

**Semi Annual accounts of  
Verbund International  
Finance B.V.**

**for the six months ended 30  
June, 2010**

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## **Report of the management**

Management herewith presents to the shareholder the unaudited semi-annual accounts of VERBUND-International Finance B.V. (the "Company") for the six months ended 30 June, 2010.

### **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. The statutory address of the Company is Prins Bernhardplein 200, Amsterdam, the Netherlands. The objective of the Company is to arrange medium and long term finance for the Verbund group and, by grouping these activities together, save costs.

The immediate and ultimate holding company is Verbund AG (the "Shareholder"), formerly known as Österreichische Elektrizitätswirtschafts-Aktiengesellschaft.

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor during the previous year.

### **Overview of activities**

During the six months ended 30 June, 2010, the Company continued its usual activities.

### **Results**

The net asset value of the Company as at 30 June, 2010 amounts to EUR 2,702,511 (31 December, 2009: EUR 5,391,736).

The result after taxation for the six months ended 30 June, 2010 amounts to a profit of EUR 702,511 (31 December, 2009: profit of EUR 3,391,736).

### **Audit committee**

The Company is a so-called Public Interest Entity ("Organisatie van Openbaar Belang") which requires the establishment of an Audit committee. The audit committee tasks on corporate governance are performed by the board of supervisory directors, the supervisory directors are Mr. W. Anzengruber and Mr. J. Sereinig.

### **Future outlook**

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

### **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 unaudited semi-annual accounts now presented.

## **Report of the management - Continued**

### **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, 16 August 2010

Mr. A. Wollein

Mr. P. Oosthoek

## Balance sheet as at 30 June 2010

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

	Notes	30-Jun-10	31-Dec-09
<b>Fixed assets</b>			
Financial fixed assets	1	3,469,509,365	3,328,588,950
<i>Total fixed assets</i>		<u>3,469,509,365</u>	<u>3,328,588,950</u>
<b>Current assets</b>			
Receivables			
Amounts owed to group entities	2	161,451,475	128,385,474
Taxation	3	(240,457)	(1,038,910)
Prepayment of guarantee fee	4	7,887,644	7,269,641
Prepayments and accrued income	5	48,864	(2,197)
Capitalized loan fees Facility Agreement	6	229,353	302,550
Cash and cash equivalents	7	77,758	60,401
<i>Total current assets</i>		<u>169,454,636</u>	<u>134,976,959</u>
<b>Total assets</b>		3,638,964,001	3,463,565,909
<b>Current liabilities (due within one year)</b>			
Amounts due to group entities and credit institutions	8	435,278,144	101,857,902
Accruals and deferred income	9	2,889	18,200
<i>Total current liabilities</i>		<u>435,281,033</u>	<u>101,876,102</u>
<b>Current assets less current liabilities</b>		(265,826,397)	33,100,857
<b>Total assets less current liabilities</b>		3,203,682,968	3,361,689,807
<b>Long term liabilities (due after one year)</b>			
Loans from group entities	10	243,000,000	578,250,000
Loans from third parties and bonds	11	2,957,980,457	2,778,048,071
<i>Total long term liabilities</i>		<u>3,200,980,457</u>	<u>3,356,298,071</u>
		<u>2,702,511</u>	<u>5,391,736</u>
<b>Capital and reserves</b>	12		
Paid up and called up share capital		1,000,000	1,000,000
Share premium account		1,000,000	1,000,000
Unappropriated results		702,511	3,391,736
<i>Total Shareholder's equity</i>		<u>2,702,511</u>	<u>5,391,736</u>
<b>Total long term liabilities plus equity</b>		3,203,682,968	3,361,689,807

The accompanying notes form an integral part of these unaudited semi-annual accounts.

