting to EUR 38 mill. and amortisation of shares in associated companies in the amount of EUR 35 mill. (previous year EUR 29 mill.). At EUR -47 mill., the profit or loss on ordinary activities of fiscal year 2012/2013 therewith lies at EUR 96 mill. or 195 % below that of the previous year (EUR 49 mill.).

The balance sheet total for the fiscal year amounts to EUR 2,267 mill. (previous year EUR 2,371 mill.) and has sunk by EUR 104 mill. (minus 4 %) compared with the previous year. The decrease results from the dividend payout in fiscal year 2012/2013, the annual net loss and the termination of the cross-border power plant lease transaction, with the related sale of the US treasuries or the repayment of the financing, among other things.

Equity sank by 10 % to EUR 826 mill. compared with the previous year.

Equity ratio (based on the total capital less investment grants and extraordinary items for emissions certificates) sank from 42.2 % to 39.8 %.

Cash flow from operations reached EUR 106 mill. (previous year: EUR 143 mill.). The decrease primarily results from earnings-based cash flow.

Financing and Investment Strategy

The current positive trend shown by the economic indicators in the industrial countries is also reflected in the recovery of the financial and capital markets. But it still remains to be seen what effects the expected withdrawal of the central banks from the multi-billion liquidity assistance programmes is going to have on the global economy and financial markets. Energie AG Oberösterreich continues to adhere to its proven strategy of taking an extremely conservative approach in the Group's financing and investment policy.

Maintaining High Financial Flexibility

In the course of consolidating and streamlining its business activities, the Energie AG Group managed to significantly reduce the amount of its financial liabilities by more than EUR 300.0 million in fiscal 2012/2013. At the beginning of the fiscal year, a borrower's note loan with variable interest rate was repaid early. Due to the successful termination of the cross-border-leasing transaction in April 2013, a further reduction of external funding was able to be achieved.

As the Group's repayment profile remains balanced for the long term, the Energie AG Group will not face any major re-financing requirements before fiscal 2015/2016.

By maintaining sufficient liquidity reserves, the Group's solvency is ensured at all times. As of the reporting date, the Energie AG Group had liquid funds amounting to EUR 60.6 million as well as marketable securities worth EUR 222.7 million. The credit lines not being used, which are thus available as reserves, were at around EUR 282.0 million, which reflects the Group's high financial flexibility.

Top Rating Reconfirmed

In a difficult market environment, a strong rating is a guarantee for smooth access to the national and international bank and capital market financing options. In February 2013, Standard & Poor's once again confirmed the very good "A" credit rating (outlook: "stable") for Energie AG Oberösterreich. In view of the fact that the general rating trend in the European utilities sector is pointing downward, this confirmation of the good credit standing is quite impressive.

Central Group Financing

Internal financing management within the Group is carried out via Energie AG Group Treasury GmbH. As of 30.09-2013, 31 group companies participated in the Group's cash pooling system. Long-term funding within the Group is also forwarded to the Group companies by Energie AG Group Treasury GmbH, in line with needs and at arm's length conditions.

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 assurance of the corporate value and of capital market-oriented returns for the owners each year is the central goal of Group management.

The primary ratio for Group controlling operations in the course of the year is return on capital employed (ROCE). The value-based corporate goals are broken down into 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 reports of Group Controlling, and monitored by the management. Value-based criteria and methods (for example, project-specific risk mark-ups) are used in the prioritisation of projects for the purpose of allocating resources for future investments and acquisitions.

The minimum demands of providers of equity and external funding for the return of invested capital (capital employed) are derived from developments in the capital market. Based on this, the weighted average cost of capital (WACC) after taxes is determined. To this end, the individual cost-of-capital parameters of the non-regulated business areas are determined on the basis of the market with the help of peer groups. These are then calculated for the individual segments and the entire Group by applying the bottom-up method. The calculation additionally takes into account country-risk premiums and country-specific marginal tax rates. The regulated areas are included in accordance with the requirements of the regulatory authorities.

Calculation of Cost of Capital for the Energie AG Group

| | |
|-----------------------------|-------|
| Risk-free interest rate | 4.0% |
| Country risk premium | 0.6% |
| Market risk premium | 5.2% |
| Beta factor | 0.65 |
| Cost of equity after taxes | 7.9% |
| Cost of debt before taxes | 5.1% |
| Tax rate | 23.9% |
| Cost of debt after taxes | 3.9% |
| Equity ratio | 52.7% |
| Debt ratio | 47.3% |
| Cost of capital after taxes | 6.0% |

For fiscal 2012/2013, the Group WACC amounted to 6.0% (previous year: 6.5%). The reduction compared to the previous year was primarily the result of taking into account the regulated, low cost of capital rates of the network companies.

In the fiscal year 2012/2013, the ROCE of the Energie AG Group amounted to 1.6%, which is well below the value reported for the previous year (4.9%).

MATERIAL EVENTS AFTER THE END OF THE FISCAL YEAR

The sale of the East-European activities of AVE was finalized with the sales contract concluded on 19.06.2013. After the balance sheet date, all of the agreed contractual conditions were fulfilled on the part of the contracting parties, and the necessary approvals obtained. With closing date 12 November 2013, the transaction was able to be successfully completed.

With regard to its shares in OÖ. Ferngas AG, E-Werk Wels AG declared in a letter received by Energie AG Oberösterreich on 27.09.2013 that it would accept the put option agreed upon in the syndication contract. Accordingly, Energie AG Oberösterreich is acquiring 1,222,800 shares of OÖ. Ferngas AG (3.5% share) by share purchase agreement, which was duly signed by Energie AG on 28.10.2013 and by E-Werk Wels AG on 04.11.2013.

INTERNAL CONTROL SYSTEM

The Group's Internal Control System (ICS) is established in all of the processes relevant for accounting and will be further expanded in the essential areas of the Group. The required control activities were designed to suit each of the risks and are regularly reviewed by the Group Revision to check their effectiveness and efficiency. Control manuals and measure catalogues for each of the group companies are updated on a continuous basis. By assigning responsibilities clearly and ensuring high process transparency, the Group has been able to develop a very good level of control awareness over the past years.

Areas covered by the ICS include regular reporting to the Group management and maps for maturity levels, which illustrate the status of current trends. Reports are also submitted to the Audit Committee in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)] 2008. All controlling activities and measures as well as test results are managed and documented in a computer-assisted environ-

ment. The operational implementation is carried out by the respective persons responsible for the processes. Accompanying monitoring activities ensure the measures' success.

The equal treatment of all customers of Netz Oberösterreich GmbH (formerly: Energie AG Oberösterreich Netz GmbH) as required by the Austrian Electricity and Organisation Act (El-WOG) is taken into account by the internal control system and is monitored by the Compliance Officer.

As a valid component of the controlling and steering instruments, the ICS guarantees that the principles of the error avoidance strategy are complied with and can thus contribute as expected towards securing the Group assets and enhancing the efficiency of the corporate processes.

RISKS AND OPPORTUNITIES

The entire energy industry, and thus also the Energie AG Group, is currently faced with increasing pressure from the economic and energy policy-related market environment. The Group's risk management system is responding to these challenges by taking targeted measures to exploit the opportunities available and reduce risks to a minimum. It is a firmly established part of the Group's management and control system and is continuously developed further. The evaluation of the risk positions is included in strategic decisions and supports investment management activities.

The central risk management is based on an operational risk management system in the 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 opportunities and risks are analysed and aggregated to the Group's overall risk position as a possible deviation from the Group result before taxes.

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

A major part of the Energie AG Group's value added chain is exposed to fluctuating market prices. The subsidised expansion of renewable energy sources overrides competition and market mechanisms. Accordingly, the energy markets recorded a sideward trend at a high level for oil and gas prices; on the other hand, prices dwindled in the power trading market. In the fiscal year 2012/2013, this led to further declines in production.

In November 2012, the European Energy Efficiency Directive went into force. The Directive includes an obligation on energy suppliers to make yearly savings on the energy distributed to its end-users from 2014 to 2020. Non-compliance with the requirements results in penalty payments which would increase the Group's risk position.

The EU Emission Trading Directive was transposed into national law with the 2011 Emission Certificate Act. For the third commitment period from 2013 to 2020 certificates have to be acquired in the context of auctions.

Waste Management

The situation in the Waste Management Segment remains challenging in the competitive environment. The development of the prices for recyclable materials during fiscal 2012/2013 remained relatively unchanged compared with the previous year. Following the price declines in the fiscal year 2011/2012, the prices stabilised at a low level, while the volume levels remained stagnant or decreased, respectively.

The companies belonging to the Waste Management Segment in the countries Czech Republic, Hungary, Slovakia, Romania, Ukraine and Moldova were the subject of a structured divestment process in fiscal 2012/2013. This resulted in the classification and separate representation of the CEE countries as Discontinued Operations in accordance with IFRS 5. For the business activities in Austria and South Tyrol, an assessment and reorganisation project was initiated.

Water

In fiscal 2012/2013, the Water Segment exhibited a stable sales and earnings development, which is to be strengthened further in the coming fiscal year 2013/2014 despite the fact that there are several pending tenders for licences, and that there are demands for the introduction of a central regulatory authority for the Czech water business.

Politics and Law

Alongside the legal and regulatory situation in the electricity and gas network, changing political conditions are posing great challenges to the Energie AG Group.

Finances

Financial instruments and risk management: see Notes

Counterparties

In order to limit counterparty risk in the finance segment, liquidity reserves available at short notice as well as fixed deposits were only invested with risk-optimisation and capital maintenance in financial institutions of the highest credit standing. Through the systematic monitoring of the creditworthiness of business partners, by means of corresponding early warning indicators, the treasury of Energie AG Group is given the guarantee that internal counterparty limits are restricted or adjusted, as the case may be. Checks that the counterparty limits are adhered to are carried out at frequently and at short notice.

The company-owned trading subsidiary, Energie AG Oberösterreich Trading GmbH, supervises the transaction risks for the commodity area (electricity, gas, coal and CO₂) by ensuring valid process operations with appropriate control mechanisms.

Participations

The divestment process concerning AVE CEE in the fiscal year 2012/2013 was a major step towards optimising the participation portfolio. The implementation as well as the transaction's treatment in the balance sheet are associated with risks which, in part, concern the fiscal year just completed, but also may affect the coming periods under review.

To manage the transaction, the Energie AG Group has concluded long-term contracts with partners. Changes in the framework conditions partially affected the economic efficiency of these commitments. Contract adjustments reduce the risk to a certain extent. Balance sheet provisions were created which were necessary from the company's present point of view.

Risks are essentially optimized by the continuous monitoring of existing participations and risk prophylaxis which involves integrating risk management across the entire project cycle.

Production, Distribution, Waste Management and Other Infrastructure Facilities

Natural disasters such as floods, storms or avalanches can result in unplanned downtimes of electricity production or transmission systems. 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. To minimise risks, the Group is continuing its cabling activities in forest areas.

Opportunities and Risks in 2013/2014

The result of the Energie AG Group is essentially affected by the general conditions in the energy industry and possible write-downs concerning interests. Given the persistently high volatilities in the energy markets and high competitive and regulatory pressure, the risks resulting from write-downs on systems and investments remain. In spite of this, as of 30.09.2013, no risks can be identified which, either separately or jointly, might threaten the existence of the Group.

