



EVN Presentation

Frankfurt, March 13, 2009



EVN's strategy

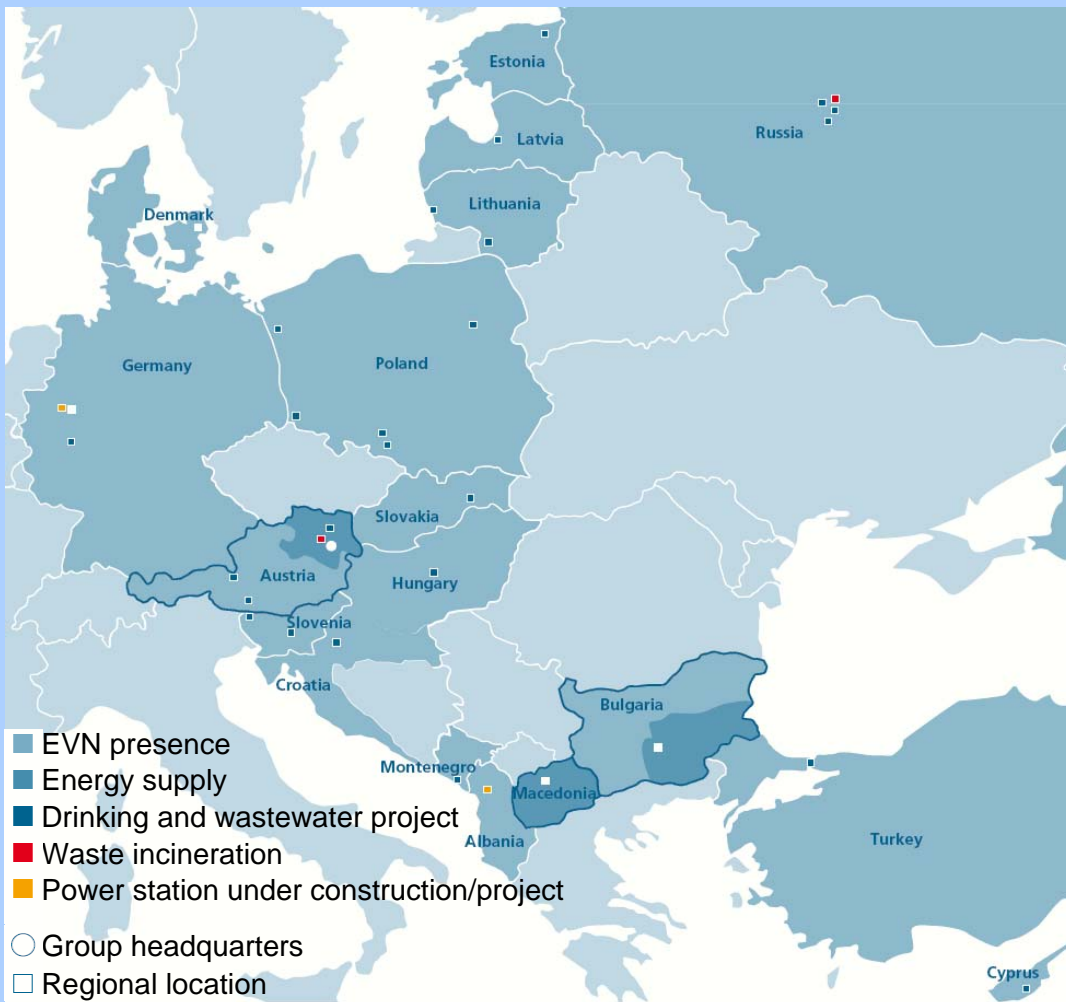
Growth perspectives

**Financial results 2007/08
and Q. 1 2008/09**

Company profile – fact sheet 2007/08

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	9,342 (–2.0%) thereof ~ 75% in abroad
Revenue	2,397.0 EUR m (+7.3%)
EBITDA	362.3 EUR m (+3.3%)
EBIT	166.6 EUR m (–15.6%)
Net results	186.9 EUR m (–17.7%)
Credit Rating	Moody's: A1, stable Standard & Poor's: A, negative

EVN currently active in 18 CEE countries



Highlights

Energy supply

- > About 1 m electricity, gas, heat and water 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

- > 127,294 km electricity networks, 10,650 km gas pipelines and 540 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 80 drinking and waste water plants for more than 10 m people

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 and 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

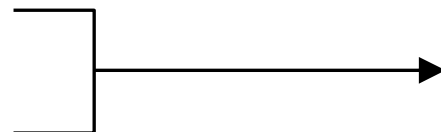
... complemented by related infrastructure and environmental services

> Environment

> Waste incineration

> Drinking water

> Waste water

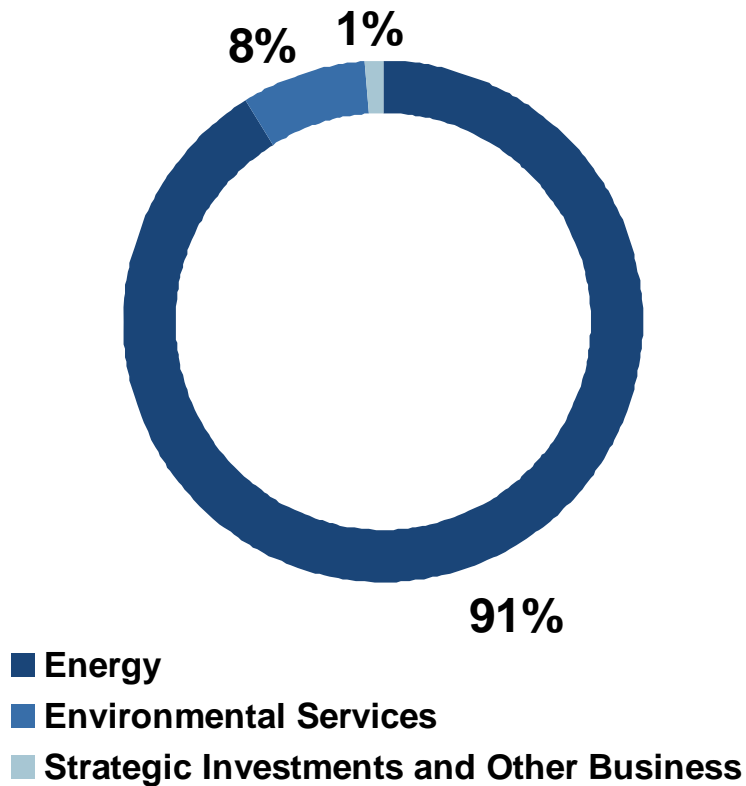


> Benefit from strategic advantages:

