

# REPORT

## 2008

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

Figures in EUR '000'000

	2008	2007
Total assets	29,445	21,502
Financial assets	3,686	3,354
Investments in associated companies	3,220	2,482
Loans and advances to banks	7,557	4,117
Loans and advances to customers	8,350	6,778
Equity (Credit risk)	2,934	2,919
Equity ratio (%)	15.1%	17%
Net interest	97	94
Net profit for the year after taxes	90	624
Net group profit for the year	51	544

Company	Locations	Employees	Investments (EUR '000'000)	Revenues (EUR '000'000)
Südzucker Group	102	18,650	494	5,780
Amount attributable to AGRANA Group	52	8,140	208	1,892
LLI Group	54	3,660	39	1,233
NÖM AG Group	3	540	24	373
STRABAG SE Group	500	70,000	–	13,700 (output)
EPAMEDIA Group	33	560	24	158
DO & CO Group	21	3,780	21	355
RZB Group (incl. network banks)	3,251	66,700	–	157,000 (total assets)
RLB NÖ-Wien	72	1,300	–	27,500 (total assets)

(figures rounded)

Raiffeisen-Holding Niederösterreich-Wien  
reg.Gen.m.b.H.

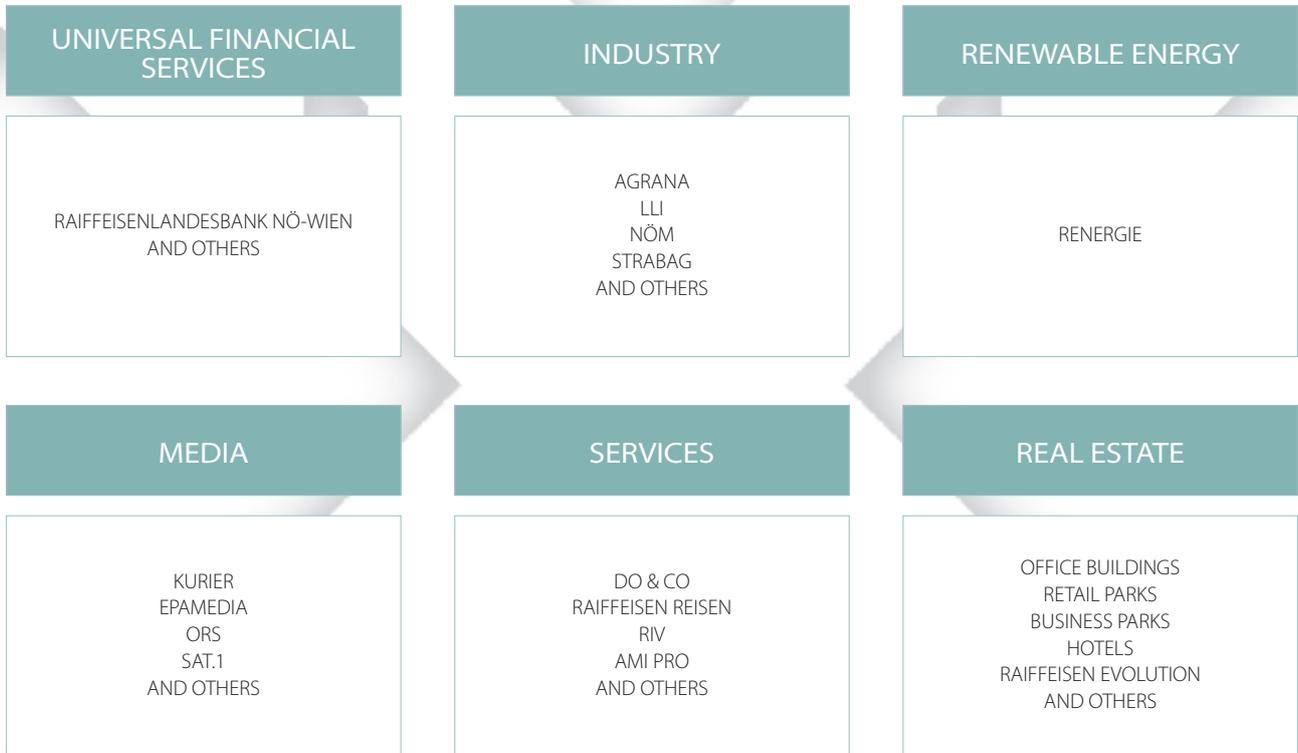
Friedrich-Wilhelm-Raiffeisen-Platz 1 · 1020 Vienna  
Phone: +43 1 211 36-0  
Telefax: +43 1 211 36-22 23  
Internet: www.rhnoew.at

Bank code no.: 32300 · S.W.I.F.T. code: RLNW AT WW

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

190 MEMBERS

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



PUBLISHING INFORMATION: Concept/production: markant Werbeagentur GmbH, 1220 Vienna, www.markant.at EDITING AND COORDINATION: Michaela Stefan, Katharina Fuchs  
 LAYOUT/GRAPHIC DESIGN: franke&hagen graphic design, 1190 Vienna, www.franke-hagen.com PRINTING/BINDING: AV+Astoria Druckzentrum, 1030 Vienna PICTORIAL MATERIAL:  
 Harald Eisenberger, 1160 Vienna, www.eisenberger.co.at; Getty Images, 80469 Munich, www.gettyimages.com; Printed on environmentally friendly paper.

