

**Annual accounts of Verbund  
International Finance B.V.  
for the year 2009**

For identification purpose only.  
Related to auditor's report  
dated ..... ~~HP~~ 24-03-2010 .....

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Verbund International Finance B.V., Amsterdam

## Report of the Supervisory Board

We take pleasure in presenting to the Shareholders the annual accounts of VERBUND-International Finance B.V. (the "Company") for the year 2009 as prepared by Management.

In conformity with article 26.7 of the Articles of Association of the Company the annual accounts have been audited. The Auditor's Report has been included in the section 'Other information'.

We propose:

- In conformity with article 27.1 of the Articles of Association to adopt the annual accounts for the year 2009;
- In conformity with article 28.3 of the Articles of Association to add the result for the year 2009 to the other reserves;

Amsterdam, 24 March 2010

Mr. W. Anzengruber

Mr. J. Sereinig

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## Report of the management

Management herewith presents to the shareholder the annual accounts of Verbund International Finance B.V. for the year 2009.

### General

The Company is a private company with limited liability incorporated under the laws of The Netherlands and acts as a finance company for the Verbund group.

Its objective is to arrange medium and long term financing for the Verbund group and, by grouping these activities together, reduce costs. The immediate and ultimate holding company is Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (the "Shareholder") and has its registered office at Am Hof 6a, A-1010 Wien.

### Overview of activities

In line with its objective, the Company has taken up loans from its Shareholder and from third parties, the proceeds of which have been on-lent within the Verbund group.

During the year the Company distributed a dividend of EUR 411,762 to its Shareholder.

On 7 January 2009 the Company took up the following four Schuldscheine from Landesbank Baden-Württemberg for a total amount of EUR 200,000,000, maturing in 2013 and 2015. The loans are guaranteed by the Shareholder.

- EUR 27,000,000 bearing a fixed interest rate of 4.88%.
- EUR 50,000,000 bearing a variable interest at a rate of 6 months EURIBOR + 170 basis points.
- EUR 89,000,000 bearing a fixed interest rate of 5.481%.
- EUR 34,000,000 bearing a variable interest at a rate of 6 months EURIBOR + 200 basis points.

On 3 April 2009 the Company entered into an EUR 3,000,000,000 Programme for the Issuance of Debt Instruments ("the Programme") together with the Shareholder. Under the Programme the Company issued the following notes:

- Series 1, Tranche 1 EUR 500,000,000 4.75% notes due 17 April 2015, issued on 17 April 2009 at 99.699%. The notes are guaranteed by the Shareholder, have a minimum denomination of EUR 50,000 and are listed in Luxembourg and Vienna.
- Series 2, Tranche 1 EUR 840,000,000 4.75% notes due 16 July 2019, issued on 16 July 2009 at 99.145%. The notes are guaranteed by the Shareholder, have a minimum denomination of EUR 50,000 and are listed in Luxembourg.
- Series 3, Tranche 1 EUR 200,000,000 4.875% notes due 22 June 2020, issued on 22 October 2009 at 99.136%. The notes are guaranteed by the Shareholder, have a minimum denomination of EUR 50,000 and are listed in Luxembourg.

During 2009 the Company also attracted loans from several group entities for a total amount of Euro 308,750,000 (including accrued interest of EUR 328,912,942).

The above mentioned attracted funds were used to provide loans to various group entities for a total amount of EUR 2,023,675,000 (including accrued interest of EUR 2,077,814,992).

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## Report of the management - continued

### Results

The net asset value of the Company as at 31 December 2009 amounts to EUR 5,391,736 (31 December 2008: EUR 2,411,762).

The result for the year 2009 amounts to a profit of EUR 3,391,736 (2008: EUR 411,762 profit).

### Audit committee

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an Audit committee. The Company however makes use of an exemption regulation whereby the Parent Company's audit committee fulfills the required tasks.

### Future outlook

Management is of the opinion that the present level of activities will be maintained during the next financial year.

### Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

### Management representation statement

Management declares that, to the best of their knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Management Report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties it faces.

Amsterdam, 24 March 2010

Mr. A. Wollein

Mr. P. Oosthoek

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## Balance sheet as at December 31, 2009

(Before the proposed appropriation of the result and expressed in euros)

