

SEMI-ANNUAL REPORT

FOR THE PERIOD

1 OCTOBER 2009 TO 31 MARCH 2010

 **ENERGIE AG**
Oberösterreich

The Energie AG Group at a Glance

	in	2009/2010 1 st semester	Development	2008/2009 1 st semester	2007/2008 1 st semester
Sales					
Energy segment	EUR mill.	786.9	0.7%	781.5	540.0
Waste management segment	EUR mill.	172.6	9.2%	158.0	142.6
Water segment	EUR mill.	58.0	8.6%	53.4	37.5
Group sales	EUR mill.	1,017.5	2.5%	992.9	720.1
Result					
EBITDA	EUR mill.	146.8	8.8%	134.9	160.8
EBITDA margin	%	14.4	6.2%	13.6	22.3
Result of operations (EBIT)	EUR mill.	72.6	15.8%	62.7	102.5
EBIT margin	%	7.1	13.0%	6.3	14.2
Result before taxes	EUR mill.	56.4	- 4.7%	59.2	93.3
Consolidated net profit	EUR mill.	36.3	- 7.6%	39.3	72.7
Cash flow from the result	EUR mill.	128.8	63.5%	78.8	122.6
Balance sheet					
		31/03/2010	Development	30/09/2009	30/09/2008
Balance-sheet total	EUR mill.	3,695.5	1.0%	3,658.5	3,693.9
Equity	EUR mill.	1,309.6	0.6%	1,302.2	1,357.9
Equity ratio	%	35.4	- 0.4%	35.6	36.8
Staff (mean value)	FTE	7,159	4.0%	6,881	5,753

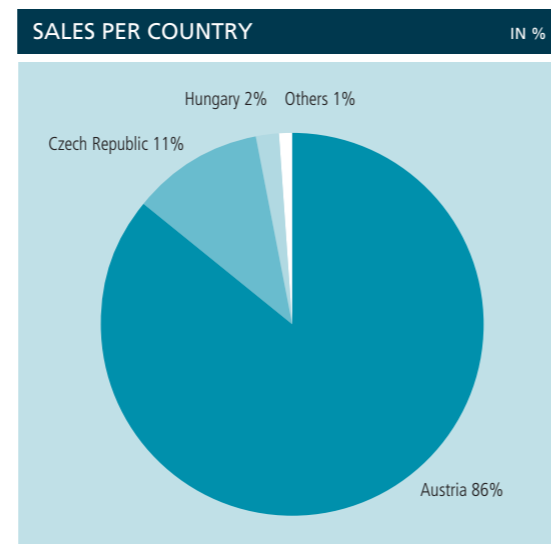
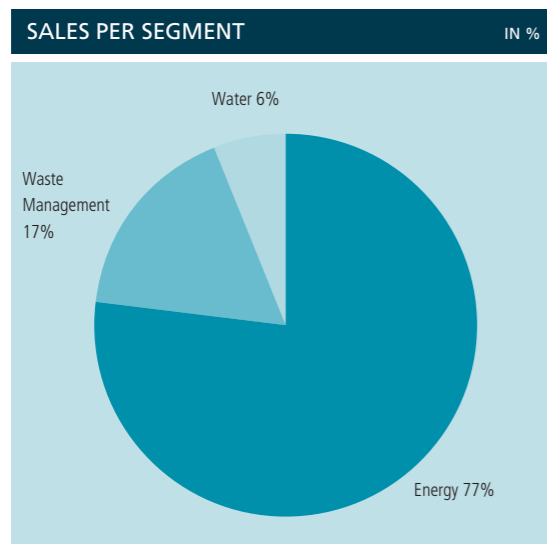


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Statement by the Chairman of the Board of Management



ROLAND PUMBERGER,
MEMBER OF THE BOARD
OF MANAGEMENT

LEO WINDTNER,
CHAIRMAN OF THE BOARD
OF MANAGEMENT

WERNER STEINECKER,
MEMBER OF THE BOARD
OF MANAGEMENT

For Energie AG Oberösterreich, the 2008/2009 business year was one of the most challenging periods in its history. The overall macro-economic conditions had repercussions on all of the Group's segments and business sectors. Energie AG Oberösterreich could not bypass these influences during the previous business year. Although we nevertheless succeeded in obtaining the third-best EBIT in the company's history, there were significant deviations from the EBIT of the year before.

The first six months of the current 2009/2010 business year saw a slight recovery of the overall economic environment, despite which the economic recovery does not bear

out the optimistic expectations, as growth in Europe continues to be subdued and longer-term perspectives have become slightly dimmed by the current development in southern Europe.

The present financial statements for the first six months of 2009/2010 underline the fact that the European infrastructure industry has been affected by the difficult overall conditions. However, they also show that Energie AG Oberösterreich succeeded in obtaining a quite positive effect with its successful investments in recent years, as well as the counter measures that the company took in reaction to the crisis.

In the electricity segment we managed to raise the level of our own electricity generation by taking into operation the combined-cycle gas and steam turbine power station at Timelkam, although the coefficient for hydro power is currently on the decline. The negative market effects resulting from shrinking electricity consumption, which also had an impact on the electricity distribution of Energie AG Oberösterreich, had already been anticipated to a large extent during the previous business year. Positive effects have been obtained from the risk optimization measures taken in connection with our electricity distribution operations to industrial customers, as well as the adjustment of electricity prices for private and SME customers, which became necessary as of 1 October 2010. The positive development of operations in the waste management segment during the first six months of the 2009/2010 business year was eventually overshadowed by negative special effects. In this connection, provisions for imminent losses have been made in the balance sheet that will be appropriate from today's perspective.

Against the backdrop of these three main influences, we generated sales of EUR 1,017.5 million for the first six months of the 2009/2010 business year and an EBIT of EUR 72.6 million. Consequently, the result of operations went up by more than 15% over the same period of the 2008/2009 business year, ushering in a trend reversal.

Energie AG Oberösterreich is reacting to the dramatically different overall conditions, gearing its strategic positioning accordingly to the new circumstances. We will continue to pursue the core objectives, namely to secure the value of the company for our shareholders and to main-

tain a stable "A" rating, and support them by appropriate corporate planning. In addition to these financial and economic goals, the Board of Management is strongly committed to the company's staff and its customers. It is especially in this first year after the outbreak of the international financial and economic crisis that efficiency must be enhanced with particular consistency, while reducing costs at the same time and allocating investment capital by applying prudent selection methods.

Throughout the 2009/2010 business year, the Board of Management will be committed to this task. The first positive effects of the measures taken are already reflected in the present semi-annual financial statements, and we expect a continuation of this upward trend, which will facilitate obtaining an EBIT for the full 2009/2010 business year that is above the figure recorded for the previous year.

Leo Windtner,
Chairman of the Board of Management

Management Report of the Energie AG Oberösterreich Group on the First Six Months of the 2009/2010 Business Year

THE GLOBAL ECONOMIC ENVIRONMENT

After the deepest recession of the post-war period the global economy has seen a slight recovery since the middle of 2009. However, growth in Europe is still sluggish and only amounted to 0.1% during the fourth quarter 2009, which is the beginning of the 2009/2010 business year of the Energie AG Group. There are considerable risks with regard to the further development, as financial markets continue to be unstable, the impact of national economic stimulus packages is wearing off, and then there is the necessary but difficult task of consolidating national budgets.

In its report published on 25 March 2010, the Institute for Higher Studies (IHS) forecasts growth of 1.3% for

Austria's economy, after a decline of 3.6% during the 2009 calendar year. According to the IHS, private consumption will also have a stabilizing effect on the overall economy in 2010; and yet, demand for investments will develop very sluggishly, as capacities are still not fully utilized and financing conditions continue to be unfavorable.

Economic growth of about 1.5% to 2.5% is being forecast for the foreign markets in which the Energie AG Group has its operations. However, for Hungary a reversal of the trend is only expected for 2011, as 2010 will again see a further slump in business activity.

THE BUSINESS DEVELOPMENT IN THE GROUP

While the business development of the Energie AG Group during the first six months of the 2009/2010 business year is a reflection of the still difficult overall economic conditions in the European infrastructure industry, the successful investments of recent years and measures taken to counter the economic crisis had a positive effect.

In spite of unfavorable overall conditions for electricity generation, due to low prices on electricity markets and comparably low river water levels, the Group succeeded in expanding its own electricity production by about 13% as a result of raising operation of the combined-cycle power station at Timelkam to full capacity. In compliance with our internal risk strategy, fuel costs and electricity revenues have been secured by hedging measures.