## A NETWORK OF SUCCESSFUL GROUP COMPANIES

Raiffeisen-Holding NÖ-Wien is a highly unique organization in Austria, as the group operates as an investment bank and as a cooperative at the same time. As an investment bank, Raiffeisen-Holding NÖ-Wien holds major stakes in approximately 680 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 is well aware of its responsibility to its members and owners, group companies, customers and partners as well as its employees. One of the group's key duties is to optimize value creation for the Raiffeisen family. Raiffeisen-Holding NÖ-Wien's portfolio of investments comprises six core business areas, namely universal finance, industry, renewable energies, media, services and real estate.

Number of group companies:	680
Locations:	4,000
Total revenues:	EUR 21.6 billion
Employees:	165,000

Despite challenging economic conditions, Raiffeisen-Holding NÖ-Wien succeeded in attaining sound results in the year under review. In 2008, a total of 123 companies were fully consolidated in the group, and profits before taxes and distributions came to EUR 101 million. The consolidated revenues of group companies in the industry and services segments climbed yet again, this time from EUR 18 billion in 2007 to EUR 21.6 billion in 2008.

### Cooperative responsibility

Raiffeisen-Holding NÖ-Wien is a modern cooperative in line with Friedrich Wilhelm Raiffeisen's original vision and is owned by its 190 members, which include the Lower Austrian Raiffeisen banks as well as Raiffeisen warehouses, procurement cooperatives and numerous other cooperatives.

All over the world, the financial crisis has drawn a great deal of public attention to banks and sparked fundamental discussions about their business transactions, duties and responsibilities.

Long before this crisis emerged, Raiffeisen-Holding NÖ-Wien launched the "Together" (*Mit.Einander*) project, thus initiating an internal discussion process among managers, employees and functionaries at the Lower Austrian Raiffeisen banks. As a cooperative banking group, Raiffeisen-Holding NÖ-Wien has thus worked to redefine and increase awareness of its special responsibility to the population and economy of the region.

One textbook example of the strengths and weaknesses of cooperative development strategies (in contrast to those of joint-stock companies) can be found in the three pilot cooperatives established in Kosovo. In order to promote economic development in this crisis-torn region on the basis of cooperative self-empowerment, a dairy cooperative, a cheese cooperative and an agricultural cooperative have been established in Kosovo in recent years. In 2008, hundreds of tons of fresh vegetables were marketed for cooperative members, with watermelon sales climbing to nearly 4,000 tons (approximately half of total domestic sales). Another especially positive development is the fact that the cooperative initiative has been imitated in many other areas in Kosovo.

## SOCIAL RESPONSIBILITY

**Sustainability, social responsibility and environmentally conscious activities are high priorities at Raiffeisen-Holding NÖ-Wien, which serves as a reliable partner to its owners and group companies as well as the Austrian federal government and the provincial governments of Lower Austria and Vienna.**

Raiffeisen's core values of solidarity, subsidiarity and a regional focus – security, trust and proximity to the people through cooperation – are now more important than ever. With due attention to ecological aspects, those values act as guidelines for Raiffeisen-Holding NÖ-Wien's day-to-day activities. On the basis of those fundamental premises, Raiffeisen-Holding NÖ-Wien makes voluntary contributions to sustainable development, ensures responsible behavior in its actual business activities, accounts for ecological concerns and promotes strong relationships with employees as well as the exchange of ideas and opinions with relevant stakeholder groups.

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 165,000 people. Promoting these employees, advancing their professional training and development, and creating optimum working conditions are key fundamentals of the group's corporate policy.

Environmentally conscious behavior is a central aspect in all of Raiffeisen-Holding NÖ-Wien's business operations. This includes the careful use of natural resources as well as the reduced consumption of energy and materials. Both Raiffeisen-Holding NÖ-Wien and all of the other Raiffeisen

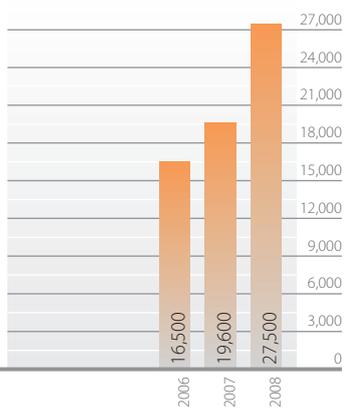
organizations take their responsibility to the environment very seriously. In order to sensitize a broader audience to the topic of climate protection, the Austrian Raiffeisen Association (*Österreichischer Raiffeisenverband*) established the Raiffeisen Climate Protection Initiative in the fall of 2007. Raiffeisen-Holding NÖ-Wien as well as a number of its key group companies belong to this association. In this initiative, a manual for companies and employees was written and presented to all participating institutions along with individual implementation recommendations. The implementation of those measures has been underway since the end of 2008.

As commitment and responsibility to society are high priorities within the group, rapid and targeted assistance is among Raiffeisen-Holding NÖ-Wien's basic principles. To name one example, Raiffeisen-Holding NÖ-Wien recently provided immediate assistance for a young Lower Austrian family who lost their father in an accident. Moreover, the group supports charity activities such as the Concordia project founded by Father Georg Sporschill to help street children in Romania and Moldova. In this context, Raiffeisen-Holding NÖ-Wien not only makes material contributions but also provides human resources.

Raiffeisen NÖ-Wien has enjoyed successful cooperation with the Austrian army for over 30 years. Since the year 2000, Raiffeisen-Holding NÖ-Wien has also maintained a very fruitful partnership with the Lower Austrian Military Command. The core of this partnership is a disaster relief program which was activated once and placed on standby several times during the year 2008.

