

**NETWORKED  
SUCCESSFUL  
COMMITTED**

## IFRS CONSOLIDATED FINANCIAL STATEMENTS RAIFFEISEN-HOLDING NÖ-WIEN

Figures in EUR '000'000

	2007	2006
Total assets	21,502	18,020
Financial assets	3,354	3,016
Investments in associated companies	2,482	2,022
Loans and advances to banks	4,117	3,607
Loans and advances to customers	6,778	6,360
Equity	2,918	2,372
Equity ratio (%)	17%	18.5%
Net interest	94	99
Net profit for the year after taxes	624	507
Net group profit for the year	544	388

Company	Locations	Employees	Investments	Revenues
			(EUR '000'000)	(EUR '000'000)
Südzucker Group	139	19,580	378	5,765
Amount attributable to AGRANA Group	53	8,230	157	1,916
LLI Group	55	3,600	38	837
NÖM AG Group	3	500	24	337
STRABAG SE Group	500	60,000	316	10,700 (output)
EPAMEDIA Group	33	480	21	170
DO & CO Group	8	2,020	6	206
RZB Group (incl. network banks)	3,030	61,400	–	137,400 (total assets)
RLB NÖ-Wien	70	1,300	–	19,600 (total assets)

(figures rounded)

Raiffeisen-Holding Niederösterreich-Wien  
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**Raiffeisen-Holding  
Niederösterreich-Wien** 

**ST. PÖLTEN HEALTH CENTER** Raiffeisen-Holding NÖ-Wien also constructed a building to house a health care center in St. Pölten, Lower Austria. Construction work was completed on schedule during the period under review. The building has been rented out to the Lower Austrian regional health insurance institution and the PVA pension insurance institution.

**STEIGENBERGER  
AVANCE HOTEL  
KREMS**

In addition, Raiffeisen-Holding NÖ-Wien owns 100% of the **AVANCE HOTEL** located in Krems, Lower Austria, and operated by Steigenberger. In the year under review, the hotel was expanded to include 16 new guest rooms as well as extremely well-equipped conference and seminar facilities and a modern wellness area.

**OBERLAA SPA** With the Oberlaa spa expansion project, a unique "oasis of wellness" – like no other in a large European city – will be created directly in the city of Vienna between 2007 and 2010. The investment costs for the expansion of the existing spa complex amount to a total of EUR 130 million. The City of Vienna, VAMED, Raiffeisen-Holding NÖ-Wien and other partners from the finance sector are involved in the project.

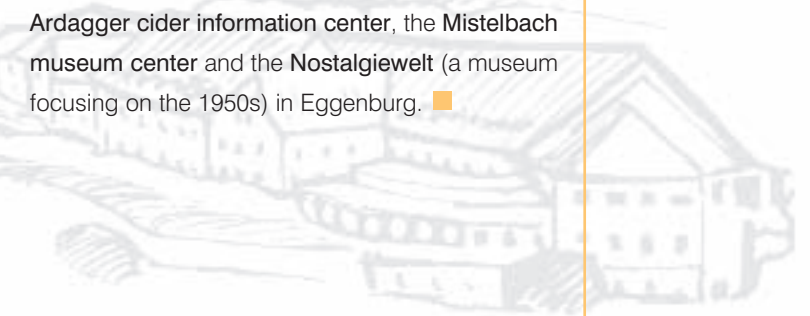
**RE**  
Real Estate

**RAIFFEISEN EVOLUTION PROJECT DEVELOPMENT GMBH (RAIFFEISEN EVOLUTION)** – a joint venture owned by RZB, UNIQA, STRABAG and Raiffeisen-Holding NÖ-Wien – is one of the leading project development companies in Austria as well

as Central and Eastern Europe. At present, its 220 employees are working on some 43 different residential and commercial real estate projects at 16 locations in all target markets. The projects' total volume is in excess of EUR 1 billion.

**PPP INVESTMENTS** PPP projects are arrangements in which private companies cooperate with public-sector entities in order to plan, build, finance and operate large-scale infrastructure projects for the benefit of both sides. These projects are still in their very early stages in Austria, but Raiffeisen-Holding NÖ-Wien sees great potential for growth in this field. Through NOAG GmbH, Raiffeisen-Holding NÖ-Wien is currently participating in the *Ostregion* (Eastern region) PPP project, which involves the construction of four sections of highway with a total length of 113 km.

**REGIONAL INVESTMENTS** In accordance with its objectives as a cooperative, Raiffeisen-Holding NÖ-Wien has enhanced its commitment to several regional projects in Vienna and Lower Austria with the primary goal of creating jobs and supporting the regional economy. In the period under review, approximately EUR 5 million was invested in regional real estate projects in Lower Austria and Vienna. In order to create as much value within the region as possible, special emphasis is placed on using local contractors. Raiffeisen-Holding NÖ-Wien's local commitments include the **Ardagger cider information center**, the **Mistelbach museum center** and the **Nostalgiewelt** (a museum focusing on the 1950s) in Eggenburg. ■



195 MEMBERS

**UNIVERSAL  
FINANCIAL SERVICES**


 RAIFFEISENLANDESBANK  
 NÖ-WIEN  
 AND OTHERS

**MEDIA**


 KURIER  
 EPAMEDIA  
 ORS  
 SAT.1  
 NÖN  
 AND OTHERS

**REAL ESTATE/PPP**


 ÖBB-POSTBUS  
 STEIGENBERGER AVANCE HOTEL  
 RETAIL PARKS  
 BUSINESS PARKS  
 KASERNEN AG  
 RAIFFEISEN EVOLUTION  
 AND OTHERS

**INDUSTRY**


 AGRANA  
 LLI  
 STRABAG  
 NÖM  
 AND OTHERS

**SERVICES**


 DO & CO  
 AMI PROMARKETING  
 RAIFFEISEN REISEBÜRO  
 RENERGIE  
 AND OTHERS





# A NETWORK OF SUCCESSFUL GROUP COMPANIES.

As an investment bank, Raiffeisen-Holding NÖ-Wien holds significant stakes in some 660 companies. The organization's primary objective in this context is to manage and to serve as a central hub for those companies, which have enjoyed great success in Austria and abroad.



Raiffeisen-Holding NÖ-Wien's portfolio of investments comprises the core business areas of universal finance, industry, services, media and real estate. The group also defined "Renewable Energy" as a new business area in 2006 and is currently developing its activities in this field.

Raiffeisen-Holding NÖ-Wien is highly committed to its responsibility to provide a network among its affiliates. Synergies are leveraged within the group, know-how is bundled and mutual support is provided.

Raiffeisen-Holding NÖ-Wien prepares its group financial statements according to the principles of International Financial Reporting Standards (IFRS), and 119 companies were fully consolidated within the group. The group's annual pre-tax profits came to EUR 634 million (+26%). The revenues of companies in the fields of industry and services once again rose from EUR 17 billion in 2006 to EUR 18 billion in the reporting year.

Raiffeisen-Holding NÖ-Wien plans to continue pursuing its strategy of "depth before breadth" – giving priority to investments in the core business areas of banking, industry, media, services, real estate and renewable energy – which has proven highly successful in the past.