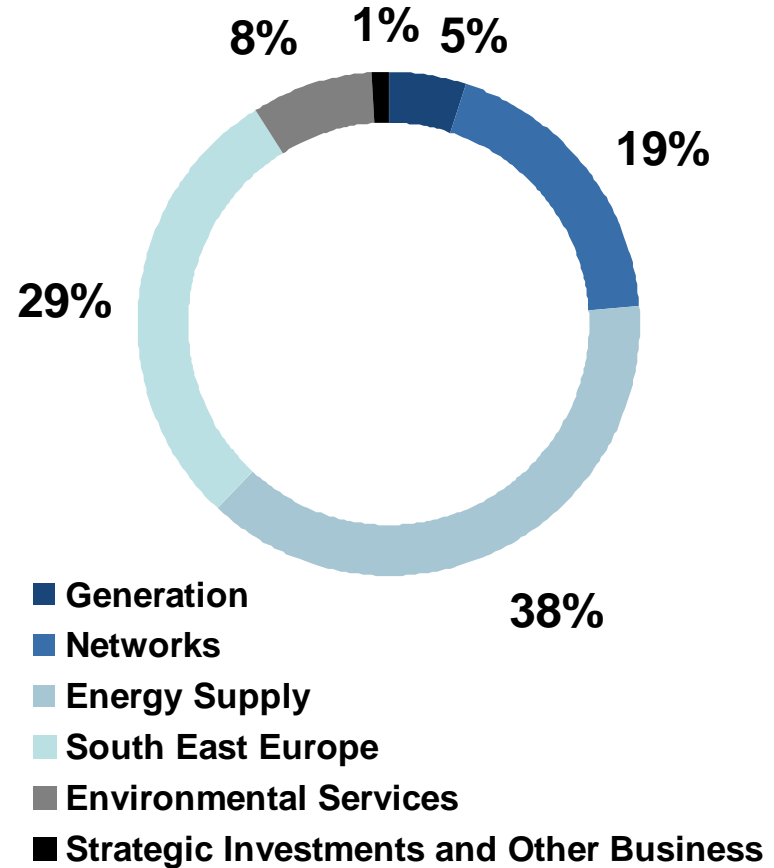
- > Common customer basis („one-stop shop“)
- > Know-how-transfer primarily in generation and networks
- > Regional synergies in operation and supply (currently mainly in Austria)
- > Benefit from administrative functions of head office for non-domestic activities
- > Optimisation of financial resources

Diversification led to growth and risk reduction

Revenue by segments



Revenue by business units





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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, electricity prices amount to only one-third of the level in WE

> Electricity prices amount to only 30-50% of the Western European level

Growth areas: Albania



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

- > GDP growth:
 - 2008: 6.1%
 - 2009-11e: 3.0 – 6.0%
- > 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

Growth areas – Electricity generation



- > Concession for three large hydro power plants on the River Devoll in Albania
- > Capacity: 340 MW
- > Electricity production: 1,000 GWh p.a.
- > Investment: EUR 950m
- > 50-50% joint venture with Statkraft

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



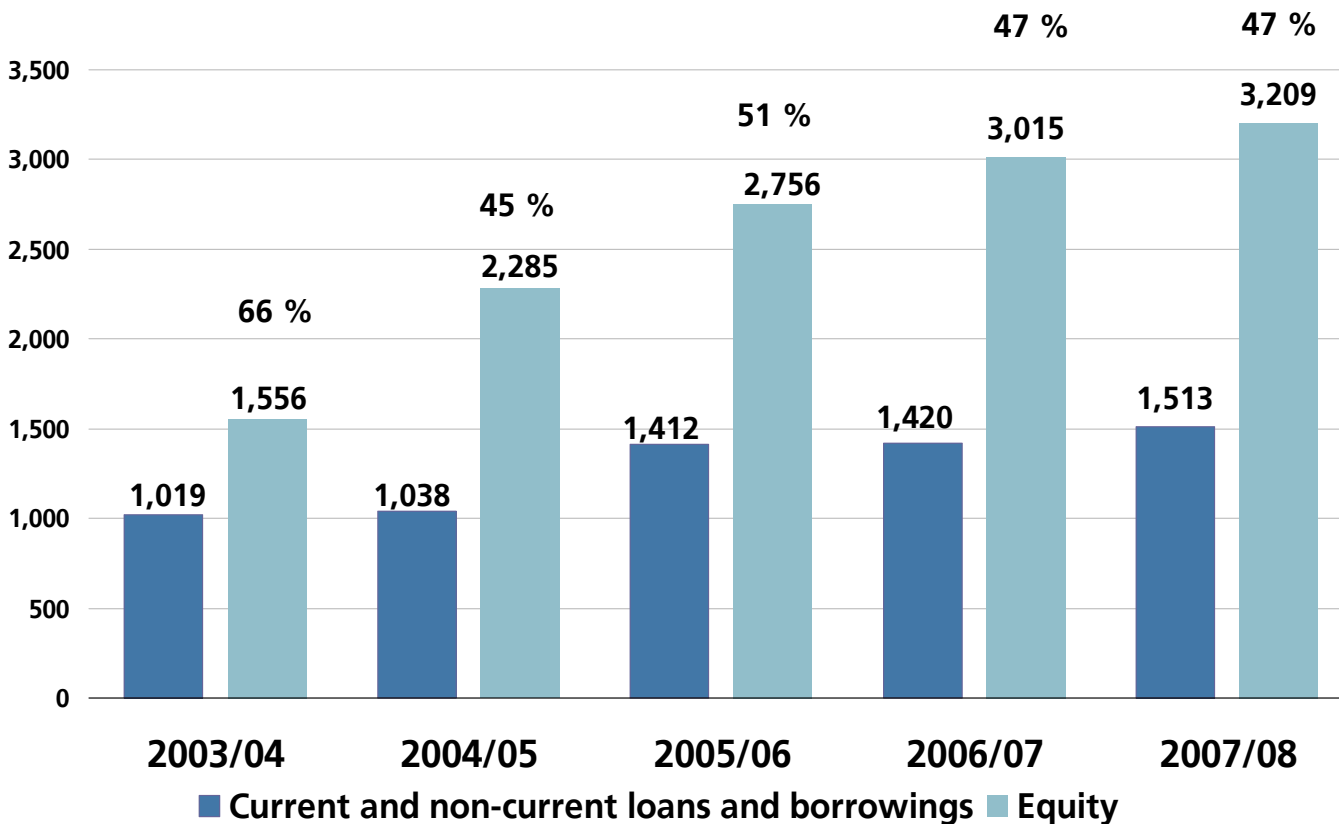
- > Ataköy/Istanbul: wastewater treatment plant
- > Turn-key project and 5-year operation
- > Capacity: ~ 2 m inhabitants
- > Start of operation: 2011
- > Investment: EUR 108.5m

