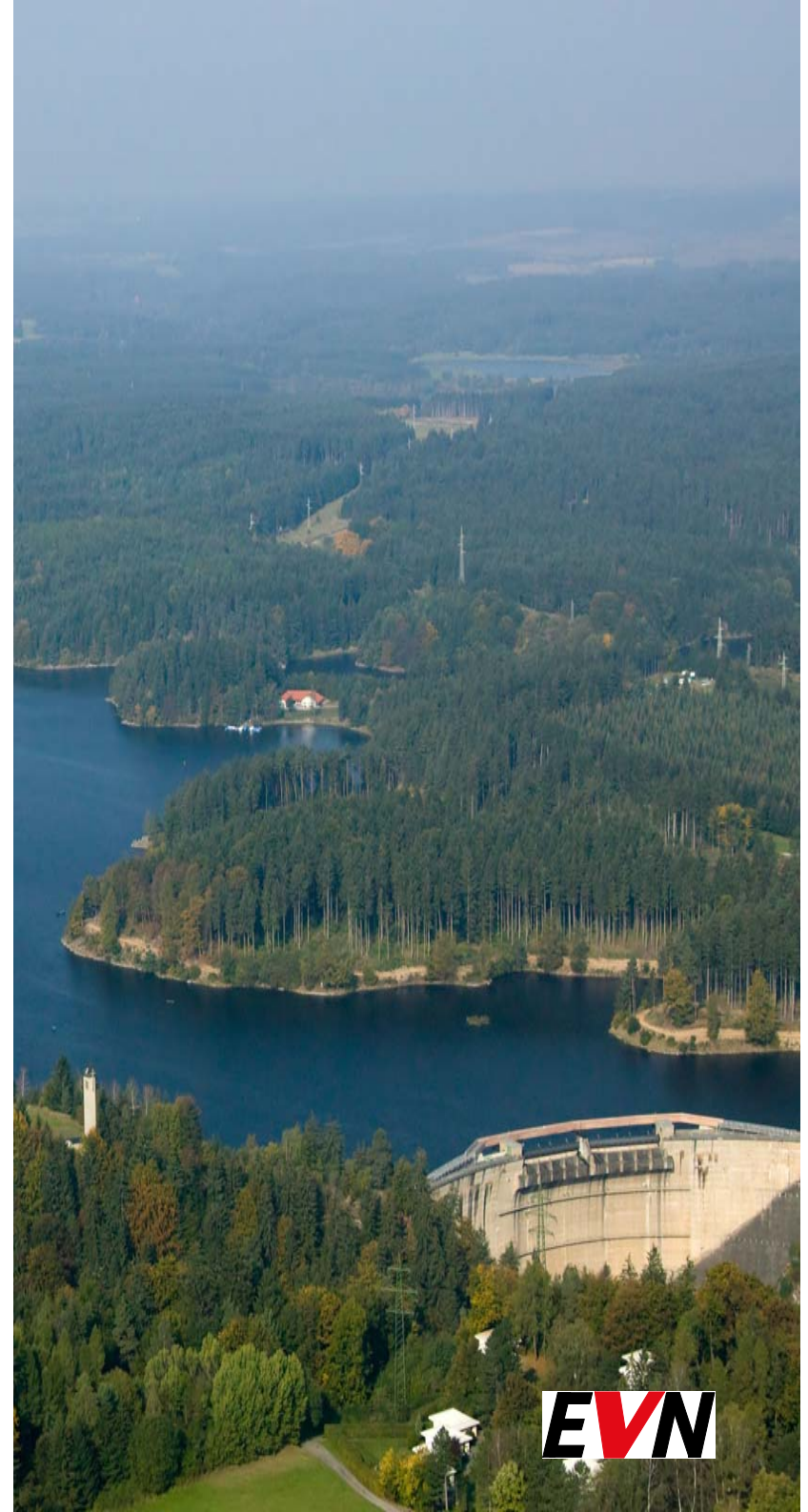


# Conference Call EVN 1<sup>st</sup> Quarter 2010/11 Results

February 25, 2011



# Business highlights

---

- > 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

# Generation

	2010/11	Change
Electricity generation volumes (GWh)	Q. 1	in %
Total	1,092	-2.8
thereof thermal power	838	-2.7
thereof renewable energy	254	-3.2
EURm		
Revenue	28.6	-33.1
EBITDA	11.9	-58.1
EBIT	6.0	-51.9

## > Decrease in energy generation volumes

- Lower power generating volumes at EVN's own thermal power stations
- Decrease of generation from renewable energy sources due to lower water flow conditions

