

Annual Financial Report 2013/2014

Energie AG Oberösterreich

(Financial statements for the Group and the Company)

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We care about tomorrow.

Annual Report 2013/2014

ENERGIE AG
Oberösterreich

We care about tomorrow

Energie AG at a Glance

	in	2013/2014	Change	2012/2013
Sales				
Electricity Segment	EUR mill.	1,038.1	7.6 %	964.5
Distribution Segment	EUR mill.	249.1	- 2.0 %	254.2
Gas Segment	EUR mill.	160.9	- 19.1 %	198.8
Waste Management Segment	EUR mill.	198.7	- 7.6 %	215.1
Water Segment	EUR mill.	124.5	- 4.3 %	130.1
Miscellaneous Segment	EUR mill.	55.5	4.1 %	53.3
Group Sales	EUR mill.	1,826.8	0.6 %	1,816.0
Results				
Result of operations (EBIT)	EUR mill.	105.6	88.9 %	55.9
EBIT margin	%	5.8	87.1 %	3.1
Result before taxes	EUR mill.	68.8	242.3 %	20.1
Dividend per share	EUR mill.	0.6	—	0.6
Balance sheet				
Balance sheet total	EUR mill.	3,076.2	- 4.6 %	3,223.1
Equity	EUR mill.	1,108.4	- 6.8 %	1,189.6
Equity ratio	%	36.0	- 2.4 %	36.9
Net debt ¹⁾	EUR mill.	454.1	- 21.2 %	576.6
Net gearing	%	41.0	- 15.5 %	48.5
Cash Flow from operating activities				
	EUR mill.	224.6	14.9 %	195.4
Rate of return				
ROCE ²⁾	%	4.6	119.0 %	2.1
Staff (average)				
Electricity Segment	FTE	424	- 2.1 %	433
Distribution Segment	FTE	820	- 1.3 %	831
Gas Segment	FTE	205	- 3.3 %	212
Waste Management Segment	FTE	818	- 12.8 %	938
Water Segment	FTE	1,544	- 1.3 %	1,565
Miscellaneous Segment	FTE	620	- 0.5 %	623
Group	FTE	4,431	- 3.7 %	4,602

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

²⁾ Without discontinued operation

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Statement by the Chairman of the Board of Management

"We can't change the wind, but we can set the sails differently." This old Greek saying is a central theme of Energie AG Oberösterreich and more relevant than ever. The transformation in the energy sector, which is proceeding unstopably and is not leaving one stone upon another, is preoccupying all European power supply companies. As a reaction to the changing framework conditions the PowerStrategy 2020 of Energie AG Oberösterreich is in the final implementation phase and with it the course is being readjusted strategically and organisationally.

The market environment in fiscal year 2013/2014 was still characterised by one constant: change. Electricity generation from gas is not financially feasible under the current general conditions, and new hydropower plants cannot be built with conventional financing models and limitations in place. Essentially due to the all-time low electricity prices – that wouldn't exist without excessive promotion of wind power and photovoltaic plants and without the dysfunctional CO₂ regime – construction plans for the latest and most efficient power plants for ecologically sustainable electricity generation have to be shelved.

In October 2014, the member states of the European Union finally made up their minds for the EU climate protection objectives for 2030. During the course of the conversion of the energy system to renewable energy (27% by 2030), additional policy measures must be taken for securing the power supply. Those are the urgently needed correction to the excessive demands placed on renewable energies, the expansion and conversion of the electricity grid towards becoming a smart grid, and a reform to CO₂ emission trading whose malfunction is favouring ecologically unsound electricity generation from coal.

"actively. shaping. the future." Our company is repositioning itself with PowerStrategy 2020. The focus is even more on our customers and their needs will be served with products and services from a single source and the highest quality standards for complete satisfaction. Competitiveness and sustainability will be secured through organisational and operating excellence. Permanent and sustainable cost management is firmly anchored in all management levels.

The formal act of full integration of OÖ. Ferngas AG happened at the closing on 23 June 2014. High annual synergy effects are an incentive for implementing the corporate changes and organisational measures. With the integration of OÖ. Ferngas AG and completion of the sale of the Eastern European operations in the Waste Management Segment, the Group with its business areas positioned itself in an eventful fiscal year for sustainable future growth.

Despite the markedly difficult market environment, an extremely respectable overall result of EUR 105.6 million was achieved in the reporting timeframe with relatively stable total sales at EUR 1,826.8 million. In view of the industry-wide impairments of assets – which also affected our assets at just short of EUR 30 million – Energie AG has proven with focussed and motivated work that the sails have been trimmed to match the wind and everything is back on track.

Our 4,400 colleagues are engaged daily in giving our customers full supply of electricity, gas, heat, water as well as data and waste management services. Energie AG Oberösterreich is embracing its responsibility and has invested around EUR 160 million once again in the past fiscal year. As a reliable business partner with a solid financial structure and an excellent credit rating, Energie AG Oberösterreich will continue to tackle the challenges of the energy sector with motivation and purposefulness and use this as an opportunity to develop new areas of business.

In conclusion, on behalf of the Board of Management, I would like to thank all our business partners and customers for the trust they have shown us. Special thanks go to the shareholders and Supervisory Board for their support and the constructive working relationship. The success of our company would not have been possible without our qualified and committed employees. I would like to express particular gratitude to them. At the same time, we ask for continued, diligent teamwork in the future. Together, we will keep our company on a successful course.



Generaldirektor Dr. Leo Windtner
Vorstandsvorsitzender



Werner Steinecker
Member of the Board of Management

Leo Windtner
Chairman of the Board of Management

Andreas Kolar
Member of the Board of Management

PowerStrategy 2020

The Strategic Realignment of the Energie AG Group

CLEAR POSITIONING

- We are the modern and efficient provider of electricity, gas, heat, water, waste management as well as for information and communications technology services.
- We stand for the highest quality and reliability for our products, processes and services. As a competent and competitively oriented company, we guarantee our customers a fair price/performance ratio.
- We are present regionally in our markets and give respect to customers, employees, suppliers as well as the public.
- We care about future generations and our actions are aligned with ecological and social aspects.

CHALLENGES AS AN OPPORTUNITY

European electricity generation is in a massive phase of upheaval as a consequence of excessive demands on new renewable energies, i.e. photovoltaics and wind energy, in Germany as well as a dysfunctional CO₂ regime. Falling wholesale prices are forcing modern and low-emission gas and steam power plants out of the market, while electricity generation from lignite is celebrating a renaissance. The necessary conversion of existing electricity grids into "smart grids" is being faced with a lack of long-term planning security due to regulatory interventions. Changed customer requirements such as the desire for more

autonomy and energy efficiency as well as the blurring of industry borders is intensifying the competition for end customers.

Energie AG Oberösterreich sees the change in the energy markets as an opportunity and is countering the various challenges with the "PowerStrategy 2020". While the Group is making itself fit for the future with consistent cost-reducing and efficiency-increasing measures, strategic success factors are being secured and new ones created through sustained customer orientation.

FUTURE-ORIENTED STRATEGIC POSITIONING



PUTTING THE CUSTOMER FIRST

The strategic realignment moves customers and their needs even further into the focus. Through the completed full acquisition of the OÖ. Ferngas group of companies in the fiscal year 2013/2014, the Energie AG Group became a single source energy provider. Besides ENAMO GmbH, the joint venture company of Energie AG and Linz AG for electricity sales, Energie AG Oberösterreich Power Solutions GmbH is providing customers since 1 October 2014 with products for gas, heat, E-mobility and gas mobility, energy efficiency and energy consulting.

Furthermore, changed customer requirements will be taken into consideration and new market opportunities opened up with four defined development areas.

- Existing know-how shall be used for the expansion of contracting offers; customised solutions for heating, cooling and photovoltaics will be developed together with the customer.

- The increasing demand for an ecological supply of electricity will be met with the development of generation capacities from renewable energies using the sun and wind as a supplement to the existing hydropower portfolio.
- Gas sales and distribution will be newly established for business and industrial customers in order to supply customers comprehensively with energy.
- At 6,500 km, Energie AG operates the longest optical fibre network in Upper Austria with nodes in all municipalities in the supply region. In addition to business customers, private customers are also to be supplied with ultrafast Internet over optical fibre in the future. The requirement is the cost-effectiveness of the projects. Extensive funding is necessary for large-scale expansion.

ORGANISATIONAL AND OPERATIONAL EXCELLENCE

Under the slogan "faster, better and more efficient", the Energie AG Group offers its customers high-quality, reliable and affordable services in the areas of energy, water and waste management. This is made possible by constant further development of the entire structure and process organisation and consistent cost-efficiency.

The full integration of the OÖ. Ferngas group of companies has resulted in numerous possibilities to reduce the organisational complexity and to draw on synergies through merging as well as standardising Group-internal processes. For example, control and operation of the electricity and gas grids will be combined in a common company in the future. The technical services in the energy sector will be bundled and will provide services as a new competence centre within as well as outside the Group. The available resources were also bundled and optimised in the commercial services, and standardisation of IT systems and processes has been initiated.

After disposal of the waste management operations in Eastern Europe, the geographical focus in the future will be on Austria and the surrounding regions. The operations of the water business area in the Czech Republic are a stable element in the overall portfolio of the Group and will remain that way in the future as well. Opportunities outside the core market will be seized within the scope of a clearly defined yield/risk strategy.

The top fiscal priority of the Group is to secure its financial stability in the long term. This requires a continuously consistent improvement of the cost structure as well as adherence to the proven strategy of having a conservative financing and investment policy in the Group. The newly developed business models are to compensate for the declines in the results of the traditional business areas. With them, Energie AG Oberösterreich will continue to be an attractive partner for providers of equity and debt capital.

RISK MANAGEMENT AND FOCUSING AS A SUCCESS FACTOR

Again, the Energie AG Group will continue to rely on a Group portfolio that is balanced between regulated and competitive business areas. Especially in past volatile times, this strategy contributed to stabilisation of the results, and it will support solid and profitable development of the Group in the future as well.

Investments in the coming years will focus on the targeted development areas on the one hand, but also on sustainably

securing the infrastructure both in the electricity as well as the gas grid. For all investments, it is necessary to have high flexibility in order to be able to react quickly and take countermeasures in the event of changes to market conditions, customer requirements or technical developments.

Investment and acquisition decisions are made on the basis of the Group's internal requirements of value and risk management.

Corporate Bodies

BOARD OF MANAGEMENT

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

SUPERVISORY BOARD

Shareholder Representatives

Gerhard Falch, CEO, Chairman
Hermann Kepplinger, First Deputy Chairman
Heinrich Schaller, CEO, Second Deputy Chairman
Alois Froschauer, CEO
Franz Gasselsberger, CEO (until 19 December 2013)
Florian Hagenauer, Member of the Management Board (since 19 December 2013)
Anna Maria Hochhauser, Secretary General
Michaela Keplinger-Mitterlehner, Member of the Management Board
Manfred Klicnik, Attorney at Law
Kathrin Renate Kühnreiber-Leitner, Mayor (since 19 December 2013)
Ruperta Lichtenecker, Member of the National Council
Maria Theresia Niss, Member of the Management Board (until 19 December 2013)
Manfred Polzer, Managing Director
Viktor Sigl, President of the Provincial Parliament
Michael Strugl, Member of the Provincial Government
Bruno Wallnöfer, CEO

Works Council Representatives

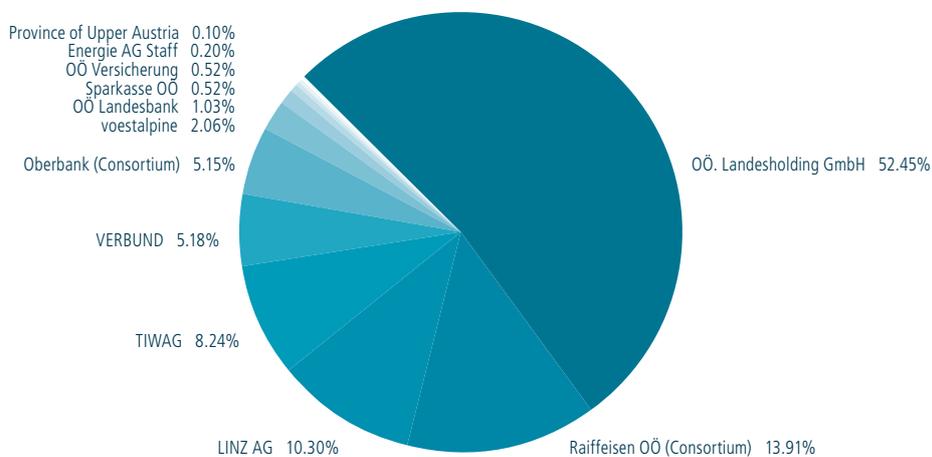
Robert Gierlinger, Chairman of Works Council, Energie AG Oberösterreich (Holding)
Manfred Harringer, Chairman of Works Council, Energie AG Oberösterreich Netz GmbH
Isidor Hofbauer, Chairman of Works Council, Energie AG Oberösterreich Kraftwerke GmbH
Peter Neißl, Chairman of Works Council, Energie AG Oberösterreich Tech Services GmbH
Bernhard Steiner, Chairman of Group Works Council
Gerhard Störinger, Chairman of Central Works Council, Energie AG Oberösterreich Umwelt Service GmbH
Egon Thalmeier, Chairman of Central Works Council, OÖ. Ferngas AG

Shareholder Structure of Energie AG Oberösterreich

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

The difference refers to own shares. As of 30 September 2014

Shareholder Structure of Energie AG Oberösterreich



Group Management Report 2013/2014 of Energie AG Oberösterreich¹⁾

GENERAL CONDITIONS

Economic Environment²⁾

The worldwide economic prospects have worsened in the past few months. The most recent economic forecasts were recently given a downward correction. The world trade dynamics did not continue as expected in 2014; rather it abated due to weak imports by many emerging countries.

Following moderate economic growth during the first two quarters of 2014, the Austrian economy also remained subdued during the second half of the year. With regard to the domestic economy, the GDP for the full year 2014 is expected to increase by 0.7% to 1.0%; for 2015, economic growth is forecast at 1.2% to 1.9%. Although the euro zone overcame the recession supported by the monetary policy measures of the European Central Bank, the economic growth will however turn out to be most likely less dynamic with 0.7% to 0.8% in the current year and 1.1% to 1.4% in 2015. A GDP of 2.5% to 2.7% is forecast in the Czech Republic in 2014 and 2015.

The forecast risks are still high. The political tension in the Ukraine and the Middle East are curbing the economic recovery as well.

The Statutory Environment

The Federal Government's energy efficiency package was resolved in July 2014. It envisages a series of obligations for energy suppliers. Among other things, each energy supplier must demonstrate annual energy efficiency measures for itself, its end customers or third parties to the extent of 0.6% of the previous year's sales. For all companies, it still applies

that regular energy audits or the introduction of an energy management system are mandatory. The legislator is taking new paths with the entire commitment system, and many of the necessary boundary conditions are still not set despite the effective date of 01.01.2015. This increases the planning uncertainty for companies, and therefore no sound statement is possible about whether the savings obligation can be achieved. In case some of the measures are not included in the measures catalogue, there could be compensation payments above all as of 2016.

In spring 2014, the Consumer Rights Directive of the European Union was also implemented with a legislative package. It is intended to give consumers additional rights and to levy additional information duties on companies. Implementation of the legal requirements means increased administrative effort for the companies. Noticeable impacts on day to day business, however, can only be estimated from the experience and judicature in the coming years.

The third regulatory period for electricity grid operators began in January 2014, this time for five years, while the second five-year regulatory period already started for gas grid operators on 01.01.2013. Moreover, the regulatory authority issued a switching ordinance in 2014 on the basis of the legal authorisation of Section 76 para. 7 of the Electricity Industry and Organisation Act (EIWOG) and Section 123 para. 7 of the Austrian Natural Gas Act (GWG) respectively, which regulates the procedure of supplier or provider switching. With this switching ordinance in 2014, the currently separate requirements for the electricity and gas sectors were combined. The regulations are intended to ensure that the switching process takes a maximum of three weeks, and that the necessary requirements for online switching are created.

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

²⁾ Sources: European Commission, European Economic Forecast, Autumn 2014, November 2014; IHS (Institute for Higher Studies, Vienna), press release, 18.09.2014; IMF (International Monetary Fund), World Economic Outlook, October 2014; WIFO (Austrian institute for Business Research), monthly report 09/2014

General Market Economy-Based Conditions

The massive upheaval in the European electricity markets has continued, and the further development is fraught with major uncertainty for operators of conventional generation capacities. The continued highly subsidised development of electricity generation from photovoltaics and wind power plants in Germany and Austria has led to a further decline of wholesale prices. While electricity production from lignite and hard coal have experienced a renaissance as a consequence of low prices for coal and CO₂ certificates, highly efficient and low-emission gas power plants were forced out of the market. As a result, generation capacities are becoming unprofitable and some are being shut down. However, they are necessary to compensate for the weather-dependent production fluctuations of energy from the sun and wind. Interventions by grid operators to en-

sure grid stability were necessary more and more frequently in recent times. The political discussion on suitable instruments to correct the current development has not yet resulted in any signals indicating stable general conditions to ensure the achievement of climate objectives and sustainable supply reliability.

The low electricity trading prices also had an adverse effect on the earnings situation of waste incineration plants, which are also in competition for the quantities of waste due to over-capacities. In addition, profitability in the waste management industry was characterised by the slightly falling prices of recyclable materials and commercial waste prices that have stagnated at a low level.

Stable general operating conditions prevailed to a great extent in the drinking water supply and wastewater disposal sectors respectively in the main markets of the Czech Republic and Austria.

BUSINESS DEVELOPMENT IN THE GROUP

Group – Overview	in	2013/2014	2012/2013	Change
Total sales	EUR mill.	1,826.8	1,816.0	0.6%
EBIT	EUR mill.	105.6	55.9	88.9%
Investments into tangible fixed assets and intangible assets	EUR mill.	159.5	157.1	1.5%
Employees (average number)	FTE	4,431	4,602	- 3.7%
Total electricity procured	GWh	18,563	15,483	19.9%
Own electricity production	GWh	2,899	3,608	- 19.7%
Electricity supply volumes	GWh	8,530	7,751	10.1%
Electricity distribution volumes to end-customers	GWh	8,056	7,530	7.0%
Natural gas supply volume	GWh	2,037	2,463	- 17.3%
Natural gas transports to end customers/grid operators	GWh	21,879	23,421	- 6.6%
Heat supply volume	GWh	1,373	1,461	- 6.0%
Waste volume handled	1,000 to	1,746	1,804	-3.2%
Thermally processed waste	1,000 to	628	625	0.5%
Billed drinking water quantities	m ³ mill.	51.4	52.2	- 1.5%
Billed wastewater quantities	m ³ mill.	43.8	43.7	0.2%

Important Key Performance Indicators

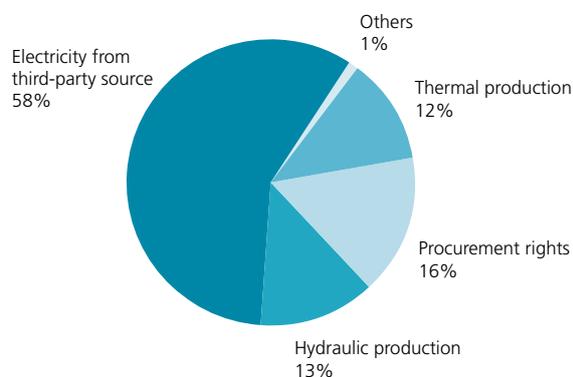
The consolidated electricity procurement in the Group in fiscal year 2013/2014 was 18,563 GWh making it 19.9% higher than in the previous year (15,483 GWh). The main causes of this develop-

ment were an expansion of the trading quantities by 41.3% as well as 10.1% higher electricity demand by customers to the amount of 8,530 GWh.

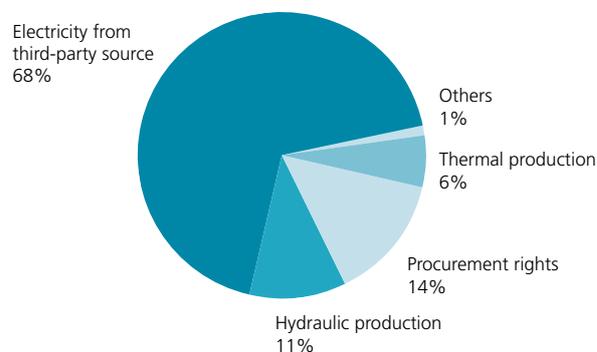
Consolidated electricity procurement	in	2013/2014	2012/2013	Change
Renewable Energy				
Own hydropower plants	GWh	970	1,119	- 13.3%
Procurement rights for hydropower plants	GWh	1,244	1,369	- 9.2%
Others (photovoltaics, biomass)	GWh	110	112	- 1.8%
Thermal power plants	GWh	575	1,008	- 43.0%
Electricity procured from third-parties	GWh	15,664	11,876	31.9%
Total electricity procurement	GWh	18,563	15,483	19.9%

Electricity Procurement Structure Without Electricity Trading

2012/2013: Rate of own coverage: 42%



2013/2014: Rate of own coverage: 32%



While electricity production from thermal power plants in fiscal year 2013/2014 was dampened as a consequence of the ongoing low price level in the electricity markets, generation from hydropower was reduced due to a water level that was 7% below the long-term average. However, it was possible to compensate for the company's own low production through favourable procurement from third-party sources. Based on the electricity procurement structure for electricity supply volumes without electricity trading, the amount of electricity purchased from third parties increased to 68% (previous year: 58%).

The rise in the electricity supply volumes of 10.1% to 8,530 GWh and respectively in the electricity distribution volumes of 7% to 8,056 GWh, was essentially influenced by several major customers shutting down their own supply plants as a consequence of the low electricity market prices, and purchasing electricity from the market.

Natural gas supply volume amounted to 2,037 GWh in fiscal year 2013/2014, which corresponds to a drop of 17.3% compared to the previous year (2,463 GWh). This decline is mainly attributable to the above-average mild winter in Austria with heating-degree days 15% below the previous year, as well as increased competition.

The heat supply volume in the Group remained at 1,373 GWh or 6.0% below the comparison value of the previous year (1,461 GWh) due to the mild weather among other things.

Development of the key performance indicators of the Water and Waste Management Segments was stable to slightly declining.

New Strategic Alignment

The management of Energie AG Oberösterreich reacted to the changed market situation with a strategic and structural realignment of the Group under the title of "PowerStrategy 2020".

Changed customer wishes are to be taken into consideration, opportunities from the change in the markets are to be seized, and new earnings possibilities to be opened up with the development of new and innovative business models. The cost pressure as a consequence of the upheaval in the electricity markets and regulatory interventions in the electricity and gas grid is being countered with tightening of the company's organisational structure and process organisation as well as a consistent programme of cost reductions and efficiency increases.

Corporate Changes

With the signing of the contracts on 06.03.2014, Energie AG Oberösterreich took over the remaining shares of Oberösterreichische Ferngas Aktiengesellschaft (OÖ. Ferngas AG) to an extent of 31.5%. This makes it the sole shareholder of OÖ Ferngas AG after the previous takeover of a 3.5% share from Elektrizitätswerk Wels AG. In turn, Energie AG Oberösterreich relinquished its shares amounting to 44% of LIWEST Kabelmedien GmbH (LIWEST) to Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste (Linz AG). The transaction closed on 23.06.2014 after receipt of notification that the takeover of LIWEST by Linz AG was not prohibited for anti-trust reasons. The complete takeover of OÖ. Ferngas AG is a strategic milestone. With the complete integration of the OÖ. Ferngas group of companies, which will be completed in spring 2015, significant synergies can be realised in the Energie AG Group.

During the course of selling the Eastern European operations of the Waste Management Segment, all the conditions agreed on by the contractual partners were met and the necessary approvals received by the beginning of fiscal year 2013/2014 following the conclusion of the contract in June 2013. The transaction was concluded with the closing on 12.11.2013. With it, all assets and debts of the discontinued operations were deleted from the accounts.

Declining Trend in Staff Levels

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

In fiscal year 2013/2014, the Group's average consolidated staff level was 4,431 employees (FTE), which meant it dropped

by 3.7% compared to the average of fiscal year 2012/2013 (4,602 employees).

On the reporting date (30.09.2014), 4,400 employees (FTE) worked for the Energie AG Group in 4 countries.

Yearly average in FTE	in	2013/2014	2012/2013	Change
Energie AG Oberösterreich				
GROUP TOTAL	FTE	4,431	4,602	- 3.7%
Electricity Segment	FTE	424	433	- 2.1%
Distribution Segment	FTE	820	831	- 1.3%
Gas Segment	FTE	205	212	- 3.3%
Waste Management Segment	FTE	818	938	- 12.8%
Water Segment	FTE	1,544	1,565	- 1.3%
Miscellaneous Segment	FTE	620	623	- 0.5%

The employees of the Group represent a crucial strategic factor in the provision of services. Therefore, Energie AG Oberösterreich puts a particular emphasis on the training and further training of its employees for the purpose of continuous improvement of the available know-how in the service of its customers. Hence, 496 internal and external training measures were carried out in fiscal year 2013/2014 (previous year: 530) with a total of 2,793 participants (previous year: 2,821). Structured personnel management and comprehensive personnel development measures form the framework for this.

In the interest of the lasting loyalty of the employees and their knowledge potential to the company, the company offers voluntary social benefits for its employees.

Energie AG Oberösterreich ensures that the existing labour and safety regulations are complied with enterprise wide, and that the necessary preventive measures are taken. Binding operating instructions are developed and resolved for all the companies in the regulation and guideline committee. Furthermore, there are ongoing events and training in the entire Group for improvement of the safety culture.

Branch Offices

Energie AG Oberösterreich has no branch offices.

NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

	in	2013/2014	2012/2013	Change
Sales revenues	EUR mill.	1,826.8	1,816.0	0.6%
Operating result (EBIT)	EUR mill.	105.6	55.9	88.9%
EBIT margin	%	5.8	3.1	87.1%
Financial result	EUR mill.	- 36.8	- 35.8	- 2.8%
Results from ordinary activities	EUR mill.	68.8	20.1	242.3%
Balance sheet total	EUR mill.	3,076.2	3,223.1	- 4.6%
Equity	EUR mill.	1,108.4	1,189.6	- 6.8%
Equity ratio	%	36.0	36.9	- 2.4%
Net debt	EUR mill.	454.1	576.6	- 21.2%
Net gearing	%	41.0	48.5	- 15.5%
Investments in tangible fixed assets and intangible assets	EUR mill.	159.5	157.1	1.5%
Cash flow from the operating activities	EUR mill.	224.6	195.4	14.9%
ROCE	%	4.6	2.1	119.0%
WACC	%	5.5	6.0	- 8.3%

In fiscal 2013/2014, sales revenues increased to EUR 1,826.8 million and therefore were EUR 10.8 million above the level of the previous year (EUR 1,816.0 million). The increase to the sales revenue resulted essentially from the increased sales from electricity and gas trading.

The Group EBIT increased from EUR 55.9 million by EUR 49.7 million to EUR 105.6 million. The positive development is essentially influenced by the declining special effects compared to the previous year.

The EBIT of the previous year was affected by the allocation of reserves for imminent losses from Gas- und Dampfkraftwerk Timelkam GmbH in the amount of EUR 33.0 million, provisions in connection with the planned closure of the coal-fired unit Riedersbach 2 in the amount of EUR 20.4 million, the impairment of value of coal inventories in the amount of EUR 17.4 million as well as expenses connected to a gradual step-in retirement model. The EBIT of fiscal year 2013/2014 contains the value impairment of the 7fields gas reservoir in the amount of EUR 9.7 million, which is assigned to the Electricity Segment due to management by Energie AG Oberösterreich Trading GmbH. Furthermore, there were value impairments for project costs of generating plants as well as for generating plants in the amount of EUR 14.5 million. Due to a recent deterioration of the situation in the energy markets, additional value impairments were undertaken for coal inventories in the amount of EUR 3.5 million.

The EBIT in the areas of electricity, distribution, gas and miscellaneous developed positively in fiscal year 2013/2014. The EBIT of the Water Segment remained stable. In addition to the special effects, the EBIT of the Group was decisively affected by the regulatory environment, in particular by the annual setting of the grid fees respectively the system utilisation fees for the electricity and gas grid.

The low water level and the continued tense situation in the European electricity markets had a strong impact on the EBIT of the Electricity Segment in particular through less use of power plants, especially the conventional power plants.

Moreover, the low electricity prices had a negative effect on the earnings situation of waste incineration plants and hence the EBIT of the Waste Management Segment, which fell from EUR 7.5 million in the previous year to EUR 5.4 million in fiscal 2013/2014. In addition, profitability in the waste management industry was characterised by the slightly falling prices of recyclable materials and commercial waste prices that have stagnated at a low level.

On 12.11.2013, it was decided to sell the operations of the Waste Management Segment in Eastern Europe. Hence, assets and debts of the discontinued operations shown separately in the balance sheet on 30.09.2013 according to IFRS 5 will no longer be shown in the balance sheet. The result recorded in fiscal year 2013/2014 from the discontinued operations comprises exchange rate effects. The disposal of the discontinued operations generated payment inflows in the amount of EUR 123.9 million, which is faced by a reduction of liquid assets of the discontinued operations in the amount of EUR 9.9 million.

Furthermore, the considerably higher income from associated at-equity companies of EUR 17.2 million (previous year: EUR 12.8 million) contributed to the positive development of the EBIT.

During fiscal 2013/2014, EUR 159.5 million were spent on tangible fixed assets and intangible assets, which puts this year's figures at EUR 2.4 million or 1.5% above that of the previous year. This includes around EUR 68.8 million or 43.1% from the Distribution Segment, which was mainly the electricity grid.

The balance sheet total dropped from EUR 3,223.1 million by EUR 146.9 million to EUR 3,076.2 million. The decline is due to the sale of the Eastern European waste management activities, which led to a disposal of assets amounting to EUR 213.1 million as well as to an addition of cash and cash equivalents. Due to changes to the accounting and valuation methods – especially the first time use of the changed IAS 19 in connection with personnel provisions – individual items of the balance sheet of the previous year were adjusted and the balance sheet was shown for 30.09.2012.

The net debt dropped by EUR -122.5 million. This resulted in particular from a positive investment cash flow of EUR 13.4 million (including the sale of the AVE operations in Eastern Europe) which was achieved in addition to the operating cash flow of EUR 224.6 million, and hence there were adequate funds for debt repayment respectively increasing the funds balance despite the acquisition of the shares in OÖ. Ferngas AG and the outflow of funds from the dividends.

Financing and Investment Strategy

While the US central bank started the gradual withdrawal from its loose monetary policy at the beginning of 2014 (quantitative easing), additional monetary policy easing steps were taken by the European Central Bank (ECB), including an extensive bond purchasing programme and the reduction of the prime interest rate to record lows. However, a sustainable recovery of the economic situation did not occur in the past fiscal year.

The maintenance of stable and future-proof finances forms the basis of the strategic realignment of Energie AG Oberösterreich. The financial strategy enhances and supports the future-oriented direction of the Group without losing sight of the principles of liquidity and creditworthiness. This requires continuously consistent improvement of the cost structure as well as adherence to the proven strategy of a very solid financing and investment policy for the Group.

A reasonable liquidity base and strategic liquidity reserves are central elements of the financial direction of the Group. There is a particular emphasis on actively managing internal financing options; in particular, optimisation programmes for working capital management were promoted in fiscal year 2013/2014. Also, in order to keep a stable financial profile in the future, flexibility in the use of funds is required, above all in the area of investment and portfolio management.

Stable and future-proof finances

Financial liabilities were reduced in the past fiscal year by EUR 6.1 million to EUR 631.1 million. The financial profile of the Group is characterised by repayable financial liabilities with remaining time to maturity of up to 16 years.

On the reporting date, 30.09.2014, the Energie AG Group had liquid assets of EUR 177.0 million as well as money market instruments and marketable securities totalling EUR 200.7 million. The unused and hence readily available credit lines in the amount of around EUR 253.6 million emphasise the high financial flexibility of the Group.

Central Group Financing

Energie AG Oberösterreich Group Treasury GmbH (Group Treasury GmbH) performs as pooling center the function of internal financing management for the Group. By means of Group-wide cash pooling, the required liquid funds are passed on appropriately to the Austrian companies within the Group. On 30.09.2014, there were 31 Group companies involved in the cash pooling of the Group. Long-term financing for the companies of the Energie AG Group is also provided by Group Treasury GmbH, focussing on arm's length financing conditions and terms.

Rating

In February 2014, the international rating agency, Standard & Poor's (S&P) reduced the credit rating of the Energie AG Group by one level from A to A-. The outlook remains unchanged as stable. This step represents the difficult market environment and its impact on the business risk profile of Energie AG Oberösterreich. Energie AG Oberösterreich is holding firmly to its objective of maintaining an A-rating with Standard & Poor's; the high creditworthiness of the Group supports constant access to external financing.

Value Based Management and Capital Costs

Value based management is firmly anchored in all management processes of Energie AG Oberösterreich. The central objective is sustainable assurance of the company value through increasing potential benefits as well as the generation of capital market orientated returns for the owners. Consequently, the capital costs (Weighted Average Cost of Capital/WACC), which is the weighted average of the required return on applied capital, represent the minimum return requirements for Group management and are determined for all non-regulated business areas in a market-oriented way with the help of peer groups. The WACC is calculated by means of a bottom-up method for the individual segments and the entire Group. Besides country-specific risk premiums and country-specific marginal tax rates, the calculation for regulated areas also includes requirements of the regulatory authority Energie Control Austria (E-Control).

The Group WACC for fiscal year 2013/2014 amounts to 5.5% (previous year: 6.0%). Essentially, the reduction of the capital costs is attributable to the lower interest rate level of riskless investments. The weighted parameters at the Group level are shown in the following table.

Risk-free interest rate	3,4%
Country risk premium	0,1%
Market risk premium	5,0%
Beta factor	0,75
Cost of equity after taxes	7,3%
Cost of debt before taxes	4,7%
Tax rate	24,7%
Cost of debt after taxes	3,5%
Equity ratio	51,2%
Debt ratio	48,8%
Cost of capital after taxes	5,5%

The central key figure for the operating Group management during the fiscal year is the Return on Capital Employed (ROCE), which shows how efficient and profitable available capital was handled.

The value-oriented Group objectives are broken down according to the individual segments while taking into consideration the pursued strategy and business-specific framework conditions. They are measured in periodical reporting by Group Controlling and directed by management.

By comparing the ROCE and WACC, projects and business areas are evaluated with regard to the generation of a value contribution. Besides strategic perspectives, resources shall be allocated for future investments and acquisitions exclusively based on value-oriented criteria and methods (e.g. project-specific risk premiums) for the prioritisation of projects.

In fiscal 2013/2014, the ROCE of the Energie AG Group amounted to 4.6% and therefore was 2.5 percentage points above the value reported in the previous year (2.1%).

INTERNAL CONTROL SYSTEM

The Group's internal control system (ICS) is part of the corporate governance. In terms of the "three lines of defence" model, it is the first pillar and is implemented throughout in the processes that are relevant to the rendering of accounts. There is further consolidation for the risk-relevant processes of the Group. The required controls are designed around the respective risk, and their effectiveness and efficiency are reviewed regularly through the internal audit. Control manuals and activity catalogues are being updated constantly for the individual Group companies. Through clear assignment of the responsibilities and highly transparent processes, which were reinforced even more through harmonisation of the process descriptions with quality management in fiscal year 2013/2014, the Group has solidified very good controlling awareness.

Regular reporting of the current status to the Group's Board of Management and the Audit Committee in accordance with the requirements of Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)] 2008 is established. All controls and measures as well as test results are managed and documented in an IT-based system. The operational implementation by the respective process owners minimises the process risks and is an effective control instrument for securing the Group's assets.

The equal treatment of all customers of Netz Oberösterreich GmbH (Netz OÖ GmbH) as required by the Austrian Electricity and Organisation Act (ElWOG) is taken into account by the internal control system and is monitored by the compliance officer.

RISK AND OPPORTUNITY SITUATION

Opportunities and Risks for 2014/2015

The result of the Energie AG Group is essentially affected by energy policy conditions and possible depreciation of investments and participations. With the "PowerStrategy 2020" programme as well as the integration of OÖ. Ferngas AG, extensive measures were taken to strengthen the earning and financial power of the Group.

Despite the volatile environment, no risks were identified that can threaten the existence of the company either singularly or cumulatively, due also to the diversified business portfolio of Energie AG Oberösterreich.

See the appendix for more details on the risk and opportunities situation.

RESEARCH, DEVELOPMENT AND INNOVATION

In its daily actions and thoughts, Energie AG Oberösterreich sees the three pillars, i.e. research, development and innovation, as an essential growth engine and business activity. Technology priorities such as the energy-efficient use of energy, electromobility and the development of power-intensive data transmission technology as well as the development of new business models are the focus of attention for shaping the future. Socio-political topics and developments in the area of human resources are very important.

Cross-business area projects with a focus on technical research and development work as well as business innovations are very important within the whole Group.

With the expert knowledge of the employees of the Energie AG Group, projects are implemented in cooperation with industry-internal and external partners as well as with national and international institutions, special interest groups, committees and companies.

Key figures R&D&I	in	2013/2014
R&D&I projects in the Group	Number	93
R&D&I expenses in the Group	EUR mill.	3.5
Employees involved in R&D&I projects	Number	279

In fiscal year 2013/2014, research, development and innovation were conducted in the following projects, among others (excerpt):

powerJet Project

The "powerJET", a development of Energie AG Oberösterreich Data GmbH (Data GmbH), which has been registered for a patent, is a method that makes it possible to introduce a high density of mini pipes into an existing empty pipe.

That way, mini-pipes can be drawn into existing 50 mm pipes in a more dense and compact way and used more effectively. This results in efficient utilisation of the already established infrastructure. This is especially advantageous for fibre for the home environment (FTTH) and can reduce expensive excavation work. In addition, the Energie AG Group can make more intensive use of existing empty pipes for FTTH expansion with a completely new technology.

DG DemoNet Smart LV Grid Project

The Decentralized Generation (DG) DemoNet Smart Low Voltage (LV) Grid project was completed in the electricity grid at the end of fiscal year 2013/2014. In this project of Netz OÖ GmbH, voltage control was developed in the past three years to increase the hosting capacity for decentralised electricity

generation, and it was tested in a practical application. A total of 70 photovoltaic plants with total capacity of 440 kWp were connected in only two low-voltage power grids without amplifying the lines. The first findings have been already incorporated into everyday business, above all in the grid planning area. Based on these control systems and the experience in their practical use, the industry partners will now develop the respective products.

LED Efficiency Project

With the realisation of two model projects in Upper Austrian municipalities in which the entire light service chain was tested from an analysis of the lighting demand up to the construction of public street lighting systems based on LEDs, it was possible to develop a new business area for electricity sales. The Wels University of Technology is accompanying the project in which the ageing behaviour of LED lamps is being analysed. Hence the "More light – more savings – the service programme for lighting systems" project was established on a scientific basis through which it was possible to create a unique selling proposition over competitors.

Hydrothermal Geothermal Energy Potential Project

In the first ever Austria-wide research mandate, the potential of deep geothermal energy for district heating and electricity generation was analysed in a project team. Among other things, the objectives of the project were to obtain findings about the contribution of deep geothermal energy to the provision of heat and electricity in Austria from the perspective of geology and energy utilisation. Furthermore, economic and ecological assessments were carried out taking the framework conditions in Austria into consideration, and also conclusions and recommendations were obtained for using deep geothermal energy for energy in Austria. The geothermal energy potential was analysed in the project for approximately 90 municipalities according to defined criteria.

The Austria-wide geothermal energy fraction of district heating in 2012 was 0.4%. According to the analysis and assumed framework conditions, it could increase to 4.7% in 2020 and even to 8.7% in 2050. A reduction of the fossil primary energy demand would be a positive consequence of this. Taking cost-effective construction of systems into consideration, deep geothermal energy could make an effective contribution to the provision of heat.

MATERIAL EVENTS AFTER THE END OF THE FISCAL YEAR

On 01.10.2014, the name of AVE Österreich GmbH changed to Energie AG Oberösterreich Umwelt Service GmbH, AVE Energie AG Oberösterreich Umwelt GmbH changed to Energie AG Oberösterreich Umwelt Holding GmbH and OÖ. Gas-Wärme GmbH changed to Energie AG Oberösterreich Power Solutions GmbH.

On 07.10.2014, the variable interest tranche of the borrower's note loan in the amount of EUR 101.0 million was repaid before maturity. Likewise, the respective interest swaps with a nominal amount of EUR 90.0 million were cancelled early, because there was no longer any hedging relationship for this interest-rate hedge with the underlying transaction.

REDEFINITION OF THE SEGMENTS

The segments of the Group are defined in fiscal year 2013/2014 in a new structure in accordance with IFRS 8 "Business Segments", which is based on the internal reporting structure. The previous year's values were adjusted accordingly.

Segment Name	Included Activities
Electricity	- generation, trade and sales of electrical energy - companies included at-equity: Gas- und Dampfkraftwerk Timelkam GmbH, ENAMO GmbH, ENAMO Ökostrom GmbH
Distribution	- construction and operation of the electricity distribution grid including technical services - services in the telecommunications segment
Gas	- construction and operation of the natural gas distribution grid - sales of gas as well as the provision of energy services
Waste Management	- acceptance, sorting, incineration and landfilling of domestic and commercial waste
Water	- supplying drinking water as well as disposal of wastewater
Miscellaneous	- management and control functions in the Group's holding company - companies of the heating business area - Energie AG Oberösterreich Fair Energy GmbH and Fair Energy Renewable Power GmbH - companies included at-equity if they are not assigned to other segments

Electricity Segment

Electricity Segment Overview	in	2013/2014	2012/2013	Change
Electricity procured ¹⁾	GWh	18,328	15,252	20.2%
Own electricity production ¹⁾	GWh	2,664	3,376	- 21.1%
Electricity supply volumes	GWh	8,530	7,751	10.1%
Heat supply volume ²⁾	GWh	532	541	- 1.7%
Total sales	EUR mill.	1,066.0	984.0	8.3%
EBIT	EUR mill.	26.3	-10.6	348.1%
Investments in tangible fixed assets and intangible assets	EUR mill.	23.8	27.1	- 12.2%
Employees (average number)	FTE	424	433	- 2.1%

¹⁾ Electricity that is produced and assigned to other segments is not included

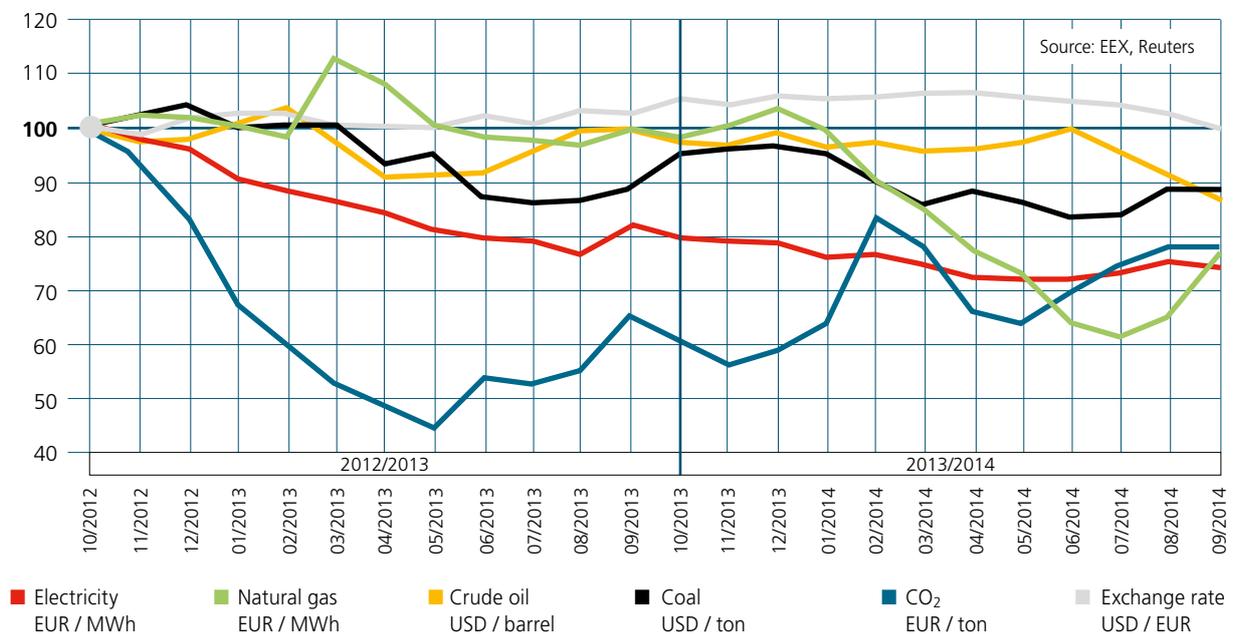
²⁾ Heat sold outside the Group

The Electricity Segment of Energie AG Oberösterreich covers the generation, trade and sales of electrical energy and moreover the companies Gas- und Dampfkraftwerk Timelkam GmbH, ENAMO GmbH and ENAMO Ökostrom GmbH that are included at equity.

The Economic Environment of the Energy Industry

The pricing trends in Europe's energy markets were mainly down in fiscal year 2013/2014.