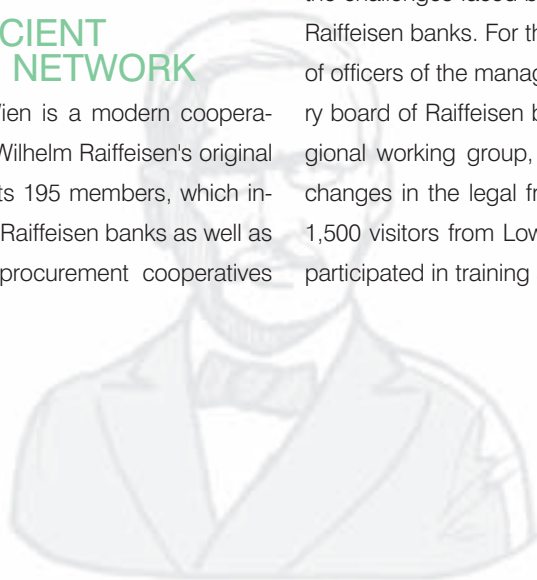
## A HIGHLY EFFICIENT COOPERATIVE NETWORK

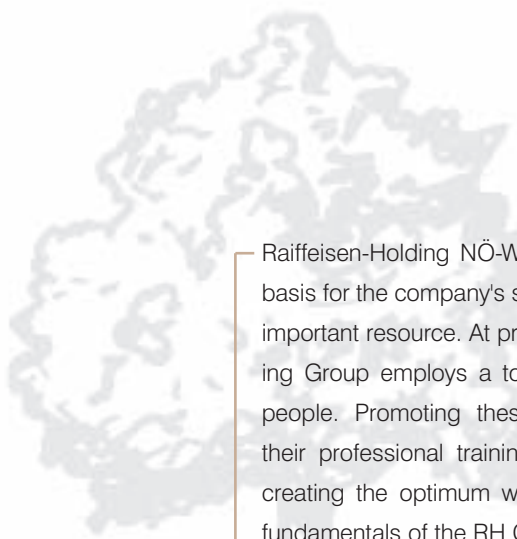
Raiffeisen-Holding NÖ-Wien is a modern cooperative in line with Friedrich Wilhelm Raiffeisen's original vision and is owned by its 195 members, which include the Lower Austrian Raiffeisen banks as well as Raiffeisen warehouses, procurement cooperatives

and numerous other cooperatives. The managing directors, managers and employees at Raiffeisen-Holding NÖ-Wien are convinced of the performance capabilities inherent to the cooperative organizational structure and actively support its ongoing development. Special attention is paid to the strongest group of members at Raiffeisen-Holding NÖ-Wien – the 82 Lower Austrian Raiffeisen banks – which have increasingly emphasized their identity as cooperatives as an essential distinguishing feature vis-à-vis other financial service providers. In order to increase awareness of the special characteristics of cooperative organizations and in particular to draw greater attention to membership, the "Together" (*Mit.Einander*) project was developed and has been extremely well received. A total of 20 Lower Austrian Raiffeisen banks have already implemented the project and developed individual program packages of measures and offerings.

Number of group companies:	660
Locations:	3,900
Total revenues:	EUR 18 billion
Employees:	150,000
Employees in Austria:	20,000

Ensuring high levels of professional and social competence as well as a maximum of flexibility is among the challenges faced by the volunteer officers at the Raiffeisen banks. For the first time, the qualifications of officers of the management board and supervisory board of Raiffeisen banks was discussed in a regional working group, which also took account of changes in the legal framework. In 2007, a total of 1,500 visitors from Lower Austrian Raiffeisen banks participated in training and education programs. ■





Raiffeisen-Holding NÖ-Wien's employees form the basis for the company's success as well as its most important resource. At present, the Raiffeisen-Holding Group employs a total of more than 150,000 people. Promoting these employees, advancing their professional training and development, and creating the optimum working conditions are key fundamentals of the RH Group's corporate policy.

Ecological business is a central aspect in all of Raiffeisen-Holding NÖ-Wien's business activities. This includes the careful use of natural resources as well as the reduced consumption of energy and materials. When new equipment is purchased, the company pays close attention to ensuring longevity and energy efficiency and lowering pollution. Wherever possible, Raiffeisen-Holding NÖ-Wien uses environmentally friendly, recyclable materials and products.

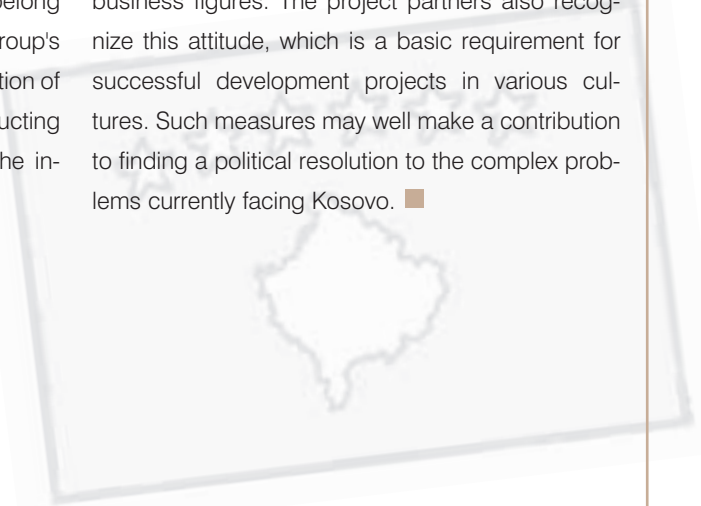
Raiffeisen-Holding NÖ-Wien pays special attention to ensuring that its employees enjoy a healthy work/life balance and takes targeted measures for this purpose.

Raiffeisen-Holding NÖ-Wien as well as all Raiffeisen organizations take their responsibility to the environment very seriously. In order to sensitize a broader audience to the topic of climate change, the Raiffeisen climate protection initiative was established in the fall of 2007. Both Raiffeisen-Holding NÖ-Wien and a number of its key group companies belong to this association. The Raiffeisen-Holding Group's climate protection projects include the production of biodiesel and biofuels, financing and constructing biogas plants, and financing measures for the insulation of new buildings.

On the basis of Friedrich Wilhelm Raiffeisen's original idea of "helping people help themselves," Raiffeisen-Holding NÖ-Wien also promotes charitable activities such as the Concordia project for street children established by Father Georg Sporschill in Romania and Moldova. Moreover, the company provides financial and material support for people who have been forced into hardship, such as a young Lower Austrian family who lost their father in a traffic accident in 2007.

Raiffeisen NÖ-Wien has enjoyed successful cooperation with the Austrian army for over 30 years. Since the year 2000, the partnership between Raiffeisen-Holding NÖ-Wien and the Lower Austrian Military Command has been guided by the motto "United in service to the people and the province". The core of this partnership is a disaster relief program which was activated once and placed on standby several times during the year 2007.

One textbook example of the strengths and weaknesses of cooperative development paths compared to joint-stock companies can be found in the cooperatives in Kosovo. On the initiative and with the support of Raiffeisen-Holding NÖ-Wien, three pilot projects for agricultural cooperatives were established in Kosovo two years ago. For Raiffeisen-Holding NÖ-Wien, this commitment represents an aspect of sustainable business which pursues a socio-political objective above and beyond mere business figures. The project partners also recognize this attitude, which is a basic requirement for successful development projects in various cultures. Such measures may well make a contribution to finding a political resolution to the complex problems currently facing Kosovo. ■





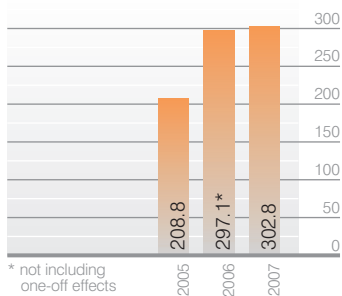
# A SOCIALLY RESPONSIBLE NETWORK.