## Profit and Loss account for the six months ended 30 June, 2010

	Notes	Six months ended 30 June 2010	Six months ended 30 June 2009
(Expressed in Euros)			
<b>Finance activities</b>			
Interest on provided loans	13	75,198,979	43,579,211
Interest on received loans	14	(69,201,123)	(40,522,053)
<i>Result finance activities</i>		<u>5,997,856</u>	<u>3,057,158</u>
<b>Other financial income and expenses</b>			
Other interest income	15	185,000	407,070
Other interest charges	16	(8,723,594)	(4,151,269)
Other financial expenses	17	(1,478,070)	(1,028,958)
Other operating income		350	0
<i>Total other financial income and expenses</i>		<u>(10,016,314)</u>	<u>(4,773,157)</u>
<b>Other income and expenses</b>			
Capital management fee and advices		5,152,169	3,368,364
General and administrative expenses	18	(190,705)	(241,221)
Currency exchange results		(38)	4
<i>Total other income and expenses</i>		<u>4,961,426</u>	<u>3,127,147</u>
<b>Result before taxation</b>		<u>942,968</u>	<u>1,411,147</u>
Corporate income tax	19	(240,457)	(360,236)
<b>Result after taxation</b>		<u><u>702,511</u></u>	<u><u>1,050,911</u></u>

The accompanying notes form an integral part of these unaudited semi-annual accounts.

## Cash flow statement as at 30 June 2010

	30-Jun-10	31-Dec-09
(Expressed in Euros)		
<b>Cash flow from operating activities</b>		
Result after taxation	702,511	3,391,736
Add back amortisation	73,197	146,395
	<u>775,708</u>	<u>3,538,131</u>
Less: increase in taxation, prepayments and accrued income	(1,467,517)	(3,610,419)
Add / (less): increase / (decrease) in accruals and deferred income	<u>(15,311)</u>	<u>8,152</u>
	<u>(707,119)</u>	<u>(64,136)</u>
 Proceeds/(Repayments) from amounts owed by group companies	 (140,920,415)	 (1,962,763,749)
(Loans granted)/Repayments to group companies	(33,066,001)	(83,395,081)
 Repayments from borrowings - third parties	 193,390,968	 1,748,289,584
Repayments from borrowings - group companies	<u>(15,288,339)</u>	<u>298,334,076</u>
 <b>Net cash flow from operating activities</b>	 3,409,093	 400,694
 Cash flow from investing activities	 <u>(3,391,736)</u>	 <u>(411,762)</u>
Dividends distributed		
 <b>Net cash flow from financing activities</b>	 <u>(3,391,736)</u>	 <u>(411,762)</u>
 <b>Net cash flow</b>	 17,357	 (11,068)
 <b>Cash and cash equivalents as at 1 January 2010</b>	 <u>60,401</u>	 <u>71,469</u>
 <b>Cash and cash equivalents as at 30 June 2010</b>	 77,758	 60,401

The accompanying notes form an integral part of these unaudited semi-annual accounts

## **Notes to the semi-annual accounts for the six months ended 30 June, 2010**

### ***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 Verbund AG (the "Shareholder"), formerly known as Österreichische Elektrizitätswirtschafts-Aktiengesellschaft.

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 unaudited semi-annual accounts ended 30 June, 2010 are presented in Euros.