Price Index Development on International Energy Markets



There were major price changes during the course of fiscal year 2013/2014 in the natural gas market as well as in trade with emission certificates. In July 2014, the price level in the spot gas market was around one-third lower than in October 2013. The unrest in the Ukraine triggered a trend reversal. Despite everything, the price level was still around 20% below that of the previous year at the end of the fiscal year. Trade with emission certificates showed a clear price increase of

approximately 20% compared to the beginning of the fiscal year. The still low level of an average of around EUR 6.4/t CO₂ equivalent for the year 2015 up to 2018 is an indication of continued low demand. After a temporary price increase in the coal market during the winter months, prices returned in September (API2 USD 74,5/t) essentially back to the level of the previous year. The crude oil market had an average price drop of 1.5%.

The electricity trading market for futures business was on the average around 13% lower than in the previous year at approximately EUR 35.8/MWh for the front year base product. The weak demand for electricity and continued growth of electricity generation from renewable energy constricted the flexibility for the free commercial markets in Europe even more thereby putting pressure on the prices. While the front year base quotations had relatively minor fluctuations in fiscal year 2013/2014 in a range between EUR 33.77/MWh and EUR 38.34/MWh, the balance energy market had a fluctuation bandwidth of EUR -283.2/MWh to EUR +743.3/MWh, which was an entirely contrasting picture. The high volatility of the prices of the balance energy market is the consequence of increasing im-balances between electricity demand and surpluses and deficits from electricity generation from renewable wind and solar energy.

The risk of supply outages is increasing in all of Europe through this development as a consequence of overstretching green electricity plants and the resulting displacement of conventional power plants in all of Europe that are capable of producing control energy. Hence, interruptions in cross-border intra-day trade accumulated over the course of the fiscal year. This resulted in multiple trading restrictions for Energie AG Oberösterreich through grid congestion due to increased electricity imports, above all on the German borders.

Business Development in the Electricity Segment

Against the background of these difficult developments in the energy markets, sales of EUR 1,066.0 million (previous year: EUR 984.0 million) were generated in the Electricity Segment in fiscal year 2013/2014 as well as an EBIT of EUR 26.3 million (previous year: EUR -10.6 million).

The increased sales in the Electricity Segment were generated mainly in the area of trading.

The negative EBIT of the previous year was impacted by numerous one-time effects. Due to the continued strained market situation for thermal power plants, analyses for fiscal year 2013/2014 showed additional needs for write-downs. There was another unscheduled depreciation of the biomass power plant Timelkam in the amount of EUR 4.3 million. Due to the upcoming shutdown of the Riedersbach II power plant, there was depreciation of the realty in the amount of EUR 2.7 million as well as another write-down of the coal inventory in the amount of EUR 3.5 million. Project costs for planned generating plants in the amount of EUR 3.8 million were subject to unscheduled depreciation due to a changed estimate of future cash inflow surpluses. Other unscheduled depreciation affected Cogeneration-Kraftwerke Management Oberösterreich GmbH (CMÖÖ) in the amount of EUR 2.8 million as well as usage rights for the 7fields gas reservoir in the amount of EUR 9.7 million due to the estimate of future gas price quotations.

In addition, the EBIT in fiscal year 2013/2014 was affected above all by the low water level as well as the difficult market situation and hence the declining use of conventional power plants. The optimum management of the electricity portfolio and a favourable market for balancing energy had a positive effect on the EBIT.

Electricity Production under Difficult Conditions

The ongoing low price level in the electricity markets led to a considerably lower use of the thermal power plants in Energie AG Oberösterreich Kraftwerke GmbH (Kraftwerke GmbH) in fiscal year 2013/2014 as compared to the previous year. The amount of electricity produced was almost cut in half to 450 GWh (previous year: 888 GWh). Besides the biomass power plant in Timelkam, which was operated throughout the year, the coal-fired power plant Riedersbach 2 was mainly used.

The provision of district heating in the Timelkam and Riedersbach power plants decreased by 10.0% in fiscal 2013/2014 to 231 GWh (previous year: 256 GWh) due to a smaller demand.

As a power plant that can be used flexibly with a good grid connection in the Southern Germany region, the CCGT power plant in Timelkam was kept as a power reserve for a German transmission system operator during the winter months. In the summer months, a power reserve was ensured for the Austrian transmission system operator as part of congestion management.

Hydraulic electricity production in the Electricity Segment from its own power plants and from subscription rights declined in the fiscal year 2013/2014 by 11.0% to 2,214 GWh (previous year: 2,488 GWh). The reason was less precipitation in the months from December to July and consequently a water level that was around 7% worse than the long-term average.

Generation from Renewable Energies Still a Priority

Making electricity procurement more flexible – for example through increased pumped storage capacities – must be considered to be fundamentally sensible for further market and competitive orientation. The pumped-storage power plant project Reißbeck II with a capacity of around 430 MW, in which Energie AG Oberösterreich has a 10.0% investment, will most likely be put into operation at the beginning of 2015. Hence, the subscription rights and therefore the control capability from the Malta-Reißbeck power plant group will increase by around half from the current 89 MW to around 130 MW. The Ebensee pumped storage power plant project is currently in the environmental impact assessment process.

The run-of-river power stations Stadl-Paura, Kleinarl and Grafenberg went into full operation in the reporting timeframe with maximum capacity in continuous operation of 6.5 MW and average output of 32.3 GWh.

The construction of other new hydropower plants as well as the expansion of existing hydropower plants will be pursued further under the prerequisite of cost-effectiveness. Whether specific projects will be realised is dependent on electricity market development and above all on whether the energy policy environment provides adequate investment security.

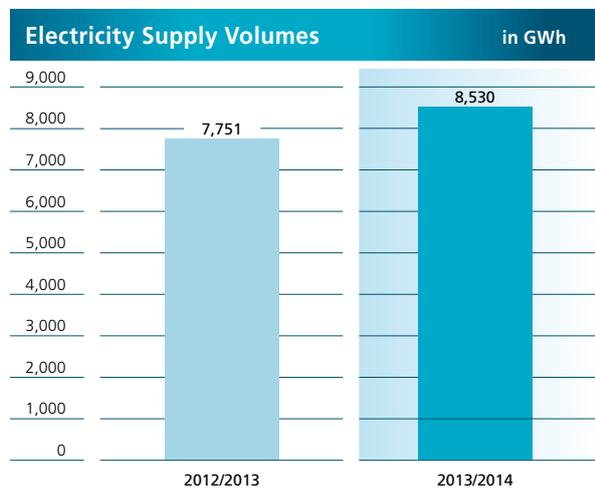
trieb GmbH & Co. KG (Vertrieb GmbH & Co KG) were able to take advantage of 30 days of free electricity if they extended their contracts by one year. The offer was accepted by more than 50% of the customers.

Last fiscal year, Vertrieb GmbH & Co KG once again successfully carried out the household appliance replacement promotion, which has been running since 2006, and an already proven campaign in which LED lamps were sold to customers for a good price.

Growing Competition in Electricity Sales

ENAMO Ökostrom GmbH won a major electricity pooling tender in the private customer sector in December 2013 with its online sales channel stromdiskont.at. It registered around 70,000 new customers and is therefore the second-largest electricity supplier offering electricity in the private customer segment across Austria.

The highest switch rate of electricity suppliers was reached in Austria in 2013 at 1.9%. During 2012, as scant 65,000 electricity customers made use of their right to choose. In calendar year 2013, there were already more than 114,000 customers. The trend is also continuing in 2014. From January to June, the switch rate in Austria was 2.6% and 4.2% in Upper Austria.



The consolidated electricity supply volumes in fiscal year 2013/2014 of 8,530 GWh exceeded the previous year's value of 7,751 GWh by 779 GWh (+ 10.1%). The main reason for the increase is the additional sales to industrial customers as a consequence of the current electricity price situation, which is leading to customers shutting down their own generation plants and buying electricity instead in the form of special deliveries.

During the course of an extensive customer loyalty promotion in January 2014, customers of Energie AG Oberösterreich Ver-

Distribution Segment

Distribution Segment Overview	in	2013/2014	2012/2013	Change
Electricity distribution volumes	GWh	8,056	7,530	7.0%
Total sales	EUR mill.	259.4	263.8	- 1.7%
EBIT	EUR mill.	36.5	35.9	1.7%
Investments in tangible fixed assets and intangible assets	EUR mill.	68.8	68.3	0.7%
Employees (average number)	FTE	820	831	- 1.3%

The distribution segment of Energie AG Oberösterreich comprises the construction and operation of the electricity distribution system including the technical services as well as services in information and communication systems.

General Regulatory Conditions

The third, once again five-year regulatory period up until the end of 2018, began in January 2014 for Austrian electricity distribution grid operators. The general conditions of the regulation were also adapted at that time. Hence, the WACC before taxes was set to 6.42% and the general productivity factor was set to 1.25%.

There was also a new setting of the electricity distribution system fees by the regulatory authority E-Control Austria at the beginning of January on the basis of the preceding cost review. As a result, the grid fees of Netz Oberösterreich GmbH dropped by an average of 2.6%. Due to the considerably improved benchmarking value, reductions of the grid fees are clearly below the Austrian average, with the exception of network level 7. Netz OÖ GmbH has lodged a complaint against the cost calculation decision by E-Control. The decision of the Federal Administrative Court is still pending.

Changes to the legal framework (EIWOG amendment, Federal Energy Efficiency Act, Consumer Rights Guideline Implementation Act etc.) made reformulation of the general distribution grid conditions necessary, which was approved in September 2014 and will go into force in February 2015.

Business Development in the Distribution Segment

Against the background of this regulatory environment, the distribution segment generated sales of EUR 259.4 million (previous year EUR 263.8 million) in fiscal year 2013/2014 as well as an EBIT of EUR 36.5 million (previous year EUR 35.9 million).

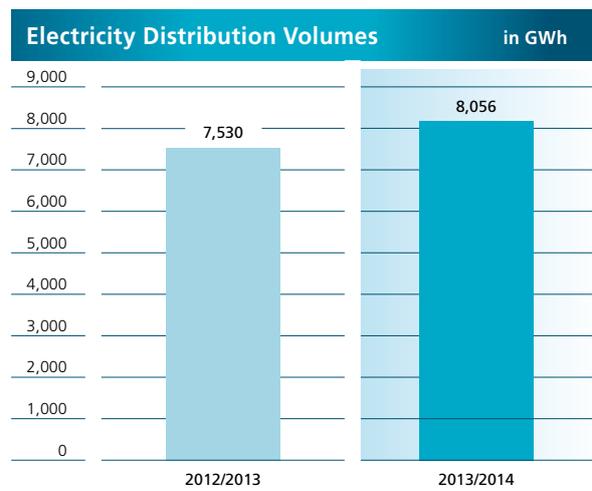
The main influencing factor on sales and the EBIT is the electricity grid, and in particular the regulatory framework conditions that were described. The lowering of the electricity grid fees by E-Control Austria had a negative effect on the EBIT of the segment.

Regulatory accrual items were reported in the previous years both on the assets as well as liabilities side. Due to a change to the accounting and valuation methods, these items will no longer be in the balance sheet. The previous year has already been adjusted accordingly. Regarding the impact, refer to the notes of the consolidated financial statements.

The Data business area made a positive contribution to the EBIT of the Distribution Segment. Furthermore, there were one-time effects in the EBIT in the previous year for a gradual step-in retirement model.

A Secure Electricity Grid for Upper Austria

The electricity quantities distributed by Netz OÖ GmbH in fiscal 2013/2014 constituted an all-time high. The cause of this



was the trend amongst industrial and commercial customers to exploit the low electricity prices in trade and cut back their own electricity generation in favour of increased energy purchases. This customer segment used 11.7 % more electricity than the previous year. Due to the mild winter, electricity consumption in the private customer segment was below the previous year's value at 52 GWh. In total, 8,056 GWh of electricity was distributed to end-consumers. As of 30.09.2014, Netz OÖ GmbH distributed power to around 481,000 active customer systems.

The availability of the electricity grid increased. In the past fiscal year, both non-availability times because of incidents as well as those caused by scheduled shutdowns were below the level of the previous year.

Regarding projects, the past fiscal year was characterised by continuation of the program for placing medium-voltage overhead lines, which are particularly prone to breakdowns, into cables, and the project planning and approval phases of high-voltage line projects such as the Almtal and Kremstal power supply, and Pramtal South power supply. The necessary contracts with the German and Austrian partners were signed in the Jochenstein grid connection project, and additional sections were piped in advance in preparation. The German grid partner took over ca. 7 kilometres of the high-voltage line for maintaining the power capacity of a secured second supply for the upper Mühlviertel.

The rapid growth of photovoltaic plants in the past years slowed somewhat for the first time in fiscal year 2013/2014. At the end of the fiscal year, the total capacity of photovoltaic plant connected to the grid was almost 100 MW. The first findings from research and development projects were incorporated successfully for efficient grid integration.

Data Networks as a Key Factor of the Future

Due to the use of more modern communications equipment, demands for higher availability and the increasing need for bandwidth, the market is calling for more fast data connections. Data GmbH responded to this increasing demand with constant expansion and densification of its optical fibre network. Well-known customers were won over for the "powerSPEED business" product series once again in fiscal year 2013/2014.

The high-availability optical fibre network that is equipped with a high security standard now comprises a length of more than 6,500 km. Among others, it supplies banks, healthcare facilities, administration facilities, small- and medium-size busi-

nesses and multi-site customers. Expansion of this network is also being pushed ahead during the course of the broadband initiatives of the state of Upper Austria.

Due to high demand, a FTTH (fibre to the home) expansion was prepared for private customers in the reporting timeframe. Adequate products for private customers are positioned in the market under the name "powerSPEED private".

In addition, Data GmbH provides the metering services for its sister company Netz OÖ GmbH. Due to legal requirements, the electricity measurement services must be provided in the future with the help of intelligent electricity metres (Smart Meters). There are currently around 160,000 electricity meters in use in the Energie AG Group. The extensive rollout of about 300,000 additional smart meters will start at the beginning of the new fiscal year.

Competitive Technical Services

Energie AG Oberösterreich Tech Services GmbH (Tech Services GmbH) provides technical services for all grid-related systems in the Group to Netz OÖ GmbH as well as Data GmbH. In the process, it orientates itself around conditions in the external market for the respective products and services and around the quality and security standards defined in the Group. Additional Group-internal as well as external contracts ensure full utilisation of the engineering and installation team of Tech Services GmbH.

Gas Segment

Gas Segment Overview	in	2013/2014	2012/2013	Change
Natural gas supply volume	GWh	2,037	2,463	- 17.3%
Natural gas transports to end customers/grid operators	GWh	21,879	23,421	- 6.6%
Heat supply volume ¹⁾	GWh	109	115	- 5.2%
Total sales	EUR mill.	162.9	200.6	- 18.8%
EBIT	EUR mill.	20.2	18.2	11.0%
Investments in tangible fixed assets and intangible assets	EUR mill.	37.9	29.8	27.2%
Employees (average number)	FTE	205	212	- 3.3%

¹⁾ Heat sold outside the Group

The gas segment of Energie AG Oberösterreich comprises construction and operation of the natural gas distribution system, the sale of gas as well as provision of energy services in the subgroup OÖ. Ferngas AG.

After Energie AG Oberösterreich signed the contracts on 06.03.2014 to take over the remaining shares of OÖ. Ferngas AG, it became the sole owner. In fiscal year 2013/2014, preparations were made for the complete integration of OÖ. Ferngas group of companies into the organisation of the Energie AG Group, which will be executed in fiscal year 2014/2015.

General Conditions in the Gas Industry

Business development of the gas grids was decisively determined by regulatory interventions in fiscal year 2013/2014, as was the case in the past. The annual tariff determination process for the gas grids was concluded in the first half-year of 2013/2014, and the 2014 amendment of the Gas System Usage Fee Ordinance (GSNE-VO) went into force on 01.01.2014. A tariff increase of 4.7% for grid level 2 and 5.0% for grid level 3 was decreed in the Upper Austria grid area. In addition, a tariff system was established for major customers (> 400 MW contractual maximum output) that facilitates short-term grid usage on the basis of daily output prices. In addition, the introduction of grid provision charges for production and storage plants is new. This was applied for the first time for the connection of the 7fields reservoir.

Mandatory use of the switching system was introduced in fiscal year 2013/2014 for all customer transactions between suppliers and grid operators. This led to simplification of the procedures because only one exact data provision allows a process to initiate.

Business Development in the Gas Segment

Sales in the Gas Segment in fiscal year 2013/2014 were EUR 162.9 million. Compared to the previous year, this means a drop of EUR 37.7 million or 18.8%. The EBIT of the segment in fiscal year 2013/2014 was EUR 20.2 million (previous year: EUR 18.2 million), which corresponds to growth of 11.0%. This increase was mainly generated in the gas distribution system as well as through optimisations in the subsidiary OÖ. Gas-Wärme GmbH.

Regulatory accrual items were reported in the previous years both on the assets as well as liabilities side. Due to a change to the accounting and valuation methods, these items will no longer be in the balance sheet. The previous year has already been adjusted accordingly. Regarding the impact, refer to the notes of the consolidated financial statements.

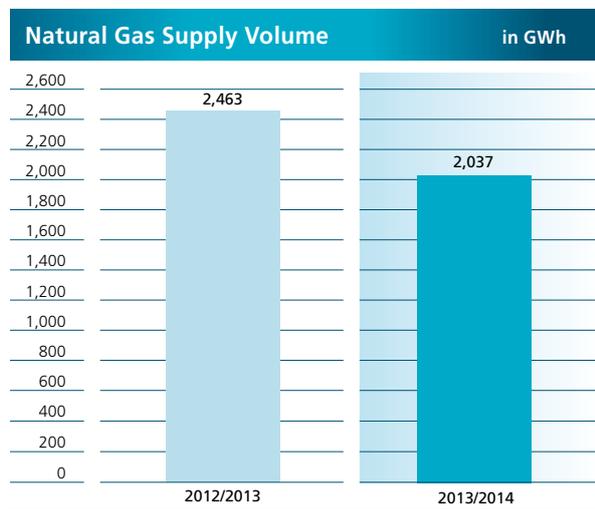
Expansion of the Supply Infrastructure

The 7fields reservoir and Haidach connection projects were completed successfully in fiscal year 2013/2014. The high-pressure natural gas line EHDL 100 as well as EHDL 076 were put into operation on schedule in winter 2013/2014. Hence, OÖ. Ferngas Netz GmbH is investing in the energy future and taking another step towards strengthening supply reliability. The 34 kilometre long line begins at the natural gas node in Puchkirchen and runs up to the natural gas reservoir in Haidach. Furthermore, a branch line (EHDL 076) also runs up to the 7fields reservoir.

Another major project that was completed was the construction of EHDL 108 Burgkirchen-Altheim including the supply to the municipalities of Geinberg and Altheim.

In fiscal year 2013/2014, around 21,879 GWh of natural gas were transported in Upper Austria through the natural gas pipelines of OÖ. Ferngas Netz GmbH to end customers and grid operators (previous year: 23,421 GWh). The decline of 6.6% is mainly attributable to smaller quantities for the power plants as well as the above-average mild winter.

The mild winter with around 15% fewer heating degree days than in the previous year had a considerable impact on natural gas sales as well. As a result, and also conditional on energy efficiency effects and strong competition, sales dropped by 17.3% compared to the previous year. OÖ. Gas-Wärme GmbH supplied a total of around 63,400 customer facilities in Austria by the end of financial year 2013/2014. Hence, the customer base dropped by around 4,700 customer facilities compared to the previous year. The reason was the increased number of supplier changes that was promoted through campaigns such as those of the Association for Consumer Information (VKI) in spring.



The subsidiaries in the Czech Republic and Slovakia for the Biogas Engineering business closed the fiscal year successfully. In both countries they were able to transact new orders for the construction of biogas plants in the role of general contractors, although the order situation continued to decline. Important progress was made in the further development of the plants for more intense use of secondary raw materials; such a pilot project was implemented in Austria.

With the brand ENSERV, OÖ. Gas-Wärme GmbH supplies district heating to its customers in the public institutions, residential trade and commercial segments. In fiscal year 2013/2014, the quantity sold was 109 GWh, which was around 5.2% below the previous year's value as a result of the weather. Altogether, ca. 10,000 heating customers were supplied by the 539 heating energy plants (previous year: 523). An important part of the business policy is the energy source neutral offer of heating energy plants, whereby the majority of the plants run on natural gas. Another extensive contract was concluded in the industrial sector for heat contracting.

Waste Management Segment

Waste Management Segment Overview	in	2013/2014	2012/2013	Change
Waste volume handled	1,000 to	1,746	1,804	- 3.2%
Thermally processed waste	1,000 to	628	625	0.5%
Electricity produced	GWh	207	206	0.5%
Heat supply volume ¹⁾	GWh	149	134	11.2%
Total sales	EUR mill.	209.5	228.0	- 8.1%
EBIT	EUR mill.	5.4	7.5	- 28.0%
Investments into tangible fixed assets and intangible assets	EUR mill.	12.9	13.2	- 2.3%
Employees (average number)	FTE	818	938	- 12.8%

¹⁾ Heat sold outside of Group

The Waste Management Segment of Energie AG Oberösterreich covers the acceptance, sorting, thermal processing and dumping of household and industrial waste materials. In fiscal 2013/2014, it operated in the market under the brand name AVE.

The sale of AVE's Eastern European activities (Czech Republic, Hungary, Slovakia, Romania, Ukraine), initiated in the fiscal year 2012/2013, was finalized with the closing on 12 November 2013. The business activities in Moldova were sold to the joint venture partner, the city of Ungheni, as of 29 November 2013. Since the end of November 2013, the Waste Management Segment, as a result, has continued to cover the activities in Austria, Italy, the slag conditioning operations of AVE Metal Recovery GmbH and non-operative AVE Heves Régió Kft. in Hungary.

With regard to the remaining waste management business activities in Austria and South Tyrol, a strategic and organisational realignment in the context of an intra-Group project is in the process of being implemented.

Business Environment of the Waste Management Sector

The business environment in the waste management markets remained tense, which means that the subject of conservation of resources and secondary raw material recovery continues to have priority as a positive development aspect, both at a national and international level. By means of new statutory requirements and drafts, the European Commission is seeking to ensure compliance with the waste-related directives across Europe and even penalise infringement of the provisions. This continues to boost the area of the waste and recycling industry.

Due to the increased quality of waste separation, the waste management market is characterised by stagnating or declining volumes of residual waste and continuously low prices for recyclable materials.

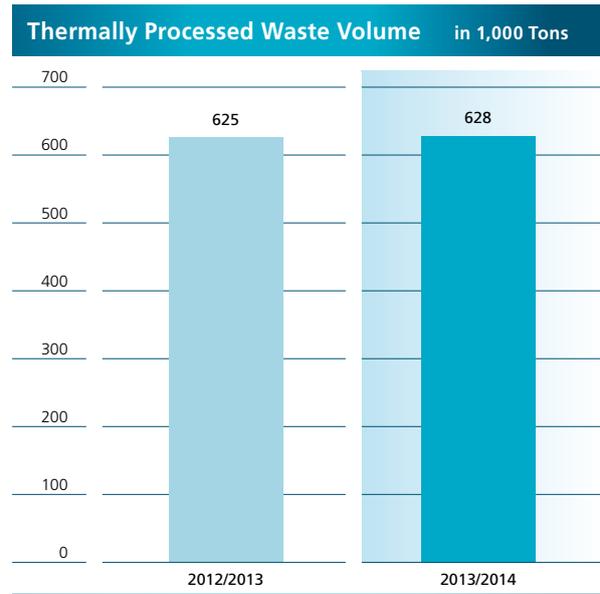
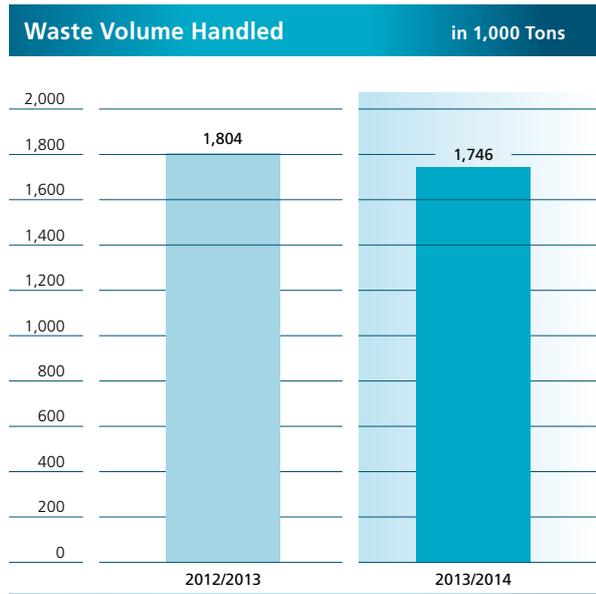
The fiscal year 2013/2014 was characterised by slightly falling prices for recyclable materials, particularly where aluminium and copper were concerned, but also in the area of waste paper and packaging. The competition for the declining waste volumes caused the prices for industrial waste, in particular, to stagnate at a low level. According to forecasts, these trends are expected to continue over the coming months.

Business Development of the Waste Management Segment

Sales in the Waste Management Segment in fiscal 2013/2014 reached EUR 209.5 million (previous year EUR 228.0 million) and were thus 8.1% below the previous year's figures. An EBIT was achieved in the amount of EUR 5.4 million (previous year EUR 7.5 million).

Both sales and EBIT were significantly affected by the declining prices for recyclable materials and the prices for industrial waste that stagnated at a low level.

An additional factor affecting the result of the Waste Management Segment is the price situation in the whole sale market for electricity, which adversely affected the operating result from electricity volumes sold from thermal processing in the fiscal year 2013/2014.



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 and relying on consistent cost management for several years.

Despite the existing over-capacities in the area of thermal waste treatment in Austria, AVE's thermal processing facilities in Wels and Lenzing were able to be utilised optimally. Due to waste imports from competitors from Italy and Slovenia, as well as the decommissioning of the biological part of the mechanical-biological waste processing facilities, the volumes in Austria rose by around 130,000 tons.

On account of the general economic conditions, business activities and waste volumes handled in the industrial and SME customer segment remained at the level of the very mild winter. The usual boost at the beginning of spring was missing completely in the year under report.

In the fiscal year 2013/2014, the Wels waste incineration plant supplied 149 GWh of heat to the district heating network of the city of Wels and to another customer. Against the background of declining wholesale market prices, electricity production in the Waste Management Segment amounted to 207 GWh (previous year: 206 GWh).

South Tyrol

In South Tyrol, winning bid invitations and increases in the recyclable materials area led to a slight rise in sales.

In the fiscal year just ended, a cost-lowering and efficiency enhancement programme was initiated. Key measures have already been implemented. As part of this programme, for example, the number of employees was lowered by more than 13.0% to 48 FTEs and the processes, particularly in the area of substitute fuels and plastics processing, were optimised.

Water Segment

Water Segment Overview	in	2013/2014	2012/2013	Change
Billed drinking water quantities	m ³ mill.	51.4	52.2	- 1.5%
Billed waste water quantities	m ³ mill.	43.8	43.7	0.2%
Total sales	EUR mill.	125.1	130.8	- 4.4%
EBIT	EUR mill.	9.3	9.5	- 2.1%
Investments into tangible fixed assets and intangible assets	EUR mill.	6.6	6.4	3.1%
Employees (average number)	FTE	1,544	1,565	- 1.3%

The Water Segment of Energie AG Oberösterreich consists of the supply with drinking water, as well as of the disposal of wastewater. Its main markets are the Czech Republic and Austria.

In Slovakia, market management and development was carried out by Bratislava-based branch of Energie AG Oberösterreich Wasser GmbH, which was established in fiscal 2010/2011. As no specific opportunities for a market entry emerged over the recent years, the branch was closed.

Business Environment of the Water Segment

In the core business of providing drinking-water and wastewater disposal services, the general operational conditions were stable in the main markets Czech Republic and Austria.

Contrary to what was initially announced by Miroslav Singer, Governor of the Czech National Bank (CNB), the weakening of the Czech koruna (CZK) by means of a monetary intervention on the foreign exchange market, which was introduced by the country's own national bank in early November 2013, is to be continued to the year 2016. Only in spring 2014, it was announced that the active currency intervention was to end by 2015. The monetary policy instruments were adopted to curb deflationary pressures and to aid economic recovery. In the fiscal year just ended, the value of the CZK compared to the euro dropped from around 25.7 at the start of the intervention to an interim low of not quite 28.0. The target level set at the beginning of the intervention was initially 27.0 CZK per EUR. Due to the consolidation of the Czech investments, which make the proportionately largest financial contribution in the Water Segment, translation risks became a reality through the CNB's decision in fiscal 2013/2014, which are reflected in the financial performance compared to the previous year.

The Czech water market, which is strategically important for the Water Segment, is characterised by a high need for re-investment in water sector infrastructure. Approximately 80% of the market is already supplied by organisational models that involve the private sector. In most cases, the water sector infrastructure remains the property of the municipalities and is operated by private companies which provide know-how and capital. The tendering of licences leads to a high level of com-

petition. Moreover, the price calculation principles defined by the Czech Ministry of Finance and the rules implemented in connection with EU funding contain provisions that regulate and control the pricing mechanism centrally.

Unlike in the Czech Republic, the responsibility for the water infrastructure and its operation in Austria is mainly in the hands of the municipalities, respectively the public sector. The municipal responsibility with regard to water supply is constitutionally protected as part of services for the public. It is however stressed that the municipalities are granted autonomy to manage the way the services are carried out. Concession models of the type that are applied in the Czech Republic have so far not been applied in Austria.

In Slovenia, the overall economic conditions and order situation have slightly improved. Nevertheless, the framework conditions remain difficult.

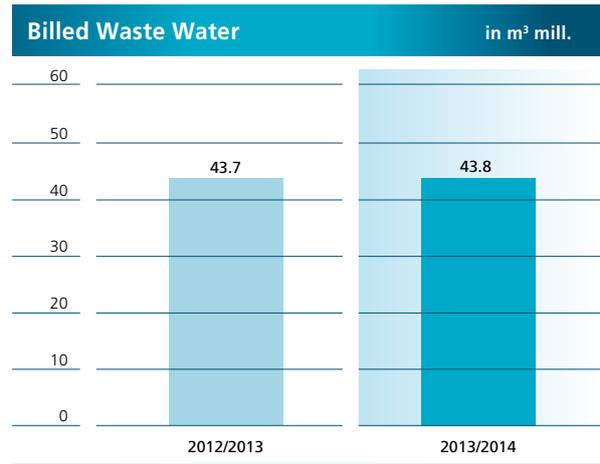
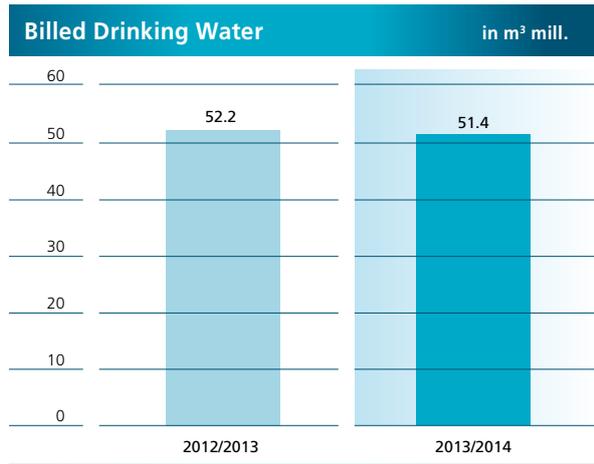
Business Development of the Water Segment

Fiscal 2013/2014 saw sales in the Water Segment amounting to EUR 125.1 million and an EBIT of EUR 9.3 million. Compared to the previous year (sales EUR 130.8 million), there was a decline in sales by 4.4%, which is attributable to the mentioned loss in value of the CZK. The EBIT in the Water Segment dropped 2.1% from EUR 9.5 million in the previous year to EUR 9.3 million due to the exchange rate.

Despite a key customer loss, the operating results in waste water management were able to be improved due to further optimisation of the corporate organisation, savings in market and project development and efficiency enhancement.

In fiscal 2013/2015, the companies in the Water Segment billed 51.4 million m³ of drinking water and 43.8 million m³ of waste water. This equals a decline of 0.8 million m³ or 1.5% for drinking water and a slight increase of 0.1 million m³ or 0.2% for waste water. The consumption levels in the supplied areas are within the bandwidth of the previous years.

As of 30 September 2014, approximately 1,046,000 inhabitants were supplied with drinking water while waste water management was carried out for 694,000 customers.



Optimisation and Efficiency Enhancements in the Czech Republic

In the Czech Republic the focus of activities in the fiscal year just ended was on energy efficiency and the use of renewable energies. In addition to projects such as the erection of drinking-water power plants for producing electricity, combined heat and power plants and photovoltaic systems, work in the year under review continued on existing optimisation programmes to enhance efficiency in business management, administration and the commitment of capital. By employing comprehensive benchmarking systems for the areas of water treatment systems, water loss and waste-water treatment plants, best practices were identified across the Group and made available for use to all intra-Group companies and participations.

In the core business, all of the companies participated in tenders for licenses within and outside of the operating areas to secure and increase the market share. In Kolín a tender was won with the group water association. Accordingly, Vodos Kolín has been awarded the drinking-water supply operation for the city for another 10 years.

Stable Development in Austria

In Austria, WDL-WasserdienstleistungsGmbH (WDL) supplies drinking water to 47 towns, municipalities and cooperatives and provides services in the drinking water and waste water area. Its portfolio currently comprises the provision of water services (e.g. water loss analysis, hydrant services, container cleaning and disinfection), sewage services (pipe inspection and pressure checks) and the operation of water and waste-water plants. In the context of its organisational management functions, the company is in charge of business management in six organisations. The company's sales activities were concentrated across the entire national territory (Austria) and Southern Bavaria.

Slovenia

In Slovenia, apart from the existing and new service business, opportunities to expand the engagement are still being assessed.

Varinger d.o.o. based in Maribor operates in the sewage and waster services area. The new services being offered in the area of inspection and blockage elimination in domestic sewer systems have now also been launched successfully in Ljubljana.

Miscellaneous Segment

Miscellaneous Segment Overview	in	2013/2014	2012/2013	Change
Electricity procured ¹⁾	GWh	28	26	7.7 %
Heat supply volume ^{1) 2)}	GWh	582	650	- 10.5 %
Total sales	EUR mill.	122.7	121.7	0.8 %
EBIT	EUR mill.	7.9	- 4.6	271.7 %
Investments into tangible fixed assets and intangible assets	EUR mill.	14.6	12.3	18.7 %
Employees (average number)	FTE	620	623	- 0.5 %

¹⁾ Quantities sold that are assigned to other segments are not included

²⁾ Heat sold outside of Group

The Miscellaneous Segment of Energie AG Oberösterreich comprises the management and control functions of the holding company of the Group, the companies of the Heating Business Area and of Fair Energy, as well as all companies associated at equity if they are not assigned to other segments.

Business Development in the Miscellaneous Segment

In fiscal 2013/2014 the Miscellaneous Segment saw sales amounting to EUR 122.7 million (previous year EUR 121.7 million) and an EBIT of EUR 7.9 million (previous year EUR -4.6 million).

This positive development of the EBIT was mainly accounted for by considerably higher earnings from associated companies incorporated at equity, lower one-off effects from the gradual step-in pension plan and by the sale of real estate.

Stable Development in the Heating Business Area

Energie AG Oberösterreich Wärme GmbH (Wärme GmbH) supplies 34 municipalities in Upper Austria and the Czech Republic with environmentally friendly district heating. In 2013/2014, customers were supplied with a total amount of 582 GWh of heat (previous year 650 GWh).

The decline in heat sales was primarily attributable to the mild winter, but was able to be largely compensated for by successful customer acquisitions and the supporting fact that district heating is one of the most popular forms of heating.

The development of Austria's largest geothermal project in Ried im Innkreis, in which Wärme GmbH holds a 40.0% share, remains on schedule. After the completion of the pumping tests, operation commenced last autumn, initially using natural gas. Following the approval by the Provincial Government of Upper Austria, heat has been produced by using geothermal energy since 18 February 2014. By 2017, in combination with two peak load gas boilers, customer systems with a connected value of approx. 34 MW are to be supplied.

The wholly owned subsidiary Energie-Contracting Steyr GmbH operates in the industrial customer segment and continued its positive development in supplying its industrial customers in the previous fiscal year.

The joint project with EVN Wärme GmbH in Steyr continued to perform extremely well in the fiscal year 2013/2014. In fiscal 2013/2014, the two companies Bioenergie Steyr GmbH (49.0% stake) and Fernwärme Steyr GmbH (51.0% stake) supplied their customers with 78 GWh of heat via a district heating network covering 11 kilometres and 41 GWh of electricity.

During the course of integrating OÖ. Ferngas AG into the Group, Energie AG Oberösterreich Wärme GmbH took over three biomass networks as of 30 September 2014 and now also supplies district heating to customers in Freistadt, Weichstetten and Pregarten.

The Czech subsidiaries continue to report sustained positive business performance. The city of Jeseník has been supplied with district heating since 1 January 2014.

The heating business area has demonstrated by its stable development that challenges posed by the environment – particularly by new statutory requirements – can be managed well and that by setting new priorities it is even possible to secure success lastingly.

Renewable Energies Photovoltaics and Wind as well as Electric Mobility

The Group subsidiary Energie AG Oberösterreich Fair Energy GmbH (Fair Energy GmbH) develops and implements wind power and photovoltaic projects.

During the course of fiscal year 2013/2014, its photovoltaic activities expanded abroad for the first time by the acquisition of two systems in Italy. The Group's photovoltaics portfolio has thus increased to more than 4 MW in line with the defined path of development.

The identification and initiation of business in relation to profitable wind power investment opportunities at attractive locations in Austria was being actively pursued.

In the field of electric mobility, the main focus is on products for charging at home and at company locations. With respect to the latter, a pilot plant was erected for several target groups (fleet, employees and customers). Alongside these activities, the focus was on the selective expansion of public charging stations.

Strategic Participations

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

The earnings share of companies associated at equity during fiscal 2013/2014 amounts to EUR 17.2 million, which is an increase of approx. EUR 4.4 million compared to the previous year (EUR 12.8 million).

In fiscal 2013/2014, Energie AG Oberösterreich sold its stake in **LIWEST Kabelmedien GmbH** and, at the same time, acquired 100% of ÖÖ. Ferngas AG.

Also, the liquidation of **Tauerngasleitung GmbH** was initiated on 11 April 2014. Energie AG has a 17.75% stake in Tauerngasleitung GmbH. Due to the intensification of the unbundling provisions for transmission network (pipeline) operators due to the European Union's Third Package for the Internal Gas Market, current shareholders in the existing composition were legally prohibited from running a transmission network operation. At the Shareholders' Meeting on 3 April 2014, it was therefore decided to initiate a liquidation process, and the public was informed.

Energie AG Oberösterreich holds a 50% stake in **Ennskraftwerke AG**. With regard to Energie AG Oberösterreich's procurement portfolio, electricity procurement rights from Ennskraftwerke AG make up a strategically important part of the renewable energy share, at optimised costs and risks.

The fiscal year 2013 (01 Jan. 2013 to 31 Dec. 2013) was characterized by extreme events such as floods, cold temperatures, wet weather and drought. In terms of the energy industry, however, an annual power generation of 1,915 GWh and a production coefficient of 1.04 were achieved, equalling the seventh best values in all of Ennskraftwerke AG's history.

In the second quarter of 2014, construction work started on the erection of the new Enns-Hilfswehr power plant. In the third quarter, preliminary work started on the renewal of machinery at Ternberg power plant.

Wels Strom GmbH is a 49% shareholding of Energie AG Oberösterreich and positions itself primarily as a fully integrated energy supplier for the town of Wels and several municipalities on its outskirts. The business activities of Wels Strom GmbH therefore correspond to the central and strategic core business areas of Energie AG Oberösterreich.

During the last fiscal year (1 January 2013 to 31 December 2013) the company's own electricity generation dropped by 1.9% to 144 GWh compared to 2012. Production at the hydro-power plants decreased due to reduced water levels in the river Traun by 8.3% to 79 GWh (previous year 86 GWh). Production at the heat-operated district heating plant increased by 7.2% to 65 GWh (net production). The hydropower plant Traunleiten is currently undergoing a technical and economical evaluation in view of the location's further development.

The electricity volumes that Wels Strom GmbH supplied to its customers were once again noticeably increased from 562 GWh in the previous year to 589 GWh. This increase is largely attributable to the electricity sales channel "Voltino".

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

Compared to 2012, which in terms of water management was an exceptional year, own electricity production in the hydro-power plants in fiscal 2013 (1 January 2013 to 31 December 2013) was down slightly, which is particularly attributable to the floods in the summer of 2013, which led to several outages. Production at 1,464 GWh was around 2.3% below the previous year's value, but about 3.3% above the regular work capacity. Due to a change in power plant utilisation, electricity production at the thermal power plants amounted to 191 GWh, which was around 11.3% lower than the previous year's levels. In total, electricity generated at own power plants was 3.2% below the previous year's levels.

The amount of gas sold to end-consumers also declined, falling from 1,822 GWh in the previous year to 1,796 GWh in fiscal 2013. In the same period, however, heat sold rose from 769 GWh to 821 GWh. The amount of drinking water billed remained almost stable and stood at 10.2 million m³ in fiscal 2013. The strong growth in the area of telecommunications continued.

Shared Services

The Miscellaneous Segment comprises the service companies Energie AG Oberösterreich Business Services GmbH (Business Services GmbH), Energie AG Oberösterreich Customer Services GmbH (Customer Services GmbH) and Energie AG Oberösterreich Personalmanagement GmbH (Personalmanagement GmbH).

The products and services offered by shared services companies comply with the Group's defined quality and safety standards and are provided on the basis of external market conditions for corresponding products and services.

Based on the results of the PowerStrategy 2020 project, services continued to be bundled internally within the Group and specific efficiency enhancement, process optimisation and synergy utilisation measures were initiated.

Business Services GmbH is the Group's internal service company for procurement and logistics, facility management, information technology, accounting, insurances and legal advice services. In fiscal 2013/2014, its relevant activities were the optimisation and further development of the Group's IT systems, the optimisation of the electronic procurement platform and the reorganisation of the real estate department in the area of facility management as well as dispatch and print operating. Preparations were made for the integration of OÖ. Ferngas group of companies and parts of the AVE group of companies in Business Services GmbH.

The Group's customer services, as well as billing, change-of-supply management, collection management and payment processing

with customers, are bundled in Customer Services GmbH. These services are provided primarily for Netz OÖ GmbH, Vertrieb GmbH & Co KG, ENAMO GmbH and ENAMO Ökostrom GmbH. Its customers also include other companies within the Group and external companies. In fiscal 2013/2014, the employees provided services for more than 1.46 million customer contracts. The successful processing of utility change management for around 70,000 new customers in the context of the VKI campaign "Energiekosten-Stop" (Stop energy costs) on behalf of ENAMO Ökostrom GmbH presented a major challenge.

In addition to Human Resources (HR) consulting, payroll accounting, training services and apprenticeship training, the activities of Personalmanagement GmbH also include Group HR policy control functions on behalf of the Board of Management. In fiscal 2013/2014, the activities focused primarily on the implementation of the current step-in pension model and assistance with the preparations for the full integration of the OÖ. Ferngas group of companies.

Outlook

The core element of the PowerStrategy 2020 project is the integration of OÖ. Ferngas AG, which is being implemented by taking several essential corporate measures.

During the course of the calendar year 2015, the network management division of OÖ. Ferngas Netz GmbH will be split off and transferred to Netz OÖ GmbH with retroactive effect from 1 October 2014. Likewise, the optical fibre marketing division of OÖ. Ferngas Service GmbH will be split off and transferred to Energie AG Oberösterreich Data. OÖ. Ferngas AG, OÖ. Ferngas Netz GmbH and OÖ. Ferngas Service GmbH will subsequently be merged with Energie AG Oberösterreich. As a result, OÖ. Gas-Wärme GmbH will become a direct subsidiary of Energie AG Oberösterreich. During the course of the calendar year 2015, former Fair Energy GmbH is going to be merged with Energie AG Oberösterreich Power Solutions GmbH (Energie AG Power Solutions) with retroactive effect from 1 October 2014. Power Solutions GmbH will, in turn, transfer several biomass district heating plants to Wärme GmbH.

In the context of integrating the electricity and the gas network, the fundamental course has already been set regarding the company's future organisational structure as combined-network operator. Starting in the new fiscal year, the individual operational processes will be harmonised, integrated and optimised. Due to regulatory and management control requirements, attention must be given to clear cost assignment, and reporting has to be reorganised.

In the coming fiscal year 2014/2015, the situation in the energy markets is expected to remain tense, which means that major

challenges are expected, particularly for electricity production. The significance of balancing energy and reserve power will increase in the years ahead. Contracts for reserve power have already been concluded with a German network operator for the fiscal years 2015/2016 and 2017/2018. With the commissioning of the Reißbeck II pumped storage power plant, scheduled for the first half of 2015, Energie AG Oberösterreich that has a 10% procurement right will be provided with state-of-the-art pumped storage power plant capacities with maximum efficiency, which will primarily be able to compensate for the increasing fluctuations in production from wind and solar energy.

In December 2014, the ENAMO group of companies will be launching a big customer loyalty campaign with well-proven discounts and new electricity supply products. In February, there will be another energy efficiency campaign with a new and attractive product for customers.

Besides consolidating all supply-related activities in the area of gas, heating, energy services and data services in Energie AG Power Solutions, the activities covered by this company will focus centrally on the set-up and expansion of the defined development areas of gas supply for key customers, energy contracting and renewable energies.

The expansion of Upper Austria's largest optical fibre network will be pursued further in the coming year. In the business customer segment, the already announced broadband support by the Province of Upper Austria is expected to attract a large number of new connected customers. The new market segment "private customers" will be developed by launching a

campaign called "powerSPEED privat", directed at the private customer segment. It will start connecting settlement areas selectively by giving priority to economic efficiency.