	Note	2009 EUR	2008 EUR
<b>Fixed assets</b>			
Financial fixed assets			
Portfolio of Investments	1	<u>3,328,588,950</u>	<u>1,365,825,200</u>
<i>Total fixed assets</i>		<u>3,328,588,950</u>	<u>1,365,825,200</u>
<b>Current assets</b>			
Debtors			
Amounts owed by group entities	2	128,385,474	44,992,997
Prepayment of guarantee fee	3	7,269,641	2,603,159
Capitalized loan fees Facility Agreement	4	302,550	448,945
Cash and cash equivalents	5	<u>60,401</u>	<u>71,469</u>
<i>Total current assets</i>		<u>136,018,066</u>	<u>48,116,570</u>
<b>Total assets</b>		<b>3,464,607,016</b>	<b>1,413,941,771</b>
<b>Current liabilities (due within one year)</b>			
Amounts due to group entities and credit institutions	6	101,857,902	42,771,919
Taxation	7	1,041,107	(17,155)
Accruals and deferred income	8	<u>18,200</u>	<u>14,851</u>
<i>Total current liabilities</i>		<u>102,917,209</u>	<u>42,769,615</u>
<b>Current assets less current liabilities</b>		<b>33,100,857</b>	<b>5,346,956</b>
<b>Total assets less current liabilities</b>		<b><u>3,361,689,807</u></b>	<b><u>1,371,172,156</u></b>
<b>Long term liabilities (due after one year)</b>			
Loans from group entities	9	578,250,000	302,000,000
Loans, bonds and notes from third parties	10	<u>2,778,048,071</u>	<u>1,066,760,394</u>
		<u>3,356,298,071</u>	<u>1,368,760,394</u>
<b>Capital and reserves</b>			
Paid up and called up share capital	11	1,000,000	1,000,000
Share premium account		1,000,000	1,000,000
Unappropriated results		<u>3,391,736</u>	<u>411,762</u>
<i>Total Shareholder's equity</i>		<u>5,391,736</u>	<u>2,411,762</u>
<b>Total long term liabilities plus equity</b>		<b><u>3,361,689,807</u></b>	<b><u>1,371,172,156</u></b>

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## Profit and Loss account for the year 2009

	Note	2009 EUR	2008 EUR
<b>Finance activities</b>			
Interest on loans provided	12	115,331,718	71,613,655
Interest on loans received	13	<u>(106,795,162)</u>	<u>(69,678,228)</u>
<i>Result finance activities</i>		8,536,556	1,935,426
<b>Other financial income and expenses</b>			
Other interest income	14	434,387	123,295
Other interest charges	15	(10,944,633)	(5,286,665)
Other financial expenses	16	<u>(1,321,280)</u>	<u>(647,572)</u>
<i>Total other financial income and expenses</i>		(11,831,526)	(5,810,943)
<b>Other income and expenses</b>			
Capital management fee and advices		8,290,646	4,618,620
General and administrative expenses	17	(458,112)	(209,704)
Currency exchange results		<u>1</u>	<u>(4)</u>
<i>Total other income and expenses</i>		7,832,535	4,408,913
<b>Result before taxation</b>		<u>4,537,565</u>	<u>533,396</u>
Corporate income tax	18	(1,145,829)	(121,634)
<b>Result after taxation</b>		<u>3,391,736</u>	<u>411,762</u>

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 dated HP 24-03-2010

## Cash flow statement for the year 2009

	2009 EUR	2008 EUR
<b>Cash flow from operating activities</b>		
Result after taxation	3,391,736	411,762
Add back amortisation	146,395	146,396
	<u>3,538,131</u>	<u>558,158</u>
Less: increase/(decrease) in taxation, prepayments and accrued income	(3,608,220)	(146,590)
Add/(less): increase/(decrease) in accruals and deferred income	3,349	(2,552)
	<u>(66,740)</u>	<u>409,016</u>
Increase of loans provided to group entities	(1,987,525,000)	(180,000,000)
Repayment of loans provided to group entities	24,761,251	11,948,751
Increase of s/t loan and rec interest on loans provided to group entities	(90,289,992)	0
Repayment of s/t loan and rec interest on loans provided to group entities	6,897,515	140,062,354
Increase of loans received and payable interest from third parties	1,768,088,982	181,699,668
Repayment of loans received and payable interest from third parties	(19,894,192)	(52,356,056)
Increase of loans received and payable interest from group entities	328,912,532	304,040,005
Repayment of loans received and payable interest from group entities	<u>(30,483,662)</u>	<u>(405,531,322)</u>
Net cash flow from operating activities	400,694	272,417
Dividends distributed	<u>(411,762)</u>	<u>(269,634)</u>
Net cash flow from financing activities	(411,762)	(269,634)
Net cash flow	(11,068)	2,783
Cash and cash equivalents as per 1 January	<u>71,469</u>	<u>68,686</u>
Cash and cash equivalents as per 31 December	60,401	71,469

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## Notes to the annual accounts

### **General**

The Company was incorporated as a private company with limited liability under the laws of the Netherlands on 11 January 2005 and has its statutory seat in Amsterdam and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands. The immediate and ultimate holding company is Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (the "Shareholder"). The principal activity of the Company is to act as a finance company.

### **Basis of presentation**

The accompanying accounts have been prepared under the historic cost convention in accordance with accounting principles generally accepted in The Netherlands (Dutch GAAP) and in conformity with provisions governing financial statements as contained in Part 9, Book 2 of the Netherlands Civil Code. The annual accounts for 2009 are presented in Euros ("EUR").

#### **a. Foreign currencies**

Assets and liabilities in foreign currencies are converted into Euros at their currency exchange rates prevailing on the balance sheet date. Transactions in foreign currencies are converted into Euros at the currency exchange rates in effect at the time of the transactions. The resulting currency exchange rate differences are taken to the profit and loss account.

