

**120** YEARS

# Semi-Annual Report

for the Period 1 October 2011 to 31 March 2012

**ENERGIE AG**  
Oberösterreich

We care about tomorrow

# The Energie AG Group at a Glance

	in	2011/2012 1 <sup>st</sup> half-year	Change	2010/2011 1 <sup>st</sup> half-year	2009/2010 1 <sup>st</sup> half-year
<b>Sales</b>					
Energy segment	EUR mill.	914.5	3.2%	886.2	786.9
Waste management segment	EUR mill.	202.1	- 10.3%	225.3	172.6
Water segment	EUR mill.	63.6	- 2.3%	65.1	58.0
Group sales	EUR mill.	1,180.2	0.3%	1,176.6	1,017.5

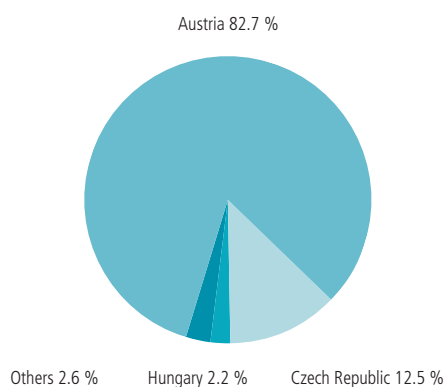
<b>Result</b>					
EBITDA	EUR mill.	171.9	- 5.3%	181.5	146.8
EBITDA margin	%	14.6	- 5.2%	15.4	14.4
Result of operations (EBIT)	EUR mill.	92.3	- 8.5%	100.9	72.6
EBIT margin	%	7.8	- 9.3%	8.6	7.1
Result before taxes	EUR mill.	73.2	- 9.0%	80.4	56.4
Consolidated net profit	EUR mill.	50.5	- 9.0%	55.5	36.3

<b>Cash flow from the result</b>	EUR mill.	148.9	- 12.7%	170.6	128.8
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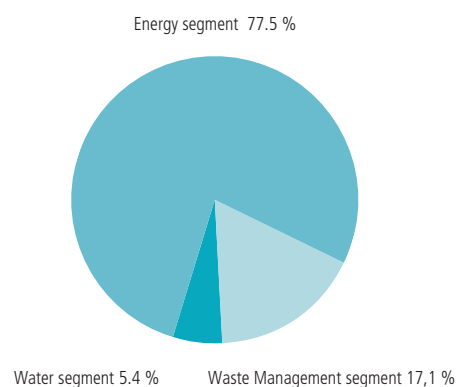
		31/03/12	Change	30/09/11	30/09/10
<b>Balance sheet</b>					
Balance-sheet total	EUR mill.	3,690.7	- 0.9%	3,725.0	3,695.9
Equity	EUR mill.	1,357.9	- 0.7%	1,367.1	1,347.9
Equity ratio	%	36.8	0.3%	36.7	36.5

	in	2011/2012 1 <sup>st</sup> half-year	Change	2010/2011 1 <sup>st</sup> half-year	2009/2010 1 <sup>st</sup> half-year
<b>Employees (average)</b>	FTE	7,786	- 0.9%	7,855	7,159

**Sales per country** in %



**Sales per segment** in %



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Andreas Kolar  
Member of the Board of Management

Leo Windtner  
Chairman of the Board of Management

Werner Steinecker  
Member of the Board of Management

# Statement by the Chairman of the Board of Management

The recent months in Europe were marked by an atmosphere of political upheaval and economic strain. One look at the various European countries reveals that the current situation is a particularly challenging one, both for the European Union and for the European single currency. At the time of the editorial deadline of this semi-annual report, the government talks in Greece had just failed and were to be followed by fresh elections. The Greek state aid support measures to ensure that Greece would remain in the Eurozone are at stake. The change in the French Presidency will no doubt lead to new requirements in the discourse between France and Germany, Europe's leading states. In Spain the soaring rate of unemployment is resulting in demonstrations and protest rallies.

The list could be easily continued and shows that, these days, political reliability and effortless economic success are not the kind of categories we are dealing with. Nevertheless, one should not paint too negative a picture, because at least where the macro-economic environments of Austria and Germany are concerned, performance is undoubtedly solid.

Added to these macro-economic effects, which Energie AG Oberösterreich is exposed to in all of its segments, are the very specific conditions relevant to the energy industry: The global demand for primary energy sources continues its upward trend – driving up the prices for crude oil, gas and coal. On the other hand, economic growth in Europe is

moderate, leading to a lukewarm electricity price development. While wholesale prices for electricity are at a level, which makes it difficult to present necessary investments in power plant capacities across Europe as economically feasible, private customers are seeing no significant relief in the electricity price due to the eco-electricity regulations. The high and irregular feed-ins from photovoltaic plants and wind farms are additionally helping to keep the wholesale prices low.

Given such general conditions, Energie AG Oberösterreich, has delivered a perfectly solid business performance during the first half-year. We have identified the challenges we face that stem from the market environment, and will respond to them proactively. The solid business performance, which is visible in all segments of Energie AG, justifies the trust, which owners, customers, employees and the public place in the company. We will continue to work hard in the months ahead to ensure that this solid business performance will be maintained.



Leo Windtner,  
Chairman of the Board of Management

# Semi-Annual Management Report 2011/2012 of Energie AG Oberösterreich

## THE MACRO-ECONOMIC ENVIRONMENT

The recovery of the global economy in 2010 was followed by a very weak performance in 2011. The fourth quarter of 2011 did see an increase of 0.7% in economic performance in the U.S., however, triggered by the sovereign debt crisis and the dwindling confidence in the financial sector, the EU economy was down by 0.3% compared to the same period of the previous year.

Also in Austria, the GDP recorded a decline by 0.1% during the last quarter of 2011. Due to the forecast positive development in the global economy and the improved senti-

ment shown by companies and consumers, the Institute for Higher Studies (IHS) has predicted for the current year, 2012, a growth in GDP of 0.8% in Austria. Such an economic turnaround would require continued strong development in the U.S. and Germany, a similar growth stimulus in the EU as well as the absence of adverse events such as a worsening of the sovereign debt crisis.

With regard to the foreign markets relevant to the Energie AG group, GDP development for 2012 is expected to vary between -0.3% and 2.0%.

## THE BUSINESS DEVELOPMENT IN THE GROUP

For the Energie AG Group, the external general conditions during the first six months of the 2011/2012 fiscal year (1 October 2011 to 31 March 2012) remained challenging. Economic growth was sluggish and the conditions in the energy markets continued to be demanding.

While the oil price and thus the oil-indexed gas prices rose by around 20% during the period under review, the electricity market showed a downward tendency, which was mainly driven by the expansion of renewable energy capacities in Germany and hesitant demand. These developments led to a marked decline in electricity production from thermal power plants.

Facing these conditions in the energy sector, the Group's sales revenues during the first six months of the 2011/2012 fiscal year reached EUR 1,180.2 million, remaining at the same level as the previous year (EUR 1,176.6 million).

The EBIT during the first half-year of 2011/2012 was at EUR 92.3 million, which is 8.5% below the figures recorded for the previous year. This is attributable to the poor procurement conditions at thermal power plants as well as to the prices for recyclable materials in the Waste Management Segment, which were affected by a temporary slump.

In the Water Segment, the operating result was increased by cost savings and contract optimization activities in the Czech Republic.