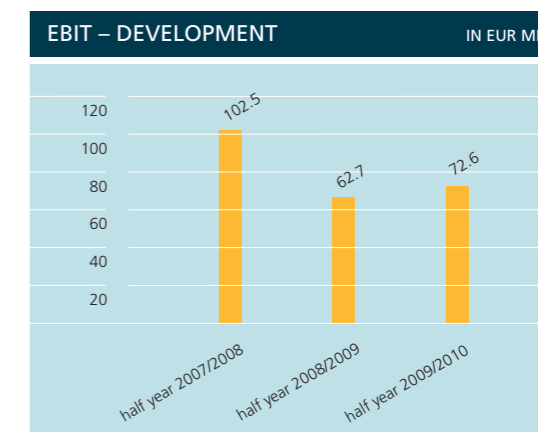
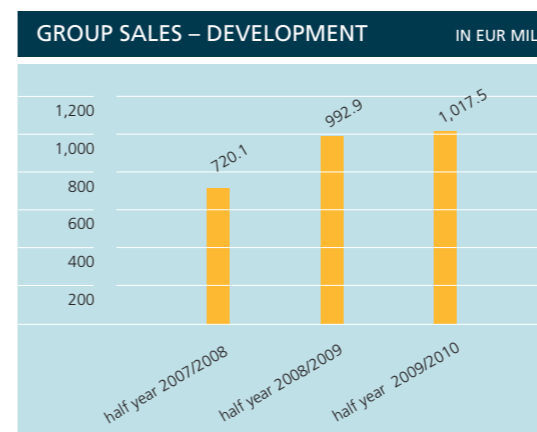
During the previous business year, electricity distribution had faced high procurement costs and a clearly shrinking demand for electricity from industrial customers. This trend was countered by adjusting prices for private and SME customers and by optimizing the risks when renewing contracts with industrial customers. Moreover, provisions had been formed in last year's balance sheet for losses from marketing the excess electricity volumes.

The waste management segment was impacted by two special negative effects during the first six months of the 2009/2010 business year which overshadow the very positive development of its operating activities. On the basis of the estimated future results and the remaining contracted terms, a provision for imminent losses was formed in connection with resuming operations of the palletizing plant at Wels, where substitute fuels are being produced for the steel industry. In addition, a further provision for possible losses was formed in the balance sheet, as prices for waste materials from SMEs have fallen considerably, as a result of which AVE Bavaria has come up with a negative assessment of the future market situation.

In this economic environment sales of EUR 1,017.5 million were recorded during the first six months of the 2009/2010 business year (1 October 2009 to 31 March 2010), as well as an EBIT of EUR 72.6 million.

Compared to the year before (EUR 992.9 million), sales went up by 2.5%, especially in the waste management segment.

During the first six months of the 2009/2010 business year there was an increase in the EBIT, which amounted



to EUR 72.6 million, by 15.8% over the value for the same period of the previous year (EUR 62.7 million).

The main reason for this increase was primarily the substantially better result obtained by electricity distribution, where the figures of the previous year reflected the losses that were clearly due to the crisis. However, the special effects in the waste management segment had a dampening effect on EBIT recovery.

„A“ Rating Confirmed

The Energie AG Group is committed to maintaining its “A” rating, also in times of economic difficulties. In November 2009 Standard & Poor's, the rating agency, confirmed the “A” credit rating for the Energie AG Group. Due to the tense economic environment, the rating outlook has been classified as “negative”, yet Energie AG has proven that it is able to maintain its targeted rating in times of difficult cyclical conditions as well. As a result, access to international credit and capital markets at optimum financing conditions has been secured for the future. Corporate planning and the evaluation of investments will continue to be geared to the key data and indicators that are of significance for the company's rating in order to sustainably maintain this credit rating.

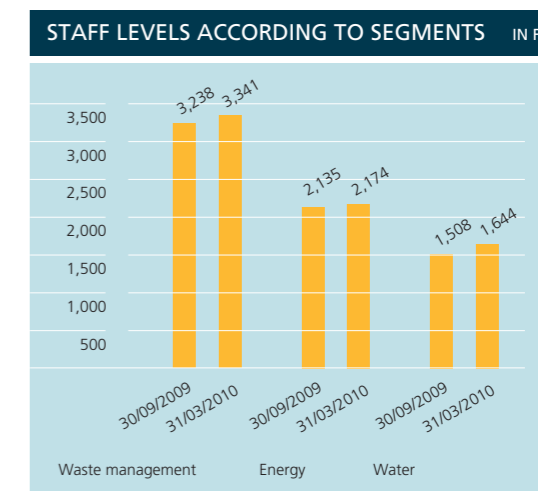
Stable Structure of the Cross-Border Leasing Transaction

After ending the cross-border transaction for the electricity grid during the 2008/2009 business year, the remaining transaction for some of the power stations of Energie AG was continued according to agreement during the first six months of the 2009/2010 business year. In coordination with the US investor, work is under way to further optimize the transaction. The contingent liabilities from

cross-border leasing were shown to amount to EUR 658 million as at 31 March 2010, with the closing exchange rate for the US dollar standing at 1.3509.

Development of Human Resources

The mean consolidated staff level (full-time equivalents) of the Group went up from 6,881 on 30 September 2009 to 7,159 persons on 31 March 2010. The rise is primarily due to the fact that the companies with first-time consolidation last year have now been fully integrated.



The Energy Segment

The Energy Segment – Overview

	in	2009/2010 1 st semester	2008/2009 1 st semester	Develop- ment
Total electricity production	GWh	7,703	6,633	16.1%
Own generation	GWh	2,186	1,939	12.7%
Electricity deliveries to end users	GWh	3,293	3,401	- 3.2%
Electricity sales through distribution	GWh	3,212	3,400	- 5.5%
Natural gas transports ¹⁾	GWh	12,692	10,807	17.4%
Heat sold	GWh	725	721	0.4%
Total sales	EUR mill.	791.6	786.3	0.7%
EBITDA	EUR mill.	128.7	101.9	26.3%
EBIT	EUR mill.	82.7	55.7	48.5%
Employees (mean value)	FTEs	2,174	2,135 ²⁾	1.8%

¹⁾ Quantity transported in Upper Austria to end users and regional system operators
²⁾ Status: 30 September 2009

THE ECONOMIC ENVIRONMENT OF THE ENERGY INDUSTRY

For more than one year now the development on international energy markets has been characterized by general restraint. The only upward trends have recently been noticed on the crude oil market, in expectation of a global economic upswing and due to speculation influences. At the beginning of the current business year 2009/2010, i.e. in October 2009, the average price for crude oil of Brent quality amounted to about USD 70.00 per barrel. At the end of the current reporting period, crude oil was quoted at about USD 80.00 per barrel.

During the period under review the price development on international coal markets was also restrained. API2 quotations for hard coal, for example, stood at USD 75.00 per ton and showed a slightly upward tendency.

The uncertain economic development continues to reduce demand on spot and futures markets for electricity. The slack demand resulting from economic conditions, combined with the rise throughout Europe in electricity volumes generated by subsidized eco-electricity plants is curbing the price development on international markets for electricity trading. During the first six months of the 2009/2010 business year, prices quoted on the EEX electricity trading exchange (European Energy Exchange) for front-year base supplies stood at about EUR 47.000 per MWh. At the end of the reporting period, 31 March 2010, deliveries for 2011 base products were listed at EUR 45.60 per MWh.

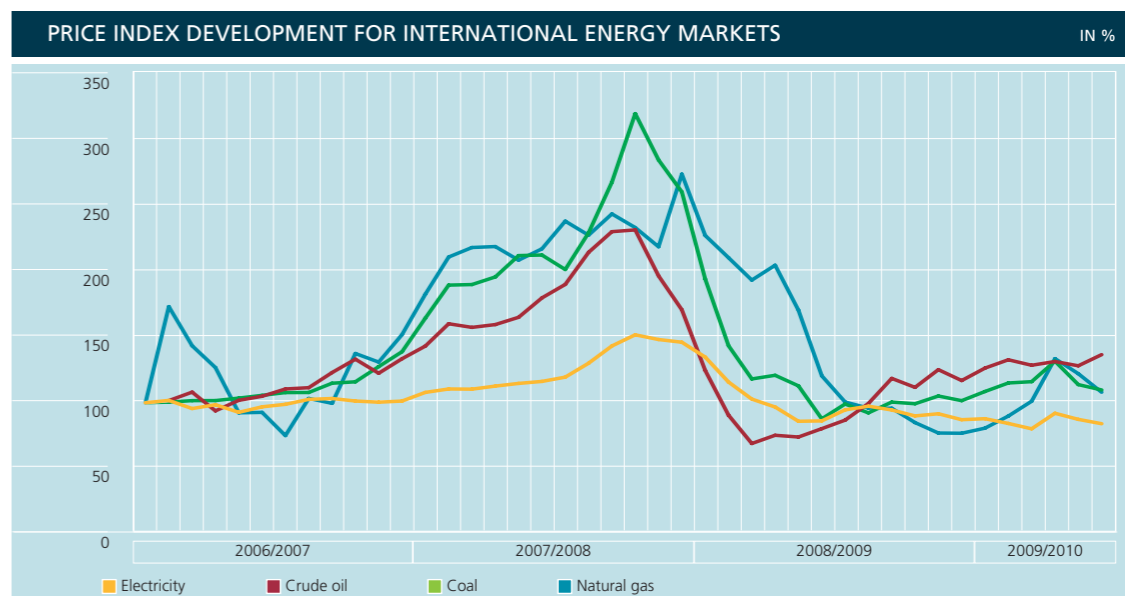
The expected economic upswing is confirmed by the higher prices for contracts pertaining to subsequent years. The quotations for base products for the years 2012 and 2013, for example, were up by about 8% and 13%, respectively, compared to 2011.

