

Annual financial report  
2013/14



## Key figures

<b>Burgenland Holding AG</b>		<b>2013/14</b>	<b>2012/13</b>	<b>2011/12</b>
Balance sheet total	EURm	78.2	78.1	76.6
Equity	EURm	78.2	78.1	76.4
Investment income	EURm	8.4	8.4	6.5
Net income	EURm	8.2	8.2	6.2

<b>Energie Burgenland Group</b>		<b>2013/14 preview</b>	<b>2012/13</b>
Electricity sales	GWh	1,162	1,232
Natural gas sales	GWh	1,068	1,255
Revenue	EURm	312.9	319.6
Pre-tax profit	EURm	19.4	18.0
Balance sheet total	EURm	896.1	935.3
Equity	EURm	310.6	309.6

## Energising Burgenland Burgenland Holding AG

Burgenland Holding AG holds 49% of the share capital of Energie Burgenland AG. The remaining 51% of the shares are held by Burgenländische Landesholding GmbH. The share capital of Energie Burgenland AG amounts to EUR 34.9m.

The shares of Burgenland Holding AG (share capital: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange unter AT0000640552. EVN AG is the majority shareholder in Burgenland Holding AG and holds an unchanged stake of 73.63% of the share capital, with Verbund AG holding more than 10% and WIEN ENERGIE GmbH holding between 5% and 10%. All other shareholders hold less than 4%.

# Annual report 2013/14

## Content

Key figures	Cover
Company profile	Cover
Foreword of the Management Board	3
Corporate Governance Report (acc. to § 243b UGB)	4
Commitment to the Austrian	
Corporate Governance Code	4
Corporate bodies	5
Energie Burgenland Group	
Business development (preview)	10
Management report	12
The Company's environment	12
Business development	14
Risk report	16
Outlook	16
Financial statements 2013/14	18
Balance sheet	18
Income statement	19
Development of fixed assets	20
Notes	20
Auditor's report	24
Report of the Supervisory Board	25
The Burgenland Holding AG share	27
Subsidiaries	28
Proposed application of profits	29
Statement of the Management Board on the annual financial report	29







# Foreword of the Management Board



Nikolaus Sauer, Klaus Kohlhuber

## **Dear Sir or Madam, dear shareholders!**

Burgenland Holding AG had a successful 2013/14 business year. The merger of BEGAS and BEWAG to form Energie Burgenland AG effected in June 2012 led to a sustainable increase in the Company's competitiveness, which is reflected in a stable performance. As the owner of 49% in Energie Burgenland AG, Burgenland Holding AG profits from operating improvements in the company.

The surrounding framework of energy industry and energy policy is a major factor in the performance of Energie Burgenland AG. The 2013/14 business year was marked by a very warm winter period, a continued drop in forward and spot prices at the European electricity exchanges, the Energy Efficiency Act passed by the Austrian Parliament, as well as volatile production volumes due to the increasing expansion of renewable energy production. Against the backdrop of this market, Energie Burgenland AG managed to stabilise its results. As a result of this favorable development, the share of Burgenland Holding AG still managed to perform well; closing at EUR 45.00 on September 30, 2014, amid slightly increased trading volume, it recorded a rise of 14.8% compared to the corresponding period last year.

The stable payout of Energie Burgenland AG in the reporting period allows the Management Board of Burgenland Holding AG to recommend to the AGM the distribution of a dividend of EUR 2.70 per share for the 2013/14 business year.

We expect Energie Burgenland AG to continue its solid performance in the 2014/15 business year, which will also benefit Burgenland Holding AG and thus its shareholders.

Eisenstadt, 18 November 2014

Klaus Kohlhuber  
Member of the  
Executive Board

Nikolaus Sauer  
Member of the  
Executive Board

# Corporate Governance Report (acc. § 243b UGB)

## Commitment to the Austrian Code of Corporate Governance

Burgenland Holding AG is an Austrian public limited company listed on the Vienna Stock Exchange. Thus, corporate governance can be defined within the framework of the Austrian Code of Corporate Governance – see [www.corporate-governance.at](http://www.corporate-governance.at) – and regulations on employee co-determination, in addition to the regulations of Austrian law, in particular the Companies Act and Capital Markets Act, as well as the By-Laws of Burgenland Holding AG.

The Management and Supervisory Boards of Burgenland Holding AG are committed by the principles of good Corporate governance and thereby meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 October 2012, Burgenland Holding AG announced its commitment to comply with the Austrian Code of Corporate Governance in the January 2012 version. The Austrian Code of Corporate Governance as of January 2012 took effect at Burgenland Holding AG as of 1 October 2012. The amendments to the Austrian Code of Corporate Governance to reflect the 2. Stability Act from July 2012 are also binding for Burgenland Holding AG.

The standards of the Austrian Code of Corporate Governance are subdivided into three groups: The first category (Legal Requirements) is based exclusively on mandatory legal provisions and has to be applied by all listed Austrian companies. It is also fulfilled to the letter by Burgenland Holding.

Non-compliance with C-regulations (Comply-or-Explain) is possible, but has to be justified publicly. Burgenland Holding AG lays down such deviations in detail on its homepage<sup>1)</sup>. Deviations from R-regulations, which are of purely recommendatory character, do not require any explanation.

The Management and Supervisory Boards of Burgenland Holding AG declare, notwithstanding the deviations and explanations listed below, full and complete compliance with the C-Regulations of the Austrian Code of Corporate Governance; furthermore, there are only isolated deviations from R-Regulations. The Corporate Governance Report of Burgenland Holding AG is available at [www.buho.at/Corporate.html](http://www.buho.at/Corporate.html).

### Deviations from C-Regeln

Due to peculiarities of the Austrian energy sector as well as the Company, Burgenland Holding AG does not comply with the following C-Regulations of the Austrian Code of Corporate Governance:

**Regulation 16:** Given the Company's holding function and the collegial decision-making, which has always resulted in unanimous resolutions, it is considered unnecessary to appoint a chairperson of the Management Board.

**Regulation 27:** In view of the size of the Company, the Management Board does not warrant full-time employment; as such, remuneration includes only fixed components.

**Regulation 37:** Compare Regulation 16; any discussion on strategy, business performance and risk management is effected by the entire Management Board.

**Regulation 51:** Remunerations for the Supervisory Board are shown as a total amount and in percentages for the Chairman, his deputy and the other members. This provides a clear picture of the remuneration situation.

**Regulation 65, 66, 69 und 70:** As there is no obligation to prepare consolidated group accounts, IFRS are not applied. Reporting is effected pursuant to applicable Austrian financial reporting requirements.

<sup>1)</sup> <http://www.buho.at/index3.html>

# Corporate bodies



## Management Board

### Klaus Kohlhuber

Born in 1972, Doctor iuris, Head of Corporate Investment Management of EVN AG, management positions in domestic and foreign Group companies, member of the Management Board of Burgenland Holding AG since 2011.

Initial appointment: 5 September 2011

End of current term: 4 September 2016

No Supervisory Board mandates or comparable functions pursuant to C-Regulation 16 of the ACCG.

### Nikolaus Sauer

Born in 1969, Magister iuris, following a position in the personnel and legislative section of the Federal Chancellery, he assumed executive functions in the Office of the Provincial Government of the Burgenland, acted as the senior officer at Wasserleitungsverband Nördliches Burgenland; member of the Management Board of Burgenland Holding AG and Managing Director of WLV GmbH since 2008.

Initial appointment: 25 February 2008

Current term was extended on 24 February 2013 and will last until 24 February 2018.

No Supervisory Board mandates or comparable functions pursuant to C-Regulation 16 of the ACCG.

