



## Key figures

<b>Burgenland Holding AG</b>		<b>2015/16</b>	<b>2014/15</b>	<b>2013/14</b>
Balance sheet total	EURm	79.8	78.5	78.2
Equity	EURm	79.7	78.5	78.2
Investment income	EURm	9.7	8.4	8.4
Net income	EURm	9.5	8.3	8.2

<b>Energie Burgenland Group</b>		<b>2015/16 preview</b>	<b>2014/15</b>
Electricity sales	GWh	1,170	1,177
Natural gas sales	GWh	1,087	1,105
Revenue	EURm	305.7	334.8
Pre-tax profit	EURm	14.1	27.6
Balance sheet total	EURm	880.5	897.6
Equity	EURm	307.4	316.5

## Energising Burgenland Burgenland Holding AG

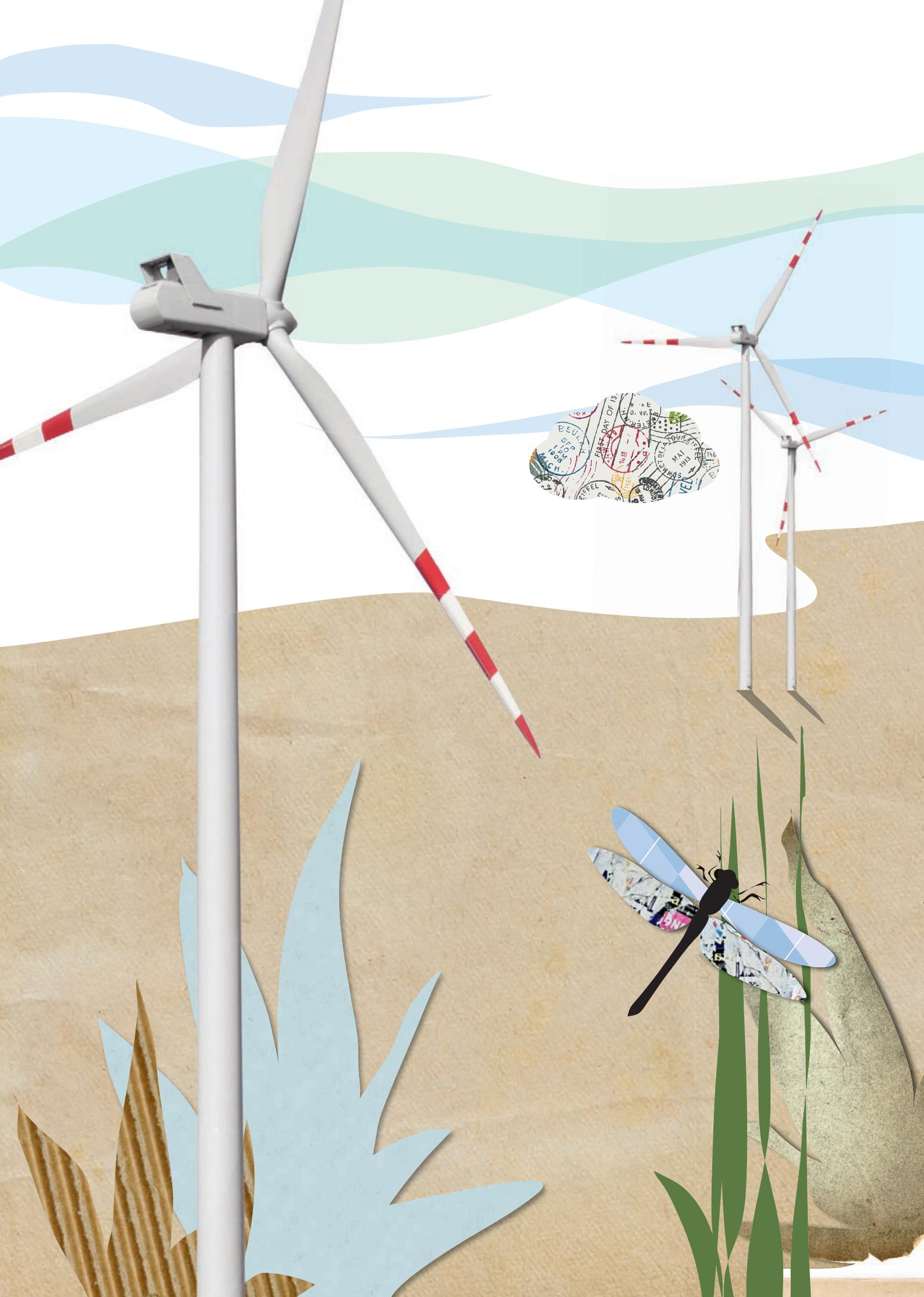
Burgenland Holding AG holds 49% of the share capital of Energie Burgenland AG. The remaining 51% of the shares are held by Burgenländische Landesholding GmbH. The share capital of Energie Burgenland AG amounts to EUR 34.9m.

The shares of Burgenland Holding AG (share capital: EUR 21.81m) are listed on the Official Market of the Vienna Stock Exchange under 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 financial report 2015/16

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## Foreword of the Executive Board



Nikolaus Sauer, Klaus Kohlhuber

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

Once again, Burgenland Holding AG performed very well in the 2015/16 business year. The dividend payout by the associated company Energie Burgenland AG constitutes a significant component of the Company's results.

The performance of Energie Burgenland AG, and thus also of Burgenland Holding AG, is influenced strongly by the surrounding framework of energy industry and energy policy. Mean temperatures were very mild in the reporting period and thus – as was the case with the very low level of wind – below the long-term average. Furthermore, the prices of primary energy sources such as crude oil, natural gas, and coal continued to fall also in the past business year.

As a result of the further expansion of the capacity of electrical energy from renewable resources in Austria and Germany as well as the low prices of primary energy sources and CO<sub>2</sub> emission certificates, electricity prices at the exchanges were also below last year's levels.

Despite this challenging environment, the investment income out of Energie Burgenland AG increased to EUR 9.7m, a rise of 15.5% compared to last year.

The share of Burgenland Holding AG closed at EUR 55.99, thus 9.8% higher than compared to the corresponding period last year.

The positive developments in the past business year allow the Executive Board of Burgenland Holding AG to recommend to the Annual General Meeting the distribution of a dividend of EUR 3.15 per share for the 2015/16 business year.

For the 2016/17 business year, we expect stable results by Burgenland Holding AG, roughly in line with last year's levels.

Eisenstadt, 18 November 2016

Klaus Kohlhuber  
Member of the  
Executive Board

Nikolaus Sauer  
Member of the  
Executive Board

# Corporate Governance Report (pursuant to § 243b UGB)

## Commitment to the Austrian Code of Corporate Governance (ACCG)

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 Executive 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. As of 1 October 2015, Burgenland Holding AG has fully submitted to the ACCG as amended in January 2015.

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 AG. 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. Deviations from R-regulations, which are of purely recommendatory character, do not require any explanation.

As there is no obligation to prepare consolidated group accounts, IFRS is not applied. Reporting is effected pursuant to applicable Austrian financial reporting requirements; Regulations 65, 66, 69 and 70 of the ACCG are not applied.

The Executive 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 ACCG; 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-regulations

Due to peculiarities of the Austrian energy sector as well as the Company, Burgenland Holding AG deviates from the following C-regulations of the ACCG:

**Regulation 16:** No member of the Management Board was elected Chairman. The Company is a holding with a minor extent of operating business activities. Given a two-member Executive Board, appointing a Chairman of the Executive Board would also entail certain disadvantages. Therefore, the Supervisory Board chose not to make such appointment. As this is not subject to any temporal restrictions, changes can be made at any time. The Executive Board acts as a collegial body and has always adopted its resolutions unanimously.