#### **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.



## **Notes to the annual accounts (continued)**

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

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

### **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. Corporate income tax**

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

### **g. 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.

**Balance sheet**

	30-Jun-10 EUR	31-Dec-09 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	58,200,000
c. Loan to AHP, Vienna, Austria	8,521,531	10,225,838
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	34,000,000	37,777,778
k. Loan to APG, Vienna, Austria	84,375,000	87,187,500
l. Loan to Ennskraftwerke AG ("EKW"), Steyr, Austria	0	35,000,000
m. Loan to the Shareholder Verbund AG, Vienna, Austria	500,000,000	500,000,000
n. Loan to Verbund -Telecom Service GmbH ("V-TEL"), Vienna, Austria	10,000,000	0
o. Loan to AHP, Vienna, Austria	89,000,000	89,000,000
p. Loan to AHP, Vienna, Austria	27,000,000	27,000,000
q. Loan to AHP, Vienna, Austria	34,000,000	34,000,000
r. Loan to Verbund Photovoltaics Iberica S.L. ("Photovoltaics"), Madrid, Spain	13,700,000	14,275,000
s. Loan to Verbund International GmbH ("VI"), Vienna, Austria	50,000,000	50,000,000
t. Loan to Verbund - Austrian Delta Wind GmbH ("ADW"), Bruck, Austria	22,000,000	22,000,000
u. Loan to VI, Vienna, Austria	195,000,000	211,250,000
v. Loan to AHP, Vienna, Austria	400,000,000	400,000,000
w. Loan to Austrian Renewable Power GmbH ("ARP"), Vienna, Austria	50,000,000	50,000,000
x. Loan to shareholder Verbund AG, Vienna, Austria	50,000,000	50,000,000
y. Loan to shareholder Verbund AG, Vienna, Austria	840,000,000	840,000,000
z. Loan to VI, Vienna, Austria	200,000,000	200,000,000
aa. Loan to APG, Vienna, Austria	126,000,000	0
bb. Loan to APG, Vienna, Austria	47,500,000	0
cc. Loan to HAOS INVEST Ead ("HAOS"), Sofia, Bulgaria	17,540,000	0
	<b>3,469,509,365</b>	<b>3,328,588,950</b>

The movements in financial fixed assets are as follows:

Balance as per 1 January	3,328,588,950	1,365,825,200
Loans granted	204,000,000	2,023,675,000
Reclassification to short term	(63,079,585)	(60,911,250)
Balance as per 30 June	<b>3,469,509,365</b>	<b>3,328,588,950</b>

- 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 month EURIBOR + 0.1%
- 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%.

## ***Balance sheet (continued)***

- 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%.
- 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 the amount of EUR 250,000,000 has not been secured, matures on 1 March 2015 and attracts an 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 an interest rate of 3 months EURIBOR + 0.1%.
- 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 an fixed interest rate 3.887%
- m. The loan to shareholder Verbund AG 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%.
- n. The loan to V-TEL in the amount of EUR 10,000,000 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 0.40%.
- 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%.

***Balance sheet (continued)***

- t. The loan to ADW in the original amount of EUR 27,000,000 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 published at the OeKB-Website + 2.00%.
- v. Loan to AHP in the amount of EUR 400,000,000 has not been secured, matures on 17 April 2015 and attracts a fixed interest rate of 5.06825%.
- w. Loan to ARP in the 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. Loan to shareholder Verbund AG in the 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. Loan to shareholder Verbund AG in the 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. Loan to (VI) in the amount of EUR 200,000,000 has not been secured, matures on 22 June 2020 and attracts a fixed interest rate of 5.1850%.
- aa. Loan to (APG) in the amount of EUR 135,000,000 has not been secured, matures on 20 May 2025 and attracts a variable interest rate of 6 months EURIBOR + 0.493%.
- bb. Loan to (APG) in the amount of EUR 50.000,000 has not been secured, matures on 9 June 2030 and attracts a variable interest rate of 6 months EURIBOR + 0.568%.
- cc. Loan to (HAOS) in the amount of EUR 19,000,000 has not been secured, matures on 20 May 2023 and attracts a variable interest rate of 6 months EURIBOR + 1.725%.