Besides continuing its efforts to win new customers in its existing supply areas, the business area heating will remain focused on its core competences and on strengthening its pioneering role in heat production based on renewable energy sources such as biomass and geothermal energy.

Following the sale of the Eastern European activities in the Waste Management Segment, the former "AVE" brand will be replaced by the "Energie AG Oberösterreich Umwelt Service GmbH" brand in the remaining markets Austria and South Tyrol, taking effect on 1 October 2014. During the course of fiscal 2014/2015, the rebranding is scheduled to be gradually completed. The weak economic growth is posing a great challenge to newly established Energie Oberösterreich Umwelt Service GmbH. The currently very tight cost savings programme and the devised efficiency enhancement measures approved by the owner will contribute towards achieving the targets set for the coming fiscal year 2014/2015.

In the Water Segment, efficiency enhancement measures initiated in the fiscal year 2013/2014 just expired will be continued. In the drinking and waste water business area, the companies are preparing for several tenders for licences to be conducted in fiscal 2014/2015. In Austria and Southern Bavaria, the water supply business area is to be maintained at the present level. In this respect, optimisations concerning the existing plants are to be expected. The service business is to be developed further.

Central to the fiscal year 2014/2015 across all business areas will be the implementation of measures derived from the Power Strategy 2020 project and here, specifically, the integration of the OÖ. Ferngas group of companies. Further priorities in addition to the consistent continuation of the strategically incorporated cost management and efficiency enhancement programmes will be to establish the entire Group's long-term alignment to the requirements and needs of its customers, as well as the development of new business models to increase competitiveness in the future.

Linz, 28 November 2014

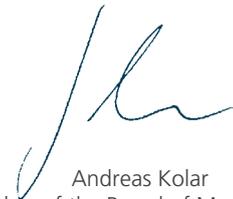
The Board of Management of Energie AG Oberösterreich



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 2013 to 30 September 2014

		2013/2014	2012/2013 (adjusted)
		EUR 1,000	EUR 1,000
1. Sales	(6)	1,826,808.1	1,815,974.5
Procurement Costs for Electricity and Gas Proprietary Trading	(6)	- 158,269.4	- 130,132.7
Net Sales Revenue	(6)	1,668,538.7	1,685,841.8
2. Change in inventories of finished and unfinished products		- 544.4	- 555.2
3. Other capitalised costs of self-constructed items		32,800.3	32,554.7
4. Shares in result of companies associated at equity	(17)	17,162.7	12,783.4
5. Other operating income	(8)	25,611.8	26,634.6
6. Cost of materials and other purchased manufacturing services	(9)	- 1,044,933.6	- 1,080,697.1
7. Personnel expenses	(10)	- 274,902.4	- 318,674.9
8. Depreciation	(11)	- 158,596.4	- 140,588.0
9. Other operating expenses	(12)	- 159,544.9	- 161,440.2
10. Result of operations		105,591.8	55,859.1
11. Financing expenditure	(13)	- 39,996.7	- 45,854.2
12. Other interest income	(13)	- 1,374.2	10,938.7
13. Other financial results	(14)	4,592.9	- 864.0
14. Financial result		- 36,778.0	- 35,779.5
15. Result from ordinary business activities		68,813.8	20,079.6
16. Taxes on income	(15)	- 11,978.1	- 1,844.0
17. Profit after taxes from continuing operations		56,835.7	18,235.6
Discontinued operation			
18. Result after Taxes from Discontinued Operation	(38)	- 1,356.9	- 42,309.1
19. Group Result		55,478.8	- 24,073.5
of which attributable to non-controlling interests		6,856.0	4,999.1
of which attributable to shareholders of parent company			
Group Annual Profit		48,622.8	- 29,072.6

Consolidated Statement of Comprehensive Income

01 October 2013 to 30 September 2014

	2013/2014	2012/2013 (adjusted)
	EUR 1,000	EUR 1,000
1. Consolidated net result	55,478.8	- 24,073.5
2. Other Comprehensive Income		
Items that are not subsequently reclassified in the Income Statement:		
Revaluation of defined benefit obligations	- 16,980.8	- 14,332.1
Changes in values of at-equity companies without an effect on profit	- 293.1	- 648.5
Deferred taxes	4,245.2	3,583.1
Items that will be subsequently reclassified in the Income Statement under certain circumstances:		
Changes in investments and securities available for sale	- 2,083.3	7,313.3
Changes in value of at-equity companies without an effect on profit	- 129.4	747.9
Hedge accounting	15,337.5	- 39,604.1
Currency translation	- 6,830.0	- 3,608.1
Deferred taxes	- 3,313.5	8,072.6
Total income and expenses entered in other comprehensive income	- 10,047.4	- 38,475.9
3. Overall result after taxes	45,431.4	- 62,549.4
4. thereof overall result of non-controlling interest	6,165.3	3,933.6
5. attributable to comprehensive income	39,266.1	- 66,483.0

Consolidated Balance Sheet

as at 30 September 2014

ASSETS		September 30, 2014	September 30, 2013	Oktober 1, 2012
		EUR 1,000	(adjusted) EUR 1,000	(adjusted) EUR 1,000
A. Long-term assets				
I. Intangible assets and goodwill	(16)	215,775.5	227,059.1	296,205.8
II. Tangible fixed assets	(16)	1,840,400.3	1,838,125.1	1,966,610.1
III. Investments (of these companies at equity: EUR 218,583,000.3 [2013: EUR 232,384,000.2])	(17)	239,009.1	252,757.6	281,410.9
IV. Other financial assets	(18)	99,955.8	135,414.8	376,167.4
		2,395,140.7	2,453,356.6	2,920,394.2
V. Other long-term assets	(19)	23,552.5	19,701.0	32,019.7
VI. Deferred taxes	(15)	481.9	359.6	1,116.5
		2,419,175.1	2,473,417.2	2,953,530.4
B. Short-term assets				
I. Inventories	(20)	66,215.6	66,582.9	98,007.1
II. Accounts receivable and other assets	(21)	286,316.4	297,901.8	335,836.2
III. Fixed term deposits	(5,9)	127,500.0	111,500.0	106,000.0
IV. Cash in hand, checks and bank balances	(22)	177,028.9	60,640.8	160,982.0
		657,060.9	536,625.5	700,825.3
V. Assets of discontinued operation	(38)	—	213,055.8	—
		657,060.9	749,681.3	700,825.3
		3,076,236.0	3,223,098.5	3,654,355.7
LIABILITIES				
		EUR 1,000	EUR 1,000	EUR 1,000
A. Equity				
I. Share capital	(23)	89,087.5	89,000.0	89,000.0
II. Capital reserves	(23)	214,809.5	214,897.0	213,106.9
III. Revenue reserves	(23)	849,552.4	843,848.7	929,155.8
IV. Other reserves	(23)	- 56,292.1	- 39,246.1	1,257.9
V. Non-controlling interests	(23)	11,212.9	81,134.8	81,611.3
		1,108,370.2	1,189,634.4	1,314,131.9
B. Long-term debt				
I. Financial liabilities	(24)	516,982.0	620,705.1	717,273.9
II. Long-term provisions	(25)	337,442.6	322,780.5	257,465.6
III. Deferred tax liabilities	(15)	42,382.6	45,580.2	75,947.2
IV. Contributions to construction costs	(26)	350,171.4	342,921.3	336,698.1
V. Deferred credit for cross-border leasing	(5)	—	—	33,440.0
VI. Advances from customers	(27)	63,056.8	69,840.8	76,283.1
VII. Other long-term debt	(28)	81,025.6	84,872.1	89,337.8
		1,391,061.0	1,486,700.0	1,586,445.7
C. Short-term debt				
I. Financial liabilities	(24)	114,126.3	16,528.5	226,801.2
II. Short-term provisions	(29)	24,078.8	33,610.4	44,211.0
III. Tax provisions	(30)	923.1	108.6	140.3
IV. Accounts payable	(24)	168,018.8	163,240.0	199,909.6
V. Deferred credit from cross-border leasing	(5)	—	—	1,253.0
VI. Other short-term debt	(31)	269,657.8	256,168.8	281,463.0
		576,804.8	469,656.3	753,778.1
VII. Debts from discontinued operation	(38)	—	77,107.8	—
		576,804.8	546,764.1	753,778.1
		3,076,236.0	3,223,098.5	3,654,355.7

Development of Group Equity

		Group equity	Capital reserves	Revenue reserves	Other reserves	
					Reserves IAS 39	Reserves IAS 19
		in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Status as at 30/09/2012 (adjusted)	(2)	89,000.0	213,106.9	929,155.8	- 20,363.0	- 29,007.8
Items that are not subsequently reclassified in the Income Statement:						
Revaluation of defined benefit obligations		—	—	—	—	- 13,928.1
Changes in value, without effect on the result, at companies associated at equity		—	—	—	—	- 648.5
Deferred taxes		—	—	—	—	3,482.0
Items that will be subsequently reclassified in the Income Statement under certain circumstances:						
Changes in equity interests and available-for-sale securities	(23)	—	—	—	7,451.7	—
Changes in value, without effect on the result, at companies associated at equity		—	—	—	747.9	—
Hedge accounting	(23)	—	—	—	- 39,604.1	—
Currency differences	(4)	—	—	- 2,907.9	—	—
Deferred taxes		—	—	—	8,038.0	—
Other Comprehensive Income		—	—	- 2,907.9	- 23,366.5	- 11,094.6
Group result		—	—	- 29,072.6	—	—
Total revenues for the period		—	—	- 31,980.5	- 23,366.5	- 11,094.6
Dividend payment		—	—	- 53,390.0	—	—
Change in consolidated group	(3)	—	—	63.4	—	—
Capital Increase		—	1,790.1	—	—	—
Own shares	(23)	—	—	—	—	—
Transactions with shareholders		—	1,790.1	- 53,326.6	—	—
Status as at 30/09/2013 (adjusted)		89,000.0	214,897.0	843,848.7	- 43,729.5	- 40,102.4

Provision for new valuation	Own shares	Currency differences	Total	Equity of shareholders of parent company	Non-controlling interests	TOTAL
in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
37,541.1	- 324.8	13,412.4	1,257.9	1,232,520.6	81,611.3	1,314,131.9
—	—	—	- 13,928.1	- 13,928.1	- 404.0	- 14,332.1
—	—	—	- 648.5	- 648.5	—	- 648.5
—	—	—	3,482.0	3,482.0	101.1	3,583.1
—	—	—	7,451.7	7,451.7	- 138.4	7,313.3
—	—	—	747.9	747.9	—	747.9
—	—	—	- 39,604.1	- 39,604.1	—	- 39,604.1
—	—	- 41.4	- 41.4	- 2,949.3	- 658.8	- 3,608.1
—	—	—	8,038.0	8,038.0	34.6	8,072.6
—	—	- 41.4	- 34,502.5	- 37,410.4	- 1,065.5	- 38,475.9
—	—	—	—	- 29,072.6	4,999.1	- 24,073.5
—	—	- 41.4	- 34,502.5	- 66,483.0	3,933.6	- 62,549.4
—	—	—	—	- 53,390.0	- 4,321.7	- 57,711.7
—	—	—	—	63.4	- 88.4	- 25.0
—	—	—	—	1,790.1	—	1,790.1
—	- 6,001.5	—	- 6,001.5	- 6,001.5	—	- 6,001.5
—	- 6,001.5	—	- 6,001.5	- 57,538.0	- 4,410.1	- 61,948.1
37,541.1	- 6,326.3	13,371.0	- 39,246.1	1,108,499.6	81,134.8	1,189,634.4

Development of Group Equity

		Group equity	Capital reserves	Revenue reserves	Other reserves	
					Reserves IAS 39	Reserves IAS 19
		in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Status as at 30/09/2013 (adjusted)		89,000.0	214,897.0	843,848.7	- 43,729.5	- 40,102.4
Items that are not subsequently reclassified in the Income Statement:						
Revaluation of defined benefit obligations		—	—	—	—	- 16,980.8
Changes in value, without effect on the result, at companies associated at equity		—	—	—	—	- 293.1
Deferred taxes		—	—	—	—	4,245.1
Items that will be subsequently reclassified in the Income Statement under certain circumstances:						
Changes in equity interests and available-for-sale securities	(23)	—	—	—	- 2,133.9	—
Changes in value, without effect on the result, at companies associated at equity		—	—	—	- 129.4	—
Hedge accounting	(23)	—	—	—	15,337.5	—
Currency differences	(4)	—	—	—	—	—
Deferred taxes		—	—	—	- 3,300.9	—
Other Comprehensive Income		—	—	—	9,773.3	- 13,028.7
Group result		—	—	48,622.8	—	—
Total revenues for the period		—	—	48,622.8	9,773.3	- 13,028.7
Dividend payment		—	—	- 53,274.0	—	—
Change in consolidated group	(3)	—	—	10,354.9	—	- 791.8
Capital Increase		87.5	- 87.5	—	—	—
Own shares	(23)	—	—	—	—	—
Transactions with shareholders		87.5	- 87.5	- 42,919.1	—	- 791.8
Status as at am 30/09/2014		89,087.5	214,809.5	849,552.4	- 33,956.2	- 53,922.9

Provision for new valuation	Own shares	Currency differences	Total	Equity of shareholders of parent company	Non- controlling interests	TOTAL
in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
37,541.1	- 6,326.3	13,371.0	- 39,246.1	1,108,499.6	81,134.8	1,189,634.4
—	—	—	- 16,980.8	- 16,980.8	—	- 16,980.8
—	—	—	- 293.1	- 293.1	—	- 293.1
—	—	—	4,245.1	4,245.2	—	4,245.2
—	—	—	- 2,133.9	- 2,133.9	50.6	- 2,083.3
—	—	—	- 129.4	- 129.4	—	- 129.4
—	—	—	15,337.5	15,337.5	—	15,337.5
—	—	- 6,101.3	- 6,101.3	- 6,101.3	- 728.7	- 6,830.0
—	—	—	- 3,300.9	- 3,300.9	- 12.6	- 3,313.5
—	—	- 6,101.3	- 9,356.7	- 9,356.7	- 690.7	- 10,047.4
—	—	—	—	48,622.8	6,856.0	55,478.8
—	—	- 6,101.3	- 9,356.7	39,266.1	6,165.3	45,431.4
—	—	—	—	- 53,274.0	- 10,705.3	- 63,979.3
—	—	- 6,856.9	- 7,648.7	2,706.2	- 65,381.9	- 62,675.7
—	—	—	—	—	—	—
—	- 40.6	—	- 40.6	- 40.6	—	- 40.6
—	- 40.6	- 6,856.9	- 7,689.3	- 50,608.4	- 76,087.2	- 126,695.6
37,541.1	- 6,366.9	412.8	- 56,292.1	1,097,157.3	11,212.9	1,108,370.2

Cash-Flow Statement

		2013/2014	2012/2013 (adjusted)
		in EUR 1,000	in EUR 1,000
Result before taxes on income		67,004.6	- 27,622.5
Tax payments		- 21,993.6	- 24,840.6
Result after taxes on income		45,011.0	- 52,463.1
Depreciation/write-ups regarding fixed assets		157,693.9	155,629.1
Loss from Sale of Discontinued Operation		—	50,601.5
Change in long-term provisions		- 2,322.7	70,392.5
Change in other long-term assets		323.1	7,316.9
Change in other long-term debt		- 10,727.2	- 804.8
Income from the reversal of the present-value benefit of the cross-border leasing transactions		—	- 4,496.4
Retained income from companies associated at equity		- 6,332.6	- 6,128.3
Contributions to construction costs received	(26)	28,753.6	26,971.7
Income from the reversal of contributions to construction costs	(26)	- 21,503.5	- 20,748.5
Losses from the disposal of assets		2,235.4	2,901.4
Gains from the disposal of assets		- 6,282.3	- 1,701.0
Other revenues without effect on payments		43,172.0	20,561.4
CASH FLOW FROM THE RESULT		230,020.7	248,032.4
Change in inventories and short-term receivables		9,291.9	31,851.7
Payments from hedging transactions		- 29,280.6	- 66,759.1
Change in short-term liabilities		20,498.6	- 16,439.0
Change in short-term provisions		- 5,901.6	- 1,250.7
CASH FLOW FROM OPERATING ACTIVITIES		224,629.0	195,435.3
Inpayments from the disposal of fixed tangible assets and intangible assets		3,746.2	8,994.9
Outflows for additions to fixed tangible assets and intangible assets		- 156,821.3	- 172,689.8
Income from disposal of the discontinued operations after deduction of the liquidated cash and cash equivalents		113,961.3	—
Inflows from the disposal of financial assets		65,136.4	403,648.2
Change in the basis of consolidation	(3)	- 674.6	- 3,300.7
Outflows for additions to financial assets and other financial investments		- 11,952.8	- 220,623.0
CASH FLOW FROM INVESTMENTS		13,395.2	16,029.6
Dividend payment	(35)	- 63,979.3	- 58,999.3
Capital Increase		—	1,521.7
Purchase of non-controlling interests	(3)	- 59,987.8	- 25.0
Purchase of own shares		- 40.6	- 6,001.5
Cross-border leasing	(5)	—	- 30,196.6
Raising and redeeming financial debt		- 6,663.0	- 208,197.1
CASH FLOW FROM FINANCING ACTIVITIES		- 130,670.7	- 301,897.8
TOTAL CASH FLOW		107,353.5	- 90,432.9
Funds at the beginning of period	(22)	70,549.1	160,982.0
Funds at the end of period	(22)	177,028.9	70,549.1
The cash-flow statement includes the following items:			
Interest received		2,258.5	1,476.1
Interest paid		32,109.9	35,979.5
Dividends received		9,561.4	8,390.0

Cash and cash equivalents as at 30 September 2013 include cash and cash equivalents from the discontinued operations in the amount of EUR 9,908.30 thousand. Cash and cash equivalents decreased by EUR -837.70 thousand due to exchange rate effects.

Notes to the Consolidated Financial Statements 2013/2014

1. General Information

The Energie AG Oberösterreich Group is a modern and high-quality energy and service provider in the Electricity, Distribution, Gas, Waste Management, Water and Miscellaneous segments.

The Group's parent company is Energie AG Oberösterreich and its headquarters is located at Böhmerwaldstraße 3 in Linz, Austria.

The consolidated financial statements of Energie AG Oberösterreich for fiscal 2013/2014 were drawn up in accordance with the International Financial Reporting Standards (IFRS) as they were required to be applied on the balance sheet date as published by the International Accounting Standards Board (IASB), as well as the interpretations of the International Financial Reporting Committee (IFRIC) as adopted by the European Union.

The presented consolidated financial statements according to the IFRS exempt the company from its obligation under § 245a of the Austrian Commercial Law Code [UGB] to prepare consolidated annual accounts pursuant to the Austrian Commercial Law Code. Whenever the Austrian Commercial Law Code so requires, additional information is provided in the respective notes.

The consolidated financial statements were prepared in thousand euros (EUR 1,000).

Rounding differences may appear as a result of using automatic calculation tools for summing up rounded amounts and percentages.

2. Principles of Consolidation

2.1. Standards and interpretations adopted from the EU and applied, or respectively amended for the first time

- IAS 12 (Amendment Deferred Tax: Recovery of Underlying Assets)
- IAS 19 (Employee Benefits)
- IFRS 1 (Amendment: Government Loans)
- IFRS 1 (Amendment: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters)
- IFRS 7 (Amendment: Disclosures – Offsetting Financial Assets and Financial Liabilities)
- IFRS 13 (Fair Value Measurement)
- Improvements to IFRS 2009-2011 (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34)
- IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine)

2.2. Effects of standards and interpretations applied for the first time as well as amendments to accounting and valuation principles

IAS 1: Amendment: Presentation of Financial Statements

Due to the retroactive application of the amendments from IAS 19 (Employee Benefits), a third balance sheet must be prepared as of the beginning of the comparison period since the retroactive amendments primarily affect the information in the third balance sheet.

Regulatory accrual items

The setting of grid charges by Energie-Control Austria is done on the basis of the last available audited annual statement values and cost specifications. Differences between the actually earned income and the income according to regulatory requirements, as well as investments, non-controllable costs and expansion factors are taken into account when determining the cost base for the next price periods. Corresponding differences are capitalised or accrued. In addition, provisions are created for efficiency gains if they lead to a reduction in prices in future periods as a result of the incentive regulation system.

Based on the current wording of IASB, the accounting method was changed. Those items are no longer entered either on the assets or liability side. The previous years were adjusted accordingly.

	30/09/2013 in EUR 1,000	01/10/2012 in EUR 1,000
Receivables and other assets	- 5,575.0	- 5,454.0
Shareholders' equity	3,938.0	1,377.0
Other long-term debts	- 1,819.7	—
Short-term provisions	- 9,006.0	- 7,290.0
Deferred taxes	1,312.7	459.0
Sales revenue	3,414.7	—
Taxes on income	- 853.7	—

IAS 19 (Employee Benefits)

Based on the amendments in IAS 19, actuarial profits and losses must be entered in "Other Comprehensive Income". The voting right exercised thus far, the delayed entry according to the corridor method, was dropped. The amendments are applied retroactively in accordance with IAS 8, and the balance sheets as of 30 September 2012 and 30 September 2013 as well as the Income Statement from the previous year were adjusted accordingly. The actuarial profits existing as of 30 September 2012 in the amount of EUR -37,836.80 thousand (30 September 2013: EUR -49,282.40 thousand) were entered in Other Comprehensive Income after deduction of deferred taxes. The personnel expenses for the 2012/2013 fiscal year were adjusted by the previously entered amortisation of actuarial losses with an effect on profit in the amount of EUR 2,886.6 thousand.

In addition, to better present the earnings position of the recognition of interest expenses from the provisions for pensions, severance payments, retirement, early retirement and gradual step-in retirement in the amount of EUR 8,459.10 thousand (2012/2013: EUR 8,304.6 thousand) in interest paid. In the previous periods, these expenses were recognised in Personnel Expenses.

IAS 12 (Income Taxes) Netting of Deferred Taxes

In order to improve the presentation of the assets position, deferred tax assets and liabilities of members of the fiscal Group are balanced. The previous year's values were adjusted accordingly. As of 30 September 2013, deferred tax assets in the amount of EUR 43,518.6 thousand (30 September 2012: EUR 22,406.1 thousand) were offset against deferred tax liabilities.

IFRS 7 (Financial Instruments: Disclosures)

The amendment to IFRS 7 results in additional disclosures in the Notes on Balancing of Financial Assets and Liabilities.

IFRS 8 (Operating Segments)

The Electricity, Waste Management and Water segments were presented in the previous year. Due to the sale of the companies in the Waste Management Segment in the Czech Republic, Hungary, Slovakia, Romania and the Ukraine, an amendment was made to reporting to the Board of Directors. According to the new internal reporting and controlling system, segment reporting was adjusted to IFRS 8 and now the Electricity, Distribution, Gas, Waste Management, Water and Miscellaneous segments are presented.

IFRS 13 (Fair Value Measurement)

Due to the first time application of IFRS 13 (Fair Value Measurement), additional disclosures are also included in the Notes.

IAS 39 (Financial Instruments)

Recognition of Fixed Term Deposits

In the previous periods, book values of fixed term deposits were shown in the item "Other Financial Assets". To improve the presentation of the assets position, fixed term deposits are recognised with a term of up to twelve months as of 30 September 2013 in the amount of EUR 111,5000.0 thousand (30 September 2012: EUR 106,000.0 thousand) in a separate balance sheet item (Fixed Term Deposits).

Summary of Effects of the Amendments to the Accounting and Valuation Methods

	30/09/2013	Reconciliation	30/09/2013	01/10/2012	Reconciliation	01/10/2012
	in EUR 1,000	in EUR 1,000	(adjusted) in EUR 1,000	in EUR 1,000	in EUR 1,000	(adjusted) in EUR 1,000
ASSETS						
A. Long-term assets						
III. Investments (thereof companies associated at-equity: EUR 218,583.3 thousand (previous year: EUR 232,384.2 thousand))	253,714.4	-956.8	252,757.6	281,719.2	-308.3	281,410.9
IV. Other financial assets	246,914.8	-111,500.0	135,414.8	482,167.4	-106,000.0	376,167.4
VI. Deferred tax asset	43,878.2	-43,518.6	359.6	23,522.6	-22,406.1	1,116.5
		-155,975.4			-128,714.4	
B. Short-term assets						
II. Trade receivables and other assets	303,476.8	-5,575.0	297,901.8	341,290.2	-5,454.0	335,836.2
III. Fixed term deposits	—	111,500.0	111,500.0	—	106,000.0	106,000.0
		105,925.0			100,546.0	
LIABILITIES	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
A. Equity						
III. Revenue reserves	837,080.0	6,768.7	843,848.7	926,968.1	2,187.7	929,155.8
IV. Other reserves	856.4	-40,102.5	-39,246.1	30,265.7	-29,007.8	1,257.9
V. Non-controlling interests	81,781.6	-646.8	81,134.8	82,100.1	-488.8	81,611.3
		-33,980.6			-27,308.9	
B. Long-term debt						
II. Long-term provisions	273,498.1	49,282.4	322,780.5	219,628.8	37,836.8	257,465.6
III. Deferred tax liabilities	100,106.7	-54,526.5	45,580.2	107,353.5	-31,406.3	75,947.2
VII. Other long-term debt	86,691.8	-1,819.7	84,872.1			
		-7,063.8				
C. Short-term debt						
II. Short-term provisions	42,616.4	-9,006.0	33,610.4	51,501.0	-7,290.0	44,211.0

	2012/2013	Reconciliation	2012/2013
	in EUR 1,000	in EUR 1,000	(adjusted) in EUR 1,000
1. Sales revenue	1,812,559.8	3,414.7	1,815,974.5
7. Personnel expenses	-329,866.1	11,191.2	-318,674.9
10. Result of operations	41,253.2	14,605.9	55,859.1
11. Financing expenses	-37,549.6	-8,304.6	-45,854.2
14. Financial result	-27,474.9	-8,304.6	-35,779.5
15. Results from ordinary business activity		6,301.3	
16. Taxes on income	-268.7	-1,575.3	-1,844.0
17. Profit after taxes from continuing operations	13,509.6	4,726.0	18,235.6
Other income			
Items that are not subsequently reclassified in the Income Statement:			
Revaluation of defined benefit obligations	—	-14,332.1	-14,332.1
Changes in value of at-equity companies without an effect on profit	—	-648.5	-648.5
Deferred taxes	—	3,583.1	3,583.1
Total income and expenses entered in other comprehensive income	-27,078.4	-11,397.5	-38,475.9

2.3. Standards and interpretations not applied at an early stage

The following amendments adopted by the EU were not applied at an early stage in the consolidated financial statements 2013/14:

Entry into force in the EU on 1 January 2014 or later:

- IAS 27 (amended 2011) (Separate Financial Statements)
- IAS 28 (amended 2011) (Investments in Associates and Joint Ventures)
- IFRS 10 (Consolidated Financial Statements)
- IFRS 11 (Joint Arrangements)
- IFRS 12 (Disclosure of Interests in Other Entities)
- IAS 32 (Amendment: Presentation - Offsetting Financial Assets and Financial Liabilities)
- IFRS 10, 11 und 12 (Amendments: Transition Guidance)
- IFRS 10, 12 und IAS 27 (Amendments: Investment Entities)
- IAS 36 (Amendment: Recoverable Amount Disclosures for Non-Financial Assets)
- IAS 39 (Amendment: Novation of Derivatives and Continuation of Hedge Accounting)
- IFRIC 21 (Levies)

The following standards and interpretations, amendments and improvements of standards go into force on 1 July 2014 or later, although they have not yet been adopted by the European Union at this time.

- IFRS 9 (Financial Instruments)
- IFRS 14 (Regulatory Deferral Accounts)
- IFRS 15 (Revenue from Contracts with Customers)
- Annual Improvements to IFRS 2012-2014 (IFRS 5, IFRS 7, IAS 19, IAS 34)
- IFRS 10 und IAS 28 (Amendments: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)
- IAS 27 (Amendment: Equity Method in Separate Financial Statements)
- IAS 16 und IAS 41 (Amendments: Bearer Plants)
- IAS 16 und IAS 38 (Amendments: Clarification of Acceptable Methods of Depreciation and Amortisation)
- IFRS 11 (Amendment: Accounting for Acquisition of Interests in Joint Operations)
- IAS 19 (Amendment: Defined Benefit Plans: Employee Contributions)
- Annual Improvements to IFRS 2010-2012 (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38)
- Annual Improvements to IFRS 2011-2013 (IFRS 1, IFRS 3, IFRS 13, IAS 40)

These standards are scheduled for application at the time of entry into effect. The first time application of the new standards IFRS 10 (Consolidated Financial Statements), IFRS 11 (Joint Arrangements) as well as IFRS 12 (Disclosures of Interests in Other Entities) will according to the current opinion, result in Gas- und Dampfkraftwerk Timelkam GmbH, currently included using the equity method, and Ennskraftwerke Aktiengesellschaft being consolidated as a Joint Operation pursuant to IFRS 11 (Joint Arrangements). Accordingly, the attributable assets and debts as well as the percentage of income and expenses will be reported. Energie AG Oberösterreich Vertrieb GmbH & Co, currently fully-consolidated, will be classified as a Joint Venture and consolidated using the Equity Method pursuant to IFRS 11 (Joint Arrangements).

The change in the inclusion method will have the following effects:

	EUR mill.
Sales	- 103.4
Cost of materials	- 80.1
Result of operations	3.4

	EUR mill.		EUR mill.
ASSETS		LIABILITIES	
Long-term assets	107.4	Equity	- 0.8
Short-term assets	- 19.3	Long-term debt	68.7
		Short-term debt	20.2
	88.1		88.1

3. Principles of Consolidation

3.1. Consolidated Group

The principles of IAS 27 (Consolidated financial statements and accounting for investments in subsidiaries) were applied to determine the scope of consolidation. Energie AG Oberösterreich is empowered to determine the financial and business policies of its subsidiaries through a direct or indirect majority of the voting rights.

As a result of specific company law agreements, ENAMO GmbH, ENAMO Ökostrom GmbH, "Papyrus" Altpapierservice Handelsgesellschaft m.b.H. (Salzburg), Papyrus Wertstoff Service GmbH (Bad Reichenhall, Germany) as well as Fernwärme Steyr GmbH were included in the consolidated financial statements at equity despite a majority of voting rights.

Uniform accounting and valuation principles are applied to the financial statements of the companies included in the consolidated financial statements. The individual financial state-

ments of the fully consolidated companies included in the consolidated financial statements as well as the companies shown in the balance sheet according to the equity method have been drawn up for the Group's balance sheet date or alternatively interim financial statements will be prepared.

Shares in subsidiaries, joint ventures or associated companies, which are of minor significance from the Group's perspective, are classified in the balance sheet as "available for sale". If there is no price listed in an active market and the fair value cannot be reliably determined, valuation is done at costs. The companies that were not included on account of their minor significance remain insignificant even when taken together.

The group of companies to be consolidated changed as follows:

	Full consolidation	Proportional consolidation	Equity consolidation
30/09/2013	83	2	12
Included for the first time in the reporting year	3	0	1
Sold in the reporting year	- 30	- 2	- 2
Liquidated in the reporting year	- 1	0	0
30/09/2014	55	0	11

The following companies will be consolidated for the first time in fiscal 2013/2014:

	Registered office	Share (in %)	Type of consolidation	Acquisition	Consolidated since
ELECTRICITY					
AUSTRIA					
Energie Austria GmbH	Linz	100.00	KV	24/03/09	01/01/14
OTHERS					
ITALY					
ECOFE S.R.L.	Meran	100.00	KV	04/12/13	01/01/14
Salvatonica Energia S.R.L.	Meran	100.00	KV	04/12/13	01/01/14
WASTE MANAGEMENT					
AUSTRIA					
AVE Metal Recovery GmbH	Linz	50.00	KE	02/02/12	01/10/13

Energie Austria GmbH owns hydroelectric power plants that were spun off during the 2013/2014 fiscal year from Energie AG Oberösterreich Wasserkraft GmbH. The business of ECOFE S.R.L. as well as Salvatonica Energia S.R.L. comprises the construction and operation of photovoltaic systems. The business purpose of AVE Metal Recovery GmbH is recovering slag.

In the 2013/2014 fiscal year, a 31.5% share in Oberösterreichische Ferngas Aktiengesellschaft was acquired with the purchase agreement of 6 March 2014, thus bringing the share held

by the Group up to 100.0%. Non-controlling shareholders exercised put options, leading to cash outflows in the amount of EUR 9,481.8 thousand. The share held in VHOS a.s. was increased by means of an additional acquisition from 88.4% to 92.86%.

The expansion of the group of companies to be consolidated is as follows:

	First-time consolidation in EUR 1.000	Acquisition of non-controlling interests in EUR 1.000
Long-term assets	781.2	—
Short-term assets	279.5	—
Long-term provisions and liabilities	—	—
Short-term provisions and liabilities	- 1,009.3	9,481.8
Net worth	51.4	9,481.8
Offsetting with no affect on net income	—	- 3,983.6
Offsetting with an affect on net income	27.5	—
Non-controlling shares	—	54,489.6
	78.9	59,987.8
Purchase price paid in previous periods	- 70.0	—
Acquisition of unconsolidated, associated companies	685.8	—
Cash and cash equivalents	- 20.1	—
Net cash outflow	674.6	59,987.8

The contribution of companies with first-time consolidation to the result, including consolidation effects, amounts to EUR 183.4 thousand (previous year: EUR -1,360.5 thousand). The fictitious indication of Group values on the assumption that all company mergers were made as at 1 October 2013 is not provided, as separate allocations for the acquisition price were not made for all company acquisitions at that time.

The sales process for the discontinued operations (AVE CEE) was completed in the reporting year. Accordingly, 30 fully-consolidated companies, two proportionally consolidated com-

panies and one company valued using the equity method were de-consolidated. With regard to the effect of the sale, please refer to Item 38 "Discontinued Business Area" as per IFRS 5. The share in LIVEST Kabelmedien GmbH was sold off.

AVE Abfallwirtschaft GmbH (Germany) was liquidated during the reporting year.

The joint venture companies as well as the associated companies valued on the basis of the equity method are shown below:

	Joint venture companies		Associated companies	
	30/09/2014 EUR mill.	30/09/2013 EUR mill.	30/09/2014 EUR mill.	30/09/2013 EUR mill.
Long-term assets	145.5	149.0	410.4	438.3
Short-term assets	38.2	31.5	44.4	79.1
	183.7	180.5	454.8	517.4
Equity	44.9	44.3	173.7	188.1
Long-term debt	110.3	88.3	190.7	190.7
Short-term debt	28.5	47.9	90.4	138.6
	183.7	180.5	454.8	517.4
	2013/2014	2012/2013	2013/2014	2012/2013
	Mio, EUR	Mio, EUR	Mio, EUR	Mio, EUR
Sales revenues	251.6	175.6	375.6	426.6
Result after taxes	1.2	1.2	10.2	12.5

3.2. The Group's Companies

	Registered office	Share in % (previous year)	Type of consolidation (previous year)
AUSTRIA			
Energie AG Oberösterreich	Linz	Parent company	
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Vertrieb GmbH & Co KG	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Business Services GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Customer Services GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Data GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Kraftwerk Ennshafen GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Kraftwerke GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Personalmanagement GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Trading GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Tech Services GmbH	Linz	100,00 (100,00)	FC (FC)
Netz Oberösterreich GmbH	Linz	100,00 (100,00)	FC (FC)
Energie-Contracting Steyr GmbH	Steyr	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Wärme GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Wasserkraft GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Fair Energy GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Fair Energy Renewable Power GmbH	Linz	100,00 (100,00)	FC (FC)
Energie AG Group Treasury GmbH	Linz	100,00 (100,00)	FC (FC)
Cogeneration-Kraftwerke Management Oberösterreich GmbH	Linz	100,00 (100,00)	FC (FC)
Oberösterreichische Ferngas Aktiengesellschaft	Linz	100,00 (65,00)	FC (FC)
OÖ. Ferngas Netz GmbH	Linz	100,00 (65,00)	FC (FC)
OÖ. Ferngas Service GmbH	Linz	100,00 (65,00)	FC (FC)
Energie AG Oberösterreich Power Solutions GmbH (previously: OÖ. Gas-Wärme GmbH)	Linz	100,00 (65,00)	FC (FC)
ENSERV Energieservice GmbH	Linz	100,00 (65,00)	FC (FC)
Energie Austria GmbH	Linz	100,00 (100,00)	FC (OC)
Energie AG Oberösterreich Umwelt GmbH (previously: AVE Energie AG Oberösterreich Umwelt GmbH)	Linz	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Umwelt Service GmbH (previously: AVE Österreich GmbH)	Hörsching	100,00 (100,00)	FC (FC)
ASPG Altlastensanierungsprojekte GmbH	Hörsching	100,00 (100,00)	FC (FC)
AVE KommunalService GmbH	Hörsching	100,00 (100,00)	FC (FC)
Abfall-Aufbereitungs-GmbH	Hörsching	100,00 (100,00)	FC (FC)
Energie AG Oberösterreich Wasser GmbH	Linz	100,00 (100,00)	FC (FC)
MA Restabfallverwertung GmbH	Hörsching	99,00 (99,00)	FC (FC)
WDL WasserdienstleistungsGmbH	Linz	90,00 (90,00)	FC (FC)
Market Calling Marketinggesellschaft m.b.H.	Linz	60,00 (60,00)	FC (FC)
ENAMO GmbH	Linz	80,00 (80,00)	EC (EC)
ENAMO ÖkoCstrom GmbH	Linz	80,00 (80,00)	EC (EC)
„Papyrus“ Altpapierservice Handelsgesellschaft m.b.H.	Salzburg	63,33 (63,33)	EC (EC)
Fernwärme Steyr GmbH	Steyr	51,00 (51,00)	EC (EC)
Gas- und Dampfkraftwerk Timelkam GmbH	Linz	50,00 (50,00)	EC (EC)
Ennkraftwerke Aktiengesellschaft	Steyr	50,00 (50,00)	EC (EC)
AVE Metal Recovery GmbH	Linz	50,00 (50,00)	EC (OC)
Bioenergie Steyr GmbH	Behamberg	49,00 (49,00)	EC (EC)
Wels Strom GmbH	Wels	49,00 (49,00)	EC (EC)
Salzburg AG für Energie, Verkehr und Telekommunikation	Salzburg	26,13 (26,13)	EC (EC)
IfEA Institut für Energieausweis GmbH	Linz	100,00 (100,00)	OC (OC)
Wärme Oberösterreich GmbH	Linz	100,00 (100,00)	OC (OC)
AVE Bohemia GmbH	Linz	100,00 (100,00)	OC (OC)
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung	Linz	100,00 (100,00)	OC (OC)
Energy IT Service GmbH	Linz	66,67 (66,67)	OC (OC)
BBI Breitbandinfrastruktur GmbH	Linz	55,00 (55,00)	OC (OC)
RVL Reststoffverwertung Lenzing GmbH	Lenzing	50,00 (50,00)	OC (OC)
Thermische Abfallverwertung Tirol Gesellschaft m.b.H.	Innsbruck	50,00 (50,00)	OC (OC)

The Group's Companies

	Registered office	Share in % (previous year)	Type of consolidation (previous year)
WDL Infrastruktur GmbH	Linz	49,00 (49,00)	OC (OC)
OÖ Science-Center Wels Errichtungs-GmbH	Wels	47,67 (47,67)	OC (OC)
Energie Ried Wärme GmbH	Ried im Innkreis	40,00 (40,00)	OC (OC)
GRB Geothermie Ried Bohrung GmbH	Ried im Innkreis	40,00 (40,00)	OC (OC)
Geothermie-Wärmegesellschaft Braunau-Simbach mbH	Braunau	40,00 (40,00)	OC (OC)
Recycling Innsbruck GmbH	Innsbruck	25,00 (25,00)	OC (OC)
ELG Liegenschaftsverwertung GmbH	Wallern	20,00 (20,00)	OC (OC)
CZECH REPUBLIC			
Energie AG Bohemia s.r.o.	Praha	100,00 (100,00)	FC (FC)
CEVAK a.s.	České Budějovice	100,00 (100,00)	FC (FC)
Vodárenská společnost Beroun s.r.o.	Beroun	100,00 (100,00)	FC (FC)
VODOS s.r.o.	Očlín	100,00 (100,00)	FC (FC)
Energie AG Teplo Bohemia s.r.o.	České Budějovice	100,00 (100,00)	FC (FC)
Energie AG Teplo Vimperk s.r.o.	České Budějovice	100,00 (100,00)	FC (FC)
Energie AG Teplo Rokycany s.r.o.	Rokycany	100,00 (100,00)	FC (FC)
Tepelne zasobovani RaOCvnik spol. s r.o.	RaOCvnik	100,00 (100,00)	FC (FC)
Městské tepelné hospodářství Očlín, spol. s r.o.	Očlín	95,00 (95,00)	FC (FC)
Vodárenská společnost Chrudim a.s.	Chrudim	95,00 (95,00)	FC (FC)
VHOS a.s.	Moravská Třebová	92,86 (88,40)	FC (FC)
SATEZA a.s.	Šumperk	91,67 (91,67)	FC (FC)
Aqua Servis a.s.	Rychnov nad Kněžnou	66,00 (66,00)	FC (FC)
Vodovody a kanalizace Beroun a.s.	Beroun	59,20 (59,20)	FC (FC)
Energie AG Bohemia Service s.r.o.	České Budějovice	100,00 (100,00)	OC (OC)
1. Jihočeská vodohospodářská spol. s r.o.	České Budějovice	100,00 (100,00)	OC (OC)
ENSERV Bohemia s.r.o.	České Budějovice	100,00 (65,00)	OC (OC)
ENAMO s.r.o.	České Budějovice	65,00 (65,00)	OC (OC)
ITALY			
ECOFÉ S.R.L.	Meran	100,00 (-)	FC (-)
Salvatonica Energia S.R.L.	Meran	100,00 (-)	FC (-)
AVE Südtirol Recycling GmbH	Eppan	100,00 (100,00)	FC (FC)
GERMANY			
Erdgas Oberösterreich Vertriebs GmbH	Tittling	100,00 (65,00)	FC (FC)
Papyrus Wertstoff Service GmbH	Bad Reichenhall	63,33 (63,33)	EC (EC)
Geothermie-Fördergesellschaft Simbach-Braunau mbH	Simbach	40,00 (40,00)	OC (OC)
POLAND			
Finadvice Fair Energy			
Wind Development sp.zo.o.	Warszawa	100,00 (100,00)	FC (FC)
Finadvice Fair Energy Wind Development 1 Sp. z o.o.	Warszawa	100,00 (100,00)	OC (OC)
Finadvice Fair Energy Wind Development 2 Sp. z o.o.	Warszawa	100,00 (100,00)	OC (OC)
Finadvice Fair Energy Wind Development 3 Sp. z o.o.	Warszawa	100,00 (100,00)	OC (OC)
Finadvice Fair Energy Wind Development 5 Sp. z o.o.	Warszawa	100,00 (100,00)	OC (OC)
SLOVAKIA			
Energie AG Teplo Slovakia s.r.o.	Bratislava	100,00 (100,00)	OC (OC)
Kremnické tepelné hospodárstvo, s.r.o.	Kremnica	100,00 (100,00)	OC (OC)
HUNGARY			
AVE Heves Régió Kft.	Hejőpapi	100,00 (100,00)	FC (FC)
SLOVENIA			
VARINGER d.o.o.	Maribor	100,00 (100,00)	FC (FC)

FC fully consolidated company

QC company with pro-rata consolidation

EC company included on the basis of the equity method

OC company not included in the group due to insignificance

4. Consolidation Methods

The purchase method is applied to capital consolidation by off-setting the fair value of the acquired company with the proportionate, revalued equity of the subsidiary at the time of acquisition. The non-controlling shares are valued at the fair value of the identifiable assets and debts applicable to it from the acquired company (partial goodwill method).

Goodwill resulting from company mergers is entered pursuant to IFRS 3. The acquired goodwill is essentially based on expected future revenues and synergy effects. Every year it is tested for impairment, pursuant to IAS 36, at least once a year. In fiscal 2012/2013, goodwill in the amount of EUR 34,302.3 thousand was written down. Differentials carried on the liabilities side

according to IFRS 3 are recognised immediately as affecting net income. Incidental acquisition costs in the amount of EUR 9.2 thousand (previous year: EUR 132.1 thousand) arising from the acquisition of investments are shown under other operating expenses.

Intra-group receivables and liabilities, expenses and revenues, as well as interim results are eliminated.

Put options by non-controlling shareholders are accounted for similar to acquired shares. Corresponding liabilities are recognised whereas changes are recognised with their effect on profit (anticipated acquisition method).

5. Accounting and Valuation Principles

5.1. Estimates

The preparation of the consolidated financial statements requires that estimates are made, which affect the assets and liabilities, revenues and expenses that are shown in the consolidated financial statements, as well as information in the Notes.

Estimates and assumptions were made in particular with regard to provisions and impairment tests for assets.

Estimates and assumptions regarding provisions for personnel mainly concern interest rates, wage and salary trends as well as fluctuation. Assumptions about future cash flows and interest rates are made while determining provisions for encumbrances in agreements and closure costs.

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

When determining the life spans for assets, estimates are made of the anticipated useful life of the assets for the company.

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

Book Values	30/09/2014 EUR 1,000	30/09/2013 EUR 1,000
Goodwill	68,940.2	70,411.0
Tangible Assets	1,840,400.3	1,838,125.1
Investments	239,009.1	252,757.6
Long-term provisions	337,442.6	322,780.5
Short-term provisions	24,078.8	33,610.4

5.2. Intangible Assets and Company Value or Goodwill

The goodwill resulting from the acquisition of subsidiaries is presented in Intangible Assets. Goodwill is valued at cost minus cumulative impairment costs.

