

# Networked thinking



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## Renewable energy and supply security

# Highlights

- Significant increase in electricity production:
  - Full operations at the Duisburg-Walsum power plant
  - Expansion of renewable energy production
  - Increase in use of natural gas power plants to ensure network stability in Austria and Germany
- Sale of the sodium hypochlorite plant to the water supply and waste water disposal company of the city of Moscow
- Operating result above prior year; stable Group net result
- Outlook 2014/15: Group net result expected to exceed 2012/13

# Key figures

		2014/15 HY. 1	2013/14 <sup>1)</sup> HY. 1	+/- in %	2014/15 Q. 2	2013/14 <sup>1)</sup> Q. 2	+/- in %	2013/14 (30.09.2014)
<b>Sales volumes</b>								
Electricity generation volumes	GWh	2,935	2,208	32.9	1,570	1,236	27.0	3,701
Electricity sales volumes to end customers	GWh	10,569	10,653	-0.8	5,499	5,374	2.3	20,209
Natural gas sales volumes to end customers	GWh	4,235	4,376	-3.2	2,449	2,324	5.4	6,333
Heat sales volumes to end customers	GWh	1,403	1,393	0.7	766	739	3.6	2,062
<b>Statement of operations</b>								
Revenue	EURm	1,224.7	1,150.5	6.5	624.9	596.3	4.8	1,974.8
EBITDA	EURm	384.0	325.3	18.1	199.2	185.7	7.3	184.1
EBITDA margin	%	31.4	28.3	3.1	31.9	31.1	0.7	9.3
Results from operating activities (EBIT)	EURm	237.5	198.8	19.5	116.3	119.8	-2.9	-341.4
EBIT margin	%	19.4	17.3	2.1	18.6	20.1	-1.5	-17.3
Result before income tax	EURm	215.5	208.1	3.5	118.7	147.5	-19.5	-373.3
Group net result	EURm	165.4	166.3	-0.5	92.4	122.3	-24.5	-299.0
Earnings per share	EUR	0.93	0.93	-0.5	0.51	0.68	-24.5	-1.68
<b>Statement of financial position</b>								
Balance sheet total	EURm	6,691.8	7,318.9	-8.6	6,691.8	7,318.9	-8.6	6,841.8
Equity	EURm	2,693.7	3,098.4	-13.1	2,693.7	3,098.4	-13.1	2,632.7
Equity ratio	%	40.3	42.3	-2.1	40.3	42.3	-2.1	38.5
Net debt	EURm	1,359.4	1,633.2	-16.8	1,359.4	1,633.2	-16.8	1,622.4
Gearing	%	50.5	52.7	-2.2	50.5	52.7	-2.2	61.6
<b>Cash flow and investments</b>								
Gross cash flow	EURm	305.7	300.4	1.8	139.1	163.5	-14.9	337.4
Net cash flow from operating activities	EURm	209.4	350.5	-40.2	116.5	164.1	-29.0	546.0
Investments <sup>2)</sup>	EURm	136.8	171.7	-20.3	71.3	66.2	7.7	396.3
<b>Employees</b>	∅	<b>7,048</b>	<b>7,353</b>	<b>-4.1</b>	<b>7,371</b>	<b>7,487</b>	<b>-1.6</b>	<b>7,314</b>

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) In intangible assets and property, plant and equipment

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# Statement by the Executive Board

## Dear Shareholders,

In the first half of 2014/15 revenue generated by the EVN Group rose by 6.5% to EUR 1,224.7m, while a decline in financial results held the Group net result at the prior year level. Operating development was positive in most of the segments. The short-term use of power plants for network stabilisation in Austria and Germany provided an added contribution to earnings and the South East Europe Segment exceeded the prior year's performance, but in the network distribution business in Austria revenue as well as earnings were lower than the previous year. This decline resulted from the tariff reductions of approximately 1% for electricity and 3% for natural gas as of January 2015. Group EBITDA rose by 18.1% to EUR 384.0m, and the results from operating activities (EBIT) increased by 19.5% to EUR 237.5m. Financial results decreased, as mentioned, due to lower income from investments and led to a slight decline in the Group net result of 0.5% to EUR 165.4m.

The average temperatures in Austria during the first half of 2014/15 reflected the previous year, and the heating degree total therefore remained below the long-term average. In spite of this development, natural gas network distribution volumes rose substantially due to the increased short-term use of natural gas-fired power plants and electricity network distribution volumes were also slightly higher. The energy sales volumes for electricity and natural gas were lower and for heat slightly higher than the previous year.

Over the next four years EVN plans to invest approximately EUR 1bn in the networks, renewable energy and water supplies in Lower Austria. This not only highlights the company's clear focus on ensuring supply security for its customers, but also underscores its local presence in the home market.

In the area of windpower, the Prottes-Ollersdorf wind park with twelve wind turbines and a generation capacity of 37 MW was commissioned during the reporting period. That gives EVN 250 MW of windpower generation capacity to supply 150,000 households with environmentally friendly electricity. In hydropower generation, the completion of revitalisation work on the Mühlhof hydropower plant in March showed the focus in this field of operation. At the same time the Dürnröhr power plant, which helps to protect supply security, was faced with an impairment loss to reflect an expected increase in maintenance and operating costs.

The weather in Bulgaria and Macedonia was significantly colder during the first half of 2014/15 than the previous year. Electricity network distribution volumes therefore rose by 5.4% and also led to a year-on-year increase in earnings for the South East Europe Segment. In Croatia, the natural gas networks in Biograd and Dugopolje were commissioned in January and May 2015, respectively.

EVN is currently working on eight international projects. The transfer of the sodium hypochlorite plant in Moscow was successfully finalised in March 2015. As indicated in the report on the first quarter, this plant was sold to Mosvodokanal, the water supply and waste water disposal company of the city of Moscow. The successful completion of a 72-hour test demonstrated the fulfilment of all quality and volume requirements and completed the commissioning process which, in turn, terminated EVN's guarantee for the functionality of the plant. A valuation allowance of EUR 11.0m was recognised to the flue gas cleaning aggregate carried under inventories – one of the remaining aggregate components of the former project thermal waste utilisation plant no. 1 in Moscow.

Water supplies in Lower Austria were further improved by the commissioning of a new natural filter plant in Drösing, which reduces the hardness of the water for the region's customers by natural means. Construction is also proceeding on a further natural filter plant in Obersiebenbrunn, and the permit required by the Austrian Water Act was received for the natural filter plant in Zwentendorf an der Zaya. The completion of these three plants will significantly improve the water quality for nearly 200,000 residents in the Weinviertel and Marchfeld regions. In addition, EVN took over the management and operation of the water supply network in the community of Paudorf as of 1 January 2015.

The stable developments during the first six months lead us to confirm our outlook for the 2014/15 financial year, with Group net result that is expected to exceed 2012/13. The assumptions for energy sector developments over the remaining six months are based on long-term averages, and actual developments cannot be predicted with certainty. The Group net result could be significantly influenced by regulatory conditions, developments in the proceedings related to claims from the tariff decisions in Bulgaria and in connection with the Duisburg-Walsum power plant as well as by the progress of the activities in Moscow.

Maria Enzersdorf, May 2015

A stylized, handwritten signature in black ink, appearing to read 'Peter Layr'.

**Peter Layr**  
Spokesman of the Executive Board

A stylized, handwritten signature in black ink, appearing to read 'Stefan Szyszkowitz'.

**Stefan Szyszkowitz**  
Member of the Executive Board

# Interim management report

## Overall business and energy sector environment

GDP growth	%	2016f	2015e	2014	2013	2012
EU-28 <sup>1)2)</sup>		1.8–2.1	1.5–1.7	1.3	0.0	–0.4
Austria <sup>2)3)</sup>		1.3–1.6	0.5–0.8	0.3	0.3	0.9
Bulgaria <sup>1)2)4)5)</sup>		1.0–2.1	0.8–1.7	1.4–1.7	1.1	0.6
Croatia <sup>1)2)4)6)</sup>		0.8–1.3	0.0–0.4	(–0.4)–(–0.6)	–0.9	–2.2
Macedonia <sup>5)6)</sup>		3.8	3.4–3.5	3.2–3.3	3.1	–0.4

1) Source: European Economic Forecast, Winter 2015, EU Commission, February 2015

2) Source: Prognose der österreichischen Wirtschaft 2015–2016, IHS, March 2015

3) Source: Prognose für 2015 bis 2016: Unsicherheit bremst Konjunktur, WIFO, March 2015

4) Source: Strategie Österreich & CEE 2. Quartal 2015, Raiffeisen Research, March 2015

5) Source: ECA Economic Outlook, World Bank, December 2014

6) Source: World Economic Outlook, International Monetary Fund, April 2014

### General business environment

The global economic recovery remains reserved, with developments differing by region. For example, the USA and Great Britain generated relatively strong growth, while the European economies were, in total, less positive. Here the regional differences were also substantial, however Germany recorded stronger growth, but the emerging countries were less dynamic. In spite of these contrasts, the economic climate has stabilised. The supporting factors included, among others, the decline in oil prices and the weaker euro-dollar exchange rate as well as the continuation of the European Central Bank's expansive monetary policy. Preliminary indicators point toward an improvement, but not to a strong upturn. The European Union is

now expected to generate GDP growth of 1.5% to 1.7% in 2015 and 1.8% to 2.1% in 2016.

The Austrian economy is expected to follow slow growth in 2014 with only very subdued momentum in 2015. The economic recovery in the Eurozone has provided positive impulses, but stronger momentum is not expected before 2016. The estimates for growth range from 0.5% to 0.8% in 2015 and from 1.3% to 1.6% in 2016.

In Bulgaria, the political situation is stable. Private household consumption is providing support for domestic demand, and higher

Key indicators for the energy sector environment		2014/15 HY. 1	2013/14 <sup>1)</sup> HY. 1	+/- in %	2014/15 Q. 2	2013/14 <sup>1)</sup> Q. 2	+/- in %
<b>Temperature-related energy demand<sup>1)</sup></b>	%						
Austria		87.1	87.0	0.0	94.3	84.7	9.6
Bulgaria		93.3	81.1	12.3	92.5	73.7	18.7
Macedonia		96.7	87.6	9.0	101.6	81.5	20.1
<b>Primary energy and CO<sub>2</sub> certificates</b>							
Crude oil – Brent	EUR/bbl	54.5	80.0	–31.9	48.0	79.7	–39.8
Natural gas – NCG <sup>2)</sup>	EUR/MWh	22.2	25.9	–14.5	21.7	24.6	–11.8
Coal – API#2 <sup>3)</sup>	EUR/t	56.1	60.6	–7.4	54.0	59.5	–9.3
CO <sub>2</sub> emission certificates (2 <sup>nd</sup> /3 <sup>rd</sup> period)	EUR/t	6.8	5.0	40.1	7.0	5.3	31.6
<b>Electricity – EEX forward market<sup>4)</sup></b>							
Base load	EUR/MWh	38.0	43.2	–12.0	37.9	42.6	–10.9
Peak load	EUR/MWh	49.1	55.8	–11.9	48.8	54.9	–11.1
<b>Electricity – EPEX spot market<sup>5)</sup></b>							
Base load	EUR/MWh	33.5	36.5	–8.2	32.3	35.5	–9.2
Peak load	EUR/MWh	43.5	48.9	–11.0	41.2	47.0	–12.4

1) Calculated based on the heating degree total; in Austria the basis (100%) corresponds to the long-term average value from 1996 to 2010, in Bulgaria from 2004 to 2012 and in Macedonia from 2001 to 2010; changes reported in percentage points.

2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

4) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period

5) EPEX spot – European Power Exchange

government consumption and rising gross capital investments have led to increased public spending. The favourable borrowing conditions on the capital market are now being used to raise additional financing. Forecasts call for GDP growth of 0.8% to 1.7% in 2015 and 1.0% to 2.1% in 2016.

Croatia continued its previous efforts to end the recession in 2014, but development was slowed by unfavourable conditions on the labour market and the resulting weak domestic demand. In addition, there has been no improvement in productivity to date. This discouraging picture has been improved, however, by steady growth in exports of goods and services. The country is expected to finally emerge from the recession in 2015 with growth of 0.0% to 0.4%. This positive development should increase in 2016 and lead to growth rates of 0.8% to 1.3%.

The past months in Macedonia were characterised by positive developments, which are expected to continue in the coming months. Domestic demand has improved, and industrial production has recently shown positive tendencies. Export activity in Macedonia will also benefit from the increasing growth rates in Europe. Current estimates point to GDP growth of 3.5% in 2015 and 3.8% in 2016.

### Energy sector environment

The first half of the 2014/15 financial year in Austria was characterised by average temperatures that were nearly identical to the previous year and, therefore, also above the long-term average. As a result, the heating degree total remained unchanged at a low level. In contrast, lower temperatures in South Eastern Europe led to a 12.3% increase in the heating degree total in Bulgaria and 9.0% in Macedonia.

The average euro price for Brent crude oil continued to decline during the reporting period, above all due to the current worldwide surplus, and was 31.9% below the comparable prior year level at EUR 54.5 per barrel. The average EEX price for natural gas amounted to EUR 22.2 per MWh for the first six months of 2014/15, which is 14.5% lower than the previous year. The decline resulted chiefly from the mild weather during the winter 2014/15 and the resulting lower demand on the spot markets. The temperature-related weaker demand for coal also led to a further decrease of 7.4% in the price to EUR 56.1 per tonne. In contrast, the price for CO<sub>2</sub> emission certificates rose by 40.1% over the first half of the previous year to EUR 6.8 per tonne in the reporting period. This trend was based – as in the previous quarters – primarily on a January 2014 decision by the EU Commission to cut the auction volumes by 900 million CO<sub>2</sub> emission certificates for 2014, 2015 and 2016 and to reschedule these auctions to 2019 and 2020 (backloading).

