Leo Jindrak
Master confectioner, Linz, Austria

Josef Baumann-Rott and Dirk Erlacher
agilox.net, Vorchdorf, Austria

Siegfried Kepplinger
Master carpenter, St. Martin im Mühlkreis, Austria

Your Strong Partner in Upper Austria.

We care about tomorrow

Annual Report 2015/2016

ENERGIE AG Oberösterreich
We care about tomorrow

The Group at a Glance

	Unit	2015/2016	Change	2014/2015
Sales revenues				
Energy Segment	EUR mill.	877.4	- 6.3%	936.1
Grid Segment	EUR mill.	287.5	4.0%	276.5
Waste Management Segment	EUR mill.	200.4	2.1%	196.2
Water Segment	EUR mill.	129.4	2.7%	126.0
Holding & Services Segment	EUR mill.	40.2	2.8%	39.1
Group	**EUR mill.**	**1,534.9**	**- 2.5%**	**1,573.9**
Result				
Operating result (EBIT)	EUR mill.	135.4	13.9%	118.9
EBIT margin	%	8.8	15.8%	7.6
Earnings before taxes	EUR mill.	102.2	22.8%	83.2
Dividend per share	EUR	0.6	—	0.6
Balance sheet				
Balance sheet total	EUR mill.	2,990.6	- 1.6%	3,039.5
Equity	EUR mill.	1,126.7	1.7%	1,108.0
Equity ratio	%	37.7	3.3%	36.5
Net debt [1]	EUR mill.	436.8	- 13.2%	503.2
Net gearing	%	38.8	- 14.5%	45.4
Cash flow from operations	**EUR million**	**245.8**	**3.3%**	**238.0**
Profitability				
ROCE [2]	%	6.3	26.0%	5.0
Employees (average)				
Energy Segment	FTE	477	- 0.8%	481
Grid Segment	FTE	552	1.7%	543
Waste Management Segment	FTE	795	1.3%	785
Water Segment	FTE	1,566	1.3%	1,546
Holding & Services Segment	FTE	972	2.0%	953
Group	**FTE**	**4,362**	**1.3%**	**4,308**

[1] Net debt = interest-bearing current and non-current liabilities minus cash and cash equivalents and short-term securities

[2] Previous year's figure restated due to change in calculation method

Contents

Statement by the Chief Executive Officer

The 2015/2016 fiscal year was characterised by persistent difficult general conditions for Energie AG Oberösterreich and the entire industry. The restrained economic growth from 2015 continued through 2016. In addition, international uncertainties such as the British "Brexit" vote contribute to weak economic development. At the same time, energy policy and regulatory interventions impacted business development at Energie AG Oberösterreich. The implementation of the Austrian Federal Energy Efficiency Act is one national example. The announcement of Germany's intention to dissolve the common electricity trading zone shared with Austria and the Paris Agreement at the World Climate Summit give cause to expect further interventions.

Energie AG Oberösterreich had anticipated the changing general conditions early and proactively initiated appropriate measures. Among other things, several cost optimisation and efficiency enhancement programmes such as Fit 2012 and R² have already been implemented, and the Group has been repositioned strategically and organisationally with the Power-Strategy 2020. The full integration of OÖ. Ferngas AG was also an important milestone that has now been successfully completed. In the past financial year, the Management Board initiated a further cost management programme, so that the total of all EBIT improvements achieved each year starting 2020 – when all the programmes named here are added together – will generate an impressive EUR 50 million per year.

These measures are showing significant effects, and the result for the 2015/2016 financial year is therefore quite impressive. Energie AG Oberösterreich generated sales revenues in the amount of EUR 1,534.9 million, corresponding to a decline of 2.5%, which is primarily the result of lower revenues from electricity supplies. The Group EBIT rose by 13.9% (EUR 16.5 million) from EUR 118.9 million in the previous year to EUR 135.4 million. This increase was achieved despite impairments of intangible assets and property, plant and equipment in the amount of EUR 49.9 million (previous year: EUR 39.7 million) and of at-equity valued investments in the amount of EUR 8.9 million (previous year: EUR 5.6 million). Without the impairments, that is the best operating result in the history of Energie AG Oberösterreich.

Besides the structural optimisation programmes mentioned above, the reasons for this lie among other things in the positive effects of increased use of the Timelkam combined cycle gas-turbine power plant on the consolidated net result.

Electricity sales once again had to stand up under the challenges of a competitive market environment. Established and new offerings, together with the proven, personal customer service were and are the key to winning and retaining customers. Natural gas sales volumes were substantially increased due to numerous successful acquisitions of key account customers. The operating result in the Grid Segment benefited from volume growth and regulatory adjustments to tariffs.

Market and cost optimisations were implemented in the Waste Management Segment; in addition to this, lower expenses for fuels, lower depreciation and amortisation and a favourable price development for thermal waste management improved the operating result. As in the previous years, the Water Segment exhibited a constant positive development; the main driver with the highest sales was in the market region of the Czech Republic.

Investments in intangible assets and property, plant and equipment totalled EUR 159.5 million in the fiscal year 2015/2016 and were therefore up by EUR 18.4 million or 13.0% as compared to the previous year. In contrast to the general industry trend, the rating of Energie AG Oberösterreich was confirmed with an A- in March 2016. The outlook was again classified as stable.

A study performed by the Johannes-Kepler-University in Linz under the leadership of Prof. Dr. Friedrich Schneider demonstrated the great economic value of Energie AG Oberösterreich in the 2015/2016 financial year and underlined its role as a trendsetter. The study examined the regional economic significance of the Group for Austria and Upper Austria. This was measured on the spatially differentiated analysis of cash flows connected with the ongoing business operations and investments. The analysis included the personnel expenses for the years 2012 to 2015, as well as all investments from 2009 to 2015. Thus in the period under consideration, Energie AG Oberösterreich was the source of GDP effects amounting to altogether around EUR 3.2 billion, paid taxes and duties of around EUR 1.4 billion, and secured or created almost 25,000 full-time jobs. This impressive result shows that, beyond fulfilling economic interests, Energie AG Oberösterreich also assumes social responsibility and makes an important contribution to the development of the region.

Energie AG Oberösterreich is also a pacemaker for the future. Our motto, "We care about tomorrow", is not just empty words. The leading role can also be seen in the introduction of intelligent electricity meters, with 300,000 AMIS meters already installed. Thus important added benefits can be offerred to customers utilising new models and products like graduated rates at different times of day. At the same time, home automation tools can be provided for customers.

The expansion of the fibre-optic network started in the past fiscal year has been advanced further. This autumn, Energie AG Oberösterreich was awarded subsidies for investment costs of EUR 24 million to promote internet access. 50% stems from federal and 20% from state funding. With this funding, Energie AG Oberösterreich Telekom GmbH plans to provide ultra-fast broadband internet access in 105 communities in 39 municipalities and install 10,000 connection points in the coming fiscal year.

Without a motivated and highly qualified workforce, it would not have been possible to achieve such an outstanding result under these difficult general conditions. On behalf of the Management Board, I would like to take this opportunity to thank all employees, management staff and works council representatives at Energie AG Oberösterreich for their efforts. Of course our thanks also go to all our business partners and customers for placing their trust in us, and in particular to our shareholders and the members of the Supervisory Board for their support and constructive collaboration.

I would also like to close with a personal word of thanks. After more than 22 years in the role of chief executive officer at Energie AG Oberösterreich, I will step down from this position as of 28 February 2017. In these two decades, the industry and especially Energie AG Oberösterreich had to master extreme upheavals. In my view, the company has done this very successfully time and again, and that is why Energie AG Oberösterreich is again well-positioned for the future, despite being surrounded by very difficult circumstances. I therefore would like to express my personal thanks to all management board colleagues, every one of our employees, and the works council representatives for your loyal support, especially in difficult times. A big thank you also goes to our customers and partners, as well as our owner representatives, who also provided constructive support all along this path.

Leo Windtner
Chief Executive Officer

Werner Steinecker
Member of the Management Board

Leo Windtner
Chief Executive Officer

Andreas Kolar
Member of the Management Board

Group Management Bodies

MANAGEMENT BOARD

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

SUPERVISORY BOARD

Shareholder Representatives

Gerhard Falch, Chairman
Stefan Lang, First Vice Chairman
Hermann Kepplinger, First Vice Chairman (until 18/12/2015)
Heinrich Schaller, Second Vice Chairman
Wolfgang Dopf
Miriam Eder
Erich Entstrasser (since 18/12/2015)
Florian Hagenauer
Anna Maria Hochhauser
Thomas Peter Karbiner (since 18/12/2015)
Michaela Keplinger-Mitterlehner
Kathrin Renate Kühtreiber-Leitner, Mayor
Ruperta Lichtenecker, Member of the Austrian National Council (board member until 18/12/2015)
Herwig Mahr, Member of Provincial Assembly (board member since 18/12/2015)
Viktor Sigl, President of Provincial Assembly (board member until 18/12/2015)
Michael Strugl
Josef Walch (since 18/12/2015)
Bruno Wallnöfer (until 18/12/2015)

Works Council Representatives

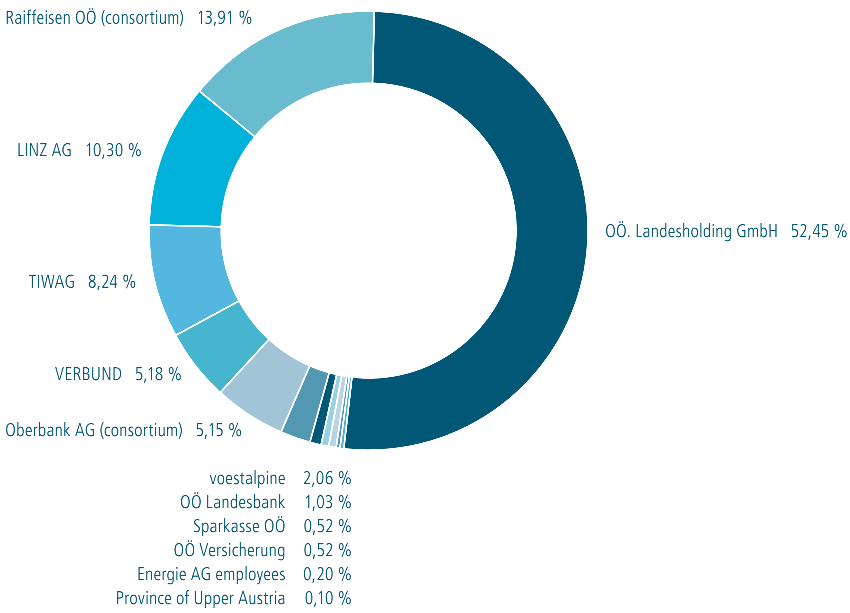
Robert Gierlinger, Chairman of Works Council, Energie AG Oberösterreich (Holding)
Isidor Hofbauer, Chairman of Works Council
Peter Neißl, Chairman of Works Council
Friedrich Scheiterbauer, Chairman of Works Council (since March 3, 2015)
Bernhard Steiner, Chairman of Group Works Council
Gerhard Störinger, Chairman of Central Works Council
Egon Thalmair, Chairman of Central Works Council

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 Employee Private Foundation	0.20%
• Province of Upper Austria	0.10%

The remainder are treasury shares. As of 30 September 2016

Shareholder Structure of Energie AG Oberösterreich



The Strategy of the Energie AG Group

In response to the complex and volatile market environment, Energie AG developed the "PowerStrategy 2020" in the 2013/2014 fiscal year to guide the strategic and structural realignment of the Group. The financial objectives are securing sustainable financial stability, maintaining corporate value, and continuing performance above the required minimum returns in order to continue to be a reliable partner for investors.

The balanced Group portfolio including liberalised and regulated business models has proven to be very robust in volatile times. The profitable Group development is continued by measures to secure the strong position in established markets, by developing new business models, and with a focused investment strategy.

FOCUS ON THE CUSTOMER

The Energie AG Group provides high-quality, reliable and innovative services for its customers in the Energy, Telecommunication, Water and Waste Management segments. Consistent orientation on the wishes and needs of present and potential customers and on customer satisfaction are the foundation for strategic action in all Group companies.

ORGANISATIONAL AND OPERATIONAL EXCELLENCE

The implementation of the market objectives is supported by a future-oriented structure that is characterised by ongoing further development, as well as continuous measures to reducte costs and increase efficiency. A safe and healthy work environment, continuing education and personnel development promote the motivation and qualification of our staff and secure the trust of our customers.

Electricity Procurement with a Focus on Renewable Energy and Flexible Services

Despite the persisting difficult situation on the electricity markets, the Energie AG procurement strategy is based on the assumption that in the long term, it will be possible again to generate the full costs of new power generation plants. Against this background, the focus lies on increasing efficiency in power plant operations and maintenance while at the same time securing value retention for the plants and equipment, as well as generating additional revenue on the market for flexible power generation reserves.

Investments for replacement or expansion of hydraulic or thermal power plants are subject to a particularly strict selection process, whereby attractive project concepts are always developed far enough to base decisions on a solid foundation.

The expansion of the portfolio with new plants for generating renewable energy is a strategic area of development at Energie AG. In the context of subsidies, Energie AG seeks access to sites that are attractive and still available for wind power throughout Austria as a whole, above all with the help of collaborative business models. In the area of photovoltaics, Energie AG utilises opportunities to develop subsidised projects in Austria and Italy, as well as to reduce specific investment costs with the help of contracting models. The biomass power plant in Timelkam, which also delivers heat to the regional district heating grid, adds a supplementary aspect to the portfolio of new renewable energy generation capacities.

The combined cycle gas-turbine power plant in Timelkam is mainly utilised in the context of congestion and grid reserve management for transmission system operators in Austria and Germany.

Attractive Offers for Present and New Energy Customers

In the highly competitive key account customer segment, Energie AG pursues achieving a positive contribution to profits on the basis of long-standing partnerships with the help of individually tailored electricity products, diverse supplementary services, and personal customer support. In addition, a moderate, margin-based entrance strategy on the gas market for key account customers had been pursued since 2014.

Despite intense competition in the business and private customer segment for electricity and gas, Energie AG has successfully maintained its good position with a large market share in its supply area. In this customer segment, Energie AG pursues a differentiation strategy that is based on diverse product options in all price categories with fair and stable prices. Target-group oriented supplementary products, competent advice and high-quality service strengthen the partnership with customers. Essential aspects include a strong commitment to customer care and a variety of subsidy offers. Besides retaining the loyalty of present customers, the active acquisition of new customers is pursued above all using new sales channels. In Austria, for example, lean products for electricity or gas alone are offered with online self-service.

The distribution strategy is targeted towards continuous, flexible adaptation of the products, processes and distribution channels to fit rapidly changing customer wishes and megatrends such as digitalisation.

Energy Services as Extension of the Value Creation Chain

The strategic focus of Energie AG's range of energy services lies on the expansion of heat contracting for densely populated residential areas, as well as for business and industrial customers. In long-term, stable partnerships, Energie AG will create a win-win situation with its services, making it possible for customers to concentrate on their core activities. In the area of electromobility, Energie AG offers a comprehensive network of charging stations for customers in Upper Austria for charging at home or underway.

More Efficiency for District Heating

By utilising biomass, geothermal or industrial waste heat to power district heating for customers, Energie AG is strengthening its position as a supplier of sustainable and regional energy. The strategic thrust in the area of district heating in Austria is to increase efficiency by optimising the procurement and use of innovative systems and plant technology.

In the Czech Republic market region, in addition to optimising existing generation plants and district heating grids, the focus also lies on both increasing the density of the grids and selective growth in order to make optimal use of existing infrastructure and achieve greater scaling effects.

Challenges for Expanding in the Regulated Sector

The strategic objective of the 100% subsidiary, Netz OÖ GmbH, is supplying an electricity and natural gas grid that sustainably ensures a high level of supply quality and reliability. The financial objective is to secure the regulatory return on capital in order to cover the considerable need for investments in the electricity grid at present. The need for investments results from the grid age structure, an increasing use of underground cable, the push to increase the number of decentral generation units, and the expansion in the area of smart metering. Smart metering expansion took place in the context of the legal regulations, and at the end of the 2015/2016 fiscal year it hat reached around 43%, with an objective of 95% by the end of 2019.

The importance of the Netz OÖ GmbH gas grid reaches beyond the region due to the integration of large gas storage capacities in the supply area and at the junction of existing and planned transport pipelines.

Telecommunications – Investments in Future-Oriented Technologies

Based on the comprehensive fibre-optic network in Upper Austria, Energie AG supplies a large part of the Upper Austrian banks, municipalities, administrative authorities, hospitals, schools, industries and major businesses, as well as numerous small and mid-sized companies with a high-performance fibre-optic connection. In the course of the "PowerStrategy 2020" project, the intensified expansion of the fibre-optic infrastructure for consumers in Upper Austria was defined as an area for development. Under the motto "Fibre to the Home" (FTTH), more and more private customers are being provided with a connection using this technology. Essential factors for success are highly efficient installation techniques, a defined minimum customer density for expansion in new areas, and taking advantage of subsidy programmes.

Adapted Fundamental Strategy in the Waste Management Business Area

The fundamental strategy in the Waste Management business area was reintroduced with an internal restructuring project in the autumn of 2015. A major objective of the project was to ensure sustainable profitability despite difficult conditions. In addition to expanding collaborations with municipalities and waste management authorities, as well as with strategic partners and partners in logistics, and besides securing full-capacity utilisation of both incineration plants in Upper Austria, the focus has been placed on achieving further increases in efficiency and leveraging Group synergy potential in order to generate stable results and value contributions.

In South Tyrol, the strategic focus on the cost side lies on implementing efficiency improvement measures and leveraging the potential of synergy effects, in particular by consolidating all activities at one location, while on the market side, the emphasis is on processing plastic waste as a substitute fuel for the cement industry, and on securing waste volume for the incineration plants in Austria.

The Water Business Area as a Reliable Partner for Municipalities

The Water business area has positioned itself as a dependable supplier for end-consumers and a reliable and long-term partner for municipalities. While in Austria, water supply and waste water management traditionally lie in the hands of municipalities and water authorities, the water supply market is privatised in the Czech Republic, where most of the activities in this business area are focused, representing around 90% of the sales revenues.

The position as number three on the Czech market is secured through ongoing participation in concession tenders, both in regions where operations already exist and in new regions. In Austria and southern Bavaria, the marketing emphasis lies in market penetration by permeating the region around existing facilities as well as continuing to develop the service business. In Slovenia, besides expanding the existing service business, opportunities for establishing a broader range of activities are being examined. In addition to the potential on the marketing side, all costs and processes are continuously being reviewed for optimisation and efficiency in order to secure an attractive and stable profit contribution for the Group.

Group Management Report 2015/2016[1)]
Energie AG Oberösterreich

GENERAL CONDITIONS

General Economic Conditions[2)]

The growth of the global economy was restrained in the course of the 2015/2016 fiscal year (1 October 2015 to 30 September 2016). Following growth of 3.1% in the calendar year 2015, the forecasts for 2016 were revised multiple times in the course of the year down to the previous year's level as a maximum. Although economists still view this as a sign of slow global recovery, the uncertainties have grown significantly. The reasons are weaker growth in the industrial countries and in emerging markets, which are typically stronger. Stabilisation of the global economic situation is anticipated for 2017 accompanied by growth of 3.2% to 3.4%. The unpredictable consequences of Britain's "Brexit" vote and current geopolitical risks are burdening growth.

Experts forecast growth of 1.6% to 1.8% for 2016 in the Euro zone, which is approximately equivalent to the level for 2015. A slow down in growth to 1.4% to 1.5% is anticipated for 2017.

Like the forecast for the global economy and the outlook for Europe, only moderate growth of 1.4% to 1.7% is forecast for the Austrian economy on average in 2016 (2015: 0.9%). Austria has benefited from increased consumption in private households, which grew by 0.3% in both the first and second quarters (compared with the respective previous quarters).

The forecast for the Czech market, which is important for Energie AG Oberösterreich, is slightly above the EU average in forecasts for the calendar year 2016 with an increase in real GDP of 2.1% (2015: 4.2%). Growth of 2.6% is anticipated for 2017.

The mid-term forecasts for Austria, Germany and the Euro zone project a sustained weak economic dynamic from 2017 to 2020 with average annual growth of 1.3% to 1.7%. The reasons for this are weak global trading, low investments, and low productivity and wage developments.

Energy Policy Framework

In December 2015 the Paris Agreement, which is binding under international law, was signed at the World Climate Summit; it envisages limiting global warming from 2020 onward to significantly less than 2 °C, with great efforts being made to limit the increase to 1.5 °C. In addition, climate neutrality, i.e. a net zero-emissions objective, is planned for the second half of the century. The contracting states will develop national strategies to achieve these aims by 2020. Although the Paris climate agreement, which came into force on 4 November 2016, is in accordance with the long-term strategic aims of Energie AG, further legislative intervention affecting the liberalised energy markets is to be expected in the mid-term.

A broad consultation and discussion process for a mutual energy and climate strategy was launched in Austria this year in order to work towards objectives for Austria's energy and climate policy for the period up to 2030, and also a long-term outlook up to 2050. In the first six months of 2017, the intent is to complete the process by creating a white paper that sets out out concrete energy and climate policy development paths in harmony with the long-term goals. The strategy process and authoring of the white paper will take place under the lead of the Ministry of Economy and the Ministry of Environment in close collaboration with the Ministry of Infrastructure and the Ministry of Social Affairs.

The implementation of the Federal Energy Efficiency Act (EEffG) led to substantial additional burdens in the industry in the fiscal year 2015/2016. On the one hand, the audit obligation of section 9 of this Act had to be fulfilled by the end of November 2015, and on the other, evidence of energy efficiency measures had to be provided by suppliers for the first time as at 14/02/2016. After comprehensive analysis and implementation efforts, Energie AG completed the mandatory, Group-wide energy audit by the required deadline. The resulting insights were adopted in the Group's quality, security and environmental management (QSE) system. The obligation of suppliers according to section 10 EEffG caused substantial administrative expenditures. The targets for the calendar year

[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 IFRS consolidated financial statements of Energie AG Oberösterreich in terms of Section 245a UGB.

[2)] Sources: IMF (International Monetary Fund) dated 04/10/2016, WIFO (Austrian Institute for Economic Research), Monthly Report 10/2016, WKO (Austrian Chamber of Commerce), Economic Situation and Forecast Release 09/2016, IHS (Institute of Higher Studies, Vienna) 29/09/2016, IMF (International Monetary Fund), World Economic Outlook 10/2016; Federal Ministry of Finance (BMF) 10/2016

2015 were fulfilled by all obligated suppliers of the Group, and in some cases even exceeded. Follow-up audits by the monitoring agency are possible, however, and a final evaluation cannot be made until these have been conducted.
An initial internal retrospective analysis shows that administrative expenditures for fulfilling legal obligations were disproportionately high. Delays in establishing concrete stipulations on the part of the legislator, as well as a lack of legal certainty due to ambiguous regulations, also contributed to this. As the obligations from the Federal Energy Efficiency Act apply to the period up to the calendar year 2020, the implementation will also remain a challenge in the years to come. A high-priority aim for the coming months is achieving optimisation of administrative processes.

Intensive discussions in Austria and beyond in the fiscal year 2015/2016 related to the voluntary recommendation by the European regulatory authority ACER (Agency for the Cooperation of Energy Regulators) to separate the joint electricity trading zone that has existed between Austria and Germany since 2001. These considerations were triggered by unplanned energy flows through neighbouring countries such as Poland and the Czech Republic as a consequence of grid bottlenecks in Germany. The Austrian regulator E-Control filed an action for annulment with the General Court of the European Union (EGC); however, a decision is not expected until 2017 at the earliest.
In a surprising move at the beginning of November 2016, Germany's Federal Network Agency announced the cancellation of the German-Austrian pricing zone and the introduction of congestion management at the German-Austrian border for as early as mid-2018. In addition to this, the national energy regulators reached a majority decision at a meeting of the Board of Regulators to accept the draft decision of the Director of the European regulatory authority ACER that includes ending the joint German-Austrian electricity pricing zone. E-Control has already announced that it will be contesting ACER's decision, which was published on 17 November 2016. In response to a parliamentary enquiry, the EU Commission additionally pointed out that a final decision on the bidding zone borders must be made by ENTSO-E, the European Network of Transmission System Operators for Electricity.

BUSINESS DEVELOPMENT IN THE GROUP

Net Assets, Financial Position and Results of Operations

Group Overview	Unit	2015/2016	2014/2015	Change
Sales revenues	EUR mill.	1,534.9	1,573.9	- 2.5 %
Operating result (EBIT)	EUR mill.	135.4	118.9	13.9 %
EBIT margin	%	8.8	7.6	15.8 %
Financial result	EUR mill.	- 33.2	- 35.7	- 7.0 %
Earnings before taxes	EUR mill.	102.2	83.2	22.8 %
Balance sheet total	EUR mill.	2,990.6	3,039.5	- 1.6 %
Equity	EUR mill.	1,126.7	1,108.0	1.7 %
Equity ratio	%	37.7	36.5	3.3 %
Net debt	EUR mill.	436.8	503.2	- 13.2 %
Net gearing	%	38.8	45.4	- 14.5 %
Investments in property, plant and equipment and intangible assets	EUR mill.	159.5	141.1	13.0 %
Cash flow from operating activities	EUR mill.	245.8	238.0	3.3 %
ROCE [1]	%	6.3	5.0	26.0 %
WACC	%	4.7	4.9	- 4.1 %

[1] Previous year's figure restated due to change in calculation method

In the fiscal year 2015/2016, Energie AG generated sales revenues in the amount of EUR 1,534.9 million (previous year: EUR 1,573.9 million). The main causes of the decline in sales of EUR 39.0 million or 2.5% were lower revenues from the supply of electricity to the companies consolidated at equity Energie AG Oberösterreich Vertrieb GmbH & Co KG (Vertrieb KG), ENAMO GmbH and ENAMO Ökostrom GmbH, as well as lower revenues from the electricity and gas trade.

The Group EBIT rose by 13.9% (EUR 16.5 million) from EUR 118.9 million in the previous year to EUR 135.4 million.

In the power plant business area, the increased use of the Timelkam combined cycle gas-turbine (CCGT) power plant had a positive effect on the consolidated net result. The Timelkam CCGT plant was mainly used for grid reserve management and congestion management. Higher profit contributions were achieved in electricity sales in the fiscal year 2015/2016 in a competitive market environment. Natural gas sales volumes were substantially increased due to numerous successful acquisitions of key account customers.

The operating result in the Grid Segment benefited from volume growth and adjustments to tariffs.

Market and cost optimisations were implemented in the Waste Management Segment; in addition to this, lower expenses for fuels, lower depreciation and amortisation and a favourable price development for thermal waste management improved the operating result.

As in the previous years, the Water Segment exhibited a constant positive development; the main business driver with the highest sales was in the market region of the Czech Republic.

In the previous fiscal year, impairment of intangible assets and property, plant and equipment in the amount of EUR 49.9 million (previous year: 39.7 million) and of at-equity valued investments in the amount of EUR 8.9 million (previous year: 5.6 million) burdened the operating result. The previous year's result also included a reversal of impairments in the amount of EUR 29.7 million.

Investments in intangible assets and property, plant and equipment totalled EUR 159.5 million in the fiscal year 2015/2016 and were therefore up by EUR 18.4 million or 13.0% as compared to the previous year. 46.0% of these were attributable to the Grid Segment, 21.3% to the Holding & Services Segment, and 17.2% to the Energy Segment. 9.3% of the Group's investments were made in the Waste Management Segment, and 6.1% were accounted for in the Water Segment.

The balance sheet total decreased by EUR 48.9 million, from EUR 3,039.5 million to EUR 2,990.6 million, in particular due to the orderly repayments of the last tranche of the borrower's note loan and of the private placement (partial debenture) 2009-2016.

Net debt (non-current and current financial liabilities minus cash and cash equivalents) dropped by EUR 66.4 million, amounting to EUR 436.8 million as compared to EUR 503.2 million in the previous year. This drop was mainly due to a reduction in financial liabilities and positive effects resulting from an increase in operating cash flow. Moreover, there was no new debt in fiscal year 2015/2016.

Cash flow from operations increased by EUR 7.8 million, from EUR 238.0 million to EUR 245.8 million, in the fiscal year 2015/2016.

The financial result improved from EUR -35.7 million in the previous year to EUR -33.2 million in the fiscal year 2015/2016.

Financing and Investment strategy

In the financial world, the year 2016 will probably be down in history as an exciting year, driven by events such as Britain's "Brexit" vote, the massive drop in the price of oil, and difficulties experienced by blue chips such as Deutsche Bank and Volkswagen.

The central banks, lead by the European Central Bank (ECB), have been standing by with their accommodating monetary policy to avoid any negative stifling effects on the new normality of a fragile economic development. Driven by the zero interest-rate policy of the ECB, the trend towards negative rates in the money markets as well as capital markets was compounded in the Euro zone.

With its conservative funding and investment strategy, Energie AG has been able to successfully counter these market anomalies in the past fiscal year.

Top Rating Confirmed Once Again

In contrast to the general industry trend, the rating of Energie AG was confirmed with an A- in March 2016. The outlook was again classified as stable. Against the backdrop of volatile financial markets, this top rating confirmation by Standard & Poor's (S&P) is all the more significant, given that Energie AG, as a capital-intensive enterprise, can secure unhindered access to financial and capital markets at economically attractive terms.

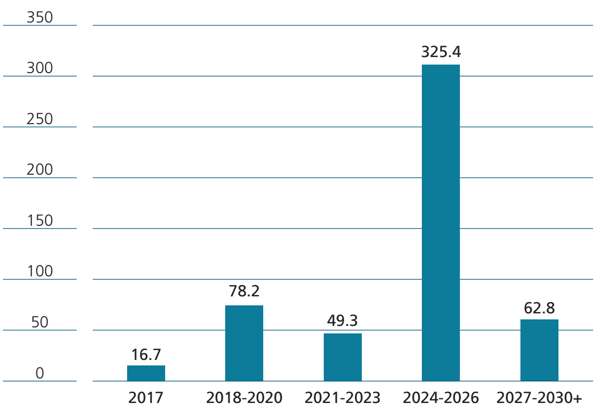
Decreasing Group Debt Level and High Liquidity Reserves

In the second half of fiscal year 2015/2016, the remaining tranche of a borrower's note loan and a private placement (partial debenture) with a total amount of EUR 64.5 million was repaid from liquid funds without requiring refinancing. It was thus possible to reduce the level of outstanding financial liabilities at the balance sheet date to EUR 532.4 million (EUR 613.0 million in the previous year). The balanced repayment profile of outside financing is dominated by funds with bullet-term maturities. The Group will not experience any higher refinancing requirement until 2020.

To ensure the Group's financial solvency at all times, Energie AG maintains a mix of cash and highly liquid fixed-term deposits. On the reporting date, 30 September 2016, the Energie AG Group had more than EUR 95.6 million in cash and cash equivalents, as well as more than EUR 119.0 million in short-term fixed deposits. Unused and partially committed credit lines of EUR 258.9 million underline Energie AG's high level of financial flexibility.

Maturity Profile of Financial Liabilities

as of 30/09/2016
Nominal values in EUR mill.



Group-Internal Central Financial Management

The Group's internal financial management is centrally governed by the holding company, providing both cost-optimised liquidity management and long-term needs-driven funding for the Group companies, based on arm's length market conditions. At the end of the fiscal year 2015/2016, 25 Group companies were included in Energie AG's cash pooling system.

Value-Based Management and Capital Costs

Value-based enterprise management is firmly anchored in all of Energie AG's management processes. The central objective is sustainably ensuring corporate value by increasing potential benefits and generating returns for the owners on a capital market-oriented returns basis. As a result, the weighted average cost of capital (WACC) defines the minimum requirement for returns on deployed capital as a means of the Group governance. The capital costs of the non-regulated business areas are determined on the closing date principle and based on market conditions – for peer groups related to the specific business area and country risk premiums. In a second step, the bottom-up method is used to weight these costs up unto the Segment and Group capital costs. The capital costs of the regulated areas are calculated in compliance with the provisions of the regulatory authority. Energie AG's cost of capital accounting is subjected to on-going evaluation, and adapted as needed, taking current publications and expert opinions into consideration.

The Group WACC for the fiscal year 2015/2016 was 4.7%. The reduction of the capital costs, by 0.2 percentage points compared with the previous year, can be attributed to the lower interest rate level of no-risk investments.

The value-oriented Group targets are broken down to the individual segments and business areas, taking into account the strategy pursued and the business-specific general conditions, continually monitored and reported periodically by the Group Controlling and governed by the management.

The central key indicator for operational Group management during the fiscal year is the Return on Capital Employed (ROCE), which shows how efficiently and profitably the available capital is used. To calculate this key indicator, the Net Operating Profit After Tax (NOPAT) is divided by the average Capital Employed.

By comparing the ROCE and WACC, projects and business areas can be evaluated with regard to generating added value. Apart from strategic considerations, resources for future investments and acquisitions are allocated by prioritising projects exclusively on the basis of value-oriented criteria and methods (e.g., project-specific risk surcharges).

In the fiscal year 2015/2016, the ROCE of the Energie AG Group was 1.3 percent points above the previous year's value (5.0%) at 6.3%.[1)]

Environmental, Social and Communal Responsibility

Energie AG is committed to sustainable economic activity in harmony with the environment and society. Environmental policy topics such as resource protection and sustainability have long been taken into consideration and implemented beyond the legal requirements in projects and everyday business activities.

In its actions, Energie AG assumes responsibility for both the inhabitants and future generations in the regions supplied and for Group staff and their families.

Resource Conservation and Sustainability

Energie AG works on the basis of certified quality, safety and environmental management systems as per ISO 9001, OHSAS 18001 and ISO 14001. Beyond this, the two thermal power plant locations in Riedersbach and Timelkam have also been certified for more than 20 years in compliance with EMAS (Eco Management and Audit Scheme). All operating activities are planned, executed, reviewed and, where applicable, revised so

[1)] Previous year's figure restated due to change in calculation method that the direct and indirect environmental impact of the activities is restricted to a minimum, while observing all environmental stipulations.

Efficient Use of Fuels

The approach taken to procuring fuels and operating fluids is both conservative on resources as well as cost-conscious. All plants are operated in a responsible manner, carefully maintained and repaired in order to both achieve the highest possible resource efficiency and to guarantee the lowest possible emissions into the air, ground and water. In March 2016, coal-based power generation was discontinued at the Riedersbach plant after almost 50 years of operation. Although the location was originally chosen due to lignite mining at the time, a conversion to black coal took place in 1993.

With a view to recycling and the cascading use of resources, there has been and still is a focus on investigating more intense utilisation of alternate fuels and waste with a high biogenic content at the Timelkam biomass power plant.

The effectiveness and conformity of the methods and systems deployed was verified in the past fiscal year both by the successful monitoring audit performed by Quality Austria, and by the external energy audit performed in accordance with the Federal Energy Efficiency Act, which also returned positive results.

Expansion of Energy Feneration from Renewable Energy Sources

In the reporting year, some 65% of Energie AG's own electricity procurement was from renewable energy sources, of which some 98% were attributable hydroelectric power, with the remainder from photovoltaics, wind and biomass.