Strategic plans and targets

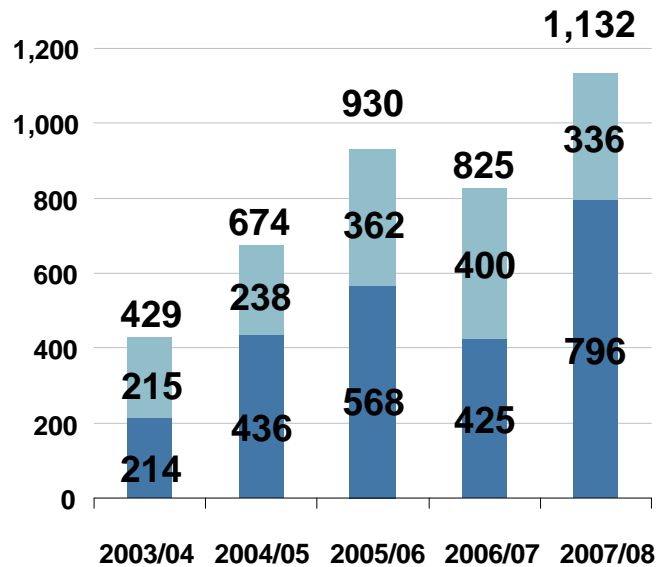
- > Energy segment
 - Integration of electricity, gas and heating in EVN's foreign business activities
 - Vertical integration along the value chain, generation
 - Leading market position in all markets
 - Organic growth and acquisitions

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

Growth while keeping financial strength (EUR m)



Development of net debt (EUR m)



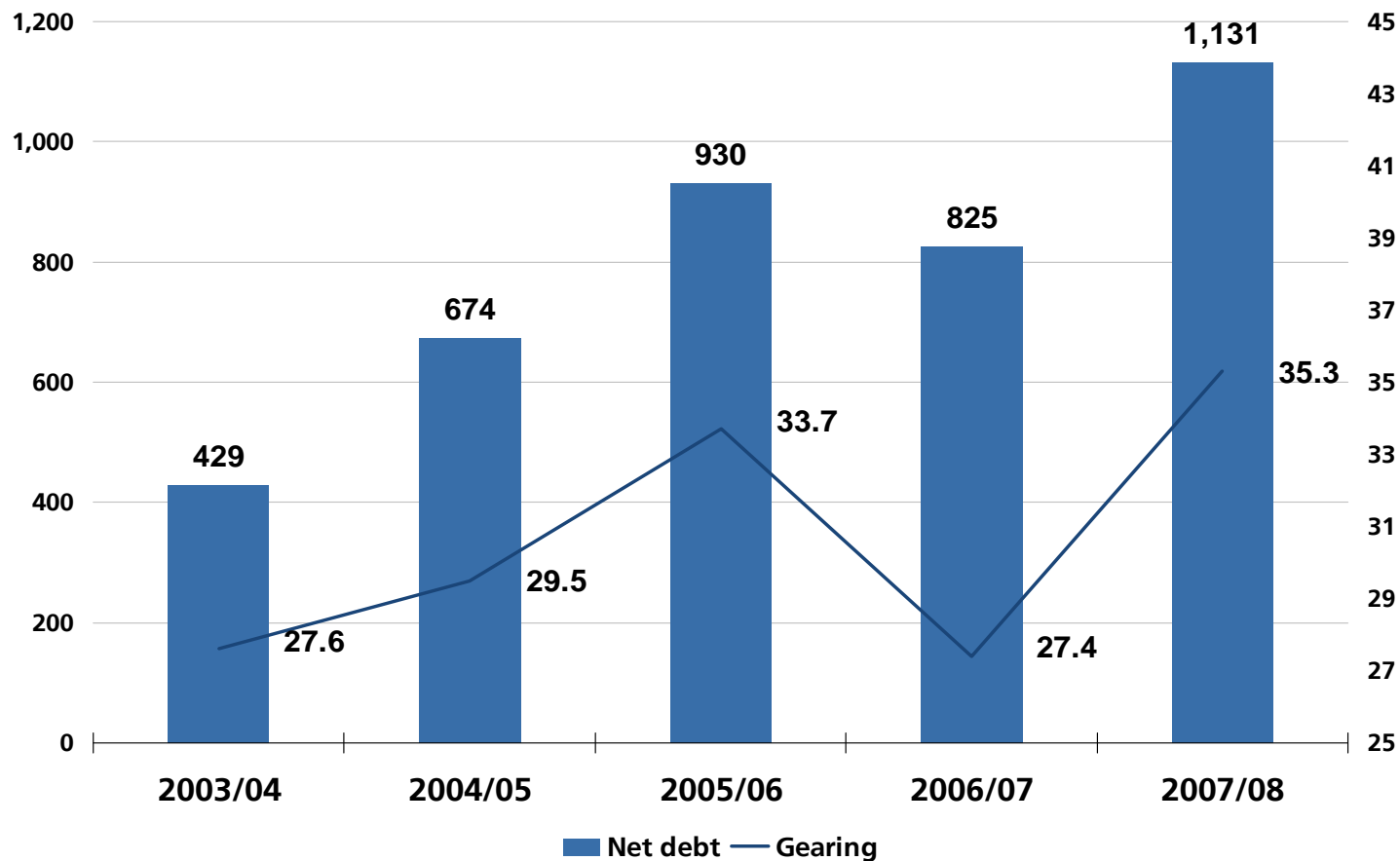
■ Non-recourse liabilities
■ Net debt excl. non-recourse liabilities