## Members of the Supervisory Board

Name (Year of birth)	Appointment	Other functions	Independence Regulation 53 <sup>1)</sup>
Stefan Szyszkowitz (1964) Chairman	from 11.03.2011	Member of the Executive Board of EVN AG	yes
Peter Layr (1953) Vice Chairman	from 17.06.1998 to 21.03.2014	Spokesman of the Executive Board of EVN AG Member of the Supervisory Board of VERBUND AG	yes
Felix Sawerthal (1954) since 21.03.2014 Vice Chairman	from 09.12.1996	Head of Secretariat General and Corporate Affairs EVN AG	yes
Michael Amerer (1963)	from 31.03.2005	CEO of VERBUND Hydro Power AG	yes
Leopold Buchmayer (1947)	from 22.03.2013	Member of the Supervisory Board of Energie Burgenland AG	yes
Robert Dick (1971)	from 11.03.2011	Head of Controlling of EVN AG	yes
Marc Hall (1958)	from 21.03.2014	Member of the Executive Board of Wiener STADTWERKE Holding AG	yes
Martin Krajcsir (1963)	from 22.03.2013 to 21.03.2014	CEO of Wiener STADTWERKE Holding AG Member of the Supervisory Board of Verbund AG	yes
Werner Perz (1950)	from 18.03.2002	Managing Director of ENERGIEALLIANZ Austria GmbH	yes
Georg Reitter (1955)	from 21.03.2014	Head of Strategic Business Unit "Energy Supply and Sales" of EVN AG	yes
Gerold Stagl (1960)	from 18.03.2002 to 21.03.2014	Provincial Director of WIENER STÄDTISCHE VERSICHERUNG AG	yes
Ute Teufelberger (1977)	from 21.03.2014	Secretariat General and Corporate Affairs EVN AG	yes

1) The freefloat is about 7%. Regulation 54 therefore does not apply.

The term of the members of the Supervisory Board elected by the Annual General Meeting ends upon conclusion of the Annual General Meeting deciding the 2017/18 business year.

### Independence of the Supervisory Board

A member of the Supervisory Board shall be deemed independent if he or she has no business or personal relations with the Company or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour. In case such a conflict exists, the ACCG provides for transition periods of several years.

The guidelines concerning the independence of the elected members of the Supervisory Board stipulate that the Supervisory Board member

1. shall not have any business or personal relations with Burgenland Holding AG or its Management Board which would constitute a material conflict of interest and thus could influence the member's behaviour;
2. shall not have served as a member of the Management Board or as an executive of Burgenland Holding AG in the past five years;
3. shall not maintain or have maintained in the past year any business relations with Burgenland Holding AG of significant extent. This shall also apply to relationships with companies in which the Supervisory Board member has a considerable economic interest, but shall not apply to the exercise of functions pertaining to corporate bodies within the Group. The approval of individual transactions by the Supervisory Board according to L-Regulation 48 does not automatically qualify the person as not independent;
4. shall not have been auditor of Burgenland Holding AG or have owned a share in or worked for the auditing company in the past three years;
5. shall not be a member of the Management Board of another company in which a Management Board member of Burgenland Holding AG is a Supervisory Board member;
6. shall not serve on the Supervisory Board for more than 15 years. This shall not apply to members of the Supervisory Board who are shareholders with an entrepreneurial investment or represent the interests of such a shareholder;
7. shall not be a close relative (direct offspring, spouse, partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons in one of the aforementioned positions.

### Clear separation of management and control responsibilities

The Stock Corporation Act (AktG) prescribes a two-tier governance system. It provides for a clear separation of members of the executive body (Management Board) and monitoring body (Supervisory Board). Simultaneous membership in both bodies is not admissible.

### Management of the Company by the Management Board

The Management Board of Burgenland Holding AG is comprised of two members. On its own responsibility, the Management Board has to manage the Company in such a manner as is required by the purpose and the viability of the Company taking into account the interests of shareholders and employees as well as public interest. Its actions are based on legal regulations and the by-laws as well as the rules of procedure for the Management Board as laid down by the Supervisory Board.

Further important rules of conduct are stipulated by the ACCG. In matters requiring consent stipulated as such by law or resolution of the Supervisory Board, the Management Board has to obtain the consent of the Supervisory Board. The rules of procedure contain an extensive catalogue of such matters.

### Reporting duties of the Management Board

The Management Board has to report to the Supervisory Board in accordance with the provisions of organisational law. Same applies also towards Committees of the Supervisory Board. The reporting duties of the Management Board include, in particular, quarterly reports about the situation of the Company as well as information on important matters concerning associated companies.

Communication between Management Board and Supervisory Board is effected in the course of meetings of the Supervisory Board, its Committees as well as in writing if called for. Moreover, continuous coordination between the Management Board and the Chairman of the Supervisory Board occurs with regard to those activities which fall within the purview of the Supervisory Board. This includes, above all, the preparation of meetings.

### Supervisory Board

As of September 30, 2014, the Supervisory Board of Burgenland Holding AG comprises a total of 9 members elected by the AGM. Upon expiry of the terms of all members of the Supervisory Board, all nine positions were elected at the 25<sup>th</sup> ordinary annual general meeting on March 21, 2014. The Supervisory Board is headed by the Chairman and a Vice Chairman, which the Supervisory Board elects from within its own members.

The independence of the individual members of the Supervisory Board according to Regulation 53 of the Austrian Code of Corporate Governance can be seen from the list on page 5. The Supervisory Board exercises its functions in accordance with the provisions of the Austrian Companies Act as well as the Company By-Laws. Furthermore, its actions are based on the Rules of Procedure for the Supervisory Board as well as the Austrian Code of Corporate Governance.

In particular, the Supervisory Board is responsible for monitoring the actions of the Management Board, from which the former can request a report on Company matters at any time. The list of transactions requiring consent defined by law (§ 95 para 5 AktG) can be extended by the Supervisory Board by way of resolution. Such catalogue can be found in the respective rules of procedure for the Management Board and the Supervisory Board. The Supervisory Board reviews the efficiency of its activities, in particular its organisation and procedures, on an annual basis.

### The Committees of the Supervisory Board

The Supervisory Board will exercise its functions in plenary session unless individual matters are assigned to Committees of the Supervisory Board which prepare for the latter negotiations and resolutions, monitor the implementation of its resolutions or decide on matters specifically assigned by the Supervisory Board. At the moment, the following committees have been set up in the Supervisory Board of Burgenland



Holding AG, each of which consists of four elected members of the Supervisory Board:

- The Audit Committee was responsible for the internal audit and the preparation of the adoption of the annual financial statements, the recommendation on distribution of profit and the Company's management report in the 2013/14 business year. Furthermore, it draws up a proposal for choice of auditors. The Audit Committee includes a financial expert as required by law and under Regulation 40 of the ACCG.
- The Personnel Committee (resulting from the combination of the Nominating and the Compensation Committee) deals with personnel matters related to the members of the Management Board including the planning of succession. The Personnel Committee is in charge of all matters concerning the relationship between the Company and the members of the Management Board to the extent there are no mandatory provisions for the full Supervisory Board to be responsible. The Personnel Committee performs the duties of a Nominating and a Compensation Committee.

In its capacity as the Supervisory Board's Compensation Committee, the Personnel Committee includes a member who has experience and knowledge with regard to compensation policy (Regulation 43 of the ACCG).

Both Committees consist of the members of the Supervisory Board Stefan Szyskowitz (Chairman), Felix Sawerthal (since March 21, 2014, Vice Chairman), Robert Dick, Georg REITTER since March 21, 2014, and Peter Layr (Vice Chairman) until March 21, 2014.

Within the reporting period, the Supervisory Board performed the duties and obligations prescribed by law and laid down in the by-laws in five plenary sessions. The Supervisory Board's Audit Committee met twice in the 2013/14 business year.

The Supervisory Board's Personnel Committee, acting as both Compensation and Nominating Committee, had one meeting in the reporting year.

#### Compensation Report

##### **Compensation system for executives (Regulation 28a):**

As the Company does not have any employees of its own, Regulation 28a is not applicable.

**Stock options (Regulation 29):** Burgenland Holding AG does not have a stock option scheme for members of the Management Board.