In the fiscal year 2015/2016, a total of 22 photovoltaic systems with a total output of 5.4 MW_p were operated, the amount of electricity generated was 5.5 GWh. The wind power portfolio of Energie AG includes participations in three wind farms. One wind farm was established in the fiscal year 2015/2016 and commenced operations at the start of the calendar year 2016. The proportional overall output of the wind park is 12.7 MW. In the past year, electricity generated from wind power reached a volume of 24.7 GWh.

In cooperation with the Kirchdorfer Zementwerk Hofmann GmbH, the existing heat recovery system at the remote heating cogeneration power station was renewed and substantially extended. The new system led to an increase from the 0.5 MW previously to 4.0 MW accompanied by a significant increase in the share of heat from industrial waste heat fed into the grid. This increase is equivalent to the annual heating requirement of more than 2,000 households. In the fiscal year 2015/2016, this innovative pilot project won the Upper Austrian Energy Globe Award in the "Fire" category.

Ensuring Supply Reliability and Supply Quality

Ensuring supply reliability and supply quality for customers is a focal point in the Group. The availability of energy in sufficient quality is THE decisive factor in order to maintain trouble-free daily life, both for private customers and for the economical provision of services in industry and commerce, and consequently it is an important factor driving the international competitiveness of Upper Austria as an industrial hub. The availability of the electricity grid in the fiscal year 2015/2016 was 99.9845% (previous year 99.9836%), that of the gas grid was 99.9997% (previous year 99.9999%). Maintaining high availability is one of the Group's foremost strategic objectives.

Promoting Energy Efficiency towards Customers

The provisions of the Federal Energy Efficiency Act (EEffG) enacted by the National Council in July 2014, were complied with and even exceeded in terms of the supplier obligation. The supplier obligation pursuant to section 10 EEffG requires energy suppliers to implement energy end-use efficiency measures in the amount of 0.6% of their energy end-use sales from the previous year.

In the course of implementing the EEffG, business relationships between customers and Energie AG were further intensified. For example, efficient heat generation was promoted both in private households and among customers in trade and industry. The 2015/2016 fiscal year saw a change, that is, extension of financial incentives for heat pumps. Now all types of heating system pumps (geothermal, groundwater, air) are included, and the scope was extended beyond housing to also include commercially used properties. The Energy Saver Package from Energie AG Oberösterreich Power Solutions GmbH (Energie AG Power Solutions) supports the installation, renovation or conversion of heating systems to condensing boiler technology in the household customer area; thanks to this, some 215 heating systems were converted to natural gas, and around 500 systems were renovated in the reporting period. In the Electricity and Heat business areas, efficient heat generation systems were also subsidised.

A wide spectrum of energy services, such as energy consultancy at trade fairs, thermal imaging, energy certificates and optimisation solutions were provided by the Energie AG Group's energy consultants, in the course of individual consultancy for customers on site and energy consultancy for small to medium-sized enterprises (SMEs). In summary, the 61.4 GWh target set for compliance with the EEffG provisions for the Group was over-fulfilled from their own activities implemented in 2014 and 2015.

Energie AG's influence as a role model due to these efforts was acknowledged by the Province of Upper Austria and the Federal Ministry for Agriculture and Forestry by awarding the innovation prize "EnergieGenie 2016" for innovative energy-related products to Energie AG Vertrieb GmbH & Co KG for its product "SMART POWER by Loxone", which helps private customers to manage their power consumption.

Energie AG is one of the leading companies in Austria when it comes to introducing intelligent electricity meters (smart meters) and was able to replace some 300,000 legacy Ferraris meters with new Smart Meters by the end of the 2015/2016 fiscal year. This means that Energie AG will be Austria's first provincial energy utility company to meet the legislative requirements by 2019. Customers can derive a decisive benefit from the new meters in combination with corresponding electricity products based on targeted consumption management and the resulting reduction of individual electricity costs.

Energy Audit in Accordance of Section 9 EEffG

In the scope of the obligation of the Group under the EEffG, a Group-wide external energy audit of Energie AG was performed in the 2015/2016 fiscal year. It was possible to complete the audit by mid-November 2015 and deliver results to the monitoring agency (Austrian Energy Agency) in due time by the end of November 2015.

Environmentally Compatible and Legally Compliant Recycling and Waste Management

Energie AG Oberösterreich Umwelt Service GmbH (Umwelt Service GmbH) is an expert waste management company with multiple certifications. Its indirect environmental services range from internal and external training, information events, lectures and collaboration in expert committees, through qualified waste disposal consultancy and authoring waste management solutions, through to anchoring in-depth environmental awareness among the people.

In the scope of the internal audits in the 2015/2016 fiscal year, all waste management companies were evaluated with a view to their environmental aspects. The measures derived from this are being implemented.

Umwelt Service GmbH is one of the global leaders in specialist recycling of domestic and catering refrigeration equipment. Thanks to cutting edge waste management technology, the refrigerator recycling plant at Timelkam recovers more than 95% of the CFCs contained in the refrigeration circuit and insulating foam. Due to the close collaboration with leading recycling technology specialists, a contribution to environmental protection is also made in the further recycling of materials from individual components of waste equipment.

Reduction of Losses in the Water Supply Networks

With the "SOKO (Special Commission) Water Leakage & Drainage (WLD)" project, the Water business area achieved substantial ecological effects in the 2015/2016 fiscal year. The objective of the project, which was launched back in 2010, is to sustainably reduce water losses and external water ingress through the successive renovation and optimisation of water pipe networks and sewage networks. Leaking networks and damage incidents are not only a major cost factor for Energie AG, but also problematic in terms of safety and environmental protection aspects. The water losses avoided since 2010, totalling 3.48 million m^3, represent an annually recurring reduction equivalent to the water use of 15,000 inhabitants.

Open Interaction with All Stakeholders

The Energie AG Group can look back on a long-standing, successful tradition of fair, open and proactive communication with all stakeholder groups.

Customers are informed periodically through a customer magazine, online on the internet, and through electronic newsletters. Additionally, communication via various social media channels has been intensified and professionalised. At the end of the 2015/2016 fiscal year, the reorientation of the online communication strategy was being implemented. The objective is, in accordance with the democratic policy principles of Energie AG, to maintain and reinforce the proactive exchange with the general public, municipalities, residents and partners.

Support for Social, Charitable Projects and Organisations

Apart from achieving business objectives, Energie AG supports institutions and projects with economic relevance, charitable and non-profit organisations, as well sports activities, which are bundled in the Sports Family sports funding program.

Energie AG's Water business area and Caritas Upper Austria entered into a mutual commitment in 2008 to improve the water supply for people in Africa. The "WASSERTROPFEN" ("raindrops") aid program has been able to provide clean drinking water to some 324,000 people in the Democratic Republic of Congo thus far by overhauling wells and springs. The successor project "WASSERTROPFEN 2.0" is currently in the process of ensuring the water supply for a further 160,000 people in a different region.

Ongoing Development of Compliance Guidelines

Compliance at Energie AG is based on a mutual understanding of values which is expressed in the Code of Conduct "This is how we think; this is how we act" and published for all stakeholders on the website. To establish compliance effectively throughout the enterprise, a compliance management system was established, appropriate guidelines were authored and numerous face-to-face training sessions were held in recent years. Thanks to an interactive e-Learning tool, staff has the ability to optimally harmonise its need for information with its daily working life.

Capital Market Compliance

Recent changes in capital market legislation, which entered into effect by the EU Market Abuse Directive introduced in July 2016, and the subsequent amendment of the Stock Market Exchange Act (BörseG) including higher sanctions under administrative law in case of violation of these provisions, will henceforth also apply to Energie AG as a bond issuer and its bodies.

The new compliance provisions, relating to directors' dealings and the monitoring of trading restrictions (closed periods), were fully implemented in the past fiscal year, and together with the policy on the disclosure of insider information, they are an integral part of Energie AG's capital market compliance.

The Compliance Forum, which combines corporate legal staff with various specialist backgrounds, has been extended to five members and is optimally prepared to respond to compliance related issues thanks to its wide range of legal expertise.

Staff as a Major Strategic Factor in the Provision of Services

In the 2015/2016 fiscal year, the Group's average consolidated staff level was 4,362 full time equivalents (FTE), representing an increase of 1.3% compared to the average of the 2014/2015 fiscal year (4,308 FTE). On the reporting date of 30 September 2016, the Energie AG Group employed 4,382 staff (FTE) in four countries.

Yearly Average in FTE[1]	Unit	2015/2016	2014/2015	Change
Energie AG Oberösterreich GROUP TOTAL	FTE	**4,362**	**4,308**	**1.3 %**
Energy Segment	FTE	477	481	-0.8 %
Grid Segment	FTE	552	543	1.7 %
Waste Management Segment	FTE	795	785	1.3 %
Water Segment	FTE	1,566	1,546	1.3 %
Holding & Services Segment	FTE	972	953	2.0 %

[1] All information stated regarding employees relates to full-time equivalents (FTE) as a yearly average of the fully-consolidated and proportionately consolidated companies.

Workforce Metrics	Unit	2015/2016	2014/2015	Change
Workplace				
Full-time equivalents (FTE)	Number	4,362	4,308	1.3 %
Staff (head count)	Persons	4,747	4,663	1.8 %
Fluctuation rate	%	6.9	7.2	- 4.2 %
Demographics				
Average age of workforce	Years	43.6	43.3	0.7 %
Diversity				
Women	%	21.7	21.1	2.8 %
Men	%	78.3	78.8	- 0.6 %
Apprentices	Persons	63	69	- 8.7 %
Apprentices with employment contracts after completed training	Persons	12	25	- 52.0 %

Personnel Development

At Energie AG, structured personnel management and comprehensive personnel and management development programs play an important role. Energie AG places particular emphasis on the training and continuing education of its employees with a view to continuous improvement of the available know-how. In the 2015/2016 fiscal year, 515 internal and external training events (previous year: 422) were held with a total of 2,924 participants (previous year: 2,083 participants).

Energie AG can look back on a long tradition in training apprentices. Since the training workshop was founded 73 years ago, 1,356 apprentices have completed training to become highly qualifed expert staff in electrical engineering, metalworking and the commercial sector. About half of these are still employed in the enterprise today.

Reconciling Professional and Family Life

With a view to a better life/work balance, the Energie AG holiday week and the Energie AG Kids Day were initiated in the 2015/2016 fiscal year. At the Energie AG Kids Day on Easter Tuesday, a school holiday, 50 children enjoyed an exciting day at the "Energy Experience World" in Timelkam, while at the same time staff did not need to worry about organising adequate care for their school-age children. The Energie AG holiday week, a measure resulting from the "work and family audit", took place for the second time. 40 children of staff were treated to a diverse holiday program with trips, sports activities and other offers in the first two weeks of August.

Regular Staff Surveys

In order to better appreciate the concerns of staff as a major factor in the provision of services, Energie AG regularly performs staff surveys. The survey in the spring of 2016 ascertained the "Human Work Index (HWI)" key indicator figure, and solicited staff opinions on the subjects of employment situation, job demands, work atmosphere, training options, health and safety. Improvements in the HWI were achieved in all areas (coping with work, interest in work, and collaboration) compared with the survey in 2010. Energie AG lies within the industry average, a level which is very high compared with other industries.

Safety and Health at the Workplace

Energie AG ensures that the specifications of the Employee Protection Act and the associated regulations are consistently complied with throughout the Group, and that appropriate preventive measures are adopted. Company rules adopted by the Safety Management Regulations and Policy Committee, which are binding for all Group companies, were updated in accordance with the legal basis and adapted accordingly for the various organisations in the 2015/2016 fiscal year. In addition to this, numerous events and training sessions were performed with a view to improving safety awareness.

The innovative approach to briefings already taken in the previous year was consistently pursued. The new version of ÖVE/ÖNORM EN 50110 "Operation of electrical installations" was the reason for numerous training sessions and briefings in the companies. The implementation of the right to grant operational use authorisation for more than 100 Energie AG staff and 20 staff employed by contractors saw a further step taken towards even greater safety in the implementation of grid projects.

INTERNAL CONTROL SYSTEM

As a substantial part of corporate governance, which was established in the Energie AG Group in line with the "Three Lines of Defence" model, the internal control system (ICS) performs the monitoring functions and controlling tasks in line with the Company Law Amendment Act (URÄG 2008). These legal requirements provide the framework for designing the systems. The interaction of the audit framework, risk assessment, control measures, information and communication, as well as monitoring, as is implied by the COSO (Committee of Sponsoring Organizations of the Treadway Commission) model, improves safety – especially in processes for creating the relevant accounting data.

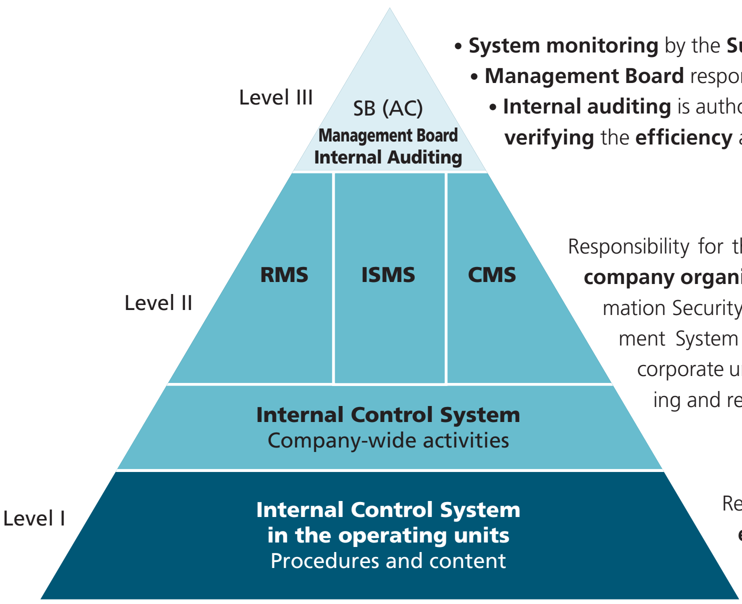
By implementing appropriate organisational structures, the management board has ensured that an efficient and effective ICS is practiced throughout the Group, based on the ethical values expressed in the corporate vision, mission statement and management principles. Sufficient staff expertise is ensured by regular training. Building on a transparent risk assessment, appropriate controls – containing both automatic and manual control steps, in line with the two-pairs-of-eyes principle – are institutionalised.

In line with the audit schedule for the year, regular audits were again performed by Group Auditing in the 2015/2016 fiscal year to ensure the required governance. The results were reported to the management board and steering committees in a structured manner. The positive results of this validation report show a high degree of governance awareness in the operating units and a great general interest in process optimisation.

The ICS represents the totality of all process-related monitoring actions and provisions that serve to ensure that the company's assets are safeguarded, guarantee the reliability of accounting, ensure compliance with corporate policy, improve the efficiency of business workflows, ensure the completeness and integrity of information, documentation and processes, and maintain transparency and traceability. In line with these requirements, the existing audit manuals, which serve as the IT-based documentation of the processes and checks, were updated for all business divisions of the holding company in the 2015/2016 fiscal year.

Equal treatment of all customers as proscribed by the Electricity Industry Organization Act (ElWOG) and the Gas Industry Act (GWG) is ensured by controls in the ICS and checks by the Equal Opportunities Officer.

Collaboration of Steering Bodies



- **System monitoring** by the **Supervisory Board** (SB) or Audit Committee (AC)
- **Management Board** responsible for **effectiveness of the systems**
- **Internal auditing** is authorized by the management board with **verifying** the **efficiency** and **effectiveness**

Responsibility for the implementation of suitable **systems** within the **company organisation** (ICS, Risk Management System (RMS), Information Security Management System (ISMS), Compliance Management System (CMS)) lies within **management functions** (e.g. corporate units with policy competency responsible for monitoring and reporting)

Responsibility for **process organisation**, **content and execution** lies with the **operating units** (e.g. company managers)

RISK AND OPPORTUNITY SITUATION

Opportunities and Risks for 2015/2016

The difficult general economic conditions and energy policy and regulatory intervention have a massive influence on Energie AG's business development.

Energie AG counters the resulting increase in entrepreneurial risks with cost optimisation and efficiency-boosting programs, strict discipline in terms of investments, and leveraging potential earnings resulting from changes in the energy system and changing customer requirements.

Due to the diversified business portfolio of Energie AG, among other factors, no risks were identified that would be potentially capable of threatening the existence of the company – either singularly or cumulatively – despite the volatile environment.

See the Notes for more details on the risks and opportunities situation.

RESEARCH, DEVELOPMENT AND INNOVATION

In its daily thinking and acting, Energie AG views the three pillars of research, development and innovation as an essential growth driver of entrepreneurial activity. Significant mutual impulses arise in this context, especially through close collaboration with external partners from the worlds of science and business.

In the reporting period, the focus of collaborative projects was mainly on adapting the distribution grids to cope with increasingly decentral generation systems and consumers, providing energy from regenerative production, and development of new business models.

Key Performance Indicators R&D&I	Unit	2015/2016	2014/2015	Change
Number of R&D&I projects in the Group	Number	95	96	- 1.0 %
Staff involved in R&D&I projects	Number	254	248	2.4 %
R&D&I expenditure in Group	EUR mill.	3.5	3.4	2.9 %

Research, development and innovation were pursued within the following projects (excerpt) in the 2015/2016 fiscal year:

"LEAFS" project - Integration of Loads and Electric Storage Systems into Advanced Flexibility Schemes for LV Networks

The increasing number of decentral energy generating systems (e.g. photovoltaic plants) and electrical consumers (e.g., heat pumps) is increasingly posing challenges in the low-voltage grids. For this reason, Netz OÖ GmbH is collaborating in the scope of the LEAFS project with prominent partners, such as the Energy Institute at the Johannes Kepler University of Linz, or with Siemens AG Austria, under the lead of the Austrian Institute of Technology (AIT), on researching the use of flexible electric loads and storage systems to increase local consumption of electricity generated by photovoltaics. The project also analyses the impact of increasingly market-driven deployment of decentral storage systems and flexible loads on the distribution grids. Technologies and deployment strategies are being developed to promote an economically and ecologically efficient design of the grid infrastructure. This supports the objectives of the energy transition while taking liberalisation into consideration.

Project "Wavelength-Dispersive X-ray Fluorescence Spectroscopy"

To reduce the operation and maintenance costs at Welser Abfallverwertung WAV (Wels Waste Incineration, lines I and II), Umwelt Service GmbH is relying on intensive, preventive analysis of the waste materials delivered, and on improved quality control of the substitute fuels derived from them. The use of an innovative wavelength-dispersive X-ray fluorescence spectroscopy device has helped to achieve fast operation monitoring of the incineration lines (ash, slag, boiler deposits, deposits from washers or precipitation tanks). This analysis makes it possible to quickly detect light elements such as sodium, magnesium, carbon and fluorine, appropriately adapt downstream processing, and thus save maintenance and operation costs.

"PEAK-App" Project

The well-known principle of supply and demand on the free markets is also applicable to the market for electricity. If a large amount of energy is being generated, e.g. by wind energy converters, and only a small amount is being consumed, the price drops; conversely, the price rises in periods with low wind speeds and high demand. In collaboration with numerous partners, ENAMO GmbH is experimenting within the scope of the "PEAK-App" project with sending market price signals to customers using push messages in an app to thus allow demand to be shaped to match the existing supply. This project, which is supported by the European Union's "Horizon 2020" programme, is also investigating the readiness of users to respond to such signals and modify their consumption behaviour.

"Cyber Incident Information Sharing" project

Trouble-free operation of critical infrastructures, such as telecommunications or the power supply, is essential for today's society. In recent years, however, operators of critical infrastructures have been increasingly challenged by cyber security issues. The use of standard ITC products and the increasingly networked and open nature of the infrastructures have multiplied the targets and vectors for attacks. Today's mechanisms for evaluating attacks typically rely on directly analysing the raw data (e.g., attack patterns, network data); this often leads to problems with exchanging such information, as this would involve exchanging sensitive information about the structure of the networks, etc. This project focuses on developing mechanisms for an exchange of information which relies on what is called fingerprints. To be able to draw conclusions on the current threat landscape based on the data, and to be able to assess current risks and support concrete actions, tools to help the technical operating staff of such infrastructures prepare and visualise the data are being developed within the scope of the project. Demonstration scenarios are supported on the one hand by operators of ITC systems for critical infrastructures (T-Systems, Energie AG), and on the other by national institutions (Federal Ministry of the Interior, Federal Ministry for Civil Defence and Sport).

Project "SOKO Innovation"

An innovation initiative was launched in 2015 to be able to also leverage opportunities from the challenges of market upheavals and new customer requirements. "SOKO Innovation" is intended to identify future possibilities, recognise the trends and requirements of private consumers, and develop new business models. Following the development of initial business ideas on the basis of the customer wishes identified last year, the focus in the 2015/2016 business year was primarily on the on-going development of the best ideas to market maturity. Initial prototypes and the involvement of customers enables rapid learning and improvement of the ideas. The intent is thus to create forward-looking offerings with genuine customer benefits in the sense of the "Power Strategy 2020".

MATERIAL EVENTS AFTER THE END OF THE FISCAL YEAR

No material events occurred at Energie AG after the balance sheet date.

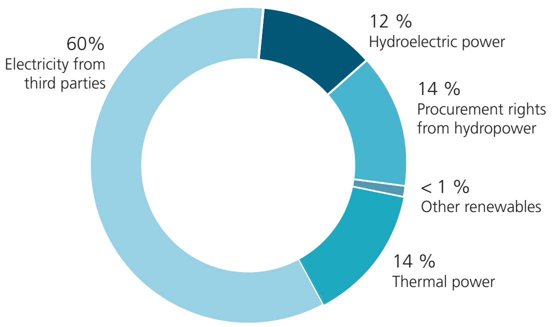
KEY PERFORMANCE INDICATORS

Group Overview	Unit	2015/2016	2014/2015	Change
Electricity procurement	GWh	16,956	16,545	2.5 %
Electricity procured from third parties	GWh	13,199	13,435	- 1.8 %
Own electricity procurement [1]	GWh	3,757	3,110	20.8 %
Thermal power stations	GWh	1,320	770	71.4 %
Renewable Energy	GWh	2,437	2,340	4.1 %
Own hydropower plants	GWh	1,111	982	13.1 %
Procurement rights from hydroelectric power	GWh	1,276	1,230	3.7 %
Other renewable energy (photovoltaics, wind, biomass)	GWh	50	128	- 60.9 %
Heat procurement	GWh	1,368	1,395	- 1.9 %
Electricity sales volume [2]	GWh	8,135	8,506	- 4.4 %
Natural gas sales volume	GWh	3,770	2,253	67.3 %
Heat sales volume	GWh	1,252	1,278	- 2.0 %
Electricity grid distribution volume to end costumers	GWh	8,022	8,060	- 0.5 %
Natural gas grid distribution volume to end costumers	GWh	18,193	17,476	4.1 %
Total waste volume handled	1,000 to	1,729	1,707	1.3 %
Thermally processed waste volume	1,000 to	628	617	1.8 %
Invoiced drinking water volume	m^3 mill.	51.8	51.7	0.2 %
Invoiced waste water volume	m^3 mill.	43.8	43.9	- 0.2 %
Length of fibre-optic network	km	4,830	4,700	2.8 %

[1] thereof 3,755 GWh in Austria in the 2015/2016 fiscal year
[2] thereof 6,613 GWh supplied to end customers in Austria in the 2015/2016 fiscal year

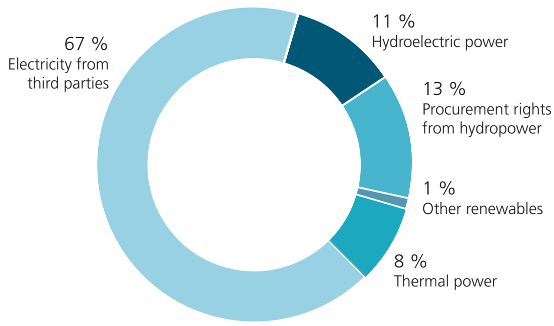
Electricity Procurement Structure without Electricity Trading

2015/2016



Rate of own coverage: 40 %

2014/2015



Rate of own coverage: 33 %

DEFINITION OF SEGMENTS

In accordance with internal reporting and pursuant to IFRS 8 "Operating Segments", the Energy, Grid, Waste Management, Water and Holding & Services Segments will be reported on in the Consolidated Financial Statements.

Segment Name	Included Activities
Energy	Production, trade and sales of electricity, gas and heat
Grid	Construction and operation of the electricity and gas grid
Waste Management	Acceptance, sorting, incineration and landfilling of waste
Water	Supplying drinking water as well as disposal of waste water
Holding & Services	Telecommunications and metering, service companies and management functions; associated at-equity companies which cannot be allocated to other segments

Energy Segment

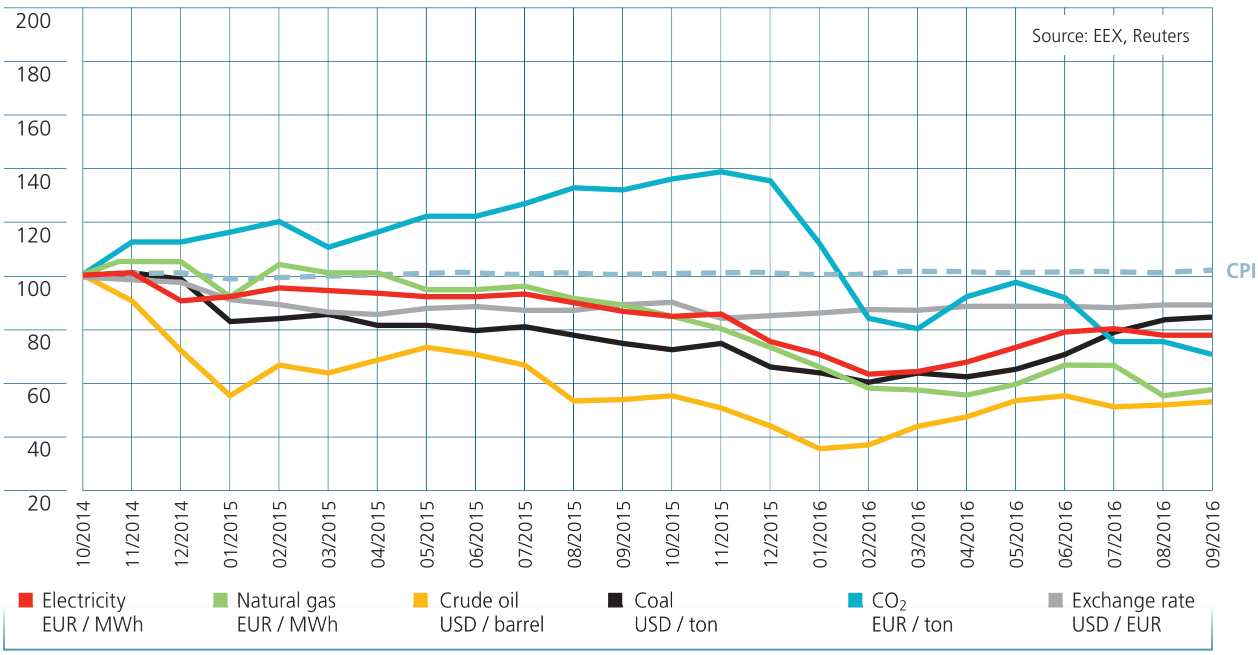
Energy Segment Overview	Unit	2015/2016	2014/2015	Change
Total sales	EUR mill.	879.7	939.3	- 6.3 %
EBIT	EUR mill.	78.0	80.0	- 2.5 %
Investments in property, plant and equipment and intangible assets	EUR mill.	27.5	22.9	20.1 %
Employees (on average)	FTE	477	481	- 0.8 %
Electricity procurement	GWh	16,762	16,360	2.5 %
Own electricity procurement	GWh	3,563	2,925	21.8 %
Electricity sales volume	GWh	8,135	8,506	- 4.4 %
Natural gas sales volume	GWh	3,770	2,253	67.3 %
Heat procurement	GWh	1,170	1,220	- 4.1 %
Heat sales volume	GWh	1,054	1,103	- 4.4 %

The Energy Segment of Energie AG includes the production, trade and sales of electricity, gas and heat.

The Economic Environment of the Energy Industry

The price decrease on Europe's energy and certificate markets in the first six months of the fiscal year 2015/2016 was followed by a reversal of the trend in the last six months of the year.

Price Index Development on International Energy Markets



Compared to the previous year, the oil market suffered an average price loss of around 30%. Later, the gas market also followed the downward trend of the oil market. On average, gas was quoted on the European spot market at about 34% below the level of the comparison period – mainly as a consequence of the mild weather and resulting low demands. Prices on the European coal market were down by some 18% on average compared with the previous year, despite a price increase in the latter half of the year. Following the abrupt drop in the price of CO_2 emission certificates (-40%) in the first six months of 2015/2016, the price level stabilised in the latter half of the year (-18% compared with the previous year).

The futures market for electricity is still characterised by excess capacities from wind and solar power. A slight recovery occurred in the wake of a record low of around EUR 20.0/MWh for the Front-Year Base product at the European Energy Exchange (EEX). Average prices on the futures market were around EUR 25.85/MWh and thus 20% lower than in the previous year. This further increased the economic pressure on power plants in the face of competition due to the liberalised electricity market.

In addition to futures and spot market prices, those listed on control and balancing energy markets are increasingly gaining in significance. A range of balancing energy prices with extreme values between EUR 586.9/MWh and EUR -1,051.8/MWh (quarter-hour values) in the reporting year 2015/2016 is a result of the high volatility and limited ability to plan generation of energy from renewable sources such as wind and solar. Conventional power plants such as CCGT power plants or pumped-storage power plants will thus continue to be indispensable pillars for ensuring electricity supply in future.

Business Development in the Energy Segment

Against the backdrop of the difficult market development, the Energy Segment generated sales of EUR 879.7 million in the 2015/2016 fiscal year. This is equivalent to a drop of EUR 59.6 million (-6.3%) compared with the previous year (EUR 939.3 million). The main cause of this reduction was a drop in sales from the electricity and gas trading, as well as lower revenues from electricity supplies to the at-equity consolidated companies Energie AG Oberösterreich Vertrieb GmbH & Co KG (Vertrieb KG), ENAMO GmbH and ENAMO Ökostrom GmbH.

The EBIT of the Energy Segment remained basically stable at EUR 78.0 million (previous year 80.0 million). The EBIT in the Energy Segment was burdened in the reporting period by negative special effects due to lower, long-term electricity price forecasts on the wholesale market for the Timelkam CCGT power plant in the amount of EUR 22.4 million, and additional impairments in the amount of EUR 6.1 million. However, the increased utilisation of the CCGT power plant for grid reserve and congestion management in the short run, as well as higher contributions to results from electricity sales had a positive effect.

The result for the previous year was impacted by impairments in the amount of EUR 25.8 million and a payment in the amount of EUR 10.9 million due to a change under the gas purchasing obligations of the Timelkam CCGT power plant in favour of Energie AG. An appreciation in value of Gas- und Dampfkraftwerk Timelkam GmbH assets in the amount of EUR 29.7 million had a positive effect on results.

Electricity Generation in a Difficult Market Environment

Total electricity procurement in the Energy Segment in the 2015/2016 fiscal year totalled 16,762 GWh and was therefore 2.5% higher than in the previous year (16,360 GWh). Own electricity procurement in the Energy Segment totalled 3,563 GWh in the reporting period and was thus 21.8% higher than in the previous year (2.925 GWh). The reason for this considerable increase in generated quantities, especially in the thermal sector, are the slightly improved general economic conditions in the second half of the year and, above all, the use of the Timelkam CCGT power plant for grid reserve and congestion management.

Electricity production from thermal capacities nearly doubled in the Energy Segment to 1,127 GWh compared to 586 GWh in the previous year. This positive development is above all attributable to increased call-offs from the Timelkam CCGT power plant, which was on standby and repeatedly used throughout the year by transmission system operators for grid reserve and congestion management. For the first time since commissioning in 2008, a major overhaul of the gas turbine was performed in the 2015/2016 fiscal year.

In the winter months of 2015/2016, the thermal power plant Riedersbach 2 was used for electricity and district heating generation. With coal-based electricity generation of the plant coming to an end at the end of March 2016, a new gas boiler will ensure district heating supply to the surrounding areas in the future. Following the expiry of the green electricity subsidy scheme, the biomass power plant in Timelkam has been operated purely as a heating plant since the end of November 2015, resulting in a 61% decrease in electricity production from new renewable energies despite the commissioning of new photovoltaic plants and investments in wind power facilities. The provision of district heating from the power plant locations in Riedersbach and Timelkam remained stable at 227 GWh compared with the previous year.

Cogeneration-Kraftwerke Management Oberösterreich GmbH supplies the major customer Laakirchen Papier AG with electricity and process heat through a CCGT plant, as well as several adjacent companies with district heating. In the last fiscal year, the energy supply agreements were extended by a further 15 years until 2034. The amount of process heat and district heating provided to customers in the past fiscal year was 456 GWh (previous year: 495 GWh). 91 GWh of electricity (previous year: 92 GWh) was delivered to the public grid.

The water level for proprietary hydraulic power plants and procurement rights increased by 7% compared with the previous year. However, with the water level for the months October 2015 to January 2016 and March 2016 to April 2016 lying substantially below the long-term average, the hydro coefficient was only 0.98 and thus slightly below the long-term average.

Due to cooperation between Austrian and German transmission system operators, the secondary balancing energy markets Germany and Austria have been interlinked since 11 July 2016 in accordance with the stipulations of the regulatory authorities. Not least because of this development, returns from balancing energy dropped in the 2015/2016 fiscal year compared with the previous year.

In the power plants business area, commissioning of the newly erected power plant in Bad Goisern is planned for December 2016; the construction work started in January 2015. Negotiations have taken place, however, the approval notice was still outstanding at the end of the 2015/2016 fiscal year.

Following the commissioning of the pumped-storage power plant Reißeck II (430 MW) on 7 October 2016, in which

Energie AG holds an investment of 10%, the pro rata operational output from the Malta-Reißeck power plant group increased to 132 MW (+48%) in turbine operation, and to around 83 MW (+106%) in pump operation. This storage power plant group, along with other controllable power plants combined with energy storage systems, is a key system for a stable and reliable power supply.

The construction of new hydropower plants, and the expansion of existing plants, will be pursued further in the future where it is economically feasible. The concrete implementation of projects depends on the development of the electricity market and the energy policy environment.

