



Annual Report 2008



EXAA Energy Exchange Austria

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Dear Shareholders,  
Dear Ladies and Gentlemen,  
  
The Management Board of EXAA  
is pleased to present the Annual  
Report 2008 and would like to thank  
you for your interest and the trust  
you have placed in us.

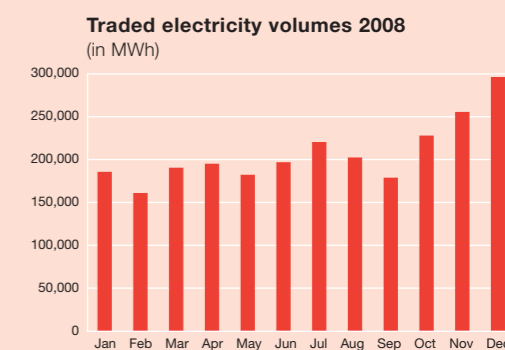
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# Key Performance Ratios

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Key Performance Figures	2008	2007
<i>in EUR</i>		
<b>Sales revenues<sup>1)</sup></b>	<b>970,057</b>	894,437
<b>Operating result</b>	<b>101,305</b>	112,630
<b>Financial result</b>	<b>32,972</b>	13,074
<b>Profit on ordinary business activity</b>	<b>134,277</b>	125,703
<b>Profit/loss for the year</b>	<b>130,777</b>	122,203
<b>Total assets</b>	<b>1,302,407</b>	893,763
<b>Shareholders' equity</b>	<b>883,723</b>	752,946
<b>Depreciation/amortisation</b>	<b>-148,861</b>	-135,320
<i>Spot market electric power</i>		
<b>Trading volume in GWh</b>	<b>2,491</b>	2,266
<b>Trading volume in EUR</b>	<b>161,818,318</b>	90,664,667
<i>Spot market CO<sub>2</sub> allowances</i>		
<b>Trading volume in t</b>	<b>110,508</b>	275,163
<b>Trading volume in EUR</b>	<b>2,169,794</b>	272,018
<b>No. of participants in power trading</b>	<b>49</b>	40
<b>No. of participants in CO<sub>2</sub> trading</b>	<b>28</b>	17
<i>In % of Austrian consumption</i>		
<b>Market share</b>	<b>3.99</b>	3.75

The year 2008 was characterized by a solid development of business in electric power trading. EXAA continued on its successful course of development backed by stable turnover trends.



1) Exclusive of proceeds from power quantities and CO<sub>2</sub> invoiced to third parties

<b>APCS</b>	APCS Power Clearing and Settlement AG
<b>APT</b>	Verbund-Austrian Power Trading AG
<b>APX</b>	Founded in 1998 as the Amsterdam Power Exchange, renamed APX b.V. in 2004
<b>Base (Baseload)</b>	Base load; delivery from 0:00 to 24:00 hr, Monday to Sunday
<b>Belpex</b>	Belgian Power Exchange BELPEX SA; Brussels
<b>CISMO</b>	CISMO Clearing Integrated Services and Market Operations GmbH
<b>CO<sub>2</sub></b>	Carbon dioxide
<b>CWE</b>	Central Western Europe, one of the seven power regions in Europe decided at the Florence Forum in September 2004.
<b>E.ON Netz</b>	E.ON Netz GmbH
<b>EEX</b>	European Energy Exchange AG; Leipzig
<b>EGT</b>	Profit on ordinary business activity
<b>EUA</b>	EU allowances refers to EU emissions rights for CO <sub>2</sub> emissions
<b>EUR</b>	euro
<b>EuroPEX</b>	Association of European Power Exchanges
<b>EXAA</b>	EXAA Abwicklungsstelle für Energieprodukte AG (power exchange)
<b>GWh</b>	Gigawatt hour (1 GWh = 1,000 MWh)
<b>kWh</b>	Kilowatt hour (1 kWh = 1,000 Wh)
<b>MWh</b>	Megawatt hour (1 MWh = 1,000 kWh)
<b>OeKB</b>	Oesterreichische Kontrollbank Aktiengesellschaft
<b>OTC</b>	over the counter
<b>Peak (Peakload)</b>	Peak load, delivery from 8:00 to 20:00 hrs, Monday to Friday, except on holidays
<b>Powernext</b>	Powernext SA; Paris
<b>PwC</b>	PwC PricewaterhouseCoopers
<b>RWE Netz</b>	RWE Transportnetz Strom GmbH
<b>Smarttech</b>	„smart technologies“ Management-Beratungs- und Beteiligungsgesellschaft m.b.H.
<b>t</b>	ton; unit of weight
<b>teem</b>	Training for energy and environmental markets
<b>TEUR</b>	Thousand euro
<b>TWh</b>	Terawatt hour (1 TWh = 1,000 GWh)
<b>UGB</b>	Austrian Commercial Code (Unternehmensgesetzbuch)
<b>Wh</b>	Watt hour, unit of power (electric charge per time unit)

**Dear Shareholders,  
Dear Ladies and Gentlemen,**

It is with great pleasure that EXAA can look back at the successful year 2008. The positive development of business seen in the past was sustained. The earnings figures for 2008 clearly reflect this achievement.

The significantly higher electricity trading volumes contributed to this development, clearly illustrating the growing popularity of EXAA spot trading. The steadily rising number of foreign market participants is a clear indication that the benefits of the EXAA marketplace are appreciated not only in Austria, but are also gaining international recognition.

Moreover, highly satisfactory is the fact that despite the steep increase in trading volumes and project activities, costs have remained largely the same. This reflects the unbroken policy of cautious and efficient business practices.

The concentration tendencies observed in the international power exchange sector is a great strategic challenge for EXAA. Mastering this challenge will be a key task of the management in the coming years. EXAA's efforts will concentrate on cooperation projects in Central and Southeast Europe. Many intensive talks and project evaluations have been conducted in the past few years. In 2009, the sustained focus on these activities and the continued liberalization of the energy markets will result in concrete business activities.

This Annual Report reflects EXAA's achievements in the past year and is testimony to the commitment of the staff and Management Board of the company. I would like to express my appreciation and recognition for the work performed.

Dear shareholders, ladies and gentlemen, we would also like to thank you for the trust you have placed in our company in the past year and would like to assure that we will continue to make our best effort to keep your trust.

Vienna, May 2009



Hansjörg Tengg



Hansjörg Tengg



Rudolf Schneider

**Dear Shareholders,  
Dear Ladies and Gentlemen,**

As members of the Management Board, it is our pleasure to present this Annual Report of EXAA. It clearly reflects the sustained success achieved in the development of business in past years.

The trend was particularly pleasing on the electricity market. The traded volume of electricity on EXAA in 2008 was the highest in the history of the company at 2,491 GWh. Significant gains in trading volumes were achieved, especially in the last quarter, and monthly trading volumes hit all-time highs as a result. This is all the more pleasing considering that the overall economic conditions deteriorated sharply around the end of the year. Above all, our work in the past years to optimize risk management was proven very successful during the most difficult phase of the banking and financial crisis. In close cooperation with our clearing bank, OeKB, EXAA managed to avoid all problems in trading and in the financial settlement of transactions.

This positive upwards trend was confirmed once again in a survey of international electricity traders conducted by the international management consultant PriceWaterhouseCoopers entitled "Electricity Trading in Central and Eastern Europe". EXAA's ranking improved again and was announced the exchange with the most secure trading system and the most attractive trading fees in the region.

This shows that the business policy measures taken in the past years are bearing fruit. Therefore, we will continue our strategy of positioning EXAA internationally and sustainably as an attractive trading platform.

We also have to mention that CO<sub>2</sub> trading was sluggish in the past year due to the difficult external framework conditions. There were many cases of delayed national allocations of emissions allowances and this resulted in lower-than-expected trading volumes on EXAA despite the significant cut in trading fees and the simplification of membership procedures as well as of risk management.

We would like to express our thanks and recognition to all of our employees for their exemplary commitment in the past business year that has helped us achieve success as a company.

As the Management Board, we would like to thank our shareholders and the Supervisory Board for the trust they have placed in us. We will continue to work hard to meet your expectations.

