

A close-up photograph of water splashing over a dark, textured rock. The water is captured in mid-air, creating numerous small, clear droplets and a white, frothy spray. The background is a soft, out-of-focus white, suggesting a bright, possibly snowy or overcast environment. The overall scene conveys a sense of natural energy and freshness.

# **EVN – Q. 1 2008/09 Results Conference Call**

**EVN**

## 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

## Highlights in Q. 1 2008/09

- > Sales development in the Energy segment shaped by mild weather
- > Concession agreement signed to construct three hydropower storage plants in Albania
- > Construction start on a wind park in the northeast of Bulgaria
- > Contract to build a sludge treatment plant in Lithuania
- > Win of a competitive tender for a seawater desalination plant in Cyprus
- > Signing of takeover agreement for the cable network operator B.net in Burgenland

## Energy segment

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

## Generation business unit

EUR m	2008/09 Q. 1	Change %
Revenue	36.5	15.6
EBIT	17.2	9.6
Profit before income tax	15.4	12.3
Investments	8.2	16.7

- > Higher market prices pushed up revenue
- > Lower volume of electricity generated by EVN's own power plants (-15.5%):
  - Extraordinarily high gas prices as well as massive fluctuations in electricity and primary energy prices
  - Disadvantageous water flow conditions
- > Focus on renewable energy projects

## Networks business unit

EUR m	2008/09 Q. 1	Change %
Revenue	125.5	-7.3
EBIT	35.2	-12.7
Profit before income tax	31.4	-14.4
Investments	19.4	-16.6

- > Network revenues: -6.4% to EUR 104.1m
- > Weather-related decreases in energy distribution volumes:
  - Electricity: -1.8%
  - Gas: -14.4%
- > Network tariffs on basis of incentive regulatory system as of January 2008:
  - Electricity: +/-0.0%
  - Gas: -2.0%
- > Higher personnel expenses and a greater level of depreciation and amortisation → EBIT declined

## Energy Supply business unit

EUR m	2008/09 Q. 1	Change %
Revenue	349.0	4.4
EBIT	33.7	-27.3
Profit before income tax	39.5	-20.2
Investments	6.2	-

- > Weather-related decreases in sales volumes in Lower Austria
- > Price adjustment of electricity and gas in November 2008 due to higher primary energy prices
- > Massive increase in electricity purchases and primary energy expenses as well as higher personnel expenses → EBIT decline

## South East Europe business unit

EUR m	2008/09 Q. 1	Change %
Revenue	219.0	19.3
EBIT	0.0	-
Profit before income tax	-9.3	51.0
Investments	33.1	-55.5

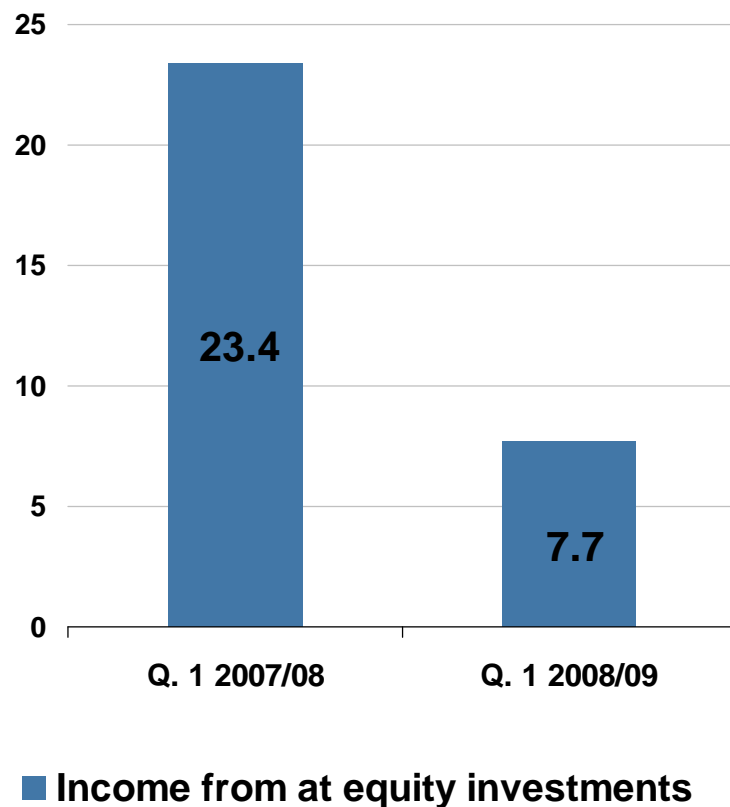
- > TEZ Plovdiv included in this business unit, effective December 14, 2007
- > Electricity sales volumes:
  - Bulgaria: +2.2%
  - Macedonia: +4.1%
- > EBIT-improvement despite of negative effects of the unfavourable tariff rate decisions made by the Bulgarian and Macedonian regulatory authorities
- > Investments for expanding and modernising electricity networks and metres

## Environmental Services segment

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

## Strategic investments (EUR m)



### > Income from at equity:

- Income from RAG (before minority interests) decreased from EUR 15.6m to EUR 11.8m due to oil and gas price decline
- Income from EconGas of EUR 3.0m remained only slightly below the last year's level due to mild weather in Q. 1 2008/09
- Decline in income from BEWAG due to depreciation of financial assets

### > No income from other investments in Q. 1 2008/09 and 2007/08

## Balance sheet

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



■ Equity ■ Non-current liabilities ■ Current liabilities

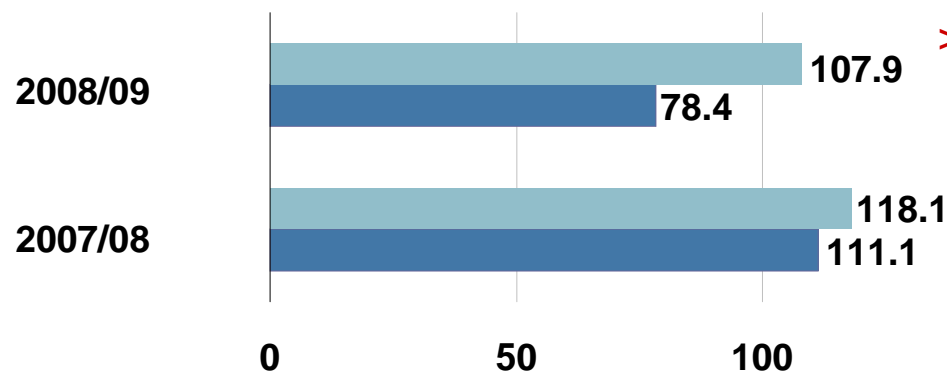


■ Current assets ■ Non-current assets

# Cash Flow

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



■ Gross cash value  
 ■ Investment in intangible assets and property, plant and equipment

## 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 is not excluded

### Investments

New and ongoing projects in connection with energy concept for the Lower Austrian Central Region, Investments for networks reliability and expansion in Lower Austria,  
Upgrading of networks in South-eastern Europe

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## **Questions & Answers**

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