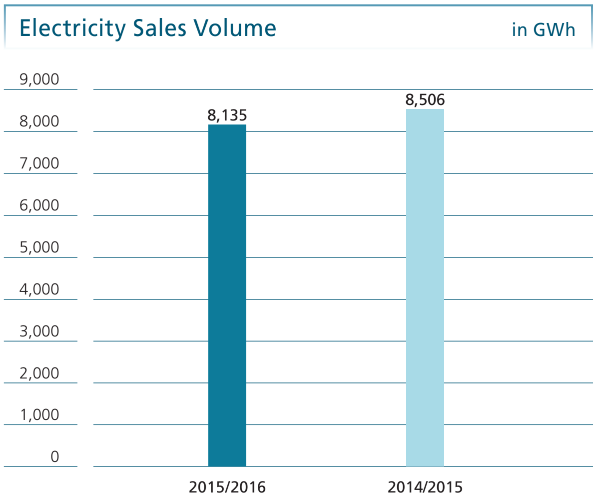
Ennskraftwerke AG, in which Energie AG holds a share of 50%, was well below the long-term average in its electricity production in the last reporting period 2015, with a hydro coefficient of 0.85. In the current fiscal year, which started on 1 January 2016, electricity generated up to 30 September 2016 has been 97% of standard production capacity.

In the area of new renewable energies, five photovoltaic contracting plant projects with an output of 585 kW_p were planned in the reporting period. The second wind farm for Windpower EP GmbH, of which the Energie AG Group holds 50%, commenced full operations at the beginning of February. Energie AG's wind power portfolio in Austria thus now includes investments in three wind parks, with a pro rata basis performance of nearly 13 MW.

Successful Customer Loyalty in Electricity Sales despite Fierce Competition

The electricity sales of Energie AG are bundled in ENAMO, the joint sales company of Energie AG and Linz AG. The ENAMO group of companies encompasses the companies ENAMO GmbH, ENAMO Ökostrom GmbH, ENAMO s.r.o., Energie AG Oberösterreich Vertrieb GmbH & Co. KG and Linz Strom Vertrieb GmbH & Co. KG.

In the 2015/2016 fiscal year, a total of 8,135 GWh of electricity (2014/2015: 8,506 GWh), and thus 371 GWh (-4.4%) less than in the previous year, was delivered to customers of the ENAMO group of companies. [1)]
Decreases in the key account segment were attributable to the planned, and now almost fully completed, transfer of further customer contracts from Vertrieb KG and Linz Strom Vertrieb GmbH & Co KG to at-equity consolidated ENAMO GmbH. There was a minor drop in sales volume in the private customer segment due to the previous year's switching quota and weather-related factors.



Competition on the end-consumer electricity market in Austria was again very intense in the past fiscal year. In particular in the private and business customer segments, a number of new competitors with extremely aggressive pricing, and increasingly also brokers, entered the market. This situation led to a challenging market environment which was countered with established and new offerings and the proven, personal customer service. Personal service is a material unique selling point, especially in the business and industry segment, and thus a decisive competitive advantage on what is a competitive market.

In the 2015/2016 fiscal year, the subsidy program for heat pumps was fundamentally revised and extended to include further customer segments and applications. Customers can thus receive subsidies of up to EUR 1,500. In February 2016 a large-scale energy saving program was launched in the course of which 215,000 twin-packs of LED lamps were distributed to customers. In line with the trend towards increasing digitalisation, new 'Smart-Time' price models and new online electricity products were introduced. The tried-and-trusted domestic appliance swap program was performed in collaboration with Fair Energy partners.

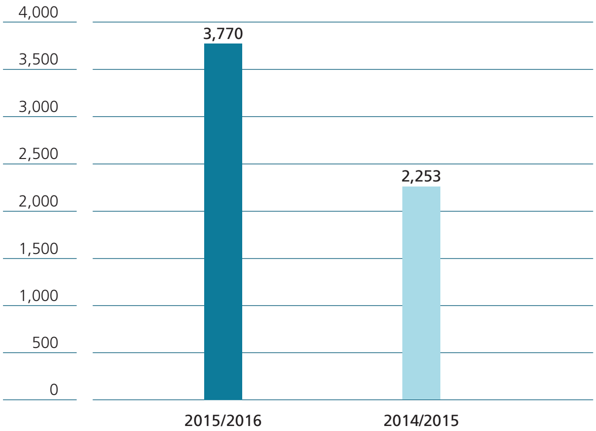
Successful with Gas, Heat and Energy Services

In the 2015/2016 fiscal year, Energie AG Group's natural gas sales volumes were 3,770 GWh, which is up by 67.3% over the previous year's figure of 2,253 GWh. The significant growth in volume is a result of winning over a large number of key accounts. The mild winter, as was the case in the previous year, had a negative influence on the sales volume in the business and private customer segment as these are driven by demands placed on heating. The total number of heating degree days in Upper Austria in the 2015/2016 fiscal year was up by 1.7% on the previous year's figure, but 7.0% below the average of the last 10 years.

1) This is the electricity volume attributable to the Energie AG Group.

The increasing tendency to switch suppliers was combated with a sales activities program. Thanks to the more favourable procurement situation, it was possible to offer price adjustments to business and private customers in the scope of the 2016 customer loyalty campaign, while at the same time the product range was extended to include biogas products.

Natural Gas Sales Volume in GWh



Offering a modern energy-contracting model, the energy services business unit delivers heat to customers in public institutions, the housing industry, and commercial enterprises. Tailored plants and technology increase energy efficiency and cost savings, thus ensuring maximum customer benefits. Due to continued asset growth, the heat sales volume from contracting plants rose by 17.0% in the 2015/2016 fiscal year, amounting to 131 GWh as compared to 112 GWh in the previous year, even though mild winter temperatures and weak economic activity in the industrial sector had an unfavourable influence.

Implementing the Federal Energy Efficiency Act, new services such as energy audits and the assessment of energy efficiency measures were successfully offered. At large, audits for 75 companies were performed, and 430 energy efficiency measures were evaluated.

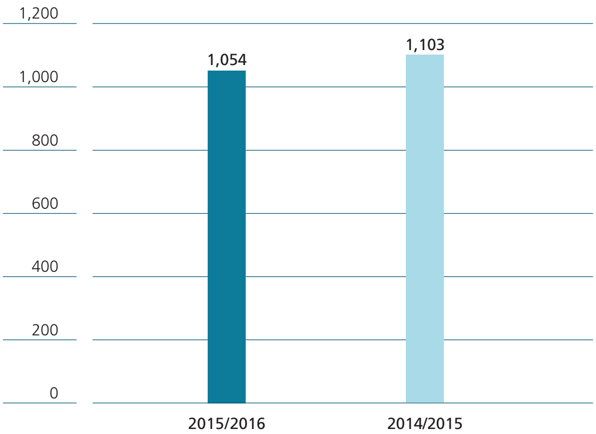
When it comes to delivering environmentally friendly districting heating to customers, sustainability and continuously improving energy efficiency are material pillars of the Heat business area. Again, several such projects were implemented in the reporting period. Intensive modernisation work was the focus at the Steyr facility, where industrial and commercial enterprises are supplied with heat, gas, electricity, water and compressed air. Thanks to investments in high-efficiency equipment, an annual savings potential of around 3,500 MWh in total was generated. With regard to the Braunau/Simbach geothermal project, in which the Energie AG Group holds an investment of 40%, an additional, high-efficiency boiler plant at the Braunau facility was installed, in addition to the one at the Simbach facility. The new boiler plant is intended to cover peak consumption in the winter months, and act as a failure reserve to supply the town of Braunau.

At the Kirchdorf location, industrial waste heat from the newly installed heat recovery plant at the neighbouring cement works was supplied to the system for a full heating season for the first time in the 2015/2016 fiscal year. Without the additional use of fuel, the waste heat arising during the production process is cooled using a heat exchanger and then made available to the heating system in a sustainable and highly efficient manner. More than a third of heat fed into the system in Kirchdorf thus came from industrial waste heat.

Austria's largest geothermal project, launched in Ried im Innkreis in the 2014/2015 fiscal year, continues to exhibit satisfactory development. Energie AG Group holds an investment of 40% and is responsible for planning the district heating network. In the past fiscal year, the focus was on extending and consolidating the district heating network, which already supplies numerous public institutions and industrial and private customers with geothermal heat.

The Heat business area is continuously supportive of value-sustainable growth in the Czech Republic. It was again possible to extend the supply area in the past fiscal year. With effect on 1 September 2016, Energie AG Teplo Bohemia (100%) acquired the companies DÉMOS, spol. s.r.o. and DÉMOS – správa, s.r.o. The business purpose of the two companies is heat sales and the management of residential properties encompassing some 2,800 apartments in the towns Ústí nad Orlicí and Cervená Voda.

Heat Sales Volume in GWh



The total heat sales volume in the Energy Segment was 1,054 GWh in the 2015/2016 fiscal year, of which 179 GWh was in the Czech Republic. Despite the mild temperatures, it was possible to keep the heat sales volume essentially stable compared with the previous year (1,103 GWh), thanks to successful customer acquisitions.

In the electro-mobility sector, the focus was on products for safe charging at home and at at company locations. More than 50 charging stations were sold for these locations. Also the selective and targeted installation and operation of public charging stations was continued.

Grid Segment

Grid Segment Overview	Unit	2015/2016	2014/2015	Change
Total sales	EUR mill.	331.5	314.4	5.4 %
EBIT	EUR mill.	44.1	41.8	5.5 %
Investments in property, plant and equipment and intangible assets	EUR mill.	73.4	66.2	10.9 %
Employees (on average)	FTE	552	543	1.7 %
Electricity grid distribution volume to end costumers	GWh	8,022	8,060	- 0.5 %
Natural gas grid distribution volume to end costumers	GWh	18,193	17,476	4.1 %

The Grid Segment of Energie AG encompasses the construction and operation of the Netz OÖ GmbH electricity and gas grid.

The dominating topic for Netz OÖ GmbH in the past fiscal year 2015/2016, was the further interlinking of electricity grid and natural gas grid operations. The merger of the gas grid of the former OÖ. Ferngas AG with the electricity grid of Netz OÖ GmbH on 30 September 2014 brought about considerable changes in the structural organisation and workflows within the company, as well as changes affecting personnel. Accordingly, the focus in this fiscal year was on consolidating and, in individual cases, readjusting the processes and structures.

General Legal and Regulatory Conditions

Following the 2016 amendment to the System Usage Fees Ordinance for Electricity, the electricity grid fees for Netz OÖ GmbH were increased as of 1 January 2016. At grid level 7 (low voltage), the increase was 4.41%. Increasing upstream grid costs and investments in smart metering led to an increase in the recognised cost base by 4.06%, which was not compensated for with higher output volumes in the reference period, in contrast to previous years.

Following the 2016 amendment to the 2013 Gas System Usage Fees Ordinance, the fees for grid level 3 in the household/ business sector were also increased by 9.8% on 1 January 2016 (calculated on the basis of an exemplary customer with an annual consumption of 15,000 kWh). The decreases in distribution volumes for the previous reporting periods will not be compensated for within a single year, but distributed over three years, in line with the stipulations of the regulatory authority. The grid utilisation fees for grid level 2 for industrial customers were increased by 25% (calculated on the basis of an exemplary customer with 90,000,000 kWh and 7,000 load hours). This massive increase is mainly attributable to the previous fiscal years: as stipulated by the regulatory system, the losses incurred at that time as compared to the allowed cost basis are now being compensated for by adjusted fees. This was due to the lower transportation volumes of industrial customers resulting from the restrained economy, and the reduced distribution to the household and business segment during mild winters in the last few years.

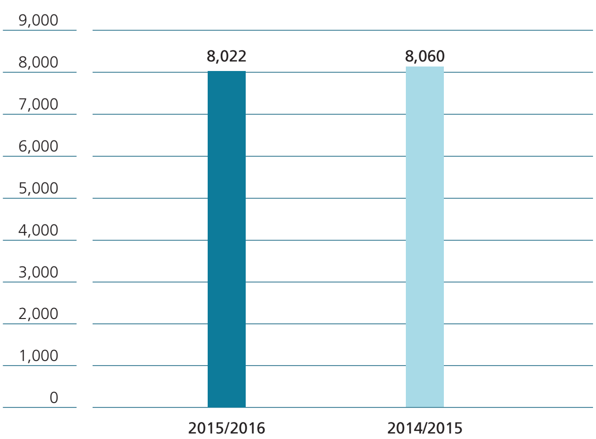
Business Development in the Grid Segment

Sales revenues in the Grid Segment rose by EUR 17.1 million or 5.4% to EUR 331.5 million, compared with EUR 314.4 million in the previous year. In addition to significantly higher grid distribution volumes for natural gas, this increase is above all due to the regulatory adjustment to the grid fees for electricity and gas.

The EBIT of the Grid Segment was EUR 44.1 million in the reporting period (previous year: 41.8 million). The increase in the amount of EUR 2.3 million (5.5%) compared to the previous year was achieved due to the described regulatory adjustments to the system usage fees, particularly for natural gas, and also due to on-going efficiency improvement measures and leveraging of synergy effects from the integration of the former OÖ. Ferngas AG. The EBIT was burdened by an impairment of the electricity grid in the amount of EUR 17.4 million.

Electricity and Gas Grid as the Backbone of the Upper Austrian Supply Infrastructure

Electricity Grid Distribution Volume in GWh



In the 2015/2016 fiscal year, the electricity distribution volume was at the same level as that of the previous year, with a negligible decrease. A total of 8,022 GWh was distributed to end-consumers (previous year:8,060 GWh). Compared with the previous year and taking the economic development, energy efficiency efforts and operational factors into consideration, the distribution volume lies within an expected fluctuation bandwidth. Correlated with the customer segments, industrial and business customers saw a slight decrease, while the electricity grid distribution volume for private customers again rose slightly by 0.7% compared with the previous year. On 30 September 2016, Netz OÖ GmbH serviced approx. 490,000 active customer installations.

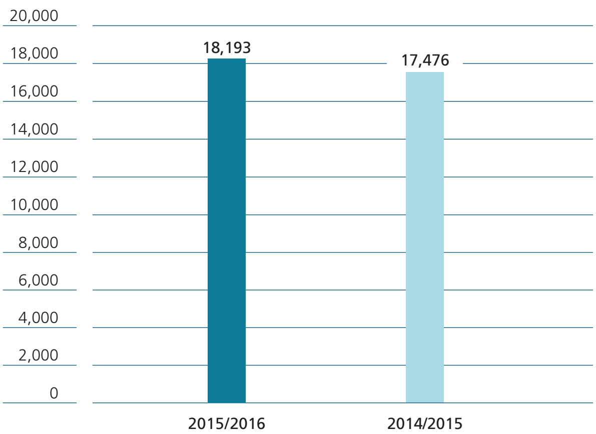
In the past fiscal year, the grid territory was hit by what were in part severe weather phenomena in the period between the end of June and the beginning of August. Although there were no major, widespread disruptions, many regional storms – in particular in the Mühlviertel, Innviertel and southern Alpine regions – led to numerous power failures, often in quick succession. Managing the consequences of these interruptions was very much a challenge in some regions. Despite the large number of grid interruptions, the availability of the electricity grid, measured in terms of the Average System Interruption Duration Index (ASIDI), was still at about the previous year's level, as was non-availability due to planned shutdowns for connecting and maintenance work.

Beyond the typical grid improvement and extension projects, the electricity grid projects of the past fiscal year were characterised by planning and approval procedures for several high-voltage lines, above all for the power supply to Almtal and Kremstal, the power supply to Pramtal South, and the general overhaul of the 110-kV line between Partenstein and Ranna. In the scope of the Jochenstein 220/110-kV grid support project, building work for the high-voltage switchgear at the power plant site in Jochenstein started on 26 September 2016.

Now in its eighth year, the programme to replace overhead lines, that are particularly susceptible to disruption, with underground cable proceeded according to plan, with a further 49 km of overhead lines being replaced by underground cables. Due to the on-going integration of local electricity generation facilities, ensuring voltage quality for grid customers on the low-voltage grid remains a challenge. The installed output from photovoltaic systems has already reached 135 MW (previous year: 113 MW), with more than 14,900 systems connected to the grid (previous year: 12,962 systems). Lessons learned from research and development projects are being successfully adopted for efficient grid integration.

Distribution to consumers from the natural gas grid amounted to 18,193 GWh in the 2015/2016 fiscal year (previous year: 17,476 GWh), and is thus up 4.1% on the previous year's figures. The volume increase is attributable to additional natural gas volumes for thermal electricity generation. For both industrial customers and household and business customers, the distribution volumes were at approximately the same level as the previous year; this is attributable to constant economic development on the one hand, and another mild winter on the other.

Natural Gas Grid Distribution Volume in GWh



In terms of the natural gas grid, a new pipeline with a length of around 11 km (DA225, 4 bar) from Werberg to Riedersbach was commissioned to develop areas not previously supplied. Work commenced on converting 22 gas pressure regulating stations with a view to increasing the pressure in the Upper Austrian high-pressure network in order to cover additional capacity requirements. Intelligent pigging was carried out to ensure the integrity of the pipeline; the project is scheduled for completion in June 2018. The cyclical CCP (cathodic corrosion protection) error location measurements proceeded as planned.

In September of the past fiscal year, the contract for taking over two sub-sections of a natural gas high-pressure pipeline with a length of around 12 km, including valve stations, was concluded with RAG Rohöl-Aufsuchungs Aktiengesellschaft.

Waste Management Segment

Waste Management Segment Overview	Unit	2015/2016	2014/2015	Change
Total sales	EUR mill.	206.8	205.2	0.8 %
EBIT	EUR mill.	8.1	- 15.3	—
Investments in property, plant and equipment and intangible assets	EUR mill.	14.8	13.7	8.0 %
Employees (on average)	FTE	795	785	1.3 %
Total waste volume handled	1,000 to	1,729	1,707	1.3 %
Thermally processed waste volume	1,000 to	628	617	1.8 %

The Waste Management Segment of Energie AG encompasses the collection, acceptance, sorting, treatment and incineration of domestic and commercial waste and recyclables, and includes the activities in Austria and South Tyrol, the slag treatment company AMR Austrian Metal Recovery GmbH, and the non-operative Heves Régió Kft. in Hungary.

General Economic Conditions of the Waste Management Sector

With a view to the general economic conditions on the waste disposal markets, the trend towards easing of the markets, which was already apparent in the 2014/2015 fiscal year, has continued in the reporting period. The topics of resource preservation and secondary substance recovery continue to have priority on the national and international level. The European Commission is looking to ensure compliance with waste-relevant regulations throughout Europe through new legal requirements and drafts and to penalise any violations of these. In the 2015/2016 fiscal year, this again provided a positive impetus for the waste and recycling industry.

As a result of the improving waste sorting quality and the weak economic situation, the Austrian waste management market was characterised by stagnating residual waste volumes. However, the overall situation in Europe had a positive effect on the available volumes. The lack of disposal capacities in southern and western Europe led to a shift of volumes to central Europe. Waste imports have made it possible to eliminate the capacity utilisation problems in thermal conversion that have occurred sporadically in the past. The volume situation had a further positive effect on the disposal prices for the thermal fraction in the reporting period.

The 2015/2016 fiscal year was characterised by consistently low material prices for scrap metals. The low crude oil prices had a positive impact in the form of low fuel prices on the one hand, while leading to decreasing secondary plastics prices on the other. In contrast to this, prices in the waste paper and packaging area remained constant at a very good level in the past fiscal year.

Business Development in the Waste Management Segment

An EBIT of EUR 8.1 million (previous year: EUR -15.3 million) was generated from sales in the amount of EUR 206.8 million (previous year: EUR 205.2 million) in the Waste Management Segment. In the reporting period, the consistent implementation of the cost management strategy, a favourable price development in thermal waste disposal, and lower depreciation and fuel costs all had a positive effect on operations. On the other side of the equation, there were negative influences on the EBIT due to impairments on incineration plants in the amount of EUR 4.0 million resulting from lower anticipated revenues. In the previous year, the impairments amounted to EUR 19.5 million.

Optimum Utilisation of Incineration Plants in Austria

Umwelt Service GmbH focused its market activities in particular on concluding long-term indexed delivery agreements with fixed supply volumes and prices on the one hand, while on the other hand passing on the decreasing prices for scrap metal and plastics on the recycling service provider side. Cooperation with the public sector was also intensified, and it is above all the municipalities which continue to represent a significant target group for the company's range of services. The strategically anchored cost management was resolutely pursued in order to secure the results in the face of a difficult market environment.

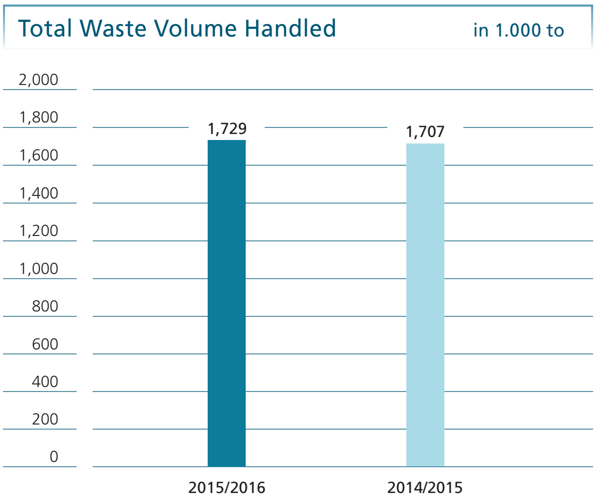
The availability of the incineration plants in Wels and Lenzing was further optimised thanks to technological improvements, ensuring full utilisation, making it possible to increase thermally converted volumes to around 628,000 tons. The waste incineration plant in Wels was able to distribute 198 GWh of heat (previous year: 175 GWh) to the district heating grid of the town of Wels and one other key account during the reporting period. The electricity generated in the Waste Management Segment totalled 193 GWh (previous year:184 GWh).

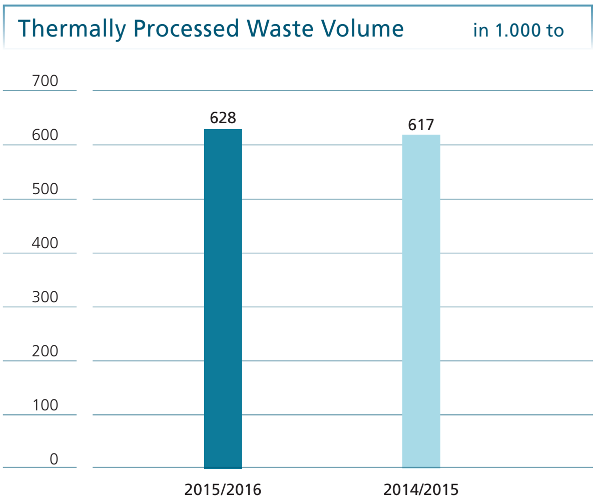
The treatment plant for hazardous waste currently has a high level of utilisation. Necessary maintenance measures and capacity adjustments were performed at the chemical-physical treatment plant for inorganic wastes in Steyr in the past fiscal year.

Compared with the previous year, the total volumetric turnover in Austria and South Tyrol increased slightly to 1,729 metric tons (previous year: 1,707 tons).

Consolidation of Facilities in South Tyrol

The new facility in Neumarkt was commissioned in the past fiscal year. This saw the consolidation of formerly three facilities at a central location, thus providing a platform for leveraging additional synergy effects.





Water Segment

Water Segment Overview	Unit	2015/2016	2014/2015	Change
Total sales	EUR mill.	129.8	126.4	2.7 %
EBIT	EUR mill.	10.3	9.5	8.4 %
Investments in property, plant and equipment and intangible assets	EUR mill.	9.8	6.5	50.8 %
Employees (on average)	FTE	1,566	1,546	1.3 %
Invoiced drinking water volume	m^3 mill.	51.8	51.7	0.2 %
Invoiced waste water volume	m^3 mill.	43.8	43.9	- 0.2 %

The Water Segment of Energie AG comprises supplying drinking water as well as collecting and treating waste water. In the main markets of the Czech Republic and Austria, this takes place within the framework of water supply, concession, operator and service contracts. Comprehensive individual services along the entire operational value creation chain, which are also provided in Slovenia, complete the portfolio.

General Conditions in the Water Sector

In the Czech Republic there are ongoing discussions on raising groundwater withdrawal fees and discharge fees for treated and non-treated waste waters for the purpose of strengthening internal funding of the sector, especially for investments. Thus far, the plans have not been implemented due to the additional financial burden this would mean for the consumer. In the area of regulatory control, an inter-ministerial working group is focusing on the potential changes. The key issue here is benchmarking with a more specific focus on the dedicated use of infrastructure rental fees for investments. However, no regulatory principles have been enacted thus far that are stricter than those currently in effect in the material areas.

In the past reporting period, the topic of restoring drinking water and waste water utilities as municipal responsibilities was also discussed at a political level in the Czech Republic, but only practically implemented in isolated cases. Numerous concession tenders are an indication for the general acceptance of the operator model.

The general conditions in Austria are stable, while difficult economic conditions still prevail in Slovenia due to the general economic situation.

Business Development in the Water Segment

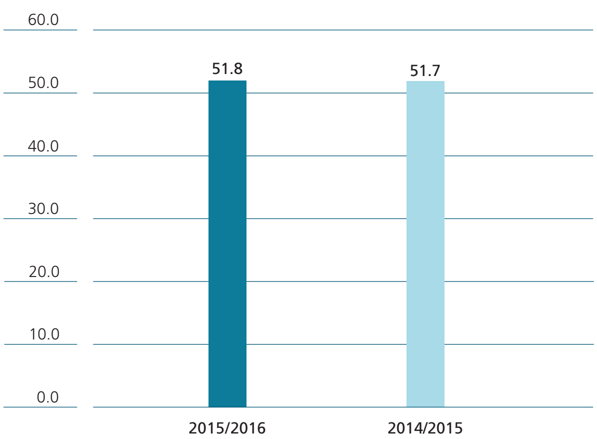
In the Water Segment, the 2015/2016 fiscal year closed with sales of EUR 129.8 million. This is equivalent to an increase of 2.7% on the previous year's sales in the amount of EUR 126.4 million.

The EBIT in this segment increased by 8.4% to EUR 10.3 million compared to EUR 9.5 million in the previous year. This was mainly attributable to adjustments in drinking water and waste water prices. In addition to this, the positive development in the services business, as well as further optimisations, savings in market and project development, and the stronger exchange rate of the euro against the Czech crown all had a positive effect.

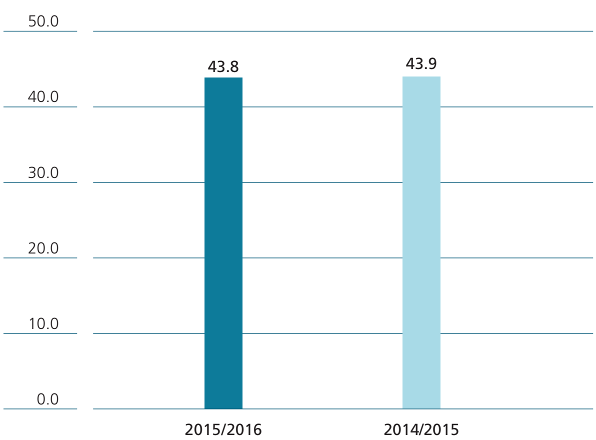
In total, 51.8 million m³ of drinking water, and 43.8 million m³ of waste water were invoiced in the Water Segment in the 2015/2016 fiscal year; this is approximately on a par with the previous year's figures. Consumption in the supplied areas is generally within the range of past years.

The Water Segment supplied drinking water to some 1,040,000 inhabitants as at 30 September 2016; waste water disposal was handled for 699,000 customers.

Invoiced Drinking Water Volume in m³ mill.



Invoiced Waste Water Volume in m³ mill.



Expansion and Investment in the Czech Republic

A new supply territory was taken over in the Czech region of Škvorecko, which lies on the south eastern perimeter of the city of Prague and includes nine municipalities. The more than 5,000 inhabitants of this region, which is characterised by immigration, are supplied by three pumping stations, an underground reservoir, a water pipe network with a length of 63 km, two sewage treatment plants and some 25 km of sewers. The infrastructure assets, which were installed starting 2002 and are in a good condition, were acquired by Energie AG Bohemia s.r.o. The VODOS Kolín, a.s. company manages the new operating region.

To the west of Prague, work has commenced to refurbish a more than 40-year-old steel pipeline that supplies drinking water to 70,000 people and is owned by VaK Beroun, a.s. In an initial stage, the supply to the towns of Hořovice and Žebrák with their 15,000 inhabitants has been ensured in the long term.

The optimisation programs were continued in all enterprise segments. This included, in particular, reducing drinking water supply interruptions caused by malfunctions, reducing drinking water losses, modernising the vehicle fleet and equipment in order to save operating costs, consolidating operating facilities, ensuring the drinking water quality and the cost-effective operation of sewage systems and sewage treatment plants. Improving energy efficiency plays a role in particular in optimising water and waste water treatment operations. It is in this context that the second small-scale drinking water-driven hydroelectric power station commenced operations in Beroun.

Additionally, all companies successfully took part in (concession) tenders to secure or expand market shares.

New Services in Austria

In Austria, WDL-WasserdienstleistungsGmbH supplies drinking water to 47 towns, municipalities and cooperatives, and provides services in the drinking water and waste water sector. The portfolio currently includes water services (e.g., water loss analysis, hydrant servicing, container cleaning, disinfection), sewer services (sewer TV and pressure testing), and the operation of water and waste water systems. In the context of water authority management, the company carries the management responsibility in six organisations. The company's sales activities focus on Austria as a whole and southern Bavaria.

In drinking water distribution, which exhibited stable growth in the 2015/2016 fiscal year, the focus was on refurbishing individual wells in the Innviertel supply area. The existing portfolio of sewer services was extended in the reporting period: in addition to the specialised leak-tightness testing of large and custom sections, vessels and power station pressure pipelines, 3-D shaft inspections, a sewer pump service and high-pressure sewer cleaning in alpine terrain were added to the service range.

New, IT-supported technologies also play an increasingly important role in domestic water management. The digitalisation of infrastructure data and web-based provisioning of this data for municipal contracting partners and customers are already a matter of course. As a further development step, a cooperation was entered into with the start-up WASSERKARTE.INFO in the 2015/2016 fiscal year. WASSERKARTE.INFO is a data hub which specialises in hydrants and which targets fire services. The goal is to work together to make this service available to the communities responsible for these hydrants, and to integrate all stages of the work process from documentation to maintenance and information retrieval via mobile devices.

Waste Water Concession in Slovenia

In Slovenia, the Varinger d.o.o. company headquartered in Maribor has managed to gain a foothold in the waste water plant operation management market after many years of attempting to do so. In the community of Selnica ob Dravi, it was awarded a concession for the operation of the sewers and sewage treatment plants tendered for a period of 15 years. In the area of services, the customer base of real estate managers and private households was extended in the 2015/2016 fiscal year to include a large supermarket chain and a filling station chain; thus the scope of the house connection service ODTOK now also includes the elimination of sewer blockages, sewer cleaning, sewer TV and cleaning of grease and oil traps.

Holding & Services Segment

Holding & Services Segment Overview	Unit	2015/2016	2014/2015	Change
Total sales	EUR mill.	206.6	182.6	13.1 %
EBIT	EUR mill.	- 5.1	2.9	—
Investments in property, plant and equipment and intangible assets	EUR mill.	34.0	31.8	6.9 %
Employees (on average)	FTE	972	953	2.0 %
Length of fibre-optic network	km	4,830	4,700	2.8 %

The Holding & Services Segment of Energie AG comprises the telecommunications and metering service business of Energie AG Oberösterreich Telekom GmbH (Telekom GmbH), the management and control functions of the holding company, commercial and technical services as well as the two consolidated at-equity investments, Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg AG) and Wels Strom GmbH.

In order to establish a clear position on the telecommunications market, Energie AG Oberösterreich Data GmbH was renamed Energie AG Oberösterreich Telekom GmbH (Telekom GmbH) in January 2016.

Business Development in the Holding & Services Segment

In the 2015/2016 fiscal year, sales in the Holding & Services Segment amounted to a total of EUR 206.6 million, thus exceeding the previous year's figure (EUR 182.6 million) by 13.1%. This positive development is mainly attributable to increase in assignments of Energie AG Oberösterreich Tech Services GmbH and Energie AG Oberösterreich Business Services GmbH, and to a slight increase in sales at Telekom GmbH.

The Holding & Services Segment posted a negative EBIT in the past fiscal year in the amount of EUR -5.1 million (previous year: EUR 2.9 million). The main burden on the EBIT was the decrease in the share in results from at equity consolidated companies, which dropped from EUR 11.3 million in the previous year to EUR 2.0 million. This can be attributed to the impairment of the Wels Strom GmbH investment in the amount of EUR 8.9 million due to the difficult general conditions on the electricity market. The service companies contributed to the EBIT mainly with better operating results than in the previous year, while the EBIT of the Telecom business area remained stable

Additional positive effects on the EBIT resulted from cost savings and synergy effects in the year under review following completion of the integration of OÖ. Ferngas AG as well as from real estate sales.

Fibre-Optic Network as Basis for Digitalisation

To meet the continually increasing demand for more reliable, ultra-fast broadband internet today, and above all in the future, the telecommunications offerings for consumers were further developed following the success in the business customer segment in the previous year.

Expansion of Fibre To The Home (FTTH) for selected residential areas under the 'powerSPEEDprivat' name is being carried out with various models under the assumption that the defined economic key performance indicators will be met in each case:

- expansion driven by demand when sufficient customer orders have been received at the time of installation
- expansion in the scope of subsidy programs

The length of Energie AG's fibre-optic network at the end of the reporting period was 4,830 km, and this figure is continually growing. A subsidy for further expansion of FTTH in the scope of the "Broadband Austria 2020" program was allocated in the first quarter of the 2016/2017 fiscal year.

In order to be in line with legal requirements, the 2015/2016 fiscal year again saw the Metering Services business of Netz OÖ GmbH consistently pursuing the goal of converting 95% of all metering points to smart meters by the end of 2019. Planning for the conversion of all metering points and for the supply and service contracts has been completed; the rollout can thus continue as planned. At the end of the reporting period, more than 300,000 smart meters were already in use.

The expansion of the mobile communications facilities with the Code Division Multiple Access (CDMA) technology required in the course of converting to smart meters is running according to schedule and has reached 95% completion. At the close of the 2015/2016 fiscal year, more than 1,200 CDMA connections have been established for operating smart meter data concentrators, electricity and gas grid tele-control systems, load profile meters, and so on.

Strategic Participations

Wels Strom GmbH and Salzburg AG, companies consolidated at equity, as well as further minority holdings complete the business portfolio of Energie AG.

Wels Strom GmbH, a 49% participation of Energie AG, has established itself as an integrated electricity provider to the town of Wels, but also as an attractive electricity supplier in the whole of Austria.
In the last reporting period (1 January 2015 to 31 December 2015), the company's own electricity generation declined by 14% compared with 2014, dropping to 95 GWh.
Wels Strom GmbH was able to increase the total electricity sales volume supplied to its customers from 593 GWh to 647 GWh. This increase is mainly attributable to the successful "VOLTINO" brand and to winning over industrial customers throughout Austria.
The new construction to replace the Traunleiten hydropower plant received a positive environmental impact assessment; all necessary steps for the investment approval are in progress.