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

Pursuant to IAS 38 (Intangible Assets), under certain circumstances, development costs must be capitalised as company-produced intangible assets and then amortised over their useful life.

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

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

Expenses for research with the prospect of new scientific or technical knowledge are recognised as an expense.

5.3. Tangible Fixed Assets

Fixed assets are valued at acquisition or production costs minus cumulative amortisations and cumulative impairment costs.

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

- material costs and production wages, including material and production overhead costs. General administrative expenses are not capitalised.
- all other directly attributable costs incurred to put the assets in operating-ready condition for their intended purpose
- the estimated costs for the dismantling and disposal of the objects and restoration of the location
- capitalised borrowing costs.

The cost of financing is recognised on the asset side, in accordance with IAS 23 (Borrowing Costs). In this context, an interest rate of 4.4% is applied (previous year: 3.5%).

Subsequent expenses are only capitalised if it is likely that the future economic benefit associated with the costs will serve the interests of the company. Ongoing repairs and servicing are immediately recognised as an expense.

Fixed assets are amortised from the moment they are available or with regard to company-produced assets from the moment in which the asset has been completed and is ready for use.

Whenever different useful life spans have to be entered for the main components of assets, these are taken into account in line with the Component Approach (IAS 16.43).

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

	Useful life in years
Building structures	
Buildings	50
Other structures	10 – 50
Water engineering structures	50 – 75
Plant and machinery	
Power plants	10 – 25
Electricity grid	15 – 40
Waste disposal systems	6 – 20
Telecommunications facilities	7 – 20
Plant and equipment, furniture and fixtures	3 – 10

5.4. Impairment of Goodwill

In the fourth quarter of every fiscal year respectively during the year when an impairment indicator comes up, an impairment test of goodwill is performed to determine any need for impairment. Here, goodwill is attributed to the cash-generating units which are expected to achieve a benefit from the synergies of the merger. Generally, the individual companies are identified as cash-generating units. In the Waste Management segment, the companies are grouped together based on the existing management and reporting structure into cash-generating units, generally by countries. Deviating from this, in the 2012/2013 fiscal year, the countries affected by the sale of the AVE CEE activities (discontinued operations) were grouped into a cash-generating unit, since cash flows herefrom can only be generated overall in the form of the purchase price.

An impairment amount is entered if the book value of a cash-generating unit exceeds its recoverable amount. The recoverable amount is equal to the higher of the fair value minus sales costs or the use value. The use value is determined by discounting future cash-flows expected to be realised by a cash-generating unit. The fair value minus sales costs is determined from a company-external perspective, the use value is determined from a company-internal perspective.

The cash flows used to determine the use value are based on the five year medium-term plan approved by the Board of Directors. Performance measurements are based both on past experience and on external information sources. Assumptions made about cash flow after the end of the detailed planning period are based on analyses of the past as well as future forecasts. Future restructuring and expansion investments are not taken into consideration. According to the detailed planning time period, a growth rate of 1.5% up to 2.0% is applied. The assumptions on future GDP growth are taken from the European Commission.

The discount interest rate is a post-tax interest rate, which reflects current market estimates and the specific risks of the cash-generating unit.

5.4.1. Waste Management Planning Assumptions

Planning in the Waste Management Segment takes into account the central planning premises determined for the Group regarding economic growth, inflation, interest and exchange rate changes in the planning period.

Revenue planning is based on detailed planning of the individual products and services for each location. In terms of incineration plants and the most important major clients, individual customer plans were also used with regard to contractual framework conditions. For waste and recycling materials, price changes which seemed realistic for the planning period were entered at the time of planning. For the other products and services, an expected business performance level was projected, and the sales from electricity and district heating were determined on the basis of contracts or future forecasts.

Based on the expected market developments, the recovery and/or throughput quantities were determined for the main disposal facilities. Essential here are an expected throughput of 310,000 tonnes for the Wels waste incineration plant and 300,000 tonnes for the RVL plant in Lenzing.

The main expense items such as personnel expenses, fleet costs, maintenance and fees were planned in accordance with turnover and plant planning.

5.4.2. Planning Assumptions for the Water Segment

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

Revenue planning in the drinking and wastewater area is based on a quantity price structure, which in terms of sales planning is based on historical consumption data and a trend derived by drawing on planning parameters. The planned drinking and wastewater charges were set by each planning unit taking into account the existing customer data, an estimate of future changes in expenses and taking into consideration applicable regulatory framework conditions.

For the planning of significant expense items in the Water Segment, country-specific planning parameters were determined using external analyst estimates. These include, in particular, price changes in untreated water, chemicals, fuels and energy and gas prices.

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

5.5. Impairment of Other Intangible and Tangible Assets

IAS 36 (Impairment of Assets) requires that intangible assets and tangible assets are tested for impairment if there is an indication that the value of an asset or alternatively a cash-generating unit might have decreased. An impairment is entered if the book value exceeds the recoverable amount of the asset or the cash-generating unit. The recoverable amount is the higher of the fair value minus sales costs and the use value.

The use value is determined by discounting future cash-flows expected to be realised by a cash-generating unit. The cash flows used to determine the use value are based on the five year medium-term plan approved by the Board of Directors. Performance measurements are based both on past experience and on external information sources. Future restructuring and expansion investments are not taken into consideration. The discount interest rate is a post-tax interest rate, which reflects current market estimates and the specific risks of the cash-generating unit.

The fair value minus sales costs is determined from a company-external perspective; the use value is determined from a company-internal perspective.

5.6. Participations

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

5.7. Inventories

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

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

5.8. Emission Certificates

The CO₂ emission certificates issued free of charge pursuant to the Emission Certificates Act are valued upon issuance at the market value and recognised in short-term assets and short-term liabilities. Fluctuations of the market value are entered in the income statement with effect on the result. During the use of the emission certificates, corresponding reserves are created and the liability from issuance is reduced with an effect on profit. When the emission certificates are submitted to the registration body, the reserve is balanced out with the asset item. Additionally acquired certificates are identified in short-term liabilities. Fluctuations of the market value are entered in the income statement with effect on the result. During the use of the emission certificates, corresponding reserves are created. When the emission certificates are submitted to the registration body, the reserve is balanced out with the asset item.

5.9. Fixed term deposits

The fixed term deposits item includes highly liquid fixed term deposits with an original term of more than three months up to one year provided that they are not subject to any access limitations. They are carried forward at amortized cost in the category "Loans and Receivables".

5.10. Cash and cash equivalents

The item cash and cash equivalents includes cash holdings, cheques received as well as balances in banks with an original term of longer than three months up to one year providing they are not subject to any access limitations. They are carried forward at amortized cost in the category "Loans and Receivables".

5.11. Financial instruments

Purchases and sales of original financial instruments are recognised as of the settlement date. Purchases and sales of derivative financial instruments are recognised on the trading date. Financial instruments are generally valued at the time of acquisition at fair value taking into account transaction costs. The financial instruments are written off once the rights to payments from the investment have expired or have been transferred and the Group has transferred all of the risks and opportunities associated with ownership.

5.11.1. Primary Financial Instruments

Non-consolidated investments are valued as are securities and security rights in accordance with IAS 39 "Financial Instruments: Recognition and Valuation".

In Energie AG Oberösterreich, the valuation categories, "At Fair Value through Profit or Loss", "Held to Maturity", "Loans and Receivables", "Available for Sale" and "Financial Liabilities measured at Amortised Costs" are used.

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

Securities are assigned to the category "Held to Maturity". Financial assets in this category include original financial assets with fixed or variable payments which the company intends and is able to hold until maturity. They are carried forward at amortized cost as part of the subsequent measurement.

The category, "Loans and Receivables" includes loans at market rates, trade receivables and other financial receivables and assets. "Loans and Receivables" are original financial assets with fixed or variable payments that are not listed on an active market. The subsequent measurement of the financial instruments in the category "Loans and Receivables" is carried forward at amortized cost.

For the categories, "Held to Maturity" and "Loans and Receivables", value adjustments are made for recognisable risks as soon as there is a sign of impairment. Criteria for a required devaluation include financial difficulties of the issuer or debtor, payment delays, increased likelihood of insolvency, a measurable decrease in expected future cash flows as well as a significant decrease in the market value of the financial instrument. A direct write-off of the financial assets is only done if the contractual rights to payments from the financial assets no longer exist (in particular in the case of insolvency). If the reasons for the value adjustment cease to apply, an upward value adjustment up to cost is performed.

Shares in non-consolidated affiliated companies, other investment and securities are assigned to the category "Available for Sale." These are recognised on an ongoing basis at fair value, provided this can be reliably determined. Any resulting value

changes are recognised after deduction of deferred tax liabilities with no effect on profit until realization, provided there is no significant or ongoing impairment. If there are objective indications of an impairment, identified losses are recognised beforehand in the financial result. When estimating a potential impairment, all available information such as creditworthiness, market conditions, duration and scope of the value decrease are taken into account. Upward revaluations on share capital instruments are performed with no effect on profit; for outside capital instruments, they are handled with an effect on profit.

Non-consolidated investments and other investments are presented as "Available for Sale at Cost." For these investments, there is no price listed on an active market and the fair value cannot be reliably determined. They are carried forward at amortized cost, taking impairments into account. Recognition of an upward revaluation is not permitted.

Financial liabilities, trade liabilities and other debts are assigned to the category "Financial Liabilities measured at Amortised Cost" and are measured at amortized cost using the effective interest method. The initial valuation is done at fair value including transaction costs. Any share premium, discount or other issue costs are spread out over the financing term and shown in the financial result.

5.11.2. Derivative Financial Instruments and Hedge Transactions

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

The requirements according to IAS 39 for hedge accounting include, in particular, documentation of the hedge relationship between the basic and hedge transaction, the hedge strategy as well as the regular retrospective and prospective effectiveness measurement. When assessing effectiveness, all components of the market value change of derivatives are taken into account. Hedge accounting is seen as effective if the market value change of the hedge instrument ranges between 80 to 125 percent of the opposite market value change of the underlying transaction.

If a derivative financial instrument according to IAS 39 is used as a hedge transaction in a cash flow hedge, the effective portion of the fair value change of the hedge instrument is recognised in share capital as a component of other income. A reclassification in the income statement is done in the period in which the cash flows of the underlying transaction have an effect on profit. If the hedged base transaction expires, then the hedge transaction is reclassified with an effect on profit in the income statement. The ineffective share of the market value change of a hedge instrument, for which a cash flow hedge has been created, is recognised to the required extent with an effect on profit.

In the scope of fair value hedge accounting, both the market value change of the derivative instrument and the opposite market value change of the underlying transaction, to the extent that it applies to the hedged risk, are recognised with an effect on profit.

Market value changes of derivatives without a hedge relationship are shown in the operating result or financial result. Results of interest rate derivatives are balanced out and shown in the interest result. The results of derivative proprietary trading instruments are balanced out under sales revenues or material costs.

Contracts concluded for purposes of the receipt or delivery of non-financial items according to the expected purchase, sales or use requirements and held accordingly, are not treated as derivative financial instruments at fair value pursuant to IAS 39, but rather as pending transactions according to the provisions of IAS 37.

5.12. Provisions IAS 19

Provisions for pensions, severance payments, gradual step-in pension/early retirement and anniversary bonuses are calculated according to the projected unit credit method in accordance with IAS 19 (Employee Benefits). Expected increases in wages, salaries and pensions are taken into account. Actuarial gains and losses are recognised for pension and severance provisions and provisions for pensions and gradual step-in pensions/early retirement with an effect on profit. Interest costs are shown in the financial result.

5.13. Other Provisions

Other provisions comprise all commitments identifiable on the balance sheet date that relate to earlier transactions and are uncertain as to their amount or maturity. The provisions are valued at the amount that is most likely to be incurred. Reduced costs for commitments from the demolition or removal of assets from the fixed assets as well as from restoration of locations are estimated, capitalised at the time of addition of the plant, and entered as a provision.

5.14. Deferred taxes

Deferred taxes are entered for temporary deviations between the values shown in the consolidated balance sheet and the values shown in the tax balance sheets of the individual companies. Moreover, future tax benefits, resulting from tax losses carried forward, are taken into account. Values are adjusted if netting out cannot be expected with sufficient probability.

5.15. Contributions to construction costs

This item primarily comprises financing contributions received from electricity, gas and district-heating customers. Contributions to construction costs carried as liabilities are re-transferred with effect on the result according to IFRIC 18 in keeping with the course of depreciation for the corresponding asset.

5.16. Investment Grants

Financial contributions from the public sector for asset acquisition are recognised as investment grants and reversed according to their useful life under other operating income.

5.17. Contingent Liabilities

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

5.18. Foreign Currency Conversion

Foreign currency translations are made according to the principle of a functional currency. The respective national currency is the functional currency of all consolidated companies. Accordingly, balance sheet items are translated at the middle rate on the reporting date, while items in the income statement are translated using the mean exchange rate for the period. Differences from conversion of pro-rated equity are shown in other comprehensive income. The differences from currency conversions due to minority interests are shown in the item non-controlling minority interests in equity. On 30 September 2014, the exchange rate for the Czech crown was 27.53155 (previous year: 25.7152), for the Hungarian forint 312.0800 (previous year: 298.5135), for the Swiss franc 1.20691 (previous year: 1.22513), for the Polish zloty 4.18185 (previous year: 4.22282) and for the US dollar 1.26859 (previous year: 1.35223). Currency conversions due to long-term intra-Group corporate loans, repayment of which is neither planned nor likely in the foreseeable future, are presented without an effect on profit in currency differences.

5.19. Income Realisation

In general, income is recognised at the time of providing the service or performance, whenever the value of a receivable has been determined or can be determined and its collection is likely. Receivables from electricity, gas and water deliveries, which had not been invoiced as at the reporting date, were deferred on a pro-rata basis and are shown under "trade receivables". With regard to the recognition of construction contracts under IAS 11, please refer to item 34.

Interest income is realised for the pro-rata period depending on the actual interest rate. Dividends are shown at the dates on which the title to the payment was created.

5.20 Cross Border Leasing

Energie AG Oberösterreich entered into a cross-border leasing (CBL-) transaction for some of its power plants in fiscal 2001/2002. In the course of the transaction, 14 hydropower plants were leased to a US investor by means of trusts,

which were leased back for a shorter period at the same time. According to Austrian law, this did not change the civil-law and economic ownership relations. The financial benefit (present value benefit) for Energie AG Oberösterreich – after deducting the transaction costs – was disclosed in the balance sheet under long-term debt as a differential amount carried as a liability and re-transferred with effect on revenues according to the term of the underlying leasing transaction.

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

In the case of payment undertaking agreements, which are entered into with financial institutes, the financial institutes undertake to make all payments that arise under the lease-

back arrangements directly to the US trust. Unlike the classical instrument of investing via deposits, this financing tool does not lead to an increase of the assets shown in the balance sheet. However, Energie AG Oberösterreich was liable to the US trust for compliance with the commitments that the financial institutes had assumed in connection with the payment undertaking agreements.

Energie AG Oberösterreich was able at the end of April 2013 to successfully terminate ahead of maturity its cross border leasing (CBL-) transaction for 14 leased power plants with the consent of the US investor and all transaction parties involved. Based on the termination price for the early exit from the US lease transaction, a positive contribution was recognised in the financial result in the 2012/2013 fiscal year. All prepayment and collateral instruments associated with the early termination of the CBL power plant transaction were repaid or respectively released.

NOTES TO THE INCOME STATEMENT

6. Sales

	2013/2014 EUR 1,000	2012/2013 EUR 1,000
Electricity Segment	1,038,137.3	964,548.7
Distribution Segment	249,079.8	254,220.6
Gas Segment	160,835.6	198,849.2
Waste Management Segment	198,713.2	214,962.5
Water Segment	124,454.6	130,076.3
Miscellaneous Segment	55,587.6	53,317.2
Sales revenue	1,826,808.1	1,815,974.5
Procurement Costs for Electricity and Gas Proprietary Trading	- 158,269.4	- 130,132.7
Net Sales Revenue	1,668,538.7	1,685,841.8

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

7. Segment Reporting

Segment Reporting by Business Areas

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

Segment reporting includes the segments Electricity, Distribution, Gas, Waste Management, Water and Miscellaneous.

The accounting and valuation principles of the reported segments are the same as those used throughout the Group. The operating result is the result for the period which, being regularly monitored by the main decision-makers, is primarily used as a basis to assess the level of success and the allocation of resources.

The sales made between the "Electricity" Segment and the other segments primarily concern the supply of natural gas. The prices charged are based on market prices. Sales in the "Miscellaneous" Segment mainly include sales from services and for materials. Transfer prices are determined based on costs.

Electricity

The Electricity Segment mainly includes the generation, sale and distribution of electrical energy. Electrical energy is primarily generated using hydraulic and caloric generation plants. In addition, electrical energy is also purchased via purchasing rights from third-party power plants as well as the electricity market. The Electricity Segment also includes Energie AG Oberösterreich Trading GmbH as a central electricity and gas trading company as well as the 7-Fields gas reservoir.

The companies consolidated according to the equity method, Gas- und Dampfkraftwerk Timelkam GmbH, ENAMO GmbH as well as ENAMO Ökostrom GmbH, are assigned to the Electricity Segment.

Distribution

The Distribution Segment of Energie AG Oberösterreich comprises the construction and operation of an electricity distribution system which extends over a large portion of Upper Austria and parts of Salzburg and Styria, as well as, to a small extent, areas in Lower Austria. In addition, services are also provided in the telecommunications area.

Gas

The Gas Segment of Energie AG Oberösterreich comprises the construction and operation of a natural gas distribution system, the sale of gas and heat as well as provision of energy services. The Gas Segment comprises Oberösterreichische Ferngas Aktiengesellschaft as well as its subsidiaries.

Waste Management

The Waste Management Segment covers accepting, sorting, incinerating and dumping of domestic and industrial waste materials. "Papyrus" Altpapierservice Handelsgesellschaft m.b.H., valued at-equity, as well as Papyrus Wertstoff Service GmbH are assigned to the Waste Management Segment.

Water

The Water Segment consists primarily of the supply with drinking water, as well as of the disposal of wastewater.

Miscellaneous

The Miscellaneous Segment includes companies which are included at-equity in the consolidated statement and are not assigned to any other segment as well as management and control functions. In addition, the Miscellaneous Segment includes companies in the business areas of Heat and Fair Energy.

The gains from the reversal of contributions to construction costs at EUR 18.1 million (previous year: EUR 17.8 million) relate to the Distribution Segment. Decreases in value of intangible assets and fixed assets (see item 11), write-downs of inventories to the net sales price (see Item 20), the provisions endowed for the Timelkam Gas and Steam Power Plant and for the shut-down of the Riedersbach Coal-Fired Power Plant (see item 25.5) concern the Electricity Segment. The endowment of the provision for the step-in retirement model (see item 25.4), at EUR 1.6 million (previous year: EUR 10.1 million) concerns the Electricity Segment, and at EUR 4.3 million (previous year: 10.7 million) the Distribution Segment.

Segment reporting by business division is presented as follows:

	Electricity EUR mill.	Distribution EUR mill.	Gas EUR mill.	Waste Disposal EUR mill.
2013/2014				
Sales to third parties	1,038.1	249.1	160.9	198.7
Inter-segment sales	27.9	10.3	2.0	10.8
Total sales	1,066.0	259.4	162.9	209.5
Income from shares in equity companies	0.7	—	—	- 0.1
Depreciations	- 43.7	- 55.4	- 17.4	- 25.6
Income from operations	26.3	36.5	20.2	5.4
Financing costs	- 3.4	- 3.5	- 5.2	- 6.6
Other net interest income	0.5	1.0	0.5	0.4
Taxes on income	- 5.5	- 8.5	- 4.2	- 0.6
Book value of stakes in equity undertakings	16.2	—	—	7.6
Goodwill	—	—	—	45.3
Investments into intangible assets and tangible fixed assets	23.8	68.8	37.9	12.9
Capital employed	371.3	541.9	277.9	210.1

	EUR mill.
Capital employed	1,433.5
Assets not used in the process of rendering goods and services	643.0
Non-interest bearing debts, provisions	999.7
Balance sheet total	3,076.2

	Electricity EUR mill.	Distribution EUR mill.	Gas EUR mill.	Waste Disposal EUR mill.
2012/2013				
Sales to third parties	964.5	254.2	198.8	394.8
Inter-segment sales	19.5	9.6	1.8	12.9
Total sales	984.0	263.8	200.6	407.7
Income from shares in equity companies	0.4	—	- 0.7	—
Depreciations	- 26.4	- 54.0	- 16.4	- 89.4
Income from operations	- 10.6	35.9	18.2	- 25.3
Financing costs	- 2.7	- 3.7	- 5.1	- 13.1
Other net interest income	0.8	0.6	1.0	2.7
Taxes on income	3.1	- 8.2	- 4.6	3.0
Book value of stakes in equity undertakings	16.1	—	—	7.7
Goodwill	0.1	—	—	45.3
Investments into intangible assets and tangible fixed assets	27.1	68.3	29.8	23.2
Capital employed	438.9	446.6	266.3	398.2

	EUR mill.
Capital employed	1,460.2
Assets not used in the process of rendering goods and services	773.4
Non-interest bearing debts, provisions	989.5
Balance sheet total	3,223.1

minus dis- continued operation EUR mill.	Water EUR mill.	Others EUR mill.	Transition/ elimination EUR mill.	Group EUR mill.
—	124.5	55.5	—	1,826.8
—	0.6	67.2	- 118.8	—
—	125.1	122.7	- 118.8	1,826.8
—	—	16.6	—	17.2
—	- 7.7	- 8.8	—	- 158.6
—	9.3	7.9	—	105.6
—	- 0.8	- 28.3	7.8	- 40.0
—	0.1	3.9	- 7.8	- 1.4
—	- 2.0	8.8	—	- 12.0
—	—	194.8	—	218.6
—	22.4	1.2	—	68.9
—	6.6	14.6	- 5.1	159.5
—	106.7	- 74.4	—	1,433.5

minus dis- continued operation EUR mill.	Water EUR mill.	Others EUR mill.	Transition/ elimination EUR mill.	Group EUR mill.
- 179.7	130.1	53.3	—	1,816.0
—	0.7	68.4	- 112.9	—
- 179.7	130.8	121.7	- 112.9	1,816.0
—	- 0.1	13.2	—	12.8
62.3	- 8.1	- 8.6	—	- 140.6
32.8	9.5	- 4.6	—	55.9
5.1	- 1.0	- 33.7	8.3	- 45.9
- 2.6	0.2	16.5	- 8.3	10.9
- 5.4	- 2.2	12.5	—	- 1.8
- 0.1	—	208.7	—	232.4
—	23.6	1.4	—	70.4
- 10.0	6.4	12.3	—	157.1
- 150.7	112.4	- 51.5	—	1,460.2

Segment Reporting by Geographical Segments

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

2013/2014	Austria	Czech Republic	Hungary	Other	Discontinued	Transitions/ elimination	Group in EUR mill.
	in EUR mill.	in EUR mill.	in EUR mill.	countries in EUR mill.	operation	in EUR mill.	
Sales to third parties	1,674.4	138.9	—	13.5	—	—	1,826.8
Carrying value of segment assets	2,653.1	142.0	—	16.9	—	264.2	3,076.2

2012/2013	Austria	Czech Republic	Hungary	Other	Discontinued	Transitions/ elimination	Group in EUR mill.
	in EUR mill.	in EUR mill.	in EUR mill.	countries in EUR mill.	operation	in EUR mill.	
Sales to third parties	1,633.0	275.6	48.4	38.7	- 179.7	—	1,816.0
Carrying value of segment assets	2,554.1	255.7	61.2	57.2	- 207.3	502.2	3,223.1

8. Other Operating Income

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Income from the disposal of intangible assets and tangible fixed assets	4,955.7	816.1
Capitalised production costs	554.2	787.5
Income from leases and rentals	2,282.5	3,167.2
Income from the reversal of investment grants	2,962.5	3,595.9
Income from CO ₂ certificates	1,469.7	3,572.5
Other income	13,387.2	14,695.4
	25,611.8	26,634.6

9. Cost of Material and Other Purchased Manufacturing Rights

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Electricity purchased from third parties	746,351.6	665,982.1
Cost of use of system	60,230.9	65,347.5
Cost of fuels	54,863.7	88,684.5
Cost of other materials	225,609.8	270,945.1
Cost of purchased services	116,147.0	119,870.6
	1,203,203.0	1,210,829.8
Procurement Costs for Electricity and Gas Proprietary Trading	- 158,269.4	- 130,132.7
	1,044,933.6	1,080,697.1

10. Personnel Costs

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Wages and salaries	199,189.4	203,133.2
Expenses for severance payments and benefits to company pension funds	4,215.5	4,851.9
Pension payments	15,827.0	35,551.3
Statutory social-security charges and remuneration-related charges and compulsory contributions	51,602.1	52,403.1
Other social expenses	4,068.4	22,735.4
	274,902.4	318,674.9

The cost of contribution-oriented benefit plans is EUR 5,276.8 thousand (previous year: EUR 5,426.1 thousand). The cost of severance payments concern, at EUR 13.6 thousand (previous year: EUR 10.0 thousand), the costs of retirement plans at EUR 438.5 thousand (previous year: EUR 451.0 thousand) Members of the Board of Directors.

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Board of Management	831.0	813.0
Former members of the Board of Management and their dependents	864.0	856.0
Supervisory Board	114.0	125.0
	1,809.0	1,794.0

In the fiscal year, there were on average 4,431 (previous year: 4,602) employees. Part-time employees are considered on a proportional basis.

11. Amortization and Depreciation

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Scheduled depreciation	134,447.5	134,224.0
Non-scheduled depreciation	24,148.9	6,364.0
	158,596.4	140,588.0

12. Other Operating Expenses

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Taxes	7,701.3	7,959.9
Outside services	42,599.8	46,933.6
Travel expenses	8,578.1	8,849.4
Insurance premiums	4,933.9	5,282.9
Postage and telecommunication fees	5,191.8	5,470.6
Rentals and leases	7,892.8	7,739.6
Write-downs of receivables	1,511.6	1,670.2
Allocated value allowance for receivables	2,148.3	1,116.8
Expenses for vehicles	20,654.5	21,677.8
Losses from the disposal of intangible assets	1,838.5	2,095.2
Repairs	23,545.0	20,157.8
Other expenses	32,949.3	32,486.4
	159,544.9	161,440.2

Taxes comprise mainly land taxes, location-dependent charges, electricity levies, as well as contributions to remedial action on abandoned waste sites. The fees charged by the Group auditor KPMG Austria GmbH for auditing services and other assurance services provided for the companies of the Energie AG Oberösterreich Group amount to EUR 793.4 thousand (previous year: EUR 888.9 thousand). Moreover, the Group auditor provided other consulting services for the Energie AG Group totalling EUR 216.3 thousand (previous year: EUR 165.3 thousand) for the Energie AG Group.

13. Income from Interest

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Cost of financing		
Interest and similar expenses	- 30,579.4	- 36,663.6
Interest Expenses Personnel Provisions	- 8,459.1	- 8,304.6
Exchange-rate losses from financial liabilities	- 958.2	- 886.0
	- 39,996.7	- 45,854.2
Other interest income		
Interest and similar income	2,603.1	4,058.5
Cross-border leasing	—	4,496.4
Exchange-rate gains from financial liabilities	22.1	1,421.8
Changes in market value from interest swaps	- 3,999.4	962.0
	- 1,374.2	10,938.7
	- 41,370.9	- 34,915.5

14. Other Financial Results

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Income from participations		
Non-consolidated affiliated companies	243.8	24.3
Other investments	1,560.5	1,500.7
Write-down of participations	- 341.6	- 3,256.3
Others	- 3.2	- 218.8
	1,459.5	- 1,950.1
Securities and loans		
Losses from disposal of fixed assets	- 44.1	—
Income from securities	959.5	593.6
Write-downs of securities	- 411.5	- 659.1
Write-ups of securities	1,655.6	827.9
Losses from the disposal of securities	- 352.8	- 26.5
Gains from the disposal of securities	1,326.7	350.2
	3,133.4	1,086.1
	4,592.9	- 864.0

15. Income Tax

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Income tax	13,905.8	7,935.2
Deferred taxes	- 1,927.7	- 6,091.2
	11,978.1	1,844.0

Expenses for taxes on income are EUR 4,790.2 thousand lower (previous year: EUR 2,916.4 thousand lower) than the calculated expenses for taxes on income that result from applying the respective tax rates to the result before taxes on income.

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Profit before taxes on income	68,813.8	20,079.6
Calculated expenses for taxes	16,768.3	4,760.4
Effect on taxes due to		
results from companies valued at-equity and investments	- 4,890.8	- 3,760.6
non-periodic tax credits and/or expenses	- 98.1	469.0
non-tax-deductible expenses	729.3	633.7
tax credits for investments, apprenticeship-related, research and educational measures	- 105.7	- 109.2
other items	- 424.9	- 149.3
Income tax	11,978.1	1,844.0
Effective Tax Rate in %	17.4	9.2

The temporary differences between the amounts stated in the consolidated financial statements and the respective taxable amounts have the following effects on the reported deferred taxes:

	Assets		Debt		Net	
	2014 in EUR 1,000	2013 in EUR 1,000	2014 in EUR 1,000	2013 in EUR 1,000	2014 in EUR 1,000	2013 in EUR 1,000
Intangible assets	209.1	1.1	- 15,848.3	- 15,964.0	- 15,639.2	- 15,962.9
Tangible fixed assets	1,967.9	1,505.7	- 82,663.6	- 83,534.0	- 80,695.7	- 82,028.3
Financial assets	4,712.6	5,156.7	- 8,138.3	- 9,359.8	- 3,425.7	- 4,203.1
Other long-term assets	—	90.6	- 1,767.3	- 2,264.9	- 1,767.3	- 2,174.3
Provisions	29,211.6	26,453.9	- 1,878.2	- 2,256.3	27,333.4	24,197.6
Total untaxed reserves	—	—	- 18,096.4	- 19,383.7	- 18,096.4	- 19,383.7
Contributions to construction costs	21,668.4	21,340.3	—	—	21,668.4	21,340.3
Other long-term debt	2,525.1	2,198.6	- 352.4	- 155.2	2,172.7	2,043.4
Cash Flow Hedges	14,702.0	18,551.3	—	—	14,702.0	18,551.3
Tax losses carried forward	9,724.1	11,295.5	—	—	9,724.1	11,295.5
Other items	2,284.5	1,569.0	- 161.5	- 465.4	2,123.0	1,103.6
Tax credits/debts before offsetting	87,005.3	88,162.7	- 128,906.0	- 133,383.3	- 41,900.7	- 45,220.6

	Status as at 30/09/2014 in EUR 1,000	Disc discontinued operations in EUR 1,000	Foreign currency translation adjustment in EUR 1,000	Directly recognized in equity in EUR 1,000	Recorded in income statement in EUR 1,000	Status as at 01/10/2013 in EUR 1,000
Intangible assets	- 15,639.2	—	177.9	—	145.8	- 15,962.9
Tangible assets	- 80,695.7	—	259.6	—	1,073.0	- 82,028.3
Financial assets	- 3,425.7	—	- 4.9	520.8	261.5	- 4,203.1
Other long-term assets	- 1,767.3	—	—	—	407.0	- 2,174.3
Provisions	27,333.4	—	- 25.7	4,245.2	- 1,083.7	24,197.6
Total untaxed reserves	- 18,096.4	—	—	—	1,287.3	- 19,383.7
Contributions to construction costs	21,668.4	—	—	—	328.1	21,340.3
Other long-term debt	2,172.7	—	—	—	129.3	2,043.4
Cash flow hedges	14,702.0	—	—	- 3,834.3	- 15.0	18,551.3
Tax losses carried forward	9,724.1	—	—	—	- 1,571.4	11,295.5
Other	2,123.0	—	53.6	—	965.8	1,103.6
	- 41,900.7	—	460.5	931.7	1,927.7	- 45,220.6

	Status as at 30/09/2013 in EUR 1,000	Disc discontinued operations in EUR 1,000	Foreign currency translation adjustment in EUR 1,000	Directly recognized in equity in EUR 1,000	Recorded in income statement in EUR 1,000	Status as at 01/10/2012 in EUR 1,000
Intangible assets	- 15,962.9	7,463.6	- 1.1	—	- 1,845.4	- 21,580.0
Tangible assets	- 82,028.3	—	193.7	—	1,686.1	- 83,908.1
Financial assets	- 4,203.1	- 505.4	- 2.7	- 1,828.4	746.4	- 2,613.0
Other long-term assets	- 2,174.3	—	—	—	- 89.8	- 2,084.5
Provisions	24,197.6	- 449.2	- 9.8	3,583.1	6,298.2	14,775.3
Total untaxed reserves	- 19,383.7	155.9	—	—	656.1	- 20,195.7
Contributions to construction costs	21,340.3	—	—	—	- 867.7	22,208.0
Other long-term debt	2,043.4	—	—	—	- 297.3	2,340.7
Cash flow hedges	18,551.3	—	—	9,901.0	- 2.2	8,652.5
Tax losses carried forward	11,295.5	5,265.7	0.4	—	- 0.4	6,029.8
Other	1,103.6	- 273.0	25.1	—	- 192.8	1,544.3
	- 45,220.6	11,657.6	205.6	11,655.7	6,091.2	- 74,830.7

No deferred taxes were recorded for temporary differences concerning associated companies on the basis of the at-equity method in the amount of EUR 98,837.3 thousand (previous year: EUR 88,980.3 thousand).

Deferred taxes amounting to EUR 520.8 thousand (previous year: EUR -1,828.4 thousand) are allotted to changes in the value of participations and securities classified as "available for sale", which do not have an effect on the result, and EUR - 3,834.3 thousand to changes in the value from hedge accounting that do not have an effect on the result (previous year: 9,901.0 thousand). The tax-deductible temporary write-downs to net present value amount to EUR 47,601.0 thousand.

NOTES ON THE BALANCE SHEET

16. Intangible Assets

Changes in Intangible Assets and Goodwill:

	Electricity pro- curement rights in EUR 1,000	Other rights in EUR 1,000	Goodwill in EUR 1,000	Customer base in EUR 1,000	Assets under construction in EUR 1,000	Total in EUR 1,000
2013/2014						
Acquisition and production costs						
01/10/2013	228,295.5	115,004.3	111,429.6	55,414.6	62.3	510,206.3
Currency differences	—	- 239.6	- 1,299.0	- 1,681.4	- 4.1	- 3,224.1
Changes in consolidated group	—	441.0	—	—	—	441.0
Additions	10,656.0	4,583.2	—	—	165.8	15,405.0
Disposals	- 4.5	- 5,822.0	- 8,951.6	- 2,884.1	—	- 17,662.2
Repostings	—	159.5	—	—	- 122.9	36.6
Discontinued operations	—	—	—	—	—	—
30/09/2014	238,947.0	114,126.4	101,179.0	50,849.1	101.1	505,202.6
Accumulated amortisation						
01/10/2013	154,348.2	67,738.9	41,018.6	20,041.5	—	283,147.2
Currency differences	—	- 190.0	—	- 506.2	—	- 696.2
Amortisation	3,673.6	5,396.8	—	3,029.5	—	12,099.9
Decrease in value	—	9,659.0	171.8	2,591.1	—	12,421.9
Disposals	- 4.5	- 5,705.5	- 8,951.6	- 2,884.1	—	- 17,545.7
Repostings	—	—	—	—	—	—
Discontinued operations	—	—	—	—	—	—
30/09/2014	158,017.3	76,899.2	32,238.8	22,271.8	—	289,427.1
Book value 01/10/2013	73,947.3	47,265.4	70,411.0	35,373.1	62.3	227,059.1
Book value 30/09/2014	80,929.7	37,227.2	68,940.2	28,577.3	101.1	215,775.5
2012/2013						
Acquisition and production costs						
01/10/2012	219,035.5	122,418.3	150,232.4	89,858.1	1,961.1	583,505.4
Currency differences	—	- 304.4	- 648.1	- 886.2	- 41.6	- 1,880.3
Changes in consolidated group	—	- 2.5	- 4,161.0	- 2,851.3	—	- 7,014.8
Additions	9,260.0	4,293.7	—	—	302.9	13,856.6
Disposals	—	- 3,537.3	—	—	- 6.1	- 3,543.4
Repostings	—	316.4	—	44.6	- 323.7	37.3
Discontinued operations	—	- 8,179.9	- 33,993.7	- 30,750.6	- 1,830.3	- 74,754.5
30/09/2013	228,295.5	115,004.3	111,429.6	55,414.6	62.3	510,206.3
Accumulated amortisation						
01/10/2012	150,674.6	68,544.6	41,005.2	27,075.3	- 0.1	287,299.6
Currency differences	—	- 123.9	- 4.1	- 267.5	- 19.5	- 415.0
Amortisation	3,673.6	5,456.7	14.2	4,746.6	—	13,891.1
Decrease in value	—	- 1,127.3	—	—	—	- 1,127.3
Repostings	—	14.4	—	—	- 10.1	4.3
Discontinued operations	—	- 5,025.6	3.3	- 11,512.9	29.7	- 16,505.5
30/09/2013	154,348.2	67,738.9	41,018.6	20,041.5	—	283,147.2
Book value 1/10/2012	68,360.9	53,873.7	109,227.2	62,782.8	1,961.2	296,205.8
Book value 30/09/2013	73,947.3	47,265.4	70,411.0	35,373.1	62.3	227,059.1

In the fiscal year 2012/2013, depreciation in the amount of EUR 1.7 million concerns the discontinued operation.

Development of fixed assets

	Land with buildings in EUR 1,000	Plants and machinery in EUR 1,000	Factory and office equipment in EUR 1,000	Assets under construction in EUR 1,000	Total in EUR 1,000
2013/2014					
Acquisition and production costs					
01/10/2013	978,391.0	3,136,435.7	187,323.9	75,536.6	4,377,687.2
Currency differences	- 4,457.3	- 2,348.7	- 449.2	- 223.1	- 7,478.3
Changes in consolidated group	—	340.3	—	—	340.3
Additions	7,418.4	91,242.0	11,080.3	34,350.8	144,091.5
Disposals	- 3,873.6	- 21,629.9	- 11,892.7	45.0	- 37,351.2
Repostings	15,412.3	57,134.1	3,359.3	- 75,942.3	-36.6
30/09/2014	992,890.8	3,261,173.5	189,421.6	33,767.0	4,477,252.9
Accumulated amortisation					
01/10/2013	495,296.0	1,897,270.9	147,142.6	- 147.4	2,539,562.1
Currency differences	- 1,890.0	- 1,353.8	- 331.6	7.1	- 3,568.3
Amortisation	17,406.5	90,968.5	13,972.6	—	122,347.6
Decrease in value	3,102.8	4,904.3	—	3,719.9	11,727.0
Write-ups	—	—	—	- 3.1	- 3.1
Disposals	- 1,903.1	- 19,373.7	- 11,935.9	—	- 33,212.7
Repostings	253.1	- 1,315.7	1,062.6	—	—
30/09/2014	512,265.3	1,971,100.5	149,910.3	3,576.5	2,636,852.6
Book value 01/10/2013	483,095.0	1,239,164.8	40,181.3	75,684.0	1,838,125.1
Book value 30/09/2014	480,625.5	1,290,073.0	39,511.3	30,190.5	1,840,400.3
2012/2013					
Acquisition and production costs					
01/10/2012	1,066,049.3	3,185,176.4	196,468.7	72,689.9	4,520,384.3
Currency differences	- 2,414.8	- 2,131.2	- 242.3	- 156.9	- 4,945.2
Changes in consolidated group	- 2,854.1	- 1,042.5	- 1,351.0	—	- 5,247.6
Additions	4,005.0	83,819.4	8,238.7	47,211.6	143,274.7
Disposals	- 858.4	- 32,713.4	- 5,040.9	-62.0	- 38,674.7
Repostings	10,631.1	22,124.3	2,499.8	- 35,644.5	- 389.3
Discontinued operations	- 96,167.1	- 118,797.3	- 13,249.1	- 8,501.5	- 236,715.0
30/09/2013	978,391.0	3,136,435.7	187,323.9	75,536.6	4,377,687.2
Accumulated amortisation					
01/10/2012	510,188.5	1,900,607.5	142,932.7	45.5	2,553,774.2
Currency differences	- 1,005.2	- 1,373.2	- 151.9	- 2.1	- 2,532.4
Amortisation	17,940.1	97,285.1	16,164.6	2.2	131,392.0
Decrease in value	2,500.0	3,864.0	—	—	6,364.0
Write-ups	—	-45.6	—	—	- 45.6
Disposals	- 622.6	- 24,882.8	- 4,571.6	1.9	- 30,075.1
Repostings	96.4	-19.6	- 81.1	—	- 4.3
Discontinued operations	- 33,801.2	- 78,164.5	- 7,150.1	- 194.9	- 119,310.7
30/09/2013	495,296.0	1,897,270.9	147,142.6	- 147.4	2,539,562.1
Book value 01/10/2012	555,860.8	1,284,568.9	53,536.0	72,644.4	1,966,610.1
Book value 30/09/2013	483,095.0	1,239,164.8	40,181.3	75,684.0	1,838,125.1

In the fiscal year 2012/2013, depreciation in the amount of EUR 9.4 million concerns the discontinued operation.

For the purposes of the impairment test, goodwill is assigned to the cash-generating units and the cash flows of these cash-generating units will be discounted at the following discounting rate:

	Goodwill in EUR mill.		Discount Rate in %	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
Disposal Segment				
Austria	43.1	43.1	6.0	6.6
Other countries	2.2	2.2	7.1	6.6 - 11.1
	45.3	45.3		
Water Segment				
CEVAK a.s.	14.1	15.1	5.5	6.3
WDL Wasserdienstleistungs GmbH	4.1	4.1	5.3	6.2
Other Companies	4.2	4.4	5.5 - 6.9	6.3
	22.4	23.6		
Others	1.2	1.5	6.0 - 6.2	5.0 - 6.3
Total	68.9	70.4		

A drop in future cash flow of 20% would result in depreciation of goodwill of the cash generating unit for the Waste Management Segment/Austria in the amount of EUR 21.9 million (previous year: EUR 26.3 million) as well as CEVAK a.s. in the amount of EUR 0.0 million (previous year: EUR 0.0 million). The realisable amount from the CGU "Waste Management Segment/Austria" exceeds the book value by EUR 26.4 million; the realisable amount from CEVAK a.s. exceeds the book value by EUR 92.6 million.

A rise in the interest rate of 0.25% would result in depreciation of goodwill of the cash generating unit for the Waste Management segment/Austria in the amount of EUR 0.0 million (previous year: EUR 0.0 Mio.) and the good will of CEVAK a.s. in the amount of EUR 0.0 mil. (previous year: EUR 0.0 million).

The estimate of future gas price listings in the trading market in the summer and winter months (summer-winter spread) was amended due to the surplus in storage capacity. The change in this estimate led to a drop in use value determined based on discounted cash flows and thus to a need for impairment of the usage rights to the 7-Fields gas reservoir in the Electricity Segment in the amount of EUR 9.7 mill. An interest rate of 6.6% was used to calculate this.

In particular, due to decreased assumptions for future energy prices, impairments were performed for projects costs for generation plants in the amount of EUR 3.8 million as well as for a biomass power plant in the amount of EUR 4.3 million.

In addition, impairments were made for several generating plants in the amount of EUR 6.4 million.

Research costs in the amount of EUR 3.5 million (previous year: EUR 3.2 million) are carried as expenses.

In fiscal 2013/2014, interest on borrowed capital in the amount of EUR 1,502.1 thousand (previous year: EUR 837.6 thousand) was capitalised.

Additions to plants under construction led to outflows of funds in the amount of EUR 14,202.6 thousand (previous year: EUR 35,428.7 thousand). The obligations to acquire tangible fixed assets amount to EUR 15,378.2 thousand (previous year: EUR 25,334.7 thousand).

In fiscal 2007/2008, assets from tangible fixed assets were sold in the Waste Management Segment and leased back for a period of 15 years ("sale and lease back"). The assets under this financing leasing relationship continue to be recognised as assets in the balance sheet, and the same amount for the present value of the minimum leasing payments was recognised under liabilities. During, and to the end of the term of the contract, there are cancellation options for the outstanding loan amount at specific points in time. The lessor has a right to offer the outstanding loan amount up to the end of the term of the contract. Subleasing to third parties is not permitted during the term of the contract. On 30 September 2014, the book value was to EUR 41,556.8 thousand (previous year: EUR 45,653.8 thousand). The future minimum leasing payments for the following year are EUR 2,389.8 thousand (previous year: EUR 2,383.0 thousand), EUR 10,600.0 (previous year: EUR 10,967.8 thousand) for periods between one and five years, and EUR 46,538.4 thousand (previous year: EUR 50,508.3 thousand). Leasing payments determined on the basis of variable interest in the amount of EUR -2,676.3 thousand (previous year: EUR -2,531.0 thousand) are entered under expenses.

The cash value of the minimum lease payments is presented as follows:

	Minimum leasing payments in EUR 1,000	Discounted in EUR 1,000	Cash value of minimum leasing payments in EUR 1,000
Term less than one year	2,389.8	1.8	2,388.0
Terms between one and five years	10,600.0	35.8	10,564.2
Terms in excess of five years	46,538.4	423.5	46,114.9
	59,528.2	461.1	59,067.1

17. Participations

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Shares in affiliated companies	7,146.6	6,725.6
Associated companies valued at equity	218,583.3	232,384.2
Investments available for sale	348.5	365.6
Other investments	12,930.7	13,282.2
	239,009.1	252,757.6

Changes in the value of associated companies valued according to the equity method are shown under write-ups and/or disposals of assets.

