

Energie  
vernünftig  
nutzen

**EVN**

At a glance

May 2007



Creating  
value

# EVN: a leading energy and environmental services group

We are a leading Austrian energy and environmental services group with headquarters in Lower Austria, the nation's largest federal province. The EVN Group provides its customers with electricity, gas, heating, water, waste incineration and related services by means of a highly advanced infrastructure.

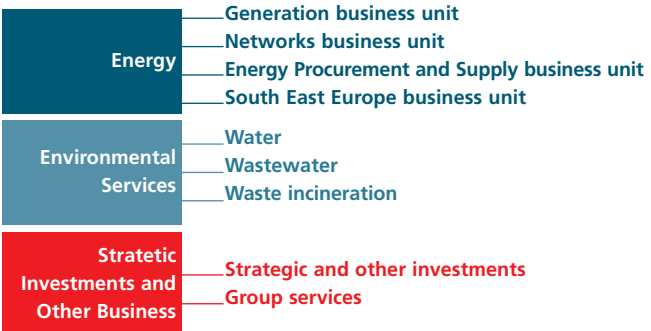
As a growth-oriented company, EVN is also endeavouring to share in the dynamic growth potential of the Central and Eastern European markets. The focus of our interest is primarily South East Europe, which offers diverse opportunities to expand our business operations. Within the framework of the privatisation process for the electricity industry, we have succeeded in establishing a solid foothold in the region: Through our majority shareholding in two regional electricity supply companies, we now provide power to approximately one-third of all electricity customers in Bulgaria. In Macedonia, we recently acquired the national electricity distribution company. As a consequence of these acquisitions, we have been able to significantly increase the number of our electricity customers in a period of only two years, from around 800,000 to the current level of close to three million.

As a provider of environmental services, we also strive to take advantage of the dynamic growth potential in the entire Central and Eastern European business region. Through fully owned subsidiaries, we are now successfully operating in Austria, as well as in ten CEE markets in the fields of water, wastewater treatment and waste incineration. Our primary focus is to serve as a partner to communities and companies, offering state-of-the-art solutions, which are professionally developed and implemented, in order to fulfil all water supply, wastewater treatment and waste management requirements.

Our priority is to create sustainable value and achieve long-term value enhancement in the interests of the customers, shareholders and employees, by exploiting the synergies among the different business areas of the EVN Group, both in Austria and other markets.

## Overview of business segments

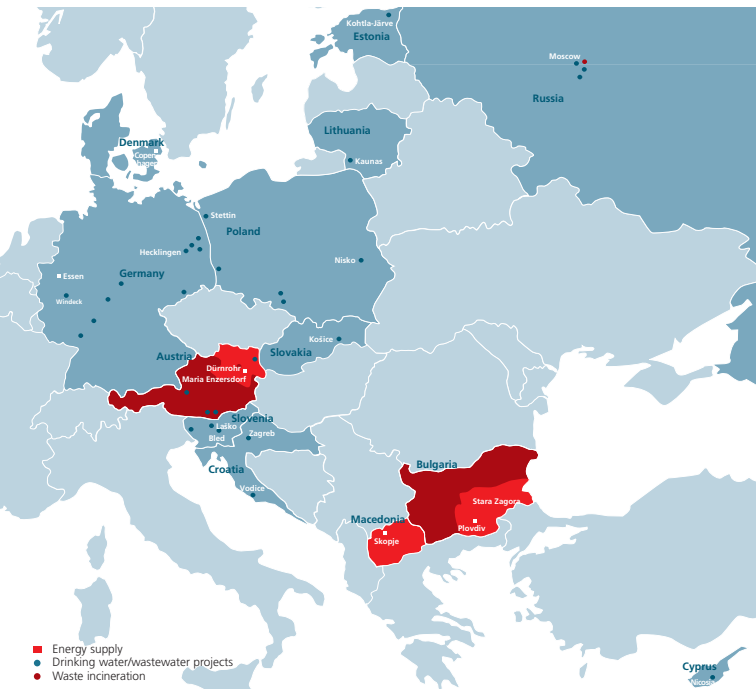
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# Creating value

EVN has made significant progress in the transformation from a regional energy supplier to a Central and Eastern European energy and environmental services provider, since it first defined this goal in the year 2000. Above and beyond supplying energy in Lower Austria, EVN operates in related business areas, and now offers its customers a broad-based portfolio of energy and environmental services.

