
Close to the customer.
secure/
comfortable/
efficient/

Photographer

Daniel Gebhart de Koekkoek took the photos in the 2012/13 Full Report.

The Tyrolean-born Daniel Gebhart de Koekkoek has worked as a photographer since 2006 and is one of Austria's best known photo artists. His regular assignments include work for international magazines and newspapers such as Vanity Fair, Monokel, The Financial Times, ZEITmagazin, SZMagazin and FAZ as well as companies like Apple, Mercedes-Benz and IBM. His work has been shown at galleries in Austria, Germany, Switzerland, Taiwan, Great Britain, Ireland and the USA. His first photo book "The World We Live In" was published in 2013 by Kehrer, Heidelberg. For this full report, Daniel Gebhart de Koekkoek photographed ten subjects.

Key figures

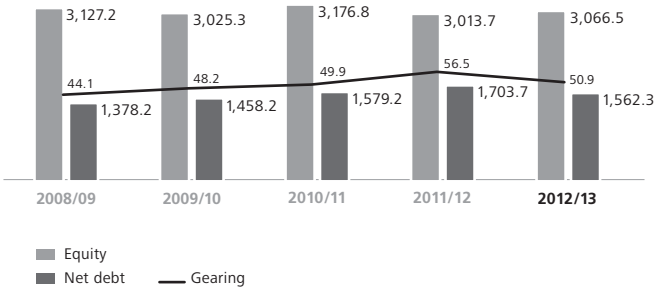
		2012/13	2011/12	Change in %	2010/11	2009/10	2008/09
Sales volumes							
Electricity generation volumes	GWh	3,701	3,284	12.7	3,332	3,653	3,477
thereof renewable energy sources	GWh	1,954	1,503	27.2	1,181	1,300	1,267
Electricity sales volumes to end customers	GWh	20,209	21,241	–4.9	20,403	20,101	19,541
Natural gas sales volumes to end customers	GWh	6,333	6,166	2.7	6,475	6,738	6,102
Heat sales volumes to end customers	GWh	2,062	1,951	5.7	1,911	1,821	1,576
Consolidated income statement							
Revenue	EURm	2,755.0	2,846.5	–3.2	2,729.2	2,752.1	2,727.0
EBITDA[1]	EURm	457.6	474.5	–3.6	474.9	416.6	373.4
EBITDA margin[1][2]	%	16.6	16.7	–0.1	17.4	15.1	13.7
Results from operating activities (EBIT)[1]	EURm	218.5	223.2	–2.1	222.2	187.3	175.2
EBIT margin[1][2]	%	7.9	7.8	0.1	8.1	6.8	6.4
Profit before income tax	EURm	180.3	259.7	–30.6	263.9	270.9	226.0
Group net profit	EURm	114.7	194.9	–41.2	192.3	207.0	177.9
Consolidated balance sheet							
Balance sheet total	EURm	7,102.1	6,863.2	3.5	6,870.4	6,731.2	6,695.4
Equity	EURm	3,066.5	3,013.7	1.8	3,165.8	3,025.3	3,127.2
Equity ratio[2]	%	43.2	43.9	–0.7	46.1	44.9	46.7
Net debt	EURm	1,562.3	1,703.7	–8.3	1,579.2	1,458.2	1,378.2
Gearing[2]	%	50.9	56.5	–5.6	49.9	48.2	44.1
Return on Equity (ROE)[2]	%	5.2	7.6	–2.4	7.6	7.4	6.3
Consolidated cash flow and investments							
Net cash flow from operating activities	EURm	561.7	461.0	21.8	522.0	499.3	335.3
Investments[3]	EURm	328.4	308.3	6.5	415.7	394.0	415.7
Net Debt Coverage (FFO)[2]	%	44.2	34.8	9.4	38.0	39.0	30.6
Interest Cover (FFO)	x	8.2	6.8	20.8	7.6	8.2	4.9
Value added							
Net operating profit after tax (NOPAT)	EURm	258.5	318.8	–18.9	331.4	254.5	234.9
Capital Employed[4]	EURm	4,748.5	4,647.0	2.2	4,395.4	3,952.4	3,493.8
Return on Capital Employed (ROCE)[2]	%	4.3	5.8	–1.5	5.7	5.6	5.4
Operating ROCE[2]	%	5.4	6.9	–1.4	7.5	6.4	6.7
Weighted Average Cost of Capital (WACC)[2]	%	6.5	6.5	–	6.5	6.5	6.5
Economic Value Added (EVA®)[5]	EURm	–50.1	16.7	–	45.7	–2.4	7.8
Share							
Earnings	EUR	0.64	1.09	–40.8	1.08	1.27	1.09
Dividend	EUR	0.42[6]	0.42	–	0.41	0.40	0.37
Payout ratio[2]	%	65.3	38.7	26.7	38.0	34.7	33.9
Dividend yield[2]	%	3.7	3.9	–0.2	3.8	3.5	2.7
Share performance							
Share price at 30 September	EUR	11.29	10.84	4.2	10.82	11.45	13.68
Highest price	EUR	12.66	11.07	14.4	13.76	13.75	16.00
Lowest price	EUR	9.42	9.17	2.7	9.92	10.61	10.11
Market capitalisation at 30 September	EURm	2,031.0	1,949.0	4.2	1,945.0	1,872.0	2,237.0
Credit rating							
Moody's		A3, stable	A3, stable	–	A3, stable	A3, stable	A2, negative
Standard & Poor's		BBB+, stable	BBB+, stable	–	A–, negative	A–, negative	A–, negative

1) The figure for the prior year was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, on page 108)
2) Changes reported in percentage points
3) In intangible assets and property, plant and equipment
4) Average adjusted Capital Employed
5) As defined by Stern Stewart & Co.
6) Proposal to the Annual General Meeting

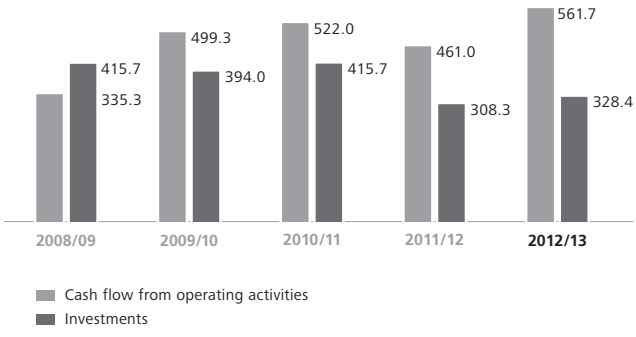
		2012/13	2011/12	2010/11
Employees				
Number of employees	Ø	7,497	7,594	8,250
thereof Austria	Ø	2,489	2,428	2,578
thereof abroad	Ø	5,008	5,166	5,672
Employee fluctuation	%	3.2	3.2	3.0
Proportion of women	%	21.9	21.6	22.8
Training hours per employee	hrs.	31.3	26.9	22.1
Number of occupational accidents		121	86	113
Environment				
Quantity of CO_2 emission	1,000 t	1,465	1,424	1,736
Specific NO_x emission	kg/MWh	0.293	0.285	0.283
Hazardous waste[1)]	t	9,266	10,429	9,396
Water consumption (drinking and process water)	m³	2,040,939	1,571,833	1,682,836

1) Without building residues and power station by-products

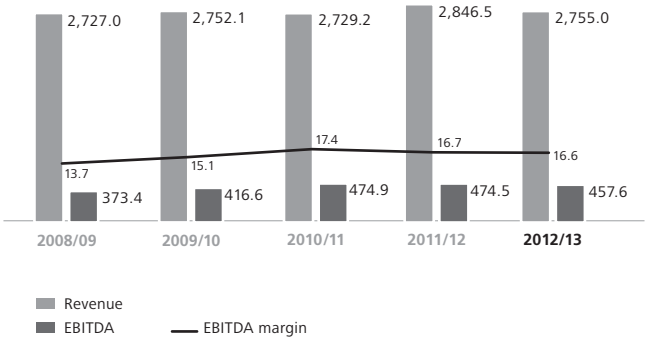
Equity, Net debt in EURm, Gearing in %



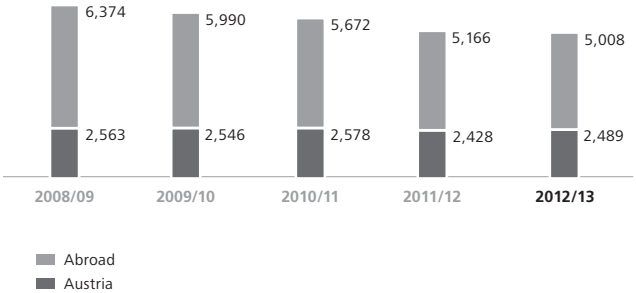
Cash flow and investments in EURm



Revenue, EBITDA in EURm, EBITDA margin in %



Employees by region



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Walter Grill in the fisherman's paradise on the Ybbs.

The Gegenbauer family at the Zwentendorf photovoltaic power plant.

Ulf Seifert: clean water for the Berndl Pool.

Close to the customer

For EVN, the needs and aspirations of its customers always have top priority. Accompany us on a visit to ten projects that show how customer closeness and economic success go hand in hand – for both sides.

→ **04** SUPPLY SECURITY — With high-tech helicopters, EVN makes sure the electricity network remains trouble-free.

→ **06** RENEWABLE ENERGIES — Fisherman Walter Grill appreciates the fishing grounds around the hydropower station Schütt.

→ **08** RENOVATION SERVICE — Higher quality of life for Katharina Göbl thanks to EVN's renovation service.

→ **10** ENERGY POVERTY — When energy costs threaten a family's existence, energy counselling can help.

→ **12** EVN IN CROATIA — The Tvornica Kruha commercial bakery in Zadar now relies on natural gas.

→ **14** EVN IN LITHUANIA — More environmental protection, greater efficiency: the sludge treatment plant in Vilnius.

→ **16** EVN IN BULGARIA — Electricity for the small mountain village of Plochnik.

→ **18** EVN IN MACEDONIA — For Johnson Matthey, stable energy supplies are a decisive success factor.

→ **20** PHOTOVOLTAICS — The Gegenbauer family invests in photovoltaic energy through a public participation model.

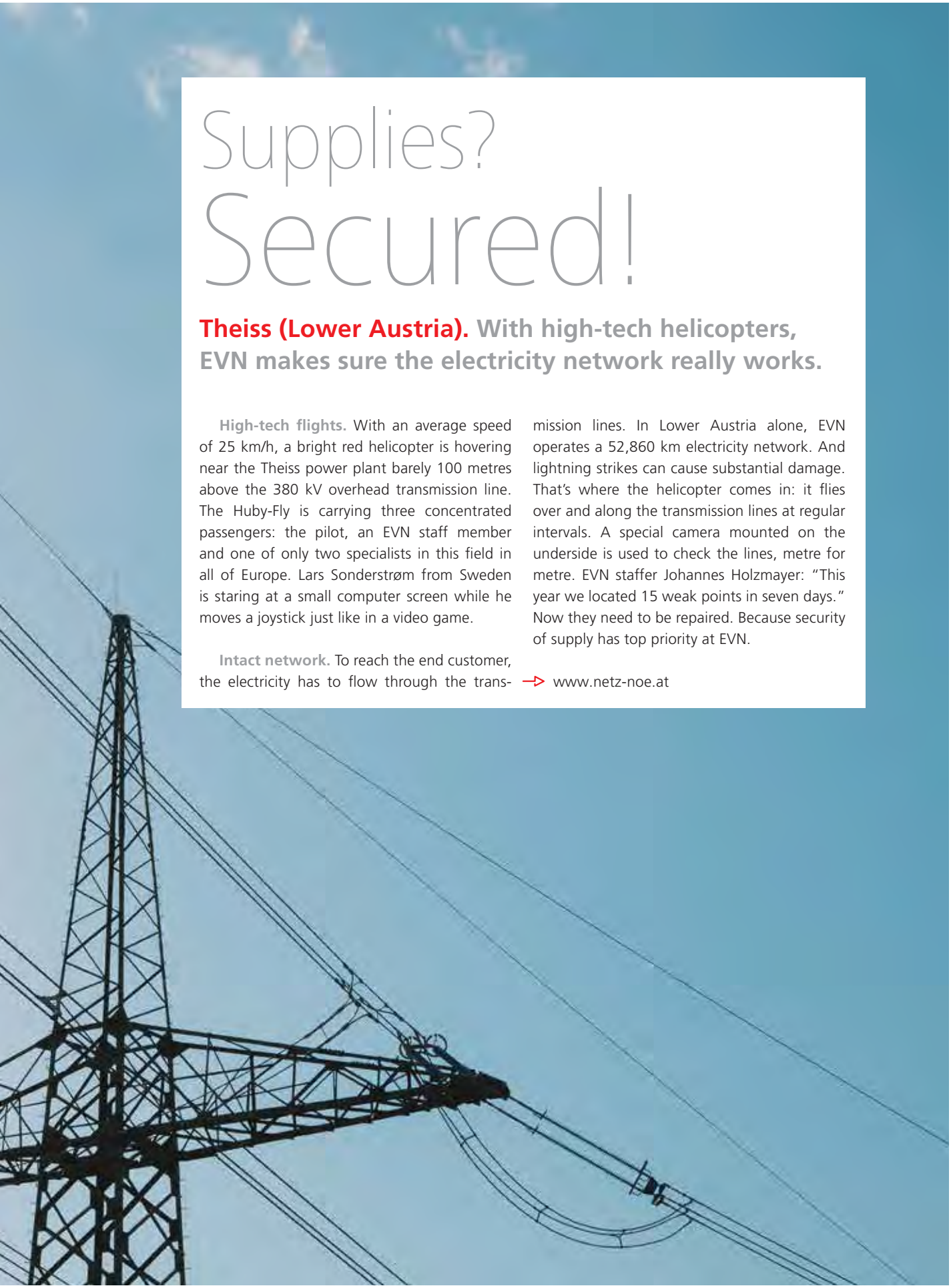
→ **22** EVN WASSER — Clean water for the new Florian Berndl Pool in Korneuburg/Bisamberg.

Helicopter testing of electricity lines.

Luisa Göbl.

Jonas Klebonas from Vilniaus vandenys.

The Tvornica Kruha bakery in Croatia.



Supplies? Secured!

Theiss (Lower Austria). With high-tech helicopters, EVN makes sure the electricity network really works.

High-tech flights. With an average speed of 25 km/h, a bright red helicopter is hovering near the Theiss power plant barely 100 metres above the 380 kV overhead transmission line. The Huby-Fly is carrying three concentrated passengers: the pilot, an EVN staff member and one of only two specialists in this field in all of Europe. Lars Sonderstrøm from Sweden is staring at a small computer screen while he moves a joystick just like in a video game.

Intact network. To reach the end customer, the electricity has to flow through the transmission lines. In Lower Austria alone, EVN operates a 52,860 km electricity network. And lightning strikes can cause substantial damage. That's where the helicopter comes in: it flies over and along the transmission lines at regular intervals. A special camera mounted on the underside is used to check the lines, metre for metre. EVN staffer Johannes Holzmayer: "This year we located 15 weak points in seven days." Now they need to be repaired. Because security of supply has top priority at EVN.

→ www.netz-noe.at

The power and tranquillity of water

Waidhofen/Ybbs (Lower Austria). A treasure for fly fishermen at the Schütt hydropower station.

Idyllic nature. Walter Grill, a free-lance consultant from Waidhofen, is up to his knees in one of the most beautiful sections of the Ybbs River, slightly downstream from his hometown. He casts his fishing rod with the hand-made bait rhythmically in a high arch over the water. After only a few minutes, he reels in a rainbow trout. "A great fish," says Walter smiling – and tosses the trout back into the water. To enjoy its freedom. "I don't eat fish. In fact, I let them all go." For Walter, fly fishing is meditation and not a way to organise that night's dinner.

Partnership. In 2011, EVN opened a hydropower station in Schütt – after an investment of roughly nine million Euros – to replace a 107-year-old facility. With a capacity of 1,980 kW, it generates energy for nearly 2,700 households. And it's environmentally friendly, of course. As if he wanted to prove that, Grill raves about the biodiversity along the 6.6 kilometre fishing section that is co-managed by EVN's Christoph Friesenegger: Here you can find brook and rainbow trout, grayling and bullhead. And there are even shrimp in the tributary. "Naturally, there was resistance among residents when the power plant project was announced," Walter explains. But: "In this neighbourhood, we discuss things and solve our problems together." He is really proud of his community. The young people don't leave and there are enough jobs – and natural jewels just like the Ybbs.

→ www.evn.at/hydropower

Finally: nice and warm!

Markt Piesting (Lower Austria). **Thanks to expert advice from EVN's renovation service, Katharina Göbl and her two children can really enjoy their idyllic rural life.**

Frosty rooms in spite of heat. Coming home. Playing with the children. Having a coffee and relaxing with a good book. In short: just enjoying life. That is what Katharina Göbl planned when she moved from the city to a small house on the edge of the woods in 2009, a house where her great-grandparents once lived. But the idyllic atmosphere she imagined didn't work out. This solid brick/wood frame structure that was built in 1951 proved to be as draughty as a barn in the cold season. The wind whistled through the old casement windows, and the bedrooms on the first floor just wouldn't warm up – regardless of how high she turned up the heat. "I quickly decided that the house had to be renovated," explained this musician and mother of two. But: "I had an uneasy feeling after my contacts with construction companies. I'm not a renovation expert. All I wanted was honest and competent advice."

Nice to be home. Katharina found EVN's renovation service more by chance. Andreas Kogler, a renovation specialist, came, took a close look at the house, helped with the planning, obtained several cost estimates and accompanied the entire process. Katharina: "In total, I spent 130,000 Euros on this project." And did it pay off? Katharina: "The rooms are nice and cosy warm in the winter, my children can also play inside during the cold weather. The renovation really improved quality of life for all of us." And, as if he wanted to prove that, son Felix raced through the house with his toy cars. And daughter Luisa is snuggling on the sofa in a T-shirt. Yes, that's just the way Katharina Göbl imagined life in the country.

→ www.evn.at/renovation-service

Helping people to help themselves

Gmünd (Lower Austria). When energy costs threaten a family's existence, energy counselling can provide substantial relief.

Poverty trap. Sometimes life can be cruel. In situations like this, it's important to have friends. Or at least people who don't turn away when someone is in need. Roswitha Budin hasn't had an easy time in recent years. Her partner and the father of her two children, Pascal and Celina, died seven years ago. There was no safety net: no family, few friends. Only Roswitha's determination to give her children a good home: "There were times when we only had two Euros a day to live on." And every day the same agonising questions: What can I cook? How can I pay the rent? But still the same willpower: I can make it. For myself and my children.

Advice and help. And then the electricity and gas bill arrived: desperation. Roswitha turned to the Caritas Catholic charity organisation for help. And to their staff member Martina Floh, who was trained by EVN as an energy advisor. She explained all the possible energy saving opportunities – from the right ventilation and the best way to save energy on hot water to regular venting of the radiators. Specific support was also provided in the form of LED lamps, and Caritas took over some of the monthly energy payments. Budin: "My electricity and gas bills are now much lower." Roswitha Budin must still plan every trip to the supermarket and keep the room temperature moderate during the winter – and hope none of the appliances break down. But she knows: she can also make it in the future.

→ www.evn.at/tips-to-save-energy

Sweet success

Zadar (Croatia). Tvornica Kruha, the largest bakery in Dalmatia, has switched over from heavy fuel oil to natural gas.

The largest bakery in Dalmatia. Anđela Bajlo, one of the managers of the Tvornica Kruha commercial bakery in Zadar, is visibly proud of the new production facility that opened several months ago on the outskirts of this harbour city: "We visited the new facilities built by a number of large bakeries – especially in Austria. And we learned a lot. I think I can say we now have a similar standard."

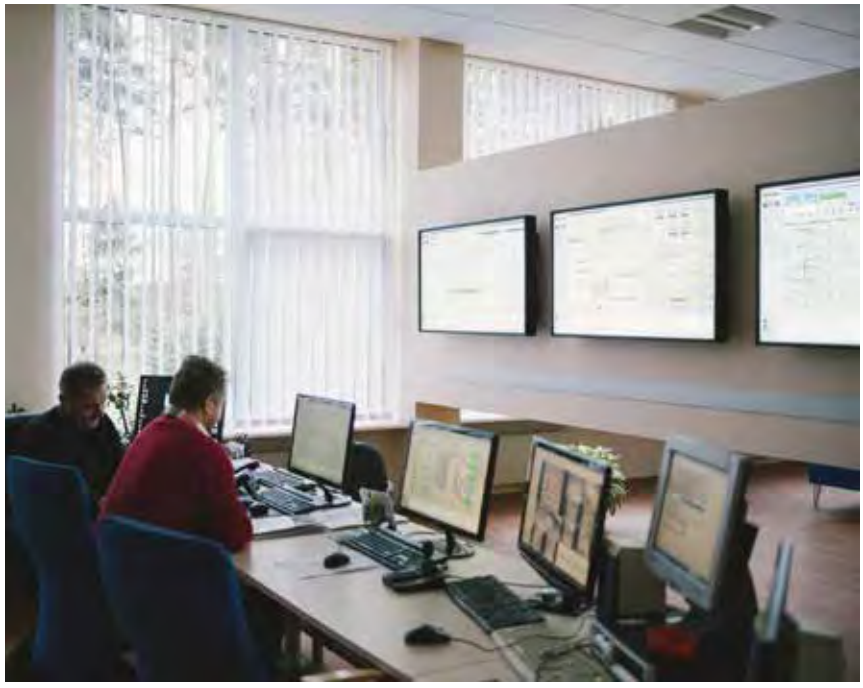
Natural gas instead of heavy fuel oil. The new production facilities are state-of-the-art and flooded with light. Everything reflects the latest technological standards. Also the energy supplies. Production manager Zdenko Jukić: "All our ovens are now operated with natural gas. We didn't believe we could save this much in fuel costs. The first figures show that we are now paying 50 per cent less for energy." For example, we eliminated the enormous storage costs connected with heavy fuel oil. "And, so far, we haven't had a single interruption in our natural gas supplies." The fact that the conversion to natural gas is also good for the environment is another chapter in this success story.

→ www.evn.hr

Quality of life for Vilnius

Vilnius (Lithuania). Residents of the Lithuanian capital can now breathe easier thanks to a high-tech sludge treatment plant.

Jonas Klebonas (left)
Control center of the sludge treatment plant (below)



Lots of problems, one solution. Jonas Klebonas, chief engineer at Vilniaus vandenys, the municipal water supply and wastewater treatment company in the Lithuanian capital, stands on a roughly 20-metre high digestion tower at "his" sludge treatment plant. "Do you see the hills in back of our property?" he asks. "Vilnius is right behind them. You can't imagine how many problems we had with the neighbours." No, we really can't. What kinds of problems are we talking about? The chief engineer: "Our plant purifies the wastewater for the entire city, in other words, for roughly 600,000 residents. The waste product, the sludge, smelt terrible. And that unpleasant smell spread beyond the hills all the way to Vilnius."

Sludge turns into fertilizer – and energy. That offensive smell is now a thing of the past. To be more precise: it stopped being an issue on 6 July 2012. On that day, the sludge treatment plant built by EVN's subsidiary WTE started operations. For non-technicians, the complexity of this 60 million Euro project, which processes 62 tonnes of sludge every day, isn't easy to understand: The sewage sludge from the wastewater purification process is pre-thickened with high-performance decanters and pumped to the thermal hydrolysis aggregate. Then it is transferred to digestion towers – where biogas is produced and used for energy generation – and the sludge is finally dehydrated. Sounds complicated. And it actually is. This is real high-tech at work. Jonas is enthusiastic about the results: "At the end of this process, the sludge has been reduced to roughly one-tenth of its original volume. And is perfectly hygienic. We can use it as agricultural fertilizer without thinking twice." He now points once more toward Vilnius: "And above all: there is no more offensive smell."

→ www.evn-umwelt.at

Lifeline electricity

Plochnik (Bulgaria). **In the midst of the Bulgarian Rhodopen Mountains, EVN connected a small village to the electricity network. To the delight of all its residents.**

Electricity means quality of life for Dimitriyka Ilieva. Like all the other residents she has to go at least five kilometres to the next grocery store to shop for her daily needs.

Hospitality. "We're always happy to welcome guests." A handful of residents assembled at the small square in the Bulgarian mountain village of Plochnik. Dimitriyka Ilieva brought her delicious home-made yeast bread. Every visitor received a piece of the warm flat loaf, which was covered with spices. This small town, which is located 1,150 metres above sea level in the Rhodopen Mountains, can be described as a miniature paradise. If paradise doesn't have a supermarket. Or a movie theatre. Or a restaurant. And not even paved roads. Because this paradise in the Bulgarian mountains is different: simple houses, small gardens with some fruit trees, colourful flowers that are defying the first snowflakes and the cool autumn wind. But above all: genuine, heartfelt hospitality.

Happiness and praise. The trip to Plochnik was a real adventure. The last five kilometres were covered in a jeep (at walking speed) over a forest path. "It's too bad EVN doesn't build roads. Then we would have one," joked Vasil Vasilev, who invited us into his small home. Here everyone is happy with EVN. Vasilev: "When EVN connected us to the electricity network four years ago – as the last village in the Plovdiv region – it was a holiday." Dimitriyka adds: "I couldn't bake bread like this before – without electricity. Thanks to EVN, there has been a huge improvement in the quality of life." This investment of nearly 350,000 Euros needs to be celebrated. With a glass of Mastika. And a big smile.

→ www.evn.bg

Catalysts for Europe

Skopje (Macedonia). **Johnson Matthey's catalyst plant in Macedonia is one of the company's most successful. Also because of its smooth and stable energy supply.**

Jatin Thakrar manages the Johnson Matthey catalyst plant in Macedonia.

A picture-book success story. Jatin Thakrar is a very busy man. This managing director of the British catalyst producer Johnson Matthey on the outskirts of the Macedonian capital Skopje has set up a plant in only two years that already ranks among the best in this international group. Five million catalysts are exported throughout the European Union every year. "There is hardly a vehicle make or model that doesn't include our products," explained this manager with Indian roots who was born in Uganda and grew up in Great Britain.

Stable electricity supplies. This plant, which has 450 employees, is closely monitored. The work involves valuable materials like platinum as well as sensitive know-how. But what good does all this do if the energy-intensive production process doesn't run smoothly? "Of course, that's right", commented Jatin Thakrar. His opinion of EVN, which has been a partner of Johnson Matthey in Macedonia from the very beginning: "The electricity supply functioned very efficiently from day one. And if there are any problems or questions, the people at EVN are always ready to help." In other words, Jatin Thakrar doesn't need to worry about stable energy supplies. He can turn his attention to further expanding this successful business in Macedonia. Three days after our visit, he opened a newly built, EUR 60m production hall. And the 200 new employees can also rely on energy supplies from EVN.

→ www.evn.mk

Thank you, sun!

Zwentendorf (Lower Austria).

Active climate protection and sound returns: public participation models make both possible. And are in step with the times.

Active environmental protection. The Gegenbauer family travelled from their home in the northern Waldviertel district to proudly show us "their" photovoltaic panels, which were financed through a public participation model and are now operating on the grounds of Zwentendorf, an atomic power plant that never started operations. "A place full of history," commented Robert in allusion to the legendary referendum in 1978 that prevented the start-up of the nuclear reactor. His daughter Nadja, 14, explains that she has already made a presentation on the subject of atomic energy in school. Unusual, no? "Not at all!" smiled Robert Gegenbauer. "We're a family with a strong interest in energy issues, environmental protection and sustainability." Perhaps that's because they live in a particularly beautiful part of Lower Austria. Or – as Renate Gegenbauer added – when you have children, "subjects related to the future play a more important role." In line with this philosophy, the Gegenbauers have also installed photovoltaic equipment at their own home near Waidhofen/Thaya.

The family as part of the energy turnaround. In 2012, the Gegenbauers purchased ten modules at Zwentendorf for roughly 3,000 Euros. Robert Gegenbauer: "Through this investment, we want to make an active contribution to climate protection." And based on the current low level of interest rates, a return of slightly more than three per cent is also not bad. He continued: "As an investor, a professional company like EVN offers me substantial security." Yes, the Gegenbauers are happy with their investment. Or as Renate said before they left: "You can't just talk. You also have to act."

→ www.evn.at/photovoltaics
→ www.evn.at/public-participation-model

More than enough water for everyone!

Bisamberg/Korneuburg (Lower Austria). **Thanks to water from Tulln, a trip to the Florian Berndl Pool is loads of fun.**

A pool without water? The Florian Berndl Pool, which is operated jointly by the communities of Bisamberg and Korneuburg, has undergone a nine million Euro overhaul during the past three years. The bad news arrived only a few months before the reopening in early summer 2013: the well that previously supplied this popular attraction with ground water no longer met hygiene standards. What next? Berndl Pool managing director Ulf Seifert: "EVN was our first contact." Since a pool needs enormous quantities of water at peak times – and this pool has up to 5,000 visitors a day during a hot summer – this was no easy job. Seifert: "We have to expect water consumption of up to 300,000 litres. Every single day." But EVN took up the challenge.

A balance between regions. The Berndl Pool was connected to the transport pipeline from Tulln, and the water now comes directly from the high-quality well fields in Palt near Göttweig and Mollersdorf near Tulln. Crystal clear and perfectly clean. With peak volumes of up to 12 litres per second. Seifert, relieved: "Everything is working smoothly." A fact that is not only appreciated by the schoolchildren doing their lengths …

→ www.evn.at/water

Statement by the Executive Board

Dear Ladies and Gentlemen,

The 2012/13 financial year brought a wide range of challenges for EVN. On the one hand, the effects of the financial crisis continued to influence the economic environment in Europe. The related developments had a particularly severe impact on the so-called peripheral countries, which were faced with high unemployment and recession. This situation was intensified by political uncertainty, above all in Eastern and South Eastern Europe. On the other hand, factors such as the high feed-in of renewable energy from windpower and photovoltaic equipment led to distortions on the energy markets and to price declines on the electricity exchanges.

In this challenging environment, EVN again demonstrated its high sense of responsibility toward its customers. We see ourselves as a quality provider who places top priority on supply security and can offer a full range of services from a single hand. We deliver energy in the form of electricity, natural gas and heat, we distribute clean drinking water to our customers and are also active in the provision of cable TV and telecommunication services. Our activities as a project developer and operator in the environmental business make an important contribution to improving supply and environmental standards in many European countries.

Parallel to this customer orientation, which we would like to demonstrate with numerous examples in this report, EVN also has a responsibility to protect its economic success. The 2012/13 financial year was significantly influenced by the above-mentioned external factors. Revenue declined by 3.2% to EUR 2,755.0m. EBITDA fell by 3.6% to EUR 457.6m, and EBIT was 2.1% lower at EUR 218.5m. A sharp drop in financial results reduced Group net profit by 41.2% year-on-year to EUR 114.7m.

Several factors were responsible for the EUR 74.6m reduction in financial results to EUR –38.1m. The negative spread between natural gas procurement and sales prices and offtake commitments of EconGas resulted in a negative contribution of EUR 19.7m for EVN. WEEV Beteiligungs GmbH, which holds the Verbund shares purchased during 2010 in connection with the capital increase, recorded an impairment loss of EUR 29.6m on the market valuation of these shares. The sale of the 50% stake in Devoll Hydropower ShA to the previous partner Statkraft A.S. had a negative effect of EUR 27.6m on earnings. However, the decision to sell this investment also eliminates future capital contributions to finance the project and will therefore have a positive influence on EVN's cash flows in the coming years. Shkodra Region Beteiligungsholding GmbH, which holds the investment in the Ashta hydropower plant in Albania, recorded a negative earnings contribution of EUR 20.4m that was also reflected in financial results.

In addition to addressing the operating challenges brought on by the 2012/13 financial year, we continued to pursue the implementation of our strategy to consolidate the existing areas of business. This strategy is based on an integrated business model that allows us to cover the entire energy sector value chain – from production to network operations, the delivery of energy to end customers and energy services. The resulting depth in added value also expands our range of earnings sources and leads to the diversification of risk, and is rounded off by our environmental services business and strategic investments.

Our efforts to meet the demands created by decentralised generation from renewable energy sources involve investments in the expansion and improvement of our networks. Our strategic focus in this area also includes the further development of renewable energies. We see interesting

opportunities for such projects in Lower Austria, which we want to realise in correspondence with our sustainable business model and by involving local residents in the site decisions. In the environmental services business, we aim to implement selected projects at suitable locations and thereby protect our sectoral diversification.

Discussions at the European level are now turning toward the market design. In autumn 2013, nine major European utility providers presented the European Parliament with a catalogue of measures to ensure supply security, reduce greenhouse gas emissions by 2030 and limit the rise in energy prices. They also called for the development of long-term concepts of subsidy schemes for renewable energy. We welcome this initiative and, due to the on-going distortions in the energy markets, see an urgent need for a structural change in the market design.

The current situation in the energy markets has raised a number of challenges, but also created opportunities. Over the next three winter half-years, EVN will provide 785 MW of reserve capacity each year through its natural gas plants for southern Germany and deliver electricity as required. Supply security will also be strengthened by the start-up of the Duisburg-Walsum coal-fired power plant. Commissioning at this facility proceeded during 2012/13 and has since entered the test phase, which will end with the transition to commercial operations.

The expansion of windpower represented another focal point of our activities during the past year. At a site near Deutsch-Wagram, EVN started operations with its 100th wind turbine. Eight wind turbines with a total capacity of 24 MW are also under construction in Prellenkirchen together

with a partner and are scheduled to come on line during the winter season in 2013/14. EVN will then have a total of 14 wind parks with a combined capacity of 213 MW in operation, which can supply more than 100,000 households with environmentally friendly electricity.

In the field of photovoltaics, we introduced a public participation model for our customers in Zwentendorf during 2011/12. The high demand for this investment led to a second public participation model, which is currently being realised in Lower Austria.

Our activities in the natural gas network include the protection of supply security through two major projects to eliminate capacity bottlenecks and replace existing pipeline systems. The Südschiene natural gas high-pressure pipeline has been in operation since autumn 2011. The 150 km Westschiene pipeline is now operational over a length of 60 km; 70 km are currently being filled with natural gas and the remaining section is under construction. The Westschiene connects natural gas-fired power plants and end customer markets with the natural gas storage facility recently built by Rohölaufsuchungs AG in Upper Austria.

Projects in the heating business included the start-up of the biomass district heating plant in Steyr, which was constructed together with Energie AG Oberösterreich. This plant can supply electricity and heat to 12,000 households. With over 60 biomass plants, EVN is the largest supplier of natural heat in Austria.