# Security.

RLB NÖ-WIEN GROUP  
ANNUAL PROFIT  
(EUR '000'000, as of Dec. 31, 2008)



**“Even in a difficult year such as 2008, the sustainable management of RLB NÖ-Wien has clearly proven its value in ensuring security and stability in the group’s operations.”**

*Erwin Hameseder, CEO*



## UNIVERSAL FINANCIAL SERVICES

Raiffeisen-Holding NÖ-Wien’s bank investments are bundled in the Raiffeisenlandesbank NÖ-Wien (RLB NÖ-Wien) group and represent an essential pillar of the Raiffeisen-Holding Group. With a stake of 78.58%, Raiffeisen-Holding NÖ-Wien holds a qualified majority of shares in RLB NÖ-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..

2008 was the most difficult year the financial sector has seen in decades. Naturally, these developments have also had an impact on institutions such as RLB NÖ-Wien. However, the sustainable management of the bank has clearly proven its value in ensuring the security and stability of operations during such a time. Therefore, RLB NÖ-Wien’s results clearly reflect its sustained individual strength as a group.

This strength is visible in the key indicators from the financial statements (prepared under Austrian law): In the year 2008, the group’s operating profit jumped 19.6% to EUR 228.7 million (2007: EUR 191.1 million). The group’s total assets of EUR 25.2 billion reflect dynamic growth of 38.2% compared to the previous year’s figure (EUR 18.3 billion). Annual pre-tax profits came to EUR 107.6 million in 2008 (2007: EUR 135.8 million), and a total of EUR 62.3 million was allocated to reserves in order to strengthen the group’s capital position. The group’s core capital

ratio (Basel II definition) of 8.91% was in line with international standards as of December 31, 2008.

In July 2008, RLB NÖ-Wien’s strength from its own business activities was confirmed by Moody’s Investor Service, which gave the group an outstanding rating (Aa3).

Therefore, despite the turbulence on the money and capital markets, the RLB NÖ-Wien Group achieved an impressive operating profit in the business year 2008. However, valuation losses ultimately led to disappointing results in the IFRS financial statements. The group’s profit for the year after taxes and distributions came to EUR 29.1 million, down from EUR 303.6 million in 2007. This decline can predominantly be attributed to the decrease in the profits of companies consolidated at equity and to the results of financial investments. At EUR 213.4 million, operating profit reached an entirely respectable level. The group’s total assets of EUR 27.5 billion showed rapid growth, climbing 40.8% compared to the previous year (2007: EUR 19.6 billion). Net interest income amounted to EUR 149.9 million, up 4.2% on the previous year.

RLB NÖ-Wien’s group companies aptly supplement its existing banking operations, with each company constituting a strong economic factor in its own right. RLB NÖ-Wien’s group companies include Raiffeisen Zentralbank Österreich AG, Raiffeisen Bausparkasse, Raiffeisen Capital Management and the Raiffeisen Leasing Group as well as the network banks in Slovakia (Tatra banka a.s.), the Czech Republic (Raiffeisenbank a.s.) and Hungary (Raiffeisen Bank Zrt.).

Raiffeisenlandesbank  
Niederösterreich-Wien



Strength.



”The year 2008 was characterized by high commodity and energy prices. Thanks to the strength of our industrial subsidiaries, we still succeeded in achieving sound results.“

Kurt J. Miesenböck, Managing Director



## INDUSTRY

Raiffeisen-Holding NÖ-Wien's industrial investments include agricultural processing companies such as AGRANA Beteiligungs-AG, Südzucker AG Mannheim/Ochsenfurt, LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG and NÖM AG. The group's industrial portfolio is rounded off by STRABAG SE, one of Europe's leading construction groups. The advantages of broad diversification in Raiffeisen-Holding's portfolio have become especially clear in the course of the economic crisis, as developments in the food industry are largely unaffected by cyclical trends.

## AGRANA

With its three core business areas of sugar, starch and fruit, AGRANA Beteiligungs-AG (AGRANA) is one of the leading sugar and starch companies in Central and Eastern Europe, the market leader in fruit preparations worldwide, and the largest producer of fruit juice concentrates in Europe, with a total of 52 production facilities on five continents.

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% of its stock.

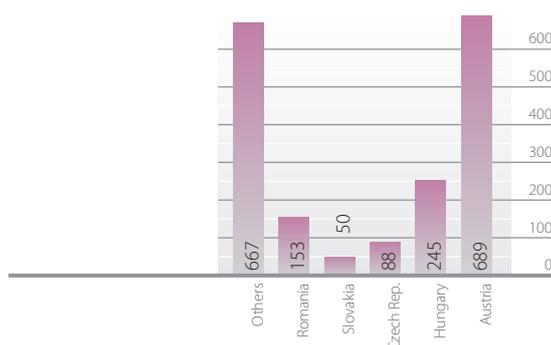
The spectrum of AGRANA products ranges from starch for textiles and paper to sugar for food products, bioethanol as a gasoline additive, apple juice

concentrate and fruits for yoghurts. The group's products are largely sold to downstream food processing companies.