The continuing expansion of renewable energy generation capacity in Austria and Germany as well as the low price of coal and – despite the recent increase – the still low price for CO<sub>2</sub> emission certificates led to a further drop in the forward and spot market

prices for base load and peak load electricity during the first six months of 2014/15. The forward prices applicable to the reporting period fell by 12.0% to EUR 38.0 per MWh for base load electricity and by 11.9% to EUR 49.1 per MWh for peak load electricity. In comparison with the first six months of 2013/14, the spot market prices declined 8.2% to EUR 33.5 per MWh for base load electricity and by 11.0% to EUR 43.5 per MWh for peak load electricity.

## Business development

### Statement of operations

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#### Highlights

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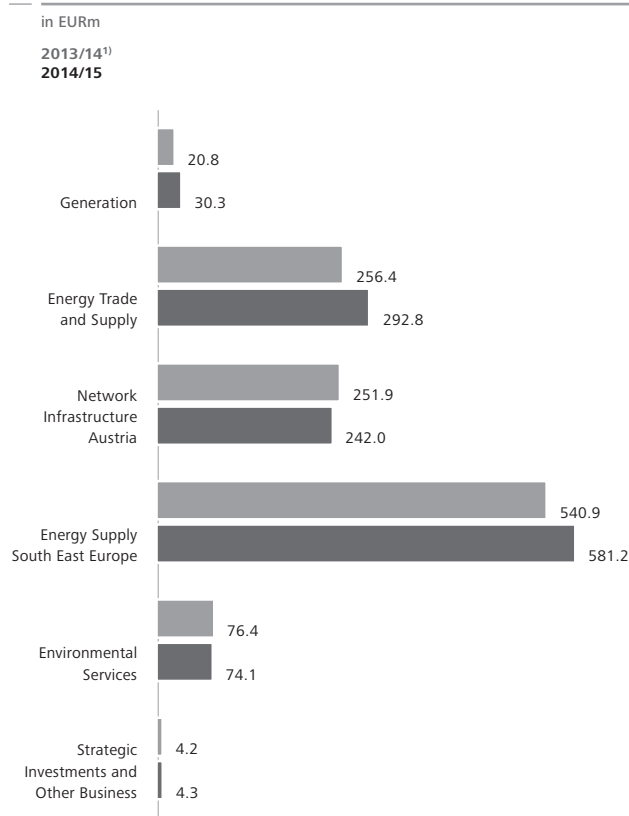
- Revenue: +6.5% to EUR 1,224.7m
  - EBITDA: +18.1% to EUR 384.0m
  - EBIT: +19.5% to EUR 237.5m
  - Financial result: EUR –31.4m to EUR –22.0m
  - Group net result: –0.5% to EUR 165.4m
- 

The EVN Group generated revenue of EUR 1,224.7m in the first half of 2014/15, which represents an increase of EUR 74.2m, or 6.5%, over the comparable prior year period. Revenue development was positively influenced by full operations at the Duisburg-Walsum power plant throughout the entire reporting period and the related sale of electricity as well as the Group's natural gas sales activities and effects from the recent price decisions in Bulgaria and Macedonia. In addition, the Theiss and Korneuburg power plants were called on more frequently by the Austrian and German transmission system operators to ensure network stability. These two plants are used to provide reserve capacity and generate balancing energy and for congestion management. A slight decline was recorded in the network business due to the reduction of the network tariff for electricity and natural gas as of 1 January 2015. The increase in natural gas network revenue was unable to completely offset the decline in electricity network revenue.

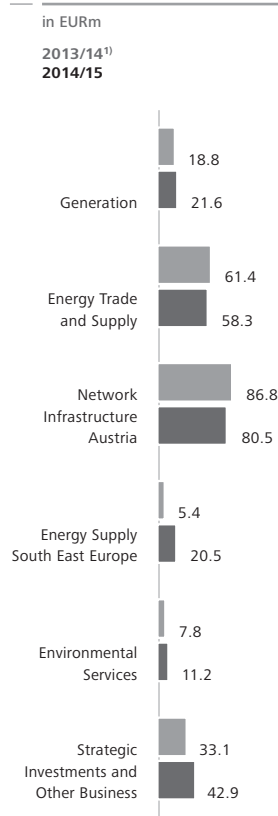
Other operating income rose by EUR 25.1m to EUR 66.6m. This increase resulted, above all, from the positive conclusion of negotiations with the city of Moscow over the sodium hypochlorite plant project, which led to the sale of the shares in the project company during October 2014.

The cost of electricity purchases from third parties and primary energy expenses amounted to EUR 638.3m for the reporting period and was EUR 35.7m, or 5.9%, higher in year-on-year comparison. This development is primarily attributable to an increase in the cost of primary energy following the start of full operations at the Duisburg-Walsum power plant, the use of natural gas volumes for

## External revenue by segment HY. 1



## EBIT by segment HY. 1



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

trading purposes and increased energy purchase prices in Bulgaria. Cost-reducing factors included lower expenses for electricity procurement in Macedonia due to the market liberalisation for large customers in the previous year. The reporting period increase was moderated by the recognition of provisions for onerous contracts related to the marketing of EVN's own electricity production in the previous year.

The cost of materials and services rose by EUR 16.3m, or 14.8%, to EUR 126.6m. A valuation allowance of EUR 11.0m was recognised during the reporting period to the remaining components of the former project thermal waste utilisation plant no. 1 in Moscow, which are carried under inventories. This measure involves the flue gas cleaning aggregate, which was adapted to meet the particular requirements of the city of Moscow and, based on recent market assessment, cannot be used for another purpose. Higher costs were also recorded due to the above-mentioned full operations at the Duisburg-Walsum power plant, turbine damage at the co-generation plant in Bulgaria and weather-related damage to the distribution networks in Bulgaria and Macedonia during the winter 2014/15.

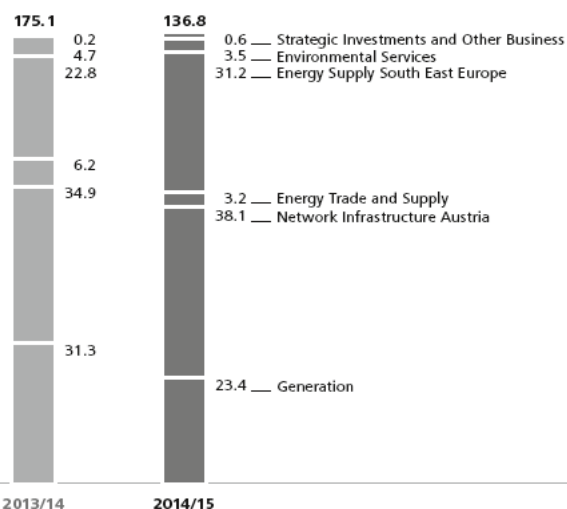
The average number of employees declined by 304 to 7,048 as a result of the Group's continuous reorganisation and optimisation measures. However, personnel expenses rose by EUR 5.6m, or 3.6%, to EUR 159.1m due to wage and salary adjustments required by collective bargaining agreements and non-recurring effects related to restructuring expenses in Macedonia.

Other operating expenses totalled EUR 88.5m and were EUR 1.5m, or 1.7%, lower than the previous year.

The share of results from equity accounted investees with operational nature rose by EUR 15.4m, or 17.2%, to EUR 105.2m. The lower earnings contribution from EVN Energievertrieb GmbH & Co KG, which resulted primarily from the 10% average reduction in end customer prices for electricity as of 1 October 2014 and expenses related to the Austrian Energy Efficiency Act, was more than offset by higher contributions from Rohöl-Aufsuchungs AG (RAG) and Energie Burgenland AG.

## Structure of investments HY. 1

in %, total in EURm



In total, these developments led to an increase of EUR 58.7m, or 18.1%, in EBITDA to EUR 384.0m.

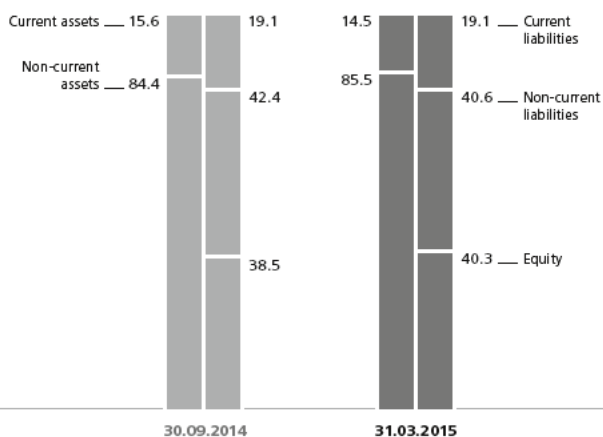
Current depreciation and amortisation rose by EUR 20.0m, or 15.8%, to EUR 146.5m. In addition to the increase in scheduled depreciation that resulted chiefly from full operations at the Duisburg-Walsum power plant, an impairment loss of EUR 19.0m was recognised during the reporting period. This impairment loss was mainly brought about by the closing of the Verbund power plant unit at the Dürnröhr joint power plant in April 2015 and the related expectations of higher maintenance and operating costs in the future. Based on these developments, the results from operating activities (EBIT) totalled EUR 237.5m, a year-on-year increase of EUR 38.8m or 19.5%.

Financial results amounted to EUR –22.0m and were EUR 31.4m lower than in the previous year. This change resulted, on the one hand, from a reduced dividend from Verbund AG for the 2014 financial year and, on the other hand, from the termination of the hedge for the financing of the sold sodium hypochlorite plant in Moscow and the costs for the related investment guarantee from the Federal Republic of Germany.

The result before income tax rose by EUR 7.3m, or 3.5%, to EUR 215.5m. Group net result equalled EUR 165.4m after the deduction of income tax, which remained unchanged in year-on-year comparison at EUR 26.8m, and the share of results attributable to non-controlling interests, which consisted primarily of the results from RAG. This represents a decrease of EUR 0.9m, or 0.5%, compared with the first half of the previous year.

## Balance sheet structure as per the balance sheet date

in %



## Statement of cash flows

Gross cash flow rose by EUR 5.3m to EUR 305.7m in the first half of 2014/15, chiefly due to the increase in the result before income tax. The decline of EUR 141.0m in cash flow from operating activities to EUR 209.4m resulted from changes in working capital, whereby the prior year was influenced by non-recurring effects.

Cash flow from investing activities was positive and amounted to EUR 95.5m, which resulted from the sale of the sodium hypochlorite plant. Part of the proceeds were invested in short-term securities. Other effects arose from EVN's on-going investment programme and changes in the long-term securities in the R138 fund.

Cash flow from financing activities equalled EUR –300.4m for the reporting period, compared with EUR –216.8m in the first half of the previous year. This development reflected the repayment of the financing for the sodium hypochlorite plant and the scheduled repayment of financial liabilities. Also included here is the payment of the dividend in January 2015 for the 2013/14 financial year.

Cash flow for the first half of 2014/15 amounted to EUR 4.6m. Cash and cash equivalents equalled EUR 201.8m as of 31 March 2015.



In addition, EVN had committed, undrawn credit lines totalling EUR 575.0m at its disposal to meet possible short-term financing requirements.

### Statement of financial position

EVN's balance sheet total equalled EUR 6,691.8m as of 31 March 2015, which is EUR 150.0m, or 2.2%, lower than on 30 September 2014.

Non-current assets fell by EUR 54.4m, or 0.9%, to EUR 5,723.3m, above all due to the reclassification of the short-term components of leasing receivables to current assets. Moreover, non-current assets were reduced by an impairment loss recognised to the Dürnröhr power plant as well as valuation effects caused by the lower price of the Verbund AG shares. However, their share of total assets rose to 85.5% because of the decline in the balance sheet total (30 September 2014: 84.4%).

Current assets rose by EUR 128.1m, or 15.2%, to EUR 968.6m for seasonal reasons based on higher receivables from the energy business and the above-mentioned reclassification of the short-term components of non-current leasing receivables. This increase was reduced somewhat by a decline in inventories. The higher balance of current securities reflected the investment of available liquidity in cash funds.

The decline in non-current assets held for sale was related to the sale of the sodium hypochlorite plant in Moscow at the end of October 2014. The resulting liquidity was used to repay the financing for this project or was invested in cash funds.

The reporting period brought an increase of EUR 61.0m, or 2.3%, in equity to EUR 2,693.7m. Equity was increased by the positive earnings recorded for the first half of 2014/15; this was opposed by the dividend payment for the 2013/14 financial year in January 2015 and, above all, by a decline in the valuation reserve. The equity ratio equalled 40.3% as of 31 March 2015 (30 September 2014: 38.5%).

Non-current liabilities declined by EUR 181.5m, or 6.3%, to EUR 2,721.1m, chiefly due to the scheduled repayment of financial liabilities and the reclassification of the short-term components of non-current financing.

Current liabilities fell by EUR 29.5m, or 2.3%, to EUR 1,277.0m. The reduction resulting from the repayment of the financing for the sodium hypochlorite plant was offset in part by the reclassification of the short-term components of financial liabilities and by a seasonal increase in VAT and corporate income tax liabilities.

Net debt declined EUR 263.0m below the level on 30 September 2014 to EUR 1,359.4m as of 31 March 2015, and gearing fell to 50.5% (30 September 2014: 61.6%).

## Risk management report

pursuant to § 87 (4) of the Austrian Stock Exchange Act ("Börsegesetz")

### Risk profile

The risk profile of the EVN Group is influenced primarily by normal industry risks and uncertainties and, above all, by political, legal and regulatory challenges. At the present time, no future risks can be identified that could endanger the continued existence of the EVN Group.

The overall risk profile has not changed significantly since the end of the previous financial year on 30 September 2014 and is therefore applicable to the remaining six months of the 2014/15 financial year. The major risks and uncertainties to which the Group is exposed are summarised in the following section, whereby the categorisation is based on the EVN risk management process.

### Market and competitive risks

#### Energy trade and supply

EVN's revenue could be negatively affected by a decline in the demand for energy due to the weather or climate change, by demographic, political and technological factors and/or by the loss of customers or sales volumes because of a change in the company's reputation or the competitive environment. In addition, rising and/or more volatile market prices, a suboptimal procurement strategy and lower margins can have a negative effect on the profit margins in EVN's energy business.