In addition to the “traditional” products – electricity, gas and heating – EVN’s business operations now also encompass water supply, wastewater treatment, waste incineration and other infrastructure services. In particular, as a result of the acquisition of regional electricity supply companies in Bulgaria and Macedonia, EVN has become a major player in the energy industry of South East Europe during the last two financial years. However, with its subsidiaries, it is also very successful in the water, wastewater and waste incineration business in Central and Eastern Europe as well as other European markets.



## Performance figures underline EVN’s success.

In the last two financial years total revenue increased by more than 70%, results from operating activities rose by 60%, and Group net profit by about 90%. The number of electricity customers and employees has quadrupled. The market capitalisation of the EVN Group more than doubled during the last two financial years to EUR 3.4bn.

<b>Energy</b>		<b>30.9.2006</b>
<b>Power-generating capacity</b>	<b>1,693 MW</b>	
thereof thermal <sup>1)</sup>	1,382 MW	
hydro	185 MW	
wind	116 MW	
biomass	10 MW	
<b>Network business</b>	<b>Length of network</b>	<b>Electricity Customers</b>
	<b>km</b>	
<b>Electricity</b>	<b>131,130</b>	<b>3,020,000</b>
thereof Austria	48,670	781,000
Bulgaria	58,800	1,539,000
Macedonia	23,660	700,000
<b>Gas</b>	<b>10,510</b>	<b>273,000</b>
<b>Heating</b>	<b>322</b>	<b>35,000</b>

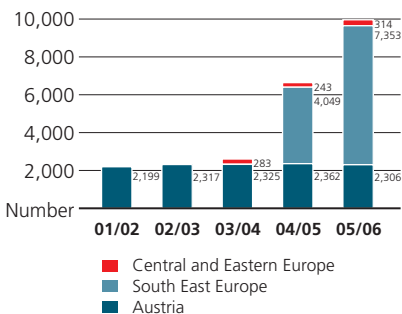
<sup>1)</sup> Incl. cogeneration- and combined cycle heat and power plants

<b>Environmental Services</b>		
	<b>Length of network</b>	<b>Customers</b>
	<b>km</b>	
<b>Water</b>	<b>1,640</b>	<b>480,000<sup>1)</sup></b>
	<b>Installed capacity</b>	
	<b>in PE (thousands)<sup>2)</sup></b>	
<b>Wastewater treatment</b>	<b>9,274</b>	
	<b>Capacity</b>	
	<b>t</b>	
<b>Waste incineration</b>	<b>300,000</b>	

<sup>1)</sup> Thereof 16,500 directly supplied

<sup>2)</sup> PE: population equivalents – industrial sewage converted to household water. One inhabitant produces an average of 120 litres of wastewater daily.

## Employees by region



# The EVN Group strategy

The most important strategic goal of EVN, in its capacity as an independent, listed energy and environmental services provider coordinating business operations from its headquarters in Lower Austria, is to achieve a strong market position in selected Central and Eastern European markets, and to maintain this leadership on a long-term basis. To achieve this, EVN is concentrating on the following strategic goals:

- "Two-pillar strategy" – focus on the Energy and Environmental Services segments
- Organic and external growth, with a regional focus on Central and Eastern Europe
- Clear-cut capital market requirements – transparency, strong financials and a solid dividend policy
- Sustainability as the basis for the company's activities

## "Two-pillar-strategy" – focus on Energy and Environmental Services



- |   |  |
|---|--|
| <ul style="list-style-type: none"> <li>• <b>Generation</b> →</li> <li>• <b>Networks</b> →</li> <li>• <b>Supply</b> →</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Waste incineration</b></li> <li>• <b>Drinking water</b></li> <li>• <b>Waste water</b></li> </ul> |
|---|--|

### Regional focus of Energy Segment: Austria and South East Europe



### Regional focus of Environmental Services Segment: Central and Eastern Europe



# EVN: key figures

## Overall business development and value added

<b>Income statement</b>					
<b>EURm</b>	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
<b>Total revenue</b>	2,071.6	1,609.5	1,207.3	1,082.1	1,113.9
thereof Central and Eastern Europe	226.6	148.5	98.9	–	–
South East Europe	467.6	247.3	–	–	–
Austria	1,377.4	1,213.7	1,108.4	1,082.1	1,113.9
<b>EBITDA</b>	397.4	335.2	297.6	227.5	250.0
<b>Results from operating activities (EBIT)</b>	184.4	131.0	114.6	102.5	127.9
<b>Financial results</b>	120.5	55.2	21.3	42.8	9.7
<b>Profit before income tax</b>	304.9	186.2	135.9	145.4	137.6
<b>Group net profit</b>	221.9	144.4	117.4	102.6	89.5

