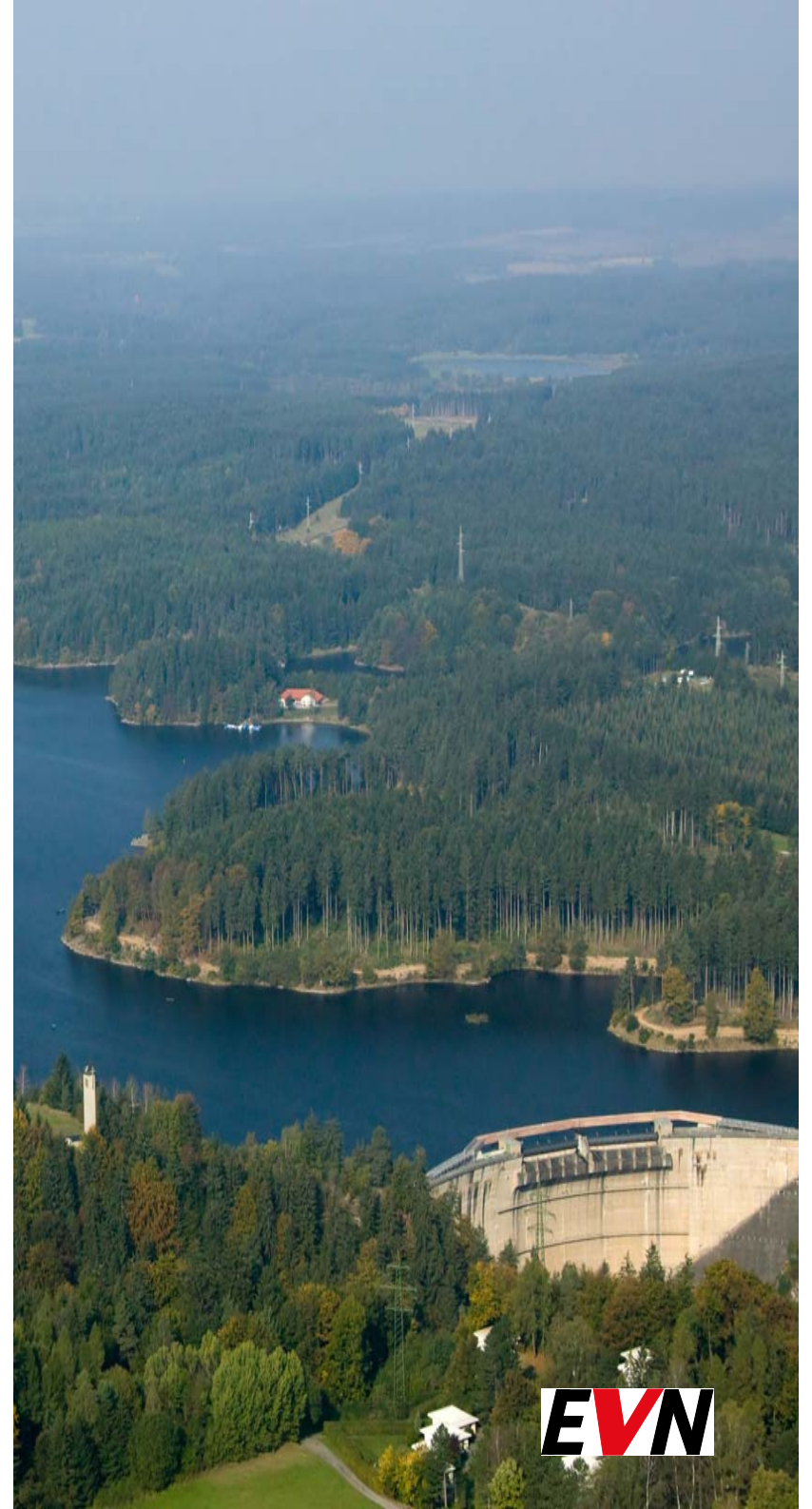


# Conference Call EVN 1<sup>st</sup> Half-year results 2010/11

May 26, 2011



# Business highlights

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- > Cold winter in Austria once again
- > Progress within the framework of the „roadmap“ between the Macedonian government and EVN
  - Approval of the Energy Law by the Macedonian parliament
  - Increase of the end customer prices for electricity
  - Successful end to court proceedings with the state-owned company ELEM
- > Construction commences on two additional windparks in Lower Austria
- > Construction of the last part of the southern section of the trans-regional natural gas transport pipeline „Südschiene“ and start-up of the „Westeschiene“
- > First projects for the Environmental Services segment in Romania
- > Outlook for 2010/11:
  - Operating result at the prior-year level
  - Group net profit below the prior-year figure

# Business development

EURm	2010/11 HY. 1	Change in %
Revenue	1,629.7	0.3
EBITDA	324.1	3.6
EBIT	197.2	1.4
Financial results	49.6	-30.9
Group net profit	184.0	-11.7
Net cash flow from operating activities	221.3	-
EUR		
Earnings per share	1.04	-18.3

- > Slight increase in Group revenue due to
  - positive development in the Environmental Services segment
  - despite lower revenue in energy business due to
    - changed presentation of tariff components of high-voltage networks in Bulgaria
    - declining wholesale market prices for electricity
- > EBITDA and EBIT above the prior-year level
- > Negative development in financial results
  - Higher income from investments in equity accounted investees, especially RAG
  - Lower dividend paid by VERBUND AG
  - Decline in interest and other financial results
- > Group net profit below the prior-year level
- > Net cash flow from operating activities up EUR 144.1m
- > Lower earnings per share

# Generation

Electricity generation volumes (GWh)	2010/11 HY. 1	Change in %
Total	1,875	-20.6
thereof thermal energy sources	1,361	-25.7