#### Generation

The increase in decentralised and unplannable production as well as fluctuations in wind levels, water flows, sunshine hours and weather conditions can have an unfavourable influence on earnings from the generation business.

The economic viability and intrinsic value of generation equipment is dependent to a significant degree on the price of electricity and primary energy, the efficiency of the equipment used, energy policies and locations. Adverse developments in these areas can therefore lead to the recognition of an impairment loss. In addition, the creation of or addition to provisions for obligations arising from long-term (procurement) contracts may also be necessary. Despite the implementation of appropriate measures, the thermal generation plants, hydropower plants and generation plants that rely on renewable energy sources are still exposed to these types of risks.

#### Environmental services

EVN is exposed to risks in the environmental services business from possible fluctuations in the demand, volume and/or costs of drinking water supplies, wastewater treatment systems and thermal waste utilisation facilities. Moreover, market saturation or non-inclusion in tenders can lead to a decline in the volume of projects in the environmental services business. EVN is also exposed

to various risks in connection with suppliers and the realisation of projects, which include the defective fulfilment or non-fulfilment of contractually agreed performance.

#### **Financial risks**

Credit and default risks are associated, in particular, with receivables due from end customers as well as receivables from financial and energy trading transactions and major projects. Earnings can be negatively affected by low financial solvency and payment behaviour on the part of customers. Another important factor is the development of purchasing power in Bulgaria and Macedonia.

Write-downs on receivables, impairment charges to assets and the materialisation of contingent liabilities can also have a significant negative effect on earnings.

Investments in companies related to its core business (above all Verbund AG, Rohöl-Aufsuchungs AG, Burgenland Holding AG and EconGas GmbH) expose EVN to specific risks because of the difficult energy policy environment in which these companies operate and the potential unfavourable development of their earnings and equity.

In connection with the active management of liquidity, interest rate, foreign exchange and market price risks, the current low interest rate levels represent an increasing challenge for the short- to medium-term investment of liquid funds. This can lead to opportunity costs and have a negative effect on the valuation of employee-related provisions as well as future tariff decisions.

#### **Operating risks**

The energy and network business is exposed to operating risks that include operating disruptions and stoppages as well as IT and

safety-related problems which, in turn, can result in supply interruptions and an increased liability and reputation risk. The environmental services business is also exposed to the risk of operating disruptions or interruptions in drinking water supplies, wastewater systems and thermal waste utilisation facilities.

Risks also arise in connection with the suboptimal design and use of technical equipment and the evaluation and implementation of technological innovations. Operating risks also exist in the areas of organisation, planning, human resources and compliance.

#### **External risks**

Regulatory, energy and environmental regulations and changes in political and public positions on energy and infrastructure projects are major risk drivers. A change in the subsidy system, the failure to receive subsidies or a change in legally defined tariffs can have a negative influence on the company's future asset, financial and earnings position.

Political and economic instability, arbitrary legislation and regulatory measures and changing legal framework conditions can also represent a risk.

EVN is exposed to the risk that necessary approvals and licenses are not granted, can be withdrawn or not extended. In this connection, EVN is currently involved in proceedings initiated by the Bulgarian regulatory authority ("DKEVR") to withdraw the electricity license of EVN's electricity distribution company in Bulgaria (EVN Bulgaria Elektrosnabdavane EAD).

Contractual and legal risks can arise in connection with potential or already pending (arbitration) court and investment protection proceedings as well as regulatory and supervisory audits.

## Segment reporting

### Overview

The structure of the EVN Group is based on three general categories: the energy business, the environmental services business and other business activities. The energy business covers the entire electricity and heat value chain from generation and distribution to networks and supply, while the natural gas business is concentrated on the distribution and supply. This product portfolio is supplemented by the activities of EVN subsidiaries in related areas as well

as regional cable TV and telecommunication services. The environmental services business involves activities in the areas of drinking water supply, wastewater disposal and thermal waste utilisation.

The definition of the operating segment is done in accordance with the requirements of IFRS 8 "Business Segments" and is therefore based exclusively on the internal organisational and reporting structure of the EVN Group. The following section describes the operating performance of EVN's six segments and the effects of energy sector indicators on their development.

Business areas	Segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy Trade and Supply	Procurement of electricity and primary energy sources, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Network Infrastructure Austria	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
	Energy Supply South East Europe	Operation of electricity networks and electricity sales to end customers in Bulgaria and Macedonia, heat generation and sale in Bulgaria, electricity generation in Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environmental Services	Drinking water supply, wastewater disposal and thermal waste utilisation in Austria, operation of combined cycle heat and power co-generation plants in Moscow as well as international project business
Other business activities	Strategic Investments and Other Business	Strategic and other investments, corporate services

Key energy business indicators	GWh	2014/15	2013/14 <sup>1)</sup>	+/-		2014/15	2013/14 <sup>1)</sup>	+/-
		HY. 1	HY. 1	nominal	in %	Q. 2	Q. 2	in %
<b>Electricity generation volumes</b>		2,935	2,208	727	32.9	1,570	1,236	27.0
Renewable energy sources <sup>1)</sup>		1,082	884	198	22.3	574	405	41.9
Thermal energy sources <sup>2)</sup>		1,853	1,324	529	40.0	996	831	19.8
<b>Network distribution volumes</b>								
Electricity		11,744	11,261	483	4.3	6,133	5,729	7.1
Natural gas <sup>3)</sup>		10,377	9,646	730	7.6	5,907	4,874	21.2
<b>Energy sales volumes to end customers</b>								
Electricity		10,569	10,653	-83	-0.8	5,499	5,374	2.3
thereof Central and Western Europe <sup>4)</sup>		3,629	3,653	-25	-0.7	1,824	1,776	2.7
thereof South Eastern Europe		6,941	6,999	-59	-0.8	3,675	3,598	2.1
Natural gas		4,235	4,376	-141	-3.2	2,449	2,324	5.4
Heat		1,403	1,393	10	0.7	766	739	3.6
thereof Central and Western Europe <sup>4)</sup>		1,229	1,240	-11	-0.9	664	651	2.0
thereof South Eastern Europe		174	153	21	13.6	102	89	14.9

1) Incl. bio-co-generation plants in Austria in the Energy Trade and Supply Segment, small hydropower plants in Macedonia in the Energy Supply South East Europe Segment and a combined cycle heat and a power co-generation plant in Kurjanovo, Moscow in the Environmental Services Segment. Revenues from such energy production are included in the respective segments.

2) Incl. co-generation plant in Bulgaria in the Energy Supply South East Europe Segment and the combined heat and power plants in Austria in the Energy Trade and Supply Segment, respectively. Revenues from such energy production are included in the respective segments.

3) Incl. network distribution volumes to EVN power plants

4) Central and Western Europe covers Austria and Germany.

## Generation

The Generation Segment covers the generation of electricity from thermal production capacities and renewable energy sources in Austria, Germany, Bulgaria and Albania as well as projects for the construction of power generation plants in Austria and Bulgaria.

The external revenue recorded by this segment is derived mainly from the sale of electricity from renewable windpower. Internal revenue from electricity generation (in particular hydropower plants as well as windpower plants that are no longer covered by subsidy schemes) is based on the market price for electricity. Revenue from thermal power generation in the Dürnröhr, Korneuburg and Theiss power plants and the storage power plants is based on the option value. The option value normally reflects the pre-defined difference between the forward prices for electricity and the related fuel costs. It also includes the allocation and use of reserve capacity to ensure network security in southern Germany as well as the delivery of balancing energy and congestion management for the Austrian Power Grid AG (APG). The price for energy purchased from Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH generally includes operating, financing and primary energy costs. The sale of the generated electricity and the procurement of primary energy are reported under the Energy Trade and Supply Segment.

## Highlights

- Substantial increase in renewable and thermal production
- Stepwise start of operations of 37 MW Prottes-Ollersdorf windpark
- Significant increase in use of Theiss and Korneuburg natural gas power plants to ensure network stability in Austria and Germany
- EBITDA, EBIT and result before tax above prior-year level

Electricity generation rose by 630 GWh, or 34.0%, to 2,486 GWh in the first half of 2014/15 based on higher production from renewable energy sources and the thermal power plants. The production from renewable energy sources increased 15.1% based on a year-on-year increase in water flows and wind conditions and, above all, due to full operations of the Prellenkirchen windpark and the stepwise start of operations of the Prottes-Ollersdorf windpark. Production output in the thermal power plants was 46.5% higher. The increase in production was supported by full operations throughout the entire reporting period at the Duisburg-Walsum power plant, which was commissioned in December 2013. In addition, the Theiss and Korneuburg natural gas power plants, which are used

<b>Key indicators – Generation</b>		<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>		<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>
		<b>HY. 1</b>	<b>HY. 1</b>	<b>nominal</b>	<b>in %</b>	<b>Q. 2</b>	<b>Q. 2</b>	<b>in %</b>
<b>Key energy business indicators</b>	GWh							
<b>Electricity generation volumes</b>		<b>2,486</b>	<b>1,855</b>	<b>630</b>	<b>34.0</b>	<b>1,321</b>	<b>1,052</b>	<b>25.6</b>
thereof renewable energy sources		851	739	112	15.1	449	331	35.7
thereof thermal energy sources		1,635	1,116	519	46.5	871	720	20.9
<b>Key financial indicators</b>	EURm							
External revenue		30.3	20.8	9.5	45.7	15.9	7.5	-
Internal revenue		93.1	71.0	22.1	31.1	48.3	49.2	-1.8
<b>Total revenue</b>		<b>123.3</b>	<b>91.8</b>	<b>31.6</b>	<b>34.4</b>	<b>64.2</b>	<b>56.7</b>	<b>13.3</b>
Operating expenses		-58.1	-50.4	-7.7	-15.3	-29.0	-29.7	2.3
Share of results from equity accounted investees with operational nature		0.7	0.8	-0.1	-10.2	0.5	0.6	-9.2
<b>EBITDA</b>		<b>65.9</b>	<b>42.2</b>	<b>23.8</b>	<b>56.3</b>	<b>35.7</b>	<b>27.5</b>	<b>29.7</b>
Depreciation and amortisation including effects from impairment tests		-44.3	-23.3	-21.0	-89.9	-30.9	-14.2	-
<b>Results from operating activities (EBIT)</b>		<b>21.6</b>	<b>18.8</b>	<b>2.8</b>	<b>14.8</b>	<b>4.8</b>	<b>13.4</b>	<b>-63.9</b>
Financial results		-12.4	-11.2	-1.2	-10.3	-6.2	-7.0	11.3
<b>Result before income tax</b>		<b>9.2</b>	<b>7.6</b>	<b>1.6</b>	<b>21.4</b>	<b>-1.4</b>	<b>6.4</b>	<b>-</b>
Total assets		1,243.5	1,246.5	-2.9	-0.2	1,243.5	1,246.5	-0.2
Total liabilities		1,021.5	992.0	29.5	3.0	1,021.5	831.9	22.8
Investments <sup>2)</sup>		38.3	54.7	-16.4	-30.0	24.3	5.0	-

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24)

2) In intangible assets and property, plant and equipment

to provide reserve capacity, were called on more frequently by the Austrian and German transmission network operators to ensure network stability.

EVN covered 27.8% of the electricity sold during the first half of 2014/15 with its own production (previous year: 20.7%). The share of renewable energy in electricity production at the Group level fell from 40.0% in the previous year to 36.9%, above all due to production from the Duisburg-Walsum power plant.

Revenue in the Generation Segment rose by EUR 31.6m, or 34.4%, year-on-year to EUR 123.3m. In addition to positive effects from the full operation of the Duisburg- Walsum power plant, the delivery of balancing energy and congestion management based on additional use by the Austrian transmission network operator and income from the provision of reserve capacity to support network reliability in southern Germany also impacted favourably.

Operating expenses rose by EUR 7.7m, or 15.3%, to EUR 58.1m. This increase was related primarily to the deployment costs for energy carriers required for full operations in the Duisburg-Walsum power plant, but was offset in part by further market-related optimisation measures in the thermal power plants.

The share of results from equity accounted investees with an operational nature declined by EUR 0.1m to EUR 0.7m due to a reduction in the earnings contribution from Verbund Innkraftwerke GmbH.

EBITDA totalled EUR 65.9m and was EUR 23.8m, or 56.3%, higher than in the first half of the previous year. Depreciation and amortisation, including the effects from impairment tests, increased by EUR 21.0m, or 89.9%, to EUR 44.3m. In addition to the increase in scheduled depreciation that resulted from full operations at the Duisburg-Walsum power plant, an impairment loss of EUR 17.8m was recognised to the Dürnröhr coal-fired power plant during the reporting period. This impairment was based on expectations of increased maintenance and operating costs in the future as a result from the closing of a production unit at the Dürnröhr joint power plant by Verbund in April 2015. EVN will undertake all legal steps to exercise its rights to carry only part of these maintenance and operating costs. EBIT rose by EUR 2.8m, or 14.8%, to EUR 21.6m in the first half of 2014/15.

Financial results deteriorated by EUR 1.2m, or 10.3%, to EUR -12.4m. This decline resulted from the interest expense on the financing for Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH after the commissioning. The result before income tax amounted to EUR 9.2m and was EUR 1.6m, or 21.4%, higher than the first half of the previous year.

Investments were EUR 16.4m, or 30.0%, lower at EUR 38.3m. The comparable prior year value included the costs for the completion and commissioning of the Duisburg-Walsum power plant. The

investments made during the reporting period were concentrated chiefly on renewable energy generation projects, with a particular focus on the final phase of construction at the Prottes-Ollersdorf windpark.

### Energy Trade and Supply

The Energy Trade and Supply Segment is responsible for the trading and sale of electricity and natural gas to end customers, primarily in the Austrian home market and in wholesale markets. The segment's business activities also include the procurement of electricity, natural gas and other primary energy carriers as well as the production and sale of heat.