In line with its objectives as a cooperative, Raiffeisen-Holding NÖ-Wien defines sustainability as observing its responsibility toward its owners, employees and partners. In serving as a hub for its group companies, Raiffeisen-Holding NÖ-Wien networks its social, cultural and environmental activities.



# NETWORKING IN THE CUSTOMER'S INTEREST.

RLB NÖ-WIEN GROUP  
ANNUAL PROFIT  
(EUR '000'000, as of Dec. 31, 2007)



RAIFFEISENLANDESBANK NIEDERÖSTERREICH-WIEN AG (RLB NÖ-Wien) and its bank investments constitute a major part of the overall Raiffeisen-Holding Group. With a share of 78.58%, Raiffeisen-Holding NÖ-Wien owns a qualified majority of shares in RLB NÖ-Wien.



## Raiffeisenlandesbank Niederösterreich-Wien

The other shares are held by the Lower Austrian Raiffeisen banks, which are supported by RLB NÖ-Wien as the lead institution in all aspects of the banking business.

Through its stake in Raiffeisen Zentralbank Österreich AG (RZB) and direct stakes in Czech, Slovak and Hungarian banks, RLB NÖ-Wien also profits from the Raiffeisen Banking Group's highly lucrative presence in Central and Eastern Europe. RLB NÖ-Wien is an extremely successful regional bank whose core business is providing professional advising and optimized banking products in Vienna, Lower Austria and the Centrope region. With its new vision articulated in 2007, RLB NÖ-Wien has reinforced its position as the leading regional bank in the Centrope region. The bank's high quality of advising services and its strong identity as a cooperative are decisive factors in its business success.

In Vienna, RLB NÖ-Wien provides banking services using the slogan "Raiffeisen in Vienna. My Advisory Bank" ("*Raiffeisen in Wien. Meine BeraterBank*") and specializes in commercial banking services for small and medium-sized enterprises, in private banking and in retail banking services. The bank supports and advises over 200,000 customers at 70 locations in Vienna. Other pillars of RLB NÖ-Wien's banking activities include corporate banking and proprietary operations.

RLB NÖ-Wien achieved outstanding results in 2007. The bank's total assets of EUR 19.6 billion reflect dynamic growth of 18.7% (EUR 3.1 billion), compared to EUR 16.5 billion in the year 2006. The group's profit for the year came to EUR 302.8 million, down EUR 125.1 million from the previous year (2006:

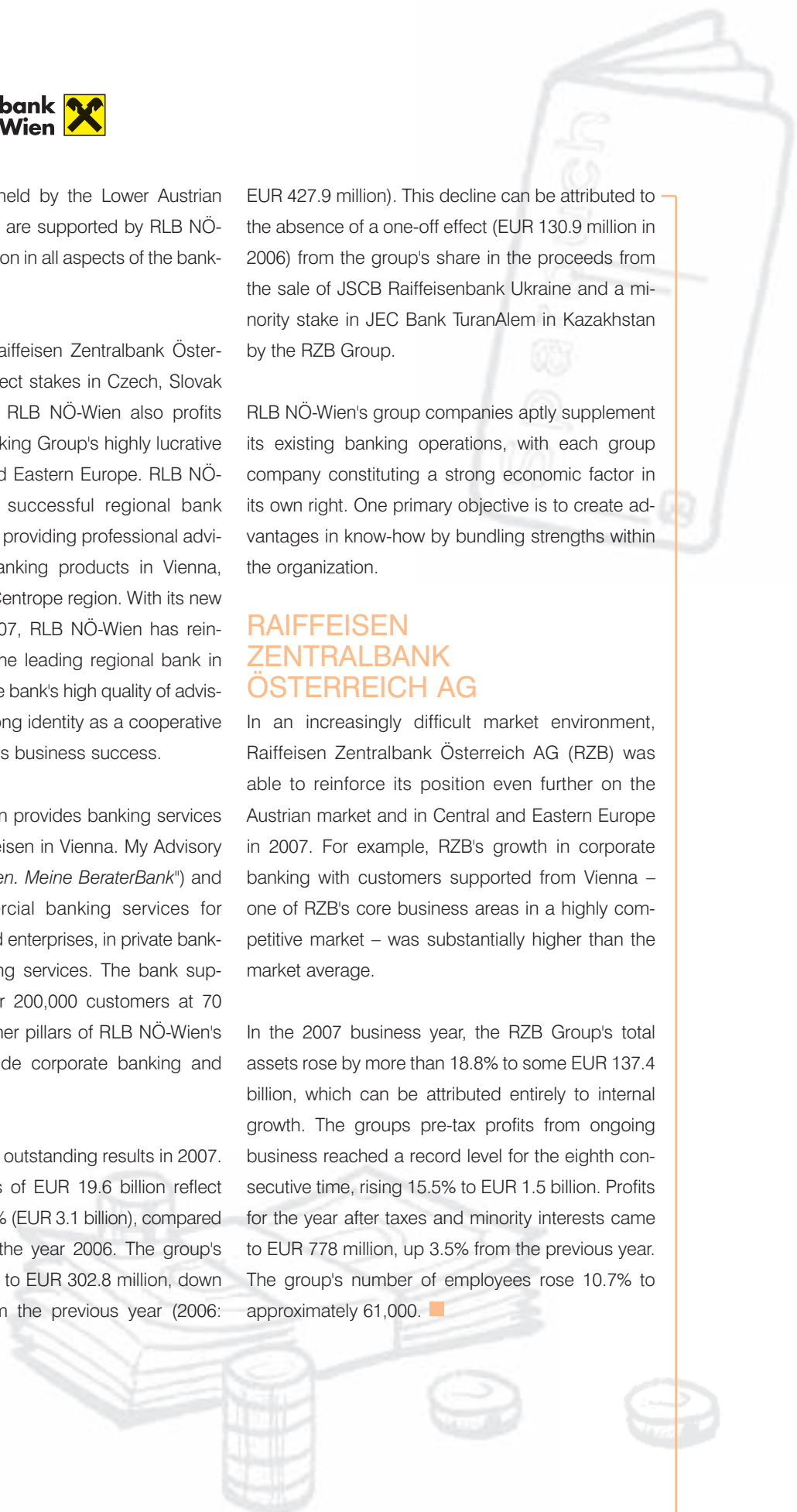
EUR 427.9 million). This decline can be attributed to the absence of a one-off effect (EUR 130.9 million in 2006) from the group's share in the proceeds from the sale of JSCB Raiffeisenbank Ukraine and a minority stake in JEC Bank TuranAlem in Kazakhstan by the RZB Group.

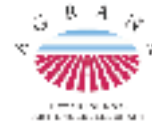
RLB NÖ-Wien's group companies aptly supplement its existing banking operations, with each group company constituting a strong economic factor in its own right. One primary objective is to create advantages in know-how by bundling strengths within the organization.

## RAIFFEISEN ZENTRALBANK ÖSTERREICH AG

In an increasingly difficult market environment, Raiffeisen Zentralbank Österreich AG (RZB) was able to reinforce its position even further on the Austrian market and in Central and Eastern Europe in 2007. For example, RZB's growth in corporate banking with customers supported from Vienna – one of RZB's core business areas in a highly competitive market – was substantially higher than the market average.