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 as well as 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.

In fiscal 2012/2013, the expenditure for research, development and innovation totalled EUR 3.2 million. In the various entities of the Group, 291 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):

- The cooperation established between Vertrieb KG and the Johannes Kepler University Linz, Institute for Pervasive Computing for the projects "Power IT" and "Power Saver" continued in the fiscal year under review and led to the launch of a large-scale field study. Its aim is to evaluate the theoretically established savings potential of annual domestic electricity consumption of up to 17% in a long-term experiment involving around 40 families. The developed system, which, in its experimental set-up, consists of sensors worn by the users, a central control unit and a central gateway node which, depending on the individual user's behaviour, sets the necessary and planned control commands. The experiment is expected to reveal to what extent this system can meet the requirements of the scientific approach and the market. The development of the involved energy management system is intended to lead to corresponding improvements in energy efficiency. As a result, a marketable energy efficiency product will be available just in time for the implementation of the Austrian Energy Efficiency Act that is expected in the fiscal year 2013/2014.
- In the context of the eService Portal, which has been operating for several years, a so-called "Energy Manager" has now become available for customers equipped with an AMIS Smart Meter with remote readout; Vertrieb KG has been the first company to offer this in the whole of Austria. This gives customers the option of displaying, analysing and optimising their individual consumption levels. This becomes possible if customers are able to shift their consumption to times of the day that are distinguished by a correspondingly attractive price signal.
- To continue its national and international research cooperation efforts, Netz GmbH launched the research project IGREENGrid with major European distribution system operators. The project focuses on the scalability and transferability of the network data from the individual project partners. The aim of this large-scale field test is to carry out technical and economical evaluations that will allow the comparison of different designs in each of the partner countries, thus enabling solutions that can then be employed cost-efficiently across Europe.
- At Data GmbH, work on the project EU PIANO+ Impact continued. This project involved the evaluation of technical options, particularly in view of next-generation broadband solutions. One selected option is to be developed up to marketability. A special focus was placed on the development of a new feed device for inserting miniature tubes into existing empty conduit systems, in order to make broadband expansion more cost-efficient.
- OÖ. Ferngas Netz GmbH established Austria's first pilot plant for producing hydrogen (H₂) and charging the hydrogen into the natural gas grid. A newly established photovoltaic system (10.3 kWp) produces electricity, the majority of which is used for electrolysis water. The hydrogen which is produced from environmentally friendly solar electricity is fed into the local natural gas network where it is mixed with natural gas.

The process is intended to help acquire experiences in how the components

- volatile solar electricity
- electrolysis

- utilisation of waste heat from the electrolysis for pre-heating the natural gas pressure regulation station interact with each other.
This research plant makes renewable energy storable and transportable and is based on a concept that is unique in Europe.
- AVE Österreich GmbH has been concentrating on the recovery of ferrous and non-ferrous metals from incineration slag from the thermal waste processing plants in Wels for several years. In the fiscal year under review, particular attention was given to bioleaching in cooperation with an Upper Austrian research institution. After some basic analysis, particular emphasis is to be placed on the raw material potential of ashes and slag and, in the area of electrical appliance recycling, on the recovery of copper, zinc, cobalt, nickel, gold and other metal compounds with low solubility. Extensive bioleaching tests were conducted for the above-mentioned metals on a laboratory and technical-centre scale, and some promising recovery results were achieved. Due to the particular scientific environment in these specific technologies, and because of the complexity of the newly emerging methods, it will take several years of research in the basic sciences and applications before complete and large-scale recycling processes can be developed that are feasible and make economic sense.
- In the fiscal year just expired, Energie AG's first grid-connected photovoltaic system had its 25th anniversary. Fair Energy GmbH seized the occasion as an opportunity to conduct a detailed analysis on the long-term behaviour of three makes of photovoltaic panels installed at the site. The study brought to light that there was a significant 20% decrease in the efficiency of just one of the products; the two other products exhibited just a very minor reduction in efficiency. Judging from long-term observation, the choice of concept originally implemented can certainly be interpreted as correct and appropriate. To expand this high-Alpine research plant, a further panel field was installed, which was made in Austria using state-of-the-art manufacturing methods, this time with a smaller gradient. This should help engineers gain insights on which panel gradients deliver better results, firstly, for producing electricity and, secondly, for allowing the panels to free themselves of snow, an ability which is required in Alpine regions. Hence it can be ensured that this old/new facility can continue to produce scientifically utilisable results.

STRATEGIC ORIENTATION AND OUTLOOK

The energy industry is currently undergoing a persistently intense transformation process which, due to the strong expansion of renewable energies, has led to upheavals in the electricity market. These upheavals are reflected in low wholesale market prices and in the fact that conventional energy forms are being forced out of the market. For economic reasons, investments in conventional electricity production plants are therefore no longer being made. Apart from this, customer requirements have changed and there is a growing desire to be independent and have one's own production facilities, which has caused the entire energy sector to redefine its strategies.

To prepare the Energie AG Group for these myriad challenges in the best possible way, Energie AG is currently working on a strategic realignment and examining its external standing very thoroughly at the same time. In a first step, optimisation and development areas have been identified. The exploitation of future market potentials and the development of new business models to satisfy the evolving customer requirements will constitute the basis for measures to be adopted, as will consistent cost management and further structural optimisations.

Energie AG continues to adhere to its policy of operating both in regulated and de-regulated markets. This strategy has proved to have a stabilising effect on the Group's result in the past, particularly in volatile times, and will remain one of the Group's priorities in order to maintain profitable performance.

Another factor that will have significant impact on the future strategic alignment is the changed situation in the Waste Management Segment. Following the decision to focus on activities in Austria, a project is under way to work out the strategic and organisational re-orientation.

Independent of the challenging framework conditions which the Energie AG Group is currently facing, preservation of the share value and the maintenance of a strong A rating will remain essential guiding principles in the company's strategy in order to remain an attractive partner for equity investors and providers of external funding.

Business development in the fiscal year ahead in the Energy Segment will be significantly affected by the tense situation in the energy markets as well as regulatory requirements.

With regard to the business area power plants, the Group's focus will therefore remain on enhancing the efficiency of existing power plants and securing sites for future production facilities. A crucial factor for the implementation of new conventional power plant projects will be the price development and the associated economic viability of projects.

In the area of new, renewable energy sources, the development of wind farm projects and the expansion of photovoltaic systems will be pursued further, as long as appropriate cost efficiency is maintained.

In terms of sales, the focus will also concentrate on efficiency measures. As part of the Austrian Energy Efficiency Act, the national implementation of the EU directive must be completed by summer 2014. The goal is to achieve energy savings amounting to 0.6% of energy quantities sold. In sales, priority will also be given to intensifying the sales channels New Media and Internet in the coming fiscal year.

With regard to the electricity grid, the changed regulatory requirements are to be implemented in fiscal 2013/2014. This concerns both the result of the cost examination procedure and the new framework conditions for the price regulations and also the changed and added requirements in the EIWOG amendment and the ordinances, which, among other things, will result in a change in the general conditions that define access to the distribution system.

The main focus in project activities will be on the large-scale projects such as power distribution in the Almtal and Kremstal region, grid support Jochenstein and the cabling activities where medium-voltage overhead lines are placed into cables in forest areas.

Further regulatory requirements will also affect the business area gas in the new fiscal year. Besides the current tariff determination procedure, one significant factor in the coming year will be the new switching platform for processing supplier changes and the registration and de-registration of customers. On the other hand, the tightening of the Gas Act (Gaswirtschaftsgesetz) will lead to necessary adjustments in the area of customer services.

The business area heating will withdraw from Slovakia in the new fiscal year. The negotiations with potential purchasers were initiated in 2013 and the strategically planned withdrawal is expected to be concluded in fiscal 2013/2014. Besides continuing its efforts to win new customers in its existing supply areas, the business area heating in Austria will remain focused on its core competences and on strengthening the pioneering role it has assumed in heat production based on renewable energy sources such as biomass and geothermal energy.

The situation in the Waste Management Segment remains challenging. Over the next months, work will focus on the consistent implementation of the already started evaluation and reorganisation project for business in Austria.

In the Water Segment, efficiency enhancement measures initiated in the fiscal year just expired will be continued. In the drinking and waste water business area, the companies are preparing for several tenders for licences that will be conducted in the fiscal year ahead. In Austria and Southern Bavaria, the water supply business area is to be maintained at the present level. In this respect, optimisations concerning the existing plants are to be expected. The service business is to be developed further. In Slovenia, it will be essential to broadly stabilise the service business while carefully observing the operator market at the same time.

Due to the challenging developments in the market environment, activities across the Group will remain focused on the consistent continuation of the cost management and efficiency enhancement programmes already started. Besides this, as part of the strategic realignment, there will be activities to examine the exploitation of new market potential and open up new sources of earnings by working out innovative business models.

Linz, 29 November 2013

The Board of Management of Energie AG Oberösterreich

Leo Windtner
Chairman of the
Board of Management
C.E.O.

Werner Steinecker
Member of the
Board of Management
C.O.O.

Andreas Kolar
Member of the
Board of Management
C.F.O.

Profit and Loss Statement 2012/2013

| | 2012/2013 | Previous year |
|---|-----------------------|----------------|
| | EUR | in EUR 1000 |
| 1. Sales | 355.782.195,91 | 352.273 |
| 2. Changes in inventories of finished goods and work in progress | 280.536,40 | -1146 |
| 3. Capitalised cost of self-constructed assets | 10.734,66 | 7 |
| 4. Capitalised cost of self-constructed assets | 17.304.544,97 | 13.397 |
| 5. Cost of materials and other purchased services | -125.785.124,43 | -106.579 |
| 6. Personnel expenses | -21096.706,43 | -14.908 |
| 7. Depreciation | -84.659.162,08 | -82.188 |
| 8. Other operating expenses | -134.059.825,68 | -98.387 |
| 9. Sub-total for items 1 - 8 (operating result) | 7.777.193,32 | 62.469 |
| 10. Income from investments | 33.414.395,01 | 38.941 |
| (thereof from affiliated companies EUR 31.174.290,89; previous year: EUR 36.489 thousand) | | |
| 11. Income from securities and loans held as financial assets | 8.172.779,49 | 13.321 |
| (thereof from affiliated companies EUR 7.086.125,43; previous year: EUR 10.553 thousand) | | |
| 12. Other interest and similar income | 5.586.006,61 | 4.646 |
| (thereof from affiliated companies EUR 165.243,03; previous year: EUR 261 thousand) | | |
| 13. Income from disposals and write-ups of financial assets | 860.474,37 | 1028 |
| (thereof from affiliated companies EUR 0,00; previous year: EUR 108 thousand) | | |
| 14. Expenses for other financial assets | -74.903.721,48 | -32.896 |
| (thereof from affiliated companies EUR 73.976.754,37; previous year: EUR 32.879 thousand) (thereof from depreciations EUR 35.000.000,00; previous year: EUR 29.000 thousand) | | |
| 15. Interest and similar expenses | -27.450.498,49 | -38.407 |
| (thereof from affiliated companies EUR 8.743.479,83; previous year: EUR -20.711 thousand) | | |
| 16. Sub-total for items 10 - 15 (financial result) | -54.320.564,49 | -13.367 |
| 17. Result of ordinary activities | -46.543.371,17 | 49.102 |
| 18. Income taxes | 3.230.058,23 | -14.761 |
| 19. Net income for the current year | -43.313.312,94 | 34.341 |
| 20. Reversal of untaxed reserves | 3.172.375,73 | 2.853 |
| 21. Reversal of revenue reserves | 93.330.983,81 | 16.196 |
| 22. Allocation to revenue reserves | 0,00 | -2 |
| 23. Annual Profit | 53.190.046,60 | 53.389 |
| 24. Accumulated profit carried forward | 109.953,40 | 111 |
| 25. Retained earnings | 53.300.000,00 | 53.500 |