#### **b. Long-term liabilities**

Recorded interest-bearing loans and liabilities as well as bonds are valued at amortised cost. The discount/premium on the issued bonds is amortised over the lifetime of the bonds in accordance with the effective interest method.

#### **c. Assets and liabilities**

Assets and liabilities are shown at face value, unless stated otherwise in the notes. Premiums and discounts on purchase are capitalised and amortised on a linear basis over the remaining life of the instrument.

Investments with a long-term nature are presented at acquisition cost or at lower market value and, if applicable, net of impairments.

The receivables on and loans to participations and other receivables are valued at face value after deduction of any provisions.

#### **d. Recognition of income**

Income and expenses, including taxation, are recognised and reported on accrual basis.

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## Notes to the annual accounts (continued)

### e. Financial risk management

#### Interest rate risk

The Company is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. These risks are addressed and mitigated by interest rate swap agreements with various parties.

### f. Accounting principle for hedge transactions

#### Hedge accounting

The Company applies cost price hedge accounting in order to simultaneously recognise both the results from changes in the value of the interest rate contracts and the hedged receivable or payable in the profit and loss account. The interest receivable from the five credit institutions and the interest payable on the incoming loans are perfectly hedged through several swap agreements.

The financial instruments are valued at cost.

### g. Corporate income tax

Provisions for taxation have been made in accordance with Dutch corporate income tax law.

### h. Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered as highly liquid investments. Corporate income taxes, issuance of share capital, interest received and dividends received are presented under the cash flow from operating activities. Interest paid and dividends paid are presented under the cash flow from financing activities.

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## Balance sheet

	2009 EUR	2008 EUR
<b>1 Financial fixed assets</b>		
a. Loan to Austrian Hydro Power AG ("AHP"), Vienna, Austria	200,000,000	200,000,000
b. Loan to AHP, Vienna, Austria	58,200,000	64,666,667
c. Loan to AHP, Vienna, Austria	10,225,838	11,930,144
d. Loan to AHP, Vienna, Austria	72,672,834	72,672,834
e. Loan to AHP, Vienna, Austria	40,000,000	40,000,000
f. Loan to AHP, Vienna, Austria	9,000,000	9,000,000
g. Loan to AHP, Vienna, Austria	14,000,000	14,000,000
h. Loan to AHP, Vienna, Austria	27,000,000	27,000,000
i. Loan to Austrian Power Grid AG ("APG"), Vienna, Austria	250,000,000	250,000,000
j. Loan to APG, Vienna, Austria	37,777,778	41,555,556
k. Loan to APG, Vienna, Austria	87,187,500	90,000,000
l. Loan to Ennskraftwerke AG ("EKW"), Steyr, Austria	35,000,000	35,000,000
m. Loan to the Shareholder ("shareholder VG") Vienna, Austria	500,000,000	500,000,000
n. Loan to Verbund -Telecom Service GmbH ("V-TEL"), Vienna, Austria	0	10,000,000
o. Loan to AHP, Vienna, Austria	89,000,000	0
p. Loan to AHP, Vienna, Austria	27,000,000	0
q. Loan to AHP, Vienna, Austria	34,000,000	0
r. Loan to Verbund Photovoltaics Iberica S.L. ("Photovoltaics"), Madrid, Spain	14,275,000	0
s. Loan to Verbund International GmbH ("VI"), Vienna, Austria	50,000,000	0
t. Loan to Verbund - Austrian Delta Wind GmbH ("ADW"), Bruck, Austria	22,000,000	0
u. Loan to VI, Vienna, Austria	211,250,000	0
v. Loan to AHP, Vienna, Austria	400,000,000	0
w. Loan to Austrian Renewable Power GmbH ("ARP"), Vienna, Austria	50,000,000	0
x. Loan to shareholder VG, Vienna, Austria	50,000,000	0
y. Loan to shareholder VG, Vienna, Austria	840,000,000	0
z. Loan to VI, Vienna, Austria	200,000,000	0
	<u>3,328,588,950</u>	<u>1,365,825,200</u>

The movements in financial fixed assets are as follows:

Balance as per 1 January	1,365,825,200	1,197,773,951
Loans granted	2,023,675,000	180,000,000
Reclassification to short term	(60,911,250)	(11,948,751)
Balance as per 31 December	<u>3,328,588,950</u>	<u>1,365,825,200</u>

- a. The loan to AHP in the original amount of EUR 200,000,000 has not been secured, matures on 27 March 2017 and attracts a fixed interest rate of 3.50525%.
- b. The loan to AHP in the original amount of EUR 90,533,333 has not been secured, matures on 13 September 2019 and attracts a variable interest rate of 3 months EURIBOR + 0.10%.
- c. The loan to AHP in the original amount of EUR 18,747,369 has not been secured, matures on 25 June 2016 and attracts a fixed interest rate of 3.3%.
- d. The loan to AHP in the original amount of EUR 72,672,834 has not been secured, matures on 20 November 2017 and attracts a fixed interest rate of 5.09%.