In the 2007 business year, the RZB Group's total assets rose by more than 18.8% to some EUR 137.4 billion, which can be attributed entirely to internal growth. The groups pre-tax profits from ongoing business reached a record level for the eighth consecutive time, rising 15.5% to EUR 1.5 billion. Profits for the year after taxes and minority interests came to EUR 778 million, up 3.5% from the previous year. The group's number of employees rose 10.7% to approximately 61,000. ■





The Raiffeisen-Holding Group holds an overall stake of approximately 30% in AGRANA, in which Austrian shareholders have a total share of approximately 37.8%. AGRANA is listed on the Prime Market of the Vienna Stock Exchange, with free-floating shares accounting for 24.5%.

The spectrum of AGRANA products ranges from starch for textiles and paper to sugar for food products, bioethanol as a gasoline additive and apple juice concentrate and fruits for yoghurts. As a global enterprise, AGRANA has more than 53 production facilities on five continents.

The increase in sales revenues in the sugar segment in the 2006-2007 business year by 4% to approximately EUR 805 million (2005-2006: EUR 770 million) was mainly based on higher sales volumes in Eastern Europe. Due to the slow implementation of the reform of the EU's sugar market regime from July 1, 2006 onward, the new sugar market regime and the restructuring regulation were adapted in September 2007.

Revenues in the starch segment increased by 9% to approximately EUR 253 million (2005-2006: EUR 233 million). Construction of the bioethanol plant in Pischelsdorf is progressing according to schedule, and as a result trial operations were launched in October 2007. Full operation was postponed to early 2008 due to inflated wheat and corn prices on the international commodities markets.

In the fruit segment, revenues jumped 69%, from EUR 541.2 million in the previous year to approximately EUR 915 million. This was a result of the complete consolidation of the former DSF and Atys Group as well as the adaptation of the fruit companies' business year.

In the 2006-2007 business year (March 1, 2006 to February 28, 2007), the AGRANA Group's revenues rose by 27.8%, from EUR 1.5 billion to approximately EUR 1.9 billion. All three of AGRANA's business areas saw substantial increases in revenues. With a 48% share of group revenues, the fruit segment became the group's largest source of revenues. Despite the burdens of the new sugar market regime and increasing energy and raw materials costs, AGRANA's operating result increased to approximately EUR 107 million (2005-2006: EUR 99.5 million). The fruit segment made the largest contribution to this result and easily compensated for the lower results in sugar and starch.

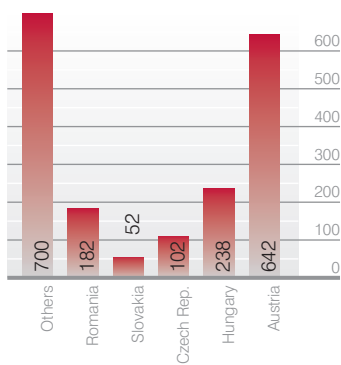
**SÜDZUCKER** The Südzucker Group is Europe's largest sugar company by far as well as the market leader in the European Union and the countries of Central and Eastern Europe. Germany's Südzucker AG Mannheim/Ochsenfurt (Südzucker) and AGRANA maintain a close strategic partnership. Südzucker holds 37.8% of AGRANA's share capital. Together with AGRANA, Raiffeisen-Holding NÖ-Wien holds a stake of about 11% through a holding company which is Südzucker's second-largest shareholder.

In the 2006-2007 business year, Südzucker succeeded in increasing its group revenues by approximately 8% to EUR 5.8 billion (2005-2006: EUR 5.3 billion). This growth emanated from the specialties and fruit segments, while the restrictions of the new EU sugar regime already showed their effect in the sugar segment. Nevertheless, the group achieved an operating result of EUR 419 million (2005-2006: 450 million), and cash flow increased to EUR 554 million (2005-2006: 527 million). ■



# NETWORKING BEARS FRUIT.

AGRANA  
REVENUES BY COUNTRY  
(EUR '000'000, as of Feb. 28, 2007)

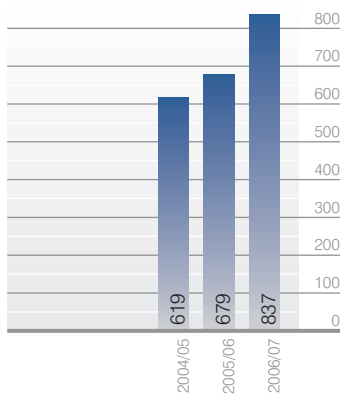


The AGRANA Group (AGRANA), with its three core business areas of sugar, starch and fruit, is one of the leading sugar and starch companies in Central Europe, the market leader in fruit preparations worldwide, and the largest producer of fruit juice concentrates in Europe.



# NETWORKED AT HOME AND ABROAD.

LLI  
REVENUES YEAR ON YEAR  
(EUR '000'000, as of Sep. 30, 2007)



LEIPNIK-LUNDENBURGER INVEST Beteiligungs- AG (LLI) is a financially strong Central European holding company which can look back on a long-standing tradition. LLI characterizes itself as a holding company which pursues an active, expansive investment strategy.





LEIPNIK-LUNDENBURGER INVEST  
BETEILIGUNGS AG

Through its corporate groups, LLI operates in the segments of flour and milling, vending (hot drinks and snacks) and miscellaneous investments (sugar/specialties/fruit and casinos). The group's activities focus on the Central and Eastern European markets. With 52% of LLI's voting shares, Raiffeisen-Holding NÖ-Wien is the group's main shareholder. Other shareholders include RZB (approximately 27.5%), the Sugar Beet Farmers Association for Lower Austria and Vienna (approximately 10.5%) and UNIQA (10%).

The 2006-2007 business year can largely be characterized by the terms "expansion" and "restructuring," especially in the flour and milling segment. In July 2007, LLI's milling group succeeded in entering the Southeastern European market as planned. LLI achieved this by purchasing 60% of the shares in Titan S.A. of Romania and in Sofia Mel AD of Bulgaria from the Loulis Group in Greece. In addition, LLI took a minority stake of 5% in the group parent company Loulis Mills S.A.

In order to manage its constantly expanding milling operations more efficiently, LLI also set up a holding company for milling subsidiaries at the same time when it invested in these Southeastern European companies. The holding company, which is called LLI EUROMILLS GmbH, has a presence on the milling markets in Austria, Hungary, Germany, Poland and the Czech Republic, and (since July 2007) in Romania, Bulgaria and Greece, thus making the company Europe's market leader and placing it among the top four companies in the milling industry worldwide.

In the flour and milling segment, the reporting year was mainly characterized by skyrocketing grain

prices worldwide, which forced the LLI Group to pass on the increased raw material costs in its flour prices wherever possible.

café+co International Holding GmbH is among the top players in the Central European vending industry. The group's subsidiaries operate and service some 40,000 vending stations internationally. Tailored solutions are offered in order to provide vending systems for companies of all sizes. The group realized its planned entry into the Russian market in the 2006-2007 business year by acquiring a majority stake in Café+Co Rus ZAO in Moscow. New companies were set up in the fall of 2007 in order to establish the group's presence in Serbia and Romania.

