



EVN

**Unicredit Group
Investors Conference**

Kitzbühel, January 25, 2010

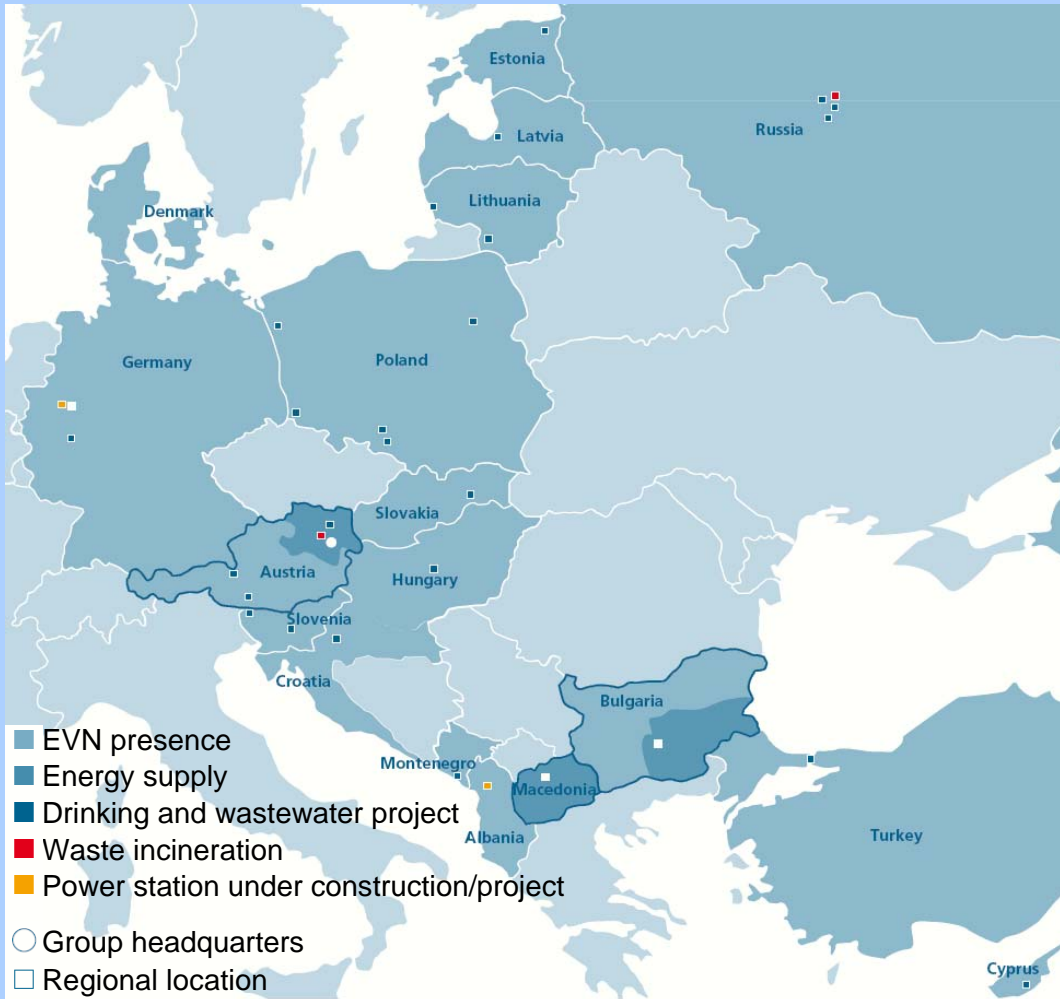
Agenda

- > **EVN's strategy**
- > **Growth perspectives**
- > **Results for 2008/09**

Company profile – fact sheet 2008/09

EVN	EVN is a leading integrated energy and environmental service group serving customer in Lower Austria and Central and Eastern Europe
Business areas	Electricity, gas, heating, water, waste incineration
Countries	Austria, Albania, Bulgaria, Croatia, Cyprus, Denmark, Estonia, Germany, Hungary, Latvia, Lithuania, Macedonia, Montenegro, Poland, Russia, Slovakia, Slovenia, Turkey
Employees	8.934 (–4.3%) thereof ~ 70% in abroad
Revenue	2,727.0 EUR m (+13.8%)
EBITDA	373.4 EUR m (+3.1%)
EBIT	175.2 EUR m (+5.2%)
Net results	177.9 EUR m (–4.8%)
Credit Rating	Moody's: A2, negative (since July 2009) Standard & Poor's: A–, negative (since March 2009)