**Regulation 27:** The remuneration of the Management Board does not contain any variable components. The size of the Company, the limited influence on investment income as well as the character of the position as sideline employment are good arguments for a simplified remuneration scheme. Therefore, the Supervisory Board chose not to stipulate any provisions to this effect. As this is not subject to any temporal restrictions, changes can be made at any time. Fixed remuneration as currently in place has proved suitable.

**Regulation 37:** The Chairman of the Supervisory Board communicates with the Management Board as a whole. The Company is a holding with a minor extent of operating business activities. The Supervisory Board therefore refrained from appointing a Chairman of the Executive Board (see justification of Regulation 16). As this is not subject to any temporal restrictions, changes can be made at any time. Coordination of strategy, business development as well as risk management with the full Management Board has worked very smoothly given the limited number of business transactions.

# Corporate bodies

## Executive 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 Executive Board of Burgenland Holding AG since 2011.

Initial appointment: 5 September 2011

End of current term: 4 September 2021

In accordance with the disclosure required by Rule 16 of the ACCG, he holds three Supervisory Board mandates in other companies that are not included in the financial statements.<sup>1)</sup>

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



### Nikolaus Sauer

Born in 1969, Magister iuris, Senior officer at Wasserleitungsverband Nördliches Burgenland; member of the Executive Board of Burgenland Holding AG and Managing Director of WLV GmbH.

Initial appointment: 25 February 2008

End of current term: 24 February 2018

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

## Supervisory Board

Name (Year of birth)	Appointment	Other functions	Independence Regulation 53 <sup>2)</sup>
Stefan Szyszkowitz (1964) Chairman	from 11.03.2011	Member of the Executive Board of EVN AG	yes
Felix Sawerthal (1954) Vice Chairman	from 09.12.1996	Head of Secretariat General and Corporate Affairs of EVN AG	yes
Michael Amerer (1963)	from 31.03.2005	CEO of VERBUND Hydro Power AG	yes
Leopold Buchmayer (1947)	from 22.03.2013	Former Member of the Supervisory Board of Energie Burgenland AG	yes
Marc Hall (1958)	until 18.03.2016	Former CEO of WIENER STADTWERKE Holding AG	yes
Martin Krajcsir (1963)	from 18.03.2016	CEO of WIENER STADTWERKE Holding AG, Member of the Supervisory Board of VERBUND AG	yes
Johannes Lang (1973)	from 20.03.2015	Head of Group Accounting of EVN AG	yes
Werner Perz (1950)	until 18.03.2016	Former 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
Jörg Sollfelner (1974)	from 18.03.2016	Managing Director of ENERGIEALLIANZ Austria GmbH	yes
Ute Teufelberger (1977)	from 21.03.2014	Strategic Business Unit "Energy Supply and Sales" of EVN AG	yes

1) EVN Bulgaria EAD, Member of the Supervisory Board; EVN Macedonia AD, Member of the Supervisory Board; Netz Niederösterreich GmbH, Member of the Supervisory Board

2) 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.

### Compensation Scheme for the Supervisory Board

Compensation of the Supervisory Board was generally revised in the 27<sup>th</sup> Annual General Meeting on 18 March 2016. The remuneration consists of a lump sum of EUR 14,100.00 per year as well as meeting fees of EUR 200.00 per participating member of the Supervisory Board per meeting. The Supervisory Board was authorised to distribute the remuneration of the Supervisory Board among its members according to each member's respective function.

Of the lump sum remuneration of the Supervisory Board in the amount of EUR 14,100.00 per year, the Chairman receives EUR 3,000.00, the Vice Chairman receives EUR 2,000.00, and the seven members of the Supervisory Board are paid EUR 1,300.00 each.

Prior to that, the remuneration of the Supervisory Board had been set as an annual lump sum of approximately TEUR 13.0. Disbursed meeting fees had to be deducted from this amount, with the remainder distributed as compensation of the Supervisory Board.

The following amounts were paid to the individual members of the Supervisory Board in this business year:

### Compensation for the members of the Supervisory Board in the 2015/16 business year

Name (function)	compensation in EUR
Stefan Szyszkowitz (Chairman)	3,321.52
Felix Sawerthal (Vice Chairman)	2,268.89
Michael Amerer	1,766.18
Leopold Buchmayer	839.15
Marc Hall	0.00 (waiver for the benefit of the Company)
Martin Krajcsir	1,050.00
Johannes Lang	1,766.18
Werner Perz	298.16
Georg Reitter	1,766.18
Jörg Sollfelner	1,050.00
Ute Teufelberger	1,457.17

### Committees of the Supervisory Board

Both, the Supervisory Committee and the Personnel Committee consist of the following members of the Supervisory Board:

- Stefan Szyszkowitz (Chairman)
- Felix Sawerthal (Vice Chairman)
- Johannes Lang and
- Georg Reitter.

### 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 Executive 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 Executive 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 Executive 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 of the ACCG 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 Executive Board of another company in which an Executive 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 an Executive Board member or of persons in one of the aforementioned positions.

### Management of the Company by the Executive Board

The Executive Board of Burgenland Holding AG is comprised of two members. On its own responsibility, the Executive 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 Executive 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 Executive 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 Executive Board

The Executive 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 Executive Board include, in particular, quarterly reports about the situation of the Company as well as information on important matters concerning associated companies.

Communication between Executive 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 Executive 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.

### 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 Executive 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 27<sup>th</sup> Annual General Meeting of Burgenland Holding AG of 18 March 2016, can be found on the website of Burgenland Holding AG ([www.buho.at](http://www.buho.at)).

### Clear separation of management and control responsibilities

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

### Supervisory Board

As of 30 September 2016, the Supervisory Board of Burgenland Holding AG comprises a total of nine members elected by the AGM. 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 Executive Board and the Supervisory Board. The Supervisory Board reviews the efficiency of its activities, in particular its organisation and procedures, on an annual basis. This self-evaluation was conducted by means of an extensive written questionnaire.

### Functioning of 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, with the Committees preparing 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 Supervisory Committee performs the following tasks:

- monitoring the accounting process as well as providing recommendations or suggestions to safeguard its reliability;
- monitoring the effectiveness of the internal control system, and of the internal audit system, if applicable, and the Company's risk management system;

- monitoring the audit, taking into account findings and conclusions in the reports of the audit regulatory body;
- examining and monitoring the independence of the auditors, especially with regard to additional services provided for the audited company; furthermore, Art. 5 para 5 of Audit Regulation (EU) 537/2014 has to be observed;
- reporting to the Supervisory Board on the result of the audit and outlining how the audit contributed to the reliability of financial reporting as well as the Supervisory Committee's role in this context;
- auditing the annual accounts and preparing its adoption, examining of the proposal for the distribution of profits, the Management Report and, if applicable, of the Corporate Governance Report as well as reporting to the Supervisory Board about the findings of the audit;
- carrying out the process of selecting the auditor with regard to appropriate fees as well as recommending the appointment of such auditor to the Supervisory Board; Art. 16 of Audit Regulation (EU) 537/2014 shall apply here.

The Supervisory Committee includes the financial expert required by law and Regulation 40 ACCG. The members of the Supervisory Committee are all familiar with the sector in which the Company operates.