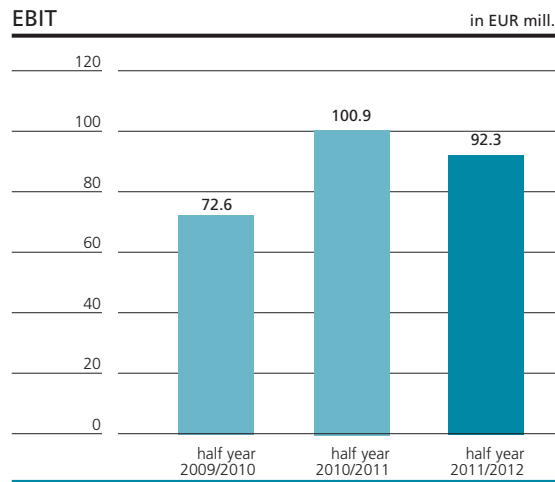
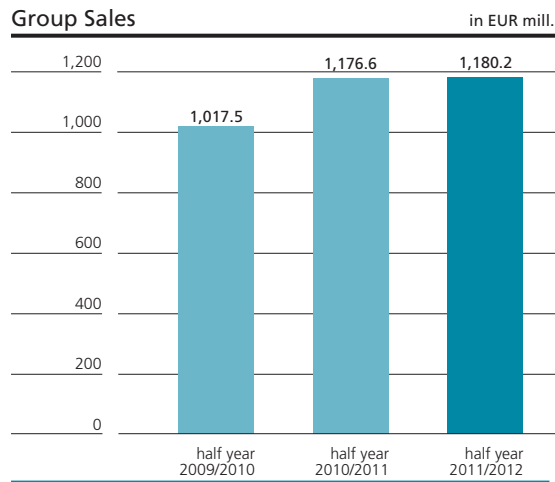
The investments into tangible fixed assets in the first half year were at EUR 47.7 million and remained at previous year's level. The majority of these investments in the past fiscal year were made in Austria in the Energy Segment.

The amount of financial liabilities as of 31 March 2012 was at EUR 969.6 million, which is 0.4% above last year's figures (EUR 965.7 million – as of 30 September 2011).

Cash flow from operations amounts to EUR 45.9 million (previous year: EUR 124.5 million). The decline was essentially attributable to the increase in short-term accounts receivable, a reduction in short-term liabilities and to payments from hedging transactions.

### Solid Credit Rating Confirmed

In February 2012, Standard & Poor's once again confirmed the very good "A/outlook stable" rating for the Energie AG Group. A solid rating is required to benefit from



optimal financing conditions from the credit and capital markets, ensuring a high level of flexibility in the procurement of funds, which is particularly important in times of sustained uncertainty in the international financial markets.

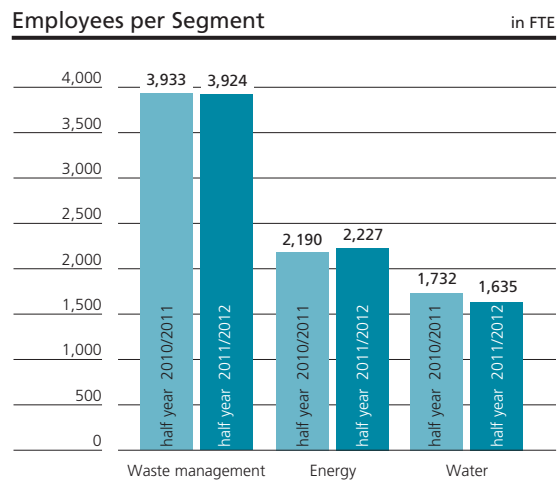
### Continued Stable Cross-Border Leasing Structure

During the first half-year of 2011/2012, the cross-border leasing (CBL) transaction for some of the power plants of Energie AG was continued in accordance with the agreement. Transaction-relevant developments and possible options to further optimise the structure are continuously being investigated. The contingent liabilities from CBL amount to EUR 637.0 million as of 31 March 2012.

After the first half-year of 2011/2012, the collateral structure of the cross-border leasing transaction was optimised with the purchase of US Treasuries in exchange for the letter of credit which existed until then.

### Development of Human Resources

During the first six months of fiscal 2011/2012, the Group's average consolidated staff level (full-time equivalent) was at 7,786 employees, remaining almost unchanged compared to the average figures of the first six months of fiscal 2010/2011 (7,855).



# The Energy Segment

The Energy Segment – Overview	in	1 <sup>st</sup> half-year 2011/2012	1 <sup>st</sup> half-year 2010/2011	Change
Total electricity procured	GWh	<b>7,185</b>	8,304	- 13.5%
Own electricity generation	GWh	<b>2,122</b>	2,360	- 10.1%
Electricity distribution volumes	GWh	<b>3,619</b>	3,451	4.9%
Electricity supply volumes	GWh	<b>3,721</b>	3,414	9.0%
Natural gas transports <sup>1)</sup>	GWh	<b>13,256</b>	14,380	- 7.8%
Heat generated	GWh	<b>946</b>	959	- 1.4%
Total sales	EUR mill.	<b>919.1</b>	891.0	3.2%
EBITDA	EUR mill.	<b>131.6</b>	136.5	- 3.6%
EBIT	EUR mill.	<b>81.9</b>	88.9	- 7.9%
Employees (average)	FTE	<b>2,227</b>	2,190	1.7%

<sup>1)</sup> Quantities transported in Upper Austria to end users and regional system operators

## The Economic Environment of the Energy Industry

During the first six months of the 2011/2012 fiscal year, the price development in the international energy markets was significantly influenced by political developments in the Middle East. During the first six months of the fiscal year, Brent crude spot prices rose from around USD 102 per barrel to around USD 123 per barrel (as of 30 March 2012) as a result of the dispute with Iran over its nuclear programme. Iran's threats to block shipping traffic through the Strait of Hormuz – one of the world's most important oil routes – drove the oil price temporarily up to more than USD 128 per barrel (as of 8 March 2012).

During the first six months, the gas market was also characterised by rising prices: In October 2011, the spot market quotations were at an average EUR 22.4/MWh, whereas at the end of the period under review, in March 2012, they were at EUR 24.2/MWh. The average monthly quotation was at EUR 26.9/MWh, while the highest daily quotation was recorded on 9 February 2012, reaching a level of EUR 38.2/MWh.

In the electricity trading market, the prices quoted for front-year base deliveries were at an average of EUR 53.2/MWh. Against the background of a downward trend, contracts were traded at prices below EUR 52.0/MWh.

During the first half-year of fiscal 2011/2012, the day-ahead price quoted at the EEX stood at an average of EUR 47.5/MWh, which is more than EUR 4.0/MWh lower than in the same period the previous year. The average electricity trading price during the cold-weather period in February 2012 was at EUR 54.9/MWh, which is well above the mean value. Prices below average were recorded in December 2011 (EUR 42.9/MWh) as well as in March 2012 (EUR 41.1/MWh).

A downward trend has also been recorded in the international hard coal market since September 2011. Compared to March 2011 (API2 quotation EUR 127.6/ton) the price (API2 quotation EUR 99.0/ton) dropped year-on-year by more than 22%. It was the softening demand in the economy, in the electricity industry, particularly, that led to this price decline.

A further reason for the dwindling electricity prices was the decline in the prices for CO<sub>2</sub> emission certificates. These dropped from a monthly average of approx. EUR 10.4/ton in October 2011 to an average of EUR 7.8/ton in March 2012. The price decline was attributable to the subdued economic development and an oversupply of emission certificates.

According to an analysis conducted by Energie Control Austria (E-Control), electricity consumption in Austria in 2011 exhibited only a minor increase in demand of 0.2% over the previous year. The key factors were a dampened economic growth as well as the on average too high outdoor temperatures during the months October to December 2011.

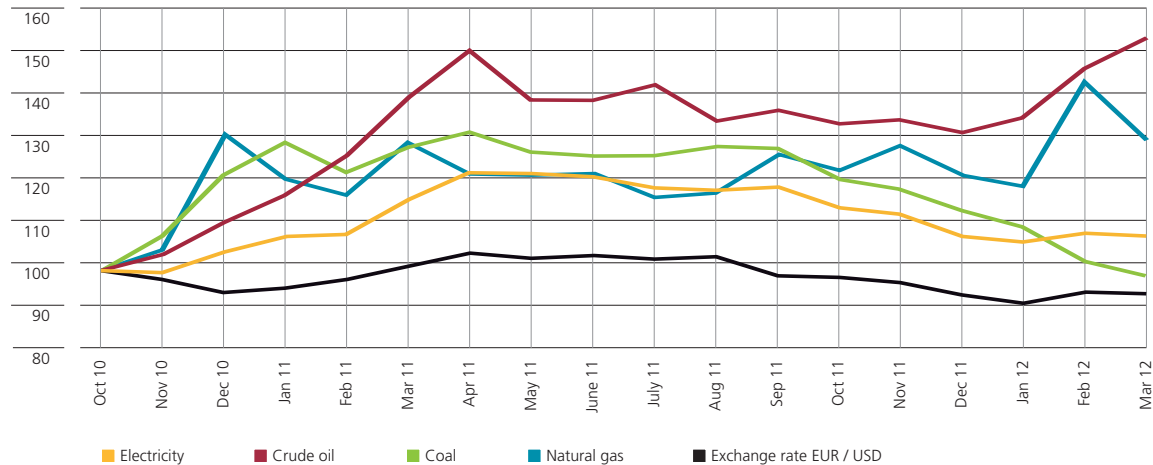
## The Business Environment for the Energy Segment

During the first six months of the 2011/2012 fiscal year, the Energy Segment generated sales of EUR 919.1 million and reported an EBIT of EUR 81.9 million.