## > Revenue decrease

- Decrease in energy generation volumes
- Declining wholesale market prices for electricity

## > EBITDA depressed due to declining spread between primary energy prices and electricity prices in option value

## > EBIT drop more moderate due to one-off impairment loss for the windpark in Kavarna in the prior-year

# Network Infrastructure Austria

	2010/11	Change
	Q. 1	in %
Network distribution volumes (GWh)		
Electricity	2,047	4.6
Gas <sup>1)</sup>	6,247	-1.3
EURm		
Revenue	140.0	3.3
EBITDA	74.2	16.5
EBIT	50.2	24.6

1) Incl. Networks sales to EVN's power stations

- > Diverse network distribution volumes development
  - Increase in electricity distribution volumes due to cold weather conditions
  - Decrease in gas distribution volumes due to lower sales to EVN's own thermal power stations
- > Adjustment of network tariffs on basis of regulatory system as of January 1, 2010
  - Electricity network tariffs: -2.0%
  - Gas network tariffs: +8.2%
- > Revenue increase
  - Slight revenue drop in the cable TV and telecommunication business
- > Increase of EBITDA and EBIT
  - Lower costs for electricity network losses and imbalance energy due to lower wholesale market prices
  - Decrease in various operating expense items

# Energy Trade and Supply

	2010/11	Change
Sales volumes to end customers (GWh)	Q. 1	in %
Electricity	1,950	7.9
Natural gas	2,579	14.4
Heat	556	17.1

EURm		
Revenue	368.9	-0.4
EBITDA	45.0	6.4
EBIT	41.7	6.3

## > Weather-driven increase in sales volume to end customers

- Electricity: higher sales volumes in the supply market of EnergieAllianz outside Austria and in Lower Austria
- Gas: sales volumes increase due to cold weather
- Heat: growing sales volume due to cold weather, higher sales to a bioethanol plant

## > Slight decrease in revenue despite higher sales volumes

- Adjustment in gas tariffs for end customer: -7.0% as of December 1, 2009
- Decrease in revenue from marketing the electricity generation from power plants

## > EBITDA and EBIT increase

- Lower electricity procurement costs

# Energy Supply South East Europa

	2010/11	Change
Network distribution volumes (GWh)	Q. 1	in %
Electricity	3,400	-1.0
thereof Bulgaria	1,983	0.6
thereof Macedonia	1,417	-3.2
Heat	76	-11.2
EURm		
Revenue	205.2	-9.1
EBITDA	12.5	-23.1
EBIT	-2.5	-

## > Different sales volumes development

- Bulgaria:
  - Electricity sales volume increased
  - Heat sales volumes declined
- Macedonia: decrease in sales volume despite cold weather

## > Decline in segment revenue

- Bulgaria: revenue (and procurement costs) decrease
  - Mainly due to changed presentation of tariff components of high-voltage networks (effect in 1. Q: EUR 23.6m)
- Macedonia: roughly stable revenue
  - Revenue increase due to positive sales price adjustment by around 10.0% (thereof 51.0% for EVN Macedonia) was offset by reduced sales volume

## > EBITDA and EBIT decrease

- Higher energy procurement costs

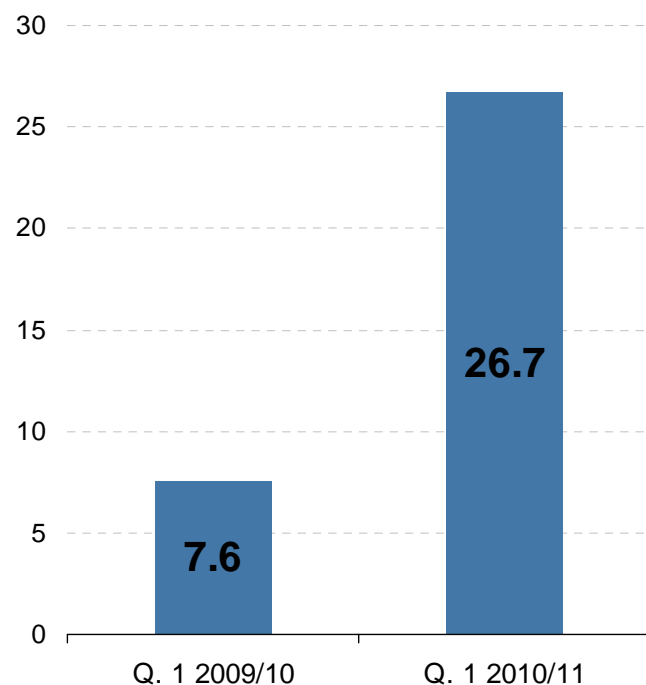
# Environmental Services

EURm	2010/11 Q. 1	Change in %
Revenue	100.8	93.5
EBITDA	16.7	–
EBIT	10.5	–
Order book	1,258	