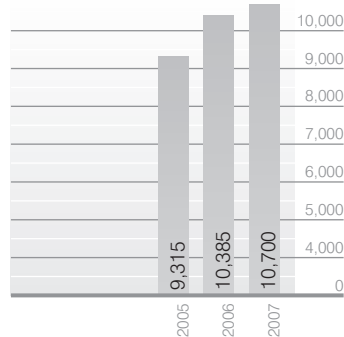
The third segment of the LLI Group comprises its minority stakes in AGRANA, Südzucker and Casinos Austria.

In the reporting period, the LLI Group's revenues jumped 23.3% to EUR 836.7 million (2005-2006: 678.7 million). This substantial gain can primarily be attributed to sharp increases in flour prices due to the rising costs of raw materials. In addition, the accounts for the reporting period included three additional subsidiaries (Romania, Bulgaria, Poland) as well as two Polish mills which were only consolidated for nine months of the previous business year. Heady organic growth in the vending segment also contributed to this increase in revenues. Approximately 85.6% of revenues in the reporting period were generated by the group's subsidiaries abroad. In 2006-2007, the group once again managed to improve its result substantially compared to the previous business year (EUR 45.9 million): EBIT for the year came to EUR 53 million. ■



In 2007, STRABAG formed an alliance with a strategic partner in order to solidify its basis for further growth and to pursue its strategic goal of creating Europe's leading construction company: Rasperia Trading Ltd. (Rasperia), a holding company with close links to the Russian investor Oleg Deripaska, took a 30% stake in STRABAG's share capital. As a result of the capital increase, Raiffeisen-Holding NÖ-Wien's stake in STRABAG was reduced from approximately 25% to approximately 18%. Rasperia's investment in STRABAG and the new strategic options resulting from this move – especially in Russia – have created significant potential for further increases in the value of STRABAG's shares.

STRABAG CONSTRUCTION OUTPUT  
YEAR ON YEAR  
(EUR '000'000, as of Dec. 31, 2007)



On October 19, 2007, STRABAG launched its IPO in the Prime Market segment of the Vienna Stock Exchange. After the corporate measures carried out by STRABAG, Raiffeisen-Holding NÖ-Wien and the UNIQA Group together held 25% + 1 share as of December 31, 2007. Other shareholders include the Haselsteiner Group (25% – 3 shares) and Rasperia (25% + 1 share). The remaining 25% + 1 share are listed as free-floating shares on the Vienna Stock Exchange.

In 2007, STRABAG was able to increase its construction output as well as its results, once again recording the most successful year in the history of the group. The number of employees at STRABAG also increased along with the group's business vol-

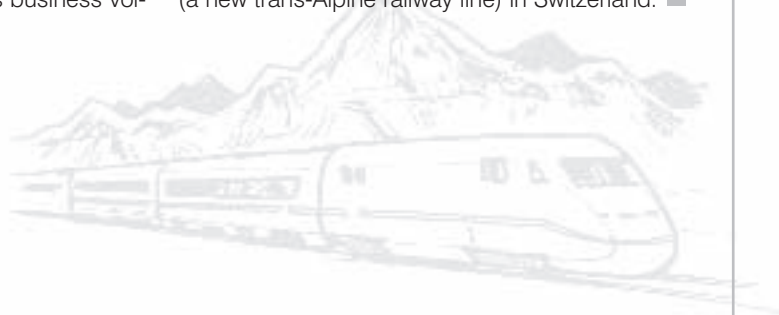
ume. The group's output increased from EUR 10.4 billion to EUR 10.7 billion, which represents an increase of approximately 3%.

STRABAG operates in three segments: Building Construction and Civil Engineering; Road Construction; and Tunnel Construction and Services.

In terms of output, Building Construction and Civil Engineering is STRABAG's most important business segment. In this field, the group constructs shopping centers, office buildings and other structures for customers in the public and private sectors. In the reporting period, the STRABAG Group won contracts for a number of building construction and civil engineering projects, including the 44-story "Opera Tower" across from the Old Opera House in Frankfurt am Main and the EUROVEA International Trade Center in Bratislava.

The group's road construction activities comprise highway and waterway projects as well as the construction of sports facilities. In this segment, the year 2007 was largely characterized by acquisitions: In addition to acquiring the fourth-largest road construction company in Poland (NCC Poland) in April, STRABAG took a 74.9% stake in the Croatian road construction company Cestar d.o.o. in July. STRABAG also plans to enhance its competence in this field and thus purchased a 70% stake in Möbius Bau AG, a company located in Hamburg and specializing in heavy construction and waterways.

Moreover, STRABAG was also awarded contracts in 2007 for the construction of a tunnel for the U4 subway line in Hamburg and for a section of the NEAT (a new trans-Alpine railway line) in Switzerland. ■





# BUILDING ON NETWORKED STRENGTHS.



As one of Europe's leading construction companies, STRABAG SE (STRABAG) generated revenues of EUR 10.7 billion with approximately 60,000 employees in 2007. The company operates in all areas of the construction industry.





# NETWORKED KNOW- HOW GENERATES INNOVATION.

NÖM AG (NÖM) is the largest and most innovative producer of refined dairy products in Austria. Through innovations in new production and packaging technologies, NÖM has steadily expanded its position on the market and developed into a highly successful Central European dairy company in recent years.





At present, NÖM refines some 300 million kilograms of milk from some 4,100 dairy farms, predominantly in Lower Austria. At three locations in Austria (Baden, Zwettl and Hartberg), the group has approximately 760 employees.

NÖM has a clear ownership structure: Raiffeisen-Holding NÖ-Wien holds an 84.8% stake, while the second-largest shareholder, the MGN Milchgenossenschaft Niederösterreich dairy farmers' co-operative, owns 15.2% of the group's shares.

In the 2007 business year, the group's profit from ordinary activities came to EUR 11 million (2006: 12.7 million) on revenues of EUR 336.6 million (2006: 308.9 million). As of the balance-sheet date, NÖM's equity ratio was approximately 30%.

The share of exports of finished products came to about 48%. NÖM's main export markets are Germany, Italy, England, Scandinavia, the Benelux region, Spain and Portugal. NÖM also intensified its business relations with trade partners in Poland and the Czech Republic. Total exports exceeded 116,000 tons in 2007. Through the listing of a fruit and vegetable drink with the Swiss retailer Coop, NÖM was also able to complete its expansion in Western Europe, meaning that the company is now represented throughout the continent.

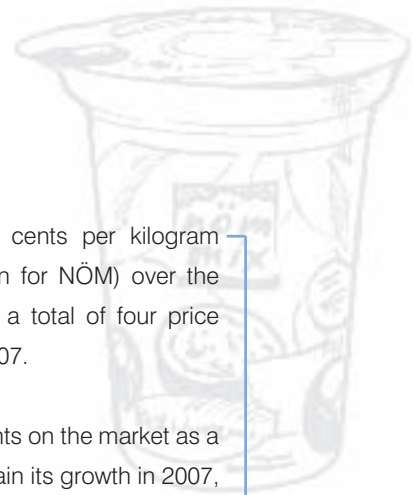
Starting in early 2007, milk prices on the worldwide market saw a sharp and unexpected increase which was mainly caused by a drought in Australia and New Zealand as well as a jump in demand from the Asian region. The EU market (and thus also the Austrian market) felt the full effect of this wave of price increases. The increase in raw mate-

rial costs of more than 3.5 cents per kilogram (amounting to EUR 11 million for NÖM) over the previous year brought about a total of four price hikes in the second half of 2007.