**Profit participation of the Management Board (Regulation 30):** No variable remuneration of the Management Board is in place at the Company. Likewise, there is no corporate pension scheme and no entitlement/claim of the Management Board upon termination of their functions. Consequently, the fixed elements of total remuneration account for 100%.

**Remuneration of the Management Board (Regulation 31):** Total expenditure on members of the Management Board in the reporting period amounted to EUR 4,400.00 each, thus a total of EUR 8,800.00 (previous year: TEUR 8.8).

**Directors and Officers Insurance (D&O Insurance, Regulation 30):** There is no separate D&O insurance at Burgenland Holding AG. The corporate bodies, however, are included in the D&O insurance of EVN Group.

**Contracts of Members of the Supervisory Board requiring consent (Regulation 48):** In the past business year, the following contracts exceeding minor amounts of remuneration were concluded with EVN AG and its group companies, respectively, in which several members of the Supervisory have a material economic interest:

The Company's liquid funds were invested at EVN Finanzservice GmbH mainly in the process of an investment agreement with a commitment period of several months; total return in the business year amounted to EUR 37,456.35.

There was also a cash-pooling-agreement with EVN Finanzservice GmbH; the total remuneration for the business year amounted to EUR 324.47.

Since the Company does not have any employees itself, management of the Company is conducted via service relations comprising, for example, accounting, legal affairs, management accounting, cash management as well as investment management; total remuneration in the business year amounted to EUR 99,919.00.

Starting with the 2013/14 business year, the Company has been part of a group of companies in accordance with § 9 KStG (Austrian Corporation Tax Act), with NÖ Landes-Beteiligungs-holding GmbH as the group parent. For this purpose, a consolidated tax sharing agreement was concluded with EVN AG in September 2014. No tax allocation was recorded in the current business year.

##### **Compensation scheme for the Supervisory Board (Regulation 51):**

The remuneration of the Supervisory Board is set as an annual lump sum of approximately TEUR 13. Disbursed meeting fees have to be deducted from this amount, with the remainder to be distributed to the following key: The Chairman receives 25% (or meeting fees in the amount of about EUR 218), his Deputy 16.7% (or meeting fees of about EUR 164), and each further member of the Supervisory Board gets 8.3% (or meeting fees amounting to around EUR 109).

**Directors' Dealings (Regulation 73):** No purchase of Burgenland Holding AG shares by a member of a corporate body was notified to Burgenland Holding AG in the 2013/14 business year.

#### Shareholders and Annual General Meeting

Shareholders exercise their rights at the Annual General Meeting and exercise their voting rights there. Each share of Burgenland Holding AG grants one vote. There are no shares granting multiple or preferential voting rights. The Annual General Meeting is entitled to take certain decisions stipulated by law or in the by-laws. It votes on the application of net profit as well as on the discharge of the members of the Management Board and the Supervisory Board and elects the auditors as well as the members of the Supervisory Board. Furthermore,

proposals for changes to the by-laws and planned capital measures have to be presented to the Annual General Meeting for approval. The voting results as well as the agenda for the 25<sup>th</sup> Annual General Meeting of Burgenland Holding AG of 21 March 2014, can be found on the website of Burgenland Holding AG ([www.buho.at](http://www.buho.at)).

#### Measures to promote women on the Management Board, the Supervisory Board and in senior positions

No specific advancement measures are planned these areas because the company does not employ its own staff or management. However, improvements could take place in connection with appointments to corporate bodies. In this connection, reference is made to the appointment of the first woman to the supervisory board during the 2013/14 financial year.

#### Issuer compliance

In accordance with the Austrian Companies and Stock Exchange Acts, the Austrian Regulation on Issuer Compliance as well as the EU's Market Abuse Directive, Burgenland Holding AG

has an extensive set of internal rules in place aimed at preventing the abuse of insider information.

This area is monitored and administered by a Compliance Officer, who reports directly to the Management Board and Supervisory Board. The employees concerned undergo training on a regular basis. The regular inspections by the Compliance Officer did not result in any complaints in the 2013/14 business year.

Eisenstadt, 18 November 2014



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board



# Energie Burgenland Group

## Business development 2013/14 (preview)<sup>1)</sup>

### 1 October 2013 – 30 September 2014

#### Highlights

- Commissioning of Andau wind farm with a capacity of 114 MW
- Redemption of corporate bond with a volume of EUR 200m in July 2014
- Takeover of the remaining 51% in Bioenergie Burgenland Service GmbH by Energie Burgenland AG

The generation of renewable energy remains one focus of Energie Burgenland. In total, 209 wind turbines with a total capacity of 465 MW will have produced more than 752.5 GWh of ecological electricity in the 2013/14 business year.

#### Energy sales and supply

In the 2013/14 business year, the electricity supply of Energie Burgenland AG will amount to 1,162 GWh. Electricity sales to final customers by Energie Burgenland Vertrieb GmbH & Co KG will be 1,162 GWh, a drop of 5.7% compared to the volume in the corresponding period of the previous year (October 1, 2012 – September 30, 2013). Moreover, compared to the 2012/13 business year, grid sales will decline 1.4% to 1,674 GWh.

The natural gas supply will be 1,103 GWh in the reporting period, with gas sales to final customers of 1,068 GWh amounting to roughly 15% less than last year. Compared to the previous business year, grid sales will drop 5.5% to 2,183 GWh.

The decline in the electricity and the gas business outlined above were mostly caused by above-average temperatures in the winter of 2013/14.

#### Income situation

The revenues of Energie Burgenland Group are expected to amount to EUR 312.9m, which corresponds to a decrease of 2.1% compared to the previous period. Pre-tax profit will be EUR 19.4m and thus surpass last year's result by 7.5%.

#### Financial situation

As of today, operating cash flow is expected to come in at EUR 63.4m, with the net cash flow from operating activities amounting to EUR 63.8m.

#### Balance sheet and capital structure

As of September 30, 2014, the balance sheet total is estimated to amount to EUR 896.1m, with non-current assets (EUR 777.2m) accounting for 86.7% of total assets. Shareholders' equity including untaxed reserves will amount to EUR 310.6m, resulting in an equity ratio of 34.7%. Taking into account construction and investment grants, the equity ratio rises to 53.8%.

#### Outlook

Following commissioning of the Nickelsdorf wind farm, the current expansion stage of wind energy is scheduled for completion in the 2014/15 business year. At this point, further expansion options by densification, expansion, and repowering of wind farms are under review.

Electricity prices will be lowered by 10% as of October 1, 2014.

In accordance with legal regulations, 10% of all metering points (about 20,000 metering points) are to be equipped with smart meters by the end of 2015.