Balance Sheet as at 30 September 2013

| | 30. September 2013 | Previous year |
|--|-------------------------|------------------|
| | EUR | in EUR 1000 |
| ASSETS | | |
| A. Long-term assets | | |
| I. Intangible assets | 80.537.646,98 | 74.280 |
| II. Tangible fixed assets | 856.406.326,25 | 854.632 |
| III. Financial assets | 188.848.76142 | 1249.006 |
| | 2.125.792.734,65 | 2.177.918 |
| B. Current assets | | |
| I. Inventories | 38.001.568,83 | 62.243 |
| II. Accounts receivable and other assets | 77.167.603,39 | 60.660 |
| III. Own shares | 6.326.178,06 | 325 |
| IV. Cash and cash equivalents | 18.500.885,71 | 67.993 |
| | 139.996.235,99 | 191.222 |
| C. Accrued expenses | 1.693.689,69 | 2.023 |
| | 2.267.482.660,33 | 2.371.163 |

| | 30. September 2013 | Previous year |
|--|-------------------------|------------------|
| | EUR | in EUR 1000 |
| EQUITY AND LIABILITIES | | |
| A. Equity | | |
| I. Share capital | 89.000.000,00 | 89.000 |
| II. Non-distributable capital reserves | 207.000.000,00 | 207.000 |
| III. Effected deposits for a capital increase already decided | 1.790.100,00 | 0 |
| IV. Reserves for own shares | 6.326.178,06 | 325 |
| V. Revenue reserves | 468.883.655,67 | 568.216 |
| VI. Retained earnings (thereof accumulated profit carried forward EUR 109.953,40; previous year: EUR 111 thousand) | 53.300.000,00 | 53.500 |
| | 826.299.933,73 | 918.041 |
| B. Untaxed reserves | 67.487.595,61 | 70.660 |
| C. Investment grants | 17.031.025,01 | 18.240 |
| D. Separate item for gratuitously allocated emission certificates | 4.224.453,84 | 7.053 |
| E. Provisions | 82.253.616,86 | 73.688 |
| F. Liabilities | 1.210.810.279,40 | 1.179.495 |
| G. Contributions to construction costs | 57.021.524,05 | 67.083 |
| H. Deferred income and accrued expenses | 2.354.231,83 | 36.903 |
| | 2.267.482.660,33 | 2.371.163 |

| | | |
|------------------------------|----------------|-------------|
| Contingent liabilities | 839.139.443,79 | 1394.573,00 |
|------------------------------|----------------|-------------|

Notes to the Financial Statements 2012/2013

I. General Information

The financial statements for fiscal 2012/2013 were drawn up observing the principles of proper accounting, as well as observing the general requirement to provide a sufficiently fair picture of the assets, financial and earnings position of the company.

The company is classified as a major stock corporation pursuant to § 221 of the Austrian Commercial Law Code.

In order to achieve a clear presentation, some items have been condensed in the balance sheet and profit and loss statement. These items are shown separately in the Notes.

Assets and liabilities pertaining to more than one item in the balance sheet are indicated as such in the Notes.

The profit and loss statement is presented in step-down form and in keeping with the total-cost principle of accounting.

The present form of presentation was used once again in the drafting of the current financial statements.

In the assessment years 2005 up to and including 2009, Energie AG Oberösterreich was the holding company of a group of companies as defined in § 9 of the Austrian Corporation Tax Act. In 2010, this group of companies was terminated and, following the application of 30 June 2010, Energie AG Oberösterreich became a member of the group of companies of OÖ Landesholding GmbH (holding company) in accordance with § 9 of the Austrian Corporation Tax Act with effect from assessment year 2010. The corresponding integration into the Group and Tax Allocation Agreement of OÖ Landesholding GmbH was carried out.

The termination of the former group of companies resulted in an unwinding of Group members that had not been in existence for a minimum of three years in accordance with § 9 (10) of the Austrian Corporation Tax Act. In the course of the termination, a final adjustment was not carried out but the losses assumed by Energie AG Oberösterreich were kept evident and reduce the basis for future positive tax allocations of the Group companies.

The stipulations in the group agreement of OÖ Landesholding GmbH apply between Energie AG Oberösterreich and the Group holding company, whereby Energie AG Oberösterreich determines its taxable income under consideration of the taxable results of the underlying Group companies (periodic accruals/deferrals method):

The group agreement provides that positive allocations from Group companies are entered at 25 % of the assigned positive income. Tax losses assigned to the holding company reduce the basis of the positive allocations to taxes of the following business years, refundable to the holding company. However, the holding company may ultimately accept the assigned negative result by making a negative tax allocation to the Group member in the amount of 97 % of the tax share of the accepted negative income.

The possibility of a deviating tax allocation agreement between Energie AG Oberösterreich and its Group companies provided in the integration agreement was made use of and a clearing procedure analogue to the clearing system described above was approved at the level of Energie AG Oberösterreich and its underlying Group members.

As at 1 October 2004, Energie AG Oberösterreich introduced an effective cash-pooling system in order to optimise the Group's dispositions in relation to bank accounts, as well as the intra-group liquidity balance and the handling of payment transfers within the Group.

Energie AG Oberösterreich decided in favour of two pooling groups, and since 1 October 2006 Energie AG Group Treasury GmbH has been the lead company of the pool.

As at 30 September 2013, the pool companies comprise a total of 31 (previous year: 33) companies.

II. Accounting and Valuation Principles

Long-term assets

Intangible assets are valued at cost, reduced by scheduled linear depreciation.

Tangible fixed assets are valued at cost or cost of production, reduced by scheduled depreciation. Non-scheduled depreciations are made whenever impairments are expected to have a lasting effect.

Shares in affiliated companies and other investments are entered at cost or at their lower fair value.

Securities (loan stock rights) held as long-term assets are valued at purchase prices or, in the event of a lasting impairment, at their lower stock exchange price.

Income equivalent to dividends from non-distributable interim certificates of a capital investment fund, as defined by § 40 (2) item 1 of the Austrian Investment Fund Act, are entered in keeping with the expert opinion of the Expert Panel on Corporate Law and Internal Audit, KFS/RL 16, by increasing the valuation entered for the interim certificates.

Non-interest-bearing and/or low-interest-bearing loans are shown at their present value.

Current assets

Raw materials and supplies are valued at their average purchase price and/or cost of production (sliding average method), at lower market values or fixed values.

Work in progress is valued at cost of production.

Receivables are valued at their nominal value, taking account of their collectability. Appropriate write-downs are entered for doubtful accounts receivable. Foreign-currency receivables are valued in keeping with the strict principle of lower of cost or market.

Provisions

Actuarial principles are applied to calculate provisions for severance payments, using the "projected-unit-credit" method, in keeping with IAS 19. The calculation is based on a retirement age of 62 years for females and males in keeping with transitional provisions or an earlier retirement age in individual cases, an interest rate of 3.50 % for the calculations (previous year: 4.25 %), planned salary increases of 3.00 % (previous year: 3.00 %) as well as a discount for fluctuations according to probabilities, depending on years of employment from 1.05 % for 0 years of employment (previous year: 1.81 % for 0 years of employment) to 0.0 % from 41 years of employment upwards (previous year: 0.0 % for 41 years of employment). The corridor method is used to calculate provisions for severance payments.

The provision for anniversary bonuses is also calculated using the "projected credit unit" method in keeping with IAS 19, using the parameters that were employed to calculate the provisions for severance payments. When calculating the provisions for anniversary bonuses, a discount for fluctuations according to probabilities, depending on years of employment from 2.59 % for 0 years of employment (previous year: 1.01 % for 0 years of employment) to 0.00 % from 41 years of employment (previous year: 0.00 % from 41 years of employment) was used as a basis.

Actuarial principles are applied to calculate provisions for old-age pensions, step-in pensions and early retirement, using the "projected-unit-credit" method, in keeping with IAS 19. The Pagler-Pagler calculation tables 2008 are used for the calculations, as well as an interest rate of 3.50 % (previous year: 4.25 %) and a retirement trend of 2.25 % (previous year: 2.25 %).

The principle of conservatism is applied when forming other provisions.

Liabilities

Liabilities are entered at the amounts repayable, observing the principle of conservatism. Liabilities in foreign currencies are valued in keeping with the principle of highest value.

Emission certificates

Due to the expected over-coverage of certificates from fiscal 2009/2010, accounting is carried out on the basis of the AFRAC option, whereby emission certificates that are received gratuitously are entered on the assets side at the time of acquisition and valued at the market value at the time of disposition. A special item in the same amount is shown under liabilities and reversed in accordance with the actual CO₂ emissions. The valuation of emission certificates entered under assets is subject to the strict principle of lower of cost or market. A provision for the obligation to surrender emission certificates is formed in keeping with the actual CO₂ emissions. As of 2013, Energie AG receives no gratuitous allocations of emission certificates.

Cross border leasing

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

The funds received as advance lease payments from the US trust – after deduction of the present value benefit – were invested in the form of payment undertaking agreements and used to cover the future instalments under the lease-back arrangement, conforming with time and currency requirements.

Following the termination of the cross-border leasing transaction for the electricity transmission and distribution system in fiscal 2008/2009, the cross-border leasing transaction for the power plants was terminated in fiscal 2012/2013.

In the course of the termination of the cross-border leasing transaction for the power plants, the US treasuries shown under long-term assets were sold. The proceeds from the sale – less the transaction costs – were used to repay the financing at an Austrian financial institution. The present value benefit disclosed in the balance sheet under long-term debt as a differential amount carried as a liability was fully reversed.

III. Notes to the Profit and Loss Statement

Sales

| | 2012/2013 | Previous year |
|-------------------|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Electricity | 171.984 | 170.326 |
| Gas | 34.226 | 34.327 |
| Others | 149.572 | 147.620 |
| | 355.782 | 352.273 |

The sales from electricity deliveries comprise various grants in the amount of EUR 17,160 thousand (previous year: EUR 20,452 thousand).

Other sales essentially consist of income from the reversal of contributions to construction costs, income from de-stocking at subsidiary companies, lease settlements with regard to long-term assets as well as rent invoiced to subsidiary companies.