The Business Development of the Energy Segment

During the first six month of the 2009/2010 business year the energy segment generated sales of EUR 791.6 million and reported an EBIT of EUR 82.7 million.

The almost constant development of sales on a year-to-year basis (EUR 786.3 million for the previous period) despite extremely volatile market conditions shows just how stable our business models are for the supply systems and along the entire added-value chain for electricity.

We succeeded in increasing the EBIT to EUR 82.7 million, a rise by 48.5% over the first six months of the previous business year (EUR 55.7 million). While the comparable period of the previous year was characterized by significant losses due to re-marketing operations for electricity volumes unused by industrial customers, electricity distribution operations have stabilized once again, thanks to counter measures in all customer segments.



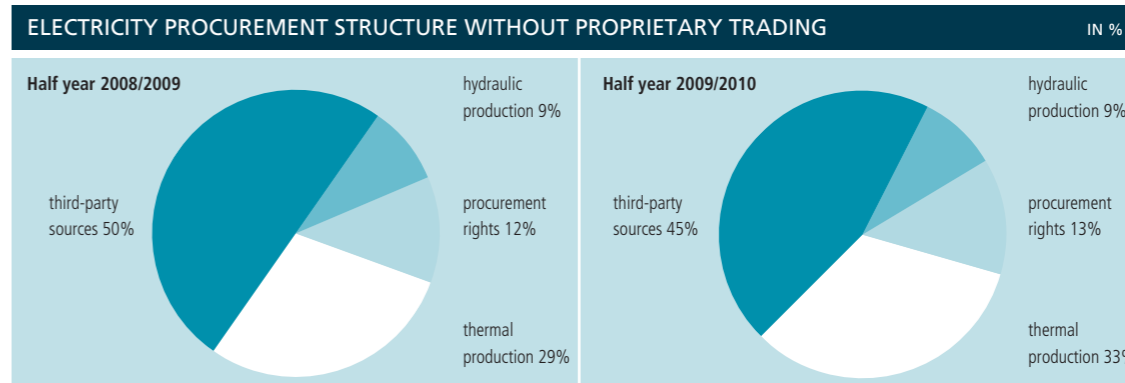
More Own Electricity Generation in spite of Unfavorable Overall Conditions

Electricity generated at our own power stations and obtained under procurement rights amounted to 2,186 GWh, which is about 13% more than during the same period of the previous year (1,939 GWh).

The 400 MW gas and steam power station at Timelkam is now working at full capacity, which is the decisive factor behind this increase. The pro-rated electricity obtained from this power station, which is a joint undertaking with Groupe E in Switzerland, amounts to 70% for Energie AG. In spite of low prices on electricity markets and consequently fewer operating hours at the thermal power stations, the generated electricity volume, i.e. 1,329 GWh, was up by 19% over the value for the previous year (1,117 GWh). The guarantee work at the new combined-cycle power station was also carried out during a period of reduced operating hours.

Due to the prevailing weather conditions, electricity generated at our own hydro power stations and obtained from procurement rights amounted to 856 GWh, which is about 10% below the multi-year mean value, yet higher by 4% than in the year before (822 GWh). Dam restoration work was performed at the reservoirs of the Traun-Pucking and Marchtrenk power stations during this period of low water levels, causing only minor generation shortfalls. We managed to compensate these by obtaining electricity on spot markets, where market conditions facilitated favorable prices.

Electricity volumes procured from third parties rose by 17% to 5,517 GWh, which was mainly due to more intensive electricity trading activities than in the same period of the previous year. Compared to the year before, the consolidated electricity generation, including third-party procurement and proprietary electricity trading activities increased altogether by approximately 16% to 7.7 TWh.



Gas storage – An Asset to Optimize Long-Term Risk Optimization

At the end of November 2009 an agreement was reached on the participation in the 7-Fields gas storage tank in Upper Austria. With this cooperation agreement, Energie AG took a clear step in the direction of diversifying and providing more flexibility to its electricity generation, as well as towards expanding gas trading operations. The share of 5% corresponds to a storage volume of 100 million m³ of natural gas.

Adjusting Electricity Prices for Private and SME Customers

In the past years, which were characterized by sharply rising prices on international electricity markets, Energie AG kept its rates for private and SME customers at a stable level. Whereas competitors reacted to the high procurement prices early on, Energie AG just made its first price adjustment in three years for the private and SME customer segment effective 1 January 2010.

In the course of the price adjustments, intensive discussions were held with the social partners concerning specific price structures. As a result, attractive two-year fixed prices were offered to agricultural and SME customers. An acceptance rate of 60% proves the success of this campaign. For private customers a discount model with three days of free electricity supplies was introduced for the all-in price scheme, which was expanded to one full month for socially disadvantaged electricity customers. This successful campaign to ensure customer loyalty helped to avoid a rise in customer transfers, as well as to obtain the necessary coverage for the procurement prices.

In the industrial customer segment the volumes sold have dropped by about 20% since the beginning of the economic crisis. One can now see stabilization at this level. Provisions cover expected shortfalls in revenues, resulting from marketing excess volumes under long-term procurement agreements not consumed by customers, which now have to be sold at less favorable conditions on spot and futures markets. In a counter measure, we succeeded in expanding the market share in the industry segment by making targeted acquisitions and winning customers back during the current business year.

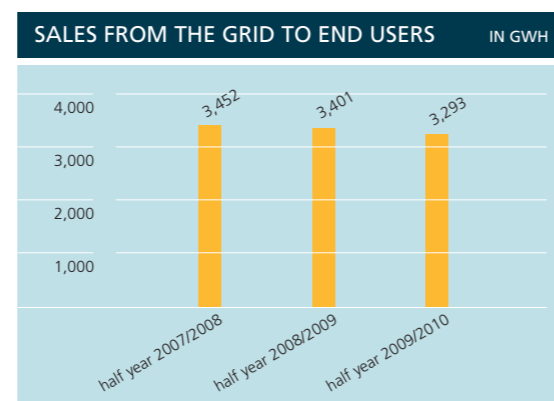
The consolidated volume of electricity deliveries of the distribution sector amounted to 3,212 GWh during the first six months of the 2009/2010 business year (3,400 GWh for the year before). The year-to-year decline in the quantities sold is primarily due to the fact that industrial customers only needed smaller quantities – a trend that only set in at the beginning of the 2009 calendar year.

Overall Conditions Conducive to Investments into the Electricity Grid

As part of the currently applicable incentive-oriented regulatory system, E-Control, the regulatory authority, lowered the tariffs of Energie AG Oberösterreich Netz GmbH (Netz GmbH) at the beginning of January 2010. This price cut is in line with incentive-based regulation, in the course of which the annual reductions in tariffs have amounted to an average of 2.3% since the inception of the system. Moreover, at the beginning of the second regulation period, costs were once again reviewed. An optimization project for the organization of Netz GmbH was initiated in order to counter the regulatory cost pressure. The objective is to undertake further efficiency enhancing measures.

The winter semester, during which electricity supply grids are exposed to a higher operating risk due to weather conditions, did not create any significant problems for Netz GmbH. Consequently, all construction and maintenance projects can be implemented according to schedule. One large-scale project during the current business year is the construction of a grid control center in Linz, which will mark an important milestone when being taken into operation in June. In the course of this project, the five previously existing decentralized grid control stations for medium voltage and the high-voltage grid control station will be gradually merged. When taking up full operation at the end of 2011, this new grid control center will monitor and control the entire medium and high-voltage grid of Energie AG.

One further large-scale project that is being launched during the present business year is the planned 110 kV overland line between Vorchdorf and Kirchdorf. This line will be 25 km long and will close a major gap in the high-voltage grid of Energie AG, which is an important factor for the reliability of electricity supplies. It is planned to put the line into operation during the 2012/2013 business year. In the future, it will ensure reliable electricity supplies to the Almtal region and reduce the risk of grid cutoffs in the Kirchdorf area.