In South Eastern Europe, the price increases in 2012 were followed by tariff decisions by the regulatory authorities that reduced the end customer prices for electricity in Macedonia and Bulgaria without a corresponding adjustment to procurement prices. The Bulgarian regulatory authority also introduced a new mechanism to calculate compensation for the added costs of renewable electricity as of 1 August 2013, but this change is not expected to result in additional interim financing costs for EVN. EVN's preceding claims were recognised as receivables following a confirmation by the regulatory authority that EVN should generally be compensated for the uncovered costs. These claims are also being pursued in arbitration proceedings initiated with the International Centre for the Settlement of Investment Disputes, an institution created by the World Bank. We raised our coverage ratio in Macedonia during the reporting year by taking over the operation of seven revitalised small hydropower plants, which were leased to third parties up to January 2013. EVN now operates 11 small hydropower plants with a total capacity of 48 MW and a planned electricity generation volume of 130 GWh per year in Macedonia.

EVN's environmental services business and its consortium partners opened one of Europe's largest wastewater purification plants in Warsaw during the reporting year. This facility has the capacity to service 2.1 million residents. EVN is currently working on international projects with an order volume of EUR 542.1m. The realisation of the environmental projects in Moscow has been delayed, and negotiations are currently in progress with the city of Moscow over the amendment of the project structure for the sodium hypochlorite plant and the waste incineration plant no. 1. EVN assumes these investment contracts will be fulfilled.

The activities of the Environmental Services Segment also cover water supplies in Lower Austria, which are a particularly important focus of our work. In 2012/13, we took over the management and operation of drinking water pipeline networks for further municipalities. EVN now supplies drinking water, directly and indirectly, to over 500,000 customers in Lower Austria. Our efforts in this area concentrate on the protection of local supply security and quality improvements through a reduction in the hardness of the water.

On the capital markets, EVN utilised the authorisation provided by the 83rd Annual General Meeting on 19 January 2012 to repurchase its own shares. The treasury shares held by EVN represented approximately 1.0% of share capital as of 30 September 2013. We also demonstrated the confidence of lenders and our ability to obtain long-term financing through the issue of a promissory note loan with a volume of EUR 121.5m and terms of up to 18 years. The rating agencies Standard & Poor's and Moody's confirmed EVN's BBB+ and A3 investment grade ratings and classified the company's outlook as stable.

The trust you place in EVN AG as our shareholders is a distinction we want to recognise with a continuous dividend policy. The prior period effects that had a negative influence during the reporting year, above all on financial results, were non-cash items. We will therefore make a recommendation to the 85th Annual General Meeting on 16 January 2014, calling for the distribution of a dividend equal to the previous level of EUR 0.42 per share. Based on the share price of EUR 11.29 as of 30 September 2013, this represents a dividend yield of 3.7% and underscores the continuation of an attractive dividend policy while also protecting EVN's sound financial position.

The outlook for the 2013/14 financial year is influenced by the challenging operating environment currently faced by utility providers. We therefore see an urgent need to adapt the market design to reflect conditions in the energy markets. Against this backdrop, our expectations for earnings from our operating business in 2013/14 are therefore lower than in the previous year. The prior period effects that reduced financial results in 2012/13 are non-recurring, and group profit should therefore exceed the results for 2012/13. The current distortions in the energy markets will, nonetheless, prevent a return to the level recorded in recent years. Group net profit could also be significantly influenced by the development of the arbitration proceedings with the Bulgarian government and progress on the projects in Moscow. EVN will continue to pursue its consolidation course and increase its focus on the core markets. We believe in our strengths and see our balanced customer base and the high customer satisfaction we enjoy as a quality provider as the most important factors to ensure our sustained success in this competitive environment.

In conclusion, we would like to thank you for the trust you place in us as shareholders of EVN and hope you will continue to accompany us in the future. We would also like to thank the many customers who rely on our expertise in a wide range of business areas and reward us with their loyalty. Our thanks also go out to the men and women who work for EVN for their dedication and strong commitment, which will also form the foundation for our success in the future.

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

→ Detailed information on the members of the Executive Board and their responsibilities can be found in the corporate governance report starting on page 51.

About this report

EVN's[1)] claim to be a responsible energy and environmental services provider is not only demonstrated by its activities across the entire value chain, but also by the equal importance it places on society, the environment and the economy. A central element of its integrated business model is the well-balanced treatment of all stakeholder groups. This integration is also reflected in the Group's reporting. Publications up to the 2008/09 financial year included an annual report and a sustainability report, which was developed from the environmental report first released in 1990. The first so-called "full report" was published in 2009/10 and has been continuously improved since that time. It reflects EVN's goal to meet the widely diverse information needs of investors and analysts, employees, customers and suppliers, local residents, NGOs, politics and public authorities as best as possible. The many aspects of sustainability, including the CSR programme, are given equal treatment with financial and corporate governance information in the full report. This report also qualifies as an annual communication on progress as defined by the UN Global Compact and meets the high, "Advanced Level" standards defined by this strategic policy initiative.

The content of this report is based on legal requirements, the information needs of stakeholders and the most important areas of activity in the CSR materiality matrix (see page 33). In developing this matrix, EVN's internal and external stakeholders identified the areas that represent the greatest impact, opportunities and risks for the company. The CSR materiality matrix is evaluated on a regular basis to incorporate new trends and subjects that are relevant for the various stakeholder groups. The next stakeholder survey is scheduled for the 2013/14 financial year.

Scope of the report

EVN's financial year begins on 1 October and ends on 30 September. This report is based on EVN's scope of consolidation as of 30 September 2013, which includes EVN AG as the parent company as well as 63 fully consolidated and five proportionately consolidated companies. In addition, 18 companies in which EVN holds an investment are included in the consolidated financial statements at equity. A detailed listing of EVN's investments is provided beginning on page 167. Specific references are made in cases where disclosures do not refer to all companies in the scope of consolidation or there are significant changes in reporting limits compared with earlier years. EVN is working to continuously expand data collection for the GRI-relevant indicators, whereby the goal is to include all Group companies in this process.

Sustainability reporting according to GRI

This report meets the requirements of application level A+ of the Global Reporting Initiative (GRI), Version 3.1, and includes additional GRI indicators for the electricity industry (Electric Utility Sector Supplements). Plans call for the application of GRI Version G4, which was released in May 2013, for the 2013/14 financial year. EVN's objective is to provide detailed information on the subjects that are of key importance to its stakeholders. This full report does not include information that is not particularly relevant for stakeholders and the industry without reducing the informative value or transparency. The indicators that are not applicable to EVN are designated as such in the GRI Content Index on the end-cover flap of this report. The Environmental Protection and Controlling Department and the Accounting Department were responsible for the data collection and calculations. The data are based on the GRI indicator protocol, which was applied as completely as possible. Compliance with this reporting standard and the related criteria was reviewed and confirmed by Lloyd's Register Quality Assurance (LRQA) (see page 217).

EVN also believes in equal opportunity in its internal and external publications, including this full report. Any statements made in the male form to improve readability refer equally to both genders.

The editorial deadline for this report was 27 November 2013.

1) Hereinafter referred to as "EVN", meaning the EVN Group including all its subsidiaries.

→ For further information on the scope of consolidation of the EVN Group see page 111ff.
→ For information on the Global Reporting Initiative, go to **www.globalreporting.org**.
→ For the GRI Content Index, see the website **www.responsibility.evn.at** > Service.

Business overview

Corporate profile

EVN is a leading, international, listed energy and environmental services company. Its headquarters are located in Lower Austria, the largest province in Austria. EVN currently operates in 21 countries and employed, in the financial year 2012/13, a workforce of 7,497 on average.

In its home market of Lower Austria, EVN covers the entire electricity and heat value chain from generation and transmission to distribution and disposal, while the gas business is concentrated on the transmission and network stages. This product portfolio is supplemented by the operation of cable television and telecommunication networks and a variety of energy services for municipalities, private and business customers.

EVN's activities in the international energy business include the operation of electricity networks and electricity sales to end customers in Bulgaria and Macedonia. This portfolio is supplemented by the generation and sale of heat to end customers in Bulgaria and electricity generation in Macedonia. In Croatia, EVN sells natural gas to end customers. Other activities include the procurement of electricity, natural gas and other primary energy sources as well as trading in electricity and natural gas on wholesale markets.

Together with its activities in the energy sector, EVN has developed a second business in the area of environmental services. The German environmental services group WTE was acquired and integrated into EVN in 2003. EVN has realised over 100 environmental projects and compiled wide-ranging expertise as a full-service supplier for the planning, construction and operation of technical equipment for drinking water supply, wastewater disposal and thermal waste utilisation. These projects are carried out with a special focus on environmental compatibility and sustainability, above all with a view to long-term operations. The Environmental Services Segment also includes the business activities of evn wasser, which is directly or indirectly responsible for supplying drinking water to 502,100 residents in 671 cadastral communities.

EVN is also indirectly involved in oil and gas exploration and natural gas storage through its 50.03% investment in RAG.

Energy business				Environmental services business	Other business activities
Generation	Energy Trade and Supply	Network Infrastructure Austria	Energy Supply South East Europe	Environmental Services	Strategic Investments and Other Business

An integrated business model and state-of-the-art infrastructure makes it possible for EVN to offer electricity, natural gas, heat and drinking water as well as wastewater treatment and thermal waste utilisation from a single hand.

In 2012/13, EVN generated 41.8% of its revenue outside Austria (previous year: 42.1%).

Group structures and operating focus

The corporate structure of the EVN Group is based on three areas: the energy business, the environmental services business and other business activities. EVN has defined six operating segments that also reflect IFRS reporting requirements: Generation, Energy Trade and Supply, Network Infrastructure Austria, Energy Supply South East Europe, Environmental Services and Strategic Investments and Other Business.

→ For a list of EVN AG's main subsidiaries and the EVN Group's investments, see page 89 and beginning on page 167.
→ For details on segment reporting, see page 90.

Energy generation capacity

EVN has a total electricity generation capacity of 2,037 MW. In Austria, 431 MW of generation capacity from renewable energy sources are under the Group's ownership:

- 111 MW of hydropower from five storage power stations and 67 run-of-river power stations (thereof 63 in Lower Austria and nine in Styria)
- 184 MW from 100 windpower plants in 13 windparks
- 0.2 MWp from a photovoltaic power plant in Zwentendorf
- 13 MW from three biomass-fired combined heat and power plants

The Group's own production of renewable energy is supplemented by electricity purchasing rights for 123 MW from the Danube hydropower plants in Melk, Greifenstein and Freudenau, the investment in the Nussdorf hydropower plant in Vienna and the investments in 13 Verbund Inn River power plants in Germany.

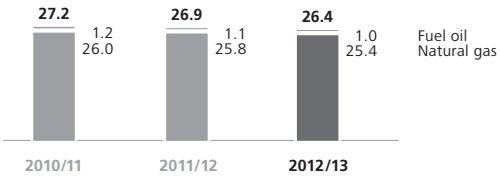
In addition, the portfolio of EVN also includes more than 60 biomass plants in Lower Austria, which make EVN the largest natural heat supplier in Austria.

EVN power generation capacities	MW	30.09.2013	30.09.2012
Renewable energy		**550**	**508**
thereof hydropower[1)]		307	291
thereof windpower		200	191
thereof photovoltaics		3	3
thereof biomass		13	10
thereof other renewables[2)]		26	13
Thermal energy[3)]		**1,487**	**1,487**
thereof natural gas		1,088	1,088
thereof coal		398	398
Total		**2,037**	**1,994**

1) Incl. purchasing rights from the Danube hydropower plants in Melk, Greifenstein and Freudenau, the investments in the hydropower plants Nussdorf in Vienna and Ashta in Albania as well as the investment in Verbund-Innkraftwerke GmbH
2) Includes two sludge-fired combined heat and power plants in Moscow.
3) Gross amounts incl. cogeneration and combined heat and power plants in Austria and Bulgaria

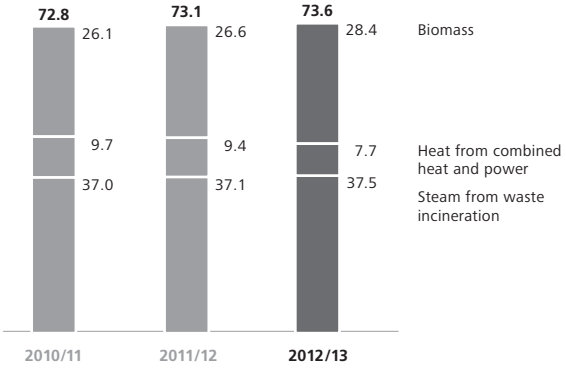
EVN heat generation by thermal energy source

in %



EVN heat generation by renewable energy source

in %



In Lower Austria, EVN operates thermal energy power plants with a total capacity of 1,487 MW – a coal-fired power plant in Dürnrohr and two gas-fired power plants in Theiss and Korneuburg. The two gas-fired power plants currently serve as power plant reserves. EVN also operates two co-generation plants and two gas-fired combined cycle heat and power plants in Lower Austria as well as a thermal waste utilisation plant with a heat capacity of 210 MW which is also used for energy generation.

EVN's electricity generation capacity outside Austria includes 119 MW from renewable energy sources:

- 16 MW from eight windpower plants in Bulgaria
- 48 MW from 11 hydropower plants in Macedonia
- 26 MW from the Ashta hydropower plant project in Albania
- 26 MW from two sludge-fired combined heat and power plants within the context of a PPP model[1] in Moscow
- 3 MWp from two photovoltaic power plants in Bulgaria

EVN also operates two co-generation plants with 105 MW of electrical capacity in Bulgaria and, in Moscow, EVN operates a thermal waste utilisation plant with a heat capacity of 60 MW.

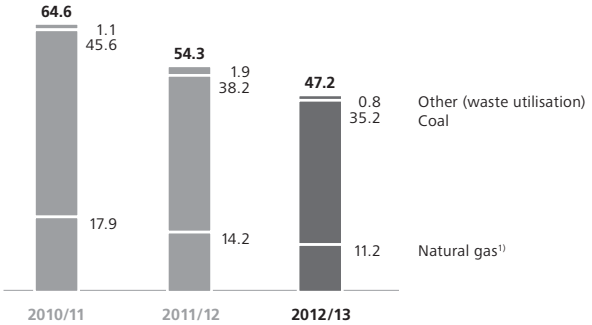
1) Projects in the Environmental Services Segment previously designated as BOOT projects (Build, Own, Operate, Transfer) are now reported as PPP projects (Public Private Partnership).

→ An overview of EVN's current strategic projects is provided on page 38.

→ GRI indicator: Installed capacity (EU1)

EVN electricity generation by thermal energy source

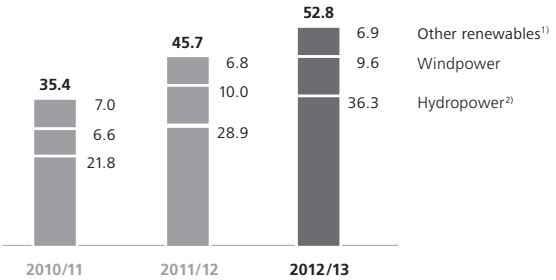
in %



1) Thereof 291,844 MWh own generation in Bulgaria (co-generation plant)

EVN electricity generation by renewable energy source

in %



1) Incl. electricity generation from biomass, photovoltaics and other renewable energy sources
2) Thereof 135,314 MWh own generation in Macedonia (hydropower plants)

Apart from maintenance work to ensure technical safety, the power plant Dürnrohr was taken out of service for less than one day in the financial year 2012/13.

→ GRI indicator: Average availability of power plants (EU30)

The average efficiency level of EVN's energy production from natural gas in Austria and Bulgaria (fuel utilisation as a per cent of energy production) equalled 51.4%[1)] in 2012/13. The power plant in Dürnrohr is part of the district steam and thermal heating network, and the calculation of its operating efficiency is therefore not possible.

1) Weighted by capacity

→ GRI indicator: Average efficiency in production (EU11)
→ Information on direct and indirect emissions is provided on page 186f of this report.

The EVN network

EVN operates a 150,433 km network, of which 90% are used to supply electricity. Because of its state-of-the-art features and quality, regulatory authorities regard EVN as an industry benchmark. In Bulgaria and Macedonia, the acquisitions carried out in 2005 and 2006 were followed by extensive investments in the modernisation and expansion of the network infrastructure to improve the quality and security of supply.

The massive expansion of renewable energy, in particular windpower and photovoltaic plants, has created a substantial strain on transmission lines because of the fluctuations in energy generation volumes. Investments by EVN in the coming years will therefore focus on the expansion and stabilisation of these networks.

EVN's electricity network losses in Lower Austria are within the average range for Austria. In Bulgaria, the on-going investments to improve network quality since market entry in 2005 have reduced network losses from approximately 17% to approximately 11%. Network losses in Macedonia have fallen from approximately 24% to approximately 17% since market entry in 2006.

Network lengths – Energy[1)]	km	30.09.2013
Power grid		135,900
Natural gas grid		13,863
Heating grid		670
Network length in total		150,433

1) Further details are not provided due to current company-specific constraints and internal regulations.

→ GRI indicator: Total length of long-distance and distribution lines (networks) (EU4)
→ GRI indicator: Efficiency of long-distance and distribution lines (EU12)

EVN's environmental services business

The EVN Environmental Services Segment provides infrastructure services in the areas of thermal waste utilisation, drinking water supply and wastewater treatment. The takeover of the German environmental services group WTE in 2003 expanded the segment's know-how in water supplies to include long-standing expertise in wastewater disposal. The activities of the EVN Environmental Services Segment cover the planning, construction, financing and operation of individually designed plants for municipalities. EVN's operational involvement in these projects differs and can include general contractor responsibilities, management and/or operator models where EVN is not only responsible for planning, construction and operation but also for financing. EVN has also operated a thermal waste utilisation plant in Zwentendorf since 2004 and a similar plant in Moscow since 2007.

WTE treated approximately 168 million m³ of wastewater in 2012 with a median purification performance of 86.6%[1)], which represents service for roughly 2.2 million residents. The sewage sludge from this process is used in part for agricultural applications and compost production, while most of it is deposited in a landfill. The Istanbul city government also receives support for the operation of the wastewater purification plants previously built by WTE. These plants purify the wastewater from approximately two million residents.

1) Average value over the parameters for chemical oxygen requirements, biological oxygen requirements, total nitrogen and total phosphorous

In the area of drinking water supplies, the subsidiary evn wasser operates a 2,361 km pipeline network that is fed by 104 wells in protection zones covering 339 ha. In the financial year 2012/13, a total of 502,100 customers were directly or indirectly supplied with 26.2 million m³ of drinking water. evn wasser handles cross-regional and local water supplies and constructs and operates wells and transport pipelines. It also ensures the continuous functioning of the water network through services such as pressure regulation, treatment and repairs.

Corporate strategy

From its headquarters in Lower Austria, EVN pursues a strategy to establish and maintain a strong position in selected markets of Central, Eastern and South Eastern Europe over the long term. EVN views itself as a full-service utility company that makes an important contribution to its customers' quality of life by providing reliable supplies of electricity, gas, heat, water, cable TV, telecommunications and environmental services.

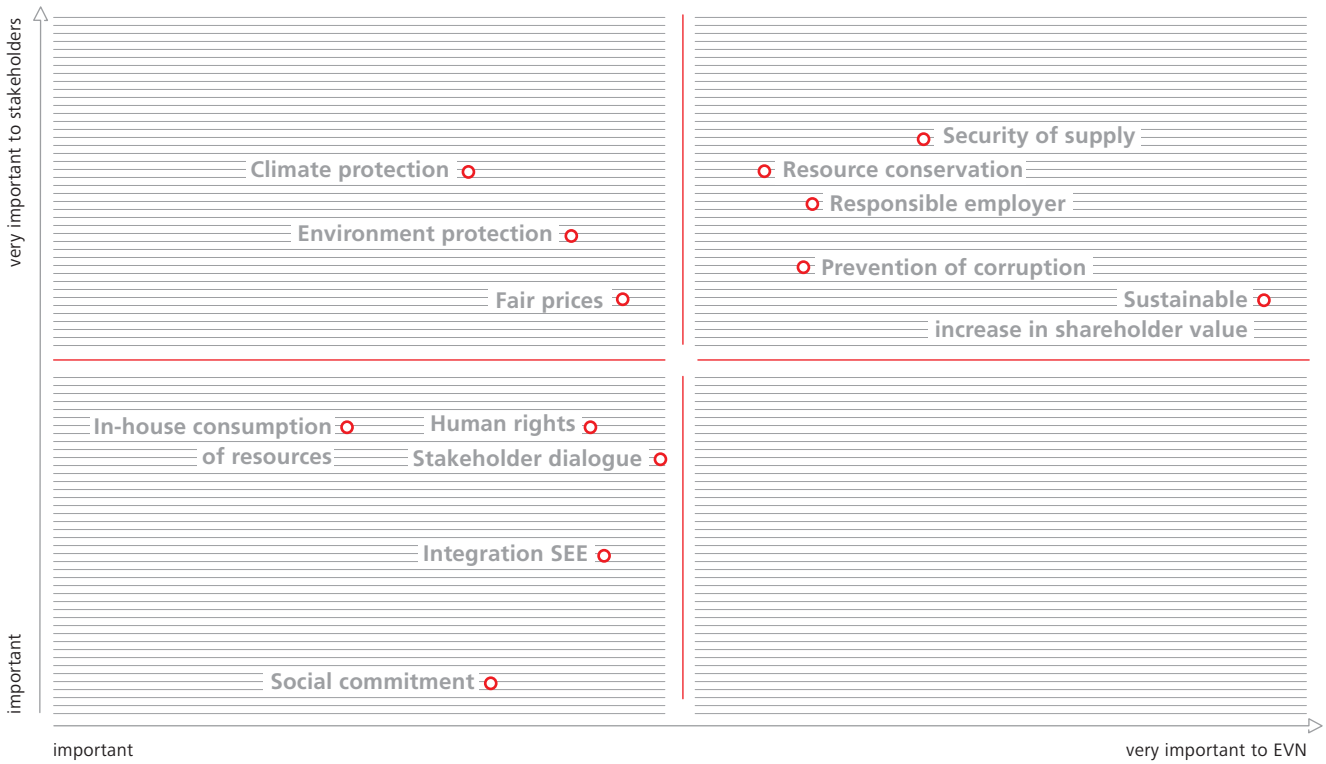
Management's decisions and actions are focused on safeguarding the company's economic success, accepting responsibility for society, protecting the environment and conserving resources. Not only the needs of people, but also the effects on the regional economy and the environment are taken into account. Business activities are conducted with a view toward responsibility for future generations. This fundamental orientation was also reflected in EVN's decision to join the UN Global Compact in September 2005. EVN has also served on the steering committee of the Austrian Global Compact network since 2012.

For its customers, EVN is a reliable partner that offers high-quality services at competitive prices. These superior products and services are based on the strong commitment and expertise of employees. EVN wants to offer these employees the best possible working environment with, attractive conditions, fair compensation and advancement opportunities.

EVN is committed to sustainable management and believes the targeted, continuous increase in the value of the company can only be achieved through the integration of all relevant interest groups. This orientation is supported by the realisation of synergies between the various areas of business in Austria and other countries. Active and transparent communications are designed to ensure that the increase in the value of the company is reflected in the price of the EVN share. In connection with an attractive dividend policy, EVN works to achieve a suitable return on the capital invested by its shareholders.

The EVN materiality matrix was developed together with internal and external stakeholders and shows EVN's most important strategic areas of activity. These areas represent the highest impact, opportunities and risks for the company.

EVN materiality matrix



EVN environmental policy statement

Minimisation of environmental impact
We seek to minimise the environmental impact of our activities and thus make an important contribution to the maintenance of the general ecological balance.

Sustainable development
We feel an obligation to the principle of sustainability and adopt a responsible approach to the resources entrusted to us. Our aim is to secure the long-term quality of the environment for future generations. We make every effort to allocate equal attention to ecological, economic and social objectives.

Improved environmental performance
EVN ensures compliance with all statutory requirements through the use of the very latest technology. In addition, the company is committed to constant improvements in the standard of its environmental performance. Accordingly, plants causing emissions are accredited according to EMAS and ISO 14001 and subjected to annual external audits.

State-of-the-art environmental engineering
All of EVN's energy generation plants are of state-of-the-art design. In this connection, the environmental upgrading of existing capacity and installation of new plants at established locations are of special importance. At the same time, the company endeavours to husband resources through the highest possible efficiency levels and further the development of innovative, environmental protection technologies.

Resource conservation and climate protection
Resource conservation constitutes a yardstick for our activities. Through increased efficiency, the forced expansion of renewable energy sources and waste treatment, we want to make a valuable contribution to the climate protection targets of the EU, the Austrian Republic and the federal province of Lower Austria. EVN employs a flexible generation mix comprised of energy from water, heat and renewable sources. The expansion of electricity and heat generation from renewable sources is a priority for EVN. Electricity generation from thermal energy sources will continue to make an important contribution to security of supply as well as network stability and will be conducive to the integration of renewable sources in the systems.

Landscape conservation
In the course of its energy generation and transmission activities, EVN pays close attention to landscape conservation. Local network cabling projects and optimum line routing are two examples of this policy.

Waste management
The flows of material within our company are carefully monitored and controlled, facilitating waste prevention, recycling and correct disposal, in that order. The company also applies ecological criteria when selecting its material and equipment suppliers, and waste disposal contractors.

Energy consulting
Efficient, customer-oriented energy consulting is a matter of key importance to EVN. In addition to economic considerations, this also involves ecological aspects. "Energy saving" is one of the core principles of EVN consulting.

Workforce motivation
The comprehensive range of tasks for an ecologically oriented company is so wide that only well-informed and motivated employees can accomplish it. Therefore, EVN regards staff training and identification with the company's ecological policy as a major priority.

The following areas of activity represent the key priorities for EVN as well as the focal points of this report:

- **Security of supply** stands for a flexible generation mix and the expansion of generation capacity as well as network quality and procurement – all in accordance with sustainability criteria.
- **Conservation of resources** stands for the careful use of resources and is concentrated, above all, on increasing efficiency, energy-related consulting and energy services.
- **Responsible employer** stands for the creation and protection of jobs, the responsible development of human resources, health and workplace safety, open communications, work-family balance, diversity and equal opportunity.
- **Prevention of corruption** stands for all measures that increase transparency and create an increased awareness for corporate ethics.
- **Sustainable increase in shareholder value** stands for economical and responsible business activities, competitiveness, targeted growth, a value-oriented investment strategy and the sustainable development of dividends.

The EVN materiality matrix is updated regularly to reflect the latest developments and include issues that are relevant for the interest groups. All business units are involved in defining the measures and goals for the continuous development of the areas of activity. The resulting CSR programme is approved by the Executive Board and implemented by the responsible departments.

→ Details on the current programme can be found beginning on page 208 of this report and on the EVN website under **www.evn.at/CSR-strategy/CSR-programme**.
→ The EVN materiality matrix, including explanations, can be accessed under **www.evn.at/CSR-strategy/CSR-materiality-matrix**.

Strategic orientation

EVN's strategic goal for the coming years is to consolidate the existing business. Deep roots in Lower Austria form the basis for the company's business activities. In addition to the planned consolidation of the energy business in Lower Austria, Bulgaria, Macedonia and Germany, the timing of activities in Croatia will be further optimised. Windpower generation capacity in Lower Austria will be expanded, whereby the realisation of the individual projects is dependent on the municipal planning framework defined by politics. In the environmental services business, selected projects will be implemented based on an exact evaluation of the related risks. These consolidation measures should optimise cash flow and allow EVN to maintain an appropriate gearing ratio. Strict capital discipline is required to meet the criteria for an investment grade rating, which is viewed as a key success factor for the development of business at EVN.

ensure
sichern
ПОДСИГУРЯВАМ
ОСИГУРУВА

We ensure quality and corporate success.

→ We are committed to continuity and safety. Our employees are willing to perform, competent, reliable and quality conscious.
→ Each employee ensures that we are able to implement our strategy and provide energy and environmental services to our customers in the best possible way.
→ This position of the EVN Group ensures healthy growth.

encourage
ermutigen
НАСЪРЧАВАМ
ПОТТИКНУВА

We encourage people.

→ The way we think and act encourages people.
→ A good atmosphere and a positive working climate are as important to our corporate success as our employees' development.
→ We are the right company for people who love to learn and who – if necessary – also offer constructive criticism.

enable
ermöglichen
ОСЪЩЕСТВЯВАМ
ОВОЗМОЖУВА

We enable the future.

→ We do not only talk, we also enable things. We always choose the correct and solution-oriented way.
→ Whatever we do, we always keep the environment from which we generate energy in mind.
→ We are committed to sustainability in all fields.

Along this consolidation route, EVN places high value on ensuring supply security. This element is therefore given high priority in the materiality matrix. EVN meets this challenge by continuously expanding and improving its energy networks in line with regulatory requirements and based on the increase in renewable generation capacity.

EVN's goal for electricity production is a level of 30%, which represents the share of electricity sales that can be met with internal generation and/or electricity procurement rights. This value currently equals 18.3% (2011/12: 15.5%). After the start of full operations of the hydropower plant Ashta in April 2013, a further major step to meet this goal will be taken with the start of operations at the Duisburg-Walsum power plant. Plans also call for an increase in generation from renewable energy sources to 50%. In addition to the increased expansion of windpower capacity in Lower Austria, regional projects in the areas of hydropower, biomass and photovoltaics will help to meet this goal. The expansion of electricity production from renewable energy sources not only demonstrates EVN's economic and ecological responsibility, but also helps to ensure supply security.

Policy statements

The corporate strategy of the EVN Group is supported, among others, by central policies such as the corporate policy statement, the environmental policy statement and the mission statement for team leaders. Similar to the EVN code of conduct, these documents are based on internationally recognised standards and represent the sustainability principles for the entire organisation. EVN has also issued an integrity clause for suppliers, which includes guidelines for sustainable procurement and defines suppliers' duties and responsibilities.

→ For the individual policy statements, see the CSR strategy under **www.responsibility.evn.at**.
→ The EVN Code of Conduct can be reviewed under **www.evn.at/code-of-conduct.aspx**.
→ For the integrity clause, see **www.evn.at/integrity-clause**.

Employees

EVN has grown rapidly over the past ten years and developed from a regional supplier into an international corporation with activities in 21 countries. The Group had roughly 2,000 employees before its expansion, and an average of 7,497 in 2012/13.

This growth has also brought substantial cultural diversity into the world of EVN, which is viewed as both enrichment and an opportunity. The key values E(V)Nsure, E(V)Ncourage, E(V)Nable reflect the diversity of employees and serve as motivation to keep the EVN brand promise to the many different stakeholders.

The principles of human resources management are based on the equal treatment of and equal opportunity for all employees, and support the corporate social partnership, occupational safety and accident prevention. EVN's strategy in this area also includes regular information for the workforce on company developments and support for volunteer work in social organisations.

→ A detailed description of the principles of human resources management is provided beginning on page 192 of this report.

Employee key indicators		2012/13	2011/12	2010/11
Number of employees[1]	Number	7,497	7,594	8,250
thereof women	%	21.9	21.6	22.8
Apprentices[2]	Number	46	41	55
Employee fluctuation[3]	%	3.2	3.2	3.0
Average employment period	Years	16.1	15.9	16.0
Average age	Years	43.5	43.2	43.6
Revenue per employee	EUR	367,474	374,830	330,807
Sick days per employee	Number	10	9	10
Cost of personnel in relation to revenue[4]	%	11.1	11.0	11.7

1) On full-time equivalent (FTE) basis; annual average
2) Apprentices in Austria and Germany only due to dual education system
3) Excl. departures due to Bulgarian and Macedonian redundancy programme and excluding retirement
4) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)

Stakeholder management

As an energy and environmental services provider, EVN is the focal point of substantial public interest and therefore subject to more intense critical observation than companies in other industries. The interest of stakeholders has grown steadily in recent years, which were characterised by expansion, growth and investments. This development has been accompanied by a continuous increase in the transparency of communications and the number of participatory processes. EVN is well aware of the wide diversity of these interest groups' demands and therefore works to establish and maintain a continuous dialogue. The activities of EVN's stakeholder management include the development of effective strategies for the company's further development and the on-going sustainability process. EVN is committed to identifying the expectations of its stakeholders and to developing, maintaining and strengthening good relationships with these groups.

A survey was conducted in 2010 to ensure the systematic, well-structured maintenance of stakeholder relationships and to serve as the basis for the preparation of a strategic stakeholder management concept. The results of this survey also led to the adjustment and further improvement of EVN's materiality matrix (see page 33). Plans call for an update of the stakeholder survey in 2014, whereby the goal is to review the strategic areas of activity and their priority ranking and to determine the focal points for future improvements. The results of this update will also be used to further optimise corporate communications and to identify appropriate dialogue and cooperation partners. It should also make a valuable contribution to the early identification of important social and ecological issues.

The core of EVN's stakeholder management is formed by the strong relationships between the strategic business unit and department managers with their stakeholders: employees, customers, suppliers, partners, external organisations, associations, NGOs, interest groups, science and research. The stakeholders with close and relevant connections to the company are considered the most important interest groups for EVN.

The institutionalised dialogue with various stakeholder groups also takes the form of working groups, committees in local communities, project mediation with regional citizens' initiatives, the EVN Advisory Board for the Environment and Social Responsibil-

EVN's stakeholders and method of inclusion (selection)	Surveys (employees and customers at regular intervals, stakeholders survey 2010, etc.)	Active and frequent contact	Working group, forum, annual meetings (once or twice per year or more often)	Advisory committees, expert groups (once or twice per year or more often)	Supervisory Board
Employees	+	+	+	+	+
Customers	+	+	+	+	+
Suppliers	+	+	+	+	+
NGOs	+	+	+	+	–
Media	+	+	+	–	–
Investors	+	+	+	+	+

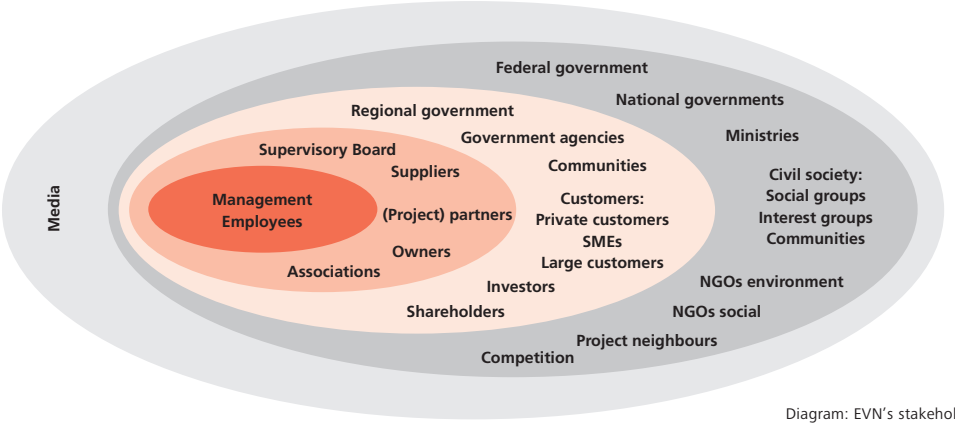


Diagram: EVN's stakeholder groups

ity, the EVN Customer Advisory Board, the EVN Social Fund and the EVN Art Advisory Board. A complaint management process is also in place to address the wishes and needs of customers in a comprehensive and professional manner. Extensive communication and cooperation between management and the works council ensure that employee-related issues are given the necessary attention. Stakeholder relationships are also strengthened by numerous joint initiatives and projects at the regional, national and international level.