Financial assets available for sale

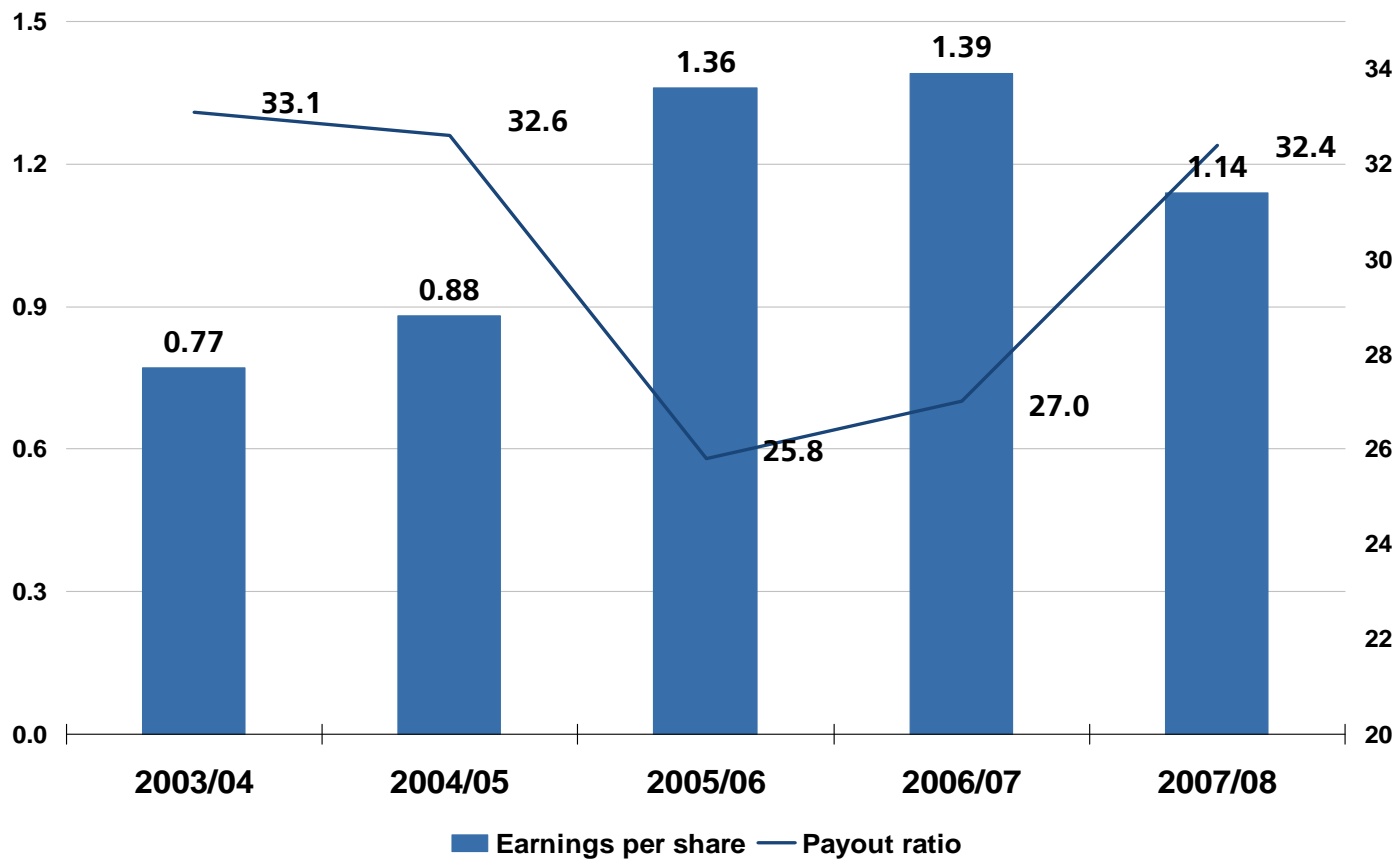


Net debt easily covered by financial assets

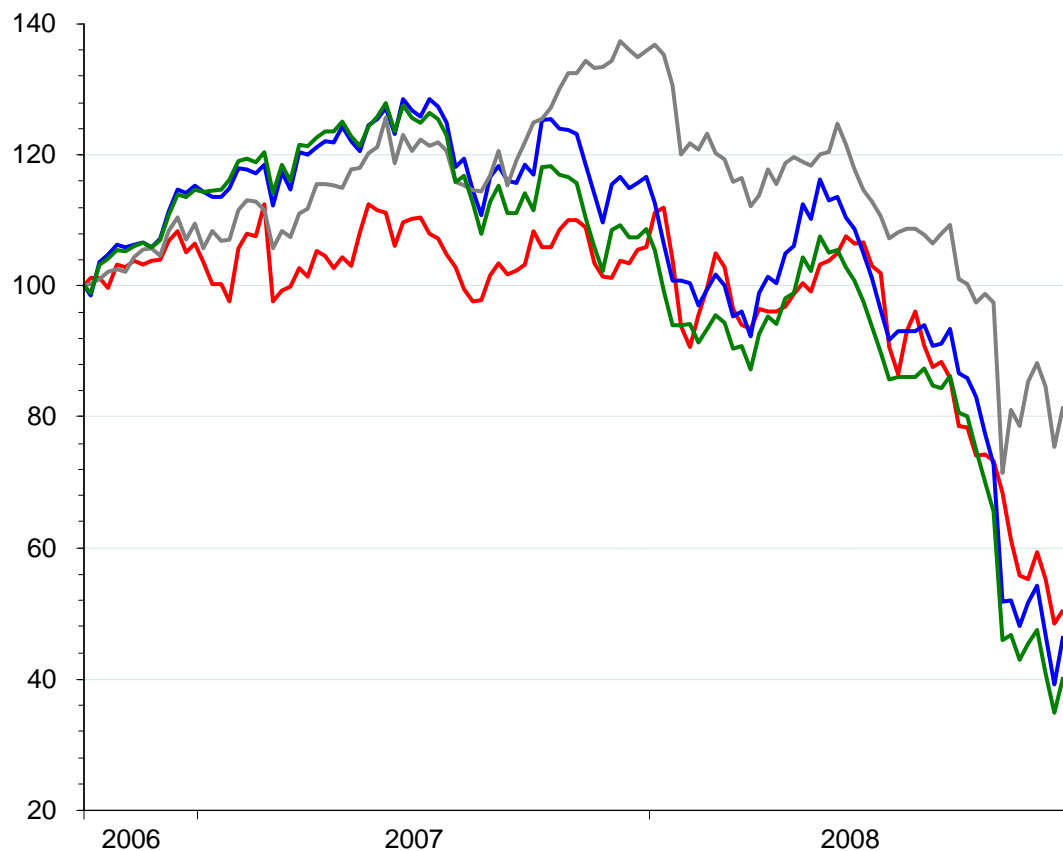
Net debt and Gearing (EUR m, %)



Earnings per share and payout ratio (EUR, %)



Performance of EVN's share



Performance 2007/08 (Oct 2007 – Sep 2008)

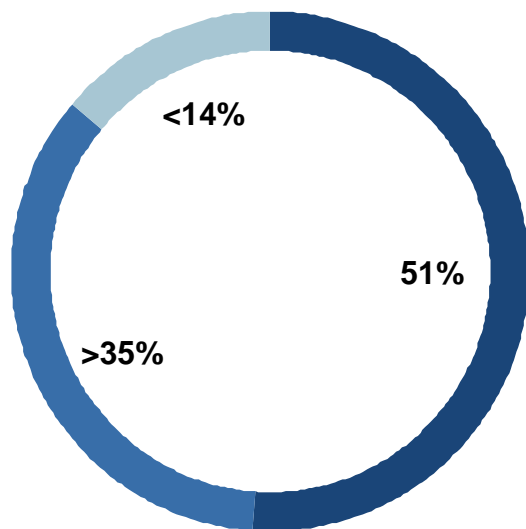
- > EVN share: -33.7 %
- > ATX: -38.9 %
- > ATX Prime: -42.4 %
- > Share price at the end of Sep 2008: EUR 14.99
- > Value of shares traded¹⁾: EUR 406m
- > Average daily turnover¹⁾: 78,054

1) Vienna Stock Exchange, counted once

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

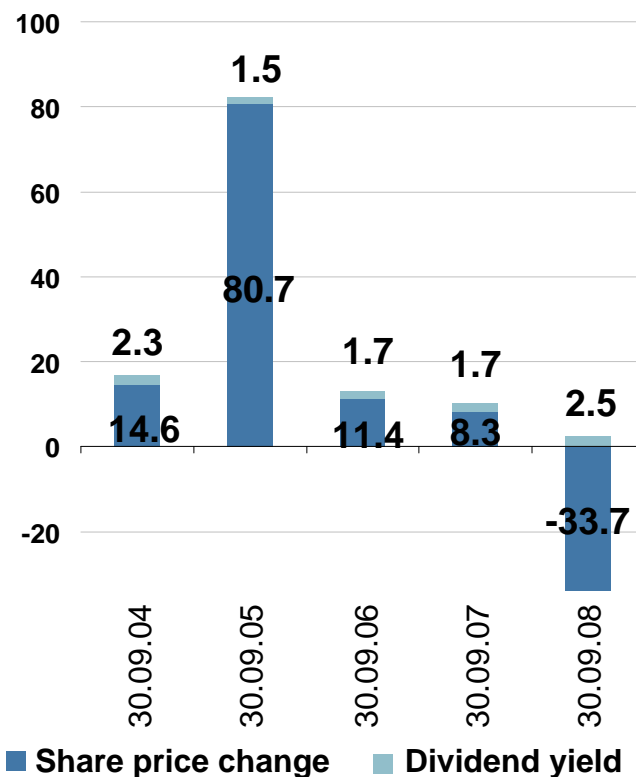
Shareholders' structure and TSR

Shareholders' structure



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

Total Shareholder Return in %



TSR = 10.4 % p.a. since IPO 1989



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Financial highlights 2007/08

EUR m	2007/08	Change %
Revenue	2,397.0	7.3
EBITDA	362.3	3.3
EBIT	166.6	-15.6
Financial result	68.9	-23.6
Group net profit	186.9	-17.7
Operating Cash flow	382.6	11.6
EUR		
Earning per share	1.14	-17.7
Dividend per share	0.37	-

- > Higher revenues in Energy segment, decrease in revenues in Environmental Services segment
- > EBITDA above, EBIT – due to higher amortisation and depreciation – below last year's level
- > Despite better results from investments, financial results, due to financial crisis, below the level of the previous year
- > Despite of a decrease in profit dividends at a constant level