The sales revenues generated in the Energy Segment were slightly higher than the previous year's figures of EUR 891.0 (+3.2%), which is attributable to increased electricity volumes and the passing on of higher delivery costs to gas customers.



## Price Index Development for International Energy Markets



Sources: EEX, Reuters

In contrast, the EBIT recorded a 7.9% decline to EUR 81.9 million (previous year's figures EUR 88.9 million), triggered by the unfavourable ratio of achievable electricity market prices to the delivery costs of fuels for thermal production facilities as well as expenditures for the gradual step-in pension plan. Positive results from the Seven-Fields gas storage tank as well as an increase in hydraulic production thanks to above-average water levels were not sufficient to entirely offset the burden on the operating result.

### Positive Development in Hydraulic Electricity Generation

Electricity generated at our own hydropower plants and obtained under procurement rights to hydraulic power plants presented an encouraging picture, showing a gain of 10% over the multi-year mean value and climbing 21.9% from 844 GWh in the first six months of fiscal 2010/2011 to 1,029 GWh this year.

Due to the increased electricity generation from hydropower and lower prices in the spot market, the use of thermal power plants during the period under review (1,093 GWh) was 27.9% lower than during the same period of the previous year. The total electricity procured during the first half-year of 2011/2012 stood at 7,185 GWh, which is 13.5% lower than during the same period of the previous year (8,304 GWh). This decline is based on lower electricity trading activities (-33%).

Where electricity generation from renewable energy sources is concerned, the Energie AG Group remains consistently focused on the expansion of existing hydropower plants and the construction of new ones. While the Oflek power plant in Großarl has already gone into operation, the hydropower plants Stadl-Paura and Kleinarl are cur-

rently still under construction. All official approvals have now been obtained for the Bad Goisern power plant.

As part of the Upper Austrian "wind-power master plan", work is underway to identify possible sites and projects for wind farms within the supply area of Energie AG. This is yet another form of renewable energy which is being promoted on a sustained basis.

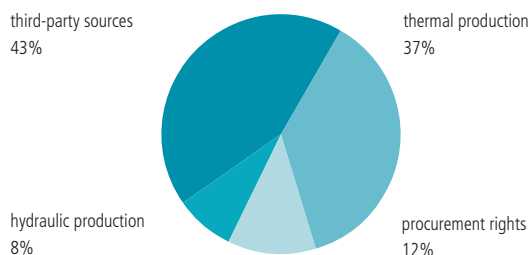
Based on the experience gained during the construction and operation of the SolarCampus, Austria's largest photovoltaic research power plant, a model was developed during the first half-year of fiscal 2011/2012, which allows customers living in Energie AG's distribution system area to participate in the photovoltaic facilities to be newly erected. In this so far largest Austrian project, photovoltaic facilities with a total capacity of 1,200 kWp are now being built across Upper Austria.

The two large-scale power plant projects, the CCGT power plant in Riedersbach and the pumped storage power plant Ebensee, will be developed until completion of the environmental impact assessment procedure. The environmental impact assessment procedure has been completed for the planned 400 MW combined-cycle gas turbine plant in Riedersbach and the official notification is expected shortly. In the course of project development for the pumped storage power plant Ebensee, the documents are being prepared for the environmental impact assessment procedure in this fiscal year. With regard to the implementation of these two large-scale projects, it remains to be seen whether the conditions in the electricity market will improve.

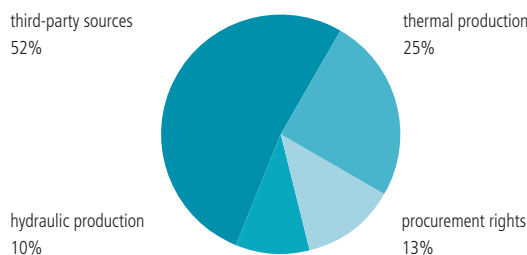
## Electricity Procurement Structure Without Electricity Trading

in %

Half-year 2010/2011



Half-year 2011/2012



### Enhanced Market Presence of ENAMO

Energie AG and Linz AG took a major step towards a common future by integrating their key customer business into their joint electricity supply subsidiary ENAMO GmbH. In future, any customer contracts covering annual sales quantities exceeding 4 GWh will be concluded in the name and for the account of ENAMO. The aim of ENAMO GmbH is to achieve a uniform market presence, which also addresses key customers, and to allow its customers to benefit from the synergies of a joint strong sales force. In November 2011, the ENAMO group of companies set up its online portal [www.stromdiskont.at](http://www.stromdiskont.at), breaking new ground in its sales approach. An independent supplier, [www.stromdiskont.at](http://www.stromdiskont.at) is associated with ENAMO Ökostrom and offers lower-priced 100% green electricity to private, agricultural and SME customers with annual requirements of up to 100,000 kWh.

During the first six months of the 2011/2012 fiscal year, the consolidated electricity supply volumes amounted to 3,721 GWh (previous year: 3,414 GWh), which is mainly due to an increase in key customers.

### Energie AG Electricity Supplies – 100% Nuclear-Free

Energie AG is fully committed to the targets defined by politicians and the legislation. This not only concerns the promotion of energy efficiency measures and power generation from renewable energies, but also nuclear-free electricity. Despite its wide-ranging activities and measures in this respect, Energie AG was repeatedly the focus of public debate and was accused several times by NGOs of supplying electricity that was not free of nuclear energy. And this even though independent auditors such as E-Control have been confirming the complete traceability of energy origin for supplies to customers in their annual fuel mix disclosure reports for many years. In the wake of a nuclear energy summit meeting with representatives of the Province of Upper Austria, Greenpeace and Global2000 finally confirmed on 10 January 2012 that energy supplies from Energie AG were nuclear-free.

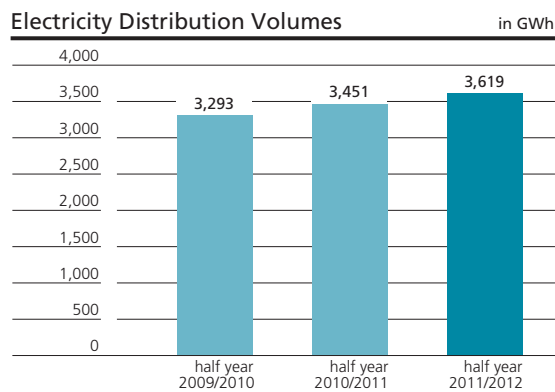
### A Strong Electricity Distribution System for Upper Austria

In view of the future regulatory environment, one of the company's main focuses during the current fiscal year 2011/2012 will be on the meetings between the Austrian grid operators and the regulatory authority E-Control on objective improvements of the regulatory system from the beginning of the next regulatory period (1 January 2014) onward. In a variety of expert groups, factual discussions will be taking place on the developments concerning efficiency comparison, investments and financing, quality regulations and tariff structure.

The general rules contained in the Austrian Electricity Industry and Organisation Act 2010 (EIWOG) were implemented in Upper Austria by the OÖ EIWOG which was passed on 19 April 2012. The industry is currently involved in intensive discussions with the regulatory authority in view of the forthcoming adoption of ordinances based on the federal law. With regard to smart metering, E-Control's 2011 regulations concerning the demands on smart metering equipment were adopted, as were the Ministry of Economy's regulations on the introduction of smart metering equipment in late April.