**Balance sheet (continued)**

	30-Jun-10 EUR	31-Dec-09 EUR
<b>2 Amounts owed to 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	1,150,000
e. Loan to ADW, Vienna, Austria	2,500,000	2,500,000
f. Loan to VI, Vienna, Austria	32,500,000	32,500,000
g. Loan to ALPHA Wind SRL ("ALPHA"), Bucharest, Romania	700,000	300,000
h. Loan to V-TEL Vienna, Austria	0	10,000,000
i. Verbund Finanzierungsservice Gmbh ("VFG"), Vienna, Austria	2,367,870	2,848,484
j. Loan to APG, Vienna, Austria	5,625,000	2,812,500
k. Loan to APG, Vienna, Austria	9,000,000	0
l. Loan to APG, Vienna, Austria	2,500,000	0
m. Loan to HAOS, Vienna, Austria	1,460,000	0
n. Loan to EKW, Steyr, Austria	35,000,000	0
Loan interest receivable APG, Vienna, Austria	2,424,050	7,255,936
Loan interest receivable AHP, Vienna, Austria	12,543,770	18,436,821
Loan interest receivable Shareholder (VG)	923,450	15,131,338
Loan interest receivable V-TEL, Vienna, Austria	40,303	42,800
Loan interest receivable EKW, Steyr, Austria	146,263	155,001
Loan interest receivable Photovoltaics, Madrid, Spain	115,800	140,218
Loan interest receivable ADW, Bruck, Austria	102,933	108,735
Loan interest receivable VI, Vienna, Austria	272,226	19,465
Loan interest receivable ARP, Vienna, Austria	551,533	1,904,626
Loan interest receivable ALPHA, Bucharest, Romania	4,471	5,480
Loan interest receivable HAOS	60,005	0
Loan interest receivable Verbund AG	39,515,050	19,080,124
Loan interest receivable VI, Vienna, Austria	0	2,045,195
	<u>161,451,475</u>	<u>128,385,474</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%.

***Balance sheet (continued)***

- 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 700,000 has not been secured and attracts a variable interest rate of 3 months EURIBOR + 2.50%.
- i. The Company has funds held in a clearing account with Verbund Finanzierungsservice GmbH ("VFG"), Vienna, Austria.
- j. The loan to APG in the original amount of EUR 9,000,000 has not been secured, matures on 25 June 2026 and attracts an fixed interest rate 3.887%
- k. Loan to (APG) in the amount of EUR 9,000,000 has not been secured, matures on 20 May 2025 and attracts a variable interest rate of 6 months EURIBOR + 0.493%.
- l. Loan to (APG) in the amount of EUR 2,500,000 has not been secured, matures on 9 June 2030 and attracts a variable interest rate of 6 months EURIBOR + 0.568%.
- m. Loan to (HAOS) in the amount of EUR 1,460,000 has not been secured, matures on 20 May 2023 and attracts a variable interest rate of 6 months EURIBOR + 1.725%.
- n. Loan to EKW in the 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%.

## ***Balance sheet (continued)***

				<b>30-Jun-10</b>	<b>31-Dec-09</b>
				<b>EUR</b>	<b>EUR</b>
<b>3 Taxation</b>					
Corporate income tax				(240,457)	(1,038,910)
				<u>(240,457)</u>	<u>(1,038,910)</u>
Corporate income tax summary	30.06.09	Paid/(Received)	P/L account		30.06.10
2010	0	0	(240,457)		(240,457)
2009	(359,843)	359,843	0		0
2008	(25,091)	25,091	0		0
Total	<u>(384,934)</u>	<u>384,934</u>	<u>(240,457)</u>		<u>(240,457)</u>
<b>4 Prepayment of guarantee fee</b>					
Prepayment of guarantee fee				7,887,644	7,269,641
				<u>7,887,644</u>	<u>7,269,641</u>
<b>5 Prepayments and accrued income</b>					
Prepayments				52,624	0
VAT receivable				(3,760)	(2,197)
				<u>48,864</u>	<u>(2,197)</u>
<b>6 Capitalized loan fees Facility Agreement</b>					
Accumulated amortization				1,135,450	1,135,450
				<u>(906,097)</u>	<u>(832,900)</u>
				<u>229,353</u>	<u>302,550</u>
Balance as at 1 January				302,550	448,945
Amortization				<u>(73,198)</u>	<u>(146,395)</u>
Balance as at 30 June				<u>229,353</u>	<u>302,550</u>
<b>7 Cash and cash equivalents</b>					
Current account				77,758	60,401
				<u>77,758</u>	<u>60,401</u>