Milestones in 2007/08

- > Majority shareholding in Rohöl-Aufsuchungs AG
- > Initial consolidation of Bulgaria's second largest district heating plant in Plovdiv
- > Project to obtain a concession to build three hydroelectric plants on the Devoll River in Albania well advanced
- > Acquisition of a 49% stake in the Sankt Pölten district heating company Fernwärme St. Pölten GmbH
- > Significant progress in the construction of the Duisburg-Walsum hard coal fired power plant
- > Market entry in Montenegro by the Environmental Services segment
- > Capital increase from non-appropriated reserves and stock split in a ratio of 1:4 effective April 17, 2008
- > Start of a share buyback programme as of July 24, 2008

Overall business environment

- > Temperatures were slightly below the long-term average
- > Increase in energy consumption, in particular high demand for gas and heating
- > Massive increase of primary energy prices → significantly higher wholesale electricity prices
- > Energy procurement costs increased
- > Austrian economy grows stronger than the EU average
- > Robust GDP-growth in Bulgaria, economic recovery in Macedonia

Energy segment

EUR m	2007/08	Change %
Revenue	2,182.3	12.9
EBITDA	335.9	8.7
EBIT	155.2	-9.9
Financial result	-31.1	-28.4
Profit before income tax	124.1	-16.2

- > Weather related increase of sales volumes and consolidation effect in the heating business
 - Electricity: +4.7%
 - Gas +20.6%
 - Heating +49.5%
- > Stable end-customers prices for electricity and gas in Lower Austria, slight price adjustment in South-eastern Europe
- > Effect of impairment test: EUR -12m vs. EUR +22.5m in previous year
- > EBIT-improvement in Networks and South East Europe business units could not compensate for EBIT-decline in Supply and Generation

Generation business unit

EUR m	2007/08	Change %
Revenue	124.6	6.7
EBIT	47.9	-29.1
Profit before income tax	43.6	-29.6
Investments	32.3	-

> Increase in spot market prices → increase of electricity generation

- Thermal power +15.7%
- Renewable energy +18.3%

> Revenue: EUR +7.9m

> EBIT: EUR -19.7m

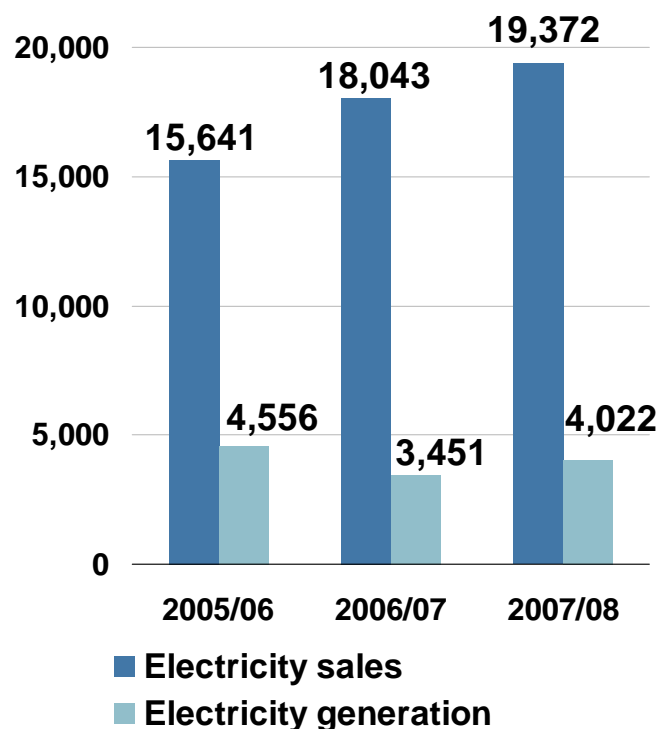
- Increase in primary energy prices (gas and coal) mainly in the second half year
- Impairment losses at power stations in previous year

Energy Supply business unit

EUR m	2007/08	Change %
Revenue	999.0	8.0
EBIT	32.8	-48.5
Profit before income tax	43.7	-37.2
Investments	20.6	-1.8

- > Weather-related increase in sales volumes in Lower Austria
 - Gas: +20.6%
 - Heat: +29.1%
- > Massive increase in electricity purchases and primary energy expenses as well as higher personnel expenses and depreciation → EBIT decline
- > Heating operations were spun off from EVN AG into a newly established company

Electricity sales and generation



- > Weather related increase of sales volumes: +7.4%
- > Adjustment of electricity production according to market prices
- > First inclusion of thermal production capacities in South-eastern Europe (District heating plant in Plovdiv)
- > Coverage ratio of the Group increased from 19.1% to 20.8%
- > Coverage ratio excl. Bulgaria and Macedonia from 55.9% to 60.9%
- > Mid-term target: increase of coverage ratio to min. 40%

Networks business unit

EUR m	2007/08	Change %
Revenue	474.7	6.0
EBIT	58.0	53.3
Profit before income tax	43.1	45.7
Investments	140.0	33.7

- > Network revenues: +7.6% to EUR 364.5m vs. decrease in cable TV and telecommunication services
- > Increase in energy distribution volumes:
 - Gas: +15.8%
 - Electricity: + 3.2%
- > Cut of gas network tariffs:
 - January 2007: -4.0%
 - January 2008: -2.0%
- > Efficiency improvement
→ increase in EBIT
- > Investments for networks reliability and expansion

South East Europe business unit

EUR m	2007/08	Change %
Revenue	754.3	20.9
EBIT	16.5	-
Profit before income tax	-6.3	51.6
Investments	153.2	84.1