Vienna, May 2009

Rudolf Schneider

Jürgen Wahl



Jürgen Wahl

### 1st Quarter

- Implementation of new concept for CO<sub>2</sub> marketing & sales
- Introduction of improvements to risk management for the electricity market
- Introduction of Agent Clearing Members for the electricity market
- The 40<sup>th</sup> trading member joins the electricity market
- EXAA takes part in E-world in Essen, Germany, as an exhibitor

### 2nd Quarter

- 1 April is the first day of trading in CO<sub>2</sub> allowances in the new period
- On 7 March, a new daily record on the electricity market is broken at 16,745.4 MWh
- A higher weighting of market orders in quantity allocations on the electricity exchange is introduced
- Introduction of Mozilla Firefox support for the trading platform
- EXAA takes part in Carbon Expo in Cologne, Germany, as an exhibitor.
- Traders from 17 countries attend the trader group meeting and customer event on 17 June.

### 3rd Quarter

- A new monthly record is broken on the electricity market at 220,220.8 MWh in July.
- A survey of traders conducted by PwC confirms the successful course pursued by EXAA.
- Introduction of two new block products on the electricity market.
- Start of preparations for a training concept for the power market under the brand name "teem"

### 4th Quarter

- In October, a new record is broken on the electricity market at 227,638.0 MWh.
- Start of sales and acquisition activities for teem training courses.
- Another record turnover is achieved in November at 255,114.4 MWh.
- In December, the record on the electricity market is broken again at 295,552.9 MWh.
- Start of a periodical publication with extensive information for the electricity market.

EXAA (Energy Exchange Austria) is Austria's energy and environmental exchange with its registered office in Vienna. EXAA was founded on 8 June 2001 and started spot market trading in electric power on 21 March 2002. Since then, EXAA has developed into a major platform for efficient trading that makes use of the possibilities offered by a liberalized energy market in Central Europe. In June 2005, trading started in European CO<sub>2</sub> emissions allowances in the market segment for environmental products.

**Market participants** The significance of a marketplace is determined mainly by its participants. As of 31 December 2008, there were 63 firms from 14 countries trading on EXAA, with the share of non-Austrian firms accounting for the majority.

**Internationalization plans** Starting out from the electricity spot market with physical fulfillment in the Austria delivery zones, EXAA enlarged the trading zones in 2004 to include the German control area of E.ON and in 2005 that of RWE. EXAA's medium to long term goal is to develop cross-border electricity trading in the Alpine region as well as in Central and Southeast Europe.

Jointly with the partner firms of the CISMOgroup, EXAA has been working for some time to establish marketplaces in Central and Southeast Europe. EXAA plays an active role in the establishment of a coordinated and integrated energy market in the region, contributing its many contacts in the energy industry of the region.

### 1. Report on the Development of Business and Economic Situation

#### 1.1. The economic environment

Energy exchanges have become an established part of the liberalized energy markets in Europe. They serve as an important supplement to OTC trading, which is direct trading between two partners, and also function as independent price barometer.

Developments throughout Europe in the past few years have shown that electricity trading on exchanges is characterized by concentration tendencies.

Apart from the common Scandinavian energy exchange, Nord Pool, in Western Europe the exchanges of Powernext, APX and Belpex have joined forces to offer cross-border trading (Trilateral Market Coupling). Furthermore, in the CWE (Central West Europe) region, an initiative has been started to set up a coupling venture with five partners that consists of tri-lateral exchange trading between France, Belgium and the Netherlands with Germany and Luxembourg. The start is planned for January 2010. The merger of the spot markets EEX and Powernext has progressed and it is expected to be completed in the course of 2009.

Moreover, in the year just completed, initiatives were started in regions of importance for EXAA to introduce cross-border exchange trading. Thus, in mid-2009, the introduction of cross-border trading between the Czech Republic and Slovakia is planned. In Hungary there are plans to establish an exchange that should go into operation coupled with the Romanian market in the course of 2009 or beginning of 2010. Furthermore, in 2009 a project initiative was started to link the national exchanges in Italy and Slovenia, with no time limit having been defined up to now.

Cooperation has improved further among the involved transmission grid operators in the field of legal rights in the cross-border transmission of electric power in Central and Eastern Europe. In 2008, a central coordination office of the transmission grid operators of the region was set up in Freising, Germany, that is scheduled to start with the coordination of computing and auctioning of transport capacities as of the end of 2009.

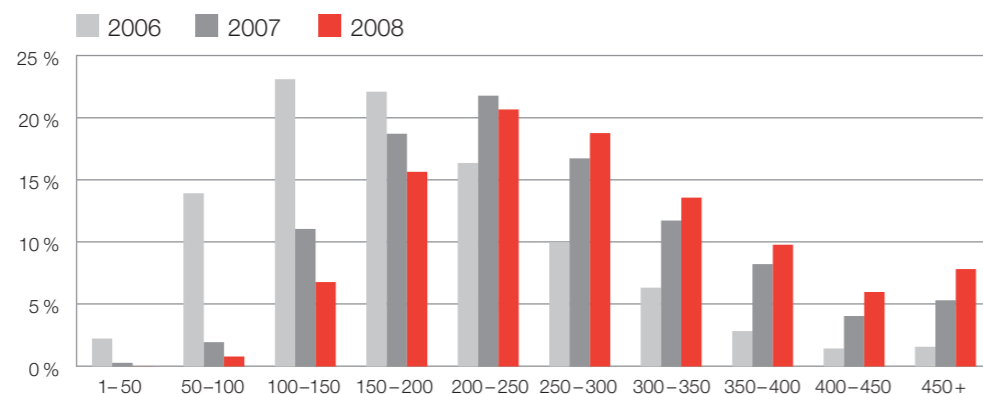
Generally, closer cooperation among electricity exchanges has helped to increase the significance of exchange trading in the energy market. As a result, the discussion throughout Europe on how to deal with bottlenecks in cross-border transport capacities has become more intense and livelier. For EXAA, this trend means that international cooperation along the Alpine ridge and in Central and Southeast Europe should be pursued more vigorously and that collaboration with Austria's neighbours should be intensified.

This is also why EXAA takes advantage of its membership in EuroPEX ([www.europex.org](http://www.europex.org)), the association of European electricity exchanges, to follow and become involved in developments and discussions at the European level.

### 1.2. Spot market trading in electric power

Compared to the preceding year, liquidity on EXAA in 2008 improved further through the acquisition of new trading members and a number of improvements to the trading system.

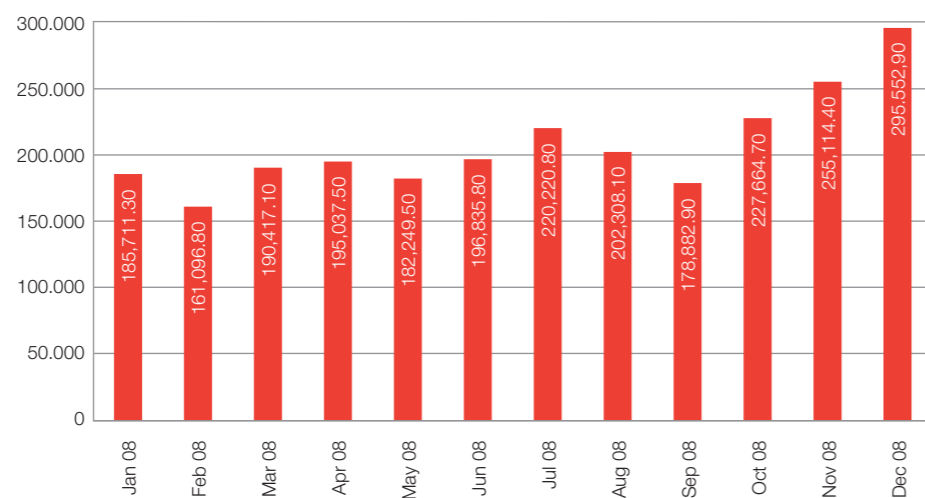
Volumes by individual hour 2006 to 2008 (in MW)



As shown by the chart above, there were hardly any hours in 2008 with a trading volume smaller than 50 MW (in 0.01 % of hours), and even the share of hours with less than 100 MW trading volume was reduced to below 1 % (0.82 %), while the share of the high-volume hours increased versus the preceding year by almost 50 % (47.13 %).