## ***Balance sheet (continued)***

	<b>30-Jun-10 EUR</b>	<b>31-Dec-09 EUR</b>
<b>8 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	10,000,000	0
Loan from EIB, Luxembourg	5,625,000	2,812,500
Loan from EIB, Luxembourg	2,500,000	0
Loan from shareholder Verbund AG, Vienna, Austria	32,500,000	32,500,000
Loan from Grenzkraftwerke Gesellschaft GmbH (GKW), Simbach, Germany	39,000,000	0
Loan from VFG, Vienna, Austria	280,000,000	0
Loan interest payable to VFG	189,840	207,737
Interest Loan VMSG, Vienna, Austria	21,329	22,439
Interest Loan from EIB, Luxembourg	1,557,316	1,595,713
Interest Loan Facility Agreement	94,792	94,792
Interest Landesbank Baden-Württemberg ("LBBW"), Stuttgart, Germany	3,240,915	980,607
Postsparkasse Aktiengesellschaft ("BAWAG"), Vienna, Austria	2,216,118	402,930
Interest payable EUR 500m 5.00% Bonds of 2007/2014	410,959	12,861,444
Interest payable Series 1, Tranche 1, EUR 500m Notes	4,880,137	16,738,814
Interest payable Series 2, Tranche 1, EUR 840m Notes	38,260,274	18,244,203
Interest payable Series 3, Tranche 1, EUR 200m Notes	240,411	1,860,395
Interest payable Grenzkraftwerke GmbH ("GKW"), Simbach, Germany	424,667	81,521
Interest payable Energie Klagenfurt GmbH ("EKG"), Klagenfurt, Austria	718,533	81,011
Interest rate swaps	1,449,103	1,425,045
	<u>435,278,144</u>	<u>101,857,902</u>

For specification to the loans from EIB see item 11.

<b>9 Accruals and deferred income</b>		
Accruals	<u>2,889</u>	<u>18,200</u>
	<u>2,889</u>	<u>18,200</u>



## ***Balance sheet (continued)***

	<b>30-Jun-10 EUR</b>	<b>31-Dec-09 EUR</b>
<b>10 Loans from group entities</b>		
a. Loan from VMSG	8,000,000	8,000,000
b. Loan from VFG	0	280,000,000
c. Loan from Verbund AG	195,000,000	211,250,000
d. Loan from Grenzkraftwerke Gesellschaft mbh ("GKW"), Simbach, Germany	0	39,000,000
e. Loan from Energie Klagenfurt GmbH ("EKG"), Klagenfurt, Austria	40,000,000	40,000,000
	<u>243,000,000</u>	<u>578,250,000</u>
Balance as per 1 January	578,250,000	302,000,000
Increase/(Decrease)	(335,250,000)	308,750,000
Reclass from short term loans	0	(32,500,000)
Balance as per 30 June	<u>243,000,000</u>	<u>578,250,000</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, currently 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 Verbund AG 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 of EUR 39,000,000 has not been secured, matures on 21 February 2011 and attracts a fixed interest rate of 1.75%.
- e. The loan from EKG of EUR 40,000,000 has not been secured, matures 9 December 2014 and attracts a fixed interest rate of 3.17%.

## ***Balance sheet (continued)***

	<b>30-Jun-10 EUR</b>	<b>31-Dec-09 EUR</b>
<b>11 Loans from third parties and bonds</b>		
a. Loan from EIB, Luxembourg	34,000,000	37,777,778
b. Loan from EIB, Luxembourg	8,521,531	10,225,838
c. Loan from EIB, Luxembourg	58,200,000	58,200,000
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	84,375,000	87,187,500
g. Loan from EIB, Luxembourg	140,000,000	0
h. Loan from EIB, Luxembourg	47,500,000	0
i. Schuldschein from LBBW, Stuttgart, Germany	9,000,000	9,000,000
j. Schuldschein from LBBW, Stuttgart, Germany	14,000,000	14,000,000
k. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	27,000,000
l. Schuldschein from LBBW, Stuttgart, Germany	27,000,000	27,000,000
m. Schuldschein from LBBW, Stuttgart, Germany	50,000,000	50,000,000
n. Schuldschein from LBBW, Stuttgart, Germany	89,000,000	89,000,000
o. Schuldschein from LBBW, Stuttgart, Germany	34,000,000	34,000,000
p. Bonds from BAWAG, Vienna, Austria	72,672,834	72,672,834
q. EUR 500m 5.00% Bonds of 2007/2014	497,007,078	496,696,875
r. Series 1, Tranche 1 EUR 500m Notes	497,365,139	497,228,417
s. Series 2, Tranche 1 EUR 840m Notes	830,162,589	829,790,426
t. Series 3, Tranche 1 EUR 200m Notes	198,176,286	198,268,403
	<u>2,957,980,457</u>	<u>2,778,048,071</u>
Loans maturing within one year:	0	0
Loans maturing between one and five years:	1,214,667,220	666,839,623
Loans maturing after five year:	<u>1,743,313,238</u>	<u>2,111,208,448</u>
	<u>2,957,980,457</u>	<u>2,778,048,071</u>