During the first six months of the present business year, sales from the grid to end users went down by about 5.0% over the value for the previous year, i.e. from 3,401 GWh to 3,293 GWh.

This decrease is mainly the result of lower electricity deliveries to industrial and SME customers, where electricity demand continues to be restrained. Electricity deliveries to private customers are more or less at the same level as in the previous year.

Innovation for Data Networks and Intelligent Electricity Meters

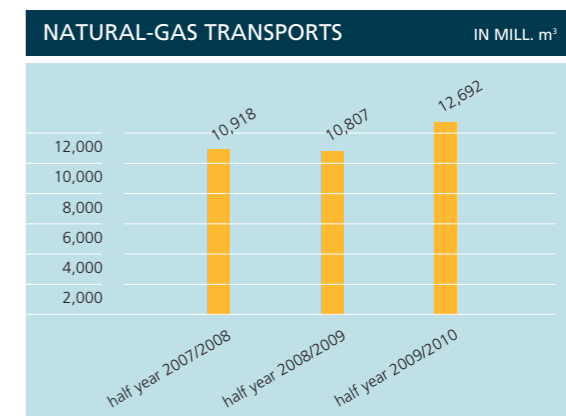
In cooperation with the infrastructure companies of the towns of Wels and Linz, Energie AG was commissioned to link up all municipal authorities and their associated municipal facilities such as schools, nursery schools and building depots to the optic fiber network. Contracts have been concluded thus far with 300 of the 444 municipalities. The project is being implemented on schedule and offers major advantages to the municipalities. It is expected that approximately 90% of all municipalities will be linked up to the optic fiber network by the end of 2010.

The development of a smart metering system by Energie AG, together with an industrial partner, has been more or less finished, and the test operations have been completed successfully. As soon as the regulatory authorities have recognized the full investment costs, it will be possible to start the roll-out throughout Upper Austria at any time.

OÖ. Ferngas AG – The Backbone to Natural Gas Supplies in Upper Austria

In line with the agreement between the owners of OÖ. Ferngas AG, the Federal Anti-Trust Attorney, the Federal Competition Authority, and E-Control GmbH, system operations were divested to a separate subsidiary company. OÖ. Ferngas Netz GmbH went into operation on 1 October 2010.

As overall conditions of the gas and heat market have changed considerably, energy efficiency and renewable energy sources have received increased attention in our government's program, and "Energiezukunft 2030" (Energy Future 2030) has been launched by the region of Upper Austria, it has been necessary to re-orient business activities in this sector. As a result, the two companies erdgas oö. and ENSERV were integrated to form OÖ. Gas-Wärme GmbH, a new company set up on 1 October 2009. The company operates, inter alia, in the business sectors of natural gas distribution, bio-gas and heat supplies/contracting.



During the first six months of the current business year, approximately 12,692 million GWh of natural gas were transported through the 5,100 km of natural gas pipelines of OÖ. Ferngas Netz GmbH. This year-to-year increase of 17.4% (10,807 GWh for the previous year) is primarily due to the fact that the Group's combined-cycle power station at Timelkam has taken up full operation.

The temperatures last winter were more or less at the level of the previous year. On that basis, new customers contributed towards expanding the volumes which our natural-gas distribution unit sold by 2%, i.e. to 1,791 GWh. We succeeded in obtaining net growth both in Upper Austria and in the entire Regulatory Zone East. In Germany, sales development was more restrained, as spot prices for natural gas were at a very low level, due to the persisting difficult economic environment and the associated excess capacities.

We succeeded in increasing sales in the heat/contracting sector by 8%, i.e. to 85.0 GWh, by way of organic growth. The forward-looking and distinct price policy of OÖ. Gas-Wärme GmbH led to customer growth, as well as higher revenues.

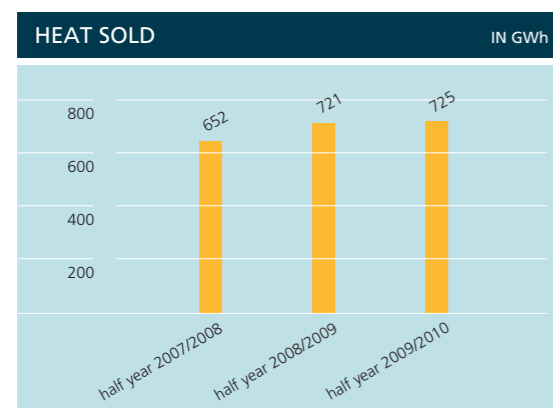
Energy Efficiency on the Heating Market

The general trend towards more energy efficiency is a multiple and partly ambivalent challenge for the district heating market. While, on the one hand, the positive image of this energy source is being reinforced by various public promotion schemes, which helps to attract new customers, greater efficiency awareness has resulted in stagnant or declining specific consumption per customer. The heating sector therefore also faces shrinking consumption volumes among existing customers, although this development can be offset to a great extent by making the networks more compact.

During the first six months of the 2009/2010 business year, the district-heating networks in Upper Austria and the Czech Republic delivered a total of 383.7 GWh of heat to our customers. In comparison to the same period of the previous year (391.2 GWh), when the number of heating days was higher by about 1% higher, this corresponds to a drop in deliveries of about 1.9%. In this context, the solid customer structure, with a high share of private customers, has a stabilizing effect on sales.

We succeeded in reinforcing our position on the Czech heating market by acquiring the heat supply systems of two further towns in the surroundings of the two main locations – Kolín and Sumperk. This facilitated further steps to make optimum use of synergies.

Cogeneration-Kraftwerke Management Oberösterreich GmbH (OMOÖ), which supplies process heat from its co-generation plant to its principal customer and district heat to enterprises in the vicinity from its location at Laakirchen, sold 255.9 GWh of heat during the first six months of the 2009/2010 business year, which is a slight increase over the year before (250.8 GWh).



Strategic Holdings

The contribution of the associated companies with equity consolidation to the result of the period amounts to EUR 5.3 million for the first six months of the 2009/2010 business year, which is a slight increase over the figure for the comparable previous period (EUR 5.1 million).

Energie AG holds a share of 26.13% in Salzburg AG für Energie, Verkehr und Telekommunikation (Salzburg AG). During the expired business year (1 January to 31 December 2009), the sales of Salzburg AG rose by 15.4% and amounted to EUR 1,537.3 million, as a result of further expansion of the electricity and gas trading activities.

Minor decreases in electricity and gas sales caused by the crisis were offset by expanding other business areas, as the region is principally oriented toward services and tourism.

Ennskraftwerke AG (EKW), in which Energie AG holds a share of 50%, is one of Austria's largest electricity producers from environmentally friendly hydro power. During the expired business year (1 January to 31 December 2009), we succeeded in recording the second-best electricity generation result in the history of EKW by producing 2,046 GWh. This value is 10.1% above the standard annual value and 9.1% above the comparable value for the previous year.

Wels Strom GmbH, with a 49% stake held by Energie AG, is the integrated electricity supply company of the city of Wels. During the most recently completed business year (1 January to 31 December 2009), electricity sales went up by 1.2% to 395.7 GWh and sales of heat rose by 9.3% to 177 GWh.

LIVEST Kabelmedien GmbH, in which Energie AG holds a share of 44%, reacted to the massive price slumps for broadband internet during the expired business year (1 October 2008 to 30 September 2009) by engaging in restructuring measures. The first savings effects have already had full impact during the current business year, which has led to the economic stabilization of the company and ushered in a multi-year improvement in profitability.

Fair Energy – Energy Efficiency and Renewable Energy

Fair Energy GmbH is a 100% subsidiary of Energie AG and operates in the business areas of energy efficiency and renewable energy from wind and sun.

In March 2010, Fair Energy GmbH expanded its share in the Institut für Energieausweis GmbH (IfEA) from 40% to 100%. The company aims at positioning itself on external markets as a provider of energy efficiency services for buildings and as a central service provider for the Group.

At the end of May 2010, at Eberstälzell in Upper Austria, Fair Energy Renewable Power GmbH will take into operation Austria's largest photovoltaic power station. Its collectors cover a surface of about 8,000 m² and its output will be 1 MW. The operating plant will serve as an open center of competence and innovation for energy efficiency and renewable energies, which underlines the research character of the facility.

The Waste Management Segment

The Waste Management Segment – Overview		in	2009/2010 1 st semester	2008/2009 1 st semester	Develop- ment
Thermally processed waste materials	1,000 tons		276	301	- 8.3%
Total sales	EUR mill.		180.8	165.1	9.5%
EBITDA	EUR mill.		12.1	27.8	- 56.5%
EBIT	EUR mill.		- 12.5	5.0	—
Employees (mean value)	FTEs		3,341	3,238 ¹⁾	3.2%

¹⁾ Status: 30 September 2009

AVE is the brand name on markets for the waste management segment of the Energie AG Group. The consolidated financial statements for the first six months of the 2009/2010 business year comprise the markets in Austria, the Czech Republic, Hungary, Slovakia and Bavaria.

