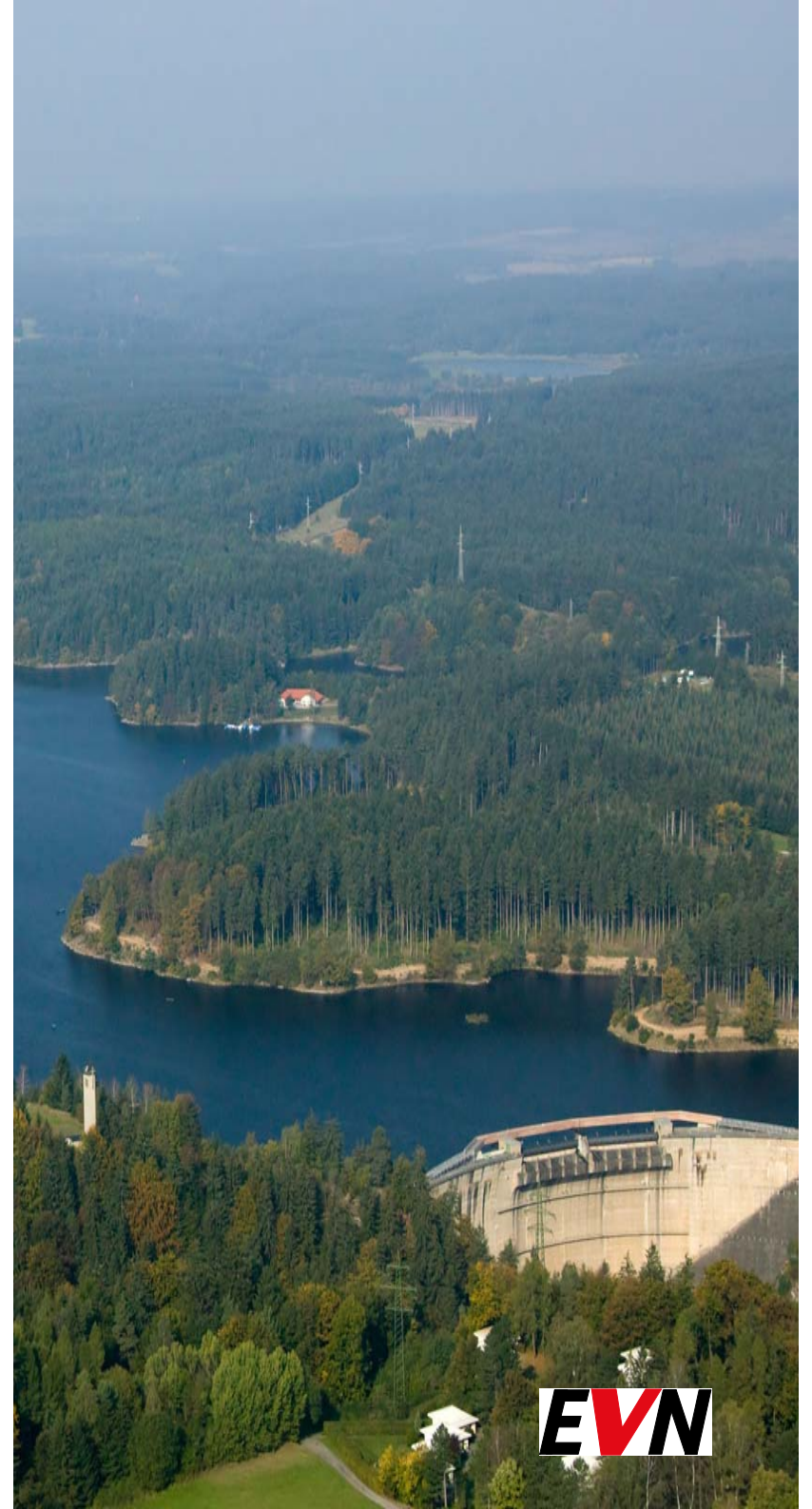


# **EVN Institutional Investors' Conference**

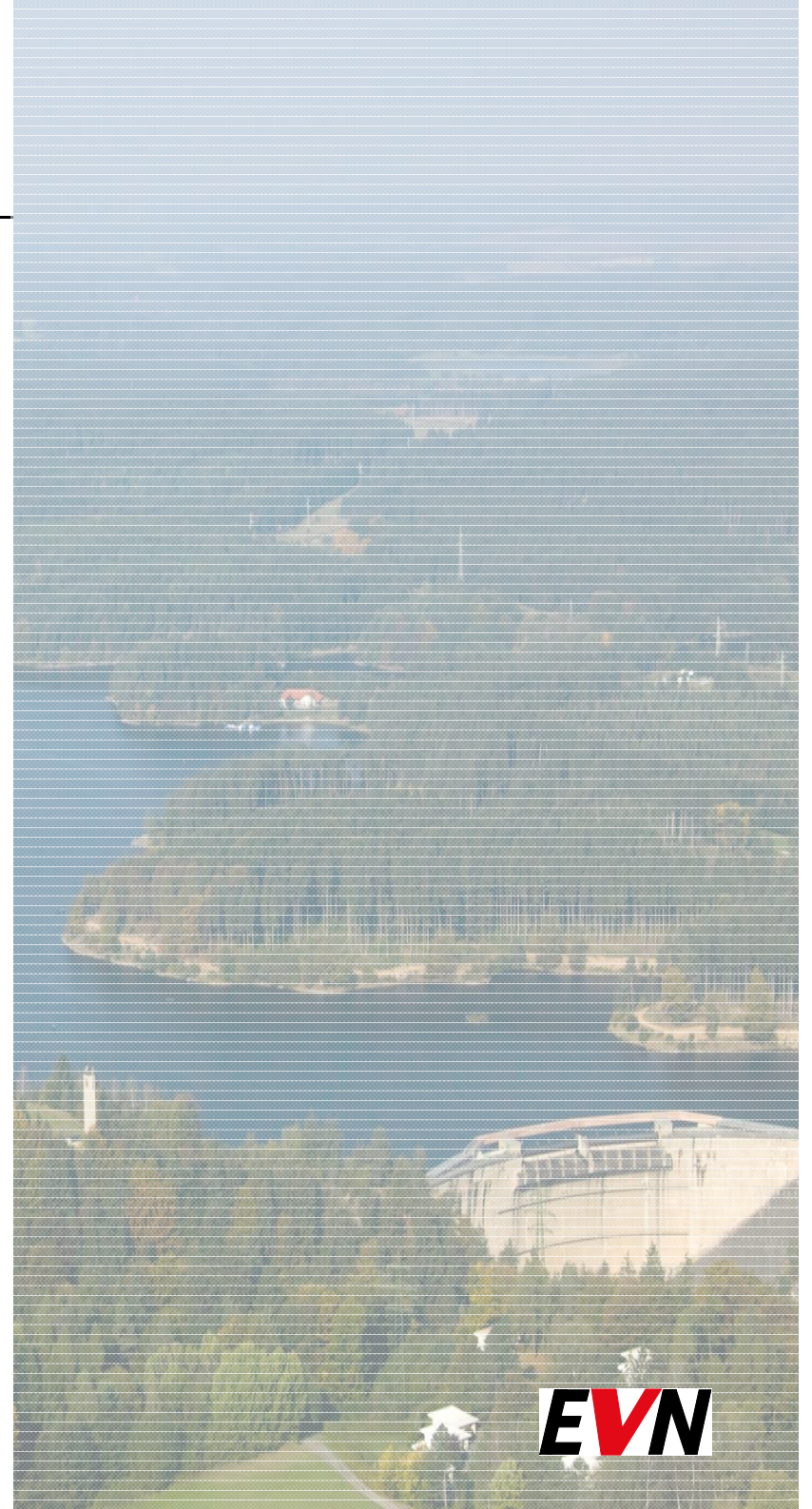
April 7, 2011



# Agenda

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1. **EVN's strategy**
2. EVN's growth perspectives
3. Financial performance

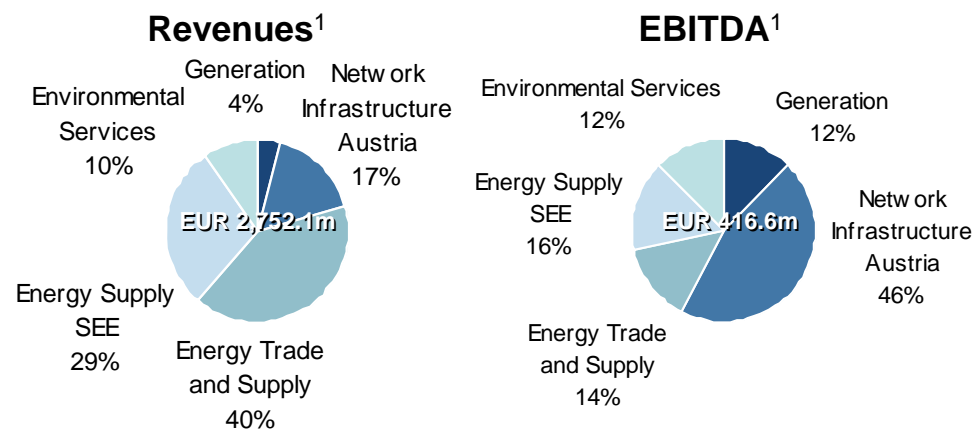


# EVN at a glance

## Profile

- > Leading integrated Energy and Environmental Services company serving customers in Lower Austria, South East Europe and Central and Eastern Europe
- > Active in 20 countries
- > Key business areas include electricity, gas, heating, water and waste incineration
- > **Net results** (2009/10): 207.0 EUR m (+16.3%)
- > **Employees** (2009/10): 8,536, thereof ~70% abroad
- > **Rating:** A3, stable (Moody's)  
A-, negative (Standard & Poor's)

## Contribution by business segments



<sup>1</sup> Pre consolidation adjustments

## Key metrics (2009/10)

### Generation

- > Electricity generation: 3,653 GWh

### Networks

- > Electricity: 131,905 km
- > Gas: 13,540 km
- > Heating: 586 km

### Energy supply

- > Customers: 3.6 m
- > Sales volume: 28.7 TWh

### Environmental Services






- > 0.5 m drinking water customers in Lower Austria
- > Waste incineration plants with capacity of 500,000 tons p.a. in Lower Austria
- > Waste incineration plant with capacity of 360,000 tons p.a. in Moscow
- > More than 80 drinking and wastewater plants servicing more than 13 m customers throughout Europe

# EVN at a glance – active in 20 countries



- > Strong position in the home market encompassing the whole value chain
- > A leading Central and Eastern Europe player in water, wastewater and waste incineration
- > Long term experience with a proven track record of reference projects

# EVN strategy 2020 – selective growth and consolidation

STRATEGY 2020	Ongoing Consolidation	Selective Growth
<b>Generation</b>	Optimisation of existing plants	 Focus on renewable generation capacities
<b>Network Infrastructure Austria</b>	Improvement of network efficiency	 Stable asset base and smart metering
<b>Energy Trade and Supply</b>	Strengthening of regional market coverage	 Energy efficiency, heating projects, extension of energy services
<b>Energy Supply South East Europe</b>	Further optimisation of existing business	 Gas Croatia and heating Bulgaria
<b>Environmental Services</b>	Execution of existing projects and optimisation of waste incineration and water supply	 Growth in international project business