→ Additional information is provided in the Aspect under SO1: Local communities and in the Sector Supplements – Society under indicator EU19.

Overview of strategic projects

EVN's principal strategic objective is to ensure the security of supply for all its customers. Accordingly, the top priorities include building and maintaining the distribution networks and expanding generation capacity to create a flexible power plant portfolio. The further development of windpower generation capacity in the core market of Lower Austria will also remain a focus of activities over the coming years. The construction of additional wind parks in Lower Austria during 2012/13 made EVN the second largest operator in Austria. Over 100 windpower turbines with a total capacity of 200 MW are now in operation. Other major projects to expand and increase the flexibility of generation capacity are also in various stages of planning or realisation.

On the Drin River in Albania, operations started at the Ashta hydropower plant that was built by EVN in a joint venture with Verbund AG. This power plant has a total capacity of 53 MW and has supplied electricity to the Albanian federal utility company since April 2013. In March 2013, EVN decided against the realisation of a second hydropower project on the Devoll River in Albania and sold its 50% stake to the project partner Statkraft A.S. The closing took place on 7 May 2013.

In Bulgaria, the evaluation process and preliminary work are currently underway for the construction of a multi-stage storage power station on the Arda River.

The continued use of thermal power generation plants will be necessary to offset fluctuations in production from renewable energy sources and ensure uninterrupted service during peak demand periods. EVN therefore holds an investment in a high-efficiency black coal-fired power plant that is under construction in Duisburg-Walsum, Germany. Commercial operations will begin after the current commissioning is completed.

Supply security in the gas business is supported by two major projects to cover capacity bottlenecks as well as the use of existing pipeline systems. The Südschiene high-pressure natural gas pipeline was completed and started operations during autumn 2011. In addition to the above-mentioned aspects, the 150 km so-called Westschiene pipeline connects natural gas generation capacity and end customer markets with RAG's newly built natural gas storage facilities in Upper Austria. The first section, with a length of roughly 60 km, started operations at the end of 2012, and the filling process for the second, almost 70 km long, section started in September 2013. The third section is now under construction and, from the current point of view, should be operational in mid-2014.

Financial strategy

EVN's primary economic goal is to generate high and stable cash flows from its operating activities as the basis for the balanced use of financial resources. In addition to this internal financing, EVN has a variety of financing sources at its disposal. These external sources are used in line with financial goals and the Group's financing strategy. The resulting financial strength allows for the realisation of value-enhancing investments and an attractive dividend policy. The financial strategy of the EVN Group is focused on the following aspects:

- Generating stable earnings from the core business
- Protecting earnings contributions from foreign activities and strategic investments
- Safeguarding EVN's "investment grade" classification by rating agencies to secure financing at attractive terms
- Maintaining an attractive dividend policy

The definition of EVN's financial goals by Management is based on the following indicators:

Financial indicators	30.09.2013	30.09.2012
Equity ratio	43.2%	43.9%
Net debt coverage (FFO)	44.2%	34.8%
Interest cover (FFO)	8.2x	6.8x
Payout ratio	65.3%	38.7%

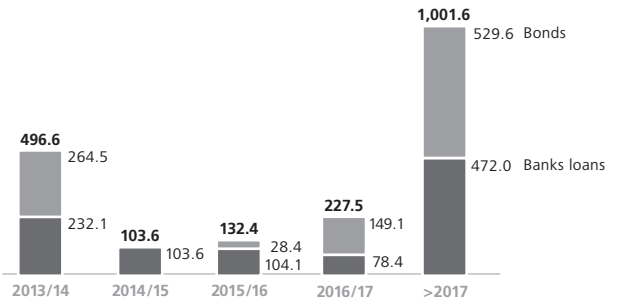
Liquidity management in connection with the procurement and investment of liquid funds is carried out centrally by EVN AG for all corporate units. EVN Finanzservice GmbH and EVN Projektmanagement GmbH serve as management companies for the Group's cash pooling and as a source of intragroup loans, whereby the conditions for these investments and loans must always reflect third-party transactions.

The business model of a utility company requires, above all, the optimisation of the long-term financing structure. Special focus is placed on achieving a balanced, long-term debt maturity profile, while also optimising the average interest rate. Of special importance in this connection are the ratings for EVN AG and the Debt Issuance Programme (updated on 19 April 2013 with a supplement on 30 September 2013). These ratings allow EVN AG to obtain refinancing at flexible and attractive conditions on the capital market and to increase its independence from the loan markets. The Debt Issuance Programme covers a total volume of EUR 2bn, of which roughly one-half has been used. The bonds currently outstanding have remaining terms of one to 19 years. The weighted average remaining term as of 30 September 2013 was 7.03 years (previous year: 8.03 years).

Other important elements for the stable financing structure of EVN AG are the EUR 175.0m of bilateral credit commitments provided by seven banks and the EUR 500.0m syndicated credit line concluded with a consortium of 13 international banks. The credit commitments (remaining terms of two to six years) as well as the syndicated credit line (remaining term of four years) serve primarily as liquidity reserves. The individual Group companies only arrange for loans in exceptional cases, whereby this process is closely coordinated with the Group finance department.

The financing strategy not only focuses on the diversification of financing instruments and financing partners, but also on the diversification of the maturity profile to create a balanced maturity structure. The maturity structure of the financial liabilities as of 30 September 2013 is shown on the following graph. The liabilities scheduled for repayment in 2013/14 will be refinanced via the capital market on a timely basis. If financing is obtained in a foreign currency, the foreign exchange risk is hedged when the contract is concluded. A description of the financial transactions carried out during the reporting year and the balance sheet structure is provided in the management report beginning on page 63.

Debt maturity profile



Rating

The ratings of European utility companies came under pressure during the past financial year, and further downgrades were the result. In contrast, the evaluation of EVN's credit standing by the rating agencies remained unchanged in 2012/13. After the annual rating conferences, which were held with both agencies in March 2013, Standard & Poor's confirmed its BBB+ rating (stable outlook) in May 2013. The A3 (stable outlook) issued by Moody's in April was confirmed at the end of June 2013 following the announcement of results for the first half of 2012/13.

This stable credit evaluation by both rating agencies in the good investment grade segment continues to allow EVN to benefit from flexible access to the capital market at attractive conditions and long maturities.

EVN bonds	Public bonds		Private placements	
	EUR	CHF	JPY	JPY
Volume	300.0m	250.0m	12.0bn	8.0bn
Due date	13.04.2022	20.02.2014	09.01.2024	01.09.2014
Maturity (yrs)	10.5	5	15	20
Coupon (% p.a.)	4.250	3.625	3.130	5.200
ISIN	XS0690623771	CH0049763102	XS0406428036	XS0052014114

EVN bonds	Private placements				
	EUR	EUR	EUR	EUR	EUR
Volume	100.0m	25.0m	30.0m	28.5m	150.0m
Due date	20.02.2032	23.02.2032	18.03.2019	11.03.2016	23.06.2017
Maturity (yrs)	20	20	10	7	8
Coupon (% p.a.)	4.125	4.125	5.250	5.000	5.250
ISIN	XS0744577627	XS0746091981	XF000NS4HD4	XS0417260329	XS0434384334

→ Information on the current bond programme can be found on EVN's website under **www.evn.at/financial-strategy**.

EVN share

Numerous stock indices rose to historical highs during the reporting year from October 2012 to September 2013, even though the markets were characterised by continuing uncertainty and subsequent volatility. The issues that currently influence developments on the capital markets include discussions over a further rescue package for Greece, government crises in several European countries, the on-going civil war in Syria, political unrest in Turkey and, last but not least, contrary remarks by the US Federal Reserve over the possible reduction of support measures ("quantitative easing") and the shift to a more restrictive monetary policy. Another troubling issue is the continuing high level of unemployment in Europe, above all the number of job-seekers under 25 years of age.

In view of these developments, the European Central Bank (ECB) cut the prime lending rate in May and November 2013 by 25 basis points to 0.25% and reconfirmed its intention to pursue an expansive monetary policy for a longer period of time

Stock market developments were generally very positive, in spite of the challenging environment. The German benchmark index DAX rose by 19.1% from October 2012 to September 2013, while Vienna's benchmark index ATX increased by 21.0%.

The EVN share recorded sound year-on-year performance in a difficult market climate for utility companies. The share price declines registered between January and July 2013 were subsequently offset during the remainder of the 2012/13 financial year. The EVN share closed the reporting year at EUR 11.29, for an increase of 4.2%. This corresponds to a market capitalisation of EUR 2.03 billion as of 30 September 2013. In comparison, the DJ Euro Stoxx Utilities, the relevant industry index for EVN, rose by 0.5% during this same period. The average daily turnover in EVN shares rose slightly to 50,554 (single counting), which represents an annual trading volume of EUR 136.0m (single counting) for EVN shares and 0.74% of the total trading volume on the Vienna Stock Exchange. EVN was weighted at 1.0% in the ATX index at the end of September 2013.

On 28 December 2012 and 29 August 2013, the Executive Board of EVN AG approved the further repurchase of the company's shares in connection with the share buyback programme. These decisions were based on an authorisation of the 83rd Annual General Meeting of EVN AG on 19 January 2012, with each covering the purchase of up to an additional 1,000,000 of the company's shares. The maximum purchase under each of these decisions would represent up to 0.556% of the current share capital of EVN AG. The Executive Board of EVN AG also decided to extend the share buyback programme that has been in effect since 6 June 2012 to presumably end on 31 May 2014. A total of 931,530 shares were repurchased from the start of the share buyback programme on 6 June 2012 to the end of December 2012. During the extension period, a further 656,000 shares were purchased from January to 28 August 2013

and 6,000 shares up to 30 September. The number of shares repurchased as part of the share buyback programme totalled 1,593,530. EVN held 1,843,612 treasury shares as of 30 September 2013, including the shares repurchased during 2008. These treasury shares represent approximately 1.0% of share capital.

The 84th Annual General Meeting on 17 January 2013 approved a dividend payment of EUR 75.0m, or EUR 0.42 per eligible share, to the shareholders of EVN AG for the 2011/12 financial year. The ex-dividend day was 22 January 2013, and the payment to shareholders was made on 25 January 2013.

The 84th Annual General Meeting also elected a new member to the Supervisory Board of EVN AG. Hans-Peter Villis (Chief Executive Officer of EnBW Energie Baden-Württemberg AG up to 30 September 2012) resigned from the Supervisory Board effective at the end of the 84th Annual General Meeting on 17 January 2013. He is succeeded by Thomas Kusterer (CFO, member of the Executive Board of EnBW Energie Baden-Württemberg AG), who will serve out the remaining term of office, i.e. to the end of the Annual General Meeting that votes on the 2014/15 financial year.

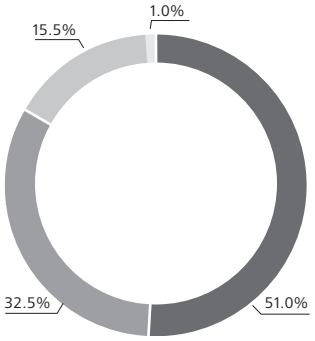
A change was also made to § 5 (2) of the Articles of Association of EVN AG to implement an amendment to Austrian company law ("Gesellschaftsrechts-Änderungsgesetz 2011", Federal Gazette I 53/2011). This change involved the exclusion of the right to the individual securitisation of shares. The new legal framework requires the withdrawal of individually securitised share certificates and their replacement with collective instruments. The effective shares not exchanged by the end of this period were cancelled by a resolution of the Executive Board on 25 June 2013 and with the respective announcement in the Official Gazette of the Wiener Zeitung. Details on the cancellation of the individually securitised share certificates can be found under **www.evn.at/Invalidations-of-shares**.

EVN's strategy for the use of its financial resources includes establishing a balance between current investment projects and attractive dividends for shareholders. The Executive Board will make a recommendation to the 85th Annual General Meeting on 16 January 2014, calling for the payment of a EUR 0.42 dividend per share. The dividend payout ratio equals 65.3% of Group net profit for the 2012/13 financial year.

Shareholder structure

In accordance with Austrian federal and provincial constitutional law, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51%. This shareholding is formally held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten, which is a subsidiary of the province of Lower Austria. The second largest shareholder is EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, with a stake of 32.5%. A share buyback programme was approved in May 2012 and extended twice, in December 2012 and August 2013. As part of this programme, EVN AG repurchased treasury shares representing approximately 1% of share capital. The remaining free float equalled 15.5% as of 30 September 2013.

Shareholder structure

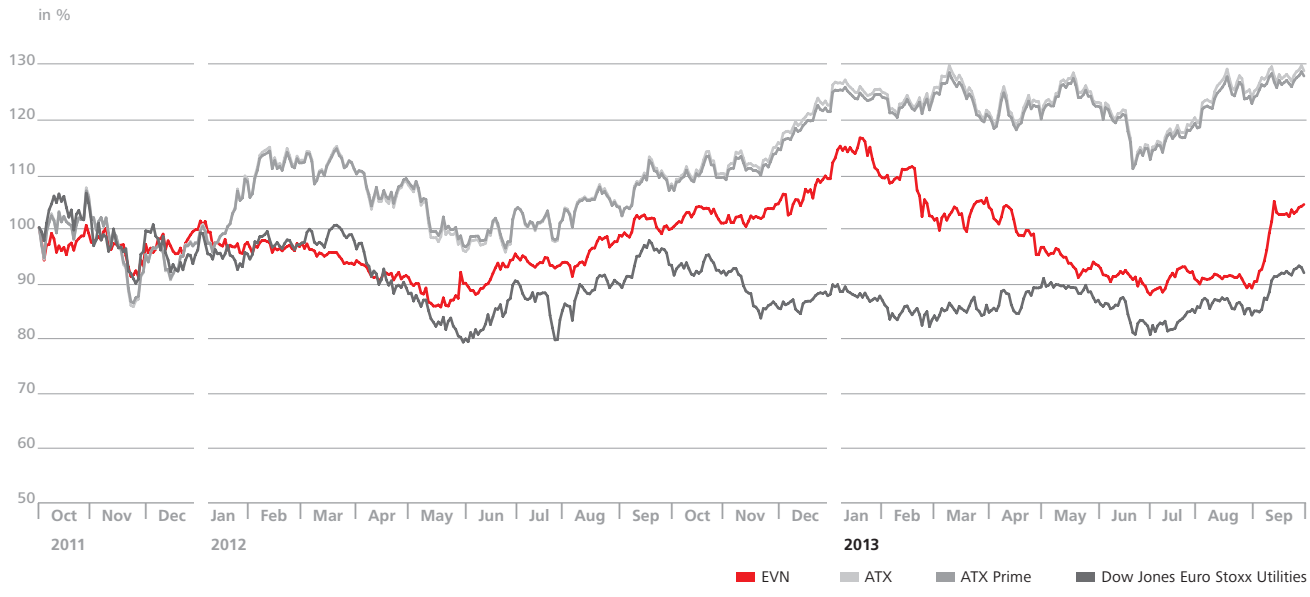


51.0% NÖ Landes-Beteiligungsholding GmbH
32.5% Energie Baden-Württemberg AG (EnBW)
15.5% Free float
1.0% Treasury shares

EVN share		2012/13	2011/12	2010/11
Share price at 30 September	EUR	11.29	10.84	10.82
Highest price	EUR	12.66	11.07	13.76
Lowest price	EUR	9.42	9.17	9.92
Price performance	%	4.2	0.2	–5.5
Total shareholder return	%	8.1	4.1	–1.7
ATX performance	%	21.0	7.30	–23.4
Dow Jones Euro Stoxx Utilities performance	%	0.5	–9.10	–19.2
Value of shares traded[1]	EURm	136	122	358
Average daily turnover[1]	Shares	50,554	48,417	122,528
Share of total turnover[1]	%	0.74	0.64	1.08
Market capitalisation at 30 September	EURm	2,031	1,949	1,945
ATX weighting	%	1.00	1.22	1.27
WBI (Vienna Stock Exchange Index) weighting	%	2.47	2.77	2.91
Earnings per share[3]	EUR	0.64	1.09	1.08
Dividend per share[3]	EUR	0.42[2]	0.42	0.41
Cash flow per share[3][4]	EUR	3.10	2.68	2.68
Book value per share[3]	EUR	17.19	16.80	17.84
Price/earnings per share	x	17.6	10.0	10.0
Price/cash flow per share[4]	x	3.6	4.0	4.0
Price/book value per share	x	0.7	0.7	0.7
Dividend yield	%	3.7	3.9	3.8
Payout ratio	%	65.3	38.7	38.0

1) Vienna Stock Exchange, counted once
2) Proposal to the Annual General Meeting
3) Shares outstanding at 30 September
4) Gross cash flow

EVN share price – relative development



Investor Relations

EVN maintains an active and continuous dialogue with current and potential investors as well as stock and bond analysts, banks and rating agencies. These activities are the responsibility of the Investor Relations Department, which is assigned to the Finance Department and reports to the Chief Financial Officer.

Communications with capital market participants are based on clear principles. All information is communicated to all stakeholders at the same time in an open and transparent manner, and reporting is active and as comprehensive as possible. EVN's goal is to provide capital market participants with the most realistic evaluation of the company's development. Accordingly, the communications offering and information materials are regularly adapted to meet the needs of capital market participants and innovative solutions are added. The information requirements of sustainability-oriented investors are also taken into account.

In addition to regular participation in road shows, EVN reports on the development of business in quarterly telephone conferences for analysts, institutional investors and banks, and in semi-annual press conferences for journalists. Private shareholders receive detailed information not only at the Annual General Meeting but, since 2007/08, also at an information afternoon in connection with the presentation of half-year results. At this event, the Executive Board of EVN AG reports on business developments during the first six months of the financial year and on strategic goals and their realisation. In 2012/13, this information forum was attended by roughly 200 private shareholders.

EVN's efforts to conserve resources have also included the increased use of modern communications media since the beginning of 2012/13. In this connection, the general mass printing and mailing of EVN's Letters to Shareholders (interim reports) were terminated. These documents are available as online reports and PDF files on the EVN website under **www.investor.evn.at**. Shareholders can also order a printed copy of the EVN's Letter to Shareholders.

The optimisation of reporting is an important focal point of activities at EVN. In place of the separate Annual Report and the Sustainability Report published in the past, EVN has issued a combined Full Report since 2009/10. This report contains the management report and the consolidated financial statements as well as the corporate governance report and also provides detailed information on sustainability indicators as defined by the Global Reporting Initiative.

In 2012/13, EVN received the following national and international awards and prizes in various categories:

- EVN Macedonia received the National CSR Award 2012 in the category "market relations" for its "continuous improvement of services" project.
- EVN Macedonia was also awarded the "Golden Supporter" certificate for its on-going efforts to improve the quality of life for needy residents in the region.
- EVN Bulgaria received the Prometeya Prize from the Bulgarian Confederation of Independent Trade Unions (CITUB) for its impressive achievements in occupational safety and employee health.
- EVN was ranked first at the trend Austrian Annual Reporting Awards in the category "corporate social responsibility" as well as third in the categories "overall reporting" and "online IR and annual report".
- EVN placed second at the trend Austrian Annual Reporting Awards in the category "sustainability reporting".
- EVN was first in the IR Global Rankings 2012 branch evaluation for "online annual report ranking"
- EVN ranked first at the Austrian Sustainability Reporting Awards (ASRA) 2013 in the category "integrated annual and sustainability report"
- The interactive online advertising medium "EVN Smart Home" received the "Adgar" advertising award in the special category "creative use of online advertising" from the Austrian Newspaper Association (VÖZ).
- EVN placed second at the competition "place to perform"

EVN's websites **www.investor.evn.at** and **www.responsibility.evn.at** serve as communication platforms that include the EVN full report and quarterly reports, capital market announcements, information on the Annual General Meeting, road shows and analyst presentations as well as audio recordings of the EVN conference calls. These websites also contain analysts' assessments on business developments before the publication of quarterly results, online stock exchange information and numerous services tailored to meet the needs of individual investors.

In 2102/13, the Chief Financial Officer and the Investor Relations team took part in international conferences and road shows organised by the following investment banks: HSBC Trinkaus (Frankfurt), Baader Bank and Vienna Stock Exchange (Milan), Société Générale (London), Raiffeisen Centrobank AG (Zürs), Macquarie (London), Baader Bank (Munich), Kochbank (Hamburg) and CF&B Communication (Paris).

The development of business at EVN is regularly analysed by Raiffeisen Centrobank AG, Macquarie Capital (Europe) Limited, Société Générale S.A., Deutsche Bank AG and Kepler Cheuvreux. Despite the difficult industry environment for utility companies, the EVN share had three "hold" and two "buy" recommendations at the end of September 2013 with an average target price of EUR 11.56. EVN's investment story has been well received by international investors. Additional information on the individual recommendations can be found under **www.evn.at/analyses**.

EVN at a glance

Energy

Generation	
Own power generating capacity	2,037 MW
Renewable energy	**550 MW**
thereof hydropower[1]	307 MW
thereof windpower	200 MW
thereof photovoltaics	3 MW
thereof biomass	13 MW
thereof other renewables[2]	26 MW
Thermal energy[3]	**1,487 MW**
thereof natural gas	1,088 MW
thereof coal	398 MW

Energy distribution/Networks	
Electricity networks	
Power lines	135,900 km
Customers	3,308,100
Sales volumes	20,916 GWh
Natural gas networks[4]	
Natural gas pipelines	13,863 km
Customers	292,000
Sales volumes	15,239 GWh
Other[5]	
Customer units cable TV and telecommunications	213,500

Energy supply	
Electricity	
Sales volumes	20,209 GWh
Natural gas	
Sales volumes	6,333 GWh
Heating	
Heating lines	670 km
Customers	80,200
Sales volumes	2,062 GWh

Environmental services

Drinking water/wastewater	
Drinking water supply in Austria	
Customers	502,100
thereof directly supplied	83,500
Water pipes	2,361 km
Sales volumes	26.2m m³
Drinking water/wastewater in Central, Eastern and South Eastern Europe	
105 drinking and wastewater projects	
90 completed projects thereof	
Installed drinking water capacity	1,183,500 PE[6]
Installed wastewater capacity	15,312,200 PE[6]

Waste incineration	
Austria	
Plant in Zwentendorf/Dürnrohr Annual capacity	500,000 t
International	
Plant in Moscow Annual capacity	360,000 t

Strategic Investments and Other Business

Strategic investments	
Verbund AG (EVN WEEV Beteiligungs GmbH) – power generation, trading and transport	12.63%
Burgenland Holding Aktiengesellschaft (Energie Burgenland AG) – regional electricity and gas supply	73.60%
RAG-Beteiligungs-AG (Rohöl-Aufsuchungs AG) – oil and natural gas exploration and gas storage	50.03%

Other investments	
Utilitas Group – technical services	

1) Incl. purchasing rights from hydropower plants along the Danube at Melk, Greifenstein and Freudenau and from investments in the hydropower plants Nussdorf in Vienna and Ashta in Albania as well as in Verbund-Innkraftwerke GmbH
2) Contains two sludge-fired combined heat and power plants in Moscow
3) Incl. co-generation and combined heat and power plants in Austria and Bulgaria
4) In Austria and Croatia
5) In Austria
6) Population equivalent (PE): Industrial wastewater converted to household water

Focus on the customer

In 2012/13, nearly four million customers placed their trust in the safe and reliable energy and environmental products offered by EVN from a single hand. This wide-ranging portfolio – which includes electricity, natural gas, heat and water supplies as well as wastewater disposal, cable TV and telecommunications services – helped to improve the quality of life for people in over 20 countries across Central and South Eastern Europe. EVN supplies 3.3 million customers with electricity, 292,000 customers with natural gas and 80,200 customers with heat. Roughly 500,000 customers in Lower Austria are supplied with clean drinking water, and a further 213,500 customers used EVN's cable television and telecommunications services. The plants built by EVN's environmental services business in recent years provide thermal waste utilisation, drinking water supply and waste water disposal for 16.5 million customers in 18 countries throughout Europe. EVN's broad customer base is reflected, above all, in the energy business, where roughly two-thirds are represented by household customers. The remaining customers are commercial enterprises, industrial companies and public institutions. In the project-based environmental business, EVN works primarily with public customers like cities, municipalities and communities.

EVN's customer structure	30.09.2013
Energy[1]	3,680,300
Electricity grid	3,308,100
Natural gas grid	292,000
Heating grid	80,200
Environmental services	16,997,800
Drinking water (Austria)[2]	502,100
International drinking/wastewater services (PE[3])	16,495,700
Cable TV and telecommunication	213,500

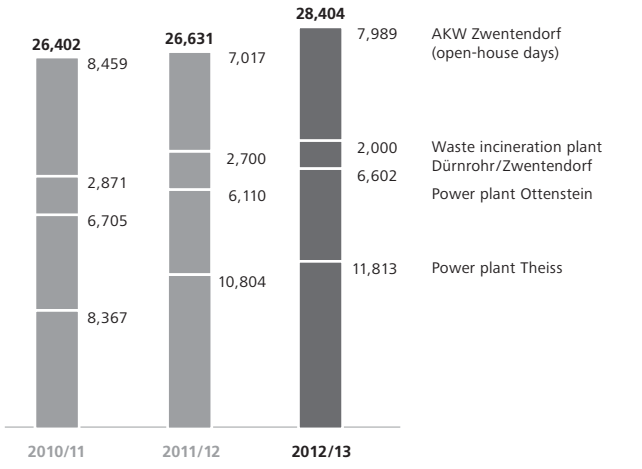
1) Due to current company-specific constraints and internal regulations, there is no further elaboration of details.
2) Thereof directly supplied: 83,500
3) Population equivalents (PE): industrial wastewater adjusted for wastewater of households

"EVN is always there for me": in line with this motto, EVN works to establish a professional partnership with customers through its extensive network of service centres and competent personal and telephone support. EVN customers in Lower Austria have highly qualified staff in 26 customer centres at their disposal. These service experts are available to answer telephone enquiries on energy issues or invoices as well as products and services on workdays from 7:00 am to 7:00 pm. Customers can also reach the service centres at any time of the day or night to report supply interruptions. The EVN customer service centres in Austria handled roughly 680,000 telephone inquiries and 120,000 e-mails in 2012/13. In order to meet internal quality standards in handling requests and complaints, EVN uses a quality improvement programme to survey customers' experiences. The goal is to analyse the handling quality of specific scenarios and to identify opportunities for further development as the basis for implementing improvement measures. A total of 1,480 samples were collected in connection with this programme during 2011/12. Another sampling round was carried out from spring 2013 to the end of September and collected feedback from roughly 520 employees.

EVN also supports its customers through various activities in the area of energy consulting. Mobile teams and the EVN Shop in Wiener Neustadt that opened in 2011 provide helpful tips and valuable information on opportunities to save energy in personal discussions and by means of individual services. Examples of the areas covered by these services include renovation, the replacement of heating equipment, the maintenance of electrical and natural gas equipment, the calculation of energy consumption for building certification and support for the construction of photovoltaic equipment. In connection with its products, EVN offers technical solutions to improve energy efficiency and reduce energy consumption. Individual and flexible energy tariffs round off this offering for customers.

→ GRI indicator: Customer numbers (EU3)

Visitors to the EVN information centres



Projects ro raise children's and teenagers' awareness for energy issues

EVN's social responsibility is also reflected in projects organised for children and teenagers. These projects focus on a wide range of subjects related to energy and its responsible use. For example, the following projects are offered or supported on a regular basis:

EVN day care centre project – theatre tour "Joulius and the Light for Emil"
The project "Joulius, a real bundle of energy" involves plays on energy-related themes that are presented at 950 day care centres in Lower Austria. In addition, learning and illustrative materials are distributed. The latest tour gave 12,500 children in roughly 250 day care centres an interesting look at the subject of electricity.

EVN school service
Every year, the EVN coaches visit over 15,000 schoolchildren in Lower Austria for talks on different subjects related to energy and energy savings. The schools also have an opportunity to organise visits to the EVN power plants. Teaching materials, class planners, CD-ROMs, experimentation kits and models have been provided free of charge to the 1,458 schools in Lower Austria for many years. During October 2007 a school service was introduced in Macedonia and Bulgaria.

Customer Advisory Board

As a further measure to improve the dialogue with customers, there is a Customer Advisory Board in place at EVN. The board was established in 2011. In 2013 a new term of office with new members started. The Customer Advisory Board supports the company's continuing efforts to increase customer satisfaction and improve the mutual exchange of information. The Customer Advisory Board has an important function: it provides insight into current trends and issues, contributes fresh ideas and recommendations and, in this way, has an important influence on the design of services, products and communication measures. Its members represent the wide range of customers' opinions and help EVN to see the company through their eyes.

The Customer Advisory Board is elected every two years. Announcements in the customer magazine EVN Journal and on the EVN website invite interested customers of EVN to apply. The board members are selected with a view to achieving a balance between various customer groups and thereby ensuring the inclusion of many different interests. The 24 members of the Customer Advisory Board come together twice each year, when they also meet EVN staff and representatives of the Executive Board to discuss issues that are relevant to customers and to come up with suggestions for improvement.

In September 2013, EVN Bulgaria issued its first invitation to interested customers to apply for participation in a Bulgarian Customer Advisory Board. This board will also represent a platform to promote a direct dialogue between the company and its household customers. For 2014 it is planned to initiate a Customer Advisory Board in Macedonia.

→ Additional information on the EVN Customer Advisory Board and its activities can be found under **www.evn.at/Customer-Advisory-Board**.

Customer satisfaction

Austria

EVN has carried out systematic surveys for many years to measure the satisfaction of its customers. The 2012 survey covered nearly 7,000 household customers in Lower Austria. These latest results, combined with long-term trends, form the basis for analysing general customer satisfaction and relevant business transactions and also provide valuable information on suggestions for improvement.

The overall satisfaction of EVN's household customers remained stable at a high level in 2012 with a mean value of 1.76 (on a five-step scale ranging from 1 = very satisfied to 5 = not at all satisfied; 2011: 1.77). A comparison over time shows that customer satisfaction with the price-performance ratio in 2012 had reached the highest level since 2004. The new, more clearly structured invoices, which also has to meet legal requirements, also received a positive rating. In addition to pricing, customers named supply security as the most important reason for selecting an electricity provider. This factor was named as EVN's greatest strength, followed by satisfaction with customer telephone service.

New EVN invoices: more compact, clearer and easier to understand

Numerous legal requirements had made the EVN invoices longer and increasingly complex in recent years. In order to make these account statements more understandable, clearer and transparent, EVN launched a wide-ranging project to improve their customer orientation. A multi-stage process was started, which involved staff from different departements together with customers and members of the Customer Advisory Board. Their objectives were to:

- identify the needs and requirements for invoices,
- analyse and include the survey results, and
- prepare and evaluate several design drafts, and select the best alternative.

A total of 811 EVN employees took part in a January 2012 survey and added their recommendations to optimise the invoice design.

EVN's Customer Loyalty Index was introduced in 2011 and measures customer loyalty based on various indicators. It was implemented as a strategic monitoring instrument and calculated monthly in 2012. The goals of the index are to recognise changes in customer loyalty, identify the causes and strengthen customer relationships through suitable measures. The results of the survey indicated that service-oriented customers have a particularly strong affinity to EVN.

The monitoring audit for the certification of EVN's European call centre under EN 15838 was successfully completed in December 2012. This standard sets the quality requirements for customer contact centres, with customer satisfaction forming the focal point. The audit covers personnel, organisation, processes, technology and service. This certification is strong proof of the high quality of EVN's free service hotline.

Bulgaria and Macedonia

The customer service staff at EVN Macedonia answered 340,000 telephone calls and approximately 14,600 e-mail enquiries from customers in 2012/13. EVN Bulgaria received nearly 531,000 telephone enquiries and approximately 23,800 e-mails.

In Macedonia, 7,500 interviews and 1,500 mystery shopping tests were carried out to evaluate customer satisfaction. A number of opportunities for optimisation were identified, and their timely implementation was ensured by reorganising the communication of results and the management of improvement measures. EVN Macedonia demonstrated its commitment to the continuous improvement of customer service in 2012/13 by also organising the "Customer Service Week", which was held in Macedonia during October 2013. The "Customer Service Week" is an international event that draws several thousand participants from more than 40 countries and focuses on the importance of customer satisfaction and the significance of employees in customer-related fields.

→ GRI indicator: Customer satisfaction (PR5)

Product responsibility

Similar to the corporate policy statement and the environmental policy statement, the principles of product responsibility represent an integral part of EVN's central mission statements. This standing underscores their key importance. The EVN key values – E(V)Nsure, E(V)Ncourage and E(V)Nable – also highlight the importance of the EVN brand promise, which can only be met with the commitment of all employees.

→ The individual statements can be found under **www.responsibility.evn.at**.
→ For additional information on EVN's key values, see pages 34 and 36.

Strict regulations govern the quality assurance and protection of customer data and are the focus of continuous monitoring. EVN places great importance on transparent and informative market, product and service communications as well as social responsibility toward disadvantaged groups and climate protection.

The electricity and natural gas networks operated by EVN are certified for compliance with the security standards issued in the form of guidelines by "Oesterreichs Energie" and the Austrian Association for Gas and Water ("Österreichische Vereinigung für das Gas- und Wasserfach", ÖVGW). Regular reviews by an independent external auditing team ensure a high level of quality, among others in the following areas:

- Planning, construction, operation and maintenance of grids and plants
- Organisational structures, procedures and processes
- Responsibilities, specialised know-how and decision-making expertise
- Training, personnel and operating costs

In planning and designing its advertising and marketing campaigns, EVN not only focuses on its own strategic goals but also on sustainability. The central aspects of energy supply, energy

saving tips and energy services receive adequate treatment in all communications. EVN rejects advertising that does not conform to generally accepted ethical or cultural standards, which encroaches on privacy or which attempts to influence particularly vulnerable target groups such as children.