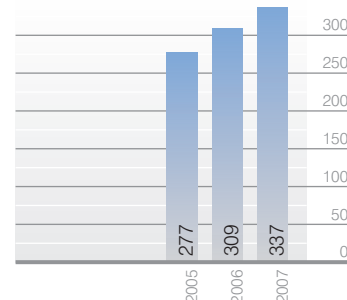
Despite declining developments on the market as a whole, NÖM was able to sustain its growth in 2007, increasing its share of the market from 18.9% to 19.2% in terms of volume.

In the year under review, NÖM also succeeded in launching a number of innovative products on the market and won multiple innovation awards as a result.

Together with NÖM, Raiffeisen-Holding NÖ-Wien established NÖM International AG in 2007 with the strategic objective of building a dairy enterprise with multiple locations in Europe. In the Ukraine, VAT Regionprodukt in Gnidin (near Kiev) was acquired. Moreover, NOM Dairy UK Ltd. was established in the UK and a property was purchased in Telford, Birmingham. Construction of the dairy facility began in January 2008, and production in Telford is scheduled to begin in early 2009. Investments in these two projects will total approximately EUR 120 million in the coming years. ■



NÖM REVENUES  
YEAR ON YEAR  
(EUR '000'000, as of Dec. 31, 2007)



## KURIER

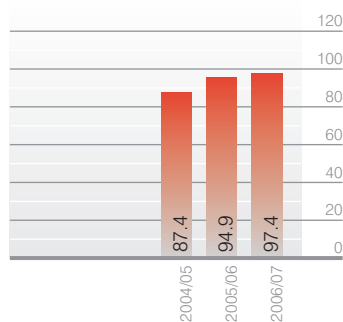
KURIER Zeitungsverlag und Druckerei GmbH (Kurier GmbH) is the publisher of the Austrian daily newspaper KURIER as well as its web site. The company itself also holds a number of different media investments. Together with RZB and UNIQA Versicherungen AG, Raiffeisen-Holding NÖ-Wien owns a majority stake in KURIER GmbH through various holding companies. With just under 50%, the German group Westdeutsche Allgemeine Zeitungsverlagsgesellschaft E. Brost & Funke GmbH & Co (WAZ Group) is the minority shareholder. Responsibility for editorial policy and publishing, however, lies exclusively with the Austrian owners.

The KURIER daily newspaper has the highest circulation of any quality newspaper in Austria. In early 2007, the Austrian trade magazine *Der österreichische Journalist* presented the newspaper with multiple awards, including "Editorial Department of the Year." In the course of the year, the paper took a number of measures in order to strengthen its

position even further, such as the expansion of its special editions of CDs and books, graphic improvements in its TV guide and the relaunch of the *Techno Kurier*.

For the 2006-2007 business year, KURIER GmbH's profits on ordinary activities came to EUR 11.8 million. As of the accounting date (June 30, 2007), the company's equity amounted to EUR 24.2 million and total assets came to EUR 65.4 million.

KURIER REVENUES  
YEAR ON YEAR  
(EUR '000'000, as of June 30, 2007)



## EPAMEDIA

EPAMEDIA, EUROPÄISCHE PLAKAT UND AUSSENMEDIEN GMBH (EPAMEDIA) continued on its course of dynamic growth in 2007. Its newly created central brand has proven to be highly effective and conveys an image of clear market leadership, modern services and high quality in this competitive market. EPAMEDIA, in which Raiffeisen-Holding NÖ-Wien holds a 50% stake through Medicur Holding, has subsidiaries in the Czech Republic, Hungary, Slovakia, Slovenia, Croatia, Macedonia, Serbia, Romania, Bulgaria, Moldova and Poland. It is the largest outdoor advertising company in the CEE market and the undisputed market leader in six countries in the region.

In Austria, EPAMEDIA strengthened its position as market leader even further by acquiring the advertising company Dr. Grupe Werbung. After the Austrian premiere of mall signage at Shopping City Süd, a sprawling shopping complex near Vienna, EPAMEDIA was able to conclude three additional contracts in this field. In addition, the company began to roll out VITA TV, a new advertising product designed for waiting rooms. In the reporting period, 300 doctor's offices and outpatient clinics were equipped with advertising screens.

In the 2007 business year, EPAMEDIA recorded total revenues of EUR 169.8 million, of which EUR 94.1 million can be attributed to Austria and EUR 75.7 million to Central Europe (2006: 145.4 million, with EUR 86.3 million in Austria and EUR 59.1 million in Central Europe). Profit for the 2007 business year came to EUR 4.5 million (2006: EUR 8 million), and investments totaled EUR 134.4 million. EPAMEDIA had 473 employees (2006: 403), with 142 employees abroad (2006: 133) in the reporting period. ▶



# COMMUNICATING NETWORKED INFORMATION.

Media investments are an important strategic business area for Raiffeisen-Holding NÖ-Wien. The group's portfolio includes print media as well as private television, television broadcasting and outdoor advertising.

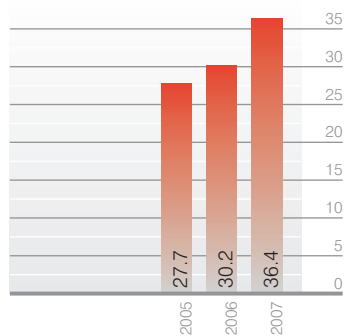




### Österreich

Since the year 2000, **SAT.1 Privatrundfunk und Programmgesellschaft m.b.H. (SAT.1 Österreich)** has been broadcasting its own programming and advertising content for Austria within the framework of the German Sat.1 channel. The Austrian shows broadcast on this channel include television magazines such as "GO! Das Motormagazin" (an automotive show), the multimedia show "connect it", "Avida" (spas and wellness), and the "Style!" lifestyle show. Since 2005, Sat.1 Österreich has also broadcast Austria's first "breakfast-time television" show, known as "Café Puls."

SAT.1 AUSTRIA GROSS  
ADVERTISING YEAR ON YEAR  
(EUR '000'000, Focus Media Research)



The company is owned by Sat.1 Satelliten-Fernsehen GmbH in Germany (51%) and the Raiffeisen subsidiaries Medicur Holding GmbH and Styria Medien AG (24.5% each).

According to Focus Media Research, Sat.1 Österreich was able to increase its gross revenues by 21% in

2007, with gross advertising revenues amounting to EUR 36.4 million.



**Österreichische Rundfunksender GmbH & Co KG (ORS)** is Austria's leading service provider for analog and digital broadcasting transmission and is responsible for the construction and operation of the technical infrastructure for DVB-T in Austria.