- > Significant increase in revenue
  - International project business:
    - Sodium hypochlorit plant, Moscow
    - Waste incineration plant, Moscow
  - Expansion of the waste incineration plant in Dürnröhr
- > Strong EBITDA and EBIT increase
- > 11 ongoing large international projects with focus on
  - 2 wastewater treatment plants, Cyprus
  - Thermal waste incineration and sodium hypochlorit plant, Moscow
  - 2 turn-key wastewater purification plants, Poland
  - Wastewater disposal plant, Montenegro
  - Two waste sludge treatment facilities, Lithuania

# Income from investments

EURm



■ Share of profit of equity accounted investees

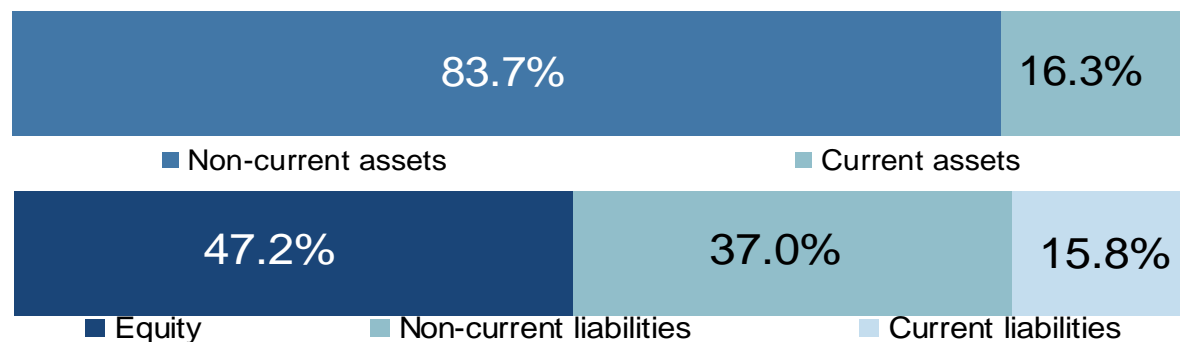
- > Higher results from investments in equity accounted investees
  - RAG: up from EUR 1.1m to EUR 17.7m
  - EconGas: up from EUR 3.5m to EUR 5.4m
  - NÖKOM: EUR 1.1m
  - BEWAG/BEGAS: stable results of EUR 0.7m
- > No gain from other investments in Q. 1 2010/11

# 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

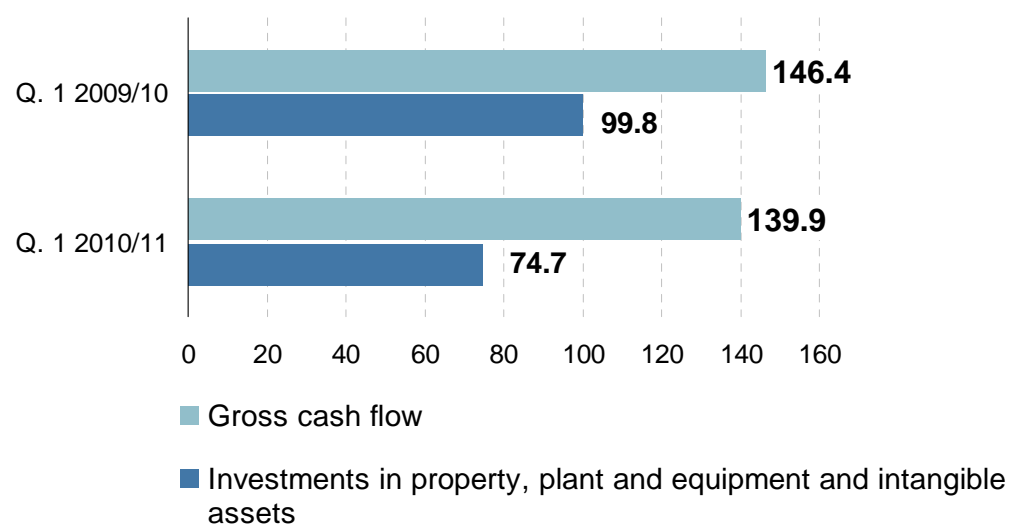
- > Increase of total assets above EUR 7bn
- > Strong increase in equity
  - Share capital increase of 10%
  - Positive market valuation of EVN's shareholding in VERBUND AG
- > Slight increase in equity ratio
- > Drop in net debt and gearing due to increase of cash and cash equivalents