Other operating income

| | 2012/2013 | Previous year |
|---|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Income from the disposal of and the write-up of long-term assets with the exception of financial assets | 570 | 1.071 |
| Other | 16.734 | 12.326 |
| | 17.305 | 13.397 |

Other operating income essentially consists of income from lease and rent revenues, income from the use of investment grants, income from insurance refunds, income from construction activities entered on the assets side, income from further settlements as well as income from the reversal of the special item for emission certificates corresponding to the utilisation and write-down of the certificates.

Cost of material and other purchased manufacturing rights

| | 2012/2013 | Previous year |
|----------------------------------|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Cost of materials | 125.476 | 106.185 |
| Cost of purchased services | 310 | 394 |
| | 125.785 | 106.579 |

The most important items under "Cost of materials" are the electricity bought from electricity supply contracts that remained with Energie AG Oberösterreich, the use of gas, the use of primary energy, the use of materials for de-stocking at subsidiary companies, as well as third-party materials.

In the course of the fiscal year, a sales market-oriented evaluation of the coal reserves of Riedersbach power plant was conducted due to the planned closure in 2016. A write-down of the coal reserves in the amount of EUR 17,400 thousand was carried out.

Payroll and related expenses

| | 2012/2013 | Previous year |
|---|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Wages | 3 | 2 |
| Salaries | 10.489 | 10.503 |
| Expenses for severance payments and payments to company pension funds | 490 | 474 |
| Expenses for old-age pensions | 3.759 | 1.293 |
| Expenses for statutory social security charges, as well as remuneration-dependant payments and compulsory contributions | 1.948 | 1.998 |
| Other social contributions | 4.407 | 638 |
| | 21.097 | 14.908 |

The item "Expenses for severance payments and payments to company pension funds" comprises expenses for company pension funds in the amount of EUR 65 thousand (previous year: EUR 62 thousand).

Expenses for severance payments and payments to company pension funds includes expenses for Members of the Board of Management in the amount of EUR 10 thousand (previous year: EUR 44 thousand); as well as expenses for senior staff members in the amount of EUR 44 thousand (previous year: EUR 44 thousand).

Expenses for old-age pensions comprise expenses for Members of the Board of Management in the amount of EUR 451 thousand (previous year: EUR 346 thousand); as well as expenses for senior staff members in the amount of EUR 113 thousand (previous year: EUR 109 thousand). No advances or loans were given to Members of the Board of Management or Members of the Supervisory Board.

Depreciation

The ordinary depreciation relates totally to the depreciation of intangible assets and tangible fixed assets and is shown in the development of the long-term assets. In the year under review, an extraordinary depreciation in the amount of EUR 2,500 thousand (previous year: EUR 0 thousand) was recorded for the biomass power plant Timelkam.

Other operating expenses

| | 2012/2013 | Previous year |
|--|----------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Taxes, insofar as not qualified as taxes on income | 193 | 183 |
| Other | 133.867 | 98.204 |
| | 134.060 | 98.387 |

Other operating expenses comprise expenses for third-party services (mainly from settling business management expenses for Energie AG Oberösterreich Kraftwerke GmbH), intra-group charges resulting from services, administrative expenses, reimbursements of expenses, insurance premiums, expenses for rent, losses from the disposal of tangible fixed assets, as well as allocations to valuation adjustments.

Other operating expenses in the year under review comprise provisions for the closure of the coal-fired power plan Riedersbach in the amount of EUR 20,375 thousand (previous year: EUR 0 thousand).

Losses from the disposal of tangible fixed assets amount to EUR 757 thousand (previous year: EUR 1,372 thousand) and essentially relate to electrical plants.

As the company auditor is also the auditor of the financial statements of Energie AG Oberösterreich, Linz, in which the company will be integrated (as a fully consolidated company), we refer to the corresponding information in the Group's Notes with regard to the expenses for the auditor in fiscal 2012/2013.

Income from participations

Income from participations in the amount of EUR 33,414 thousand (previous year: EUR 38,941 thousand) includes EUR 31,150 thousand (previous year: EUR 32,240 thousand) paid as dividends for the respective time frames. The Board of Management of Energie AG Oberösterreich decided in a documented resolution that the dividends of certain Group companies are to be distributed in line with the respective time frames. As a result, the respective company holds equity of about 20 % of the balance sheet total after distributing the dividend.

Other interest and similar income

| | 2012/2013 | previous year |
|----------------------|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Interest | 1.090 | 3.393 |
| Similar Income | 4.496 | 1.253 |
| | 5.586 | 4.646 |

Similar income includes the reversal of the differential amount carried as a liability from the cross-border leasing transaction for the power plants which was terminated in fiscal 2012/2013.

Income from disposals and write-ups of financial assets

| | 2012/2013 | Previous year |
|---|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Income from disposals of financial assets | 860 | 780 |
| Write-ups to financial assets | 0 | 248 |
| | 860 | 1.028 |

Expenses for other financial assets

| | 2012/2013 | Previous year |
|--|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Depreciations | 36.120 | 32.571 |
| Book value from disposal of securities | 834 | 0 |
| Book value from disposal of loans | 155 | 17 |
| Expenses from associated companies | 37.795 | 308 |
| | 74.904 | 32.896 |

The depreciation relates to holdings in associated companies in the amount of EUR 35,000 thousand (previous year: EUR 29,000 thousand), securities (loan stock rights) held as long-term assets in the amount of EUR 21 thousand (previous year: 592 thousand), loans in foreign currencies in the amount of EUR 1,099 thousand (previous year: EUR 720 thousand) as well as bonds in the amount of EUR 0 thousand (previous year: EUR 2,259 thousand).

The expenses for affiliated companies relate to losses incurred by Group companies on the basis of transfer of loss agreements in the amount of EUR 37,795 thousand (previous year: EUR 308 thousand).

Income taxes

The change in untaxed reserves resulted in an increase of corporate income tax in the amount of EUR 793 thousand (previous year: EUR 713 thousand).

Deferred tax income in the amount of EUR 9,789 thousand (previous year: EUR 263 thousand) was entered during the fiscal year.

In fiscal 2012/2013, income taxes include aperiodic expenses from the audit 2006-2009 in the amount of EUR 21 thousand.

IV. Notes to the Balance Sheet

Long-term assets

The table "Development of Long-Term Assets" (Annex 2 in the Notes) shows both the structure required by law and the development in the course of the business year, as well as the specific components which the company carries as long-term assets.

Intangible assets

In addition to electricity procurement rights, intangible assets also comprise various EDP software programmes, user rights for various plants, rental rights etc.

Tangible fixed assets

The full amount of low-value items, which comes to EUR 378 thousand in the year under review (previous year: EUR 411 thousand), was written off during the year of acquisition

The individual components under "land and buildings" show a value for land in the amount of EUR 29,986 thousand (previous year: EUR 29,959 thousand).

On account of long-term rent, lease and leasing agreements, there are commitments for the use of tangible fixed assets not shown in the balance sheet in the amount of EUR 2,044 thousand (previous year: EUR 2,106 thousand) for the subsequent fiscal year. The commitments for the next five years amount to EUR 10,216 thousand (previous year: EUR 10,225 thousand)

Financial assets

The table below provides information about the relevant data concerning those investments which account for a minimum stake of 20 % as at 30 September 2013.

| | Share capital | Share in company | | Equity of company | Net loss / net income for the year |
|--|---------------|------------------|-------------|-------------------|------------------------------------|
| | in EUR 1000 | % | in EUR 1000 | in EUR 1000 | in EUR 1000 |
| Affiliated companies | | | | | |
| Oberösterreichische Gemeinnützige Bau- und Wohnungsgesellschaft mit beschränkter Haftung, Linz | 730 | 100 | 730 | 5.551 | 450 |
| Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH, Linz | 35 | 100 | 35 | 338.210 | 9.095 |
| Energie AG Oberösterreich Wärme GmbH, Linz | 1050 | 100 | 1050 | 16.241 | -1.554 |
| Energie AG Oberösterreich Vertrieb GmbH & Co KG, Linz | 40 | 100 | 40 | 37.599 | 24.410 |
| AVE Energie AG Oberösterreich Umwelt GmbH, Linz | 150 | 100 | 150 | 42.930 | -39.927 |
| Energie AG Group Treasury GmbH, Linz | 35 | 100 | 35 | 8.745 | 1839 |
| Energie AG Oberösterreich Wasser GmbH, Linz | 500 | 100 | 500 | 41832 | 9.020 |
| Netz Oberösterreich GmbH (formerly: Energie AG Oberösterreich Netz GmbH), Linz | 150 | 100 | 150 | 19.054 | 4.167 |
| Energie AG Oberösterreich Trading GmbH, Linz | 150 | 100 | 150 | 19.054 | 4.167 |
| Energie AG Oberösterreich Kraftwerke GmbH, Linz | 150 | 100 | 150 | 10.850 | -37.723 |
| Energie AG Oberösterreich Tech Services GmbH, Linz | 150 | 100 | 150 | 6.359 | -4.031 |
| Energie AG Oberösterreich Business Services GmbH, Linz | 35 | 100 | 35 | 621 | -5.578 |
| Energie AG Oberösterreich Customer Services GmbH, Linz | 35 | 100 | 35 | 1673 | 204 |
| Energie AG Oberösterreich Data GmbH, Linz | 150 | 100 | 150 | 8.798 | 700 |
| Energie AG Oberösterreich Personal Services GmbH, Linz | 35 | 100 | 35 | 702 | -494 |
| Energy IT Service GmbH, Linz | 45 | 33,3 | 15 | 95 | 5 |
| Energie Austria GmbH, Wien | 70 | 100 | 70 | 44 | -26 ¹⁾ |
| Cogeneration-Kraftwerke Management Oberösterreich GmbH, Linz | 100 | 99,9 | 100 | ²⁾ | ²⁾ |

| | Share capital | Share in Company | | Equity of company | net loss / net income for the year |
|--|---------------|------------------|-------------|-------------------|------------------------------------|
| | in EUR 1000 | % | in EUR 1000 | in EUR 1000 | in EUR 1000 |
| Other investments | | | | | |
| Ennskraftwerke Aktiengesellschaft, Steyr | 3.400 | 50 | 1700 | 13.429 | 336 ²⁾ |
| LIVEST Kabelmedien GmbH, Linz | 146 | 44 | 64 | 24.806 | 4.670 |

1) Values as at 31.12.2012

2) Use of the safeguard clause § 241(2) item 2 of the Austrian Commercial Law Code

In the year under review, securities (loan stock rights) held as long-term assets comprise dividend-like income in the total amount of EUR 12 thousand (previous year: EUR 1,710 thousand). Write-ups not carried out in the year under review amount to EUR 165 thousand for securities (previous year: EUR 111 thousand).

An amount of EUR 87,671 thousand (previous year: EUR 70 thousand) refers to loans to affiliated companies with a maximum term to maturity of one year. In the year under review, an amount of EUR 87,601 thousand refers to the ongoing sale of the AVE investments in Central and Eastern Europe.

In addition, the stake in AVE Energie AG Oberösterreich Umwelt GmbH was tested for impairment in the course of the divestment process. The write-down resulting from the impairment test amounted to EUR 35,000 thousand.