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**Balance sheet (continued)**

- e. The loan to AHP in the original amount of EUR 40,000,000 has not been secured, matures on 27 March 2017 and attracts a fixed interest rate of 3.47725%.
- f. The loan to AHP in the original amount of EUR 9,000,000 has not been secured, matures on 28 December 2013 and attracts a fixed interest rate of 5.178%.
- g. The loan to AHP in the original amount of EUR 14,000,000 has not been secured, matures on 28 December 2013 and attracts a fixed interest rate of 4.6715%.
- h. The loan to AHP in the original amount of EUR 27,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.742%.
- i. The loan to APG in original the amount of EUR 250,000,000 has not been secured, matures on 1 March 2015 and attracts a variable interest rate of 12 months EURIBOR + 1.15%.
- j. The loan to APG in the original amount of EUR 52,888,889 has not been secured, matures on 15 March 2020 and attracts a variable interest rate of 3 months EURIBOR + 0.10%.
- k. The loan to APG in the original amount of EUR 90,000,000 has not been secured, matures on 25 June 2026 and attracts a fixed interest rate of 3.887%.
- l. The loan to EKW in the original amount of EUR 35,000,000 has not been secured, matures on 11 March 2011 and attracts a variable interest rate of 6 months EURIBOR + 0.45%.
- m. The loan to shareholder VG in the amount of EUR 500,000,000 has not been secured, matures on 25 June 2014 and attracts a fixed interest rate of 5.15%.
- o. The loan to AHP in the original amount of EUR 89,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.734%.
- p. The loan to AHP in the original amount of EUR 27,000,000 has not been secured, matures on 28 June 2013 and attracts a fixed interest rate of 5.164%.
- q. The loan to AHP in the original amount of EUR 34,000,000 has not been secured, matures on 29 December 2015 and attracts a fixed interest rate of 5.353%.
- r. The loan to Photovoltaics in the original amount of EUR 16,000,000 has not been secured, matures on 14 July 2022 and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- s. The loan to VI in the original amount of EUR 50,000,000 has not been secured, matures on 28 June 2013 and attracts a fixed interest rate of 4.6715%.
- t. The loan to ADW in the original amount of EUR 24,500,000 has not been secured, matures on 30 September 2019 and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- u. The loan to VI in the original amount of EUR 260,000,000 has not been secured, matures on 31 March 2017 and attracts a variable interest rate of that published at the OeKB-Website + 2.00%.
- v. The loan to AHP in the original amount of EUR 400,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 5.06825%.

**Balance sheet (continued)**

- w. The loan to ARP in the original amount of EUR 50,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 5.36825%.
- x. The loan to shareholder VG in the original amount of EUR 50,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 4.86825%.
- y. The loan to shareholder VG in the original amount of EUR 840,000,000 has not been secured, matures on 16 July 2019 and attracts a fixed interest rate of 4.90578%.
- z. The loan to VI in the original amount of EUR 200,000,000 has not been secured, matures on 22 June 2020 and attracts a fixed interest rate of 5.185%.

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**Balance sheet (continued)**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
<b>2 Amounts owed by group entities</b>		
a. Loan to APG, Vienna, Austria	3,777,778	3,777,778
b. Loan to AHP, Vienna, Austria	6,466,667	6,466,667
c. Loan to AHP, Vienna, Austria	1,704,306	1,704,306
d. Loan to VPI, Madrid, Spain	1,150,000	0
e. Loan to ADW, Vienna, Austria	2,500,000	0
f. Loan to VI, Vienna, Austria	32,500,000	0
g. Loan to ALPHA Wind SRL ("ALPHA"), Bucharest, Romania	300,000	0
h. Loan to V-TEL, Vienna, Austria	10,000,000	0
i. Loan to APG, Vienna, Austria	2,812,500	0
j. Verbund Finanzierungsservice GmbH ("VFG"), Vienna, Austria	2,848,484	0
Loan interest receivable APG, Vienna, Austria	7,255,936	13,592,028
Loan interest receivable AHP, Vienna, Austria	18,436,821	5,288,885
Loan interest receivable Shareholder VG	15,131,338	13,404,110
Loan interest receivable V-TEL, Vienna, Austria	42,800	167,550
Loan interest receivable EKW, Steyr, Austria	155,001	591,675
Loan interest receivable Photovoltaics, Madrid, Spain	140,218	0
Loan interest receivable ADW, Bruck, Austria	108,735	0
Loan interest receivable VI, Vienna, Austria	19,465	0
Loan interest receivable ARP, Vienna, Austria	1,904,626	0
Loan interest receivable ALPHA, Bucharest, Romania	5,480	0
Loan interest receivable Shareholder VG, Vienna, Austria	19,080,124	0
Loan interest receivable VI, Vienna, Austria	2,045,194	0
	<u>128,385,474</u>	<u>44,992,997</u>

- a. The loan to APG in the amount of EUR 3,777,778 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 0.10%.
- b. The loan to AHP in the amount of EUR 6,466,667 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 0.10%.
- c. The loan to AHP in the amount of EUR 1,704,306 has not been secured and attracts a fixed interest rate of 3.30%.
- d. The loan to Photovoltaics in the amount of EUR 1,150,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- e. The loan to ADW in the amount of EUR 2,500,000 has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.70%.
- f. The loan to VI in the amount of EUR 32,500,000 has not been secured and attracts a variable interest rate of that published at the OeKB-Website + 2.00%.
- g. The loan to ALPHA Wind in the amount of EUR 300,000 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 2.50%.
- h. The loan to V-TEL in the amount of EUR 10,000,000 has not been secured, matures on 13 September 2010 and attracts a variable interest rate of 6 months EURIBOR + 0.40%.
- i. The loan to APG in the amount of EUR 2,812,500 has not been secured and attracts a fixed interest rate of 3.887%.
- j. The Company has funds held in a clearing account with Verbund Finanzierungsservice GmbH ("VFG"), Vienna, Austria.