Energie AG holds a 26.13% share in **Salzburg AG für Energie, Verkehr und Telekommunikation** (Salzburg AG). Salzburg AG is active as a regional provider of infrastructure services in the electricity, gas, heating, water, transport and telecommunications sectors.
In the last reporting period (1 January 2015 to 31 December 2015), own electricity procurement from hydropower plants decreased due to the lower water levels compared with the previous year; it was thus down around 10% on the previous year's figure of 1,462 GWh, dropping to 1,315 GWh and below the standard production capacity. In contrast to this, the 158 GWh of electricity generated at the cogeneration plants exceeded the figure for 2014 by 150 GWh or around 5.3%. Electricity generated by photovoltaics plants also saw positive development, increasing from 6.9 GWh to 7.5 GWh. In total however, own procurement was down 8.4% on the previous year's figure.
In comparison with the previous year, Salzburg AG's gas sales to end-consumers increased from 1,436 GWh to 1.537 GWh in the 2015 fiscal year. Heat delivered to end-consumers increased in the same period, primarily due to the effect of the weather, from 715 GWh to 770 GWh. The invoiced drinking water volumes also increased slightly to 10.2 million m³ in the 2015 fiscal year (previous year: 10.0 million m³). Growth in the business of telecommunications continued in all areas (cable TV, internet and telephony).

Shared Services

The four Group-wide service companies
- Energie AG Oberösterreich Business Services GmbH (Business Services GmbH),
- Energie AG Oberösterreich Customer Services GmbH (Customer Services GmbH),
- Energie AG Oberösterreich Personalmanagement GmbH (Personalmanagement GmbH) and
- Energie AG Oberösterreich Tech Services GmbH (Tech Services GmbH)

are bundled in the Holding & Services Segment.

These service companies provide commercial and technical services for the entire Group on the common basis of precisely defined quality and safety standards. These services are guided by external market conditions for similar products and services.

Significant activities of **Business Services GmbH**, which provides services in the areas of procurement and logistics, real estate management, information technology, and accounting, as well as insurance and legal services, included certifying the Group IT services department in line with ISO 27001 and launching a Group-wide project to adapt the SAP system architecture in the area of billing and customer services. In addition to this, in the 2015/2016 fiscal year the former legal department of Umwelt Service GmbH was fully merged with the legal and insurance department organised within Business Services GmbH. Further focuses were on implementing the construction work for the Group archive, and continuing with archiving and physical destruction of documents from throughout the Group.

Customer services by the Group, as well as billing, provider switch management, receivables management and handling customer payments are all bundled in Customer Services GmbH and primarily provided for Netz OÖ GmbH, Vertrieb KG, Energie AG Power Solutions, ENAMO GmbH and ENAMO Ökostrom GmbH. Further services were handled for Wärme GmbH and Telekom GmbH. In the 2015/2016 fiscal year, employees provided services for around 1.6 million customer agreements.

The focus of **Personalmanagement GmbH** is both on governing matters related to human relations policy for the Group, and on all agendas relating to personnel management, personnel accounting, training services and apprentice training. In the 2015/2016 fiscal year, the focus of its work was on intensifying the skills model for executives and on an employee survey.

As a provider for all technical services at Energie AG, **Tech Services GmbH** supports customers within the Group in this respect from planning to installation, maintenance and troubleshooting. The integration of the Engineering and Maintenance departments in Tech Services GmbH, which started in the 2014/2015 fiscal year, is now largely complete, with highly satisfactory developments in these areas. Numerous regional interruptions due to storms in the summer of 2016 posed difficult challenges for the restructured, decentralised units, but these challenges were mastered in the usual competent manner. Maintaining great expertise and an effective task force for troubleshooting within the Group while also upholding the usual high quality standards as well as marketable prices still remains the primary goal.

Outlook

Once again, a tense situation on the energy markets is to be anticipated for the 2016/2017 fiscal year, and thus also major challenges, especially in electricity generation. In the wake of subdued demand in futures trading, and the further promotion and expansion of renewable energies, continued price stagnation on the European energy markets with a slight upward trend is anticipated for next year.

It is even difficult to foresee the development in terms of the joint electricity trading zone between Austria and Germany. Depending on the final decision on whether or not to introduce congestion management as of mid-2018, an increase in the wholesale electricity prices can be expected, influenced by the extent of the restrictions in transmission capacities.

Supplying balancing energy and grid reserves is increasingly gaining in economic significance for the production capacities of Energie AG from its own power plants and procurement rights. Energie AG's CCGT power plants will again be deployed in grid support for the transmission system operators in the 2016/2017 fiscal year.

In electricity sales, it can be assumed that pressure from competitors will remain intense in the coming fiscal year. Due to the anticipated situation, the ENAMO group of companies will be looking to make customers an attractive offer in February 2017, in the context of the tried-and-trusted energy efficiency campaign. In the coming fiscal year, an evaluation of the existing strategic orientation of the ENAMO group of companies will be performed in the ongoing "STRATOS – Strategy and Organisational Development" project. The objective is to adapt the strategy and organisation to reflect changing market conditions.

New providers, new distribution channels, and the customer's increasing will to switch providers will also continue to aggravate the competitive situation in gas sales. Energie AG is relying on expanding its service portfolio with a view to increasing customer benefits through energy efficiency, cost optimisation and the integration of renewable energies. Further volume increases are expected in the key accounts segment.

The Heat business area has set its focus for the coming fiscal year on acquiring new customers in the existing supply territory on the one hand, and on the other on cementing the leading role it has achieved in heat generation on the basis of renewable energy types such as biomass and geothermal energy.

The implementation of the Federal Energy Efficiency Act will be a defining topic for all sales divisions in the coming fiscal year. The top-priority objective for the coming months is optimising administrative processes.

Business activities in the Grid Segment in the coming year will be characterised by pushing forward with large-scale projects and consistently pursuing the priority programs. Additionally, preparations for the coming regulatory periods, which start in 2018 for gas and in 2019 for electricity, will be considerably intensified.

In the Waste Management Segment, the volume shift towards central Europe, with its positive effect on the utilisation levels of the incineration plants, is expected to continue, especially considering the fact that establishing new capacities poses challenges in terms of investment, operation and utilisation that should not be underestimated. In Austria, there are currently two co-incinerator projects which could lead to shifts in volumes in the coming years. Following the reticent economic development of the past years, there is still no significant increase in waste volumes in the business and industrial customer segment anticipated for the future. Due to the positive volume situation throughout Europe, Energie AG again anticipates full capacity utilisation of the thermal recycling plants in the coming twelve months, accompanied by a stable price development.

In the Water Segment, the topic of efficiency enhancement will again be the focus in the coming fiscal year. Beyond this, the companies will participate in the calls for tender for several concessions in the drinking water and waste water areas. The most important tender relates to drinking water and waste water operations for the town of Budweis. In addition to this, the Czech Republic is also in the process of drafting new regulations for pricing by drinking and waste water infrastructure system operators. What the regulations will look like in detail, whether this will have any impact on the Water Segment, and if so what this impact will be, is currently unknown. In Austria and southern Bavaria, the emphasis with regard to water supplies will be on market penetration by permeating the region around existing facilities as well as continuing to develop service business. In Slovenia, the objective is to establish and continue to expand the newly-acquired waste water system operational management, and to gain new customers in service business. Acquisitions and cooperation opportunities are being continually evaluated.

The focus of the Telekom business area is the on-going development of the "powerSPEEDbusiness" and "powerSPEEDprivat" data and internet services, which have now been established as products. In line with the "PowerStrategie 2020", the strategy of continuing with FTTH expansion "from the outside inwards" will continue to be pursued. This is implemented exclusively on the basis of its demand and the economic feasibility. The economic parameters for "powerSPEEDprivat" are the required connection rates or the required subsidies.

For the Energie AG Group, the focus in the coming fiscal year will again lie on the consistent implementation of the strategically anchored cost management and efficiency programs in response to the diverse challenges of the legal and economic environment. In order to open up new customer target groups and opportunities for earnings, the targets on the cost side will be accompanied by the introduction of new, innovative products and services on the market side. In the context of the forecast market developments and the planned implementation of the Group strategy, stable earnings development is anticipated for the 2016/2017 fiscal year.

Linz, 28 November 2016

The Management Board of Energie AG Oberösterreich

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

Consolidated Income Statement
01 October 2015 to 30 September 2016

			2015/2016 EUR 1,000	2014/2015 EUR 1,000
1.	Sales revenues	(6)	1,534,906.9	1,573,927.5
	Procurement costs for proprietary electricity and gas trading	(6)	- 95,667.6	- 103,320.1
	Net sales revenues	(6)	1,439,239.3	1,470,607.4
2.	Change in inventories of finished goods and work in progress		-511.5	868.1
3.	Other capitalised company services		34,427.4	32,249.5
4.	Share in result of companies consolidated at equity	(17)	53,002.1	46,003.0
5.	Other operating revenues (thereof reversals of impairment EUR 0.0 thousand [previous year: EUR 29,733.9 thousand])	(8)	20,962.5	51,878.0
6.	Expenses for material and other purchased production services	(9)	- 798,607.1	- 893,546.4
7.	Personnel expense	(10)	- 262,931.4	- 256,448.1
8.	Depreciation, amortisation, and impairments	(11)	- 183,431.0	- 175,724.7
9.	Other operating expenses	(12)	- 166,721.9	- 157,016.2
10.	**Operating result**		**135,428.4**	**118,870.6**
11.	Financing expenses	(13)	- 29,177.6	- 40,044.7
12.	Other interest income	(13)	1,138.3	2,271.3
13.	Other financial result	(14)	- 5,169.7	2,107.0
14.	**Financial result**		**- 33,209.0**	**- 35,666.4**
15.	**Earnings before taxes**		**102,219.4**	**83,204.2**
16.	Income taxes	(15)	- 20,994.0	- 18,445.4
17.	**Group income**		**81,225.4**	**64,758.8**
	Thereof attributable to non-controlling interests		1,280.3	574.9
	Thereof attributable to investors in the parent company			
	Consolidated net profit		**79,945.1**	**64,183.9**

Consolidated Statement of Comprehensive Income
01 October 2015 to 30 September 2016

		2015/2016 EUR 1,000	2014/2015 EUR 1,000
1.	**Group income**	**81,225.4**	**64,758.8**
2.	**Other comprehensive income**		
	Items that will not be reclassified to the income statement:		
	Revaluation of the defined benefit obligation	- 17,133.6	- 12,616.9
	Changes in value of at-equity companies recognised in equity	- 842.4	- 496.7
	Deferred taxes	4,281.3	3,154.2
	Items that may be reclassified subsequently to the income statement:		
	Changes in value of investments and available-for-sale securities	842.4	- 822.6
	Changes in value of at-equity companies recognised in equity	9.2	- 7.8
	Hedge accounting	3,425.4	11,487.3
	Exchange differences	725.5	1,072.2
	Deferred taxes	- 1,075.6	- 2,666.3
	Total expenses and revenues recognised in other comprehensive income	**- 9,767.8**	**- 896.6**
3.	**Total comprehensive income after taxes**	**71,457.6**	**63,862.2**
4.	Thereof attributable to non-controlling interests	1,300.4	1,265.8
5.	**Thereof attributable to parent company**	**70,157.2**	**62,596.4**

Consolidated Balance Sheet
as of 30 September 2016

ASSETS		30 September 2016 EUR 1,000	30 September 2015 EUR 1,000
A. Non-current assets			
I. Intangible assets and goodwill	(16)	206,164.7	206,789.3
II. Property, plant and equipment	(16)	1,883,196.8	1,913,602.5
III. Investments (thereof at-equity companies: EUR 277,152.6 thousand [previous year: EUR 238,034.9 thousand])	(17)	292,235.5	258,630.7
IV. Other financial assets	(18)	82,069.5	98,215.5
		2,463,666.5	**2,477,238.0**
V. Other non-current assets	(19)	11,831.9	14,216.6
VI. Deferred tax assets	(15)	16,878.1	12,374.4
		2,492,376.5	**2,503,829.0**
B. Current assets			
I. Inventories	(20)	44,966.7	47,567.6
II. Receivables and other assets	(21)	238,616.7	265,750.0
III. Fixed term deposits	(5.9)	119,000.0	112,500.0
IV. Cash and cash equivalents	(22)	95,605.0	109,896.1
		498,188.4	**535,713.7**
		2,990,564.9	**3,039,542.7**

LIABILITIES		30 September 2016 EUR 1,000	30 September 2015 EUR 1,000
A. Equity			
I. Share capital	(23)	89,087.5	89,087.5
II. Capital reserves	(23)	214,809.5	214,809.5
III. Retained earnings	(23)	876,445.1	849,754.5
IV. Other reserves	(23)	- 67,608.9	- 57,764.6
V. Non-controlling interests	(23)	13,946.0	12,090.0
		1,126,679.2	**1,107,976.9**
B. Non-current liabilities			
I. Financial liabilities	(24)	515,693.5	524,792.7
II. Non-current provisions	(25)	311,488.0	308,571.4
III. Deferred tax liabilities	(15)	41,446.7	44,190.7
IV. Construction cost subsidies	(26)	358,392.1	353,742.0
V. Advances received	(27)	47,189.0	55,944.0
VI. Other non-current liabilities	(28)	74,999.6	79,866.2
		1,349,208.9	**1,367,107.0**
C. Current liabilities			
I. Financial liabilities	(24)	16,713.7	88,256.4
II. Current provisions	(29)	11,137.2	16,037.5
III. Tax provisions	(30)	519.6	442.7
IV. Trade payables	(24)	144,270.9	143,667.9
V. Other current liabilities	(31)	342,035.4	316,054.3
		514,676.8	**564,458.8**
		2,990,564.9	**3,039,542.7**

Statement of Changes in Equity

				Other reserves	
			Retained	Reserves	Reserves
	Share capital	Capital reserves	earnings	under IAS 39	under IAS 19
	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000
Balance as of 30/09/2015	**89,087.5**	**214,809.5**	**849,754.5**	**- 26,214.5**	**- 64,205.2**
Items that will not be reclassified subsequently to the income statement:					
Revaluation of the defined benefit obligation	—	—	—	—	- 16,875.4
Changes in value of at-equity companies recognised in equity	—	—	—	—	- 842.4
Deferred taxes	—	—	—	—	4,218.9
Items that may be reclassified subsequently to the income statement:					
Changes in value of investments and available-for-sale securities	—	—	—	849.4	—
Changes in value of at-equity companies recognised in equity	—	—	—	9.2	—
Hedge accounting	—	—	—	3,240.6	—
Exchange differences	—	—	—	—	—
Deferred taxes	—	—	—	- 1,031.2	—
Other comprehensive income	—	—	—	3,068.0	- 13,498.9
Consolidated net result	—	—	79,945.1	—	—
Total comprehensive income for the period	**—**	**—**	**79,945.1**	**3,068.0**	**- 13,498.9**
Dividend distribution	—	—	- 53,271.0	—	—
Treasury stocks	—	—	—	—	—
Other	—	—	16.5	—	—
Transactions with shareholders	**—**	**—**	**- 53,254.5**	**—**	**—**
Balance as of 30/09/2016	**89,087.5**	**214,809.5**	**876,445.1**	**- 23,146.5**	**- 77,704.1**

Other reserves				Equity of investors in parent company	Non-controlling interests	Total	
Revaluation reserve EUR 1,000	Treasury stocks EUR 1,000	Exchange differences EUR 1,000	Total EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	
37,541.1	**- 6,434.4**	**1,548.4**	**- 57,764.6**	**1,095,886.9**	**12,090.0**	**1,107,976.9**	
—	—	—	- 16,875.4	- 16,875.4	- 258.2	- 17,133.6	
—	—	—	- 842.4	- 842.4	—	- 842.4	
—	—	—	4,218.9	4,218.9	62.4	4,281.3	
—	—	—	849.4	849.4	-7.0	842.4	(23)
—	—	—	9.2	9.2	—	9.2	
—	—	—	3,240.6	3,240.6	184.8	3,425.4	(23)
—	—	643.0	643.0	643.0	82.5	725.5	(5)
—	—		- 1,031.2	- 1,031.2	- 44.4	- 1,075.6	
—	—	643.0	- 9,787.9	- 9,787.9	20.1	- 9,767.8	
—	—	—	—	79,945.1	1,280.3	81,225.4	
—	**—**	**643.0**	**- 9,787.9**	**70,157.2**	**1,300.4**	**71,457.6**	
—	—	—	—	- 53,271.0	- 581.8	- 53,852.8	
—	- 56.4	—	- 56.4	- 56.4	—	- 56.4	(23)
—	—	—	—	16.5	1,137.4	1,153.9	
—	**- 56.4**	**—**	**- 56.4**	**- 53,310.9**	**555.6**	**- 52,755.3**	
37,541.1	**- 6,490.8**	**2,191.4**	**- 67,608.9**	**1,112,733.2**	**13,946.0**	**1,126,679.2**	

Statement of Changes in Equity

	Share capital EUR 1,000	Capital reserves EUR 1,000	Retained earnings EUR 1,000	Other reserves: Reserves under IAS 39 EUR 1,000	Other reserves: Reserves under IAS 19 EUR 1,000
Balance as of 30/09/2014	**89,087.5**	**214,809.5**	**838,937.3**	**- 33,956.2**	**- 53,923.1**
Items that will not be reclassified subsequently to the income statement:					
Revaluation of the defined benefit obligation	—	—	—	—	- 13,047.2
Changes in value of at-equity companies recognised in equity	—	—	—	—	- 496.7
Deferred taxes	—	—	—	—	3,261.8
Items that may be reclassified subsequently to the income statement:					
Changes in value of investments and available-for-sale securities	—	—	—	- 832.9	—
Changes in value of at-equity companies recognised in equity	—	—	—	- 7.8	—
Hedge accounting	—	—	—	11,165.7	—
Exchange differences	—	—	—	—	—
Deferred taxes	—	—	—	- 2,583.3	—
Other comprehensive income	—	—	—	7,741.7	- 10,282.1
Consolidated net result	—	—	64,183.9	—	—
Total comprehensive income for the period	**—**	**—**	**64,183.9**	**7,741.7**	**- 10,282.1**
Dividend distribution	—	—	- 53,272.8	—	—
Acquisition of non-controlling interests	—	—	- 93.9	—	
Treasury stocks	—	—	—	—	—
Other	—	—	—	—	—
Transactions with shareholders	**—**	**—**	**- 53,366.7**	**—**	**—**
Balance as of 30/09/2015	**89,087.5**	**214,809.5**	**849,754.5**	**- 26,214.5**	**- 64,205.2**

Other reserves				Equity of investors in parent company	Non-controlling interests	Total	
Revaluation reserve EUR 1,000	Treasury stocks EUR 1,000	Exchange differences EUR 1,000	Total EUR 1,000	EUR 1,000	EUR 1,000	EUR 1,000	
37,541.1	**- 6,366.9**	**595.5**	**- 56,109.6**	**1,086,724.7**	**11,399.7**	**1,098,124.4**	
—	—	—	- 13,047.2	- 13,047.2	430.3	- 12,616.9	
—	—	—	- 496.7	- 496.7	—	- 496.7	
—	—	—	3,261.8	3,261.8	- 107.6	3,154.2	
—	—	—	- 832.9	- 832.9	10.3	- 822.6	(23)
—	—	—	- 7.8	- 7.8		- 7.8	
—	—	—	11,165.7	11,165.7	321.6	11,487.3	(23)
—	—	952.9	952.9	952.9	119.3	1,072.2	(5)
—	—	—	- 2,583.3	- 2,583.3	- 83.0	- 2,666.3	
—	—	952.9	- 1,587.5	- 1,587.5	690.9	- 896.6	
—	—	—	—	64,183.9	574.9	64,758.8	
—	**—**	**952.9**	**- 1,587.5**	**62,596.4**	**1,265.8**	**63,862.2**	
—	—	—	—	- 53,272.8	- 560.8	- 53,833.6	
—	—		—	- 93.9	- 14.7	- 108.6	(3)
—	- 67.5	—	- 67.5	- 67.5	—	- 67.5	(23)
—	—	—	—	—	—	—	
—	**- 67.5**	**—**	**- 67.5**	**- 53,434.2**	**- 575.5**	**- 54,009.7**	
37,541.1	**- 6,434.4**	**1,548.4**	**- 57,764.6**	**1,095,886.9**	**12,090.0**	**1,107,976.9**	

Cash Flow Statement

	2015/2016 EUR 1,000	2014/2015 EUR 1,000	
Earnings before income taxes	**102,219.4**	**83,204.2**	
Tax payments	- 12,331.8	- 3,697.6	
Earnings after income tax payments	**89,887.6**	**79,506.6**	
Depreciation/reversal of impairment of non-current assets	190,898.7	147,663.5	
Change in non-current provisions	- 14,217.0	- 4,076.8	
Change in other non-current assets	- 362.5	1,713.0	
Change in other non-current liabilities	- 11,899.4	- 2,115.9	
Retained earnings of equity companies	- 39,950.9	- 7,212.1	
Construction cost subsidies received	28,975.7	27,825.4	(26)
Revenues from the reversal of construction cost subsidies	- 24,325.6	- 24,254.8	(26)
Losses from the disposal of assets	3,284.2	2,465.4	
Gains from the disposal of assets	- 4,006.8	- 5,677.5	
Other non-cash expenses and revenues	21,928.3	28,529.9	
	240,212.3	**244,366.7**	
Change in inventories and current receivables	11,907.2	25,311.5	
Payments from hedging transactions	- 16,286.6	- 13,598.3	
Change in current liabilities	14,822.8	- 20,764.2	
Change in current provisions	- 4,900.3	2,672.5	
CASH FLOW FROM OPERATING ACTIVITIES	**245,755.4**	**237,988.2**	
Inflow from the disposal of property, plant and equipment, and intangible assets	8,218.8	12,037.9	
Outflow for additions to property, plant, equipment and intangible assets	- 148,572.2	- 145,285.2	
Inflow from the disposal of financial assets	32,887.5	18,374.7	
Change in scope of consolidation	- 2,582.3	- 1,253.6	(3)
Outflow for additions to financial assets and other financial investments	- 15,344.4	- 25,870.2	
CASH FLOW FROM INVESTMENTS	**- 125,392.6**	**- 141,996.4**	
Dividend distribution	- 53,852.8	- 53,833.6	(34)
Acquisition of non-controlling interests	—	- 108.6	
Acquisition of own shares	- 56.4	- 67.5	
Repayment of bond (private placement) 2009-2016	- 50,000.0	—	
Repayment of borrower's note loan	- 14,500.0	- 101,000.0	
Other changes in financial liabilities	- 16,334.8	- 10,662.8	
CASH FLOW FROM FINANCING ACTIVITIES	**- 134,744.0**	**- 165,672.5**	
TOTAL CASH FLOW	**- 14,381.2**	**- 69,680.7**	
Cash funds at beginning of period	109,896.1	179,421.0	(22)
Cash Flow	- 14,381.2	- 69,680.7	
Exchange rate effects	90.1	155.8	
Cash funds at end of period	95,605.0	109,896.1	(22)
The following is included in the cash flow from operating activities:			
Interest received	1,520.3	2,019.0	
Interest paid	25,917.7	29,746.6	
Dividends received	14,122.8	40,240.8	

Notes to the Consolidated Financial Statements 2015/2016

1. GENERAL INFORMATION

Energie AG Oberösterreich is a modern and competitive energy and service provider in the Energy, Grid, Waste Management, Water and Holding & Services segments.

The parent company is Energie AG Oberösterreich with company headquarters located at Böhmerwaldstraße 3, Linz, Austria.

The consolidated financial statements of Energie AG Oberösterreich for the 2015/2016 fiscal year were drawn up in accordance with the International Financial Reporting Standards (IFRS), published by the International Accounting Standards Board (IASB), as they were required to be applied as of the balance sheet date, as well as in accordance with the interpretations of the International Financial Reporting Committee (IFRIC) as adopted by the European Union.

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

The figures in the consolidated financial statements are reported thousands of euros (EUR 1,000).

The use of automated calculation systems may give rise to rounding differences when adding up rounded figures and percentages.

2. CHANGE OF ACCOUNTING METHODS

2.1. Standards and Interpretations Applied or Amended and Adopted by the EU for the First Time

Newly applicable amended standards and interpretations adopted from the EU, taking effect on 1 January 2015 or later:

- Annual Improvements to IFRSs 2011-2013 Cycle
- Annual Improvements to IFRSs 2010-2012 Cycle
- IAS 19 (Amendments: Defined Benefit Plans: Employee Contributions)

The initial application does not result in any material changes.

2.2. Standards and Interpretations that Have Not Been Applied Early

In the 2015/2016 consolidated financial statements, the following amendments adopted by the EU were not applied early:

Entry into force in the EU on 1 January 2016 or later:

- IAS 1 (Amendments: Disclosure Initiative)
- Annual Improvements to IFRSs 2012-2014 Cycle
- IAS 27 (Amendment: Equity Method in Separate Financial Statements)
- IAS 16 and IAS 41 (Amendments: Bearer Plants)
- IAS 16 and IAS 38 (Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation)
- IFRS 11 (Amendment: Accounting for Acquisitions of Interests in Joint Operations)
- IFRS 10, IFRS 12 und IAS 28 (Amendments: Investment Entities: Applying the Consolidation Exception)
- IFRS 15 (Revenue from Contracts with Customers)

The following standards and interpretations, amendments and improvements of standards enter into force on 1 January 2016 or later, although they have not yet been adopted by the European Union at this time:

- IFRS 9 (Financial Instruments)
- IFRS 16 (Leases)
- IFRS 10 and IAS 28 (Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- IAS 12 (Amendments: Recognition of Deferred Tax Assets for Unrealised Losses)
- IAS 7 (Amendments: Disclosure Initiative)

IFRS 15 (Clarifications: Revenue from Contracts with Customers)

- IFRS 2 (Amendments: Classification and Measurement of Share-based Payment Transactions)
- IFRS 4 (Amendments: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts)

These standards are expected to be applied at time they enter into force.

IFRS 9 (Financial Instruments)

IFRS 9, issued in July 2014, replaces the existing guidelines in IAS 39 (Financial Instruments: Recognition and Measurement). IFRS 9 contains guidelines for the classification and measurement of financial instruments, including a new Expected Credit Losses Model to calculate the impairment of financial assets, as well as the new general reporting requirements for hedge transactions. It also incorporates the guidelines for the recognition and charging off of financial instruments from IAS 39. IFRS 9 is to be used for the first time in the 2018/2019 fiscal year, although early use is permitted. Due to the recognition of impairment based on the Expected Credit Losses Model, increased risk provisions are expected.

IFRS 15 (Revenue from Contracts with Customers)

IFRS 15, issued in May 2014, replaces the existing guidelines in IAS 18 (Revenue). In the future, new qualitative and quantitative information will be required that is designed to make it possible for the target audience of the financial statements to understand the type, amount, time and uncertainty of sales revenues and cash flows from contracts with customers. Using a five-step model, companies must determine at what time (or over what period) and what amount sales revenues are recognised. The model specifies that sales revenues must be reported at the time (or over the period) of the transfer of control over goods or services from the company to the customer with the amount which the company is expected to be entitled to. Depending on the fulfilment of various criteria, revenues are recognised as follows:

- Over a period such that the service provision of the company is reflected; or
- At a time at which the control over the good or services is transferred to the customer.

IFRS 15 is to be used for the first time in the 2018/2019 fiscal year, although early use is permitted. From the current perspective, the initial application does not result in any material changes.

IFRS 16 (Leases)

IFRS 16, published in January 2016, replaces IAS 17, IFRIC 4, SIC-15 and SIC-27. The new standard provides that in future all leases and the contractual rights and obligations associated with these must be reported on the balance sheet of the lessee. This resolves the current differences in the recognition of operating and finance leases under IAS 17. The lessee will recognise a right-of-use asset representing its right to use an underlying asset and a lease liability in the amount of the lease's present value. The right of use asset must then be amortised and the lease liability carried forward using the effective interest method. There are exemptions possible for short-term leases and leased properties of low value. The most material change concerns the Group's head office in Linz. The use of the Group's head office is currently arranged on the basis of an operating lease. Under the current conditions, it is expected that a right-of-use asset and a lease liability in the amount of EUR 40.2 million will be recognised.

Current finance leases will be continued; there will only be a reclassification of the asset as a right-of-use asset.

IFRS 16 is to be applied for the first time in the 2019/2020 fiscal year, although early application is permitted, provided that IFRS 15 is applied at the same time.

3. SCOPE OF CONSOLIDATION

3.1. Principles

Subsidiaries

All material entities that are directly or indirectly controlled by Energie AG Oberösterreich (subsidiaries) are fully consolidated according to IFRS 10 and included in the consolidated financial statements. Control exists when the investor is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power over the investee to influence the amount of the investor’s returns. In all cases, the control results from the equity instruments that are held (shares in the company).

Joint Arrangements

IFRS 11 outlines accounting by entities that jointly control an arrangement, Joint control involves the contractually agreed sharing of control. If the controlling parties have rights to the net assets of the arrangement (joint venture), the equity method is used for financial reporting. If the controlling parties have rights to the assets, and obligations for the liabilities, relating to the agreement (joint operations), the assets and liabilities, as well as the revenues and expenses, are recognised using proportionate consolidation.

Joint operations

Ennskraftwerke Aktiengesellschaft produces electricity with hydropower plants. Gas- und Dampfkraftwerk Timelkam GmbH supplies electricity from the operation of a combined cycle gasturbine power plant.

The Group holds a strategic share of 50% in both Ennskraftwerke Aktiengesellschaft and Gas- und Dampfkraftwerk Timelkam GmbH. The entities are not controlled by any party.

Under the existing electricity supply contracts, the investors purchase the electric energy produced by the entities, where the internal price is calculated on a pro-rata basis of the production costs, plus a corresponding profit margin. Due to the electricity supply contracts, the parties have rights to the assets attributable to the arrangements. As the arrangements' liabilities can only be settled with these cash flows, the parties have obligations for the liabilities relating to the joint arrangment. Ennskraftwerke Aktiengesellschaft and Gas- und Dampfkraftwerk Timelkam GmbH are therefore classified as a joint operation according to IFRS 11.

The share of the assets and liabilities, as well as the revenues and expenses are reported in the consolidated financial statements. The average share of the electricity supply (38%) is used to determine the share for the pro rata recognition of Ennskraftwerke Aktiengesellschaft. The share of the electricity procured from Gas- und Dampfkraftwerk Timelkam GmbH, amounting to 70%, is used for consolidating the company.

Joint ventures

Due to special agreements under company law, no control exists for ENAMO GmbH, ENAMO Ökostrom GmbH, Energie AG Oberösterreich Vertrieb GmbH & Co KG, "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. (Salzburg), Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) or for Fernwärme Steyr GmbH, despite holding a majority of the voting rights. These companies are controlled jointly with other investors and are therefore accounted for using the equity method.

ENAMO GmbH delivers electric energy to large customers, Energie AG Oberösterreich Vertrieb GmbH & Co KG delivers electricity to private and industrial customers.

Energie AG Oberösterreich is the sole limited partner of Energie AG Oberösterreich Vertrieb GmbH & Co KG. ENAMO GmbH, a joint venture between Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH and LINZ STROM GmbH, is general partner.

In line with IFRS 11, ENAMO GmbH, with the subsidiaries Energie AG Oberösterreich Vertrieb GmbH & Co KG and LINZ STROM Vertrieb GmbH & Co KG controlled by it, represents a joint arrangement or joint venture, since these companies are controlled jointly by Energie AG Oberösterreich and LINZ AG. These entities are to be accounted for at equity in the consolidated financial statements in line with IFRS 11 in conjunction with IAS 28. Due to the contractually agreed shares of the revenues, this amounts to 80% for ENAMO GmbH, 100% for Energie AG Oberösterreich Vertrieb GmbH & Co KG, and 0% for LINZ STROM Vertrieb GmbH & Co KG.

Associated companies

Companies in which Energie AG Oberösterreich exercises a significant influence (associated companies) are consolidated using the equity method. The significant influence exists due to holdings of the entity's share capital. Salzburg AG für Energie, Verkehr und Telekommunikation is an infrastructure provider for energy, transport and telecommunication. Wels Strom GmbH is an energy utility and service company.

Structured entities

The Group has been leasing the property at Böhmerwaldstraße 3, Linz, where Group headquartes is located, from Power Tower GmbH since the year 2008. The Group holds a 1% share in the company.

The company is not financed by the Group. The leasing contract is for an indefinite period, cancellation by the lessee is only possible 20 years after the start of the contract at the earliest, under certain circumstances only after 23 years. The Group has the unilateral right, but no obligation, to acquire Power Tower GmbH 10, 15 or 20 years after the begin of the leasing contract. Leasing payments are linked to interest rate developments. The Group is required to perform the ongoing maintenance of the property and fulfill all legal requirements that could also apply to the owner. There are no other additional risks. The leasing contract has been classified as an operating lease contract in line with IAS 17. Power Tower GmbH is to be considered a structured entity according to IFRS 12, but is not to be included as a subsidiary in the consolidated financial statements. The rental and leasing expenses include contingent leasing payments in the amount of EUR -1,882.7 thousand (previous year: EUR -1,812.2 thousand) calculated on the basis of variable interest rates.

Other investments

Shares in subsidiaries, joint ventures, or associated companies that are of subordinate importance from the Group perspective are classified as "available for sale". If there is no quoted price in an active market available, and the fair value cannot be measured reliably, the value is recognised at cost. The companies which are not consolidated because of their subordinate importance are also insignificant in the total sum.

The changes in the scope of consolidation are as follows:

	Full consolidation	Proportionate consolidation	Equity consolidation
30/09/2015	48	2	11
30/09/2016	**48**	**2**	**11**

The share in result of entities consolidated for the first time, including consolidation effects, amounts to EUR 0.0 thousand (previous year: EUR 128.3 thousand).