An increase in the interest rate by 0.25% would result in impairments of the companies valued using equity methods in the amount of EUR 12.2 million EUR, a decrease in future cash flows by 20%, totalling EUR 48.7 million. The realisable amount of the affected shares exceeds the book value by EUR 3.5 million.

18. Other Financial Assets

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Loans to affiliated companies	85.0	555.2
Loans to associated companies	12,000.0	12,000.0
Other loans	14,693.7	16,903.5
Securities available for sale	55,708.1	66,064.7
Other securities	17,469.0	39,891.4
	99,955.8	135,414.8

19. Other Long-Term Assets

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

20. Inventories

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Primary energy	51,067.9	52,901.2
Raw materials and supplies	12,717.3	9,642.5
Work in progress	1,186.9	3,126.8
Finished goods and goods for resale	1,243.5	912.4
	66,215.6	66,582.9

In the current fiscal year, impairments of inventories of primary energy were made to the net disposal value in the amount of EUR 3,534.2 thousand (previous year: EUR 17,400.0 thousand). The book value of the inventories valued at the net disposal value was EUR 5,542.5 thousand (previous year: 12,613.5).

21. Accounts Receivable and Other Assets

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Accounts receivable (trade debtors)	199,436.9	209,599.2
Receivables from non-consolidated affiliated companies	24,169.0	14,480.2
Receivables from undertakings with which the company is linked by virtue of participating interests	18,468.6	22,479.4
Accruals and deferrals of interest	4,498.6	5,413.5
Market value of derivatives	5,456.5	4,962.7
Others	34,286.8	40,966.8
	286,316.4	297,901.8

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

22. Cash in Hand, Checks and Bank Balances

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Cash in hand	191.0	256.2
Cash in bank accounts	176,837.9	60,384.6
	177,028.9	60,640.8

23. Shareholders Equity

The nominal capital of Energie AG Oberösterreich consists of 89,087,750 individual share certificates (previous year: 89,000,000), of which 88,600,000 are common shares (previous year: 88,600,000), of which 487,750 are preferred shares without voting rights (previous year: 400,000). The nominal capital has been fully paid in.

The Board of Management of Energie AG Oberösterreich is authorised, up to 15 January 2018, to increase the nominal capital of the company by a maximum of EUR 2,800,000 by issuing bearer shares to staff members in the form of preferred shares without voting rights.

The capital reserves result from the share premium of the capital increase, minus the directly attributable costs of obtaining equity in the amount of EUR 1,771.9 thousand, as well as from the contribution of own shares during fiscal 2006/2007 as well as shares issued to staff in fiscal year 2012/2013.

During fiscal 2007/2008, 390,000 preferred shares without voting rights were contributed to Energie AG Oberösterreich. These shares were offered to Group staff members at favourable conditions during fiscal 2007/2008. The benefit per staff member amounted to the maximum tax-exempt sum pursuant to § 3 (1) item 15 letter b of the Income Tax Act.

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

The profit reserves result from the profits that the Group generated but did not distribute.

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

The IAS 39 reserves comprise changes in market value from investments available for sale and securities, changes in the market value of cash-flow hedges, as well as changes in equity without effect on the business result of associated companies valued at equity.

As at 30 September 2014, the cash flow hedge reserve amounts to EUR 58,867.7 thousand (previous year: EUR -74,205.2 thousand). The effective share of the fair value changes concerning cash-flow hedges is entered in other comprehensive income in the cash-flow hedge reserve. The non-effective share of the fair-value changes concerning cash flow hedges in the amount of EUR 0.0 thousand (previous year: EUR 0.0 thousand) is entered in the income statement with effect on the result. Market value changes in the amount of EUR -33,899.6 thousand (previous year: EUR -60,726.1 thousand) were entered in other comprehensive income. During the fiscal year, EUR 49,237.1 thousand (previous year: EUR 21,121.9 thousand) was taken from the cash-flow hedge reserve and recorded in the income statement. Of this amount, EUR 8,012.9 thousand (previous year: EUR 4,669.7 thousand) was shown in the financial result, and EUR 41,224.2 thousand (previous year: EUR 16,452.3 thousand) was entered in the operating result.

The AFS provision, which is contained in the IAS 39 provisions, comprises changes in the value of participations and securities classified as "available for sale" in other comprehensive income. As of 30 September 2014, the AFS provision amounted to EUR 16,669.7 thousand (previous year: EUR 18,753.0 thousand).

During the fiscal year, changes in market value in the amount of EUR -1,936.5 thousand (previous year: EUR 7,357.4 thousand) were shown under equity, without any effect on the result, and EUR -146.8 thousand (previous year: EUR -44.2 thousand) was taken from the AFS provision and entered in the income statement with an effect on profit

The IAS 19 reserves come from actuarial results from provisions for pensions and severance recognised in other comprehensive income.

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

On 30 September 2014, 299,399 (previous year: 297,811) treasury shares were held.

Capital Management

It is the objective of capital management to preserve a strong capital base so that it is also possible in the future for shareholders to earn an adequate return for the company in line with the risk situation of the company, to promote the future development of the company and to also create benefits for other interest groups. Value based management is firmly anchored in management systems and in management processes. Pursuant to IFRS, the management considers the equity in the books to be the capital. As at the balance sheet date, the equity ratio amounted to 36.0% (previous year: 36.9%). For purposes of internal reporting and control, the return on capital employed (ROCE) is used for purposes of internal reporting and control. Capital employed comprises the assets assignable to a unit, with the exception of the assets not used in the process of service creation and utilisation, minus non-interest bearing debts and some reserves.

24. Financial Instruments and Financial Risk Management

24.1. Derivative Financial Instruments and Hedge Transactions

The use of derivative financial instruments is subject to approval and control procedures in the Group. Linkage to a base transaction is absolutely compulsory. Proprietary trading is only done within very strict limits.

Interest swaps are used to hedge against future variable interest payments from financing and leasing contracts.

Futures and swaps are concluded to hedge against price risks from electricity/gas purchases and electricity/gas sales. Futures are used to a limited extent to hedge the purchase and sale of CO₂ certificates.

Fair value hedges at the group exist for firm obligations in connection with gas procurement and supply transactions.

Cash flow hedges are concluded to hedge against future cash flows. Electricity/gas/CO₂ futures and gas swaps are used to hedge against price risks, and interest rate swaps are used to hedge against the cashflow risk of variable-rate liabilities.

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

	30/09/2014			30/09/2013		
	Nominal value	Positive market values	Negative market values	Nominal value	Positive market values	Negative market values
	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Derivatives with cash-flow hedge relation						
Interest swaps	90.3 EUR mill.	—	- 15,816.2	184.5 EUR mill.	—	- 16,855.3
Derivatives without hedge relation						
Interest swaps 2005-2025 loans ^{*)}	100.0 EUR mill.	5,188.0	—	100.0 EUR mill.	5,675.1	—
Interest swaps bond ^{**)}	90.0 EUR mill.	—	- 3,790.9	0.0 EUR mill.	—	—
Interest swaps	0.0 EUR mill.	—	—	5.0 EUR mill.	—	- 64.2
Interest futures	4.5 EUR mill.	—	- 17.5	2.5 EUR mill.	—	- 37.0
Structured interest and foreign-currency derivatives	15.0 EUR mill.	—	- 1,609.9	30.0 EUR mill.	—	- 2,056.1

^{*)} In connection with the 2005-2005 loans, fixed interest rates were converted to variable-rate interest payments. The variable interest payments were then swapped back for fixed interest rate payments using derivative financial instruments. As such, there are no resultant risks for future cash flows from this item.

^{**)} The interest rates in connection with the bond will be dissolved in October 2014, corresponding to the repayment of the loan. In the previous year, these interest rate swaps were shown for derivatives with a cash flow hedge relationship with a market value of EUR -5,599.3 thousand.

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

30/09/2014	Nominal value		Positive market values in EUR 1,000	Negative market values in EUR 1,000
	Purchase	Sale		
Derivatives with cash-flow hedge relation				
Electricity futures	143.1 EUR mill.	6.7 EUR mill.	268.5	- 13,644.4
Gas futures	0.9 EUR mill.	0.0 EUR mill.	14.8	- 2.0
CO ₂ futures	0.5 EUR mill.	2.0 EUR mill.	242.2	- 99.8
Gas swaps	0.0 EUR mill.	0.0 EUR mill.	—	—
Derivatives with Fair Value Hedge Relationships				
Electricity futures	1.4 EUR mill.	0.0 EUR mill.	3.1	- 6.4
Derivatives without hedge relation				
Electricity forwards	150.5 EUR mill.	150.9 EUR mill.	12,032.7	- 12,032.1
Gas forwards	5.6 EUR mill.	5.7 EUR mill.	138.5	- 92.3
Electricity futures	0.4 EUR mill.	0.0 EUR mill.	—	- 8.1

30/09/2013	Nominal value		Positive market values in EUR 1,000	Negative market values in EUR 1,000
	Purchase	Sale		
Derivatives with cash-flow hedge relation				
Electricity futures	272.8 EUR mill.	4.4 EUR mill.	471.9	- 40,681.6
Gas futures	0.0 EUR mill.	0.0 EUR mill.	—	—
CO ₂ futures	1.1 EUR mill.	1.1 EUR mill.	178.9	- 267.5
Gas swaps	6.8 EUR mill.	0.0 EUR mill.	—	- 254.8
Derivatives with Fair Value Hedge Relationships				
Electricity futures	1.1 EUR mill.	0.0 EUR mill.	—	- 7.0
Derivatives without hedge relation				
Electricity forwards	129.2 EUR mill.	129.5 EUR mill.	7,511.2	- 7,240.8
Gas forwards	0.0 EUR mill.	0.0 EUR mill.	—	—
Electricity futures	0.0 EUR mill.	0.0 EUR mill.	—	—

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

As of 30 September 2014, energy hedge instruments are designated in the scope of fair value hedges. In the 2013/2014 fiscal year, earnings of EUR 3.3 thousand (previous year EUR 7.0 thousand) from the book value adjustment of base transactions are shown in the operating result). Losses of EUR 3.3 thousand (previous year: EUR 7.0 thousand) resulting from the changes to the fair value of hedge transactions are recognised in operating result.

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

30/09/2014	Nominal value		Maturity
	Purchase	Sale	
Hedging transaction			
Interest swaps	90.3 EUR mill.	0.0 EUR mill.	2014 - 2028
Electricity futures	143.1 EUR mill.	6.7 EUR mill.	2014 - 2018
Gas futures	0.9 EUR mill.	0.0 EUR mill.	2014 - 2015
CO ₂ futures	0.5 EUR mill.	2.0 EUR mill.	2014 - 2015
Gas swaps	0.0 EUR mill.	0.0 EUR mill.	—

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

24.2. Book Values According to IAS 39

The book values of financial assets and debts are composed as follows according to classes and or valuation categories pursuant to IAS 39 or IAS 17:

	Category according to IAS 39*)	Book value 30/09/2014 in EUR 1,000	Book value 30/09/2013 angepasst in EUR 1,000
Participations		20,425.8	20,373.4
Shares in affiliated companies	AfS (at cost)	7,146.6	6,725.6
Investments (available for sale)	AfS	348.5	365.6
Other participations	AfS (at cost)	12,930.7	13,282.2
Other financial assets		99,955.8	135,414.8
Loans to affiliated companies	LaR	85.0	555.2
Loans to companies with which the company is linked by virtue of participating interests	LaR	12,000.0	12,000.0
Other loans	LaR	14,693.7	16,903.5
Securities (held to maturity)	HtM	1.0	501.7
Securities (available for sale)	AfS	55,708.1	66,064.7
Securities (fair value option)	AtFVP&L (FV Option)	17,468.0	39,389.7
Accounts receivable and other assets (long and short-term) according to the balance sheet		309,868.9	317,602.8
of which non-financial assets		23,608.8	22,738.0
of which financial assets		286,260.1	294,864.8
Accounts receivable (trade debtors)	LaR	199,584.7	209,832.3
Due from affiliated companies	LaR	24,166.4	14,477.5
Due from undertakings with which the company is linked by virtue of participating interest	LaR	19,050.7	23,145.6
Derivatives without hedge relation	AtFVP&L (Trading)	17,359.2	13,186.3
Other financial assets	LaR	26,099.1	34,223.1
Fixed term deposits	LaR	127,500.0	111,500.0
Cash and cash equivalents	LaR	177,028.9	60,640.8
Total for financial assets		711,170.6	622,793.8

	Category according to IAS 39*)	Book value 30/09/2014 in EUR 1,000	Book value 30/09/2013 angepasst in EUR 1,000
Financial liabilities (long and short-term)		631,108.3	637,233.6
Bonds	FLAC	303,077.8	303,638.5
Due to banks	FLAC	163,555.6	166,033.9
Liabilities – financing leasing	IAS 17	59,155.2	61,482.0
Other financial liabilities	FLAC	105,319.7	106,079.2
Accounts payable (short-term)	FLAC	168,018.8	163,240.0
Other debts (long and short-term) according to balance-sheet of these non-financial debts		350,683.4	341,040.9
of these financial debts		226,509.2	210,970.5
of these financial debts		124,174.2	130,070.4
Due to affiliated companies	FLAC	791.4	614.3
Due to undertakings with which the company is linked by virtue of participating interests	FLAC	18,064.5	22,561.5
Derivatives with hedge relation (cash-flow hedge)	n/a	15,816.2	17,110.1
Derivatives without hedge relation	AtFVP&L (Trading)	17,525.2	9,361.1
Other financial liabilities (long and short-term)	FLAC	71,976.9	80,423.4
Total for financial liabilities		923,301.3	930,544.0
Book values in valuation categories acc. to IAS 39			
Loans and receivables	(LaR)	600,208.5	483,278.0
Held-to-maturity investments	(HtM)	1.0	501.7
Available-for-sale financial assets	(AFS)	76,133.9	86,438.1
Financial assets at fair value through profit or loss	(AtFVP&L (Trading))	17,359.2	13,186.3
Financial assets at fair value through profit or loss	(AtFVP&L (FV Option))	17,468.0	39,389.7
Financial liabilities measured at amortised cost	(FLAC)	830,804.7	842,590.8
Financial liabilities at fair value through profit or loss	(AtFVP&L (Trading))	17,525.2	9,361.1

AFS Available for Sale
LaR Loans and Receivables
HtM Held to Maturity

FLAC Financial Liability Measured at Amortised Cost
AtFVP&L At Fair Value through Profit or Loss

Shares in non-consolidated affiliated companies and other investments are presented as "Available for Sale at Costs". For these investments, there is no price listed on an active market and the fair value cannot be reliably determined. In the 2013/

2014 fiscal year, a disposal of other investments (at cost) in the amount of EUR 87.6 thousand (previous year: EUR 1,300.0 thousand) was recognised. The loss from the disposal of these assets was EUR 0.0 thousand (previous year: EUR 235.8 thousand).

24.3. Balancing of Financial Assets and Debts

The following table shows the effect of netting agreements as of 30 September 2014 and 30 September 2013:

	30/09/2014			30/09/2013		
	Recognised financial assets/ liabilities (net) in EUR 1,000	Effect from master set-off agreements in EUR 1,000	Net amounts in EUR 1,000	Recognised financial assets/ liabilities (net) in EUR 1,000	Effect from master set-off agreements in EUR 1,000	Net amounts in EUR 1,000
Financial Assets						
Trade receivables	199,584.7	- 20,284.9	179,299.8	209,832.3	- 23,746.2	186,086.1
Receivables from companies in which participations are held	19,050.7	- 699.0	18,351.7	23,145.6	- 237.5	22,908.1
Positive market values – derivatives	17,359.2	- 11,131.4	6,227.8	13,186.3	- 7,084.2	6,102.1
Total	235,994.6	- 32,115.3	203,879.3	246,164.2	- 31,067.9	215,096.3
Financial debts						
Trade payables	168,018.8	- 20,284.9	147,733.9	163,240.0	- 23,746.2	139,493.8
Liabilities to other investees and investors	18,064.5	- 699.0	17,365.5	22,561.5	- 237.5	22,324.0
Negative market values – derivatives	33,341.4	- 11,131.4	22,210.0	26,471.2	- 7,084.2	19,387.0
Total	219,424.7	- 32,115.3	187,309.4	212,272.7	- 31,067.9	181,204.8

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

24.4. Measurement at Fair Value

24.4.1. Fair Value of Financial Assets and Liabilities that are Regularly Measured at Fair Value

Pursuant to IFRS 13, financial instruments that are valued at fair value are classified within a fair value hierarchy. In view of possible uncertainties relating to possible estimates of the fair values, a distinction is made between three levels:

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

Level 2: Valuation on the basis of input factors that are observable either directly or indirectly in the market and valuations based on prices quoted in inactive markets.

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

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

The Group records reclassifications between the different levels of the fair value hierarchy at the end of the year under report in which the change took place. As of 30 September 2014, no reclassifications took place.

The financial instruments valued at fair value are assigned as follows to stages 1 to 3:

30/09/2014

	Book value in EUR 1,000	Valuation on the basis of input factors observable on the market			Other valuation factors Level 3 in EUR 1,000	Total in EUR 1,000
		Valuation at market prices Level 1 in EUR 1,000	Level 2 in EUR 1,000	Level 3 in EUR 1,000		
Assets						
Investments (available for sale)	348.5	348.5	—	—	—	348.5
Securities (available for sale)	55,708.1	48,981.4	6,726.7	—	—	55,708.1
Securities (fair value option)	17,468.0	17,468.0	—	—	—	17,468.0
Derivatives with no hedging relationship	17,359.2	—	17,359.2	—	—	17,359.2
Total	90,883.8	66,797.9	24,085.9	—	—	90,883.8
Liabilities						
Derivatives with a hedging relationship (cash flow hedge)	15,816.2	—	15,816.2	—	—	15,816.2
Derivatives with no hedging relationship	17,525.2	—	17,525.2	—	—	17,525.2
Total	33,341.4	—	33,341.4	—	—	33,341.4

30/09/2013

	Book value in EUR 1,000	Valuation on the basis of input factors observable on the market			Other valuation factors Level 3 in EUR 1,000	Total in EUR 1,000
		Valuation at market prices Level 1 in EUR 1,000	Level 2 in EUR 1,000	Level 3 in EUR 1,000		
Assets						
Investments (available for sale)	365.6	365.6	—	—	—	365.6
Securities (available for sale)	66,064.7	56,641.0	7,344.8	2,078.9	—	66,064.7
Securities (fair value option)	39,389.7	33,537.3	5,852.4	—	—	39,389.7
Derivatives with no hedging relationship	13,186.3	—	13,186.3	—	—	13,186.3
Total	119,006.3	90,543.9	26,383.5	2,078.9	—	119,006.3
Liabilities						
Derivatives with a hedging relationship (cash flow hedge)	17,110.1	—	17,110.1	—	—	17,110.1
Derivatives with no hedging relationship	9,361.1	—	9,361.1	—	—	9,361.1
Total	26,471.2	—	26,471.2	—	—	26,471.2

The financial instruments in level 3 displayed the following development:

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Book value as of 01 October	2,078.9	1,711.5
Profits (losses)		
- with no effect on the result	—	589.9
Sales	- 2,078.9	- 222.5
Book value as of 30 September	—	2,078.9

In the current fiscal year, losses from the sale of the stage 3 financial instruments in the amount of EUR 321.3 thousand (previous year: earnings of EUR 131.6 thousand) are recognised in the financial result with an effect on profit. Valuation of the stage 3 financial instruments is based on price information of third-parties, which were checked for plausibility and used without corrections.

24.4.2. Valuation process and input factors used when determining fair values

The fair values of the financial assets and debts correspond in general to the market prices as of the closing date. If prices on active markets cannot be determined directly, they are, if they

are not of negligible importance, calculated using accepted financial valuation models and current market parameters (in particular interest rates, exchange rates and contractual partner creditworthiness). The cash flows from the financial instruments are discounted to the balance closing date for this purpose.

The following valuation parameters and input factors were used:

Financial instruments	Stage	Valuation processes	Input factors
Market-listed securities	1	Market value-oriented	Nominal values, stock exchange price
Other securities	2	Capital value-oriented	Payments, interest structure curve, credit risk of contractual partners (credit-default swaps or credit spread curves) associated with the financial instruments
Market-listed futures	1	Market value-oriented	Stock-exchange determined settlement price
Non stock exchange oriented energy futures	2	Capital value-oriented	Forward price curves derived from stock exchange prices, interest structure curves, credit risk of contractual partner on a net basis
Interest rate swaps	2	Capital value-oriented	Already fixed (or determined using forward rates) cash flows, interest rate structure curves, credit risk of contractual partners

24.4.3. Fair values of financial assets and debts which are not regularly valued at fair value for which the fair value must be given, however

Trade receivables, receivables from affiliated companies, receivables from companies with which a participation exists, other financial assets and fixed term deposits mostly have short residual terms. Therefore, their book values as of the balance closing date approximately correspond to the fair value. The fair value of long-term loans correspond, provided they are significant and without a variable interest rate, to the cash values of the payments associated with the assets taking into account

the market parameters current at that time (interest rates and creditworthiness surcharges).

Trade payables, payables to affiliated companies, liabilities to companies with which there is a participation relationship and other financial liabilities regularly have short residual terms; the reported values approximately represent the fair values. The fair value of financial obligations are, provided they are significant and without a variable interest rate, determined as cash values with the payments associated with the debts based on the then current market parameters (interest rates and creditworthiness surcharges).

The following financial assets and debts have a fair value different from the book value:

	Category according to IAS 39	Book value 30/09/2014 in EUR 1,000	Fair value 30/09/2014 in EUR 1,000	Stage
Liabilities				
Financial liabilities		571,953.1	658,326.2	
Bonds	FLAC	303,077.8	369,450.0	Stage 1
Liabilities to banks	FLAC	163,555.6	169,885.7	Stage 3
Other financial liabilities	FLAC	105,319.7	118,990.5	Stage 3

The fair values of the stage 3 debts listed above were determined using generally accepted accounting principles based on discounted cash flow analyses.

24.5. Net Result

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Loans and receivables	- 1,491.4	1,506.3
Held to maturity investments	1.3	17.1
Available for sale financial assets	382.5	7,635.6
Financial assets at fair value through profit or loss (FV option)	1,678.1	1,226.8
Financial assets/liabilities at fair value through profit or loss (trading)	- 5,331.3	- 182.2
Financial liabilities measured at amortised cost	- 22,995.8	- 29,640.8
Net result	- 27,756.6	- 19,437.2
Interest Income and Expenses from Financial Instruments that are measured at amortized cause:		
Total gains from interest	1,684.6	3,930.4
Total expenses for interest	- 22,995.8	- 29,640.8

The net result for the category Loans and Receivables primarily concerns interest income from invested money and loans and is recognised in the financial result. In addition, this item includes income from the reversal of value adjustments and income from the receipt of written off receivables and expenses from impairments and write-offs of trade receivables recognised in operating income.

The net result of held-to-maturity investments is shown in the financial result and primarily includes interest income, write-offs and results from securities and security deposit accounts realised for these instruments.

The net result of the Available for Sale Financial Assets shows the valuation result of investments and securities without an effect on profit as well as results from disposal and impairments shown in Other Financial Result.

The net result of Financial Assets at Fair Value through Profit or Loss (FV Option) mainly concerns valuation results, results from the disposal and dividends of securities and is shown in Other Financial Results.

The net result of Financial Liabilities Measured at Amortised Cost primarily concerns interest expenses from financial liabilities and is part of the financial result.

The net result of Financial Assets and Liabilities at Fair Value through Profit or Loss (Held for Trading) results mainly from the derivative instruments used in Energie AG. The valuation results of the derivative instruments in the energy report is shown in the operating result and includes those of the interest rate and currency derivative instruments in the financial result.

24.6. Financial Risk Management

24.6.1. Principles of Financial Risk Management

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

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

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

24.6.2. Currency risk

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

For the currency risk of financial instruments, sensitivity analyses were carried out and which show the effects of hypothetical

changes of exchange rates on earnings (after taxes) and equity. As a basis, the affected holdings as of the closing date were used (CZK 629 million; CHF 64 million; HUF 2.7 billion). Here it was assumed that the risk on the closing date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular interest rates, remain constant. For the analysis, those currency risks for financial instruments that are denominated in a currency different from the functional currency and of a monetary nature were included. Currency rate differences from the conversion of financial statements to the Group currency were not taken into consideration.

An upward value adjustment of the Euro, according to the aforementioned assumptions, by 10% vs. all other currencies as of the balance closing date would have resulted in an increase in earnings (after taxes) by EUR 1,964.1 thousand (previous year: EUR 1,548.1 thousand) and equity by EUR 396.4 (previous year: decrease by EUR 148.8 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the currency-related conver-

sion effects of net investments in the amount of EUR 1,577.7 thousand (previous year: EUR 1,696.9 thousand).

A downward value adjustment of the Euro, according to the aforementioned assumptions, by 10% vs. all other currencies as of the balance closing date would have resulted in a drop in earnings (after taxes) by EUR 1,938.4 thousand (previous year: EUR 1,548.1 thousand) and equity by EUR 380.7 (previous year: increase by EUR 148.8 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the currency-related conversion effects of net investments in the amount of EUR 1,577.7 thousand (previous year: EUR 1,696.9 thousand).

24.6.3. Interest risk

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

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Balances in banks	177,028.9	60,640.8
Loans with variable interest rates	23,265.3	23,913.7
Credit lines with variable interest rates	- 190,436.1	- 204,704.5
Net risk before collateral	9,858.1	- 120,150.0
Hedge accounting and interest rate derivatives	163,667.1	187,937.9
Net risk after hedge accounting	173,525.2	67,787.9

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

An increase in the market interest rate, according to the aforementioned assumptions, by 50 base points as of the closing date would have resulted in an increase in earnings (after taxes) by EUR 1,332.1 thousand (previous year: EUR 484.2 thousand) and equity by EUR 4,725.2 (previous year: EUR 4,735.1 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the interest-related cash flow hedge reserve in the amount of EUR 3,393.1 (previous year: EUR 4,250.9 thousand).

A decrease in the market interest rate level, according to the aforementioned assumptions, by 50 base points as of the closing date would have resulted in a decrease in earnings (after taxes) by EUR 1,226.1 thousand (previous year: EUR 426.0 thousand) and equity by EUR 4,828.5 (previous year: EUR 5,035.5 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the interest-related cash flow hedge reserve in the amount of EUR 3,602.4 thousand (previous year: EUR 4,609.5 thousand).

24.6.4. Commodity price risk

Commodity price risks basically arise from the procurement and sale of electricity and the procurement of gas as a fuel. In addition, price risks arise from Energie AG due to speculative positions in proprietary trading. Proprietary trading is only done within very strict limits, and the risk can therefore be considered negligible.

Hedge instruments (futures and swaps) are concluded to hedge price risks associated with energy sector risks for electrical energy and fuels.

For the commodity price risk, sensitivity analyses were performed. These show the effects of hypothetical changes at the market price level on earnings (after taxes) and equity. As a basis, the affected derivative holdings as of the closing date were used. Here it was assumed that the risk on the closing date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other variables, in particular exchange rates, remain constant. Not taken into consideration are contracts which are intended for purposes of the receipt or delivery of non-financial items according to the expected receipt, sale and use requirements of the company (own use) and thus must not be reported pursuant to IAS 39 with the exception of encumbered contracts.

Sensitivity of derivative contracts regarding the electricity price:

An increase (decrease) of the market price level, according to the aforementioned assumptions, by 15% as of the reporting date would have resulted in an increase (decrease) in earnings (after taxes) by EUR 0.0 thousand (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 13,839.6 thousand (previous year: EUR 25,677.7 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the interest-related cash flow hedge reserve in the amount of EUR 13,839.6 thousand (previous year: EUR 25,677.7 thousand).

Sensitivity of derivative contracts regarding gas the price:

An increase (decrease) of the market price level, according to the aforementioned assumptions, by 25% as of the reporting date would have resulted in a decrease (increase) in earnings (after taxes) by EUR 0.0 (previous year: EUR 0.0 thousand) and an increase (decrease) in equity by EUR 169.6 thousand (previous year: EUR 1,226.2 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the gas price-related cash flow hedge reserve in the amount of EUR 169.6 thousand (previous year: EUR 1,226.2 thousand).

24.6.5. Market price risk associated with fair value valuation of securities

The Energie AG Group holds securities and funds with which price change risks are associated for the company. The fluctuation risk of the securities held is limited by a conservative invest-

ment policy and ongoing monitoring as well as an ongoing quantification of the risk potential.

For the price risk, sensitivity analyses were performed. These show the effects of hypothetical changes on the market price level on earnings (after taxes) and equity. As a basis, the affected holdings of "Available for Sale" and "At Fair Value through Profit and Loss" (Fair Value Option) as of the reporting date were used. Here it was assumed that the risk on the closing date basically represents the risk during the fiscal year. The Group tax rate of 25% was used as the tax rate. In addition, it was assumed for the analysis that all other parameters, in the currency for example, remain constant.

An increase (decrease) of the market price level, according to the aforementioned assumptions, by 15% as of the reporting date would have resulted in an increase (decrease) in earnings (after taxes) by EUR 1,965.2 thousand (previous year: EUR 4,364.5 thousand) and equity by EUR 8,271.5 thousand (previous year: EUR 11,837.9 thousand). Here, the sensitivity of equity, in addition to the sensitivity of earnings (after taxes), were affected by the sensitivity of the price-related cash flow hedge reserve in the amount of EUR 6,306.4 thousand (previous year: EUR 7,473.4 thousand).

24.6.6. Risk of Default

Credit risks for the Energie AG Group due to non-fulfilment of contractual agreements by the counterparty

The risk of default is limited with regular creditworthiness analyses of the customer portfolio. In the financial and energy trading area, transactions are only conducted with counterparties with first-rate credit. Risks continue to be limited by limit systems and monitoring.

At Energie AG Oberösterreich, the maximum default risk corresponds to the book value of the reported financial assets plus the liabilities listed in Item 32.

The book values of the financial assets comprise the following items:

	Book value 30/09/2014 in EUR 1,000	Of these: neither impaired nor overdue at the reporting date in EUR 1,000	Of these not impaired but overdue during the below periods				Of these: impaired as at the re- porting date in EUR 1,000
			less than 30 days in EUR 1,000	between 30 and 60 days in EUR 1,000	between 60 and 90 days in EUR 1,000	more than 90 days in EUR 1,000	
Receivables and other financial assets (long and short-term)	268,900;9	240,448;4	9,698;0	1,104;1	675;9	11,325;6	5,648;9
Accounts receivable (trade debtors)	199,584;7	176,197;6	9,582;8	1,102;5	659;4	10,976;9	1,065;5
Due from affiliated companies	24,166;4	23,878;2	52;9	1;1	16;5	212;6	5;1
Due from undertakings with which the company is linked by virtue of participating interests	19,050;7	18,868;3	60;9	—	—	121;5	—
Other financial assets	26,099;1	21,504;3	1;4	0;5	—	14;6	4,578;3
Total	268,900;9	240,448;4	9,698;0	1,104;1	675;9	11,325;6	5,648;9

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

Impairments of financial assets have developed as follows:

	Status 01/10/2013 in EUR 1,000	Change in consolidated Group in EUR 1,000	Additions in EUR 1,000	Consumption in EUR 1,000	Retransfers in EUR 1,000	Currency translation in EUR 1,000	Status 30/09/2014 in EUR 1,000
Other financial assets	1,726.9	—	—	- 1,218.8	—	—	508.1
Securities (available for sale)	1,726.9	—	—	- 1,218.8	—	—	508.1
Accounts receivable and other financial assets (long and short-term)	5,894.2	—	2,148.3	- 2,575.2	-458.1	- 104.9	4,904.3
Accounts receivable (trade debtors)	5,845.5	—	1,983.7	- 2,575.2	-458.1	- 101.7	4,694.2
Other financial assets	48.7	—	164.6	—	—	-3.2	210.1
Total	7,621.1	—	2,148.3	- 3,794.0	- 458.1	- 104.9	5,412.4

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

The expenses for complete clearing of receivables amount to EUR 1,511.6 thousand (previous year: EUR 1,670.2 thousand). The expenses for the receipt of cleared receivables amount to EUR 69.8 thousand (previous year: EUR 108.0 thousand). In the fiscal year, the impairment expenses amounted to EUR 1,690.2 thousand (previous year: EUR 491.2 thousand) for financial assets in the category "Loans and Receivables," EUR 0.0 thousand (previous year: EUR 508.1 thousand) for financial assets in the category "Available for Sale," and EUR 0.0 thousand (previous year: EUR 0.0 thousand) for financial assets in the category "Held to Maturity."

With regard to the holdings of financial trade and other receivables that are not impaired nor in default, as of the closing date, there are no indications that the debtors cannot meet their payment obligations. For the financial assets not listed in the above table, there are no significant delinquencies and impairments, and there are no indications that the debtors cannot meet their payment obligations.

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

24.6.7. Liquidity Risk

A liquidity risk would exist if liquidity reserves and/or debt capacity are insufficient to meet financial obligations. Using prospective planning of liquidity and holding of liquidity reserves, the risk is considered very low for the Energie AG Group. In addition, open lines of credit and the capital market can be drawn on as financing sources. In this context, an appropriate capital structure and a conservative financial profile are considered to be able to maintain an "A" rating.

	Book value 30/09/2014 in EUR 1,000	Cash flows 2014/2015		Cash flows 2015/16 to 2018/19		Cash flows as of 2019/20	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Financial liabilities							
(long and short-term)	631,108.3	22,547.0	114,126.3	73,756.3	84,152.5	98,742.0	435,818.7
Bonds	303,077.8	13,500.0	0.7	54,000.0	—	73,125.0	304,936.2
Amounts due to banks	163,555.6	3,922.0	111,014.1	5,821.3	20,757.0	1,116.4	32,914.6
Liabilities from financing leasing	59,155.2	249.0	2,363.8	3,167.5	10,516.8	3,287.4	46,274.6
Other financial liabilities	105,319.7	4,876.0	747.7	10,767.5	52,878.7	21,213.2	51,693.3
Accounts payable (short term)	168,018.8	—	168,018.8	—	—	—	—
Other debts (long and short-term)							
according to balance sheet	350,683.4						
of these non-financial debts	226,509.2						
of these financial debts	124,174.2	4,145.7	85,746.8	11,098.8	16,436.9	15,150.3	4,453.9
Due to affiliated companies	791.4	—	791.4	—	—	—	—
Due to undertakings with which the company is linked by virtue of participating interests	18,064.5	—	18,064.5	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	15,816.2	2,504.1	—	9,549.8	—	15,150.3	—
Derivatives without hedge relation	17,525.2	1,641.6	9,229.3	1,549.0	6,686.0	—	—
Other financial liabilities (long and short-term)	71,976.9	—	57,661.6	—	9,750.9	—	4,453.9
Total	923,301.3	26,692.7	367,891.9	84,855.1	100,589.4	113,892.3	440,272.6

Included are all financial instruments held on the reporting date and for which payments are contractually agreed upon. Anticipated figures for new, future financial liabilities are not incorporated. For operating loans, an average residual term of 12 months is assumed; these credits are however regularly prolonged and are, economically speaking, available longer. Foreign currency amounts are converted as of the closing date spot

price. Variable interest payments from financial instruments are determined based on the last interest rates set before the closing date. Financial liabilities which can be repaid at any time are always assigned the soonest term range.

Financial liabilities in the amount of EUR 0.0 (previous year: EUR 0.0 thousand) are materially collateralised.

24.7. Conditions of the Main Financial Instruments

Energie AG Oberösterreich has issued the following bonds:

4.5% Energie AG OÖe. Bond 2005-25 ISIN: XS0213737702 Volumes: EUR 300,000,000 Coupon: 4 March

Energie AG Oberösterreich Group Treasury GmbH:

Borrower's note 2009-2016: EUR 115,500,000.00 of which EUR 101,000,000 with a variable interest rate

Loan (private placement) 2009-2016, 5.217%, Amount: EUR 50,000,000

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

	Book value 30/09/2013 in EUR 1,000	Cash flows 2013/2014		Cash flows 2014/15 to 2017/18		Cash flows as of 2018/19	
		Interest	Redemption	Interest	Redemption	Interest	Redemption
		in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000	in EUR 1,000
Financial liabilities							
(long and short-term)	637.233.6	24.908.9	16.528.5	86.755.5	182.801.5	130.983.6	441.212.2
Bonds	303.638.5	13.500.0	0.9	54.000.0	—	101.250.0	305.675.1
Amounts due to banks	166.033.9	6.339.5	13.552.4	13.879.0	120.428.4	2.378.6	33.324.2
Liabilities from financing leasing	61.482.0	205.0	2.337.6	5.545.7	10.063.6	5.189.7	49.080.8
Other financial liabilities	106.079.2	4.864.4	637.6	13.330.8	52.309.5	22.165.3	53.132.1
Accounts payable (short term)	163.240.0	—	163.240.0	—	—	—	—
Other debts (long and short-term)							
according to balance sheet	341.040.9						
of these non-financial debts	210.970.5						
of these financial debts	130.070.4	5.778.7	84.592.0	14.876.6	17.969.5	16.531.0	8.585.7
Due to affiliated companies	614.3	—	614.3	—	—	—	—
Due to undertakings with which the company is linked by virtue of participating interests	22.561.5	—	22.561.5	—	—	—	—
Derivatives with hedge relation (cash-flow hedge)	17.110.1	4.811.2	254.8	12.883.7	—	16.531.0	—
Derivatives without hedge relation	9.361.1	967.5	4.653.1	1.992.9	2.587.7	—	—
Other financial liabilities (long and short-term)	80.423.4	—	56.508.3	—	15.381.8	—	8.585.7
Total	930.544.0	30.687.6	264.360.5	101.632.1	200.771.0	147.514.6	449.797.9

25. Long-Term Provisions

	30/09/2014 in EUR 1,000	30/09/2013 (adjusted) in EUR 1,000
Pension provisions	111,365.3	101,886.5
Provisions for pension payments	75,527.4	74,578.4
Provisions for anniversary bonuses	16,944.7	16,187.5
Provisions for early retirement payments and gradual step-in pension	63,790.6	56,903.0
Provisions for landfills and other provisions	69,814.6	73,225.1
	337,442.6	322,780.5

Provisions for pensions, severance and retirement have, predominately, a term of over five years. The provisions for early retirement and gradual step-in retirement will, within the next five fiscal years, lead to payment outflows.

25.1. Provisions for Pensions and Similar Provisions

On account of company agreements and commitments under individual contracts, pensions must be paid upon retirement to specific staff members who joined the company before 30.09.1996 and have accepted neither full nor partial compensation of their claims to direct payments. Moreover, there is an obligation to pay pensions to specific staff members who retired before 01.07.1998.

For this group of people, pursuant to IAS 19 (Employee Benefits), a pension provision has been created used the actuarial valuation projected unit credit method.

The company must pay additional contributions for the defined benefit pension commitments that were transferred to the company's pension fund.

The calculation was based on the following parameters:

	2013/2014 %	2012/2013 %
Assumed interest rate	2.70%	3.50%
Trend regarding salaries	3.00%	3.00%
Trend regarding pensions	2.25%	2.25%
Expected income from pension fund assets	2.70%	3.50%

The "AVÖ 2008 P Accounting Basis – Pagler & Pagler" was used as a biometric calculation basis. The legal requirement age was used as a basis.

A fluctuation ranging from 0% to 12.83% is assumed, graded by length of service with the company.

	2013/2014 in EUR 1,000	2012/2013 (adjusted) in EUR 1,000
Present value of pension commitment (DBO) as at 01/10	111,949.8	105,568.8
+ Reposting	4,187.5	—
+ Current period of service	686.5	761.9
+ Interest costs	3,916.0	4,106.5
- Result of compensation	- 2,413.5	—
- Pension payments	- 8,486.0	- 7,312.6
(-)/+ Revaluations – actuarial (gains)/losses:		
from experience-related adjustments	770.9	- 271.1
from changes in demographic assumptions	- 2.6	—
from changes in financial assumptions	11,016.5	9,096.3
Cash value of the pension commitment (DBO) as of 30 September	121,625.1	111,949.8
- Fair value of the fund assets	- 10,259.8	- 10,063.3
Reported pension reserve as of 30 September	111,365.3	101,886.5

	2013/2014 in EUR 1,000	2012/2013 (adjusted) in EUR 1,000
Development of fund assets		
Budgeted assets as of 1 October	10,063.3	10,199.2
+/(-) Interest income (expense) of budgeted assets	347.5	427.1
+ Fund contribution payment	41.6	16.1
- Fund payouts	- 501.1	-332.1
+/(-) Asset gain/(loss)	308.5	-247.0
Plan assets as of 30 September	10,259.8	10,063.3

The fund assets comprise the following items:

	30.09.2014 %	30.09.2013 %
Pensions – Euro	31.2	24.5
Pensions – Euro High Yield	3.1	8.3
Pensions – Euro Money Market	7.1	—
Corporate bonds – Euro	17.3	17.5
Shares – Euro	13.0	16.2
Shares – Non-Euro	13.4	15.1
Shares – Emerging Markets	6.2	3.9
Alternative investment instruments	0.9	2.8
Real estate	4.6	4.5
Cash	3.3	4.6
Other	—	2.8
Total	100.0	100.0

	2013/2014 in EUR 1,000	2012/2013 (adjusted) in EUR 1,000
Term of service	686.5	761.9
Result of compensation	- 2,413.5	—
Net interest expense	3,568.5	3,679.4
Pension expense (recognised in the earnings for the period)	1,841.5	4,441.3
Revaluations of the pension commitment	11,476.3	9,072.2
Pension expense (recognised in the earnings for the entire period)	13,317.8	13,513.5

The cash value of the performance based pension commitment is distributed as follows over the individual groups of employees entitled to pensions:

	30/09/2014 %	30/09/2013 %
Active	21.7	20.7
Non-forfeitable	3.3	3.5
Retired	75.0	75.8
	100.0	100.0

The weighted average residual term of the performance-based commitment as of 30 September 2014 is 13.6 years.

Pension payments for the 2014/2015 fiscal year are expected to be EUR 7,127.0 thousand.

An increase or decrease in the main actuarial assumptions would have the following effects on the pension commitment as of 30 September 2014:

	30/09/2014 in EUR 1,000
Sensitivity analyses	
Remaining life expectancy	
Change of +1 year	5,796.6
Change of -1 year	- 6,042.0
Assumed interest rate	
Change of +0.5%	- 7,121.3
Change of -0.5%	7,923.0
Rate of increase for future pensions	
Change of +0.5%	7,122.0
Change of -0.5%	- 6,546.6

25.2. Provisions for Severance Payments

Severance payments are made based on Austrian legal and collective-bargaining commitments to employees who took up service by 31 December 2002. Benefits due at the time of retirement or termination are calculated on the basis of the last salary as well as the number of years of employment.

Based on these labor-law and collective bargaining requirements, a reserve is formed which is calculated according to the project unit credit method. Here, using the corridor approach pursuant to IAS 19 (Employee Benefits), the same parameters are used as a basis as for the pension provision.

	2013/2014 in EUR 1,000	2012/2013 (adjusted) in EUR 1,000
Cash value of the pension commitment (DBO) as of 1 October	74,578.4	67,146.0
+/- Change in consolidated group	—	- 449.0
+ Current service cost	3,144.8	2,977.7
+ Past service costs	246.7	1,015.9
+ Interest costs	2,497.2	2,743.5
- Severance payments	- 10,448.8	- 4,115.8
(-)/+ Revaluations – actuarial (gains)/losses:		
from experience-related adjustments	- 662.9	- 647.8
from changes in demographic assumptions	- 47.6	- 411.5
from changes in financial assumptions	6,219.6	6,319.4
Cash value of the severance obligation (DBO) as of 30 September = Reported severance payment reserve as of 30 September	75,527.4	74,578.4

	2013/2014 in EUR 1,000	2012/2013 (adjusted) in EUR 1,000
Term of service	3,391.5	3,993.6
Net interest expense	2,497.2	2,743.5
Severance payment costs (recognised in the earnings for the period)	5,888.7	6,737.1
Revaluations of the severance payment obligation	5,509.1	5,260.1
Severance payment costs (recognised in the total earnings for the period)	11,397.8	11,997.2

The weighted average residual term of the performance-based commitment as of 30 September 2014 is 11.2 years.

Pension payments for the 2014/2015 fiscal year are expected to be EUR 3,051.9 thousand.

An increase or decrease in the main actuarial assumptions would have the following effects on the severance payment obligation as of 30 September 2014:

Sensitivity analyses	30/09/2014 in EUR 1,000
Assumed interest rate	
Change of 0,5%	- 3,821.8
Change of -0,5%	4,158.3
Rate of increase for future salaries	
Change of 0,5%	4,157.8
Change of -0,5%	- 3,868.4

For employment relationships starting as of 01.01.2013, 1.53% of the gross salary must be paid to an employee pension fund. This form of severance payment is treated as a contribution-oriented plan per IAS 19 (Employee Benefits).

25.3. Anniversary Bonuses

For the calculation per IAS 19 (Employee Benefits), the same parameters were used as a basis as for the severance and pension provision.