The total trading volume on EXAA in 2008 was 2,491 GWh. This is an increase of around 10 % versus the preceding year. This volume corresponded to approximately 4 % of domestic electricity consumption. The average daily volume traded was 6,806 MWh. December 2008 was the month with the highest trading volume at 295,552.90 MWh in EXAA's company history. At year-end, EXAA had 49 market participants from thirteen countries on the electricity market.

Volume trends on EXAA 2008 (in MWh)



### Trading procedures on EXAA

On EXAA, electricity is traded for each of the 24 hours and for 13 blocks that consist of several individual hours for all days of the year. Trading takes place on workdays from Monday through Friday from 08:00 to 10:12 a.m. During this period, trading participants may enter their quotes into the system. When this phase ends, an auction is held with the aim of matching as many orders as possible. After the auction, market participants may buy or sell surplus quantities from the auction procedure during the post-trading phase at the market clearing prices determined. At the latest by 10:30 a.m., the participants are informed of the trading results.

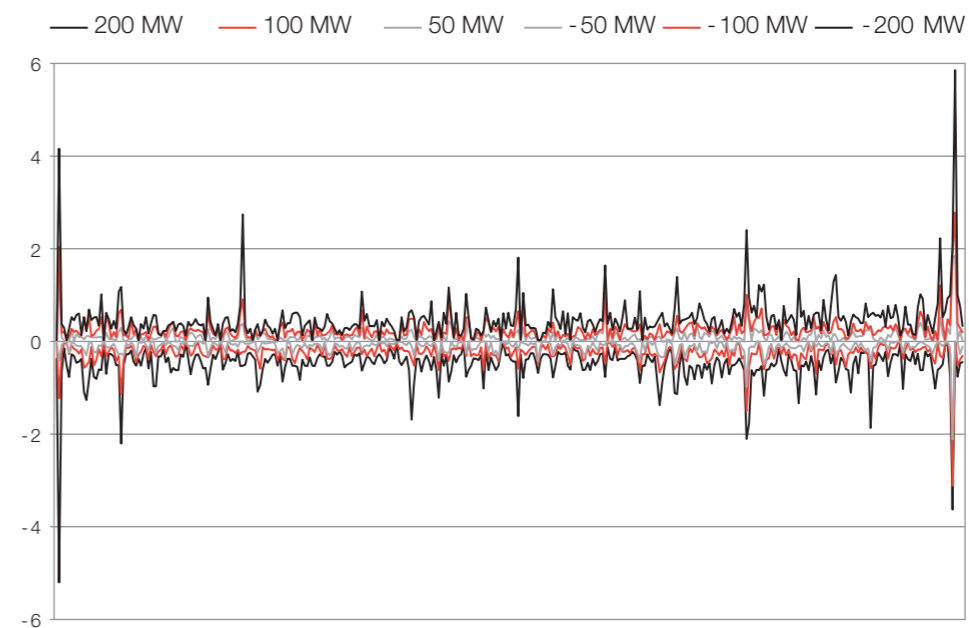
#### 1.2.1. Price developments on the EXAA spot market

##### Price elasticity on EXAA

Due to the timing of EXAA's auction – with the first auction results of the day – market participants take guidance from current OTC market prices. This means that even in the case of low trading turnover, substantial volumes are only just above or below the market clearing price. A simulation with real-time data with the additional entry of fictitious market orders of 50, 100 and 200 MW for every individual hour shows that the price situation is still very stable. Even in the case of very large market orders, the clearing price usually changes by only a small percent (see chart below).

##### Price change in base using simulation market orders in EUR

(Jan.– Dec. 2008)



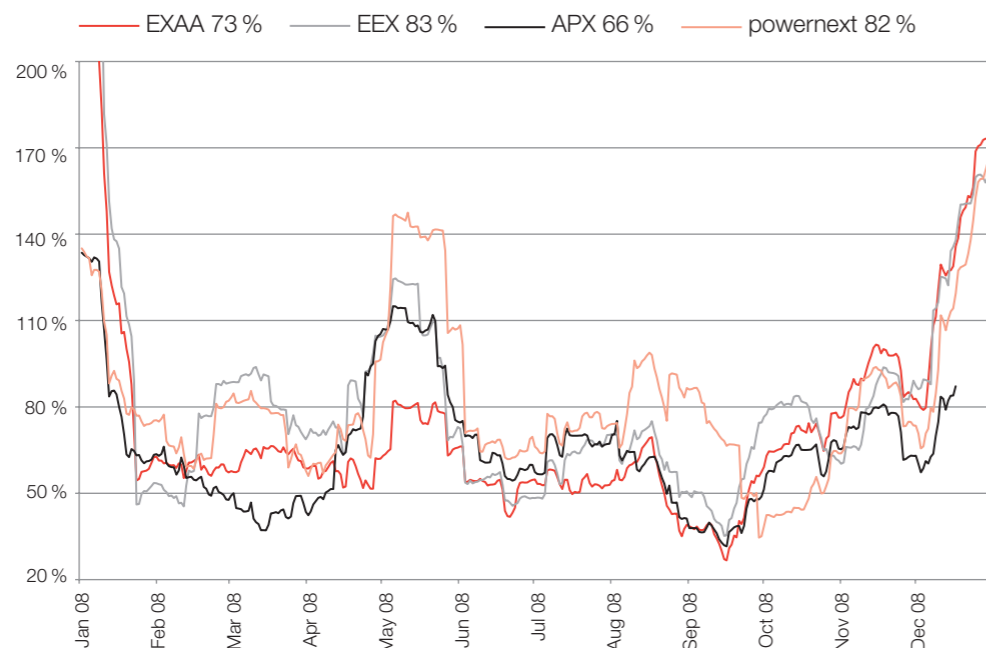
# → Report of the Management Board

## Price Trends on the EXAA Spot Market

### Price volatility on EXAA

On the annual average, price volatility on EXAA is relatively low at 73% just like in the preceding years; of all other major European power exchanges, only the Dutch APX achieved such a low volatility. The early timing of the auction helps to keep the number of quotes without price limits very low on EXAA. Therefore, the current market assessment of traders is very clearly reflected in EXAA clearing prices, thus resulting in a strong correlation of EXAA prices with OTC prices. A further consequence is that there are fewer extreme prices and therefore lower volatility than on some other European exchanges.

### Comparison of relative price trends of European electricity exchanges in 2008



### The EXAA market price

In the year 2008, the average price of the EXAA base was EUR 66.03 and of the EXAA peak was EUR 80.33. While prices remained relatively stable in the first quarter, as of April prices started to fluctuate widely.

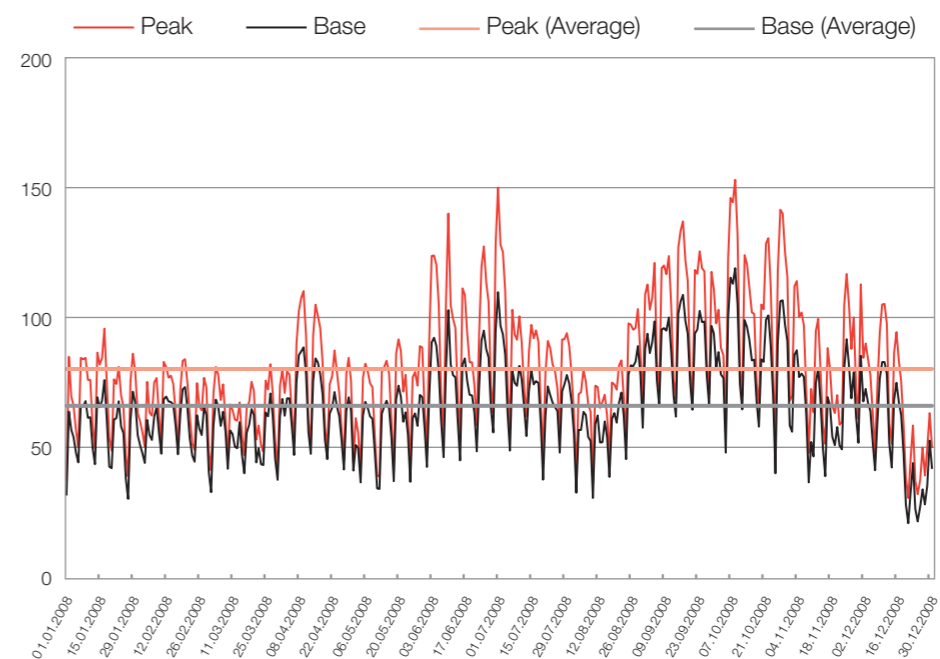
Overall, the year 2008 brought a clear increase in prices versus the previous year; while the average base price in 2008 was almost 70% over that of the previous year, the peak price also increased by almost 60%.

