

EVN Presentation

Zurich, June 2, 2009



Agenda

- > **Results for the 1st half-year 2008/09**
- > EVN's strategy
- > Growth perspectives

Highlights in HY. 1 2008/09

- > Positive revenue and EBIT development despite earnings decline in Energy supply
- > Lower income from investments in associates resulting from the price decline for primary energy
- > Group net profit below previous year's level
- > Successful corporate bond issues, optimisation of financial structure
- > Outlook for the current financial year confirmed
- > Ratification of concession agreement for constructing three hydropower storage plants in Albania

Financial highlights HY. 1 2008/09

EUR m	2008/09 HY. 1	Change %	
Revenue	1,615.6	18.4	> Increase in revenue and earnings in the Energy and Environmental Services segment
EBITDA	277.3	5.8	> 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
EBIT	184.0	7.8	> EBIT above last year's level
Financial results	31.3	-49.5	> Financial results decreased significantly, as a result of lower income from investments and negative valuation effects due to the financial crisis
Group net profit	168.8	-10.0	> Decline in group net profit
Gross cash value	241.0	-13.6	> Gross cash value below last year's level due to lower profit before income tax and lower non-cash items in the financial results
EUR			
Earnings per share	1.03	-10.0	

Energy segment

EUR m	2008/09 HY. 1	Change %
Revenue	1,503.5	17.8
EBITDA	267.9	4.7
EBIT	182.0	5.8
Financial results	-19.4	-33.6
Profit before income tax	162.6	3.2
Investments	122.7	-24.9

- > Sales volumes:
 - Electricity: +4.3%
 - Gas: +0.4%
 - Heating: +26.2%
- > Electricity generation below last year's level
- > Price adjustments for electricity and gas in Austria partially compensate for increased procurement costs
- > EBIT-improvement in Generation, Networks and South East Europe business units more than compensated for EBIT-decline in Supply
- > First full-time consolidation of the Bulgarian district heating plant TEZ Plovdiv

Generation business unit

EUR m	2008/09 HY. 1	Change %
Revenue	71.8	7.2
EBIT	36.3	11.0
Profit before income tax	32.2	11.4
Investments	18.6	54.0

- > Higher market prices pushed up revenue despite lower volume of electricity generated
- > Lower volume of electricity generated by EVN's own power plants (-10.3%) due to
 - Falling spread between wholesale prices and primary energy prices
 - Disadvantageous water flow conditions compared to previous year
- > Successful long-term marketing strategy → EBIT: +11.0%
- > Increase and diversification of production capacities:
 - Wind park in Bulgaria under construction
 - Ratification of concession agreement in Albania
 - Start-up of a hard coal fired power plant in Duisburg-Walsum in 2010

Energy Supply business unit

EUR m	2008/09 HY. 1	Change %
Revenue	770.1	20.1
EBIT	71.7	-11.5
Profit before income tax	79.4	-10.2
Investments	12.6	-

- > Constant sales volumes in Lower Austria
- > 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 of increase in revenue

Networks business unit

EUR m	2008/09 HY. 1	Change %
Revenue	269.8	1.7
EBIT	69.4	20.4
Profit before income tax	63.0	24.6
Investments	37.6	-34.7

- > Sales volumes:
 - Electricity: +0.3%
 - Gas: -2.7%
- > Network tariffs on basis of incentive regulatory system as of January 2009:
 - Electricity: +1.0%
 - Gas: +7.0%
- > Network revenues (electricity and gas):
 - +2.7% to EUR 225.9m
- > Initial consolidation of the Burgenland-based cable network operator B.net including Dataservice
- > Increase in gross margin and decline in maintenance expenses
→ EBIT-improvement

South East Europe business unit

EUR m	2008/09 HY. 1	Change %
Revenue	494.5	22.2
EBIT	4.6	-
Profit before income tax	-12.0	-16.0
Investments	53.9	-42.5