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Cash value of the anniversary bonus obligation (DBO) as of 1 October	16,187.5	14,944.0
+/- Change in consolidated companies	—	- 134.1
+ Current period of service	745.1	696.0
- Amortisation due to planned cuts	- 37.7	- 124.9
+ Interest expenses	531.0	619.5
- Anniversary bonus payments	- 1,493.8	- 832.6
(-)/+ Revaluations – actuarial (gains)/losses	1,012.6	1,019.6
Cash value of the anniversary bonus obligation (DBO) as of 30 September = Reported anniversary bonus reserve as of 30 September	16,944.7	16,187.5

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Term of service	707,4	571,1
Net interest expense	531,0	619,5
Revaluations	1.012,6	1.019,6
Anniversary bonus costs (recognised in the earnings for the period)	2.251,0	2.210,2

25.4. Provisions for Early Retirement and Gradual Step-in Retirement

A gradual step-in retirement (early retirement model) has been agreed upon with certain employees. This is a transitional payment for the period between the early termination of the employment relationship and the time of the claim to legal pension benefits. The transitional payment for this period cor-

responds to a previously determined percentage of the salary until that time.

For the resultant obligations, a provision was created per IAS 19 (Employee Benefits). The parameters for the pension provision were used as a basis.

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Cash value of the early retirement commitment (DBO) as of 1 October	56,903.0	33,623.2
+ Interest expenses	1,862.4	1,262.2
+ Funding due to new assurances	10,344.9	27,551.6
- Early retirement payments	- 7,252.0	- 7,345.7
(-)/+ Revaluations – actuarial (gains)/losses:	1,932.3	1,811.7
Cash value of the early retirement obligation (DBO) as of 30 September = Reported severance payment reserve as of 30 September	63,790.6	56,903.0

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Term of service	10.344,9	27.551,6
Net interest expenses	1.862,4	1.262,2
Revaluations	1.932,3	1.811,7
Costs of early retirement and gradual step-in pension (recognised in the earnings for the period)	14.139,6	30.625,5

25.5. Provisions for Encumbered Contracts and Other Provisions

	2013/2014			2012/2013
	Onerous contracts in EUR 1,000	Other provisions in EUR 1,000	Total in EUR 1,000	in EUR 1,000
Assets				
Book value as of October 1	33,000.0	40,225.1	73,225.1	46,382.6
Change in the basis of consolidation	—	—	—	217.1
Reposting	—	- 3,574.4	- 3,574.4	- 18,762.2
Consumption	—	- 1,906.2	- 1,906.2	- 8,936.5
Reversal	—	- 1,254.2	- 1,254.2	- 702.4
Allocation	—	3,332.1	3,332.1	55,222.1
Currency Differences	—	- 7.8	- 7.8	- 195.6
	33,000.0	36,814.6	69,814.6	73,225.1

The provision for encumbered contracts comprises impending losses due to electricity procurement from Gas- und Dampfkraftwerk Timelkam GmbH. The Group procures electrical energy generated by Gas- und Dampfkraftwerk Timelkam GmbH – minus quantities allocated to other contract partners – in exchange for compensation for the expenses plus a reasonable return on equity.

Besides the discount rate, the future prices for electricity and gas are the most important assumptions. A discount rate of 6.0% was used. The discount rate was determined on the basis of sustainable market parameters and peer group reference values. The installed electrical capacity is a maximum of 422 MW, and the maximum district heating extraction is 100 MW. A level of efficiency of 55.7% was assumed. The annual electricity production was defined to be 1,381 GWh per year. Assumptions for future electricity and gas prices are based on market data to

the extent that such data was available. If no market data were available, then estimations based on market studies were used.

Expenses for service and maintenance were taken into consideration respectively in the maintenance plans and contracts. Other important expense items such as staff costs, insurance and infrastructure costs in particular are increased annually by the estimated rate of increase. The provision is included in the short-term provisions with EUR 12,000.00 thousand (previous year: EUR 17,000.00 thousand).

For estimated costs of the Riedersbach 2 coal-fired power plant, provisions amounting to EUR 20.4 million were created. The provision comprises the expected technical closure costs as well as costs related to future social plans. The provision, with EUR 16.8 million is shown in other long-term provisions and with EUR 3.6 million in short-term provisions.

26. Contributions to Construction Costs

This item primarily comprises financing contributions received from electricity, gas and district-heating customers. According

to IFRIC 18, they are reversed over the average amortisation period for the affected plants (up to 40 years) with an effect on profit.

27. Payments Received from Customers

This item includes, for the most part, accrued items from the sale of claims to minimum waste material quantities. Pursuant to a contractual agreement, the Group is obligated to accept certain quantities of waste. In this context, regardless of the actually provided quantity, the Group is entitled to advance

payment for a certain minimum quantity. The claims from this minimum waste quantity through 30 September 2021 were sold, and an interest rate of 4.2868% was agreed upon with the contractual partner. This amount was shown on the liabilities side as a payment received.

28. Other Long-Term Debt

	30.09.2014 in EUR 1,000	30.09.2013 in EUR 1,000
Investment grants	31,419.3	29,274.7
Other liabilities	49,606.3	55,597.4
	81,025.6	84,872.1

29. Short-Term Provisions

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Carrying value as at 01/10	33,610.4	51,501.0
Reposting	- 613.1	—
Change in consolidated group	- 1.5	- 288.2
Minus discontinued operation	—	- 6,764.7
Consumption	- 12,542.1	- 9,279.9
Reversals	- 1,253.7	- 11,891.7
Allocation	4,887.7	10,448.6
Currency differences	- 8.9	- 114.7
	24,078.8	33,610.4

Short-term provisions mainly relate to provisions for encumbered contracts as well as costs of the closure of the Riedersbach coal-fired power plant.

30. Tax Provisions

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Corporate income tax for the business year	923.1	108.6
	923.1	108.6

31. Other Short-Term Debt

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Due to non-consolidated affiliated companies	749.4	614.3
Due to undertakings with which the company is linked by virtue of participating interest	18,064.5	22,561.5
Tax liabilities	74,641.5	72,309.2
Liabilities under social security	5,784.5	5,722.1
Advances from customers	48,278.6	37,294.8
Market value of derivatives	9,234.6	5,262.8
Liabilities vis-à-vis staff members	44,027.1	44,111.1
Other liabilities	68,877.6	68,293.0
	269,657.8	256,168.8

32. Contingent Liabilities

	30/09/2014 in EUR 1,000	30/09/2013 in EUR 1,000
Others	60,958.8	71,550.7
	60,958.8	71,550.7

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

33. Other Commitments

Pursuant to an energy supply agreement concluded between Energie AG Oberösterreich Trading GmbH and VERBUND AG, the Group annually receives a given amount of electricity based on standard market products. The cost of these electricity supplies is presented under material costs.

In the 2007/2008 fiscal year, an operating leasing contract was concluded through the Group headquarters in Linz, Böhmerwaldstraße 3. The leasing agreement is concluded for an indefinite period. Termination by the lessee is first permitted 20 years, and under certain conditions, 23 years after the start of the contract. Purchase options at market value were granted for fixed

dates. Conditional payments determined based on variable interest rates are included in rent and leasing costs in the amount of -1,721.0 thousand (previous year: EUR -1,711.2 thousand).

There is an obligation for the next fiscal year in the amount of EUR 4,180.3 thousand from the use of fixed assets not shown in the balance sheet as a result of long-term rental, lease and occupancy contracts (previous year: EUR 5,079.0 thousand). The total amount of the obligations for the next five years is EUR 20,459.3 thousand (previous year: EUR 22,993.8 thousand), for longer than five years, EUR 10,124.9 thousand (previous year: EUR 11,820.1 thousand).

34. Construction Contracts

With receivables from construction contracts, profit realisation is performed according to the percentage of completion method set out in IAS 11. The degree of completion is measured by the actually incurred costs in relation to the expected total costs as

of the closing date. Impending losses from the remaining construction process are accommodated with appropriate downward valuations.

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Income from production activities	19,335.9	40,267.3
All orders not billed as at the balance sheet date:		
Costs incurred as at the balance sheet date	1,398.7	21,155.4
Profits accrued as at the balance sheet date	23.4	1,082.5
Accumulated losses	- 376.9	- 53.8
	1,045.2	22,184.1
Prepayments received on such receivables	- 321.7	- 15,401.7
Receivables	723.5	6,782.4

35. Proposal for the Appropriation of Earnings

The Board of Directors of Energie AG Oberösterreich proposes to the General Shareholders' Meeting the payout of a dividend of

EUR 0.6 (previous year: EUR 0.6) per share, totaling EUR 53,220.4 thousand (previous year: EUR 53,274.0 thousand).

36. Risk Management

Risk and Opportunity Situation

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

The Group's risk management department is striving to recognise risks early on in order to take timely countermeasures as well as to reveal opportunities and use them. The risk assessments are incorporated in the decisions made as part of the Group's risk management and control system and bolster its investment management.

Central risk management is based on operational risk management in the decentralised business areas. On a quarterly basis, risks, opportunities and measures are updated and entered in a software tool implemented across the Group. At the Group level, the opportunities and risk reported are analysed and added to the Group's overall risk position. Reporting to the Group's board of directors is done quarterly and ad hoc as needed. Risk management is also an integral part of Supervisory Board reporting and, in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG 2008)], is also brought to the notice of the Audit Committee with a view to confirming the efficiency and validity of the process.

Proper documentation and verifiability are also guaranteed through historicisation on the valuation dates.

Risk Profile and Development Trends

Risks from Operating Activities

Business performance as well as the cost-effectiveness and recoverability of the generating plants and shareholdings of the Group are primarily characterised by market price risks such as the changes in wholesale prices for energy, prices for gas, coal, biomass and certificates.

Energie AG Oberösterreich Trading GmbH (Trading GmbH) plays a central role in the management of these market price risks. In this company, the know-how regarding commodity transactions is pooled, thus utilising intra-Group synergies. Risk strategies, such as procurement strategies oriented towards the market environment, long-term sale of power plant capacities and hedge transactions give rise to a reduction in risk.

Proprietary trading is only done within very strict limits, and subject to ongoing risk monitoring.

Energie AG Oberösterreich's result is strongly affected by electricity generation facilities owned by it as well as procurement rights.

In addition, turnover and earnings are negatively impacted during unseasonably warm weather periods during the autumn and winter months, as was the case in the 2013/2014 fiscal year.

In highly industrialised Upper Austria, economic fluctuations also have a significant impact on the Group result. For example, the drop in wholesale electricity prices led to customers shutting down their own generating plants and purchasing electricity in the form of special supplies.

The fierce competition in end customer business carries with it a risk of losing customers. There are price and margin risks in case expenses for energy-sector costs cannot be passed on to the customer.

Energie AG Oberösterreich provides for these risks, among other things, with intensive customer relationship management, diversification of its customer portfolio, a product range tailored to customer needs and a comprehensive distribution controlling system.

In the Waste Management Segment, the other markets in Austria and Italy are faced with major challenges due to the weak economic growth and tense situation in the supply markets. The 2013/2014 fiscal year was marked by slightly falling prices of recyclable materials and commercial waste prices that have stagnated at a low level. Also significant is the price situation on the wholesale electricity market which affects the operating result from electricity sales from thermal recycling.

A tight cost reduction programme as well as efficiency-raising measures should contribute to reaching the result targets for the Waste Management Segment for the 2014/2015 fiscal year.

In the Water Segment, the 2013/2015 fiscal year showed stable turnover and profit performance, which despite a loss in value of the Czech Krone and impending concession tenders, should continue to be further expanded in the 2014/2015 fiscal year.

Optimisation in the company organisation and savings measures in the market and project development department are the measures intended to guarantee long-term results.

Energie AG Oberösterreich counters risks associated with plants and the associated revenue losses with strict maintenance and quality controls and an optimised maintenance strategy. If justified in terms of cost-effectiveness, insurance policies with economically appealing deductibles are concluded.

In the electricity grid segment, there were no major weather-related grid outages in the 2013/2014 fiscal year. Pro-active work is being carried out on placing medium-voltage overhead lines, which are particularly prone to breakdowns, into cables.

Political, Regulatory and Legal Risks

Changing political, regulatory and electrical conditions pose a major challenge for the Energie AG Group. The Group tries to counter these risks with an intensive and constructive dialogue with authorities and politicians.

Regulation of Electricity and Gas Grids

Incentivized regulation for electricity and gas networks in Austria also holds result risks. For electricity grid operators, the third (this time 5 year) regulation period began in January 2014, and for gas grid operators, the second five-year regulation period began on 1 January 2013.

Energy Efficiency Act

The Federal Government's energy efficiency package was resolved in July 2014. This provides for a series of obligations for energy suppliers, including that every energy supplier must annually demonstrate energy efficiency measures of 0.6% of the previous year's sales with its end customers. Failure to comply with the legal requirements could result in compensation payments.

The development of measures corresponding to the energy efficiency package and new efficiency service products is aimed at bolstering the Group's risk position.

Risks from Participations

With the sale of the Eastern European activities of the Waste Management Segment, a significant step was made towards optimisation of the participation portfolio. The implementation of this transaction is associated with risks which could still affect the coming reporting periods.

Participation risks can be seen in the fluctuation of shareholding earnings, dividend/profit payouts and changes in the recoverability of the participation approach.

Risk optimisation is primarily achieved through ongoing monitoring of existing participations.

Risks from Projects

The carrying out of projects is characterised by high complexity and the concurrence of a number of input factors. For this reason, deviations from project planning (also associated with delays and cost increases) cannot be completely ruled out.

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

Financial Risks

As the central control unit, Group Treasury is the central steering unit of the Energie AG group responsible for the management and monitoring of financial risks. The relevant risk classes in terms of finances focus on the liquidity risk, the interest rate change and market price risk from financial assets, as well as the risk associated with foreign currency exposure.

The liquidity risk is controlled with a rolling plan of short- and medium-term financial assets in the Energie AG Group. Intra-Group liquidity management takes place via cash pooling between the Group companies and Energie AG Treasury GmbH with the latter as pool master. In the past fiscal year, the liquidity reserves were once again invested very conservatively and in a risk-optimised manner, with the credit risk of counterparties being monitored on an ongoing basis with regard to investments. The liquidity risk can be rated as very low due to the high liquidity holdings as well as the open, partially committed credit lines at banks.

The percentage of financial liabilities with fixed interest rates was around 95% of all interest-bearing liabilities as of the end of the fiscal year. As a result of the repayment of the bond loan with a variable interest rate and the reversal of the corresponding interest rate hedge transactions at the beginning of the new 2014/2015 fiscal year, this relation will once again shift in favour of a financing structure with a variable interest rate. The interest rate change risk for Energie AG Oberösterreich nonetheless still remains unchanged at a low level.

The foreign currency risk in the Energie AG Group results from, on the one hand, the currency conversion of the assets and goodwill of foreign Group companies whose functional currency is not in Euros. This net investment exposure was primarily limited to participations in Czech Krone in the past fiscal year. In addition, there is a currency risk from a CHF loan for the Timelkam Gas and Steam Power Plant. The Group distanced itself in the past fiscal year from hedging measures since the Swiss Central Bank continued to maintain the lower exchange rate limit of EUR 1.20. The use of hedging instruments for risk reduction in the foreign currency area is analysed on an ongoing basis and hedging measures are taken when needed in compliance with the rules.

The risk of price changes in the financial assets of Energie AG Oberösterreich (securities, funds) results from price fluctuations on the capital markets and is minimised by applying a conservative investment policy. Regular monitoring and ongoing quantification of risk potential serve to ensure that the market value risk associated with the assets of the Energie AG Group is in the scope of risk-averse financial management.

Counterparty Risks

The counterparty risk for Energie AG Oberösterreich results from the risk of a decrease in the creditworthiness of business partners and the associated non-fulfillment of contractual and financial obligations. To eliminate, and to the greatest extent possible, minimise this default risk, financial transactions in the Group Treasury are only carried out or concluded with counterparties with first-rate creditworthiness. In addition, suitable credit measurement instruments are used to ensure that risk-minimisation measures are taken by the Energie AG Group in a timely fashion and that the internal position limits can be adjusted in good time.

In the Group's own trading subsidiary, Energie AG Oberösterreich Trading GmbH, limitation of the counterparty risk is achieved by ensuring valid process sequences with suitable control mechanisms and qualified specialists. Risk control for energy trading is also achieved with suitable limit systems and intensive monitoring of counterparty creditworthiness.

Rating

Standard & Poor's (S&P) downgraded the ratings of the biggest European energy suppliers over the past few years and has now also reduced the credit rating of Energie AG Oberösterreich by one level from A to A- on 7 February 2014. However, the outlook still continues to be stable.

The downgrade is reflective of the negative assessment of S&P in connection with the current market environment and impacts on the business risk profile of Energie AG Oberösterreich – above all in the area of electricity production. S&P expects that the difficult market environment will continue in the next few years. Despite the downgrade, the rating of Energie AG Oberösterreich is still in the top end of the rating scale and ensures the Energie AG Group access to the financial and capital markets at any time and with cost-optimal terms.

37. Relations to Affiliated Companies and Persons

Affiliated companies and person include OÖ Landesholding GmbH as majority shareholder as well as its shareholdings, the Federal State of Upper Austria as sole shareholder of OÖ Landesholding GmbH, the proportionally consolidated com-

panies, associated companies and members of the Board of Directors and Supervisory Board of Energie AG Oberösterreich and their close relations.

		Revenues in EUR 1,000	Expenses in EUR 1,000	Accounts receivable in EUR 1,000	Accounts payable in EUR 1,000
Federal Province of Upper Austria	2014	881.1	3,478.4	96.9	50,886.2
	2013	741.5	3,315.4	346.8	50,888.4
OÖ Landesholding and subsidiaries	2014	10,107.7	202.7	23,806.4	—
	2013	10,068.5	306.4	14,256.0	52.7
Proportionately consolidated companies	2014	—	—	—	—
	2013	1,373.1	1,033.1	7,125.9	—
Companies consolidated at equity	2014	230,184.8	98,481.5	29,932.2	17,188.7
	2013	165,182.0	84,844.2	26,846.9	22,565.6

State of Upper Austria

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

The State of Upper Austria subscribed a bond in the 2008/2009 fiscal year (private placement). Regarding the terms of this financial liability, we refer to section 24.7.

OÖ Landesholding GmbH

Energie AG Oberösterreich as well as selected Group companies are members of the tax group of companies of OÖ Landesholding GmbH. The provisions of the Group contract of OÖ Landesholding GmbH apply in the relationship of Energie AG Oberösterreich with the head of the Group, with Energie AG Oberösterreich calculating its taxable income taking into account the taxable income of the subordinate Group companies. In case of positive tax income, offsetting of positive tax allocation is provided for. Negative tax results are carried forward. The tax allocations amount to EUR 19,400.00 thousand (previous year: EUR 19,574.5 thousand).

Companies valued at equity

ENAMO GmbH

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

A business share of 35% is held by LINZ STROM GmbH für Energieerzeugung, -verteilung und Telekommunikation, a subsidiary of LINZ AG. There is an obligation to proportionally assume negative results. Electricity supplies and other services are provided between the Group and ENAMO GmbH which has been consolidated at equity since 01.04.2012. The earnings amount to EUR 115,885.6 thousand (previous year: EUR 75,363.2 thousand), services in the amount of EUR 12,646.90 thousand (previous year: EUR 7,092.6 thousand) were purchased.

Ennskraftwerke Aktiengesellschaft

The Group procures the electrical energy generated in the power plants of Ennskraftwerke AG, less the quantities earmarked for the other contractual partners, in exchange for reimbursement of expenses plus a reasonable return on equity. The expenses amount to EUR 14,321.9 thousand (previous year: EUR 14,632.9 thousand). The expenses amount to EUR 11,070.6 thousand (previous year: EUR 9,902.6 thousand).

Gas- und Dampfkraftwerk Timelkam GmbH

The Group procures electrical energy generated by Gas- und Dampfkraftwerk Timelkam GmbH – minus quantities allocated to other contract partners – in exchange for compensation for the expenses plus a reasonable return on equity. The expenses amount to EUR 58,195.7 thousand (previous year: EUR 51,237.1 thousand). Gas supplies and other services in the amount of EUR 58,437.1 thousand (previous year: EUR 51,441.8 thousand) are provided between the Group and Gas- und Dampfkraftwerk Timelkam GmbH. The receivables amount to EUR 12,258.2 thousand (Previous year: EUR 14,214.3 thousand), payables total EUR 5,311.3 thousand (previous year: EUR 11,498.0 thousand). For Gas- und Dampfkraftwerk Timelkam GmbH, there are liabilities in the amount of the amount of EUR 53,725.0 thousand (previous year: EUR 58,975.0 thousand).

Salzburg AG

Electricity and gas supplies are provided between the Group and Salzburg AG. Sales amount to EUR 5,903.2 thousand (previous year: EUR 5,683.2 thousand); expenses amount to EUR 5,317.3 thousand (previous year: EUR 6,339.8 thousand).

Members of the Management in Key Positions

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

Other Disclosures

There are surety bonds for liabilities of Geothermie-Wärmegesellschaft Braunau-Simbach mbH and Geothermie-Fördergesellschaft Simbach-Braunau mbH in the amount of EUR 239.4 thousand (previous year: EUR 341.1 thousand).

Shareholding agreements exist between Energie AG Oberösterreich and the non-controlling shareholders, with the exception of employees. The Energie AG Group is especially affected by the setting of dividend arrangements, posting rights to the Supervisory Board as well as particular minority rights.

With regard to the salaries of the members of the Board of Directors and Energie AG Oberösterreich, please see Item 10. The other transactions with non-included subsidiary, joint venture and other companies are not shown due to their subordinate importance.

38. Discontinued Business Operations Pursuant to IFRS 5

In the 2012/2013 fiscal year, an agreement on the disposal of companies in the Waste Management Segment in the following countries was signed, although the prerequisites for closing as of 30 September 2013 were not yet completely met: Slovakia, Romania, Ukraine and Moldavia. Accordingly, the activities were presented as discontinued business areas (operations) per IFRS 5. The affected assets and debts were shown in a separate line in the balance sheet. The result of the discontinued business area, transaction costs and the expected result of sales are shown in the income statement. The cash flows from the business area are shown separately. Cost and earnings consolidation between the business area and continued

business area were foregone in the income statement. Intra-group receivables and liabilities between the discontinued business area and the continued business area were eliminated. With the classification as a discontinued operation, the scheduled depreciation was stopped with effect on 1 April 2013. The sale was completed in November 2013; the assets and debts of the discontinued business area are therefore no longer shown in the balance sheet as of 30 September 2014. Cash flow includes payments from the disposal of the discontinued operation in the amount of EUR 123.9 million, minus cash and cash reserves from the discontinued operation in the amount of EUR 9.9 million.

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

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Income	—	185,887.2
Expenses	—	- 167,249.1
Operating income	—	18,638.1
Financial income	- 1,809.2	- 10,917.5
	- 1,809.2	7,720.6
Tax expenses	452.3	- 1,726.3
Profit/Loss before taxes from the discontinued operations	- 1,356.9	5,994.3
Result of sale	—	- 50,601.7
Costs of sale	—	- 4,821.0
	—	- 55,422.7
Tax expenses	—	7,119.3
Valuation result	—	- 48,303.4
Earnings after taxes from the discontinued operations	- 1,356.9	- 42,309.1

	2013/2014 in EUR 1,000	2012/2013 in EUR 1,000
Cash flow from operations		
Continuing operations	224.629,0	174.313,5
Discontinued operation	—	21.121,8
	224.629,0	195.435,3
Cash flow from investments		
Continuing operations	- 100.566,1	30.734,7
Discontinued operation	113.961,3	- 14.705,1
	13.395,2	- 16.029,6
Cash flow from financing		
Continuing operations	- 130.670,7	- 298.886,4
Discontinued operation	—	- 3.011,4
	- 130.670,7	- 301.897,8

39. Significant Events after the Balance Sheet Date

The core of the "PowerStrategy 2020" project is the integration of OÖ Ferngas AG which is implemented with shareholding right measures.

The subdivision "Grid Management" of OÖ. Ferngas AG, is split off retroactively as of 1 October 2014 into Netz Oberösterreich GmbH. The subdivision "Fibre Optic Cable Distribution" of OÖ. Ferngas Service GmbH, which is split off into Energie AG Oberösterreich Data GmbH. OÖ. Ferngas AG, OÖ. Ferngas Netz GmbH and OÖ. Ferngas Service GmbH will then be merged into Energie AG Oberösterreich.

Energie AG Oberösterreich Fair Energy GmbH is merged retroactively as of 01.10.2014 into Energie AG Oberösterreich Power Solutions GmbH.

As of 7 October 2014, the variable percentage of the bond loan in the amount of EUR 101 million was repaid early. At the same time, the corresponding interest rate swaps with a nominal value of EUR 90.0 million were reversed early.

40. Disclosures on Group Management Bodies

In the fiscal year, the members of the Board of Directors of Energie AG Oberösterreich were:

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

The Supervisory Board of Energie AG Oberösterreich had the following members in the 2013/2014 fiscal year:

KommR Dipl.-Ing. Gerhard Falch (Chairman); Dr. Hermann Kepplinger (1st Deputy Chairman); Dr. Heinrich Schaller (2nd Deputy Chairman); KommR Mag. Alois Froschauer; KommR Dr. Franz Gasselsberger, MBA (until 19.12.2013); Mag. Florian Hagenauer MBA (as of 19.12.2013); Mag. Anna-Maria Hochhauser; Mag. Michaela Keplinger-Mitterlehner; Dr. Manfred Klicnik; Mag. Kathrin Renate Kühtreiber-Leitner MBA (as of 19.12.2013); Dr. Ruperta Lichtenegger; Dr. Maria Theresia Niss, MBA (until 19.12.2013); Mag. Dr. Manfred Polzer; KommR Viktor Sigl; Mag. Dr. Michael Strugl, MBA; Dr. Bruno Wallnöfer.

Appointed by the Works' Council:

Robert Gierlinger, MSc; Manfred Harringer; Isidor Hofbauer; Ing. Peter Neißl, MBA MSc; Ing. Bernhard Steiner; Gerhard Störinger; Egon Thalmeier.

Linz, November 28, 2014

The Board of Management of Energie AG Oberösterreich



Generaldirektor Dr. Leo Windtner
 Chairman of the Board of Management



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



Dr. Andreas Kolar
 Member of the Board of Management

Auditor's Certificate



Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Konzernabschlusses zum 30. September 2014
 28. November 2014

3. Bestätigungsvermerk

Bericht zum Konzernabschluss

Wir haben den beigefügten Konzernabschluss der

**Energie AG Oberösterreich,
Linz,**

für das **Geschäftsjahr vom 1. Oktober 2013 bis zum 30. September 2014** geprüft. Dieser Konzernabschluss umfasst die Konzernbilanz zum 30. September 2014, die Konzern-Gewinn- und Verlustrechnung/Gesamtergebnisrechnung, die Konzernkapitalflussrechnung und die Konzern-Eigenkapitalveränderungsrechnung für das am 30. September 2014 endende Geschäftsjahr sowie den Konzernanhang.

Verantwortung der gesetzlichen Vertreter für den Konzernabschluss und die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Konzernbuchführung sowie für die Aufstellung eines Konzernabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns in Übereinstimmung mit den International Financial Reporting Standards (IFRSs), wie sie in der EU anzuwenden sind und den zusätzlichen Anforderungen des § 245a UGB, vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Konzernabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und der vom International Auditing and Assurance Standards Board (IAASB) der International Federation of Accountants (IFAC) herausgegebenen International Standards on Auditing (ISAs) durchgeführt. Diese Grundsätze erfordern, dass wir die Ständeregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Konzernabschluss frei von wesentlichen Fehldarstellungen ist.

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Consolidated Financial Statements as at 30 September 2014
28 November 2014

3. Auditor's Certificate

Report on the Consolidated Financial Statements

We have audited the enclosed consolidated financial statements of

**Energie AG Oberösterreich,
Linz,**

for the fiscal year from 1 October 2013 to 30 September 2014. The consolidated financial statements comprise the consolidated balance sheet as at 30 September 2014, the consolidated profit and loss statement/income statement, the consolidated cash-flow statement and the development of Group equity for the fiscal year ending on 30 September 2014, as well as the notes on the consolidated accounts.

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

The legal representatives of the company are responsible for entity accounting and preparing the consolidated financial statements, which present, as fairly as possible, the assets, financial and earnings position of the Group in accordance with the International Financial Reporting Standards (IFRSs), as they need to be applied in the EU and the additional requirements as specified in § 245a of the Commercial Code [Unternehmensgesetzbuch (UGB)]. This responsibility comprises designing, implementing and maintaining an internal audit system, to the extent that this is of significance when preparing the consolidated financial statements and for conveying, as fairly as possible, the assets, liabilities, financial and earnings position of the Group, so that the consolidated financial statements are free from major misstatements, either on account of intended or unintended errors, as well as selecting and applying the appropriate accounting and valuation methods, and making estimates that appear to be appropriate when taking account of the existing overall conditions.

Responsibility of the Auditors and Outline of the Type and Scope of the Statutory Audit

It is our responsibility to issue an opinion on our audit of the consolidated financial statements, on the basis of our audit. We have conducted our audit in compliance with the statutory regulations applicable in Austria and the International Standards on Auditing (ISAs), published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we comply with the standards of professional conduct and plan and perform our audit in such a manner that we are able to express an opinion with sufficient certainty as to whether the consolidated financial statements are free from any material misstatements.



Energie AG Oberösterreich, Linz

Bericht über die Prüfung des Konzernabschlusses zum 30. September 2014

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Konzernabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Konzernabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage des Konzerns von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen des Konzerns abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Konzernabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Konzernabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage des Konzerns zum 30. September 2014 sowie der Ertragslage des Konzerns und der Zahlungsströme des Konzerns für das Geschäftsjahr vom 1. Oktober 2013 bis zum 30. September 2014 in Übereinstimmung mit den International Financial Reporting Standards (IFRSs), wie sie in der EU anzuwenden sind.

Aussagen zum Konzernlagebericht

Der Konzernlagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Konzernabschluss in Einklang steht und ob die sonstigen Angaben im Konzernlagebericht nicht eine falsche Vorstellung von der Lage des Konzerns erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Konzernlagebericht mit dem Konzernabschluss in Einklang steht.

Der Konzernlagebericht steht nach unserer Beurteilung in Einklang mit dem Konzernabschluss.

Linz, am 28. November 2014



KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Lehner
Mag. Gabriele Lehner
Wirtschaftsprüfer
ppa/Mag. Wilfried Straßl
ppa/Mag. Wilfried Straßl
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Konzernabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Konzernabschluss samt Konzernlagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

KPMG

Energie AG Oberösterreich, Linz
Report on the Audit of the Financial Statements as at 30 September 2014

An audit includes that audit activities are performed in order to obtain evidence concerning the amounts and other disclosures contained in the consolidated financial statements. It is the duty and lies in the discretion of the auditor to select specific audit activities, taking account of his/her assessment concerning the risk that material misstatements may appear, on the basis of either intended or unintended errors. When making this risk assessment, the auditor takes account of the internal audit system – to the extent that it is of significance for preparing the consolidated financial statements and for conveying, as fairly as possible the assets, financial and earnings position of the Group – in order to be able to determine the appropriate auditing activities (giving due consideration to the overall conditions), but does not judge the efficiency of the internal audit system of the Group. The audit also comprises an evaluation of the adequacy of the applied accounting and valuation methods and the material estimates made by the legal representatives, as well as an appraisal of the overall conclusions conveyed by the consolidated financial statements.

We are of the opinion that we have obtained sufficient and appropriate evidence in the course of the audit so that our auditing activities are a sufficiently reliable basis for our audit opinion.

Audit Opinion

Our audit did not give rise to any objections. On the basis of the knowledge obtained in the course of the audit, it is our opinion that the consolidated financial statements comply with the statutory requirements and present fairly, in all material respects, the assets, liabilities and financial position of the Group as at 30 September 2014, as well as the earnings position and cash flows of the Group during the business year 01 October 2013 to 30 September 2014 in accordance with the International Financial Reporting Standards (IFRSs), as they need to be applied in the EU.

Report on the Group's Management Report

On the basis of the statutory regulations, the Group's management report must be audited with the perspective as to whether it is in conformity with the consolidated financial statements and whether the other information disclosed in the Group's management report does not give rise to any misconceptions concerning the position of the Group. The Auditor's Certificate must also contain a statement on whether the Group's management report is in conformity with the consolidated financial statements.

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

Linz, 28 November 2014

KPMG Austria GmbH
Firm of Chartered Accountants and Tax Consultants

Mag. Gabriele Lehner
(Chartered Accountant)

ppa MMag. Wilfried Straßl
(Chartered Accountant)

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

Report of the Supervisory Board in accordance with § 96 of the Austrian Stock Corporation Act (Aktiengesetz)

During fiscal year 2013/2014, the Board of Management informed the Supervisory Board and the Supervisory Board's Audit Committee in writing and orally of the activities of the Group and its subsidiaries on a regular basis, and it discussed all important business events with these bodies. In fiscal year 2013/2014, the plenary Supervisory Board regularly convened in a total of four meetings and the Audit Committee in two meetings. The corporate bodies gave their approval to all business events, which is mandatory in specific cases. No objections were raised in the course of the general supervisory activities or the audit.

The financial statements of Energie AG Oberösterreich for fiscal 2013/2014 – drawn up according to the Austrian accounting regulations – together with the accounts and the management report of the Board of Management were audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditors reported in writing about the outcome of their audit and stated that the accounts and financial statements comply with the statutory requirements and that the management report complies with the financial statements. The auditing firm therefore issued its unqualified audit certificate.

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

The Supervisory Board examined the financial statements for 2013/2014, the management report of the Board of Management, as well as the proposal for the appropriation of earnings. The Audit Committee of the Supervisory Board also examined the financial statement for 2013/2014, the management report of the Board of Management, as well as the proposal for the appropriation of earnings. It drew up a written report and recommended to the Supervisory Board to approve the present financial statements as at 30.09.2013, together with the notes, the management report of the Board of Management, as well as the auditor's report, together with the auditor's unqualified certificate, so as to thus adopt the financial statements for 2013/2014. The Audit Committee also recommended to the Supervisory Board to approve the proposal for the appropriation of the earnings. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee, as well as of the audit conducted by the firm of chartered accountants, and established that the Supervisory Board, in turn, has no objections regarding the statements. The Supervisory Board states that it is in agreement with the management report, presented in accordance with § 96 of the Austrian Stock Corporation Act (Aktiengesetz), and that it adopts the financial statements for 2013/2014, which are thus established.

The consolidated financial statements for fiscal year 2013/2014 (01.10.2013 to 30.09.2014), drawn up in accordance with the International Financial Reporting Standards (IFRS), were also audited by KPMG Austria GmbH, Chartered Accountants and Tax Consultants, Linz. The auditing firm reported in writing on the outcome and established that the financial statements comply with the statutory requirements and that the Group's management report conforms to the consolidated financial statements. The auditing firm therefore issued its unqualified audit certificate. The Supervisory Board examined in detail the consolidated financial statements and the Group's management report. The Audit Committee of the Supervisory Board also examined the consolidated financial statements and the Group's management report. It drew up a written report and recommended to the Supervisory Board to approve the present consolidated financial statements and the management report as at 30.09.2014, together with the notes, the consolidated management report of the Board of Management, as well as the auditor's report, together with the auditor's unqualified certificate. The Supervisory Board noted with approval the outcome of the review conducted by the Audit Committee, as well as of the audit conducted by the firm of chartered accountants, and established that the Supervisory Board, in turn, has no objections regarding the statements.

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

The Supervisory Board would like to express its thanks to the Board of Management and all staff members for their successful work during fiscal 2013/2014.

Linz, December 2014

On behalf of the Supervisory Board
The Chairman



Gerhard Falch

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

Der Vorstand der Energie AG Oberösterreich bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Konzernabschluss der Energie AG Oberösterreich ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns vermittelt und, dass der Konzernlagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Konzerns so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Konzerns entsteht, und dass der Konzernlagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen der Konzern ausgesetzt ist.

Linz, am 28. November 2014

Der Vorstand der Energie AG Oberösterreich

Dkfm. Dr. Leo Windtner

Vorsitzender des Vorstandes

C.E.O.

KommR Ing. DDr. Werner Steinecker MBA

Mitglied des Vorstandes

C.O.O.

Mag. Dr. Andreas Kolar

Mitglied des Vorstandes

C.F.O.

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

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

Linz, 28 November 2014

The Board of Management of Energie AG Oberösterreich

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

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

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

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

LEGAL NOTICE

Medieninhaber, Verleger und Herausgeber:

Energie AG Oberösterreich, Böhmerwaldstraße 3, 4020 Linz

Editors: Christoph Grubich, Margit Lang, Gerald Seyr

Concept and Graphic Design: MMS Werbeagentur Linz

Photos: Title: Thomas Smetana, Board of Directors photo: Hermann Wakolbinger

Subject to errors and misprints.

Linz, December 2014

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**ENERGIE AG**
Oberösterreich

We care about tomorrow

**Financial Statements and Management Report
for the Fiscal Year 2013/2014**

Energie AG Oberösterreich

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Management Report for Fiscal Year 2013/2014 of Energie AG Oberösterreich

Energie AG Oberösterreich is the holding company of the Energie AG Group. The Energie AG Group is a leading Austrian infrastructure group with the segments Electricity, Distribution, Gas, Waste Management, Water and Miscellaneous. These new segments were redefined in fiscal 2013/2014 and replace the previous years' segments Energy, Waste Management and Water.

Energie AG Oberösterreich assumes the role of a holding company and its fixed assets cover the majority of the electricity business assets and the intra-Group service companies. Due to the close ties between the company and the overall Group, the following section primarily concerns the Group perspective.

Economic Environment¹

The worldwide economic prospects have worsened in the past few months. The most recent economic forecasts were recently given a downward correction. The world trade dynamics did not continue as expected in 2014; rather it abated due to weak imports by many emerging countries.

Following moderate economic growth during the first two quarters of 2014, economists forecast that the Austrian economy will remain subdued during the second half of the year. With regard to the domestic economy, the GDP for the full year 2014 is expected to increase by 0.7% to 1.0%; for 2015, economic growth is forecast at 1.2% to 1.9%. Although the euro zone overcame the recession supported by the monetary policy measures of the European Central Bank, the economic growth will however turn out to be most likely less dynamic with 0.7% to 0.8% in the current year and 1.1% to 1.4% in 2015. A GDP of 2.5% to 2.7% is forecast in the Czech Republic in 2014 and 2015.

The forecast risks are still high. The political tension in the Ukraine and the Middle East are curbing the economic recovery as well.

The Statutory Environment

The Federal Government's energy efficiency package was resolved in July 2014. It envisages a series of obligations for energy suppliers. Among other things, each energy supplier must demonstrate annual energy efficiency measures for itself, its end customers or third parties to the extent of 0.6% of the previous year's sales. For all other companies, it still applies that regular energy audits or the introduction of an energy management system are mandatory. The legislator is taking new paths with the entire commitment system, and many of the necessary boundary conditions are still not set despite the effective date of 01.01.2015. This increases the planning uncertainty for companies, and therefore no sound statement is possible about whether the savings obligation can be achieved. In case some of the measures are not included in the measures catalogue, there could be compensation payments above all as of 2016.

In spring 2014, the Consumer Rights Directive of the European Union was also implemented with a legislative package. It is intended to give consumers additional rights and to levy additional information duties on companies. Implementation of the legal requirements means increased administrative effort for the companies.

¹ Sources:
European Commission, European Economic Forecast, Autumn 2014, November 2014
IHS (Institute for Higher Studies, Vienna), press release, 18.09.2014
IMF (International Monetary Fund), World Economic Outlook, October 2014
WIFO (Austrian Institute for Business Research), monthly report 09/2014

Noticeable impacts on day to day business, however, can only be estimated from the experience and judicature in the coming years.

The third regulatory period for electricity grid operators began in January 2014, this time for five years, while the second five-year regulatory period already started for gas grid operators on 01.01.2013. Moreover, the regulatory authority issued a switching ordinance in 2014 on the basis of the legal authorisation of Section 76 para. 7 of the Electricity Industry and Organisation Act (EIWOG) and Section 123 para. 7 of the Austrian Natural Gas Act (GWG) respectively, which regulates the procedure of supplier or provider switching. With this switching ordinance in 2014, the currently separate requirements for the electricity and gas sectors were combined. The regulations are intended to ensure that the switching process takes a maximum of three weeks, and that the necessary requirements for online switching are created.

General Market Economy-Based Conditions

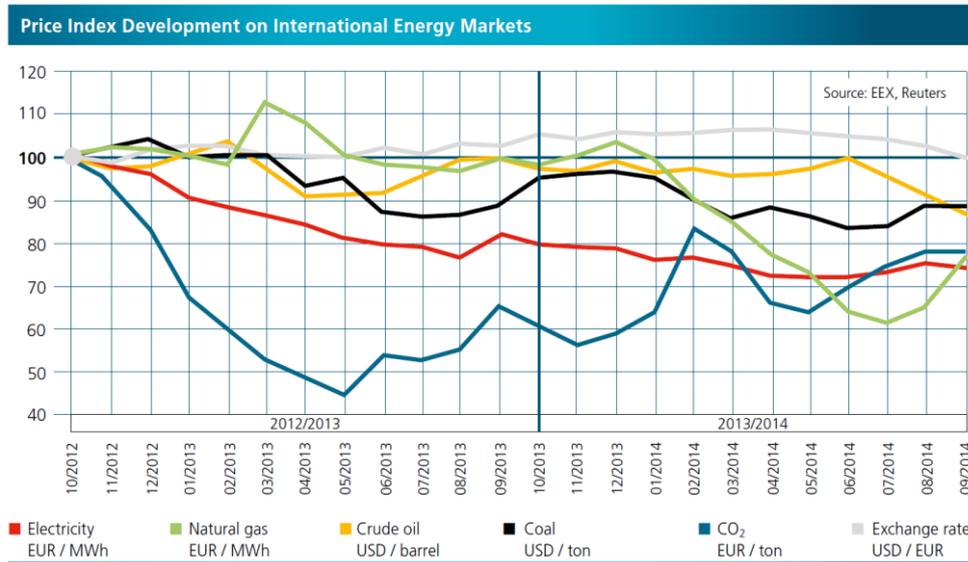
The massive upheaval in the European electricity markets has continued, and the continued development is fraught with major uncertainty for operators of conventional generation capacities. The continued highly subsidised development of electricity generation from photovoltaics and wind power plants in Germany and Austria has led to a further decline of wholesale prices. While electricity production from lignite and hard coal have experienced a renaissance as a consequence of low prices for coal and CO₂ certificates, highly efficient and low-emission gas power plants were forced out of the market. As a result, generation capacities are becoming unprofitable and some are being shut down. However, they are necessary to compensate for the weather-dependent production fluctuations of energy from the sun and wind. Interventions by grid operators to ensure grid stability were necessary more and more frequently in recent times. The political discussion on suitable instruments to correct the current development has not yet resulted in any signals indicating stable general conditions to ensure the achievement of climate objectives and sustainable supply reliability.

The low electricity trading prices also had an adverse effect on the earnings situation of waste incineration plants, which are also in competition for the quantities of waste due to overcapacities. In addition, profitability in the waste management industry was characterised by the slightly falling prices of recyclable materials and commercial waste prices that have stagnated at a low level.

Stable general operating conditions prevailed to a great extent in the drinking water supply and wastewater disposal sectors respectively in the main markets of the Czech Republic and Austria.

The Economic Environment of the Energy Industry

The pricing trends in Europe's energy markets were mainly down in fiscal year 2013/2014.



There were major price changes during the course of fiscal year 2013/2014 in the natural gas market as well as in trade with emission certificates. In July 2014, the price level in the spot gas market was around one-third lower than in October 2013. The unrest in the Ukraine triggered a trend reversal. Despite everything, the price level was still around 20% below that of the previous year at the end of the fiscal year. Trade with emission certificates showed a clear price increase with an increase of around 20% compared to the beginning of the fiscal year. The still low level of an average of around EUR 6.4/t CO₂ equivalent for the year 2015 up to 2018 is an indication of continued low demand. After a temporary price increase in the coal market during the winter months, prices returned in September (API2 USD 74,5/t) essentially back to the level of the previous year. The crude oil market had an average price drop of 1.5%.

The electricity trading market for futures business was on the average around 13% lower than in the previous year at approximately EUR 35.8/MWh for the front year base product. The weak demand for electricity and continued growth of electricity generation from renewable energy constricted the flexibility for the free commercial markets in Europe even more thereby putting pressure on the prices. While the front year base quotations had relatively minor fluctuations in fiscal year 2013/2014 in a range between EUR 33.77/MWh and EUR 38.34/MWh, the balance energy market had a fluctuation bandwidth of EUR -283.2/MWh to EUR +743.3/MWh, which was an entirely contrasting picture. The high volatility of the prices of the balance energy market is the consequence of increasing im-balances between electricity demand and surpluses and deficits from electricity generation from renewable wind and solar energy.

The risk of supply outages is increasing in all of Europe through this development as a consequence of overstressing green electricity plants and the resulting displacement of conventional power plants in all of Europe that are capable of producing control energy. Hence, interruptions in cross-border intra-day trade accumulated over the course of the fiscal year. This resulted in multiple trading restrictions for Energie AG Oberösterreich through grid congestion due to increased electricity imports, above all on the German borders.

General Regulatory Conditions

The third, once again five-year regulatory period up until the end of 2018, began in January 2014 for Austrian electricity distribution grid operators. The general conditions of the regulation were also adapted at that time. Hence, the WACC before taxes was set to 6.42% and the general productivity factor was set to 1.25%.

There was also a new setting of the electricity distribution system fees by the regulatory authority E-Control Austria at the beginning of January on the basis of the preceding cost review. As a result, the grid fees of Netz Oberösterreich GmbH dropped by an average of 2.6%. Due to the considerably improved benchmarking value, reductions of the grid fees are clearly below the Austrian average, with the exception of network level 7. Netz OÖ GmbH has lodged a complaint against the cost calculation decision by E-Control. The decision of the Federal Administrative Court is still pending.