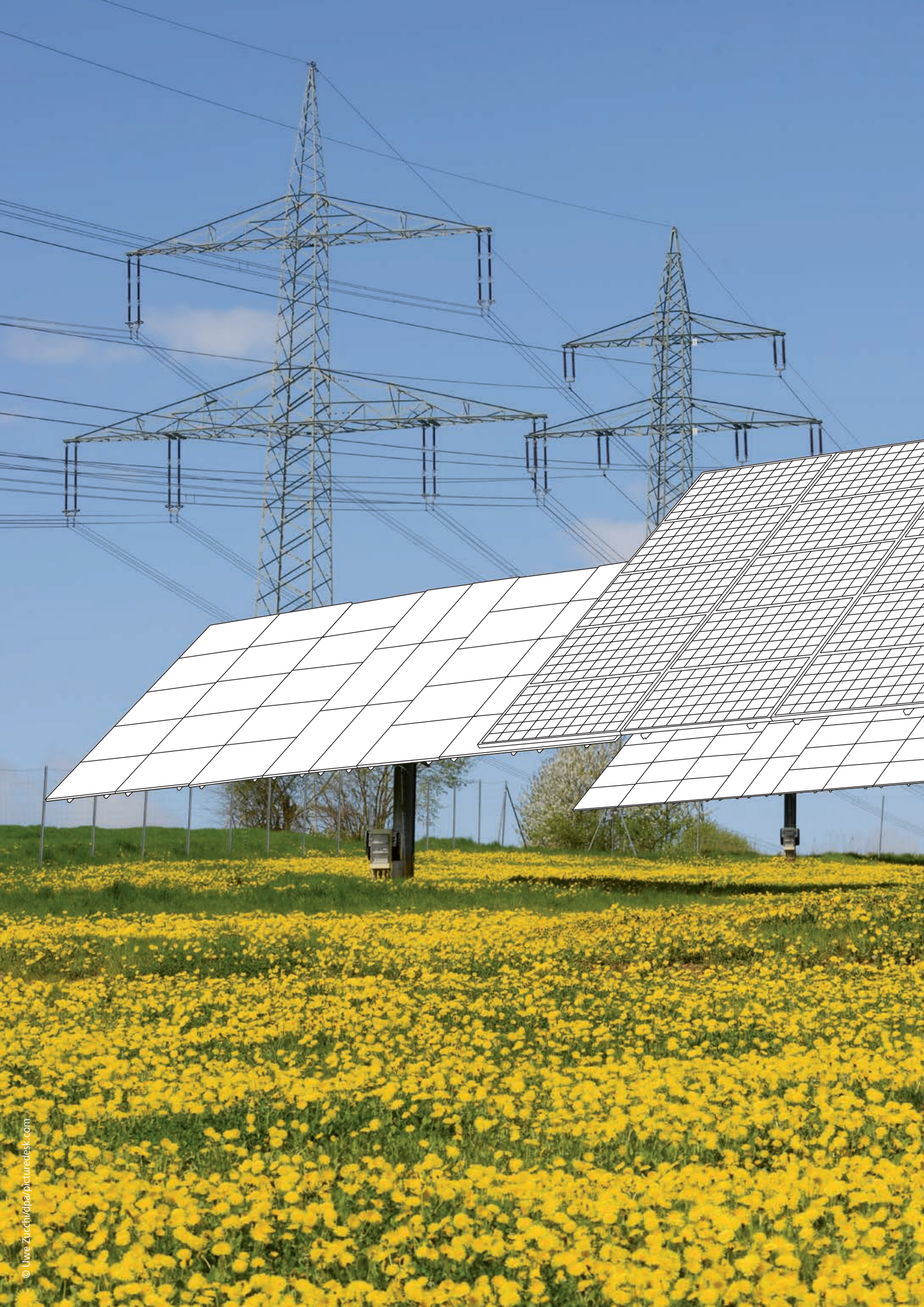
For the 2014/15 business year, investments in the electricity grid and the natural gas grid are planned to amount to roughly EUR 32.0m and EUR 9.7m, respectively.

#### Energie Burgenland AG – Group

		2013/14 preview
Electricity sales	GWh	1,162
Grid sales (electricity)	GWh	1,674
Natural gas sales volumes	GWh	1,068
Grid sales (natural gas)	GWh	2,183
Revenue	EURm	312.9
Pre-tax profit	EURm	19.4
Balance sheet total	EURm	896.1
Equity	EURm	310.6
Operating cash flow	EURm	63.4

<sup>1)</sup> At the time of printing, the final financial statements of Energie Burgenland AG as of September 30, 2014 were not yet available. Therefore, the data presented here are preliminary and are based on forecasts as well as the interim statements as of June 30, 2014.





# Management report

## Energy policy environment

### European energy and climate policy

#### European climate policy

On October 23, 2014, the Heads of State and Government of the EU agreed on new goals for their climate and energy policy. Greenhouse gas emissions in the EU, for example, are to be reduced by 2030 by now at least 40% compared to 1990. Thus, the climate and energy package resolved by the European Parliament in 2009, which provided for a reduction of greenhouse gas emission by 20% by 2020, was expanded. The share of renewable resources in the overall energy mix is now to be increased to 27% in the year 2030 as compared to 20% in the year 2020. Furthermore, energy efficiency is intended to be improved by 30% by 2030 compared to 2007 – the goal to be reached by 2020 is 20%.

#### Emission trading

By reducing the supply of CO<sub>2</sub> certificates in European emission trading, the EU reacted quickly to the large surpluses that had resulted from the weaker demand due to the economic situation in 2009 and 2010. This was supposed to raise the price level of certificates for the long term. Overall, the supply for the period from 2014 to 2016 was reduced by 900 million certificates, with their auction furthermore postponed to the years 2019 and 2020 ("backloading").

### Austrian energy and climate policy

#### Energy efficiency act

Pursuant to the Energy Efficiency Act passed in the Austrian Parliament on July 9, 2014, energy suppliers – provided they

sell more than 25 GWh per year to Austrian end consumers of energy – have to prove the implementation of energy efficiency measures at their final consumers to an extent of 0.6% of their energy sales in the previous year. If this goal is missed, a compensatory payment in discharge of debt in the amount of EUR 0.20 per kWh becomes due, which is to be paid into a fund for the financing of energy-saving projects and the increased use of renewable resources. Under the Energy Efficiency Act, large companies are furthermore obliged to either introduce an energy management system or, alternatively, conduct an energy audit every four years. Any measures following from the audit will represent possible action to be taken, but there is no immediate legal obligation of implementation.

#### Electricity labelling requirements

§ 79a of the amendment to the Austrian Electricity Industry and Organization Act (EIWOG) published on August 6, 2013, provide for mandatory electricity labelling of energy supplied to final customers. Operators of pumped-storage power plants are also entitled to receive a guarantee of origin from their electricity trader or other suppliers. Furthermore, they are obliged to document their own production with the guarantees of origin obtained as of January 1, 2015.

### Regulatory environment

The new regulation periods for gas grids and electricity grids started on January 1, 2013, and January 1, 2014, respectively, with both periods extending over five years.



# Management report

## General business and Energy sector environment

### General business environment

A renewed slump in world trade prevented an export-driven recovery in the euro zone in the last few months. Since many countries have not overcome the financial markets crisis yet, domestic demand – in contrast to the US – also remained subdued. It is true that clear indicators of a stabilising economy can be witnessed in the countries most severely affected by the debt crisis, which had to take major reform measures early on. However, France's economy has been stagnating lately, while Italy slid into recession. The latest forecasts for 2014 are calling for economic growth in the European Union by 1.2% to 1.6%, with expectations for 2015 ranging from 1.6% to 2.0%.

Austria's economy has clearly lost steam in the last few months and fell short of original expectations for the year as a whole. Also for 2015, there is little to indicate that economic growth will pick up significantly, since uncertainties concerning the future economic development are hampering the investment climate, and private consumption continues to increase at a slow pace. Furthermore, the Austrian export sector is suffering the consequences of a weak global economy. As a result of those factors, forecasts have recently been revised downward. For 2014, GDP is now expected to grow 0.8%, with the forecasts for 2015 showing growth between 1.2% and 1.6%.

### Energy sector environment

In the 2013/14 business year, the prices of primary energy sources such as crude oil, gas, and coal continued to fall. Higher inventories caused by the mild winter in 2013/14, the fracking boom in the US, as well as the dampened economic outlook were the cause for that. The reduction of the auction volume of CO<sub>2</sub> emission certificates by the European Union is leading to a stabilisation of prices compared to last year's cut-off date. However, in spite of this stabilisation, the prices of CO<sub>2</sub> emission certificates are still at a very low level. The combination of cheap CO<sub>2</sub> emission certificates and still falling coal prices are a boost to the profitability of generating electricity from coal, while clean state-of-the-art gas-fired power plants are taken off the grid for a lack of profitability in many EU countries.

The forward and spot prices at the European electricity exchanges also continue to drop. The current supply surplus does not suggest a change in the trend in the short to medium term, either. The main reason for that – apart from the stagnation in the global economy – is the continued expansion of electricity generation from renewable resources. These market conditions often make it impossible for conventional production facilities to be profitable. As a result, power plants are closed, as can already be witnessed in the market. In the medium term, this could thus lead to a reduction in supply that could impair supply security. Despite the intensified expansion of renewable energy, it will still be necessary in the future to have reserve capacity at one's disposal that can be put online quickly in order to balance out the volatility of renewable energy, in particular from solar and wind power plants. Finding a solution to this dilemma will be the challenge for European energy policy in the next few years.