In the context of the currently applicable incentive-based regulatory system, the regulatory authority E-Control announced a reduction of the utilisation tariffs of Energie AG Oberösterreich Netz GmbH (Netz GmbH) taking effect in January 2012, which turned out to be much lower than in previous years due to rising upstream grid costs and the investment in smart metering. Accordingly, only the tariffs in the low-voltage area were lowered slightly by -0.4%. A novelty this fiscal year is the balance-sheet consideration of the gains or losses compared to the approved cost basis, which will be reflected in the regulatory account.

The first half-year, during which the electricity distribution systems are exposed to a higher operating risk due to weather conditions, created no major problems for Netz GmbH. As a result, all construction and maintenance projects could be implemented according to schedule.



One large-scale project involves the new construction to replace the 110-kV overhead line from the Wegscheid substation in the direction of Marchtrenk. Starting at the Wegscheid substation, two 110-kV underground cables will be laid as a replacement measure. The commissioning is scheduled for winter 2012.

With regard to the project involving a 110-kV overhead line between Vorchdorf and Kirchdorf (power supply to the Almtal and Kremstal region), the high-voltage power line easement procedures are well underway. Procedures concerning conservation, water and forestry regulations will follow. The construction start of this power line, which is vital to the region's security of supply, is scheduled for summer 2013.

The programme that involves placing medium-voltage overhead lines in forested areas into cables is going according to plan. Over the past two years, more than 200 km of overhead power lines were placed in cables. In the fiscal year currently underway, further 80 km are planned. The projects implemented have already led to a noticeable reduction of non-availability times in the distribution system of Energie AG.

The integration of decentralised renewable energies into the local electricity distribution system and the securing of voltage quality for grid customers were the reasons for launching a long-term cabling project in the low-voltage distribution system, which ultimately will increase the performance and, additionally, raise the level of cabling from 65% to 80-85%.

In the area of decentralised generation, a boom has become noticeable which is being accelerated by falling plant costs. A team of five employees especially trained to handle enquiries processes up to 200 requests a week. For the 30 systems actually constructed per week, new methods are being developed to raise the efficiency in distribution system integration. In order to avoid costly line expansions and/or additional substations, activities are underway in two local distribution systems with extremely high PV density in Eberstalzell to implement voltage control systems based on the smart metering system.

During the first six months of the present fiscal year, the electricity distribution volumes to end-consumers went up by about 4.9% to 3,619 GWh (previous year 3,451 GWh). This increase in electricity consumption is primarily the result of an increase in the area of industrial and SME customers. Electricity distribution to private customers is roughly the same as the previous year's levels.

### Fibre Optic Networks and Smart Meters Gain Significance

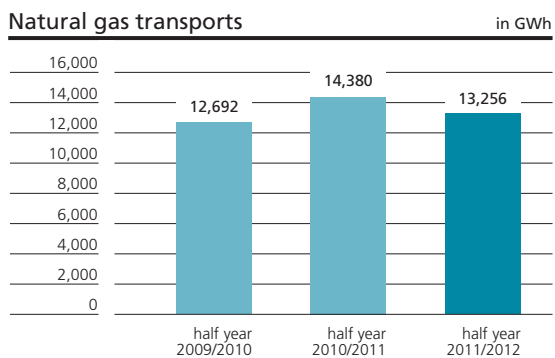
In the business field of data networks, a fibre-optic network was established over the past years that features high availability and high security standards and has a length of approx. 5,000 kilometres, supplying banks, health and administration facilities as well as business customers. Due to the use of modern communication equipment, such as smartphones and tablet computers, bandwidth requirements are growing continuously, which, on the one hand, has caused mobile communications networks to switch to optical fibre integration and, on the other, to further consolidate and densify such systems.

Particular focus is currently being placed on the supply of small and medium-sized enterprises, which can benefit from combination packages, which comprise data connection, Internet services and server housing. In connection with the IT hype cloud computing, Energie AG is establishing a computer centre for business customers for whom server services and data backups are becoming more and more important.

In the scope of the statutory requirements concerning the introduction of smart meters, the appropriate development services and pilot installations have been carried out, in relation to which AMIS systems produced by Siemens are being used. At the moment, as many as 100,000 households are already equipped with smart AMIS electricity meters. In accordance with the legal requirements, 95% of all meters are to be switched to the new smart metering technology by 2019.

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

The Gas Act 2011 (GWG 2011) went into force on 22 January 2011 and was adopted to implement the third EU energy legislative package. The package primarily aims at tightening the unbundling regulations for long-distance transmission system operators. Further priorities include the introduction of an entry/exit system at the level of long-distance transmission lines, as well as the structure of regulatory authorities, which have been given further areas of responsibility. In the course of amendments made concerning the access to long-distance transmission lines, which have to be adopted by 1 January 2013, the regulatory authority will also be changing the current market model.



Based on the 2012 Amendment to the 2008 Ordinance on Tariffs for the Use of the Gas System (GSNT-VO), the tariffs for system use remained almost the same for customers in the network area of Upper Austria.

In their 2011 long-range planning and amendments, the E-Control Commission approved further projects for the Regulatory Zone East. The contracts relevant for connecting up the "7Fields" storage tank have been concluded.

During the first six months of the current fiscal year, OÖ. Ferngas Netz GmbH transported around 13,256 GWh of natural gas through its pipeline system to end-consumers in Upper Austria. The decrease compared to the previous year (14,380 GWh) by 7.8% is primarily attributable to the lower quantities sold to power plants.

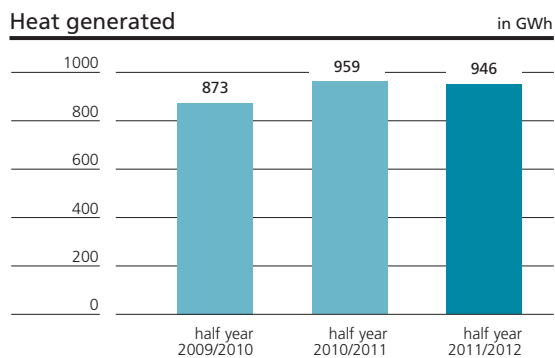
During the first six months, the quantities sold by OÖ. Gas-Wärme GmbH were 2.8% lower than in the same period of the previous year, which is a result of the milder temperatures. During 2011, the oil prices, on which the natural gas prices are based, rose continuously. For this reason, it became necessary to raise the end-consumer prices slightly in October 2011. As the portion of oil-indexed procurement volumes was successfully reduced and the portion oriented to the gas market was significantly increased, it has been possible to keep the prices stable.

The business with new customers has developed very positively. This trend was intensified by the new online discount brand [www.gasdiskont.at](http://www.gasdiskont.at), which helped to win a large number of customers across the whole Regulatory Zone East.

The biogas plant engineering business field that acts as a general contractor for third parties in the Czech Republic has also been performing well – at the moment, locations are being established both in the Czech Republic and in Slovakia.

## Renewable Heat for Upper Austria

Energy efficiency remains a key topic in the heating sector. The positive business trend is a sign that the company is facing up to the challenge, and that it will continue to do so successfully in the long term.



During the first half-year of fiscal 2011/2012, a total of 481 GWh of heat was sold in the heating business area, which is slightly lower than in the same period of the previous year (509 GWh). The decline is due to the mild weather in autumn/winter 2011.

A future-oriented project in the heat sector is being implemented together with EVN Wärme GmbH. A new biomass plant is being constructed right on the border between Upper and Lower Austria in the municipalities Steyr (Upper Austria) and Ramingdorf / Behamberg (Lower Austria). It is planned to go into operation during the heating period 2012/2013.

Cogeneration-Kraftwerke GmbH (CMOÖ) operates a cogeneration power plant in Laakirchen and delivers process heat to its main customer, and district heat to surrounding SMEs. During the first six months of the 2011/2012 fiscal year, CMOÖ sold 300 GWh of heat, which is slightly lower than the figures recorded in the same period of the previous year (308 GWh).

At its waste incineration plant in Wels (WAV), the Group subsidiary AVE Österreich produces electricity and also heat, which it supplies to the district heating network of the city of Wels. In the first six months of the 2011/2012 fiscal year, it supplied a total of 80 GWh of heat (50 GWh).

Another business area which is contributing to the growth of the OÖ. Ferngas subsidiary OÖ. Gas Wärme GmbH, is heating, which is marketed under the name ENSERV and supplies district heating to public institutions, residential trade and SMEs. The heat provided to customers during the first six months of the 2011/2012 fiscal year amounted to 85 GWh, which is slightly below the previous year's level (92 GWh).