Joint ventures	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	30/09/2016 EUR mill.	30/09/2015 EUR mill.	**30/09/2016 EUR mill.**	30/09/2015 EUR mill.	**30/09/2016 EUR mill.**	30/09/2015 EUR mill.
Non-current assets	2.8	2.6	0.1	0.1	77.5	67.3
Current assets	133.4	94.4	40.1	38.6	12.7	11.8
	136.2	**97.0**	**40.2**	**38.7**	**90.2**	**79.1**
Equity	91.8	49.0	13.7	12.8	14.5	12.8
Non-current liabilities	14.4	14.2	0.1	0.2	65.4	54.2
Current liabilities	30.0	33.8	26.4	25.7	10.3	12.1
	136.2	**97.0**	**40.2**	**38.7**	**90.2**	**79.1**
Cash and cash equivalents	0.4	0.2	8.9	4.8	5.6	2.5
Non-current financial liabilities	—	—	—	—	52.2	46.7

Joint ventures	Energie AG Oberösterreich Vertrieb GmbH & Co KG		ENAMO GmbH		Other joint ventures	
	2015/2016 EUR mill.	2014/2015 EUR mill.	**2015/2016 EUR mill.**	2014/2015 EUR mill.	**2015/2016 EUR mill.**	2014/2015 EUR mill.
Sales revenues	250.0	291.0	235.1	250.4	52.2	49.0
Depreciation, amortisation, and impairments	—	—	—	—	- 5.4	- 4.2
Interest income	0.1	0.2	—	—	0.1	0.1
Interest expense	- 0.3	- 0.3	- 0.1	—	- 1.4	- 1.3
Taxes	- 0.1	—	- 1.7	- 1.5	- 0.3	- 0.7
Earnings after taxes	46.0	36.2	5.0	4.4	2.1	2.1
Share in net assets as of 1 October	49.0	44.5	8.9	5.5	2.2	7.2
Profit for the period	44.8	35.8	4.1	3.4	1.2	0.6
Impairment/disposal	—	—	—	—	—	- 5.6
Dividends	- 2.0	- 31.3	- 3.3	—	—	—
Share in net assets as of 30 September	91.8	49.0	9.7	8.9	3.4	2.2
Goodwill	—	—	—	—	4.2	4.2
Carrying amount as of 30/09	**91.8**	**49.0**	**9.7**	**8.9**	**7.6**	**6.4**

Associated companies	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH	
	30/09/2016 EUR mill.	30/09/2015 EUR mill.	**30/09/2016 EUR mill.**	30/09/2015 EUR mill.
Non-current assets	**1,281.9**	1,248.8	**49.7**	49.6
Current assets	**87.9**	78.5	**11.7**	12.3
	1,369.8	**1,327.3**	**61.4**	**61.9**
Equity	**455.8**	446.9	**21.3**	19.7
Non-current liabilities	**642.1**	641.9	**26.0**	26.3
Current liabilities	**271.9**	238.5	**14.1**	15.9
	1,369.8	**1,327.3**	**61.4**	**61.9**

Associated companies	Salzburg AG für Energie, Verkehr und Telekommunikation		Wels Strom GmbH	
	2015/2016 EUR mill.	2014/2015 EUR mill.	**2015/2016 EUR mill.**	2014/2015 EUR mill.
Sales revenues	**1,043.3**	1,263.6	**74.5**	57.8
Earnings after taxes	**35.9**	37.8	**2.9**	1.4
Dividends	**- 27.2**	- 26.7	**-1.3**	- 1.3
Share in net assets as of 01 October	**116.8**	113.6	**9.6**	9.0
Profit for the period	**9.5**	10.2	**1.5**	1.2
Dividends	**-7.1**	- 7.0	**-0.6**	- 0.6
Share in net assets as of 30 September	**119.2**	116.8	**10.5**	9.6
Share in net assets as of 30 September	**19.7**	19.7	**18.7**	27.6
Carrying amount as of 30/09	**138.9**	**136.5**	**29.2**	**37.2**

3.2. Group Companies

	Domicile	Interest held in % (previous year)	Consolidation method (previous year)
AUSTRIA			
Energie AG Oberösterreich	Linz	Parent company	
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Business Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Customer Services GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kraftwerke GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kraftwerk Labenbach GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Personalmanagement GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Trading GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Telekom GmbH (former Energie AG Oberösterreich Data GmbH)	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Tech Services GmbH	Linz	100.00 (100.00)	FC (FC)
Netz Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
Energie-Contracting Steyr GmbH	Steyr	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Wärme GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Fair Energy Renewable Power GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Group Treasury GmbH	Linz	100.00 (100.00)	FC (FC)
Cogeneration-Kraftwerke Management Oberösterreich GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Power Solutions GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Umwelt Holding GmbH	Linz	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Umwelt Service GmbH	Hörsching	100.00 (100.00)	FC (FC)

	Domicile	Interest held in % (previous year)	Consolidation method (previous year)
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Kommunalservice GmbH	Hörsching	100.00 (100.00)	FC (FC)
Abfall-Aufbereitungs-GmbH	Hörsching	100.00 (100.00)	FC (FC)
Energie AG Oberösterreich Wasser GmbH	Linz	100.00 (100.00)	FC (FC)
MA Restabfallverwertung GmbH	Hörsching	99.00 (99.00)	FC (FC)
WDL WasserdienstleistungsGmbH	Linz	90.00 (90.00)	FC (FC)
Market Calling Marketing GesmbH	Linz	60.00 (60.00)	FC (FC)
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50.00 (50.00)	JO (JO)
Ennskraftwerke Aktiengesellschaft	Steyr	50.00 (50.00)	JO (JO)
Energie AG Oberösterreich Vertrieb GmbH & Co KG	Linz	100.00 (100.00)	JV (JV)
ENAMO GmbH	Linz	80.00 (80.00)	JV (JV)
ENAMO Ökostrom GmbH	Linz	80.00 (80.00)	JV (JV)
„Papyrus" Altpapierservice Handelsgesellschaft m.b.H.	Salzburg	63.33 (63.33)	JV (JV)
Fernwärme Steyr GmbH	Steyr	51.00 (51.00)	JV (JV)
AMR Austrian Metal Recovery GmbH	Linz	50.00 (50.00)	JV (JV)
Windpower EP GmbH	Parndorf	50.00 (50.00)	JV (JV)
Bioenergie Steyr GmbH	Behamberg	49.00 (49.00)	JV (JV)
Wels Strom GmbH	Wels	49.00 (49.00)	EC (EC)
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg	26.13 (26.13)	EC (EC)
IfEA Institut für Energieausweis GmbH	Linz	100.00 (100.00)	OC (OC)
Wärme Oberösterreich GmbH	Linz	100.00 (100.00)	OC (OC)
Energie AG Oberösterreich Bohemia GmbH	Linz	100.00 (100.00)	OC (OC)
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung	Linz	100.00 (100.00)	OC (OC)
Energy IT Service GmbH	Linz	66.67 (66.67)	OC (OC)
BBI Breitbandinfrastruktur GmbH	Linz	55.00 (55.00)	OC (OC)
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50.00 (50.00)	OC (OC)
Thermische Abfallverwertung Tirol Gesellschaft m.b.H.	Innsbruck	— (50.00)	— (OC)
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40.00 (40.00)	OC (OC)
WDL Infrastruktur GmbH	Linz	49.00 (49.00)	OC (OC)
OÖ Science-Center Wels Errichtungs-GmbH	Wels	47.67 (47.67)	OC (OC)
Energie Ried Wärme GmbH	Ried im Innkreis	40.00 (40.00)	OC (OC)
GRB Geothermie Ried Bohrung GmbH	Ried im Innkreis	40.00 (40.00)	OC (OC)
Recycling Innsbruck GmbH	Innsbruck	25.00 (25.00)	OC (OC)
ELG Liegenschaftsverwertung GmbH	Wallern	20.00 (20.00)	OC (OC)
CZECH REPUBLIC			
Energie AG Bohemia s.r.o.	Praha	100.00 (100.00)	FC (FC)
CEVAK a.s.	České Budějovice	100.00 (100.00)	FC (FC)
Vodáreská společnost Beroun s.r.o.	Beroun	100.00 (100.00)	FC (FC)
VODOS s.r.o.	Kolín	100.00 (100.00)	FC (FC)
Energie AG Teplo Bohemia s.r.o.	České Budějovice	100.00 (100.00)	FC (FC)
Energie AG Teplo Vimperk s.r.o.	České Budějovice	100.00 (100.00)	FC (FC)
Energie AG Teplo Rokycany s.r.o.	Rokycany	100.00 (100.00)	FC (FC)
Tepelne zasobovani Rakovník spol. s.r.o.	Rakovník	100.00 (100.00)	FC (FC)
Městské tepelné hospodářství Kolín, spol. s r.o	Kolín	95.00 (95.00)	FC (FC)
Vodáreská spolecnost Chrudim a.s.	Chrudim	95.00 (95.00)	FC (FC)
VHOS a.s.	Moravská Třebová	93.31 (93.31)	FC (FC)
SATEZA a.s.	Šumperk	91.67 (91.67)	FC (FC)
Aqua Servis a.s.	Rychnov nad Kněžnou	66.00 (66.00)	FC (FC)
Vodovody a kanalizace Beroun a.s.	Beroun	59.20 (59.20)	FC (FC)
Energie AG Bohemia Service s.r.o.	České Budějovice	100.00 (100.00)	OC (OC)
1. Jihočeská vodohospodářská spol. s r.o.	České Budějovice	100.00 (100.00)	OC (OC)
ENSERV Bohemia s.r.o.	České Budějovice	— (100.00)	— (OC)
DÉMOS, spol. s r.o.	Ústí nad Orlicí	100.00 (—)	OC (—)
DÉMOS - správa, s.r.o.	Ústí nad Orlicí	100.00 (—)	OC (—)
ENAMO s.r.o.,	České Budějovice	65.00 (65.00)	OC (OC)

	Domicile	Interest held in % (previous year)	Consolidation method (previous year)
ITALY			
ECOFE S.R.L.	Meran	100.00 (100.00)	FC (FC)
Salvatonica Energia S.R.L.	Meran	100.00 (100.00)	FC (FC)
Energie AG Südtirol Umwelt Service GmbH	Neumarkt	100.00 (100.00)	FC (FC)
GERMANY			
Erdgas Oberösterreich Vertriebs GmbH	Tittling	100.00 (100.00)	FC (FC)
Papyrus Wertstoff Service GmbH	Bad Reichenhall	63.33 (63.33)	JV (JV)
Geothermie-Fördergesellschaft Simbach-Braunau mbH	Simbach	40.00 (40.00)	OC (OC)
POLAND			
Finadvice Fair Energy Wind Development sp.zo.o.	Warszawa	100.00 (100.00)	FC (FC)
Finadvice Fair Energy Wind Development 1 Sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
Finadvice Fair Energy Wind Development 2 Sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
Finadvice Fair Energy Wind Development 3 Sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
Finadvice Fair Energy Wind Development 5 Sp. z o.o.	Warszawa	100.00 (100.00)	OC (OC)
SLOVAKIA			
Energie AG Teplo Slovakia s.r.o.	Bratislava	— (100.00)	— (OC)
HUNGARY			
Energie AG Heves Régió Környezetvédelmi és Hulladékgazdálkodási Korlátolt Felelősségű Társaság	Hejöpapi	100.00 (100.00)	FC (FC)
SLOVENIA			
VARINGER d.o.o.	Maribor	100.00 (100.00)	FC (FC)

FC fully consolidated company
EC associated company consolidated at equity
OC companies not consolidated due to immateriality
JV Joint venture consolidated at equity
JO Joint operation, proportionate consolidation of assets and liabilities, as well as expenses and revenues

4. CONSOLIDATION METHODS

Capital consolidation uses the purchase method of accounting, under which the fair value of the consideration for the acquiree is offset with the proportionate revaluated equity of the subsidiaries at the date of acquisition. The non-controlling interests are measured at the fair value of the attributable assets and liabilities of the acquiree (partial goodwill method).

Goodwill from business combinations is measured according to IFRS 3. The acquired goodwill is essentially based on expected future revenues and synergy effects. The impairment of goodwill is tested at least once each year in accordance with IAS 36. Negative differences are recognised immediately in accordance with IFRS 3. Incidental acquisition costs from acquiring interests in the amount of EUR 0.0 thousand (previous year: EUR 5.1 thousand) are recognised as other operating expenses.

The financial statements of the entities fully or proportionally consolidated in the consolidated financial statements are reported according to uniform accounting and measurement principles. The separate financial statements of the fully consolidated entities, joint operations and joint ventures, as well as the entities accounted for using the equity method, are reported at the date of the consolidated financial statements, or interim reports are prepared.

Intragroup receivables and liabilities, expenses and revenues, as well as interim results are eliminated.

5. ACCOUNTING AND VALUATION PRINCIPLES

5.1. Estimates

Compiling the consolidated financial statements required estimates to be made that influence the assets, liabilities and equity, revenues, and expenses, as well as the figures disclosed in the notes.

In particular, estimates and assumptions are made in calculating provisions and in testing asset impairment.

Estimates and assumptions in the area of personnel provisions primarily involve interest rates, wage and salary trends and fluctuation.

In the course of testing the impairment of assets and goodwill, estimates are made concerning future cash flows and interest rates. To determine the useful lives of non-current assets, an estimate is made of the probable duration of the useful life of the assets for the company.

The estimates made may differ from the figures that actually result in the future and influence subsequent consolidated financial statements. In respect to the possible effects of changes in estimates, please refer to the sensitivity analyses concerning impairment testing and actuarial parameters.

	30/09/2016 EUR 1,000	30/09/2015 EUR mill.
Goodwill	**69,283.0**	69,145.4
Property, plant and equipment	**1,883,196.8**	1,913,602.5
Investments	**292,235.5**	258,630.7
Non-current provisions	**311,488.0**	308,571.4
Current provisions	**11,137.2**	16,037.5

5.2. Intangible Assets

The goodwill resulting from the acquisition of subsidiaries is reported under intangible assets. Goodwill is recognised at cost less accumulated impairment losses.

Other assets acquired by the Group that have limited useful lives are recognised at cost less accumulated depreciation, and accumulated impairment losses.

Under certain circumstances according to IAS 38 (Intangible Assets), development costs are to be capitalised as self-created intangible assets and subsequently amortised over their useful lives.

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

	Useful life in years
Intangible assets	
Procurement rights	15 – 50
Other rights	4 – 50
Customer base	8 – 26
Dumping rights and landfills	depending on utilization

Costs for research activities with the prospect of providing new scientific or technical insights are recognised as expenses.

5.3. Property, Plant and Equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

The costs include expenses that are directly attributable to the acquisition of the asset. The costs for self-constructed assets include:

- material costs and production wages, including material and production overhead. General administrative expenses are not capitalised
- all other costs directly attributable to bringing the asset into working condition for its intended use
- the estimated costs of dismantling and removing the item and restoring the site on which it is located
- capitalised borrowing costs

Finance costs are capitalised according to IAS 23 using an interest rate of 4.3% (previous year 4.6%).

Subsequent expenses are only capitalised when it is probable that the future economic benefit associated with these expenses will flow to the Group. Ongoing repairs and maintenance are immediately recognised as expenses.

Property, plant and equipment are depreciated from the date on which they are available for use, or in the case of self-constructed assets, from the date the asset is completed and ready for use.

As far as different useful lives are to be applied for material components of non-current assets, these are recognised according to the component approach (IAS 16.43).

The depreciation of significant property, plant and equipment is recognised according to the following, Group-wide uniform useful lives:

	Useful life in years
Constructions	
Buildings	50
Other structures	10 – 50
Water engineering structures	50 – 75
Technical equipment and machinery	
Power plants	10 – 50
Electricity grid	15 – 40
Waste disposal systems	6 – 20
Telecommunications facilities	7 – 20
Manufacturing plant and equipment	3 – 10

5.4. Impairment of Goodwill

In the fourth quarter of each fiscal year, or in the course of the year when an impairment indicator arises, impairment testing is performed for goodwill to determine whether any impairment losses have occurred. For this, goodwill is allocated to units that are expected to benefit from the synergies of the combination. As a rule, the individual Group companies are identified as cash-generating units. In the Waste Management Segment, the Group companies are combined by country due to the existing management and reporting structures.

An impairment loss is recognised when the carrying amount of a cash generating unit exceeds its recoverable amount. The recoverable amount corresponds to the larger amount resulting from the fair value less the costs of disposal or the value in use. The value in use is determined by discounting future cash flows that are expected to be derived from a cash-generating unit. The fair value less costs of disposal is assessed from an external perspective, the value in use is assessed from the internal perspective of the company.

The cash flows used to determine the value in use are based on the five-year mid-term planning approved by the management board. The planning figures are based both on past experience and on external sources of information. The assumptions concerning cash flows beyond the period of detailed planning are based on analyses of the past as well as on forecasts for the future. Future restructuring and expansion investments are not included. A growth rate of 1.0% to 1.5% is assumed for the time after period of detailed planning. The growth rate is derived from electricity prices and forecasts for future GDP growth, as well as expected increases in expenses. The assumptions concerning future GDP growth are based on European Commission publications. The value in use is taken as a basis for testing the impairment of goodwill.

The discount interest rate is an interest rate after taxes that reflects the current market estimates and the specific risks of the cash-generating unit.

5.4.1. Planning assumptions in the Waste Management Segment

Planning in the Waste Management Segment is based on the Group-wide central planning assumptions concerning economic growth, inflation and the development of interest rates and exchange rates during the planning period.

Sales planning is based on detailed planning for the individual products and services of each location. In the area of incineration plants and major customers, single-customer planning based on contractual parameters was also used. For waste and recyclables, a price development was used for the planning period that was realistic to assume at the time of planning. For the other products and services, an expected course of business development was projected and the sales revenues from electricity and district heating were determined on the basis of contracts or prospective forecasting.

The recycling and throughput volumes were planned for the major waste disposal systems based on expected market developments, based on an expected throughput of 315,000 tons for the Wels waste incineration plant and 300,000 tons for the Lenzing waste recycling plant.

The material expense items such as personnel expenses, vehicle fleet costs, maintenance and taxes were planned in line with the sales and plant planning.

5.4.2. Planning assumptions for the Water Segment

Planning for the Water Segment is based on centrally defined, country-specific planning parameters like the development of the inflation rate and economic growth, as well as interest rates and exchange rates.

Sales planning in the area of drinking water and waste water is based on a quantity and price structure which in turn is based on a trend for sales planning that is extrapolated from historical consumption data and the planning parameters. The planned drinking water and waste water prices have been determined by each planning unit, taking into consideration the existing contract data and estimates of the future development of expenses, and in compliance with any applicable general regulatory conditions.

For the planning of material expense items in the Water Segment, country-specific planning parameters were determined using the estimates of external analysts. In particular, this includes price developments for untreated water, chemicals, and fuels, as well as prices for electricity and gas.

A major planning assumption is that existing contracts for drinking water and waste water with the municipal bodies and water authorities are maintained.

5.5. Impairment of Other Intangible Assets and Property, Plant and Equipment

According to IAS 36 (Impairment of Assets), intangible assets and property, plant and equipment are to be subjected to an impairment test when there is evidence that an asset or cash-generating unit might be impaired. An impairment is recognised when the carrying amount exceeds the recoverable amount of the asset or cash generating unit. The recoverable amount is the larger amount resulting from the fair value less the costs of disposal or the value in use.

The value in use is determined by discounting future cash flows that are expected to be derived from a cash-generating unit. The cash flows used to determine the value in use are based on the five-year mid-term planning approved by the management board. For the subsequent period, a perpetual annuity or a calculation up to the expected end of the useful life of the object is recognised. The planning figures are based both on past experience and on external sources of information. Future restructuring and expansion investments are not included. The discount interest rate is an interest rate after taxes that reflects the current market estimates and the specific risks of the cash-generating unit.

The fair value less cost of disposal is assessed from an external perspective, the value in use is assessed from the internal perspective of the company.

5.6. Investments

The valuation of an interest in companies accounted for according to the equity method is increased or decreased according to the changes in equity in keeping with the capital share that is held.

5.7. Inventories

The valuation of inventories is recognised at average cost (moving average cost method) or at the lower net realisable value. Costs include directly allocatable costs as well as proportionate material and production overhead costs.

Impairments due to reduced realisable value are recognised using write-downs.

5.8. Emission Certificates

The CO_2 certificates issued free of charge according to the Austrian Gas Emissions Certificate Act are measured at market value at the date of allocation and recognised both under current receivables and under current liabilities. Fluctuations in market value are recognised in the income statement. In the course of using the emission certificates, corresponding provisions are built up and the reduction of the liability from their allocation is recognised in the income statement. Upon delivery of the emission certificates to the registration office, the provision is netted against the asset.

Certificates purchased on the market are recognised under current receivables. Fluctuations in market value are recognised in the income statement. In the course of using the emission certificates, corresponding provisions are built up. Upon delivery of the emission certificates to the registration office, the provision is netted against the asset.

5.9. Fixed Term Deposits

The line item 'fixed term deposits' includes highly liquid fixed term deposits with an original maturity of more than three months up to one year, provided that they are not subject to limitations on availability. They are recognised at amortised costs under the category 'Loans and Receivables'.

5.10. Cash and Cash Equivalents

The item 'cash and cash equivalents' includes cash in hand and cheques received, as well as deposits at banks with an original maturity of up to three months, provided that they are not subject to limitations on availability. They are recognised at amortised costs under the category 'Loans and Receivables'.

5.11. Financial Instruments

Purchases and sales of primary financial instruments are recognised at the settlement date. Purchases and sales of derivative financial instruments are recognised at the trade date. Recognition of the financial instruments is done at the time of acquisition, always at fair value under consideration of the transaction costs. Financial instruments are derecognised when the rights to payments from the investment expire or are transferred, and the Group has transferred substantially all the risks and rewards of ownership.

5.11.1. Primary financial instruments

Non-consolidated investments and securities are recognised in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'.

Energie AG Oberösterreich utilises instruments in the categories 'At Fair Value through Profit or Loss', 'Held to Maturity', 'Loans and Receivables', 'Available for Sale' and 'Financial Liabilities measured at Amortised Cost'.

The category 'At Fair Value through Profit or Loss' is used for derivatives 'Held for Trading', as well as for financial assets that are managed in accordance with a documented risk management or investment strategy and whose performance is assessed on the basis of fair value.

Securities are classified in the category 'Held to Maturity'. Financial assets in this category are primary financial assets with fixed or determinable payments for which the company has the positive intention and ability to hold to maturity. They are recognised at amortised costs in the course of subsequent measurements.

The category 'Loans and Receivables' includes borrowings at market rates and trade receivables, as well as other financial receivables and assets. 'Loans and Receivables' are primary financial assets with fixed or determinable payments that are not quoted in an active market. The financial instruments of the 'Loans and Receivables' category are subsequently measured at amortised costs.

For the categories 'Held to Maturity' and 'Loans and Receivables', value adjustments are made for identifiable risks as soon as evidence for impairment arises. The following are considered criteria for the need for a write-down: financial difficulties of the issuer or debtor, late payment, increased probability of insolvency, a measurable reduction in expected future cash flows, and a material decline in the market value of the financial instrument. Financial assets are only derecognised directly when contractual rights to payments from the financial assets cease to exist (in particular in the event of insolvency). If the reasons for impairment cease to apply, the impairment is reversed up to amortised cost.

Shares in non-consolidated affiliated companies, other investments and securities are classified in the 'Available for Sale' category. These are continuously reported at fair value as far as this can be determined reliably. After deduction of deferred taxes, the resulting changes in value are recognised outside profit or loss until disposal, as far as no material or lasting impairment exists. If there is objective evidence for impairment, losses previously reported in other comprehensive income are recognised in the financial result. When estimating a possible impairment loss, all available information is taken into consideration, including credit rating, market conditions, and length and extent of the impairment. Reversals of impairments are recognised directly in equity for equity instruments, and recognised in profit or loss for debt instruments.

Non-consolidated investments and other investments are presented as 'Available for Sale at Cost'. For these investments, there is no price listed on an active market and the fair value cannot be reliably determined. They are reported at cost under consideration of amortised cost and impairments. Recognising reversals of impairment is not permitted.

Financial liabilities, trade payables and other financial liabilities are classified as 'Financial Liabilities Measured at Amortised Cost' and are recognised at amortised costs using the effective interest method. The initial recognition is measured at fair value plus transaction costs. Premiums, discounts or other costs of issue are distributed across the financing term and disclosed in the financial result.

5.11.2. Derivative financial instruments and hedge accounting

In the Group, derivative financial instruments are used above all to hedge the risks of fluctuations in interest rates and electricity and gas prices.

The requirements for hedge accounting according to IAS 39 specifically include documentation of the hedging relationship, the hedging strategy and the ongoing retrospective and prospective assessment of effectiveness. All components of changes in market value of derivatives are included in effectivity assessment. Hedge accounting is considered to be effective when the market value change of the hedging instrument is within a range of 80% to 125% of the corresponding market value change of the hedged item.

If a derivative financial instrument according to IAS 39 is used for hedge accounting in a cash flow hedge, the effective portion of the gain or loss on the hedging instrument is recognised in equity in other comprehensive income. This is reclassified in the income statement in the same period in which the cash flows of the hedged item are recognised in profit or loss. If the hedged item ceases to exist, the hedging result is recognised in the income statement. The ineffective portion of a change in market value of a hedging instrument for which a cash flow hedge has been created is recognised in the income statement to the extent required.

In fair value hedge accounting, both the market value change of the derivative, and the corresponding market value change of the hedged item, as far as it is attributable to the hedged risk, are recognised in profit or loss.

Changes in market value of derivatives not designated as hedging instruments are recognised in the operating result or financial result. Gains and losses from interest-rate derivatives are balanced for each contract and recognised in interest results. The balanced net results of derivative proprietary trading instruments are recognised under sales revenues or material costs.

Contracts that were entered into and that continue to be held for the receipt or delivery of non-financial items in accordance with expected purchase, sale or usage requirements are not recognised as derivative financial instruments at fair value according to IAS 39, but rather as executory contracts according to the regulations of IAS 37.

5.12. Provisions Under IAS 19

Provisions for pensions, severance, stepped pension/early retirement benefits and anniversary bonuses are calculated according to the projected unit credit method in accordance with IAS 19 (Employee Benefits). Expected increases in wages, salaries and pensions are taken into account. Actuarial gains and losses for pension and severance provisions are recognised in other comprehensive income, and they are released as income for jubilee, stepped pension and early retirement provisions. Interest costs are recognised in the financial results.

5.13. Other Provisions

Other provisions include all recognisable obligations as at the balance sheet date that are based on past events and for which the amount or maturity is uncertain. Provisions are recognised at the amount that is most likely to be incurred. Discounted costs for obligations resulting from dismantling and removing property, plant and equipment assets and restoring the site are estimated, capitalised at the date the plant is added, and recognised as a provision.

5.14. Deferred Taxes

Deferred tax liabilities are recognised for all temporary differences between the amounts recognised in the consolidated balance sheet and the amounts recognised in the tax balance sheets of the individual Group companies. Future tax benefits resulting from tax losses that are carried forward are also taken into account. Values are adjusted if it is no longer probable that they can be offset.

5.15. Construction Cost Subsidies

This item primarily includes financing contributions received from electricity, gas and district heating customers. Following IFRIC 18, construction cost subsidies carried as liabilities are reversed as income in accordance with the depreciation procedure for the corresponding asset.

5.16. Investment Subsidies

Government grants for asset acquisition are recognised as investment subsidies and reversed in other operating revenues according to the useful life of the asset.

5.17. Contingent Liabilities

Potential or existing obligations (resulting from past events) for which an outflow of resources is not probable are recognised under contingent liabilities.

5.18. Foreign Currency Translations

Foreign currency translation is carried out according to the functional currency principle. The functional currency for all consolidated companies is the respective national currency. Accordingly, balance sheet items are translated at the mean exchange rate on the balance sheet date, and income statement items are translated at the mean exchange rate for the statement period. Differences arising from the currency translation of shares in equity are recognised in other comprehensive income. Differences from currency translation of minority interests are recognised under the line item 'non-controlling interest in equity'. On 30/09/2016, the exchange rate for the Czech crown was 27.02310 (previous year: 27.22280), for the Hungarian forint 308.2945 (previous year: 314.4780), for the Swiss franc 1.08805 (previous year: 1.09318), for the Polish zloty 4.30177 (previous year: 4.24125), for the US dollar 1.12225 (previous year: 1.12440). Currency translation differences from long-term intra-Group corporate loans for which repayment is neither planned nor likely are recognised outside profit or loss in exchange differences.

5.19. Revenue Recognition

In general, revenues are recognised at the time the goods or services are delivered, as long as the receivable value has been determined or can be determined and its collection is likely. Receivables from gas and water supplies that have not been invoiced as at the balance sheet date, as well as grid services, are accrued and recognised in the line item 'trade receivables'.

Interest income is accrued on a pro-rata basis depending on the effective interest rate. Dividends are recognised at the time when the right to received payment was established.

NOTES TO THE INCOME STATEMENT

6. SALES REVENUES

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Energy Segment	877,423.5	936,114.8
Grid Segment	287,519.4	276,515.5
Waste Management Segment	200,438.1	196,227.4
Water Segment	129,358.4	125,953.1
Holding & Services Segment	40,167.5	39,116.7
Sales revenues	**1,534,906.9**	**1,573,927.5**
Procurement costs for proprietary electricity and gas trading	- 95,667.6	- 103,320.1
Net sales revenues	**1,439,239.3**	**1,470,607.4**

Sales revenues include revenues from proprietary trading of electricity and gas. Net sales revenues (after deducting procurement costs for proprietary electricity and gas trading) include the realised margin. Procurement costs for proprietary energy and gas trading pertain to quantities of electricity and gas that have been purchased solely for the purpose of reselling at the wholesale level while achieving an appropriate margin.

7. SEGMENT REPORTING

Segment Reporting by Business Areas

In the Energie AG Oberösterreich Group, identification of reportable segments according to IFRS 8 is done according to internal reporting and internal control (Management Approach).

The segment reporting includes the Energy, Grid, Waste Management, and Water and Holding & Services segments.

The accounting policies of the reported segments are the same as those used throughout the Group. The operating result is the net profit or loss for the period that is monitored regularly by the chief operating decision-makers and used as the primary basis for assessing success and for allocating resources.

The sales transactions carried out between the Grid segment and the other segments primarily involve grid services for which the prices are based on regulatory stipulations. Intra-Group sales transactions in the Holding & Services segment primarily involve delivery of goods and services that are charged at prices corresponding to market conditions, as well as sales in the area of grid services (metering) which are charged at prices based on regulatory stipulations. 'Capital employed' is the key figure relating to assets and liabilities in the Group that are reported to the chief operating decision makers on a regular basis. Capital employed includes above all equity and interest-bearing liabilities, less cash and cash equivalents, fixed term deposits, and certain financial assets.

Energy
The Energy Segment figures include the production, trade and sales of electrical energy. Electrical energy is primarily generated using hydraulic and thermal power generation plants. In addition, electrical energy is also obtained from third-party power plants via procurement rights, as well as on the electricity market. The Electricity Segment also includes Energie AG Oberösterreich Trading GmbH as a central electricity and gas trading company, as well as the 7-Fields gas reservoir. The trade with and distribution of natural gas, the heating business area, as well as Energie AG Oberösterreich Vertrieb GmbH & Co KG (measured at equity), ENAMO GmbH and ENAMO Ökostrom GmbH are allocated to the Energy Segment.

Grid
The Grid Segment includes the construction and operation of the electricity and gas grids.

Waste Management
The Waste Management Segment primarily includes the acceptance, sorting, incineration and landfilling of domestic and industrial waste. 'Papyrus' Altpapierservice Handelsgesellschaft m.b.H., valued at equity, as well as Papyrus Wertstoff Service GmbH, are allocated to the Waste Management Segment.

Water
The Water Segment primarily includes supplying drinking water, as well as disposing of wastewater.

Holding & Services
The Holding & Services Segment comprises the management and control functions of the segment, commercial and technical services, and the telecommunications business area, as well as the two consolidated at-equity investments Salzburg AG für Energie, Verkehr und Telekommunikation and Wels Strom GmbH.

Segment reporting by business areas is as follows:

2015/2016	Energy EUR mill.	Grid EUR mill.	Waste Management EUR mill.	Water EUR mill.	Holding & Services EUR mill.	Reconciliation /elimination EUR mill.	Group EUR mill.
Sales to third parties	877.4	287.5	200.4	129.4	40.2	—	1,534.9
Intra-company sales	2.3	44.0	6.4	0.4	166.4	-219.5	—
Total sales	**879.7**	**331.5**	**206.8**	**129.8**	**206.6**	**-219.5**	**1,534.9**
Result from investments in equity companies	50.2	—	0.8	—	2.0	—	53.0
Depreciation, amortisation, and impairments	- 53.9	- 81.8	- 21.5	- 7.6	- 18.6	—	- 183.4
Thereof impairments	- 28.5	- 17.4	- 4.0	—	—	—	-49.9
Operating result	78.0	44.1	8.1	10.3	- 5.1	—	135.4
Carrying amount of investments in equity companies	106.4	—	2.8	—	168.0	—	277.2
Goodwill	1.1	—	45.3	22.8	0.1	—	69.3
Investments in intangible assets and property, plant and equipment	27.5	73.4	14.8	9.8	34.0	—	159.5
Capital employed	621.4	628.5	176.1	108.9	75.4	—	1,610.3

	EUR mill.
Capital employed	1,610.3
Assets not used in the service production and sales process	479.7
Non-interest bearing liabilities, provisions	900.6
Balance sheet total	**2,990.6**

2014/2015	Energy EUR mill.	Grid EUR mill.	Waste Management EUR mill.	Water EUR mill.	Holding & Services EUR mill.	Reconciliation /elimination EUR mill.	Group EUR mill.
Sales to third parties	936.1	276.5	196.2	126.0	39.1	—	1,573.9
Intra-company sales	3.2	37.9	9.0	0.4	143.5	- 194.0	—
Total sales	**939.3**	**314.4**	**205.2**	**126.4**	**182.6**	**- 194.0**	**1,573.9**
Result from investments in equity companies	40.2	—	- 5.5	—	11.3	—	46.0
Depreciation, amortisation, and impairments	- 53.4	- 62.1	- 34.9	- 7.4	- 17.9	—	- 175.7
Thereof impairments	- 25.8	—	- 13.9	—	—	—	- 39.7
Operating result	80.0	41.8	- 15.3	9.5	2.9	—	118.9
Carrying amount of investments in equity companies	62.3	—	1.9	—	173.8	—	238.0
Goodwill	1.1	—	45.3	22.6	0.1	—	69.1
Investments in intangible assets and property, plant and equipment	22.9	66.2	13.7	6.5	31.8	—	141.1
Capital employed	572.1	651.3	189.6	107.2	78.3	—	1,598.5

	EUR mill.
Capital employed	1,598.5
Assets not used in the service production and sales process	514.9
Non-interest bearing liabilities, provisions	926.1
Balance sheet total	**3,039.5**

Revenues from the reversal of construction cost subsidies of EUR 23.4 mill. (previous year: EUR 23.2 mill.) pertain to the Grid Segment, while reversals of impairment in the amount of EUR 0.0 mill. (previous year: 29.7) pertain to the Energy Segment. Non-cash line items in connection with derivatives in the amount of EUR -22.3 mill. (previous year: EUR -24.0 mill.) pertain to the Energy Segment.

Segment Reporting by Geographical Segments

The Energie AG Oberösterreich Group operates primarily in the regions 'Austria' and 'Czech Republic'. Business operations in other countries (Italy, Germany, Slovenia, Hungary, Poland) are summarised in the geographical segment 'Other Countries'.