EVN currently active in 18 CEE countries



Highlights

Energy supply

- > About 1 m electricity, gas and heating customers in Lower Austria
- > 1.6 m electricity, 40,000 heating customers in Bulgaria
- > 720,000 electricity customers in Macedonia

Electricity generation

- > 1,829 MW generation capacity (gas, coal, hydro, wind and biomass)
- > Construction of a coal-fired power plant of 790 MW in Duisburg-Walsum, Germany

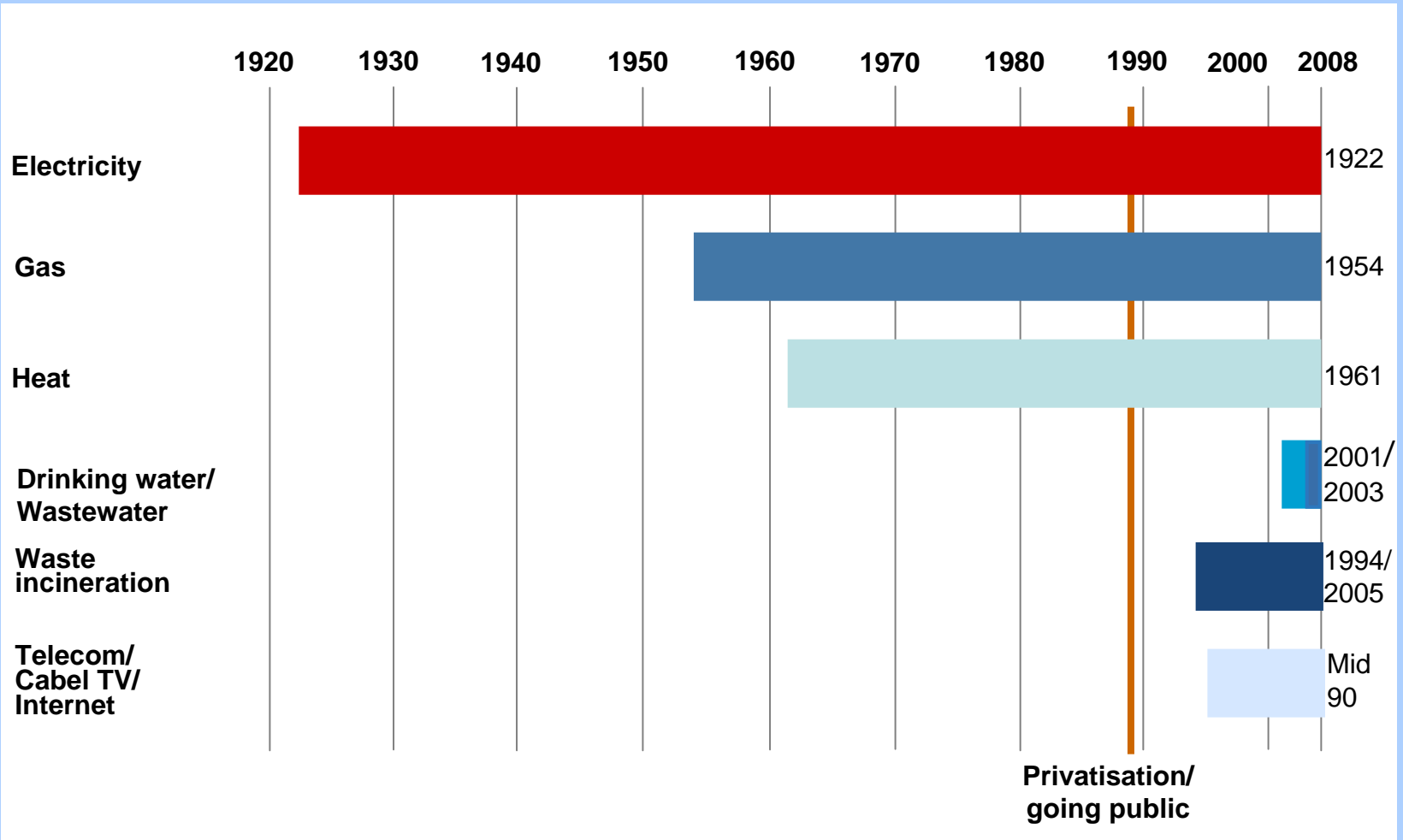
Networks

- > 130,358 km electricity networks, 13,350 km gas pipelines and 573 km heating networks