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### Highlights

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- Decline in sales volumes of natural gas
  - EBITDA, EBIT and result before income tax slightly below prior year
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While the demand for electricity and heat remained nearly unchanged during the reporting period, natural gas sales fell by 3.2%. Higher natural gas sales volumes to commercial customers were contrasted by a reduced sales volume to household customers.

In spite of this development, revenue rose by EUR 36.4m, or 13.8%, to EUR 300.1m. This increase was supported, above all, by the sale of production from the Duisburg-Walsum power plant and increased activities in natural gas trading during the reporting period.

Operating expenses were EUR 39.5m, or 16.4%, higher at EUR 280.0m for the reporting period. This development was related primarily to the purchase of electricity generated by the Duisburg-Walsum power plant and the higher natural gas volumes used for the increased trading activities.

The share of results from equity accounted investees with operational nature rose slightly by EUR 0.6m, or 1.3%, to EUR 46.6m. In total, these factors led to a decrease of EUR 2.5m, or 3.6%, in EBITDA to EUR 66.7m.

Depreciation and amortisation rose by 6.4% to EUR 8.3m in the first half of 2014/15. EBIT amounted to EUR 58.3m, which is EUR 3.0m, or 4.9%, lower than the previous year.

Financial results improved by 11.9% from EUR -1.5m to EUR -1.4m. The result before income tax totalled EUR 57.0m, which represents a year-on-year decline of EUR 2.8m or 4.8%.

Investments were EUR 6.4m, or 59.5%, lower at EUR 4.4m during the reporting period and were directed at the expansion of the district heating plants and networks.

<b>Key indicators – Energy Trade and Supply</b>		<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>		<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>
		<b>HY. 1</b>	<b>HY. 1</b>	<b>nominal</b>	<b>in %</b>	<b>Q. 2</b>	<b>Q. 2</b>	<b>in %</b>
<b>Key energy business indicators</b>		GWh						
<b>Energy sales volumes to end customers</b>								
Electricity		3,629	3,653	-25	-0.7	1,824	1,776	2.7
Natural gas		4,235	4,376	-141	-3.2	2,449	2,324	5.4
Heat		1,229	1,240	-11	-0.9	664	651	2.0
<b>Key financial indicators</b>		EURm						
External revenue		292.8	256.4	36.4	14.2	141.1	146.7	-3.8
Internal revenue		7.3	7.3	0.0	0.1	3.2	3.4	-4.6
<b>Total revenue</b>		<b>300.1</b>	<b>263.7</b>	<b>36.4</b>	<b>13.8</b>	<b>144.4</b>	<b>150.1</b>	<b>-3.8</b>
Operating expenses		-280.0	-240.5	-39.5	-16.4	-135.7	-143.6	5.5
Share of results from equity accounted investees with operational nature		46.6	46.0	0.6	1.3	27.9	24.9	12.4
<b>EBITDA</b>		<b>66.7</b>	<b>69.2</b>	<b>-2.5</b>	<b>-3.6</b>	<b>36.6</b>	<b>31.4</b>	<b>16.5</b>
Depreciation and amortisation including effects from impairment tests		-8.3	-7.8	-0.5	-6.4	-4.2	-4.0	-3.8
<b>Results from operating activities (EBIT)</b>		<b>58.3</b>	<b>61.4</b>	<b>-3.0</b>	<b>-4.9</b>	<b>32.4</b>	<b>27.4</b>	<b>18.4</b>
Financial results		-1.4	-1.5	0.2	11.9	-0.8	-0.7	-9.9
<b>Result before income tax</b>		<b>57.0</b>	<b>59.8</b>	<b>-2.8</b>	<b>-4.8</b>	<b>31.6</b>	<b>26.6</b>	<b>18.6</b>
Total assets		493.5	446.2	47.3	10.6	493.5	446.2	10.6
Total liabilities		364.5	315.4	49.1	15.6	364.5	136.2	-
Investments <sup>2)</sup>		4.4	10.8	-6.4	-59.5	2.9	6.3	-54.2

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) In intangible assets and property, plant and equipment

### Network Infrastructure Austria

The Network Infrastructure Austria Segment covers the operation of the regional electricity and natural gas networks as well as the cable TV and telecommunications networks in Lower Austria and Burgenland. This segment also includes corporate services, above all in connection with construction, which are reported as internal revenue.

Income from investments includes the distributions from the R-138 funds and AGGM Austrian Gas Grid Management AG to Netz Niederösterreich GmbH.

### Highlights

- Increase in electricity and natural gas network distribution volumes
- Adjustment of network tariffs as of 1 January 2015:
  - Electricity: -1.0%
  - Natural gas: -3.0%
- Investment focus on supply security
- Decline in EBITDA, EBIT and result before income tax

The network tariffs for electricity and natural gas in Austria are adjusted annually on 1 January by the E-Control Commission in accordance with the incentive regulatory system. As of 1 January 2015, the electricity network tariffs were reduced by an average of 1.0% (1 January 2014: reduction of 9.0%) and the natural gas network tariffs were reduced by an average of 3.0% (1 January 2014: increase of 7.7%).

Electricity network distribution volumes rose by 99 GWh, or 2.4%, year-on-year to 4,261 GWh. This increase resulted, above all, from higher demand by industrial customers and also from an increase in distribution volumes to household and commercial customers. Natural gas network distribution volumes rose across all customer groups by a total of 724 GWh, or 7.5%, to 10,363 GWh. This was in part due to the greater use of EVN's natural gas plants for network stabilisation in Austria and Germany.

In spite of the above developments, revenue in the Network Infrastructure Austria Segment fell by EUR 11.0m, or 4.0%, to EUR 265.5m in the first half of 2014/15. This decline resulted, in particular, from the reduction in network tariffs. Higher revenue from natural gas network distribution and an increase in revenue

<b>Key indicators – Network Infrastructure Austria</b>		<b>2014/15 HY. 1</b>	<b>2013/14<sup>1)</sup> HY. 1</b>	<b>+/-</b>		<b>2014/15 Q. 2</b>	<b>2013/14<sup>1)</sup> Q. 2</b>	<b>+/-</b>
				<b>nominal</b>	<b>in %</b>			<b>in %</b>
<b>Key energy business indicators</b>		GWh						
<b>Network distribution volumes</b>								
Electricity		4,261	4,162	99	2.4	2,158	2,116	2.0
Natural gas		10,363	9,639	724	7.5	5,907	4,874	21.2
<b>Key financial indicators</b>		EURm						
External revenue		242.0	251.9	-9.9	-3.9	125.8	125.9	-0.1
Internal revenue		23.5	24.6	-1.1	-4.6	11.9	13.3	-10.8
<b>Total revenue</b>		<b>265.5</b>	<b>276.5</b>	<b>-11.0</b>	<b>-4.0</b>	<b>137.6</b>	<b>139.2</b>	<b>-1.1</b>
Operating expenses		-133.3	-139.1	5.8	4.2	-73.2	-74.5	1.1
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	-	0.0	0.0	-
<b>EBITDA</b>		<b>132.2</b>	<b>137.4</b>	<b>-5.2</b>	<b>-3.8</b>	<b>64.4</b>	<b>64.7</b>	<b>-0.5</b>
Depreciation and amortisation including effects from impairment tests		-51.7	-50.6	-1.1	-2.1	-26.3	-25.5	-3.2
<b>Results from operating activities (EBIT)</b>		<b>80.5</b>	<b>86.8</b>	<b>-6.3</b>	<b>-7.2</b>	<b>38.1</b>	<b>39.3</b>	<b>-2.9</b>
Financial results		-8.7	-8.3	-0.4	-4.5	-4.3	-3.6	-17.3
<b>Result before income tax</b>		<b>71.8</b>	<b>78.4</b>	<b>-6.6</b>	<b>-8.5</b>	<b>33.9</b>	<b>35.6</b>	<b>-4.9</b>
Total assets		1,824.5	1,788.6	35.8	2.0	1,824.5	1,788.6	2.0
Total liabilities		1,319.6	1,274.3	21.5	6.2	1,319.6	1,274.3	6.2
Investments <sup>2)</sup>		52.1	61.0	-8.9	-14.6	23.8	33.7	-29.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) In intangible assets and property, plant and equipment

from cable TV and telecommunications services were unable to offset the decline in revenue from electricity network distribution.

Operating expenses fell by EUR 5.8m, or 4.2%, to EUR 133.3m, chiefly because of a decline in the cost of materials and services. This was contrasted by a slight increase in personnel expenses. EBITDA fell by EUR 5.2m, or 3.8%, to EUR 132.2m due to the decline in revenue. In connection with the increase of EUR 1.1m, or 2.1%, in depreciation and amortisation to EUR 51.7m, this led to a reduction of EUR 6.3m, or 7.2%, in results from operating activities (EBIT) to EUR 80.5m.

Financial results were EUR 0.4m, or 4.5%, lower at EUR -8.7m, primarily owing to an increase in interest expense on non-current financial liabilities that resulted from a decrease in capitalised interest costs. The result before income tax equalled EUR 71.8m, which is EUR 6.6m, or 8.5%, lower than the previous year.

The investment strategy for the Network Infrastructure Austria Segment is focused on the protection of supply security in Lower Austria. EVN invests, above all, in network expansion to accommodate the growing generation from renewable energy sources and

in the upgrading of its distribution networks. Projects during the reporting period continued to concentrate on the strengthening of the 110 kV network to transport the steadily rising feed-in of electricity from windpower and on the expansion and new construction of transformer stations. EVN invested a total of EUR 52.1m in the network infrastructure during the first half of 2014/15. This represents a reduction of EUR 8.9m, or 14.6%, compared with the previous year, which was influenced by the completion of the Westschiene natural gas transport pipeline with a total investment volume of approximately EUR 150m.

<b>Key indicators – Energy Supply South East Europe</b>		<b>2014/15 HY. 1</b>	<b>2013/14<sup>1)</sup> HY. 1</b>	<b>+/-</b>		<b>2014/15 Q. 2</b>	<b>2013/14<sup>1)</sup> Q. 2</b>	<b>+/-</b>
				<b>nominal</b>	<b>in %</b>			<b>in %</b>
<b>Key energy business indicators</b>	GWh							
Electricity generation volumes		288	213	75	35.1	168	111	51.2
thereof renewable energy sources		114	43	71	–	66	22	–
thereof thermal energy sources		174	171	4	2.1	102	89	15.1
Network distribution volumes <sup>2)</sup>		7,483	7,099	384	5.4	3,976	3,667	8.4
Heat sales volumes to end customers		174	153	21	13.6	102	89	14.9
<b>Key financial indicators</b>	EURm							
External revenue		581.2	540.9	40.4	7.5	307.2	277.0	10.9
Internal revenue		0.1	0.2	-0.1	-47.2	0.1	0.2	-67.4
<b>Total revenue</b>		<b>581.3</b>	<b>541.1</b>	<b>40.3</b>	<b>7.4</b>	<b>307.2</b>	<b>277.2</b>	<b>10.9</b>
Operating expenses		-530.3	-504.7	-25.6	-5.1	-271.8	-253.4	-7.3
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	–	0.0	0.0	–
<b>EBITDA</b>		<b>51.1</b>	<b>36.3</b>	<b>14.7</b>	<b>40.5</b>	<b>35.4</b>	<b>23.8</b>	<b>48.8</b>
Depreciation and amortisation including effects from impairment tests		-30.6	-31.0	0.4	1.3	-15.3	-15.4	0.3
<b>Results from operating activities (EBIT)</b>		<b>20.5</b>	<b>5.4</b>	<b>15.1</b>	<b>–</b>	<b>20.1</b>	<b>8.4</b>	<b>–</b>
Financial results		-13.5	-15.3	1.8	11.9	-7.8	-7.8	-0.2
<b>Result before income tax</b>		<b>7.0</b>	<b>-10.0</b>	<b>16.9</b>	<b>–</b>	<b>12.3</b>	<b>0.6</b>	<b>–</b>
Total assets		1,270.1	1,494.4	-224.3	-15.0	1,270.1	1,494.4	-15.0
Total liabilities		1,138.5	1,164.3	-25.8	-2.2	427.4	381.6	12.0
Investments <sup>3)</sup>		42.7	39.9	2.7	6.8	15.7	15.5	1.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) In Bulgaria and Macedonia energy sales volumes to end customers are approximately equivalent to present network distribution volumes.

3) In intangible assets and property, plant and equipment

## Energy Supply South East Europe

The Energy Supply South East Europe Segment is responsible for the operation of electricity networks and the sale of electricity to end customers in Bulgaria and Macedonia, the generation and sale of heat in Bulgaria, the production of electricity in Macedonia, the sale of natural gas to end customers in Croatia and energy trading throughout the region.

### Highlights

- Regulatory decisions as of 1 October 2014
  - Bulgaria: 9.7% rise in end customer prices with parallel increase in electricity purchase costs
  - Macedonia: gradual market opening
- Improvement in EBITDA, EBIT and result before income tax

The previous series of tariff reductions in Bulgaria was followed by a slight 0.6% increase in end customer prices as of 1 July 2014. At the same time, however, electricity purchase costs were increased and

the allowable margin for EVN's sales company was cut from 3% to 2%. As of 1 October 2014 the regulatory authority implemented a further tariff increase of roughly 9.7% and raised the allowable supply margin to 2.3%. Once again the electricity purchase costs for EVN were increased.

The end customer prices for heat in Bulgaria have remained unchanged since the tariff decision in July 2014. EVN is continuing its active pursuit of the arbitration proceedings started in June 2013 at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID).

Average end customer prices in Macedonia were raised by 3.5% through a tariff decision on 1 July 2014. The network tariff included in this price, which is relevant for EVN in Macedonia, was raised by only a slight amount and remained below the expected level. In addition, cost elements related to the next planned liberalisation steps for household and small business customers were not included.

In Croatia, the gas distribution network in the city of Biograd was commissioned in January 2015. The three major cities in the county



of Zadar (Zadar, Benkovac, Biograd) are now connected to this gas distribution network. The gas distribution network of Dugopolje, and thus of the first city in the county of Split-Dalmatia, was commissioned in May 2015.