<b>Balance sheet</b>					
<b>EURm</b>	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
<b>Non-current assets</b>	4,781.8	4,072.1	2,925.0	2,381.3	2,345.8
<b>Current assets</b>	1,063.9	667.5	807.0	612.5	458.1
<b>Equity</b>	2,756.0	2,285.4	1,555.7	1,160.2	1,064.7
<b>Non-current liabilities</b>	2,537.0	2,012.7	1,776.5	1,413.5	1,351.3
<b>Current liabilities</b>	552.8	441.5	399.8	420.1	387.9
<b>Balance sheet total</b>	5,845.8	4,739.6	3,732.0	2,993.8	2,803.9
<b>Capital employed</b>	4,492.6	3,645.0	2,896.4	2,229.5	2,066.2
<b>Net debt</b>	930.0	673.8	429.3	347.0	441.9

2002/03: initial consolidation of WTE Wassertechnik GmbH

2004/05: initial consolidation of the Bulgarian electricity supply companies

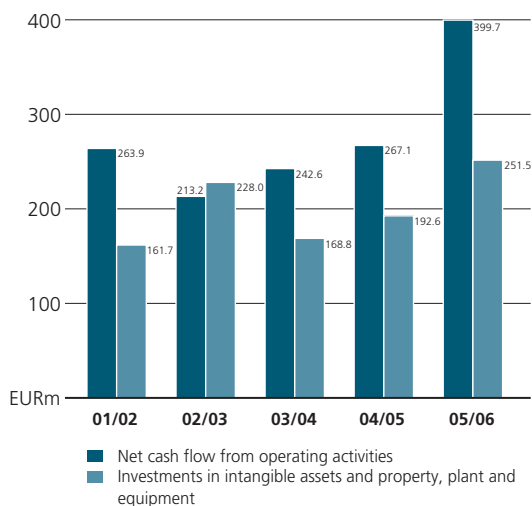
2005/06: initial consolidation of the Macedonian electricity supply company

<b>Cash flow statement</b>					
<b>EURm</b>	<b>2005/06</b>	<b>2004/05<sup>1)</sup></b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
<b>Net cash flow from operating activities</b>	399.7	267.1	242.6	213.2	263.9

<sup>1)</sup> Figures from the previous year were adjusted due to changes made in the reporting structure.

<b>Employees</b>					
	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
<b>Average</b>	9,973	6,654	2,608	2,317	2,199

## Cash flow/Investments



Profitability					
%	2005/06	2004/05	2003/04	2002/03	2001/02
Return on equity (ROE)	10.6	8.2	8.7	9.3	8.7
Return on capital employed (ROCE)	7.9	6.2	6.2	6.2	6.0
OpROCE <sup>1)</sup>	10.8	9.4	-	-	-

<sup>1)</sup> Adjusted for impairments, one-off effects and value increase of EVN's shareholding in Verbundgesellschaft

Financial figures						
		2005/06	2004/05	2003/04	2002/03	2001/02
Equity ratio	%	47.1	48.2	41.7	38.8	38.0
Gearing	%	33.7	29.5	27.6	29.9	41.5
Net debt coverage (FFO)	%	49.1	44.5	67.0	69.4	65.7
Interest cover (FFO)	x	8.1	6.1	6.4	7.8	11.0

Ratings						
		2005/06	2004/05	2003/04	2002/03	2001/02
Moody's		A1, stable	Aa3, stable	Aa3, negative	Aa3, negative	Aa3, negative
Standard & Poor's		A, stable	A+, stable	A+, stable	AA-, stable	AA-, stable