→ GRI indicator: Legal conformity in the advertising area (PR6)

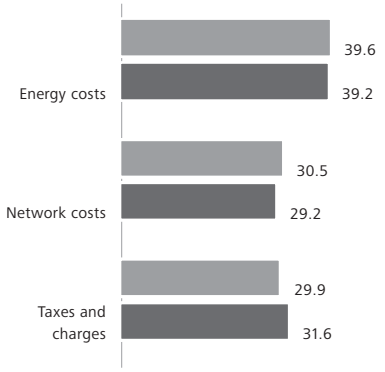
The responsible approach followed by EVN throughout the entire product cycle minimises health and safety risks. Quality management plays an important role in this process through its focus on the definition of and compliance with high standards for the (further) development of product concepts, innovation, research and development activities as well as processes for the certification, manufacture, production, distribution, marketing, sales promotion, use, maintenance, disposal and recycling of products. Recycling is based on Austrian standards and is considered exemplary in many areas, particularly in the foreign operations of EVN and its subsidiaries. This applies, above all, to the sustainable planning, production and distribution of electricity as well as quality assurance for the networks and electricity supplies in the regions where EVN operates. All categories of products and services are continuously monitored with respect to customer satisfaction, health and safety based on comprehensive quality assurance procedures.

→ GRI indicator: Effects on health and safety throughout the product life cycle (PR1)

Electricity price structure in Lower Austria[1)]

in %

as at 30.09.2012
as at 30.09.2013

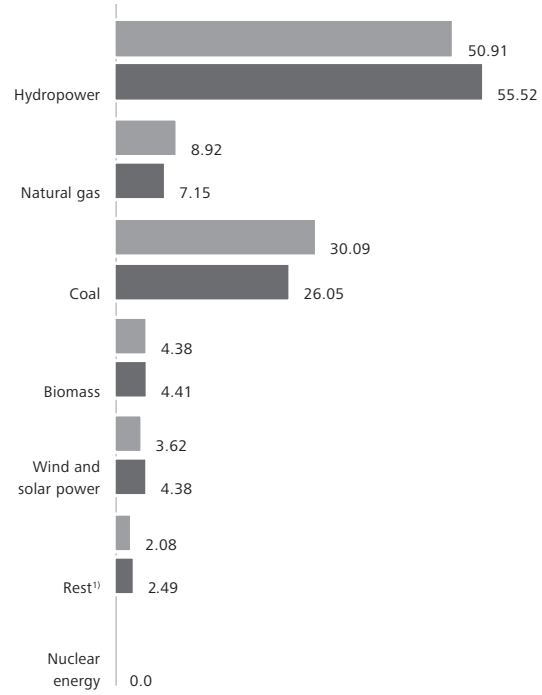


1) Assumptions: household with an annual consumption of 3,500 kWh

Composition of electricity from EVN KG in terms of primary energy sources

in %

2011/12
2012/13

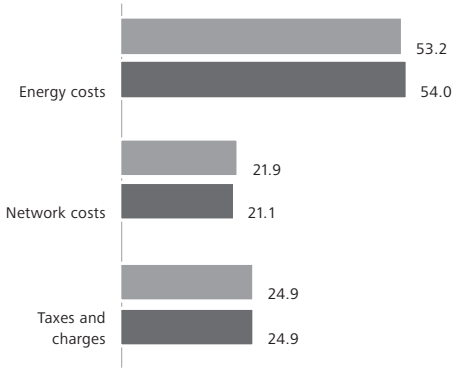


1) Electricity generation from thermal waste utilisation by EVN Abfallverwertung, crude oil and its by-products, biogas, landfill gas and sewage gas

Gas price structure in Lower Austria[1)]

in %

as at 30.09.2012
as at 30.09.2013

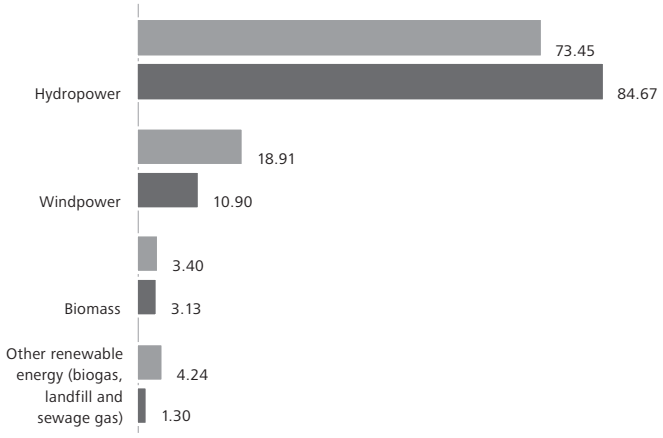


1) Assumptions: household with an annual consumption of 20,000 kWh

Composition of electricity from the Naturkraft Energievertriebsgesellschaft m.b.H. in terms of primary energy sources

in %

2011/12
2012/13



Corporate governance report

EVN AG is an Austrian public limited company that is listed on the Vienna Stock Exchange. As a result of this standing, corporate governance is based on Austrian law – in particular stock corporation and capital market laws, legal regulations governing co-determination by employees and the company by-laws – as well as the Austrian Corporate Governance Code (ACGC, see www.corporate-governance.at) and the rules of procedure for the company's corporate bodies.

Commitment to the Austrian Corporate Governance Code

Introduction

The Executive Board and the Supervisory Board of EVN are committed to the principles of good corporate governance and thereby meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 June 2006, EVN announced its commitment to comply with the ACGC in the January 2006 version. The June 2007 version of the ACGC took effect for EVN on 1 January 2008, the January 2009 version as of 1 October 2009 and the January 2010 version as of 1 March 2010. The January 2012 version of the ACGC took effect at EVN as of 1 October 2012. The amendments to the ACGC to reflect the Second Stability Act from July 2012 are also binding for EVN.

The ACGC standards are divided into three categories. The legal requirements (L-rules) are based on binding regulations, which must be observed by all Austrian listed companies. EVN complies in full with all these requirements. The C-rules (Comply or Explain) require disclosure of the reasons in the event of non-compliance. EVN provides a detailed explanation of any deviations from these rules online under www.evn.at/Corporate-Governance-Report and provides an overview in the following section of this report. The R-rules represent recommendations and do not require the disclosure of deviations.

The EVN Executive Board and Supervisory Board formally declare their commitment to fully observe all C-rules of the ACGC, with the exception of the following deviations and explanations. Furthermore, the company only deviates from a limited number of R-rules.

Deviations from C-rules

Due to the distinctive characteristics of the Austrian energy industry and EVN's business, the company does not adhere to the following C-rules of the ACGC:

Rule 16: Following the resignation and retirement of the third Executive Board member, Herbert Pöttschacher, on 30 June 2013, the rules of procedure for the Executive Board were changed for the period in which the Executive Board consists of two members. This change requires the convening and presence of at least two members at a meeting of the Executive Board for a resolution to be considered legally valid. If the Executive Board has only two members, resolutions must be passed unanimously and abstention from voting is not permitted. In cases where a unanimous decision is not reached, the Executive Board must review and vote again on the respective point of the agenda within ten days. If the second round of voting does not bring a unanimous resolution, the Executive Board must report this situation to the Supervisory Board. A spokesman will also be appointed for the Executive Board, even when there are only two members, and the direction of the meetings and representation therefore also apply in this case.

Rule 45: All members of the Supervisory Board, with one exception, complied with the provision that prohibits them from assuming functions on the boards of other enterprises which compete with EVN. The Supervisory Board member who does not meet this rule represents the interests of a specific shareholder of EVN AG.

Rule 51: The Supervisory Board remuneration is disclosed in total as well as in percentages for the chairman, the two deputy chairmen and the other members. This presentation provides adequate insight into the remuneration situation.

Corporate bodies

Executive Board

Peter Layr
Spokesman of the Executive Board

Born in 1953. Doctor of Technical Sciences. Joined EVN in 1978. Member of the EVN Executive Board since October 1999. Appointed spokesman of the EVN Executive Board in January 2011. His term of office expires on 30 September 2019. Peter Layr has executive responsibility for the Generation, Network Infrastructure Austria and Environmental Services (since 1 July 2013) Segments as well as EVN's data processing, procurement and purchasing functions as well as internal auditing (since 1 July 2013). In accordance with the disclosure required by Rule 16 of the ACGC[1)], he holds one supervisory board mandate in another domestic company that is not included in the consolidated financial statements of the EVN Group.

1) Verbund AG, member of the Supervisory Board

Stefan Szyszkowitz
Member of the Executive Board

Born in 1964. Master of Law, Master of Business Administration. Joined EVN in 1993. Member of the EVN Executive Board since January 2011. His term of office expires on 19 January 2016. Stefan Szyszkowitz has executive responsibility for the Energy Trade and Supply and Energy Supply South East Europe Segments as well as the following corporate functions: controlling, customer relations, finance (incl. investor relations), Group accounting, general secretary and corporate affairs, information and communications, human resources as well as administration and construction (since 1 July 2013). In accordance with the disclosure required by Rule 16 of the ACGC[2)], he holds one supervisory board mandate in another domestic company that is not included in the consolidated financial statements of the EVN Group.

2) EVN-Pensionskasse Aktiengesellschaft, chairman of the Supervisory Board

Herbert Pöttschacher
Member of the Executive Board

Born in 1949. Degree in Surveying, Regional and Environmental Planning. Member of the EVN Supervisory Board from 1991 to 1995 and member of the EVN Executive Board from July 1995 to the end of his term of office on 30 June 2013. Herbert Pöttschacher had executive responsibility for the Environmental Services Segment as well as EVN's internal auditing, administration and construction functions up to 30 June 2013. In accordance with the disclosure required by Rule 16 of the ACGC[3)], he holds one supervisory board mandate in another domestic company that is not included in the consolidated financial statements of the EVN Group. Herbert Pöttschacher resigned from EVN AG with the end of his term of office on 30 June 2013.

3) SERVICE MENSCH GmbH, member of the Supervisory Board

Supervisory Board

Members of the Supervisory Board

Name (Year of birth)	Date of initial appointment	Function in listed companies and other important functions	Independence Rule 53[1]	Independence Rule 54[2]
Shareholder representatives				
President and Chairman Burkhard Hofer (1944)	20.01.2011	Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Chairman of the Supervisory Board of HYPO NOE Gruppe Bank AG	no	yes
Stefan Schenker Vice-Chairman (1946)	12.12.1996	Independent forestry engineer	yes	yes
Willi Stiowicek Vice-Chairman (1956)	15.01.2009	Head of the Presidential Department of the Magistrate of the Provincial Capital St. Pölten	yes	yes
Norbert Griesmayr (1957)	12.01.2001	Chairman of the Executive Board of VAV Versicherungs-Aktiengesellschaft	yes	yes
Thomas Kusterer (1968)	17.01.2013	Member of the Executive Board of EnBW Energie Baden-Württemberg AG	yes	no
Dieter Lutz (1954)	12.01.2006	Shareholder and Managing Director of the BENDA LUTZWERKE GmbH, Chairman of the management board of the Benda-Lutz Corporation, USA, Vice-President of the Lower Austrian Chamber of Commerce and of the association of Österreichische Industrie, Group Lower Austria	yes	yes
Reinhard Meißl (1959)	12.01.2006	Head of the Finance department, Provincial Government of Lower Austria, CEO of NÖ Holding GmbH and NÖ Landes-Beteiligungsholding GmbH	yes	no
Bernhard Müller (1973)	12.01.2006	Mayor of the statutory city Wiener Neustadt	yes	yes
Edwin Rambossek (1943)	20.01.2011	Corporate consultant	yes	yes
Michaela Steinacker (1962)	12.01.2001	Authorised representative for real estate and chairwoman of the advisory board of Raiffeisen evolution project development GmbH (since 01.07.2013), member of the Austrian Parliament (since 29.10.2013), member of the Executive Board of RAIFFEISEN-HOLDING NIEDERÖSTERREICH-WIEN reg.Gen.m.b.H. (up to 30.06.2013)	yes	yes
Hans-Peter Villis (1958)	from 17.01.2008 to 17.01.2013		yes	no
Employee representatives				
Franz Hemm (1955)	03.05.1994 unlimited term	Chairman of the Central Works Council of the EVN Netz GmbH, vice-president of the Lower Austrian Chamber of Labour		
Paul Hofer (1960)	01.04.2007 unlimited term	Chairman of the Central Works Council of EVN AG		
Leopold Buchner (1953)	from 19.01.2009 to 30.06.2013	Vice-chairman of the Central Works Council of EVN AG		
Monika Fraißl (1973)	01.07.2013 unlimited term	Central Works Council		
Manfred Weinrichter (1961)	01.01.2001 unlimited term	Vice-chairman of the Central Works Council of Netz Niederösterreich GmbH		
Otto Mayer (1959)	12.05.2005 unlimited term	Central Works Council		

The terms of office of all Supervisory Board members expire at the end of the Annual General Meeting that will vote on the release from liability for the 2014/15 financial year.
The employee representatives are delegated by the respective Works Council for an unlimited term, but may be recalled by their Works Council at any time.

1) Rule 53 of the ACGC: Independent of the company and the Executive Board
2) Rule 54 of the ACGC: No representation of shareholders with a stake over 10% and independent in accordance with Rule 53 of the ACGC

A list of the Supervisory Board committees can be found on page 55.

Independence of the Supervisory Board

A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the company or its management board that could lead to a material conflict of interest and therefore influence the member's behaviour. If any such conflicts of interest arise, EVN requires multi-year transition periods in accordance with the ACGC.

The guidelines to determine the independence of the elected members of the Supervisory Board stipulate that these persons

- may not have any business or personal relations with EVN AG or its Executive Board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour;
- may not have served as a member of the Executive Board or a top executive of EVN AG or any of its subsidiaries during the past five years;
- may not maintain or, in the previous year, did not maintain any business relations with EVN AG or a subsidiary of EVN AG that are considered material for that member. This also applies to business relations with companies in which the Supervisory Board member holds a significant economic interest;
- may not have acted as an auditor of EVN AG or owned a share in or worked as an employee of this firm during the past three years;
- may not serve on the management board of another company in which a member of the Executive Board of EVN AG is a member of the supervisory board; and
- may not be closely related (i.e. direct offspring, spouses, life partners, parents, uncles, aunts, sisters, nieces, nephews) to a member of the Executive Board or to persons who hold one of the above-mentioned positions.

Function and committees of the Supervisory Board

The Supervisory Board fulfils its responsibilities as a joint decision-making body in cases where individual issues are not delegated to its committees. The Supervisory Board committees are responsible for preparing negotiations and resolutions, monitoring the implementation of the Supervisory Board's decisions and taking decisions on issues delegated by the Supervisory Board. The following committees were established by the Supervisory Board of EVN AG, each of which includes at least three elected Supervisory Board members and the legally required number of employee representatives:

The responsibilities of the Audit Committee are as follows:

- monitoring the accounting process;
- monitoring the effectiveness of the internal control system and, if necessary, the company's internal audit and risk management systems;
- monitoring the audit of the annual and consolidated financial statements;
- verifying and monitoring the independence of the auditor of the annual financial statements (consolidated financial statements), especially with regard to supplementary services provided for the audited company;
- reviewing the annual financial statements and preparing the authorisation of these financial statements, reviewing the proposal for the distribution of profits, the management report and, if applicable, the corporate governance report as well as submitting a report on the results of this review to the Supervisory Board;
- examining the consolidated financial statements and the Group management report and submitting a report on the results of this examination to the Supervisory Board of the parent company; and
- preparing a proposal for the Supervisory Board on the selection of the auditor of the annual and consolidated financial statements.

The members of the Audit Committee include the financial experts required by law and Rule 40 of the ACGC.

The Personnel Committee is responsible for all matters involving the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. The Personnel Committee nominates replacements for seats on the Executive and Supervisory Boards. As the Remuneration Committee of the Supervisory Board, the Personnel Committee has one member with knowledge and experience relating to remuneration policy (Rule 43 of the ACGC).

The Working Committee is responsible for carrying out the specified tasks assigned by the full Supervisory Board. In certain urgent cases, the Working Committee is authorised by the rules of procedure for the Supervisory Board to approve specified business transactions on behalf of this body.

The Supervisory Board held five plenary meetings during the reporting year, at which its members fulfilled the tasks and duties required by legal regulations and the company's by-laws. The Audit Committee of the Supervisory Board met twice in 2012/13. The Working Committee, which also serves as an emergency committee, did not meet during 2012/13. The Personnel Committee, which also serves as a remuneration and nominating committee, met four times during the reporting year. Average attendance at Supervisory Board meetings equalled 83% in 2012/13.

One member of the Supervisory Board (Mayor Bernhard Müller) did not personally participate in more than half of the Supervisory Board meetings in 2012/13 (Rule 58 of the ACGC).

Composition of the Supervisory Board committees

Working Committee
Burkhard Hofer (Chairman)
Stefan Schenker
Willi Stiowicek
Reinhard Meißl
Franz Hemm
Paul Hofer

Personnel Committee
Burkhard Hofer (Chairman)
Stefan Schenker
Willi Stiowicek

Audit Committee
Stefan Schenker (Chairman)
Burkhard Hofer
Willi Stiowicek
Reinhard Meißl
Franz Hemm
Paul Hofer

Annual General Meeting

The shareholders of EVN shares exercise their legal and voting rights at the annual general meeting, whereby each share is granted one vote. EVN AG has no preferred shares or shares with multiple voting rights. Decisions on specific matters are reserved for the annual general meeting by Austrian law or the company's by-laws, among others the distribution of profits, the release of the members of the Executive Board and the Supervisory Board from liability, the selection of the auditor for the individual and consolidated financial statements, and the election of the members of the Supervisory Board. Moreover, the annual general meeting is entitled to make decisions pertaining to changes in the company by-laws and planned capital measures. The results of voting and the agenda for the 84th Annual General Meeting of EVN on 17 January 2013 are available on the EVN website (see www.evn.at/AGM.aspx).

Clear separation of management and control responsibilities

Austrian stock corporation law prescribes a dual management system and requires strict separation between management bodies (i.e. Executive Board) and controlling bodies (i.e. Supervisory Board). Parallel membership in both bodies is not permitted.

Management of the company by the Executive Board

EVN's Executive Board had three members up to 30 June 2013 and two members after that date. If the Supervisory Board does not appoint a chairman or spokesman for the Executive Board, the members are entitled to designate their own spokesman. The Executive Board is responsible for managing the company so as to support its business activities and continued success in the interests of shareholders, employees and the general public. The basis for the work of the Executive Board is formed by legal requirements and the company's by-laws as well as the rules of procedure for the Executive Board that have been approved by the Supervisory Board. Important rules of conduct are defined by the ACGC.

Irrespective of the Executive Board's overall responsibility, the Supervisory Board establishes and assigns specific areas of responsibility to the individual Executive Board members based on the given requirements. Certain transactions are reserved for joint discussions and decision-making by the Executive Board. Legal regulations or a previous Supervisory Board resolution require the Executive Board to obtain the consent of the Supervisory Board for other business transactions. The company by-laws contain a detailed list of such cases.

Reporting obligations of the Executive Board

Organisational law requires the Executive Board to report to the Supervisory Board. These reporting standards also apply to the Supervisory Board committees. The reporting obligations of the Executive Board also include quarterly reports on the development of business in the Group and information on matters of importance relating to major Group subsidiaries.

Communications between the Executive Board and the Supervisory Board take place at the meetings of the Supervisory Board and its committees and in writing, as required. In addition, the Executive Board and the chairman of the Supervisory Board maintain regular contact on issues that fall under the responsibility of the Supervisory Board. In particular, this includes the preparation of meetings.

Supervisory Board

As of 30 September 2013, the Supervisory Board of EVN AG had ten shareholder representatives elected by the Annual General Meeting and five members delegated by the Works Council. The Supervisory Board is led by a chairman and two vice-chairmen, who are chosen by the Supervisory Board from among its members. The minimum number of independent members was set at 50% in a meeting on 29 May 2006. The independent members of the EVN Supervisory Board, as defined by Rules 53 and 54 of the ACGC, are listed on page 53.

The Supervisory Board performs its duties in accordance with the provisions of stock corporation law and the company's by-laws. Additional guidelines for its activities are provided by the rules of procedure for the Supervisory Board and the ACGC.

One particular responsibility of the Supervisory Board is to supervise the work of the Executive Board, from which it may request a report at any time concerning the development of business. Legal regulations allow the Supervisory Board to extend the scope of business transactions requiring its formal consent as defined in § 95 (5) of the Austrian Stock Corporation Act. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such business transactions and measures. The Supervisory Board deals annually with the efficiency of its work, in particular its organisation and mode of operation.

Remuneration report

Remuneration for top executives (Rule 28a): In the light of the requirements defined by the latest version of the ACGC, the current variable remuneration system for top executives was adjusted as of 1 October 2010. However, the ratio of the variable remuneration to fixed salaries remained the same.

This adjustment set the following priorities:

Indicators to illustrate the company's economic situation: In line with the further development of management indicators to reflect the strategic and operating priorities of the EVN Group, the following quantitative parameters are used: increase in economic value added (EVA®) and average cash flow contribution.

Sustainability: One of the primary objectives of the current version of the ACGC is to strengthen the focus of the Executive Board and top managers on sustainability and a long-term orientation. The introduction of multi-annual targets and a bonus reserve further increased the solidity and stability of the variable remuneration system.

The bonus reserve is defined as a payment mechanism which is converted into an annual pro-rata bonus if the quantitative targets are met during a given period. Up to one-half of the bonus reserve is distributed after the achievement of objectives has been confirmed, while the remainder is carried forward to the next year. The introduction of a bonus reserve is designed to achieve two main goals. On the one hand, it serves to focus on a multi-annual approach that links consecutive years by carrying the unpaid bonus components from the initial reserve forward to the period similar to an opening balance. On the other hand, this scheme aims to cushion and smooth the "independent" fluctuations in the company's economic performance.

Multi-annual approach: The quantitative objectives are defined in advance for a period of three years. The determination of target achievement is based on internal data and information as well as external sources, e.g. benchmarks, peer group analysis and capital market and rating evaluations. In addition to the general three-year period, the accuracy and validity of the medium-term targets is evaluated each year. These targets are only revised in exceptional cases, for example in light of unforeseeable events or changes in the company which have a significant impact on performance.

Stock options (Rule 29): EVN does not have a stock option programme for the members of the Executive Board or key managers.

Performance-based bonus programme for the Executive Board (Rule 30): In 2012/13, the remuneration of the Executive Board comprised a fixed component of 76% and a variable component of 24%. The variable component was based on the 2011/12 financial year. The performance-based component is capped and includes the following components: 40% based on an increase in economic value added (EVA®), 30% on the average cash flow contribution and 30% on individually agreed targets.

In keeping with the requirements of the current ACGC, the Supervisory Board of EVN AG approved an amendment to the previous variable remuneration scheme beginning in 2010/11. However, the ratio of variable remuneration to fixed salaries remained unchanged. Additional information is provided under the remuneration system for top executives (Rule 28a).

Detailed information on the remuneration of the Executive Board is provided in the notes to the consolidated financial statements on page 163f.

Directors and officers insurance (D&O insurance, Rule 30): EVN has arranged for D&O insurance to cover claims for damages by the company, shareholders, creditors, competitors and customers against the Executive Board resulting from violations of their legal obligation to exercise diligence in their capacity as managing directors. The Group's subsidiaries and certain affiliated companies are jointly insured under the prevailing terms and conditions at the present time. The costs for this insurance are carried by the company. Since the premium applies to the Group and is not dependent on the number of insured persons, extending this insurance coverage to the members of the Supervisory Board does not increase the premium.

Contracts requiring the approval of the Supervisory Board (Rule 48): No member of the Supervisory Board has concluded a contractual agreement with EVN or one of its subsidiaries that would entitle him/her to more than an insignificant payment. All such contracts are subject to the approval of the Supervisory Board.

Remuneration of the Supervisory Board (Rule 51): The Supervisory Board remuneration totals TEUR 98 per year. The chairman receives 15.1% of this amount, each of the two vice-chairman 11.0% and each of the other members slightly more than 9.0%. The attendance fee equals EUR 190 per person and meeting.

Measures to support women (Rule 60): EVN is committed to offering equal opportunities to all its employees. In spite of this focus, the percentage of women in EVN's workforce amounts to 21.9%. The Executive Board developed and approved the "Women@EVN" programme in 2010/11 to increase this percentage by improving the opportunities and perspectives offered to women working for the EVN Group in Austria. It is designed to create operating conditions that enable women to assume qualified positions in specialised areas and at the management level in line with their inclinations and skills. In 2012/13, four women were appointed to senior positions and seven were assigned to direct projects (careers as project managers). The percentage of young women in the Group's management development programme was higher than the current share of women in EVN's workforce during the reporting year. EVN has long pursued measures to support the work-life balance, including flexible working time models, the provision of individualised support to women returning after maternity leave, day care during holidays, information events for staff members on parental leave as well as a comprehensive programme of vocational and professional education which is also open to men and women on parental leave. EVN's objective for the medium term is to increase the share of women to a level that mirrors the current educational levels of women in the applicable professional groups.

The Austrian Equal Opportunity Act requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared the required report and submitted it to the applicable works council.

Directors' Dealings (Rule 73): No purchases of EVN AG shares by members of the corporate bodies were reported to the company during 2012/13.

No **business relationships with a related party** were entered into during the reporting year. A group and tax settlement agreement was concluded between EVN AG and NÖ Landes-Beteiligungsholding GmbH on 13 October 2005.

Auditor's fees: The annual and consolidated financial statements of EVN for the 2012/13 financial year were audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The fees charged by KPMG in 2012/13 amounted to EUR 1.8m (previous year: EUR 2.1m) and covered the following: 35.0% represented auditing and audit-related services (previous year: 57.0%), 63.0% tax consulting services (previous year: 33.0%) and 2.0% for other consulting services (previous year: 10.0%).

Internal audit and risk management at EVN

Internal audit

EVN's internal audit department reports directly to the Executive Board and to the Audit Committee of the Supervisory Board. It is responsible for auditing and controlling processes and business units throughout the EVN Group. Separate internal audit departments were also established at EVN's subsidiaries in Bulgaria and Macedonia. The internal audit departments prepare annual audit plans based on the results of risk assessments, and these plans are approved by the responsible corporate bodies before implementation. Any problem areas identified during the audits are reported to the respective business units and measures for improvement are recommended. The implementation of

the measures approved by EVN's management is then evaluated in follow-up audits. No serious deficiencies were identified that could endanger the strategy and objectives of the EVN Group.

Risk management

The primary goal of risk management at EVN is to protect the Group's current and future earnings potential. Risks are recorded and analysed based on a centrally managed two-stage process that provides the responsible employees in the EVN Group with methods and tools to identify and evaluate risks. The respective business units, which are also responsible for risk management, communicate their risk exposures to the central risk management department, which classifies, analyses and evaluates risks across the entire Group. Measures to minimise corporate risks are also identified and their implementation is monitored. The two-stage risk management process is supported by standardised guidelines and carried out throughout the Group on an on-going basis. The resulting risk analysis is presented to the Executive Board and the responsible managing directors at regular intervals by the Group Risk Committee. A detailed description of EVN's risk landscape can be found in the management report on the 2012/13 financial year.

Issuer compliance

In accordance with the regulations defined by the Austrian Stock Corporation and Stock Exchange Acts, the Austrian Issuer Compliance Code and the Directive of the European Parliament on insider dealing and market manipulation, EVN has developed a comprehensive set of rules to prevent the misuse of insider information. Twenty permanent and five ad-hoc areas of EVN's business have been designated as strictly confidential, and the involved employees undergo regular training. In line with the Austrian Stock Exchange Act, compliance and confidentiality are monitored and evaluated by a designated compliance officer who reports directly to the Executive Board. The regular controls carried out by the compliance officer in 2012/13 did not identify any deficiencies.

EVN Code of Conduct

EVN places great importance on the integrity and legally compliant behaviour of all its employees and business partners. As an international energy and environmental services company, the management and employees of EVN have a far-reaching responsibility and role model function both in Austria and abroad. The Code of Conduct, which was developed in a Group-wide process and updated during 2012, forms the basis for all compliance measures at EVN.

EVN's compliance organisation was revised in 2011/12, and a fundamental commitment was made to develop a compliance management system (CMS). The staff department Corporate Compliance Management (CCM) was established as of 1 October 2012 to develop, manage and improve the CMS; this department reports directly to the Executive Board. The CMS defines a standardised framework for the entire Group, which is designed to ensure honest and legally compliance behaviour in everyday business activities.

The CMS is based on three key elements: prevention (EVN's Code of Conduct, training, etc.), identification (audits, whistleblowing procedure, etc.) and reaction (investigation, improvement, etc.).

The CMS includes the following functions and units:

- Chief Compliance Officer (CCO): ensures a modern, Group-wide CMS that covers all Group functions.
- Decentral/National Compliance Officer (DCO, NCO): responsible for implementing the compliance programme in the individual segments/countries based on a risk assessment.
- Compliance Committee (CC): established as an internal advisory committee for the CCO to monitor and evaluate compliance violations, to provide advice on basic issues and to further develop the CMS.

The roles and responsibilities of all persons involved in the CMS were defined to create a uniform understanding of compliance. Concrete measures were also developed following the completion of risk assessments in the individual areas. The first implementation phase of the new CMS was directed to EVN's managers, since they have a key function and serve as role models for the establishment of a sustainable compliance culture.

In a second step, EVN employees will be familiarised with these interrelated themes in 2013/14. The managers, together with the responsible DCOs, organise and hold training sessions for the employees in their respective areas. These courses focus on the core areas of compliance, i.e. the prevention of corruption, antitrust and competition law as well as stock exchange requirements; additional courses are also offered to deal with specific risk exposure.

Special compliance training sessions are offered for the Executive Board and Supervisory Board as needed.

An important element of the CMS is the whistle-blowing procedure, which provides a framework to report possible violations of EVN's Code of Conduct. This system is voluntary and anonymous, and the identity of the reporting person is never revealed.

The EVN Code of Conduct can be found under www.evn.at/Code-of-conduct.aspx. Its content is based on EVN's various stakeholder groups and is designed to support all employees in implementing EVN's values during their working activities.

The Supervisory Board received a report on the content, goals and status of the compliance organisation in its meeting on 12 December 2012 in accordance with Rule 18a of the ACGC.

Audit of the Austrian Corporate Governance Code by KPMG Austria

The report by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, on their audit of the corporate governance report of EVN AG, Maria Enzersdorf, pursuant to § 96 (2) Stock Corporation Act, concerning compliance with the ACGC is available under www.investor.evn.at.

Maria Enzersdorf, 6 November 2013

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

Report of the Supervisory Board

Dear Ladies and Gentlemen,

The 2012/13 financial year was influenced by the tense economic environment and distortions on the European energy markets. Continuing uncertainty on the international capital markets as the result of government crises in a number of European countries, political uncertainty in North Africa and the Middle East and, last but not least, decisions over monetary policy by the US Federal Reserve led to a decline in economic performance. The European energy markets were characterised by high, and at the same time intermittent, volumes of electricity generated from renewable energy sources, above all windpower and photovoltaic. This situation was reflected in an occasional oversupply of electricity as well as highly volatile market prices. In spite of this on-going difficult environment, EVN remained a reliable partner for its customers in 2012/13.

The Supervisory Board actively monitored and supported EVN's strategic steps as part of its designated responsibilities. Five plenary meetings were held during the reporting year, in which the Supervisory Board fulfilled the tasks and duties required by legal regulations and the company's by-laws. In a closed conference, an expert with practical and theoretical legal experience provided the Supervisory Board with detailed information on corporate compliance.

The Executive Board provided the Supervisory Board with regular, timely and comprehensive reports on all relevant aspects of the Group's business development, including the risk position and risk management, as well as the development of key Group companies. This reporting enabled the Supervisory Board to continually supervise and support the Executive Board's management activities. The advisory and control functions exercised by the Supervisory Board within the framework of open discussions with the Executive Board did not lead to any objections. Recommendations by the Supervisory Board were taken up by the Executive Board.

Changes on the Supervisory Board

The Annual General Meeting on 17 January 2013 elected Thomas Kusterer to the Supervisory Board to replace Hans-Peter Villis who had resigned. Leopold Buchner, an employee representative on the Supervisory Board, resigned from this body on 30 June 2013 owing to his retirement. The Works Council subsequently delegated Monika Fraißl as an employee representative to the Supervisory Board as of 1 July 2013. The Supervisory Board would like to thank these two former members for their successful contributions to the work of the Supervisory Board.

Changes on the Executive Board

The Supervisory Board decided, at the present time, not to fill the position on the Executive Board that resulted from the resignation and retirement of Herbert Pöttschacher at the end of his term of office. The distribution of duties among the members of the Executive Board was amended, and the rules of procedure for this body were revised.

The resulting deviation from the requirements of the Austrian Corporate Governance Code is explained in the corporate governance report under Rule 16.

The Supervisory Board would like to thank Herbert Pöttschacher for his 28 years of successful work on the Supervisory Board, the Advisory Board and the Executive Board of EVN.

Other major resolutions passed by the Supervisory Board

The other major decisions made by the Supervisory Board in 2012/13 included the approval of

the 2013/14 budget for the EVN Group and the approval of the sale of the 50% stake in Devoll Hydropower ShA to Statkraft AS. Another important resolution involved the premature refinancing of the outstanding liability for the Ashta hydropower plant project. The approval of the budget also covered the approval of investments in the Guntramsdorf co-generation plant and the heating networks, in windparks for electricity generation and in electricity networks for the transportation of renewable energy. In the environmental services business, investments to acquire local water pipeline networks were approved.

The Supervisory Board also received a separate report on the conversion of shares as required by a 2011 amendment to Austrian company law and the cancellation of selected shares as well as detailed information on current developments in Bulgaria and Moscow.

Austrian Corporate Governance Code, Supervisory Board committees

As a listed company, EVN is committed to compliance with the Austrian Corporate Governance Code. The Supervisory Board approved the implementation of the January 2012 version of the code by EVN beginning in 2012/13. The amendment of the Austrian Corporate Governance Code to reflect the July 2012 changes in Austria's Second Stability Act is binding for EVN under this law. The Supervisory Board strives to consistently comply with the provisions of the code that relate to its activities. EVN complies with all rules governing the cooperation between the Supervisory Board and the Executive Board as well as the internal workings of the Supervisory Board with the exception of two deviations that are explained in the corporate governance report.