2015/2016	Austria EUR mill.	Czech Republic EUR mill.	Other countries EUR mill.	**Group EUR mill.**
Sales to third parties	1,389.5	135.4	10.0	**1,534.9**
Capital employed	1,508.5	85.2	16.6	**1,610.3**

2014/2015	Austria EUR mill.	Czech Republic EUR mill.	Other countries EUR mill.	**Group EUR mill.**
Sales to third parties	1,431.0	132.5	10.4	**1,573.9**
Capital employed	1,497.1	85.0	16.4	**1,598.5**

8. OTHER OPERATING REVENUES

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Revenues from the disposal of intangible assets and property, plant and equipment	3,736.8	4,194.6
Reversals of impairment	—	29,733.9
Capitalised production costs	704.4	612.9
Rental and lease income	3,307.7	3,483.3
Revenues from the reversal of investment subsidies	2,658.6	3,352.1
Revenues from CO_2 certificates	3,801.8	2,213.5
Other revenues	6,753.2	8,287.7
	20,962.5	**51,878.0**

9. EXPENSES FOR MATERIAL AND OTHER PURCHASED PRODUCTION SERVICES

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Electricity purchased from third parties	453,503.7	525,338.7
Grid purchases	63,596.5	66,669.2
Fuel purchase	32,537.7	37,808.4
Other purchased goods	226,265.9	250,251.4
Expenses for purchased services	118,370.9	116,798.8
	894,274.7	**996,866.5**
Procurement costs for proprietary electricity and gas trading	- 95,667.6	- 103,320.1
	798,607.1	**893,546.4**

10. PERSONNEL EXPENSE

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Wages and salaries	199,466.6	193,384.1
Severance payments and contributions to company pension funds	4,293.2	3,738.3
Pension payments	14,476.1	10,803.9
Statutory social security contributions and payroll related Taxes and statutory contributions	51,511.9	50,024.3
Other benefit expenses	- 6,816.4	- 1,502.5
	262,931.4	**256,448.1**

The expenses for defined contribution pension plans are EUR 6,586.7 thousand (previous year: EUR 6,163.6 thousand). Expenses for severance payments of EUR 13.8 thousand (previous year: EUR 13.7 thousand), as well as expenses for pension payments of EUR 347.5 thousand (previous year: EUR 374.5 thousand), pertain to members of the Board of Management.

The salaries paid to the Management Board and Supervisory Board of Energie AG Oberösterreich amount to:

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Management Board	859.0	837.0
Former Management Board members and their survivors	745.0	741.0
Supervisory Board	102.0	95.0
	1,706.0	**1,673.0**

The average number of employees in this fiscal year amounts to 4,362 (previous year: 4,308). Part-time employees are included on a proportional basis.

11. DEPRECIATION, AMORTISATION, AND IMPAIRMENTS

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Depreciation and amortisation	133,503.3	136,064.2
Impairments	49,927.7	39,660.5
	183,431.0	**175,724.7**

12. OTHER OPERATING EXPENSES

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Taxes	7,761.1	7,990.7
Outside services	56,109.6	47,792.5
Travel expenses	8,311.9	8,173.5
Insurance premiums	5,608.5	5,674.3
Postage and telecommunication	5,501.7	5,959.5
Rental and leasing expenses	7,714.7	7,721.2
Impairment of receivables	958.0	667.8
Allocation to allowances for doubtful receivables	2,297.1	1,956.8
Vehicle expense	17,753.9	19,343.3
Losses from the disposal of intangible assets and property, plant and equipment	3,249.1	2,454.5
Repairs	23,757.9	22,034.7
Other expenses	27,698.4	27,247.4
	166,721.9	**157,016.2**

Taxes mainly include property tax, dumpsite levy and electricity levy, as well as the Austrian landfill tax. The fees charged by the Group auditor, KPMG Austria GmbH, for auditing services and other assurance services provided for the companies of the Energie AG Oberösterreich Group amount to EUR 725.7 thousand (previous year:EUR 766.2 thousand). In addition, the Group auditor provided other consulting services for the Energie AG Oberösterreich Group totaling EUR 212.7 thousand (previous year: EUR 211.2 thousand).

13. INTEREST RESULT

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Financing expenses		
Interest and similar expenses	- 23,777.0	- 28,119.0
Interest on provisions for pensions	- 5,171.9	- 6,671.9
Foreign exchange losses on financial liabilities	- 228.7	- 5,253.8
	- 29,177.6	**- 40,044.7**
Other interest result		
Interest and similar revenues	1,734.7	1,992.4
Foreign exchange profit on financial liabilities	176.8	18.4
Market value changes of interest rate derivatives	- 773.2	260.5
	1,138.3	**2,271.3**
	- 28,039.3	**37,773.4**

14. OTHER FINANCIAL RESULT

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Result from investments		
Non-consolidated affiliated companies	24.3	24.3
Revenues from other investments	1,047.3	1,425.6
Gains from the disposal of other investments	46.8	1,128.9
Impairment of investments	- 7,245.6	- 1,384.7
	- 6,127.2	**1,194.1**
Securities and borrowings		
Losses from the disposal of borrowings	—	- 11.0
Gains from the disposal of borrowings	—	154.3
Revenues from securities	983.3	853.3
Impairment of securities	- 233.8	- 303.3
Addition to securities	20.0	20.0
Losses from the disposal of securities	- 34.7	—
Gains from the disposal of securities	222.7	199.6
	957.5	**912.9**
	- 5,169.7	**2,107.0**

15. INCOME TAXES

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Current income taxes	24,992.2	27,965.9
Adjustment of deferred taxes	- 3,998.2	- 9,520.5
	20,994.0	**18,445.4**

Expenses for taxes on income are EUR 4,497.8 thousand lower (previous year: EUR 1,991.5 thousand lower) than the calculated expenses for taxes on income that result from applying the respective tax rates to the earnings before taxes on income.

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

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Earnings before taxes	**102,219.4**	83,204.2
Calculated tax expense	**25,491.8**	20,436.9
Tax effects from		
results from at equity companies and investments	**- 3,668.6**	- 2,931.1
Other items	**- 829.2**	939.6
Effective tax expense	**20,994.0**	18,445.4
Effective tax rate in %	**20.5**	**22.2**

Temporary differences between the amounts recognised in the consolidated financial statements and the respective taxable amounts have the following effects on the reported deferred taxes:

	Assets		Liabilities		Net	
Joint ventures	**2016 EUR 1,000**	2015 EUR 1,000	**2016 EUR 1,000**	2015 EUR 1,000	**2016 EUR 1,000**	2015 EUR 1,000
Intangible assets	**—**	—	**- 14,947.2**	- 15,232.6	**- 14,947.2**	- 15,232.6
Property, plant and equipment	**20,396.3**	15,786.4	**- 80,183.1**	- 86,167.4	**- 59,786.8**	- 70,381.0
Financial assets	**4,125.4**	3,639.6	**- 8,171.8**	- 7,903.3	**- 4,046.4**	- 4,263.7
Other non-current assets	**—**	—	**- 842.3**	- 855.1	**- 842.3**	- 855.1
Provisions	**42,417.2**	39,831.8	**- 9,786.7**	- 4,339.1	**32,630.5**	35,492.7
Untaxed reserves	**—**	—	**- 17,931.4**	- 18,469.6	**- 17,931.4**	- 18,469.6
Construction cost subsidies	**21,488.4**	21,573.9	**- 3,415.6**	- 3,692.5	**18,072.8**	17,881.4
Other non-current liabilities	**1,927.9**	1,992.6	**—**	—	**1,927.9**	1,992.6
Hedge accounting	**12,028.4**	12,669.4	**—**	—	**12,028.4**	12,669.4
Outstanding write-downs to net present value	**8,034.8**	8,702.8	**—**	—	**8,034.8**	8,702.8
Other	**493.2**	707.8	**- 202.1**	- 61.0	**291.1**	646.8
Deferred tax assets/liabilities before offsetting	**110,911.6**	**104,904.3**	**- 135,480.2**	**- 136,720.6**	**- 24,568.6**	**- 31,816.3**

	Balance as of 30/09/2016 EUR 1,000	Change in the scope of consolidation EUR 1,000	Currency translation items EUR 1,000	Recognised in equity EUR 1,000	Recognised in profit or loss EUR 1,000	Balance as of 01/10/2015 EUR 1,000
Intangible assets	- 14,947.2	—	- 15.7	—	301.1	- 15,232.6
Property, plant and equipment	- 59,786.8	—	- 24.6	—	10,618.8	- 70,381.0
Financial assets	- 4,046.4	—	—	- 219.2	436.5	- 4,263.7
Other non-current assets	- 842.3	—	—	—	12.8	- 855.1
Provisions	32,630.5	—	3.4	4,281.3	- 7,146.9	35,492.7
Untaxed reserves	- 17,931.4	—	—	—	538.2	- 18,469.6
Construction cost subsidies	18,072.8	—	—	—	191.4	17,881.4
Other non-current liabilities	1,927.9	—	—	—	- 64.7	1,992.6
Hedge accounting	12,028.4	—	—	- 856.4	215.4	12,669.4
Outstanding write-downs to net present value	8,034.8	—	—	—	- 668.0	8,702.8
Other	291.1	—	80.7	—	- 436.4	646.8
	- 24,568.6	**—**	**43.8**	**3,205.7**	**3,998.2**	**- 31,816.3**

	Balance as of 30/09/2015 EUR 1,000	Change in the scope of consolidation EUR 1,000	Currency translation items EUR 1,000	Recognised in equity EUR 1,000	Recognised in profit or loss EUR 1,000	Balance as of 01/10/2014 EUR 1,000
Intangible assets	- 15,232.6	—	- 23.6	—	462.2	- 15,671.2
Property, plant and equipment	- 70,381.0	- 940.0	- 44.4	—	- 4,607.4	- 64,789.2
Financial assets	- 4,263.7	—	- 0.2	205.5	- 1,139.4	- 3,329.6
Other non-current assets	- 855.1	—	—	—	912.2	- 1,767.3
Provisions	35,492.7	—	4.5	3,154.2	15,128.3	17,205.7
Untaxed reserves	- 18,469.6	—	—	—	1,201.8	- 19,671.4
Construction cost subsidies	17,881.4	—	- 0.1	—	107.5	17,774.0
Other non-current liabilities	1,992.6	—	—	—	- 180.1	2,172.7
Hedge accounting	12,669.4	—	—	- 2,871.8	14.9	15,526.3
Outstanding write-downs to net present value	8,702.8	—	—	—	- 1,021.3	9,724.1
Other	646.8	—	- 150.3	—	- 1,358.2	2,155.3
	- 31,816.3	**- 940.0**	**- 214.2**	**487.9**	**9,520.5**	**- 40,670.6**

No deferred tax liabilities were recognised for temporary differences associated with fully consolidated subsidiaries, joint arrangements, or associated companies in the amount of EUR 244,528.3 thousand (previous year: EUR 222,246.0 thousand).

Deferred taxes in the amount of EUR -219.2 thousand (previous year: EUR 205.5 thousand) pertain to changes in value of investments and securities available for sale; deferred taxes in the amount of EUR -856.4 thousand (previous year: EUR -2,871.8 thousand) pertain to changes in value from hedge accounting.

NOTES ON THE BALANCE SHEET

16. INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

Changes in intangible assets and goodwill:

2015/2016	Procurement rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construction EUR 1,000	**Total EUR 1,000**
Costs						
01/10/2015	241,886.7	101,877.9	76,033.4	49,380.1	97.8	469,275.9
Exchange differences	—	26.4	137.6	165.2	0.7	329.9
Additions	5,370.0	5,520.2	—	—	129.0	11,019.2
Disposals	—	- 671.7	—	- 7,016.0	- 2.8	- 7,690.5
Transfers	—	217.3	—	—	- 175.4	41.9
30/09/2016	**247,256.7**	**106,970.1**	**76,171.0**	**42,529.3**	**49.3**	**472,976.4**
Accumulated amortisation and impairment						
01/10/2015	161,690.9	68,416.6	6,888.0	25,491.1	—	262,486.6
Exchange differences	—	23.1	—	57.9	—	81.0
Amortisation	3,673.6	3,042.6	—	2,596.1	—	9,312.3
Impairment	—	1,489.4	—	678.7	—	2,168.1
Disposals	—	- 118.6	—	- 7,016.0	—	- 7,134.6
Transfers	—	- 101.7	—	—	—	- 101.7
30/09/2016	**165,364.5**	**72,751.4**	**6,888.0**	**21,807.8**	**—**	**266,811.7**
Carrying amount as of 01/10/2015	80,195.8	33,461.3	69,145.4	23,889.0	97.8	206,789.3
Carrying amount as of 30/09/2016	**81,892.2**	**34,218.7**	**69,283.0**	**20,721.5**	**49.3**	**206,164.7**

2014/2015	Procurement rights EUR 1,000	Other rights EUR 1,000	Goodwill EUR 1,000	Customer base EUR 1,000	Assets under construction EUR 1,000	**Total EUR 1,000**
Costs						
01/10/2014	238,947.0	115,595.4	75,996.6	50,849.1	101.1	481,489.2
Exchange differences	—	39.8	208.6	254.1	0.9	503.4
Additions	2,939.7	1,965.9	—	—	122.2	5,027.8
Disposals	—	- 15,849.6	- 171.8	- 1,723.1	—	- 17,744.5
Transfers	—	126.4	—	—	- 126.4	—
30/09/2015	**241,886.7**	**101,877.9**	**76,033.4**	**49,380.1**	**97.8**	**469,275.9**
Accumulated amortisation and impairment						
01/10/2014	158,017.3	76,985.5	7,056.4	22,271.8	—	264,331.0
Exchange differences	—	34.3	—	88.1	—	122.4
Amortisation	3,673.6	3,289.0	3.4	2,706.8	—	9,672.8
Impairment	—	3,623.2	—	2,147.6	—	5,770.8
Disposals	—	- 15,515.4	- 171.8	- 1,723.2	—	- 17,410.4
30/09/2015	**161,690.9**	**68,416.6**	**6,888.0**	**25,491.1**	**—**	**262,486.6**
Carrying amount as of 01/10/2014	80,929.7	38,609.9	68,940.2	28,577.3	101.1	217,158.2
Carrying amount as of 30/09/2015	**80,195.8**	**33,461.3**	**69,145.4**	**23,889.0**	**97.8**	**206,789.3**

Changes in property, plant and equipment:

2015/2016	Land and buildings EUR 1,000	Technical equipment and machinery EUR 1,000	Manufacturing plant and equipment EUR 1,000	Assets under construction EUR 1,000	**Total EUR 1,000**
Costs					
01/10/2015	1,030,439.5	3,451,693.8	185,231.3	43,754.6	4,711,119.2
Exchange differences	509.0	248.0	77.3	28.4	862.7
Additions	5,061.7	98,202.9	9,783.5	35,390.4	148,438.5
Disposals	- 4,004.5	- 6,520.9	- 4,807.0	- 274.1	- 15,606.5
Transfers	10,154.3	18,944.8	2,014.9	- 31,155.9	- 41.9
30/09/2016	**1,042,160.0**	**3,562,568.6**	**192,300.0**	**47,743.4**	**4,844,772.0**
Accumulated depreciation and impairment					
01/10/2015	543,214.5	2,100,542.2	149,896.5	3,863.5	2,797,516.7
Exchange differences	226.3	158.6	53.3	- 0.9	437.3
Depreciation	21,524.2	90,740.8	11,926.0	—	124,191.0
Impairment	1,269.6	46,490.0	—	—	47,759.6
Disposals	- 567.6	- 3,188.4	- 4,675.1	—	- 8,431.1
Transfers	0.1	216.2		- 114.6	101.7
30/09/2016	**565,667.1**	**2,234,959.4**	**157,200.7**	**3,748.0**	**2,961,575.2**
Carrying amount as of 01/10/2015	487,225.0	1,351,151.6	35,334.8	39,891.1	1,913,602.5
Carrying amount as of 30/09/2016	**476,492.9**	**1,327,609.2**	**35,099.3**	**43,995.4**	**1,883,196.8**

2014/2015	Land and buildings EUR 1,000	Technical equipment and machinery EUR 1,000	Manufacturing plant and equipment EUR 1,000	Assets under construction EUR 1,000	Total EUR 1,000
Costs					
01/10/2014	1,030,487.2	3,337,934.9	189,421.5	33,767.4	4,591,611.0
Exchange differences	762.5	373.0	111.7	36.8	1,284.0
Change in scope of consolidation	29.9	3,760.1	—	—	3,790.0
Additions	3,075.4	94,128.0	9,594.3	29,240.8	136,038.5
Disposals	- 5,946.6	- 8,461.3	- 4,233.1	- 2,963.3	- 21,604.3
Transfers	2,031.1	23,959.1	- 9,663.1	- 16,327.1	—
30/09/2015	**1,030,439.5**	**3,451,693.8**	**185,231.3**	**43,754.6**	**4,711,119.2**
Accumulated depreciation and impairment					
01/10/2014	514,150.3	2,010,326.3	149,910.3	3,576.9	2,677,963.8
Exchange differences	336.2	234.2	77.1	- 1.3	646.2
Depreciation	18,739.6	95,167.5	12,292.5	191.8	126,391.4
Impairment	11,680.6	22,094.5	—	114.6	33,889.7
Reversals	—	- 29,715.4	—	- 18.5	- 29,733.9
Disposals	- 1,565.5	- 5,915.7	- 4,159.3	—	- 11,640.5
Transfers	- 126.7	8,350.8	- 8,224.1	—	—
30/09/2015	**543,214.5**	**2,100,542.2**	**149,896.5**	**3,863.5**	**2,797,516.7**
Carrying amount as of 01/10/2014	516,336.9	1,327,608.6	39,511.2	30,190.5	1,913,647.2
Carrying amount as of 30/09/2015	**487,225.0**	**1,351,151.6**	**35,334.8**	**39,891.1**	**1,913,602.5**

For the purposes of impairment testing, goodwill is allocated to the following cash-generating units and the cash flows of these cash-generating units are discounted at the following discount rates:

	Goodwill in EUR mill.		Discount rate in %	
	30/09/2016	30/09/2015	30/09/2016	30/09/2015
Waste Management Segment				
Austria	43.1	43.1	4.8	5.3
Italy	2.2	2.2	5.3	6.0
	45.3	45.3		
Water Segment				
CEVAK a.s.	14.5	14.3	4.3	4.7
WDL Wasserdienstleistungs GmbH	4.1	4.1	4.3	4.4
Other companies	4.2	4.2	4.3 - 5.2	4.7 - 5.3
	22.8	22.6		
Other	1.2	1.2	4.4 - 4.7	4.8 - 5.1
Total	69.3	69.1		

The recoverable amount of the "Waste Management Segment/ Austria" cash-generating unit exceeds the carrying amount by EUR 33.5 mill., while the recoverable amount of CEVAK a.s. exceeds the carrying amount by EUR 99.9 mill. In the event of a decrease in future cash flows by 14.5%, or an increase in the interest rate by 0.75%, the carrying amount of the "Waste Management Segment/Austria" cash-generating unit corresponds to the present value of the future cash flows.

Due to lower forecasts for the electricity price, impairment testing was performed for the Timelkam combined cycle gas-turbine power plant (Energy Segment). The maximum output of the power plants amounts to 422 MW, maximum district heating supply is 100 MW. Efficiency was estimated at 55.7%. Annual electricity generation was recognised at up to 1,443 GWh per year (previous year: 1,381 GWh). The assumptions for the future electricity and gas prices are based, where available, on market data; if no market data were available, estimates were made based on market studies. The estimated electricity price is 22.1 to 69.1 EUR/MWh (previous year: 33.6 to 78.7 EUR/MWh). Expenses for maintenance and repair were recognised according to maintenance plans and contracts. Other material expense items such as personnel costs, insurance and infrastructure costs are annually increased by an estimated increase rate. The discount rate is 4.4% (previous year: 4.8%). The planning period ends in the 2037/2038 financial year. An impairment in the amount of EUR 22.4 mill. (previous year: reversal of impairment in the amount of EUR 29.7 mill.) was recognised, in particular due to the lower electricity price forecasts. The recoverable amount determined using the DCF method corresponds to the value in use in the amount of EUR 35.9 mill. (previous year: EUR 61.1 mill.). Fluctuations in cash flows of 20% resulted in a change of EUR 7.2 mill. in the recoverable amount. The increase in the interest rate of 0.5% resulted in a decrease of EUR 2.3 mill. in the recoverable amount.

In the previous year, impairment of the "Price Authority Heating Distribution" cash-generating unit (Energy Segment) was tested. This includes the Timelkam/Vöcklabruck, Riedersbach and Kirchdorf heating plants for which the sales prices are jointly set by a price authority. Future revenue is based on an annual output of 236.3 GWh and was planned under the assumption that negative results can be compensated for in the medium-term with increased heating prices. Prices approved in the past by the price authority support this assumption. Using a discount rate of 4.8%, the recoverable amount (value in use) was determined as EUR 10.9 mill. An impairment in the amount of EUR 13.3 mill. was recognised in the 2014/2015 fiscal year. In the 2015/2016 fiscal year, neither an impairment nor a reversal of impairment was recognised.

In addition, impairments on power generation plants, land, electricity procurement rights and other assets in the amount of EUR 6.1 mill. (previous year: EUR 12.5 mill.) were recognised in the Energy Segment. The recoverable amount for other assets corresponds to a value in use in the amount of EUR 32.2 mill. (previous year: EUR 33.6 mill.) and a fair value less the costs of disposal in the amount of EUR 0.7 mill. (previous year: EUR 0.0 mill.).

Impairment testing was performed for the electricity grid (Grid Segment) – in particular because of lower result forecasts due to an expected decrease in the interest rate recognised by regulatory authorities. The fair value less disposal costs was recognised as the recoverable amount. The fair value was determined using an EBITDA multiplier (7.87x) calculated on the basis of available market transactions, and the EBITDA was recognised at EUR 59.4 mill. The disposal costs were estimated at 1% of the transaction value. The recoverable amount is EUR 463.1 mill., the recognised impairment is EUR 17.4 mill. A reduction of the EBITDA multiplicator by 0.5 leads to a reduction in the recoverable amount of EUR 29.3 mill.

In the Waste Management Segment, an impairment in the amount of EUR 4.0 mill. was recognised for incineration plants. The recoverable amount (value in use) is EUR 93.5 mill. The discount rate is 4.8%. The calculation is based on an assumed throughput of 315,000 tons/year. A decrease in the anticipated payment surpluses of 10% would result in a reduction of the recoverable amount of EUR 9.3 mill.

In the 2014/2015 fiscal year, an impairment in the amount of EUR 6.0 mill. was recognised due to decreased market values for land. The recoverable amount (fair value minus disposal costs) was EUR 7.0 mill. In addition, an impairment in the amount of EUR 5.9 mill. was recognised for the Lenzing waste incineration plant due to decreased anticipated payment surpluses. A discount rate of 5.3% was used, and the recoverable amount (use value) was EUR 3.1 mill.

Research costs in the amount of EUR 3.5 mill. (previous year: EUR 3.4 mill.) were recognised as expenses.

In the 2015/2016 fiscal year, interest on borrowed capital in the amount of EUR 2,079.0 thousand (previous year: EUR 1,906.9 thousand) was capitalised.

Additions to assets under construction led to outflows of payment instruments in the amount of EUR 26,118.2 thousand (previous year: EUR 20,739.1 thousand).

Obligations for the acquisition of property, plant and equipment amount to EUR 18,111.6 thousand (previous year: EUR 14,997.2 thousand).

In the 2007/2008 fiscal year, property, plant and equipment assets in the Waste Management Segment were sold and leased back over a period of 15 years „sale and lease back"). The assets of this financing lease relationship continue to be capitalised in the balance sheet. The present value of the minimum lease payments is recognised in the same amount on the liabilities side. During and at the end of the contract term, there are options to terminate at certain points at the outstanding loan amount. At the end of the lease term, the lessor has the right to sell the asset to the lessee at the outstanding loan amount. During the leasing term, subleasing to third parties is not permitted. The carrying amount as of 30 September 2016 is EUR 31,520.9 thousand (previous year: EUR 37,459.8 thousand). The future minimum lease payments for the following year are EUR 2,457.8 thousand (previous year: EUR 2,335.8 thousand), for terms between one and five years EUR 11,019.7 thousand (previous year: EUR 10,539.4 thousand), for terms in excess of five years EUR 40,387.8 thousand (previous year: EUR 43,325.9 thousand). Payments calculated on the basis of variable interest in the amount of EUR -2,533.5 thousand (previous year: EUR -2,517.4 thousand) were recognised as expenses.

The present value of the minimum lease payments is as follows:

	Minimum lease payments EUR 1,000	Discount EUR 1,000	Present value of minimum lease payments EUR 1,000
Due within one year	2,457.8	- 2.9	2,460.7
Due between one and five years	11,019.7	- 27.6	11,047.3
Due after five years	40,387.8	- 176.5	40,564.3
	53,865.3	**- 207.0**	**54,072.3**

17. INVESTMENTS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Shares in affiliated companies	1,573.2	6,402.6
Shares in companies consolidated at equity	277,152.6	238,034.9
Available for sale investments	324.5	259.4
Other investments	13,185.2	13,933.8
	292,235.5	258,630.7

Due to new legislation that went into effect in the 2015/2016 fiscal year and brought significant changes to the general conditions for project development and investors for wind power facilities in Poland, investments in wind power projects were impaired to zero. The impairment amounts to EUR 7.2 mill.

Decreased anticipated payment surpluses led to an impairment of the at-equity consolidated investment in Wels Strom GmbH in the amount of EUR 8.9 mill. The discount rate is 4.4%, the recoverable amount is the fair value less disposal costs in the amount of EUR 29.2 mill. The impairment is recognised in the share in result from at-equity consolidated companies.

Due to decreased anticipated payment surpluses, an impairment was recognised in the previous year for an at-equity valued joint venture in the Waste Management Segment in the amount of EUR 5.6 mill. The discount rate is 5.3%, the recoverable amount is the value in use.

A 20% decrease in future cash flows would result in impairments for companies valued using the equity method in the amount of EUR 33.6 mill. The recoverable amount for the respective shares exceeds the carrying amount by EUR 16.3 mill.

Shares in losses from the equity-valued companies in the amount of EUR 233.1 thousand were not recognised.

18. OTHER FINANCIAL ASSETS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Borrowings to associated companies	5,602.2	5,175.2
Other borrowings	17,729.0	21,538.3
Available-for-sale securities	58,737.3	55,688.5
Other securities	1.0	15,813.5
	82,069.5	98,215.5

19. OTHER NON-CURRENT ASSETS

Other non-current assets result from the positive market value of derivative financial instruments and from other receiveables.

20. INVENTORIES

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Primary energy	27,817.8	32,060.9
Raw materials and supplies	14,901.3	12,639.9
Work in progress	1,049.4	2,092.9
Finished goods	1,198.2	773.9
	44,966.7	47,567.6

21. RECEIVABLES AND OTHER ASSETS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Trade receivables	164,195.0	166,135.9
Receivables from non-consolidated affiliated companies	318.5	1,155.1
Receivables from associated companies	31,960.4	36,053.0
Accruals and deferrals of interest	2,401.0	3,172.4
Market value of derivatives	6,633.0	14,628.0
Other	33,108.8	44,605.6
	238,616.7	**265,750.0**

Receivables from gas and water deliveries that have not been invoiced as at the balance sheet date are separated and recognised in the line item „Trade receivables".

22. CASH AND CASH EQUIVALENTS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Cash in hand	184.1	213.1
Cash in bank	95,420.9	109,683.0
	95,605.0	**109,896.1**

23. EQUITY

The nominal capital of Energie AG Oberösterreich consists of 89,087,750 individual share certificates (previous year: 89,087,750), of which 88,600,000 are ordinary shares (previous year: 88,600,000), and 487,750 are preferred shares without voting rights (previous year: 487,750). The nominal capital has been fully paid in.

The management board 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 in the 2006/2007 fiscal year, and from shares issued to staff in the 2012/2013 fiscal year.

In the 2007/2008 fiscal year, 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 the 2007/2008 fiscal year. The benefit per staff member amounted to the maximum tax-exempt sum pursuant to section 3 (1) item 15 letter b of the Austrian Income Tax Act.

In the 2012/2013 fiscal year, 87,750 shares were issued to employees of the Group at discounted prices. The capital increase took effect with entry in the Register of Companies on 29 October 2013.

The retained earnings result from the profits that the Group generated but did not distribute.

Other reserves include IAS 39 reserves, IAS 19 reserves, revaluation reserves, and reserves for treasury stock, as well as reserves from exchange differences.

The IAS 39 reserves include changes in market value of investments and securities available for sale, and changes in the market value of cash-flow hedges, as well as changes in equity recognised outside profit or loss from associated companies measured at equity.

As at 30 September 2016, the cash flow hedge reserve amounts to EUR -47,252.2 thousand (previous year: EUR -50,677.6 thousand). The effective share of the fair value changes concerning cash-flow hedges is recognised in other comprehensive income in the cash-flow hedge reserve. The ineffective portion of the fair-value changes from cash flow hedges in the amount of EUR 825.2 thousand (previous year: EUR 0.0 thousand) is recognised in the income statement. Market value changes in the amount of EUR -18,295.1 thousand (previous year: EUR -16,012.0 thousand) are recognised as other comprehensive income. During the fiscal year, EUR 21,720.5 thousand (previous year: EUR 27,499.3 thousand) was taken from the cash-flow hedge reserve and recognised as an expense in the income statement. Of this amount, EUR 1,946.2 thousand (previous year: EUR 2,138.0 thousand) was recognised in the financial result, and EUR 19,774.3 thousand (previous year: EUR 25,361.3 thousand) was recognised in the operating result.

The AFS reserve, which is contained in the IAS 39 reserves, includes changes in value of investments and securities classified as available for sale, which are recognised in other comprehensive income. As of 30 September 2016, the AFS reserve amounted to EUR 16,590.1 thousand (previous year: EUR 15,747.7 thousand). In this fiscal year, changes in market value in the amount of EUR 924.7 thousand (previous year: EUR -497.9 thousand) were entered under equity, and EUR -82.3 thousand (previous year: EUR -324.7 thousand) was taken from the AFS reserve and entered in the income statement.

The IAS 19 reserves result from the actuarial valuation of pension and severance provisions recognised in other comprehensive income.

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

As of 30 September 2015, 305,631 shares (previous year: 302,824) treasury shares were held.

Capital management

It is the objective of the Group's capital management to preserve a strong capital base so that the company can continue to generate adequate returns for the shareholders corresponding with the risk situation of the company, promote the future development of the company, and also provide benefits for other interest groups. Value based management is firmly entrenched in the management systems and in management processes. The equity in the books according to IFRS is what the management considers to be capital. As at the balance sheet date, the equity ratio amounted to 37.7% (previous year: 36.5%). For purposes of internal reporting and management, the return on capital employed (ROCE) is also used. The capital employed includes assets attributable to a unit, with the exception of the assets not used in the process of creating and utilising goods and services, minus non-interest bearing debts and certain reserves.

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

24.1. Derivative Financial Instruments and Hedging

The use of derivative financial instruments in the Group is subject to corresponding authorisation and control procedures. It is mandatory for use to be connected with a hedged item. Proprietary trading is only carried out within very tightly defined limits.

Interest rate swaps are used for hedging future variable interest payments on funding and leasing contracts.

Futures and swaps are used to hedge price-related risks from electricity and gas procurement and electricity and gas sales. To a small extent, futures are used to hedge procurement and sales of CO_2 certificates.

Beyond that, gas-oil futures in US dollars and the corresponding foreign exchange contracts are also concluded to hedge the price risks of purchasing fuel.

Fair value hedges exist in the Group for firm commitments in connection with transactions for procuring and supplying electricity.

Cash flow hedges are used to protect future cash flows. In the Group, electricity, gas, CO2, and gas-oil futures, as well as gas swaps, are used to hedge price risks; interest rate swaps are used to hedge the cash flow risks of variable-interest liabilities, and foreign exchange contracts for US dollar hedging.

The derivative financial instruments in the area of financing are composed as follows:

	30/09/2016			30/09/2015		
	Nominal value	Positive market values EUR 1,000	Negative market values EUR 1,000	Nominal value EUR 1,000	Positive market values EUR 1,000	Negative market values EUR 1,000
Derivatives designated as cash flow hedging instruments						
Interest rate swaps	102.1 EUR mill.	—	- 20,815.6	114.8 EUR mill.	—	- 17,945.7
Foreign exchange contracts	2.6 USD mill.	48.1	- 10.9	0.0 USD mill.	—	—
Derivatives not designated as hedging instruments						
Interest rate swaps bond 2005-2025 *)	75.0 EUR mill.	3,175.8	—	75.0 EUR mill.	3,239.9	—
Interest futures	4.5 EUR mill.	—	- 27.5	4.5 EUR mill.	—	- 34.2
Structured interest rate and currency derivatives	0.0 EUR mill.	—	—	15.0 EUR mill.	—	- 1,078.9

*) In connection with the 2005–2025 bond, fixed interest rate payments were converted into variable interest payments. The variable interest rate payments were subsequently swapped back in fixed interest rate payments using derivative instruments. Therefore no risks for future cash flows result from this item.

The derivative financial instruments in the area of energy are composed as follows:

	Nominal value		Positive market values EUR 1,000	Negative market values EUR 1,000
As of 30/09/2016	Purchase	Sale		
Derivatives designated as cash flow hedging instruments				
Electricity futures	76.5 EUR mill.	4.3 EUR mill.	3,538.5	- 7,297.5
Gas futures	1.7 EUR mill.	0.0 EUR mill.	158.1	- 47.6
CO_2 futures	0.0 EUR mill.	1.4 EUR mill.	139.0	- 74.0
Gas oil futures	2.6 USD mill.	0.0 USD mill.	183.6	- 51.7
Gas swaps	1.9 EUR mill.	0.0 EUR mill.	145.8	- 30.6
Derivatives designated as fair value hedging instruments				
Electricity futures	1.4 EUR mill.	0.0 EUR mill.	1.5	- 51.7
Derivatives not designated as hedging instruments				
Electricity forwards	47.3 EUR mill.	47.5 EUR mill.	6,714.1	- 6,526.9
Gas forwards	1.2 EUR mill.	1.2 EUR mill.	466.9	- 462.6
Gas futures	1.8 EUR mill.	0.0 EUR mill.	49.8	- 124.9

	Nominal value		Positive market values EUR 1,000	Negative market values EUR 1,000
As of 30/09/2015	Purchase	Sale		
Derivatives designated as cash flow hedging instruments				
Electricity futures	107.1 EUR mill.	9.6 EUR mill.	993.3	- 15,959.8
Gas futures	20.7 EUR mill.	6.7 EUR mill.	670.2	- 839.4
CO_2 futures	0.3 EUR mill.	1.1 EUR mill.	151.3	- 300.0
Gas oil futures	0.0 USD mill.	0.0 USD mill.	—	—
Gas swaps	0.0 EUR mill.	0.0 EUR mill.	—	—
Derivatives designated as fair value hedging instruments				
Electricity futures	5.4 EUR mill.	0.0 EUR mill.	17.9	- 405.2
Derivatives not designated as hedging instruments				
Electricity forwards	98.5 EUR mill.	98.5 EUR mill.	17,869.4	- 17,815.6
Gas forwards	2.3 EUR mill.	2.3 EUR mill.	585.5	- 578.1
Gas futures	0.0 EUR mill.	0.0 EUR mill.	—	—

Positive market values are reported under other long-term and current assets, and negative market values are reported under other long-term and current liabilities.

As of 30 September 2016, the electricity hedging instruments represented above are designated as fair value hedging instruments. In the 2015/2016 fiscal year, carrying amount adjustments for hedged items resulted in profits in the amount of EUR 50.2 thousand (previous year: EUR 387.3 thousand) that are recognised in the operating result. Losses of EUR 50.2 thousand (previous year: EUR 387.3 thousand) resulting from changes in the market value of the hedging instruments are recognised in the operating result.