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

- 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%.
- 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%.
- 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%.
- 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%.

## ***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%.
- g. The loan from EIB in the original amount of EUR 150,000,000, matures on 20 May 2025, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.393%.
- h. The loan from EIB in the original amount of EUR 50,000,000, matures on 10 June 2030, has not been secured and attracts a variable interest rate of 6 months EURIBOR + 0.468%.
- i. 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%.
- j. 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%.
- k. 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%.
- l. 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%.
- m. 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%.
- n. 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%.
- o. 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%.
- p. 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%.
- q. 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%.
- r. 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%.
- s. 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%.
- t. 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%.

## ***Balance sheet (continued)***

### Capital and reserves

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

### **12 Capital and reserves**

	Share capital	Share premium	Other reserves	Unappr.results
Balance as per 31.12.2008	1,000,000	1,000,000	0	411,762
Transfer	0	0	411,762	(411,762)
Dividend	0	0	(411,762)	0
Result for the period	0	0	0	3,391,736
Balance as per 31.12.2009	1,000,000	1,000,000	0	3,391,736
Transfer	0	0	3,391,736	(3,391,736)
Dividend	0	0	(3,391,736)	0
Result for the period	0	0	0	702,511
Balance as per 30.06.2010	1,000,000	1,000,000	0	702,511

The Company distributed a dividend of EUR 3,391,736 on 19 April 2010.

## ***Profit and loss account***

	<b>Six months ended 30 June 2010</b>	<b>Six months ended 30 June 2009</b>
<b>13 Interest on provided loans</b>		
Interest on loans to group entities	74,945,518	42,941,822
Interest on loans to other entities	253,460	637,389
	<u>75,198,979</u>	<u>43,579,211</u>
<b>14 Interest on received loans</b>		
Interest on long term loans	(5,681,186)	(6,523,267)
Interest on short term loans	0	(190,169)
Interest on bonds	(50,608,788)	(19,467,357)
Interest on loans from third parties	(12,911,150)	(14,341,260)
	<u>(69,201,123)</u>	<u>(40,522,053)</u>
<b>15 Other interest income</b>		
Other interest income	185,000	407,070
	<u>185,000</u>	<u>407,070</u>
<b>16 Other interest charges</b>		
Guarantee fee	(7,294,023)	(3,673,483)
Amortization of capitalised fees on loans	(1,429,571)	(73,198)
Fees on loans from group entities	0	(404,589)
	<u>(8,723,594)</u>	<u>(4,151,269)</u>
<b>17 Other financial expenses</b>		
Other interest expenses	(999,112)	0
Commitment fees	(478,958)	(1,028,958)
	<u>(1,478,070)</u>	<u>(1,028,958)</u>
<b>18 General and administrative expenses</b>		
Administration	(91,105)	(113,127)
Audit fee	0	(31,222)
Legal advice	(23,863)	(23,048)
Consultancy and advisory fees	(39,486)	(51,182)
IT support costs	(1,285)	(1,285)
Bank charges and other fees	(8,593)	(20,257)
Services	(1,318)	(734)
Travel expenses	0	(126)
Sundry expenses	(25,054)	(240)
	<u>(190,705)</u>	<u>(241,221)</u>
<b>19 Corporate income tax</b>		
Corporate income tax 20010	(240,457)	0
Corporate income tax 2009	0	(359,843)
Corporate income tax 2008	0	(393)
	<u>(240,457)</u>	<u>(360,236)</u>