# Report of the Management Board

## Risk Management on the EXAA Spot Market

The reasons were mainly the extremely high commodity prices and the beginning of the second phase of trading in emissions allowances at initially high prices for the allowances of the new period. Market prices on other electricity exchanges were similarly high in the same time period.

### Price development (base and peak) on EXAA in 2008 (EUR/MWh)



### 1.2.2. Risk management on the EXAA spot market

EXAA guarantees the secure financial fulfilment of exchange trades based on its function as central counterparty. The settlement of the trades is defined by special clearing and settlement rules that are binding for all exchange members. As a clearing agent, EXAA organises and supervises the timely fulfilment of all trades and the proper depositing of collaterals by the trading participants.

The daily valuation of all open positions ensures that the collaterals deposited by the trading participants are maintained at sufficient levels. Thus, EXAA ensures the financial fulfilment of all trades in any case. EXAA accepts cash deposits, securities and bank guarantees as collaterals for trading. Oesterreichische Kontrollbank (OeKB) is responsible for the banking procedures relating to clearing. The daily calculation of collaterals levels is based on the average net buy amount of five open trading days and the statistically assessed fluctuation of amounts over 30 trading days. This risk management system has proven sound especially since the beginning of the banking crisis in September 2008, and even in this difficult phase, the settlement of trades has functioned smoothly and securely. The amount of the collaterals deposited was EUR 26,205,356.90 as of 31 December 2008.

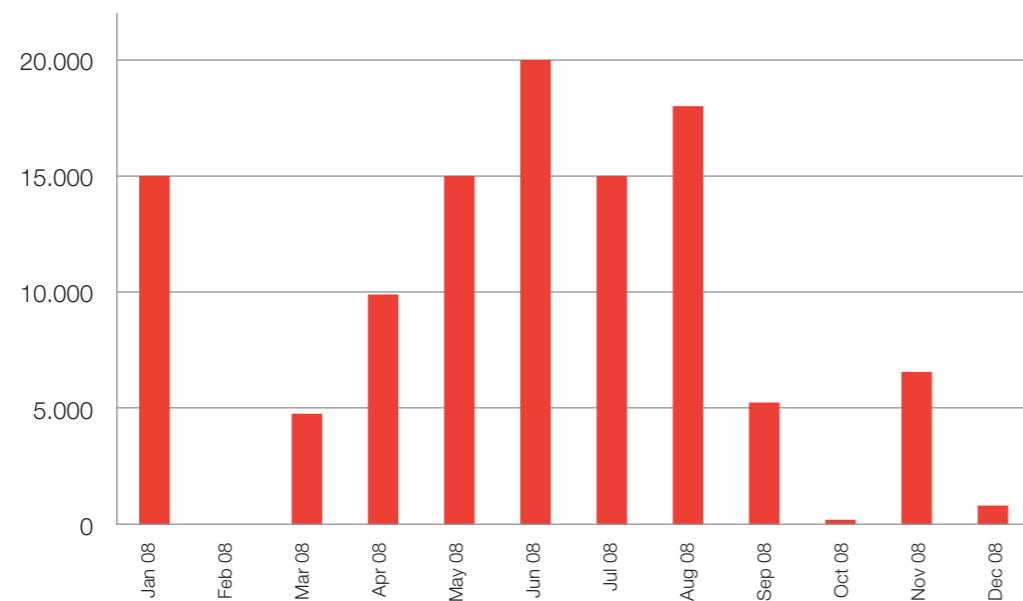
### 1.3. Spot market trading in CO<sub>2</sub> emissions allowances

EXAA has been offering trading in emissions allowances (EUAs) since June 2005 in auctions held once a week. At the beginning of 2008, EXAA introduced many innovations to make trading more attractive. Among other things, all fees for joining the exchange and fixed fees were canceled, furthermore, transaction fees were lowered, the membership procedures were made more efficient and risk management was changed to include a prepayment option.

The end of February 2008 saw the allocation of the first emissions allowances for the second trading period of the EU trading system. On 1 April 2008, EXAA started trading in these new allowances. As it is not possible to use the allowances from the first trading period as of 30 April 2008, these were traded for the last time on 29 April on EXAA.

In 2008, EXAA had 28 participants in EUA trading. In total, 115,510 tons were traded in 2008. The liveliest trading day of the year was 10 June 2008 with a trading volume of 5,480 tons of CO<sub>2</sub>.

Traded volumes (tons)

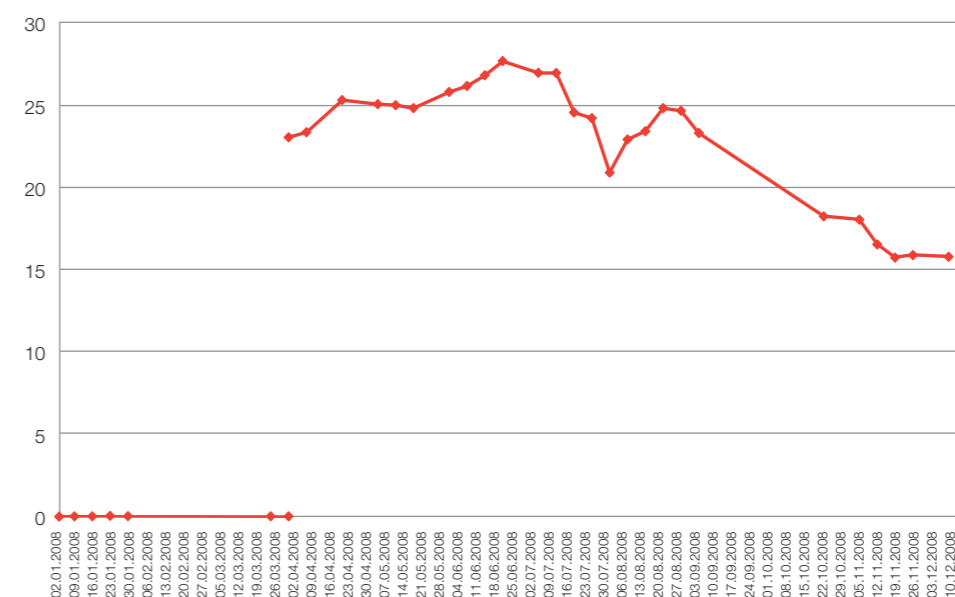


#### 1.3.1. Price developments on the CO<sub>2</sub> spot market

The prices for one ton of CO<sub>2</sub> in the form of emissions allowances in the first trading period in the year 2008 stayed at the extremely low level of the end of 2007 (between 2 and 5 EUR cent). The reason for this trend was that most European Compliance companies had sufficient emissions allowances.

The prices for allowances from the second period stayed at a quite high level until the beginning of September (between EUR 20.85/t and EUR 27.61/t); afterwards prices decreased continuously to EUR 15.70/t by around the end of the year, because the economic crisis lowered the emissions forecasts. The price differences to other exchanges or OTC trading were not significant.

CO<sub>2</sub> prices on EXAA in 2008 (in EUR)



## 2. Development of Business and Situation of the Company

### 2.1. Earnings situation

Sales revenues in the year under review were around 8% higher at EUR 970,057 than in the preceding year. This was mainly due to the very high trading volumes in the electricity market, the acquisition of new trading participants and the higher income earned on training courses.

Operating expenses were slightly higher than in the preceding year at EUR 880,610. This was due to the slight rise in personnel costs and otherwise to the cautious management of business activities in accordance with projections. The result on ordinary business activities was EUR 134,277 and therefore around 7% better than in the previous year. The net profit for the year after taxes was EUR 130,777, which was 7% higher than in the preceding year.