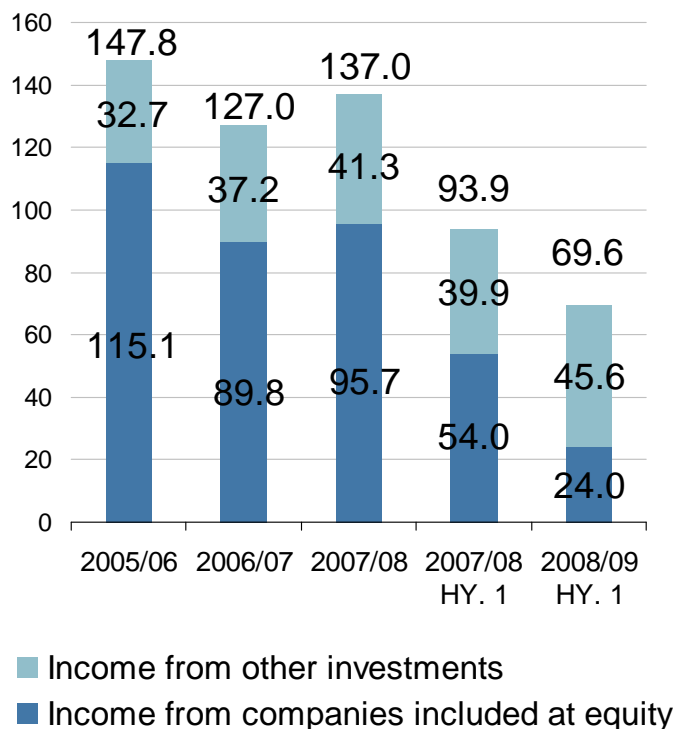
- > Electricity sales volumes:
 - Bulgaria: +1.6%
 - Macedonia: +9.7%
- > First full-time consolidation of district heating company TEZ Povdiv
- > EBIT-improvement by EUR 3.9m despite of negative effects of the unfavourable tariff rate decisions made by the Bulgarian and Macedonian regulatory authorities
- > Decrease in investments by EUR 40m to EUR 54m
 - Finalisation of meter-change program in Bulgaria
 - Revitalisation of the small hydro-power plants in Macedonia finished

Environmental Services segment

EUR m	2008/09 HY. 1	Change %
Revenue	101.2	33.5
EBITDA	14.5	62.3
EBIT	7.4	-
Financial results	3.5	-42.0
Profit before income tax	10.9	37.8
Investments	31.7	50.5

- > New projects under construction generated higher revenue contributions
- > Increase in EBIT from EUR 1.8m to EUR 7.4m
- > Financial results burdened by lower contributions from ZOV in Zagreb, Croatia, as well as negative currency effects
- > Start-up of combined cycle heat and power plants in Kurjanovo, Moscow
- > New projects acquired in HY. 1 2008/09
 - Sludge treatment plant in Lithuania
 - Seawater desalination plant in Cyprus

Income from strategic investments (EUR m)



> Income from companies included at equity:

- Income from RAG (before minority interests) decreased from EUR 40.5m to EUR 21.9m due to oil and gas price decline
- Decline in income from BEWAG and BEGAS from EUR 3.4m to -EUR 5.9m, due to depreciation of financial assets

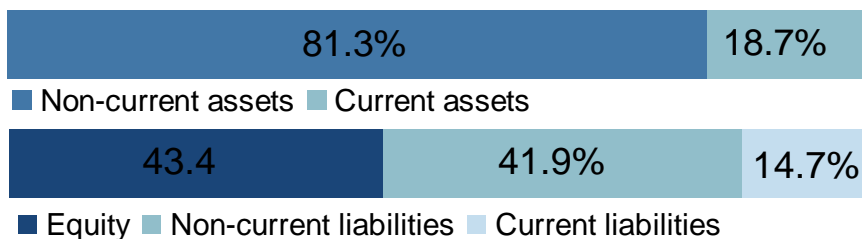
> Income from other investments:

- Increase of dividends from Verbundgesellschaft from EUR 35.6m to EUR 42.1m (+18.2%)

Balance sheet

EUR m	2008/09 HY. 1	Change % ¹⁾
Balance sheet total	6,511.4	-1.9
Equity	2,828.4	-11.8
Net debt	1,526.2	34.9
Equity ratio (%)	43.4	-4.9p
Gearing (%)	54.0	18.7p