EVN generated 288 GWh of electricity in South Eastern Europe during the first half of 2014/15, for an increase of 75 GWh or 35.1%. Thermal production at the co-generation plant in Plovdiv increased slightly by 4 GWh, or 2.1%, year-on-year to 174 GWh. In addition, higher water flows in Macedonia supported a sound 71 GWh increase in electricity production from renewable energy to 114 GWh.

Electricity distribution volumes totalled 7,483 GWh for the reporting period, which represents a year-on-year increase of 384 GWh or 5.4%. This development resulted, above all, from the mild temperatures during the past winter. These same weather conditions were also responsible for an increase of 21 GWh, or 13.6%, in heat sales to end customers in Bulgaria, which rose to 174 GWh.

Revenue rose by EUR 40.3m, or 7.4%, to EUR 581.3m in the first half of 2014/15. This development was supported by the above-mentioned higher end customer prices in Bulgaria and Macedonia as well as a weather-related increase in sales volumes.

Operating expenses rose by EUR 25.6m, or 5.1%, over the first half of 2013/14 to EUR 530.3m. The primary reasons for this development were the regulatory tariff decisions and the related increase in energy purchase costs. The continued reduction of network losses during the reporting period had a slight opposite effect on energy purchase costs. These factors, in total, led to an increase of EUR 14.7m, or 40.5%, in EBITDA to EUR 51.1m.

Depreciation and amortisation declined by EUR 0.4m, or 1.3%, to EUR 30.6m. Results from operating activities (EBIT) increased to EUR 20.5m (previous year: EUR 5.4m).

Financial results improved by EUR 1.8m, or 11.9%, to EUR –13.5m due to the scheduled repayment of borrowings and current interest rate levels. The result before income tax amounted to EUR 7.0m for the first half of 2014/15, which is EUR 16.9m higher than the previous year.

Investments rose by EUR 2.7m, or 6.8%, to EUR 42.7m in the reporting period.

## Environmental Services

The activities of the Environmental Services Segment cover drinking water supply, wastewater treatment and thermal waste utilisation in Austria; the international project business in Central, Eastern and South Eastern Europe; and the operation of two combined cycle heat and power co-generation plants in Moscow.

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### Highlights

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- Commissioning of plants in Poland, Romania and Cyprus
  - Commissioning and takeover of the sodium hypochlorite plant by the city of Moscow
  - Positive revenue development in water supplies and thermal waste utilisation in Lower Austria
  - Improvement in EBITDA and EBIT; decline in result before income tax
- 

The Environmental Services Segment generated revenue of EUR 83.8m in the first half of 2014/15, which represents a decrease of EUR 2.9m, or 3.4%, compared with the previous year. This decline resulted primarily from lower revenue in the international project business that was only offset in part by the positive development of revenue from water supplies and thermal waste utilisation in Lower Austria.

Operating expenses fell by EUR 5.2m, or 7.4%, to EUR 65.4m in the reporting period. This development resulted, above all, from the positive conclusion of negotiations with the city of Moscow over the sodium hypochlorite plant project in the first quarter of 2014/15, which led to the sale of the shares in the property company for EUR 250.0m. The resulting increase in other operating income was contrasted by a year-on-year rise in the cost of materials. These costs were influenced by a valuation allowance of EUR 11.0m recognised to the remaining aggregate components – which are carried under inventories – from the former project waste utilisation plant no. 1 in Moscow during the reporting period. This measure involves the flue gas cleaning aggregate, which was adapted to meet the particular requirements of the city of Moscow and, based on recent market information, cannot be used for another purpose. However, EBITDA in this segment rose by EUR 2.6m, or 12.1%, to EUR 24.4m and the results from operating activities (EBIT) by EUR 3.5m, or 44.8%, to EUR 11.2m.

Financial results declined by EUR 7.2m to EUR –7.9m due to a lower interest income from completed projects and, above all, the termination of the hedge and the federal investment guarantee related to the sodium hypochlorite plant in Moscow. The result before income tax declined by EUR 3.7m, or 52.3%, to EUR 3.4m.

<b>Key indicators – Environmental Services</b>	EURm	<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>		<b>2014/15</b>	<b>2013/14<sup>1)</sup></b>	<b>+/-</b>
		<b>HY. 1</b>	<b>HY. 1</b>	<b>nominal</b>	<b>in %</b>	<b>Q. 2</b>	<b>Q. 2</b>	<b>in %</b>
External revenue		74.1	76.4	-2.3	-3.0	33.1	37.5	-11.6
Internal revenue		9.7	10.3	-0.6	-6.2	4.4	4.7	-5.8
<b>Total revenue</b>		<b>83.8</b>	<b>86.7</b>	<b>-2.9</b>	<b>-3.4</b>	<b>37.6</b>	<b>42.2</b>	<b>-11.0</b>
Operating expenses		-65.4	-70.6	5.2	7.4	-45.5	-34.6	-31.4
Share of results from equity accounted investees with operational nature		6.0	5.7	0.3	5.8	3.2	2.8	13.4
<b>EBITDA</b>		<b>24.4</b>	<b>21.8</b>	<b>2.6</b>	<b>12.1</b>	<b>-4.7</b>	<b>10.4</b>	<b>-</b>
Depreciation and amortisation including effects from impairment tests		-13.2	-14.0	0.8	6.0	-6.5	-7.0	6.9
<b>Results from operating activities (EBIT)</b>		<b>11.2</b>	<b>7.8</b>	<b>3.5</b>	<b>44.8</b>	<b>-11.2</b>	<b>3.4</b>	<b>-</b>
Financial results		-7.9	-0.7	-7.2	-	1.9	-0.2	-
<b>Result before income tax</b>		<b>3.4</b>	<b>7.0</b>	<b>-3.7</b>	<b>-52.3</b>	<b>-9.4</b>	<b>3.2</b>	<b>-</b>
Total assets		964.6	1,440.1	-475.6	-33.0	964.6	1,440.1	-33.0
Total liabilities		773.1	1,036.7	-263.6	-25.4	773.1	1,036.7	-25.4
Investments <sup>2)</sup>		4.8	8.2	-3.4	-41.2	3.6	5.3	-33.1

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page xx).

2) In intangible assets and property, plant and equipment

EVN invested EUR 4.8m in the Environmental Services Segment during the first half of 2014/15, which is EUR 3.4m, or 41.2%, less than in the comparable prior year period. This decline resulted primarily from the completion of the Lyuberzy co-generation plant in Moscow.

In the international project business, EVN is currently working on the realisation of eight projects. The contract signing in February 2014 was followed by the start of construction in January 2015 on a wastewater purification plant in Kotor-Tivat at the coast of Montenegro. This plant will have the capacity to service up to 72,500 population equivalents. Work also started on another project in Montenegro during March 2015, namely on the second wastewater purification plant planned and built by EVN in the city of Budva, Buljarica.

Three of the four wastewater lines in the Kujawy wastewater purification plant in the Polish city of Krakow were successfully commissioned during the first half of 2014/15, and the commissioning process for the fourth line was started. This plant will have a capacity to service 370,000 population equivalents.

In Romania, EVN is currently working on the realisation of two projects. The expansion of the local wastewater purification plant in Zalau and the construction of a sludge treatment plant with biogas utilisation for 85,000 population equivalents started in February 2015. The wastewater treatment plant built by EVN in Silvaniei entered the commissioning phase in April 2015.

The commissioning process has been nearly finalised for the waste water purification plant in Larnaca, Cyprus, that was completed during the previous year.

The sodium hypochlorite plant sold to the city of Moscow in October 2014 was successfully commissioned in March 2015 and transferred to city ownership after a 72-hour test.

In the area of drinking water supplies for Lower Austria, EVN – which currently supplies drinking water for more than 500,000 residents in Lower Austria – continued work on numerous projects to supply new communities with drinking water and to further improve the quality of drinking water for existing customers. EVN took over the management and operation of the water supply network for the community of Paudorf, including drinking water supplies for the roughly 2,500 local residents, as of 1 January 2015. The commissioning process for the natural filter plant in Drösing, Lower Austria, which will reduce the hardness of the water by natural means, started in December 2014. The construction of a further natural filter plant in Obersiebenbrunn continued during the reporting period. EVN also received the permit required by the Austrian Water Act for the construction of a similar plant in Zwentendorf an der Zaya. The completion of these three facilities will improve the water quality for the roughly 200,000 residents in the involved regions.

### Strategic Investments and Other Business

The Strategic Investments and Other Business Segment basically covers the investments in Rohöl-Aufsuchungs AG (RAG), Energie Burgenland (held by Burgenland Holding AG) and Verbund AG. This segment also includes corporate functions as well as companies outside EVN's core business which generally provide internal services.

### Highlights

- Increased earnings contribution from equity accounted investees with operational nature
  - Higher earnings contribution from Rohöl-Aufsuchungs AG (RAG)
  - Higher earnings contribution from Energie Burgenland
- Lower dividend from Verbund AG
- Increase in EBITDA and EBIT; decline in result before income tax

Revenue declined by EUR 2.9m, or 8.3%, to EUR 31.9m in the first half of 2014/15, while operating expenses rose by EUR 0.7m, or 1.9%, to EUR 38.8m. This development was more than offset by an increase of EUR 14.6m, or 39.2%, to EUR 51.9m in the earnings contribution from equity accounted investees with operational nature. The increase was supported, above all, by higher earnings contributions from RAG and Energie Burgenland. EBITDA therefore rose by EUR 11.0m, or 32.3%, to EUR 44.9m. Depreciation and amortisation amounted to EUR 2.0m, compared with EUR 0.8m in the previous year, and the results from operating activities (EBIT) rose by EUR 9.8m, or 29.6%, to EUR 42.9m.

Financial results, which are influenced primarily by the income from investments, fell by EUR 24.7m, or 41.8%, to EUR 34.3m. This decline resulted mainly from a lower dividend by Verbund AG, which equalled EUR 0.29 per share compared with EUR 1.00 per share in the previous year. The result before income tax was thus EUR 14.8m, or 16.1%, lower year-on-year at EUR 77.3m for the reporting period.

Key indicators – Strategic Investments and Other Business	EURm	2014/15		2013/14 <sup>1)</sup>		+/-		2014/15		2013/14 <sup>1)</sup>		+/-	
		HY. 1	HY. 1	nominal	in %	Q. 2	Q. 2	in %	in %				
External revenue		4.3	4.2	0.1	3.0	1.7	0.5	-					
Internal revenue		27.6	30.7	-3.0	-9.8	14.9	16.4	-9.0					
<b>Total revenue</b>		<b>31.9</b>	<b>34.8</b>	<b>-2.9</b>	<b>-8.3</b>	<b>16.6</b>	<b>17.0</b>	<b>-2.2</b>					
Operating expenses		-38.8	-38.1	-0.7	-1.9	-52.4	-41.7	-25.7					
Share of results from equity accounted investees with operational nature		51.9	37.3	14.6	39.2	35.8	24.7	44.9					
<b>EBITDA</b>		<b>44.9</b>	<b>34.0</b>	<b>11.0</b>	<b>32.3</b>	<b>32.5</b>	<b>21.6</b>	<b>50.5</b>					
Depreciation and amortisation including effects from impairment tests		-2.0	-0.8	-1.2	-	-1.6	-0.4	-					
<b>Results from operating activities (EBIT)</b>		<b>42.9</b>	<b>33.1</b>	<b>9.8</b>	<b>29.6</b>	<b>30.9</b>	<b>21.2</b>	<b>46.0</b>					
Financial results <sup>2)</sup>		34.3	59.0	-24.7	-41.8	19.2	47.1	-59.2					
<b>Result before income tax</b>		<b>77.3</b>	<b>92.1</b>	<b>-14.8</b>	<b>-16.1</b>	<b>50.1</b>	<b>68.3</b>	<b>-26.6</b>					
Total assets		2,762.4	2,766.5	-4.1	-0.15	2,762.4	2,766.5	-0.1					
Total liabilities		1,168.2	1,223.8	-55.5	-4.5	1,168.2	1,223.8	-4.5					
Investments <sup>3)</sup>		0.8	0.4	0.4	93.6	0.8	0.3	-					

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) For income from investments see notes to the consolidated interim report, page 27.

3) In intangible assets and property, plant and equipment

# Consolidated interim report

according to IAS 34

## Consolidated statement of operations

EURm	2014/15 HY. 1	2013/14 <sup>1)</sup> HY. 1	+/- in %	2014/15 Q. 2	2013/14 <sup>1)</sup> Q. 2	+/- in %	2013/14
Revenue	1,224.7	1,150.5	6.5	624.9	596.3	4.8	1,974.8
Other operating income	66.6	41.4	60.6	18.8	19.8	-5.1	71.1
Electricity purchases and primary energy expenses	-638.3	-602.6	-5.9	-326.9	-306.4	-6.7	-1,032.2
Costs of materials and services	-126.6	-110.3	-14.8	-60.5	-55.6	-8.8	-251.9
Personnel expenses	-159.1	-153.5	-3.6	-77.4	-76.0	-1.9	-313.0
Other operating expenses	-88.5	-90.0	1.7	-46.9	-45.3	-3.5	-359.0
Share of results from equity accounted investees with operational nature	105.2	89.8	17.2	67.4	52.9	27.4	94.0
<b>EBITDA</b>	<b>384.0</b>	<b>325.3</b>	<b>18.1</b>	<b>199.3</b>	<b>185.7</b>	<b>7.3</b>	<b>184.1</b>
Depreciation and amortisation	-127.5	-126.2	-1.0	-63.9	-65.6	2.5	-256.0
Effects from impairment tests	-19.0	-0.3	-	-19.0	-0.3	-	-269.5
<b>Results from operating activities (EBIT)</b>	<b>237.5</b>	<b>198.8</b>	<b>19.5</b>	<b>116.3</b>	<b>119.8</b>	<b>-2.9</b>	<b>-341.4</b>
Share of results from equity accounted investees with financial nature	0.7	3.3	-77.5	0.9	3.5	-73.8	2.8
Results from other investments	13.5	42.3	-68.2	13.5	42.3	-68.2	42.4
Interest income	11.5	12.4	-7.6	5.0	6.4	-21.2	23.5
Interest expense	-51.7	-47.3	-9.4	-21.0	-23.8	11.8	-96.7
Other financial results	4.0	-1.3	-	3.9	-0.7	-	-4.0
<b>Financial results</b>	<b>-22.0</b>	<b>9.4</b>	<b>-</b>	<b>2.4</b>	<b>27.7</b>	<b>-91.5</b>	<b>-31.9</b>
<b>Result before income tax</b>	<b>215.5</b>	<b>208.1</b>	<b>3.5</b>	<b>118.7</b>	<b>147.5</b>	<b>-19.5</b>	<b>-373.3</b>
Income tax expense	-26.8	-26.8	0.2	-9.2	-14.5	36.3	102.8
<b>Result for the period</b>	<b>188.7</b>	<b>181.3</b>	<b>4.1</b>	<b>109.4</b>	<b>133.0</b>	<b>-17.7</b>	<b>-270.5</b>
thereof result attributable to EVN AG shareholders (Group net result)	165.4	166.3	-0.5	92.4	122.3	-24.5	-299.0
thereof result attributable to non-controlling interests	23.3	15.0	54.9	17.1	10.7	60.2	28.5
Earnings per share in EUR <sup>2)</sup>	0.93	0.93	-0.5	0.51	0.68	-24.5	-1.68

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) There is no difference between basic and diluted earnings per share.