thereof renewable energy sources	514	-2.6

EURm		
Revenue	48.8	-29.8
EBITDA	17.4	-61.0
EBIT	5.5	-75.5

> Decrease in energy generation volumes

- Lower power generating volumes at EVN's own thermal power stations

> Revenue decrease

- Declining spreads between electricity prices and primary energy prices in option value
- Declining wholesale market prices for electricity
- Decrease in energy generation volumes

> EBITDA and EBIT below previous year

- Despite lower depreciation due to impairment loss for the windpark in Kavarna in the prior-year

# Network Infrastructure Austria

Network distribution volumes (GWh)	2010/11 HY. 1	Change in %
Electricity	4,132	3.7
Gas <sup>1)</sup>	11,891	-11.5
EURm		
Revenue	292.9	1.8
EBITDA	152.4	9.8
EBIT	103.8	13.5

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

- > Diverse network distribution volumes development
  - Increase in electricity distribution volumes due to positive economic development
  - Decrease in gas distribution volumes despite cold weather due to lower sales to EVN's own thermal power stations
- > Adjustment of network tariffs on basis of regulatory system as of January 1, 2011
  - Electricity network tariffs: Ø +1.0%
  - Gas network tariffs: Ø +10.6%
- > Revenue increase
- > Increase of EBITDA and EBIT
  - Lower electricity costs for network losses and imbalance energy due to lower wholesale market prices
  - Lower personnel expenses

# Energy Trade and Supply

Sales volumes to end customers (GWh)	2010/11 HY. 1	Change in %
Electricity	3,864	4.4
Natural gas	5,552	2.9
Heat	1,176	10.2

EURm		
Revenue	748.4	-3.1
EBITDA	84.8	6.4
EBIT	78.0	6.0

## > Higher sales volumes to end customers

- Electricity:
  - Positive economic development
  - Expansion of EnergieAllianz outside Austria
- Gas and heat:
  - Weather-driven increase

## > Slight decrease in revenue despite higher sales volumes

- Adjustment in gas prices for end customer: -7.0% as of December 1, 2009
- Decrease in marketing proceeds from power plants