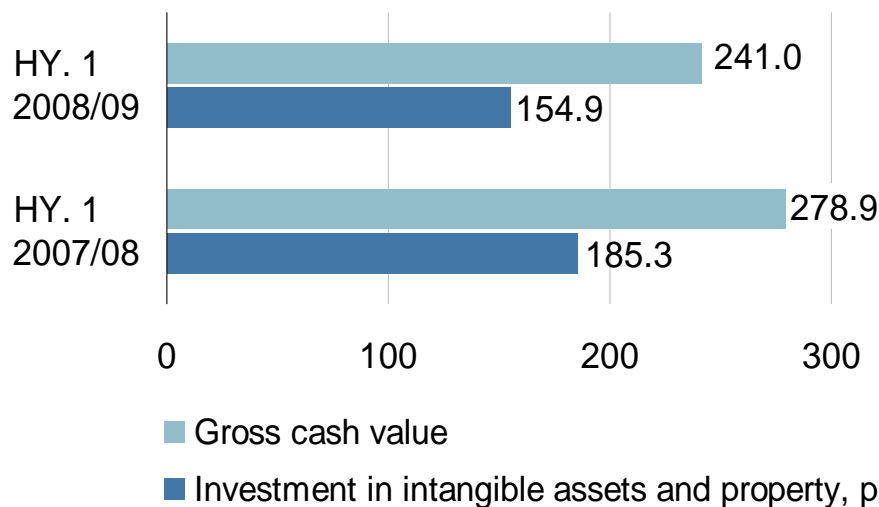
1) compared to 30.9.2008



- > Decrease of balance sheet total
 - Decrease in market value of the shareholding in Verbundgesellschaft
 - Investments below last year's level
 - Lower Group net profit
- > Increase in net debt and gearing
- > Issuing of four corporate bonds with a total volume of EUR 327.0m
- > Sufficient liquidity reserves to finance business operation development
- > Financing structure at matched maturities

Cash Flow

EUR m	2008/09 HY. 1	Change %
Gross cash value	241.0	-13.6
Operating CF	-82.2	-
CF from investments	-145.5	14.6
CF from financing	214.8	-



- > Lower gross cash value
 - Lower profit before income tax
 - Lower non-cash items in the financial results
 - Slightly higher depreciation and amortisation
- > Decline of operating CF
 - Seasonally-related significant rise in receivables as well as inventories → higher working capital
- > CF from investment
 - Acquisition of B.net and Dataservice
 - Increase in EVN's stake in EconGas
 - Ongoing investments

Outlook 2008/09

Revenue

Increase in revenue of energy segment as well as Environmental Services segment despite negative effects of financial and economic crisis

EBIT

Largely stable operating result, excluded any potential negative consequences resulting from political and regulatory risks

Financial results

Lower profit contribution from investments due to price decline of primary energy