Current assets

Inventories

| | 30.09.2013 | Previous year |
|-------------------------------------|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| 1. Raw materials and supplies | 36.454 | 60.976 |
| 2. Work in progress | 1.548 | 1.267 |
| | 38.002 | 62.243 |

Accounts receivable and other assets

| | Balance sheet 30.09.2013 | thereof with remaining maturity > 1year | thereof with secured bills of exchange | Accruals carried as assets |
|---|-----------------------------|--|--|-------------------------------|
| | in EUR 1000 | in EUR 1000 | in EUR 1000 | in EUR 1000 |
| 1. Trade receivables | 1.452 | 0 | 0 | 0 |
| previous year | 3.053 | 0 | 0 | 0 |
| 2. Trade receivables from affiliated companies | 62.565 | 0 | 0 | 0 |
| previous year | 41.393 | 0 | 0 | 0 |
| 3. Trade receivables from associated companies | 0 | 0 | 0 | 0 |
| previous year | 16 | 0 | 0 | 0 |
| 4. Other receivables and assets | 13.150 | 26 | 0 | 5.483 |
| previous year | 16.198 | 33 | 0 | 5.102 |
| | 77.167 | 26 | 0 | 5.483 |
| previous year | 60.660 | 33 | 0 | 5.102 |

Of the trade receivables from affiliated companies in the amount of EUR 62,565 thousand (previous year: EUR 41,393 thousand) EUR 13,345 thousand (previous year: EUR 11,984 thousand) are trade receivables, EUR 5,830 thousand (previous year: EUR 234 thousand) are financial claims, EUR 34,789 thousand (previous year: EUR 37,624 thousand) are other receivables, EUR 13,395 thousand (previous year: EUR 0 thousand) are receivables from the positive allocation to taxes, EUR 4,756 thousand (previous year: EUR 8,356 thousand) are trade payables and EUR 38 thousand (previous year: 93 thousand) are other liabilities.

Receivables from associated companies amounted to EUR 16 thousand and refer in full to trade receivables.

In fiscal 2012/2013, 219,307 emission certificate were returned from the purchased certificate inventory.

The acquisition costs of the gratuitous CO₂ certificates, as carried forward, amount to EUR 6,946 thousand. On the balance sheet date, the price of CO₂ certificates was EUR 5.02, which means that the total value of the gratuitous certificates as at 30 September 2013 comes to EUR 4,848 thousand.

The book value of the purchased CO₂ certificates as at 30 September 2013 amounts to EUR 1,278 thousand.

Own shares

An amount of € 7,879 thousand of the shares, which the Federal Province of Upper Austria transferred gratuitously as a shareholder's contribution during fiscal 2006/2007 were acquired by a defined group of staff members of the Energie AG Oberösterreich Group at favourable prices in the course of introducing a staff participation model. As at the balance sheet date, the company holds shares in the amount of EUR 6,326 thousand (previous year: EUR 325 thousand) from former staff members as well as from staff members who opted to sell the employee shares at the end of the five-year retention period.

Accrued expenses

The discount on cost of finance, carried under assets, and the portions of issuing costs for bonds are written off in keeping with the terms of these bonds.

Equity

Share capital

The share capital amounts to EUR 89,000,000.00 and is made up of 89,000,000 individual share certificates (of which 88,600,000 are ordinary shares and 400,000 preferred shares) with a par value per share of EUR 1.00.

At the General Shareholders' Meeting on 3 July 2008, the Board of Management was authorised, in keeping with § 159 (3) of the Austrian Stock Corporation Act, to increase the share capital of the company by a maximum of EUR 2,800 thousand, by way of issuing individual bearer share certificates in the form of preferred shares without voting rights during an authorised period of five years, as of the registration of the amendment to the company's articles of incorporation in the company register (authorised capital stock).

The company has not availed of this right in the last few years due to the economic and financial crisis.

As this 5-year period would have expired on the 8 July 2013, the resolution of the ordinary general meeting of the 3 July 2008 was repealed at the ordinary general meeting of Energie AG on 20 December 2012 and revised, so that the 5-year period for the issuing of further tranches is again secured.

In addition, after the discussion of the detailed conditions between the management board of Energie AG Oberösterreich, Energie AG Belegschaft Privatstiftung and the works council - the partial utilisation of the authorised capital in the form of an anniversary instalment (discounted purchase of shares on the occasion of the 120-year anniversary) was approved at the annual meeting of the 20 December 2012. In the anniversary instalment, 87,750 bearer shares were subscribed and the share capital of the company was increased by EUR 87,750.00.

The increase was recorded in the company register on the 29 October 2013.

The company has non-distributable reserves in the amount required by law.

Capital reserves

The reserve relates to the non-distributable capital reserve.

The non-distributable capital reserve covers the statutory reserve in the amount of EUR 900 thousand.

Capital payments made to complete an authorised capital increase

The share capital was increased by EUR 87,750.00 on the basis of the resolutions of the ordinary general meeting of 20 December 2012 through the issuing of 87,750 individual bearer share certificates in the form of preferred shares without voting rights as part of an anniversary instalment. As part of the capital increase, a premium of EUR 1,702,350.00 was paid, with EUR 1,433,835.00 being paid in by the employees and EUR 268,515.00 by Energie AG Oberösterreich. The capital increase and the premium were paid before the balance sheet date, but the capital increase was only effective when recorded in the company register on 29 October 2013, with the result that the amounts paid at the balance sheet date are shown as a separate item.

Reserve for own shares

The reserve for own shares was increased by the number of shares acquired.

Revenue reserves

| | 30.09.2013 | Previous year |
|--|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| 1. Statutory reserve | 8.000 | 8.000 |
| 2. Other reserves (distributable reserves) | 460.884 | 560.216 |
| | 468.884 | 568.216 |

An amount of EUR 0 thousand (previous year EUR 2 thousand) was attributed to the distributable reserves in the fiscal year (from assigned investment incentives) and an amount of EUR 93,331 thousand (previous year EUR 16,196 thousand) was withdrawn.

Untaxed reserves

The "Development of Untaxed Reserves" (Annex 3 to the Notes) shows the various components and the development in the course of the year under review.

Investment grants

The "Development of Investment Grants" (Annex 4 to the Notes) shows the various components and the development in the course of the year under review.

Provisions

| | 30.09.2013 | Previous year |
|---|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| 1. Provisions for severance payments | 2.347 | 2.304 |
| 2. Provisions for pensions | 7.035 | 6.370 |
| 3. Provisions for taxes | 53.621 | 57.238 |
| (thereof deferred taxes: EUR 36.531 thousand; previous year: EUR 46.320 thousand) ... | | |
| 4. Other provisions | 19.250 | 7.776 |
| | 82.254 | 73.688 |

The losses in excess of the corridor (10% of DBO) are amortised, spread out over the remaining working period to which DBO capital weighting is applied.

As a result of applying the corridor method in keeping with IAS 19, the provision for severance and pension payments developed as shown below:

| | 30.09.2013 | Previous Year |
|--|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| DBO 30.09.2013 | 3.700 | 3.423 |
| Non-recorded actuarial loss | -1.353 | -1.119 |
| Provision for severance payments 30.09.2013 (balance sheet value) | 2.347 | 2.304 |
| DBO 30.09.2013 | 21.965 | 19.411 |
| Non-recorded actuarial loss | -6.030 | -4.057 |
| Fair value of the fund assets | -8.900 | -8.984 |
| Pension provision 30.09.2013 (balance sheet value) | 7.035 | 6.370 |

The plan assets included in the calculation were transferred to Valida Pensions AG.

Tax liabilities

The calculation of the deferred tax liabilities is based on the tax rate of 25 percent, applicable on the reporting date. Differentials between the values entered in the tax balance sheet and the corporate balance sheet only contain deferred taxes if they are limited in time. A valid fiscal relevance is assumed for differentials that continue to be shown. Deferred taxes carried as assets are offset against deferred taxes carried as liabilities.

A provision for tax arrears in the amount of EUR 17,090 thousand (previous year: EUR 10,919 thousand) was formed for tax losses from Group members realised by the holding company of the Group.

The deferred tax liabilities in the amount of EUR 36,531 thousand (previous year: EUR 46,320 thousand) are long-term liabilities.

Other provisions

Other provisions essentially consist of potential purchase price repayments due to regulatory approvals not yet issued as at the balance sheet date, commitments to staff (step-in pension, anniversary bonuses, early retirement), uncertain liabilities including the costs of the closure of the coal-fired power plant in Riedersbach and commitments from the emission certificates that have to be surrendered.

Commitments from outstanding suppliers' invoices are shown under trade payables. Certain commitments to the staff (unused holiday leave, accruals and deferrals from Christmas remunerations and holiday allowances, bonuses and similar items) are shown under other liabilities.

Liabilities

| | Balance sheet value 30.09.2013 | thereof with remaining maturity of < 1year | thereof with remaining maturity of 1- 5 years | thereof with remaining maturity of > 5 years | With real security | Type of security | thereof accruals carried as liabilities |
|--|--------------------------------|--|---|--|--------------------|------------------|---|
| | in EUR 1000 | in EUR 1000 | in EUR 1000 | in EUR 1000 | in EUR 1000 | | in EUR 1000 |
| Bonds | 300.001 | 1 | 0 | 300.000 | 0 | | 0 |
| previous year | 300.001 | 1 | 0 | 300.000 | 0 | | 0 |
| Bank loans and overdrafts | 35.332 | 2.779 | 285 | 32.267 | 0 | | 0 |
| previous year | 140.403 | 31046 | 292 | 109.065 | 0 | | 0 |
| Advances from customers | 1 | 1 | 0 | 0 | 0 | | 0 |
| previous year | 39 | 39 | 0 | 0 | 0 | | 0 |
| Trade payables to third parties | 19.258 | 19.258 | 0 | 0 | 0 | | 0 |
| previous year | 19.566 | 18.726 | 840 | 0 | 0 | | 0 |
| Payables to affiliated companies | 799.443 | 633.943 | 165.500 | 0 | 0 | | 0 |
| previous year | 660.890 | 360.890 | 134.500 | 165.500 | 0 | | 0 |
| Payables to associated companies | 10.121 | 10.121 | 0 | 0 | 0 | | 0 |
| previous year | 7.461 | 7.461 | 0 | 0 | 0 | | 0 |
| Other liabilities | 46.655 | 41724 | 1400 | 3.531 | 5 | Mortgage | 19.137 |
| previous year | 51.135 | 46.709 | 1392 | 3.034 | 6 | Mortgage | 24.966 |
| | 1210.810 | 707.827 | 167.185 | 335.798 | 5 | | 19.137 |
| previous year | 1179.495 | 464.872 | 137.024 | 577.599 | 6 | | 24.966 |

Of the payables to affiliated companies in the amount of EUR 799,443 thousand (previous year: EUR 660,890 thousand) EUR 7,632 thousand (previous year: EUR 4,832 thousand) are trade payables, EUR 724,824 thousand (previous year: EUR 643,522 thousand) are financial liabilities, EUR 73,359 thousand (previous year: EUR 21,640 thousand) are other liabilities, EUR 6,372 thousand (previous year: EUR 8,885 thousand) are trade receivables and EUR 0 thousand (previous year: EUR 219 thousand) are other receivables. The financial liabilities in the amount of EUR 724,824 thousand, EUR 37,723 thousand are contained from the one-off loss absorption of Energie AG Oberösterreich Kraftwerke GmbH.