# Burgenland Holding AG

## Business development

### 1 October 2013 – 30 September 2014

#### Highlights

- Dividend payout of Energie Burgenland AG and CEESEG AG at last year's levels
- Slight increase in the profit for the year for 2013/14 compared to the previous year
- Recommendation to the AGM: Dividend of 2.70 euros per share

#### Income situation

The performance of Burgenland Holding AG is determined to a large extent by the dividend of the associated company Energie Burgenland AG.

In total, Burgenland Holding AG received investment income amounting to EUR 8.4m (2012/13: EUR 8.4m). Besides the dividend from Energie Burgenland AG in the amount of EUR 8.3m, a dividend of EUR 0.05m was received from CEESEG AG.

Despite a lower interest rate level compared to last year, Burgenland Holding AG generated interest and similar income in the amount of EUR 0.04m (previous year: EUR 0.02m) in the reporting period.

Burgenland Holding AG does not employ any personnel.

The recommendation is made to the Annual General Meeting to distribute from the net profit for 2013/14 a dividend to the shareholders in the amount of EUR 2.70 per share. This corresponds to a dividend payout in the amount of EUR 8.1m.

#### Burgenland Holding share (pursuant to § 243a para 1 UGB)

1. As of September 30, 2014, the Company's share capital amounts to EUR 21.81m, broken down into 3,000,000 individual bearer shares. Burgenland Holding AG is listed in the "Standard Market Auction" segment of the Vienna Stock Exchange. Pursuant to a provision in the 2011 Act Amending Company Law stating that while listed companies may continue to issue bearer shares, they have to be securitised in one global certificate (or more, if applicable), shares represented in individual certificates (actual securities) in home or jacket custody were replaced by a global certificate deposited with OeKB between April and July 2013. Shares that were not exchanged before the deadline of July 31, 2013, were cancelled. This cancellation results in a loss of the securities status of the cancelled shares and a suspension of the right to receive a dividend and to take part in the annual general meeting – until the shareholder has submitted the actual securities stating a securities account. Beyond that, the shareholder status shall remain

unaffected. Form and content of the share certificates are determined by the Management Board. An entitlement to the representation of shares in individual certificates is excluded. There is only one class of shares. All shares encompass the same rights and obligations.

2. There are no restrictions on voting rights beyond the general provisions of the Austrian Corporation Act.
3. As the majority shareholder, EVN AG continues to hold 73.63% of the shares of Burgenland Holding AG. Verbund AG holds more than 10% of the shares, while WIEN ENERGIE GmbH holds between 5% and 10%. The shares of the other shareholders are below 4% or are in free float.
4. No shares with special control rights have been issued.
5. There is no equity participation of employees since the company does not have any employees.
6. The Management Board consists of two members who are appointed and removed by the Supervisory Board. Besides complying with the relevant regulations under the Austrian Corporation Act, the ownership structure requires in particular compliance with the Staffing Act, which provides for public tender.
7. The Management Board has no powers pursuant to § 243a para 1 (7) UGB.
8. In the course of restructuring of the associated companies BEWAG and BEGAS, Burgenland Holding AG concluded a syndicate agreement with Burgenländische Landesholding GmbH. A change in control in one of the two owners of Energie Burgenland AG would trigger a call option for the other owner with regard to the shares in Energie Burgenland AG.
9. There are no compensation agreements for the benefit of corporate bodies or employees in the event of a public takeover bid pursuant to § 243a para 1 (9) UGB.



Burgenland Holding AG – Key figures		2013/14	2012/13	Change in %
Pre-tax profit	EURm	8.2	8.2	–
Investment income	EURm	8.4	8.4	–
Net income	EURm	8.2	8.2	–
Balance sheet total	EURm	78.2	78.1	0.1
Fixed assets	EURm	71.3	71.3	–
Current assets, prepaid expenses and deferred charges	EURm	6.9	6.8	1.5
Equity	EURm	78.2	78.1	0.1
Debt capital	EURm	0.0	0.0	–

## Key figures financial year 2013/14

### Income ratios

		TEUR	2013/14	2012/13	Change nominal	Change in %
<b>Earnings before interest and tax (EBIT)</b>	Pre-tax profit + Interest and similar expenses pursuant to § 231 (2) fig 15 UGB		8,205	8,162	43	0.5

Since the business activities of Burgenland Holding AG are confined to holding and managing investments, Burgenland Holding AG did not generate any revenues in the financial year 2013/14.

		2013/14	2012/13	Change in %points
<b>Return on capital</b>				
Return on equity	Pre-tax profit/Average equity	10.5%	10.6%	–0.1
Return on investment	EBIT/Average total assets	10.5%	10.6%	–0.1

### Balance sheet and financial ratios

		TEUR	2013/14	2012/13	Change nominal	Change in %
<b>Working capital</b>	Current assets – Long-term current assets = Short-term current assets – Short-term debt capital = Working capital		6,893	6,796	97	1.4
<b>Equity ratio</b>	Equity/Total assets		99.9%	99.9%	0.0	–

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of 30 September 2014 or as of the corresponding date of the previous year. As a result of the slight increase in the annual result, the working capital is higher than in the previous year. Like last year, net gearing (net debt/shareholders' equity) amounts to 0.00%.

## Cash flow statement

TEUR	2013/14	2012/13	Change nominal	Change in %
Net operating cash flow	8,215	8,035	180	2.2
Net investment cash flow	0	0	0	–
Net financing cash flow	–8,100	–6,450	–1,650	–25.6
Change in cash and cash equivalents affecting cash flow	115	1,585	–1,470	–92.8

(The extended fund of cash and cash equivalents, in addition to the balance held with financial institutions, also comprises cash and cash equivalents from Group cash pooling.)

Based on a profit for the year of EUR 8.2m, it was possible to generate an operating cash flow of EUR 8.2m. The distributions of the associated companies were the major factor contributing to the profit for the year.

## Environmental protection

While there are no environmental activities worth mentioning within the Company itself, they do play a role in the associated company Energie Burgenland AG.

Furthermore, Burgenland Holding AG is integrated in the environmental management system of EVN Group, which was established to take aspects of environmental protection into consideration whenever management decisions have to be made.

## Branch offices

Burgenland Holding does not have any branch offices.

## Risk assessment and control measures

The people involved in the financial reporting process comply with the qualitative requirements and undergo training on a regular basis. The Company's financial reporting is effected using the SAP Module FI (Finance/Financial Reporting) ERP software system and protected by means of access authorisations as well as mandatory automatic and manual checks.

Signatures are subject to a four-eyes-principle, which ensures risk-minimising commissioning of third parties as well as correct gathering and payment of external invoices.

Moreover, the Company, due to the service agreement in effect with EVN AG, is part of an auditing system.

Each quarter, the Management Board receives a comprehensive report on the Company's asset, financial, and income situations, which, in addition to the balance sheet, also contains a profit and loss account as well as a cash flow statement. Those reports are also presented to the Supervisory Board on a quarterly basis.

Burgenland Holding AG continues to keep a close eye on monitoring its equity risk.

## Financial instruments, risks, and uncertainties

Existing primary financial instruments are shown in the balance sheet under receivables and payables. In addition, there are deposits with banks and equity interests.

There are no derivative financial instruments. The foreign exchange risk is considered to be low. The extent of existing interest rate exposure in financing is in line with industry levels.

## Research and development

Research and development activities are conducted in the associated company, not at Burgenland Holding.

## Events after the balance sheet date

There were no significant events following the end of the 2013/14 business year that had a material impact on the asset, financial and income situations.

## Outlook

Based on the profit of the associated company Energie Burgenland AG forecasted for 2013/14, Burgenland Holding AG's investment income for the 2014/15 business year is expected to remain basically unchanged from the previous year.