A separate point of the agenda for the Supervisory Board meeting on 12 December 2012 involved a report to this body on the content, goals and status of the compliance organisation in accordance with Rule 18a of the ACGC.

The Supervisory Board conducted a self-evaluation of its activities during the reporting year as required by the Austrian Corporate Governance Code. This evaluation took the form of a questionnaire, which focused primarily on the organisation and working processes of the Supervisory Board. The results of the survey were discussed at a plenary session.

In line with the requirements of the Austrian Corporate Governance Code and the rules of procedure for the Supervisory Board, the Supervisory Board established the following committees: the Audit Committee, the Personnel Committee which simultaneously serves as a Remuneration and Nominating Committee, and the Working Committee.

The Personnel Committee met four times during the 2012/13 financial year and dealt with issues pertaining to relations between the company and the members of the Executive Board.

The Working Committee did not meet during the reporting year. The Audit Committee held two meetings during 2012/13, which focused chiefly on six-month results and the outlook for the full financial year, on the preparation of the resolution for the approval of the annual financial statements and on the appointment and work of the auditor. The Audit Committee also discussed current developments in the operating segments and dealt extensively with the internal control, internal audit, risk and compliance management systems.

The corporate governance report provides additional information on the composition and working processes of the Supervisory Board and its committees as well as the remuneration of Supervisory Board members and guidelines defined by the Supervisory Board to ensure its independence.

Annual financial statements and consolidated financial statements

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed to audit the financial statements for the 2012/13 financial year from 1 October 2012 to 30 September 2013. This firm examined the annual financial statements of EVN AG as of 30 September 2013, which were prepared in accordance with Austrian accounting regulations, and the management report submitted by the Executive Board. KPMG presented a written audit report on the audit and issued an unqualified opinion. Following detailed analysis and discussions by the Audit Committee and the Supervisory Board, the Supervisory Board approved the following documents that were submitted by the Executive Board: the annual financial statements as of 30 September 2013 together with the notes, management report and corporate governance report; and the recommendation for the use of profits. The annual financial statements as of 30 September 2013 were thereby approved in accordance with § 95 (4) of the Austrian Stock Corporation Act. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and also audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, which issued an unqualified opinion. The Supervisory Board approved the consolidated financial statements together with the respective notes and management report.

In conclusion, the Supervisory Board would like to thank the Executive Board and all employees of the EVN Group for their performance and commitment during the 2012/13 financial year. Special thanks are also directed to EVN's shareholders, customers and partners for their confidence in the company.

Maria Enzersdorf, 11 December 2013

On behalf of the Supervisory Board:

Burkhard Hofer
President

Management report

Legal framework

International climate policy

The 18th United Nations Climate Change Conference was held in Doha, the capital of Qatar, from 26 November to 8 December 2012. Its goal was to conclude a follow-up agreement to the Kyoto Protocol, which expired in December 2012. At this conference, Australia, the members of the European Union and other European countries agreed to extend the Kyoto targets to 2020. These countries, in total, are responsible for nearly 14% of worldwide CO_2 emissions. They have announced their intention to cut their greenhouse emissions by 25% to 40%, whereby the path to reach this level by 2014 will be reviewed in preparation for a possible increase in the targeted reduction. Russia, Canada, Japan and New Zealand will not take part in this second commitment period.

A general timetable was approved for the adoption of a binding international climate protection agreement that will be negotiated with all countries beginning in 2015 and take effect in 2020. An agreement was not reached concerning financing for the Green Climate Fund whose creation was approved by the 16th United Nations Climate Change Conference in Mexico at the end of 2011. This fund should provide developing countries with USD 100bn per year, beginning in 2020, to support adjustments to the consequences of climate change.

The negotiations are being continued at the next United Nations Climate Change Conference in Warsaw during November 2013.

European energy policy

European framework

The European energy market is currently undergoing fundamental changes. The continuous, but volatile increase in energy generation from windpower and photovoltaic sources has shifted supply security as part of a new market design into the focus of discussions. In this connection, major utility companies from various countries have proposed a number of measures to the European Parliament that are designed to ensure supply security, reduce greenhouse gas emissions and limit the rise in energy prices. They also called for the development of long-term subsidy schemes for renewable energy.

A future-oriented energy policy must ensure the provision of sufficient reliable generation capacity and also support the expansion of efficient network infrastructure for the transmission and distribution of electricity. The goals of energy policy – which include an improvement in energy efficiency, a further increase in generation from renewable energy sources and the introduction of smart metering – could create a financial burden for customers and impair Europe's competitiveness as a business location. Consequently, these types of effects are of great importance for the design of future European energy systems.

EU energy efficiency directive

On 14 June 2012, the EU member states agreed on new regulations to increase energy efficiency. The related directive (Directive 2012/27/EU) was passed on 25 October 2012 and requires each member state to set a mandatory national target for a 20% improvement in energy efficiency by 2020. A number of concrete measures were defined to reach this goal, e.g. the renovation of 3% of government buildings each year and the introduction of a mandatory system with an annual reduction target of 1.5% for energy supply companies. Efficiency improvements are to be realised along the entire energy value chain in line with legally binding measures for implementation. Plans call for the improvement of energy efficiency in companies and private households based on mandatory systems or political measures, with the public sector taking a leading role.

EU emissions trading scheme

The European Parliament passed a resolution on 3 July 2013 to temporarily reduce the supply of emission trading certificates. This resolution rescheduled the auction of 900 million CO_2 emission trading certificates not issued during the third trading period (2013 – 2020) to 2019 and the following years. The total volume of certificates for the third trading period remains the same, but will be spread over a longer period of time. This measure is expected to reduce the surplus of CO_2 emission trading certificates from the second trading period and thereby counter the resulting decline in prices. A general structural reform of the emission trading system is expected.

EU energy infrastructure measures

The European Council approved the Commission's recommended guidelines for a trans-European energy infrastructure and passed the related directive in March 2013. Cross-border projects to expand energy infrastructure that are of common interest will now be handled in a more transparent and faster approval process, which should reduce administrative costs by up to 30%. In addition, subsidies will also be available from the European Union under the "Connecting Europe" facility. These measures are intended to create more attractive conditions for the realisation of the estimated EUR 200bn of investments required for the European electricity and gas networks.

The legal framework in Austria

Amendments to the ElWOG and GWG

Amendments to the Electricity Management and Organisation Act ("Elektrizitätswirtschafts- und -organisationsgesetz", ElWOG) and the Gas Management Act ("Gaswirtschaftsgesetz", GWG) were published on 6 August 2013.

A key part of these amendments is the implementation of EU Directive 1227/2011 (REMIT Directive), which aims to prohibit insider trading and market manipulation. In addition, market participants are required to register with the Agency for the Cooperation of Energy Regulators (ACER) and to report transactions on the wholesale energy market. ACER was established as a European supervisory authority for energy trading. Prior to the implementation of the ElWOG and GWG amendments, the Wholesale Energy – Transaction Data – Archiving Directive ("Energiegroßhandels-Transaktionsdaten-Aufbewahrungsverordnung", ETA-VO) from 9 October 2012 defined a five-year archiving period for data on wholesale energy transactions carried out on and off a commodity exchange. This data must be made available on request to E-Control, the Austrian Antitrust Authorities and the European Commission.

The amendments to both laws also include the adjustment of regulations for changing suppliers. The maximum period for a change of suppliers is limited to three weeks and is not tied to a specific cut-off date for consumers. The electronic change in suppliers takes place over a platform that is operated by the clearing office.

ElWOG (§ 79a) requires the mandatory identification of the electricity delivered to end consumers. The operators of pump storage power plants are also entitled to receive proof of origin from their electricity provider or other supplier and, beginning on 1 January 2015, must provide this certificate together with their own production.

The legally mandated labelling of electricity on EVN's invoices was audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The environmental impact of the supply mix used by EVN Energievertrieb GmbH & Co KG in 2011/12 totalled 270.64 g/kWh of CO_2 emissions and 0 g/kWh of radioactive waste.

→ GRI indicator: Legally prescribed information on products and services (PR3)

In connection with the introduction of intelligent measurement devices (smart meters), extensive rules for the recording, storage and transmission of data were defined by Austrian law (ElWOG and GWG). The Data Format and Information on Usage Directive ("Datenformat- und Verbrauchsinformationsdarstellungsverordnung", DAVID-VO 2012) includes detailed rules for the information that suppliers must provide to customers. The technical requirements for intelligent gas measurement devices were regulated in the Intelligent Gas Measurement Device Specifications Directive ("Intelligente Gas-Messgeräte-Anforderungs-Verordnung", IGMA-VO).

Based on the legal regulations for unbundling, EVN Netz GmbH was renamed Netz Niederösterreich GmbH after the end of the reporting year on 1 October 2013.

Network service directive for electricity 2012 plus amendment in 2013

This directive and its amendment set the safety, reliability and quality standards for services provided by distribution network operators to network users and other market participants and define the indicators to be used for monitoring compliance. The regulations cover the services to be provided for network connection, disconnection and the subsequent re-establishment of network access, the procedures and information requirements for planned service interruptions, voltage quality, the recording of usage data, general customer information and complaint management.

Energy Management Act

The Energy Management Act ("Energielenkungsgesetz 2012") replaced the previous law issued in 1982 as of 26 February 2013. It entitles the minister of economic affairs to issue direct orders to utility companies to avert a threatening or actual interruption in energy supplies for Austria in order to guarantee supply security. The areas covered by this law are gas, electricity and now also heat, whereby combined heat and power plants or district heating companies with a thermal bottleneck capacity of at least 50 MW or annual heating output of more than 300 GWh are also included.

Regulatory system for electricity and natural gas

The introduction of a regulatory account is defined for electricity network operators in § 50 ElWOG and for gas network operators in § 71 GWG. This account is intended to compensate variances between the actual revenues from network tariffs and the officially defined revenues. It represents a break with the previously applied method, under which the tariffs were determined ex ante on the basis of cost and volume forecasts. The new regulatory period for natural gas started on 1 January 2013 and covers five years. The current regulatory period for electricity networks ends on 31 December 2013.

Regulatory model for network usage tariffs for electricity and natural gas in Austria	Electricity (current)	Electricity (new)	Natural gas (current)
Regulatory authority	E-Control GmbH	E-Control GmbH	E-Control GmbH
Start of the regulatory period	01.01.2010	01.01.2014	01.01.2013
Next regulatory adjustment[1)]	01.01.2014	01.01.2019	01.01.2018
Duration of the regulatory period	4 years	5 years	5 years
Regulatory method	Revenue caps	Revenue caps	Revenue caps
Weighted average cost of capital (WACC) before taxes, nominal[2)]	7.0%	6.42%	6.42%
General productivity factor[3)]	1.95%	1.25%	1.95%
Individual productivity factor	0.25%	0.36%	0.00%
Inflation[4)]	Annual adjustment	Annual adjustment	Annual adjustment

1) Adjustment of WACC and productivity factors
2) The interest-bearing asset base is defined by the regulated asset base (RAB). The annual investments are added to the RAB in the following year.
3) Electricity: 50% of the achieved productivity increases are passed on to end customers during the regulatory period.
Natural Gas: Gains from cost reductions remain with the company during the regulatory period.
4) The network operator price index consists of consumer (30%) and building price (40%) indices as well as wage increase index.

The legal framework in South Eastern Europe

Bulgaria

In accordance with the EU directives for domestic electricity and natural gas markets, the unbundling of network operators and electricity suppliers in Bulgaria was enacted into corporate law as of 1 October 2006. EVN's subsidiary EVN Bulgaria EP is responsible for network operations, and EVN Bulgaria EC is responsible for sales and distribution.

The energy market in Bulgaria should have been deregulated since 2007 according to the country's energy law. Household customers are still unable to enjoy the benefits of a competitive market, but recent months brought the first signs of competition in the business segment. The state utility company Natsionalna Elektricheska Kompania EAD (NEK) serves as a wholesale supplier for the regional network operators and electricity providers EVN, Energo-Pro and CEZ which, in turn, sell electricity to end customers. NEK also supplies a number of major industrial customers directly.

The Bulgarian regulatory authority SEWRC (State Energy and Water Regulatory Commission) determines the prices for the regulated licenses that cover generation, transmission, system operations, network operations, deliveries to end customers and public suppliers. Evidence that the liberalisation of the electricity market is hindered is underscored by two facts: regulated prices are substantially lower than the prevailing market prices, and the regional suppliers are tied to the state utility company through long-term procurement contracts with fixed prices and volumes.

Business customers in the medium-voltage network are permitted to select their own suppliers. This applies to roughly 1,400 companies in South Eastern Bulgaria, the supply area covered by EVN. All other customers are supplied at regulated prices. EVN is active in the deregulated market segment through its Bulgarian trading company EVN Trading South East Europe EAD. For customers in this network segment who do not select another supplier or cannot receive electricity from their chosen supplier through no fault of their own, the legally defined supplier of last resort takes over supply responsibility. EVN, the two other utility companies CEZ and EnergoPro, and the state-owned utility company NEK serve as suppliers of last resort. An amendment to the Bulgarian energy law requires the suppliers of last resort to purchase electricity from NEK at freely negotiated conditions up to 30 June 2015. The prices for the electricity sold by a supplier of last resort to end customers must be calculated in accordance with a method defined by the regulatory authority.

The Energy Strategy 2020 approved by the Bulgarian Parliament in May 2011 is intended to create a liberalised energy market, ensure secure and reliable energy supplies, increase energy efficiency, protect end customers and increase renewable energy capacity. It should also support an increase in the share of renewable energies to 16.0% by 2020. In order to guarantee supply security despite the higher feed-in of renewable energy, the network operators are permitted to disconnect individual plants from the grid if necessary.

The Bulgarian regulatory authority raised electricity prices by 13.6% as of 1 July 2012, but cut these prices by 7.3% on 5 March 2013 and by 4.2% on 1 August 2013. On 16 July 2012, they also approved a change, retroactive to 1 July 2012, in the method used to calculate the compensation for the additional costs of renewable electricity and for electricity from highly effi-

cient co-generation plants. The large number of new supply contracts with renewable electricity producers and the related rise in feed-in volumes led to a substantial increase in electricity procurement costs for EVN Bulgaria EC. Bulgarian legal regulations for renewable energy require the reimbursement of these additional costs by end customers. On 1 August 2013 the revised method to determine the compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants was again amended, and the increase in procurement costs for the sales companies was retracted. The resulting claims were recognised as a receivable following a confirmation by the regulatory authority that EVN should generally be compensated for the uncovered costs. Investment protection proceedings were also opened at the International Center for the Settlement of Investment Disputes, an institution created by the World Bank. The background for these proceedings is formed by the steps taken by the Bulgarian regulatory authorities and government offices in connection with the determination of electricity prices and the compensation for public obligations relating to renewable energy.

Macedonia

The amendment of the energy law in 2011 led to a significant change in the operating environment for the energy sector in Macedonia. Among others, it paved the way for the legal unbundling of electricity generation, network operations and distribution. EVN Macedonia Elektrani DOOEL now operates as a generation company, while EVN Macedonia AD continues to cover the network business in Macedonia. EVN Macedonia AD will also continue to operate as a sales company until the unbundling is completed. After the finalisation of the remaining open points in the law, EVN Macedonia Elektrosnabduvanje DOOEL will take over sales activities. Unbundling is seen as an important requirement to meet the primary goals, which include the transformation of the energy market into a deregulated system and its integration in the international electricity markets.

The accompanying laws for the introduction of a deregulated electricity market were prepared in 2012 and 2013. They cover general market rules, the tariff system and the determination of suppliers of last resort. The introduction of these rules was postponed and will now also include an implementation plan prepared by the regulatory authorities. The electricity market in Macedonia is still heavily regulated. The main electricity producer is the state-owned AD ELEM, while the state-owned transmission network is operated by AD MEPSO, another state-owned company. EVN Macedonia is active in the end customer market, while a small number of larger customers is now supplied directly by AD MEPSO. The deregulated electricity market for non-household customers is not expected to take effect before 1 April 2014 and for household customers not before 1 January 2015.

In July 2012, the regulatory authorities eliminated the low tariff structure applicable between 1 pm and 4 pm each day. Sundays were excluded from this change. The goal was to alter the population's consumption habits and thereby reduce the need for expensive electricity imports during the winter. A further change in the regulatory framework involves network connections. The fees for standardised connections are now based on a regulated price per kilowatt. For more technically demanding non-standard connections, this base price is increased by the actual connection costs and, if applicable, the costs for the technical adaptation of the network. The time periods for the implementation of network connections were reduced, whereby network operators cannot be held liable for delays outside their sphere of influence.

The regulatory authorities followed a first price increase in January 2012 with an increase of 9.8% in the electricity price for end customers during August 2012. Both adjustments were intended, above all, to cover the additional costs for the procurement of energy on the wholesale market by EVN Macedonia since 2012. These added costs are attributable to two factors: the purchases required to meet the surplus demand that is not covered by Macedonian power generating capacity, and the network losses which, since 1 January 2012, can no longer be purchased at regulated prices but must be covered on the wholesale market. As of 1 July 2013, the regulatory authorities announced an average reduction of 3.0% in electricity prices for end customers as well as an increase in wholesale prices and the tariffs for the state-owned transmission network operators.

Croatia

EVN has been active in the counties of Zadar, Split-Dalmatia and Sibenik-Knin through its subsidiary EVN Croatia Plin d.o.o. since the concessions for the construction and operation of a natural gas network were granted in 2009 and 2010. The concessions have a 30-year term and cover natural gas distribution and supply. This region has 130,000 potential customer connections. Operations by the natural gas network and connections for the first customers in Zadar started in June 2012.

Croatia joined the European Union as its 28th member on 1 July 2013. This membership was also connected with changes in energy law to reflect the applicable EU standards. Croatian energy law was adapted as the framework for all electricity and natural gas activities, and the responsibility for regulating and monitoring the market was transferred to the regulatory authority. An incentive system was introduced for the determination of

network tariffs, which also covers the requirements of greenfield projects with high start-up investments and an initially low number of customers. The extension of the regulation period in the natural gas sector from the previous one to five years is improving the forecast quality of network tariffs. Natural gas prices for business customers have been deregulated since 2012. As of 1 April 2014, the market for household customers should be deregulated and natural gas purchases on the wholesale market will also be possible.

Albania

The first section of the Ashta hydropower plant was opened by the project partners, EVN and Verbund, during September 2012 and full operations with both sections followed in April 2013. The certificate of completion was issued by the responsible Albanian ministry on 21 August 2013. In accordance with the purchase agreement, which covers a period of 15 years, the electricity generated by this plant is delivered to the state-owned energy company Korporate Elektroenergjetike Shqiptare (KESH). The concession agreement, which took effect in 2008 and was joined by EVN in 2009, was concluded for a term of 35 years. At the end of this period, the Ashta power plant will be turned over to the Republic of Albania.

EVN withdrew from the second power plant project in Albania, Devoll Hydropower, during 2012/13. Its 50% stake in the joint venture was sold to the Norwegian partner Statkraft AS. Following the approval of the amendment to the concession agreement by the Albanian parliament on 28 March 2013, the sale closed on 7 May 2013.

General business environment

The second quarter of 2013 brought an end to the recession in the European Union (EU) and the first growth since the third quarter of 2011. Leading indicators point to a continuation of this positive development. The downturn in Italy and Spain also slowed, indicating that the structural reforms in the Eurozone's crisis states have started to produce encouraging results. Economic development is forecast to remain reserved throughout 2013, but sustainable recovery and growth of 1.4% are expected in 2014.

The Austrian economy stagnated during the first six months of 2013. However, the improvement in the international environment and confidence indicators are leading to hopes of a moderate increase during the second half-year and stronger development in 2014. Growth is unlikely to exceed 0.5% for the full 12 months of 2013, but a plus of 1.7% is expected in 2014.

The 2013 forecasts for the Bulgarian economy were revised downward slightly. The substantial decline in export growth was the main reason for this adjustment; but private consumption also remained weak chiefly due to the high level of unemployment. GDP growth in 2013 is expected to reflect the previous year, but substantially stronger growth of up to 2.5% is expected in 2014.

Economic weakness in the neighbouring countries led to a 0.3% decrease in Macedonia's GDP in 2012. In contrast to this development, a significant improvement, with growth of up to

Regulatory model for network usage tariffs in Bulgaria and Macedonia	Bulgaria Electricity	Bulgaria Heat	Macedonia Electricity
Regulatory authority	State Energy and Water Regulatory Commission (SEWRC)	State Energy and Water Regulatory Commission (SEWRC)	Energy Regulatory Commission (ERC)
Start of the regulatory period	01.08.2013	01.08.2013	01.01.2012
Next regulatory adjustment	01.08.2015	01.08.2014	01.01.2015
Duration of the regulatory period	2 years	1 year	3 years
Regulatory method[1)]	Revenue caps	Revenue caps	Revenue caps
Weighted average cost of capital (WACC) before taxes, nominal	7.0%	7.6%	6.7%
Recognised network losses	10.0%	no	14.0%
Productivity factor	yes	yes	no
Investment factor[2)]	no	no	yes

1) The revenue caps comprise the recognised operating expenses, the amortisation and depreciation as well as the recognised return on the regulatory asset base (RAB).
2) Annual review and approval of company's investment plans by the regulatory authority

2.0%, is forecast for 2013. This trend should continue and lead to growth of up to 3.1% in 2014.

The economic situation in Croatia is still tense, despite the country's accession to the EU on 1 July 2013. The 2.0% GDP decline in 2012 is expected to be followed by a further drop of up to 1.0% in 2013. High unemployment has also proven to be a negative factor here. There are no expectations of recovery before 2014, when growth should reach up to 1.5%.

In Albania, reforms were halted by internal political disputes between the opposition and the government. This situation is only now starting to slowly resolve after the parliamentary elections in June 2013 and the formation of a new government. Economic growth of 1.3% in 2012, which is robust compared with the neighbouring countries, should be followed by a GDP increase of up to 2.0% in 2013 and up to 3.0% in 2014.

Energy sector environment

The development of business at EVN is influenced to a significant degree by external factors that are completely or partially outside the company's control. The main driver for energy consumption by households is the weather, which has an effect, above all, on the demand for natural gas and heat. The demand for energy by industrial companies is dependent on the development of their business which, in turn, is linked to the general business environment. EVN's margins and earnings are also influenced by the development of primary energy prices and the end customer prices that can be realised on the market.

A regional analysis shows considerable differences in temperatures during 2012/13. After a mild period in 2011/12, the heating degree total in Lower Austria rose by 8.5 percentage points during the reporting year. In contrast, the heating degree total in Bulgaria and Macedonia fell by 20.2 and 25.3 percentage points, respectively, after the coldest winter on record in 2011/12.

The development of primary energy prices also differed during the reporting year. The average euro price for crude oil Brent equalled EUR 82.9 per barrel, or 3.5% below the comparable 2011/12 value. The negative effects of the tense situation in the Near East were contrasted by high crude oil stocks in the USA, above all in spring 2013. Additionally, demand was lower because of the general economic weakness that also took hold in the emerging economies like China. In contrast, the average European Energy Exchange (EEX) price for natural gas was 10.9% higher than in the previous year at EUR 26.9 per MWh for the reporting period. The price of coal declined 17.2% to EUR 63.1 per tonne due to higher stocks from US coal imports and weaker demand. The prices for CO_2 emission certificates fell by 33.0% year-on-year to EUR 5.3 per tonne.

The international energy markets were characterised by a further drop in both spot market and forward prices for base load and peak load electricity in 2012/13. The main factor for this development was an increase in electricity generation from renewable energy sources and the resulting surplus production capacity, which led to extremely volatile price fluctuations. The spot market prices for base load electricity declined 13.5% year-on-year to EUR 38.8, while the prices for peak load electricity were 9.5% lower at EUR 49.9. In order to ensure supply security, EVN regularly purchases energy on the forward market. The forward market prices have an effect on EVN's earnings, but with a delay. The forward prices for base load and peak load electricity applicable to the reporting year equalled EUR 47.5 and EUR 58.8 per MWh, respectively, and were 13.3% and 12.3% lower than in the previous year.

GDP growth	%	2014f	2013e	2012	2011	2010
EU-27[1) 2)]		1.4	−0.1	−0.3	1.6	2.1
Austria[2) 3)]		1.7	0.5	0.8	2.7	2.3
Bulgaria[1) 2) 4)]		1.7–2.5	0.5–0.9	0.8	1.8	0.4
Macedonia[5) 6)]		2.0–3.1	1.0–2.0	−0.3	3.1	1.8
Croatia[1) 2) 4) 6)]		0.2–1.5	−0.5–(−1.0)	−2.0	0.0	−2.3
Albania[4) 5) 6)]		2.5–3.0	1.8–2.0	1.3	3.1	3.9

1) Source: "European Economic Forecast, Spring 2013", EU Commission, May 2013
2) Source: "Prognose der Österreichischen Wirtschaft 2013-14", IHS, October 2013
3) Source: "Prognose für 2013 und 2014: Erste Zeichen einer Konjunkturerholung", WIFO, October 2013
4) Source: "Strategie Österreich und CEE 4. Quartal 2013", Raiffeisen Research, September 2013
5) Source: "Europe and Central Asia Economic Outlook", World Bank, April 2013
6) Source: "World Economic Outlook", International Monetary Fund, April 2013

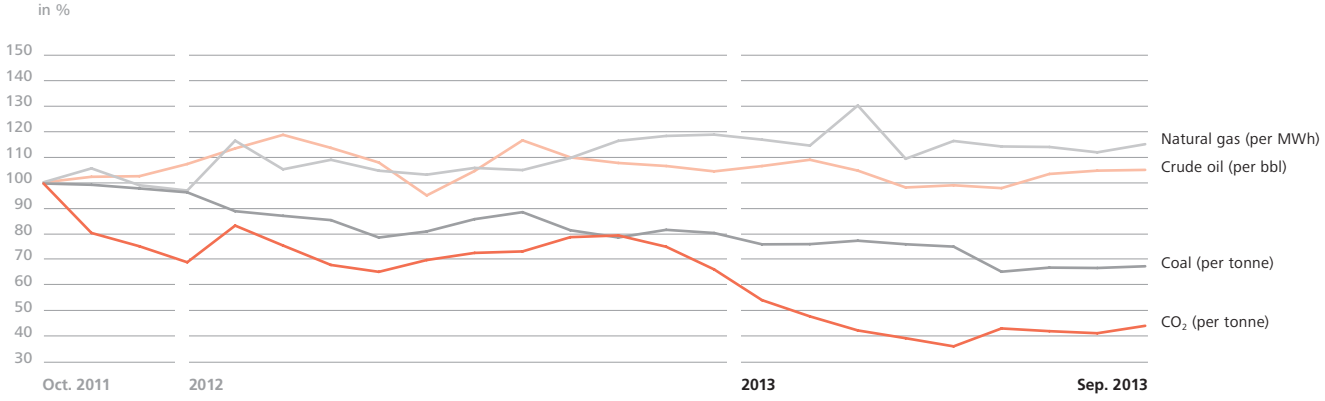
		2012/13	2011/12	Change in %	2010/11
Temperature-related energy demand[1]	%				
Austria		107.5	99.0	8.5	101.7
Bulgaria		88.0	108.2	–20.2	86.2
Macedonia		95.1	120.4	–25.3	100.8
Primary energy and CO_2 emission certificates					
Crude oil – Brent	EUR/bbl	82.9	86.0	–3.5	75.5
Natural gas – GIMP[2]	EUR/MWh	26.9	24.3	10.9	22.1
Coal – API#2[3]	EUR/t	63.1	76.3	–17.2	87.0
CO_2 emission certificates (2^{nd}/3^{rd} period)	EUR/t	5.3	7.9	–33.0	14.8
Electricity – EEX forward market[4]					
Base load	EUR/MWh	47.5	54.8	–13.3	50.3
Peak load	EUR/MWh	58.8	67.0	–12.3	64.1
Electricity – EPEX spot market[5]					
Base load	EUR/MWh	38.8	44.8	–13.5	51.6
Peak load	EUR/MWh	49.9	55.1	–9.5	61.8

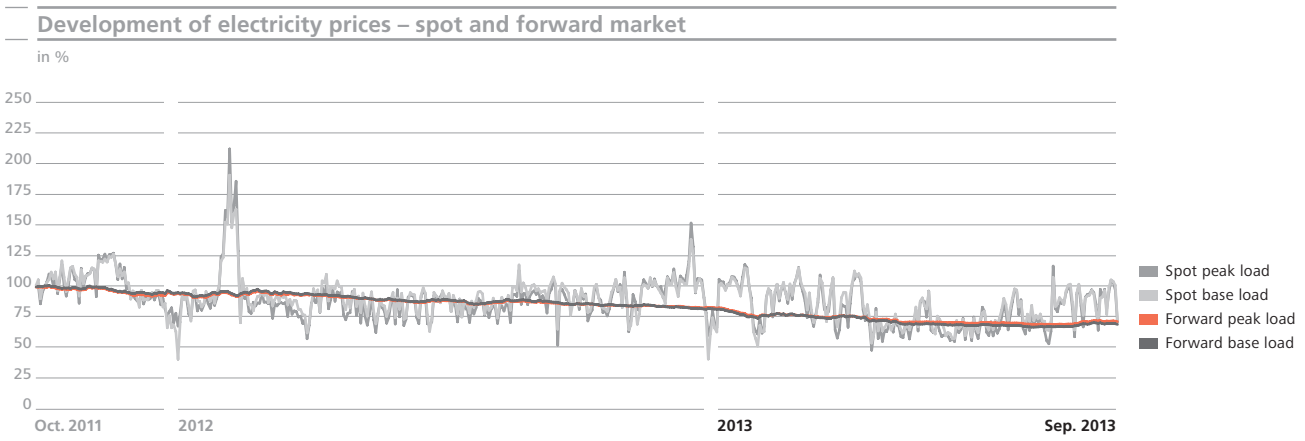
1) Calculated based on the heating degree total; in Austria the basis (100%) corresponds to the long-term average value from 1996 to 2010, in Bulgaria it corresponds to the long-term average value from 2004 to 2011 and in Macedonia it corresponds to the long-term average value beginning in 2001; changes 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

In August 2013, ENERGIEALLIANZ Austria GmbH, with its regional energy sales companies, announced the start of an energy efficiency campaign that includes, among others, support for the purchase of energy-efficient equipment and energy services. The start of this campaign also included the announcement of an average reduction of 3.6% in electricity and natural gas prices for households and small business customers as of 1 October 2013.

The regulatory authorities in Bulgaria followed an initial reduction of 7.3% in the end customer prices for electricity as of 5 March 2013, which was based on a cutback in the power grid losses recognised by the regulatory authorities for distribution network operators, by reducing the electricity price for household customers by an average of 4.2% as of 1 August 2013. The end customer prices for heat were also lowered by 5.9% as of 1 January 2013 following a drop in the natural gas price (reduction of 9.8%).

Development of primary energy prices (indexed)





In Macedonia, the regulatory authorities reduced the end customer price for electricity by 3.0% as of 1 July 2013 and raised the purchase price at the same time.

Success and influencing factors

The stability and efficiency of EVN's energy transmission networks form the basis for ensuring supply security. The continuous improvement of these networks therefore represents one of the focal points of EVN's strategic investments. Activities in the markets of South Eastern Europe are not only concentrated on network improvement, but also on the reduction of network losses. The development of earnings in the network area is influenced, above all, by the tariff system and the regulatory environment.

Another important factor for the protection of supply security is EVN's own energy generation capacity. EVN can rely on a diverse and adaptable generation mix that ranges from flexible thermal capacity to renewable energy, especially from hydropower and windpower. Consequently, the electricity business is characterised by many different influencing factors. The generation of electricity from thermal sources is influenced by primary energy prices, while the sale of electricity is influenced mainly by the development of electricity prices on the European markets. Earnings from the generation and sale of renewable energy are also dependent on legal regulations (e.g. feed-in tariffs) and external factors such as water flow and wind conditions. In order to optimise its own generation capacity, EVN continuously monitors the development of electricity prices.

EVN uses appropriate hedging and procurement strategies to manage the development of primary energy costs and wholesale prices. Energy raw materials and electricity are purchased and/or hedged on forward markets to establish and maintain planning and procurement security over the medium term. Long-standing business relationships with reliable suppliers and medium- and long-term supply agreements form the basis for primary energy purchases. The procurement of electricity and natural gas is based on an active hedging policy within the framework of EnergieAllianz Austria (EAA). In the electricity business, EVN's integrated business model and own generation facilities create a natural hedge. The heating business involves the indexing of selling prices, whereby nearly all contracts are linked to official price indices.

In its home market of Lower Austria, the strong anchoring of the EVN brand forms the core of the integrated business model. This brand supports the successful positioning of EVN as a competent service and supply company for electricity, natural gas, heat and water. Cable television and telecommunication services are also offered under the kabelplus brand. These activities give EVN a widely diversified and stable end customer basis.

The international project business in the Environmental Services Segment has substantial opportunities to develop new projects in the areas of municipal wastewater treatment, drinking water purification and thermal waste utilisation in Central, South Eastern and Eastern Europe. The actual realisation of these projects is generally dependent on the financing capabilities of the public sector as the customer. EVN serves as the general contractor for these projects and is therefore responsible for planning and turnkey construction as well as subsequent operation where desired. Another framework for the realisation of environmental projects is the so-called PPP model (Public Private Partnership), under which EVN arranges the financing through a separate company without taking on any economic risks for the project.

The key success factors for the environmental services business include the acquisition of new projects within EVN's core areas of expertise, strong competence in technological and economic planning and realisation that is also reflected in the selection of subcontractors and suppliers as well as adequate risk mitigation and allocation during the project implementation phase. From the viewpoint of the EVN Group, the environmental services business makes an important contribution to the diversification of earnings and risk.

EVN's integrated business model is rounded off by strategic investments, which are reported under financial results and make a further contribution to vertical integration. This is true, above all, for the 12.63% stake in Verbund AG and the 13% stake in the 13 Inn River power plants that support electricity generation and for the 50.03% stake in RAG in the areas of oil and natural gas exploration and gas storage.

→ See note 31. Financial result on page 131 for details on the effects on the financial result.