The Economic Environment of the Waste Management Industry

The waste management industry in Europe continues to be strongly impacted by the the global economic crisis. Although there has been a gradual recovery of prices for recyclable materials, which had dropped to historic lows during the previous year, there is massive pressure on waste-management prices due to the smaller volumes of waste materials generated by production, more thorough processing and recovery of recyclable materials, legal and illegal waste exports to neighboring countries and, primarily, excess capacities in the field of thermal processing.

The Business Development of the Waste Management Segment

We succeeded in increasing the sales of the waste management segment by 9.5% over the same period of the previous business year (EUR 1,659.5 million) to EUR 180.8 million for the reporting period. This positive development was due to the recovery of prices for recyclable materials and the first consolidation of associated companies in Hungary and the Czech Republic.

During the first six months of the business year, operations took a positive course. They were characterized by a seasonal upswing among SME and industrial customers

at the beginning of the year, price hikes for recyclable materials, noticeable effects of the launched cost-efficiency programs and stable contributions to the result from business with municipalities in CEE. However, the EBIT, which amounts to EUR - 12.5 million was substantially impacted by two special negative effects which overshadow the quite positive development of operations. In connection with the production of substitute fuels for the steel industry (pelletizing), a provision for imminent losses was formed on the basis of estimating future results and remaining contracted terms. In addition, a further provision for possible losses has been formed in the balance sheet, as prices for waste materials from SMEs have fallen considerably, as a result of which AVE Bavaria came up with a negative assessment of the future market situation.

Difficult Overall Conditions Persist in Austria, Bavaria and South Tyrol

AUSTRIA

The first six months of the 2009/2010 business year were characterized by a slight cyclical recovery and a rise in prices for recyclable materials, especially waste timber, paper, cardboard and metal. Enormous pressure continued to be exerted on processing prices for industrial waste and hazardous waste materials.

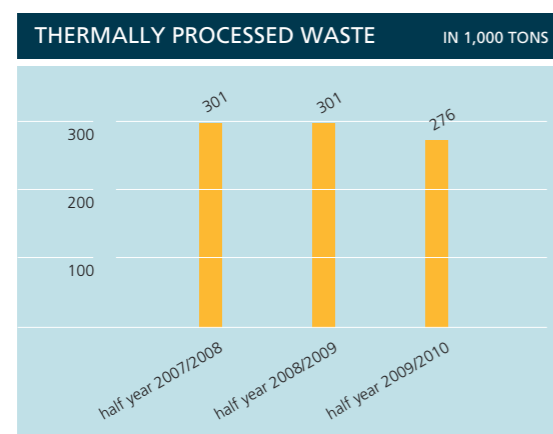
In reaction to that trend, AVE is making more efforts to selectively develop the Austrian market, as well as to cooperate with Austrian municipalities on a broader basis.

The thermal processing plants at Wels and Lenzing worked at full capacity during the first six months of the 2009/2010

business year. We were able to ensure the continuous operation of Line 1 of the thermal waste processing plant at Wels by means of a technical alternative solution for the cooling system, in spite of the fact that the water level of the Traun River was lowered in the spring of 2010. The waste material throughput that was obtained at Wels actually exceeded the quantities of the previous year, whereas a higher calorific value of the material input at Lenzing resulted in reduced quantities.

After the economic and technical problems concerning the pelletizing plant at Wels, which serves to produce substitute fuels for the steel industry, we engaged in several technical optimizations in order to prepare the production re-start. After estimating the future development of the result and the contractual obligations vis-à-vis our partners, we formed a provision for imminent losses for the entire remaining contract term in the financial statements of the first semester.

After the offensive growth course pursued in recent years and the massive effects of the global economic crisis during the expired business year, the focus of AVE Austria during the first six months of the 2009/2010 business year was again on consolidating the existing company structure. The efficiency enhancement program which we initiated during the previous business year was implemented in a restricted scope, so as to secure sustainable profitability for the company. One further program to improve profits was launched at the level of the operating process.



BAVARIA

As prices for recyclable materials are currently rising, and as business activities, mainly in the construction industry, are picking up on account of seasonal activities, we succeeded in generating a 4.9% increase in sales on a year-to-year basis. As a result, we managed to more than offset the impact on sales of the persisting drop in prices for waste materials from SME and industrial customers caused by excess capacities, although we did not succeed in achieving a turn-around of the result due to the overall economic situation.

The persistently low prices for SME waste materials caused a significant reduction in the throughput of the processing plant for these waste materials at Penning. A comprehensive program to improve the result was launched in order to counter this effect. At the same time, a distribution offensive was launched, which we have already begun to implement.

A provision for imminent losses has been formed in the semi-annual financial statements on account of the estimated future results.

SOUTH TYROL

Activities in South Tyrol were expanded at the beginning of the 2009/2010 business year with the acquisition of a second company in the area surrounding Bolzano. AVE in South Tyrol is thus in a position to handle larger quantities of waste materials and recyclable materials. The sorting of plastic materials was further expanded, and third-party transports of recyclable materials and waste materials have also been taken up in their full scope.

Positive Development in the CEE Countries

CZECH REPUBLIC

In spite of the economic crisis, the business volume of the AVE group in the Czech Republic has continued to grow significantly, reaching new record values for the first six months of the 2009/2010 business year, as sales improved by 29.6% on a year-to-year basis. On the basis of sound revenues from winter services, it was possible to improve the operating result, which amounted to 77.1%, even more significantly. As far as markets are concerned, we

succeeded in winning several important special contracts both in the field of waste management and in the area of municipal services, in spite of low municipal budgets.

In addition to higher sales, the AVE group in the Czech Republic also succeeded in successfully implementing several efficiency measures such as centralizing purchases and merging further sites.

One acquisition helped us to significantly strengthen our position in the field of processing and trading primary materials for the paper and cardboard industry.

Altogether, we did not only manage to compensate the negative influences of the current economic situation on primary-material prices and the utilization of production capacities by industrial customers, we actually succeeded in using the crisis to the advantage of the company.

HUNGARY

In spite of increases in sales, it was not possible to fully offset the effects of the global crisis and the altogether difficult economic situation in Hungary on the result of the AVE group in Hungary during the first six months of the 2009/2010 business year.

After successfully participating in a tender, we succeeded in taking over an additional 25% of the business shares in Zöldfok Zrt. from the municipal administration of Siófok, as a result of which AVE has now become the majority owner of the company. With AVE Zöldfok Zrt., which is responsible for controlling operations at the modern ISPA plants (Instrument for Structural Policies for Pre-Accession) in the Balaton region, we have further expanded our market position in this region. Moreover, in December 2009 we took over 65% of the shares in a waste processing plant in the town of Párkány (Sturovo).

SLOVAKIA

On the basis of the recently expanded landfill capacities with a volume of about 600,000 m³, we achieved decisive success both in the western and eastern part of Slovakia in the field of municipal as well as SME and industrial waste management. Since the end of the first six months of the 2009/2010 business year, services have been provided to more than 125,000 inhabitants. By the same token, AVE was able to successfully position itself as a

supplier of global waste management concepts in the densely populated areas of Bratislava and Kosice. Process optimization and strict cost-control programs at the acquired companies made it possible to further promote the positive development.

ROMANIA, UKRAINE, MOLDOVA

As a result of the large share of municipal waste materials, the waste management activities of AVE in Romania, Ukraine and Moldova were hardly affected by the impact of the economic crisis. The development of sales and the result of the Romanian companies continues to clearly point in the upward direction – supported by consistent efforts to make the market more compact. In several districts, AVE already has a market share of up to 70%.

As further private, SME and industrial customers were being signed up, the Ukrainian companies were altogether able to record remarkable organic growth. In the meantime, waste management services are being provided for all 80,000 inhabitants thanks to the successful PPP model with the town of Mukatchevo. After taking over 70% of the largest waste management company in the field of municipal and SME waste in Lviv, more than 30% of the 750,000 inhabitants are being provided with our services.

The PPP model in the town of Ungheni, Moldova, which has been conducted since 2008, continues to develop successfully. 6,800 households and 321 SME customers have been signed up to date, which corresponds to a coverage rate of about 80%. It is now planned to implement the business model also in several of the surrounding municipalities.