Eisenstadt, 18 November 2014  
The Management Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board





# Financial statements 2013/14

## Balance sheet as of 30 September 2014

(Comparison with last year as of 30 September 2013)

Assets	30.09.2014 EUR	30.09.2013 TEUR
<b>A. Fixed Assets</b>		
Financial assets		
Investments	71,325,280.80	71,325
	<b>71,325,280.80</b>	<b>71,325</b>
<b>B. Current assets</b>		
I. Accounts receivable and other assets		
1. Receivables from affiliated companies	6,877,044.49	6,758
2. Other receivables	27,440.66	38
	<b>6,904,485.15</b>	<b>6,796</b>
II. Cash at banks	8,693.02	13
	<b>6,913,178.17</b>	<b>6,809</b>
<b>C. Deferred expenses and accrued income</b>	<b>4,911.44</b>	<b>5</b>
<b>Total assets</b>	<b>78,243,370.41</b>	<b>78,139</b>

Equity and liabilities	30.09.2014 EUR	30.09.2013 TEUR
<b>A. Equity</b>		
I. Share capital	21,810,000.00	21,810
II. Capital reserves		
Committed reserves	43,676,373.33	43,676
III. Retained earnings		
Other reserves (free reserves)	4,642,000.00	4,532
IV. Net profit	8,103,826.55	8,108
thereof profit carried forward	8,441.28	0
	<b>78,232,199.88</b>	<b>78,126</b>
<b>B. Provisions</b>		
I. Tax provisions	0.00	1
II. Other provisions	11,170.53	11
	<b>11,170.53</b>	<b>12</b>
<b>C. Liabilities</b>		
I. Liabilities to affiliated companies	0.00	1
	<b>0.00</b>	<b>1</b>
<b>Total equity and liabilities</b>	<b>78,243,370.41</b>	<b>78,139</b>



# Income statement

1 October 2013 – 30 September 2014

(Period of comparison: 1 October 2012 – 30 September 2013)

	2013/14 EUR	2012/13 TEUR
1. Other operating income:		
a) Other	273.55	0
2. Other operating expenses:		
a) Taxes	-1,069.70	-1
b) Other	-207,601.54	-229
	<b>-208,671.24</b>	<b>-231</b>
<b>3. Total 1 and 2 (Operating result)</b>	<b>-208,397.69</b>	<b>-230</b>
4. Investment income	8,375,975.00	8,376
thereof from affiliated companies EUR 0.00; (previous year: TEUR 0)		
5. Other interest and similar income	37,807.71	16
thereof from affiliated companies EUR 37,780.82; (previous year: TEUR 16)		
<b>6. Total 4 to 5 (Financial result)</b>	<b>8,413,782.71</b>	<b>8,392</b>
<b>7. Pre-tax profit</b>	<b>8,205,385.02</b>	<b>8,162</b>
8. Taxes on income	0.25	-4
<b>9. Income for the year</b>	<b>8,205,385.27</b>	<b>8,158</b>
10. Allocation/reversal of retained earnings	-110,000.00	-50
11. Profit carry-forward	8,441.28	0
<b>12. Net profit</b>	<b>8,103,826.55</b>	<b>8,108</b>

## Development of fixed assets

### Fixed asset schedule

EUR	Acquisition cost 01.10.2013	Additions	Disposals	Reclassification
<b>I. Financial assets</b>				
Energie Burgenland AG	70,217,803.48	0.00	0.00	0.00
CEESEG AG	1,107,477.32	0.00	0.00	0.00
<b>Total fixed assets</b>	<b>71,325,280.80</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Notes

### General remarks

#### General accounting principles

The financial statements were prepared in accordance with GAAP as well as the general principle of presenting a true and fair view of the Company's asset, financial, and income situations. In preparing the financial statements, the principle of completeness was observed. Individual valuation and going-concern principles were applied in valuing individual assets and liabilities. The principle of conservatism was taken into account by showing only those profits which had been realised as of the balance-sheet date. All potential risks and impending losses were duly recognised. The Company is a Group company under § 15 AktG (Austrian Corporation Act), and as an affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 UGB (Austrian Commercial Code).

Pursuant to § 221 para 3 UGB, Burgenland Holding AG is deemed a large stock company.

Starting with the 2013/14 business year, the Company has been part of a group of companies in accordance with § 9 KStG (Austrian Corporation Tax Act), with NÖ Landes-Beteiligungsholding GmbH as the group parent. For this purpose, a consolidated tax sharing agreement was concluded with EVN AG in September 2014. Accordingly, the member of the group will be charged a tax allocation by EVN AG in the

event of a positive result for tax purposes based on the stand-alone method, or will be credited a tax allocation in the event of a negative result for tax purposes and a positive result for the group as a whole.

#### Non-current assets

The financial assets were valued at acquisition cost, diminished by write-downs accounting for permanent impairment where applicable. There has not been a need for non-scheduled depreciation so far.

#### Receivables

Receivables were valued at face value. Foreign exchange receivables were valued at the lower of exchange rate on the date they accrued or exchange rate on the balance sheet date. In case individual risks were recognised, the lower value was entered.

#### Provisions

In accordance with the principle of conservatism, the provisions contain all risks recognisable at the time of preparing the balance sheet as well as all contingent liabilities at those amounts which are required under due diligence.

#### Liabilities

Liabilities were valued at the amount to be repaid.

Acquisition cost 30.09.2014	Value adjustments 30.09.2014	Net book value 30.09.2014	Net book value 30.09.2013	Depreciation 2013/14
70,217,803.48	0.00	70,217,803.48	70,217,803.48	0.00
1,107,477.32	0.00	1,107,477.32	1,107,477.32	0.00
<b>71,325,280.80</b>	<b>0.00</b>	<b>71,325,280.80</b>	<b>71,325,280.80</b>	<b>0.00</b>

## Notes to the balance sheet

### Fixed assets

#### Development

The development of the individual items under fixed assets and the breakdown of annual depreciation by individual items are shown in the fixed asset schedule as an attachment to the notes.

#### Investments

Name and registered office	Total stake in %	Equity (acc. § 224 (3) UGB) TEUR	Net income TEUR	As of
Energie Burgenland AG (Registered office: Eisenstadt)	49.00	315,695.7	18,397.9	30.09.2013
CEESEG AG (Registered office: Vienna)	0.99	333,323.8	18,834.5	31.12.2013

#### Trade and other receivables

Breakdown (Figures for the prior year in paranthese) TEUR	Acc. to balance sheet	those with remaining maturity of > 1 year	those evidenced by b/e	Lump-sum adjustment
Receivables from affiliated companies	6,877 (6,757.8)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	27.4 (38.5)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
<b>Total current year</b>	<b>6,904.4</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total previous year</b>	<b>(6,796.3)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>

Like last year, the receivables from affiliated company consist exclusively of short-term receivables.

Also unchanged from last year, other receivables and assets are composed mainly of deductible investment income tax as well as VAT credits vis-à-vis the tax authorities.

Deferred expense and accrued income amounting to EUR 4,911.44 (previous year: TEUR 4.7) are made up exclusively of other deferred charges.

### Mandatory disclosure for public limited companies

The Company's share capital amounts to EUR 21.81m, broken down into 3,000,000 individual bearer shares.

### Provisions

Other provisions are composed as follows:

Item TEUR	As of 30.09.2014	As of 30.09.2013
Supervisory Board reimbursement	7.7	7.3
Audit and legal counsel	3.4	3.6

### Liabilities

Breakdown (Figures for the prior year in parentheses) TEUR	Acc. to balance sheet	those with remaining maturity of < 1 year	those with remaining maturity of > 1 year
Trade accounts payables	0.0 (0.1)	0.0 (0.1)	0.0 (0.0)
Payables due to affiliated companies	0.0 (0.6)	0.0 (0.6)	0.0 (0.0)
<b>Total current year</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total previous year</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.0)</b>

## Notes to the income statement

The income statement was prepared in accordance with the total expenditure format.