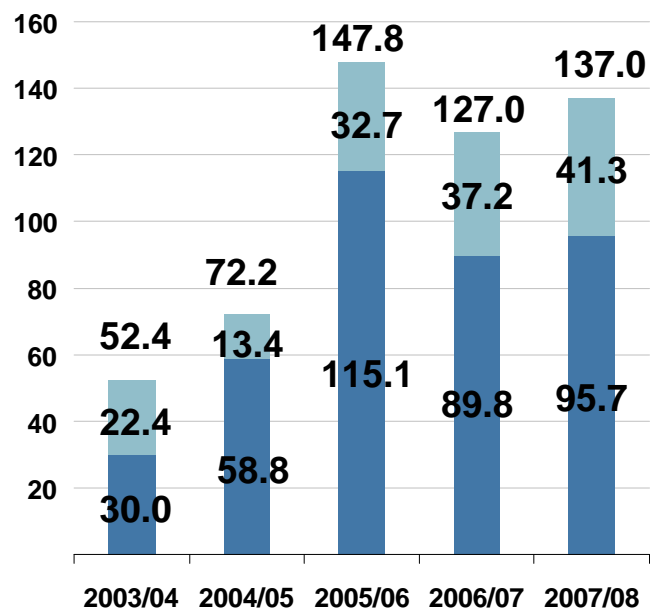
- > Increase in electricity sales volumes
 - Bulgaria: +9.5%
 - Macedonia: +8.0%
- > Price effects: slight price adjustments in Bulgaria and Macedonia in 2007
- > Sales volumes and price effects compensated for higher depreciation due to investment programme and impairment losses in Bulgaria
- > Investments nearly doubled

Environmental Services segment

EUR m	2007/08	Change %
Revenue	184.6	-32.9
EBITDA	39.6	-26.5
EBIT	25.4	-33.3
Financial result	17.9	-37.2
Profit before income tax	43.3	-15.3

- > Completion of large projects and delay in acquisition only partially offset by various smaller projects
→ decline of revenue and EBIT
- > Profit before income tax increased (leasing payments) by EUR 4.9m to EUR 17.9m
- > Construction of a new line of the waste incineration plant in Dürnröhr – on-steam 2010
- > Water and wastewater:
 - Market entry: Montenegro
 - Large new projects: in Poland and Latvia

Strategic investments (EUR m)



- Income from other investments
- Income from at equity investments

> Income from at equity:

- Income from RAG (before Minority interests) increased from EUR 45.5m to EUR 83.0m due to earnings improvement and and increase in shareholding

> Income from other investments:

- Increase of dividends from Verbundgesellschaft from EUR 28.9m to EUR 35.6m

> One-off effect 2006/07:

- ~ EUR 6m

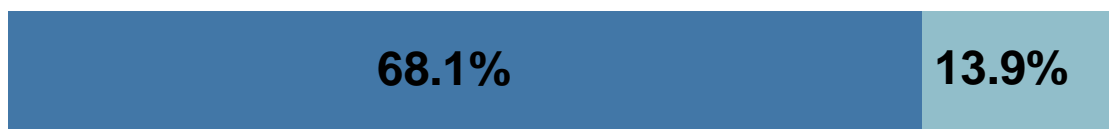
Balance sheet

EUR m	2007/08	Change %
Balance sheet total	6,636.3	6.0
Equity	3,208.5	6.4
Net debt	1,131.3	37.1
Equity ratio (%)	48.3	0.2p
Gearing (%)	35.3	7.9p

> Increase of balance sheet total

- Higher investments
- Acquisition of TEZ Plovdiv
- Increase of RAG stake
- Increase in value of investment in Verbund

> Increase in net debt, Gearing remained under sector average



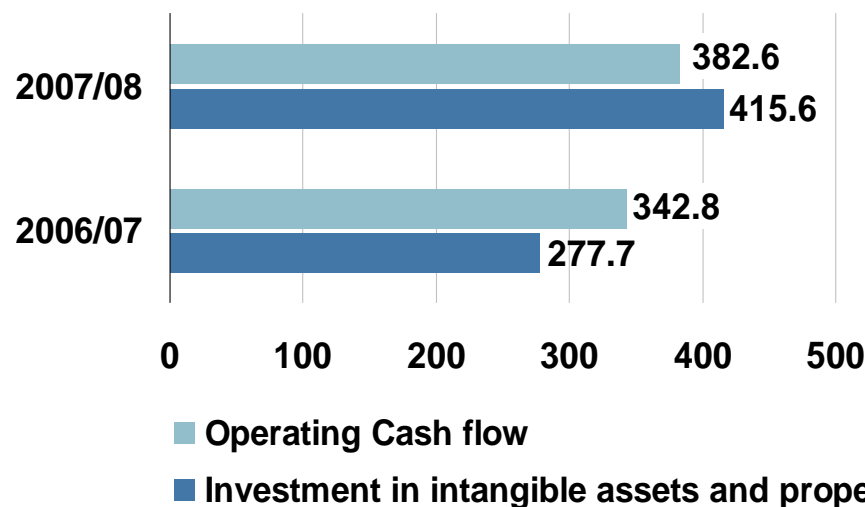
■ Non-current assets ■ Current assets



■ Equity ■ Non-current liabilities ■ Current liabilities

Cash Flow

EUR m	2007/08	Change %
Gross cash flow	426.7	3.5
Operating CF	382.6	11.6
CF from investments	-326.8	-10.7
CF from financing	-16.0	-



- > Higher gross cash flow despite the reduced profit before income tax
 - Higher depreciation and amortisation
 - Higher non-cash items in financial results due to financial crises
- > Higher operating CF
 - Lower increase in working capital
- > Higher CF from investments due to acquisition of TEZ Plovdiv and Fernwärme St. Pölten, increased stake in RAG, financing partly by the sale of securities

Key indicators

		2007/08	2006/07	2005/06
EBITDA margin	%	15.1	15.7	19.2
EBIT margin	%	7.0	8.8	8.9
ROE	%	7.4	9.0	10.6
ROCE	%	6.3	7.1	7.9
Operating ROCE ¹⁾	%	8.7	9.0	10.8
WACC	%	6.5	6.5	6.5
EVA©	EUR m	71.7	77.5	118.8
Net Debt Coverage	%	41.3	50.7	49.1
Interest Cover	x	5.5	5.5	8.1

1) OpROCE: adjusted for impairments, one-off effects and the market valuation of the shareholding in Verbundgesellschaft

Outlook 2008/09

Revenue

Increase in revenue of energy segment as well as environmental services segment due to new projects