In the sugar segment, AGRANA's revenues dropped 4%, from EUR 784.7 million in 2006-2007 to EUR 751.7 million in 2007-2008. This development can be attributed to stagnant and declining sales volumes due to the reduction of EU quotas. Sugar accounts for approximately 40% of the group's revenues. Thanks to higher sales volumes and price increases, revenues in the starch segment rose 33% to EUR 288.1 million in the year under review (2006-2007: EUR 216.5 million). Therefore, the starch segment accounts for some 15% of the group's revenues. In the fruit segment, revenues came to EUR 852.5 million, down from EUR 914.6 in the previous (14-month) business year. This decline can be attributed to the fact that two months were not included due to the alignment of business years within the group. The fruit segment is AGRANA's largest in terms of revenues, accounting for a total of 45%.

In the 2007-2008 business year (March 1, 2007 to February 29, 2008), the AGRANA Group's revenues

AGRANA  
REVENUES BY COUNTRY  
(EUR '000'000, as of Feb. 29, 2008)



came to EUR 1,892.3 million (2006-2007: 1,915.8 million). The main factor underlying the decline in revenues was the adaptation of the fruit segment's business year to the AGRANA business year, which led to the omission of two months in the year under review. Based on a twelve-month comparison, the group actually managed to increase its revenues by 6.2%. Due to positive developments in the starch and fruit segments, the group's operating profit rose from EUR 107 million to EUR 111.4 million in the 2007-2008 business year. As a result of special influences in all segments, profit on ordinary activities dropped to EUR 101.5 million (2007: EUR 105.8 million).

## SÜDZUCKER AG



The Südzucker Group is Europe's largest sugar company by far as well as the market leader in the European Union and in the countries of Central and Eastern Europe. Germany's Südzucker AG Mannheim/Ochsenfurt (Südzucker) and AGRANA maintain a close strategic partnership. Südzucker holds 37.75% of AGRANA's share capital. Together with AGRANA, Raiffeisen-Holding NÖ-Wien holds a stake of about 11% through a holding company and is therefore Südzucker's second-largest shareholder.

In the 2007-2008 business year, the group's revenues came to EUR 5.8 billion, approximately the same as in the previous year. Substantial increases in revenues from the specialties segment completely offset the decline in the sugar segment (due to falling exports in the first half of the year) as well as the decrease in revenues in the fruit segment due to the alignment of the business year. The group's operating profit declined by 44% to EUR 233 million (2006-2007: EUR 419 million), thus reflecting the upheavals in the European sugar industry. In contrast, the specialties segment saw a substantial increase in profits. Adjusted for the alignment of the business year, the

result in the fruit segment also exceeded the previous year's level.

## LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG

LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG (LLI) is a financially strong Central European holding company which can look back on a long-standing tradition. Through its corporate groups, LLI operates in the segments of flour and milling, vending (hot drinks and snacks) and miscellaneous investments (sugar/specialties/fruit, agriculture/construction/energy and casinos). The group's activities focus on the markets of Central and Eastern Europe.

With 53.8% of LLI's voting shares, Raiffeisen-Holding NÖ-Wien is the group's main shareholder. Other voting shareholders include UNIQA (approximately 24.9%), RZB (approximately 13.8%) and the Sugar Beet Farmers Association for Lower Austria and Vienna (approximately 7.5%).

In the flour and milling segment, the 2007-2008 business year was characterized by consolidation and optimization. Due to large-scale expansion activities in Central and Southeastern Europe, all milling activities were bundled in the holding company LLI EUROMILLS GmbH in order to leverage synergies and increase efficiency.

In the year 2007, the milling industry was also confronted with a "price squeeze": This specific situation – that is, rising production costs coupled with limited potential to pass those cost increases on to the buyers – represents the main challenge in the milling industry at the present time. The key strategic concepts in this context are innovation and efficiency.

With its subsidiaries in Austria as well as Central and

Eastern Europe, café+co International Holding GmbH has established itself as the market leader in the vending industry (hot drinks and snacks). Its range of products and services includes operation, sales and service for vending machines for hot drinks, cold drinks and snacks as well as the management of business catering systems.

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

The LLI Group managed to continue on its course of growth in the 2007-2008 business year. The group's revenues jumped 47.3% to EUR 1.23 billion (2006-2007: EUR 837 million) in the reporting period. This substantial gain can primarily be attributed to a sharp increase in flour prices due to skyrocketing commodity prices. Sound organic growth in the vending segment also contributed to this increase in revenues.

## NÖM

For several years now, NÖM AG (NÖM) has enjoyed great success as a European dairy group. At present, NÖM's processing facilities in Baden, Zwettl and Hartberg handle approximately 300 million kilograms of milk from some 4,300 dairy farms, most of which are located in Lower Austria. The group

employs approximately 710 people.

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' cooperative, owns 15.2% of the group's shares.

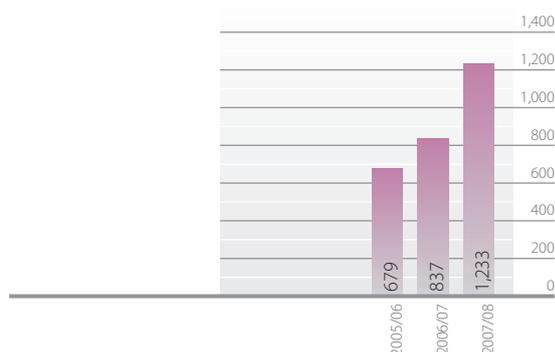
The 2008 business year was characterized by hesitant consumer purchasing behavior as well as a fierce price battle in order to maintain market share. These developments arose due to the increased supply of milk on the European market as well as overcapacity in the production of containers and PET bottles triggered by a decline in demand.