The Personnel Committee performs the duties of a nominating and a compensation committee and deals with personnel matters related to the members of the Executive Board including the planning of succession. The Personnel Committee is responsible for all matters regarding the relations between the Company and the members of the Executive Board with the exception of such matters where it is mandatory for the entire Supervisory Board to be involved.

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 Szyszkowitz (Chairman)  
Felix Sawerthal (Vice Chairman)  
Johannes Lang and  
Georg Reitter.

Within the reporting period, the Supervisory Board performed duties and obligations prescribed by law and laid down in the by-laws in five plenary sessions as well as by two circular resolutions. The Supervisory Board's Audit Committee met twice in the 2015/16 business year.

The Supervisory Board's Personnel Committee, which at the same time acts as Nominating and Compensation Committee, passed one circular resolution in the reporting year. Leopold Buchmayer did not take part in any meetings of the Supervisory Board in the current business 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 Executive Board.

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

**Remuneration of the Executive Board (Regulation 31):** Total expenditure on members of the Executive 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 2015/16 business year, the following contracts exceeding minor amounts of remuneration were concluded with EVN Finanzservice GmbH, in which several members of the Supervisory Board have a material economic interest:

The Company's liquid funds were invested at EVN Finanzservice GmbH mainly in the process of investment agreements with a commitment period of several months; total return in the 2015/16 business year amounted to EUR 25,209.35.

The following contracts exceeding minor amounts of remuneration with EVN AG and EVN Finanzservice GmbH, in which several members of the Supervisory Board have a material economic interest, are in place from previous years:

The cash-pooling-agreement with EVN Finanzservice GmbH is used for short-term liquidity planning, causing interest expenses of EUR 40.27 for the 2015/16 business year.

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 2015/16 business year amounted to EUR 102,806.00.

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-Beteiligungsholding GmbH as the group parent. For this purpose, a consolidated tax group contract was concluded with EVN AG in September 2014. A tax allocation of EUR 45,506.80 was recorded for the 2015/16 business year.

**Compensation Scheme for the Supervisory Board (Regulation 51):** Please refer to notes on the Supervisory Board on page 6.

**Directors' Dealings (Regulation 73):** No business transaction involving shares of Burgenland Holding AG was reported by any member of a corporate body in the 2015/16 business year.

**Measures to promote women on the Executive 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.

One position on the Executive Board was extended in the past business year. Even though the position was advertised in accordance with the Staffing Act, no female candidates applied. When filling two seats on the Supervisory Board, every effort was made to find the best possible person for the position regardless of gender.

**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. A second permanent area of confidentiality was set up in September of the 2015/16 business year. A project-related area of confidentiality existed during the year. This area is monitored and administered by a Compliance Officer, who reports directly to the Executive 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 2015/16 business year.

**Audit of compliance with the ACCG by KPMG Austria**

Please refer to [www.buho.at](http://www.buho.at) to find the report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, on their audit of the Corporate Governance Report pursuant to § 96 para 2 AktG issued by Burgenland Holding AG, Eisenstadt, as well as compliance with the ACCG.

Eisenstadt, 18 November 2016



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board



Der Saker-  
falke nutzt gerne verlassene  
Brutplätze anderer Arten, deshalb  
werden im Burgenland künstliche Nisthöhlen  
auf Strommasten montiert,  
um den Bestand zu stabilisieren.

# Energie Burgenland Group

## Business development 2015/16 (preview)<sup>1)</sup>

### 1 October 2015 – 30 September 2016

#### Highlights

- Reduction of electricity and natural gas prices by 5% as of 1 October 2015; another natural gas price reduction by 7% as of 1 May 2016
- Opening of biomass heating plant Bad Tatzmannsdorf
- Start of direct marketing wind power as well as car sharing with electric cars
- Ongoing rollout of smart meters
- Design and resolution of "Energie Burgenland FIT 2020" efficiency project
- Stable dividend expectations for the past business year

The generation of ecological energy remains one focus of Energie Burgenland. Thus, 16 wind parks with 229 wind energy plants overall and a total capacity of 516 MW produce around 1,045 GWh of ecological electricity per year.

#### Energy sales and supply

In the 2015/16 business year, electricity sales by Energie Burgenland Vertrieb GmbH & Co KG will amount to 1,170 GWh, a decrease of 0.6% compared to the volume in the corresponding period of the previous year. Furthermore, electricity grid sales will rise 0.5% compared to the 2014/15 business year to 1,786 GWh. Natural gas sales will be 1,087 GWh, around 1.6% less than last year. Compared to the previous business year, grid sales of natural gas will drop 4.9% to 2,151 GWh.

#### Income situation

Revenue of Energie Burgenland Group are expected to amount to EUR 305.7m, which corresponds to a decrease of 8.7% compared to the previous period, which will mainly be the result of very low winds. Pre-tax profit will be EUR 14.1m, corresponding to a drop from last year by 49.0%.

#### Financial situation

Operating cash flow is expected to come in at EUR 66.7m, with the net cash flow from operating activities amounting to EUR 56.3m.

#### Balance sheet and capital structure

As of 30 September 2016, the balance sheet total is estimated to amount to EUR 880.5m, with non-current assets (EUR 728.2m) accounting for 82.7% of total assets. Shareholders' equity

including untaxed reserves will amount to EUR 307.4m, resulting in an equity ratio of 34.9%. Taking into account construction and investment grants, the equity ratio rises to 48.8%.

#### Outlook

The densification of wind farms as well as the expansion of existing wind parks will be boosted further in the 2016/17 business year:

- Construction Pama Süd wind park
- Construction Zurndorf II expansion
- Construction Parndorf V/Bruckneudorf
- Expansion of Zurndorf and Pama transformer stations, new construction of Bruckneudorf transformer station

The prices of electricity and natural gas were lowered once more by 5% as of 1 October 2016.

Implementing the "Energie Burgenland FIT 2020" efficiency project resulted in, among other things, an overhaul of the organisational structure as of 1 October 2016.

For the 2016/17 business year, investments in the electricity grid, the natural gas grid, and the wind energy sector (transformer stations) are planned to amount to EUR 45.6m, EUR 11.1m, and EUR 5.6m, respectively.