Payables to associated companies amount to a total sum of EUR 10,121 thousand (previous year: EUR 7,461 thousand) refer in full to trade payables.

The most essential components under other liabilities are tax liabilities in the amount of EUR 21,791 thousand (previous year: EUR 20,822 thousand), liabilities under social security schemes in the amount of EUR 527 thousand (previous year: EUR 988 thousand), outstanding expenditure for interest in the amount of EUR 15,348 thousand (previous year: EUR 15,011 thousand) as well as hedging attachments in the course of financial hedging transactions in the amount of EUR 200 thousand (previous year: EUR 5,440 thousand).

Information on financial instruments

On the balance sheet date, **derivative financial instruments** comprise the following items:

| | Contract value | Term | Current value | | Book value in EUR 1000 | Balance sheet item |
|---|----------------|------|-------------------------|-------------------------|---------------------------|-----------------------|
| | | | positive in EUR 1000 | negative in EUR 1000 | | |
| Interest swap bond (fixed interest payee) | EUR 100 Mio | 2025 | 5.675 | 0 | 0 | - |
| previous year | EUR 100 Mio | 2025 | 6.192 | 0 | 0 | - |
| Interest swap loans (fixed interest payer) | EUR 244 Mio | 2028 | 0 | 21.111 | 0 | - |
| previous year | EUR 244 Mio | 2028 | 0 | 27.471 | 0 | - |

Derivative financial instruments, which are not shown in the balance sheet, are used to partially secure the risks of interest rate changes incurred with bonds and loans.

Swap valuation is the result of discounting the future cash flows (present value method) on the basis of an interest curve as expected on 30 September 2013. A department independent of the credit institute concerned with the trading provides the interest curve.

The derivative financial instruments used for hedging purposes regularly undergo an effectiveness test to gain information regarding their compensating effect and hence, the effectiveness of the hedging relationships.

Contributions to construction costs

This item mainly comprises financing contributions obtained from electricity customers. They are re-transferred over a period of 20 years with effect on the result. Since fiscal 2005/2006, Netz Oberösterreich GmbH (formerly Energie AG Oberösterreich Netz GmbH) has been collecting the contributions to construction costs in the course of connecting new electricity customers.

Deferred income and accrued expenses

Deferred income and accrued expenses essentially comprise the premium spread out over the term of issued bonds and accruals of amounts due.

In the financial year, the remaining present value benefit was re-transferred with the termination of the US cross-border leasing transaction.

Contingent liabilities

| | 30.09.2013 | thereof vis-à-vis affiliated companies | previous year | thereof vis-à-vis affiliated companies |
|---|--------------|--|---------------|--|
| | in EUR 1.000 | in EUR 1.000 | in EUR 1.000 | in EUR 1.000 |
| Liabilities under bill of exchange | 2.000 | 2.000 | 2.000 | 2.000 |
| Guarantees | 837.139 | 797.764 | 715.596 | 670.971 |
| Cross border lease | 0 | 0 | 676.977 | 0 |
| | 839.139 | 799.764 | 1.394.573 | 672.971 |

The guarantees concern liabilities to third parties assumed for loans which various credit institutions granted to affiliated companies of Energie AG. Guarantees and letters of comfort were granted to trading partners of Energie AG Oberösterreich Trading GmbH with regard to energy trading transactions. In the form of a guarantee bond, Energie AG undertook to secure any claims incurred in the context of the intra-Group cash pooling system by the pool manager Energie AG Group Treasury GmbH and the pool participants.

V. Other disclosures

Other financial commitments

With the master agreement dated 29 June 2008, the company and Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste, Linz, undertook to cover all balance sheet losses of ENAMO GmbH, Linz, to the extent that this is necessary to maintain the equity in the books at an amount of EUR 8,000 thousand. In the current fiscal year, this resulted in loss assumption in the amount of EUR 72 thousand (previous year: EUR 308 thousand).

With the agreement dated 24 September 2013 to cover the losses of Energie AG Oberösterreich Kraftwerke GmbH, the company undertook to cover annual losses for the financial year 2012/2013 up to a 100 %. The loss assumed is EUR 37,723 thousand.

Corporate bodies, staff

The remunerations of the Board of Management and of the Supervisory Board are as follows:

| | 2012/2013 | previous year |
|--|--------------|---------------|
| | in EUR 1.000 | in EUR 1.000 |
| Board of Management | 813 | 1.001 |
| Former Members of the Board of Management and their dependents | 856 | 842 |
| Supervisory Board | 125 | 113 |

The mean staff figure for the fiscal year is as follows:

| | 2012/2013 | Previous year |
|--------------------------|-----------|---------------|
| Salaried employees | 96 | 103 |

The separate table lists the Members of the Board of Management and the Members of the Supervisory Board (Annex 1 to the Notes).

Unbundling

In addition to the previous unbundling of functions and accounting, Energie AG implemented the unbundling requirement under corporate law (legal unbundling) by setting up legally autonomous companies during fiscal 2006/2007.

Under § 8 (3) EIWOG, the following identifiable transactions are executed with affiliated companies:

| | |
|--|--|
| Management of electricity and gas assets, | |
| Trading services | Energie AG OÖ Trading GmbH |
| Operational management, technical services | Energie AG OÖ Kraftwerke GmbH |
| Electricity purchases | Energie AG OÖ Vertrieb GmbH & Co KG |
| Network services | Netz OÖ GmbH (formerly: Energie AG OÖ Netz GmbH) |
| Heat supply | Energie AG OÖ Wärme GmbH |
| Fuel purchases | AVE Österreich GmbH |
| Energy services, | |
| Technical services | Energie AG OÖ Fair Energy GmbH |
| Data/Telecommunication | Energie AG OÖ Data GmbH |
| Economic/legal services | Energie AG OÖ Business Services GmbH |
| Personnel management services | Energie AG OÖ Personalmanagement GmbH |

Assets, holding services

Energie AG OÖ Vertrieb GmbH & Co KG,
Netz OÖ GmbH (formerly: Energie AG
OÖ Netz GmbH), Energie AG OÖ Wärme
GmbH, Energie AG OÖ Kraftwerke GmbH,
Energie AG OÖ Data GmbH, Energie AG OÖ
Trading GmbH, Energie AG OÖ Business
Services GmbH, Energie AG OÖ Tech
Services GmbH, Cogeneration-Kraftwerke
Management OÖ GmbH, AVE Energie AG OÖ
Umwelt GmbH

The allocation of the balance sheet as at 30 September 2013 to the areas of power production and electricity trade, electricity distribution and other activities (Annex 5 to the Notes) in accordance with the allocation principles described in Annex 6 to the Notes, is used to show the capital structure as part of the cost examination of Energie-Control Austria for the regulation of the electricity and natural gas industry.

Linz, 29 November 2013

The Board of Management of Energie AG Oberösterreich

Leo Windtner
Chairman of the
Board of Management
C.E.O.

Werner Steinecker
Member of the
Board of Management
C.O.O.

Andreas Kolar
Member of the
Board of Management
C.F.O.

Corporate Bodies (Annex 1 to the Notes)

SUPERVISORY BOARD

| | |
|---|---|
| Gerhard Falch | CEO, Chairman, Ranshofen |
| Hermann Kepplinger | Financial director, First Deputy Chairman, Linz |
| Ludwig Scharinger | CEO retd., Second Deputy Chairman, Linz (up to 20 December 2012) |
| Heinrich Schaller | CEO, Second Deputy Chairman, Linz (since 20 December 2012) |
| Alois Froschauer | CEO, Linz |
| Franz Gasselsberger | CEO, Linz |
| Anna-Maria Hochhauser | Secretary General, Vienna |
| Michaela Kepplinger-Mitterlehner | Member of the Management Board, Linz |
| Manfred Klicnik | Attorney at Law, Linz |
| Ruperta Lichtenecker | Member of the National Council, Linz |
| Maria Theresia Niss | Member of the Management Board, Laakirchen |
| Manfred Polzer | Deputy Director, Linz |
| Viktor Sigl | President of the Provincial Parliament, Linz |
| Michael Strugl | Member of the Provincial Government, Linz |
| Bruno Wallnöfer | CEO, Innsbruck |

Works Council Representatives:

| | |
|--------------------------------|---|
| Robert Gierlinger | Chairman of Works Council, Neustift i.M. (since 1 July 2013) |
| Manfred Harringer | Chairman of Works Council, Linz |
| Isidor Hofbauer | Chairman of Works Council, St. Radegund |
| Peter Neißl | Chairman of Works Council, Hartkirchen |
| Bernhard Steiner | Chairman of Group Works Council, Ottensheim |
| Gerhard Störinger | Chairman Central Works Council, Zell am Pettenfirst |
| Egon Thalmair | Chairman of Central Works Council, Ampflwang |
| Daniela Wöhrenschiimmel | Chairwoman Works Council, Wels (until 30 June 2013) |

BOARD OF MANAGEMENT

Leo Windtner

Chief Executive Officer, Chairman of the Board of Management, St. Florian

Andreas Kolar

Member of the Board of Management, Steyr

Werner Steinecker

Member of the Board of Management, Kirchschlag

Development of Long-term Assets (Annex 2 to the Notes)

| | Cost of purchase or production | | | | | Accumulated depreciation | Book value 30.09.2013 | Book value previous year | Write-ups depreciation in year |
|--|--------------------------------|--------------------|--------------------|---------------------------|------------------|--------------------------|-----------------------|--------------------------|--------------------------------|
| | As at 01.10.2012 | Additions 2012/ 13 | Disposals 2012/ 13 | Reclassification 2012/ 13 | As at 30.09.2013 | | | | |
| | EUR | EUR | EUR | EUR | EUR | | | | |
| I. Intangible assets | | | | | | | | | |
| 1. Electricity procurement rights | 196.477.657,71 | 9.067.803,63 | 0,00 | 0,00 | 205.545.461,34 | 163.555.433,11 | 41.990.028,23 | 37.421.211,33 | 4.498.986,73 |
| 2. Other rights | 74.495.661,07 | 3.698.810,89 | -955.587,08 | 22.009,56 | 77.260.894,44 | 38.713.275,69 | 38.547.618,75 | 36.858.711,39 | 1.880.647,81 |
| Total for Intangible assets | 270.973.318,78 | 12.766.614,52 | -955.587,08 | 22.009,56 | 282.806.355,78 | 202.268.708,80 | 80.537.646,98 | 74.279.922,72 | 6.379.634,54 |
| II. Tangible fixed assets | | | | | | | | | |
| 1. Electricity equipment | | | | | | | | | |
| 1. 1 Power plants | | | | | | | | | |
| Land and buildings | 408.575.086,09 | 154.444,46 | -401,76 | 0,00 | 408.729.128,79 | 312.602.501,18 | 96.126.627,61 | 102.629.507,84 | 6.656.922,93 |
| Technical plant and machinery | 544.700.126,17 | 1.923.387,51 | -2.255.421,25 | 1.549.192,12 | 545.917.284,55 | 512.207.312,96 | 33.709.971,59 | 38.772.710,88 | 8.524.209,78 |
| Advances received and assets under construction | 13.283.073,73 | 7.098.473,87 | 0,00 | -1.549.192,12 | 18.832.355,48 | 0,00 | 18.832.355,48 | 13.283.073,73 | 0,00 |
| Total for power plants | 966.568.285,99 | 9.176.305,84 | -2.255.823,01 | 0,00 | 973.478.768,82 | 824.809.814,14 | 148.668.954,68 | 154.685.292,45 | 15.181.132,71 |
| 1. 2 Substations and distribution equipment | | | | | | | | | |
| Land and buildings | 130.176.236,71 | 831.200,73 | -439.762,34 | 800.174,25 | 131.367.849,35 | 98.853.091,21 | 32.514.758,14 | 33.239.414,09 | 2.304.172,83 |
| Technical plant and machinery | 499.088.765,03 | 13.025.962,16 | -9.516.359,38 | 1.650.024,57 | 504.248.392,38 | 357.921.488,67 | 146.326.903,71 | 147.142.656,20 | 14.685.658,61 |
| Lines | 1.036.530.261,64 | 41.591.618,37 | -5.620.463,67 | 7.596.763,07 | 1.080.098.179,41 | 698.700.022,40 | 381.398.157,01 | 364.742.066,61 | 32.186.489,34 |
| Advances received and assets under construction | 12.134.899,01 | 5.560.080,93 | -8.562,80 | -10.061.438,47 | 7.624.978,67 | 0,00 | 7.624.978,67 | 12.134.899,01 | 0,00 |
| Total for substations and distribution equipment | 1.677.930.162,39 | 61.008.862,19 | -15.585.148,19 | -14.476,58 | 1.723.339.399,81 | 1.155.474.602,28 | 567.864.797,53 | 557.259.035,91 | 49.176.320,78 |
| Total for electricity equipment | 2.644.488.448,38 | 70.185.168,03 | -17.840.971,20 | -14.476,58 | 2.696.818.168,63 | 1.980.284.416,42 | 716.533.752,21 | 711.944.328,36 | 64.357.453,49 |