ORS was founded in early 2005 as a spin-off of

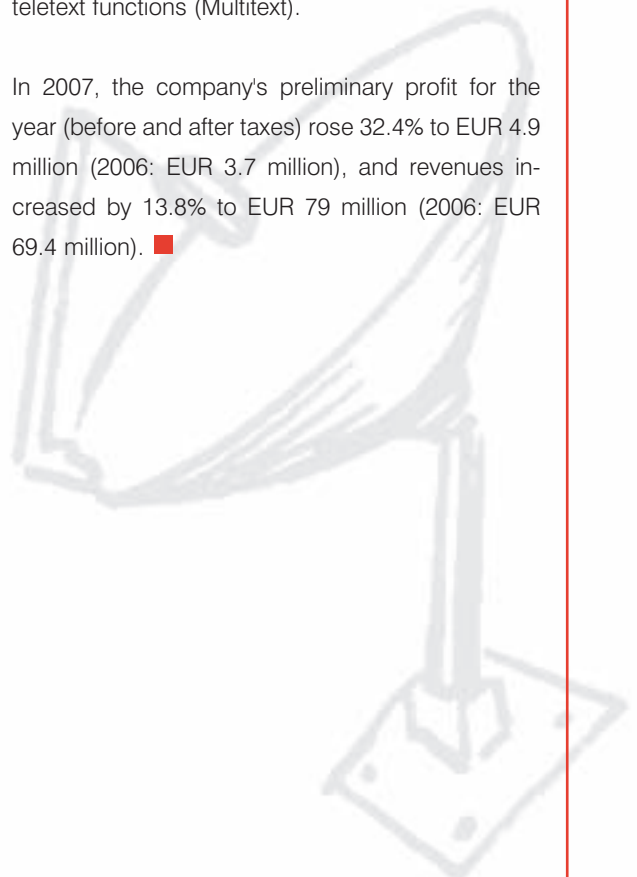
ORF's broadcasting technology operations; 60% of the company is owned by ORF, and the remaining 40% is held by Medicur Sendeanlagen GmbH, a subsidiary of Raiffeisen-Holding NÖ-Wien.

ORS operates a far-reaching network of broadcasting transmitters at some 470 locations.

ORS operates an expansive network of broadcasting transmitters at nearly 470 locations for its television and radio customers. The company also operates throughout Europe as a satellite services enterprise, with operations including broadcasting transmissions for the German national soccer league, to name just one example.

ORS was awarded the contract for the digitization of terrestrial television in Austria and launched the transition from analog to digital terrestrial television reception (DVB-T) in October 2006. By the end of 2007, ORS had switched nearly 90% of Austrian households over to the new digital technology. This move also enabled portability as well as improved teletext functions (Multitext).

In 2007, the company's preliminary profit for the year (before and after taxes) rose 32.4% to EUR 4.9 million (2006: EUR 3.7 million), and revenues increased by 13.8% to EUR 79 million (2006: EUR 69.4 million). ■





# NETWORKING ENHANCES FLEXIBILITY.

Raiffeisen-Holding NÖ-Wien's portfolio of investments comprises service enterprises which satisfy a wide variety of needs, including top-notch restaurants and catering, travel, real estate brokerage, business consulting, as well as advertising and event management agencies.



**DO & CO Restaurants & Catering AG (DO & CO)** operates as a "gourmet entertainment company" in more than 15 countries worldwide. As a one-stop partner in its three core business areas – Airline Catering, International Event Catering, and Restaurants, Lounges, Hotels & Bars –

DO & CO operates in its three core business areas Airline Catering, International Event Catering, and Restaurants, Lounges, Hotels & Bars in more than 15 countries worldwide.

DO & CO not only provides first-rate culinary enjoyment,

but also comprehensive organizational, marketing and concept development services.

Since the company went public in June 1998, the Attila Dogudan private foundation has been DO & CO Restaurants & Catering AG's majority shareholder and currently owns 50.5% of the company's shares. DZR Immobilien und Beteiligungs GmbH, a wholly-owned subsidiary of Raiffeisen-Holding NÖ-Wien, owns a 20.4% stake in the company, and the remaining 29.1% are free-floating shares.

The 2006-2007 business year was mainly characterized by growth and the expansion of activities in the Airline Catering segment; DO & CO also clearly con-

firmed its position as a premium event and hospitality partner in the field of large-scale sporting events worldwide. In the reporting period (April 1, 2006 to March 31, 2007), DO & CO saw its revenues rise to EUR 206.3 million (up 45.1%) and had a total of more than 2,000 employees. The bulk of

these revenues can be attributed to Airline Catering (59.9%), followed by Restaurants, Lounges, Hotels & Bars (21.2%) and International Event Catering (18.9%).



**RAIFFEISEN IMMOBILIEN VERMITTLUNG GES. M.B.H (RIV)** is a highly competent partner in all aspects of the real estate business, from valuation and brokerage activities to the handling of complete real estate transactions.

Raiffeisen-Holding NÖ-Wien owns a 95% stake in RIV, while the remaining 5% is held by Raiffeisenlandesbank Burgenland und Revisionsverband reg.Gen.m.b.H.

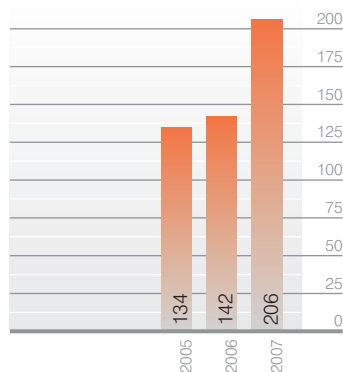
Due to the upswing on the real estate market and exemplary cooperation with the Lower Austrian Raiffeisen banks, RIV and its wholly-owned subsidiary Waldviertel Immobilien-Vermittlung GmbH (WIV) were able to expand their sales network even further in the reporting period. Since January 2008, RIV has had a total of 14 branches which provide customers with competent real estate advising and services.

In the 2007 business year, the company handled some 270 properties with a sales volume of about EUR 39 million and drew up 204 valuation reports with a volume of approximately EUR 150 million.



**Raiffeisen Reisebüro GmbH (Raiffeisen Reisen)** is one of the largest local travel agencies in eastern Austria and operates as a retail travel agent for

DO & CO REVENUES YEAR ON YEAR (EUR '000'000, as of December 31, 2007)





classic travel and service offers, as a tour operator and incentive travel provider, and as an incoming agency (through its 51% stake in Pegasus Incoming GmbH).

Raiffeisen Reisen is wholly owned by Raiffeisen-Holding NÖ-Wien.

In the reporting period, Raiffeisen Reisen was able to reinforce its cooperation with the Raiffeisen banks; the success of these efforts is reflected in the doubling of the number of passengers in the two "Raiffeisen Aktiv" customer loyalty club trips carried out in the year 2007.

In 2007, Raiffeisen Reisen had 110 employees, and Pegasus Incoming had a total of 40 employees; their combined revenues came to some EUR 66.2 million.



**AMI-PROMARKETING Werbe- und Handelsgesellschaft m.b.H (AMI)** is one of Austria's leading agencies in the field of sports, culture and event marketing. AMI's services include planning, organization and support for various events, presentations and promotions, as well as full creative and consulting services in event marketing. The company's premium customers in 2007 included Zentrale Raiffeisenwerbung (Raiffeisen's central advertising unit), the Kronen Zeitung newspaper, the Lower Austrian provincial government, the Lower Austrian provincial advertising agency (NÖ Werbung), UNIQA and the Grafenegg cultural festival.

Raiffeisen-Holding NÖ-Wien holds an indirect stake

of 45% in AMI.

In 2007, AMI's team of 14 employees was able to generate the highest revenues (EUR 4.4 million) and the highest profit on ordinary activities (EUR 410,000) in the history of the company.

### markant | werbeagentur

**MARKANT – Gesellschaft für Werbung, Kommunikationsberatung, Handel und Veranstaltungen Gesm.b.H. (markant)** offers comprehensive services in the field of integrated market communication. Its range of services includes strategic marketing consulting, classic advertising, PR and event management. With 99.6% of the company's shares, Raiffeisen-Holding NÖ-Wien is markant's main shareholder.