## Strategic Participations

Shares in result of companies associated at equity of the first six months of the 2011/2012 fiscal year amount to EUR 6.1 million, which is an increase of approx. 3.4% compared to the previous year (EUR 5.9 million).

# The Waste Management Segment

The Waste Management Segment – Overview		in	1 <sup>st</sup> half-year 2011/2012	1 <sup>st</sup> half-year 2010/2011	Change
Total waste volume handled	1,000 tons		<b>2,446</b>	2,758	- 11.3 %
Thermally processed waste	1,000 tons		<b>307</b>	283	8.5 %
Total sales	EUR mill.		<b>208.7</b>	231.1	- 9.7 %
EBITDA	EUR mill.		<b>32.4</b>	38.3	- 15.4 %
EBIT	EUR mill.		<b>6.6</b>	9.4	- 29.8 %
Employees (average)	FTE		<b>3,924</b>	3,933	- 0.2%

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

## The Business Environment of the Waste Management Sector

Given the long-term trends of increasing scarcity and costs of raw materials, the subject of resources and secondary raw material recovery is gaining significance both at a national and international level: In September 2011, the European Commission presented the long anticipated "Roadmap" aimed at making Europe's economy resource-efficient by 2050. Until 2013, the latest, clearly defined targets and indicators are to be developed in a participative process, involving all interest groups (politicians, business-people and consumers).

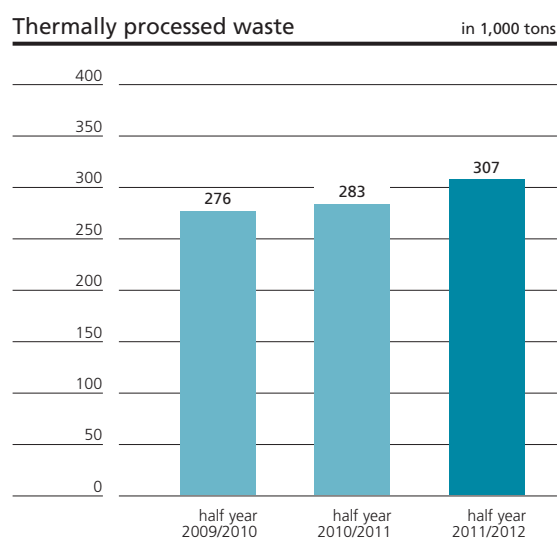
At a European level, it is becoming more and more evident that the EU Commission is punishing individual Member States for failure to implement the directives relating to waste management by initiating infringement proceedings. This is going to boost the waste management and recycling industry even further.

The prices for recyclable materials during the first half-year of fiscal 2011/2012 remained very volatile. Autumn 2011 was primarily characterised by declining prices for recyclable materials, particularly for paper and cardboard. From January 2012 onward, a slight recovery became noticeable due to increases in demand.

On account of the persisting heavily fragmented structure of the private waste sector, the pressure continues to drive market shakeout as a result of the economic fluctuations during the last quarters. By contrast, the situation in the public sector is rather more differentiated: while, in individual markets (e.g. Hungary), political re-

quirements have led to a trend of re-municipalisation, the tight budget situation suggests the continued privatisation of municipal services in the majority of East-European countries.

For the coming months, constant volume levels, rising fuel prices, sideways moving prices for recyclable materials at a moderate level and relatively consistent foreign exchange rates are expected.



## The Business Development of the Waste Management Segment

During the period under review, the operating result in the Waste Management Segment recorded a decrease to EUR 6.6 million down from EUR 9.4 million, primarily driven by the temporary price slump for recyclable materials in autumn 2011, the persistent price pressure in the areas of industrial and SME waste and hazardous waste, the continuously rising prices for diesel fuel as well as the comparatively high wage levels resulting from the collective wage agreements in Austria.

Due to the sale of AVE's operating activities in Bavaria and the low prices for recyclable materials in autumn 2011, the sales in the Waste Management Segment were down to EUR 208.7 million (-9.7%).

Compared to the same period of the previous year, the thermally processed waste volume climbed during the first half-year of fiscal 2011/2012 by 8.5% to 307,000 tons.

### AUSTRIA

In response to the difficult economic environment, AVE in Austria has been enhancing its focus on selective market development, broadening its cooperation with the Austrian municipalities even further and relying on consistent cost management since the last fiscal year.

On 1 October 2011, the organisational structure underwent an adjustment, which involved the bundling of logistics and distribution in individual regions in order to get even closer to the customers and respond faster to their needs. During the first half-year of fiscal 2011/2012, new industrial and SME customers were again acquired, which is helping to ensure that the thermal plants' capacities are utilised accordingly. As a result, the waste material throughput targets for the two thermal plants in Wels and Lenzing when operating at full capacity were entirely met. On top of that, AVE Austria largely managed to maintain its position with regard to contracts for the collection, sorting and recycling of lightweight packaging in the course of the ARA system, ensuring that the capacities of the fleet and the sorting plant will be fully utilised over the next years. Operation at the pelletising plant in Wels was terminated after expiry of the contract on 31 December 2011.

By consistently pursuing its chosen strategy of consolidation, strengthening its focus on a balanced market policy and cost-efficiency, AVE Austria's business performance was able to be stabilised.

### SOUTH TYROL

During the first six months of the 2011/2012 fiscal year, it was possible to further strengthen AVE's business volume in South Tyrol, despite the difficult economic environment for third-party business. The start of trial operation at a substitute-fuel production line in Neumarkt is increasing value creation even further. After acquiring the remaining shares of AVE Südtirol Recycling, the merger of the two operating companies took place as of 31 December 2011, which will make it possible to exploit further synergies.

### CZECH REPUBLIC

By its acquisition of AVE Harrachov in the region of North Bohemia and of the majority stake of EKO-BIO Vysočina in Moravia, AVE CZ has broadened its business activities. Lower revenues from winter services caused by the weather, lower contract volumes, lower quantities for landfills, a temporary slump in the prices for recyclable materials in autumn 2011 and the Ministries' postponement of tenders for projects concerning the remediation of contaminated sites led to a reduced business volume compared to that of the previous year. By contrast, the customer base and the core business remained stable.

AVE CZ responded to the current market development by initiating an extensive optimisation and efficiency enhancement programme in January.

### HUNGARY

The political developments in Hungary, which are characterised by nationalistic tendencies, are having an overall destabilising effect, endangering economic growth and leading to uncertainty among international investors. In an effort to implement the EU Waste Framework Directive, the Hungarian government submitted a draft law, which caused concern in Hungary's waste management industry. The controversial law requires that the collection, transport

and treatment of waste from private households be put back into municipal hands from 2013 onwards. The European Federation of Waste Management and Environmental Services (FEAD) then filed a complaint with the EU Commission, as the FEAD believes that the draft law represents a breach of the fundamental principles of the EU Treaties, such as freedom of competition. Furthermore, price increases in municipal waste collection were forbidden by law in December 2011; a subsequent amendment, however, does allow some leeway for price adjustments.

A difficult political environment, the weak Hungarian forint versus the euro, the low revenues from winter services due to the weather, the increased adjustments of receivables and elevated fuel expenditures were compensated by the positive effects from two companies that were consolidated for the full year for the first time, cost optimisations and publically financed land restoration contracts.

## SLOVAKIA

Based on some successful tenders and the acquisition of the activities of another competitor in eastern Slovakia, services in the municipal sector during the last fiscal year were provided to more than 230,000 inhabitants in around 150 cities and municipalities. In addition, the remaining shares of VODS were acquired, which means that AVE SK now holds 100% of all business shares. This structural shakedown is expected to allow the exploitation of synergies in the course of the current fiscal year.

The lower prices for recyclable materials in autumn 2011, increased fleet expenditures, postponed tenders and one-off expenditures resulting from the acquisition mentioned above could not be fully compensated by proactive marketing activities in the municipal and SME and industrial customer sector and the focus on continuous cost and result optimisation.