Changes to the legal framework (EIWOG amendment, Federal Energy Efficiency Act, Consumer Rights Guideline Implementation Act) made reformulation of the general distribution grid conditions necessary, which was approved in September 2014 and will go into force in February 2015.

General Conditions in the Gas Industry

Business development of the gas grids was decisively determined by regulatory interventions in fiscal year 2013/2014, as was the case in the past. The annual tariff determination process for the gas grids was concluded in the first half-year of 2013/2014, and the 2014 amendment of the Gas System Usage Fee Ordinance (GSNE-VO) went into force on 01.01.2014. A tariff increase of 4.7% for grid level 2 and 5.0% for grid level 3 was decreed in the Upper Austria grid area. In addition, a tariff system was established for major customers (> 400 MW contractual maximum output) that facilitates short-term grid usage on the basis of daily output prices. In addition, the introduction of grid provision charges for production and storage plants is new. This was applied for the first time for the connection of the 7fields reservoir.

Mandatory use of the switching system was introduced in fiscal year 2013/2014 for all customer transactions between suppliers and grid operators. This led to simplification of the procedures because only one exact data provision allows a process to initiate.

Business Environment of the Waste Management Sector

The business environment in the waste management markets remained tense, which means that the subject of conservation of resources and secondary raw material recovery continues to have priority as a positive development aspect, both at a national and international level. By means of new statutory requirements and drafts, the European Commission is seeking to ensure compliance with the waste-related directives across Europe and even penalise infringement of the provisions. This continues to boost the area of the waste and recycling industry.

Due to the increased quality of waste separation, the waste management market is characterised by stagnating or declining volumes of residual waste and continuously low prices for recyclable materials.

The fiscal year 2013/2014 was characterised by slightly falling prices for recyclable materials, particularly where aluminium and copper were concerned, but also in the area of waste paper and packaging. The competition for the declining waste volumes caused the prices for industrial waste, in particular, to stagnate at a low level. According to forecasts, these trends are expected to continue over the coming months.

Business Environment of the Water Segment

In the core business of providing drinking-water and wastewater disposal services, the general operational conditions were stable in the main markets Czech Republic and Austria.

Contrary to what was initially announced by Miroslav Singer, Governor of the Czech National Bank (CNB), the weakening of the Czech koruna (CZK) by means of a monetary intervention on the foreign exchange market, which was introduced by the country's own national bank in early November 2013, is to be continued to the year 2016. Only in spring 2014, it was announced that the active currency intervention was to end by 2015. The monetary policy instruments were adopted to curb deflationary pressures and to aid economic recovery. In the fiscal year just ended, the value of the CZK compared to the euro dropped from around 25.7 at the start of the intervention to an interim low of not quite 28.0. The target level set at the beginning of the intervention was initially 27.0 CZK per EUR. Due to the consolidation of the Czech investments, which make the proportionately largest financial contribution in the Water Segment, translation risks became a reality through the CNB's decision in fiscal 2013/2014, which are reflected in the financial performance compared to the previous year.

The Czech water market, which is strategically important for the Water Segment, is characterised by a high need for reinvestment in water sector infrastructure. Approximately 80% of the market is already supplied by organisational models that involve the private sector. In most cases, the water sector infrastructure remains the property of the municipalities and is operated by private companies which provide know-how and capital. The tendering of licences leads to a high level of competition. Moreover, the price calculation principles defined by the Czech Ministry of Finance and the rules implemented in connection with EU funding contain provisions that regulate and control the pricing mechanism centrally.

Unlike in the Czech Republic, the responsibility for the water infrastructure and its operation in Austria is mainly in the hands of the municipalities, respectively the public sector. The municipal responsibility with regard to water supply is constitutionally protected as part of services for the public. It is however stressed that the municipalities are granted autonomy to manage the way the services are carried out. Concession models of the type that are applied in the Czech Republic have so far not been applied in Austria.

In Slovenia, the overall economic conditions and order situation have slightly improved. Nevertheless, the framework conditions remain difficult.

New Strategic Alignment

The management of Energie AG Oberösterreich reacted to the changed market situation with a strategic and structural realignment of the Group under the title of "PowerStrategy 2020". Changed customer wishes are to be taken into consideration, opportunities from the change in the markets are to be seized, and new earnings possibilities to be opened up with the development of new and innovative business models. The cost pressure as a consequence of the upheaval in the electricity markets and regulatory interventions in the electricity and gas grid is being countered with tightening of the company's organisational structure and process organisation as well as a consistent programme of cost reductions and efficiency increases.

Corporate Changes

With the signing of the contracts on 06.03.2014, Energie AG Oberösterreich took over the remaining shares of Oberösterreichische Ferngas Aktiengesellschaft (OÖ. Ferngas AG) to an extent of 31.5%. This makes it the sole shareholder of OÖ. Ferngas AG after the previous takeover of a 3.5% share from Elektrizitätswerk Wels AG. In turn, Energie AG Oberösterreich relinquished its shares amounting to 44% of LIWEST Kabelmedien GmbH (LIWEST) to Linz AG for energy, telecommunications, traffic and municipal services (Linz AG). The transaction closed on 23.06.2014 after receipt of notification that the takeover of LIWEST by Linz AG was not prohibited for antitrust reasons. The complete takeover of OÖ. Ferngas AG is a strategic milestone. With the complete integration of the OÖ. Ferngas group of companies, which will be completed in spring 2015, significant synergies can be realised in the Energie AG Group.

During the course of selling the Eastern European operations of the Waste Management Segment, all the conditions agreed on by the contractual partners were met and the necessary approvals received by the beginning of fiscal year 2013/2014 following the conclusion of the contract in June 2013. It was possible to conclude the transaction with the closing on 12.11.2013. With it, all assets and debts of the discontinued business area were deleted from the accounts.

Declining Trend in Staff Levels

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

In fiscal year 2013/2014, the Group's average consolidated staff level was 4,431 employees (FTE), which meant it dropped by 3.7% compared to the average of fiscal year 2012/2013 (4,602 employees).

On the reporting date (30.09.2014), 4,400 employees (FTE) worked for the Energie AG Group in 4 countries.

In fiscal year 2013/2014, the gradual step-in pension plan was rolled over, which guarantees employees under certain circumstances benefits after their employment relationship has ended until their entitlement to statutory pension payment. As of the reporting date, balance sheet provisions were consequently made for obligations in the form of a reserve in the current annual report.

The employees of the Group represent a crucial strategic factor in the provision of services. Therefore, Energie AG Oberösterreich puts a particular emphasis on the training and further training of its employees for the purpose of continuous improvement of the available know-how in the service of its customers. Hence, 496 internal and external training measures were carried out in fiscal year 2013/2014 (previous year: 530) with a total of 2,793 participants (previous year: 2,821). Structured personnel management and comprehensive personnel development measures form the framework for this.

In the interest of the lasting loyalty of the employees and their knowledge potential to the company, the company offers voluntary social benefits for its employees.

Energie AG Oberösterreich ensures that the existing labour and safety regulations are complied with enterprise wide, and that the necessary preventive measures are taken. Binding operating instructions are developed and resolved for all the companies in regulation and guideline committees. Furthermore, there are ongoing events and training in the entire Group for improvement of the safety culture.

Branch Offices

Energie AG Oberösterreich has no branch offices.

Net Assets, Financial Position and Results of Operations

(in accordance with the Austrian Commercial Code [UGB] for the financial statement)

	in	2013/2014	2012/2013	Change
Sales revenues	EUR mill.	321,1	355,8	-9,7%
Operating result (EBIT)	EUR mill.	8,3	7,8	6,5%
EBIT margin	%	2,6%	2,2%	18,2%
Profit or loss on ordinary activities	EUR mill.	-18,9	-46,5	-59,5%
Balance sheet total	EUR mill.	2.194,3	2.267,5	-3,2%
Equity	EUR mill.	755,3	826,3	-8,6%
Equity ratio	%	37,6%	39,8%	-5,5%
Cash Flow from operations	EUR mill.	31,9	105,8	-69,9%

Compared to the previous year (EUR 355.8 million), sales revenues decreased by EUR 34.7 million or, respectively, 9.7% to EUR 321.1 million due to reduced electricity distribution.

Compared to the previous year, the EBIT changed only very slightly; a detailed comparison with the two reference years, however, reveals the following deviations:

The lower revenues from the sale of electricity are offset by the reduced costs relating to electricity procurement. The continuing deterioration of the situation in the energy markets resulted in further depreciation of coal supplies amounting to EUR 3.5 million (previous year: EUR 17.4 million). Personnel expenses dropped by EUR 3.0 million, attributable to lower expenses for the stepped pension plan and a provision for benefits in kind. Depreciation increased primarily due to extraordinary depreciation and amortisation amounting to EUR 16.0 million, of which the write-down for the 7-Fields gas storage tank accounted for EUR 9.2 million and the write-down for the Timelkam biomass power plant accounted for EUR 3.4 million.

In a year-on-year comparison, the financial result improved by 50.1%, which is essentially attributable to higher income from investments, lower loss assumptions and reduced amortisation of shares in associated companies. The profit from ordinary activities is therefore at EUR -18.9 million (previous year: EUR -46.5 million).

The balance sheet sum for this fiscal year amounts to EUR 2,194.3 million (previous year: EUR 2,267.5 million) and has decreased by EUR 73.2 million (minus 3.2%) compared to the previous year. Among other factors, the decrease is attributable to the disposal of loans resulting from the sale of the Eastern European activities of AVE and to the dividends for the fiscal year 2013/2014.

Equity decreased by 8.6% to EUR 755.3 million compared to the previous year.

The equity ratio (relating to total capital minus investment grants and extraordinary items for emission certificates) fell by 5.5% to 37.6%.

Cash flow from operating activities reached EUR 31.9 million (previous year: EUR 105.8 million). The decrease is essentially the result of the change in short-term liabilities.

Financing and Investment Strategy

While the US central bank started the gradual withdrawal from its loose monetary policy at the beginning of 2014 (quantitative easing), additional monetary policy easing steps were taken by the European Central Bank (ECB), including an extensive bond purchasing programme and the reduction of the prime interest rate to record lows. However, a sustainable recovery of the economic situation did not occur in the past fiscal year.

The maintenance of stable and future-proof finances forms the basis of the strategic realignment of Energie AG Oberösterreich. The financial strategy enhances and supports the future-oriented direction of the Group without losing sight of the principles of liquidity and creditworthiness. This requires continuously consistent improvement of the cost structure as well as adherence to the proven strategy of a very solid financing and investment policy for the Group.

A reasonable liquidity base and strategic liquidity reserves are central elements of the financial direction of the Group. There is a particular emphasis on actively managing internal financing options; in particular, optimisation programmes for working capital management were promoted in fiscal year 2013/2014. Also, in order to keep a stable financial profile in the future, flexibility in the use of funds is required, above all in the area of investment and portfolio management.

Stable and future-proof finances

Financial liabilities were reduced in the past fiscal year by EUR 6.1 million to EUR 631.1 million. The financial profile of the Group is characterised by repayable financial liabilities with remaining time to maturity of up to 16 years.

On the reporting date, 30.09.2014, the Energie AG Group had liquid assets of EUR 177.0 million as well as money market instruments and marketable securities totalling EUR 200.7 million. The unused and hence readily available credit lines in the amount of around EUR 253.6 million emphasise the high financial flexibility of the Group.

Central Group Financing

Energie AG Oberösterreich Group Treasury GmbH (Group Treasury GmbH) performs as pooling center the function of internal financing management for the Group. By means of Group-wide cash pooling, the required liquid funds are passed on appropriately to the Austrian companies within the Group. On 30.09.2014, there were 31 Group companies involved in the cash pooling of the Group. Long-term financing for the companies of the Energie AG Group is also provided by Group Treasury GmbH, focussing on arm's length financing conditions and terms.

Rating

In February 2014, the international rating agency, Standard & Poor's (S&P) reduced the credit rating of the Energie AG Group by one level from A to A-. The outlook remains unchanged as stable. This step represents the difficult market environment and its impact on the business risk profile of Energie AG Oberösterreich. Energie AG Oberösterreich is holding firmly to its objective of maintaining an A-rating with Standard & Poor's; the high creditworthiness of the Group supports constant access to external financing.

Value Based Management and Capital Costs

Value based management is firmly anchored in all management processes of Energie AG Oberösterreich. The central objective is sustainable assurance of the company value through increasing potential benefits as well as the generation of capital market orientated returns for the owners. Consequently, the capital costs (Weighted Average Cost of Capital/WACC), which is the weighted average of the required return on applied capital, represent the minimum return requirements for Group management and are determined for all non-regulated business areas in a market-oriented way with the help of peer groups. The WACC is calculated by means of a bottom-up method for the individual segments and the entire Group. Besides country-specific risk premiums and country-specific marginal tax rates, the calculation for regulated areas also includes requirements of the regulatory authority Energie Control Austria (E-Control).

The Group WACC for fiscal year 2013/2014 amounts to 5.5% (previous year: 6.0 %). Essentially, the reduction of the capital costs is attributable to the lower interest rate level of riskless investments. The weighted parameters at the Group level are shown in the following table.

Risk-free interest rate	3,4%
Country risk premium	0,1%
Market risk premium	5,0%
Beta factor	0,75
Cost of equity after taxes	7,3%
Cost of debt before taxes	4,7%
Tax rate	24,7%
Cost of debt after taxes	3,5%
Equity ratio	51,2%
Debt ratio	48,8%
Cost of capital after taxes	5,5%

The central key figure for the operating Group management during the fiscal year is the Return on Capital Employed (ROCE), which shows how efficient and profitable available capital was handled.

The value-oriented Group objectives are broken down according to the individual segments while taking into consideration the pursued strategy and business-specific framework conditions. They are measured in periodical reporting by Group Controlling and directed by management.

By comparing the ROCE and WACC, projects and business areas are evaluated with regard to

the generation of a value contribution. Besides strategic perspectives, resources shall be allocated for future investments and acquisitions exclusively based on value-oriented criteria and methods (e.g. project-specific risk premiums) for the prioritisation of projects.

In fiscal 2013/2014, the ROCE of the Energie AG Group amounted to 4.6% and therefore was 2.5 percentage points above the value reported in the previous year (2.1%).

Material events after the end of the fiscal year

On 01.10.2014, the name of AVE Österreich GmbH changed to Energie AG Oberösterreich Umwelt Service GmbH, AVE Energie AG Oberösterreich Umwelt GmbH changed to Energie AG Oberösterreich Umwelt Holding GmbH and OÖ. Gas-Wärme GmbH changed to Energie AG Oberösterreich Power Solutions GmbH.

On 07.10.2014, the variable interest tranche of the borrower's note loan in the amount of EUR 101.0 million was repaid before maturity. Likewise, the respective interest swaps with a nominal amount of EUR 90.0 million were cancelled early, because there was no longer any hedging relationship for this interest-rate hedge with the underlying transaction.

Internal Control System (ICS)

The Group's internal control system (ICS) is part of the corporate governance. In terms of the "three lines of defence" model, it is the first pillar and is implemented throughout in the processes that are relevant to the rendering of accounts. There is further consolidation for the risk-relevant processes of the Group. The required controls are designed around the respective risk, and their effectiveness and efficiency are reviewed regularly through the internal audit. Control manuals and activity catalogues are being updated constantly for the individual Group companies. Through clear assignment of the responsibilities and highly transparent processes, which were reinforced even more through harmonisation of the process descriptions with quality management in fiscal year 2013/2014, the Group has solidified very good controlling awareness.

Regular reporting of the current status to the Group's Board of Management and the Audit Committee in accordance with the requirements of Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)] 2008 is established. All controls and measures as well as test results are managed and documented in an IT-based system. The operational implementation by the respective process owners minimises the process risks and is an effective control instrument for securing the Group's assets.

The equal treatment of all customers of Netz Oberösterreich GmbH (Netz OÖ GmbH) as required by the Austrian Electricity and Organisation Act (EIWOG) is taken into account by the internal control system and is monitored by the compliance officer.

Risk and Opportunity Situation

On account of the gloomy economic outlook, changes in the energy policy, the high volatility in the energy markets and the fierce competition and regulatory pressure, Energie AG Oberösterreich finds itself facing major challenges.

The Group's risk management aims at identifying risks at an early stage in order to enable the implementation of counteraction in a timely manner, and at highlighting opportunities and taking advantage of them. As a firmly established part of the management and control system, risk assessment is included in strategic decisions and supports investment management activities.

The central risk management is based on the operational risk management system in the decentralised business areas. The risks, opportunities and measures are updated on a quarterly basis and recorded with a software tool that is implemented across the Group. At the Group level, the reported opportunities and risks are analysed and aggregated to the Group's overall risk position. Reports are submitted to the Board of Management on a quarterly basis and, if necessary, ad hoc. Risk management is an integral part of supervisory board reporting and, in accordance with the requirements of the Austrian Company Law Amendment Act [Unternehmensrechts-Änderungsgesetz (URÄG)], is also brought to the notice of the Audit Committee with a view to confirming the efficiency and validity of the process. Correct documentation and verifiability is guaranteed through archiving at the reporting dates.

Risk Profile and Development Trends

Risks from Operating Activities

Business development as well as economic efficiency and recoverability of the Group's production plants and participations are essentially characterised by **market price risks** such as the development of the wholesale market prices for electricity and the prices for gas, coal, biomass and certificates.

With regard to market price risk management, Energie AG Oberösterreich Trading GmbH (Trading GmbH) has a central role. This company focuses on expertise relating to commodity transactions, thereby utilising intra-Group synergies. Risk strategies, such as procurement strategies aligned to the market environment, the long-term sale of power plant capacities and hedging transactions result in risk reduction. Proprietary trading activities are only carried out within tight and clearly defined limits, and subjected to continuous risk monitoring.

The result of Energie AG Oberösterreich is heavily influenced by electricity production in **hydropower plants** owned by Energie AG Oberösterreich and those in which it holds procurement rights. In the fiscal year 2013/2014, the electricity generated at hydropower plants dropped by around 11.0% to 2,214 GWh (previous year 2,488 GWh) due to lower precipitation.

Moreover, the sales and results might be adversely affected by the unusually warm **weather periods** during the autumn and winter months, as was the case in the fiscal year 2013/2014.

In Upper Austria that has a high degree of industrialisation **economic fluctuations** also have a significant impact on the Group's result. Accordingly, due to the dwindling wholesale prices for electricity, some customers have shut down their own generation plants and now purchase electricity in the form of special deliveries.

The fierce **competition in the end-customer segment** poses the risk of customer loss. Prices and margins are at risk if expenditure for costs relating to the energy industry cannot be passed on to customers.

Energie AG Oberösterreich responds to such risks, among other things, by intensive customer management, diversification of the customer portfolio, a product range aligned to customer needs and comprehensive sales controlling activities.

In the **Waste Management Segment**, the remaining markets in Austrian and Italy face major challenges due to the weak economic growth and the tense situation on the waste management markets. Fiscal 2013/2014 was characterised by slightly declining prices for recyclable materials and prices for industrial waste that stagnated at a low level.

A tight cost-savings programme and efficiency-enhancing measures are intended to contribute towards achieving the targets set for the waste management segment for the fiscal year 2014/2015.

In the **Water Segment**, the fiscal year 2013/2014 saw a stable sales and earnings development, which, despite value loss in the Czech crown (koruna) and pending tenders for licences, is to be expanded further in fiscal 2014/2015.

Optimizations in the corporate organisation and savings in market and project development are the measures that are being taken to secure a sustainable result.

Energie AG Oberösterreich counters possible **risks associated with facilities** and the associated revenue losses with strict maintenance and quality controls and an optimised maintenance strategy. As far as is economically feasible, insurances with economically profitable deductibles are taken out.

With regard to the electricity distribution system, fiscal 2013/2014 saw no major weather-related grid outages. Pro-active efforts are being made to cable medium-voltage overhead lines that are particularly susceptible to breakdowns.

Political, Regulatory and Legal Risks

Changing political, regulatory and legal framework conditions are posing a great challenge to the Energie AG Group. Attempts are being made to counter such risks by entering into an intensive and constructive dialogue with the authorities and politicians.

Electricity and Gas Network Regulations

The incentive-based regulation system for electricity and gas networks in Austria also poses earnings risks. For electricity distribution system operators, the third regulatory period started, this time to last five years; for gas network operators the second five-year regulatory period started already on 1 January 2013.

Energy Efficiency Act

In July 2014, the State of Austria's National Assembly adopted the Energy Efficiency Package. This package defines a series of obligations for energy suppliers, among them the requirement that every energy supplier must prove annual energy efficiency measures at their end-customers amounting to 0.6% of the previous year's quantities sold. In the case of failure to meet the legal requirements, compensation payments may be demanded.

The development of measures and new efficiency service products corresponding to the energy efficiency package is intended to counter an increase of the Group's risk exposure.

Risks from Participations

The divestment process relating to the Eastern European activities in the Waste Management Segment constitutes a major step towards the optimisation of the investment portfolio. The implementation of this transaction has associated risks, parts of which may even affect the coming periods under report.

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

The risk is essentially optimised by the continuous monitoring of existing participations.

Risks from Projects

The execution of projects is characterised by a high level of complexity and the interaction between multiple input factors. For this reason, deviations from project planning (also in relation to delays and cost increases) cannot be fully ruled out.

Risk management is integrated in the entire project cycle and develops the possible financial impact and countermeasures in the course of the projects.

Financial Risks

On account of its business activities and its financial transactions, Energie AG is exposed to various financial risks. These risks essentially comprise foreign currency and interest risk, liquidity risk, default risk, share price risk of securities and price risk in the commodity area (price risks from the energy industry).

Group Treasury primarily secures financial risks on a central basis, also using derivative financial instruments. As a matter of principle, such transactions are only entered with counterparties of very good rating in order to minimise the default risk.

Counterparty Risks

In order to limit the counterparty risk in the finance segment, liquidity reserves available at short notice as well as fixed deposits are invested under risk optimisation and capital preservation requirements only at financial institutions of the highest credit standing. Systematic monitoring of the creditworthiness of business partners by using appropriate early warning indicators allows Energie AG Group Treasury to ensure that internally set counterparty risks are restricted or adjusted in a timely manner. Checks that the counterparty limits are adhered to are carried out at short notice and on a regular basis.

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

Opportunities and Risks for 2014/2015

The result of the Energie AG Group is essentially affected by energy policy conditions and possible depreciation of investments and participations. With the "PowerStrategy 2020" programme as well as the integration of OÖ. Ferngas AG, extensive measures were taken to strengthen the earning and financial power of the Group.

Despite the volatile environment, no risks were identified that can threaten the existence of the company either singularly or cumulatively, due also to the diversified business portfolio of Energie AG Oberösterreich.

Research, Development and Innovation

In its daily actions and thoughts, Energie AG Oberösterreich sees the three pillars, i.e. research, development and innovation, as an essential growth engine and business activity. Technology priorities such as the energy-efficient use of energy, electromobility and the development of power-intensive data transmission technology as well as the development of new business models are the focus of attention for shaping the future. Sociopolitical topics and developments in the area of human resources are very important.

Cross-business area projects with a focus on technical research and development work as well as business innovations are very important within the whole Group.

With the expert knowledge of the employees of the Energie AG Group, projects are implemented in cooperation with industry- internal and external partners as well as with national and international institutions, special interest groups, committees and companies.

Key Figures R&D&I	in	2013/2014
R&D&I projects in the Group	Number	93
R&D&I expenses in the Group	EUR mill.	3.5
Employees involved in R&D&I projects	Number	279

In fiscal year 2013/2014, research, development and innovation were conducted in the following projects, among others (excerpt):

powerJet Project

The "powerJET", a development of Energie AG Oberösterreich Data GmbH (Data GmbH), which has been registered for a patent, is a method that makes it possible to introduce a high density of mini pipes into an existing empty pipe. That way, mini-pipes can be drawn into existing 50 mm pipes in a more dense and compact way and used more effectively. This results in efficient utilisation of the already established infrastructure. This is especially advantageous for fibre for the home environment (FTTH) and can reduce expensive excavation work. In addition, the Energie AG Group can make more intensive use of existing empty pipes for FTTH expansion with a completely new technology.

DG DemoNet Smart LV Grid Project

The Decentralized Generation (DG) DemoNet Smart Low Voltage (LV) Grid project was completed in the electricity grid at the end of fiscal year 2013/2014. In this project of Netz OÖ GmbH, voltage control was developed in the past three years to increase the hosting capacity for decentralised electricity generation, and it was tested in a practical application. A total of 70 photovoltaic plants with total capacity of 440 kWp were connected in only two low-voltage power grids without amplifying the lines. The first findings have been already incorporated into everyday business, above all in the grid planning area. Based on these control systems and the experience in their practical use, the industry partners will now develop the respective products.

LED Efficiency Project

With the realisation of two model projects in Upper Austrian municipalities in which the entire light service chain was tested from an analysis of the lighting demand up to the construction of public street lighting systems based on LEDs, it was possible to develop a new business area for electricity sales. The Wels University of Technology is accompanying the project in which the ageing behaviour of LED lamps is being analysed. Hence the "More light – more savings – the service programme for lighting systems" project was established on a scientific basis through which it was possible to create a unique selling proposition over competitors.

Hydrothermal Geothermal Energy Potential Project

In the first ever Austria-wide research mandate, the potential of deep geothermal energy for district heating and electricity generation was analysed in a project team. Among other things, the objectives of the project were to obtain findings about the contribution of deep geothermal energy to the provision of heat and electricity in Austria from the perspective of geology and energy utilisation. Furthermore, economic and ecological assessments were carried out taking the framework conditions in Austria into consideration, and also conclusions and recommendations were obtained for using deep geothermal energy for energy in Austria. The geothermal energy potential was analysed in the project for approximately 90 municipalities according to defined criteria.

The Austria-wide geothermal energy fraction of district heating in 2012 was 0.4%. According to the analysis and assumed framework conditions, it could increase to 4.7% in 2020 and even to 8.7% in 2050. A reduction of the fossil primary energy demand would be a positive consequence of this. Taking cost-effective construction of systems into consideration, deep geothermal energy could make an effective contribution to the provision of heat.

Outlook

The core element of the PowerStrategy 2020 project is the integration of OÖ. Ferngas AG, which is being implemented by taking several essential corporate measures.

During the course of the calendar year 2015, the network management division of OÖ. Ferngas Netz GmbH will be split off and transferred to Netz OÖ GmbH with retroactive effect from 1 October 2014. Likewise, the optical fibre marketing division of OÖ. Ferngas Service GmbH will be split off and transferred to Energie AG Oberösterreich Data. OÖ. Ferngas AG, OÖ. Ferngas Netz GmbH and OÖ. Ferngas Service GmbH will subsequently be merged with Energie AG Oberösterreich. As a result, OÖ. Gas-Wärme GmbH will become a direct subsidiary of Energie AG Oberösterreich. During the course of the calendar year 2015, former Fair Energy GmbH is going to be merged with Energie AG Oberösterreich Power Solutions GmbH (Energie AG Power Solutions) with retroactive effect from 1 October 2014. Power Solutions GmbH will, in turn, transfer several biomass district heating plants to Wärme GmbH.

In the context of integrating the electricity and the gas network, the fundamental course has already been set regarding the company's future organisational structure as combined network operator. Starting in the new fiscal year, the individual operational processes will be harmonised, integrated and optimised. Due to regulatory and management control requirements, attention must be given to clear cost assignment, and reporting has to be reorganised.

In the coming fiscal year 2014/2015, the situation in the energy markets is expected to remain tense, which means that major challenges are expected, particularly for electricity production. The significance of balancing energy and reserve power will increase in the years ahead. Contracts for reserve power have already been concluded with a German network operator for the fiscal years 2015/2016 and 2017/2018. With the commissioning of the Reißbeck II pumped storage power plant, scheduled for the first half of 2015, Energie AG Oberösterreich that has a 10% procurement right will be provided with state-of-the-art pumped storage power plant capacities with maximum efficiency, which will primarily be able to compensate for the increasing fluctuations in production from wind and solar energy.

In December 2014, the ENAMO group of companies will be launching a big customer loyalty campaign with well-proven discounts and new electricity supply products. In February, there will be another energy efficiency campaign with a new and attractive product for customers.

Besides consolidating all supply-related activities in the area of gas, heating, energy services and data services in Energie AG Power Solutions, the activities covered by this company will focus centrally on the set-up and expansion of the defined development areas of gas supply for key customers, energy contracting and renewable energies.

The expansion of Upper Austria's largest optical fibre network will be pursued further in the coming year. In the business customer segment, the already announced broadband support by the Province of Upper Austria is expected to attract a large number of new connected customers. The new market segment "private customers" will be developed by launching a campaign called "powerSPEED privat", directed at the private customer segment. It will start connecting settlement areas selectively by giving priority to economic efficiency.

Besides continuing its efforts to win new customers in its existing supply areas, the business area heating will remain focused on its core competences and on strengthening its pioneering role in heat production based on renewable energy sources such as biomass and geothermal energy.

Following the sale of the Eastern European activities in the Waste Management Segment, the former "AVE" brand will be replaced by the "Energie AG Oberösterreich Umwelt Service GmbH" brand in the remaining markets Austria and South Tyrol, taking effect on 1 October 2014. During the course of fiscal 2014/2015, the rebranding is scheduled to be gradually completed. The weak economic growth is posing a great challenge to newly established Energie Oberösterreich Umwelt Service GmbH. The currently very tight cost savings programme and the devised efficiency enhancement measures approved by the owner will contribute towards achieving the targets set for the coming fiscal year 2014/2015.

In the Water Segment, efficiency enhancement measures initiated in the fiscal year 2013/2014 just expired will be continued. In the drinking and waste water business area, the companies are preparing for several tenders for licences to be conducted in fiscal 2014/2015. In Austria and Southern Bavaria, the water supply business area is to be maintained at the present level. In this respect, optimisations concerning the existing plants are to be expected. The service business is to be developed further.

Central to the fiscal year 2014/2015 across all business areas will be the implementation of measures derived from the Power Strategy 2020 project and here, specifically, the integration of the OÖ. Ferngas Group. Further priorities in addition to the consistent continuation of the strategically incorporated cost management and efficiency enhancement programmes will be to establish the entire Group's long-term alignment to the requirements and needs of its customers, as well as the development of new business models to increase competitiveness in the future.

Linz, 28 November 2014

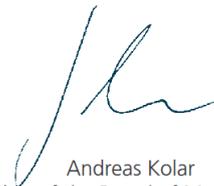
The Board of Management of Energie AG Oberösterreich



Leo Windtner
Chairman of the Board of Management



Werner Steinecker
Member of the Board of Management



Andreas Kolar
Member of the Board of Management

Profit and Loss Statement 2013/2014

	2013/2014	Previous Year
	EUR	in EUR 1000
1. Sales	321.124.453,59	355.782
2. Changes in inventories of finished goods and work in progress	-1317.952,33	281
3. Capitalised cost of self-constructed assets	813,67	11
4. Capitalised cost of self-constructed assets	16.096.899,33	17.305
5. Cost of materials and other purchased services	-99.855.318,75	-125.785
6. Personnel expenses	-18.115.340,10	-21.097
7. Depreciation	-98.680.034,55	-84.659
8. Other operating expenses	-110.971.724,59	-134.060
9. Sub-total for items 1 - 8 (operating result)	8.281.796,27	7.777
10. Income from investments	38.540.849,67	33.414
(thereof from affiliated companies EUR 35.167.489,18; previous year: EUR 31.174 thousand)		
11. Income from securities and loans held as financial assets	6.501.193,08	8.173
(thereof from affiliated companies EUR 3.616.217,20; previous year: EUR 7.086 thousand)		
12. Other interest and similar income	624.786,01	5.586
(thereof from affiliated companies EUR 120.379,83; previous year: EUR 165 thousand)		
13. Income from disposals and write-ups of financial assets	1.367.923,11	860
(thereof from affiliated companies EUR 168.590,11; previous year: EUR 0,00 thousand)		
14. Expenses for other financial assets	-42.710.762,55	-74.904
(thereof from affiliated companies EUR 4.1856.430,10; previous year: EUR 73.977 thousand)		
(thereof from depreciations EUR 16.305.809,03; previous year: EUR 36.120 thousand)		
15. Interest and similar expenses	-31.459.572,28	-27.450
(thereof from affiliated companies EUR 8.488.320,61; previous year: EUR 8.743 thousand)		
16. Sub-total for items 10 - 15 (financial result)	-27.135.582,96	-54.321
17. Result of ordinary activities	-18.853.786,69	-46.543
18. Income taxes	-3.760.495,40	3.230
19. Net loss for the current year	-22.614.282,09	-43.313
20. Reversal of untaxed reserves	4.843.688,83	3.172
21. Reversal of revenue reserves	7.1044.556,66	93.331
22. Annual Profit	53.273.963,40	53.190
23. Accumulated profit carried forward	26.036,60	110
24. Retained earnings	53.300.000,00	53.300

Balance Sheet as at 30 September 2014

	30. September 2014	Previous year
	EUR	in EUR 1000
ASSETS		
A. Long-term assets		
I. Intangible assets	80.088.556,53	80.538
II. Tangible fixed assets	851850.217,30	856.406
III. Financial assets	1056.472.955,13	1'188.849
	1.988.411.728,96	2.125.793
B. Current assets		
I. Inventories	36.796.024,73	38.002
II. Accounts receivable and other assets	84.527.794,32	77.168
III. Own shares	6.366.882,14	6.326
IV. Cash and cash equivalents	76.302.560,76	18.501
	203.993.261,95	139.996
C. Accrued expenses	1.908.665,31	1.694
	2.194.313.656,22	2.267.483

	30. September 2014	Previous year
	EUR	in EUR 1000
EQUITY AND LIABILITIES		
A. Equity		
I. Share capital	89.087.750,00	89.000
II. Non-distributable capital reserves	208.702.350,00	207.000
III. Effected deposits for a capital increase already decided	0,00	1.790
IV. Reserves for own shares	6.366.882,14	6.326
V. Revenue reserves	397.798.394,93	468.884
VI. Retained earnings (thereof accumulated profit carried forward EUR 26.036,60; previous year: EUR 110 thousand)	53.300.000,00	53.300
	755.255.377,07	826.300
B. Untaxed reserves	62.643.906,78	67.488
C. Investment grants	16.986.749,86	17.031
D. Separate item for gratuitously allocated emission certificates	3.621.254,52	7.035
E. Provisions	74.132.149,26	82.254
F. Liabilities	1.231.770.796,33	1.210.810
G. Contributions to construction costs	47.790.227,20	57.022
H. Deferred income and accrued expenses	2.113.195,20	2.354
	2.194.313.656,22	2.267.483

Contingent liabilities	960.003.516,40	839.139
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Notes to the Financial Statements 2013/2014

I. General Information

The financial statements for fiscal 2013/2014 were drawn up observing the principles of proper accounting, as well as observing the general requirement to provide a sufficiently fair picture of the assets, financial and earnings position of the company.

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

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

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

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

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

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

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

The stipulations in the group agreement of OÖ Landesholding GmbH apply between Energie AG Oberösterreich and the Group holding company, whereby Energie AG Oberösterreich determines its taxable income under consideration of the taxable results of the underlying Group companies (periodic accruals/deferrals method): The group agreement provides that positive allocations from Group companies are entered at 25 % of the assigned positive income. Tax losses assigned to the holding company reduce the basis of the positive allocations to taxes of the following business years, refundable to the holding company. However, the holding company may ultimately accept the assigned negative result by making a negative tax allocation to the Group member in the amount of 97 % of the tax share of the accepted negative income.

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

As at 1 October 2004, Energie AG Oberösterreich introduced an effective cash-pooling system in order to optimise the Group's dispositions in relation to bank accounts, as well as the intra-group liquidity balance and the handling of payment transfers within the Group. Energie AG Oberösterreich decided in favour of two pooling groups, and since 1 October 2006 Energie AG Group Treasury GmbH has been the lead company of the pool. As at 30 September 2014, the pool companies comprise a total of 31 (previous year: 31) companies.

II. Accounting and Valuation Principles

Long-term assets

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

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

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

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

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

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

Current assets

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

Work in progress is valued at cost of production.

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

Provisions

Actuarial principles are applied to calculate provisions for severance payments, using the "projected-unit-credit" method, in keeping with IAS 19. The calculation is based on a retirement age of 62 years for females and males in keeping with transitional provisions or an earlier retirement age in individual cases, an interest rate of 2.70% for the calculations (previous year: 3.50%), planned salary increases of 3.00% (previous year: 3.00%) as well as a discount for fluctuations according to probabilities, depending on years of employment from 1.30% for 0 years of employment (previous year: 1.05% for 0 years of employment) to 0.0% from 42 years of employment upwards (previous year: 0.0% for 41 years of employment).

The provision for anniversary bonuses is also calculated using the "projected credit unit" method in keeping with IAS 19, using the parameters that were employed to calculate the provisions for severance payments. When calculating the provisions for anniversary bonuses, a discount for fluctuations according to probabilities, depending on years of employment from 2.51% for 0 years of employment (previous year: 2.59% for 0 years of employment) to 0.00% from 42 years of employment (previous year: 0.00% from 41 years of employment) was used as a basis.

Actuarial principles are applied to calculate provisions for old-age pensions, step-in pensions and early retirement, using the "projected-unit-credit" method, in keeping with IAS 19. The Pagler-Pagler calculation tables 2008 are used for the calculations, as well as an interest rate of 2.70% (previous year: 3.50%) and a retirement trend of 2.25% (previous year: 2.25%).

Due to amendments made to IAS 19, the corridor method applied up until the previous year for provisions for severance payments and pensions was repealed. In the fiscal year 2013/2014, one fifth of the actuarial losses not recorded in the balance sheet as of 30 September 2013 were shown under personnel expenses.

In the context of this transition, there was also a change to the recording of interest paid in association with provisions for severance payments, pensions, anniversary bonuses, stepped pensions and early retirement. Interest paid is now disclosed under the financial result and no longer under personnel expenses as previously. The previous year's reference figures were not adjusted.

The principle of conservatism is applied when forming other provisions.

Liabilities

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

Emission certificates

Due to the expected over-coverage of certificates from fiscal 2009/2010, accounting is carried out on the basis of the AFRAC option, whereby emission certificates that are received gratuitously are entered on the assets side at the time of acquisition and valued at the market value at the time of disposition. A special item in the same amount is shown under liabilities and reversed in accordance with the actual CO₂ emissions. The valuation of emission certificates entered under assets is subject to the strict principle of lower of cost or market. A provision for the obligation to surrender emission certificates is formed in keeping with the actual CO₂ emissions.

As of calendar year 2013, allocation for electricity production will no longer be on a gratuitous basis; for heat production, the certificates will still be allocated to Energie AG gratuitously.

Cross border leasing

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

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

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

In the course of the termination of the cross-border leasing transaction for the power plants, the US treasuries shown under long-term assets were sold. The proceeds from the sale – less the transaction costs – were used to repay the financing at an Austrian financial institution.

The full present value benefit disclosed in the balance sheet under deferred income and accrued expenses was reversed in the previous year.

III. Notes to the Profit and Loss Statement

Sales

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Electricity	137.337	171.984
Gas	34.890	34.226
Others	148.898	149.572
	321.124	355.782

The sales from electricity deliveries comprise various grants in the amount of EUR 13,375 thousand (previous year: EUR 17,160 thousand).

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

Other operating income

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Income from the disposal of and the write-up of long-term assets with the exception of financial assets	1.023	570
Earnings of liquidation reserves	5.030	0
Other	10.044	16.734
	16.097	17.305

The income from the reversal of accruals concern the discontinuation of pending purchase-price repayments due to the obtained legal approvals and the reduction of the provisions formed the previous year for the close-down of the Riedersbach coal-fired power plant amounting to EUR 1,400 thousand.

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

Cost of material and other purchased manufacturing rights

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Cost of materials	99.714	125.476
Cost of purchased services	141	310
	99.855	125.785

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

In the course of the fiscal year, a sales market-oriented evaluation of the coal reserves of Riedersbach power plant was conducted due to the planned closure in 2016. A write-down of the coal reserves in the amount of EUR 3,534 thousand (previous year: EUR 17,400 thousand) was carried out.

Payroll and related expenses

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Wages	5	3
Salaries	9.359	10.489
Expenses for severance payments and payments to company pension funds	867	490
Expenses for old-age pensions	3.853	3.759
Expenses for statutory social security charges, as well as remuneration-dependant payments and compulsory contributions	1.947	1.948
Other social contributions	2.084	4.407
	18.115	21.097

Due to the abolition of the corridor method, the expenses for severance payments and payments to company pension funds and expenses for old-age pensions In the year under report contain one fifth of the actuarial losses not recorded in the balance sheet as of 30 September 2013, amounting to EUR 1,476 thousand, as well as the actuarial losses from 2013/2014 amounting to EUR 932 thousand.

As of the year under report, the interest paid in association with provisions for severance payments, old-age pensions, anniversary bonuses, stepped pensions and early retirement is shown in the financial result under interest and similar expenses.

The previous year's interest expenses contained in personnel expenses amounts to EUR 1,017 thousand.

The expenses for severance payments and payments to company pension funds include expenses for Members of the Board of Management and senior staff members amounting to EUR 58 thousand (previous year: EUR 76 thousand).

The expenses for old-age pensions include expenses for Members of the Board of Management and senior staff members in the amount of EUR 631 thousand (previous year: EUR 682 thousand).

The item "expenses for severance payments and payments to company pension funds" includes expenses for pension funds in the amount of EUR 63 thousand (previous year: EUR 65 thousand).

Depreciation

The ordinary depreciation exclusively concerns depreciation and amortisation of intangible assets and tangible fixed assets and is disclosed in the Development of Long-term Assets. The depreciation includes EUR 15,996 thousand (previous year EUR 2,500 thousand) of extraordinary depreciation of fixed tangible assets. In the year under report, an extraordinary depreciation amounting to EUR 9,204 thousand concerned the 7-Fields gas tank, while an extraordinary depreciation amounting to EUR 3,383 thousand was recorded for the Timelkam biomass power plant. Further extraordinary depreciation concerned a property in Riedersbach as well as power plant facilities.

Other operating expenses

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Taxes, insofar as not qualified as taxes on income	180	193
Other	110.792	133.867
	110.972	134.060

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

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

Losses from the disposal of tangible fixed assets amount to EUR 746 thousand (previous year: EUR 757 thousand) and essentially relate to electrical plants.

As the company auditor is also the auditor of the financial statements of Energie AG Oberösterreich, Linz, in which the company will be integrated (as a fully consolidated company), we refer to the corresponding information in the Group's Notes with regard to the expenses for the auditor in fiscal 2013/2014.

Income from participations

Income from participations in the amount of EUR 38,541 thousand (previous year: EUR 33,414 thousand) includes EUR 35,143 thousand (previous year: EUR 31,150 thousand) paid as dividends for the respective time frames. The Board of Management of Energie AG Oberösterreich decided in a documented resolution that the dividends of certain Group companies are to be distributed in line with the respective time frames. As a result, the respective company holds equity of about 20 % of the balance sheet total after distributing the dividend.

Other interest and similar income

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Interest	625	1.090
Similar Income	0	4.496
	625	5.586

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

Income from disposals and write-ups of financial assets

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Income from disposals of financial assets	1.368	860

Expenses for other financial assets

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Depreciations	16.306	36.120
Book value from disposal of securities	0	834
Book value from disposal of loans	681	155
Expenses from associated companies	25.724	37.795
	42.711	74.904

The depreciation concerns shareholdings in associated companies amounting to EUR 13,984 thousand (previous year: EUR 35,000 thousand), securities (book-entry securities) of fixed assets in the amount of EUR 738 thousand (previous year EUR 21 thousand) and loans in foreign currencies amounting to EUR 1,584 thousand (previous year: EUR 1,099 thousand).

The expenses due to transfer-of-loss agreements amount to EUR 25,724 thousand (previous year: EUR 37,795 thousand).

Interest and similar expenses

As of the year under report, this item contains the interest paid for provisions for severance payments, old-age pensions, anniversary bonuses, stepped pension and early retirement amounting to EUR 985 thousand and the interest gains from budgeted assets in the amount of EUR 308 thousand.

Income taxes

The change in untaxed reserves resulted in an increase of corporate income tax in the amount of EUR 1,211 thousand (previous year: EUR 793 thousand).

Deferred tax income in the amount of EUR 1,290 thousand (previous year: EUR 9,789 thousand) was entered during the fiscal year.

In fiscal 2013/2014, income taxes include aperiodic expenses from the audit 2006-2009 in the amount of EUR 409 thousand (previous year: EUR 21 thousand).

Receivables and/or payables relating to affiliated companies contain outstanding tax apportionment repayments relating to members of the Group amounting to EUR 1,863 thousand as well as additional tax apportionment claims amounting to EUR 5,092 thousand. The reclaim of tax apportionment disclosed in relation to the Group's holding company OÖ Landesholding GmbH amounts to EUR 22,731 thousand (previous year: EUR 13,395 thousand).

IV. Notes to the Balance Sheet

Long-term assets

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

Intangible assets

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

Tangible fixed assets

The full amount of low-value items, which comes to EUR 286 thousand in the year under review (previous year: EUR 378 thousand), was written off during the year of acquisition

The individual components under "land and buildings" show a value for land in the amount of EUR 29.442 thousand (previous year: EUR 29,986 thousand).

On account of long-term rent, lease and leasing agreements, there are commitments for the use of tangible fixed assets not shown in the balance sheet in the amount of EUR 2,042 thousand (previous year: EUR 2,044 thousand) for the subsequent fiscal year. The commitments for the next five years amount to EUR 10,057 thousand (previous year: EUR 10,216 thousand)

Financial assets

The table below provides information about the relevant data concerning those investments which account for a minimum stake of 20 % as at 30 September 2014.