NÖM has successfully tackled these challenges in Austria, increasing its market share further by acquiring Mona Nahrungsmittelproduktions GmbH in the Burgenland province and taking over the Waldviertler milk brand and milk production in the Waldviertel region, especially in the fresh milk segment. In this way, NÖM was able to maintain its market share at 19.6% across the entire "white range" and at 22.1% for flavored products in Austria.

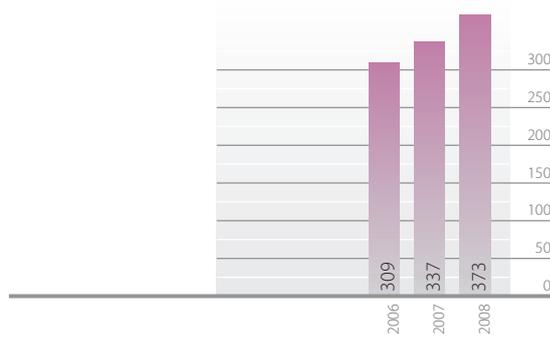
In the 2008 business year, the group's profit from ordinary activities came to EUR 0.6 million (2007: 11.2 million) on revenues of EUR 373 million (2007:



LLI  
REVENUES YEAR ON YEAR  
(EUR '000'000, as of Sep. 30, 2008)



NÖM  
REVENUES YEAR ON YEAR  
(EUR '000'000, as of Dec. 31, 2008)



336.7 million). In response to this decline in profits, more than 70 proposals for improvement were developed and incorporated into the group's plans, and this ambitious program is scheduled for completion by mid-2009. In this way, the group plans to boost profits and leverage its potential for further corporate development.

The group also continued to implement its internationalization plan, a process which began with the establishment of NÖM International AG in cooperation with Raiffeisen-Holding NÖ-Wien in 2007: In Telford, England, NOM Dairy UK Ltd (a wholly owned subsidiary of NÖM International AG) has completed construction of a dairy processing facility. The project progressed according to plan, and production began in February 2009. The total investment costs for the project in Telford came to EUR 62 million, and annual production will amount to 480 million units (packages, containers, etc.).

group strengthen its market position in Central and Eastern Europe even further.

In the 2008 business year, the group boosted its order backlog as well as its construction output to record levels. These increases can primarily be attributed to the initial consolidation of the companies acquired as well as substantial growth in the group's core market (Germany) and in Eastern European markets.

In the Building Construction and Civil Engineering segment, orders as well as construction output showed considerable growth. In Russia, the STRABAG Group won contracts for numerous large-scale building construction projects in 2008, and at the end of April, STRABAG AG was awarded the contract for its first project in Sochi, where the company will build a new terminal at the international airport in the Adler district. The total value of this order comes to approximately EUR 62 million.

In the Transportation Infrastructure segment, the group was able to boost its construction output and order backlog thanks to its acquisition of F. Kirchhoff AG and KIRCHNER Holding GmbH.

In the Special Divisions and Concessions segment, construction output and the order backlog also increased in comparison to the previous year.

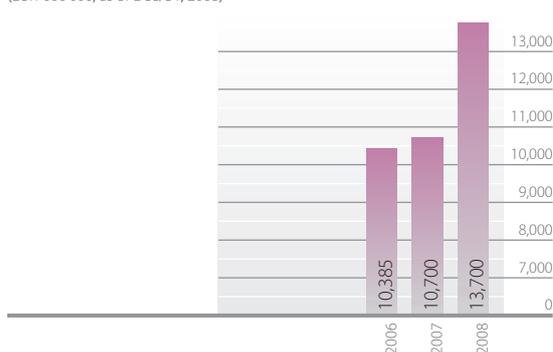
## STRABAG

**STRABAG**  
SOCIETAS EUROPAEA

As one of Europe's leading construction groups, STRABAG SE (STRABAG) generated revenues of EUR 13.7 billion with approximately 70,000 employees in 2008. The group operates in the fields of building construction and civil engineering, transportation infrastructure, and special divisions and concessions, thus covering the entire range of services and the entire value chain in construction.

Together with the UNIQA Group, Raiffeisen-Holding NÖ-Wien holds a stake of 25% minus one share in STRABAG. Other shareholders include the Haselsteiner Group (25.15%) and Rasperia Trading (25% minus one share). The company's free-floating shares on the Vienna Stock Exchange account for 24.85%. The year 2008 was characterized by numerous successful acquisitions by STRABAG, which helped the

STRABAG CONSTRUCTION OUTPUT  
YEAR ON YEAR  
(EUR '000'000, as of Dec. 31, 2008)



”The Renewable Energy strategic business area is being expanded continuously. Apart from our activities in Austria, we are already working on projects in Germany, Italy, the Czech Republic, Slovakia, Romania and Poland.“

*Kurt J. Miesenböck, Managing Director*



## RENEWABLE ENERGY

In the Renewable Energy strategic business area, Raiffeisen-Holding NÖ-Wien is making an active contribution to sustainability and climate protection. As a wholly owned subsidiary of Raiffeisen-Holding NÖ-Wien, RENERGIE Raiffeisen Managementgesellschaft für erneuerbare Energie GmbH (RENERGIE) handles all of the group’s activities in this field. Since 2007, RENERGIE has been working on renewable energy projects in cooperation with various partners in Austria and abroad.