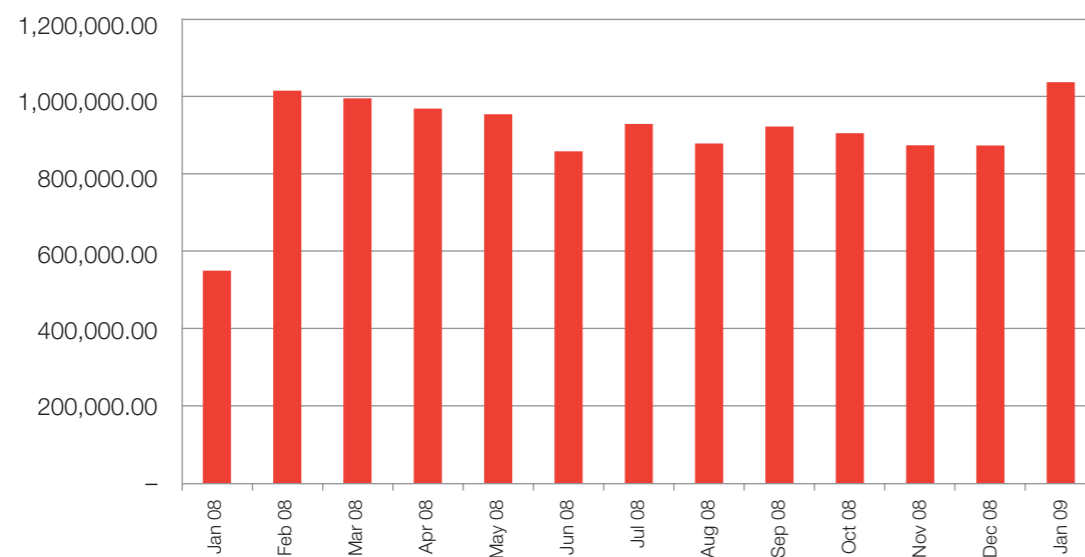
### 2.2. Assets, earnings, and financial position

Fixed assets amounted to EUR 10,271 in 2008. These are almost exclusively data processing programmes. Current assets were EUR 1,280,712 and included trade accounts receivable of EUR 202,680 which consisted largely of variable business fees due from trading members on the electricity market and other receivables of EUR 2,688 from value added taxes. Bank deposits were EUR 1,069,787. Shareholders' equity was EUR 883,723 of 31 Dec. 2008 and consisted of the share capital of EUR 1,612,000, capital reserves of EUR 806,000 and the net loss of EUR 1,534,277.

### 2.3. Liquidity situation

The table below shows that EXAA had a stable cash flow in 2008. However, due to the divergent treatment of foreign trading members as regards value added tax (reverse charge mechanism) in the case of international trades, cash flows are subject to high volatility and exert a significant influence. For this reason, the respective value dates at the start of the month have been selected as cut-off days in the chart below, because at this time, the differences in value added tax treatment have already been accounted for.

Available liquid funds in 2008 (in EUR)



### 2.4. Events of material significance after the close of the financial year

CO<sub>2</sub> trading was marked by the start of the new trading period in the financial year 2008. Due to the delayed national allocation in most EU countries, trading in emissions allowances was very sluggish and picked up only in the 3rd quarter. Another reason was the growing signs of an economic contraction in the 4th quarter, as many industrial companies were forced to throttle production and thus energy consumption. This meant that demand for additional CO<sub>2</sub> allowances was low. Despite the marketing and sales efforts made in the first half of the year, trading on EXAA remained below expectations.

There was no spending on research and development. EXAA does not operate any branch offices. Furthermore, there were no open cases of litigation at the end of the financial year. In 2008, the tasks of EXAA were taken over by the employees of CISMO Clearing Integrated Services and Market Operations GmbH. Labor capacities and expert knowledge is acquired by EXAA under a service contract.

### 3. Development prospects of the company

The principal goal for the future is to further improve EXAA's financial base. This is to be achieved through the continued, high efforts to acquire new trading members and raise turnover on the spot market for electricity as well as by developing new products and services.

Of great importance is international cooperation with the neighbouring countries in Central and Southeast Europe and the goal of increasing liquidity in cross-border trading volumes by coupling markets.

The target is to increase sales revenues for 2009 by up to 5% at more or less unchanged total expenses, and therefore, an improved result may be expected for 2009 as compared to 2008.

# → Report of the Management Board

## Risk Relating to Financial Instruments

### 4. Risk relating to financial instruments


The principal business risks of EXAA such as default, currency and interest rate risk and their possible effects on the assets, earnings and financial position for the year 2008 may be assessed as very low.

The business fees are collected at the beginning of the year from the respective accounts of the trading participants by automatic bank debit orders. Furthermore, trading participants must deposit sufficient collaterals as a requirement for taking part in trading and the collaterals must be increased immediately if the limit is exceeded. There was no currency risk, because trading was in euro. As regards interest rate risks, it is pointed out that EXAA has not taken any loans from banks. Due to the high price volatility, an overdraft facility was set up with a fixed interest rate on the business account with the company's principal bank and thus there is no interest rate risk here either.

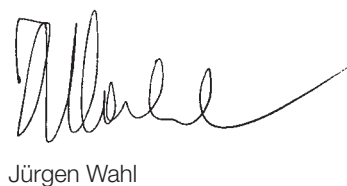
In the case of open trade receivables in the amount of EUR 202,680, these refer mostly to the variable business fees of the trading participants on the electricity market that were collected in full at the start of January 2009. The other receivables of EUR 2,688 are value added tax claims against domestic tax authorities. The bank deposits amounted to EUR 1,069,787 held at banks of the highest rating as of the end of 2008.