Net profit

Below last year's level

Investments

In principal, continuation of investment policy despite economic crisis

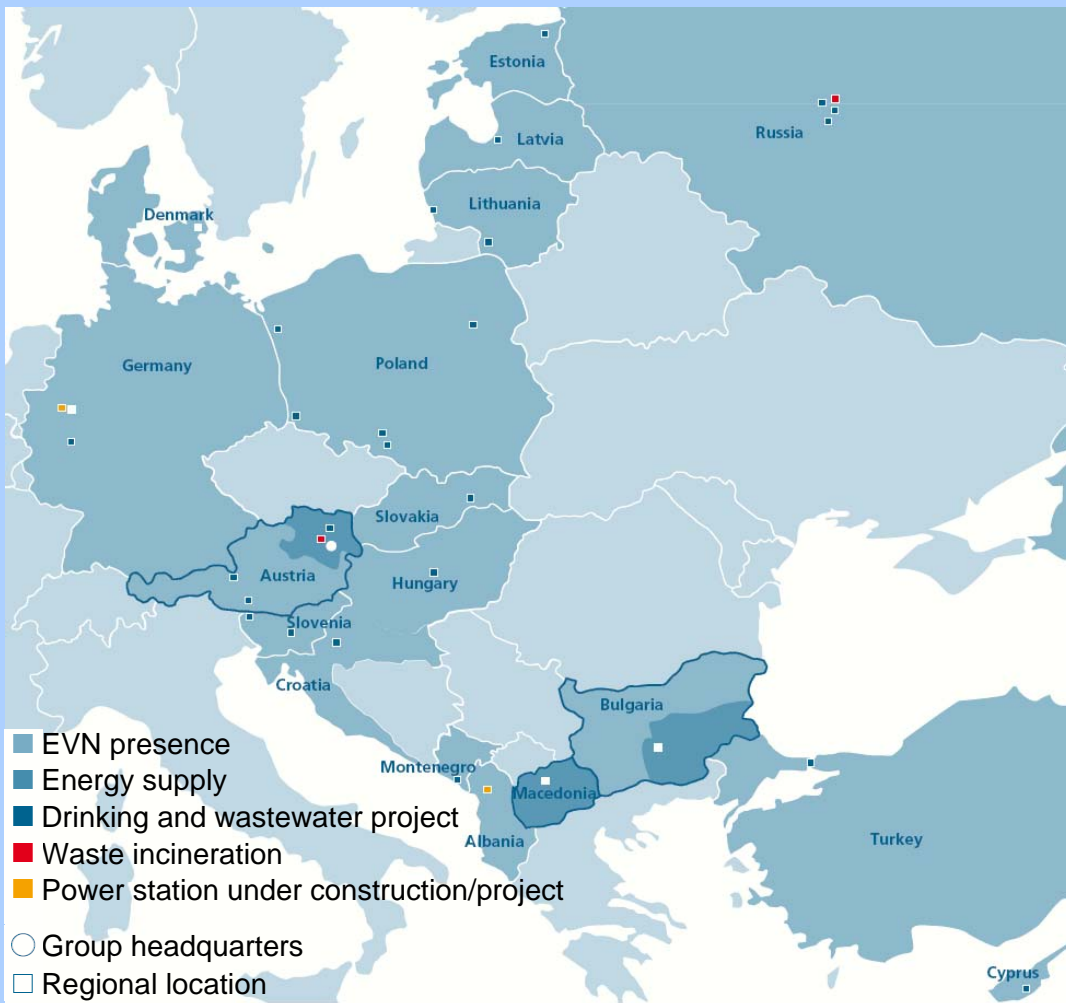
Agenda

- > Results for the 1st half-year 2008/09
- > **EVN's strategy**
- > Growth perspectives

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 (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

- > 127,294 km electricity networks, 13,250 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 in Europe
- > 0.5 m drinking water customers in Lower Austria

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

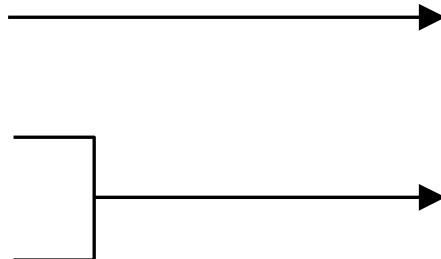
... complemented by related infrastructure and environmental services

> Environment

> Waste incineration

> Drinking water

> Waste water

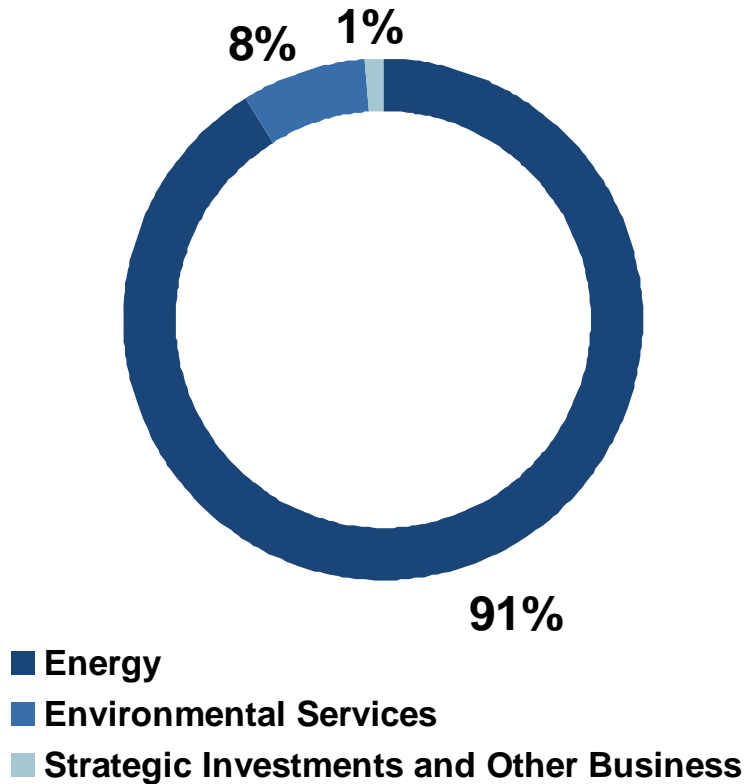


> Benefit from strategic advantages:

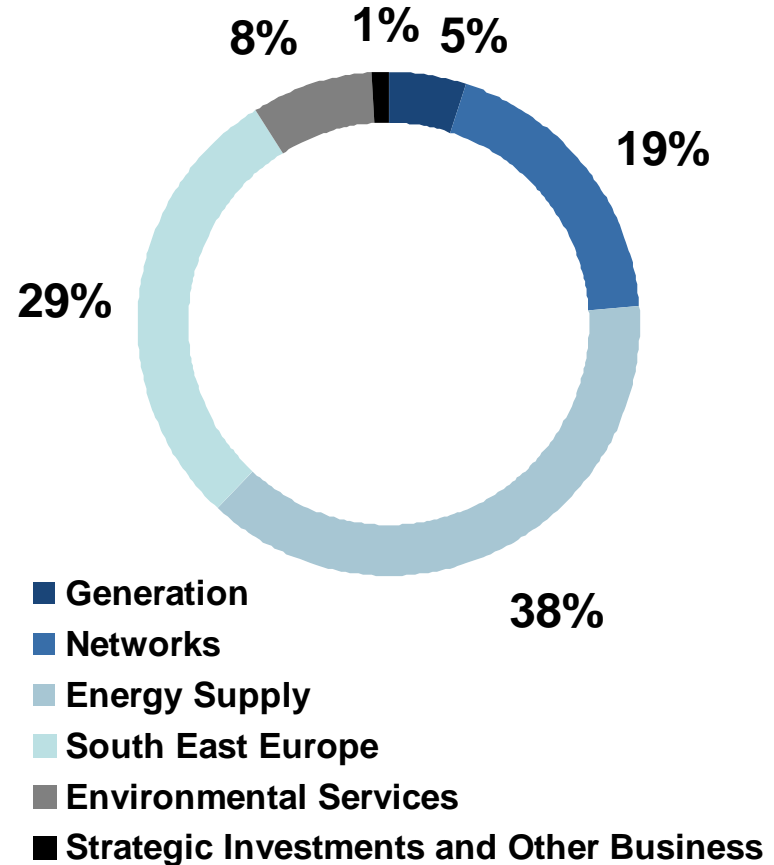
- > Common customer basis („one-stop shop“)
- > Know-how-transfer primarily in generation and networks
- > Regional synergies in operation and supply (currently mainly in Austria)
- > Benefit from administrative functions of head office for non-domestic activities
- > Optimisation of financial resources

Diversification led to growth and risk reduction

Revenue by segments

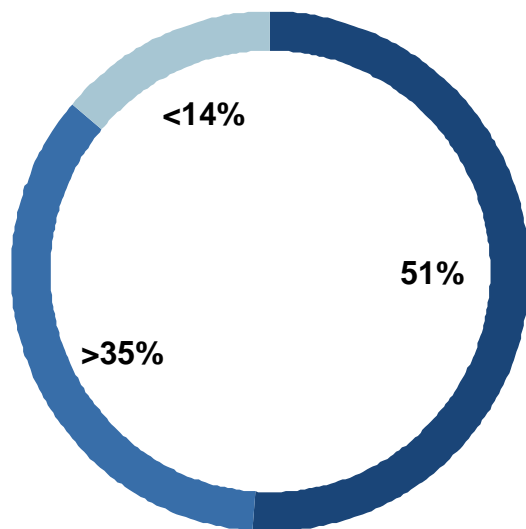


Revenue by business units



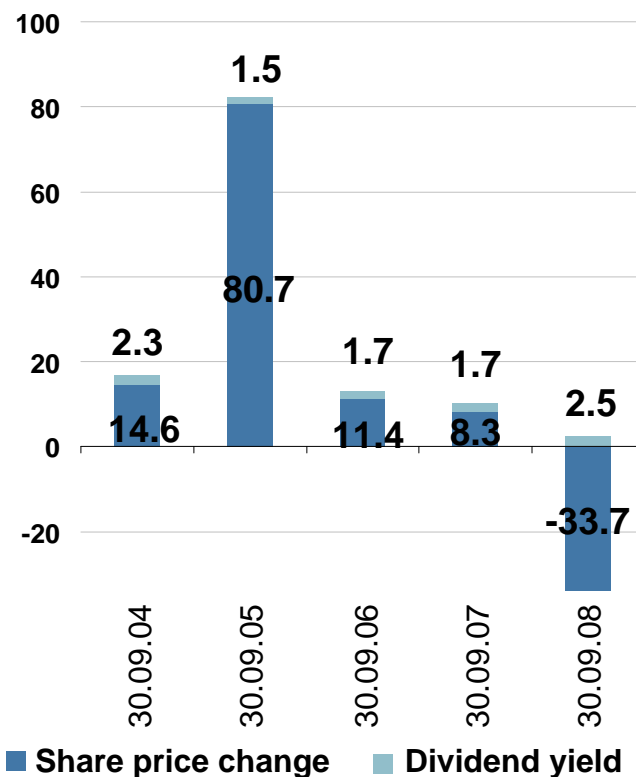
Shareholders' structure and TSR

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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- > **Growth perspectives**

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



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

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

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