The following table shows the contractual maturity of payments (nominal values) from the hedged items to the cash flow hedges:

	Nominal value		
As of 30/09/2016	Purchase	Sale	Maturity
Hedging instruments			
Interest rate swaps	102.1 EUR mill.	0.0 EUR mill.	2016 - 2028
Foreign exchange contracts	2.6 USD mill.	0.0 USD mill.	2016 - 2018
Electricity futures	76.5 EUR mill.	4.3 EUR mill.	2016 - 2020
Gas futures	1.7 EUR mill.	0.0 EUR mill.	2016 - 2017
CO_2 futures	0.0 EUR mill.	1.4 EUR mill.	2016 - 2017
Gas oil futures	2.6 USD mill.	0.0 USD mill.	2016 - 2018
Gas swaps	1.9 EUR mill.	0.0 EUR mill.	2016 - 2019

	Nominal value		
As of 30/09/2015	Purchase	Sale	Maturity
Hedging instruments			
Interest rate swaps	114.8 EUR mill.	0.0 EUR mill.	2015 - 2028
Foreign exchange contracts	0.0 USD mill.	0.0 USD mill.	—
Electricity futures	107.1 EUR mill.	9.6 EUR mill.	2015 - 2019
Gas futures	20.7 EUR mill.	6.7 EUR mill.	2015 - 2018
CO_2 futures	0.3 EUR mill.	1.1 EUR mill.	2015
Gas oil futures	0.0 USD mill.	0.0 USD mill.	—
Gas swaps	0.0 EUR mill.	0.0 EUR mill.	—

24.2. Carrying Amounts According to IAS 39

The carrying amounts of financial assets and liabilities are grouped according to classes or measurement categories according to IAS 39 or IAS 17 as follows:

	Category according to IAS 39	**Carrying amount as of 30/09/2016 EUR 1,000**	Carrying amount as of 30/09/2015 EUR 1,000
Investments		**15,082.9**	**20,595.8**
Shares in affiliated companies	AfS (at cost)	1,573.2	6,402.6
Available for sale investments	AfS	324.5	259.4
Other investments	AfS (at cost)	13,185.2	13,933.8
Other financial assets		**82,069.5**	**98,215.5**
Borrowings to associated companies	LaR	5,602.2	5,175.2
Other borrowings	LaR	17,729.0	21,538.3
Securities (held to maturity)	HtM	1.0	1.0
Securities (available for sale)	AfS	58,737.3	55,688.5
Securities (fair value option)	AtFVP&L (FV Option)	—	15,812.5
Receivables and other assets (non-current and current) according to the balance sheet		**250,448.6**	**279,966.6**
thereof non-financial assets		**24,408.7**	**26,111.0**
thereof financial assets		**226,039.9**	**253,855.6**
Trade receivables	LaR	164,618.6	166,327.9
Receivables from affiliated companies	LaR	318.5	1,155.1
Receivables from associated companies	LaR	31,960.4	36,053.0
Derivatives designated as cash flow hedging instruments	n/a	193.9	—
Derivatives not designated as hedging instruments	AtFVP&L (Trading)	10,356.8	21,694.8
Other financial assets	LaR	18,591.7	28,624.8
Fixed term deposits	LaR	**119,000.0**	**112,500.0**
Cash and cash equivalents	LaR	**95,605.0**	**109,896.1**
Total financial assets		**537,797.3**	**595,063.0**

AfS Available for Sale
LaR Loans and Receivables
HtM Held to Maturity
FLAC Financial Liability Measured at Amortised Cost
AtFVP&L At Fair Value through Profit or Loss

	Category according to IAS 39	Carrying amount as of 30/09/2016 EUR 1,000	Carrying amount as of 30/09/2015 EUR 1,000
Financial liabilities (non-current and current)		**532,407.2**	**613,049.1**
Bonds	FLAC	302,633.4	302,864.1
Liabilities to banks	FLAC	58,372.8	91,164.9
Liabilities from finance leases	IAS 17	54,050.2	56,811.2
Other financial liabilities	FLAC	117,350.8	162,208.9
Trade payables (current)	**FLAC**	**144,270.9**	**143,667.9**
Other liabilities (non-current and current) according to the balance sheet		**417,035.0**	**395,920.5**
thereof non-financial liabilities		**222,344.0**	**223,750.6**
thereof financial liabilities		**194,691.0**	**172,169.9**
Liabilities to affiliated companies	FLAC	14,489.1	1,827.8
Liabilities to associated companies	FLAC	100,084.0	69,402.2
Derivatives designated as cash flow hedging instruments	n/a	20,857.1	17,945.7
Derivatives not designated as hedging instruments	AtFVP&L (Trading)	6,989.5	19,472.6
Other financial liabilities (non-current and current)	FLAC	52,271.3	63,521.6
Total financial liabilities		**871,369.1**	**928,886.9**
Carrying amounts in measurement categories acc. to IAS 39			
Loans and Receivables	(LaR)	453,425.4	481,270.4
Held to Maturity Investments	(HtM)	1.0	1.0
Available for Sale Financial Assets	(AFS)	73,820.2	76,284.3
Financial Assets at Fair Value through Profit or Loss	(AtFVP&L (Trading))	10,356.8	21,694.8
Financial Assets at Fair Value through Profit or Loss	(AtFVP&L (FV Option))	—	15,812.5
Financial Liabilities Measured at Amortised Cost	(FLAC)	789,472.3	834,657.4
Financial Liabilities at Fair Value through Profit or Loss	(AtFVP&L (Trading))	6,989.5	19,472.6

Shares in non-consolidated affiliated companies and other investments are recognised as "Available for Sale at Cost". For these investments, there is no price listed on an active market and the fair value cannot be reliably determined. In the 2015/2016 fiscal year, a disposal of other investments (at cost) in the amount of EUR 827.0 thousand (previous year: EUR 170.9 thousand) was recognised. The gain from the disposal of these assets amounted to EUR 46.8 thousand (previous year: EUR 229.0 thousand).

24.3. Offsetting of Financial Assets and Liabilities

The following table shows the effect of netting agreements:

	30/09/2016			30/09/2015		
	Recognised financial assets/ liabilities (net) EUR 1,000	Related amounts not set off in the statement of financial position EUR 1,000	Net amounts EUR 1,000	Recognised financial assets/ liabilities (net) EUR 1,000	Related amounts not set off in the statement of financial position EUR 1,000	Net amounts EUR 1,000
Financial assets						
Trade receivables	164,618.6	- 18,720.7	145,897.9	166,327.9	-13,709.8	152,618.1
Receivables from associated companies	31,960.4	- 384.6	31,575.8	36,053.0	-746.8	35,306.2
Positive market value of derivatives	10,550.7	- 6,736.9	3,813.8	21,694.8	-14,001.9	7,692.9
Total	**207,129.7**	**- 25,842.2**	**181,287.5**	**224,075.7**	**-28,458.5**	**195,617.2**
Financial liabilities						
Trade payables	144,270.9	- 18,720.7	125,550.2	143,667.9	- 13,709.8	129,958.1
Liabilities to associated companies	100,084.0	- 384.6	99,699.4	69,402.2	- 746.8	68,655.4
Negative market value of derivatives	27,846.6	- 6,736.9	21,109.7	37,418.3	- 14,001.9	23,416.4
Total	**272,201.5**	**-25,842.2**	**246,359.3**	**250,488.4**	**- 28,458.5**	**222,029.9**

At the Energie AG Oberösterreich Group, the derivative financial instruments and receivables/payables presented above are concluded on the basis of standard agreements (e.g. ISDA, EFET, German Master Agreement for Financial Derivative Transactions), which, in the event of insolvency of a business partner, permit the offsetting of outstanding transactions. The criteria for netting in the balance sheet are not met, because either no net payments are being made or the legal enforceability of the netting agreements is uncertain.

24.4. Measurement at Fair Value

24.4.1. Fair value of financial assets and liabilities that are measured regularly at fair value

Pursuant to IFRS 13, financial instruments that are measured at fair value are 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: Measurement on the basis of a published price quotation for identical assets or liabilities in an active market.

Level 2: Measurement on the basis of inputs that are observable either directly or indirectly in the market and measurements based on prices quoted in inactive markets.

Level 3: Measurement on the basis of inputs not observable in the market.

If the inputs used to determine the fair value of an asset or liability are attributable to different levels of the fair value hierarchy, the measurement at fair value is wholly assigned to the the fair value hierarchy level that corresponds to the lowest input which, in the aggregate, is material for the measurement.

The financial instruments measured at fair value are assigned to levels 1 to 2 as follows:

As of 30/09/2016	Carrying amount in EUR 1,000	Measurement at fair value Level 1 EUR 1,000	Measurement based on inputs observable in the market Level 2 EUR 1,000	Total fair value EUR 1,000
Assets				
Investments (available for sale)	324.5	324.5	—	324.5
Securities (available for sale)	58,737.3	52,889.6	5,847.7	58,737.3
Securities (fair value option)	—	—	—	—
Derivatives designated as cash flow hedging instruments	193.9	—	193.9	193.9
Derivatives not designated as hedging instruments	10,356.8	—	10,356.8	10,356.8
Total	**69,612.5**	**53,214.1**	**16,398.4**	**69,612.5**
Liabilities				
Derivatives designated as cash flow hedging instruments	20,857.1	—	20,857.1	20,857.1
Derivatives not designated as hedging instruments	6,989.5	—	6,989.5	6,989.5
Total	**27,846.6**	**—**	**27,846.6**	**27,846.6**

As of 30/09/2015	Carrying amount in EUR 1,000	Measurement at fair value Level 1 EUR 1,000	Measurement based on inputs observable in the market Level 2 EUR 1,000	Total fair value EUR 1,000
Assets				
Investments (available for sale)	259.4	259.4	—	259.4
Securities (available for sale)	55,688.5	49,687.4	6,001.1	55,688.5
Securities (fair value option)	15,812.5	15,812.5	—	15,812.5
Derivatives not designated as hedging instruments	21,694.8	—	21,694.8	21,694.8
Total	**93,455.2**	**65,759.3**	**27,695.9**	**93,455.2**
Liabilities				
Derivatives designated as cash flow hedging instruments	17,945.7	—	17,945.7	17,945.7
Derivatives not designated as hedging instruments	19,472.6	—	19,472.6	19,472.6
Total	**37,418.3**	**—**	**37,418.3**	**37,418.3**

24.4.2. Valuation techniques and input used in measuring fair values

In general, the fair values of the financial assets and liabilities correspond to the market prices as of the balance sheet date. If active market prices are not directly available, then – if they are not of minor significance – they are calculated using recognised actuarial measurement models and current market parameters (in particular interest rates, exchange rates and the credit rating of contractual partners). The cash flows from the financial instruments are discounted to the balance sheet date for this purpose.

The following valuation parameters and inputs were used:

Financial instruments	Level	Valuation techniques	Inputs
Listed securities	1	Market value-oriented	Nominal values, stock market price
Other securities	2	Capital value-oriented	Payments connected to financial instruments, interest rate curve, credit risk of the contractual partners (credit default swaps or credit spread curves)
Foreign exchange contracts	2	Capital value-oriented	Exchange rates, interest rates, credit risk of the contractual partners
Listed energy futures	1	Market value-oriented	Settlement price determined at stock exchange
Non-listed energy forwards	2	Capital value-oriented	Forward price curve derived from stock exchange prices, interest rate curve, credit risk of contractual partners on a net basis
Interest rate swaps	2	Capital value-oriented	Cash flows already fixed or determined using forward rates, interest rate curve, credit risk of contractual partners
Gas swaps	2	Capital value-oriented	Cash flows already fixed or determined using forward rates, interest rate curve, credit risk of contractual partners

24.4.3. Fair values of financial assets and liabilities that are not measured regularly at fair value, however for which the fair value must be disclosed

Trade receivables, receivables from affiliated companies, receivables from associated companies, and other financial assets, as well as fixed term deposits mainly have short remaining maturities. Therefore, their carrying amounts as of the balance sheet date correspond approximately to the fair value. If they are material and do not have a variable interest rate, then the fair value of non-current borrowings corresponds to the present value of the payments associated with the assets, taking into consideration the current market parameters in each case (interest rates, credit spreads).

Trade payables, liabilities to affiliated companies, liabilities to associated companies and other financial liabilities mainly have short remaining maturities. The values on the balance sheet are approximately the fair values. If they are material and do not have a variable interest rate, then the fair value of financial liabilities is determined using the present value of the payments associated with the liabilities, taking into consideration the applicable market parameters in each case (interest rates, credit spreads).

The following financial assets and liabilities have a fair value different from the carrying amount:

	Category according to IAS 39	Carrying amount 30/09/2016 EUR 1,000	Fair value 30/09/2016 EUR 1,000	Carrying amount 30/09/2015 EUR 1,000	Fair value 30/09/2015 EUR 1,000	Level
Assets						
Other financial assets		**23,331.2**	**27,192.7**	**26,713.5**	**32,393.3**	
Borrowings to associated companies	LaR	5,602.2	6,473.0	5,175.2	5,420.9	Level 3
Other borrowings	LaR	17,729.0	20,719.7	21,538.3	26,972.4	Level 3
Liabilities						
Financial liabilities		**478,357.0**	**591,152.8**	**556,237.9**	**643,986.0**	
Bonds	FLAC	302,633.4	392,691.0	302,864.1	374,553.0	Level 1
Liabilities to banks	FLAC	58,372.8	63,374.8	91,164.9	95,859.1	Level 3
Other financial liabilities	FLAC	117,350.8	135,087.0	162,208.9	173,573.9	Level 3

The fair value of the Level 3 financial assets given above were determined in agreement with generally accepted valuation techniques based on discounted cash flow analyses. The material input is the discount rate, which takes into account the default risk of the counterparty.

24.5. Net Result

The net result from financial instruments is grouped in the different classes of financial instruments as follows:

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Loans and Receivables	- 999.2	- 468.3
Available for Sale Financial Assets	2,146.3	779.7
Financial Assets At Fair Value through Profit or Loss (FV Option)	—	104.7
Financial Assets/Liabilities at Fair Value through Profit or Loss (Trading)	- 2,238.0	- 514.7
Financial Liabilities Measured at Amortised Cost	- 20,281.8	- 23,515.4
Net result	**-21,372.7**	**- 23,614.0**
Interest income and expenses from financial instruments that are measured at amortised costs:		
Total interest income	1,046.6	1,167.7
Total interest expense	- 20,281.8	- 23,515.4

The net result for the category loans and receivables mainly includes interest income from invested money and borrowings and is recognised in the financial result. In addition, this item includes revenues from the reversal of changes in value and revenues from the receipt of receivables that had previously been written off, and expenses from impairments and write-offs for trade receivables recognised in operating income.

The net result of the financial assets available for sale shows the valuation result of investments and securities without recognised outside profit or loss, as well as results from disposals and impairments shown in other financial results.

The net result of the financial assets at FVTPL (fair value option) mainly includes measurement results and results from disposals, as well as dividends from securities, and is shown in other financial results.

The net result of financial liabilities measured at amortised cost mainly includes interest expenses from financial liabilities and is part of the financial results.

The net result of financial assets and liabilities at FVTPL (held for trading) results mainly from the derivative instruments used by Energie AG Oberösterreich. The measurement results of the derivative instruments in the energy area are shown in the operating results, and the results of the interest rate and currency derivative instruments are shown in the financial results.

24.6. Financial Risk Management

24.6.1. Principles of financial risk management

Due to its business activities and the financial transactions it conducts, the Energie AG Oberösterreich Group is exposed to various risks. These risks primarily include currency and interest rate risks, liquidity risks, default risks, price risks from securities, and price risks in the commodity sector (energy sector price risks).

Energy sector risks are managed by Energie AG Oberösterreich Trading GmbH, and financial risks are managed within the scope of the central Group Treasury. Any hedging is done centrally for all Group companies. Hedging against energy sector risks is handled on the basis of an internal policy on conducting energy sector hedging transactions. A Treasury Policy, in which the main goals, principles and distribution of duties in the Group are set out, serves as a basis for the management of financial risks.

Hedging against energy sector and financial risks is also handled using derivative financial instruments. Transactions of this type are on principle only carried out with counterparties with very good credit ratings in order to minimise the risk of default.

24.6.2. Currency risk

Currency risks in the Energie AG Oberösterreich Group result from funding in foreign currencies and the translation risk from the conversion of foreign Group companies into the Group currency (Czech Republic, Poland and Hungary).

For the currency risk of financial instruments, sensitivity analyses were carried out which show the effects of hypothetical changes in exchange rates on result (after taxes) and equity. The affected holdings as of the balance sheet date were used as a basis (CZK 643.9 mill., CHF 44.8 mill., HUF 2.7 bill., USD 3.4 mill.; previous year: CZK 692.2 mill., CHF 44.8 mill., HUF 2.7 bill.). Here it was assumed that the risk on the balance sheet date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular interest rates, remain constant. In the analysis, the currency risks for financial instruments that are denominated in a currency different from the functional currency and are of a monetary nature were included. Differences resulting from the exchange rate in translating financial statements into the Group currency were not taken into consideration.

Following the aforementioned assumptions, an upward revaluation of the Euro by 10% against all other currencies as of the balance sheet date would result in an increase in profit (after taxes) by EUR 2,015.4 thousand (previous year: EUR 2,227.6 thousand) and in equity by EUR 333.4 thousand (previous year: EUR 506.1 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the currency-related translation effects of net investments and hedge accounting in the amount of EUR 1,682.0 thousand (previous year: EUR 1,721.5 thousand).
Following the aforementioned assumptions, a devaluation of the Euro by 10% against all other currencies as of the balance sheet date would result in a decrease in profit (after taxes) by EUR 2,463.6 thousand (previous year: EUR 2,209.9 thousand) and in equity by EUR 407.8 thousand (previous year: EUR 488.4 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the currency-related translation effects of net investments and hedge accounting in the amount of EUR 2,055.8 thousand (previous year: EUR 1,721.5 thousand).

24.6.3. Interest rate risk

The Energie AG Oberösterreich Group holds interest rate-sensitive financial instruments in order to meet the requirements of operational and strategic liquidity management. Interest rate change risks mainly result from financial instruments with variable interest rates (cash flow risk). Interest rate risks result in particular from:

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Cash in bank	95,420.1	109,683.0
Variable rate borrowings	4,520.2	6,026.0
Variable rate loans	- 204,623.2	- 180,632.7
Net risk before hedge accounting	**- 104,682.9**	**- 64,923.7**
Hedge accounting and interest rate derivatives	70,467.4	98,183.7
Net risk after hedge accounting and interest rate derivatives	**- 34,215.5**	**33,260.0**

For the interest rate risks of these financial instruments, sensitivity analyses were carried out which show the effects of hypothetical changes in market interest rates on result (after taxes) and equity. The affected holdings as of the balance sheet date were used as a basis. Here it was assumed that the risk on the balance sheet date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular exchange rates, remain constant.

Following the aforementioned assumptions, an increase in the market interest rate by 50 basis points as of the balance sheet date would result in a decrease in profit (after taxes) by EUR 128.3 thousand (previous year: increase by EUR 288.6 thousand) and an increase in equity in the amount of EUR 2,967.3 thousand (previous year: EUR 3,710.9 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the interest rate-related cash flow hedge reserve in the amount of EUR 3,095.6 thousand (previous year: EUR 3,422.3 thousand).

Following the aforementioned assumptions, a decrease in the market interest rate by 50 basis points as of the balance sheet date would result in an increase in profit (after taxes) by EUR 128.3 thousand (previous year: decrease by EUR 289.3 thousand) and a decrease in equity in the amount of EUR 3,132.0 thousand (previous year: EUR 3,901.5 thousand). Here, the sensitivity of equity, as well as the sensitivity of result (after taxes), were affected by the sensitivity of the interest rate-related cash flow hedge reserve in the amount of EUR 3,260.3 thousand (previous year: EUR 3,612.2 thousand).

24.6.4. Commodity price risk

Commodity price risks arise primarily through the procurement and sale of electricity and gas. Beyond that price risks arise for Energie AG Oberösterreich due to speculative positions taken in proprietary trading. Proprietary trading is only carried out within very tightly defined limits. and the risk can therefore be considered immaterial.

Hedging instruments are used for electrical energy and gas to hedge against energy industry risks.

For the commodity price risks, sensitivity analyses were carried out which show the effect of hypothetical changes in the fair value level on result (after taxes) and equity. The affected derivative holdings in the area of energy as of the balance sheet date were used as a basis. Here it was assumed that the risk on the balance sheet date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular exchange rates, remain constant. Not taken into consideration are contracts which are for the purpose of the receipt or delivery of non-financial items according to the expected purchase, sale and use requirements of the company (own use) and which therefore are not to be reported according to IAS 39, with the exception of onerous contacts.

Sensitivity of derivative contracts regarding the electricity price:

Following the aforementioned assumptions, a 15% increase (decrease) in the fair value level as of the balance sheet date would result in a decrease (increase) in profit (after taxes) by EUR 5.0 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 7,696.8 thousand (previous year: EUR 9,292.2 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the electricity-price-related cash flow hedge reserve in the amount of EUR 7,701.8 thousand (previous year: EUR 9,292.2 thousand).

Sensitivity of derivative contracts regarding the gas and gasoil price:

Following the aforementioned assumptions, a 25% increase (decrease) in the fair value level as of the balance sheet date would result in an increase (decrease) in profit (after taxes) by EUR 332.2 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 1,506.3 thousand (previous year: EUR 2,575.3 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the gas-price-related cash flow hedge reserve in the amount of EUR 1,174.1 thousand (previous year: EUR 2,575.3 thousand).

24.6.5. Market risk from securities measured at fair value

The Energie AG Oberösterreich Group holds securities and funds that result in price change risks for the company. The fluctuation risk of the securities held is limited by a conservative investment policy and ongoing monitoring, as well as ongoing quantification of the risk potential.

For the price risks from securities, a sensitivity analysis was carried out which shows the effect of hypothetical changes in the fair value level on result (after taxes) and equity. As a basis, the affected holdings of available-for-sale and FVTPL (fair value option) financial instruments as of the balance sheet date were used. Here it was assumed that the risk on the balance sheet date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other inputs, such as the currency, remain constant.
Following the aforementioned assumptions, a 15% increase (decrease) in the fair value level as of the balance sheet date would result in an increase (decrease) in profit (after taxes) in the amount of EUR 0.0 thousand (previous year: EUR 1,778.9 thousand) and in equity in the amount of EUR 6,644.5 thousand (previous year: EUR 8,073.0 thousand). Here, the sensitivity of equity, as well as the sensitivity of profit (after taxes), were affected by the sensitivity of the market-price-level-related available for sale reserve in the amount of EUR 6,644.5 thousand (previous year: EUR 6,294.1 thousand).

24.6.6. Credit risk

Credit risks arise for the Energie AG Oberösterreich Group due to non-fulfilment of contractual agreements by counterparties.

The credit risk is limited by performing regular credit assessments of the customer portfolio. In the area of financial and energy trading, transactions are only conducted with counterparties with a first-class credit rating. In addition, the risks are mitigated by limit systems and monitoring.

At Energie AG Oberösterreich, the maximum credit risk corresponds to the carrying amount of the reported financial assets plus the contingent liabilities listed in section 32.

The carrying amounts of the financial assets are composed as follows:

	Carrying amount 30/09/2016 EUR 1,000	Thereof: neither impaired nor past due as of the balance sheet date EUR 1,000	Thereof: neither impaired nor past due in the following maturity ranges				Thereof: impaired as of the balance sheet date EUR 1,000
			Less than 30 days EUR 1,000	Between 30 and 60 days EUR 1,000	Between 60 and 90 days EUR 1,000	More than 90 days EUR 1,000	
Receivables and other financial assets (non-current and current)	**215,489.2**	**191,305.5**	**4,148.2**	**2,782.4**	**776.5**	**8,648.9**	**7,827.7**
Trade receivables	164,618.6	144,365.4	4,079.4	2,782.4	776.5	8,645.7	3,969.2
Receivables from affiliated companies	318.5	318.5	—	—	—	—	—
Receivables from associated companies	31,960.4	31,894.6	65.8	—	—	—	—
Other financial assets	18,591.7	14,727.0	3.0	—	—	3.2	3,858.5
Total	**215,489.2**	**191,305.5**	**4,148.2**	**2,782.4**	**776.5**	**8,648.9**	**7,827.7**

	Carrying amount 30/09/2015 EUR 1,000	Thereof: neither impaired nor past due as of the balance sheet date EUR 1,000	Thereof: neither impaired nor past due in the following maturity ranges				Thereof: impaired as of the balance sheet date EUR 1,000
			Less than 30 days EUR 1,000	Between 30 and 60 days EUR 1,000	Between 60 and 90 days EUR 1,000	More than 90 days EUR 1,000	
Receivables and other financial assets (non-current and current)	**232,160.8**	**192,954.1**	**17,961.2**	**1,104.2**	**836.5**	**9,827.8**	**9,477.0**
Trade receivables	166,327.9	131,639.2	17,869.5	1,104.2	670.7	9,775.4	5,268.9
Receivables from affiliated companies	1,155.1	989.3	—	—	165.8	—	—
Receivables from associated companies	36,053.0	35,940.1	60.5	—	—	52.4	—
Other financial assets	28,624.8	24,385.5	31.2	—	—	—	4,208.1
Total	**232,160.8**	**192,954.1**	**17,961.2**	**1,104.2**	**836.5**	**9,827.8**	**9,477.0**

The changes in impairments of financial assets were as follows:

	Balance as of 01/10/2015 EUR 1,000	Additions EUR 1,000	Use EUR 1,000	Reversal EUR 1,000	Currency translation EUR 1,000	**Balance as of 30/09/2016 EUR 1,000**
Other financial assets	**541.1**	**—**	**- 155.2**	**—**	**—**	**385.9**
Securities (available for sale)	541.1	—	- 155.2	—	—	385.9
Receivables and other financial assets (non-current and current)	**4,412.2**	**2,297.1**	**- 48.7**	**- 1,176.1**	**12.1**	**5,496.6**
Trade receivables	4,201.6	2,260.9	- 48.7	- 1,011.5	11.7	5,414.0
Other financial assets	210.6	36.2	—	- 164.6	0.4	82.6
Total	**4,953.3**	**2,297.1**	**- 203.9**	**- 1,176.1**	**12.1**	**5,882.5**

	Balance as of 01/10/2014 EUR 1,000	Additions EUR 1,000	Use EUR 1,000	Reversal EUR 1,000	Currency translation EUR 1,000	**Balance as of 30/09/2015 EUR 1,000**
Other financial assets	**508.1**	**33.0**	**—**	**—**	**—**	**541.1**
Securities (available for sale)	508.1	33.0	—	—	—	541.1
Receivables and other financial assets (non-current and current)	**4,465.7**	**1,974.4**	**- 1,270.9**	**- 766.7**	**9.7**	**4,412.2**
Trade receivables	4,255.6	1,974.4	- 1,270.9	- 766.7	9.2	4,201.6
Other financial assets	210.1	—	—	—	0.5	210.6
Total	**4,973.8**	**2,007.4**	**- 1,270.9**	**- 766.7**	**9.7**	**4,953.3**

The expenses for complete derecognition of receivables amount to EUR 958.0 thousand (previous year: EUR 650.2 thousand). The revenue from the receipt of derecognised receivables amount to EUR 32.7 thousand (previous year: EUR 78.6 thousand). In the fiscal year, the accumulated impairment losses amount to EUR 1,121.0 thousand (previous year: EUR 1,207.7 thousand) for financial assets in the category "loans and receivables", and EUR 0.0 thousand (previous year: EUR 33.0 thousand) for financial assets in the category "available for sale".

With regard to the holdings of financial trade and other receivables that are neither impaired nor in default, there are no indications as of the balance sheet date that the debtors will not meet their payment obligations. For the financial assets not listed in the above table, there are no material delinquencies or impairments, and there are no indications that the debtors will not meet their payment obligations.

Individual impairments are made up of a number of individual items, of which none is material when considered by itself. In addition, impairments are made, graduated by risk groups, to take into account general credit risks.

24.6.7. Liquidity risk

A liquidity risk would exist when liquidity reserves or debt capacity were insufficient to meet financial obligations on time. Due to anticipatory liquidity planning and the liquidity reserves that are held, the liquidity risk is considered very low for the Energie AG Oberösterreich Group. In addition, open lines of bank credit and on the capital market are also drawn on as sources for financing. In this context, care is given to an appropriate capital structure and a conservative financial profile in order to be able to maintain an "A-" rating.

	Carrying amount 30/09/2016 EUR 1,000	Cash flows 2016/2017		Cash flows 2017/2018 to 2020/2021		Cash flows in and after 2021/2022	
		Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000
Financial liabilities (non-current and current)	**532,407.2**	**18,422.0**	**16,713.7**	**71,259.3**	**83,009.6**	**69,269.0**	**435,079.5**
Bonds	302,633.4	13,500.0	0.3	54,000.0	—	46,125.0	304,135.3
Liabilities to banks	58,372.8	1,479.2	5,679.3	4,028.1	51,960.8	117.7	1,626.1
Liabilities from finance leases	54,050.2	- 54.0	2,486.0	- 185.3	11,136.2	- 49.3	40,428.0
Other financial liabilities	117,350.8	3,496.8	8,548.1	13,416.5	19,912.6	23,075.6	88,890.1
Trade payables (current)	**144,270.9**	**—**	**144,270.9**	**—**	**—**	**—**	**—**
Other liabilities (non-current and current) according to the balance sheet	**417,035.0**						
thereof non-financial liabilities	**222,344.0**						
thereof financial liabilities	**194,691.0**	**3,463.0**	**164,213.1**	**11,391.7**	**6,589.4**	**11,580.0**	**3,063.5**
Liabilities to affiliated companies	14,489.1	—	14,489.1	—	—	—	—
Liabilities to associated companies	100,084.0	—	100,084.0	—	—	—	—
Derivatives designated as cash flow hedging instruments	20,857.1	3,463.0	32.1	11,391.7	—	11,580.0	—
Derivatives not designated as hedging instruments	6,989.5	—	5,751.2	—	1,238.3	—	—
Other financial liabilities (non-current and current)	52,271.3	—	43,856.7	—	5,351.1	—	3,063.5
Total	**871,369.1**	**21,885.0**	**325,197.7**	**82,651.0**	**89,599.0**	**80,849.0**	**438,143.0**

	Carrying amount 30/09/2015 EUR 1,000	Cash flows 2015/2016		Cash flows 2016/2017 to 2019/2020		Cash flows in and after 2020/2021	
		Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000	Interest EUR 1,000	Repayments EUR 1,000
Financial liabilities (non-current and current)	**613,049.1**	**22,019.4**	**88,256.4**	**72,880.8**	**55,473.0**	**81,033.8**	**471,996.2**
Liabilities to banks	91,164.9	2,466.3	35,022.6	5,335.4	21,790.0	71.3	35,348.1
Liabilities from finance leases	56,811.2	- 16.7	2,448.3	- 79.7	10,974.4	- 47.6	43,388.5
Other financial liabilities	162,208.9	6,069.8	50,784.8	13,625.1	22,708.6	21,385.1	88,715.5
Trade payables (current)	**143,667.9**	**—**	**143,667.9**	**—**	**—**	**—**	**—**
Other liabilities (non-current and current) according to the balance sheet	**395,920.5**						
thereof non-financial liabilities	**223,750.6**						
thereof financial liabilities	**172,169.9**	**3,865.1**	**139,303.8**	**11,789.3**	**8,806.8**	**13,328.9**	**4,712.8**
Liabilities to affiliated companies	1,827.8	—	1,827.8	—	—	—	—
Liabilities to associated companies	69,402.2	—	69,402.2	—	—	—	—
Derivatives designated as cash flow hedging instruments	17,945.7	3,215.3	—	11,056.2	—	13,328.9	—
Derivatives not designated as hedging instruments	19,472.6	649.8	14,469.8	733.1	3,924.0	—	—
Other financial liabilities (non-current and current)	63,521.6	—	53,604.0	—	4,882.8	—	4,712.8
Total	**928,886.9**	**25,884.5**	**371,228.1**	**84,670.1**	**64,279.8**	**94,362.7**	**476,709.0**

All financial instruments held on the balance sheet date and for which payments are contractually agreed upon are consolidated. Plan figures for new, future financial liabilities are not included. For operating lines of credit, an average residual maturity of 12 months is assumed; however, these lines of credit are renewed regularly, and in economic terms, are available longer. Foreign currency amounts are translated at the spot rate as of the balance sheet date. Variable interest payments from financial instruments are determined based on the last interest rates set before the balance sheet date. Financial liabilities that can be repaid at any time are always assigned to the earliest maturity range.

Collateral was provided for financial liabilities in the amount of EUR 0.0 (previous year: EUR 0.0).

24.7. Terms for the Most Material Financial Instruments

Energie AG Oberösterreich:

4,5% Energie AG OOe. Bond 2005-25 ISIN: XS0213737702 Volume: EUR 300,000,000 Coupon: March 4

Registered bond 2010-2030, 4.75%, Volume: EUR 40,000,000

Energie AG Oberösterreich Group Treasury GmbH: (repaid in the 2015/2016 financial year)

Borrower's note loan 2009-2016, 5.28%, Volume: EUR 14,500,000

Loan (private placement) 2009-2016, 5,217%, Volume: EUR 50,000,000

25. NON-CURRENT PROVISIONS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Provisions for pensions	**120,633.8**	114,308.6
Provisions for severance payments	**90,464.4**	84,709.0
Provisions for anniversary bonuses	**18,956.3**	17,562.9
Provisions for stepped pension and early retirement benefits	**53,114.6**	55,269.3
Other provisions	**28,318.9**	36,721.6
	311,488.0	**308,571.4**

For the most part, the provisions for pensions, severance payments and anniversary bonuses have a term that is more than five years. The provision for stepped pension and early retirement benefits will lead to payment outflows within the next five fiscal years, for the most part.

The calculation was based on the following inputs:

	2015/2016 %	2014/2015 %
Discount rate	**1.2 %**	2.0 %
Salary trend	**3.0 %**	3.0 %
Pension trend	**2.0 %**	2.0 %
Expected return on plan assets	**1.2 %**	2.0 %

Biometric calculations were based on Pagler & Pagler's calculation principles for pension funds from the Actuarial Association of Austria "AVÖ 2008-P". The statutory retirement age was used as a basis.

A fluctuation ranging from 0% to 12.24% (previous year: 0% to 12.22%) is assumed, staggered according to length of service with the company.

25.1. Provisions for Pensions and Similar Provisions

Company agreements and commitments under individual contracts create an obligation to pay pensions upon retirement to certain staff members who joined the company before 30 September 1996 and have accepted neither full nor partial compensation of their claims to direct payments. Beyond that, there is an obligation to pay pensions to certain staff members who retired before 1 July 1998.

For this group of people, a pension provision has been created in line with IAS 19 (Employee Benefits) using the projected unit credit method of actuarial valuation.

The company has an obligation to make additional contributions for defined retirement benefit plan obligations that were transferred to the company's pension fund.