Vienna, on 2 March 2009

Management Board

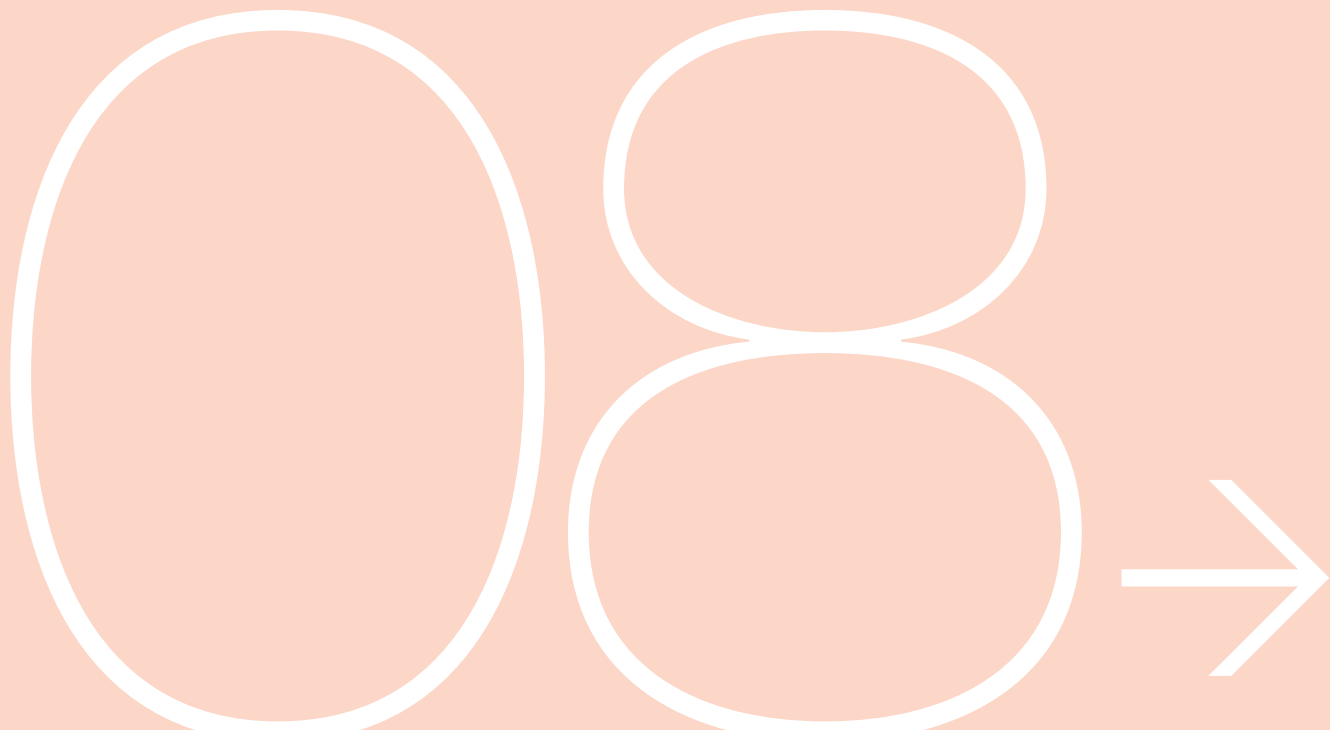


Rudolf Schneider



Jürgen Wahl

# Financial Statements 2008



# → Financial Statements 2008

## Balance Sheet – Assets

← Notes

### ASSETS

in EUR		2008	2007
<b>A. Start-up expenses</b>		–	–
<b>B. Fixed assets</b>			
<b>1</b>	I. Intangible assets		
	1. Data processing software	7.831,12	141.624,79
		7.831,12	141.624,79
<b>2</b>	II. Tangible assets		
	1. Fixtures, furniture and office equipment	2.439,62	2.777,08
		2.439,62	2.777,08
		<b>10.270,74</b>	<b>144.401,87</b>
<b>C. Current assets</b>			
<b>3</b>	I. Accounts receivable and other assets	202.680,08	127.556,68
	1. Accounts receivable – trade	5.556,71	–
<b>4</b>	2. Accounts receivable from affiliated companies	2.687,67	473.790,54
<b>5</b>	3. Other accounts receivable	210.924,46	601.347,22
	II. Cash and balances with credit institutions	1.069.787,15	147.619,90
		<b>1.280.711,61</b>	<b>748.967,12</b>
<b>6</b>	<b>D. Prepaid expenses and deferred charges</b>	<b>11.424,40</b>	<b>393,74</b>
		<b>1.302.406,75</b>	<b>893.762,73</b>

Please note that the figures in the charts and tables use the German notation, i.e., commas are periods and vice versa.

# Financial Statements 2008

## Balance Sheet – Liabilities

Notes →

### LIABILITIES

in EUR		2008	2007
<b>A. Shareholders' equity</b>			
I. Nominal share capital			
	1. Share capital	1.612.000,00	1.612.000,00
		1.612.000,00	1.612.000,00
II. Capital reserves			
	1. Appropriated reserves	806.000,00	806.000,00
		806.000,00	806.000,00
III. Net loss		-1.534.276,94	-1.665.053,65
	Profit / loss carryforward	-1.665.053,65	-1.787.257,05
		<b>883.723,06</b>	<b>752.946,35</b>
<b>B. Provisions</b>			
	1. Provisions for severance payments	–	–
	2. Other provisions	45.329,33	29.175,00
		<b>45.329,33</b>	<b>29.175,00</b>
<b>C. Liabilities</b>			
	1. Accounts payable – trade	139.406,52	92.100,20
	2. Accounts payable to affiliated companies	–	126,00
	3. Other liabilities	222.915,34	19.415,18
	Thereof taxes	222.776,91	19.415,18
		<b>362.321,86</b>	<b>111.641,38</b>
<b>D. Deferred income</b>		<b>11.032,50</b>	–
		<b>1.302.406,75</b>	<b>893.762,73</b>

# → Financial Statements 2008

## Profit and Loss Account for the Financial Year 2008

← Notes

in EUR

	2008	2007
<b>13 1. Sales revenues</b>		
a. Revenues from exchange activities		
Membership fees	70.000,00	50.000,00
Business fees	496.000,00	489.075,00
Transaction fees	353.851,06	318.311,95
Revenues from training courses	43.906,37	30.975,05
Data vending	6.300,00	6.075,00
	970.057,43	894.437,00
b. Revenues from other activities		
Transport capacity auctions	–	–
	<b>970.057,43</b>	<b>894.437,00</b>
<b>14 2. Other operating income</b>		
a. Income from the sale of installations	–	–
b. Income from the reversal of provisions	3.715,00	1.065,55
b. Other operating income	8.141,98	11.664,02
	<b>11.856,98</b>	<b>12.729,57</b>
<b>15 3. Personnel expenses</b>	–	–
<b>4. Depreciations / amortisation</b>		
a. Depreciation of intangible assets and tangible assets and capitalized expenses for start-up and expansion	-148.861,37	-135.319,82
	<b>-148.861,37</b>	<b>-135.319,82</b>
<b>5. Other operating expenses</b>		
a. Taxes except for income tax	-590,75	-518,99
b. Other expenses	-731.157,77	-658.698,17
	<b>-731.748,52</b>	<b>-659.217,16</b>
<b>6. Operating income</b> (subtotal of line 1 to 5)	<b>101.304,52</b>	<b>112.629,59</b>
7. Other interest and similar income	35.707,21	17.363,13
8. Interest and similar expenses	-2.735,02	-4.289,32
<b>9. Financial result</b> (subtotal of line 7 to 8)	<b>32.972,19</b>	<b>13.073,81</b>
<b>10. Profit on ordinary business activity</b>	<b>134.276,71</b>	<b>125.703,40</b>
<b>18 11. Taxes on income and earnings</b>	<b>-3.500,00</b>	<b>-3.500,00</b>
<b>12. Net profit /loss for the year</b>	<b>130.776,71</b>	<b>122.203,40</b>
13. Loss carried forward from previous year	-1.665.053,65	-1.787.257,05
<b>19 14. Net profit /loss</b>	<b>-1.534.276,94</b>	<b>-1.665.053,65</b>

Please note that the figures in the charts and tables use the German notation, i.e., commas are periods and vice versa.

# Financial Statements 2008

## Notes to the Financial Statements

### I. ACCOUNTING AND VALUATION POLICIES

The financial statements have been prepared in accordance with the principles of proper bookkeeping and accounting, and the objective of presenting a fair and true view of the assets, earnings and financial position of the company (Art. 222 par. 2 Austrian Commercial Code<sup>1</sup>).

The financial statements have been prepared in keeping with the principles of completeness and orderly accounting. An ongoing concern has been assumed for the valuation. The principle of separate valuation without offsetting has been applied to the assets and liabilities. In accordance with the principle of conservatism, only gains realized on the balance sheet cut-off date have been reported in the financial statements. All recognizable risks and potential losses arising in the business year 2008 or in earlier business years have been taken into account.

#### 1. Fixed assets

##### 1.1. Intangible assets

Intangible assets acquired have been valued at cost of acquisition, less scheduled depreciation on the basis of their usable life.

A usable life of 3 to 7 years has been assumed. Software extensions purchased in the financial year are depreciated for their remaining usable life.

The usable life of the entire software packages ends in 2008.

There were no unscheduled write-offs.

##### 1.2. Tangible assets

Tangible assets have been valued at cost of acquisition and cost of production, less cumulative scheduled depreciation continued in the reporting year 2008. Depreciation rates have generally been calculated according to the straight-line depreciation method.

The usable life of the individual groups of fixed assets is as follows:

Fixtures, furniture and office equipment: between 1 and 10 years.

Low-value assets in the meaning of Art. 13 Income Tax Act 1988 in the business year under review have been fully written off in the year of acquisition and reported in the table of changes in fixed assets under additions and disposals.

There was no extraordinary depreciation.

Regular, unchanging values pursuant to Art. 209 par. 1 Commercial Code have not been recognized.

<sup>1</sup> Austrian Commercial Code = Unternehmensgesetzbuch

### 2. Current assets

#### 2.1. Accounts receivable and other assets

Receivables and other assets have been recognized at nominal value. There are no recognizable risks for outstanding receivables. Later due dates have been taken into account by discounting when applicable.

### 3. Provisions

#### 3.1. Other provisions

Provisions have been made to cover projected claims in accordance with the principle of conservatism. Provisions from previous years have been released and recognized as operating income unless they have been used and the reasons for the formation of provisions have ceased to exist.

### 4. Liabilities

Liabilities have been valued at their repayment amounts in accordance with the principle of conservatism.

### 5. Currency translation

The foreign exchange rate on the due dates has been applied for the conversion of receivables and liabilities, taking into account foreign exchange losses due to changes in exchange rates as compared to the balance sheet cut-off date.

### 6. Changes to valuation policies

There have not been any changes to the valuation principles.