Influencing factors	Effect on business development[1)]
Temperature	Neutral
Primary energy prices	Negative
Electricity prices – forward market	Negative
Electricity prices – spot market	Negative
Electricity sales	Negative
Natural gas sales	Positive
Heat sales	Positive

1) Compared to the previous year

Influencing factors	Effect on business development (in general)
Employee fluctuation	Negative
Occupational accidents	Negative
Stakeholder dialogue	Positive
CO_2 emissions	Negative
Network losses	Negative

Business development

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The scope of consolidation (see note 4. Scope of consolidation, page 111f) was increased on balance by one fully consolidated company and reduced by one investment in an equity accounted investee during the reporting year. In addition to EVN AG as the parent company, the consolidated financial statements for the 2012/13 financial year include 63 fully consolidated companies (previous year: 62), five proportionally consolidated companies (previous year: five) and 18 investments in equity accounted investees (previous year: 19).

WTE Projektgesellschaft Trinkwasseranlage d.o.o. and OOO EVN Umwelt were added to the scope of fully consolidated companies in 2012/13. EVN Finance Service B.V. was deconsolidated following a merger with EVN Projektmanagement GmbH. Devoll Hydropower ShA, which was previously included at equity, was deconsolidated due to the sale of the investment in the Devoll hydropower plant project.

Highlights 2012/13

- Revenue declines 3.2% to EUR 2,755.0m
- EBITDA down 3.6% to EUR 457.6m
- EBIT falls 2.1% to EUR 218.5m
- Financial results at EUR –38.1m due to negative income from investments
- Profit for the period 41.2% lower at EUR 114.7m
- Net cash flow from operating activities rises 21.8% to EUR 561.7m
- Equity ratio nearly constant at 43.2%

Statement of operations

Results of operations

The EVN Group generated revenue of EUR 2,755.0m in 2012/13, which represents a decline of EUR 91.5m, or 3.2%, compared with the previous year. In the energy business, decreasing electricity prices had a negative effect in Austria. This was contrasted by higher revenue in Macedonia following price increases in the prior year. Revenue in the environmental business was substantially lower year-on-year due to a drop in project volumes.

The revenue generated outside Austria fell by EUR 45.7m, or 3.8%, to EUR 1,152.1m. This represents a decline in the share of Group revenue from 42.1% in the previous year to 41.8%.

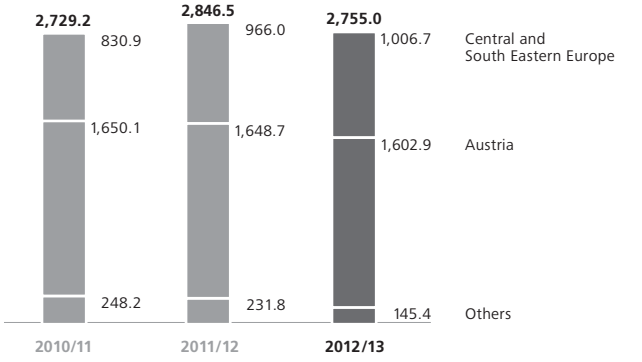
Other operating income rose by EUR 14.1m, or 17.4%, to EUR 95.5m, above all due to an increase in work in process.

Condensed consolidated statement of operations	2012/13 EURm	2011/12 EURm	Change EURm	Change %	2010/11 EURm
Revenue	**2,755.0**	**2,846.5**	**–91.5**	**–3.2**	**2,729.2**
Other operating income	95.5	81.3	14.1	17.4	101.6
Electricity purchases and primary energy expenses	–1,612.6	–1,630.6	18.0	1.1	–1,505.7
Cost of materials and services	–295.8	–350.0	54.1	15.5	–373.9
Personnel expenses[1]	–307.1	–312.6	5.6	1.8	–319.8
Other operating expenses	–177.4	–160.1	–17.3	–10.8	–156.3
EBITDA[1]	**457.6**	**474.5**	**–16.9**	**–3.6**	**474.9**
Depreciation and amortisation	–239.1	–251.3	12.2	4.9	–252.8
Results from operating activities (EBIT)[1]	**218.5**	**223.2**	**–4.7**	**–2.1**	**222.2**
Financial results[1]	**–38.1**	**36.5**	**–74.6**	**–**	**41.8**
Profit before income tax	**180.3**	**259.7**	**–79.3**	**–30.6**	**263.9**
Income tax expense	–22.1	–25.9	3.8	14.6	–28.8
Profit for the period	**158.2**	**233.8**	**–75.6**	**–32.3**	**235.2**
thereof profit attributable to EVN AG shareholders (Group net profit)[1]	114.7	194.9	–80.2	–41.2	192.3
thereof profit attributable to non-controlling interests	43.5	38.9	4.7	12.0	42.9
Earnings per share in EUR[2]	**0.64**	**1.09**	**–0.4**	**–40.8**	**1.08**

1) The figure for the prior year was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS on page 108)
2) Diluted equals undiluted

Revenue by region[1)]

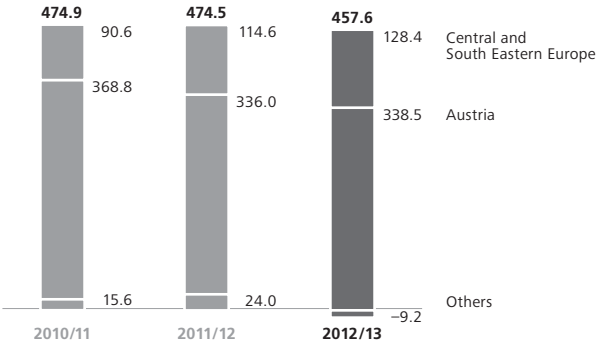
in EURm



1) The figures for the prior years have been adjusted due to implemented method of country of origin.

EBITDA by region[1)]

in EURm



1) The figures for the prior years have been adjusted due to implemented method of country of origin.

The cost of electricity purchases from third parties and primary energy expenses were EUR 18.0m, or 1.1%, lower at EUR 1,612.6m. This development resulted primarily from a decrease in the volumes of electricity purchased in South Eastern Europe due to the milder winter and the end of fixed tariffs for renewable electricity in Austria. It was contrasted by higher procurement costs for coal, an increase in gas purchase volumes due to the colder weather in Austria and a provision for onerous contracts related to the marketing of EVN's own production.

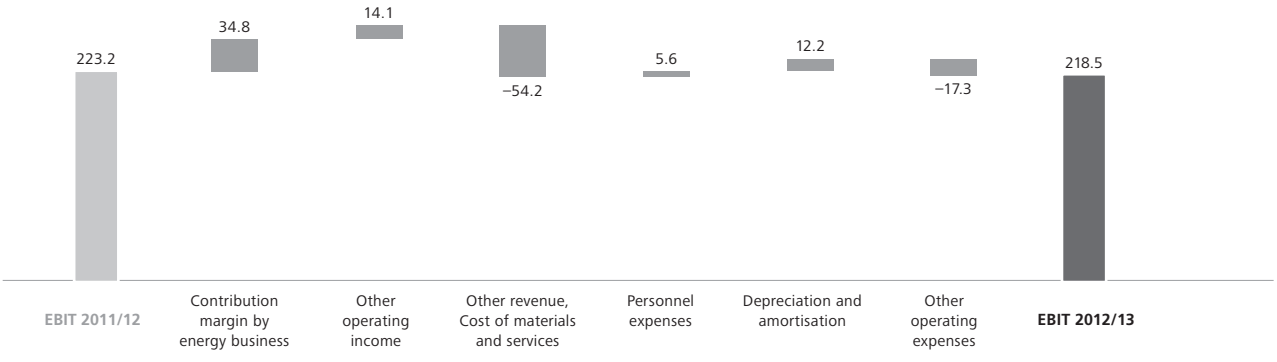
Third-party services and other materials and services fell by EUR 54.1m, or 15.5%, to EUR 295.8m. This reduction resulted chiefly from a year-on-year decline in the volume of implemented projects in the environmental services business.

The EVN Group had an average of 7,497 employees in 2012/13. This reduction of 97 persons, or 1.3%, resulted from the implementation of further efficiency improvement measures as well as the sale of first facility GmbH, which was included in the average number of employees for 2011/12. Personnel expenses totalled EUR 307.1m, which represents a decrease of EUR 5.6m, or 1.8%, compared to the previous year. This comes from the sale of first facility GmbH and lower restructuring costs in Macedonia. In contrast, personnel expenses were increased by the wage and salary adjustments required by collective bargaining agreements.

In connection with the change in the accounting policy, which led to the reclassification of the interest component of the employee-related provisions from personnel expenses to financial results, the comparable prior year data was adjusted. Consequently, personnel expenses for 2011/12 were reduced from EUR 329.1m to EUR 312.6m (see note 2. Reporting in accordance with IFRS, page 108).

Changes in EBIT 2012/13 compared to previous year

in EURm



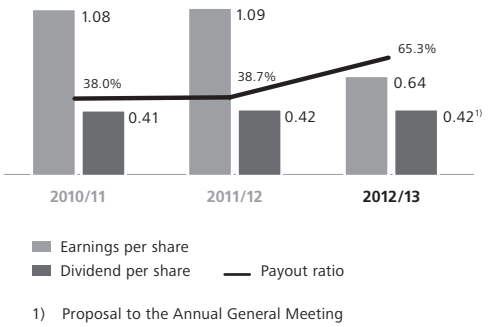
Other operating expenses rose by EUR 17.3m to EUR 177.4m as a result of changes in provisions. EBITDA amounted to EUR 457.6m, for a year-on-year decline of EUR 16.9m or 3.6%.

In spite of the slight decrease in revenue, the EBITDA margin equalled 16.6% and nearly matched the 16.7% recorded in 2011/12. Depreciation and amortisation fell by EUR 12.2m, or 4.9%, below that of the previous year to EUR 239.1m. Scheduled depreciation and amortisation rose by EUR 10.1m, but impairment losses were EUR 22.3m lower in 2012/13. The impairment losses recognised during the previous year were related, above all, to the biomass pilot plant at the Dürnrohr power station and the Kavarna wind park in Bulgaria. Results from operating activities (EBIT) declined 2.1% year-on-year to EUR 218.5m. The EBIT margin remained nearly unchanged at 7.9% (2011/12: 7.8%) despite the drop in revenue.

Financial results fell by EUR 74.6m to EUR –38.1m. This decline is attributable chiefly to income from investments, i.e. to the income from investments in equity accounted investees. EconGas made a negative contribution of EUR 19.7m to earnings for the reporting year due to the high negative spread between gas purchases, which are linked to the oil price, and hub-price linked sales as well as the recognition of a provision for impending losses on contractually agreed, long-term transport and LNG capacity bookings. In addition, the sale of the stake owned by EVN AG in the Albanian Devoll hydropower plant project to Statkraft A.S. during May 2013 led to a non-recurring negative pre-tax effect of EUR 27.6m. The negative earnings contribution of EUR 29.6m from WEEV Beteiligungs GmbH, which was founded to participate in the 2011 capital increase by Verbund, resulted from a valuation-related impairment loss to the Verbund shares held by this company to reflect a significant and lasting decline in the price of these shares below their cost. Financial results were also influenced by a negative earnings contribution of EUR 20.4m from Shkodra Region Beteiligungsholding GmbH in connection with the Ashta hydropower plant in Albania. This resulted from a change in the government and a subsequent increase in uncertainty over the extension of the concession as economic compensation for flood damage incurred during the construction stage as well as construction delays and the related higher costs. Customer risk has also increased due to the delayed receipt of payments, and the estimated income from the sale of certified emission reductions (CERs) continues to decline. Positive factors for the development of financial results included an increased earnings contribution of EUR 80.1m from RAG and a dividend of EUR 24.1m from the investment in Verbund. The interest result improved EUR 1.8m to EUR –71.7m, above all due to a decline in interest expense.

Earnings and dividend per share

in EUR



1) Proposal to the Annual General Meeting

The income tax expense totalled EUR 22.1m and was lower than in the previous year due to the decline in earnings, whereby the decrease in financial results had only a partial effect on taxes. Profit for the period amounted to EUR 158.2m. The share of profit attributable to non-controlling interests rose by EUR 4.7m, in particular due to the higher earnings generated by RAG, Burgenland Holding AG and EVN Macedonia.

Group net profit fell by EUR 80.2m, or 41.2%, to EUR 114.7m. Earnings per share declined to EUR 0.64 (previous year: EUR 1.09). The one-off effects recognised in 2012/13 were related primarily to financial results and represent non-cash items. The Executive Board will therefore recommend the distribution of a stable dividend of EUR 0.42 per share for the 2012/13 financial year to the 85th Annual General Meeting (previous year: EUR 0.42). This corresponds to a dividend payout ratio of 65.3% (previous year: 38.7%) and a dividend yield of 3.7% (previous year: 3.9%) based on the price of the EVN AG share as of 30 September 2013 (EUR 11.29).

Statement of financial position

Asset and financial position

EVN's balance sheet total rose by EUR 238.9m, or 3.5%, over the level at the end of the 2011/12 financial year to EUR 7,102.1m as of 30 September 2013.

Non-current assets totalled EUR 6,125.1m and represent 86.2% (previous year: 88.2%) of total assets as well as an increase of EUR 71.2m, or 1.2%, over the previous year. Intangible assets and property, plant and equipment increased by

Condensed consolidated statement of financial position	30.09.2013 EURm	30.09.2012 EURm	Change EURm	Change %	30.09.2011 EURm
Assets					
Non-current assets					
Intangible assets and property, plant and equipment	3,491.9	3,412.3	79.6	2.3	3,349.4
Investments in equity accounted investees and other investments	1,742.7	1,717.4	25.3	1.5	1,884.5
Other non-current assets	890.5	924.3	–33.8	–3.7	849.1
	6,125.1	**6,053.9**	**71.2**	**1.2**	**6,083.0**
Current assets	**977.0**	**809.3**	**167.7**	**20.7**	**787.4**
Total assets	**7,102.1**	**6,863.2**	**238.9**	**3.5**	**6,870.4**
Equity and liabilities					
Equity[1)]					
Issued capital and reserves attributable to shareholders of EVN AG[1)]	2,824.8	2,768.3	56.5	2.0	2,804.1
Non-controlling interests	241.7	245.4	–3.7	–1.5	361.7
	3,066.5	**3,013.7**	**52.8**	**1.8**	**3,165.8**
Non-current liabilities[1)]					
Non-current loans and borrowings	1,571.4	1,933.3	–361.8	–18.7	1,591.3
Deferred tax liabilities and non-current provisions[1)]	702.5	609.9	92.6	15.2	624.0
Deferred income from network subsidies and other non-current liabilities	555.0	519.4	35.6	6.9	506.8
	2,829.0	**3,062.6**	**–233.7**	**–7.6**	**2,722.2**
Current liabilities					
Current loans and borrowings	390.3	49.4	340.9	–	311.6
Other current liabilities	816.4	737.5	78.8	10.7	670.8
	1,206.7	**786.9**	**419.7**	**53.3**	**982.4**
Total equity and liabilities	**7,102.1**	**6,863.2**	**238.9**	**3.5**	**6,870.4**

1) The figure for the prior year was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS on page 108)

EUR 79.6m, or 2.3%, to EUR 3,491.9m. The carrying amount of equity accounted investees nearly matched the prior year at EUR 1,047.9m despite a decline in earnings from these investments and profit distributions based on capital contributions. The valuation of the Verbund shares held directly by EVN AG led to an increase of EUR 26.1m, or 3.9%, in other investments to EUR 694.8m as of 30 September 2013. Securities in the fund held to cover the provisions for pensions were reclassified to cash and cash equivalents. The reduction of the fund's security component and a decline in the market value of interest hedges for issued bonds led to a decline of EUR 37.3m, or 4.1%, in other non-current assets to EUR 861.1m. This position also includes the EUR 4.1m regulatory account that was created in accordance with Austrian law.

Current assets rose by EUR 167.7m, or 20.7%, to EUR 977.0m and their share of total assets increased from 11.8% to 13.8%. The increase in current receivables resulting from the claim to compensation for the additional costs associated with renewable electricity in Bulgaria was partially offset by a decline in trade receivables. The result was a net increase of EUR 27.9m, or 5.2%, to EUR 565.5m in this position as of 30 September 2013. This increase was also supported, above all, by positive cash flow and the above-mentioned reclassification of non-current securities in the fund to cover the provisions for pensions.

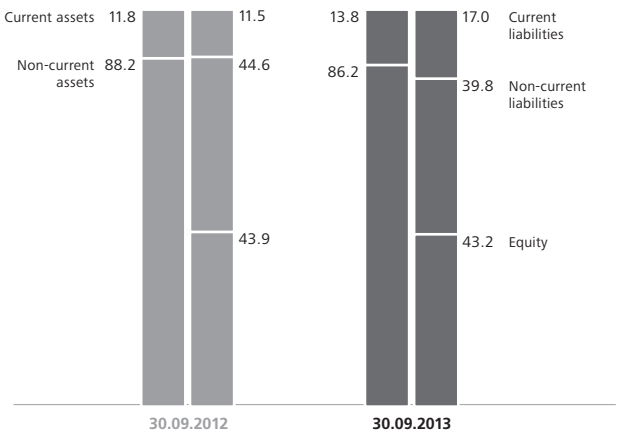
Value analysis		2012/13	2011/12	Change in %	2010/11
ROE	%	5.2	7.6	–2.4	7.6
Average equity	EURm	3,040.1	3,089.7	–1.6	3,095.5
WACC after income tax[1]	%	6.5	6.5	–	6.5
Operating ROCE (OpROCE)[2]	%	5.4	6.9	–1.4	7.5
Average capital employed[2]	EURm	4,748.5	4,647.0	2.2	4,395.4
Net operating profit after tax (NOPAT)[2]	EURm	258.5	318.8	–18.9	331.4
EVA®	EURm	–50.1	16.7	–	45.7

1) The weighted cost of capital is calculated on the basis of a cost of equity capital amounting to 9.0% and a cost of interest-bearing debt (after tax) of 3.7%, as well as an equity ratio of 50.0%.

2) Adjusted for impairments and one-off effects; the market value of the shareholding in Verbund AG is not included in the capital employed in order to consistently convey the development of the value contribution.

Balance sheet structure

in %



Equity rose by EUR 52.8m, or 1.8%, to EUR 3,066.5m as of 30 September 2013, and the equity ratio therefore remained nearly constant at 43.2% (previous year: 43.9%). The dividend distributed to the shareholders of EVN AG and non-controlling interests amounted to EUR 111.7m in 2012/13. This distribution was offset by earnings generated during the reporting year and by results recorded directly in equity without recognition through profit or loss, e.g. the change in the market value of the Verbund shares held by EVN AG.

Non-current liabilities fell by EUR 233.7m, or 7.6%, to EUR 2,829.0m. This decline resulted chiefly from the scheduled repayment of loans as well as the reclassification of financing due in 2013/14, in particular a JPY bond and a CHF bond, from non-current to current financial liabilities and a change in the market value of swaps concluded to hedge the foreign exchange risk associated with bonds. Contrary effects included the issue of a EUR 121.5m promissory note loan in October 2012, an increase in provisions and an increase in construction and investment subsidies.

The above-mentioned reclassification of financing due in 2013/14 led to a corresponding increase of EUR 340.9m in current liabilities to EUR 390.3m. Trade payables rose by EUR 77.5m, or 20.2%, above all due to the repayment of network access fees following a supreme court decision in Bulgaria.

Value analysis

The weighted average cost of capital (WACC) after tax, taking into consideration EVN's specific company and country risks, remained unchanged at 6.5%.

The return on equity (ROE) declined year-on-year to 5.2% as a result of the decrease in profit after tax. The operational indicators changed as follows during the reporting year: economic value added (EVA®) fell from EUR 16.7m in the previous year and turned negative to EUR –50.1m and the operating return on capital employed (OpROCE) fell from 6.9% to 5.4%.

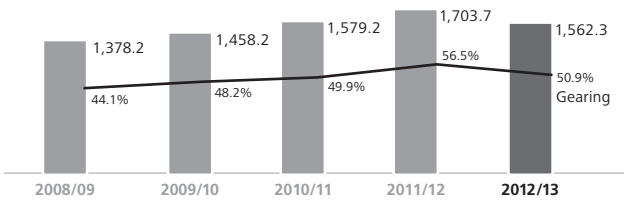
Liquidity position

EVN AG issued its first promissory note loan during the reporting year, and thereby successfully used an alternative source of financing on the debt capital markets. The transaction, which was carried out in October 2012, was substantially oversubscribed and the EUR 121.5m volume was placed in full with German investors. In addition to expanding the investor base, this instrument optimised the maturity structure of EVN's liabilities. The promissory note loan is divided into six different tranches

Net debt	30.09.2013 EURm	30.09.2012 EURm	Change EURm	Change %	30.09.2011 EURm
Non-current loans and borrowings	1,571.4	1,933.3	–361.8	–18.7	1,591.3
Current loans and borrowings[1]	355.9	21.4	334.5	–	280.8
Cash and cash equivalents	–224.8	–134.1	–90.7	–67.6	–112.6
Current securities	–43.9	–3.4	–40.5	–	–57.9
Non-current securities	–57.1	–77.0	19.8	25.7	–97.9
Loans receivable	–39.2	–36.4	–2.8	–7.6	–24.4
Net debt	**1,562.3**	**1,703.7**	**–141.4**	**–8.3**	**1,579.2**
Equity[2]	**3,066.5**	**3,013.7**	**52.8**	**1.8**	**3,165.8**
Gearing (%)[2]	**50.9**	**56.5**	**–**	**–5.6**	**49.9**

1) Excl. bank overdrafts contained in cash and cash equivalents
2) The figure for the prior year was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS on page 108)

Net debt in EURm, **Gearing** in %



with terms ranging from seven to 18 years as well as variable and fixed interest rates. Positive cash flow led to a reduction of EUR 141.4m, or 8.3%, in net debt to EUR 1,562.3m.

In order to safeguard its financial flexibility, EVN AG has bilateral credit commitments totalling EUR 175.0m that are available as temporary financing to cover possible short-term liquidity needs. The maturity structure of these credit lines was further improved in August and September 2013 by the early refinancing of the credit facilities that were scheduled to expire in July 2014. In total the credit line are arranged with seven banks and have remaining terms of two to six years. An additional liquidity reserve is provided by a syndicated revolving credit facility of EUR 500.0m, which has a remaining term of four years. EVN's liquidity position can be regarded as stable.

→ Additional information on the composition and terms of non-current financial liabilities is provided in the notes beginning on page 144.

Statement of cash flows

Gross cash flow rose by EUR 73.3m, or 15.3%, to EUR 553.6m during 2012/13, in spite of the decline in earnings. This development was supported, above all, by non-cash effects related to the share of profit from equity accounted investees and from an increase in non-current provisions for onerous contracts related to the marketing of EVN's own production. Combined with a lower year-on-year increase in working capital as of 30 September 2013, cash flow from operating activities increased EUR 100.7m, or 21.8%, to EUR 561.7m.

Cash flow from investing activities fell by EUR 46.6m to EUR –380.5m. This represents a decrease of 14.0%, which resulted mainly from the purchase of short-term securities for investment purposes.

Cash flow from financing activities rose by EUR 15.1m, or 14.3%, to EUR –90.5m. A EUR 121.5m promissory note loan was issued during the reporting year, which was contrasted by scheduled loan repayments, the dividend payment to the shareholders of EVN AG and non-controlling interests as well as expenditures for the share buyback. The improvement in cash flow from financing activities is mainly attributable to the absence of the prior year effect from the purchase of additional stakes in EVN Bulgaria EC and EVN Bulgaria EP.

The above developments resulted in positive cash flow of EUR 90.7m (previous year: EUR 21.5m), which supported an increase in cash and cash equivalents to EUR 224.8m (previous year: EUR 134.1m).

Condensed consolidated statement of cash flows	2012/13 EURm	2011/12 EURm	Change EURm	Change %	2010/11 EURm
Profit before income tax	180.3	259.7	–79.3	–30.6	263.9
Non-cash items	373.3	220.6	152.7	69.2	214.1
Gross cash flow	**553.6**	**480.3**	**73.3**	**15.3**	**478.1**
Changes in current and non-current balance sheet items	36.4	9.7	26.9	–	78.3
Income tax paid	–28.3	–28.9	0.6	2.2	–34.3
Net cash flow from operating activities	**561.7**	**461.0**	**100.7**	**21.8**	**522.0**
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	–245.0	–232.6	–12.4	–5.3	–318.2
Acquisition of subsidiaries, net of cash acquired	–	0.6	0.6	–	–24.6
Changes in financial assets and other non-current assets	–95.3	–155.6	60.3	38.8	–333.3
Changes in current securities	–40.3	53.8	–94.1	–	164.5
Net cash flow from investing activities	**–380.5**	**–333.9**	**–46.6**	**–14.0**	**–511.6**
Net cash flow from financing activities	**–90.5**	**–105.6**	**15.1**	**14.3**	**13.1**
Net change in cash and cash equivalents	**90.7**	**21.5**	**69.2**	**–**	**23.5**
Cash and cash equivalents at the beginning of the period	**134.1**	**112.6**	**21.5**	**19.1**	**89.1**
Currency translation differences	0.0*)	0.0*)	–	–	0.0*)
Cash and cash equivalents at the end of the period	**224.8**	**134.1**	**90.7**	**67.6**	**112.6**

*) Small amount

Investments

Following a 20.0% reduction in investments in intangible assets and property, plant and equipment during the previous year, there was also a major focus on investments in 2012/13. Capital expenditure rose by EUR 20.0m, or 6.5%, to EUR 328.4m, but is substantially lower than the average amount spent in recent years.

EVN's concentration on supply security is also reflected in its investments. More than one-half of the investments in 2012/13 were directed to the Network Infrastructure Austria Segment, in particular the construction of the Westschiene natural gas transport pipeline.

Investments in the Generation Segment focused on the expansion of windpower capacity in Lower Austria and were reflected in an increase in capital expenditure in this business.

In the Energy Trade and Supply Segment, the volume of investments reflected the previous year due to the further expansion of the district heating network and the construction of biomass heating plants.

Investment activity declined slightly in the Energy Supply South East Europe Segment. The focus remained on the improvement of supply security and quality, the expansion of network and electricity metering technology in Bulgaria and Macedonia and the further development of natural gas supplies in Croatia. The decline resulted, above all, from the higher prior year level that reflected the construction of the co-generation plant in Plovdiv.

The year-on-year decline in investments in the Environmental Services Segment is explained primarily by the comparative prior year data, which include the costs for the construction of a co-generation plant in Lyuberzy, a suburb of Moscow. This project was completed during the first quarter of 2012/13.

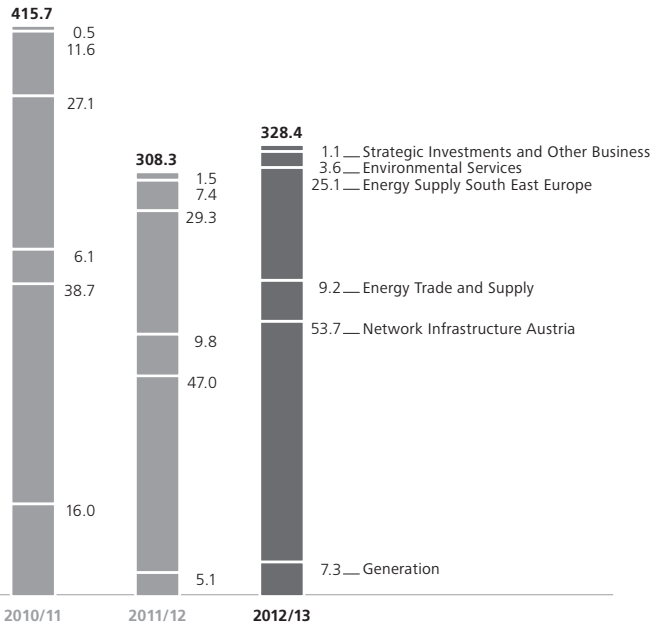
The following chart provides an overview of the most important investments:

Investment priorities at EVN[1)]	2012/13 EURm	2011/12 EURm	Change EURm	Change %	2010/11 EURm
Generation	24.0	15.7	8.3	52.8	66.4
thereof thermal power stations	22.8	11.8	10.9	92.4	51.6
thereof renewable energy Lower Austria	0.1	2.5	–2.4	–95.5	8.4
thereof renewable energy South Eastern Europe	0.4	1.2	–0.8	–69.5	6.5
Energy Trade and Supply	30.1	30.1	–	–	25.3
thereof district heating plants	29.1	28.7	0.4	1.6	24.3
Network Infrastructure Austria	176.4	144.8	31.6	21.8	160.9
thereof electricity networks	99.5	69.2	30.2	43.7	75.1
thereof natural gas networks	65.1	65.3	–0.2	–0.3	70.0
thereof cable TV and telecommunications networks	9.9	9.0	0.9	10.4	12.8
Energy Supply South East Europe	82.4	90.3	–7.8	–8.7	112.5
Environmental Services	11.9	22.7	–10.8	–47.6	48.3
thereof combined cycle heat and power plants in Moscow	5.2	12.5	–7.3	–58.6	33.0
thereof supra-regional power lines, local networks and wastewater	5.3	9.0	–3.7	–41.2	9.1
Strategic Investments and Other Business	3.5	4.7	–1.2	–25.6	2.2
Total	328.4	308.3	20.0	6.5	415.7

1) After consolidation

Structure of investments

in %, Total in EURm



Non-financial indicators

Employees

The EVN Group had an average of 7,497 employees during the 2012/13 financial year. The share of women equalled 21.9% during this period. The Frauen@EVN programme was launched in 2010/11 and has continued since that time. It is designed, above all, to improve the conditions that traditionally have a greater negative effect on women than on men. The goals are to reduce the "unequal opportunities" between women and men and to increase the share of women at EVN.

EVN is well aware of the high strategic importance of its qualified workforce. Consequently, the protection and expansion of this high level of expertise represent a focal point for human resources management. The training and professional development offering for employees in Austria, Bulgaria and Macedonia is coordinated by the EVN Academy. Training and educational expenses totalled EUR 2.4m in 2012/13 (previous year: EUR 2.7m), or EUR 325.5 per employee (previous year: EUR 359.0). The average time dedicated to training rose from 26.9 hours per employee in the previous year to 31.3 hours for the reporting year.

Environment and sustainability

As a responsible energy and environmental services provider, EVN considers the dimensions "People", "Environment" and "Economy" as three interrelated parts of a whole and works to achieve a balance between the requirements of the different interest groups. The sustainability aspects and the related objectives represent an integral part of the corporate strategy. A flexible energy mix is of decisive importance to EVN's future viability. One core element of the Group's strategic orientation is the further development of energy generation from renewable energy sources, in particular windpower and hydropower as well as biomass and photovoltaics. The objective is to raise the share of renewable energies in the electricity generation mix to 50%. In the home market of Lower Austria, activities are directed, above all, to expanding windpower capacity as a means of meeting this goal. In addition to ecological responsibility, EVN also carries an economic responsibility that is reflected in a long-term goal to generate 30% of its electricity sales volumes from its own production or procurement rights.

Research and development

EVN is involved in numerous innovation, development and research projects for an efficient, intelligent and environmentally friendly energy future. The projects in this portfolio reflect current and future demands on the core energy and environmental services businesses across all levels of the value chain. The goals of the Group's innovation, development and research activities are derived from the corporate strategy and measured by the benefits they provide for the protection of the environment and resources, supply security and, last but not least, for EVN's competitiveness. EVN organises its research activities by combining expertise from various areas. Research projects involve – wherever feasible – cooperation between different areas of the corporation and numerous partners from science and industry. The exchange of experience in national and international projects not only adds to the success of EVN's projects, but also supports universities and public research institutions with up-to-date research topics and makes an important contribution to the qualified and practically oriented education of students. Since EVN concentrates on applied research and development, its know-how is complemented by the expertise of its scientific cooperation partners with their focus on basic research.

In 2012/13, EVN spent EUR 1.6m (thereof approximately 28.1% financed through public subsidies) on innovation, development and research projects. These projects concentrated on the areas of innovative energy storage (multi-functional energy storage facilities, power-to-gas) and decentralised generation (photovoltaics, small-scale windpower). In addition, the "e-pendler" e-mobility model region was started under EVN's direction in 2012/13. This project will test the feasibility of e-mobility, in particular for the first and last miles of commuter routes and also evaluate the effects on the electricity grid. In the area of conventional generation, projects centred on the continuous optimisation of existing power plants to reduce CO_2 emissions. Biotechnological methods will be used to convert the so-called pure CO_2 resulting from the generation process into biologically degradable plastic (Project CO2USE). The Environmental Services Segment is working on the treatment of arsenic-contaminated ground water to produce drinking water and the development of a small sewage sludge incineration plant.

Risk management

Definition of risk

The EVN Group defines risk as the danger of negative deviations from corporate goals. The evaluation and management of risk also includes the related opportunities.

Risk management process

The primary goal of risk management is to protect current and future earnings and cash flows. As part of the risk management process, a centrally organised corporate risk management department provides decentralised risk managers with suitable methods and tools for identifying and assessing risks. The business units communicate their risk exposures to this department, which helps to identify suitable actions to minimise these risks. The actions are then implemented by the business units at the local level. The corporate risk management department is responsible for analysing and measuring the overall risk exposure of the EVN Group.

The risk management process includes the following steps:

- **Identification:** A survey of risks based on the latest risk inventory (review of risk inventory) and the identification of new risk positions;
- **Assessment and analysis:** The qualitative and quantitative assessment of the identified risks; the aggregation of risks from different points of view; and the modelling of earnings and cash flow distribution;
- **Reporting:** The distribution of risk reports to the risk managers and the Executive Board of the EVN Group; discussion and evaluation of the risk exposure by the Risk Management Working Committee and the Group Risk Committee; the implementation of risk management activities where necessary;
- **Process review:** Methodical identification of the organisational units that must go through an explicit risk assessment as well as regular reviews to determine whether the methods of identifying and assessing risks should be modified to reflect changed conditions.

Responsibilities of the Risk Management Working Committee

The Risk Management Working Committee is responsible for monitoring the correct implementation of the risk management cycle. It approves changes in risk measurement methods and defines the type and the scope of official risk reporting. This committee includes the heads of internal audit, the general secretariat and corporate affairs, and controlling. Internal audit also reviews the risk management processes and the implementation of measures to minimise risk.

Group Risk Committee and Controlling

The results of the risk inventory and the reports are presented to and discussed by the Group Risk Committee, which consists of the Executive Board, the heads of the strategic business units and the Risk Management Working Committee. It decides on any need for action and may also convene working groups and assign specified tasks. The Group Risk Committee is authorised to establish risk management measures aimed at changing EVN's risk exposure and, in this way, influences the strategic orientation of the Group.