# An attractive investment opportunity

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1

More than 60% of revenues and more than 80% of EBITDA from **stable core Austrian business**

2

Growing portfolio of **high quality generation assets**

3

Significant **upside potential from SEE** market development

4

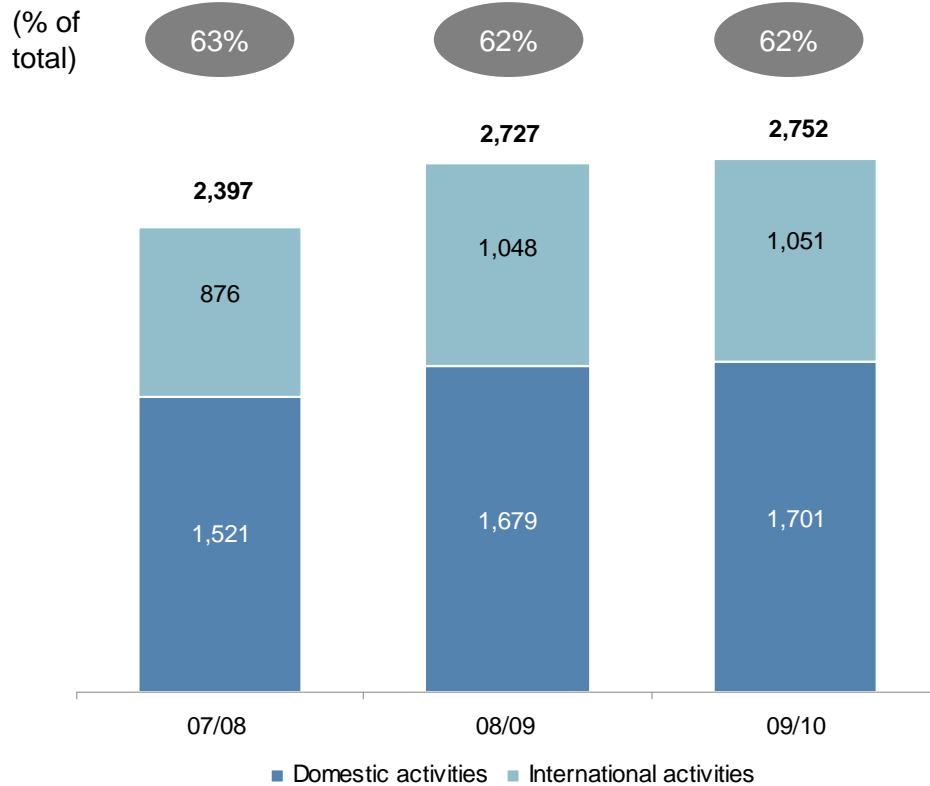
Positioned to capture **attractive returns in international Environmental Services business**

5

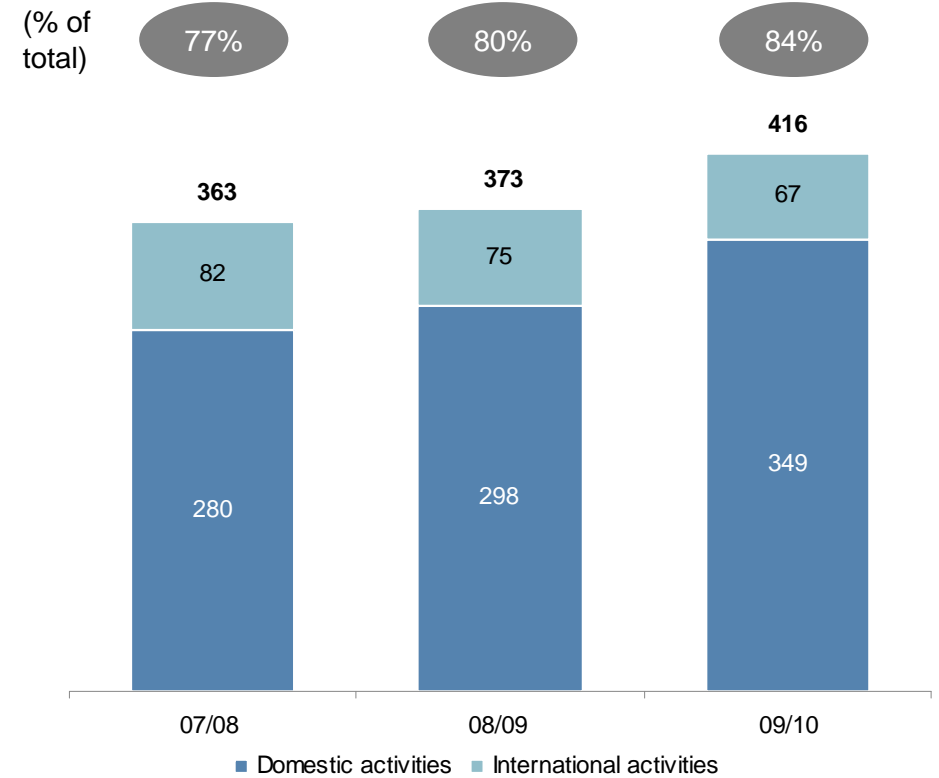
Strategic investments in VERBUND and RAG strengthen **internal energy hedge**