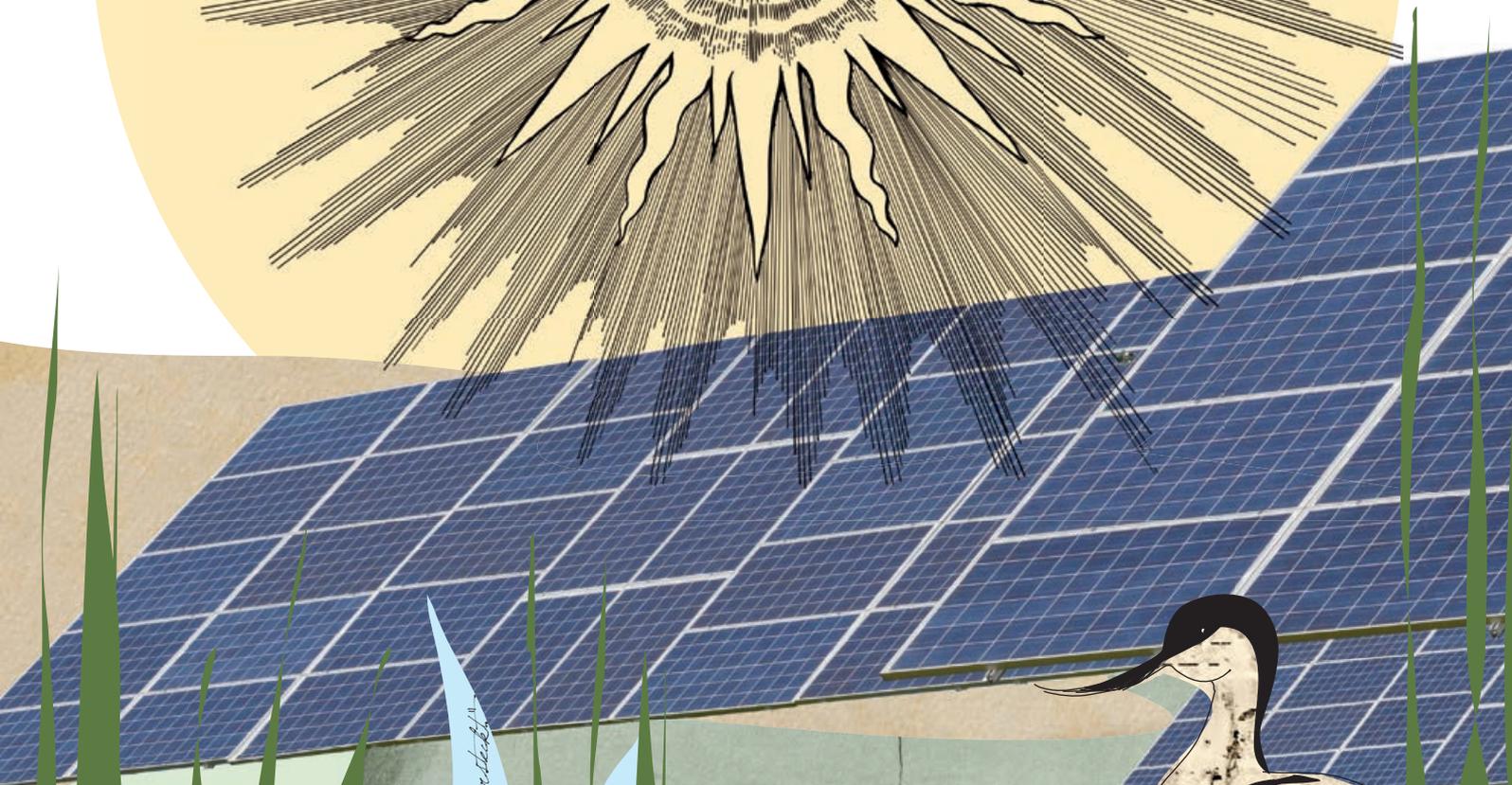
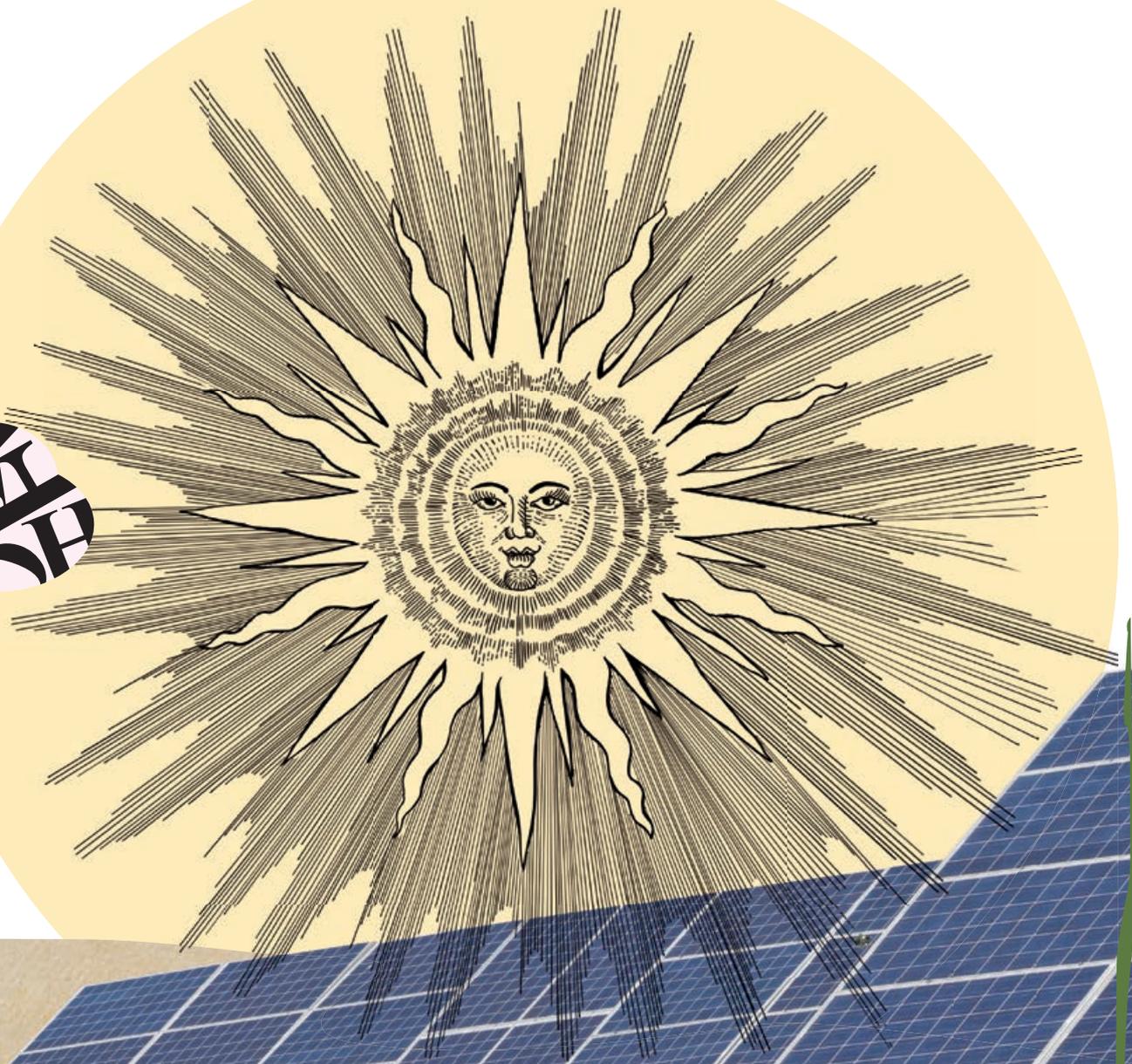
The dividend for the 2015/16 business year is expected to be roughly at last year's levels.

Energie Burgenland AG – Group		2015/16 preview
Electricity sales volumes	GWh	1,170
Grid sales (electricity)	GWh	1,786
Natural gas sales volumes	GWh	1,087
Grid sales (natural gas)	GWh	2,151
Revenue	EURm	305.7
Pre-tax profit	EURm	14.1
Balance sheet total	EURm	880.5
Equity <sup>2)</sup>	EURm	307.4
Operating cash flow	EURm	66.7

2) Equity incl. untaxed reserves

1) At the time of printing, the final financial statements of Energie Burgenland AG as of 30 September 2016 were not yet available. Therefore, the data presented are based on forecasts and are built on the interim statements as of 30 June 2016.

STEFAN



Die Groß ist die Sonne  
Hell und warm ihr Licht  
Niemand könnte ohne Sonne sein  
Eine dicke Wolke hat sie zugeleckt  
Doch schon ruft sie: Da bin ich, Ich hab mich nur versteckt!