## ROMANIA, UKRAINE, MOLDOVA

The impact of the economic crisis is still being felt in **Romania**, and the expected economic growth for 2012 is at approx. 1.0%. Fierce competition and re-municipalisation tendencies allowed for limited price adjustments

only, while in some areas the volumes declined. The number of people receiving services from AVE was able to be raised to almost 400,000 inhabitants despite the difficult general conditions.

In western **Ukraine**, AVE already provides its services to 550,000 private customers as well as more than 6,000 SME and industrial customers. Due to technological progress, the selective collection of PET and waste paper was introduced in Mukachevo and Vinogradovo. In the target region, long-term contracts were concluded with several cities, and multiple price increases well above the inflation level were implemented in existing contracts. Taking effect on 31 March 2012, the three operating companies and the national holding company were included in the Group's scope of consolidation for the first time.

The PPP model that was launched in 2008 in the town of Ungheni in western **Moldova** continues to be operationally successful. The share of contracts concluded with households in Ungheni has reached 95%, and together with the newly won municipal and private customers in the region that reaches as far as the capital Chisinau, as many as 40,000 inhabitants and 700 SME and industrial customers are already receiving services.

# The Water Segment

The Water Segment – Overview		in	2011/2012 1 <sup>st</sup> half-year	2010/2011 1 <sup>st</sup> half-year	Change
Billed drinking water	m <sup>3</sup> mill.		<b>26.6</b>	26.2	1.5 %
Billed waste water	m <sup>3</sup> mill.		<b>21.9</b>	22.3	- 1.8 %
Total sales	EUR mill.		<b>63.9</b>	65.6	- 2.6 %
EBITDA	EUR mill.		<b>8.0</b>	6.7	19.4 %
EBIT	EUR mill.		<b>3.8</b>	2.6	46.2 %
Employees (average)	FTE		<b>1,635</b>	1,732	- 5.6 %

## The Business Environment of the Water Sector

In the core business of providing drinking-water and/or wastewater disposal services, the general conditions were stable in the main markets Czech Republic and Austria, which led to a solid and sustainable performance. The decreases in water consumption quantities per supplied unit (or inhabitant) recorded in the company's main market Czech Republic are within the range of long-term trends.

The general conditions relevant for the service business, which, during the first half-year, accounts for approx. 12% of the entire business volume in the Water Segment, have become more complicated, particularly in the Czech Republic, Slovenia and Hungary. Primarily where demand in municipal services is concerned, the conditions have tightened even further due to cost-saving measures and the wait-and-see demand policy pursued by the municipalities.

## The Business Development of the Water Segment

During the first six months of fiscal 2011/2012, the sales generated in the Water Segment amounted to EUR 63.9 million, falling below the overall sales generated in the same period of the previous year by 2.6% (EUR 1.7 million). The sales decline in comparison to the previous year is primarily attributable to the development of the

exchange rate between the Czech koruna and the euro. Sales fluctuations were also the result of the more volatile service business.

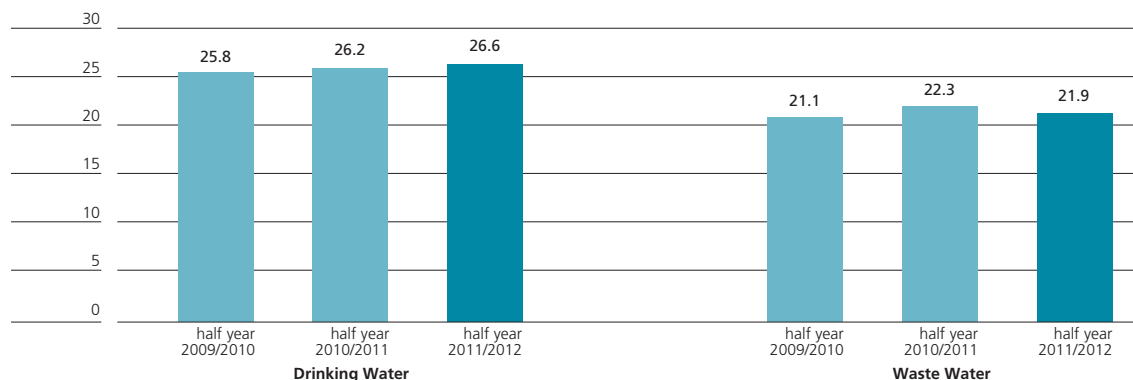
By contrast, the EBIT was able to be raised significantly to EUR 3.8 million, showing a sharp increase compared to the previous year's period under review (EUR 2.6 million). The increase in the result is primarily attributable to optimised contracts in the drinking water and wastewater business in the Czech Republic as well as to cost-savings programmes.

The key performance ratios indicate the following developments in the first half-year: 26.6 million m<sup>3</sup> of drinking water were billed, which equals an increase of 0.4 million m<sup>3</sup> compared to the previous year's figures. In terms of wastewater, 21.9 million m<sup>3</sup> were billed. This equals a decline of 1.8% compared to the 2010/2011 first half-year.

The number of drinking-water customers during the first half-year of fiscal 2011/2012 amounted to around 1,050,000, which is the same compared to the previous year. Wastewater management is meanwhile provided for around 695,000 customers (-0.4% compared to the previous year's figures). The decreases in the wastewater quantities and the number of wastewater customers are mainly the result of expiring contracts and the expected declines in consumption per supply unit in the Czech Republic and of contract optimisations.



## Billed Drinking Water / Waste Water

in m<sup>3</sup> mill.

### Developments in the Water Services Business

In Austria, the water services business, which includes sewage services, water loss analyses, leakage detection, hydrant service, consulting services and management services in various associations, was able to be increased compared to the first six months of the previous fiscal year.

In the Czech Republic, work continued on the bundling of water services in AQUASERV, s.r.o. The company not only acts as an internal service provider to operational companies in the water business; it also offers services in the market.

Adverse climatic conditions during the winter months and savings-related declines and shifts in demand in the municipalities led to fluctuations in sales.

## Risks and Opportunities

Along with the usual fluctuations caused by the weather, the Energie AG Group faces major business challenges resulting from the pressure in the international financial markets, the great changes in the energy policy, the high volatility in the energy markets as well as the fierce competitive and regulatory pressure.

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

### Energy

The operating result of the Energie AG Group is heavily impacted by electricity production from hydropower and thus from the water level of rivers. During the first half-year of fiscal 2011/12, the electricity generated at our own hydropower plants and obtained from hydraulic procurement rights was about 10% above the multi-year mean value.

During the first half-year of fiscal 2011/2012, the international oil and gas markets were characterised by higher volatility than the electricity markets. Key drivers were the interplay of political forces in the Middle East, temporarily the weather conditions in Europe, and also the decline in the CO<sub>2</sub> prices and the rising supply of electricity produced from renewable sources, particularly from wind and sun, in Germany.

Due to the increased production of electricity from hydropower and lower prices on the electricity market, the use of thermal power plants was much lower in the first half-year of fiscal 2011/2012 than in the comparable period of the previous year.

### Waste Management

In autumn 2011, the Waste Management Segment recorded a temporary slump in the prices of recyclable materials as well as persistent price pressure in the area of

industrial, SME and hazardous waste. In the months to come, the Waste Management Segment is expected to experience constant volume levels and sideways moving prices for recyclable materials at a moderate level. The currently rising and volatile oil prices will also have a significant impact on earnings performance, as will the exchange rates relevant for the Energie AG Group, most importantly EUR/CZK and EUR/HUF.

### Politics and Law

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

The trend towards re-municipalisation, which has been seen in Hungary since 2011 and lately also in Romania, also provides for legal intervention into existing contracts and presents a risk, which is receiving particular attention. AVE CZ has been participating in administrative proceedings over a possible breach of the law on the protection of fair competition. At the present moment, AVE CZ is not aware of any future obligations that may result from these proceedings.

### Finance

In February 2012, Energie AG Group's A rating outlook was confirmed as "Stable". Being a capital-intensive company, it is of paramount importance for Energie AG to secure optimum conditions for accessing the credit and capital markets. The liquidity risk is additionally reduced to a minimum by maintaining strategic liquidity reserves; the Group also has credit lines with bank institutions at its disposal.

By consistently choosing partners with excellent credit ratings, the counterparty risk is being successfully managed and the default risk limited. A high proportion (about 70%) of the Group's financial liabilities is at a fixed interest rate.