# 1 Stable core Austrian business

## Revenue contribution (EURm)



## EBITDA contribution (EURm)

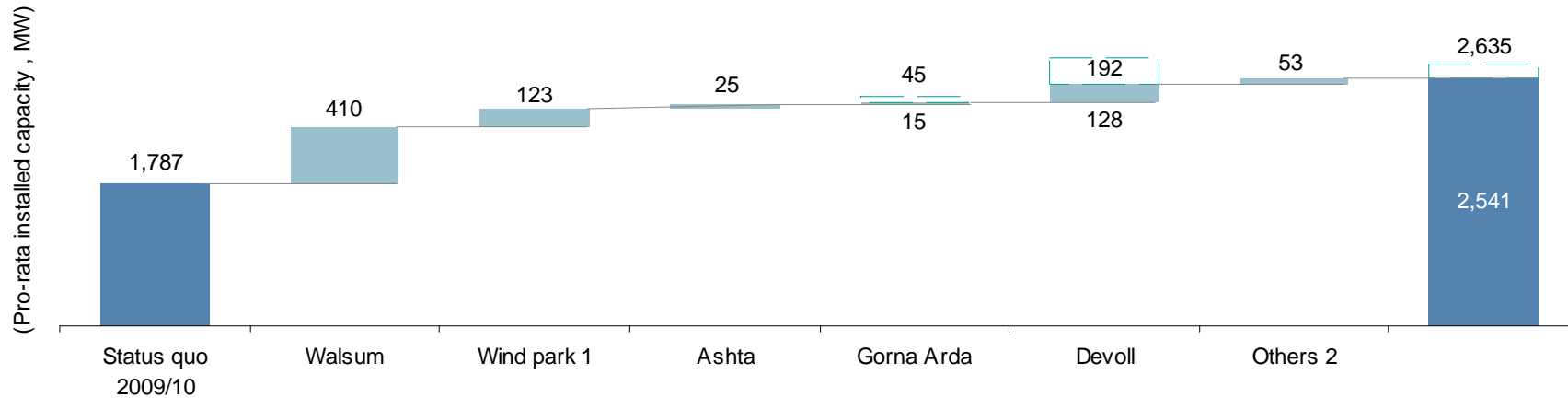


- > Strong business foundations from stable revenue and EBITDA contribution of domestic activities
- > Network activities, driven by transparent regulatory regime, provide stable cash flow to fund growth opportunities

Note: International activities include mainly Energy Supply South East Europe and international project businesses of the Environmental Services Segment

## 2 Growing portfolio of high quality generation assets

### Capacity development



### Selected current generation projects

Project	Walsum	Wind parks	Ashta	Gorna Arda	Devoll	Others <sup>2</sup>
Fuel type	Hard coal	Wind	Hydro	Hydro	Hydro	Various
Pro-rata investment (EURm)	402	199	105	60 – 150	400	n/a
Expected COD	2011 <sup>3</sup>	2011/13	2012/13	2016	2015/18	n/a

> This potential capacity development will double the expected generation output by 2020

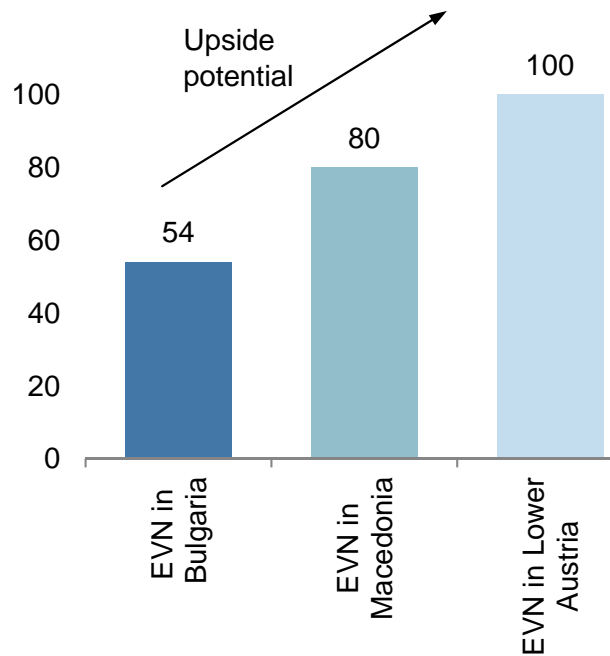
1 Includes Austrian Wind parks as well as Kavarna Wind park (Kavarna project 50 MW might not be pursued)

2 Contains smaller hydro power plants in Austria, cogeneration power plant in Plovdiv, Bulgaria

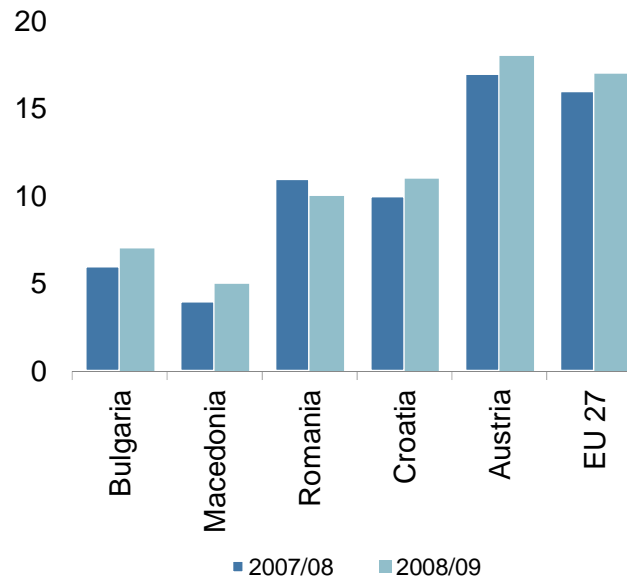
3 Delayed commercial operation date due to necessary repairs of defects