### 7. Changes to the presentation layout versus the previous year

There were no changes to the presentation layout versus the previous year.

## II. NOTES TO THE BALANCE SHEET

### 1. Fixed assets

Changes to fixed asset items and the breakdown of annual depreciation by individual item have been reported in the table of changes in fixed assets.

#### 1.1. Intangible assets → 1

Intangible assets consist of licenses, software and costs of the new design of the web-site.

Items under tangible assets have been written off according to the scheduled depreciation in an amount of EUR 146,543.67 (previous year EUR 126,310.66).

#### 1.2. Tangible assets → 2

Items under tangible assets have been written off in an amount of EUR 2,236.46 (previous year EUR 4,176.85) due to use.

Low-value goods were acquired in the financial year for EUR 81.24 and immediately written off (prev. year EUR 0.00).

### 2. Current assets

#### 2.1. Accounts receivable and other assets → 3

All receivables have a remaining time to maturity of less than one year the same as in the previous year.

##### 2.1.1. Amounts owed by companies with which the company is related by participating interests → 4

Liabilities vis-à-vis companies, which have an investment in EXAA consist completely of trade payables, and refer to services and work performed by Wiener Börse AG.

##### 2.1.2. Other receivables → 5

Other receivables refer mainly to VAT credits not yet refunded.

#### 3. Prepaid expenses and deferred charges → 6

##### 3.1. Prepaid items

Prepaid expenses have been reported in an amount of EUR 11,424.40 (previous year EUR 393.74) and comprise all expenses recognized on an accrual basis under expenditures which are to be taken to equity in the following year.

# → Financial Statements 2008

## Notes to the Financial Statements

### 4. Shareholders' equity

#### → 7 4.1. Share capital

The share capital of the company of EUR 1,612,000.00 is divided into 1,612 registered shares with a nominal value of EUR 1,000.00 each.

#### → 8 4.2. Capital reserves

##### 4.2.1. Appropriated reserves

Appropriated reserves comprise premiums from the issue of par-value shares over the issuing price.

#### → 9 4.3. Net loss

The net loss for the year 2008 is EUR -1,534,276.94.

This amount takes into account a loss carryforward from the year 2007 of EUR -1,665,053.65.

### 5. Provisions

#### → 10 5.1. Other provisions

Other provisions comprise the following items:

	31.12.08	31.12.07
	EUR	EUR
Provisions for legal counsel and consulting costs	16,190.00	14,900.00
Other provisions	29,139.33	14,275.00

### 6. Liabilities

All liabilities have a remaining time to maturity of less than one year, the same as in the previous year.

The breakdown of liabilities pursuant to Art. 225 par. 6 Austrian Commercial Code and § 237 fig. 1 a and b Austrian Commercial Code is as follows:

Remaining time to maturity		Total	Up to 1 year	Over 1 year	Over 5 years
		EUR	EUR	EUR	EUR
Accounts payable – trade	2008	139,406.52	139,406.52	0.00	0.00
	2007	92,100.20	92,100.20	0.00	0.00
Accounts payable to affiliated companies	2008	0.00	0.00	0.00	0.00
	2007	126.00	126.00	0.00	0.00
Other liabilities	2008	222,915.34	222,915.34	0.00	0.00
	2007	19,415.18	19,415.18	0.00	0.00

# Financial Statements 2008

## Notes to the Financial Statements

#### 6.1. Amounts owed by companies with which the company is related by participating interests → 11

The amounts owed to companies which have an investment in EXAA changed by EUR -126.00 to EUR 0.00.

#### 6.2. Other liabilities → 12

Of the total amount of other liabilities, an amount of EUR 138.43 (prev. year: 114.18) is from the deferred expenses that will fall due only after the balance sheet cut-off date.

Of the other liabilities, an amount of EUR 223,035.34 (prev. year EUR 19,210.18) is accounted for by taxes. There were no liabilities within the scope of social insurance, the same as in the previous year.

#### 6.3. Prepaid income

Prepaid income is EUR 11,032.50 (prev. year EUR 0.00) and refers to deferred items for training not yet performed.

#### 6.4. Other information on the balance sheet

##### 6.4.1. Contingent liabilities

The following contingent liabilities were reported off the balance sheet pursuant to Art. 199 Austrian Commercial Code:

1. Bank guarantee: Die Erste for EUR 30,000.00 in favour of RWE control area

#### 6.5. Other financial obligations

As of the cut-off date, there were no other financial obligations from rental or leasing agreements.

## III. EXPLANATIONS TO THE PROFIT AND LOSS ACCOUNT

The profit and loss account has been prepared in accordance with Art. 231 (2) Austrian Commercial Code according to the total cost format.

#### 1. Sales revenues → 13

The sales revenues contain those amounts that EXAA collects from the exchange members for the provision and operation of the exchange trading system according to the published Schedule of Fees of Wiener Börse AG. The membership fees are collected only once at the time exchange membership is granted. The business fees are due annually.

The transaction fees depend on the respective member's trading volume and are invoiced to the buyer and the seller on every trading day.

The proceeds from transactions fees in electricity spot trading of EUR 353,350.20 (prev. year: EUR 339,851.16) result from the electricity trading volume of 1 January 2008 to 31 December 2008 of 2,491,091.8 MWh (prev. year: 2,265,254.5 MWh) with a traded value of EUR 161,818,317.74 (prev. year: EUR 88,270,682.40).

No trading resulted from the eSPREAD market in the financial year reported.

The transaction fees from CO<sub>2</sub> emissions allowances trading amounted to EUR 500.62 (prev. year: 4,933.20) and result from the trading volumes of 1 January 2008 through 31 December 2008 of 110,509 t (prev. year: 275.163 t) with a traded volume of EUR 2,169,794.35 (prev. year: EUR 272,017.83).

From a legal standpoint, the trading volumes arise through deals concluded between the trading participants and EXAA, but from a commercial perspective the trading volumes may be attributed directly to the trading participants and are therefore not reported in the profit and loss account.

Apart from the fees collected for exchange trading of EUR 919,851.06 (prev. year: EUR 857,386.95), sales revenues also include proceeds from training courses of EUR 43,906.37 (prev. year: EUR 30,975.05) and from data vending of EUR 6,300.00 (prev. year: EUR 6,075.00).

### → 14 2. Other operating income

Other operating income includes amounts from the release of unused expense provisions of EUR 3,715.00 (prev. year 1,065.55) and other income such as cost reimbursements of EUR 8,141.89 (prev. year 5,239.07).

### → 15 3. Personnel expenses

No personnel was employed in the financial year.

The work usually performed by employees is purchased from external suppliers and reported under the expense group "Purchased Services" under the item personnel and infrastructure.

### 4. Other operating expenses

#### → 16 4.1. Taxes other than taxes on income and earnings

In determining the base for the calculation of the mandatory fee (Kammerumlage 1) for the Chamber of Commerce, the input taxes on the purchase of electricity were not recognized. This procedure was adopted with the consent of the Chamber of Commerce.

#### → 17 4.2. Other expenses

Other expenses include mainly expenses for the ongoing costs of the system of EUR 191,606.92 (prev. year: EUR 186,476.00), expenses for diverse external services of EUR 381,322.76 (prev. year: EUR 346,900.00) and other expenses of EUR 158,228.09 (prev. year: EUR 126,651.00).

### → 18 5. Taxes on income and earnings

The corporation tax paid of EUR 3,500 (prev. year: EUR 3,500) is the minimum corporation tax. Depreciation/amortisation developed as follows:

As per 1 January 2008	EUR	11,798.61
Used in financial year 2008	EUR	4,958.41
As per 31 December 2008	EUR	6,840.20

### 6. Net profit

The release of the loss carryforward from the business year 2007 results in a net loss of EUR -1,534,276.94.

### 7. Net loss

→ 19

The net profit for the financial year 2008 was EUR 130,776.71 and changed versus the preceding year by EUR 8,573.31. (2007: EUR 122,203.40).

The release of the loss carryforward from the business year 2007 of -1,665,053.65 results in a net loss of EUR -1,534,276.94.

## IV. OTHER INFORMATION

#### 1. The average number of employees was:

The company has not had any employees since 11 July 2006.