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Present value of retirment benefit obligations (DBO) as of 01/10	129,603.6	125,869.5
+ Current service costs	664.3	646.0
+ Past service costs	—	41.7
+ Interest expense	2,506.6	3,273.4
- Pension payments	- 7,389.2	- 7,122.9
(-)/+ Revaluation – actuarial (gains)/losses:		
due to experience-based adjustments	- 1,167.5	- 1,217.8
due to changes in demographic assumptions	56.4	- 44.3
due to changes in financial assumptions	11,858.0	8,158.0
Present value of retirment benefit obligations (DBO) as of 30/09	**136,132.2**	**129,603.6**
- Fair value of fund assets	- 15,498.4	- 15,295.0
Recognised pension provisions as of 30/09	**120,633.8**	**114,308.6**

Development of fund assets

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Plan assets as of 01/10	15,295.0	15,102.6
+/(-) Interest income (expense) of plan assets	306.5	387.6
+ Contributions to fund	496.9	424.8
- Payments from fund	- 839.4	- 937.6
+/(-) Asset gain/(loss)	239.4	317.6
Plan assets as of 30/09	**15,498.4**	**15,295.0**

Actual return on plan assets amounts to EUR 465.7 thousand (previous year: EUR 499.5 thousand).

The fund assets break down as follows:

	30/09/2016 %	30/09/2015 %
Shares	35.9	33.3
Bonds	42.0	44.7
Money market	14.7	16.8
Other investments	7.4	5.2
Total	**100.0**	**100.0**

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Service costs	664.3	687.7
Net interest expense	2,200.1	2,885.8
Pension expense (recognised in profit or loss for the period)	**2,864.4**	**3,573.5**
Revaluations of retirement benefit obligations	10,507.5	6,578.3
Pension expense (recognised in other comprehensive income)	**13,371.9**	**10,151.8**

The present value of the defined benefit plan obligations is distributed over the individual groups of employees entitled to pensions as follows:

	30/09/2016 %	30/09/2015 %
Active	24.7	25.2
Vested	4.0	0.9
Retired	71.3	73.9
	100.0	**100.0**

As of 30 September 2016, the weighted average remaining maturity of the defined benefit plan obligations amounts to 13.6 (previous year: 13.0) years.

Pension payments for the 2016/2017 fiscal year are expected to amount to EUR 7,532.9 thousand.

An increase or decrease in the material actuarial assumptions would have the following effects on the present value of the pension obligations:

Sensitivity analyses	**30/09/2016 EUR 1,000**	30/09/2015 EUR 1,000
Remaining life expectancy		
Increase by 1 year	8,319.5	6,761.9
Decrease by 1 year	- 8,591.6	- 7,128.1
Discount rate		
Increase by 0.5 %	- 8,231.5	- 7,572.1
Decrease by 0.5 %	9,205.8	8,461.4
Future pension increase		
Increase by 0.5 %	8,449.4	7,739.1
Decrease by 0.5 %	- 7,702.7	- 7,055.3

25.2. Provisions for Severance Payments

Based on obligations according to Austrian law and collective bargaining agreements, severance payments were paid to employees who took up service by 31 December 2002. Benefits due at the time of retirement or severance are calculated on the basis of the last salary, as well as the number of years of employment.

Based on these regulations according to labour law and collective bargaining agreements, a provision is created which is calculated according to the projected unit credit method.

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Present value of severence payment obligations (DBO) as of 01/10	84,709.0	75,899.3
+ Current service costs	3,260.4	3,115.5
+ Past service costs	25.6	- 304.8
+ Interest expense	1,647.7	1,983.6
- Severance payments	- 5,804.3	- 2,023.2
(-)/+ Revaluation – actuarial (gains)/losses:		
due to experience-based adjustments	47.1	109.3
due to changes in demographic assumptions	- 20.7	- 97.6
due to changes in financial assumptions	6,599.6	6,026.9
Present value of severence payment obligations (DBO) as of 30/09 = Recognised severance provisions as of 30/09	**90,464.4**	**84,709.0**

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Service costs	3,286.0	2,810.7
Net interest expense	1,647.7	1,983.6
Severance expense (recognised in profit or loss for the period)	**4,933.7**	**4,794.3**
Revaluations of the severance benefit obligation	6,626.0	6,038.6
Severance expense (recognised in other comprehensive income)	**11,559.7**	**10,832.9**

As of 30 September 2016, the weighted average remaining maturity of the defined benefit plan obligations amounts to 10.6 years (previous year: 10.4).

Severance payments for the 2016/2017 fiscal year are expected to amount to EUR 4,163.7 thousand.

An increase or decrease in the significant actuarial assumptions would have the following effects on the present value of the severance payment obligations:

Sensitivity analyses	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Discount rate		
Increase by 0.5 %	- 4,737.60	- 4,180.60
Decrease by 0.5 %	4,804.40	4,445.20
Future salary increase		
Increase by 0.5 %	4,765.50	4,371.50
Decrease by 0.5 %	- 4,750.90	- 4,156.90

For employment relationships starting in Austria as of 1 January 2013, the employer must pay 1.53% of the gross salary to an employee pension fund. This form of severance payment is recognised as a contribution-oriented plan according to IAS 19 (Employee Benefits).

25.3. Provisions for Anniversary Bonuses

Based on collective bargaining agreements, a provisions is created for anniversary bonuses which is calculated according to the projected unit credit method.

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Present value of anniversary bonus obligations (DBO) as of 1/10	17,562.9	16,048.4
+ Current service costs	717.4	792.2
+ Interest expense	342.2	427.0
- Anniversary bonus payments	- 1,153.1	- 962.3
(-)/+ Revaluations – actuarial (gains)/losses:	1,486.9	1,257.6
Present value of anniversary bonus obligations (DBO) as of 30/09 = Recognised provisions for anniversary bonuses as of 30/09	**18,956.3**	**17,562.9**

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Service costs	717.4	792.2
Net interest expense	342.2	427.0
Revaluations	1,486.9	1,257.6
Expenses for anniversary bonuses (recognised in profit or loss for the period)	**2,546.5**	**2,476.8**

25.4. Provisions for Stepped Pensions and Early Retirement Benefits

A stepped pension (early retirement model) has been agreed upon with certain employees. This is a transitional payment for the period between the early termination of the employment relationship and the time when a claim to legal pension benefits is reached. The transitional payments for this period correspond to a previously determined percentage of the previous salary.

For the resulting obligations, a provision is created according to IAS 19 (Employee Benefits).

		2015/2016 EUR 1,000	2014/2015 EUR 1,000
Present value of early retirement benefit obligations (DBO) as of 01/10		55,269.3	59,760.8
+	Interest expense	982.0	1,376.1
+	Allocation due to new obligations	9,686.2	3,606.3
-	Early retirement benefit payments	- 11,332.0	- 11,527.3
+	Net transfer	—	777.7
(-)/+	Revaluations – actuarial (gains)/losses:	- 1,490.9	1,275.7
Present value of early retirement benefit obligations (DBO) as of 30/09 = Recognised early retirement benefit provisions as of 30/09		**53,114.6**	**55,269.3**

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Service costs	9,686.2	3,606.3
Net interest expense	982.0	1,376.1
Revaluations	- 1,490.9	1,275.7
Expenses for stepped pension and early retirement benefits (recognised in profit or loss for the period)	**9,177.3**	**6,258.1**

25.5. Other Non-Current Provisions

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Carrying amount as of 01/10	36,721.6	36,674.3
Use	- 11,351.6	- 5,334.7
Reversal	- 57.3	- 1,760.8
Allocation	3,004.9	7,141.5
Exchange differences	1.3	1.3
	28,318.9	**36,721.6**

For estimated costs for the shutdown of the Riedersbach coal power plant, provisions were created in the amount of EUR 4.7 mill. (previous year: EUR 17.2 mill.). These provisions are recognised at EUR 2.4 mill. (previous year: EUR 13.6 mill.) in other non-current provisions, and at EUR 2.3 mill. (previous year: EUR 3.6 mill.) in current provisions.

26. CONSTRUCTION COST SUBSIDIES

This item primarily includes financing contributions received from electricity, gas and district heating customers. Following IFRIC 18, they are recognised as income over the average amortisation period for the corresponding equipment (up to 40 years).

27. ADVANCES RECEIVED

This item essentially consists of deferred items from the sale of claims resulting from minimum waste volume rights. Due to a contractual agreement, the Group is obligated to accept a certain volume of waste. In this context, the Group is entitled to payment for a minimum waste volume determined in advance, regardless of the volume actually delivered. The claims from this minimum waste volume through 30 September 2021 were sold, and an interest rate of 4.2868% was agreed upon with the contract partner. This amount was recognised as a liability under advances received.

28. OTHER NON-CURRENT LIABILITIES

	30/09/2016 EUR 1,000	30.09.215 EUR 1,000
Investment subsidies	28,941.4	29,778.3
Other liabilities	46,058.2	50,087.9
	74,999.6	**79,866.2**

29. CURRENT PROVISIONS

Current provisions developed as follows during this fiscal year:

	2015/2016 EUR 1,000	2014/2015 EUR 1,000
Carrying amount as of 01/10	16,037.5	13,365.0
Use	- 4,747.6	- 6,139.2
Reversal	- 434.2	- 601.7
Allocation	279.0	9,411.8
Exchange differences	2.5	1.6
	11,137.2	**16,037.5**

30. TAX PROVISIONS

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Corporate tax for the reporting period	**519.6**	**442.7**

31. OTHER CURRENT LIABILITIES

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Liabilities to non-consolidated affiliated companies	14,475.4	1,810.0
Liabilities to associated companies	100,084.0	69,402.2
Tax liabilities	59,051.4	58,767.3
Social-security liabilities	5,959.6	5,739.3
Advances received	59,091.8	57,391.5
Market value of derivatives	5,784.8	14,487.7
Liabilities to employees	43,706.7	42,399.0
Other liabilities	53,881.7	66,057.3
	342,035.4	**316,054.3**

32. CONTINGENT LIABILITIES

	30/09/2016 EUR 1,000	30/09/2015 EUR 1,000
Other	5,022.0	5,740.3

Contingent liabilities include liabilities for which an outflow of resources is unlikely.

33. OTHER OBLIGATIONS

Pursuant to an energy supply agreement between Energie AG Oberösterreich Trading GmbH and VERBUND AG, the Group procures a certain annual amount of electricity on the basis of standard market products. The cost of the delivered electricity is recognised under material costs.

There is an obligation for the next fiscal year in the amount of EUR 6,587.9 thousand (previous year: EUR 6,740.8 thousand) resulting from long-term rental, lease and occupancy contracts for the use of property, plant and equipment not shown in the balance sheet. The total amount of these obligations for the next five years is EUR 27,534.0 thousand (previous year: EUR 30,434.7 thousand), for terms in excess of five years, EUR 25,146.9 thousand (previous year: EUR 28,107.3 thousand).

34. PROPOSAL FOR THE APPROPRIATION OF PROFIT

The Management Board of Energie AG Oberösterreich proposes to the annual general meeting a dividend of EUR 0.6 (previous year: EUR 0.6) per share, amounting to a total of EUR 53,269.3 thousand (previous year: EUR 53,271.0 thousand).

35. RISK MANAGEMENT

Risk and Opportunity Situation

The Energie AG Oberösterreich Group is facing significant challenges as a result of energy policy changes, the high volatility on the energy markets, strong competition and regulatory pressure.

The Group's risk management department has the goal of recognising risks early on in order to take timely countermeasures, as well as to uncover and leverage opportunities. Risk assessments are an integral part of the management and control system and flow into the strategic decision making process to support the management.

Central risk management is based on operational risk management in the decentralised business areas. On a quarterly basis, risks, opportunities and measures are updated and entered in a software tool implemented across the Group. At the Group level, the opportunities and risk thus identified are analysed and incorporated into the Group's overall risk position. Reporting to the Group's management board is done quarterly and ad hoc as needed.

Risk management is also an integral part of reporting to the Supervisory Board, and in accordance with the requirements of the Austrian Company Law Amendment Act (URÄG), is also reported to the audit committee regarding the efficiency and validity of the process.

Proper documentation and verifiability are also guaranteed by historisation of the data as at the measurement dates.

Risk Profile and Development Trends

Risks from ordinary activities

The efficiency and intrinsic value of the generation plants and investments of the Group are significantly influenced by market price risks such as changes in wholesale prices for electricity, the prices for gas, coal, biomass, and certificates.

The futures market for electricity is still characterised by excess capacities from wind and solar power. This increased the economic pressure on power plants in the face of competition due to the liberalised electricity market. In addition to futures and spot market prices, those listed on control and balancing power markets are increasingly gaining in significance. Conventional generation capacities such as CCGT power plants and pumped-storage power plants thus continue to be indispensable pillars for securing the supply of electrical power in future.

The expertise bundled in Energie AG Oberösterreich Trading GmbH makes it possible to utilise intra-Group synergies and risk strategies attuned to the market environment.

Fluctuations in electricity generated by hydropower plants owned by Energie AG Oberösterreich and from procurement rights have a strong influence on the result of Energie AG Oberösterreich. In the 2015/2016 fiscal year, electricity procurement experienced a slight negative effect due to water levels under the long-term mean.

Above-average warm weather periods during the autumn and winter months, as was the case in 2015/2016 and in the previous year, have a negative influence on the sales revenues and results.

New competitors with aggressive pricing, new distribution channels, and the customer's increasing will to switch providers aggravate the situation in the consumer market. Energie AG Oberösterreich is relying on established and new offerings, its proven, personal customer service, and expanding its service portfolio with a view to increasing customer benefits through energy efficiency and cost optimisation.

The Waste Management Segment of Energie AG Oberösterreich encompasses business activities in Austria and South Tyrol, the slag treatment company AMR Austrian Metal Recovery GmbH, and the non-operative Heves Régió KFt. company in Hungary. The slightly improved economic environment affected the waste industry in various ways. The lack of disposal capacities in southern and western Europe led to a shift of volumes to central Europe, had a positive effect on the disposal prices for the thermal fraction, and also secured full-capacity utilisation of the incineration plants. Individual recyclables such as paper and cardboard also recorded a slight price increase. The continuous decrease in crude oil prices has on the one hand had a positive effect on the waste management sector in the form of lower fuel prices, but on the other hand has also led to decreasing prices for scrap plastics. Falling prices for scrap metal also had a negative effect.

The strategically important cost management project will also be consistently executed in future in order to protect the result against difficult market conditions.

There was a stable development in sales revenue and results in the Water Segment the 2015/2016 fiscal year.

Ongoing participation in calls for tender for concessions in the drinking water and waste water areas, as well as acquisitions and exploring cooperation opportunities are some measures being taken to ensure sustainable results.

Asset risks

Natural disasters such as floods, storms and avalanches can cause unplanned downtime in power generation plants and electricity distribution systems and thus give rise to loss of revenue.

In the past financial year, the grid territory was hit by what were in part severe weather phenomena. Although there were no major, widespread disruptions, many regional storms led to numerous power failures, often in quick succession. As a proactive measure, work is being done to replace medium-voltage overhead lines, which are particularly susceptible to disruption, with underground cable.

In the environmental business, there is also the risk of malfunctions and interruptions at waste incineration plants and in water supply and waste water systems. These asset risks are handled by Energie AG Oberösterreich through maintenance and quality inspections, as well as an optimised maintenance strategy. Insofar as it makes economic sense, insurance policies with economically justifiable deductibles are procured.

Political, regulatory and legal risks

Changing political, regulatory and legal conditions represent a major challenge for the Energie AG Oberösterreich Group. Efforts are made to counter these risks with intensive and constructive dialogue with government agencies and policymakers.

The regulatory conditions for electricity and gas grids in Austria also hold risks for revenue loss. Therefore, Netz Oberösterreich GmbH is already preparing for the challenges of the coming regulatory periods, which will start in 2018 for gas and in 2019 for electricity.

Risks from investments

Investment risks lie in the fluctuations of revenues from investments, in the payment of dividends and the distribution of profits, and in changes in the impairment of investments.

Risk optimisation primarily takes place through ongoing monitoring of existing investments.

Investment project risks

The execution of projects is characterised by high complexity and the interaction of numerous inputs. For this reason, deviations from project planning (also with ensuing delays and cost increases) cannot be completely ruled out.

Preparation for project decisions is carried out under careful consideration of risks and opportunities. The assessment encompasses the entire project duration. The main decision-making criterion is the expected interest return on the invested capital, taking into account risks and opportunities. Whether or not projects are realised will depend on market conditions and on whether the energy policy situation ensures adequate investment security.

Risk management is integrated in the entire project cycle and evaluates the potential financial risks and measures to counteract them in the course of projects.

Financial risks

Financial risks are managed centrally by the Group Treasury holding entity. Control and monitoring of financial risks focuses on liquidity, interest rate and currency fluctuation risks, as well as the market value risk of financial investments. The liquidity risk is managed with anticipatory liquidity planning for the short and mid-term financial requirements of the Energie AG Oberösterreich Group. The Energie AG Group Treasury GmbH provides a modern, needs-based liquidity management with the help of a cash pooling system under its control. Thanks to the sufficient liquidity reserves, as well as open, partially committed bank credit lines, the solvency of Energie AG Oberösterreich and its Group companies could be ensured at all times in the past financial year.

At the end of the 2015/2016 financial year, the interest rate risk can continue to be classified as very low due to the unchanged high share of 90% fixed-interest financial liabilities in the Energie AG Oberösterreich Group. Interest hedging measures were not taken in the past fiscal year.

The foreign currency risk for the Energie AG Oberösterreich Group results on the one hand from currency translation for the assets and goodwill of the foreign Group companies whose functional currency is not the euro. This translation risk was mainly limited to investments in the Czech crown during the past financial year. There is also an exposure due to the partial financing in Swiss francs (CHF) of a joint venture with a Swiss utilitiy company. In the past financial year, the foreign currency risks in the Group were constantly monitored, and corresponding hedging measures were undertaken as needed to minimise risks.

The market value risk for the financial investments of the Energie AG Oberösterreich Group (securities, funds) resulted from fluctuations in fair value on the capital markets. The conservative investment policy is oriented on the fundamental principle of a risk-aversive financial management, through which this financial risk was further minimised in the 2015/2016 financial year.

Counterparty risks

Credit risks arise for the Energie AG Oberösterreich Group due to non-fulfilment of contractual agreements by counterparties. To eliminate and minimise credit risk, credit assessments are performed regularly for counterparties. In the area of financial and energy trading, transactions are only conducted or concluded with counterparties with a very high credit rating. In addition, appropriate credit assessment instruments were utilised to ensure that the Energie AG Oberösterreich risk management could intervene early to minimise risk and adjust the internal item limits in time.

Rating

In March 2016, the excellent creditworthiness of Energie AG Oberösterreich was again confirmed with the "A-/stable outlook" credit rating awarded by the international rating agency Standard & Poor's. The Energie AG Oberösterreich management continues with the goal of maintaining the single A rating in the long term. Significant investment projects are continuously evaluated using key rating-relevant figures, and the corporate strategy is oriented correspondingly.

36. RELATED PARTY DISCLOSURES

Related parties include OÖ Landesholding GmbH as majority shareholder as well as its subsidiaries, the Province of Upper Austria as sole investor of OÖ Landesholding GmbH, the joint ventures, the associated companies as well as members of the Management Board and Supervisory Board of Energie AG Oberösterreich and their close relations.

		Revenues EUR 1,000	Expenses EUR 1,000	Receivables EUR 1,000	Liabilities EUR 1,000
Province of Upper Austria	**2016**	**480.3**	**2,400.5**	**24.8**	**7.8**
	2015	472.4	3,248.2	33.5	50,890.9
OÖ Landesholding and subsidiaries	**2016**	**3,355.9**	**124.0**	**319.6**	**13,732.3**
	2015	3,375.8	162.9	501.2	2,120.3
Associated companies	**2016**	**5,311.0**	**3,383.0**	**579.9**	**372.5**
	2015	14,312.6	6,962.5	597.7	2.7
Joint ventures	**2016**	**303,477.2**	**16,438.0**	**32,329.5**	**92,237.6**
	2015	360,121.5	18,743.0	34,457.5	58,965.5

Province of Upper Austria

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

The State of Upper Austria subscribed a bond in the 2008/2009 fiscal year (private placement). For the terms of this financial liability, please refer to section 24.7. The bond was repaid in the 2015/2016 financial year.

OÖ Landesholding GmbH

Energie AG Oberösterreich and selected Group companies are members of the OÖ Landesholding GmbH tax group. The provisions of the OÖ Landesholding GmbH tax group contract apply in the relationship of Energie AG Oberösterreich with the tax group parent, whereas Energie AG Oberösterreich calculates its taxable income taking into account the taxable income of its subordinate Group companies. In the case of positive tax income, offsetting of positive tax allocation is provided for. Negative tax results are carried forward. The tax allocations amount to EUR 10,030.0 thousand (previous year: EUR 2,780.0 thousand).

Associated companies

Salzburg AG
Gas deliveries are made between the Group and Salzburg AG. The sales revenues amount to EUR 3,561.3 thousand (previous year: EUR 12,125.4 thousand), while expenses are EUR 3,044.1 thousand (previous year: EUR 6,690.8 thousand).

Joint ventures

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

A business share of 35% 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 and other services are delivered between the Group and ENAMO GmbH as company consolidated at equity. The sales revenues amount to EUR 122,153.4 thousand (previous year: EUR 131,800.4 thousand), while services in the amount of EUR 8,704.2 thousand (previous year: EUR 10,397.5 thousand) were purchased. Furthermore, electricity and other services are delivered between the Group and ENAMO Ökostrom GmbH, a 100% subsidiary of ENAMO GmbH. The sales revenues amount to EUR 16,629.9 thousand (previous year: EUR 20,290.1 thousand), while services in the amount of EUR 2,342.6 thousand (previous year: EUR 2,318.6 thousand) were purchased.

Energie AG Oberösterreich Vertrieb GmbH & Co KG
Energie AG Oberösterreich is the sole limited partner of Energie AG Oberösterreich Vertrieb GmbH & Co KG. ENAMO GmbH is general partner without an equity interest. Electricity and other services are delivered between the Group and the company. The sales revenues amount to EUR 162,615.9 thousand (previous year: EUR 205,896.9 thousand), while services in the amount of EUR 3,391.9 thousand (previous year: EUR 4,043.1 thousand) were purchased. In addition, there is a cash-pooling agreement between the Group and Energie AG Oberösterreich Vertrieb GmbH & Co KG resulting in liabilities in the amount of EUR 91,800.2 thousand (previous year: EUR 57,463.9 thousand). Furthermore, there are contingent liabilities in the amount of EUR 1,308.1 (previous year: EUR 1,890.8 thousand).

There are guarantees in the amount of EUR 124.0 thousand (previous year: EUR 266.4 thousand) given for liabilities from Geothermie-Wärmegesellschaft Braunau-Simbach mbH and Geothermie-Fördergesellschaft Simbach-Braunau mbH.

Members of the management in key positions

Members of the management in key positions include the members of the management board and the Supervisory Board of Energie AG Oberösterreich, and the management board and the Supervisory Board of OÖ Landesholding GmbH. Regarding the salaries of the members of the management board and the Supervisory Board of Energie AG Oberösterreich, please refer to Item 10. There are no other material benefits received.

Other disclosures

Shareholder agreements exist between Energie AG Oberösterreich and the non-controlling investors, with the exception of employees. This affects the Energie AG Oberösterreich Group in particular concerning dividend arrangements, rights to appoint members of the Supervisory Board, and special minority rights.

Other transactions with non-consolidated companies are not recognised due to their subordinate importance.

37. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

No material events occurred after the balance sheet date.

38. DISCLOSURES ON GROUP MANAGEMENT BODIES

In this fiscal year, the members of the management board of Energie AG Oberösterreich were:

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

The Supervisory Board of Energie AG Oberösterreich had the following members in the 2015/2016 fiscal year:

KommR Dipl-Ing. Gerhard Falch (chairman); Mag. Stefan Lang PLL.M (first vice chairman); Mag. Dr. Hermann Kepplinger (first vice chairman until 18/12/2015); Dr. Heinrich Schaller (second vice chairman); Dipl.-Ing. Wolfgang Dopf MBA; Dr. Miriam Eder MBA; Mag. Dr. Erich Entstrasser (from 18/12/2015); Mag. Florian Hagenauer MBA; Mag. Anna-Maria Hochhauser; Thomas Peter Karbiner MSc MBA MPA (from 18/12/2015); Mag. Michaela Keplinger-Mitterlehner; Dr. Ruperta Lichtenecker (until 18/12/2015); Ing. Herwig Mahr (from 18/12/2015); Mag. Kathrin Renate Kühtreiber-Leitner MBA; KommR Viktor Sigl (until 18/12/2015); Mag. Dr. Michael Strugl MBA; Josef Walch (from 18/12/2015); Dr. Bruno Wallnöfer (until 18/12/2015).

Appointed by the Works' Council:

Ing. Robert Gierlinger MSc; Isidor Hofbauer; Ing. Peter Neißl MBA MSc; Friedrich Scheiterbauer; Ing. Bernhard Steiner; Gerhard Störinger; Egon Thalmair.

Linz, 28 November 2016

The Management Board of Energie AG Oberösterreich

Generaldirektor Dr. Leo Windtner
Chief Executive Officer

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

Dr. Andreas Kolar
Member of the Management Board

Auditor's Certificate

KPMG

Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Konzernabschlusses zum 30. September 2016
28. November 2016

3. Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der

Energie AG Oberösterreich,
Linz,

bestehend aus der Konzernbilanz zum 30. September 2016, der Konzern-Gewinn- und Verlustrechnung/Gesamtergebnisrechnung, der Konzernkapitalflussrechnung und der Konzern-Eigenkapitalveränderungsrechnung für das an diesem Stichtag endende Geschäftsjahr sowie dem Konzernanhang, geprüft.

Verantwortung der gesetzlichen Vertreter für den Konzernabschluss

Die gesetzlichen Vertreter der Gesellschaft sind verantwortlich für die Aufstellung und sachgerechte Gesamtdarstellung dieses Konzernabschlusses in Übereinstimmung mit den International Financial Reporting Standards (IFRSs), wie sie in der EU anzuwenden sind, und den zusätzlichen Anforderungen des § 245a UGB und für die internen Kontrollen, die die gesetzlichen Vertreter als notwendig erachten, um die Aufstellung eines Konzernabschlusses zu ermöglichen, der frei von wesentlichen beabsichtigten oder unbeabsichtigten falschen Darstellungen ist.

Verantwortung des Abschlussprüfers

Unsere Aufgabe ist es, auf der Grundlage unserer Prüfung ein Urteil zu diesem Konzernabschluss abzugeben. Wir haben unsere Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der internationalen Prüfungsstandards (International Standards on Auditing - ISA). Nach diesen Grundsätzen haben wir die beruflichen Verhaltensanforderungen einzuhalten und die Abschlussprüfung so zu planen und durchzuführen, dass hinreichende Sicherheit darüber erlangt wird, ob der Konzernabschluss frei von wesentlichen falschen Darstellungen ist.

KPMG

Energie AG Oberösterreich, Linz, Austria
Report on the Audit of the Consolidated Financial Statements as at 30 September 2016
28 November 2016

3. Auditor's Certificate

Report on the Consolidated Financial Statements

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

Energie AG Oberösterreich,
Linz,

comprising the consolidated balance sheet as at 30 September 2016, the consolidated income statement/consolidated statement of comprehensive income, the consolidated cash-flow statement and the statement of changes in equity for the fiscal year ending on 30 September 2016, as well as the notes on the consolidated accounts.

Responsibility of the Legal Representatives for the Consolidated Financial Statements

The legal representatives of the company are responsible for the preparation and proper presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) as they are to be applied in the EU, and with the additional requirements as specified in section 245a of the Austrian Commercial Code (Unternehmensgesetzbuch [UGB]), and for the internal audits that the legal representatives deem necessary to be able to prepare the consolidated financial statements that are free from material misstatements, whether intended or unintended.

Responsibility of the Auditors

It is our task to issue an opinion on the consolidated financial statements on the basis of our audit. We have conducted our audit in compliance with the basic principles of sound auditing practices applicable in Austria. These principles require that we apply the International Standards on Auditing (ISA). According to these principles, we are required to comply with the standards of professional conduct and to 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.

KPMG

Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Konzernabschlusses zum 30. September 2016

Eine Abschlussprüfung beinhaltet die Durchführung von Prüfungshandlungen, um Prüfungsnachweise für die im Konzernabschluss enthaltenen Wertansätze und sonstigen Angaben zu erlangen. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers. Dies schließt die Beurteilung der Risiken wesentlicher beabsichtigter oder unbeabsichtigter falscher Darstellungen im Konzernabschluss ein. Bei der Beurteilung dieser Risiken berücksichtigt der Abschlussprüfer das für die Aufstellung und sachgerechte Gesamtdarstellung des Konzernabschlusses durch den Konzern relevante interne Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems des Konzerns abzugeben. Eine Abschlussprüfung umfasst auch die Beurteilung der Angemessenheit der angewandten Rechnungslegungsgrundsätze und der Vertretbarkeit der von den gesetzlichen Vertretern ermittelten geschätzten Werte in der Rechnungslegung sowie die Beurteilung der Gesamtdarstellung des Konzernabschlusses.

Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Nach unserer Beurteilung entspricht der Konzernabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. September 2016 sowie der Ertragslage und der Zahlungsströme des Konzerns für das an diesem Stichtag endende Geschäftsjahr 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 28. November 2016

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Michael Ahammer
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 2016

An audit of financial statements includes audit activities performed to obtain evidence concerning the amounts and other disclosures contained in the consolidated financial statements. The choice of audit activities lies in the dutiful discretion of the auditor. This includes assessing the risk that material misstatements may be found in the consolidated financial statements, whether intended or unintended. When assessing this risk, the auditor takes the internal auditing system into account as far as it is relevant for the preparation and appropriate presentation of the consolidated financial statements in order to plan auditing activities that are appropriate in the given situation, but not with the purpose of expressing an audit opinion on the efficacy of the Group's internal auditing system. An audit also includes an evaluation of the adequacy of the applied accounting principles and the reasonableness of the estimated values as determined by the legal representatives and used in the financial reporting, as well as an evaluation of the overall presentation of the consolidated financial statements.

We are of the opinion that we have obtained sufficient and appropriate evidence to serve as a basis for our audit opinion.

Audit Opinion

Our audit did not give rise to any objections. It is our opinion that the consolidated financial statements comply with the statutory requirements and present fairly, in all material respects, the assets, liabilities and financial position of the Group as at 30 September 2016, as well as the earnings position and cash flows of the Group during the fiscal year ending as of that date, in accordance with the International Financial Reporting Standards (IFRS), as they are to be applied in the EU.

Report on the Group Management Report

On the basis of the statutory regulations, the Group management report must be audited as to whether it is in conformity with the consolidated financial statements and whether the other information disclosed in the Group 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 management report is in conformity with the consolidated financial statements.

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

Linz, 28 November 2016

KPMG Austria GmbH
Chartered Accountants and Tax Consultants

Mag. Michael Ahammer
(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 complete German version of the consolidated financial statements including the Group management report. Any and all deviating versions fall under section 281 paragraph 2 of the Austrian Commercial Code (Unternehmensgesetzbuch (UGB)].

Report of the Supervisory Board in Accordance with Section 96 of the Austrian Stock Exchange Act

During the 2015/2016 fiscal year, the Management Board informed the Supervisory Board and the Supervisory Board Audit Committee about the activities of the Group and its subsidiaries in writing and orally on a regular basis, and it discussed all important business events with these bodies. In the 2015/2016 fiscal year, the plenary Supervisory Board convened regularly in a total of four meetings, and the Audit Committee in two meetings. The management 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 statement of Energie AG Oberösterreich for the 2015/2016 fiscal year, drawn up according to the Austrian accounting regulations, together with the accounts and the management report of the Management Board, were audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditors reported about the outcome of their audit in writing and stated that the accounts and financial statement comply with the statutory requirements and that the management report is consistent with the financial statements. The auditing firm therefore issued its unrestricted audit certificate.

It was established that – in accordance with section 243b of the Austrian Commercial Code (Unternehmensgesetzbuch, or UGB) – there is no obligation to prepare a corporate governance report, and that in accordance with section 243c UGB, there is also no obligation to prepare a report on payments to government agencies.

The Supervisory Board examined the financial statements for 2015/2016 and the management report of the Management Board, as well as the proposal for the appropriation of the profit. The Supervisory Board Audit Committee also examined the financial statement for 2015/2016 and the management report of the Management Board, as well as the proposal for the appropriation of the profit. It drew up a written report and recommended that the Supervisory Board approve the present financial statement as at 30 September 2016, together with the notes and the management report of the Management Board, as well as the auditor's report, together with the auditor's unrestricted certificate, so as to thus adopt the financial statement for 2015/2016. The Audit Committee also recommended that the Supervisory Board approve the proposal for the appropriation of the profit. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee and 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 section 96 of the Austrian Stock Exchange Act, and with the proposal for the appropriation of the profit, and that it adopts the financial statement for 2015/2016, which is thus established.

The consolidated financial statements for the 2015/2016 fiscal year (01/10/2015 to 30/09/2016), drawn up in accordance with the International Financial Reporting Standards (IFRS), were also audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditing firm reported about the outcome of their audit in writing and stated that the consolidated financial statements comply with the statutory requirements and that the management report is consistent with the consolidated financial statements. The auditing firm therefore issued its unrestricted audit certificate. The Supervisory Board examined the consolidated financial statements and the Group's management report in detail. The Supervisory Board Audit Committee also examined the consolidated financial statements and the Group's management report in detail. It drew up a written report and recommended that the Supervisory Board approve the present consolidated financial statements as of 30 September 2016, together with the notes and management report of the Management Board, as well as the auditor's report, together with the auditor's unrestricted certificate. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee and 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 financial statements in accordance with Austrian commercial law provisions.

The Supervisory Board would like to express its thanks to the Management Board and all company staff members for their successful work during the 2015/2016 fiscal year.

Linz, December 2016

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 28. November 2016

Der Vorstand der Energie AG Oberösterreich

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

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

The Management Board 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, and financial and earnings position 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, 28 November 2016

The Management Board of Energie AG Oberösterreich

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

When "Energie AG" is referred to in the financial statement, Energie AG Oberösterreich is meant.

This report contains forward-looking statements subject to risks and uncertainties that could cause actual results to differ substantially from those predicted. Terms used such as "presumed", "assumed", "estimated", "expected", "intended", "may", "planned", "projected", "should" and comparable expressions serve to characterise forward-looking statements. No guarantees can therefore be given that the forecasts and planned values will actually materialise regarding economic, currency-related, technical, competition-related and several other important factors that could cause actual results to differ from those anticipated in the forward-looking statements. Energie AG Oberösterreich does not intend to update such forward-looking statements and refuses any responsibility for any such updates. We have exercised utmost diligence in the preparation of this report and checked the data contained therein. The present English version is a translation of the German report. The German version of the report is the only authentic version.

LEGAL NOTICE

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Linz, December 2016

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ENERGIE AG Oberösterreich

We care about tomorrow