The Water Segment

The Water Segment – Overview

	in	2009/2010 1 st semester	2008/2009 1 st semester	Develop- ment
Billed drinking water	m ³ mill.	25.8	23.9	7.9%
Billed waste water	m ³ mill.	21.1	20.5	2.9%
Total sales	EUR mill.	58.4	53.8	8.6%
EBITDA	EUR mill.	6.1	5.3	15.1%
EBIT	EUR mill.	2.4	2.0	20.0%
Employees (mean value)	FTEs	1,644	1,508 ¹⁾	9.0%

¹⁾ Status: 30 September 2009

The Economic Environment of the Water Industry

In comparison to other industries, the volatile overall economic developments have had only little impact on operations in the water sector. Decreases in water consumption and associated waste water quantities were only observed among industrial and SME customers during the expired 2008/2009 business year, whenever water is an essential production factor. However, slight drops in consumption were also noticeable among private customers during the first six months of the 2009/2010 business year.

One more substantial consequence of the general economic crisis is the tight financial situation of municipalities. New waves of privatization can therefore be expected in the Czech Republic and Slovakia.

The Business Development in the Water Segment

With total sales of EUR 58.4 million, we successfully generated an EBIT of EUR 2.4 million for the first six months of 2009/2010. The increase in sales of 8.6% on a year-to-year basis (EUR 53.8 million) is based on growth by acquisition in the Czech Republic. VHOS, a.s., which was acquired at the end of the previous business year, has been fully consolidated in the present financial statements for the first time. Efficiency improvements in the ongoing

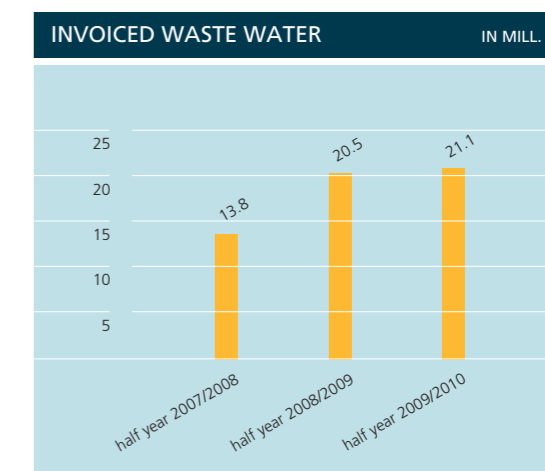
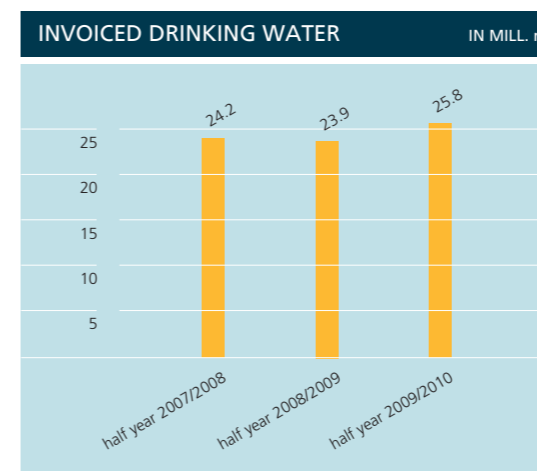
business operations also contributed to the 20% rise in the EBIT compared to the same period of the previous year (EUR 2.0 million). Moreover, adjustments in water and waste water prices have had a positive effect on the EBIT.

On the other side of the accounts, there are higher expenses for market and project developments, as well as one-off costs for the merger of the two large operating companies in southern Bohemia.

The lower revenues, which were the result of less consumption, could be compensated partly by offsetting the rental payments of the contractual partners, on the basis of the signed operating agreements and partly by raising prices.

Overall, we were able to bill 25.8 m³ of drinking water (23.9 million m³ in the previous year) during the expired first six months of the business year, as well as 21.1 million m³ of waste water (20.5 m³ for the previous year). This slight increase in drinking water and waste water quantities is the balance from the positive effects of the new acquisition, VHOS, a.s., and the slightly lower sales of the other water companies as a result of the crisis.

The number of inhabitants supplied with drinking water went up by 6.3%, from about 934,000 persons at the end of the previous business year to the current figure of 993,000 persons. We have taken over the waste water management for about 657,000 persons, which is a 6% rise over the figure for the previous year (619,000).



New Structure in the Czech Republic

During the first six months of the 2009/2010 business year we continued to work intensively on the merger of our companies in southern Bohemia, i.e. VaK, a.s. and 1. JVS, a.s., which had been acquired at the end of the 2007/2008 business year. ČEVAK, a.s., the new company, will hold a leading position on the market in southern Bohemia from 1 May 2010 onwards.

In parallel, a service company specializing in the water industry is also being set up in southern Bohemia. It will take up its operations on 1 May 2010.

We succeeded in taking a further step to grow in the Czech Republic by acquiring and consolidating VHOS, a.s. in Moravia, which further secured our position as Number 3 on the Czech water market.

Sound Development of the Water Services Business

Water business activities in Austria are handled by WDL-Wasserdienstleistungs GmbH (WDL). The scope of services comprises the business sectors of water supplies, water services, sewage services and control of operations.

This company also coordinates the activities of the other service companies in the Czech Republic and Slovenia and of one unconsolidated joint venture in Hungary. The development in this business area continues to take a satisfactory course.

RISKS AND OPPORTUNITIES

By engaging in permanent monitoring, the Group's risk management examines, evaluates and documents both the strategic and also the operational opportunities and risks of the Energie AG Group as well as the resulting controlling measures and their impact on the Group's result from ordinary business activities. In cooperation with strategy development and corporate planning, it serves as a controlling instrument for the Board of Management. Quarterly updates and periodic reporting to the decision-making bodies of the Group make sure that the information is up to date.

One of the essential value drivers for the result of the Energie AG Group and thus one of the main risks is the water levels of rivers. During the first six months of the 2009/2010 business year, due to weather conditions the electricity generated at our own hydro power stations and obtained from hydraulic procurements rights was about 10% below the multi-year mean value. We were able to offset the resulting production deficit by purchasing on spot markets at favorable rates.

The six-month period under review continued to be affected by the crisis of the real economy triggered by the crisis in financial markets. As we have a large share of industrial customers in our electricity sales portfolio, the considerable reductions in the volumes consumed by this segment already showed their effect during the previous business year; quantity and procurement price risks materialized and continue to prevail during the current business year, on account of contract terms. Electricity quantities that were still contracted at high prices before the outbreak of the crisis, as part of our long-term procurement strategy, based on delivery contracts and optimistic customer expectations, had to be sold again on futures and spot markets, partly at very unfavorable conditions. Expected lower revenues up to the end of contracted periods have been taken into account by forming adequate provisions for imminent losses. Effective measures to control risks have been taken by way of re-designing contracts and cooperating intensively with customers, so as to facilitate a more flexible reaction to fluctuations in volumes and prices in the future.

During the previous business year, the waste management segment suffered from risks incurred by the decline in prices for recyclable materials, as well as the decrease in prices for waste materials from SMEs, due to lower quantities, while thermal processing capacities were expanded. These risks still have an impact on the current business year and require risk control measures that are designed to clearly take account of the individual sites. As this development continues to be uncertain, we have already taken account of them by making unscheduled write-downs and by also

forming further provisions in the balance sheet for the current reporting period.

The Trading and Treasury units succeeded in successfully countering the counterparty risk by consistently selecting partners with top ratings and entering into hedging agreements at the same time.

Thus far the Energie AG Group has not had to face any major defaults in payments from business customers. However, the risk persists that customers will run into difficulties paying their invoices. We are countering this risk by intensive monitoring and intensive customer contacts.

As our "A" rating was confirmed in November 2009, we are able to effectively counter the higher risks caused by the financial market crisis and therefore continue to have optimum access to liquidity. We continue to consistently apply a conservative investment strategy and to maintain a balanced investment portfolio.

The slow recovery of the real economy also has a positive impact on the overall risk position of the Energie AG Group. However, given the current development of electricity prices, one cannot perceive any significant recovery as yet. A strong disconnectedness between oil and gas markets from the electricity market continues to be seen. This requires an in-depth scrutiny of hedging strategies. Although the slow recovery of prices for recyclable materials is taking some of the tension out of the waste management segment, prices for waste materials from SMEs are still exposed to considerable pressure, which calls for intensive counter measures.

As the overall economic conditions continue to be unstable, we must continue to pay increased attention to intensively monitoring risks and opportunities, as well as to the requisite measures and their effectiveness.

OUTLOOK

The effects of the economic crisis and the halting recovery of Europe's economy continue to have an influence on the economic development of the Energie AG Group. However, the course of business during the first six months of the 2009/2010 business year confirms our stable strategic course as an integrated infrastructure group.