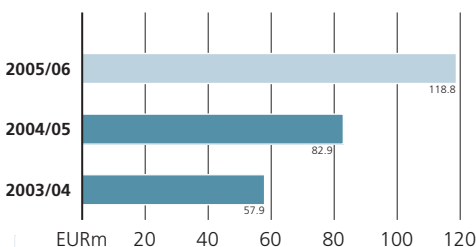
Value added		2005/06	2004/05	2003/04	2002/03	2001/02
Earnings/share	EUR	5.43	3.53	3.08	2.73	2.39
Dividend/share	EUR	1.40 <sup>1)</sup>	1.15	0.95	0.75	0.70
Payout ratio	%	25.8 <sup>1)2)</sup>	32.6	33.1	27.5	29.3
Dividend yield	%	1.7 <sup>1)</sup>	1.5	2.3	2.1	1.6
Cash flow/share <sup>3)</sup>	EUR	9.78	6.53	6.36	5.67	7.05
Book value/share	EUR	67.41	55.90	38.33	30.90	28.30
Price/earnings <sup>3)</sup>	x	15.4	21.2	13.5	13.3	18.4
Price/cash flow	x	8.5	11.5	6.5	6.4	6.2
Price/book value	x	1.2	1.3	1.1	1.2	1.6

<sup>1)</sup> EUR 1.20 plus a bonus of EUR 0.20

<sup>2)</sup> Payout ratio without one-off effects: 31.8 %.

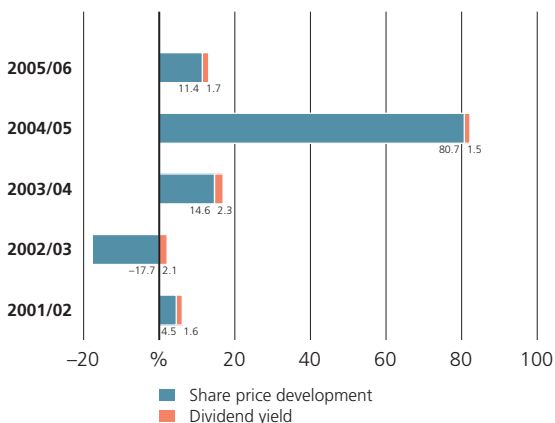
<sup>3)</sup> The figures from the previous year were adjusted due to changes in the reporting structure of the cash flow statement.

## EVA®-development<sup>1)</sup>



<sup>1)</sup> Economic value added (EVA) as defined by Stern Stewart & Co; excl. financial value contribution

## Total shareholder return



The total shareholder return since going public in 1989 amounts to an impressive 13.01% p.a.

## Energy sector environment

<b>Key energy business indicators</b>					
	<b>2005/06</b>	<b>2004/05</b>	<b>2003/04</b>	<b>2002/03</b>	<b>2001/02</b>
<b>Electricity generation (GWh)</b>	4,556	4,484	4,240	3,439	3,795
<b>Distribution volumes</b>					
Electricity (GWh)	16,495	12,076	6,847	6,703	6,470
thereof Austria	7,279	6,932	6,847	6,703	6,470
Bulgaria	7,229	5,145	–	–	–
Macedonia	1,987	–	–	–	–
Gas (m m <sup>3</sup> ) <sup>1)</sup>	1,874	1,818	1,755	1,679	1,721
<b>Supply volumes to end customers</b>					
Electricity (GWh)	15,641	11,342	6,164	6,126	6,284
thereof Austria	6,426	6,197	6,164	6,126	6,284
Bulgaria	7,229	5,145	–	–	–
Macedonia	1,987	–	–	–	–
Gas (m m <sup>3</sup> )	748 <sup>2)</sup>	707 <sup>3)</sup>	716	1,072	1,895
Heating (GWh)	1,067	1,033	967	877	786

<sup>1)</sup> Incl. network sales to EVN power stations

<sup>2)</sup> Incl. gas wholesales amounting to 66 m m<sup>3</sup>

<sup>3)</sup> Incl. gas wholesales amounting to 71 m m<sup>3</sup>

## Segment reporting

Segment reporting by area of business						
	Energy		Environmental Services		Strategic Investments and Other Business	
EURm	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
External revenue	1,761.7	1,370.2	290.1	212.9	19.8	26.4
EBITDA	333.2	275.8	66.0	60.1	-1.1	0.1
Result from operating activities (EBIT)	141.6	92.8	45.9	40.8	-3.2	-2.6
Investments <sup>1)</sup>	239.7	184.5	9.6	6.2	2.2	1.9
Total assets	2,847.9	2,305.8	929.9	731.2	2,880.6	2,304.9