# Management report

## Energy policy environment

### European energy and climate policy

#### European climate policy

In October 2014, the Heads of State and Government of the EU – based on the 2020 Climate and Energy Package – defined a framework for climate and energy policy up to 2030. Under said framework, the EU endeavours to meet the following three main targets by the year 2030:

- Reduction of greenhouse gas emissions by at least 40% (compared to 1990 levels)
- Increase of the share of renewable energy in the total energy mix to at least 27%
- Increase in energy efficiency by at least 27% (compared to 2007 levels)

These targets are intended to meet the longer-term goals of the 2050 Energy Road Map and the Transport White Paper for the transition to a competitive low-CO<sub>2</sub> economy by 2050. European climate policy thus follows the global goals agreed in the course of the UN Climate Conference in Paris in December 2015.

#### Emission trading

By resolution of the European Commission, the auction of 900 million CO<sub>2</sub> emission certificates was postponed to the years 2019 and 2020 (“backloading”), and a reduction in certificates was stipulated starting in 2019, to be controlled by a market stability reserve. This mechanism is supposed to add emission certificates to or take them from the market in accordance with the economic situation. In the final trading period (2021–2030), the number of certificates will be reduced by 2.2% annually.

#### Market design for electricity

The presentation of the so called “winter package” regarding the design of the electricity market is expected for the end of 2017. With the new legal requirements contained in that package, the EU Commission, among other goals, wants to safeguard the market-oriented implementation of renewable generation as well as the provision of sufficient generation capacity needed for supply security.

#### German-Austrian electricity price zone

Both the Agency for the Cooperation of Energy Regulators (ACER) and the German Federal Grid Agency are currently promoting measures that would lead to a split in the medium term

of the joint electricity price zone which has existed between Austria and Germany since 2002. The Austrian side – in particular Oesterreichs Energie and the Austrian electricity regulator – rejects such efforts, among other arguments with regard to the goal of establishing an integrated internal EU energy market as well as ongoing grid shortages within Germany. Irrespective of the – for now – unclear outcome of current negotiations on this issue between ACER and the European Network of Transmission System Operators for Electricity (ENTSOE-E), it has to be assumed that Burgenland Holding AG will not be affected directly by any changes in the German-Austrian electricity price zone in the 2016/17 business year. Any future consequences beyond that cannot be predicted at this point.

#### Energy strategy 2030

The Austrian Federal Government has set itself the goal of defining an energy strategy up to 2030. The desired energy system is to be efficient, affordable and socially sustainable. Ensuring supply security, wealth and competitiveness as well as an intact environment were defined as the overriding objectives. The associated company Energie Burgenland AG supports those goals and contributes to their implementation by means of its investment programme focussing on its Burgenland home market. In the spring of 2016, the Austrian Federal Government presented for consultation a Green Paper to serve as a basis for an informed and fact-based discussion on an integrated energy and climate strategy. In doing so, the Federal Government, in addition to the goals by 2030, is keeping an eye on long-term perspectives by 2050. Based on the now completed consultations, a White Paper is to be drafted in the first half of 2017.

#### Regulatory environment

The new regulation periods for natural gas grids and electricity grids in Austria started on 1 January 2013, and 1 January 2014, respectively, with both periods extending over five years. Accordingly, new regulation methods for the natural gas distribution grids are to be determined in the autumn of 2017 to take effect as of 1 January 2018. Important parameters of the applied regulation model include, besides the weighted cost of capital rate, those productivity factors which are generally stipulated for all companies and, in addition, individually for each company. They form the cost reduction target applying to each company individually. In an industry-wide comparison, the grid company of the associated company Energie Burgenland AG enjoys a very favourable rating by the regulator in terms of efficiency.

# Management report

## Economic and Energy industry

### Economic environment

The global economy has been slow to pick up since the middle of 2015. Factors weighing down the economy include various uncertainties such as the British decision to leave the EU, protectionist tendencies, and geopolitical risks.

Despite persistent structural problems, however, there are clear indicators for the economic situation stabilising in emerging markets. The latter benefit from increasing prices of raw materials as well as the improvement of economic activity in China.

The forecasts for the US economy, however, have recently been revised downward, with GDP growth consequently dropping behind that of the European Union. Economic growth in the EU is expected to reach between 1.7% and 1.8% for 2016 and between 1.4% and 1.6% for 2017.

The economic development in Austria in 2016 so far can be described as moderate; judging by the leading indicators published most recently, this trend can be expected to continue. This hesitant economic growth continues to be driven mostly by domestic demand. While private consumption may be growing at a slower pace than was hoped for at the beginning of the year, economic researchers still anticipate positive impulses from the construction sector, which appears to have overcome its crisis, and gross fixed capital formation, which is set to show the strongest growth since 2011. This should result in Austria's economic development catching up with the EU average. GDP is expected to grow between 1.5% and 1.7% in the current year 2016. A slightly lower figure of 1.3% to 1.5% is expected for 2017, which, however, is in line with the forecast for the EU as a whole, which has also been revised downward slightly.

### Energy industry

The performance in the energy sector of the associated company Energie Burgenland AG is determined largely by external factors. With regard to household customers, it is mostly weather conditions that are relevant for the demand for electricity, natural gas, and heat, while the demand of industrial customers is determined mainly by the economic development. Mean temperatures in the markets relevant for Energie Burgenland AG turned out to be very mild in the reporting period. The winter months in particular were markedly warmer than usual. Like last year, heating degree day totals in Austria were below the long-term average.

At EUR 38.0 per barrel, the average price of Brent Crude in the 2015/16 business year was 27.9% below last year's levels, mostly due to the excess supply existing worldwide. Similarly, the average EEX price for natural gas decreased by 32.5%, to EUR 14.4 per MWh, not least because of the higher temperatures in the reporting period, which dampened demand in the spot markets. The drop in the price of coal by 14.4% to EUR 46.2 per tonne, however, was mostly the result of weaker demand in China. A sharp increase in the price of CO<sub>2</sub> emission certificates in the first quarter of 2015/16 to EUR 8.4 per tonne was followed by a decline to EUR 6.1 per tonne at the end of the business year.

Furthermore, the decrease in the spot and forward prices of base load and peak load electricity continued in the reporting period. The main factors responsible for this were the further expansion of the capacity of electrical energy from renewable resources in Austria and Germany as well as the low prices of primary energy sources and CO<sub>2</sub> emission certificates. Towards the end of the business year, the forward prices of electricity as well as the prices of primary energy and CO<sub>2</sub> emission certificates rose as a result of the temporary loss of production capacities in France. On average, the forward prices of base load electricity dropped 12.8% to EUR 30.4 per MWh in the reporting period, with those of peak load electricity decreasing 13.0% to EUR 38.2 per MWh. The spot prices of base load electricity dropped 13.2% to EUR 27.8 per MWh in the reporting period, and those of peak load electricity decreased 14.2% to EUR 34.2 per MWh.

# Burgenland Holding AG

## Business development

### 1 October 2015 – 30 September 2016

#### Highlights

- Dividend payout of Energie Burgenland AG and CEESEG AG markedly above last year's levels
- Another increase in the profit for the year for 2015/16 compared to previous years
- Recommendation to the AGM: Dividend of EUR 3.15 per share

#### Income situation

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

Overall, Burgenland Holding AG received investment income of EUR 9.7m (2014/15: EUR 8.4m). In addition to the dividend from Energie Burgenland AG in the amount of EUR 9.3m (previous year: EUR 8.3m), a dividend was received from CEESEG AG amounting to EUR 0.37m (previous year: EUR 0.09m).