Risk profile

Risks in the energy business

Economic, political and technological developments can lead to a decline in the demand for electricity, natural gas and heat. Rising and/or more volatile procurement prices for (primary) energy, a procurement strategy that is suboptimal or does not reflect the current market environment as well as price pressure from competitors and the loss of customers can have a negative influence on the profit margins of the EVN Group. The weather can also lead to weaker demand for energy and lower water flows. Risk is minimised by the use of hedging strategies that include the longer-term marketing of power plant capacity, futures transactions, the diversification of the customer portfolio and customer offers that are in line with the market.

The energy business is connected with operating risks such as disruptions in the production and distribution of electricity or district heat as well as the procurement and sale of natural gas. Key processes in this business are associated with specific dangers that expose the EVN Group to major liability risk. EVN addresses this risk by issuing safety guidelines and strictly monitoring compliance with all applicable regulations.

The profitability and the intrinsic value of production plants are dependent primarily on electricity and primary energy prices. Politics has a major influence on the development of the European energy portfolio and, in turn, on the market prices of energy.

In connection with its strategic reorientation regarding markets and technologies, EVN sold its investment in the Devoll hydropower project in Albania during 2012/13.

EVN is exposed to project risks and the risk of improper fulfilment or non-fulfilment of contractual requirements by third parties, above all when energy is sourced outside the Group. Partnerships (joint ventures, syndicated contracts) can give rise to risks such as conflicts of interest, limited means of controlling

and managing risk or the withdrawal or loss of a partner. There is also a risk that required permits and licenses may not be issued or extended for reasons that fall within EVN's scope of responsibility.

Risks in the environmental services business

The EVN Group is exposed to risks in the environmental services business arising from possible fluctuations in the demand, volume and/or cost as well as disruption to or interruption of drinking water supplies, wastewater treatment systems and thermal waste utilisation facilities. In this business, EVN is also exposed to technological, political, contractual, counterparty, foreign exchange and project risks. These risks are reduced primarily through the use of experienced employees, regular continuing education and professional training programmes, efficient project management and the use of hedging instruments (including guarantees and insurance).

Political and legal risks

Changes in the regulatory environment, political pressure on major projects and changing requirements under energy and environmental protection laws are the primary drivers for political and legal risks.

Moreover, the existing political and economic instability in a number of the markets in South and South Eastern Europe and the resulting changes in the legal framework continue to represent a major challenge for business operations. These risks are addressed through cooperation with local, regional, national and international government agencies and interest groups. Legal and political pressure is reduced by entering into and regularly evaluating strategic partnerships, whereby the attendant liability and recourse rights are managed on the basis of suitable corporate structures.

This business also involves legal and litigation risks, above all, in connection with pending or potential court and arbitration proceedings related to various power plant projects and investments, respectively.

Financial risks

EVN counteracts interest rate, foreign exchange and market price risks based on a comprehensive treasury strategy and accompanying organisational and methodical guidelines, which also include daily risk analysis and the use of derivative hedging instruments.

The management of credit and default risk includes measures to set credit limits and regularly monitor the credit standing of its customers as well as a targeted strategy to diversify the Group's business partners.

Regular liquidity analyses, long-term and centrally managed financial planning, successful borrowing, bond and promissory note loan placements as well as the protection of required financial resources (i.e. through credit lines) allow EVN to prevent liquidity risk.

Financial risks also include a possible change in the rating of EVN AG. In addition, the earnings of the EVN Group could be affected by the development of earnings and equity in its investments.

Overall risk profile

EVN's risk profile is changing continuously as a result of the volatile environment and the corporate strategy with its main focus on the consolidation and strengthening of the core business over the coming years. Risks can arise from activities in the home market of Lower Austria, the environmental services business and the existing business areas in South Eastern Europe as well as selected growth projects. In spite of this volatile environment, the annual risk inventory did not identify any risks that could endanger the continued existence of the EVN Group. This conclusion is a result, among others, of the EVN Group's diversified business portfolio.

EVN's major risks and related countermeasures

Market and competitive risks

Price risk

Procurement and selling prices for primary energy, electricity, natural gas, CO_2 emission certificates and biomass that are volatile and/or deviate from forecasts

→ Fixed pricing agreements, procurement strategy tailored to the market environment, hedging transactions

Profit margin risk

Energy sales and production: failure to meet profit margin targets

→ Hedging strategies: diversification of customer segments and business areas, long-term sale of power plant capacity, development of a product portfolio that reflects customer demands (incl. various floating and guarantee tariffs)

Network operations: non-inclusion of actual operating costs in the network tariffs established by regulatory authority

→ Lobbying with national and international regulatory authorities and interest groups

Volume risk

Declining demand for EVN products or services, decrease in own production volumes, e.g. due to changed water flow conditions

Counterparty risk

Complete or partial failure by a business partner to provide the agreed performance

→ Contracts, credit monitoring and credit limit systems, insurance and diversification of business partners

Supplier risk

Cost overruns on projects; delays in the completion of contracted services

→ Partnerships, contractual controls wherever possible, third party expert opinions

Financial risks

Foreign currency risks

Transaction risk (foreign currency exchange loss) and translation risk in connection with the conversion of foreign currency amounts in the consolidated financial statements; financing for Group companies that does not reflect the respective foreign exchange situation

→ Monitoring, limits and hedging instruments

Liquidity and financing risk

Failure to repay liabilities on schedule or to obtain the required liquidity/funds at the expected conditions

→ Long-term, centrally managed financial planning, safeguarding of financing requirements (e.g. through credit lines)

Market price risks

Decline in the listed value of investments (e.g. funds) and listed strategic investments (e.g. Verbund AG, Burgenland Holding AG)

→ Monitoring of loss potential via daily value-at-risk calculations

Investment risks

Failure of a subsidiary or holding to meet profit targets

→ Representation on the Supervisory Board and/or shareholder/risk committees of the respective company

Rating changes

Higher refinancing costs due to rating downgrades

→ Ensuring compliance with key financial indicators

Interest rate risks

Changes in market rates, increase in interest expense

→ Use of hedging instruments

Impairment risks

Recognition of impairment losses to receivables, goodwill, investments and/or power plants

Inflation/deflation risk

Risk that guarantees will be called

Operating risks

Technology risk

Late identification and implementation of new technologies; investments in "wrong" technologies

→ Active participation in external research projects, own demonstration facilities and pilot projects, on-going adjustments to keep technologies at the latest level

Infrastructure risks

Incorrect design and use of technical facilities

→ Elimination of technical weaknesses, regular inspections and reviews of current and planned infrastructure

Service disruptions/network breakdowns (own and third party)

Blackout/nationwide network disruptions (e.g. due to integration of European electricity networks)

→ Technical upgrading at network interfaces, expansion of network capacity in Austria

IT/security risks

→ Strict system and risk monitoring (internal control system), e.g. through backup systems, technical maintenance, external audits

Contract risks

Failure to identify legal, economic or technical problems; contract risks under financing contracts

→ Extensive legal due diligence, involvement of external experts/legal advisors, contract database and on-going monitoring

Legal, political and macroeconomic risks

Legal, regulatory and political risks

Changes in political and legal parameters and/or the regulatory environment (e.g. environmental laws, regulations and market liberalisation in South Eastern Europe)

→ Cooperation with interest groups, associations and government agencies on a regional, national and international level

Legal and litigation risks

Non-compliance with contractual obligations by several parties, or litigation risk from various lawsuits

→ Lobbying via local, regional, national and EU-wide interest groups, legal consulting

Social and general economic environment

Developments related to the debt/financial crisis, stagnation or the decline in purchasing power

Other risks

Granting of undue advantages, non-compliance

Distribution of confidential internal information to third parties and the granting of undue advantages/corruption

→ Interne control systems, uniform guidelines and standards; reorganisation of the subsidiaries in South Eastern Europe; Code of Conduct, compliance organisation

Project risk

Cost overruns on the construction of new generation and/or network capacity

→ Contractual agreement on economic parameters

Planning risk

Model risks, incorrect or incomplete assumptions

→ Feasibility studies by experienced, highly qualified employees, monitoring of parameters and regular updates, four-eyes principle

Organisational and employee risks

Loss of highly qualified employees, absence due to work accidents, surplus or shortfall of personnel, communication problems, cultural barriers, inefficient processes, interfaces, fraud, intentional or unintentional misrepresentations of transactions or items in the annual financial statements

→ Attractive work environment and compensation, occupational health care and safety measures, flexible working time models, training, group events, risk-oriented internal control system (ICS)

Co-investment-risk

Risks related to the implementation of major projects jointly with a partner

→ Contractual safeguards, efficient project management

Sabotage

Sabotage, e.g. to natural gas lines, waste treatment plants or waste utilisation plants

→ Suitable security measures, regular measurement of water quality and emissions

Image risk

→ Transparent and proactive communications, high ethical standards in all areas of the business

Key features of the internal control and risk management system related to accounting processes

Introduction

In accordance with § 267 (3b) in connection with § 243a (2) of the Austrian Commercial Code ("Unternehmensgesetzbuch", UGB) as amended by the 2008 Corporate Law Amendment Act ("Unternehmensrechts-Änderungsgesetz", URÄG), companies whose shares are admitted for trading on a regulated market are required to disclose the key features of their internal control and risk management system for corporate accounting processes.

Under § 82 of the Austrian Stock Corporation Act ("Aktiengesetz", AktG), the Executive Board is responsible for establishing a suitable internal control and risk management system for accounting processes.

EVN developed and implemented an internal control system (ICS) that meets the requirements of the 2008 Corporate Law Amendment Act. The ICS is monitored at regular intervals by auditing the processes that are considered to be exposed to risk. The results of these monitoring activities are reported to the Executive Board and the Supervisory Board. The ICS ensures clear lines of responsibility and eliminates unnecessary process steps, and thereby further improves the security of processes for the preparation of financial data.

The description of the major features of the ICS covers five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring

Control environment

The Code of Conduct issued by EVN and the underlying values apply to all Group employees. EVN's Code of Conduct is available in German under www.evn.at/verhaltenskodex and in English under www.evn.at/code-of-conduct.

The consolidated financial statements are prepared by Group accounting. The related processes are based on an accounting guideline that defines the accounting policies to be applied as well as key processes and schedules for the entire Group. Binding instructions apply to the reconciliation of intragroup accounts and other work required for the preparation of the consolidated financial statements.

All employees involved in the accounting process have the necessary qualifications and undergo regular training. Complex actuarial opinions and valuations are prepared by external experts or specially qualified employees.

The implementation of the ICS also included the designation of processes that are considered to be relevant for the accounting area. These processes include the documentation of all steps involving risk and the creation of special control measures for their monitoring.

The managers responsible for the specific processes – in general, the heads of the strategic business units and corporate services – are responsible for compliance with these processes and the related control measures.

Risk assessment and control activities

Multi-stage control measures have been established to prevent material misstatements in the presentation of transactions in order to ensure that the individual IFRS financial statements of all subsidiaries are recorded correctly. These steps include automated controls that are executed by the consolidation software as well as manual controls by the involved corporate services.

The corporate service departments carry out extensive plausibility checks of the individual subsidiaries' financial statements to ensure correct transfer to the consolidated financial statements.

The review of the financial statement data includes analyses at the position, segment and Group levels, both before and after consolidation. The consolidated financial statements are not released until these quality controls are complete at all levels.

EVN AG and the major domestic and foreign subsidiaries use SAP software (FI module, finance and accounting) for their accounting. The IFRS consolidated financial statements are prepared with the Hyperion Financial Management software, whereby the data from the individual financial statements are transferred by means of an interface. The accounting systems and all upstream systems are protected by restricted access as well as automated and mandatory manual control steps.

Control measures range from the review of results by the responsible employees to the reconciliation of accounts and the analysis of accounting processes.

The ICS and all accounting-related processes are reviewed by the auditor at least once each year to verify compliance with the required controls, to evaluate any risk incidents that occurred during the financial year and to determine whether the controls are still suitable to deal with the existing risks. In 2012/13, a number of process adjustments and improvements were made as part of the continuous efforts to further develop the ICS.

Information, communication and monitoring

The Executive Board provides the Supervisory Board with quarterly reports on EVN's asset, financial and earnings position, together with a balance sheet and income statement. The Executive Board and the Supervisory Board also receive an ICS report once each year, which contains basic information to evaluate the efficiency and effectiveness of the ICS system and is designed to support the management of the ICS by the responsible corporate bodies. This report is prepared by the ICS manager in cooperation with the ICS Committee based on information supplied by the managers responsible for ICS, the persons who carried out the controls and the auditors.

This information is also distributed to Management and key personnel in the involved companies to facilitate monitoring and control activities and thereby ensure the accuracy of accounting and reporting procedures.

EVN's internal audit department carries out regular reviews of the ICS, and their findings form the basis for the continuous improvement of this system.

Share structure and capital disclosures

Disclosures required by § 243a (1) of the Austrian Commercial Code

1. The share capital of EVN AG totalled EUR 330,000,000 as of 30 September 2013 and was divided into 179,878,402 zero par value bearer shares. An amendment to Austrian company law ("Gesellschaftsrechts-Änderungsgesetz 2011") still allows listed companies to issue bearer shares, but requires these shares to be securitised in one or more collective instruments. Consequently, previously issued individual shares (effective share certificates) held privately or in an individual securities account were replaced by a collective instrument during the period from March to June 2013. Shares that were not exchanged by the end of this period on 10 June 2013 were declared as void. This declaration resulted in the suspension of the right to dividend payments and the right to participate in the Annual General Meeting – until the shareholder presents his/her effective shares and designates a securities depository account. The Executive Board is responsible for determining the form and content of the share certificates. Shareholders are not entitled to the issue of individual share certificates. All shares carry the same rights and duties.

2. There are no restrictions on voting rights above and beyond the general requirements of the Austrian Stock Corporation Act.

3. In accordance with Austrian federal and provincial constitutional law, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51%. This shareholding is formally held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten, which is a subsidiary of the province of Lower Austria. The second largest shareholder of EVN AG is EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany. On 5 November 2010, this company announced in accordance with § 91 (1) of the Austrian Stock Exchange Act ("Börsegesetz") that it did not exercise its subscription rights to the capital increase that was recorded in the commercial register on 30 October 2010. This shareholding therefore fell below the threshold of 35% of the voting shares in EVN AG, but not below the threshold of 30% as of the date on which the above-mentioned capital increase was recorded.

   As of 30 September 2013, EVN AG held 1,843,612 treasury shares, which represent 1.02% of the company's share capital (30 September 2012: 877,622 shares or 0.49% of share capital). The purchase of the treasury shares held as of the balance sheet date was based on the share buyback programmes approved by the 79th and 83rd Annual General Meetings of EVN AG on 17 January 2008 and 19 January 2012, respectively.

   On 30 May 2012, the Executive Board of EVN AG decided to repurchase up to 1,000,000 of the company's shares, or up to 0.56% of share capital, over the Vienna Stock Exchange. This share buyback was based on an authorisation of the 83rd Annual General Meeting. The share buyback programme was extended twice during the 2012/13 financial year, the first time on 30 December 2012, with a planned term ending on 31 August 2013, and the second time on 29 August 2013, with a planned term ending on 31 May 2014. Each of these extensions covers the purchase of up to an additional 1,000,000 of the company's shares. The objective of the share buyback is to improve the supply of and demand for the EVN share on the Vienna Stock Exchange. Trading in treasury shares for profit-making purposes is excluded.

   On 13 June 2013, the Executive Board of EVN AG approved the reclassification of up to 170,000 treasury shares (up to 0.095% of share capital) for distribution to employees of the company and certain subsidiaries as an alternative to a bonus payment required by an agreement concluded with employee representatives. A total of 73,010 shares, or 0.04% of the share capital of EVN AG, were transferred directly to these employees on 8 August 2013. The remaining shares represent free float. EVN AG does not have a stock option programme at the present time.

4. EVN AG has not issued any shares with special control rights.

5. Employees who own shares in EVN AG may exercise their voting rights at the Annual General Meeting.

6. The Executive Board has consisted of two members since the retirement of Herbert Pöttschacher. The Supervisory Board is responsible for the appointment and dismissal of the Executive Board members. In selecting persons for appointment to the Executive Board, EVN AG must comply with the provisions of the Austrian Stock Exchange Act and, as a consequence of its ownership structure, must also meet the requirements of Austrian recruitment regulations, which call for the public tender of such positions.

7. The Executive Board has not been granted any authorisations as defined in § 243a (1) no. 7 of the Austrian Commercial Code.

8. The company is not party to any change of control agreements that would take effect in the event of a takeover.

9. There are no agreements to provide compensation to the members of corporate bodies or employees in the event of a public takeover as defined in § 243a (1) no. 9 of the Austrian Commercial Code.

Outlook for the 2013/14 financial year

The European energy market is currently undergoing a far-reaching transformation. The steadily increasing, but volatile generation of energy, above all from windpower and photovoltaic equipment, is shifting the issue of supply security in connection with a new market design into the centre of discussion. In spite of this challenging environment, EVN is working to remain a reliable service provider for its customers. The Group's strategy is currently directed to the consolidation of existing business activities. The main objective for the energy business is the protection of supply security. Safeguarding the high quality of the energy transmission networks is also a critical element in this respect because of the rising volumes generated by renewable energy sources. Compliance with regulatory requirements represents another key factor.

EVN's success in the energy business is influenced by electricity prices on the European spot and futures markets as well as the prices for primary energy and CO_2 emission certificates. The development of outdoor temperatures has an effect on the behaviour of customers and, in this way, also on sales volumes of energy. The demand for environmental projects is related to the availability of financial resources in the public sector. In addition, project orders in the environmental business lead to fluctuations in earnings because of the nature of this activity. Earnings in the Strategic Investments and Other Business Segment are dependent primarily on EVN's investments in RAG and Verbund which, in turn, are influenced by the development of primary energy and electricity prices.

Together with its regional partners, EnergieAllianz reduced electricity and natural gas prices by an average of 3.6% as of 1 October 2013 as part of an energy efficiency campaign. At the same time, EVN introduced a programme to help its customers use energy more efficiently. Adjustments by the E-Control Commission as of 1 January 2013 reduced electricity network tariffs by an average of 0.4% (1 January 2012: stable) and natural gas network tariffs by an average of 2.5% (1 January 2012: reduction of 1.9%).

In South Eastern Europe, the price increases in 2012 were followed by tariff decisions by the regulatory authorities that reduced end customer prices for electricity by an average of 3.0% in Macedonia as of 1 July 2013 and by an average of 4.2% in Bulgaria as of 1 August 2013. These price reductions were not offset by corresponding adjustments to procurement prices. For Bulgaria, this represented the second reduction in 2013 after a 7.3% cut in March. An announcement by the Bulgarian regulatory authority on 1 August 2013 also marked the introduction of a new mechanism to calculate compensation for the added costs of renewable electricity, but this change is not expected to result in additional costs for EVN. EVN's preceding claims were recognised as receivables following a confirmation by the regulatory authority that EVN should generally be compensated for the uncovered costs. These claims are also being pursued in arbitration proceedings initiated with the International Centre for the Settlement of Investment Disputes, an institution created by the World Bank.

The above-mentioned price adjustments for energy and network services in Austria and South Eastern Europe led to a reduction in earnings from EVN's operating business. Furthermore, there are currently no signs of improvement in conditions on the international electricity markets that could make the operation of thermal generation plants more profitable. Our expectations for earnings from our operating business in 2013/14 are therefore lower in comparison with 2012/13. The prior period effects that reduced financial results in 2012/13 are non-recurring, and

group profit should therefore exceed the results for 2012/13. The current distortions on the energy markets will, nonetheless, prevent a return to the level recorded in earlier years. Group net profit could also be significantly influenced by the development of the arbitration proceedings with the Bulgarian government and progress on the projects in Moscow.

We see our balanced customer base and the high customer satisfaction with our services as our most important success factors, and we want to also build on this solid base in the future.

Our goal is to pursue the continuation of an attractive dividend policy in coordination with a value-oriented corporate strategy in the interest of all stakeholder groups. The wide-ranging projects and measures implemented by EVN in all areas of the Group, and their support for sustainable management, also represent an integral part of this strategy.

Maria Enzersdorf, 19 November 2013

EVN AG
The Executive Board

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

Main EVN AG subsidiaries

Generation
- 100% **EVN Kraftwerks- und Beteiligungsgesellschaft mbH**
  - 49% **STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH** Construction of a coal fired power plant in Duisburg, Germany
- 100% **evn naturkraft Erzeugungsgesellschaft m.b.H.** Electricity generation from renewable energy sources
  - 100% **EVN Kavarna EOOD** Electricity generation from windpower in Bulgaria
  - 100% **Naturkraft EOOD** Electricity generation from photovoltaics in Bulgaria
  - 100% **evn naturkraft Beteiligungs- und Betriebs-GmbH**
    - 13% **Verbund-Innkraftwerke Deutschland GmbH** Hydroelectric power generation
- 100% **EVN Liegenschaftsverwaltung Gesellschaft m.b.H.** Management of elements of power plant
  - 100% **EVN Projektmanagement GmbH**
- 49.99% **Shkodra Region Beteiligungsholding GmbH** Holding in connection with hydropower project Ashta in Albania
  - 100% **Energji Ashta Sh.p.k**

Energy Trade and Supply
- 100% **EVN Energievertrieb GmbH & Co KG** Electricity and natural gas sales to end customers within EnergieAllianz
- 100% **EVN Wärme GmbH** Supply of heat, gas, combined cycle heat and power, biogas heat, solar energy and heat pump facilities
- 49% **Fernwärme St. Pölten GmbH** Joint venture with Stadtwerke St. Pölten in district heating business
- 45% **ENERGIEALLIANZ Austria GmbH** Joint EnergieAllianz partner sales subsidiary
  - 100% **Naturkraft Energievertriebsgesellschaft m.b.H.** Electricity sales from renewable energy sources
  - 100% **Switch Energievertriebsgesellschaft m.b.H.** Electricity and natural gas sales in Austria
- 45% **e&t Energie Handelsgesellschaft mbH** Joint EnergieAllianz partner energy trading and sourcing company
- 16.5% **EconGas GmbH** Joint venture of EnergieAllianz partner in gas business with OMV and EGBV
- 100% **Utilitas Dienstleistungs- und Beteiligungs Gesellschaft m.b.H**[1] Technical services

Network Infrastructure Austria
- 100% **EVN Netz GmbH** Operation of electricity and natural gas networks
- 100% **Utilitas Dienstleistungs- und Beteiligungs Gesellschaft m.b.H**[1] Technical services
  - 100% **kabelplus AG** Cable TV and internet services
  - 100% **EVN Geoinfo GmbH** Digital cartography
  - 100% **V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H.** Cathodic corrosion protection

Energy Supply South East Europe
- 100% **EVN Bulgaria Electrorazpredelenie EAD** Electricity network operating in Bulgaria
- 100% **EVN Bulgaria Electrosnabdjavane EAD** Electricity supply in Bulgaria
- 100% **EVN Trading South East Europe EAD** Electricity trading in Bulgaria
  - 100% **EVN Energy Trading d.o.o. Belgrade, Serbia** Electricity trading
  - 100% **EVN Energy Trading DOOEL, Skopje, Macedonia** Electricity trading
- 100% **EVN Bulgaria Toplofikatsia EAD** District heating company in Bulgaria
- 100% **EVN Bulgaria EAD** Management company in Bulgaria
- 90% **EVN Macedonia AD** Electricity network operating and supply in Macedonia
  - 100% **EVN Macedonia Elektrani DOOEL, Skopje, Macedonia**
- 100% **EVN Macedonia Holding DOOEL** Management company in Macedonia
- 100% **EVN Croatia Plin d.o.o.** Building and operating natural gas network in Croatia

Environmental Services
- 100% **evn wasser Gesellschaft m.b.H.** Drinking water supply in Lower Austria
- 100% **EVN Umweltholding und Betriebs-GmbH** Holding company for drinking water supply, wastewater and waste incinerations services
  - 100% **WTE Wassertechnik GmbH, Essen Germany** Drinking water supply and wastewater services as well as environmental projects in 18 countries[2]
  - 100% **EVN Abfallverwertung Niederösterreich GmbH** Waste incineration in Lower Austria
  - 100% **EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH** Waste incineration in Moscow
  - 100% **EVN Umwelt Beteiligungs und Service GmbH**
  - 100% **EVN Umwelt Finanz- und Service-GmbH**

Strategic Investments and Other Business
- 12.6% **Verbund AG**[3] Power generation, trading and transport
- 100% **EVN WEEV Beteiligungs GmbH**
  - 50% **WEEV Beteiligungs GmbH**
- 73.6% **Burgenland Holding Aktiengesellschaft**
  - 49% **Energie Burgenland AG** Electricity and gas supply
- 50.03% **RAG-Beteiligungs-Aktiengesellschaft**
  - 100% **Rohöl-Aufsuchungs Aktiengesellschaft** Oil and natural gas exploration and natural gas storage
- 100% **Utilitas Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H.**[1] Technical services
  - 100% **EVN Business Service GmbH**
- 100% **EVN Finanzmanagement und Vermietungs GmbH** Group financing
  - 100% **EVN Finanzservice GmbH** Group financing

Status: 30 September 2013. The companies incorporated in the EVN Group Consolidated financial statements are shown. In the Environmental Services segment, only 1st and 2nd level subsidiaries are listed. The fully consolidated R138-Fonds is not included in this list due to the lack of operative activities. Interests in %

1) Utilitas services are integrated in the Strategic Investments and Other Business segment.
2) The investments of WTE Wassertechnik GmbH are project and operating companies in Central, Eastern and South Eastern Europe.
3) Verbund AG is neither a fully consolidated company nor an investment included at equity. EVN's direct investment in Verbund AG amounts to 11.5% and the indirect investment via EVN WEEV Beteiligungs GmbH und WEEV Beteiligungs GmbH amounts to 1.1%.

Segment reporting

Overview

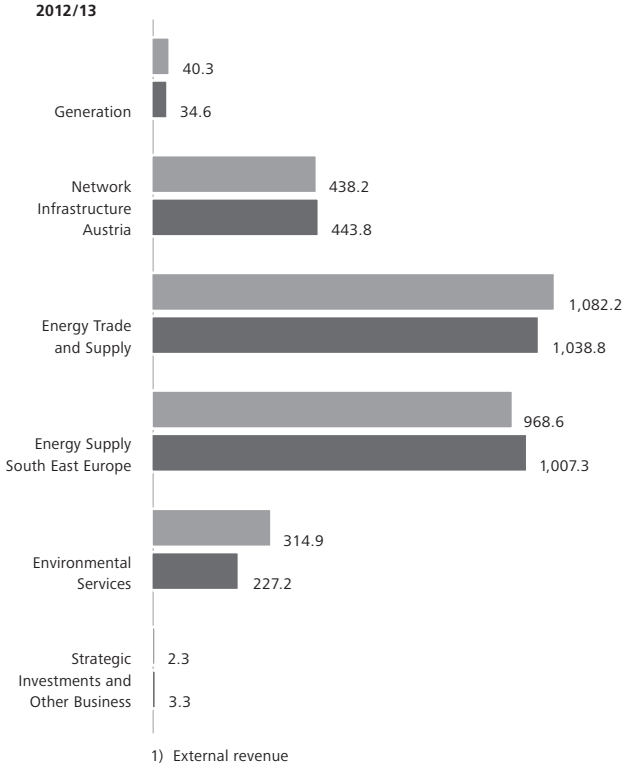
The structure of the EVN Group is based on three general categories: the energy business, the environmental services business and other business activities. The energy business covers the entire electricity and heat value chain from generation and transmission to networks and supply, while the gas business is concentrated on the transmission and network stages. 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 incineration.

Taking the requirements of IFRS 8 "Business Segments" into account, the operating segments are identified solely on the basis of EVN's internal organisational and reporting structure. Below is a description of both 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 incineration 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

Revenue by segments[1)]

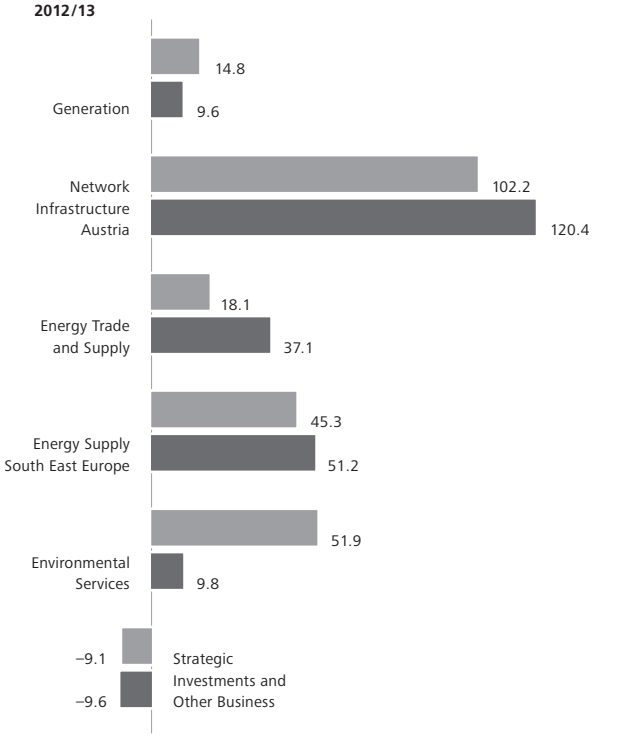
in EURm



1) External revenue

EBIT by segments

in EURm



EVN's key energy business indicators	GWh	2012/13	2011/12	Change nominal	Change in %	2010/11
Electricity generation volumes		**3,701**	**3,284**	**417**	**12.7**	**3,332**
Renewable energy sources		1,954	1,503	451	30.0	1,181
Thermal energy sources		1,747	1,781	–34	–1.9	2,151
Network distribution volumes						
Electricity		20,916	21,619	–703	–3.3	21,150
Natural gas[1)]		15,239	15,435	–196	–1.3	16,415
Energy sales volumes to end customers						
Electricity		**20,209**	**21,241**	**–1,032**	**–4.9**	**20,403**
thereof Central and Western Europe[2)]		7,188	7,427	–239	–3.2	7,143
thereof South Eastern Europe		13,020	13,814	–793	–5.7	13,260
Natural gas		**6,333**	**6,166**	**166**	**2.7**	**6,475**
Heat		**2,062**	**1,951**	**111**	**5.7**	**1,911**
thereof Central and Western Europe[2)]		1,857	1,710	147	8.6	1,678
thereof South Eastern Europe		205	241	–36	–14.9	233

1) Incl. network distribution volumes to EVN power plants
2) 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, Germany 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 EVN AG's thermal power generation and the storage power plants is based on the option value, which generally reflects the pre-defined difference between the forward prices for electricity and the related fuel costs. The option value also includes the provision and use of reserve capacity to ensure network supplies in southern Germany. The sale of the generated electricity and the procurement of primary energy are reported under the Energy Trade and Supply Segment.

The income from investments consists primarily of the earnings contributions from investments in power plants and in the Duisburg-Walsum, Verbund-Inn River and Ashta power plant projects. The 50% stake in the planned Devoll River hydropower plant in Albania was sold to the project partner Statkraft A.S. in March 2013; the closing took place on 7 May 2013.

Development of power generation

Electricity generation rose by 216 GWh, or 7.7%, to 3,021 GWh in 2012/13. The volume generated from renewable energy sources totalled 1,637 GWh, which is 305 GWh, or 22.9%, higher than in the previous year. This increase is attributable, above all, to the start of operations at the Ashta hydropower plant and higher electricity procurement from the Inn River power plants. In addition, the production coefficient for the run-of-river hydropower plants exceeded the prior year level of 105.0% at 108.0% in 2012/13. A reduction in power requests from the Federal Network Agency in Germany led to a year-on-year decline in the use of EVN's gas-fired power plants. The thermal production from EVN's own heating plants therefore fell by 89 GWh, or 6.0%, to 1,384 GWh. However, a contract concluded with the Federal Network Agency in Germany during the third quarter of 2012/13 for the provision of 785 MW of annual reserve capacity over a further three winter half-years will allow for the partial utilisation of capacity at the EVN gas-fired power plants.

Highlights 2012/13

- Increased power generation from renewable energy sources
  - Start of operations at the Ashta hydropower plant
  - Higher electricity procurement from the Inn River power plants
  - Good water flows
- Extension of the contract to provide 785 MW of reserve capacity per year for southern Germany during the next three winter half-years
- Revenue decline of 15.3%
  - Decline in market prices for electricity
  - Lower option value due to absence of free CO_2 emission certificates
  - Weaker wind conditions
- Financial results negatively affected by one-off effects
  - Negative earnings effect due to withdrawal from the Devoll hydropower project
  - Negative earnings from the Ashta hydropower plant project

EVN covered 18.3% of the electricity sold during the reporting year with its own production (previous year: 15.5%). Excluding energy sales by the Energy Supply South East Europe Segment, the coverage ratio equalled 51.5% (previous year: 44.2%). The share of renewable energy in the Group's total production was 52.8% (previous year: 45.8%).

Revenue development

Despite the good water flows and revenue from the provision and use of reserve capacity by the Federal Network Agency in Germany, revenue in the Generation Segment fell by EUR 20.7m, or 15.3%, year-on-year to EUR 114.3m. This development resulted primarily from a decline in the market price of electricity and from a lower option value for the thermal power plants following the discontinuation of free CO_2 emission certificates as of 1 January 2013. Weaker wind conditions also had a negative effect on revenue.

Operating expenses and operating results

Operating expenses increased by EUR 1.1m, or 1.5%, to EUR 76.8m in 2012/13, above all due to higher purchases of electricity from the Inn River power plants. EBITDA therefore fell by EUR 21.8m, or 36.8%, to EUR 37.5m. Depreciation and amortisation dropped EUR 16.7m, or 37.4%, to EUR 27.9m, whereby the 2011/12 results were influenced by impairment losses to

Key indicators – Generation		2012/13	2011/12	Change nominal	Change in %	2010/11
Key energy business indicators	GWh					
Electricity generation volumes		**3,021**	**2,805**	**216**	**7.7**	**3,000**
thereof renewable energy sources		1,637	1,332	305	22.9	1,002
thereof thermal energy sources		1,384	1,473	–89	–6.0	1,998
Key financial indicators	EURm					
External revenue		34.6	40.3	–5.7	–14.2	24.1
Internal revenue		79.8	94.8	–15.0	–15.8	73.0
Total revenue		**114.3**	**135.1**	**–20.7**	**–15.3**	**97.1**
Operating expenses[1]		–76.8	–75.7	–1.1	–1.5	–65.0
EBITDA[1]		**37.5**	**59.3**	**–21.8**	**–36.8**	**32.1**
Depreciation and amortisation		–27.9	–44.5	16.7	37.4	–35.7
Results from operating activities (EBIT)[1]		**9.6**	**14.8**	**–5.2**	**–35.0**	**–3.6**
Financial results[1]		–55.9	–11.5	–44.5	–	–32.9
Profit before income tax		**–46.3**	**3.3**	**–49.6**	–	**–36.5**
Total assets		849.1	820.5	28.6	3.5	745.9
Total liabilities		600.8	538.4	62.4	11.6	484.7
Investments[2]		29.8	16.0	13.8	86.2	70.8

1) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS on page 108)
2) In intangible assets and property, plant and equipment

the biomass pilot plant in Dürnrohr and the Kavarna wind park. Results from operating activities (EBIT) were EUR 5.2m, or 35.0%, below the prior year at EUR 9.6m.