## > EBITDA and EBIT increase

- Lower electricity procurement prices and primary energy costs on reduced operation of own power stations

# Energy Supply South East Europe

Network distribution volumes (GWh)	2010/11 HY. 1	Change in %
Electricity	7,497	1.0
Heat	195	-8.2
EURm		
Revenue	457.6	-7.9
EBITDA	44.9	7.3
EBIT	-2.6	-

## > Different sales volumes development

- Bulgaria: higher electricity and lower heat sales volumes at slightly higher temperatures
- Macedonia: decrease in electricity sales volumes despite cold weather

## > Revenue decrease

- Bulgaria: revenue decrease, mainly due to changed presentation of tariff components of high-voltage networks (effect: EUR 53.7m)
- Macedonia: roughly stable revenue, as negative sales volumes effect was mainly offset by positive price effects in 2010 and 2011

## > EBITDA increased

- Lower personnel costs and write-offs of receivables

## > EBIT decrease

- Impairment loss for goodwill of EUR 9.2m and for property, plant and equipment of EUR 1.9m at TEZ Plovdiv
- Impairment loss of EUR 6.6m for the Plovdiv power plant site

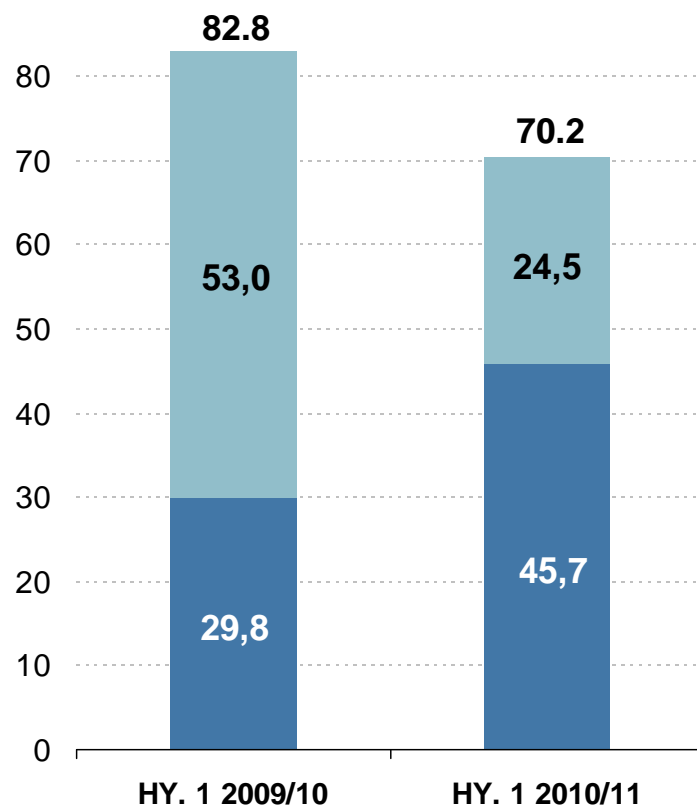
# Environmental Services

EURm	2010/11 HY. 1	Change in %
Revenue	171.8	65.3
EBITDA	32.0	–
EBIT	19.6	–
Profit before income tax	25.1	–
Order book	1,267	

- > First-time earnings contribution of projects:
  - Home market:
    - Line 3 of the waste incineration plant in Dürnröhr
  - International project business:
    - Waste incineration plant MSZ1 in Moscow
    - Sodium hypochlorite plant in Moscow
- > Strong EBITDA and EBIT increase
- > 11 ongoing large international projects
- > New projects
  - Expansion and modernisation of two wastewater treatment plants in Romania

# Income from investment

(EURm)