**Balance sheet (continued)**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
<b>3 Prepayment of guarantee fee</b>		
Prepayment of guarantee fee	7,269,641	2,603,159
	<u>7,269,641</u>	<u>2,603,159</u>
<b>4 Capitalized loan fees Facility Agreement</b>		
Accumulated amortization	1,135,450	1,135,450
	(832,900)	(686,505)
	<u>302,550</u>	<u>448,945</u>
Balance as at 1 January	448,945	595,341
Amortization	(146,395)	(146,396)
Balance as at 31 December	<u>302,550</u>	<u>448,945</u>
<b>5 Cash and cash equivalents</b>		
Current account	60,401	71,469
	<u>60,401</u>	<u>71,469</u>
<b>6 Amounts due to group entities and credit institutions</b>		
Loan from EIB, Luxembourg	1,704,306	1,704,306
Loan from EIB, Luxembourg	6,466,667	6,466,667
Loan from EIB, Luxembourg	3,777,778	3,777,778
Loan from EIB, Luxembourg	2,812,500	0
Shareholder VG, Vienna, Austria	32,500,000	0
Verbund Finanzierungsservice GmbH ("VFG"), Vienna, Austria	0	6,670,722
Verbund Management Services GmbH ("VMSG"), Vienna, Austria	0	3,000,000
Interest payable EUR 500m 5.00% Bonds of 2007/2014	12,861,444	13,013,699
Loan interest payable to VFG	207,737	987,450
Postsparkasse Aktiengesellschaft ("BAWAG"), Vienna, Austria	402,930	402,930
Interest payable Series 1, Tranche 1, EUR 500m Notes	16,738,814	0
Interest Loan from VMSG, Vienna, Austria	22,439	55,667
Interest Loan from EIB, Luxembourg	1,595,713	6,576,399
Interest Loan Facility Agreement	94,792	94,792
Interest Landesbank Baden-Württemberg ("LBBW"), Stuttgart, Germany	980,607	21,509
Interest payable Series 2, Tranche 1, EUR 840m Notes	18,244,203	0
Interest payable Series 3, Tranche 1, EUR 200m Notes	1,860,395	0
Interest payable Grenzkraftwerke GmbH ("GKW"), Sinbach, Germany	81,521	0
Interest payable Energie Klagenfurt GmbH ("EKG"), Klagenfurt, Austria	81,011	0
Interest rate swaps	1,425,045	0
	<u>101,857,902</u>	<u>42,771,919</u>
The outstanding balance of the interest rate swaps at year-end can be detailed as follows:		
Interest payable	2,089,692	0
Interest receivable	(664,647)	0
Balance at year-end	<u>1,425,045</u>	<u>0</u>

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 Related to auditor's report  
 dated FP 24-03-2010

**Balance sheet (continued)**

In order to hedge the interest rate risk on the floating interest which the Company faces on incoming loans totalling to EUR 428,000,000, it has entered into the following swap agreements during the year for a similar amount, paying a fixed rate of interest and receiving a floating interest amount.

-EUR 120,000,000 interest rate swap with Erste Bank der Oesterreichischen Sparkasse AG, due 27 March 2017. The Company is obliged to pay a fixed interest rate of 3.2050% and receives a variable interest rate of 6 months EURIBOR.

-EUR 120,000,000 interest rate swap with Raiffeisenzentralbank-Österreich AG, due 27 March 2017. The Company is obliged to pay a fixed interest rate of 3.2075% and receives a variable interest rate of 6 months EURIBOR.

-EUR 64,000,000 interest rate swap with Barclays Bank PLC, due 28 June 2013. The Company is obliged to pay a fixed interest rate of 2.6875% and receives a variable interest rate of 6 months EURIBOR.

-EUR 34,000,000 interest rate swap with UniCredit Bank Austria AG, due 29 December 2015. The Company is obliged to pay a fixed interest rate of 3.1000% and receives a variable interest rate of 6 months EURIBOR.

-EUR 90,000,000 interest rate swap with Société Générale, due 25 June 2026. The Company is obliged to pay a fixed interest rate of 3.5950% and receives a variable interest rate of 6 months EURIBOR.

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Related to auditor's report  
dated ~~PCP 24-03-2010~~ .....