In terms of awards, 2007 was a highly successful year for markant: Markant's *Trommelfell* mass mailing to Raiffeisen club members won the Silver award in the B2B Financial Services category as well as the special prize for the "Most Successful National Direct Mailing Campaign".

In 2007, markant's clients included Raiffeisen-Holding NÖ-Wien, RLB NÖ-Wien, LLI, Agrarmarkt Austria Marketing GmbH, the Lower Austrian health insurance institution, the Wiener Stadthalle event complex and the Wiener Kaufmannschaft organization for business promotion. In addition, markant also took over marketing and support activities for the Raiffeisen Forum.

With its 38 employees, markant generated revenues of EUR 9.2 million in 2007. ■

## Raiffeisen-Holding NÖ-Wien established "Renewable Energy" as a new business area one year ago.

**RENEWABLE ENERGY** With its new strategic business area "Renewable Energy," Raiffeisen-Holding NÖ-Wien is committed to making an active contribution to sustainability and climate protection. Raiffeisen-Holding NÖ-Wien's activities in this field are bundled in RENERGIE, a company specifically established for this purpose.

The market for renewable energy is growing fast. In the medium term, a significant share of Austria's heat and electricity needs are to be met using renewable energy sources, and biofuels will be added to gasoline and diesel. This will both sustain and secure the value chain for agricultural and forestry products by transforming them into electrical power as well as gas, heat and fuel.

In developing its corporate strategy in 2007, RENERGIE defined three key business areas:

- Realization of regional power and heat generation projects
- Realization of biofuel projects
- Investments in renewable energy projects.

In the field of regional power and heat generation, RENERGIE was able to carry out its first project in early 2007. The biogas plant company Biogasanlage Orth a.d. Donau reg.GenmbH and RENERGIE (which holds a 51% stake) constructed the biogas plant Bioenergie Orth a.d. Donau GmbH and put the plant into operation in late 2007.

Potential projects in the other two business areas are being evaluated on an ongoing basis.

In order to enable further growth, RENERGIE was able to secure access to the German market by establishing RENERGIE green solutions (RENERGIE's stake: 85%) in cooperation with local partners. Contracts have already been signed for raw materials and properties; the company's initial projects in this area are currently in the approval stage and will be carried out in the course of the year 2008. These activities mainly focus on biogas, for which the general conditions in Germany are highly favorable.

RENERGIE holds a majority share in the biogas facility in Orth an der Donau, which was put into operation in late 2007.

In Austria, it is very difficult to carry out projects in the field of renewable energy at the moment, and the conditions for new projects are not expected to improve, even with the proposed amendment to legislation on ecological power generation currently under discussion. The conditions in neighboring countries, on the other hand, can be described as "favorable" to "highly favorable." The proposed amendments to legislation in those countries will even bring about further improvements in this area.

Those countries in which Raiffeisen-Holding NÖ-Wien already operates will offer especially attractive opportunities.

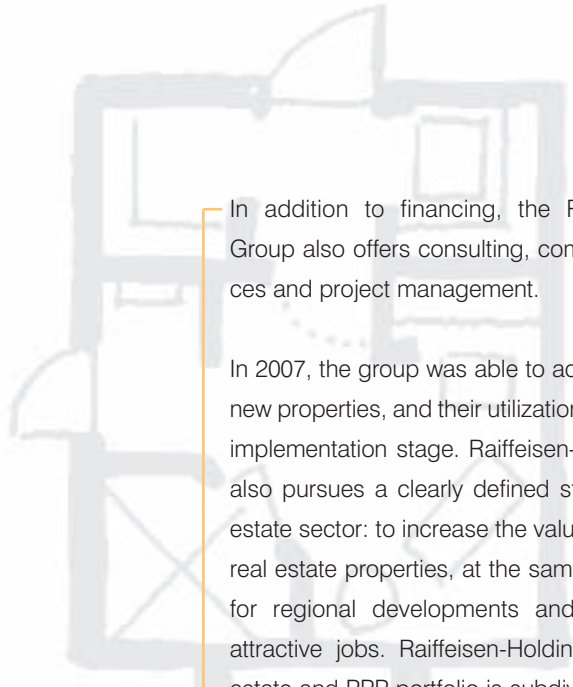
In addition to its three core business areas, RENERGIE plans to set up a competence center for emissions trading. In this way, RENERGIE will not only be able to provide services and consulting for its business partners, but also to support other companies actively in this field. ■



# INVESTING IN NETWORKED PROJECTS.



In its real estate investments, Raiffeisen-Holding NÖ-Wien sees itself as a long-term investor with highly professional portfolio management. At the same time, the group also serves as a real estate partner for both the private and the public sector.



In addition to financing, the Raiffeisen-Holding Group also offers consulting, comprehensive services and project management.

In 2007, the group was able to acquire a total of 13 new properties, and their utilization is currently in the implementation stage. Raiffeisen-Holding NÖ-Wien also pursues a clearly defined strategy in the real estate sector: to increase the value of and return on real estate properties, at the same time accounting for regional developments and the creation of attractive jobs. Raiffeisen-Holding NÖ-Wien's real estate and PPP portfolio is subdivided into financial investments, PPP investments and regional investments, and included some 80 real estate investments at the end of 2007. Invested capital currently amounts to about EUR 220 million (2006: 140 million), with a total investment volume of approximately EUR 540 million in the real estate sector (2006: 240 million). These investments focus mainly on commercial properties, ranging from office buildings, shopping malls and retail parks to hotels and mixed-use properties.

At present, the real estate and PPP portfolio comprises approximately 80 different investments and focuses mainly on commercial real estate.

**FINANCIAL INVESTMENTS** In 2007, Raiffeisen-Holding NÖ-Wien acquired a real estate package consisting of six retail parks with a rentable surface area of more than 25,000 m<sup>2</sup> in the provinces of Lower Austria, Vienna, Styria and Carinthia. In addition, Raiffeisen-Holding NÖ-Wien acquired a large property at **Rossauer Lände** in Vienna's 9th district, as well as the current **OPEC building** next to the Raiffeisen building in Vienna and the **Lassallestrasse Project**, which includes an IBIS

hotel as well as the former UCI cinema center.

**KASERNEN AG** In the year under review, the Austrian Federal Ministry of Defense continued to sell off barracks, office buildings and training grounds which are no longer needed for military purposes. KASERNEN Projektentwicklungs- und Beteiligungs AG, a joint subsidiary of Raiffeisen-Holding NÖ-Wien (75%) and NÖ Hypo-Bank (25%), was able to purchase the Oggau barracks on Lake Neusiedl in eastern Austria. On this property, the group intends to build subsidized and non-subsidized housing as well as restaurants and leisure facilities.

Another key project is the development of a 50-hectare business park and a 10-hectare rail transport logistics terminal in Pitesti, 120 km north of Bucharest, Romania.

**ÖBB POSTBUS** In the course of consolidating locations, ÖBB-Postbus GmbH (ÖBB-Postbus) decided to have a postal bus garage built by Raiffeisen-Holding NÖ-Wien in the south of Vienna. Raiffeisen-Holding NÖ-Wien has purchased the property and will provide ÖBB-Postbus with a long-term lease.



**RAIFFEISEN PURPOSE-BUILT APARTMENTS** In order to meet the demand for purpose-built apartments as long-term investment products, Raiffeisen-Holding NÖ-Wien set up a company specifically dedicated to constructing such properties in cooperation with the construction company Seeste. At present, two projects are under construction in Vienna.