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

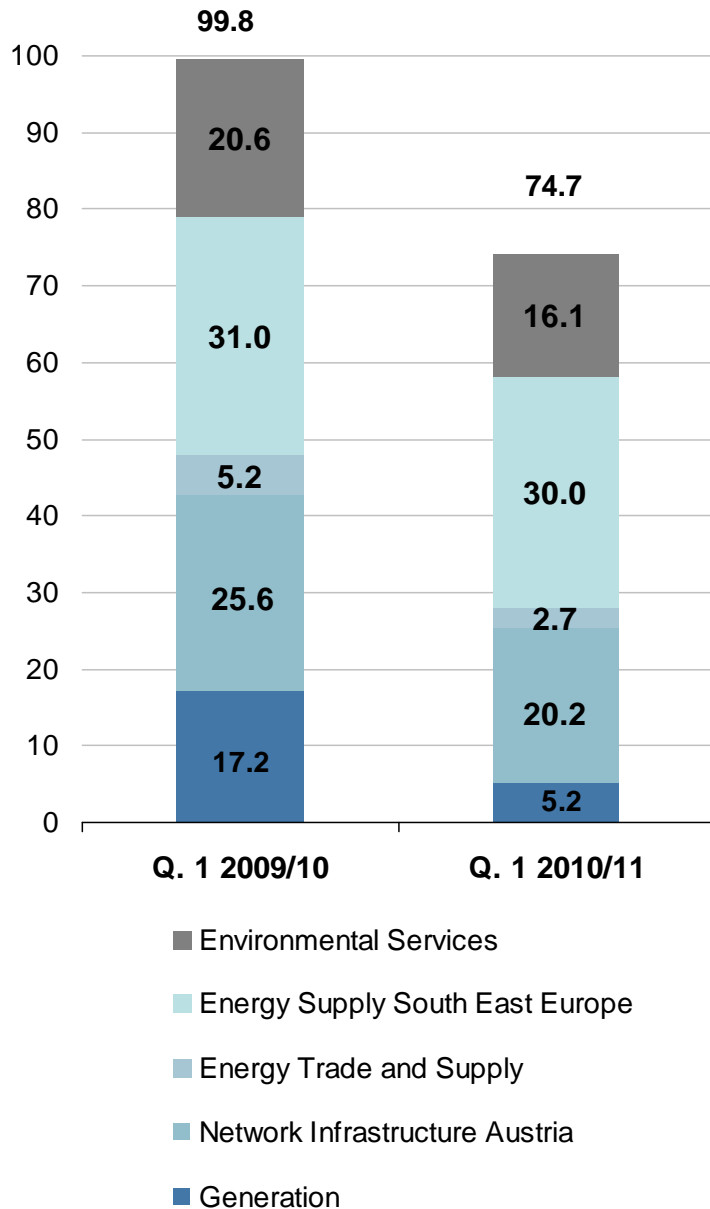
- Capital payment for investments in equity accounted investees
- Increase in lease receivables in the Environmental Services segment
- Increase in investments in cash funds
- Lower investments in property, plant and equipment

## > Higher Net cash flow from financing activities

- Net proceeds of capital increase: EUR 175.5m

# Investments

EURm



- > Investment drop 25.1%
- > Key investments per business segments
  - Generation
    - Wind power and small scale hydro power projects in Lower Austria
  - Network Infrastructure Austria
    - Construction of the trans-regional natural gas transport pipelines „Süd- and Westschiene“
  - Energy Supply South East Europe
    - Expansion of the network infrastructure and replacement of meters
    - Construction of the new cogeneration plant at Plovdiv
  - Environmental Services
    - Combined cycle heat and power cogeneration plant in Moscow