<sup>1)</sup> in intangible assets and property

Segment reporting by region						
	Austria		South East Europe		Central and Eastern Europe	
EURm	2005/06	2004/05	2005/06	2004/05	2005/06	2004/05
Revenue	1,377.4	1,213.7	467.6	247.3	226.6	148.5
Results from operating activities (EBIT)	145.9	99.8	17.3	14.5	21.3	16.7
Investments <sup>1)</sup>	220.2	175.4	30.5	16.4	0.8	0.9
Total assets	4,423.0	4,051.7	812.2	277.4	610.6	410.5

<sup>1)</sup> in intangible assets and property

## The EVN share

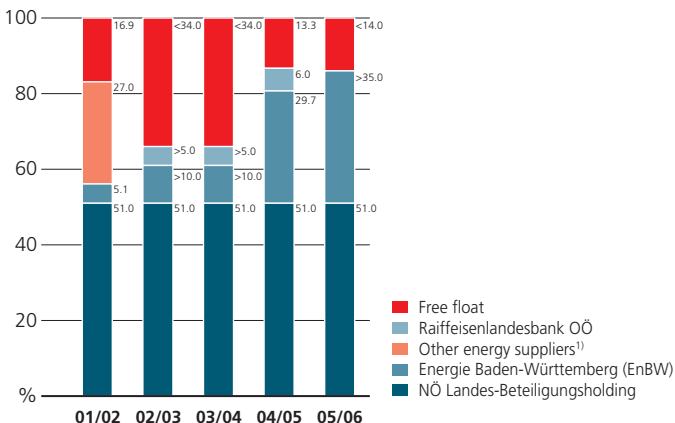
Basic information	
Share capital	EUR 99,069,392.62 40,881,455 zero par value shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); AT; EVN (Dow Jones); EVNVY (ADR)
Stock exchange listing	Vienna
ADR programme; depositary	Sponsored level one ADR program (5 ADR = 1 share); Bank of New York

Index weighting 29.9.2006	
ATX (Austrian Traded Index)	1.47 %
ATX Prime	1.25 %
WBI (Wiener Börse Index)	2.73 %

Performance		2005/06	2004/05	2003/04	2002/03	2001/02
Share price at the end of September	EUR	83.58	75.00	41.50	36.22	43.98
Highest price	EUR	99.00	78.50	47.34	44.50	48.43
Lowest price	EUR	65.20	40.90	36.10	35.40	41.00
Value of shares traded <sup>1)</sup>	EURm	874	541	167	107	334
Average daily turnover <sup>1)</sup>	Shares	21,900	19,301	7,927	5,361	15,111
Share of total turnover <sup>1)</sup>	%	0.77	0.87	0.54	0.60	2.80
Market capitalisation at the end of September	EURm	3,417	3,066	1,697	1,361	1,653

<sup>1)</sup> Vienna Stock Exchange

## Change in EVN's shareholder structure



<sup>1)</sup> Consortium composed of Verbundgesellschaft, Energie AG Oberösterreich and Energie Steiermark AG

## Corporate governance

As a market-oriented and transparent company, EVN is committed to abiding by the principles of corporate governance. In this context, EVN is committed to upholding and adhering to the goals laid down in the Austrian Corporate Governance Code, orienting the management and control of the company towards achieving a long-term and sustainable rise in shareholder value and a high level of transparency for all stakeholders.

EVN provides detailed information on any deviations from C-rules of the Austrian Corporate Governance Code and further information on corporate governance under **[www.investor.evn.at/e-investor/Corporate\\_Governance.asp](http://www.investor.evn.at/e-investor/Corporate_Governance.asp)**.

# Sustainability as a long-term corporate concept

Long before “sustainability” or “corporate social responsibility” (CSR) were used as concrete terms, or became comprehensive concepts, EVN had already oriented its activities towards the idea of a durable, long-lasting approach to business management. The reason for this approach is linked to EVN’s specific role in the area of essential public services, and the related high level of responsibility to people and the environment.

One particularly important aspect of sustainability, especially in the case of an energy supplier, is a responsible use of natural resources. Prior to the concept of environmental protection becoming established, EVN had already initiated programmes aimed at achieving an equilibrium between economic and ecological interests. Among other aspects, these efforts incorporate the highest possible use of environment-friendly hydroelectric and wind power, the generation of electricity and heat from biomass, and the application of the most advanced environmental and generation technologies. Virtually all of EVN’s thermal power stations are now officially certified, with the result that the company today possesses an environmental management system which will be further developed into an integrated management system.