Environmental services

- > Waste incineration plants of 300,000 tons p.a. in Lower Austria, 360,000 tons p.a. in Moscow
- > More than 90 drinking and waste water plants for more than 10 m people in Europe
- > 0.5 m drinking water customers in Lower Austria

EVN Group historical development



EVN's strategy – Multi-service utility

- > „Two-pillar“ strategy – focus on the Energy and Environmental Services segments
- > Organic growth with a regional focus on Central, Eastern and south-eastern Europe
- > Clear-cut orientation to fulfil capital market requirements, transparency, strong financials and a solid dividend policy
- > Sustainability at the basis for the company's activities

Focus on Energy and Environmental Services

Traditional EVN core activities ...

> Energy

> Generation

> Networks

> Supply

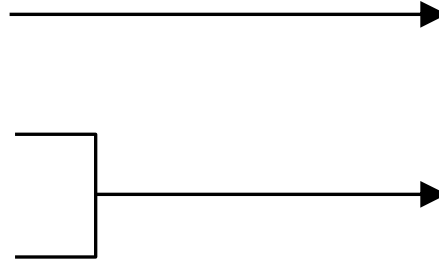
... complemented by related infrastructure and environmental services

> Environment

> Waste incineration

> Drinking water

> Waste water

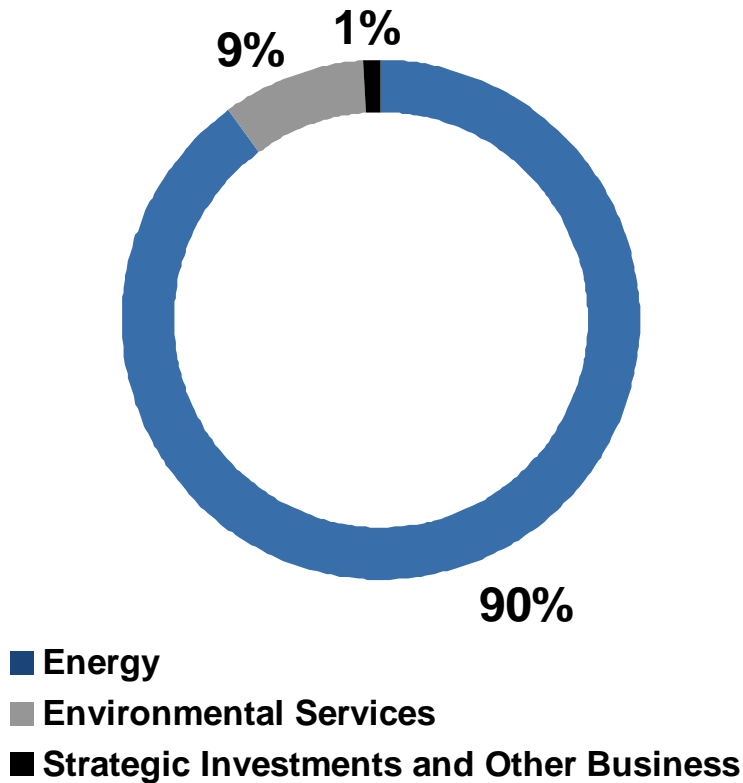


> Benefit from strategic advantages:

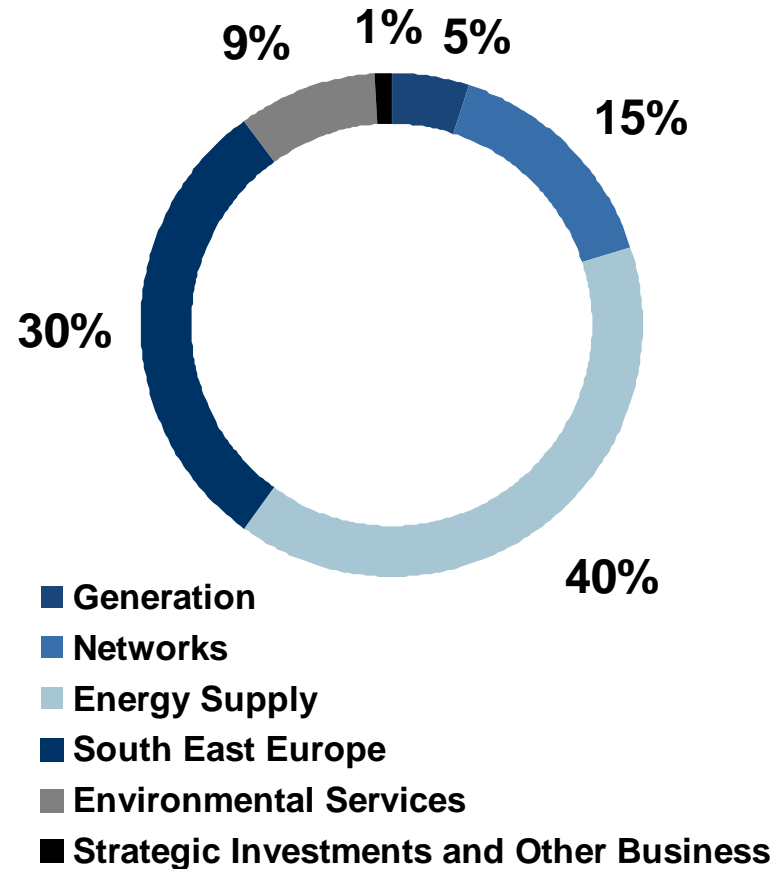
- > Common customer basis („one-stop shop“)
- > Know-how-transfer primarily in generation and networks
- > Regional synergies in operation and supply (currently mainly in Austria)
- > Benefit from administrative functions of head office for non-domestic activities
- > Optimisation of financial resources

Diversification led to growth and risk reduction

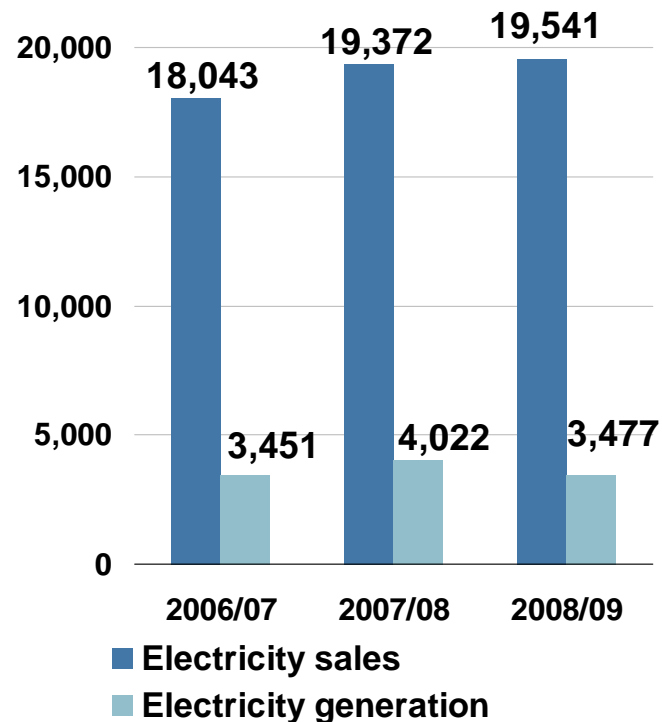
Revenue by segments



Revenue by business units



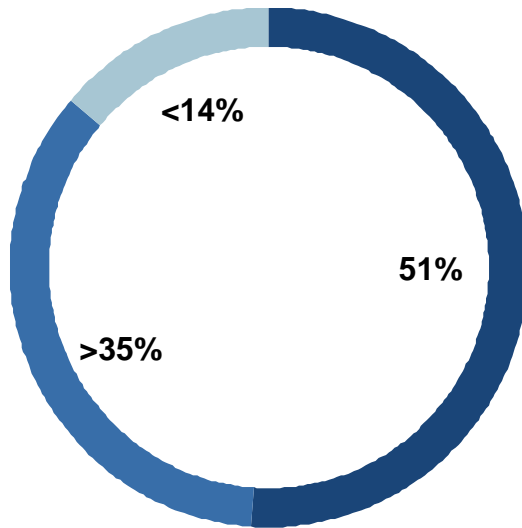
Electricity sales and generation (GWh)