## Balance sheet (continued)

		<b>2009</b>	<b>2008</b>
		<b>EUR</b>	<b>EUR</b>
<b>7 Taxation</b>			
Corporate income tax		1,038,910	(16,117)
VAT payable		2,197	(1,038)
		<u>1,041,107</u>	<u>(17,155)</u>
Corporate income tax summary	01.01.09 (Paid)/Received	P/L account	31.12.09
2009	0	(106,919)	1,145,829
2008	25,091	(25,091)	0
2007	(41,208)	41,208	0
Total	<u>(16,117)</u>	<u>(90,802)</u>	<u>1,145,829</u>
		<u>1,038,910</u>	
<b>8 Accruals and deferred income</b>			
Accruals		18,200	14,851
		<u>18,200</u>	<u>14,851</u>
<b>9 Loans from group entities</b>			
a. Loan from VMSG		8,000,000	2,000,000
b. Loan from VFG		280,000,000	300,000,000
c. Loan from shareholder VG		211,250,000	0
d. Loan from Grenzkraftwerke Gesellschaft mbh ("GKW"), Simbach, Germany		39,000,000	0
e. Loan from Energie Klagenfurt GmbH ("EKG"), Klagenfurt, Austria		40,000,000	0
		<u>578,250,000</u>	<u>302,000,000</u>
Balance as per 1 January		302,000,000	2,000,000
Increase/(Decrease)		308,750,000	(50,000,000)
Reclassification from short term loans		(32,500,000)	350,000,000
Balance as per 31 December		<u>578,250,000</u>	<u>302,000,000</u>

- a. The loan from VMSG of EUR 8,000,000 has not been secured, matures in 2012 and 2013 and attracts an interest rate of 6 months EURIBOR + 0.3%.
- b. The loan from VFG of EUR 280,000,000 has not been secured, matures in March 2011 and attracts an interest rate of 3 months EURIBOR + 0.2%.
- c. The loan from shareholder VG in the original amount of EUR 260,000,000 has not been secured, matures in March 2017 and attracts a variable interest rate published at the OeKB-Website + 1.80%.
- d. The loan from GKW in the amount of EUR 39,000,000 matures on 21 February 2011 and attracts a fixed interest rate of 1.75%.
- e. The loan from EKG in the amount of EUR 40,000,000 matures on 9 December 2014 and attracts a fixed interest rate of 3.17%.

**Balance sheet (continued)**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
<b>10 Loans, bonds and notes from third parties</b>		
a. Loan from EIB, Luxembourg	37,777,778	41,555,556
b. Loan from EIB, Luxembourg	10,225,838	11,930,144
c. Loan from EIB, Luxembourg	58,200,000	64,666,667
d. Loan from EIB, Luxembourg	200,000,000	200,000,000
e. Loan from EIB, Luxembourg	40,000,000	40,000,000
f. Loan from EIB, Luxembourg	87,187,500	90,000,000
g. Bonds from BAWAG, Vienna, Austria	72,672,834	72,672,834
h. Schuldschein from LBBW, Stuttgart, Germany	9,000,000	9,000,000
i. Schuldschein from LBBW, Stuttgart, Germany	14,000,000	14,000,000
j. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	27,000,000
k. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	0
l. Schuldschein from LBBW, Stuttgart, Germany	50,000,000	0
m. Schuldschein from LBBW, Stuttgart, Germany	89,000,000	0
n. Schuldschein from LBBW, Stuttgart, Germany	34,000,000	0
o. EUR 500m 5.00% Bonds of 2007/2014	496,696,875	495,935,194
p. Series 1, Tranche 1 EUR 500m Notes	497,228,417	0
q. Series 2, Tranche 1 EUR 840m Notes	829,790,426	0
r. Series 3, Tranche 1 EUR 200m Notes	198,268,404	0
	<u>2,778,048,071</u>	<u>1,066,760,394</u>
Loans maturing between one and five years:	666,839,623	90,482,502
Loans maturing after five years:	<u>2,111,208,448</u>	<u>976,277,892</u>
	<u>2,778,048,071</u>	<u>1,066,760,394</u>

All loans, bonds and notes from third parties are guaranteed by the Shareholder VG.

- a. The loan from EIB in the original amount of EUR 52,888,889 matures on 15 March 2020 and attracts a variable interest rate of EIB-pool rate + 0.12% (at 31 December 2009: 0.966%).
- b. The loan from EIB in the original amount of EUR 18,747,369 matures on 27 June 2016 and attracts a fixed interest rate of 3.20%.
- c. The loan from EIB in the original amount of EUR 90,535,333 matures on 13 September 2019 and attracts a variable interest rate of EIB-pool rate + 0.12% (at 31 December 2009: 0.966%).
- d. The loan from EIB in the original amount of EUR 200,000,000, matures on 27 March 2017, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.099% (at 31 December 2009: 1.119%).
- e. The loan from EIB in the original amount of EUR 40,000,000, matures on 27 March 2017, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.071% (at 31 December 2009: 1.091%).