# 3 Significant upside from SEE investments

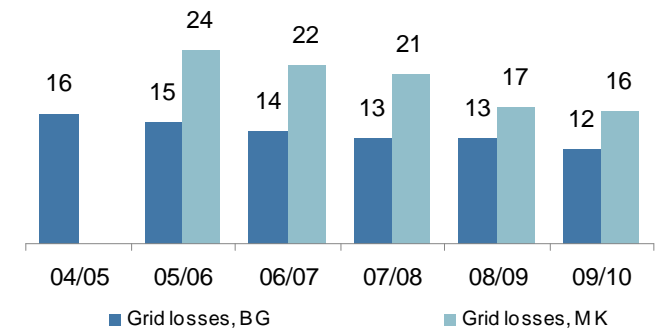
Illustrative electricity sales volumes per customer (%)<sup>1</sup>



Electricity prices for household (EUR cent/kWh)



Improvement of grid efficiency (%)



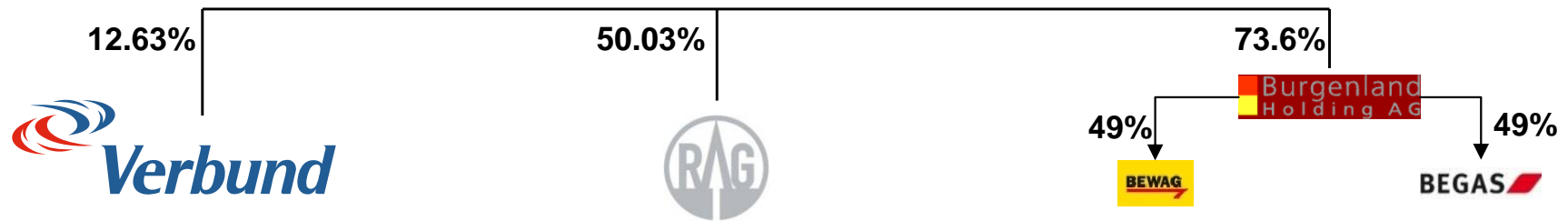
<sup>1</sup> In %, basis: Lower Austria = 100%

## 4 Attractive returns in Environmental Services



- > Successful participation in 94 projects in 15 countries since 1983
- > Strong demand for infrastructure projects set to continue
- > Sales backlog of EUR 1.3bn with attractive return potential from international projects
- > Underpinned by stable contributions from water and waste businesses

## 5 Internal hedge from strategic investments



- > #1 electricity producer in Austria with 8.6 GW installed capacity
- > Current Mcap of ~EUR 9.7bn
- > Historical payout ratio ~50% (EUR 50.1m dividend received 2009/10)

- > #2 oil and gas producer in Austria
- > One of the largest gas storage operators in Central Europe with 5 bn m<sup>3</sup> working gas capacity by 2011

- > #1 green energy producer in Austria with ~270 MW installed capacity
- > Increasing wind energy capacity by 75% to 470 MW in the next 5 years

- > **Strengthen vertical integration**
- > **Financial exposure to generation and upstream gas**
- > **Financial hedge against increasing input energy costs**
- > **Regional expansion and contribution to EVN's profitability**

# A clear strategy to develop our integrated business model

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## > **Expand generation capacity**

- Target a coverage ratio of 40%–60%
- Increase the share of renewable generation, to 50% in the long-term
- High quality projects in SEE

## > **Maintain market leadership in Austrian supply business**

## > **Enhance efficiency and profitability of regulated operations**

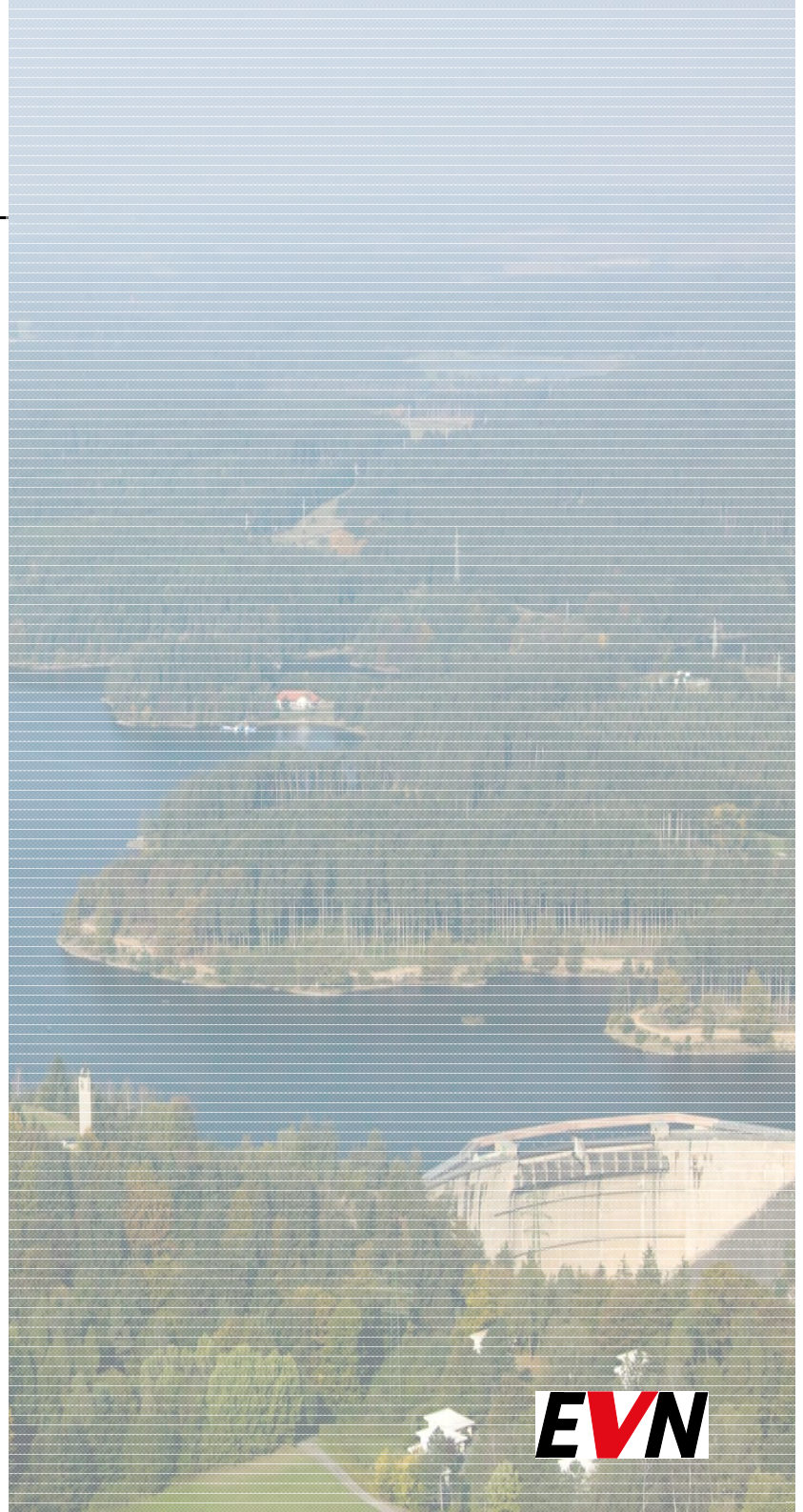
- Maintain high level in Austria
- Continue improvements in SEE