Despite a drop in interest rates compared to last year, it was possible to generate interest and similar income in the amount of EUR 0.03m (previous year: EUR 0.03m).

Burgenland Holding AG does not employ any personnel.

A recommendation will be made to the AGM to distribute to the shareholders a dividend of EUR 3.15 per share (previous year: EUR 2.75 per share) from the net profits for the 2015/16 business year. This corresponds to a dividend payout of EUR 9.45m.

#### Stable balance sheet and capital structure

The sound balance sheet structure of Burgenland Holding AG remained essentially unchanged in the 2015/16 business year compared to the previous year. The balance sheet total of EUR 79.8m was 1.7% higher than last year. The equity ratio as of the balance sheet date of 30 September 2016 amounts to 99.98%.

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

1. As of 30 September 2016, 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. Form and content of the share certificates are determined by the Executive 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 Executive Board consists of two members who are appointed and removed by the Supervisory Board. Besides complying with the relevant regulations under the Austrian

#### Burgenland Holding AG – Key figures

		2015/16	2014/15	Change in %
Pre-tax profit	EURm	9.5	8.2	15.9
Investment income	EURm	9.7	8.4	15.5
Net income	EURm	9.5	8.3	14.5
Balance sheet total	EURm	79.8	78.5	1.7
Fixed assets	EURm	71.3	71.3	–
Current assets, prepaid expenses and deferred charges	EURm	8.4	7.1	18.3
Equity	EURm	79.7	78.5	1.5
Debt capital	EURm	0.0	0.0	–

Corporation Act, the ownership structure requires in particular compliance with the Staffing Act, which provides for public tender.

7. The Executive Board has no powers pursuant to § 243a para 1 (7) UGB.
8. In the course of restructuring of the associated companies BEWAG and BEGAS in 2012, 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.

For more information, see [www.buho.at](http://www.buho.at).

## Key figures 2015/16 business year

### Income ratios

		TEUR	2015/16	2014/15	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		9,487	8,243	1,244	15.1

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 2015/16.

		2015/16	2014/15	Change in %points
<b>Return on capital</b>				
Return on equity	Pre-tax profit / Average equity	12.0%	10.5%	1.5
Return on investment	EBIT / Average total assets	12.0%	10.5%	1.5

### Balance sheet and financial ratios

		TEUR	2015/16	2014/15	Change nominal	Change in %
<b>Working capital</b>	Current assets – Long-term current assets = Short-term current assets – Short-term debt capital = Working capital		8,412	7,128	1,284	18.0
<b>Equity ratio</b>	Equity / Total assets		99.98%	99.99%	–0.01	–

Burgenland Holding AG does not show any liabilities vis-à-vis credit institutions either as of 30 September 2016 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	2015/16	2014/15	Change nominal	Change in %
Net operating cash flow	9,422	8,231	1,191	14.5
Net investment cash flow	0	0	0	–
Net financing cash flow	–8,250	–8,100	–150	–1.9
Change in cash and cash equivalents affecting cash flow	1,172	131	1,041	–

(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 9.5m, it was possible to generate an operating cash flow of EUR 9.4m. 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 authorizations 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 Executive 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 Energie Burgenland AG, not at Burgenland Holding.

### Events after the balance sheet date

There were no significant events following the end of the 2015/16 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 2015/16, Burgenland Holding AG's investment income for the 2016/17 business year is expected to remain basically unchanged from the previous year.

Eisenstadt, 18 November 2016  
The Executive Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board



# Financial statements 2015/16

## Balance sheet as of 30 September 2016

(Comparison with last year as of 30 September 2015)

Assets	30.09.2016 EUR	30.09.2015 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	8,392,282.60	7,125
2. Other receivables	14,431.93	4
	<b>8,406,714.53</b>	<b>7,129</b>
II. Cash at banks	17,686.61	10
	<b>8,424,401.14</b>	<b>7,140</b>
<b>C. Deferred expenses and accrued income</b>	<b>4,726.75</b>	<b>5</b>
<b>Total assets</b>	<b>79,754,408.69</b>	<b>78,470</b>
<b>Equity and liabilities</b>		
	30.09.2016 EUR	30.09.2015 TEUR
<b>A. Equity</b>		
I. Share capital	<b>21,810,000.00</b>	<b>21,810</b>
II. Capital reserves		
Committed reserves	<b>43,676,373.33</b>	<b>43,676</b>
III. Retained earnings		
Other reserves (free reserves)	<b>4,802,000.00</b>	<b>4,722</b>
IV. Net profit	9,453,250.96	8,251
thereof profit carried forward	588.27	4
	<b>79,741,624.29</b>	<b>78,459</b>
<b>B. Provisions</b>		
Other provisions	<b>12,570.66</b>	<b>11</b>
<b>C. Liabilities</b>		
Other liabilities	<b>213.74</b>	<b>0</b>
<b>Total equity and liabilities</b>	<b>79,754,408.69</b>	<b>78,470</b>

# Income statement

## 1 October 2015 – 30 September 2016

(Period of comparison: 1 October 2014 – 30 September 2015)

	2015/16 EUR	2014/15 TEUR
1. Other operating income:		
a) Other	164.47	0
2. Other operating expenses:		
a) Taxes	-844.70	-1
b) Other	-215,135.65	-206
	<b>-215,980.35</b>	<b>-207</b>
<b>3. Total 1 and 2 (Operating result)</b>	<b>-215,815.88</b>	<b>-207</b>
4. Investment income	9,677,800.00	8,422
thereof from affiliated companies EUR 0.00; (previous year: TEUR 0)		
5. Other interest and similar income	25,212.04	28
thereof from affiliated companies EUR 25,209.35; (previous year: TEUR 28)		
6. Interest and similar expenses	-40.27	0
thereof from affiliated companies EUR 40.27; (previous year: TEUR 0)		
<b>7. Total 4 to 6 (Financial result)</b>	<b>9,702,971.77</b>	<b>8,450</b>
<b>8. Pre-tax profit</b>	<b>9,487,155.89</b>	<b>8,243</b>
9. Taxes on income	45,506.80	84
<b>10. Income for the year</b>	<b>9,532,662.69</b>	<b>8,327</b>
11. Allocation of retained earnings	-80,000.00	-80
12. Profit carry-forward	588.27	4
<b>13. Net profit</b>	<b>9,453,250.96</b>	<b>8,251</b>

# Development of fixed assets

## Fixed asset schedule

EUR	Acquisition cost 01.10.2015	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-Beteiligungs-holding GmbH as the group parent. For this purpose, a consolidated tax group contract 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 standalone 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 30.09.2016	Value adjustments 30.09.2016	Net book value 30.09.2016	Net book value 30.09.2015	Depreciation 2015/16
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	320,959.1	20,171.6	30.09.2015
CEESEG AG (Registered office: Vienna)	0.99	370,175.6	27,975.8	31.12.2015

#### 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	8,392.3 (7,124.9)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
Other receivables and assets	14.4 (4.4)	0.0 (0.0)	0.0 (0.0)	0.0 (0.0)
<b>Total current year</b>	<b>8,406.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total previous year</b>	<b>(7,129.3)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>

The receivables from affiliated companies consist of short-term receivables at EVN Finanzservice GmbH as well as of receivables from capital gains tax and tax allocation against EVN AG within the tax group.

Other receivables and assets are composed mainly of VAT credits vis-à-vis the tax authorities.