## Consolidated statement of comprehensive income

EURm	2014/15 HY. 1	2013/14 <sup>1)</sup> HY. 1	+/- in %	2014/15 Q. 2	2013/14 <sup>1)</sup> Q. 2	+/- in %	2013/14
<b>Result for the period</b>	<b>188.7</b>	<b>181.3</b>	<b>4.1</b>	<b>109.4</b>	<b>133.0</b>	<b>-17.7</b>	<b>-270.5</b>
<b>Other comprehensive income from</b>							
<b>Items that will not be reclassified to profit or loss</b>							
Remeasurements IAS 19	-35.0	-0.8	-	-21.5	-0.6	-	-22.1
Investments in equity accounted investees	-30.7	-5.0	-	-28.2	-0.2	-	-31.0
thereon apportionable income tax expense	-12.0	3.0	-	-0.3	-1.1	-	1.3
thereon apportionable income tax expense	7.6	1.2	-	7.0	0.7	-	7.5
<b>Items that may be reclassified to profit or loss</b>							
Currency translation differences	-15.2	-83.6	81.8	13.2	-40.0	-	-46.5
Available for sale financial instruments	-7.6	-8.6	11.1	4.2	-6.3	-	-7.9
Cash flow hedges	-14.6	-72.3	79.7	11.4	-23.5	-	-31.6
Investments in equity accounted investees	-0.3	-2.7	90.5	-1.6	-4.7	66.8	-10.6
thereon apportionable income tax expense	3.2	-19.0	-	1.5	-12.8	-	-7.8
thereon apportionable income tax expense	4.1	18.9	-78.4	-2.3	7.4	-	11.5
<b>Total other comprehensive income after tax</b>	<b>-50.2</b>	<b>-84.5</b>	<b>40.5</b>	<b>-8.3</b>	<b>-40.6</b>	<b>79.5</b>	<b>-68.6</b>
<b>Comprehensive income for the period</b>	<b>138.5</b>	<b>96.9</b>	<b>43.0</b>	<b>101.1</b>	<b>92.4</b>	<b>9.4</b>	<b>-339.0</b>
thereof income attributable to EVN AG shareholders	115.2	81.8	40.8	84.1	81.8	2.8	-367.0
thereof income attributable to non-controlling interests	23.3	15.0	54.9	17.1	10.7	60.2	27.9

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

## Consolidated statement of financial position

EURm	31.03.2015	30.09.2014	+/-	
			nominal	in %
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	221.8	196.5	25.3	12.9
Property, plant and equipment	3,506.9	3,542.2	-35.3	-1.0
Investments in equity accounted investees	895.4	889.1	6.3	0.7
Other investments	650.5	664.7	-14.2	-2.1
Deferred tax assets	94.2	87.1	7.1	8.2
Other non-current assets	354.5	398.1	-43.6	-10.9
	<b>5,723.3</b>	<b>5,777.7</b>	<b>-54.4</b>	<b>-0.9</b>
<b>Current assets</b>				
Inventories	142.4	178.1	-35.7	-20.0
Trade and other receivables	586.1	443.9	142.2	32.0
Securities	15.9	0.8	15.1	-
Cash and cash equivalents	224.2	217.6	6.6	3.0
	<b>968.6</b>	<b>840.4</b>	<b>128.1</b>	<b>15.2</b>
Non-current assets held for sale	-	223.7	-223.7	-100.0
	<b>968.6</b>	<b>1,064.1</b>	<b>-95.6</b>	<b>-9.0</b>
<b>Total assets</b>	<b>6,691.8</b>	<b>6,841.8</b>	<b>-150.0</b>	<b>-2.2</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital	330.0	330.0	-	-
Share premium and capital reserves	253.1	253.1	-	-
Retained earnings	1,885.5	1,794.9	90.7	5.1
Valuation reserve	9.5	52.1	-42.6	-81.8
Currency translation reserve	-20.9	-13.2	-7.6	-57.6
Treasury shares	-22.1	-21.6	-0.6	-2.6
Issued capital and reserves attributable to shareholders of EVN AG	2,435.1	2,395.2	39.9	1.7
Non-controlling interests	258.7	237.5	21.1	8.9
	<b>2,693.7</b>	<b>2,632.7</b>	<b>61.0</b>	<b>2.3</b>
<b>Non-current liabilities</b>				
Non-current loans and borrowings	1,577.2	1,747.7	-170.5	-9.8
Deferred tax liabilities	35.3	48.1	-12.8	-26.6
Non-current provisions	534.5	497.4	37.1	7.5
Deferred income from network subsidiaries	497.4	521.6	-24.2	-4.6
Other non-current liabilities	76.7	87.8	-11.1	-12.6
	<b>2,721.1</b>	<b>2,902.6</b>	<b>-181.5</b>	<b>-6.3</b>
<b>Current liabilities</b>				
Current loans and borrowings	151.7	194.2	-42.5	-21.9
Taxes payable	102.5	61.1	41.4	67.8
Trade payables	483.6	505.1	-21.4	-4.2
Current provisions	139.9	137.2	2.7	2.0
Other current liabilities	399.2	408.9	-9.7	-2.4
	<b>1,277.0</b>	<b>1,306.5</b>	<b>-29.5</b>	<b>-2.3</b>
<b>Total equity and liabilities</b>	<b>6,691.8</b>	<b>6,841.8</b>	<b>-150.0</b>	<b>-2.2</b>

## Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
<b>Balance on 30.09.2013<sup>1)</sup></b>	<b>2,837.5</b>	<b>241.7</b>	<b>3,079.2</b>
Comprehensive income for the period <sup>1)</sup>	81.8	15.0	96.9
Dividends 2012/13	-74.8	-2.1	-76.9
Change in treasury shares	-1.0	-	-1.0
<b>Balance on 31.03.2014<sup>1)</sup></b>	<b>2,843.6</b>	<b>254.6</b>	<b>3,098.2</b>
<b>Balance on 30.09.2014</b>	<b>2,395.2</b>	<b>237.5</b>	<b>2,632.7</b>
Comprehensive income for the period	115.2	23.3	138.5
Dividends 2013/14	-74.7	-2.1	-76.9
Change in treasury shares	-0.6	-	-0.6
<b>Balance on 31.03.2015</b>	<b>2,435.1</b>	<b>258.7</b>	<b>2,693.7</b>

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

## Condensed consolidated statement of cash flows

EURm	2014/15 HY. 1	2013/14 <sup>1)</sup> HY. 1	+/-		2013/14
			nominal	in %	
<b>Profit before income tax</b>	<b>215.5</b>	<b>208.1</b>	<b>7.3</b>	<b>3.5</b>	<b>-373.3</b>
+ Depreciation and amortisation of intangible assets and property, plant and equipment	146.5	126.5	20.0	15.8	716.9
-/+ Non-cash share of results of equity accounted investees	-16.5	26.8	-43.3	-	48.8
-/+ Other non-cash financial results	-18.8	-42.6	23.8	55.9	-2.7
- Release of deferred income from network subsidiaries	-18.9	-21.7	2.8	12.8	-45.4
-/+ Decrease/increase in non-current provisions	-2.5	1.5	-3.9	-	-10.7
+/- Other non-cash expenses/gains	0.4	1.8	-1.3	-75.9	3.9
<b>Gross cash flow</b>	<b>305.7</b>	<b>300.4</b>	<b>5.3</b>	<b>1.8</b>	<b>337.4</b>
- Changes in assets and liabilities arising from operating activities	-106.2	65.5	-171.7	-	228.3
- Income tax paid	9.9	-15.4	25.3	-	-19.6
<b>Net cash flow from operating activities</b>	<b>209.4</b>	<b>350.5</b>	<b>-141.0</b>	<b>-40.2</b>	<b>546.0</b>
- Changes in intangible assets and property, plant and equipment	-107.6	-129.7	22.1	17.1	-300.5
- Changes in financial assets and other non-current assets	218.2	-18.9	237.1	-	14.1
- Changes in current securities	-15.1	43.2	-58.3	-	43.1
<b>Net cash flow from investing activities</b>	<b>95.5</b>	<b>-105.5</b>	<b>201.0</b>	<b>-</b>	<b>-243.3</b>
- Dividends paid to EVN AG shareholders	-74.7	-74.8	0.0	0.0	-74.8
- Dividends paid to non-controlling interests	-2.1	-2.1	-	-	-32.1
- Acquisition of own shares	-0.6	-1.0	0.4	43.3	-0.8
+/- Changes in financial liabilities	-222.9	-138.9	-84.0	-60.5	-227.3
<b>Net cash flow from financing activities</b>	<b>-300.4</b>	<b>-216.8</b>	<b>-83.6</b>	<b>-38.5</b>	<b>-335.0</b>
<b>Net change in cash and cash equivalents</b>	<b>4.6</b>	<b>28.2</b>	<b>-23.6</b>	<b>-83.7</b>	<b>-32.3</b>
<b>Cash and cash equivalents at the beginning of the period<sup>2)</sup></b>	<b>197.2</b>	<b>229.5</b>	<b>-32.3</b>	<b>-14.1</b>	<b>229.5</b>
<b>Cash and cash equivalents at the end of the period<sup>2)</sup></b>	<b>201.8</b>	<b>257.7</b>	<b>-55.9</b>	<b>-21.7</b>	<b>197.2</b>

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note Reporting according to IFRS, page 24).

2) By adding bank overdrafts this results in cash and cash equivalents according to the consolidated statement of financial position.

## Notes to the consolidated interim report

### Accounting and valuation methods

This consolidated interim report as of 31 March 2015, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in IFRS by the International Financial Reporting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the annual report of the 2013/14 financial year (balance sheet date: 30 September 2014).

The accounting and valuation methods are essentially the same as those applied as of 30 September 2014, with the exception of those described under the section "Reporting according to IFRS" below. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

In order to improve clarity and comparability, all amounts in the notes and tables are generally shown in millions of euros (EURm) unless indicated otherwise. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates. The financial statements of companies included in this consolidated interim report are prepared on the basis of unified accounting and valuation methods.

### Reporting according to IFRS

The following standards and interpretations were applied for the first time in the 2014/15 financial year:

<b>Standards and interpretations applied for the first time</b>		Effective <sup>1)</sup>
<b>New standards and interpretations</b>		
IFRIC 21	Levies	01.01.2014
<b>Revised standards and interpretations</b>		
IAS 19	Employee Benefits – Defined Benefit Plans: Employee Contributions	01.07.2014
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01.01.2014
Several	Annual Improvements 2010–2012	01.07.2014
Several	Annual Improvements 2011–2013	01.07.2014

1) In accordance with the Official Journal of the EU, these standards are to be applied beginning with the financial year that starts on or after the date on which the standards become binding.

The initial mandatory application of the new or revised standards and interpretations had no effect on the consolidated interim report.

The application of the new consolidation standards IFRS 10, IFRS 11 and IFRS 12 beginning in the third quarter of 2013/14 also involved a change in the presentation of the results from equity accounted investees. The share of results from equity accounted investees with operational nature is now reported as part of the results of operating activities (EBIT). Under the previous reporting method, the entire share of results of equity accounted investees was included under financial results. This change in presentation led to a shift in the major component of at equity results to the results of operating activities.

Based on current developments in the accounting treatment of regulatory deferral accounts and given the non-applicability of IFRS 14 for EVN, regulatory assets and regulatory liabilities were not recognised beginning in the fourth quarter of 2013/14. This also led to a change in the accounting policy applied to the regulatory account.

The application of the new consolidation standards and the change in the presentation of the share of results from equity accounted investees as well as the change in the accounting policy applied to the regulatory account took place retrospectively as of 1 October 2012 in accordance with IAS 8. This led to adjustments to the data reported in prior periods. All comparative data in the notes to the consolidated interim report were adjusted accordingly.