The market for renewable energy is growing rapidly in Europe. With due attention to the availability of resources, RENERGIE carries out projects in regional power and heat generation as well as biofuel production. In its activities, the company acts as a long-term strategic investor and plant operator, and relies heavily on local partnerships. RENERGIE is active in the fields of biogas, biomass, photovoltaic cells and wind power.

### From biogas to photovoltaic cells

At the beginning of 2008, the biogas facility was put into operation in the town of Orth an der Donau (shareholders: 51% RENERGIE, 49% Biogasanlage Orth a.d. Donau regGenmbH). The facility will supply power to approximately 2,000 households and heat for about 250 households, saving approximately 5,000 tons of CO<sub>2</sub> emissions per year. As the legal framework for bioenergy is less favorable compared to German legislation, only a few other projects are currently under development in Austria.

In Germany, RENERGIE is working together with local partners through RENERGIE green solutions GmbH, which was founded at the end of 2007 and in which RENERGIE holds an 85% stake. In the fall of 2008, construction began on the first two biogas facilities, which are wholly owned by RENERGIE green solutions. Both projects are designed to re-use waste products from dairy and swine farms. Each facility will produce 4 million kilowatt hours of power per year, thus saving approximately 2,200 tons of CO<sub>2</sub> emissions each. Investments in the two facilities will total EUR 6 million.

Additional projects are currently in the development and approval stages. In total, renewable energy investments in Germany will amount to EUR 30 million in the coming years.

In 2008, RENERGIE intensified and expanded its activities to additional countries. In Italy, a cooperation agreement was concluded with BioSmart Energie GmbH of Bolzano in the fall of 2008. These activities will focus on power and heat generation using biomass and biogas on the basis of locally grown, renewable raw materials and biogenic waste.

A number of projects in the Czech Republic, Slovakia, Poland and Romania are now in the development or pre-implementation stage. In 2009, RENERGIE plans to expand its projects under construction drastically, and current forecasts point to a total investment volume of approximately EUR 100 million in the year 2009.

Cooperation.



”Our media investments, which range from print media to outdoor advertising, reflect the full breadth of the media landscape. As in other business areas, these activities are guided by the objective of creating added value through cooperation.“

Erwin Hameseder, CEO



## MEDIA

Media investments are a key 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 companies.

## 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, 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.

KURIER has the highest circulation of any quality newspaper in Austria, and the company once again took numerous measures in order to maintain and strengthen its position in 2008, including its focus on the Euro 2008 football championship, with ten editions of the "Eurochamp" football magazine; the expansion of the KURIER Edition book series to include a book by KURIER caricaturist Michael Pammesberger; and a 40-part DVD series containing the best of Austrian cabaret and revue. In addition, the newspaper introduced new columns providing

legal advice for school pupils (*KURIER-Schüleranwalt*) and financial advice (*Der Geldberater*).

In the 2007-2008 business year, Kurier GmbH recorded after-tax profits of EUR 3 million (profit on ordinary activities: EUR 10.3 million). As of the accounting date (June 30, 2008), the company's equity amounted to EUR 21.2 million, and total assets came to EUR 62.6 million.

## EPAMEDIA

After a period of rapid growth and dynamic investment activity, **EUROPÄISCHE PLAKAT UND AUSSEN MEDIEN GMBH (EPAMEDIA)** entered a consolidation phase in 2008. EPAMEDIA, in which Raiffeisen-Holding NÖ-Wien holds a 25% overall stake\* through Medicur Holding GmbH, has subsidiaries in Hungary, the Czech Republic, Slovakia, Slovenia, Croatia, Macedonia, Serbia, Romania, Bulgaria, Moldova and Poland. EPAMEDIA is the largest outdoor advertising company in the CEE market and the undisputed market leader in six countries in the region. In global rankings, EPAMEDIA is the tenth largest outdoor advertising company in the world.

EPAMEDIA increased its stake in Objektwerbung Salzburg to 49%, and the company was split up between GEWISTA and EPAMEDIA by means of a spinoff. In this way, EPAMEDIA was able to reinforce its market position in Salzburg and become the market leader in that province of Austria. In addition, EPAMEDIA completed the rollout phase for VITA-TV, its new waiting room television medium.

\* At the end of January 2009, Medicur acquired the shares belonging to Dr. Heinrich Schuster Beteiligungsgesellschaft m.b.H., which had held a 50% stake in EPAMEDIA up to that time. Therefore, Medicur is now the sole owner of the EPAMEDIA Group.



In total, VITA-TV is installed at 1,000 sites, with over 10% in outpatient clinics, thus making the company the undisputed market leader.

In the 2008 business year, EPAMEDIA recorded total revenues of EUR 158 million, with just under EUR 57 million generated in Austria and EUR 101 million in other countries (2007: 136 million; EUR 59 million in Austria and just under EUR 77 million in Central Europe). The company also made investments totaling nearly EUR 30 million during the year under review. EPAMEDIA had a total of 561 employees – 152 in Austria and 409 abroad (2007: 473 in total; 142 in Austria and 331 abroad) – in the reporting period.

### SAT.1



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 Austria-specific content broadcast on this channel includes the main evening news program (Sat.1 Austria-News) as well as Austria's first breakfast-time television show (Café Puls). These daily shows are complemented by weekly TV magazines such as *GO! Das Motormagazin* (an automotive show) and *in.action*, a commercial and lifestyle show.