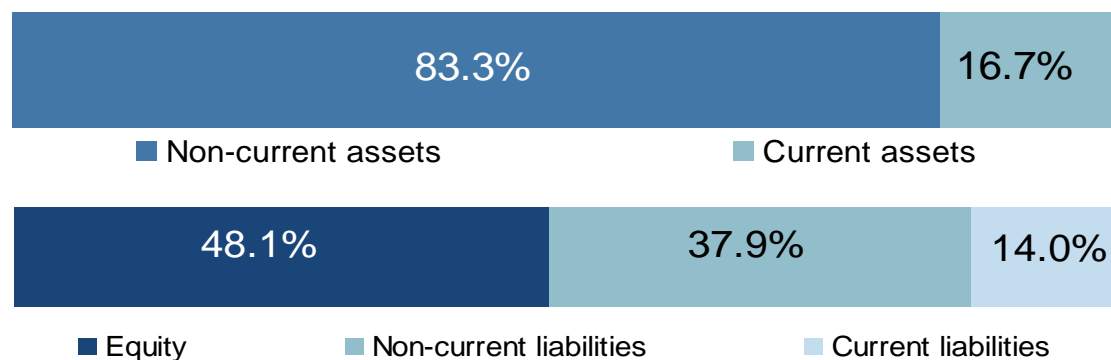
■ Gain from other investments  
■ Share of profit of equity accounted investees

- > Higher results from investments in equity accounted investees
  - RAG: up from EUR 12.2m to EUR 23.8m
  - EconGas: up from EUR 7.2m to EUR 9.1m
  - BEWAG/BEGAS: up from EUR 3.7m to EUR 4.0m
- > Lower gain from other investments
  - VERBUND AG: drop from EUR 50.1m to EUR 22.1m

# Balance sheet

EURm	2010/11 HY. 1	Change in % <sup>1)</sup>	
Total assets	7,356.7	9.3	> Increase of total assets
Equity	3,540.2	17.0	> Strong increase in equity <ul style="list-style-type: none"> <li>- Share capital increase of 10%</li> <li>- Positive market valuation of EVN's shareholding in VERBUND AG</li> </ul>
Equity ratio (in %)	48.1	3.2p	> Increase in equity ratio
Net debt	1,341.7	-8.0	> Improvement in net debt and gearing due to increase of cash and cash equivalents
Gearing (in %)	37.9	-10.3p	