- > Coverage ratio of Group decreased from 20.8% to 17.8%
- > Coverage ratio excl. Bulgaria and Macedonia from 60.9% to 51.4%
- > Mid-term target: increase of coverage ratio to min. 40%

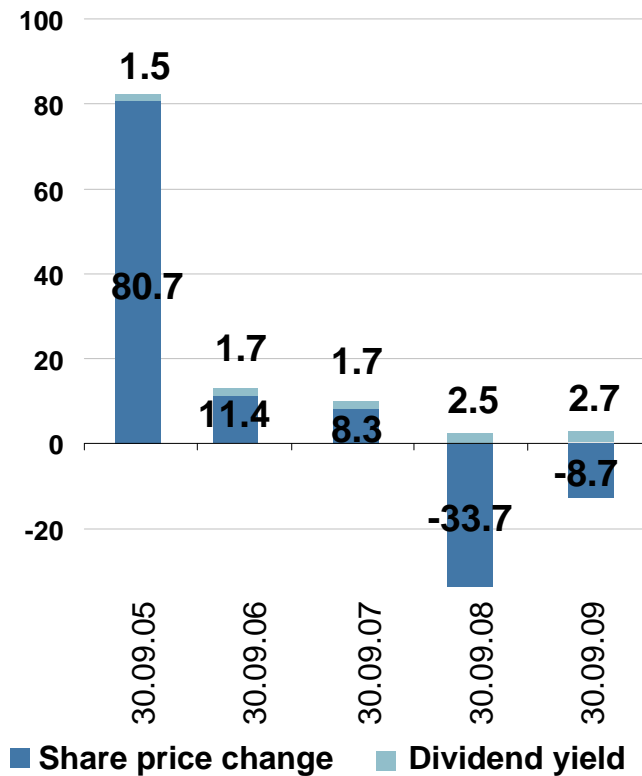
Shareholders' structure and TSR

Shareholders' structure



- NÖ Landesbeteiligungs Holding GmbH
- EnBW Energie Baden-Württemberg
- Free float

Total Shareholder Return in %



TSR = 9.7% p.a. since IPO 1989

EVN vs. ATX vs. ATX Prime vs. DJ Euro Stoxx Utilities



— DJ EURO STOXX UTILITIES
— EVN
— ATX
— ATX Prime

Performance 2008/09

(October 2008 – September 2009)

> **EVN:** -8.7%
> **ATX:** -4.7%
> **DJ EuroStoxx Utilities** -14.4%

> **Share price September:**
EUR 13.68

> **Value of shares traded¹⁾:**
EUR 209m

> **Average daily turnover¹⁾:**
69,031

1) Vienna Stock Exchange, counted once

Agenda

- > EVN's strategy
- > **Growth perspectives**
- > Results for 2008/09

Growth areas – Electricity generation



- > Coal-fired power plant in Duisburg-Walsum
- > Capacity: 790 MW, net efficiency: > 46%
- > Investment: EUR 820m
- > Joint venture with Evonik Steag GmbH, EVN's stake: 49%
- > Ground-breaking: November 2006
- > Production: 2010

Growth areas – Bulgaria and Macedonia



EVN's strategy:

- > Vertical integration → increase of production capacities
- > Modernisation of grid networks
- > Active electricity trading

> EVN assets:

- Network operator / supplier
- District heating plant in Bulgaria
- Hydro power plants in Macedonia

> **Bulgaria:** Fully liberalised electricity market starting on July 2007 → fully negotiable prices versus long-term electricity supply agreements and limited generation capacities

> **Macedonia:** Single-buyer model, some eligible customers

> **SEE region:** Electricity prices amount to only 30-50% of the Western European level

Growth areas – Albania



- > Bottlenecks in electricity generation
- > Electricity generation covers only two-third of the electricity sales volumes
- > Majority of the electricity production in this area: base-load
- > Current energy production represents only one-third of total hydro power potential

EVN's strategy:

- > Electricity production to supply EVN's 2.6 m customers in South-eastern Europe
- > Electricity sale not limited to Albania → electricity bottleneck in the whole region