## > **Capitalise on Environmental Services expertise and track record**

# Agenda

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1. EVN's strategy
2. **EVN's growth perspectives**
3. Financial performance



# Wind power plants on the home market



# Schütt hydropower plant in Lower Austria



## Trans-regional natural gas transport pipeline – „Südschiene“



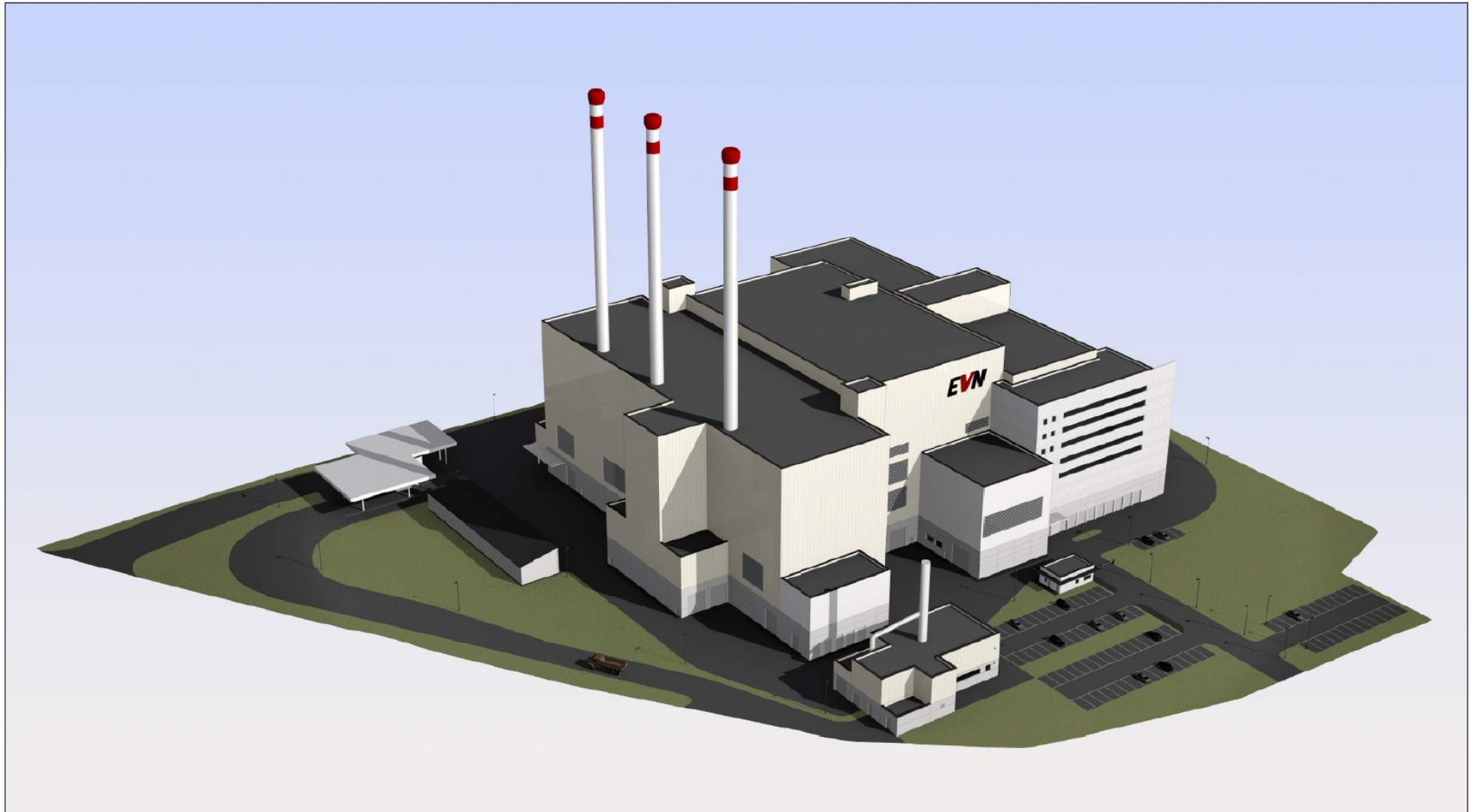
# Cogeneration plant at Plovdiv in Bulgaria