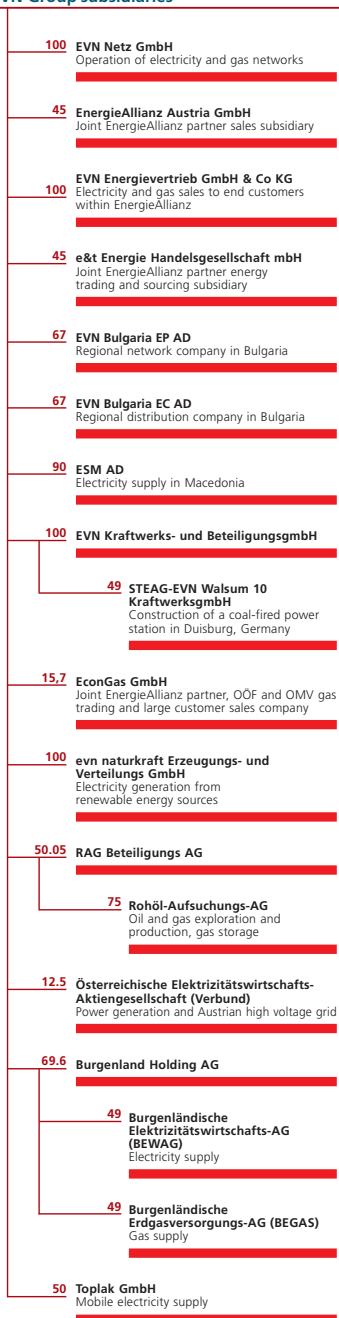
EVN regards its workforce as specialists who are responsible for the company’s long-term success. For this reason, EVN makes every effort to ensure that all its employees have a positive working environment and are able to realise their personal potential. Increasing the number of women in the workforce is also a top priority. Despite the predominantly technical orientation of its business operations, EVN has succeeded in raising the percentage of female employees to 22% in recent years.

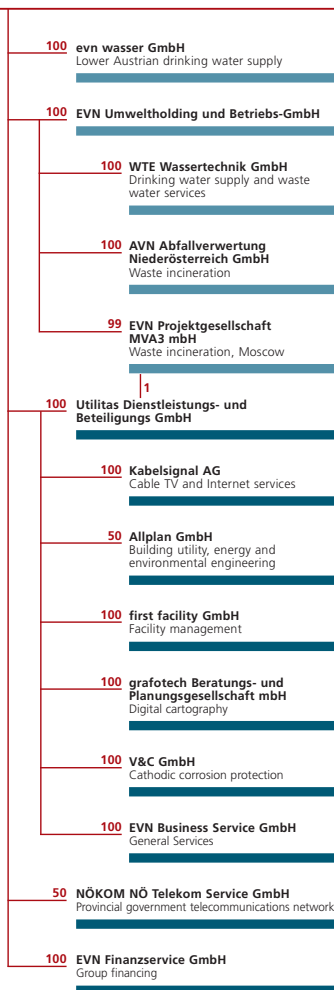
Since 1990, EVN has been providing regular information concerning its initiatives in the field of sustainable business development in the form of its annual Environmental Report, which from 2002 onwards has been published in an extended version as a Sustainability Report. EVN was one of the first Austrian companies to report upon the sustainability of its activities, incorporating the level of transparency demanded by international standards. Parallel to these reports, EVN also provides comprehensive information online about its initiatives in the interest of a sustainability-oriented corporate management at **[www.responsibility.evn.at](http://www.responsibility.evn.at)**.

The EVN Sustainability Report 2005/06 can be ordered at **[www.investor.evn.at](http://www.investor.evn.at)**.

# The EVN Group

## Main EVN Group subsidiaries





- Energy business
- Environmental services
- Other infrastructure and supplementary services

The main operative companies and Group holding companies are shown. Interests in %.

<b>Financial calendar 2006/07<sup>1)</sup></b>	
<b>78<sup>th</sup> AGM</b>	January 18, 2007
<b>Ex-dividend day</b>	January 23, 2007
<b>Dividend payment</b>	January 29, 2007
<b>Results Q1 2006/07</b>	February 27, 2007
<b>Results H1 2006/07</b>	May 31, 2007
<b>Results Q1–3 2006/07</b>	August 28, 2007
<b>Annual results 2006/07</b>	December 13, 2007

<sup>1)</sup> Preliminary

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[www.responsibility.evn.at](http://www.responsibility.evn.at)