The River Devoll Project



- > BOOT-Concession for three large hydro power plants on the River Devoll in Albania
- > Capacity: 320 MW
- > Electricity production: 1,000 GWh p.a.
- > Investment: EUR 950m
- > 50:50% joint venture with Statkraft (Norway)
- > Flexibility and optimisation of applied technology
- > Stepwise realisation of the 3 plants
- > Free marketability of electricity generated
- > Strong commitment from authorities and governmental institutions
- > Excellent opportunities for peak energy due to flow conditions

Growth areas – Environm. Services Segment



- > Drinking water plant in Moscow
- > Capacity: 250,000 m³/d
- > Investment: EUR 190m
- > Start of operation: September 2007
- > BOOT-model: operation until 2016

Growth areas – Environm. Services Segment



- > Waste incineration plant in Moscow
- > Capacity: 360,000 t
- > Investment: EUR 175m
- > Start of operation: January 2008
- > BOOT-model: operation until 2019

Growth areas – Environm. Services Segment



- > Ataköy/Istanbul: wastewater treatment plant
- > Turn-key project and 5-year operation
- > Capacity: ~ 2 m inhabitants
- > Start of operation: 2011
- > Investment: EUR 108.5m

Strategic plans and targets

- > Energy segment
 - Integration of electricity, gas and heating in EVN's foreign business activities
 - Vertical integration along the value chain, generation
 - Leading market position in all markets
 - Organic growth and acquisitions

- > Environmental Services segment
 - Comprehensive services
 - New markets in the CEE region

Agenda

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- > Growth perspectives
- > **Results for 2008/09**

Financial highlights 2008/09

EUR m	2008/09	Change %
Revenue	2,727.0	13.8
EBITDA	373.4	3.1
EBIT	175.2	5.2
Financial result	50.8	-26.2
Group net profit	177.9	-4.8
Gross cash value	445.1	4.3
EUR		
Earnings per share	1.09	-4.8
Dividend per share	0.37 ¹⁾	-

- > Increase in revenue and earnings
- > Higher sales volumes and higher prices to partially compensate the higher energy procurement prices in Energy segment as well as new projects in Environmental Services segment
- > EBITDA and EBIT above last year's level
- > Financial results decreased significantly, as a result of lower income from investments
- > Slight decline in net profit
- > Gross cash value above the last year's level
- > Despite the slight decline in net profit, dividend proposal to AGM of EUR 0.37 remain on the last year's level

2) Proposal to the AGM

Milestones in 2008/09

- > District heating transmission pipeline to St. Pölten completed
- > Start of construction of the trans-regional gas transport pipeline "Südschiene" in Lower Austria
- > Takeover of the cable network operator B.net in Burgenland
- > Hard coal fired power plant in Duisburg-Walsum before start-up
- > Ground-breaking ceremony for the construction of three hydropower storage plants in Albania
- > Concession to distribute and supply natural gas on the Croatian Adriatic coast
- > Strong business performance in the Environmental Services segment, expansion in the Baltic region, new contract in Montenegro

Energy segment

EUR m	2008/09	Change %
Revenue	2,459.3	12.7
EBITDA	341.7	1.7
EBIT	158.7	2.3
Financial result	-35.5	-14.2
Profit before income tax	123.3	-0.7
Investments	362.2	4.6

- > Stable electricity sales volumes, weather related decline in gas and massive increase of heat sales volumes
 - Electricity: +0.9%
 - Gas -9,7%
 - Heating +15.7%
- > Decline in electricity generation
- > Price adjustments for electricity and gas in Austria partially compensate for increased procurement costs
- > First full-time consolidation of the Bulgarian district heating plant TEZ Plovdiv
- > EBIT-improvement in Generation and Networks business units more than compensated for EBIT-decline in Supply and South East Europe could not

Generation business unit

EUR m	2008/09	Change %
Revenue	146.1	17.3
EBIT	62.9	31.5
Profit before income tax	56.4	29.3
Investments	63.4	96.2