The forward-looking procurement strategy of the Group, the low spot market prices and the full availability of the power-station park ensure that there will be reliable electricity production at favorable conditions in the coming months.

Approval procedures are currently pending for our hydro power projects in Upper Austria and Salzburg. We expect a positive response from the water rights authorities by the middle of the year for the Oflek power station along the Großer Ache. The authorities have approved the expansion of the Stadl-Paura power station for which an environmental impact assessment is required. By now, the Environmental Impact Board has dismissed all appeals filed against the project. The Kleinarl power station project was filed with the authorities to obtain their approval.

In combination with the risk-optimized measures implemented when renewing contracts with industrial customers, the adjustment of electricity prices in the private and SME customer segments is leading to a stabilization of the result obtained from electricity production. Provisions in our balance sheet cover the impact of the lower quantities bought by our industrial customers.

Since the beginning of 2010, the second incentive regulation period for electricity grid operators has been in force. The regulatory pressure on prices remains unchanged; the investment climate, though, has improved, as investments into grid facilities are being recognized and compensated. It is also expected that talks on the design of the regulatory system after 2013 will begin in the months to come.

The financial bottlenecks experienced by the public sector, as well as the objectives of the "Energy Strategy for Austria" have created growing demand for contracting products. There is also growing interest in renewable energy. Investments into biogas not only take account of this trend but also secure the infrastructure and full utilization of the existing natural-gas pipeline system.

The development of the largest geo-thermal project in Austria at Ried im Innkreis, where the heating sector holds a 40% share, is right on track. It is expected that drilling operations to access the flow of the hot water will be successfully completed this year. This will mark the first step to save up to 15,000 tons of CO₂ on a medium-term basis and will make a major contribution towards a reversal of energy trends.

There is still uncertainty over the development of the waste management segment for the entire 2009/2010 business year. While prices for recyclable materials are recovering again after their decline in 2009, one cannot see any improvement in the low prices for waste materials from SMEs. This can be explained by further growth in thermal processing capacities and export permits for waste materials, in addition to smaller waste material quantities. The necessary provisions were formed in the present semi-annual financial statements for losses to be expected in the future when resuming pelletizing operations at Wels, as well as from activities in Bavaria. However, for the business in CEE, which is characterized by municipal systems, one can already forecast that the positive development of the first six months will continue. During the second six-month period of the 2009/2010 business year AVE will therefore focus on implementing efficiency potentials in Austria, Bavaria and South Tyrol and continue the consolidation course on which it has embarked. In CEE the positive contribution to the overall result of the AVE group will be further secured by exploiting all market opportunities through risk-optimized growth.

We expect a stable development of sales and results for the water segment during the second six-month period of the business year. Activities in the Czech Republic will focus on successfully implementing the operations of the newly merged ČEVAK, a.s., as well as expanding service activities. Moreover, preparations to implement measures that will compensate possible further effects of the crisis are currently under way.

During the second half of the 2009/2010 business year the management will again focus its attention on counter measures, in order to cope with the currently unfavorable exogenous overall conditions. Consistent cost efficiency and a focused investment strategy will contribute towards securing the existing sound financial position and ensure a value-based growth course.

With an EBIT for the 2009/2010 business year above that of the previous year, the Energie AG Group will usher in the period following the economic crisis.

Linz, 18 May 2010

The Board of Management of Energie AG Oberösterreich



Leo Windtner



Werner Steinecker MBA



Roland Pumberger

Consolidated Income Statement 01 October 2009 to 31 March 2010

	01/10/09 to 31/03/10 in EUR 1,000	01/10/08 to 31/03/09 in EUR 1,000
1. Sales	1,017,530.3	992,932.2
2. Change in inventories of finished and unfinished products	209.8	488.4
3. Other capitalized costs of self-constructed items	12,016.1	12,978.6
4. Share in result of companies associated at equity	5,326.6	5,137.5
5. Other operating income	16,049.0	16,455.0
6. Cost of materials and other purchased manufacturing services	- 629,048.7	- 655,625.4
7. Personnel expenses	- 154,539.7	- 149,332.6
8. Depreciation	- 74,219.2	- 72,212.6
9. Other operating expenses	- 120,691.9	- 88,092.1
10. Result of operations	72,632.3	62,729.0
11. Financing expenditure	- 20,220.3	- 24,072.4
12. Other interest income	736.1	16,622.3
13. Other financial results	3,252.9	3,893.2
14. Financial result	- 16,231.3	- 3,556.9
15. Result from ordinary business activities	56,401.0	59,172.1
16. Taxes on income	- 13,690.3	- 14,131.2
17. Consolidated net result	42,710.7	45,040.9
attributable to minority interests	6,430.0	5,707.8
attributable to shareholders		
Consolidated net profit	36,280.7	39,333.1
	EUR	EUR
diluted result per share = undiluted result per share	0.41	0.44

Consolidated Balance Sheet as at 31 March 2010

ASSETS	31/03/2010 in EUR 1,000	30/09/2009 in EUR 1,000
A. Long-term assets		
I. Intangible assets and goodwill	294,094.5	280,635.2
II. Tangible fixed assets	1,898,006.4	1,914,581.8
III. Investments (of these companies associated at equity: EUR 248,919.5 thousand; previous year: EUR 246,212.4 thousand)	311,766.2	307,071.6
IV. Other financial assets	473,756.3	468,024.2
	2,977,623.4	2,970,312.8
V. Other long-term assets	121,784.8	119,936.1
VI. Deferred taxes	14,938.9	18,639.4
	3,114,347.1	3,108,888.3
B. Short-term assets		
I. Inventories	71,613.9	81,197.4
II. Accounts receivable and other assets	440,923.0	359,374.9
III. Cash in hand, checks and bank balances	68,582.0	108,996.0
	581,118.9	549,568.3
	3,695,466.0	3,658,456.6
LIABILITIES	31/03/2010 in EUR 1,000	30/09/2009 in EUR 1,000
A. Equity		
I. Equity of shareholders of parent company	1,231,472.4	1,230,634.1
II. Minority interests in equity	78,120.1	71,521.1
	1,309,592.5	1,302,155.2
B. Long-term debt		
I. Financial liabilities	835,851.1	833,806.6
II. Long-term provisions	201,654.2	190,004.1
III. Deferred tax liabilities	105,755.9	105,867.7
IV. Contributions to construction costs	327,476.1	328,259.0
V. Deferred credit from cross-border leasing	35,946.1	37,199.2
VI. Advances from customers	83,696.0	86,561.9
VII. Other long-term debt	99,369.7	106,108.8
	1,689,749.1	1,687,807.3
C. Short-term debt		
I. Financial liabilities	235,970.4	225,825.0
II. Short-term provisions	60,985.0	43,261.6
III. Tax provisions	5,967.0	4,801.9
IV. Accounts payable	142,972.1	149,268.5
V. Deferred credit from cross-border leasing	1,253.0	1,253.0
VI. Other short-term debt	248,976.9	244,084.1
	696,124.4	668,494.1
	3,695,466.0	3,658,456.6

Notes to the Group's Financial Statements

The interim report of Energie AG Oberösterreich as at 31 March 2010 was drawn up in accordance with the International Financial Reporting Standards (IFRS), as they were required to be applied on the reporting date, as well as with the interpretations published by the International Accounting Standards Board (IASB) and taken over by the European Union, applying IAS 34 (Interim Reporting). The interim report was neither the subject of a full audit, nor of an auditing review by a chartered accountant.

The balancing and accounting methods used in the previous financial statements have been maintained unchanged. The amendments in IAS 32 (Financial Instruments: Presentations), which the EU has taken over, and the revised version of IFRS 1 (First Time Adoption of IFRS) were not applied on an anticipated basis.

The following companies were fully consolidated for the first time during the first six months of the 2009/2010 business year and integrated into the consolidated financial statements:

	location	share (in %)
WASTE MANAGEMENT		
AVE Nasavrky a.s.	Nasavrky (Czech Republic)	60.00 %
AVE Zöldfok Zrt	Zöldfok (Hungary)	69.80 %

Preliminary values were used in some cases when allocating purchase prices.

The main changes in the consolidated group are shown below:

	2009/2010 EUR 1.000	2008/2009 EUR 1.000
Long-term assets	14,626.5	14,961.8
Short-term assets	4,100.8	12,130.6
Long-term provisions and liabilities	- 6,045.2	- 3,889.6
Short-term provisions and liabilities	- 3,110.7	- 13,288.5
Net assets	9,571.4	9,914.3
Goodwill	875.2	6,600.4
Setting off affecting current-period result	- 1,193.5	—
Liquid funds	- 1,353.6	- 1,976.6
Changes in minority interests	- 2,267.1	- 1,288.1
Acquisition of unconsolidated associated companies	7,772.3	3,560.0
Purchase price paid in previous periods	- 4,708.6	- 14,434.6
Net outflow of cash	8,696.1	2,375.4

The segments of the Energie AG Group are formed in accordance with IFRS 8, applying internal reporting and internal control (Management Approach).