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

According to Media Focus Research, Sat.1 Österreich was able to increase its gross revenues by 24% in 2008, with gross advertising revenues amounting to EUR 45.3 million. The company's profit on

ordinary activities came to EUR 10.6 million (2007: EUR 10 million), and profits for the year came to EUR 8 million (2007: EUR 7.5 million).

### ORS

**Österreichische Rundfunksender GmbH & Co KG (ORS)** is Austria's leading service provider for analog and digital broadcasting transmission services 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 an expansive network of broadcasting transmitters at nearly 470 locations for its television and radio customers. As a technical satellite service provider, ORS is also responsible for broadcasting throughout Europe.

ORS was awarded the contract for the digitization of terrestrial television in Austria and started the transition from analog to digital terrestrial television reception (DVB-T) in October 2006. By the end of 2008, ORS had switched more than 90% of Austrian households over to the new digital technology. Moreover, ORS rolled out the entire mobile television (DVB-H) network as a technical service partner to Media Broadcast (the DVB-H platform licensee) and launched this network in time for the Euro 2008 football championship.

In 2008, the company's profit for the year (before and after taxes) jumped 120% to EUR 10.8 million (2007: EUR 4.9 million), while revenues declined by 5% to EUR 75 million (2007: EUR 79 million).

# Trust.



## SERVICES

Raiffeisen-Holding NÖ-Wien's services portfolio spans a wide range of fields, including first-rate restaurants and catering, individual travel, optimized real estate, reliable business consulting and top-notch events.

### DO & CO



#### 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 not only provides first-rate culinary enjoyment, but also comprehensive organizational, marketing and concept development services.

Even after the capital increase carried out in the reporting period, the Attila Dogudan Private Foundation retained its majority share of 50.5% in DO & CO Restaurants & Catering AG. DZR Immobilien und Beteiligungs GmbH, a wholly-owned subsidiary of Raiffeisen-Holding NÖ-Wien, owns a stake of just over 20% in the company, while the remaining shares are free-floating.

The DO & CO Group once again achieved great success in the 2007-2008 business year, which was mainly characterized by growth and the expansion of activities in the Airline Catering segment. Moreover, DO & CO also clearly confirmed its position as a premium event and hospitality partner in the field of large-scale sporting events worldwide. In the 2007-2008 business year, the group was able to boost revenues to EUR 354.6 million (2006-2007: EUR 206.3 million). The company's EBIT rose from EUR 6.1 million in 2006-2007 to EUR 14.7 million in the year under review. In addition, the group's EBIT margin rose from 3% to 4.1%.



### RAIFFEISEN IMMOBILIEN VERMITTLUNG

Raiffeisen Immobilien Vermittlung (RIV) provides services as 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 holds a 98% stake in RIV, while the remaining 2% is held by Raiffeisenlandesbank Burgenland und Revisionsverband reg.Gen.m.b.H.

Despite the turbulence on the real estate market in 2008, RIV once again managed to expand its network of branch offices, mainly through close cooperation with the Lower Austrian Raiffeisen banks and Raiffeisen-Holding NÖ-Wien's subsidiaries.

In the 2008 business year, the company handled some 250 properties with a sales volume of about EUR 30 million and drew up 220 valuation reports with a volume of approximately EUR 190 million.

### RAIFFEISEN REISEN

Raiffeisen Reisebüro GmbH (Raiffeisen Reisen) is one of the largest local travel agencies in eastern Austria and operates as a retail travel agent for 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 year under review, the company continued to intensify its cooperation with Raiffeisen banks.

”Trust is unconditional. At the same time, it is a necessary precondition for any kind of success. That’s one of the key principles of our service enterprise – a principle our customers can rely on.“

*Michaela Steinacker, Managing Director*



For the Raiffeisen banks’ family customers, a new product (“Raiffeisen Family”) was launched in the fourth quarter of the year. Raiffeisen customers who choose this product in 2009 can expect a carefully selected hotel abroad which offers excellent value for money as well as attractive discounts.

Six new hotels financed by Raiffeisen banks placed their trust in a new business area known as the Raiffeisen Tourism Competence Center and its “Best for me” hotel sales project. This means that a total of 16 Austrian hotels are now marketed successfully in a wide variety of segments.

In 2008, Raiffeisen Reisen had 110 employees, while Pegasus Incoming had a total of 40 employees; their combined revenues came to approximately EUR 61 million.

## AMI

**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 range from planning and organization for various large-scale sporting and cultural events to incentives and promotions, creative and consulting services as well as the strategic planning of below-the-line activities.

Since 2004, Raiffeisen-Holding NÖ-Wien has held an indirect stake of 45% in AMI.

In the year 2008, AMI was hired by Coca-Cola and the *Kronen Zeitung* daily newspaper to handle the

overall organization of Austria’s largest public viewing initiative in the course of the Euro 2008 football championship: In the course of the FAN TOUR, a total of 171 events were held at 116 locations on the 19 match days of the championship. At the 2008 Austrian Event Awards, AMI was nominated as one of the top three in the “Public Events – Sports” category for this project, which required a planning time of 18 months and attracted over 300,000 visitors.

The agency’s team of 14 employees managed to boost revenues to EUR 6.2 million in 2008 (2007: EUR 4.4 million), the highest level reached in the company’s history.

## MARKANT

**MARKANT–Gesellschaft für Werbung, Kommunikationsberatung, Handel und Veranstaltungen Ges.m.b.H. (markant)** is among the top 50 of Austria’s 434 advertising agencies and is ranked in twelfth place among event agencies. With 99.6% of the company’s shares, Raiffeisen-Holding NÖ-Wien is markant’s main shareholder.