### Investment income

Income investment comprises dividend payouts of Energie Burgenland AG for the financial year 2012/13 in the amount of EUR 8,330,000.00 (previous year: TEUR 8.330). CEESEG AG paid a dividend for the financial year 2013 of EUR 45,975.00 (previous year: TEUR 46.0).

### Taxes on income

The item income taxes shows earnings from investment tax in the amount of EUR 0.25. Last year, this item consisted mainly of the minimum corporation tax in the amount of EUR 3,500.00, which, however, is no longer payable in the current business year under the tax sharing agreement with EVN AG.



## Other information

### Corporate bodies and employees

In the business year und review, following persons were members of the Management Board:

Klaus Kohlhuber  
Nikolaus Sauer

In the reporting period expenses for each of the members of the Management Board amounted to EUR 4,400.00, totaling EUR 8,800.00 (previous year total Management Board: TEUR 8.8).

In the reporting period, the following persons were members of the Supervisory Board:

Stefan Szyszkowitz (Chairman)  
Felix Sawerthal (Vice Chairman)  
Peter Layr (until 21 March 2014)  
Michael Amerer  
Leopold Buchmayer  
Robert Dick  
Marc Hall (from 21 March 2014)  
Martin Krajcsir (until 21 March 2014)  
Werner Perz  
Georg Reitter (from 21. March 2014)  
Gerold Stagl (until 21. March 2014)  
Ute Teufelberger (from 21. March 2014)

The members of the Supervisory Board received compensation in the amount of TEUR 12.0 (previous year: TEUR 11.9). Like in the previous reporting period, the Company does not have any employees.

No advances or loans were granted to the members of the Management Board and the Supervisory Board in the reporting period and in the previous year, respectively.

### Other remarks

The Company is a Group company under § 15 AktG (Stock Corporation Act), and as affiliated company belongs to the reporting entity of EVN AG, Maria Enzersdorf, pursuant to § 244 UGB (Austrian Commercial Code).

The consolidated financial statements of the parent company (FN 72000h) have been filed with the district court in Wiener Neustadt.

As in the previous year, there is a crossholding with Energie Burgenland AG within the meaning of § 240 fig 9 UGB.

With regard to the expenditure due to the auditor in the reporting period, the safeguard clause pursuant to § 237 fig 14 UGB is invoked based on the integration in the consolidated financial statements of EVN AG, Maria Enzersdorf.

Eisenstadt, 18 November 2014  
The Management Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board

# Auditor's report

## Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of

### **Burgenland Holding Aktiengesellschaft, Eisenstadt,**

for the fiscal year from **1 October 2013 to 30 September 2014**. These financial statements comprise the balance sheet as of 30 September 2014, the income statement for the fiscal year ended 30 September 2014, and the notes.

## Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## Auditors' Responsibility and Description of Type and Scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circum-

stances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 30 September 2014 and of its financial performance for the year from 1 October 2013 to 30 September 2014 in accordance with Austrian Generally Accepted Accounting Principles.

## Report on Other Legal Requirements (Management Report)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section § 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section § 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 18 November 2014

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Walter Reiffenstuhl  
Auditor

Heidi Schachinger  
Auditor

This report is translation of the original report in German, which is solely valid.

# Report of the Supervisory Board to the 26<sup>th</sup> ordinary Annual General Meeting

The Supervisory Board performed the duties and obligations prescribed by law and laid down in the by-laws in its meetings.

Reports by the Management Board provide the Supervisory Board with regular, timely and comprehensive information on all relevant issues of business performance, including the risk situation and risk management of the Company. On the basis of these reports, the Supervisory Board has monitored and assisted the Management Board in managing the Company. The review which was conducted in the course of an open discussion between Management Board and Supervisory Board did not give rise to any complaints. Suggestions by the Supervisory Board were taken up by the Management Board.

## Material resolutions of the Supervisory Board

The material resolutions of the Supervisory Board in the 2013/14 business year were the approval of the 2014/15 budget, the approval of the annual financial statements as well as the resolution passed for the Annual General Meeting.

## Austrian Code of Corporate Governance, Committees of the Supervisory Board

As a listed company, Burgenland Holding AG commits to complying with the Austrian Code of Corporate Governance, which – as amended as of January 2012 – the Supervisory Board put into effect for Burgenland Holding AG as from the 2012/13 business year. Adaptation of the Austrian Code of Corporate Governance to the 2. Stability Act of July 2012 is binding on Burgenland Holding AG pursuant to this Act. The Supervisory Board strives for consistency in fulfilling those regulations of the Code which apply to the Supervisory Board.

In the year under review, the Supervisory Board conducted a self-evaluation of its activities with regard to the requirements of the Austrian Code of Corporate Governance. This was done on the basis of a questionnaire, which dealt mainly with the organisation and operations of the Supervisory Board. The findings of the survey were discussed in the plenary.

Pursuant to the stipulations of the Austrian Code of Corporate Governance and the rules of procedure for the Supervisory Board, the Supervisory Board has renamed the Supervisory Committee Audit Committee and combined the Nominating Committee and the Compensation Committee into a Personnel Committee.

In the past business year, the Supervisory Board convened in four meetings. The Audit Committee met twice.

## Financial statements

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, the auditors appointed for the 2013/14 business year from 1 October 2013 to 30 September 2014 audited Burgenland Holding AG's annual financial statements as of 30 September 2014, which were prepared in accordance with Austrian financial reporting requirements, and the Management report. It provided a written report of the audit and conferred its unqualified opinion.

Following a review and discussion in the Audit Committee and by the Supervisory Board, the Supervisory Board approved the financial statements as of 30 September 2014 including all notes, Management report and Corporate Governance Report as well as the recommendation concerning the application of profits as presented by the Management Board. Therefore, the financial statements as of 30 September 2014 are deemed completed pursuant to § 96 para 4 Austrian Stock Corporation Act (AktG).

In conclusion, the Supervisory Board would like to express its gratefulness to the Management Board for its efforts in the 2013/14 business year.

Eisenstadt, 2 December 2014  
For the Supervisory Board



The Chairman  
Stefan Szyzkowitz







# The Burgenland Holding AG share

Even in the face of a still challenging environment, numerous stock markets performed well, with some of them reaching all-time highs. The leading German DAX index managed an increase by 10.2% from October 2013 to September 2014, while the American Dow Jones index even rose by 12.7%. Stock markets did not move in line with economic developments, which was especially true for Europe. While economic growth gained momentum in the US, Europe fell short of expectations in the light of the crisis in Ukraine and the related sanctions on Russia as the year progressed. With the economic development in Europe and the US drifting apart, the central banks in those regions pursued different policies. While the Fed announced that it would phase out its support measures, the ECB stated in early October that, following three consecutive cuts of the bank rate to most recently 0.05%, it would conduct a program to purchase securities.

Within this difficult environment, the share of Burgenland Holding AG still managed to perform well; closing at EUR 45.00 amid increased trading volume, it recorded a rise of 14.8% compared to the corresponding period last year. This corresponds to a higher market capitalisation of EUR 135m; as of September 30, 2014, the weighting of the share in Vienna's WBI index was 0.17%. Daily trading volume averaged 30 shares and thus remained unchanged.

Vienna's leading ATX index dropped 12.8% in the reporting period from October 2013 to June 2014 as the Dow Jones Euro Stoxx Utilities industry index, relevant for Burgenland Holding AG, rose 23.2%.

The Management Board will recommend the distribution of a dividend of EUR 2.70 per share at the Annual General Meeting on March 20, 2015.