These changes are described in detail in the consolidated financial statements for 2013/14, which are part of the EVN Full Report 2013/14. The EVN Full Report 2013/14 is available on the EVN website under the following link:

<https://www.evn.at/EVN-Group/Investor-Relations/Publikationen/2013-14.aspx>



<b>Adjustments to items in the consolidated statement of operations</b>	<b>2013/14</b> HY. 1			<b>2012/13</b> 30.09.2013		
	previous	change	adjusted	previous	change	adjusted
EURm						
Revenue	1,481.5	-331.0	1,150.5	2,755.0	-649.1	2,105.9
Operating expenses	-1,178.5	263.5	-915.0	-2,297.4	636.5	-1,660.8
Share of results from equity accounted investees with operational nature	-	89.8	89.8	-	95.0	95.0
<b>EBITDA</b>	<b>303.0</b>	<b>22.3</b>	<b>325.3</b>	<b>457.6</b>	<b>82.5</b>	<b>540.0</b>
Depreciation and amortisation incl. effects from impairment tests	-118.0	-8.5	-126.5	-239.1	-58.8	-297.9
<b>Results from operating activities (EBIT)</b>	<b>184.9</b>	<b>13.9</b>	<b>198.8</b>	<b>218.5</b>	<b>23.7</b>	<b>242.2</b>
<b>Financial results</b>	<b>53.4</b>	<b>-44.0</b>	<b>9.4</b>	<b>-38.1</b>	<b>-33.4</b>	<b>-71.5</b>
thereof share of results from equity accounted investees	49.5	-49.5	-	10.0	-10.0	-
thereof share of results from equity accounted investees with financial nature	-	3.3	3.3	-	-29.6	-29.6
<b>Result before income tax</b>	<b>238.3</b>	<b>-30.2</b>	<b>208.1</b>	<b>180.3</b>	<b>-9.7</b>	<b>170.7</b>
Income tax expense	-33.7	6.9	-26.8	-22.1	4.2	-17.9
<b>Result for the period</b>	<b>204.5</b>	<b>-23.2</b>	<b>181.3</b>	<b>158.2</b>	<b>-5.4</b>	<b>152.8</b>
thereof result attributable to EVN AG shareholders (Group net result)	189.5	-23.2	166.3	114.7	-5.4	109.3
thereof result attributable to non-controlling interests	15.0	-	15.0	43.5	-	43.5
Earnings per share in EUR <sup>1)</sup>	1.06	-0.13	0.93	0.64	-0.03	0.61

1) There is no difference between basic and diluted earnings per share.

<b>Adjustments to items in the consolidated statement of financial position</b>	<b>2013/14</b> 31.03.2014			<b>2012/13</b> 30.09.2013		
	previous	change	adjusted	previous	change	adjusted
EURm						
Non-current assets	6,116.0	239.8	6,355.8	6,125.1	282.0	6,407.2
thereof investments in equity accounted investees	1,066.7	-165.2	901.5	1,047.9	-103.9	944.0
Current assets	1,080.2	-117.1	963.1	977.0	-100.5	876.5
<b>Total assets</b>	<b>7,196.3</b>	<b>122.6</b>	<b>7,318.9</b>	<b>7,102.1</b>	<b>181.5</b>	<b>7,283.7</b>
Equity	3,108.9	-10.5	3,098.4	3,066.5	12.7	3,079.2
Non-current liabilities	2,918.8	155.7	3,074.5	2,829.0	142.6	2,971.5
Current liabilities	1,168.5	-22.4	1,146.1	1,206.7	26.3	1,232.9
<b>Total equity and liabilities</b>	<b>7,196.3</b>	<b>122.6</b>	<b>7,318.9</b>	<b>7,102.1</b>	<b>181.5</b>	<b>7,283.7</b>

<b>Adjustments to items in the consolidated statement of cash flows</b>	<b>2013/14</b> HY. 1			<b>2012/13</b> 30.09.2013		
	previous	change	adjusted	previous	change	adjusted
EURm						
Net cash flow from operating activities	219.3	131.2	350.5	561.7	8.3	570.0
Net cash flow from investing activities	-10.2	-95.3	-105.5	-380.5	21.4	-359.1
Net cash flow from financing activities	-207.9	-8.9	-216.8	-90.5	-23.3	-113.8

### Seasonally-related effects on business operations

In particular, the energy business is subject to weather-related fluctuations in power generation and sales, thus lower revenue and earnings are typically achieved in the second half of the financial year. The Environmental Services business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this reason, the Environmental Services business usually generates lower revenues in the first half of the financial year than in the second half. Accordingly, business in the Environmental Services Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects results in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

### Auditor's review

The consolidated interim report was neither subject to a comprehensive audit nor subject to an auditor's review by chartered accountants.

### Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 27 domestic and 37 foreign subsidiaries (30 September 2014: 26 domestic and 38 foreign subsidiaries) were fully consolidated as of 31 March 2015. As of 31 March 2015, a total of 29 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2014: 30).

<b>Changes in the scope of consolidation</b>	Fully	Line-by-line (Joint Operation)	Equity	Total
<b>30.09.2013</b>	<b>63</b>	<b>1</b>	<b>19</b>	<b>83</b>
First consolidation	1	–	1	2
Deconsolidation	–	–	–1	–1
<b>30.09.2014</b>	<b>64</b>	<b>1</b>	<b>19</b>	<b>84</b>
First consolidation	1	–	–	1
Deconsolidation	–1	–	–	–1
<b>31.03.2015</b>	<b>64</b>	<b>1</b>	<b>19</b>	<b>84</b>
thereof foreign companies	37	1	6	44

As announced in an ad-hoc press release on 29 October 2014, EVN reached an agreement with the Moscow city government over the sale of the sodium hypochlorite plant: Mosvodokanal, the water supply and wastewater disposal company of the city of Moscow, acquired the shares in the Russian property company that holds the sodium hypochlorite plant. The sale closed on 30 October 2014. The Russian property company OAO "WTE Süd-Ost", which was previously included through full consolidation, was therefore deconsolidated in the first quarter of 2014/15.

EVN MVA Nr. 1 Finanzierungs- und Servicegesellschaft mbH, Maria Enzersdorf, which is not included in the consolidated financial statements of EVN AG for reasons of immateriality, was renamed EVN Bulgaria RES Holding GmbH and organisationally assigned to evn naturkraft Erzeugungsgesellschaft m.b.H., Maria Enzersdorf, during the first half of 2014/15. This company now holds 100% of the shares in the two Bulgarian companies that are active in energy generation from renewable sources: EVN Kavarna EOOD, Plovdiv, and Naturkraft EOOD, Plovdiv. Both companies were previously held directly by EVN Naturkraft. EVN Bulgaria RES Holding GmbH, Maria Enzersdorf, was initially consolidated during the first half of 2014/15.

During the reporting period there was no new acquisition of companies according to IFRS 3.

### Selected notes to the consolidated statement of operations

The cost of materials include a valuation allowance of EUR 11.0m that was recognised during the first half of 2014/15 to the remaining components of the former project thermal waste utilisation plant no. 1 in Moscow, which are carried under inventories. This measure involves the flue gas cleaning aggregate, which was adapted to meet the particular requirements of the city of Moscow and, based on recent market assessment, cannot be used for another purpose.

The impairment loss that is shown under the position effects from impairment tests was mainly recognised to the Dürnröhr power plant during the reporting period to reflect an expected increase in operating and maintenance costs as a result from the closing of a production unit at the Dürnröhr joint power plant by Verbund in April 2015.

The share of results from equity accounted investees with operational nature developed as followed:

<b>Share of results from equity accounted investees with operational nature</b>	<b>2014/15 HY. 1</b>	<b>2013/14 HY. 1</b>
EURm		
EVN KG	42.0	43.9
RAG	38.7	25.7
Energie Burgenland	13.2	11.1
ZOV; ZOV UIP	6.0	5.7
Other companies	5.3	3.3
<b>Share of results from equity accounted investees with operational nature</b>	<b>105.2</b>	<b>89.8</b>

The income from investments, that encompasses the share of results from equity accounted investees with financial nature and the results from other investments, developed as followed:

<b>Income from investments</b>	<b>2014/15</b>	<b>2013/14</b>
EURm	HY. 1	HY. 1
WEEV Beteiligungs GmbH	0.7	3.3
Other companies	0.0 <sup>*)</sup>	0.0 <sup>*)</sup>
<b>Share of results of equity accounted investees with financial nature</b>	<b>0.7</b>	<b>3.3</b>
Verbund AG	11.6	40.1
Other companies	1.8	2.2
<b>Results from other investments</b>	<b>13.5</b>	<b>42.3</b>
<b>Total income from investments</b>	<b>14.2</b>	<b>45.6</b>

\*) Small amount

Earnings per share are calculated by dividing Group net result (= Result for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i.e. 177,923,816 as of 31 March 2015 (31 March 2014: 177,968,040 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 165.4m (31 March 2014: EUR 166.3m), earnings per share at the balance sheet date 31 March 2015, totalled EUR 0.93 (31 March 2014: EUR 0.93 per share).

#### **Selected notes to the consolidated statement of financial position**

In the first half of 2014/15, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 136.8m (previous year: EUR 171.7m). Property, plant and equipment with a net carrying amount (book value) of EUR 1.0m were disposed of (previous year: EUR 2.0m), with a capital loss of EUR 0.0m (previous year: capital loss of EUR 0.8m).

The item investments in equity accounted investees increased by EUR 6.3m, or 0.7%, to EUR 895.4m. This rise was primarily due to EUR 105.9m of earnings contributions during the reporting period. This increase was contrasted by reductions of EUR 89.4m from the distributions made by at equity consolidated companies and valuation changes not recognised in profit and loss that amounted to EUR 11.1m.

Other investments totalling EUR 650.5m, which are assigned to the category of "available-for-sale", include the shares of listed companies with a market value of EUR 624.9m, a decrease of EUR 14.7m from the prior balance sheet date. The adjustments made to reflect changed market values were, in accordance with IAS 39, allocated to the valuation reserve after taking into account the deduction of deferred taxes.

The number of EVN shares in circulation developed as follows:

<b>Development of the number of shares in circulation</b>	<b>2014/15</b>
Number	HY. 1
Balance 30.09.2014	1,939,992
Purchase of treasury shares	57,500
<b>Total 31.03.2015</b>	<b>1,997,492</b>

On 30 September 2014, the Executive Board of EVN AG announced the purchase of additional shares of the company's stock within the framework of the authorisation granted by the 85<sup>th</sup> Annual General Meeting of EVN AG on 16 January 2014. This share buyback programme has been in progress since 22 January 2014 and will now be extended to cover up to an additional 1,000,000 shares, which represent up to 0.556% of the current share capital of EVN AG. The Executive Board of EVN AG also announced that the current share buyback programme will presumably be extended to 30 June 2015.

As of 31 March 2015, the number of treasury shares amounted to 1,997,492 (or 1.1% of the share capital) with an acquisition value of EUR 22.1m and a market value of EUR 20.9m (30 September 2014: EUR 19.6m). The treasury shares held by EVN AG are not entitled to any rights, and in particular, they are not entitled to dividends.

The 86<sup>th</sup> Annual General Meeting of EVN AG held on 15 January 2015, approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.42 per share for the 2013/14 financial year, which comprises a total dividend payout of EUR 74.7m. Ex-dividend date was 22 January 2015, and the dividend payment to shareholders of EVN AG took place on 28 January 2015.

The non-current loans and borrowings are composed as follows:

<b>Break-down of non-current loans and borrowings</b>	<b>31.03.2015</b>	<b>30.09.2014</b>
EURm		
Bonds	686.0	705.7
Bank loans	891.3	1,041.9
<b>Total non-current loans and borrowings</b>	<b>1,577.2</b>	<b>1,747.7</b>

The EUR 19.7m decline in bonds resulted primarily from the reclassification of a EUR 28.5m euro-denominated bond to current financial liabilities. This decline was contrasted by an increase in the fair value of the hedged foreign exchange exposure.

## Segment reporting

EURm	Generation		Energy Trade and Supply		Network Infrastructure Austria		Energy Supply South East Europe	
	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1
External revenue	30.3	20.8	292.8	256.4	242.0	251.9	581.2	540.9
Internal revenue (between segments)	93.1	71.0	7.3	7.3	23.5	24.6	0.1	0.2
<b>Total revenue</b>	<b>123.3</b>	<b>91.8</b>	<b>300.1</b>	<b>263.7</b>	<b>265.5</b>	<b>276.5</b>	<b>581.3</b>	<b>541.1</b>
Operating expenses	-58.1	-50.4	-280.0	-240.5	-133.3	-139.1	-530.3	-504.7
Share of results from equity accounted investees operational	0.7	0.8	46.6	46.0	-	-	-	-
<b>EBITDA</b>	<b>65.9</b>	<b>42.2</b>	<b>66.7</b>	<b>69.2</b>	<b>132.2</b>	<b>137.4</b>	<b>51.1</b>	<b>36.3</b>
Depreciation and amortisation	-44.3	-23.3	-8.3	-7.8	-51.7	-50.6	-30.6	-31.0
<b>Results from operating activities (EBIT)</b>	<b>21.6</b>	<b>18.8</b>	<b>58.3</b>	<b>61.4</b>	<b>80.5</b>	<b>86.8</b>	<b>20.5</b>	<b>5.4</b>
Financial results	-12.4	-11.2	-1.4	-1.5	-8.7	-8.3	-13.5	-15.3
<b>Profit before income tax</b>	<b>9.2</b>	<b>7.6</b>	<b>57.0</b>	<b>59.8</b>	<b>71.8</b>	<b>78.4</b>	<b>7.0</b>	<b>-10.0</b>
Total assets	1,243.5	1,246.5	493.5	446.2	1,824.5	1,788.6	1,270.1	1,494.4
Investments <sup>1)</sup>	38.3	54.7	4.4	10.8	52.1	61.0	42.7	39.9

	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1	2014/15 HY. 1	2013/14 HY. 1
External revenue	74.1	76.4	4.3	4.2	-	-	1,224.7	1,150.5
Internal revenue (between segments)	9.7	10.3	27.6	30.7	-161.2	-144.0	-	-
<b>Total revenue</b>	<b>83.8</b>	<b>86.7</b>	<b>31.9</b>	<b>34.8</b>	<b>-161.3</b>	<b>-144.0</b>	<b>1,224.7</b>	<b>1,150.5</b>
Operating expenses	-65.4	-70.6	-38.8	-38.1	160.1	128.5	-945.9	-915.0
Share of results from equity accounted investees operational	6.0	5.7	51.9	37.3	-	-	105.2	89.8
<b>EBITDA</b>	<b>24.4</b>	<b>21.8</b>	<b>44.9</b>	<b>34.0</b>	<b>-1.2</b>	<b>-15.5</b>	<b>384.0</b>	<b>325.3</b>
Depreciation and amortisation	-13.2	-14.0	-2.0	-0.8	3.6	1.1	-146.5	-126.5
<b>Results from operating activities (EBIT)</b>	<b>11.2</b>	<b>7.8</b>	<b>42.9</b>	<b>33.1</b>	<b>2.4</b>	<b>-14.4</b>	<b>237.5</b>	<b>198.8</b>
Financial results	-7.9	-0.7	34.3	59.0	-12.5	-12.4	-22.0	9.4
<b>Profit before income tax</b>	<b>3.4</b>	<b>7.0</b>	<b>77.3</b>	<b>92.1</b>	<b>-10.1</b>	<b>-26.8</b>	<b>215.5</b>	<b>208.1</b>
Total assets	964.6	1,440.1	2,762.4	2,766.5	-1,866.7	-1,863.4	6,691.8	7,318.9
Investments <sup>1)</sup>	4.8	8.2	0.8	0.4	-6.3	-3.4	136.8	171.7

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated income statement. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Generation and Energy Trade and Supply Segments and the Group with respect to the inclusion of STEAG-EVN Walsum as a joint operation. The Generation Segment has not

identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of STEAG-EVN Walsum as a joint operation, and the Energy Trade and Supply Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required from the Group's point of view.