In this context, the energy segment especially comprises the production and distribution of electrical energy, gas and heat. The waste management segment essentially covers the collection, sorting, thermal processing and dumping of household and industrial waste materials. The water segment essentially comprises the supply of drinking water, as well as the disposal of waste water.

The accounting and valuation methods applied to segment reporting are the same as for the entire group. Sales between segments ("intra-group sales") are invoiced at arm's length conditions.

The operating result of the individual segments is that result for the period under review which is monitored regularly by the main decision-taking bodies, used by them primarily to evaluate success, as well as applied as a basis when allocating resources.

The segment report according to business segments is shown below:

01/10/2009 to 31/03/2010	Energy in EUR mill.	Waste management in EUR mill.	Water in EUR mill.	transition/ elimination in EUR mill.	Group in EUR mill.
External sales	786.9	172.6	58.0	—	1,017.5
Intra-group sales	4.7	8.2	0.4	- 13.3	—
Total sales	791.6	180.8	58.4	- 13.3	1,017.5
Result of operations	82.7	- 12.5	2.4	—	72.6

01/10/2008 to 31/03/2009	Energy in EUR mill.	Waste management in EUR mill.	Water in EUR mill.	transition/ elimination in EUR mill.	Group in EUR mill.
External sales	781.5	158.0	53.4	—	992.9
Intra-group sales	4.8	7.1	0.4	- 12.3	—
Total sales	786.3	165.1	53.8	- 12.3	992.9
Result of operations	55.7	5.0	2.0	—	62.7

The development of the result obtained in the energy segment is essentially due to the distribution of electricity and the business area of natural gas. During the first six months of the business year the production coefficient was 0.90 (0.88 for the year before). The result of the waste management segment has been affected, in particular, by provisions for imminent losses in the balance sheet.

During the first six months of the 2009/2010 business year additions to tangible fixed assets amounted to EUR 49.7 million (EUR 74.4 million in the year before), and book-value disposals amounted to EUR 5.9 million (EUR 6.6 million in the year before).

The income statement comprises the sales revenues of affiliated companies in the amount of EUR 60.6 million (EUR 68.8 million in the year before), as well as the costs of materials in the amount of EUR 49.6 million (EUR 45.7 million in the year before). Services were provided at arm's length conditions.

Dividends in the amount of EUR 53,398.5 thousand (EUR 53,399.6 thousand in the year before) were paid to the shareholders of Energie AG Oberösterreich during the first six months of the 2009/2010 business year.

The slow recovery of the real economy also has a positive effect on the risk position of the Energie AG Group. The water levels of rivers and thus electricity generation at our

own hydro power stations and from hydraulic procurement rights were about 10% below the multi-year mean value, due to weather conditions. The smaller production volume was offset by purchases on spot markets at favorable prices.

Due to the decline in prices for waste materials from SMEs, caused by shrinking waste material volumes and the parallel expansion of thermal processing capacities, risks materialized in the waste management segment during the expired business year which continue to have an impact on the current year. As this development continues to be uncertain, unscheduled write-downs were made in the previous year and additional provisions were formed for the current reporting period. A recovery has already been observed for the prices of recyclable materials.

As our "A" rating has been confirmed, we are able to effectively counter financial risks by means of our conservative investment portfolio and by controlling the counterparty risk through hedging agreements.

As overall economic conditions continue to be unstable, we continue to pay particular attention to intensively monitoring risks and opportunities, as well as to the requisite measures and their effectiveness.

Contingent liabilities amounted to EUR 759.1 million (EUR 710.2 million in the year before).

Linz, 18 May 2010

The Board of Management of Energie AG Oberösterreich



Leo Windtner



Werner Steinecker MBA



Roland Pumberger

Consolidated Cash-Flow Statement

	01/10/09 to 31/03/10 in EUR 1,000	01/10/08 to 31/03/09 in EUR 1,000
Result before taxes on income	56,401.0	59,172.1
Result after taxes on income	40,978.8	35,043.1
Cash flow from the result	128,782.3	78,768.1
Cash flow from operating activities	78,605.0	- 14,987.6
Cash flow from investments	- 75,741.6	- 125,631.1
Cash flow from financing activities	- 43,277.4	- 13,264.8
TOTAL CASH FLOW	- 40,414.0	- 153,883.5
Funds at the beginning of the period	108,996.0	223,786.8
Funds at the end of the period	68,582.0	69,903.3

Calculation of Group Result

	01/10/09 to 31/03/10 in EUR 1,000	01/10/08 to 31/03/09 in EUR 1,000
Group result	42,710.7	45,040.9
Expenditure and revenues entered under equity		
Changes in equity interests and available-for-sale securities	1,044.5	- 9,113.3
Changes in value, without effect on the result, of companies associated at equity	—	15.4
Hedge accounting	23,708.3	- 106,150.7
Currency differences	- 859.6	- 29,559.9
Deferred taxes	- 5,966.5	36,455.6
Total for expenditure and revenues entered under equity	17,926.7	- 108,352.9
Overall result after taxes	60,637.4	- 63,312.0
of which overall result of minorities	6,364.2	3,678.2
of which overall result of parent company	54,273.2	- 66,990.2

Development of Group Equity

	01/10/09 to 31/03/10 in EUR 1,000	01/10/08 to 31/03/09 in EUR 1,000
Status at beginning of period	1,302,155.2	1,357,882.3
Total revenues for the period	60,637.4	- 63,312.0
Dividend payment	- 55,430.8	- 54,466.3
Change in consolidated group	2,267.1	1,288.2
Own shares	- 36.4	- 16.8
Status at end of period	1,309,592.5	1,241,375.4

Statement by the Board of Management pursuant to § 87 (1) item 3 of the Austrian Stock Exchange Act

We confirm to the best of our knowledge that the shortened semi-annual consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), present fairly, in all material aspects, the financial position of the Group, as well as its financial performance and cash flows, and that the management report of the Group for the first six months presents fairly,

in all material aspects, the financial position of the Group, as well as its financial performance and cash flows concerning all important events during the first six months of the business year and their impact on the shortened version of the consolidated semi-annual financial statements with regard to the main risks and uncertainties during the remaining six months of the business year.

Linz, 18 May 2010

The Board of Management of Energie AG Oberösterreich



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



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



Roland Pumberger
Member of the Board of Management,
C.F.O.

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

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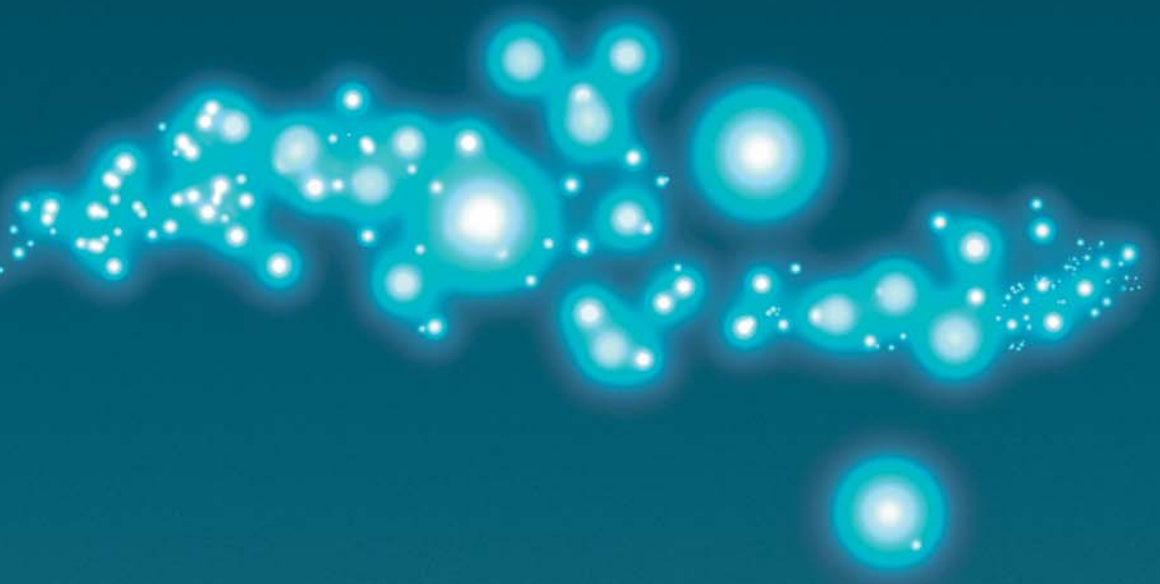
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