EBIT, Financial result, Net profit

Largely stable operating result, however, lower profit contribution from investments due to price decline of primary energy are expected;
Negative development in the valuation of the financial assets

Investments

Focus on electricity generation (renewables);
Investments for networks reliability and expansion in Lower Austria;
Upgrading of networks in South-eastern Europe

Financial highlights Q. 1 2008/09

EUR m	2008/09 Q. 1	Change %
Revenue	736.0	10.2
EBITDA	133.5	-2.4
EBIT	87.9	-4.5
Financial results	-13.9	-
Group net profit	54.8	-29.3
Gross cash value	107.9	-8.6
EUR		
Earnings per share	0.34	-29.3

> Business environment:

- Mild temperatures
- Increasing wholesale electricity prices
- Extraordinary high gas prices, however, oil and coal prices decreased
- Economic growth in Austria and in South-eastern Europe

> Higher revenue in all segments

> EBITDA and EBIT below last year's level, mainly due to massive price increases for electricity purchases and primary energy

> Financial results decreased significantly, as a result of lower income from investments and negative valuation effects due to the financial crisis

> Decline in profit before income tax and group net profit

Energy segment Q. 1 2008/09

EUR m	2008/09 Q. 1	Change %
Revenue	684.5	9.2
EBITDA	128.0	-2.8
EBIT	86.0	-4.8
Financial result	-9.0	5.0
Profit before income tax	77.0	-4.8
Investments	66.9	-36.2

- > Sales volumes:
 - Electricity: +1.2%
 - Gas: -19.4%
 - Heating: +27.8%
- > Electricity generation below last year's level
- > Price adjustments for electricity and gas in November 2008 in Austria
- > EBIT-improvement in Generation and South East Europe business units could not compensate for EBIT-decline in Networks and Supply

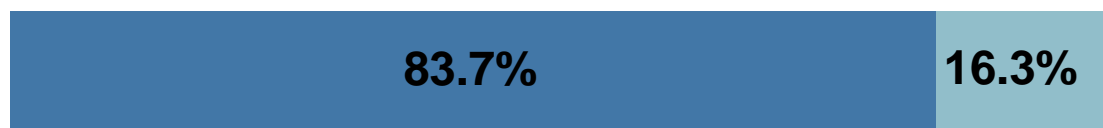
Environmental Services segment Q. 1 2008/09

EUR m	2008/09 Q. 1	Change %
Revenue	45.5	28.2
EBITDA	6.5	-
EBIT	2.9	-3.8
Financial results	-2.9	-
Profit before income tax	0.0	-
Investments	11.4	89.5

- > New projects generated higher revenue contributions
- > Increase in all expense items → EBIT slightly declined
- > New project in Q. 1 2008/09
 - Sludge treatment plant in Lithuania
 - Seawater desalination plant in Cyprus
- > Progress in project:
 - Combined cycle heat and power plant in Kurjanovo in Moscow
 - Project start-up of the wastewater treatment plant in Warsaw
 - Wastewater treatment plant in Ataköy, Turkey on schedule

Balance sheet Q. 1 2008/09

EUR m	2008/09 Q. 1	Change %	
Balance sheet total	6,368.4	-4.0	> Decrease of balance sheet total
Equity	2,883.3	-10.1	- Lower profit before income tax
Net debt	1,315.7	37.1	- Changes in Working Capital
Equity ratio (%)	45.3	-3.5p	- Decrease in market value of the shareholding in Verbundgesellschaft
Gearing (%)	45.6	16.7p	> Increase in net debt and Gearing



■ Current assets ■ Non-current assets



■ Equity ■ Non-current liabilities ■ Current liabilities

Cash Flow Q. 1 2008/09

EUR m	2008/09 Q. 1	Change %
Gross cash value	107.9	-8.6
Operating CF	-58.9	-
CF from investments	-88.6	36.1
CF from financing	147.3	-

> Lower gross cash value

- Lower profit before income tax
- Higher non-cash items in the financial result

> Decline of operating CF

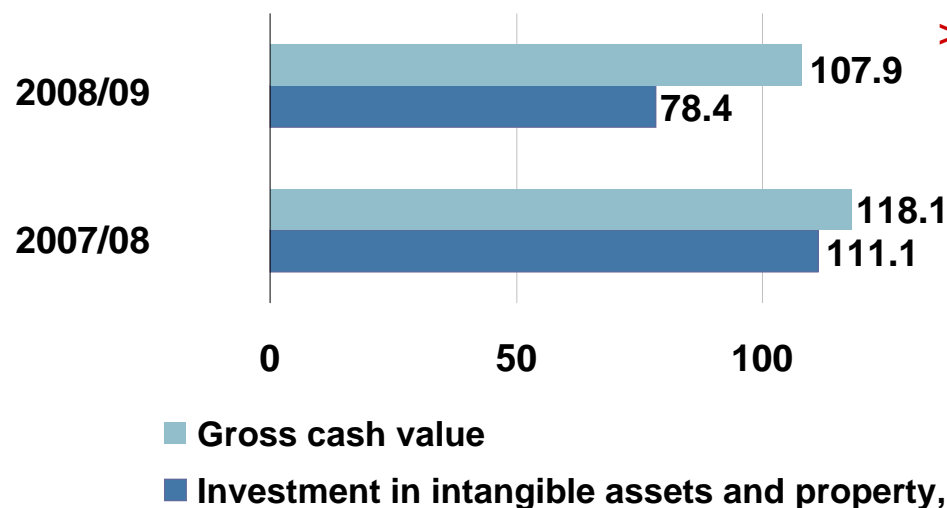
- Significant rise in receivables
- Reduction in current liabilities

> CF from investment

- Lower cash outflow

> CF from financing

- Increase of financial liabilities



Financial calendar 2008/09¹⁾

- > Results HY. 1 2008/09 May 28, 2009
- > Results Q. 1–3 2008/09 August 27, 2009
- > Annual results 2008/09 December 10, 2009

1) Preliminary

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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.