## Selected notes on financial instruments

### Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 13)	31.03.2015		30.09.2014	
			Carrying amount	Fair value	Carrying amount	Fair value
<b>Non-current assets</b>						
<b>Other investments</b>						
Non-financial assets	–	–	25.6	–	25.1	–
Miscellaneous investments	AFS	Level 1	624.9	624.9	639.6	639.6
			<b>650.5</b>		<b>664.7</b>	
<b>Other non-current assets</b>						
Securities	@FVTPL	Level 1	93.2	93.2	62.1	62.1
Loans receivable	LAR	Level 2	34.3	41.6	38.9	44.0
Lease receivables and accrued lease transactions	LAR	Level 2	148.4	170.1	207.0	236.1
Receivables arising from derivative transactions	Hedge Accounting	Level 2	0.2	0.2	–	–
Remaining other non-current assets	LAR		63.9	63.9	75.5	75.5
Non-financial assets (primary energy reserves)	–		14.6	–	14.6	–
			<b>354.5</b>		<b>398.1</b>	
<b>Current assets</b>						
<b>Current receivables and other current assets</b>						
Trade and other receivables	LAR		565.9	565.9	406.6	406.6
Receivables arising from derivative transactions	Hedge Accounting	Level 2	1.2	1.2	0.2	0.2
Non-financial assets	–		19.0	–	37.1	–
			<b>586.1</b>		<b>443.9</b>	
Securities	AFS	Level 1	15.9	15.9	0.8	0.8
<b>Cash and cash equivalents</b>						
Cash on hand and cash at banks	LAR		224.2	224.2	217.6	217.6
			<b>224.2</b>		<b>217.6</b>	
<b>Non-current liabilities</b>						
<b>Non-current loans and borrowings</b>						
Bonds	FLAC	Level 1	686.0	840.0	705.7	836.2
Bank loans	FLAC	Level 2	891.3	987.2	1,041.9	1,165.1
			<b>1,577.2</b>		<b>1,747.7</b>	
<b>Other non-current liabilities</b>						
Leases	FLAC		17.0	17.0	19.8	19.8
Accruals of financial transactions	FLAC		2.2	2.2	2.9	2.9
Other liabilities	FLAC		6.6	6.6	8.1	8.1
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	50.8	50.8	56.9	56.9
			<b>76.7</b>		<b>87.8</b>	
<b>Current liabilities</b>						
<b>Current loans and borrowings</b>						
Trade payables	FLAC		151.7	151.7	194.2	194.2
Other current liabilities	FLAC		483.6	483.6	505.1	505.1
Other financial liabilities	FLAC		288.9	288.9	320.3	320.3
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	10.0	10.0	11.6	11.6
Non-financial liabilities	–		63.0	–	77.0	–
			<b>361.9</b>		<b>408.9</b>	
<b>thereof aggregated to measurement categories</b>						
Available for sale financial assets	AFS		640.8		640.4	
Loans and receivables	LAR		1,036.7		945.6	
Financial assets designated at fair value in profit or loss	@FVTPL		93.2		62.1	
Financial liabilities at amortised cost	FLAC		2,527.2		2,798.2	

The issue of the EUR 121.5m promissory note loans in October 2012 is also reflected in the bank loans. The previous table shows the financial instruments carried at fair value and their classification in the fair value hierarchy according to IFRS 13.

Level 1 input factors are observable parameters such as quoted prices for identical assets or liabilities. These prices are used for valuation purposes without modification.

Level 2 input factors represent other observable parameters which must be adjusted to reflect the specific characteristics of the valuation object. Examples of the parameters used to measure the financial instruments classified under level 2 are forward price curves derived from market prices, exchange rates, interest structure curves and the counterparty credit risk.

Level 3 input factors are non-observable factors which reflect the assumptions that would be used by a market participant to determine an appropriate price.

There were no reclassifications between the various levels during the reporting period.

#### Selected notes to the statements of cash flows

Interest income and interest expense are allocated to current business activities. Interest income amounted to EUR 9.1m (previous year: EUR 11.5m), whereas interest expense was EUR 35.2m (previous year: EUR 24.6m). Furthermore, cash inflows from dividends of EUR 89.5m (previous year: EUR 119.9m) are included in operating cash flow.

#### Information on transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the annual report of 2013/14.

Transactions with investments in equity accounted investees are as follows:

<b>Transactions with investments in equity accounted investees</b>	<b>2014/15</b>	<b>2013/14</b>
EURm	HY. 1	HY. 1
Revenue	139.6	115.1
Cost of materials and services	95.0	89.2
Trade accounts receivable	47.6	43.3 <sup>1)</sup>
Trade accounts payable	24.8	14.0 <sup>1)</sup>

1) Values at 30 September 2014

#### Other obligations and risks

Other obligations and risks decreased by EUR 145.1m to EUR 368.0m compared to 30 September 2014. This change was mainly due to the reduction in scheduled orders for investments in intangible assets and property, plant and equipment as well as the decrease in guarantees for subsidiaries in connection with construction projects in the Environmental Services Segment. This reduction was in contrast to the increase in guarantees for subsidiaries in connection with energy transactions as well as the increase in guarantees in connection with the construction and operation of power plants.

Contingent liabilities related to guarantees for energy transactions are recognised on the basis of the guarantees issued by e&t Energie Handelsgesellschaft mbH and EconGas GmbH at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase. Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 53.2m as of 31 March 2015. The nominal volume of the guarantees underlying this assessment was EUR 348.5m.

#### Events after the balance sheet date

The following events of material importance took place between the quarterly balance sheet date of 31 March 2015, and the editorial deadline of the consolidated interim report on 22 May 2015:

The 68<sup>th</sup> Ordinary General Meeting of Verbund AG held on 22 April 2015 resolved to distribute a dividend of EUR 0.29 per share (previous year: EUR 1.00 per share) for the 2014 financial year. The dividend was already recognised in the current reporting period in terms of the valuation of the shareholding and in the financial results.

In April 2015, the rating agency Standard & Poor's confirmed EVN's BBB+ long-term, investment grade rating and the "stable" outlook.

## Statement by the Executive Board

pursuant to § 87 (1) Z 3 Austrian Stock Exchange Act

The Executive Board of EVN AG certifies, to the best of its knowledge, that these condensed interim financial statements which were prepared in accordance with the decisive reporting standards present a true and fair view of the assets, liabilities, financial position and profit or loss of the EVN Group with

regard to important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, with regard to the principal risks and uncertainties for the remaining six months of the financial year and to transactions with related companies and individuals to be disclosed.

Maria Enzersdorf, 22 May 2015

EVN AG  
The Executive Board

A stylized, somewhat abstract signature in black ink, appearing to be the name Peter Layr.

**Peter Layr**  
Spokesman of the Executive Board

A handwritten signature in black ink, appearing to be the name Stefan Szyszkowitz.

**Stefan Szyszkowitz**  
Member of the Executive Board

# The EVN share

## Highlights

- Expansive monetary policy by the European Central Bank
- Positive development of international stock markets
- Negative development of the industry index DJ Euro Stoxx Utilities

## Market environment and performance

The differences between economic development in Europe and the USA remained unchanged during the first six months of 2014/15. These contrasting trends were also reflected in the central bank policies of the two economic regions. While the US Federal Reserve (Fed) started to discuss plans for future interest rate increases, the European Central Bank (ECB) launched a major government bond purchase programme in March. The negative effects of the various geopolitical risks surrounding the conflicts in Ukraine and the Near East also continued.

The international stock markets remained on an upturn during the reporting period and, in part, reached new highs. This was true especially for the German benchmark index DAX, which – driven by the ECB's expansive monetary policy – expanded its positive development, above all since January 2015, with an increase of 26.3% since October 2014. The US Dow Jones benchmark index recorded a plus of only 4.3% during this same period. Vienna's benchmark index ATX was also positive during the first half of 2014/15 with an increase of 13.9%.

In a market environment that was still difficult for utility companies – the Euro Stoxx Utilities, the relevant industry index for EVN, fell by 1.3% during this period – the EVN share rose by 3.4% year-on-year. The EVN share closed at EUR 10.47 on 31 March 2015, which reflects a market capitalisation of EUR 1.88bn. The average daily turnover in EVN shares declined year-on-year to 37,721 (single counting), which represents an annual trading volume of EUR 46.8m (single counting) for EVN shares and 0.35% of the total trading volume on the Vienna Stock Exchange. EVN was weighted at 0.88% in the ATX Prime at the end of March 2015.

## Share buyback programme

The 85<sup>th</sup> Annual General Meeting on 16 January 2014 authorised the Executive Board of EVN AG to repurchase the company's shares for the purpose of distribution to employees of the company or its subsidiaries. This authorisation covers the repurchase of up to 10% of the share capital of EVN AG during a period of 30 months. At the same time, the resolution of the Annual General Meeting on 19 January 2012 authorising a share buyback by EVN AG was terminated prematurely on 16 January 2014. This resolution had resulted in the repurchase of 1,640,030 EVN AG shares over the Vienna Stock Exchange between 6 June 2012 and 15 January 2014, which represent 0.91% of share capital. Based on the authorisation of the 85<sup>th</sup> Annual General Meeting, the Executive Board approved a share buyback programme on 16 January 2014 which has a term ending on 30 September 2014; this programme was extended from 30 September 2014 to 30 June 2015 based on a resolution by the Executive Board. A total of 175,000 shares were repurchased from 16 January 2014 to 31 March 2015, which

## The EVN share price – relative development





		<b>2014/15</b>	<b>2013/14</b>
		<b>HY. 1</b>	<b>HY. 1</b>
<b>EVN share – performance</b>			
Share price at 31 March	EUR	10.47	10.22
Highest price	EUR	10.56	12.50
Lowest price	EUR	9.50	10.01
Value of shares traded <sup>1)</sup>	EURm	46.79	79.01
Average daily turnover <sup>1)</sup>	Shares	37,721	57,778
Share of total turnover <sup>1)</sup>	%	0.35	0.66
Market capitalisation at 31 March	EURm	1,883	1,838
ATX weighting at 31 March	%	0.88	0.76
WBI (Vienna Stock Exchange) weighting at 31 March	%	2.12	2.12

1) Vienna Stock Exchange, single counting

represent 0.1% of share capital. EVN AG held 1,997,492 treasury shares as of 31 March 2015, including the shares repurchased in earlier years, which represent approximately 1.1% of share capital.

#### **Strategy for the use of financial resources and dividends**

EVN's strategy for the use of its financial resources includes establishing a balance between current investment projects and attractive dividends for shareholders. A proposal was made to the 86<sup>th</sup> Annual General Meeting on 15 January 2015 to approve the distribution of a dividend of EUR 0.42 per share, or EUR 74.7m in total, to shareholders for the 2013/14 financial year. This proposal was accepted and the dividend was approved. The ex-dividend day was 22 January 2015, and payment was made to shareholders on 28 January 2015.

#### **Shareholder structure**

EVN is a listed stock corporation under Austrian law whose shares are traded in the Prime Market segment of the Vienna Stock Exchange. In accordance with Austrian federal and provincial constitutional law, 51.0% of the shares are held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten. On 20 December 2013 EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, transferred its 32.5% holding in EVN to EnBW Trust e.V., a registered association whose headquarters are located at Durlacher Allee 93, 76131 Karlsruhe. EnBW Trust e.V. is recorded in the register of associations at the district court in Mannheim under VR 3737 (EnBW Trust). These shares are held by EnBW in trust for EnBW Energie Baden-Württemberg AG within the framework of a so-called contractual trust arrangement model. The registered headquarters of EnBW Energie Baden-Württemberg AG are located at Durlacher Allee 93, 76131 Karlsruhe, and the company is recorded in the commercial register of the district court in Mannheim under HRB 107956 (EnBW). As of 31 March 2015 EVN AG held treasury shares representing 1.1% of share capital, free float equalled 15.4%.

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## Online Letter to Shareholders

[www.financialreport.evn.at/?report=EN2015-Q2](http://www.financialreport.evn.at/?report=EN2015-Q2)

## Information on the internet

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

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## Financial calendar<sup>1)</sup>

Results Q. 1–3 2014/15	27.08.2015
Annual results 2014/15	10.12.2015

1) Preliminary

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## EVN share – Basic information

Share capital	EUR 330,000,000.00
Denomination	179,878,402 shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); EVN (Dow Jones); EVNVY (ADR)
Listing	Vienna
ADR programme; depository	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Sustainability index	VÖNIX, FTSE4Good, Ethibel, ECPI
Ratings	A3, negativ (Moody's); BBB+, stable (Standard & Poor's)

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