# Hydropower plants on the Rivers Drin and Devoll, Albania



# Second waste incineration plant in Moscow



# Agenda

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1. EVN's strategy
2. EVN's growth perspectives
3. **Financial performance**

# Business highlights Q. 1 2010/11

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- > Successful conclusion of capital increase, net proceeds: EUR 175.5m
- > Changes in the Executive and Supervisory Board of EVN AG
  - Burkhard Hofer elected as Chairman of the Supervisory Board;
  - Peter Layr named as Spokesman to the Executive Board;
  - Stefan Szyszkowitz appointed as Member of the Executive Board;
- > EVN subscribed to new shares in VERBUND AG capital increase together with its syndicate partner Wiener Stadtwerke Holding AG
- > Increase of payout ratio to about 35%
- > Results for 2010/11 expected slightly below the prior-year level

# Business development

EURm	2010/11 Q. 1	Change in %
Revenue	802.2	4.3
EBITDA	158.4	0.8
EBIT	104.1	9.4
Financial results	16.2	–
Group net profit	87.9	18.6
Net cash flow from operating activities	83.9	–
EUR		
Earnings per share	0.51	11.5

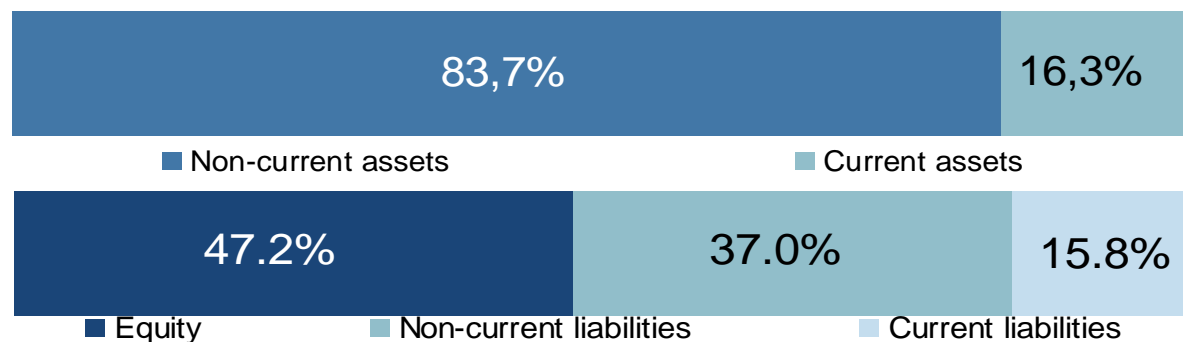
- > Higher Group revenue due to
  - Positive development in the Environmental Service segment
  - Higher weather-driven energy sales volumes
- It is despite
  - Negative wholesale price effect in Generation and Trade and Supply segments
  - Changed presentation of tariff components of high-voltage networks in Bulgaria
- > EBITDA and EBIT above previous year's level
- > Positive development in financial results
  - Higher income from investments
  - Decline in interest and other financial results
- > Group net profit above previous year's level
- > Strong growth of Net cash flow from operating activities
- > Increase in earnings per share despite higher number of shares

# Balance sheet

EURm	2010/11 Q. 1	Change in % <sup>1)</sup>
Total assets	7,149.3	6.2
Equity	3,375.4	11.6
Equity ratio (in %)	47.2	0.9p
Net debt	1,367.0	-6.9
Gearing (in %)	40.5	-7.3p

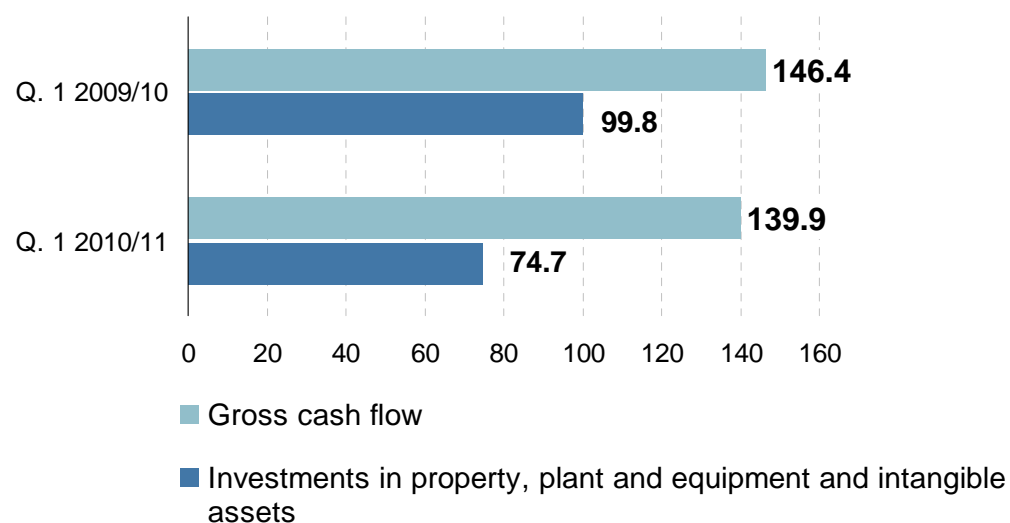
- > Increase of total assets above EUR 7bn
- > Strong increase in equity
  - Share capital increase of 10%
  - Positive market valuation of EVN's shareholding in VERBUND AG
- > Slight increase in equity ratio
- > Drop in net debt and gearing due to increase of cash and cash equivalents