**Balance sheet (continued)**

- f. The loan from EIB in the original amount of EUR 90,000,000, matures on 25 June 2026, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.092% (at 31 December 2009: 1.084%).
- g. The bonds from BAWAG in the amount of EUR 72,672,834 mature on 20 November 2017 and attract a fixed interest rate of 4.99%.
- h. The Schuldschein loan from LBBW in the original amount of EUR 9,000,000, matures on 28 June 2013 and attracts a fixed interest rate of 4.894%.
- i. The Schuldschein loan from LBBW in the original amount of EUR 14,000,000, matures on 28 June 2013 and attracts a variable interest rate of 6 months EURIBOR + 1.70%.
- j. The Schuldschein loan from LBBW in the original amount of EUR 27,000,000, matures on 29 December 2015 and attracts a fixed interest rate of 5.489%.
- k. The Schuldschein loan from LBBW in the original amount of EUR 27,000,000, matures on 28 June 2013 and attracts a fixed interest rate of 4.88%.
- l. The Schuldschein loan from LBBW in the original amount of EUR 50,000,000, matures on 28 June 2013 and attracts a variable interest rate of 6 months EURIBOR + 1.70%.
- m. The Schuldschein loan from LBBW in the original amount of EUR 89,000,000, matures on 29 December 2015 and attracts a fixed interest rate of 5.481%.
- n. The Schuldschein loan from LBBW in the original amount of EUR 34,000,000, matures on 29 December 2015, and attracts a variable interest rate of 6 months EURIBOR + 2.00%.
- o. The EUR 500,000,000 bonds mature on 25 June 2014, attract a fixed interest rate of 5% and were issued at 99.487%. Due to the discount on the bonds the effective annual interest rate is 5.13229%.
- p. The Series 1, Tranche 1 EUR 500,000,000 Notes due on 17 April 2015, attract a fixed interest rate of 4.75% and were issued at 99.699%. Due to the discount on the notes the effective annual interest rate is 4.86825%.
- q. The Series 2, Tranche 1 EUR 840,000,000 Notes due 16 July 2019, attract a fixed interest rate of 4.75% and were issued at 99.145%. Due to the discount on the notes the effective annual interest rate is 4.90%.
- r. The Series 3, Tranche 1 EUR 200,000,000 due 22 June 2020, attract a fixed interest rate of 4.875% and were issued at 99.136%. Due to the discount on the notes the effective annual interest rate is 4.98425%.

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~~Related to auditor's report~~  
dated HP 24-03-2010

**Balance sheet (continued)**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
The amortisations related to the bonds are as follows:	500,000,000	500,000,000
Premium/discount:	0	0
On Bonds issued at 99.487% on 25 June 2007	(2,565,000)	(2,565,000)
Capitalised costs	(1,499,806)	(2,188,666)
Amortisation premium	761,681	688,860
	<u>(3,303,125)</u>	<u>(4,064,806)</u>
Balance as at 31 December	<u>496,696,875</u>	<u>495,935,194</u>
The amortisations related to the Notes are as follows:	500,000,000	0
Premium/discount:	0	0
On Series 1, Tranche 1 Notes issued at 99.699% on 17 April 2009	(1,505,000)	0
Capitalised costs	(1,500,000)	0
Amortisation premium	233,417	0
	<u>(2,771,583)</u>	<u>0</u>
Balance as at 31 December	<u>497,228,417</u>	<u>0</u>
The amortisations related to the Notes are as follows:	840,000,000	0
Premium/discount:	0	0
On Series 2, Tranche 1 Notes issued at 98.795% on 16 July 2009	(7,182,000)	0
Capitalised costs	(3,270,800)	0
Amortisation premium	243,226	0
	<u>(10,209,574)</u>	<u>0</u>
Balance as at 31 December	<u>829,790,426</u>	<u>0</u>
The amortisations related to the Notes are as follows:	200,000,000	0
Premium/discount:	0	0
On Series 3, Tranche 1 Notes issued at 99.136% on 22 October 2009	(1,728,000)	0
Capitalised costs	0	0
Amortisation premium	(3,596)	0
	<u>(1,731,596)</u>	<u>0</u>
Balance as at 31 December	<u>198,268,404</u>	<u>0</u>

In 2005, the Company entered into a EUR 750,000,000 Facility Agreement guaranteed by the shareholder VG, on which it can draw when necessary.

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 Related to auditor's report  
 dated MP 24-03-2010

**Balance sheet (continued)**

The authorised share capital of the Company amounts to EUR 2,000,000 divided into 2,000 shares of EUR 1,000 each, of which 1,000 shares are issued and paid up.

**11 Capital and reserves**

	<u>Share premium</u>	<u>Other reserves</u>	<u>Unappr.results</u>
Balance as per 31.12.2007	1,000,000	0	269,634
Transfer	0	269,634	(269,634)
Dividend	0	(269,634)	0
Result for the period	<u>0</u>	<u>0</u>	<u>411,762</u>
Balance as per 31.12.2008	1,000,000	0	411,762
Transfer	0	411,762	(411,762)
Dividend	0	(411,762)	0
Result for the period	<u>0</u>	<u>0</u>	<u>3,391,736</u>
Balance as per 31.12.2009	<u>1,000,000</u>	<u>0</u>	<u>3,391,736</u>

The Company distributed a dividend of EUR 411,762 on 8 April 2009.