| | | | | | | | | | | |
|--|------------------|----------------|-----------------|-------------|------------------|------------------|------------------|------------------|----------------|------|
| 2. District heating equipment | | | | | | | | | | |
| Land and buildings | 2.263.542,13 | 0,00 | 0,00 | 0,00 | 2.263.542,13 | 1.626.804,80 | 636.737,33 | 666.515,39 | 29.778,07 | |
| Technical plant and machinery | 17.275.848,98 | 146.761,90 | 0,00 | 0,00 | 17.422.610,88 | 12.773.609,69 | 4.649.001,19 | 4.905.790,86 | 403.551,27 | |
| Lines | 361.189,34 | 0,00 | 0,00 | 0,00 | 361.189,34 | 361.189,34 | 0,00 | 0,00 | 0,00 | |
| Advances received and assets under construction | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | 0,00 | |
| Total for district heating equipment | 19.900.580,45 | 146.761,90 | 0,00 | 0,00 | 20.047.342,35 | 14.761.603,83 | 5.285.738,52 | 5.572.306,25 | 433.329,34 | |
| 3. Fixtures, fittings and other assets | | | | | | | | | | |
| Land and buildings | 86.227.974,45 | 340.807,93 | -34.836,33 | 162.379,42 | 86.696.325,47 | 38.319.265,08 | 48.377.060,39 | 49.662.672,70 | 1.748.401,29 | |
| Technical plant and machinery | 165.822.385,56 | 7.141.824,31 | -3.571.516,34 | 599.932,59 | 169.992.626,12 | 100.263.417,50 | 69.729.208,62 | 70.186.716,23 | 7.999.920,20 | |
| Fixtures and fittings | 64.817.420,66 | 2.881.287,04 | -1.996.856,18 | 190.040,80 | 65.891.892,32 | 53.037.860,82 | 12.854.031,50 | 13.527.386,12 | 3.740.422,93 | |
| Advances received and assets under construction | 3.738.897,97 | 853.586,18 | -6.063,35 | -959.885,79 | 3.626.535,01 | 0,00 | 3.626.535,01 | 3.738.897,97 | 0,00 | |
| Total for fixtures, fittings and other assets | 320.606.678,64 | 11.217.505,46 | -5.609.272,20 | -7.532,98 | 326.207.378,92 | 191.620.543,40 | 134.586.835,52 | 137.115.673,02 | 13.488.744,42 | |
| Total for tangible fixed assets | 2.984.995.707,47 | 81.549.435,39 | -23.450.243,40 | -22.009,56 | 3.043.072.889,90 | 2.186.666.563,65 | 856.406.326,25 | 854.632.307,63 | 78.279.527,25 | |
| III. Financial assets | | | | | | | | | | |
| 1. Shares in affiliated companies | 798.297.159,58 | 6.500.000,00 | 0,00 | 0,00 | 804.797.159,58 | 81.632.513,07 | 723.164.646,51 | 751.664.646,51 | 35.000.000,00 | |
| 2. Loans to affiliated companies | 247.333.103,11 | 31.272.393,04 | -16.280.241,36 | 0,00 | 262.325.254,79 | 3.553.054,74 | 258.772.200,05 | 244.664.680,98 | 1.099.290,34 | 0,00 |
| 3. Investments in associated companies | 62.259.765,12 | 0,00 | 0,00 | 0,00 | 62.259.765,12 | 15.981.493,96 | 46.278.271,16 | 46.278.271,16 | 0,00 | |
| 4. Securities (loan stock rights) held as long-term securities | 210.109.880,01 | 186.906.484,18 | -236.182.223,89 | 0,00 | 160.834.140,30 | 200.496,60 | 160.633.643,70 | 206.398.305,75 | 20.822,53 | |
| Total for financial assets | 1.317.999.907,82 | 224.678.877,22 | -252.462.465,25 | 0,00 | 1.290.216.319,79 | 101.367.558,37 | 1.188.848.761,42 | 1.249.005.904,40 | 36.120.112,87 | |
| Total for long-term assets | 4.573.968.934,07 | 318.994.927,13 | -276.868.295,73 | 0,00 | 4.616.095.565,47 | 2.490.302.830,82 | 2.125.792.734,65 | 2.177.918.134,75 | 120.779.274,66 | |

Development of Untaxed Reserves (Annex 3 to the Notes)

| | Asat 01.10.2012 | Allocation 2012/ 13 | Reversals 2012/ 13 | | Re-classification 2012/ 13 | As at 30.09.2013 |
|--|--------------------|------------------------|--------------------|-----------|-------------------------------|---------------------|
| | | | Consumption | Disposal | | |
| | | | EUR | EUR | | |
| 1. Value reserve on the basis of special depreciation | | | | | | |
| (pursuant to § 8, § 122 Income Tax Act 1972, § 7a, § 10a, § 12 Income Tax Act 1972 and 1988) | | | | | | |
| I. Intangible assets | | | | | | |
| 1. Electricity procurement rights..... | 6.853.339,87 | 0,00 | 1.300.556,91 | 0,00 | 0,00 | 5.552.782,96 |
| 2. Other rights..... | 1.661.219,76 | 0,00 | 120.409,65 | 0,00 | -577,83 | 1.540.232,28 |
| Total for intangible assets..... | 8.514.559,63 | 0,00 | 1.420.966,56 | 0,00 | -577,83 | 7.093.015,24 |
| II. Tangible fixed assets | | | | | | |
| 1. Electricity equipment | | | | | | |
| 1.1 Power plants | | | | | | |
| Land and buildings..... | 23.399.178,81 | 0,00 | 1.086.138,73 | 0,00 | 0,00 | 22.313.040,08 |
| Technical plant and machinery | 669.851,41 | 0,00 | 23.209,13 | 0,00 | 30.792,69 | 677.434,97 |
| Advances received and assets under construction..... | 38.255,65 | 0,00 | 0,00 | 0,00 | -30.792,69 | 7.462,96 |
| Total for power plants..... | 24.107.285,87 | 0,00 | 1.109.347,86 | 0,00 | 0,00 | 22.997.938,01 |
| 1.2 Substations and distribution equipment | | | | | | |
| Land and buildings..... | 2.091.579,53 | 0,00 | 26.666,98 | 0,00 | 0,00 | 2.064.912,55 |
| Technical plant and machinery | 5.067.471,81 | 0,00 | 0,00 | 0,00 | 0,00 | 5.067.471,81 |
| Lines..... | 21.380.993,72 | 0,00 | 519.674,93 | 10.920,37 | 2.625,28 | 20.853.023,70 |
| Advances received and assets under construction..... | 38.787,53 | 0,00 | 0,00 | 0,00 | -2.625,28 | 36.162,25 |
| Total for substations and distribution equipment..... | 28.578.832,59 | 0,00 | 546.341,91 | 10.920,37 | 0,00 | 28.021.570,31 |
| Total for electricity equipment..... | 52.686.118,46 | 0,00 | 1.655.689,77 | 10.920,37 | 0,00 | 51.019.508,32 |

| | | | | | | | |
|-----------|---|----------------------|-------------|---------------------|------------------|-------------|----------------------|
| 2. | District heating equipment | | | | | | |
| | Land and buildings..... | 138.796,44 | 0,00 | 0,00 | 0,00 | 0,00 | 138.796,44 |
| | Lines..... | 1.500.304,95 | 0,00 | 0,00 | 0,00 | 0,00 | 1.500.304,95 |
| | Total for district heating equipment | 1.639.101,39 | 0,00 | 0,00 | 0,00 | 0,00 | 1.639.101,39 |
| 3. | Fixtures fittings and other assets | | | | | | |
| | Land and buildings..... | 3.931.452,07 | 0,00 | 23.895,19 | 0,00 | 0,00 | 3.907.556,88 |
| | Technical plant and machinery | 3.293.478,11 | 0,00 | 2,67 | 1.050,83 | 2.488,42 | 3.294.913,03 |
| | Fixtures and fittings..... | 581.898,68 | 0,00 | 56.052,26 | 1.979,08 | 577,83 | 524.445,17 |
| | Advances received and assets under construction | 5.320,37 | 0,00 | 0,00 | 1.819,00 | -2.488,42 | 1.012,95 |
| | Total for fixtures, fittings and other assets..... | 7.812.149,23 | 0,00 | 79.950,12 | 4.848,91 | 577,83 | 7.727.928,03 |
| | Total for tangible fixed assets..... | 62.137.369,08 | 0,00 | 1.735.639,89 | 15.769,28 | 577,83 | 60.386.537,74 |
| | Total for valuation reserve | 70.651.928,71 | 0,00 | 3.156.606,45 | 15.769,28 | 0,00 | 67.479.552,98 |
| 2. | Other untaxed reserves | | | | | | |
| | Investment allowances | | | | | | |
| | 1997 | 2.700,01 | 0,00 | 0,00 | 0,00 | 0,00 | 2.700,01 |
| | 1999 | 2.429,34 | 0,00 | 0,00 | 0,00 | 0,00 | 2.429,34 |
| | 2000 | 2.913,28 | 0,00 | 0,00 | 0,00 | 0,00 | 2.913,28 |
| | Total for other untaxed reserves | 8.042,63 | 0,00 | 0,00 | 0,00 | 0,00 | 8.042,63 |
| | Total for untaxed reserves | 70.659.971,34 | 0,00 | 3.156.606,45 | 15.769,28 | 0,00 | 67.487.595,61 |