#### 2. The following persons are on the Management Board:

Members of the Managing Board:

From 1 January 2008 to 31 December 2008 Jürgen Wahl and Rudolf Schneider

#### 3. The supervisory board consists of the following persons:

Hansjörg Tengg

Chairman of the Supervisory Board

Herbert Seidlmann

1st Vice-Chairman

Ludwig Nießen

2nd Vice-Chairman

Wolfgang Aubrunner, Board Member

Hermann Egger, Board Member

Robert Hager, Board Member

Franz Keuschnig, Board Member

Helmut Mennel, Board Member as of 15 May 2008

Paul Reimeir, Board Member until 15 May 2008

Peter Riedler, Board Member

Gabriela Riha, Board Member

Hannes A. Takacs, Board Member

#### 4. The exception rule according to Art. 241 par. 4 Austrian Commercial Code has been applied.

# → Auditors' Certificate

## Auditors' Opinion

We have audited the financial statements of

### **EXAA Abwicklungsstelle für Energieprodukte AG** Alserbachstraße 14–16, A-1090 Wien

for the business year 1 January 2008 to 31 December 2008, and the accounts and records on which they are based. The accounts and records, the preparation and the content of these financial statements, and the management report prepared in accordance with the Austrian Commercial Code are the responsibility of the company's legal representatives. Our responsibility is to express an opinion on these financial statements based on our audit, and on whether the management report is consistent with the financial statements.

We conducted our audit in accordance with Austrian statutory requirements and generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements, and whether the management report is consistent with the financial statements.

We have audited the financial statements taking into consideration the statutory provisions and the generally accepted accounting principles in Austria. These principles require the audit to be planned and conducted in such a manner so as to ensure that the opinion given is sufficiently certain as to whether the financial statements are free of any misleading statements, and to allow a statement on whether the report of the management board is consistent with the financial statements. When defining the audit procedure, the knowledge of the business field and of the economic and legal environment in which the company operates as well as expectations of potential errors have been taken into account. Within the scope of the audit, proof of amounts and other information given in the bookkeeping and in the financial statements has been assessed on the basis of random samples. The audit comprises an evaluation of the accounting principles applied and of the main assessments made by the company's legal representatives as well as an evaluation of the general informative nature of the financial statements. We believe that the audit we have conducted is a sufficiently secure basis for reaching our audit opinion.

# Auditors' Certificate

Our audit has not given rise to any objections. Based on the information obtained during the audit, we believe that the financial statements comply with the legal provisions, and present a true and fair view of the company's assets and finances as of 31 December 2008, as well as its earnings for the financial year 1 January 2008 to 31 December 2008, in accordance with Austrian principles of adequate and orderly accounting. The report of the Management Board is consistent with the financial statements.

Vienna, on 13 March 2009

Hübner & Hübner  
Wirtschaftsprüfung GmbH



Mag. Andreas RÖTHLIN  
Registered auditor and tax advisor

MMag. Roland TEUFEL  
Tax advisor

No disclosure, publication or reproduction in any form deviating from the certified version enclosing our audit opinion or a mere reference to our audit shall be permitted.

# → Report

## Report of the Supervisory Board

### Report of the Supervisory Board

In 2008, the Supervisory Board monitored and approved the management activities of the Management Board within the scope of regular meetings at which the Management Board reported on its activities and by written reports submitted to it by the Management Board members and at regular personal meetings with the members of the Management Board. The Management Board has reported regularly on the course of business and the situation of the company.

The audit of the financial statements for 2008 was carried out by Hübner & Hübner Wirtschaftsprüfung GmbH, Vienna, and the accounts were confirmed without qualification as in compliance with legal provisions. The financial statements have been awarded an unqualified audit opinion.

The Committee established by the Supervisory Board pursuant to Article 92 par. 4 Austrian Stock Corporation Act for the purpose of auditing and preparing the financial statements has complied with its obligations and met on 26 March 2009. The Supervisory Board examined the financial statements presented by the Management Board pursuant to Art. 96 Stock Corporation Act and the proposal of the Management Board pursuant to Art. 126 Stock Corporation Act regarding the distribution of the profit reported in the financial statements for the year ending on 31 December 2008. This examination did not reveal any findings giving rise to any objections.

The Supervisory Board approved the financial statements for 2008 at its meeting of 27 May 2009, which hereby stand adopted pursuant to Art. 125 (2) of the Austrian Stock Corporation Act, and declares its consent to the proposals of the Management Board regarding the use of the profit for the year 2008.

The Supervisory Board would like to express its appreciation and recognition to the Management Board and all employees of EXAA Abwicklungsstelle für Energieprodukte AG for their excellent work in the reporting year.

Vienna, May 2009

Supervisory Board

# Use of the Results

## Proposal for the Use of the Results

### Proposal for the use of the net profit/loss reported

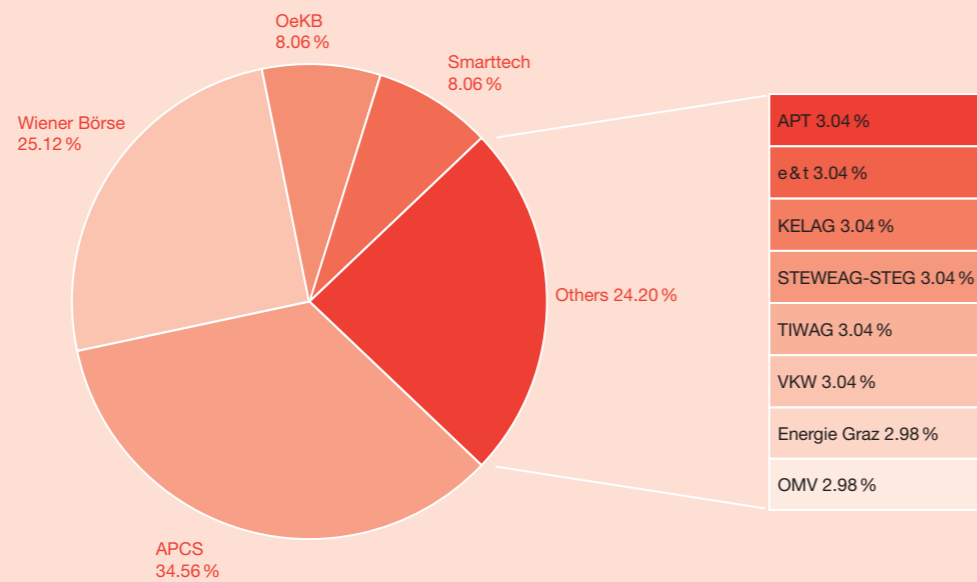
The Management Board of EXAA Abwicklungsstelle für Energieprodukte AG proposes to carry the net loss reported in the financial statements for the financial year ending on 31 December 2008 of EUR 1,534,276.94 forward to the next accounting year.

Vienna, May 2009

Management Board

### Ownership structure as of 31 December 2008

Shareholders	Share %
APCS Power Clearing and Settlement AG	34.56
Wiener Börse AG	25.12
„smart technologies“ Management-Beratungs- u. Beteiligungsgesellschaft m.b.H.	8.06
Oesterreichische Kontrollbank Aktiengesellschaft	8.06
VERBUND-Austrian Power Trading AG	3.04
e&t Energie Handelsgesellschaft m.b.H.	3.04
KELAG-Kärntner Elektrizitäts-Aktiengesellschaft	3.04
STEWEG-STEAG GmbH	3.04
TIWAG Tiroler Wasserkraft Aktiengesellschaft	3.04
Vorarlberger Kraftwerke Aktiengesellschaft	3.04
Energie Graz GmbH & Co KG	2.98
OMV Power International GmbH	2.98
	<b>100.00</b>



### Supervisory Board:

**Hansjörg Tengg**  
Chairman

**Herbert Seidlmann**  
1st Vice-Chairman

**Ludwig Nießen**  
2nd Vice-Chairman

**Wolfgang Aubrunner**

**Hermann Egger**

**Robert Hager**

**Franz Keuschnig**

**Helmut Mennel** (since 15 May 2008)

**Paul Reimeir** (till 15 May 2008)

**Peter Riedler**

**Gabriela Riha**

**Hannes A. Takacs**

### Management Board:

**Rudolf Schneider**

**Jürgen Wahl**



# → Editorial Information

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