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 Related to auditor's report  
 dated ~~PCP 24-03-2010~~

**Profit and loss account**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
<b>12 Interest on loans provided</b>		
Interest on loans to group entities	114,372,388	69,746,102
Interest on loans to other entities	959,331	1,867,553
	<u>115,331,718</u>	<u>71,613,655</u>
<b>13 Interest on loans received</b>		
Interest on long term loans	(13,527,154)	(15,581,236)
Interest on short term loans	(291,142)	(2,304,127)
Interest on bonds/ notes	(66,555,259)	(30,946,389)
Interest on loans from third parties	(26,421,607)	(20,846,476)
	<u>(106,795,162)</u>	<u>(69,678,228)</u>
<b>14 Other interest income</b>		
Other interest income	434,387	123,295
	<u>434,387</u>	<u>123,295</u>
<b>15 Other interest charges</b>		
Guarantee fee	(10,393,648)	(5,140,270)
Amortization of capitalised fees on loans	(146,396)	(146,396)
Fees on loans from group entities	(404,589)	0
	<u>(10,944,633)</u>	<u>(5,286,665)</u>
<b>16 Other financial expenses</b>		
Other interest expenses	(163,860)	(281)
Commitment fees	(1,157,420)	(647,292)
	<u>(1,321,280)</u>	<u>(647,572)</u>
<b>17 General and administrative expenses</b>		
Administration fees	(171,316)	(92,803)
Notary fees	(13,271)	0
Audit fees	(21,605)	(18,255)
Legal advisory fees	(48,090)	(39,757)
Consultancy and advisory fees	(155,134)	(33,451)
IT support fees	(2,385)	(2,513)
Bank charges and other fees	(43,105)	(13,257)
Services	(2,600)	(4,507)
Translation expenses	0	(3,183)
Travel expenses	(126)	(1,494)
Sundry expenses	(481)	(483)
	<u>(458,112)</u>	<u>(209,704)</u>

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 Related to auditor's report  
 dated KIP 24-03-2010

**Profit and loss account - Continued**

	<b>2009</b>	<b>2008</b>
	<b>EUR</b>	<b>EUR</b>
<b>18 Corporate income tax</b>		
Corporate income tax 2009	(1,145,829)	0
Corporate income tax 2008	0	(120,891)
Corporate income tax 2006	0	(743)
	<u>(1,145,829)</u>	<u>(121,634)</u>

The effective tax rate for 2009 is 25.00% (2008: 22.67%).  
There are no differences between stated and effective tax rate.

**Audit fees**

With reference to Section 2:382A of the Dutch Civil Code, the following fees for the financial year have been charged by Deloitte Accountants B.V. to the Company:

(in EUR)	<b>2009</b>	<b>2008</b>
Statutory audit of annual accounts	15,000	15,340
Other assurance services	24,876	0
Other non-audit services	1,500	0
Total	<u>41,376</u>	<u>15,340</u>

**Directors**

The Company has two managing directors (2008: two) none of whom received a remuneration in that capacity (2008: nil).

The Company has two supervisory directors (2008: two), none of whom received a remuneration in that capacity (2008: nil).

Amsterdam, 24 March 2010

The Managing Directors

Mr. A. Wollein

Mr. P. Oosthoek

The Supervisory Directors

Mr. W. Anzengruber

Mr. J. Sereinig

For identification purpose only.  
Related to auditor's report  
dated 10-27-03-2010

## Other information

### Appropriation of results

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been recovered, other reserves and unappropriated results are at the disposal of the Shareholder in accordance with the Company's Articles of Association.

Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the Shareholder's equity exceeds the amount of the issued capital and the legal reserves.

Management proposes to the Shareholder to add the result for the year to the other reserves. This proposal has not been reflected yet in the annual accounts.

### Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment of or disclosure in the annual accounts now presented.

### Auditor's opinion

The auditor's opinion is set out on the next page

~~For identification purpose only~~  
~~Related to auditor's report~~  
dated MP 24-03-2010

To the shareholder of  
VERBUND-International Finance B.V.  
Amsterdam

Date  
March 24, 2010

From  
J. Penon

Reference  
3100251091/OP9996/PS

## **Auditor's report**

### **Report on the financial statements**

We have audited the accompanying financial statements 2009 of VERBUND-International Finance B.V., Amsterdam, which comprise the balance sheet as at December 31, 2009, the profit and loss account for the year then ended and the notes.

### **Management's responsibility**

Management is responsible for the preparation and fair presentation of the financial statements and for the preparation of the management board report, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law. This law requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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.

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March 24, 2010

3100251091/OP9996/PS

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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**

In our opinion, the financial statements give a true and fair view of the financial position of VERBUND-International Finance B.V. as at December 31, 2009, and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

## **Report on other legal and regulatory requirements**

Pursuant to the legal requirement under 2:393 sub 5 part f of the Netherlands Civil Code, we report, to the extent of our competence, that the report of management is consistent with the financial statements as required by 2:391 sub 4 of the Netherlands Civil Code.

Deloitte Accountants B.V.



J. Penon