Development of Investment Grants (Annex 4 to the Notes)

| | as at 01.10.2012 | Allocation 2012/13 | Reversals 2012/13 | | as at 30.09.2013 |
|--|----------------------|-----------------------|---------------------|-------------|----------------------|
| | | | Consumption | Disposal | |
| | EUR | EUR | EUR | EUR | EUR |
| Investment grants | | | | | |
| Investment grants | 18.239.597,36 | 869.883,00 | 2.078.455,35 | 0,00 | 17.031.025,01 |
| Total for investment grants | 18.239.597,36 | 869.883,00 | 2.078.455,35 | 0,00 | 17.031.025,01 |

Balance sheet of Energie AG Oberösterreich as at 30 September 2013 under § 8 EIWOG (Annex 5 to the Notes)

| D.3. Balance sheet | | Power generation and trading | Power network | Others | Overall |
|---|--|------------------------------|------------------|--------------------|--------------------|
| | | in EUR 1.000 | in EUR 1.000 | in EUR 1.000 | in EUR 1.000 |
| ASSETS | | | | | |
| D.3.1. Long-term assets | | 312.288,7 | 633.990,4 | 1.179.513,6 | 2.125.792,7 |
| D.3.1.1. Intangible assets | | 72.343,8 | 5.458,6 | 2.735,3 | 80.537,6 |
| D.3.1.2. Tangible fixed assets | | 163.191,3 | 606.774,5 | 86.440,5 | 856.406,3 |
| D.3.1.3. Financial assets | | 76.753,7 | 21.757,4 | 1.090.337,7 | 1.188.848,8 |
| D.3.2. Current Assets | | 47.240,7 | 12.455,5 | 80.300,1 | 139.996,2 |
| D.3.2.1. Inventories | | 32.960,6 | 5.008,8 | 32,2 | 38.001,6 |
| D.3.2.2. Accounts receivable and other assets | | 11.344,8 | 2.169,1 | 63.653,8 | 77.167,6 |
| D.3.2.2.1. Trade receivables | | 397,7 | 0,2 | 1.054,2 | 1.452,1 |
| D.3.2.2.2. Trade receivable from affiliated companies | | 1.824,0 | 909,5 | 59.831,8 | 62.565,4 |
| D.3.2.2.3. Other receivables and assets | | 9.123,0 | 1.259,3 | 2.767,8 | 13.150,1 |
| D.3.2.3. Securities | | 0,0 | 0,0 | 6.326,2 | 6.326,2 |
| D.3.2.4. Cash and cash equivalents | | 2.935,3 | 5.277,6 | 10.287,9 | 18.500,9 |
| D.3.3. Accrued expenses | | 224,9 | 385,6 | 1.083,2 | 1.693,7 |
| Amount of assets | | 359.754,3 | 646.831,6 | 1.260.896,8 | 2.267.482,7 |
| EQUITY AND LIABILITIES | | | | | |
| D.3.4. Equity | | 24.859,2 | 240.420,7 | 561.020,0 | 826.299,9 |
| D.3.5. Untaxed reserves | | 31.203,8 | 30.122,5 | 6.161,4 | 67.487,6 |
| D.3.6. Investment grants | | 10.851,9 | 188,5 | 5.990,6 | 17.031,0 |
| D.3.7. Provisions | | 17.218,8 | 274,7 | 68.984,6 | 86.478,1 |
| D.3.7.1. Severance pay | | 0,0 | 0,0 | 2.347,5 | 2.347,5 |
| D.3.7.2. Retirement | | 0,0 | 0,0 | 7.035,4 | 7.035,4 |
| D.3.7.3. Other interest-bearing provisions | | 0,0 | 0,0 | 3.744,6 | 3.744,6 |
| D.3.7.4. Other provisions | | 17.218,8 | 274,7 | 55.857,1 | 73.350,6 |
| D.3.8. Liabilities | | 273.530,8 | 318.924,7 | 618.354,8 | 1.210.810,3 |
| D.3.8.2.1. Trade payables to third parties | | 8.042,5 | 2.249,1 | 8.966,2 | 19.257,8 |
| D.3.8.2.2. Payables to affiliated companies | | 178.288,4 | 206.653,0 | 414.501,7 | 799.443,2 |
| D.3.8.2.3. Payables to associated companies | | 9.896,0 | 0,0 | 224,5 | 10.120,5 |
| D.3.8.2.4. Other liabilities | | 77.303,8 | 110.022,6 | 194.662,4 | 381.988,8 |
| D.3.9. Contributions to construction costs | | 0,0 | 56.810,9 | 210,6 | 57.021,5 |
| D.3.10. Deferred income and accrued expenses | | 2.089,9 | 89,6 | 174,7 | 2.354,2 |
| Amount of equity and liabilities | | 359.754,3 | 646.831,6 | 1.260.896,8 | 2.267.482,7 |

Reporting under the Electricity Industry and Organisation Act [Elektrizitätswirtschafts- und -organisationsgesetz 2010 (EIWOG)], Federal Law Gazette I No. 110/2010, as amended in Federal Law Gazette I No. 174/2013 (Annex 6 to the Notes)

The UNBUNDLING concept is based on the use of SAP-R/3 with the standard functions "Cost centres" and "Profit centre" from financial accounting with the support of asset accounting and cost accounting.

All own power plants, as well as the procurement rights were allocated to the generating sector.

The network area contains the high voltage network, the substations, medium and low voltage network, the transformer stations, communication systems, operating movables, rights, and the infrastructure of the automated metering system. In the course of the transfer of the "Electricity network" division into Netz Oberösterreich GmbH (formerly: Energie AG Oberösterreich Netz GmbH), the operation of the network area was leased from Energie AG Oberösterreich.

in general, there was a direct allocation of assets (in particular the long-term assets including related untaxed reserves, investment and contributions to construction costs) and the liabilities in the balance sheet to each area. In case of there being merely an indirect assignment to certain activities or further itemisation not being possible without unreasonable effort or expenses, the allocation was done by coding based on appropriate and consumption-based benchmarks.

The capital was allocated according to the static method. The financial liabilities as well as liquid funds were divided on the basis of the respective net assets (total assets less liquid funds). The difference between the assets calculated and borrowed capital directly/indirectly allocated was then replenished by equity.

Auditor's Certificate



Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Jahresabschlusses zum 30. September 2013
29. November 2013

4. Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigefügten Jahresabschluss der

**Energie AG Oberösterreich,
Linz,**

für das Geschäftsjahr vom **1. Oktober 2012 bis zum 30. September 2013** unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 30. September 2013, die Gewinn- und Verlustrechnung für das am 30. September 2013 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen rechnungslegungsbezogenen Vorschriften des Elektrizitätswirtschafts- und -organisationsgesetzes 2010 (ElWOG 2010) vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft 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 Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung 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 Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

4. Auditor's Certificate

Report on the Financial Statements

We have audited the enclosed financial statements of

**Energie AG Oberösterreich,
Linz,**

for the **fiscal year from 1 October 2012 to 30 September 2013** including the accounting. The financial statements comprise the balance sheet as at 30 September 2013, the profit and loss statement as at 30 September 2013, as well as the notes on the accounts.

Responsibility of the Legal Representatives for the Financial Statements and the Accounting

The legal representatives of the company are responsible for the accounting and preparing the financial statements, which present, as fairly as possible, the assets, financial and earnings position of the company in accordance with the Austrian corporate law standards and the related special law accounting requirements for the Electricity Industry and Organisation Act [Elektrizitätswirtschafts- und -organisationsgesetz 2010 (EIWOG 2010)]. This responsibility comprises designing, implementing and maintaining an internal audit system, to the extent that this is of significance when preparing the financial statements and for conveying, as fairly as possible, the assets, financial and earning position of the company, so that the 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 financial statements, on the basis of our audit. We have conducted our audit in compliance with the statutory regulations applicable in Austria and the principles of proper auditing standards. 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 financial statements are free from any material misstatements.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. 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 Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft 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 Jahresabschlusses.

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 Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 30. September 2013 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Oktober 2012 bis zum 30. September 2013 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

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

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss.

Linz, am 29. November 2013



KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gabriele Lehner
Wirtschaftsprüfer

ppa MMag. Wilfried Straßl
Wirtschaftsprüfer

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

An audit includes that audit activities are performed in order to obtain evidence concerning the amounts and other disclosures contained in the 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 financial statements and for conveying, as fairly as possible the assets, financial and earnings position of the company – 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 company. 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 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 financial statements comply with the statutory requirements and present fairly, in all material respects, the assets, financial and earnings position of the company as at 30 September 2013, as well as of the earnings position of the company during the business year 1 October 2012 to 30 September 2013 in accordance with the Austrian principles of proper accounting standards.

Report on the Management Report

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

In our opinion, the company's management report is in conformity with the financial statements.

Linz, 29 November 2013

KPMG Austria AG
Firm of Chartered Accountants and Tax Consultants

Mag. Gabriele Lehner
Chartered Accountant

ppa MMag. Wilfried Straßl
Chartered Accountant

The 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 financial statements including the company's management report. Any and all deviating versions fall under § 281 (2) of the Commercial Code [Unternehmensgesetzbuch (UGB)].

**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 financial statements of Energie AG Oberösterreich give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as required by the applicable accounting standards and that the company's management report represents the development and performance of the business and the position of the company in such a manner that it gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company, together with a description of the principal risks and uncertainties the company faces.

Linz, 29 November 2013

The Board of Management of Energie AG Oberösterreich

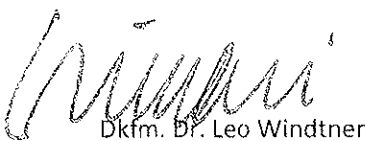
| | | |
|-------------------------------------|---------------------------------------|-----------------------------------|
| Dkfm. Dr. Leo Windtner | KommR Ing. DDr. Werner Steinecker MBA | Mag. Dr. Andreas Kolar |
| Chairman of the Board of Management | Member of the Board of Management | Member of the Board of Management |
| Chief Executive Officer, C.E.O. | Chief Operating Officer, C.O.O. | Chief Financial Officer, C.F.O. |

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 Jahresabschluss der Energie AG Oberösterreich ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt und, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Linz, am 29. November 2013

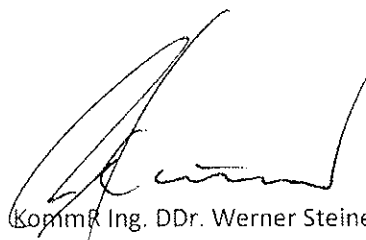
Der Vorstand der Energie AG Oberösterreich



Dkfm. Dr. Leo Windtner

Vorsitzender des Vorstandes

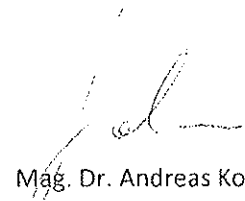
C.E.O.



Kommr. Ing. DDr. Werner Steinecker MBA

Mitglied des Vorstandes

C.O.O.



Mag. Dr. Andreas Kolar

Mitglied des Vorstandes

C.F.O.