- > Falling spread between wholesale prices and primary energy prices
- > Lower volume of electricity generated by EVN's own power plants (-13.6%)
- > Successful long-term marketing strategy → EBIT: +31.5%
- > Increase and diversification of production capacities:
 - Ratification of the concession agreement in Albania and ground-breaking ceremony
 - Start-up of a hard coal fired power plant in Duisburg-Walsum in 2010
 - Wind park and photovoltaic capacity under construction, evaluation process to construct hydro power plants in Bulgaria

Energy Supply business unit

EUR m	2008/09	Change %
Revenue	1,189.8	19.1
EBIT	22.6	-31.2
Profit before income tax	32.9	-24.7
Investments	32.5	57.6

- > Constant electricity sales volumes in Lower Austria, significant decline in gas and increase in heat volumes
- > Price adjustment of electricity and gas due to procurement costs increase in the previous period
- > Long-term procurement strategy: forward purchases of electricity and primary energy at historic price levels
- > EBIT decline despite increase in sales volumes and revenue as well as price adjustments
- > Investments: district heating transmission pipeline from Dürnröhr to St. Pölten

Networks business unit

EUR m	2008/09	Change %
Revenue	467.9	-1.4
EBIT	66.2	14.0
Profit before income tax	52.4	21.6
Investments	161.5	15.3

- > Declining sales volumes
 - Electricity: -2.1%
 - Gas: -8.8%
- > Network tariffs on basis of incentive regulatory system as of 1.1.2009
 - Electricity: +1.0%
 - Gas: +7.0%
- > Network revenues (electricity, gas)
 - -1.0% to EUR 361.0m
- > Initial consolidation of the Burgenland-based cable network operator B.net
- > Increase in gross margin and decline in maintenance expenses → EBIT-improvement
- > Investments: to improve the reliability and security of supply and networks expansion, in particular in the gas networks

South East Europe business unit

EUR m	2008/09	Change %
Revenue	878.7	16.5
EBIT	7.1	-57.1
Profit before income tax	-18.4	-
Investments	104.8	-31.6

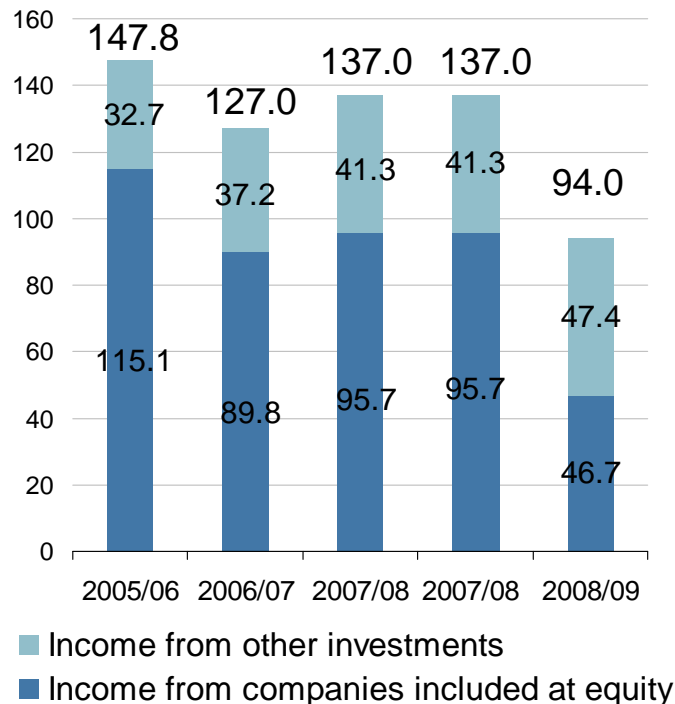
- > Electricity sales volumes
 - Bulgaria: -1.1%
 - Macedonia: +5.3%
- > Price effects: slight but unsatisfactory sale price adjustments in Bulgaria and Macedonia
- > EBIT decline due to increase of electricity purchases and primary energy expenses, higher personnel expenses and write-offs of receivables
- > Decrease in investments by EUR 48.4m to EUR 104.8m
 - Finalisation of meter-change program in Bulgaria
 - Revitalisation of the small hydro-power plants in Macedonia finished

Environmental Services segment

EUR m	2008/09	Change %
Revenue	236.1	27.9
EBITDA	42.0	6.1
EBIT	27.5	8.5
Financial result	17.5	-2.4
Profit before income tax	45.1	4.0
Investments	67.4	-0.6