1) compared to September 30, 2010



# Cash Flow

EURm	2010/11 Q. 1	2009/10 Q. 1
Gross cash flow	139.9	146.4
Net cash flow from operating activities	83.9	-6.9
Net cash flow from investing activities	-191.3	-38.1
Net cash flow from financing activities	168.2	-10.9



- > Lower Gross cash flow
  - Higher profit before income tax
  - Lower depreciation and amortisation
  - Higher non-cash income from investments in equity accounted investees
- > Increase of Net cash flow from operating activities
  - Strong improvement in working capital
- > Higher net cash outflow from investing activities
  - Capital payment for investments in equity accounted investees
  - Increase in lease receivables in the Environmental Services segment
  - Increase in investments in cash funds
  - Lower investments in property, plant and equipment
- > Higher Net cash flow from financing activities
  - Net proceeds of capital increase: EUR 175.5m

# Outlook 2010/11

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## > Assumptions

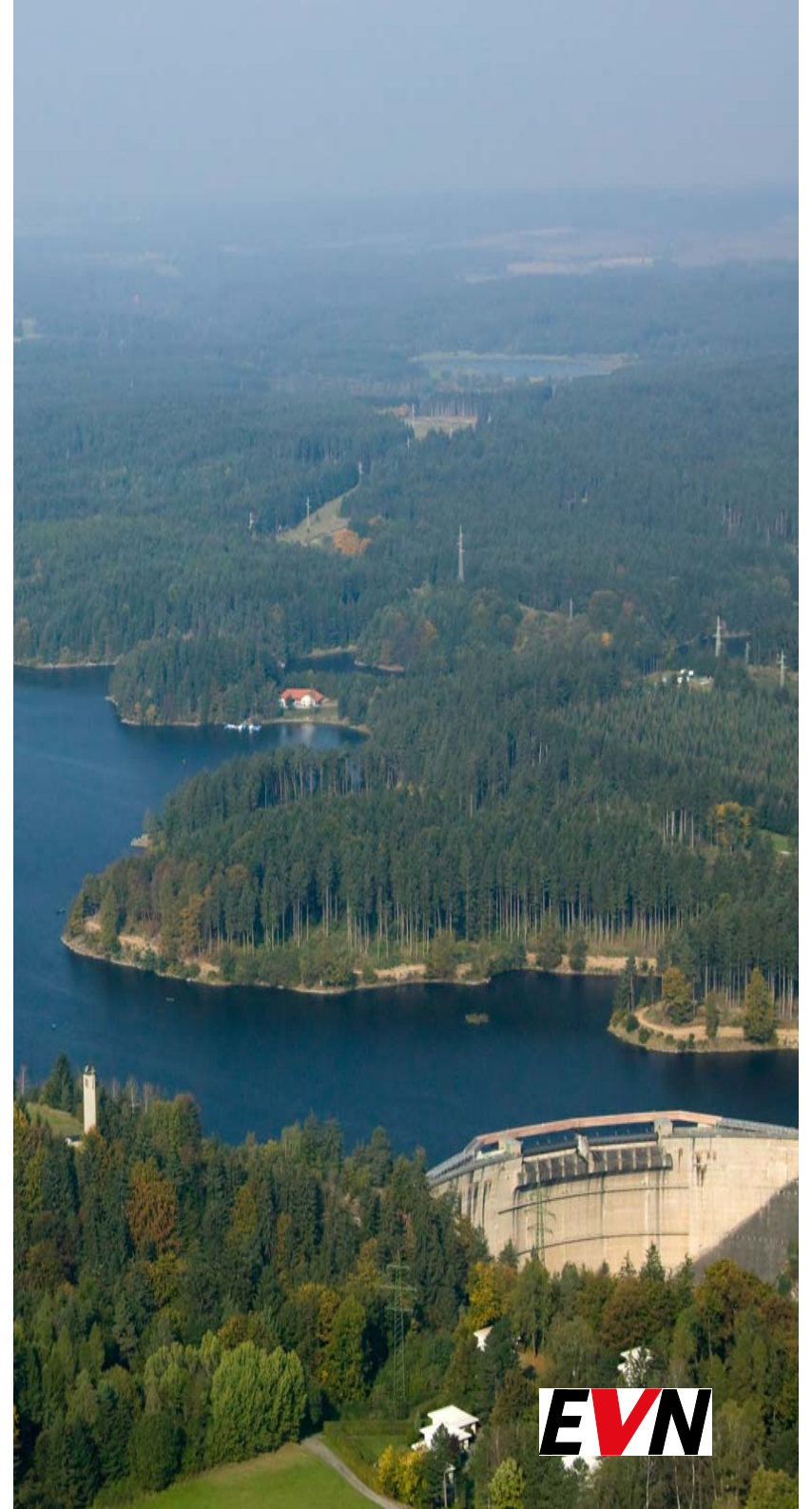
- Stable end customers business development
- Lower spreads between primary energy prices and electricity prices
- High order book in Environmental Services segment

## > EVN's expectation

- Operating results may remain stable
- Group net profit slightly below the prior-year level

# EVN Institutional Investors' Conference

Q&As



# Disclaimer

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Certain statements made in this presentation may constitute „Forward-Looking Statements” within the meaning of the U.S. federal securities law. Forward-looking information is subject to various known and unknown risks and uncertainties. These include statements concerning our expectations and other statements that are not historical facts.

The Company believes any such statements are based on reasonable assumptions and reflect the judgement of EVN’s management based on factors currently known by it.

No assurance can be given that these forward-looking statements will prove accurate and correct. or that anticipated. projected future results will be achieved.

For additional information regarding risks. Investors are referred to EVN’s latest annual report.

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