	Share capital	Share in company		Equity of company	Net loss / net income for the year
	in EUR 1000	%	in EUR 1000	in EUR 1000	in EUR 1000
Affiliated companies					
Oberösterreichische Gemeinnützige Bau- und Wohngesellschaft mit beschränkter Haftung, Linz	730	100	730	5.609	344 ¹⁾
Energie AG Oberösterreich Service- und Beteiligungsverwaltungs-GmbH, Linz	35	100	35	364.421	26.211
Energie AG Oberösterreich Wärme GmbH, Linz	1050	100	1050	14.138	696
Energie AG Oberösterreich Vertrieb GmbH & Co KG, Linz	40	100	40	44.442	28.843
Energie AG Oberösterreich Umwelt Service GmbH, Linz	150	100	150	55.116	12.186
OÖ Ferngas AG, Linz.....	34.938	28	9.783	148.327	17.742
Energie AG Group Treasury GmbH, Linz.....	35	100	35	10.783	2.038
Energie AG Oberösterreich Wasser GmbH, Linz	500	100	500	41.404	3.214
Netz Oberösterreich GmbH, Linz	5.000	100	5.000	59.334	-280
Energie AG Oberösterreich Trading GmbH Linz	150	100	150	25.363	6.309
Energie AG Oberösterreich Kraftwerke GmbH, Linz	150	100	150	25.363	6.309
Energie AG Oberösterreich Tech Services GmbH, Linz	150	100	150	5.366	-992
Energie AG Oberösterreich Business Services GmbH, Linz	35	100	35	621	-3.914
Energie AG Oberösterreich Customer Services GmbH, Linz	35	100	35	2.010	537
Energie AG Oberösterreich Data GmbH, Linz	150	100	150	8.386	1.238
Energie AG Oberösterreich Personal Services GmbH, Linz	35	100	35	9	-693
Energy IT Service GmbH, Linz	45	33,3	15	101	6
Cogeneration-Kraftwerke Management Oberösterreich GmbH, Linz	100	99,9	100	²⁾	²⁾

	Share capital	Share in Company		Equity of company	net loss / net income for the year
	in EUR 1000	%	in EUR 1000	in EUR 1000	in EUR 1000
Other investments					
Ennskraftwerke Aktiengesellschaft, Steyr	3.400	50	1.700	14.062	378 ¹⁾

¹⁾ Values as at 31.12.2013

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

In the fiscal year under review, the securities (book-entry securities) of the fixed assets recorded income equivalent to dividends in the amount of EUR 1,237 thousand (previous year: EUR 12 thousand). Write-ups not carried out in the year under review amount to EUR 176 thousand for securities (previous year: EUR 165 thousand).

Loans to associated companies with a residual term to maturity of up to one year account for EUR 7,535 thousand (previous year: EUR 87,671 thousand). The amount of EUR 87,601 thousand refers to the disposal of the AVE investments in Central and Eastern Europe.

Moreover, during the course of this divestment process, the stake in Energie AG Oberösterreich Umwelt Holding GmbH (formerly: AVE Energie AG Oberösterreich Umwelt GmbH) was subjected to impairment testing in the previous year. The write-down resulting from the impairment test amounted to EUR 35,000 thousand in the fiscal year 2012/2013.

In the year under report, Energie AG Oberösterreich Business Services GmbH, Energie AG Oberösterreich Tech Services GmbH, Energie AG Oberösterreich Customers Services GmbH and Energie AG Oberösterreich Personalmanagement GmbH were subjected to impairment tests which resulted in a write-down amounting to EUR 13,984 thousand.

Current assets

Inventories

	30.09.2014	Previous year
	in EUR 1.000	in EUR 1.000
1. Raw materials and supplies	36.566	36.454
2. Work in progress	230	1.548
	36.796	38.002

Accounts receivable and other assets

	Balance sheet 30.09.2014	thereof with remaining maturity > 1Jahr	thereof with secured bills of exchange	Accruals carried as assets
	in EUR 1000	in EUR 1000	in EUR 1000	in EUR 1000
1. Trade receivables	1.845	0	0	0
previous year	1452	0	0	0
2. Trade receivables from affiliated companies	72.264	0	0	0
previous year	62.565	0	0	0
3. Other receivables and assets	10.419	0	0	4.879
previous year	13.150	26	0	5.483
	84.528	0	0	4.879
previous year	77.167	26	0	5.483

Trade receivables from affiliated companies in the amount of EUR 72,264 thousand (previous year: EUR 62,565 thousand) consist of trade receivables with EUR 13,769 thousand (previous year: EUR 13,345 thousand), financial claims with EUR 4,651 thousand (previous year: EUR 5,830 thousand), other receivables with EUR 62,194 thousand (previous year: EUR 34,789 thousand) including receivables from a positive tax distribution with EUR 27,050 thousand (previous year: EUR 4,115 thousand) and from synchronized dividend distributions with EUR 35,143 thousand (previous year: EUR 30,539 thousand), trade payables with EUR 3,814 thousand (previous year: EUR 4,756 thousand) and other liabilities with EUR 4,536 thousand (previous year: EUR 38 thousand).

In fiscal 2013/2014, 231,193 emission certificates were returned from the purchased certificate inventory.

The acquisition costs of the gratuitous CO₂ certificates, as carried forward, amount to EUR 4,234 thousand. On the balance sheet date, the price of CO₂ certificates was EUR 5.84, which means that the total value of the gratuitous certificates as at 30 September 2014 comes to EUR 4,190 thousand.

The book value of the purchased CO₂ certificates as at 30 September 2014 amounts to EUR 46 thousand.

Own shares

An amount of EUR 7,879 thousand of the shares, which the Federal Province of Upper Austria transferred gratuitously as a shareholder's contribution during fiscal 2006/2007 were acquired by a defined group of staff members of the Energie AG Oberösterreich Group at favourable prices in the course of introducing a staff participation model. As at the balance sheet date, the company holds shares in the amount of EUR 6,367 thousand (previous year: EUR 6,326 thousand) from former staff members as well as from staff members who opted to sell the employee shares at the end of the five-year retention period.

Accrued expenses

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

Equity

Share capital

The share capital amounts to EUR 89,000,000.00 and is made up of 89,000,000 individual share certificates (of which 88,600,000 are ordinary shares and 487,750 preferred shares) with a par value per share of EUR 1.00.

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

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

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

In addition, following negotiations concerning detailed conditions between the Board of Management of Energie AG Oberösterreich, Energie AG Belegschaft Privatstiftung and the Works Council at the General Meeting on 20 December 2012, the partial utilisation of the authorised capital in the form of an anniversary instalment (discounted purchase of shares on the occasion of the 120-year anniversary) was approved. On the occasion of the anniversary instalment, 87,750 no-par bearer shares were subscribed and the company's share capital was increased by EUR 87,750.00.

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

Capital reserves

The reserve relates to the non-distributable capital reserve.

The non-distributable capital reserve covers the statutory reserve in the amount of EUR 908,775.00.

Reserve for own shares

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

Revenue reserves

	30.09.2014	Previous year
	in EUR 1.000	in EUR 1.000
1. Statutory reserve	8.000	8.000
2. Other reserves (distributable reserves)	389.798	460.884
	397.798	468.884

In the fiscal year 2013/2014, distributable reserves amounting to EUR 71,045 thousand were reversed (previous year EUR 93,331 thousand).

Untaxed reserves

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

Investment grants

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

Provisions

	30.09.2014	Previous year
	in EUR 1.000	in EUR 1.000
1. Provisions for severance payments	2.505	2.347
2. Provisions for pensions	9.327	7.035
3. Provisions for taxes	44.818	53.621
(thereof deferred taxes: EUR 35.241 thousand; previous year: EUR 36.531 thousand)		
4. Other provisions	17.481	19.250
	74.132	82.254

As a result of unrealised actuarial losses being spread over a five-year period, the provision for severance payments and pensions developed as shown below:

	30.09.2013	Previous Year
	in EUR 1.000	in EUR 1.000
DBO 30.09.2014	3.587	3.700
4/5 respectively non-recorded actuarial loss to the September 30, 2013 ...	-1.082	-1.353
Provision for severance payments 30.09.2012 (balance sheet value)	2.505	2.347
DBO 30.09.2014	23.724	21.965
Non-recorded actuarial loss as of 30.09.2013	-4.824	-6.030
Fair value of the plan assets	-9.573	-8.900
Pension provision 30.09.2014 (balance sheet value)	9.327	7.035

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

Tax liabilities

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

A provision for tax arrears in the amount of EUR 9,578 thousand (previous year: EUR 17,090 thousand) was formed for tax losses from Group members realised by the holding company of the Group.

The deferred tax liabilities in the amount of EUR 35,241 thousand (previous year: EUR 36,531 thousand) are long-term liabilities.

Other provisions

Other provisions consist essentially of commitments to the staff (stepped pensions, anniversary bonuses, early retirement, personnel flow), uncertain liabilities, e.g. costs for the closure of the coal-fired power plant Riedersbach and from commitments relating to emissions certificates that have to be surrendered.

Obligations resulting from outstanding suppliers' invoices are shown under trade payables; certain commitments to the staff (unused holiday leave, Christmas remunerations, holiday allowances, general bonuses and similar items) are shown under other liabilities.

Liabilities

	Balance sheet value 30.09.2014	thereof with a remaining maturity of < 1year	thereof with a remaining maturity of 1- 5 years	thereof with a remaining maturity of > 5 years	With real security	Type of security	thereof accruals carried as liabilities
	in EUR 1000	in EUR 1000	in EUR 1000	in EUR 1000	in EUR 1000		in EUR 1000
1. Bonds	300.001	0	1	300.000	0		0
previous year	300.001	1	0	300.000	0		0
2. Bank loans and overdrafts	32.761	286	262	32.212	0		0
previous year	35.332	2.779	285	32.267	0		0
3. Advances from customers	1	1	0	0	0		0
previous year	1	1	0	0	0		0
4. Trade payables to third parties	23.634	23.634	0	0	0		0
previous year	19.258	19.258	0	0	0		0
5. Payables to affiliated companies	826.474	761.974	64.500	0	0		0
previous year	799.443	633.943	165.500	0	0		0
6. Payables to associated companies	11.207	11.207	0	0	0		0
previous year	10.121	10.121	0	0	0		0
7. Other liabilities	37.694	33.044	1.407	3.242	5	Mortgage	24.603
previous year	46.655	41.724	1.400	3.531	5	Mortgage	19.137
	123.1770	830.145	66.171	335.455	5		24.603
previous year	1210.810	707.827	167.185	335.798	5		19.137

Liabilities to affiliated companies in the amount of EUR 826,474 thousand (previous year: EUR 799,443 thousand) consist of trade payables with EUR 1,420 thousand (previous year: EUR 7,632 thousand), financial liabilities with EUR 778,650 thousand (previous year: EUR 724,824 thousand), other liabilities with EUR 46,504 thousand (previous year: EUR 73,359 thousand) and trade receivables with EUR 100 thousand (previous year: EUR 6,372 thousand). Out of the other liabilities in the amount of EUR 46,504 thousand, EUR 25,607 thousand relate to the one-off loss absorption of Energie AG Oberösterreich Kraftwerke GmbH and Energie AG Oberösterreich Business Services GmbH.

Payables to associated companies which amount to a total sum of EUR 11,207 thousand (previous year: EUR 10,121 thousand) refer in full to trade payables.

Most important components of the other liabilities refer to tax liabilities in the amount of EUR 8,069 thousand (previous year: EUR 21,791 thousand), liabilities under social security schemes in the amount of EUR 541 thousand (previous year: EUR 527 thousand), open interest expenses in the amount of EUR 15,192 thousand (previous year: EUR 15,348 thousand), liabilities under credit support agreements with regard to financial hedging transactions in the amount of EUR 0 thousand (previous year: EUR 200 thousand) as well as a negative market value from a derivative liability without any hedging relationship in the amount of EUR 3,791 thousand (previous year: EUR 0 thousand).

Information on financial instruments

On the balance sheet date, **derivative financial instruments** comprise the following items:

	Contract value	Term	Current value		Book value in EUR 1000	Balance sheet item
			positive	negative		
			in EUR 1000	in EUR 1000		
Interest swaps bond (fixed interest remittees) previous year	EUR 100 Mio	2025	5.188	0	0	-
	EUR 100 Mio	2025	5.675	0	0	-
Interest swaps loans (fixed interest payers) previous year	EUR 90 Mio	2014	0	4.893	3.791	other accounts payable
	EUR 45 Mio	2020		4.710		
	EUR 59 Mio	2023		5.824		
	EUR 32 Mio	2028		9.992		
	EUR 226 Mio				3.791	
EUR 244 Mio	2028	0	21.111	0	-	

Derivative financial instruments, which are not shown in the balance sheet, are used to partially secure the risks of interest rate changes incurred with bonds and loans.

Swap valuation is the result of discounting the future cash flows (present value method) on the basis of an interest curve as expected on 30 September 2013. A department independent of the credit institute concerned with the trading provides the interest curve.

The derivative financial instruments used for hedging purposes are regularly tested for effectiveness in order to assess their compensating effect and hence, the effectiveness of the hedging relationships.

Interest swaps with a par value of EUR 90 million in connection with the borrower's note loan were unwound in October 2014 which amounted to EUR 3,791 thousand – in accordance with the repayment of the loan.

Contributions to construction costs

This item mainly comprises financing contributions obtained from electricity customers. They are re-transferred over a period of 20 years with effect on the result. Since fiscal 2005/2006, Netz Oberösterreich GmbH has been collecting the contributions to construction costs in the course of connecting new electricity customers.

Deferred income and accrued expenses

Deferred income and accrued expenses essentially comprise the premium spread out over the term of issued bonds and accruals of amounts due.

In the financial year, the remaining present value benefit was re-transferred with the termination of the US cross-border leasing transaction.

Contingent liabilities

	30.09.2014	thereof vis-à-vis affiliated companies	previous Year	thereof vis-à-vis affiliated companies
	in EUR 1.000	in EUR 1.000	in EUR 1.000	in EUR 1.000
Liabilities under bill of exchange	2.000	2.000	2.000	2.000
Guarantees	958.004	923.879	837.139	797.764
	960.004	925.879	839.139	799.764

The guarantees concern liabilities to third parties assumed for loans which various credit institutions granted to affiliated companies of Energie AG. Guarantees and letters of comfort were granted to trading partners of Energie AG Oberösterreich Trading GmbH relating to energy trading transactions. In the form of a guarantee bond, Energie AG undertook to secure any claims incurred in the context of the cash pooling system by the parties to the contract. These claims amounted to EUR 619 million as at 30 September 2014. Taking into account Energie AG's own pooling liability, the economic net guarantee item amounts to EUR 159 million.

V. Other disclosures

Other financial commitments

With the master agreement dated 29 June 2008, the company and Linz AG für Energie, Telekommunikation, Verkehr und Kommunale Dienste, Linz, undertook to cover all balance sheet losses of ENAMO GmbH, Linz, to the extent that this is necessary to maintain the equity in the books at an amount of EUR 8,000 thousand. In the current fiscal year, this resulted in loss assumption in the amount of EUR 117 thousand (previous year: EUR 72 thousand).

In the form of one-time transfer-of-loss agreements, Energie AG Oberösterreich has undertaken to cover the full annual loss of Energie AG Oberösterreich Kraftwerke GmbH and the full annual loss of Energie AG Business Services GmbH for the fiscal year 2013/2014. The assumed loss of the two companies amounts to EUR 25,607 thousand.

On 6 November 2014, Energie AG Oberösterreich already issued a loss coverage commitment for Energie AG Oberösterreich Business Services GmbH, Energie AG Oberösterreich Personalmanagement GmbH, Energie AG Oberösterreich Tech Services GmbH and Energie AG Oberösterreich Kraftwerke GmbH for the fiscal year 2014/2015 and a non-binding letter of comfort for Energie AG Oberösterreich Business Services GmbH and Energie AG Oberösterreich Personalmanagement GmbH, which have not been recorded on the balance sheet date 30 September 2014 but which may, however, result in financial obligations for Energie AG Oberösterreich in the fiscal year 2014/2015.

Corporate bodies, staff

The remunerations of the Board of Management and of the Supervisory Board are as follows:

	2013/2014	Previous year
	in EUR 1.000	in EUR 1.000
Board of Management	831	813
Former Members of the Board of Management and their dependents	864	856
Supervisory Board	114	125

The mean staff figure for the fiscal year is as follows:

	2013/2014	Previous year
Salaried employees	90	96

The separate table lists the Members of the Board of Management and the Members of the Supervisory Board (Annex 1 to the Notes).

Unbundling

In addition to the previous unbundling of functions and accounting, Energie AG implemented the unbundling requirement under corporate law (legal unbundling) by setting up legally autonomous companies during fiscal 2006/2007.

Under § 8 (3) EIWOG, the following identifiable transactions are executed with affiliated companies:

Management of electricity and gas assets, Trading services	Energie AG OÖ Trading GmbH
Operational management, technical services	Energie AG OÖ Kraftwerke GmbH
Electricity purchases	Energie AG OÖ Vertrieb GmbH & Co KG
Network services	Netz OÖ GmbH
Heat supply	Energie AG OÖ Wärme GmbH
Fuel purchases	Energie AG OÖ Umwelt Service GmbH (formerly AVE Österreich GmbH)
Energy services, technical services	Energie AG OÖ Fair Energy GmbH
Data/Telecommunication	Energie AG OÖ Data GmbH
Economic/legal services	Energie AG OÖ Business Services GmbH
Personnel management services	Energie AG OÖ Personalmanagement GmbH
Assets, holding services	Energie AG OÖ Vertrieb GmbH & Co KG, Netz OÖ GmbH, Energie AG OÖ Wärme GmbH, Energie AG OÖ Kraftwerke GmbH, Energie AG OÖ Data GmbH, Energie AG OÖ Trading GmbH, Energie AG OÖ Business Services GmbH, Energie AG OÖ Tech Services GmbH, Cogeneration-Kraftwerke Management OÖ GmbH, Energie AG OÖ Umwelt Holding GmbH (formerly AVE Energie AG OÖ Umwelt GmbH)

The allocation of the balance sheet as at 30 September 2014 to the areas of power production and electricity trade, electricity distribution and other activities (Annex 5 to the Notes) in accordance with the allocation principles described in Annex 6 to the Notes, is used to show the capital structure as part of the cost examination of Energie-Control Austria for the regulation of the electricity and natural gas industry.

Linz, 28 November 2014

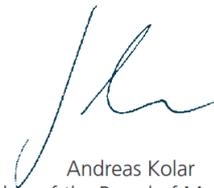
The Board of Management of Energie AG Oberösterreich



Leo Windtner
Chairman of the Board of Management



Werner Steinecker
Member of the Board of Management



Andreas Kolar
Member of the Board of Management

Corporate Bodies (Annex 1 to the Notes)

SUPERVISORY BOARD

Gerhard Falch	CEO, Chairman, Ranshofen
Hermann Kepplinger	First Deputy Chairman, Linz
Heinrich Schaller	CEO, Second Deputy Chairman, Linz
Alois Froschauer	CEO, Linz
Franz Gasselsberger	CEO, Linz (until 19 December 2013)
Florian Hagenauer	Member of the Management Board, Linz (since 19 December 2013)
Anna-Maria Hochhauser	Secretary General, Vienna
Michaela Keplinger-Mitterlehner	Member of the Management Board, Linz
Manfred Klicnik	Attorney at Law, Linz
Ruperta Lichtecker	Member of the National Council, Linz
Maria Theresia Niss	Member of the Management Board, Vienna (until 19 December 2013)
Kathrin Renate Kührtreiber-Leitner	Mayor, Hagenberg (since 19 December 2013)
Manfred Polzer	Managing Director, Linz
Viktor Sigl	President of the Provincial Parliament, Linz
Michael Strugl	Member of the Provincial Government, Linz
Bruno Wallnöfer	CEO, Innsbruck
Works Council Representatives	
Robert Gierlinger	Chairman of Works Council, Neustift i.M.
Manfred Harringer	Chairman of Works Council, Linz
Isidor Hofbauer	Chairman of Works Council, St. Radegund
Peter Neißl	Chairman of Works Council, Hartkirchen
Bernhard Steiner	Chairman of Group Works Council, Ottensheim
Gerhard Störinger	Chairman Central Works Council, Zell am Pettenfirst
Egon Thalmeir	Chairman of Central Works Council, Ampflwang

BOARD OF MANAGEMENT

Leo Windtner

Chief Executive Officer, Chairman of the Board of Management, St. Florian

Andreas Kolar

Member of the Board of Management, Steyr

Werner Steinecker

Member of the Board of Management, Kirchschlag

Development of Long-term Assets (Annex 2 to the Notes)

	Cost of purchase or production					Accumulated depreciation	Book value 30.09.2014	Book value previous year	Write-ups depreciation in year
	As at 01.10.2013	Additions 2013/2014	Disposals 2013/2014	Reclassification 2013/2014	As at 30.09.2014				
	EUR	EUR	EUR	EUR	EUR				
I. Intangible assets									
1. Electricity procurement rights	205.545.461,34	9.527.503,27	0,00	0,00	215.072.964,61	168.054.419,87	47.018.544,74	41.990.028,23	4.498.986,73
2. Other rights	77.260.894,44	5.589.473,00	3.000.396,51	35.611,00	79.885.581,93	46.815.570,14	33.070.011,79	38.547.618,75	11.022.293,23
Total for Intangible assets	282.806.355,78	15.116.976,27	3.000.396,51	35.611,00	294.958.546,54	214.869.990,01	80.088.556,53	80.537.646,98	15.521.279,96
II. Tangible fixed assets									
1. Electricity equipment									
1. 1 Power plants									
Land and buildings	408.729.128,79	3.103.359,90	12.050,06	9.479.192,08	421.299.630,71	322.024.434,89	99.275.195,82	96.126.627,61	9.419.561,91
Technical plant and machinery	545.917.284,55	3.545.060,40	593.426,54	8.610.605,65	557.479.524,06	521.495.942,88	35.983.581,18	33.709.971,59	9.821.433,83
Advances received and assets under construction	18.832.355,48	1.567.823,66	41.868,25	-18.125.408,73	2.232.902,16	0,00	2.232.902,16	18.832.355,48	0,00
Total for power plants	973.478.768,82	8.216.243,96	647.344,85	-35.611,00	981.012.056,93	843.520.377,77	137.491.679,16	148.668.954,68	19.240.995,74
1. 2 Substations and distribution equipment									
Land and buildings	131.367.849,35	810.858,43	108.119,73	251.902,74	132.322.490,79	100.961.381,44	31.361.109,35	32.514.758,14	2.209.361,29
Technical plant and machinery	504.248.392,38	13.031.372,05	4.761.788,79	2.228.071,74	514.746.047,38	368.320.037,33	146.426.010,05	146.326.903,71	14.705.258,09
Lines	1.080.098.179,41	38.012.689,89	5.535.355,58	1.733.919,05	1.114.309.432,77	726.569.475,92	387.739.956,85	381.398.157,01	33.003.932,76
Advances received and assets under construction	7.624.978,67	7.364.142,28	19.745,69	-4.231.513,65	10.737.861,61	0,00	10.737.861,61	7.624.978,67	0,00
Total for substations and distribution equipment	1.723.339.399,81	59.219.062,65	10.425.009,79	-17.620,12	1.772.115.832,55	1.195.850.894,69	576.264.937,86	567.864.797,53	49.918.552,14
Total for electricity equipment	2.696.818.168,63	67.435.306,61	11.072.354,64	-53.231,12	2.753.127.889,48	2.039.371.272,46	713.756.617,02	716.533.752,21	69.159.547,88

2. District heating equipment										
Land and buildings	2.263.542,13	0,00	0,00	0,00	2.263.542,13	1.656.582,87	606.959,26	636.737,33	29.778,07	
Technical plant and machinery	17.422.610,88	68,06	0,00	0,00	17.422.678,94	13.182.058,01	4.240.620,93	4.649.001,19	408.448,32	
Lines	361.189,34	0,00	0,00	0,00	361.189,34	361.189,34	0,00	0,00	0,00	
Total for district heating equipment	20.047.342,35	68,06	0,00	0,00	20.047.410,41	15.199.830,22	4.847.580,19	5.285.738,52	438.226,39	
3. Fixtures, fittings and other assets										
Land and buildings	86.696.325,47	39.251,60	1.577.796,49	0,00	85.157.780,58	39.112.275,36	46.045.505,22	48.377.060,39	1.739.846,82	
Technical plant and machinery	169.992.626,12	7.175.720,09	1.032.283,63	792.046,49	176.928.109,07	107.520.534,49	69.407.574,58	69.729.208,62	8.176.749,50	
Fixtures and fittings	65.891.892,32	2.615.294,04	2.265.800,20	196.694,13	66.438.080,29	54.422.288,70	12.015.791,59	12.854.031,50	3.644.383,97	
Advances received and assets under construction	3.626.535,01	3.140.331,00	18.596,81	-971.120,50	5.777.148,70	0,00	5.777.148,70	3.626.535,01	0,00	
Total for fixtures, fittings and other assets	326.207.378,92	12.970.596,73	4.894.477,13	17.620,12	334.301.118,64	201.055.098,55	133.246.020,09	134.586.835,52	13.560.980,29	
Total for tangible fixed assets	3.043.072.889,90	80.405.971,40	15.966.831,77	-35.611,00	3.107.476.418,53	2.255.626.201,23	851.850.217,30	856.406.326,25	83.158.754,56	
III. Financial assets										
1. Shares in affiliated companies	804.797.159,58	41.582.268,75	59.031,98	0,00	846.320.396,35	95.616.799,62	750.703.596,73	723.164.646,51	13.984.286,55	
2. Loans to affiliated companies	262.325.254,79	6.879.702,69	140.833.188,19	0,00	128.371.769,29	3.158.371,69	125.213.397,60	258.772.200,05	1.584.141,02	
3. Investments in associated companies	62.259.765,12	0,00	23.009.871,58	0,00	39.249.893,54	15.981.862,81	23.268.030,73	46.278.271,16	368,85	
4. Securities (loan stock rights) held as long-term securities	160.834.140,30	1.241.986,98	3.850.688,00	0,00	158.225.439,28	937.509,21	157.287.930,07	160.633.643,70	737.012,61	
5. Other loans receivable	0,00	17.400.000,00	17.400.000,00	0,00	0,00	0,00	0,00	0,00	0,00	
Total for financial assets	1.290.216.319,79	67.103.958,42	185.152.779,75	0,00	1.172.167.498,46	115.694.543,33	1.056.472.955,13	1.188.848.761,42	16.305.809,03	
Total for long-term assets	4.616.095.565,47	162.626.906,09	204.120.008,03	0,00	4.574.602.463,53	2.586.190.734,57	1.988.411.728,96	2.125.792.734,65	114.985.843,58	

Development of Untaxed Reserves (Annex 3 to the Notes)

	Asat 01.10.2013	Allocation 2013/2014	Reversals 2013/2014		Re-classification 2013/2014	Asat 30.09.2014
			Consumption	Disposal		
			EUR	EUR		
1. Value reserve on the basis of special depreciation						
(pursuant to § 8, § 122 Income Tax Act 1972, § 7a, § 10a, § 12 Income Tax Act 1972 and 1988)						
I. Intangible assets						
1. Electricity procurement rights.....	5.552.782,96	0,00	1.300.556,91	0,00	0,00	4.252.226,05
2. Other rights.....	1.540.232,28	0,00	120.409,65	0,00	0,00	1.419.822,63
Total for intangible assets.....	7.093.015,24	0,00	1.420.966,56	0,00	0,00	5.672.048,68
II. Tangible fixed assets						
1. Electricity equipment						
1.1 Power plants						
Land and buildings.....	22.313.040,08	0,00	2.577.609,51	0,00	4.328,52	19.739.759,09
Technical plant and machinery.....	677.434,97	0,00	96.811,28	0,00	3.134,44	583.758,13
Advances received and assets under construction.....	7.462,96	0,00	0,00	0,00	-7.462,96	0,00
Total for power plants.....	22.997.938,01	0,00	2.674.420,79	0,00	0,00	20.323.517,22
1.2 Substations and distribution equipment						
Land and buildings.....	2.064.912,55	0,00	16.400,97	0,00	0,00	2.048.511,58
Technical plant and machinery.....	5.067.471,84	0,00	0,00	3.690,37	0,00	5.063.781,47
Lines.....	20.853.023,67	0,00	454.141,95	6.881,39	0,00	20.392.000,33
Advances received and assets under construction.....	36.162,25	0,00	0,00	0,00	0,00	36.162,25
Total for substations and distribution equipment.....	28.021.570,31	0,00	470.542,92	10.571,76	0,00	27.540.455,63
Total for electricity equipment.....	51.019.508,32	0,00	3.144.963,71	10.571,76	0,00	47.863.972,85

2.	District heating equipment						
	Land and buildings.....	138.796,44	0,00	0,00	0,00	0,00	138.796,44
	Lines.....	1.500.304,95	0,00	0,00	0,00	0,00	1.500.304,95
	Total for district heating equipment	1.639.101,39	0,00	0,00	0,00	0,00	1.639.101,39
3.	Fixtures fittings and other assets						
	Land and buildings.....	3.907.556,88	0,00	15.270,79	226.375,81	0,00	3.665.910,28
	Technical plant and machinery.....	3.294.913,03	0,00	5,80	0,00	0,00	3.294.907,23
	Fixtures and fittings.....	524.445,17	0,00	25.534,40	0,00	0,00	498.910,77
	Advances received and assets under construction	1.012,95	0,00	0,00	0,00	0,00	1.012,95
	Total for fixtures, fittings and other assets.....	7.727.928,03	0,00	40.810,99	226.375,81	0,00	7.460.741,23
	Total for tangible fixed assets.....	60.386.537,74	0,00	3.185.774,70	236.947,57	0,00	56.963.815,47
	Total for valuation reserve	67.479.552,98	0,00	4.606.741,26	236.947,57	0,00	62.635.864,15
2.	Other untaxed reserves						
	Investment allowances						
	1997	2.700,01	0,00	0,00	0,00	0,00	2.700,01
	1999	2.429,34	0,00	0,00	0,00	0,00	2.429,34
	2000	2.913,28	0,00	0,00	0,00	0,00	2.913,28
	Total for other untaxed reserves	8.042,63	0,00	0,00	0,00	0,00	8.042,63
	Total for untaxed reserves	67.487.595,61	0,00	4.606.741,26	236.947,57	0,00	62.643.906,78

Development of Investment Grants (Annex 4 to the Notes)

	asat 01.10.2013	Allocation 2013/2014	Reversals 2013/2014		asat 30.09.2014
			Consumption	Disposal	
	EUR	EUR	EUR	EUR	EUR
Investment grants					
Investment grants	17.031.025,01	2.189.786,90	2.172.110,77	61.951,28	16.986.749,86
Total for investment grants	17.031.025,01	2.189.786,90	2.172.110,77	61.951,28	16.986.749,86

Balance sheet of Energie AG Oberösterreich as at 30 September 2014 under § 8 EIWOG (Annex 5 to the Notes)

D.3. Balance sheet		Power generation and trading	Power network	Others	Overall
		in EUR 1.000	in EUR 1.000	in EUR 1.000	in EUR 1.000
ASSETS					
D.3.1.	Long-term assets	300.192,9	643.638,9	1.044.579,9	1.988.411,7
D.3.1.1.	Intangible assets	71.826,6	6.128,4	2.133,5	80.088,6
D.3.1.2.	Tangible fixed assets	151.213,0	615.753,1	84.884,1	851.850,2
D.3.1.3.	Financial assets	77.153,3	21.757,4	957.562,2	1.056.473,0
D.3.2.	Current Assets	54.572,2	30.375,8	119.045,3	203.993,3
D.3.2.1.	Inventories	31.889,5	4.906,6	0,0	36.796,0
D.3.2.2.	Accounts receivable and other assets	10.339,6	2.018,6	72.169,6	84.527,8
D.3.2.2.1.	Trade receivables	473,0	0,0	1.371,6	1.844,6
D.3.2.2.2.	Trade receivable from affiliated companies	3.299,5	806,2	68.158,4	72.264,1
D.3.2.2.3.	Trade receivable from associated companies	0,0	0,0	0,0	0,0
D.3.2.2.4.	Other receivables and assets	6.567,1	1.212,4	2.639,6	10.419,1
D.3.2.3.	Securities	0,0	0,0	6.366,9	6.366,9
D.3.2.4.	Cash and cash equivalents	12.343,1	23.450,6	40.508,8	76.302,6
D.3.3.	Accrued expenses	199,5	379,1	1.330,1	1.908,7
	Amount of assets	354.964,7	674.393,7	1.164.955,2	2.194.313,7
EQUITY AND LIABILITIES					
D.3.4.	Equity	39.872,4	235.163,3	480.219,8	755.255,4
D.3.5.	Untaxed reserves	27.229,5	29.526,1	5.888,3	62.643,9
D.3.6.	Investment grants	11.669,3	175,5	5.142,0	16.986,7
D.3.7.	Provisions	17.089,6	258,2	60.405,6	77.753,4
D.3.7.1.	Severance pay	0,0	0,0	2.505,3	2.505,3
D.3.7.2.	Retirement	0,0	0,0	9.327,0	9.327,0
D.3.7.3.	Other interest-bearing provisions	0,0	0,0	4.547,6	4.547,6
D.3.7.4.	Other provisions	17.089,6	258,2	44.025,8	61.373,5
D.3.8.	Liabilities	257.194,7	361.570,6	613.005,5	1.231.770,8
D.3.8.1.	Trade payables to third parties	13.780,3	3.382,0	6.472,6	23.635,0
D.3.8.2.	Payables to affiliated companies	168.475,2	239.939,0	418.059,4	826.473,5
D.3.8.3.	Payables to associated companies	11.058,0	0,0	148,8	11.206,9
D.3.8.4.	Other liabilities	63.881,1	118.249,6	188.324,7	370.455,4
D.3.9.	Contributions to construction costs	0,0	47.625,3	164,9	47.790,2
D.3.10.	Deferred income and accrued expenses	1.909,3	74,7	129,1	2.113,2
	Amount of equity and liabilities	354.964,7	674.393,7	1.164.955,2	2.194.313,7

Reporting under the Electricity Industry and Organisation Act [Elektrizitätswirtschafts- und -organisationsgesetz 2010 (EIWOG)], Federal Law Gazette I No. 110/2010, as amended in Federal Law Gazette I No. 174/2013 (Annex 6 to the Notes)

The UNBUNDLING concept is based on the use of SAP-R/3 with the standard functions "Cost centres" and "Profit centre" from financial accounting with the support of asset accounting and cost accounting.

All own power plants, as well as the procurement rights were allocated to the generating sector.

The network area contains the high voltage network, the substations, medium and low voltage network, the transformer stations, communication systems, operating movables, rights, and the infrastructure of the automated metering system. In the course of the transfer of the "Electricity network" division into Netz Oberösterreich GmbH, the operation of the network area was leased from Energie AG Oberösterreich.

In general, there was a direct allocation of assets (in particular the long-term assets including related untaxed reserves, investment and contributions to construction costs) and the liabilities in the balance sheet to each area. In case of there being merely an indirect assignment to certain activities or further itemisation not being possible without unreasonable effort or expenses, the allocation was done by coding based on appropriate and consumption-based benchmarks.

The capital was allocated according to the static method. The financial liabilities as well as liquid funds were divided on the basis of the respective net assets (total assets less liquid funds). The difference between the assets calculated and borrowed capital directly/indirectly allocated was then replenished by equity.

Auditor's Certificate



Energie AG Oberösterreich, Linz
Bericht über die Prüfung des Jahresabschlusses zum 30. September 2014
28. November 2014

4. Bestätigungsvermerk

Bericht zum Jahresabschluss

Wir haben den beigegeführten Jahresabschluss der

**Energie AG Oberösterreich,
Linz,**

für das **Geschäftsjahr vom 1. Oktober 2013 bis zum 30. September 2014** unter Einbeziehung der Buchführung geprüft. Dieser Jahresabschluss umfasst die Bilanz zum 30. September 2014, die Gewinn- und Verlustrechnung für das am 30. September 2014 endende Geschäftsjahr sowie den Anhang.

Verantwortung der gesetzlichen Vertreter für den Jahresabschluss und die Buchführung

Die gesetzlichen Vertreter der Gesellschaft sind für die Buchführung sowie für die Aufstellung eines Jahresabschlusses verantwortlich, der ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen rechnungslegungsbezogenen Vorschriften des Elektrizitätswirtschafts- und -organisationsgesetzes 2010 (EIWOG 2010) vermittelt. Diese Verantwortung beinhaltet: Gestaltung, Umsetzung und Aufrechterhaltung eines internen Kontrollsystems, soweit dieses für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, damit dieser frei von wesentlichen Fehldarstellungen ist, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern; die Auswahl und Anwendung geeigneter Bilanzierungs- und Bewertungsmethoden; die Vornahme von Schätzungen, die unter Berücksichtigung der gegebenen Rahmenbedingungen angemessen erscheinen.

Verantwortung des Abschlussprüfers und Beschreibung von Art und Umfang der gesetzlichen Abschlussprüfung

Unsere Verantwortung besteht in der Abgabe eines Prüfungsurteils zu diesem Jahresabschluss auf der Grundlage unserer Prüfung. Wir haben unsere Prüfung unter Beachtung der in Österreich geltenden gesetzlichen Vorschriften und Grundsätze ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern, dass wir die Standesregeln einhalten und die Prüfung so planen und durchführen, dass wir uns mit hinreichender Sicherheit ein Urteil darüber bilden können, ob der Jahresabschluss frei von wesentlichen Fehldarstellungen ist.

4. Auditor's Certificate

Report on the Financial Statements

We have audited the enclosed financial statements of

**Energie AG Oberösterreich,
Linz,**

for the **fiscal year from 1 October 2013 to 30 September 2014** including the accounting. The financial statements comprise the balance sheet as at 30 September 2014, the profit and loss statement as at 30 September 2014, as well as the notes on the accounts.

Responsibility of the Legal Representatives for the Financial Statements and the Accounting

The legal representatives of the company are responsible for the accounting and preparing the financial statements, which present, as fairly as possible, the assets, liabilities, financial and earnings position of the company in accordance with the Austrian corporate law standards and the related special law accounting requirements for the Electricity Industry and Organisation Act [Elektrizitätswirtschafts- und -organisationsgesetz 2010 (EIWOG 2010)]. This responsibility comprises designing, implementing and maintaining an internal audit system, to the extent that this is of significance when preparing the financial statements and for conveying, as fairly as possible, the assets, liabilities, financial and earnings position of the company, so that the financial statements are free from major misstatements, either on account of intended or unintended errors, as well as selecting and applying the appropriate accounting and valuation methods, and making estimates that appear to be appropriate when taking account of the existing overall conditions.

Responsibility of the Auditors and Outline of the Type and Scope of the Statutory Audit

It is our responsibility to issue an opinion on our audit of the financial statements, on the basis of our audit. We have conducted our audit in compliance with the statutory regulations applicable in Austria and the principles of proper auditing standards. These principles require that we comply with the standards of professional conduct and plan and perform our audit in such a manner that we are able to express an opinion with sufficient certainty as to whether the financial statements are free from any material misstatements.

Eine Prüfung beinhaltet die Durchführung von Prüfungshandlungen zur Erlangung von Prüfungsnachweisen hinsichtlich der Beträge und sonstigen Angaben im Jahresabschluss. Die Auswahl der Prüfungshandlungen liegt im pflichtgemäßen Ermessen des Abschlussprüfers unter Berücksichtigung seiner Einschätzung des Risikos eines Auftretens wesentlicher Fehldarstellungen, sei es auf Grund von beabsichtigten oder unbeabsichtigten Fehlern. Bei der Vornahme dieser Risikoeinschätzung berücksichtigt der Abschlussprüfer das interne Kontrollsystem, soweit es für die Aufstellung des Jahresabschlusses und die Vermittlung eines möglichst getreuen Bildes der Vermögens-, Finanz- und Ertragslage der Gesellschaft von Bedeutung ist, um unter Berücksichtigung der Rahmenbedingungen geeignete Prüfungshandlungen festzulegen, nicht jedoch um ein Prüfungsurteil über die Wirksamkeit der internen Kontrollen der Gesellschaft abzugeben. Die Prüfung umfasst ferner die Beurteilung der Angemessenheit der angewandten Bilanzierungs- und Bewertungsmethoden und der von den gesetzlichen Vertretern vorgenommenen wesentlichen Schätzungen sowie eine Würdigung der Gesamtaussage des Jahresabschlusses.

Wir sind der Auffassung, dass wir ausreichende und geeignete Prüfungsnachweise erlangt haben, sodass unsere Prüfung eine hinreichend sichere Grundlage für unser Prüfungsurteil darstellt.

Prüfungsurteil

Unsere Prüfung hat zu keinen Einwendungen geführt. Auf Grund der bei der Prüfung gewonnenen Erkenntnisse entspricht der Jahresabschluss nach unserer Beurteilung den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage der Gesellschaft zum 30. September 2014 sowie der Ertragslage der Gesellschaft für das Geschäftsjahr vom 1. Oktober 2013 bis zum 30. September 2014 in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Buchführung.

Aussagen zum Lagebericht

Der Lagebericht ist auf Grund der gesetzlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob die sonstigen Angaben im Lagebericht nicht eine falsche Vorstellung von der Lage der Gesellschaft erwecken. Der Bestätigungsvermerk hat auch eine Aussage darüber zu enthalten, ob der Lagebericht mit dem Jahresabschluss in Einklang steht.

Der Lagebericht steht nach unserer Beurteilung in Einklang mit dem Jahresabschluss.

Linz, am 28. November 2014



KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Gabriele Lehner
Wirtschaftsprüfer

ppa Mag. Wilfried Straßl
Wirtschaftsprüfer

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt Lagebericht. Für abweichende Fassungen sind die Vorschriften des § 281 Abs 2 UGB zu beachten.

An audit includes that audit activities are performed in order to obtain evidence concerning the amounts and other disclosures contained in the financial statements. It is the duty and lies in the discretion of the auditor to select specific audit activities, taking account of his/her assessment concerning the risk that material misstatements may appear, either on the basis of intended or unintended errors. When making this risk assessment, the auditor takes account of the internal audit system – to the extent that it is of significance for preparing the financial statements and for conveying, as fairly as possible the assets, liabilities, financial and earnings position of the company – in order to be able to determine the appropriate auditing activities (giving due consideration to the overall conditions), but does not judge the efficiency of the internal audit system of the company. The audit also comprises an evaluation of the adequacy of the applied accounting and valuation methods and the material estimates made by the legal representatives, as well as an appraisal of the overall conclusions conveyed by the financial statements.

We are of the opinion that we have obtained sufficient and appropriate evidence in the course of the audit so that our auditing activities are a sufficiently reliable basis for our audit opinion.

Audit Opinion

Our audit did not give rise to any objections. On the basis of the knowledge obtained in the course of the audit, it is our opinion that the financial statements comply with the statutory requirements and present fairly, in all material respects, the assets, liabilities, and financial position of the company as at 30 September 2014, as well as the earnings position of the company during the business year 1 October 2013 to 30 September 2014 in accordance with the Austrian principles of proper accounting standards.

Report on the Management Report

On the basis of the statutory regulations, the company's management report must be audited with the perspective as to whether it is in conformity with the financial statements and whether the other information disclosed in the company's management report does not give rise to any misconceptions concerning the position of the company.

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

Linz, 28 November 2014

KPMG Austria GmbH
Firm of Chartered Accountants and Tax Consultants

Mag. Gabriele Lehner
Chartered Accountant

ppa MMag. Wilfried Straßl
Chartered Accountant

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

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

Der Vorstand der Energie AG Oberösterreich bestätigt nach bestem Wissen, dass der im Einklang mit den maßgebenden Rechnungslegungsstandards aufgestellte Jahresabschluss der Energie AG Oberösterreich ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens vermittelt und, dass der Lagebericht den Geschäftsverlauf, das Geschäftsergebnis und die Lage des Unternehmens so darstellt, dass ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage entsteht, und dass der Lagebericht die wesentlichen Risiken und Ungewissheiten beschreibt, denen das Unternehmen ausgesetzt ist.

Linz, am 28. November 2014

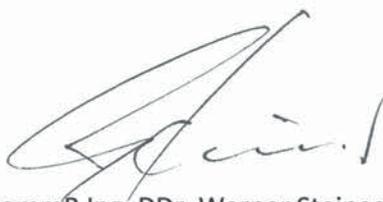
Der Vorstand der Energie AG Oberösterreich



Dkfm. Dr. Leo Windtner

Vorsitzender des Vorstandes

C.E.O.



KommR Ing. DDr. Werner Steinecker MBA

Mitglied des Vorstandes

C.O.O.



Mag. Dr. Andreas Kolar

Mitglied des Vorstandes

C.F.O.

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

The Board of Management of Energie AG Oberösterreich confirms to the best of its knowledge that the financial statements of Energie AG Oberösterreich give a true and fair view of the assets, liabilities, financial and earnings position of the company as required by the applicable accounting standards and that the company's management report represents the development and performance of the business and the position of the company in such a manner that it gives a true and fair view of the assets, liabilities, financial and earnings position of the company, together with a description of the principal risks and uncertainties the company faces.

Linz, 28 November 2014

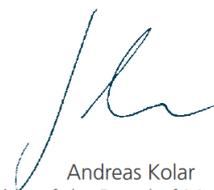
The Board of Management of Energie AG Oberösterreich



Leo Windtner
Chairman of the Board of Management



Werner Steinecker
Member of the Board of Management



Andreas Kolar
Member of the Board of Management