During the period under report, the Energie AG Group's risk situation in operational business remained unchanged compared to the end of the year. At present, there are no discernible risks that could jeopardise the continued existence of the Group or its individual segments.

## Outlook

Although a slight recovery of the general economic situation is expected for the second half-year of fiscal 2011/2012, the political and economic development in each of the CEE countries, where the Energie AG Group is represented with waste disposal services, remains unstable. Furthermore, the relevant energy markets are expected to remain volatile and uncertain.

During the remaining fiscal year 2011/2012, the continued use of internal cost-savings and efficiency measures will sustainably enhance the Group's earnings in order to ensure the Group's stable performance also in the future. In spite of the currently adverse general conditions, it can be assumed that the EBIT of fiscal 2010/2011 will be exceeded.

Linz, 29 May 2012

The Board of Management of Energie AG Oberösterreich



Leo Windtner  
Chairman of the Board of Management



Werner Steinecker  
Member of the Board of Management



Andreas Kolar  
Member of the Board of Management

## Consolidated Income Statement 01 October 2011 to 31 March 2012

	01/10/11 to 31/03/12 in EUR 1,000	01/10/10 to 31/03/11 in EUR 1,000
1. Sales	1,180,246.9	1,176,600.1
2. Change in inventories of finished and unfinished products	- 987.5	- 556.9
3. Other capitalized costs of self-constructed items	11,021.0	11,226.4
4. Share in result of companies associated at equity	6,083.6	5,924.7
5. Other operating income	20,947.5	16,815.3
6. Cost of materials and other purchased manufacturing services	- 766,065.3	- 753,429.0
7. Personnel expenses	- 174,253.9	- 171,880.8
8. Depreciation	- 79,627.2	- 80,654.2
9. Other operating expenses	- 105,096.5	- 103,160.7
<b>10. Result of operations</b>	<b>92,268.6</b>	<b>100,884.9</b>
11. Financing expenditure	- 23,275.5	- 22,659.1
12. Other interest income	4,007.7	3,539.2
13. Other financial results	174.0	- 1,359.2
<b>14. Financial result</b>	<b>- 19,093.8</b>	<b>- 20,479.1</b>
<b>15. Result from ordinary business activities</b>	<b>73,174.8</b>	<b>80,405.8</b>
16. Taxes on income	- 16,302.2	- 18,213.7
<b>17. Consolidated net result</b>	<b>56,872.6</b>	<b>62,192.1</b>
of which attributable to non-controlling interests	6,405.0	6,649.6
attributable to shareholders	50,467.6	55,542.5
<b>Consolidated net profit</b>	<b>50,467.6</b>	<b>55,542.5</b>
diluted earnings per share = basic earnings per share (in EUR)	0.57	0.62

## Consolidated Statement of Comprehensive Income 01 October 2011 to 31 March 2012

	01/10/11 to 31/03/12 in EUR 1,000	01/10/10 to 31/03/11 in EUR 1,000
<b>1. Consolidated net result</b>	<b>56,872.6</b>	<b>62,192.1</b>
<b>2. Expenditure and revenues entered under equity</b>		
Changes in available for sale financial interests	3,296.1	3,992.7
Unrealized changes of companies associated at equity	—	- 24.7
Hedge accounting	- 13,349.2	32,195.2
Currency differences	- 3,970.5	2,718.8
Deferred taxes	2,513.3	- 9,727.0
<b>Total for expenditure and revenues entered under equity</b>	<b>- 11,510.3</b>	<b>29,155.0</b>
<b>3. Comprehensive income after taxes</b>	<b>45,362.3</b>	<b>91,347.1</b>
4. attributable to comprehensive income from non-controlling interests	6,098.2	6,816.7
<b>5. attributable to comprehensive income of parent company</b>	<b>39,264.1</b>	<b>84,530.4</b>

# Consolidated Balance Sheet as at 31 March 2012

ASSETS	31/03/2012 in EUR 1,000	30/09/2011 in EUR 1,000
<b>A. Long-term assets</b>		
I. Intangible assets and goodwill	316,652.9	319,367.9
II. Tangible fixed assets	1,921,024.1	1,940,955.7
III. Investments (of these companies associated at equity: EUR 250,476.5 thousand. [previous year: EUR 243,908.8 thousand])	280,135.3	281,668.3
IV. Other financial assets	390,820.4	448,510.9
	<b>2,908,632.7</b>	<b>2,990,502.8</b>
V. Other long-term assets	105,672.3	107,895.3
VI. Deferred taxes	19,722.9	18,671.3
	<b>3,034,027.9</b>	<b>3,117,069.4</b>
<b>B. Short-term assets</b>		
I. Inventories	78,548.2	104,909.3
II. Accounts receivable and other assets	456,519.6	378,971.7
III. Cash and cash equivalents	103,253.0	105,453.0
	<b>638,320.8</b>	<b>589,334.0</b>
IV. Assets classified as available for sale	18,333.9	18,611.7
	<b>656,654.7</b>	<b>607,945.7</b>
	<b>3,690,682.6</b>	<b>3,725,015.1</b>
<b>LIABILITIES</b>	<b>31/03/2012 in EUR 1,000</b>	<b>30/09/2011 in EUR 1,000</b>
<b>A. Equity</b>		
I. Share capital	89,000.0	89,000.0
II. Capital reserves	213,106.9	213,106.9
III. Revenue reserves	919,844.8	922,926.2
IV. Other reserves	51,838.1	63,097.3
V. Non-controlling interests	84,112.8	78,972.1
	<b>1,357,902.6</b>	<b>1,367,102.5</b>
<b>B. Long-term debt</b>		
I. Financial liabilities	896,383.3	889,295.0
II. Long-term provisions	222,329.8	212,894.2
III. Deferred tax liabilities	111,579.5	111,435.2
IV. Contributions to construction costs	333,842.8	334,238.9
V. Deferred credit from cross-border leasing	34,088.7	34,693.1
VI. Advances from customers	80,131.7	80,132.4
VII. Other long-term debt	80,217.7	83,982.8
	<b>1,758,573.5</b>	<b>1,746,671.6</b>
<b>C. Short-term debt</b>		
I. Financial liabilities	73,177.2	76,368.6
II. Short-term provisions	42,271.6	42,003.5
III. Tax provisions	922.9	1,992.2
IV. Accounts payable	172,175.6	194,886.3
V. Deferred credit from cross-border leasing	1,253.0	1,253.0
VI. Other short-term debt	277,200.1	289,660.1
	<b>567,000.4</b>	<b>606,163.7</b>
VII. Liabilities associated with available-for-sale asset	7,206.1	5,077.3
	<b>574,206.5</b>	<b>611,241.0</b>
	<b>3,690,682.6</b>	<b>3,725,015.1</b>

# Notes to the Consolidated Financial Statements

The condensed interim financial statements of Energie AG Oberösterreich as of 31 March 2012 were drawn up in accordance with the International Financial Reporting Standards (IFRS), as they were required to be applied on the balance sheet date, together with the applicable interpretations, as published by the International Accounting Standards Board (IASB) and adopted by the European Union, applying IAS 34 (Interim Financial Reporting). The in-

terim financial statements were 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. All of the International Financial Reporting Standards, amendments and improvements adopted by the EU are applied.

The following companies were fully consolidated for the first time during the first six months of the 2011/2012 fiscal year and integrated into the consolidated financial statements:

## WASTE MANAGEMENT

	location	share (in %)
AVE Harrachov a.s.	Harrachov (Czech Republic)	100.00%
AVE Umwelt Ukraine TOB	Lemberg (Ukraine)	100.00%
AVE Mukateschewo TOB	Mukateschewo (Ukraine)	98.88%
AVE Vinogradovo TOB	Vinogradovo (Ukraine)	88.73%
AVE Lviv TOB	Lviv (Ukraine)	70.00%
EKO - BIO VYSOČINA, spol. s r.o.	Praha (Czech Republic)	51.00%

The investment share in Abfall-Aufbereitungs-GmbH increased to 100% by the additional acquisition. AVE Südtirol Recycling GmbH was merged into AVE RottaMix GmbH. Subsequently, AVE RottaMix GmbH changed its corporate name to AVE Südtirol Recycling GmbH.