- > New projects under construction generated higher revenue contributions
- > Increase in EBIT from EUR 25.4m to EUR 27.5m
- > Financial results slightly below the previous year's level
- > Completed projects:
 - Combined cycle heat and power plants in Moscow
 - Sludge treatment facility in Estonia
 - Wastewater treatment plant in Lithuania
- > New projects acquired in 2008/09
 - Sludge treatment plant in Lithuania
 - Complex sewage disposal system in Montenegro

Income from strategic investments (EUR m)



> Income from companies included at equity

- Income from RAG (before minority interests) decreased from EUR 83.0m to EUR 32.2m due to oil and gas price decline
- Income from EconGas of EUR 9.4m roughly on last year's level
- Income from BEWAG and BEGAS of – EUR 3.4m below last year's level

> Income from other investments

- Increase of dividends from Verbundgesellschaft from EUR 35.6m to EUR 42.1m

Balance sheet

EUR m	2008/09	Change %
Balance sheet total	6,695.4	0.9
Equity	3,127.2	-2.5
Net debt	1,378.2	21.8
Equity ratio (%)	46.7	-1.6p
Gearing (%)	44.1	8.8p

> Balance sheet total stable

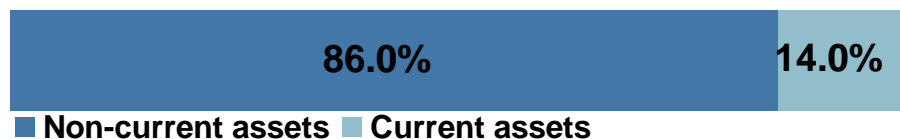
- Investments on last year's level
- Decrease in market value of the shareholding in Verbundges
- Lower Group net profit
- Increase of non-current loans and borrowings

> Increase in net debt and Gearing

> Issue of corporate bonds with a total volume of EUR 470.0m

> Sufficient liquidity reserves to finance business operation development

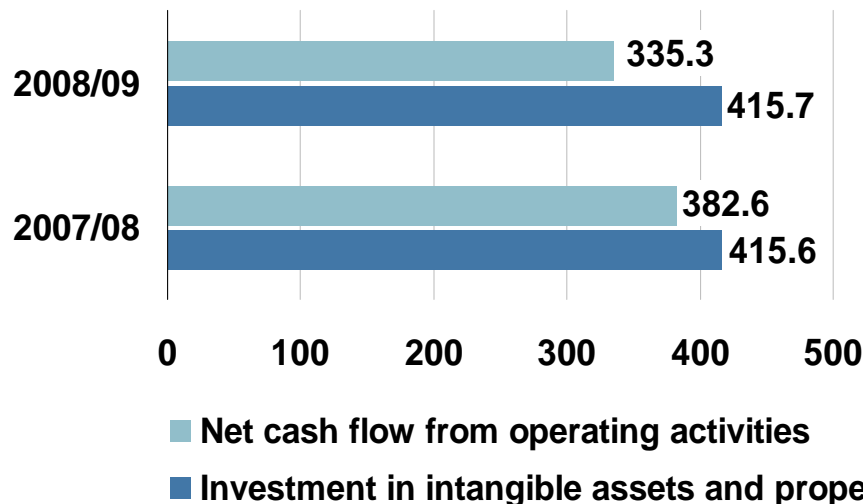
> Financing structure at matched maturities



Cash Flow

EUR m	2008/09	Change %
Gross cash flow	445.1	4.3
CF from operating act.	335.3	-12.4
CF from investments	-400.4	-22.5
CF from financing	84.3	-

- > Higher gross cash flow despite the reduced profit before income tax
 - Higher non-cash items of income from at equity investments
 - Higher non-current provisions
- > Decline of operating CF
 - Increase in working capital
- > CF from investment
 - Acquisition of B.net
 - Increase in EVN's stake in EconGas
 - Ongoing investments



Outlook

	2008/09	Forecast for 2009/10 vs. 2008/09
Revenue	EUR 2,727.0m	Slightly above the previous year's level
EBIT	EUR 175.2m	At the previous year's
Financial results	EUR 50.8m	At the previous year's
Net profit	EUR 177.9m	At the previous year's
Investments	EUR 415.7m	Continuation of EVN long-term investment policy

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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.