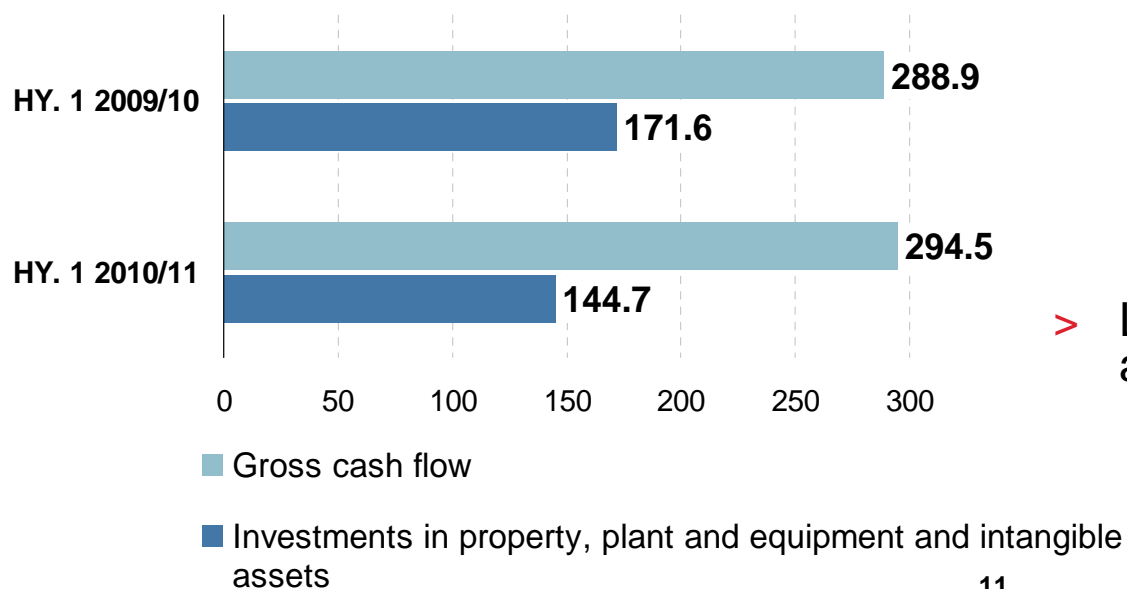
1) compared to September 30, 2010



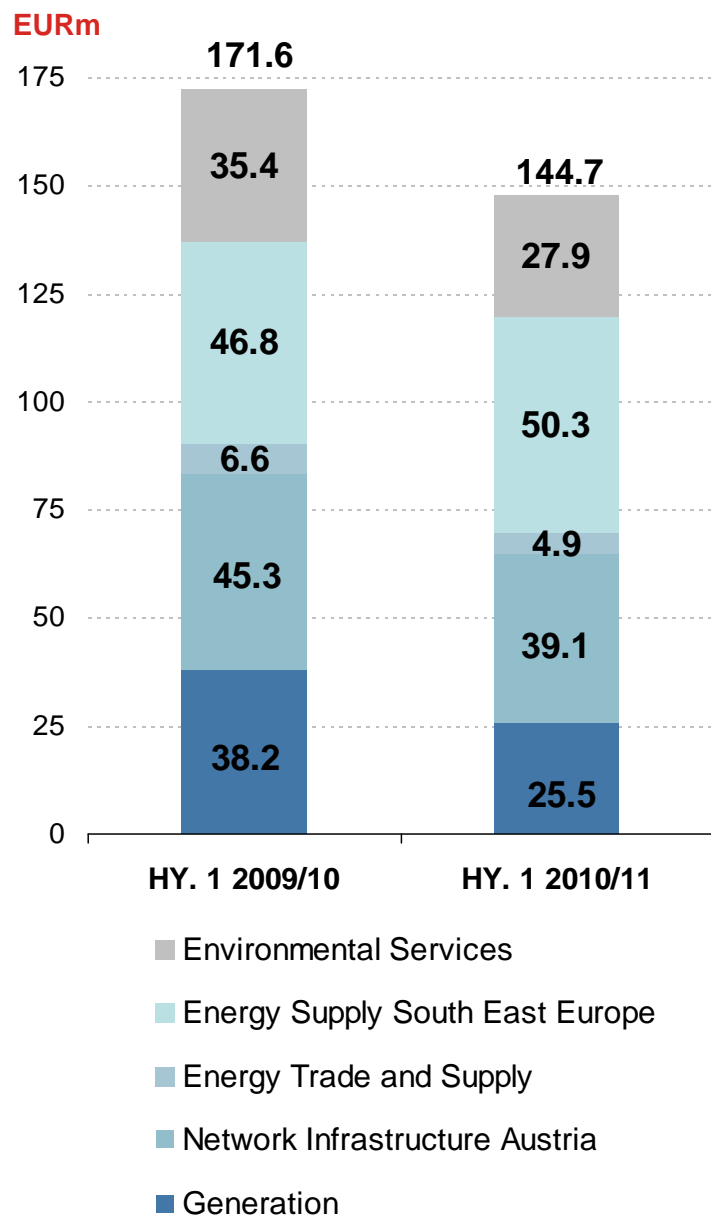
# Cash flow

EURm	2010/11 HY. 1	Change in %
Gross cash flow	294.5	1.9
Net cash flow from operating activities	221.3	–
Net cash flow from investing activities	–253.4	–
Net cash flow from financing activities	73.8	–33.5

- > Higher Gross cash flow
  - Lower profit before income tax
  - Higher 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
- > Lower Net cash flow from financing activities
  - Net proceeds of capital increase: EUR 175.5m



# Investments



> Investment drop 15.7%

> Key investments

- 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-/Westtschiene“

- 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

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## > Assumptions

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

## > EVN's expectations

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

# Disclaimer

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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

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