## Investor information

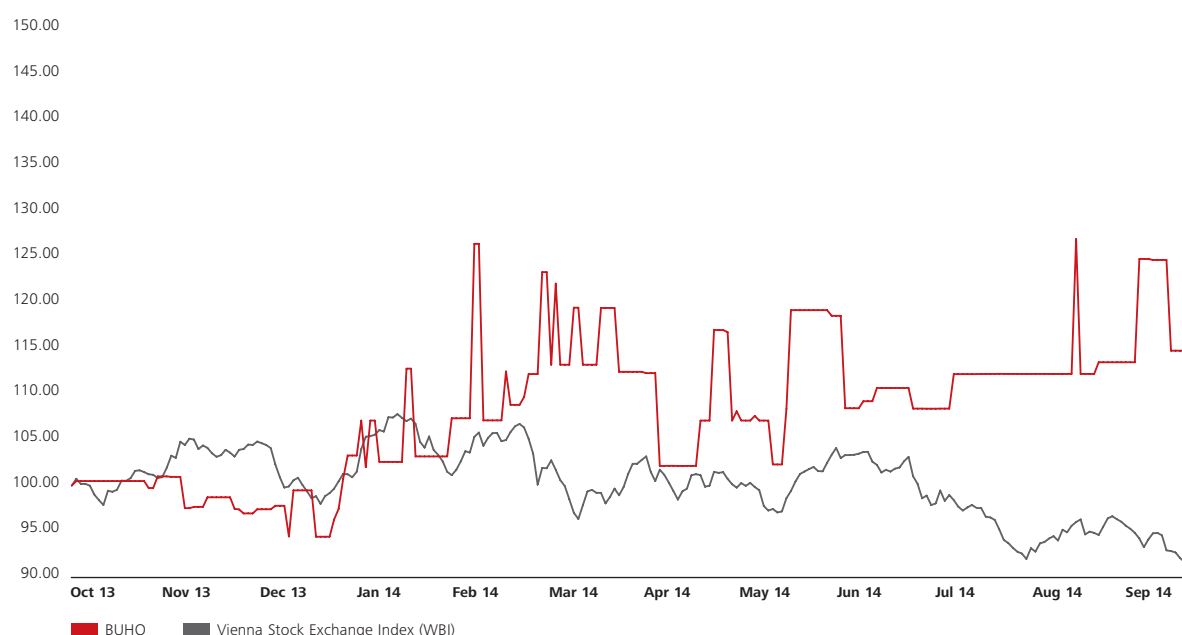
### Stock performance

		2013/14	2012/13	2011/12
Average daily turnover	Shares	30	30	21
Total share volume	EURm	0.32	0.28	0.18
Highest price	EUR	49.80	49.90	41.00
Lowest price	EUR	37.01	32.50	29.03
Share price at the end of September	EUR	45.00	39.21	34.00
Market capitalisation at the end of September	EURm	135	118	102
WBI weighting at the end of September	%	0.17	0.14	0.14
Dividend per share	EUR	2.70 <sup>1)</sup>	2.70	2.15

1) Proposal to the Annual General Meeting.

## Burgenland Holding share price – relative development compared to Vienna Stock Exchange Index (%)

On the basis of September 2013



# Burgenland Holding AG

## Subsidiaries

### 49 % Energie Burgenland AG

#### Energie Burgenland AG investments as of 30 September 2014

100%	Netz Burgenland Strom GmbH	51%	Rennerwind Energetikai Kft. (Budapest, Ungarn)
99%	Netz Burgenland Erdgas GmbH	51%	Eisenstadt e-mobilisiert GmbH
100%	Energie Burgenland Vertrieb GmbH & Co KG	50%	IWBF – Internationale Windpark- beteiligungs- und Finanzierungs GmbH (Eisenstadt, Österreich)
100%	Energie Burgenland Windkraft GmbH	50%	SWP s.r.o. (Bratislava, Slowakei)
57.6%	EPZ Energieprojekt Zurndorf GmbH	50%	PSW – Polska Sila Wiatru Sp. z.o.o. (Warschau, Polen)
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH	50%	WSW – Warminska Sila Wiatru s.r.o. (Bratislava, Slowakei)
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG	100%	Energie Burgenland Biomasse GmbH
40%	MMW Potzneusiedl GmbH	100%	Energie Burgenland Biomasse GmbH & Co KG
100%	Multi Megawatt Zwei GmbH	100%	PEW Technik + Service GmbH
100%	Nick Alpha GmbH	100%	Energie Burgenland Geoservice GmbH
100%	Windpark Baumgarten GmbH	100%	Energie Burgenland Konzernclearing GmbH
20%	Renergie Windpark Deutsch Haslau GmbH	100%	Energie Burgenland Service GmbH
100%	Energie Burgenland Green Power GmbH	1%	Netz Burgenland Erdgas GmbH
100%	Green Power Hungária Kft. (Budapest, Ungarn)	100%	Bioenergie Burgenland Service GmbH
100%	Energie Burgenland Bürgerbeteiligung GmbH	33.33%	EBRZ Erstes Burgenländisches Rechenzentrum GmbH
100%	WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Österreich)	33.33%	Windpark Mittelburgenland GmbH
1%	BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)	10%	ENERGIEALLIANZ Austria GmbH
1%	Energowind RO s.r.l. (Bistrita Nasaud, Rumänien)	10%	e&t Energie Handelsgesellschaft m.b.H.
1%	Energowind Negresti s.r.l. (Bistrita Nasaud, Rumänien)	4.57%	Vereinigte Telekom Österreich Beteiligungs GmbH
99%	Energowind Negresti s.r.l. (Bistrita Nasaud, Rumänien)	2.73%	EconGas GmbH
99%	BWP – Bystrický Wind Power s.r.o. (Bratislava, Slowakei)	2.52%	APCS Power Clearing and Settlement AG
99%	Energowind RO s.r.l. (Bistrita Nasaud, Rumänien)	0.44%	AGCS Gas Clearing and Settlement AG
		1.48%	CISMO Clearing Integrated Services and Market Operations GmbH
		1%	Biomasse Kraftwerk Güssing GmbH & Co KG

### 0.99% CEESEG AG

## Proposed application of profits

The Management Board proposes the distribution of a dividend in the amount of EUR 2.70 per share, totaling EUR 8,100,000.00, from the net profit amounting to EUR 8,103,826.55 and carrying forward the remainder of EUR 3,826.55.

## Statement of the Management Board on the annual financial statements

pursuant to § 82 para 4 fig 3 Stock Market Act

The Management Board of Burgenland Holding AG confirms, that the financial statements drawn up in conformity with the relevant accounting standards present a true and fair view of the Company's assets, liabilities, financial position, and profit or loss; that the Management report represents the Company's performance, profit and situation in such a manner as to create a true and fair view of the Company's assets, financial, and income situations, and that the major risks and uncertainties are described.

Eisenstadt, 18 November 2014  
The Management Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board

# Burgenland Holding AG

## Corporate calendar 2014/15<sup>1)</sup>

Results Q1 2014/15	05.02.2015
Annual General Meeting	20.03.2015
Ex-dividend day	27.03.2015
Dividend payment	02.04.2015
Results HY1 2014/15	28.05.2015
Results Q1–3 2014/15	06.08.2015
Annual results 2014/15	10.12.2015

1) Preliminary.

## Basic information<sup>1)</sup>

Share capital	EUR 21.81m
Denomination	3 million no-par bearer shares
Majority shareholder	EVN AG
Identification number (ISIN)	AT0000640552
Ticker symbols	BHAVVI (Reuters); BURG AV (Bloomberg); AT; BHD (Dow Jones)
Stock exchange listing	Vienna

1) As of 30 September 2014.

## Imprint

### Burgenland Holding AG

Technologiezentrum  
Marktstraße 3  
A-7000 Eisenstadt  
Austria

#### Head of Investor Relations

Alexander Sipek  
Phone: +43 2236 200-12360  
Fax: +43 2236 200-2030  
investor.relations@buho.at  
www.buho.at

Type and print: Gugler GmbH, A-3390 Melk/Donau  
Design and concept: Scholdan & Company, 1010 Vienna



Printed according to criteria documents of the Austrian Eco-Label  
„printed products“. gugler\* print, Melk, UWZ-Nr. 609, www.gugler.at

greenprint\*  
carbon positive printed



PEFC Certified

This product is from  
sustainably managed  
forests and controlled  
sources

www.pefc.co.uk