The main changes in the group of consolidated companies are shown below:

	2011/2012 in EUR 1,000	2010/2011 in EUR 1,000
Long-term assets	8,201.4	3,369.4
Short-term assets	6,309.3	1,127.0
Long-term provisions and liabilities	- 1,735.5	- 2,758.6
Short-term provisions and liabilities	- 2,610.8	- 654.6
<b>Net assets</b>	<b>10,164.4</b>	<b>1,083.2</b>
Goodwill	1,003.5	169.7
Setting off not affecting current-period result	155.9	- 118.3
Setting off affecting current-period result	863.5	—
Liquid funds	- 1,067.3	- 490.2
Change in non-controlling interests	- 2,782.0	1,135.0
Acquisition of unconsolidated associated companies	619.3	1,620.9
Purchase price paid in previous periods	- 8,432.5	- 1,374.9
<b>Net outflow of cash</b>	<b>524.8</b>	<b>2,025.4</b>

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 specifically comprises the production and distribution of electrical energy, gas and district heating. The Waste Management Segment essentially covers the taking in charge, sorting, thermal processing and dumping of household and industrial waste materials. The Water Segment consists primarily of the supply with drinking water, as well as of the disposal of wastewater.

The accounting and valuation methods applied to the reported segments are the same as those used throughout the Group. Sales between the segments ("inter-segment sales") are invoiced at standard market prices.

The operating result of the individual segments is the result for the period which, being regularly monitored by the main decision-makers, is primarily used as a basis to assess the level of success and the allocation of resources. The operating result of segment reporting corresponds to that of the income statement.

The segment reporting according to business segments is as follows:

#### 01/10/2011 to 31/03/2012

	Energy in EUR mill.	Waste Management in EUR mill.	Water in EUR mill.	transition/ elimination in EUR mill.	Group in EUR mill.
External sales	914.5	202.1	63.6	—	1,180.2
Inter-segment sales	4.6	6.6	0.3	- 11.5	—
Total sales	919.1	208.7	63.9	- 11.5	1,180.2
Result of operations	81.9	6.6	3.8	—	92.3

#### 01/10/2010 to 31/03/2011

	Energy in EUR mill.	Waste Management in EUR mill.	Water in EUR mill.	transition/ elimination in EUR mill.	Group in EUR mill.
External sales	886.2	225.3	65.1	—	1,176.6
Inter-segment sales	4.8	5.8	0.5	- 11.1	—
Total sales	891.0	231.1	65.6	- 11.1	1,176.6
Result of operations	88.9	9.4	2.6	—	100.9

Particularly with regard to electricity production, electricity distribution and the gas business, weather-related fluctuations are reflected in the sales and results throughout the fiscal year. The Energy Segment therefore has a tendency to generate higher results in the first half-year than in the second half-year. Due to limited construction activities during the autumn and winter months, investments into tangible fixed assets during the first half-year are generally lower than they would be in the second half-year.

During the first six months, the production coefficient was 1.10 (previous year: 0.89).

During the first six months of the 2011/2012 fiscal year, additions to tangible fixed assets amounted to EUR 47.7 million (previous year: EUR 47.7 million), and book-value disposals amounted to EUR 1.8 million (previous year: EUR 2.3 million). Commitments for purchases of tangible fixed assets total EUR 53.1 million.

The income statement includes the sales revenues from affiliated companies and persons in the amount of EUR 96.0 million (previous year: EUR 99.3 million), as well as the expenditures in the amount of EUR 74.0 million (previous year 74.2 million). Receivables from affiliated companies and persons amount to EUR 71.7 million (previous year 72.2 million), the amounts due to affiliated companies and persons amount to EUR 116.2 million (previous year: 109.3 million). Services were provided at standard market conditions.

Dividends in the amount of EUR 53,392.70 thousand (previous year: EUR 53.396.3 thousand) were paid to the shareholders of Energie AG Oberösterreich during the first half of the 2011/2012 fiscal year.

Besides being exposed to the usual weather-related fluctuations, the Energie AG Group also faces a large number of risks and opportunities resulting from the burden on the international financial markets, the high volatility in the energy markets and the fierce competitive and regulatory pressure.

The Energie AG Group regards the water level of rivers and thus the amount of electricity generated at our own hydro-

power plants and obtained from hydraulic procurement rights as a key risk/opportunity. During the first six months of fiscal 2011/12, the electricity generated at our own hydro-power plants and obtained from hydraulic procurement rights was about 10% above the multi-year mean value.

During the first half-year 2011/2012, the international oil and gas markets were characterised by higher volatility than the electricity markets. The decoupling of the oil and gas markets from the electricity market, which is affecting the risk position accordingly, remains an influencing factor.

In autumn 2011, the Waste Management Segment recorded a temporary slump in the prices of recyclable materials, as well as persistent price pressure in the area of industrial, SME and hazardous waste. In the coming months, the Waste Management Segment is expected to see constant volume levels and prices for recyclable materials moving sideways at a moderate level, which will have a stabilising effect on the risk position. The diesel fuel price risk remains high, as does the volatility in relation to the foreign exchange rates.

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

AVE CZ has been participating in administrative proceedings over a possible breach of the law on the protection of fair competition. At the present moment, AVE CZ is not aware of any future obligations that may result from these proceedings.

After the first half-year of 2011/2012, the collateral structure of the cross-border leasing transaction was optimised with the purchase of US Treasuries in exchange for the letter of credit which existed until then.

Given the confirmed "A" rating (outlook stable) along with an investment portfolio that continues to be managed conservatively and counterparty risk control by choosing partners with excellent creditworthiness, the financial risk is being managed in the best way possible.

Contingent liabilities amount to EUR 710.7 million (previous year: EUR 723.8 million).

Linz, 29 May 2012

The Board of Management of Energie AG Oberösterreich



Leo Windtner  
Chairman of the Board of Management



Werner Steinecker  
Member of the Board of Management



Andreas Kolar  
Member of the Board of Management



## Consolidated Cash-Flow Statement

	01/10/11 to 31/03/12 in EUR 1,000	01/10/10 to 31/03/11 in EUR 1,000
Earnings before taxes on income	73,174.8	80,405.8
Result after taxes on income	73,931.6	77,425.5
Cash flow from the result	148,949.4	170,640.2
Cash flow from operating activities	45,917.0	124,470.3
Cash flow from investing activities	6,101.9	- 43,873.4
Cash flow from financing activities	- 54,218.9	- 75,611.3
<b>Total cash flow</b>	<b>- 2,200.0</b>	<b>4,985.6</b>
Cash and Cash equivalents at the beginning of the period	105,453.0	83,383.7
Cash and Cash equivalents at the end of the period	103,253.0	88,369.3

## Development of Group Equity

	Equity of shareholders of parent company in EUR 1,000	Non- controlling interests in EUR 1,000	Sum in EUR 1,000
<b>As of: 30 September 2010</b>	<b>1,270,095.3</b>	<b>77,842.0</b>	<b>1,347,937.3</b>
Overall result	72,003.2	5,828.1	77,831.3
Dividends	- 53,396.3	- 3,584.8	- 56,981.1
Changes in the group of consolidated companies	- 464.8	- 1,113.2	- 1,578.0
Purchase of own shares	- 107.0	—	- 107.0
<b>As of: 30 September 2011</b>	<b>1,288,130.4</b>	<b>78,972.1</b>	<b>1,367,102.50</b>
Overall result	39,264.1	6,098.2	45,362.3
Dividends	- 53,392.7	- 3,739.5	- 57,132.2
Changes in the group of consolidated companies	- 155.9	2,782.0	2,626.1
Purchase of own shares	- 56.1	—	- 56.1
<b>As of: 31 March 2012</b>	<b>1,273,789.8</b>	<b>84,112.8</b>	<b>1,357,902.6</b>

# Statement of all Members of 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 condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the International Financial Reporting Standards (IFRS) and that the group manage-

ment report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

Linz, 29 May 2012

The Board of Management of Energie AG Oberösterreich



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



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



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

This 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.

#### **PUBLISHER'S INFORMATION**

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Linz, May 2012

**120** YEARS

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**ENERGIEAG**  
Oberösterreich

We care about tomorrow