# Outlook 2010/11

---

## > Assumptions

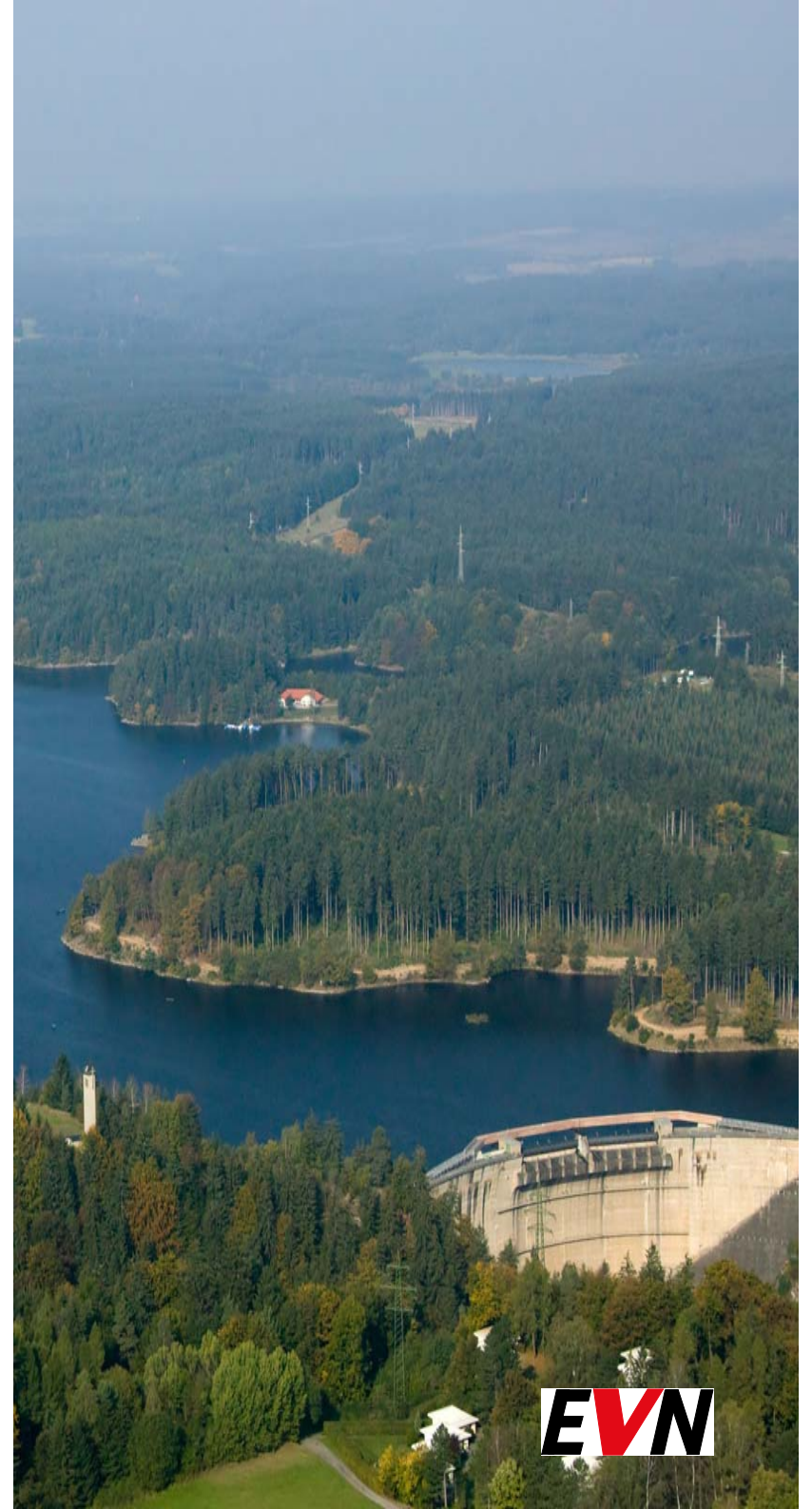
- Stable end customers business development
- Lower spreads between primary energy prices and electricity prices
- High order book in Environmental Services segment

## > EVN's expectation

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

# Conference Call EVN 1<sup>st</sup> Quarter 2010/11 Results

**Q&As**



# Disclaimer

---

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.

# EVN Investor Relations

---

## Additional Information:

### Michael Längle

Chief Financial Officer

Phone +43 2236 200-12324

Fax +43 2236 200-84715

E-Mail [michael.laengle@evn.at](mailto:michael.laengle@evn.at)

### Klára Széffy

Investor Relations Officer

Phone +43 2236 200-12745

Fax +43 2236 200-82745

E-Mail [klara.szekffy@evn.at](mailto:klara.szekffy@evn.at)

### Investor information on the web

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

[www.evn.at/investor.aspx](http://www.evn.at/investor.aspx)

[www.evn.at/Responsibility.aspx](http://www.evn.at/Responsibility.aspx)

E-Mail: [investor.relations@evn.at](mailto:investor.relations@evn.at)

### EVN AG

Headquarters

EVN Platz

2344 Maria Enzersdorf