Deferred expense and accrued income amounting to EUR 4,726.75 (previous year: TEUR 4.9) 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 30.09.2016	As of 30.09.2015
Supervisory Board reimbursement	9.1	7.4
Audit and legal counsel	3.4	3.4

## Notes to the income statement

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

### Other operating expenditure

Other operating expenditure consists mainly of administrative costs for the Company, membership fees and Company publications. Since the Company does not have any employees of its own, administration of the Company is conducted via service relationships, which, for example, comprise the areas of accounting, legal affairs, management accounting, cash management and investment management; total remuneration in the business year amounted to EUR 102,806.00 (previous year: TEUR 101.6).

### Investment income

Income investment comprises dividend payouts of Energie Burgenland AG for the financial year 2014/15 in the amount of EUR 9,310,000.00 (previous year: TEUR 8,330.0). CEESEG AG paid a dividend for the financial year 2015 of EUR 367,800.00 (previous year: TEUR 92.0).

### Taxes on income

Under the item income taxes mainly the income from tax allocation in the amount of EUR 45,506.80 (previous year: TEUR 84.2) is displayed.

## Other information

### Corporate bodies and employees

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

Klaus Kohlhuber  
Nikolaus Sauer

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

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

Stefan Szyszkowitz (Chairman)  
Felix Sawerthal (Vice Chairman)  
Michael Amerer  
Leopold Buchmayer  
Marc Hall (until 18 March 2016)  
Martin Krajcsir (from 18 March 2016)  
Johannes Lang  
Werner Perz (until 18 March 2016)  
Georg Reitter  
Jörg Sollfelner (from 18 March 2016)  
Ute Teufelberger

The members of the Supervisory Board received compensation in the amount of TEUR 13.8 (previous year: TEUR 11.8). Like in the previous reporting period, the Company does not have any employees. No advances or loans were granted to the members of the Executive 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 2016  
The Executive 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 of

**Burgenland Holding Aktiengesellschaft,  
Eisenstadt, Austria,**

that comprise the statement of financial position as of 30 September 2016, the income statement for the fiscal year then ended, and the notes.

### Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and 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 our 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, we consider 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

Our audit did not give rise to any objections. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 30 September 2016, and its financial performance for the year then ended 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 2016

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:  
Rainer Hassler  
Wirtschaftsprüfer  
(Austrian Chartered Accountant)

# Report of the Supervisory Board to the 28<sup>th</sup> ordinary Annual General Meeting

In all its meetings, the Supervisory Board performed its tasks and exercised its authority in accordance with the law as well as the Company's by-laws. 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 as well as by two circular resolutions. The Supervisory Committee of the Supervisory Board was convened twice in the 2015/16 business year. The Supervisory Board's Personnel Committee, which at the same time acts as Nominating and Compensation Committee, passed one circular resolution in the reporting year.

The Executive Board informed the Supervisory Board about all relevant matters relating to performance, including risk situation and the Company's risk management, in a regular, timely and comprehensive manner. On the basis of those reports, the Supervisory Board continuously monitored and supported the management activities of the Executive Board. Monitoring occurred in the context of an open exchange between the Executive Board and the Supervisory Board and did not give rise to any complaints. Suggestions by the Supervisory Board were taken into consideration by the Executive Board.

## Significant resolutions of the Supervisory Board

The significant resolutions of the Supervisory Board in the 2015/16 business year comprised the approval of the 2016/17 budget, the approval of the annual financial accounts, as well as the resolutions for the Company's AGM. Furthermore, the Supervisory Board determined the Company's voting behaviour in the annual general meetings of Energie Burgenland AG as well as the investment of the dividend.

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

In its meeting on 7 December 2016, the Supervisory Board, based on the report of the Supervisory Committee pursuant to § 96 AktG (Austrian Companies Act), examined the Corporate Governance Report in accordance with the opinion issued by the Austrian Financial Reporting and Auditing Committee in June 2011; this review did not give rise to any complaints.

As a listed company, Burgenland Holding AG is committed to complying with the Austrian Code of Corporate Governance. The Supervisory Board put into effect the Austrian Code of Corporate Governance as amended in January 2015 for Burgenland Holding AG as of the 2015/16 business year. The Supervisory Board endeavours to consistently comply with those regulations of the Code which apply to the Supervisory Board.

As a result, all rules affecting the cooperation of the Supervisory Board with the Executive Board as well as the Supervisory Board itself are being followed with two exceptions that are described accordingly in the Corporate Governance Report.

As required by the Austrian Code of Corporate Governance, the Supervisory Board conducted a self-evaluation of its activities in the reporting year. This was carried out on the basis of an extensive questionnaire covering mainly the organisation and work methods of the Supervisory Board. The findings of the survey were discussed in a plenary session.

## Annual accounts

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, the auditors appointed for the 2015/16 business year from 1 October 2015 to 30 September 2016 audited Burgenland Holding AG's annual financial statements as of 30 September 2016 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.

The Supervisory Board received and reviewed the auditor's report. Pursuant to § 92 AktG as amended in the 2016 Audit Act Amendment Act, the Supervisory Board's Supervisory Committee reported to the Supervisory Board on the result of the audit and its implications for financial reporting.

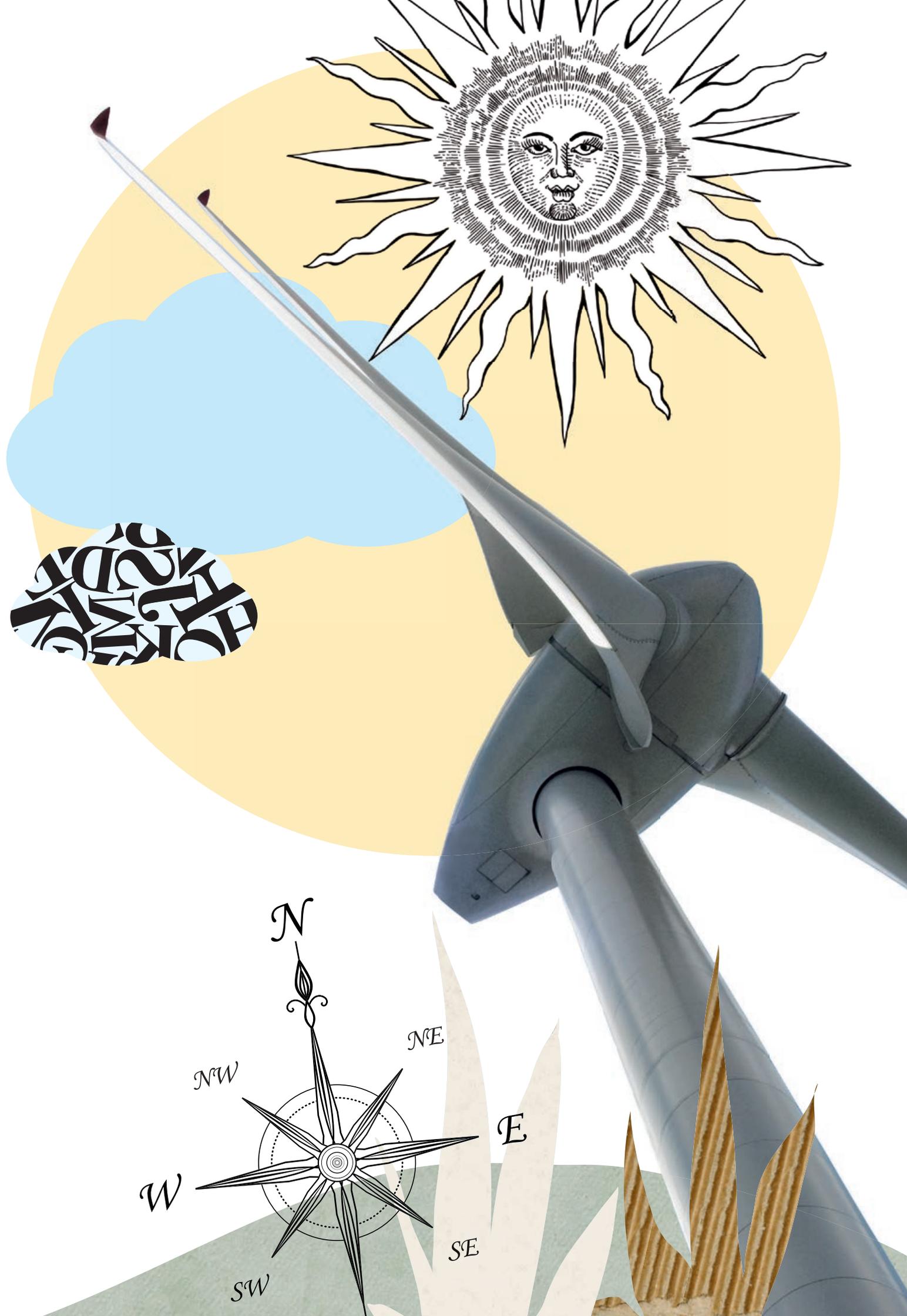
Following a review and discussion in the Supervisory Committee and by the Supervisory Board, the Supervisory Board approved the financial statements as of 30 September 2016 including all notes, Management Report and Corporate Governance Report as well as the recommendation concerning the application of profits as presented by the Executive Board. Consequently, the financial statements as of 30 September 2016 are deemed adopted pursuant to § 96 para 4 AktG.