In 2008, markant’s clients included Raiffeisen-Holding NÖ-Wien, RLB NÖ-Wien, LLI, Raiffeisen Ware Austria AG and the Lower Austrian Chamber of Commerce.

With its 39 employees, markant generated revenues of EUR 8.1 million in 2008.



markant | werbeagentur

Growth.



**”The pace of our investment activities is adapted to market developments. At the same time, we maintain our clear focus on sustainable growth. When attractive acquisition opportunities arise, we are prepared for them.“**

*Michaela Steinacker, Managing Director*



## REAL ESTATE

Real estate represents a key factor in the hierarchy of human needs. Real estate can stand for life, work, living, home and feelings of security. This is the perspective Raiffeisen-Holding NÖ-Wien takes when acquiring, developing and utilizing real estate in Austria and abroad.

Raiffeisen-Holding NÖ-Wien pursues a clear strategy in this area: to increase the value of and return on real estate properties, at the same time accounting for regional developments. Through its commitment to the region, Raiffeisen-Holding NÖ-Wien creates new jobs and makes a significant contribution to value creation in Lower Austria and Vienna.

The international financial crisis precipitated by the real estate crisis in the U.S. has also had effects on the Austrian real estate market. Compared to other countries, however, Austria has not been affected as heavily by the crisis. Raiffeisen-Holding NÖ-Wien invests in real estate with the clearly defined objective of attaining a balance between risk and return. The group's exposure to this sector can therefore be regarded as fairly "crisis-proof." Due to the group's well-managed portfolio, there was no need for major writedowns in the year 2008.

The number of properties in the portfolio rose to approximately 90 in the year under review (2007: approximately 80). Invested capital currently amounts to about EUR 260 million (2007: EUR 220 million), with a total investment volume of approximately EUR 580 million in the real estate sector

(2007: EUR 540 million). These investments largely focus on commercial properties ranging from office buildings, shopping malls and retail parks to hotels and mixed-use properties.

### Financial investments

In the year 2008, the company's activities focused on developing and utilizing acquisitions made in the previous year.

On the property in the immediate vicinity of the Raiffeisen building in Vienna (RHW), an energy-optimized office building is being constructed as an addition to the RHW building. Some 800 work stations will be created on nearly 30,000 m<sup>2</sup> of gross floor space. A total of EUR 80 million will be invested in the project, which is scheduled for completion at the end of 2011. This translates into a stimulus for the economy of approximately EUR 240 million. The new facility is being constructed as a model for energy efficiency which will set new standards for office buildings. Just over 5% of the total investment volume will be used to increase the building's energy efficiency. This will reduce energy costs to half of those incurred by a conventional office building.

For the property in Vienna's 9<sup>th</sup> district (Rossauer Lände 3), negotiations are currently underway with a reputable general tenant. Raiffeisen-Holding NÖ-Wien will invest approximately EUR 50 million in the reconstruction project, and according to the schedule, the property will be handed over to the tenant in the first quarter of 2011. After partial

demolition, the project on Lassallestrasse will undergo complete revitalization, replanning and more attractive design of the existing spaces. In particular, the plan is to construct offices and apartments in the spaces previously used as cinemas.

In cooperation with DDr. Stephan Wagner, the conversion of the Perchtoldsdorf Sanatorium into a modern rehabilitation center for neurology and orthopedics was launched in the reporting period. The sanatorium will comprise 100 beds for neurological rehabilitation and 70 for orthopedic rehabilitation. The total investment costs of the project will amount to some EUR 35 million.

With the Oberlaa spa expansion project, a unique "oasis of wellness" – like no other in a large European city – has been under construction since 2007. The project is scheduled for completion in 2010. Together with the City of Vienna, VAMED and other partners from the finance sector, Raiffeisen-Holding NÖ-Wien is investing over EUR 130 million in the reconstruction and expansion of the existing spa facility.

In 2007-2008, 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. The portfolio has now been expanded to include two specialized retail outlets in Villach with a usable area of approximately 3,300 m<sup>2</sup>. The group is currently examining the possibility of acquiring additional retail parks in Lower Austria.

In the course of a site consolidation project, Raiffeisen-Holding NÖ-Wien built a servicing and repair facility for some 90 vehicles as well as an adjacent administrative building for ÖBB-Postbus GmbH. The facility was handed over to ÖBB-Postbus GmbH as a long-term rental in September 2008.

The demand for residential apartments as long-term investments has increased drastically in recent years. By the end of October 2008, all 33 apartments in the first project (on Seuttergasse in Vienna's 13<sup>th</sup> district) had been utilized by Raiffeisen Vorsorgewohnungserrichtungs GmbH. Another project in the 3<sup>rd</sup> district of Vienna is already planned, and four new project acquisitions have reached advanced stages of the review process.

### Raiffeisen evolution

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, approximately 240 employees are working on 51 projects located in nine different countries. The CEE region accounts for 85% of the total investment costs, and the company's activities focus on commercial (60%) and residential real estate (40%).

### 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 economy in the region. In the period under review, approximately EUR 2 million was invested in real estate in the provinces of 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 event venue at Perchtoldsdorf Castle, the Maissau amethyst mining exhibition, the Ardagger cider information center, and the Spa and Hotel Laa an der Thaya.