In conclusion, the Supervisory Board would like to express its gratefulness to the Executive Board for its efforts in the 2015/16 business year.

Eisenstadt, 7 December 2016  
For the Supervisory Board



The Chairman  
Stefan Szyszkowitz



WIND  
ENERGY  
SUSTAINABLE  
POWER  
TECHNOLOGY  
INNOVATION  
GREEN  
ENERGY  
SOLUTIONS  
FOR  
A  
BETTER  
FUTURE

# The Burgenland Holding AG share

The majority of international stock markets showed a positive performance in the 2015/16 business year. After declines in early 2016 and an increase in volatility coupled with short-term losses resulting from the Brexit Referendum about the UK leaving the European Union towards the end of June, the most important stock markets managed to rebound, particularly in the third quarter of 2016. This is true both for the leading American Dow Jones Index, which rose 12.4% from October 2015 to September 2016, as well as for the leading German DAX index, which recorded an increase by 8.8% in the same period. Vienna's leading ATX index gained 7.9% overall in the reporting period. By contrast, the Dow Jones Euro Stoxx Utilities industry index, relevant for Burgenland Holding AG, edged up only 1.2%

The share of Burgenland Holding AG closed at EUR 55.99, thus 9.8% higher than compared to the corresponding period last year. Daily trading volume averaged 18 shares during the reporting period. This results in a trading volume at the Vienna Stock Exchange of EUR 0.24m. As of 30 September 2016, the weighting of the share in Vienna's WBI index was 0.20%, with a market capitalisation of EUR 168m as of the same day.

The Executive Board will recommend the distribution of a dividend of EUR 3.15 per share for the 2015/16 business year at the Annual General Meeting on 17 March 2017.

## Investor information

### Stock performance

		2015/16	2014/15	2013/14
Average daily turnover	Shares	18	24	30
Total share volume	EURm	0.24	0.30	0.32
Highest price	EUR	60.00	60.00	49.80
Lowest price	EUR	47.81	44.51	37.01
Share price at the end of September	EUR	55.99	51.01	45.00
Market capitalisation at the end of September	EURm	168	153	135
WBI weighting at the end of September	%	0.20	0.19	0.17
Dividend per share	EUR	3.15 <sup>1)</sup>	2.75	2.70

1) Proposal to the Annual General Meeting.

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

On the basis of September 2015



# Burgenland Holding AG

## Subsidiaries

### 49% Energie Burgenland AG

#### Energie Burgenland AG investments as of 30 September 2016

100%	Netz Burgenland Strom GmbH	51%	Renewind Energetikai Kft. (Budapest, Hungary)
99%	Netz Burgenland Erdgas GmbH	100%	Eisenstadt e-mobilisiert GmbH
100%	Energie Burgenland Vertrieb GmbH & Co KG	50%	SWP s.r.o. (Bratislava, Slovakia)
100%	Energie Burgenland Windkraft GmbH	50%	PSW – Polska Sila Wiatru Sp. z.o.o. (Warsaw, Poland)
57.6%	EPZ Energieprojekt Zurndorf GmbH & Co KG	100%	Energie Burgenland Biomasse GmbH
57.6%	EP Zurndorf GmbH	100%	Energie Burgenland Biomasse GmbH & Co KG
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH	100%	Energie Burgenland Dienstleistung und Technik GmbH
50%	PAMA-GOLS Windkraftanlagenbetriebs GmbH & Co KG	100%	Energie Burgenland Konzernclearing GmbH
40%	MMW Potzneusiedl GmbH	100%	Energie Burgenland Geoservice GmbH
100%	Multi Megawatt Zwei GmbH	100%	Energie Burgenland Service GmbH
100%	Energie Burgenland Bürgerbeteiligung GmbH	1%	Netz Burgenland Erdgas GmbH
100%	Windpark Baumgarten GmbH	33.33%	EBRZ Erstes Burgenländisches Rechenzentrum GmbH
100%	Windpark Nick Alpha GmbH	100%	PEW Technik+Service GmbH
25%	Windpark Nikitsch GmbH	33.33%	Windpark Mittelburgenland GmbH
20%	Windpark Deutsch Haslau GmbH	10%	ENERGIEALLIANZ Austria GmbH
100%	Energie Burgenland Green Power GmbH	2.52%	APCS Power Clearing and Settlement AG
100%	Green Power Wind Hungária Kft.	0.44%	AGCS Gas Clearing and Settlement AG
100%	WIBE – Windpark Beteiligungs GmbH (Eisenstadt, Austria)	1.48%	CISMO Clearing Integrated Services and Market Operations GmbH
99%	BWP – Bystrický Wind Power s.r.o. (Bratislava, Slovakia)	1%	Biomasse Kraftwerk Güssing GmbH u. Co KG

### 0.99% CEESEG AG

## Proposed application of profits

The Executive Board proposes the distribution of a dividend in the amount of EUR 3.15 per share, totalling EUR 9,450,000.00, from the net profit amounting to EUR 9,453,250.96 and carrying forward the remainder of EUR 3,250.96.

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

pursuant to § 82 para 4 fig 3 Stock Market Act

The Executive 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 2016  
The Executive Board



Klaus Kohlhuber  
Member of the  
Executive Board



Nikolaus Sauer  
Member of the  
Executive Board

# Burgenland Holding AG

## Corporate calendar 2016/17<sup>1)</sup>

Results Q1 2016/17	07.02.2017
Annual General Meeting	17.03.2017
Ex-dividend day	23.03.2017
Record-date	24.03.2017
Dividend payment	30.03.2017
Results HY1 2016/17	24.05.2017
Results Q1–3 2016/17	08.08.2017
Annual results 2016/17	14.12.2017

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 2016.

## Imprint

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