Financial results and profit before tax

Financial results fell by EUR 44.5m to EUR –55.9m for the reporting year. This decline reflected a one-off negative earnings effect of EUR 27.6m from the sale of the 50% stake in the Devoll hydropower plant in Albania. It was also based on a negative earnings contribution of EUR 20.4m from Shkodra Region Beteiligungsholding GmbH in connection with the Ashta hydropower plant in Albania. This negative earnings development resulted from a change in the government and a subsequent increase in uncertainty over the extension of the concession as economic compensation for flood damage incurred during the construction stage as well as related construction delays and the related higher costs. Customer risk has also increased due to the delayed receipt of payments, and the estimated income from the sale of certified emission reductions (CERs) continues to decline. In total, these developments led to a EUR 49.6m drop in profit before tax to EUR –46.3m.

Investments

Investments in this segment increased by EUR 13.8m, or 86.2%, year-on-year, whereby the focus remained on the expansion of windpower capacity in Lower Austria. Together with a partner, work began on the realisation of a wind park in Prellenkirchen during the second quarter of 2012/13. These eight wind turbines with a total capacity of 24 MW are scheduled to start operations during the winter of 2013/14 and will supply nearly 16,000 households with environmentally friendly electricity. The wind park in Deutsch-Wagram also started operations during September 2013 and, with its five wind turbines and total capacity of 15 MW, now provides electricity to roughly 10,000 households. This project also included the 100th wind turbine built by EVN.

Outlook

The unfavourable development of electricity prices will continue to have a negative effect on business development in the Generation Segment during 2013/14. The operating framework for thermal generation remains difficult due to the low spread between primary energy costs and the market price of electricity. From the current point of view, the EVN gas-fired power plants in Korneuburg and Theiss will be used primarily to support network security for southern Germany – as required by the Federal Network Agency. Activities will continue to focus on the expansion of electricity generation from renewable energy sources, above all windpower plants, which should lead to an increase in the earnings contribution from this business. Earnings

in the Generation Segment are expected to exceed the prior year in 2013/14 due to the absence of effects from the sale of the investment in the Devoll hydropower plant in Albania and the reduction in the at-equity carrying amount of Ashta.

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.

Internal revenue consists mainly of electricity sales to the Network Infrastructure Austria Segment to cover network losses.

The income from investments is based mainly on the earnings contributions from EconGas, e&t and the district heating plants in St. Pölten and Steyr.

Highlights 2012/13

- Energy sales to end customers
  - Decline in electricity sales due to lower volumes with industrial customers
  - Temperature-related increase in sales volumes of natural gas and heat
- Decrease in electricity revenue and electricity procurement costs due to lower prices for renewable electricity and volume decline
- Financial results reduced by negative earnings contribution from EconGas

Development of energy sales to end customers

Energy sales to end customers differed by market in 2012/13. A volume decline in the industry customer segment outside EVN's Austrian supply region led to a decrease of 239 GWh, or 3.2%, in electricity sales to 7,188 GWh. In contrast, natural gas volumes were 166 GWh, or 2.7%, higher than the previous year at 6,333 GWh due to the colder temperatures. The steady expansion supported an increase of 147 GWh, or 8.6%, in heat sales volumes to end customers.

Revenue development

Revenues totalled EUR 1,082.4m, which represents a year-on-year decrease of EUR 46.1m or 4.1%. This development resulted mainly from the transfer of the cost advantage from lower purchase prices for renewable electricity in the form of reduced energy prices and the general decline in the market price for electricity. Higher sales volumes of natural gas and a volume- and price-related revenue increase in the heating area were unable to offset this trend. Results for the previous year also included the revenue generated by first facility GmbH, which was sold during July 2012.

Operating expenses and operating results

Operating expenses fell by EUR 64.6m, 5.9%, to EUR 1,029.4m for the reporting year. This reflects a drop in the volume of electricity purchases as well as a decline in procurement costs due to lower prices for renewable electricity. In contrast, expenses were increased by higher procurement costs for natural gas sales to end customers and for fuel used by the heating plants. Results for 2012/13 and 2011/12 also include provisions for onerous contracts from the marketing of EVN's own electricity production. EBITDA rose by EUR 18.5m, or 53.7%, to EUR 53.1m. Depreciation and amortisation remained nearly constant, and results from operating activities (EBIT) increased EUR 18.9m year-on-year to EUR 37.1m.

Financial results and profit before tax

Financial results fell by EUR 20.7m to EUR –28.2m in 2012/13. This decline reflected the net negative earnings contribution of EUR 19.7m from EconGas, which was based on the high negative spread between crude oil price-based natural gas purchases and hub-price linked sales plus the recognition of a provision for impending losses on contractually agreed, long-term transport and LNG capacity bookings. Profit before tax amounted to EUR 8.9m, which is EUR 1.8m or 16.8% lower than in the previous year.

Investments

Investments totalled EUR 30.1m in 2012/13, which reflects the prior year level. These expenditures continued to focus on the expansion of the district heating plants and network. The biomass district heating plant in Steyr, which was built together with Energie AG Oberösterreich, started operations during the reporting year and now supplies roughly 12,000 households with electricity and heat. With over 60 biomass plants, EVN is the largest supplier of natural heat in Austria.

Key indicators – Energy Trade and Supply		2012/13	2011/12	Change nominal	Change in %	2010/11
Key energy business indicators	GWh					
Energy sales volumes to end customers						
Electricity		7,188	7,427	–239	–3.2	7,143
Natural gas		6,333	6,166	166	2.7	6,475
Heat		1,857	1,710	147	8.6	1,678
Key financial indicators	EURm					
External revenue		1,038.8	1,082.2	–43.4	–4.0	1,113.5
Internal revenue		43.7	46.3	–2.7	–5.8	50.8
Total revenue		**1,082.4**	**1,128.5**	**–46.1**	**–4.1**	**1,164.3**
Operating expenses[1]		–1,029.4	–1,094.0	64.6	5.9	–1,060.4
EBITDA[1]		**53.1**	**34.5**	**18.5**	**53.7**	**103.9**
Depreciation and amortisation		–16.0	–16.4	0.4	2.5	–15.1
Results from operating activities (EBIT)[1]		**37.1**	**18.1**	**18.9**	**–**	**88.8**
Financial results[1]		–28.2	–7.5	–20.7	–	1.8
Profit before income tax		**8.9**	**10.7**	**–1.8**	**–16.8**	**90.6**
Total assets		516.5	624.9	–108.3	–17.3	634.1
Total liabilities		428.6	413.5	15.1	3.6	363.9
Investments[2]		30.1	30.1	0.0*)	–	25.3

*) Small amount

1) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)

2) In intangible assets and property, plant and equipment

Outlook

A decline in revenue is also expected for 2013/14 due to the continuing unfavourable level of market prices, which only allow for the limited use of thermal power plants and lead to a decline in sales volumes of electricity. The price reductions for electricity and natural gas that were implemented as of 1 October 2013 will also have a negative effect on revenue and earnings in this segment. Positive earnings effects can be expected from the provision of reserve capacity for the Federal Network Agency in Germany and the absence of the negative earnings contribution by EconGas, which was recorded in 2012/13. The heating business should generate higher earnings due to the expansion of capacity and an increase in network connections. In total, an improvement in earnings is expected for 2013/14.

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 a distribution from the R 138-Fund to EVN Netz GmbH. As of 29 October 2012, Gas Connect Austria sold a 45% stake in AGGM Austrian Gas Grid Management AG in equal shares to Landesverteiler Netz Niederösterreich GmbH, OÖ. Ferngas Netz GmbH and Gasnetz Steiermark GmbH; the closing took place on 11 February 2013.

Highlights 2012/13

- Increase in electricity distribution volumes
- Decline in natural gas distribution volumes
  - Weaker demand from industrial customers
  - Continued decline in use of EVN's gas-fired power plants
- Adjustment of network tariffs as of 1 January 2013
  - Natural gas: –2.5%
  - Electricity: –0.4%

Development of network distribution volumes

Network tariffs for electricity and natural gas are adjusted annually on 1 January by the E-Control Commission in accordance with the incentive regulatory system. As of 1 January 2013, the natural gas network tariffs were reduced by an average of 2.5% (1 January 2012: reduction of 1.9%) and electricity network tariffs were reduced by an average of 0.4% (1 January 2012: stable). Electricity network distribution volumes rose by 103 GWh, or 1.3%, to 7,885 GWh in 2012/13, above all due to the colder temperatures. In contrast, natural gas network distribution volumes declined by 203 GWh, or 1.3%, to 15,232 GWh owing to weaker demand from industrial customers and a further decline in the use of EVN's gas-fired power plants, despite an increase in the household and business customer segment.

Revenue development

The Network Infrastructure Austria Segment generated revenue of EUR 505.7m in 2012/13, for an increase of EUR 2.8m, or 0.6%, over the previous year. This increase was supported by higher electricity network volumes, which were offset in part by a decline in other revenue that reflected the year-on-year decrease in customer projects invoiced as of the balance sheet date. In addition, an asset of EUR 4.1m was recognised for the regulatory account. Revenue from cable TV and telecommunications services remained stable during the reporting year.

Operating expenses and operating results

Operating expenses fell by EUR 16.0m, or 5.3%, to EUR 284.6m. This development reflected a decline in previously recognised network costs as well as an increase in work in process due to the lower volume of customer projects that had not been invoiced as of the balance sheet date. EBITDA amounted to EUR 221.1m, which is EUR 18.8m, or 9.3%, higher in year-on-year comparison. Depreciation and amortisation were nearly constant and supported an increase of EUR 18.2m, or 17.8%, in results from operating activities (EBIT) to EUR 120.4m.

Key indicators – Network Infrastructure Austria		2012/13	2011/12	Change nominal	Change in %	2010/11
Key energy business indicators	GWh					
Network distribution volumes						
Electricity		7,885	7,782	103	1.3	7,754
Natural gas		15,232	15,435	–203	–1.3	16,415
Key financial indicators	EURm					
External revenue		443.8	438.2	5.6	1.3	423.5
Internal revenue		61.9	64.7	–2.8	–4.3	55.2
Total revenue		**505.7**	**502.9**	**2.8**	**0.6**	**478.8**
Operating expenses[1]		–284.6	–300.6	16.0	5.3	–287.5
EBITDA[1]		**221.1**	**202.3**	**18.8**	**9.3**	**191.3**
Depreciation and amortisation		–100.7	–100.1	–0.6	–0.6	–98.8
Results from operating activities (EBIT)[1]		**120.4**	**102.2**	**18.2**	**17.8**	**92.5**
Financial results[1]		–19.0	–20.5	1.5	7.3	–11.1
Profit before income tax		**101.4**	**81.6**	**19.7**	**24.2**	**81.3**
Total assets		1,797.8	1,698.4	99.5	5.9	1,673.2
Total liabilities		1,267.0	1,214.2	52.8	4.3	1,148.4
Investments[2]		176.4	144.8	31.6	21.8	160.9

1) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)
2) In intangible assets and property, plant and equipment

Financial results and profit before tax

Financial results totalled EUR –19.0m and exceeded the previous year by EUR 1.5m, or 7.3%, above all due to the decline in interest expense. Profit before tax equalled EUR 101.4m for the reporting year, which reflects an increase of EUR 19.7m or 24.2%.

Investments

Investments rose by EUR 31.6m, or 21.8%, to EUR 176.4m. Activities were focused on the construction of the natural gas transport pipeline Westschiene and network expansion to safeguard supply security in view of the rising feed-in from the intensive development of generation from renewable energy sources.

Outlook

The Network Infrastructure Austria Segment is expected to record lower revenue in 2013/14 because of the transition to the new electricity network regulatory period on 1 January 2014. The new regulatory period for the natural gas network has been in effect since 1 January 2013. From the current point of view, the cable TV and telecommunications area should generate slightly higher revenue in 2013/14. However, this increase will be unable to fully offset the decline in earnings from the electricity and natural gas networks.

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 generation of electricity in Macedonia and the sale of natural gas to end customers in Croatia as well as energy trading throughout the region.

Highlights 2012/13

- Tariff changes for electricity in Bulgaria in several steps
  - July 2012: +13.6%; March 2013: –7.3%; August 2013: –4.2%
- Tariff reduction of 5.9% for heat in Bulgaria in January 2013
- Tariff changes for electricity in Macedonia
  - August 2012: +9.8%; July 2013: –3.0%
- Increase in electricity generation
  - Takeover of operations at additional small hydropower plants in Macedonia
  - Full-year operations at co-generation plant in Plovdiv, Bulgaria

Energy sector development

The regulatory authorities in Bulgaria raised the end customer prices for electricity by 13.6% as of 1 July 2012, but subsequently cut these prices by 7.3% on 5 March 2013 and by a further 4.2% on 1 August 2013. As of 16 July 2012, the Bulgarian regulatory authorities announced a change in the method used to calculate compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants effective as of 1 July 2012. The large number of new supply contracts with renewable electricity producers and the related rise in feed-in volumes led to a substantial increase in electricity procurement costs for EVN Bulgaria EC, the responsible sales company. The legal regulations governing renewable energy in Bulgaria require compensation for these additional costs by end customers. On 1 August 2013, the revised method to determine the compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants was again amended, and the increase in procurement costs for the sales companies was retracted. The resulting claims were recognised as a receivable following a confirmation by the regulatory authority that EVN should generally be compensated for the uncovered costs. International arbitration proceedings to protect EVN's investment were also initiated at the International Center for the Settlement of Investment Disputes, an institution created by the World Bank.

The end customer prices for heat in Bulgaria were reduced by 20.6% as of 1 July 2012 and by a further 5.9% as of 1 January 2013 in connection with a reduction of 9.8% in the price of natural gas.

Key indicators – Energy Supply South East Europe		2012/13	2011/12	Change nominal	Change in %	2010/11
Key energy business indicators	GWh					
Electricity generation volumes		427	257	170	66.3	112
thereof thermal power plants		292	235	57	24.2	86
thereof renewable energy		135	22	113	–	26
Network distribution volumes[1]		13,031	13,837	–806	–5.8	13,396
Heat sales volumes to end customers		205	241	–36	–14.9	233
Key financial indicators	EURm					
External revenue		1,007.3	968.6	38.7	4.0	834.2
Internal revenue		0.4	0.1	0.2	–	0.1
Total revenue		1,007.7	968.7	39.0	4.0	834.3
Operating expenses[2]		–890.6	–859.9	–30.7	–3.6	–747.4
EBITDA[2]		117.1	108.8	8.3	7.6	86.8
Depreciation and amortisation		–65.8	–63.5	–2.4	–3.7	–77.1
Results from operating activities (EBIT)[2]		51.2	45.3	5.9	13.0	9.7
Financial results[2]		–27.5	–27.6	0.1	0.5	–19.6
Profit before income tax		23.7	17.7	6.0	34.1	–9.8
Total assets		1,384.9	1,250.0	134.9	10.8	1,140.1
Total liabilities		1,050.2	935.2	115.1	12.3	812.0
Investments[3]		82.4	90.3	–7.8	–8.7	112.5

1) In Bulgaria and Macedonia energy sales volumes are approximately equivalent to present network distribution volumes.
2) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)
3) In intangible assets and property, plant and equipment

In Macedonia, the regulatory authority followed an initial price increase on 1 January 2012 with a further increase of 9.8% in the electricity price for end customers as of 1 August 2012. These price increases are intended, above all, to cover the higher costs incurred by EVN Macedonia since 2012. These costs resulted from the procurement of energy not covered by Macedonian generation capacity and also reflect the network losses which, since 1 January 2012, cannot be covered at regulated prices, but must be purchased on the wholesale market. On 1 July 2013, the regulatory authority announced an average reduction of 3.0% in the electricity price for end customers that was accompanied by an increase in the procurement price and the tariffs for state-owned transmission network operators.

The electricity generation volume rose from 257 GWh to 427 GWh for the reporting year. This growth was based on the contributions of the seven small hydropower plants in Macedonia that were leased to third parties up to January 2013 and which are now operated by EVN as well as the electricity from the co-generation plant in Plovdiv, Bulgaria.

Network sales volumes fell by 806 GWh, or 5.8%, to 13,031 GWh due to the lower heating degree total (Bulgaria –20.2 and Macedonia –25.3 percentage points).

Revenue development

The Energy Supply South East Europe Segment generated revenue of EUR 1,007.7m, for an increase of EUR 39.0m or 4.0%. This development was supported, above all, by price increases implemented in Macedonia during 2012/13 and full-year operations at the co-generation plant in Plovdiv, Bulgaria.

Operating expenses and operating results

Operating expenses rose by EUR 30.7m, or 3.6%, to EUR 890.6m, in particular due to higher procurement costs for electricity and an increase in other operating expenses. EBITDA was EUR 8.3m, or 7.6%, higher at EUR 117.1m. The increase in depreciation and amortisation resulted primarily from the full-year operation of the co-generation plant in Plovdiv. Results from operating activities (EBIT) amounted to EUR 51.2m in 2012/13, a year-on-year increase of EUR 5.9m, or 13.0%.

Financial results and profit before income tax

Financial results nearly matched the prior year level at EUR –27.5m in 2012/13. Profit before tax rose by EUR 6.0m, or 34.1%, to EUR 23.7m.

Investments

Investments in the Energy Supply South East Europe Segment declined by EUR 7.8m, or 8.7%, to EUR 82.4m in 2012/13. Projects continued to focus on the improvement of supply security and quality as well as the expansion of network and meter technology in Bulgaria and Macedonia and the expansion of natural gas supplies in Croatia. The decline reflects the high level of investments in the previous year, in particular due to the construction of the co-generation plant in Plovdiv.

Outlook

The Energy Supply South East Europe Segment is expected to record lower earnings in 2013/14 following the cutback in electricity prices in Bulgaria and Macedonia. The continuation of restructuring processes, efficiency improvements and the steady reduction of network losses should offset this effect to the extent possible. Another important factor is the development of the international arbitration proceedings with Bulgaria.

Environmental Services

The activities of the Environmental Services Segment cover drinking water supply, wastewater treatment and thermal waste utilisation in Austria as well as the international project business in 18 countries throughout Central, Eastern and South Eastern Europe. The income from investments is related chiefly to the earnings contributions provided by the Croatian ZOV (planning, financing and construction of the central wastewater purification plant in Zagreb) and ZOV UIP (operation of the central wastewater purification plant in Zagreb).

Highlights 2012/13

- Revenue decline in international project business due to higher project completions in prior year
- Opening of one of Europe's largest wastewater purification plants in Warsaw during March 2013
- Difficulties with realisation of environmental projects in Moscow
- Further measures to safeguard and improve drinking water supplies in Lower Austria

Revenue development

The Environmental Services segment generated revenue of EUR 248.4m in 2012/13, which represents a decline of EUR 87.3m, or 26.0%, in comparison with the previous year. This development is attributable to a decrease in the international project business which, in turn, resulted primarily from higher project completions in the previous year. Revenue from waste utilisation and drinking water supplies in Lower Austria reflected the previous year's level.

Operating expenses and operating results

In line with the development of revenue, operating expenses fell by EUR 46.9m, or 18.3%, to EUR 209.7m. EBITDA amounted to EUR 38.7m, which is EUR 40.4m, or 51.1%, below the previous year. Depreciation and amortisation rose by EUR 1.7m, or 6.4%, to EUR 28.9m. Results of operating activities (EBIT) totalled EUR 9.8m, for a year-on-year decrease of EUR 42.1m, or 81.2%.

Financial results and profit before tax

Financial results increased by EUR 0.4m, or 3.3%, to EUR 12.1m, primarily due to an improvement in net interest result. Profit before tax equalled EUR 21.8m, for a decline of EUR 41.7m, or 65.6%, in comparison with the previous year.

Investments

EVN is currently realising nine international projects in the Environmental Services Segment, which had a total order volume of EUR 542.1m as of 30 September 2013. Investments totalled EUR 12.0m in 2012/13, compared with EUR 22.7m in 2011/12.

The co-generation plant in Lyuberzy, a suburb of Moscow, started operations in 2012/13. In Cyprus, the commissioning for the Mia Milia wastewater purification plant continued during the reporting year and construction work started to modernise and expand the existing wastewater purification plant in Larnaca.

EVN further expanded its activities in the Romanian market in December 2012 with an order for the planning and construction of three wastewater purification plants in and around Silvaniei in the Salaj administrative district. Construction started during the third quarter of 2012/13 and should be completed in two and a half years. Two other projects in Romania, the wastewater purification plants in Gherla and Huedin, were completed in the third quarter of 2012/13, after a construction period of only 21 months, and entered a one-year test phase. The sludge treatment plant in Vilnius, Lithuania, started one-year test operations in the first quarter of 2012/13 with successful results up to date.

Key indicators – Environmental Services	EURm	2012/13	2011/12	Change nominal	Change in %	2010/11
External revenue		227.2	314.9	–87.7	–27.8	329.8
Internal revenue		21.1	20.8	0.4	1.9	17.1
Total revenue		**248.4**	**335.7**	**–87.3**	**–26.0**	**346.9**
Operating expenses[1]		–209.7	–256.6	46.9	18.3	–278.0
EBITDA[1]		**38.7**	**79.0**	**–40.4**	**–51.1**	**68.9**
Depreciation and amortisation		–28.9	–27.2	–1.7	–6.4	–26.0
Results from operating activities (EBIT)[1]		**9.8**	**51.9**	**–42.1**	**–81.2**	**42.9**
Financial results[1]		12.1	11.7	0.4	3.3	11.8
Profit before income tax		**21.8**	**63.5**	**–41.7**	**–65.6**	**54.8**
Total assets		1,468.9	1,472.4	–3.6	–0.2	1,450.1
Total liabilities		1,059.3	1,054.0	5.3	0.5	1,077.6
Investments[2]		12.0	22.7	–10.7	–47.1	48.3

1) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)
2) In intangible assets and property, plant and equipment

The wastewater purification plant project in Budva, Montenegro, is proceeding as planned. The enlarged wastewater purification plant in Šentjernej, Slovenia, opened in August 2013, and one of the largest wastewater purification plants in Europe started operations in Warsaw, Poland, during March 2013. The start-up of the Warsaw plant will allow for the purification of all wastewater from this city for the first time. At the end of July 2013, EVN received a contract to modernise and expand the Kujavy wastewater purification plant in Krakow, which will have sufficient capacity to purify the waste water of roughly 100,000 residents.

The realisation of the environmental services projects in Moscow is proving to be difficult. The commercial operations of the sodium hypochlorite plant, which was completed on schedule and as agreed, has been delayed so far by the city of Moscow and the building permit for the waste utilisation plant has still not been issued. Discussions are currently in progress with the Moscow city government over the subsequent amendment of the structure for these two projects.

In the area of drinking water supplies for Lower Austria, EVN took over the management and operation of the drinking water pipeline network for the municipality of Angern in January 2013 and for Niederleis in September 2013. The pumping plant in Oberzögersdorf, Lower Austria, also started operations in March 2013, after a construction period of four months. This new plant will safeguard drinking water supplies for 50,000 residents in the Lower Austrian districts of Korneuburg and Mistelbach, even when consumption is higher during the summer months. EVN will also build two natural filter plants at Drösing and Obersiebenbrunn in the eastern region of Lower Austria, which will reduce the hardness of the water by natural means and thereby improve its quality. These facilities should be completed by the end of 2014 and will benefit all communities in the Marchfeld and Eastern Weinviertel regions that are serviced by evn wasser. evn wasser currently supplies approximately 60,000 residents in these regions and in total now supplies drinking water, directly and indirectly, to over 500,000 customers in Lower Austria.

Outlook

The EVN Group expects stable development in the international project business of the Environmental Services Segment during 2013/14. Earnings in the area of domestic water supplies should increase slightly due to the planned takeover of further local networks. The earnings contribution from the waste utilisation business in Austria should remain stable. Earnings in the Environmental Services Segment for 2013/14 are forecasted to reflect the previous year in 2012/13, whereby the development of the activities in Moscow will have a significant influence on the earnings of this segment.

Strategic Investments and Other Business

The Strategic Investments and Other Business Segment basically covers the investments in RAG, Energie Burgenland AG (through 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 2012/13

- Increased earnings contribution by RAG
- Higher earnings contribution by Energie Burgenland AG (EUR 9.7m)
- Negative earnings contribution by WEEV investment (EUR –29.6m)

Revenue, EBITDA and EBIT development

Despite an increase of EUR 2.2m, or 3.3%, in revenue, EBITDA recorded by the Strategic Investments and Other Business Segment fell to EUR –7.7m in 2012/13. This decline of EUR 0.3m, or 3.6%, below the previous year resulted from an increase in operating expenses. Results from operating activities (EBIT) declined by EUR 0.5m, or 5.8%, year-on-year to EUR –9.6m as a result of these developments.

Financial results and profit before tax

Financial results, which are a key indicator for this segment, fell by EUR 12.5m, or 12.4%, to EUR 88.7m, above all due to lower earnings contributions from equity accounted investees. The negative earnings contribution of EUR 29.6m from WEEV Beteiligungs GmbH was the main reason for this development. It resulted from an impairment loss to the Verbund shares held by WEEV to reflect a significant and lasting decline in the price of these shares below their cost. This was contrasted by a year-on-year increase of EUR 7.8m in the earnings contribution by Energie Burgenland and a EUR 6.6m increase in the earnings contribution from RAG. Profit before tax totalled EUR 79.1m, which is EUR 13.0m, or 14.2%, below the previous year.

Outlook

Results recorded by the Strategic Investments and Other Business Segment are influenced by the income from investments. Verbund has indicated that the distribution of a special dividend may be possible following the successful exit from the Turkish market. That would lead to an improvement in earnings for this segment. However, a certain degree of risk is connected with the possible negative development of the Verbund shares.

Key indicators – Strategic Investments and Other Business	EURm	2012/13	2011/12	Change nominal	Change in %	2010/11
External revenue		3.3	2.3	0.9	40.3	4.0
Internal revenue		64.7	63.5	1.2	2.0	59.4
Total revenue		**68.0**	**65.8**	**2.2**	**3.3**	**63.4**
Operating expenses[1]		–75.7	–73.2	–2.5	–3.4	–69.6
EBITDA[1]		**–7.7**	**–7.4**	**–0.3**	**–3.6**	**–6.2**
Depreciation and amortisation		–1.9	–1.7	–0.3	–15.2	–2.0
Results from operating activities (EBIT)[1]		**–9.6**	**–9.1**	**–0.5**	**–5.8**	**–8.2**
Financial results[1]		**88.7**	**101.2**	**–12.5**	**–12.4**	**94.4**
Profit before income tax		**79.1**	**92.1**	**–13.0**	**–14.2**	**86.2**
Total assets		2,887.2	2,718.8	168.4	6.2	2,761.3
Total liabilities		1,342.7	1,326.8	16.0	1.2	1,262.7
Investments[2]		3.5	4.7	–1.2	–25.6	2.2

1) The prior year figure was adjusted (see consolidated notes, note 2. Reporting accordance with IFRS, page 108)
2) In intangible assets and property, plant and equipment

Financial results – Strategic Investments and Other Business	EURm	2012/13	2011/12	Change nominal	Change in %	2010/11
Income from investments						
RAG[1]		80.1	73.5	6.6	9.0	60.4
Energie Burgenland AG[2]		9.7	1.9	7.8	–	9.4
Other companies		–29.6	0.6	–30.2	–	0.8
Income from investments in equity accounted investees		**60.3**	**76.0**	**–15.7**	**–20.7**	**70.6**
Dividend payments		32.5	30.7	1.8	5.9	26.5
Verbund AG		24.1	22.1	2.0	9.1	22.1
Other companies		8.4	8.6	–0.2	–1.9	4.5
Gain from other investments		**32.5**	**30.7**	**1.8**	**5.9**	**26.5**
Total income from investments		**92.8**	**106.7**	**–13.9**	**–13.0**	**97.1**
Total interest results[3]		**–0.3**	**–2.9**	**2.6**	**88.9**	**1.2**
Total other financial results		**–3.8**	**–2.6**	**–1.2**	**–45.9**	**–3.8**
Financial results[3]		**88.7**	**101.2**	**–12.5**	**–12.4**	**94.4**

1) Indirectly held through RBG

2) A stake of 49.0% in Energie Burgenland AG (formerly BEWAG) is indirectly held through Burgenland Holding Aktiengesellschaft.

3) The prior year figure was adjusted (see consolidated notes, note 2. Reporting in accordance with IFRS, page 108)

Consolidated financial statements for 2012/13

According to International Financial Reporting Standards

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Consolidated statement of operations

EURm	Note	2012/13	2011/12
Revenue	25	2,755.0	2,846.5
Other operating income	26	95.5	81.3
Cost of materials and services	27	–1,908.4	–1,980.5
Personnel expenses[1]	28	–307.1	–312.6
Depreciation and amortisation	29	–239.1	–251.3
Other operating expenses	30	–177.4	–160.1
Results from operating activities (EBIT)[1]		**218.5**	**223.2**
Share of results of equity accounted investees		10.0	87.0
Results from other investments		26.8	24.3
Interest income		28.4	30.9
Interest expense[1]		–100.1	–104.4
Other financial results		–3.2	–1.3
Financial results[1]	31	**–38.1**	**36.5**
Profit before income tax		**180.3**	**259.7**
Income tax expense	32	–22.1	–25.9
Profit for the period		**158.2**	**233.8**
thereof profit attributable to EVN AG shareholders (Group net profit)		114.7	194.9
thereof profit attributable to non-controlling interests		43.5	38.9
Earnings per share in EUR[2]	33	0.64	1.09
Dividend per share in EUR		0.42[3]	0.42

1) The figure for the prior year was adjusted (EBITDA/EBIT EUR +16.5m; financial results EUR –16.5m). For details refer to 2. Reporting according to IFRS, page 108.
2) There is no difference between basic and diluted earnings per share.
3) Proposal to the Annual General Meeting

Consolidated statement of comprehensive income

EURm	Note	2012/13	2011/12
Profit for the period		**158.2**	**233.8**
Other comprehensive income from			
Items that will not be reclassified to profit or loss		**–31.0**	**–30.0**
Remeasurements IAS 19	44	–23.7	–40.2
Investments in equity accounted investees	44	–13.3	–
Thereon apportionable income tax expense	44	5.9	10.2
Items that may be reclassified to profit or loss		**47.7**	**–188.9**
Currency translation differences	5	–8.7	8.9
Available for sale financial instruments	44	24.9	–223.5
Cash flow hedges	44	–0.4	–5.3
Investments in equity accounted investees	44	38.2	–26.1
Thereon apportionable income tax expense	44	–6.2	57.1
Total other comprehensive income after tax		**16.7**	**–218.9**
Comprehensive income for the period		**174.9**	**14.9**
Income attributable to EVN AG shareholders		141.9	–24.0
Income attributable to non-controlling interests		33.0	38.9

Consolidated statement of financial position

EURm	Note	30.09.2013	30.09.2012
Assets			
Non-current assets			
Intangible assets	34	397.6	403.1
Property, plant and equipment	35	3,094.3	3,009.2
Investments in equity accounted investees	36	1,047.9	1,048.7
Other investments	36	694.8	668.7
Deferred tax assets	48	29.4	25.9
Other non-current assets	37	861.1	898.3
		6,125.1	6,053.9
Current assets			
Inventories	38	108.4	106.1
Trade and other receivables	39	565.5	537.6
Securities	40	43.9	3.4
Cash and cash equivalents	58	259.2	162.1
		977.0	809.3
Total assets		7,102.1	6,863.2
Equity and liabilities			
Equity			
Issued capital and reserves attributable to shareholders of EVN AG	41–45	2,824.8	2,768.3
Non-controlling interests	46	241.7	245.4
		3,066.5	3,013.7
Non-current liabilities			
Non-current loans and borrowings	47	1,571.4	1,933.3
Deferred tax liabilities[1)]	48	111.5	119.2
Non-current provisions[1)]	49	591.0	490.7
Deferred income from network subsidies	50	503.5	469.5
Other non-current liabilities	51	51.5	49.9
		2,829.0	3,062.6
Current liabilities			
Current loans and borrowings	52	390.3	49.4
Taxes payable	53	76.8	87.0
Trade payables	54	461.9	384.4
Current provisions	55	92.7	84.9
Other current liabilities	56	184.9	181.3
		1,206.7	786.9
Total equity and liabilities		7,102.1	6,863.2

Consolidated statement of changes in equity

EURm	Share capital	Share premium and capital reserves	Retained earnings	Valuation reserve	Currency translation reserve	Treasury shares	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2011	330.0	253.5	1,928.1	304.0	–5.5	–6.0	2,804.1	361.7	3,165.8
Comprehensive income	–	–	194.9	–227.8	8.9	–	–24.0	38.9	14.9
Acquisition of interest in fully consolidated companies	–	–	69.6	–	–	–	69.6	–118.9	–49.3
Capital increase	–	–	–	–	–	–	–	3.0	3.0
Dividends 2010/11	–	–	–73.6	–	–	–	–73.6	–38.4	–112.0
Change in own shares	–	–0.2	–	–	–	–4.8	–5.0	–	–5.0
Changes in the scope of consolidation/Other items	–	–	–2.9	–	–	–	–2.9	–0.9	–3.8
Balance on 30.09.2012	330.0	253.3	2,116.2	76.2	3.4	–10.7	2,768.3	245.4	3,013.7
Comprehensive income	–	–	114.7	36.0	–8.7	–	141.9	33.0	174.9
Dividends 2011/12	–	–	–75.0	–	–	–	–75.0	–36.7	–111.7
Change in own shares	–	–0.1	–	–	–	–10.1	–10.2	–	–10.2
Other items	–	–	–0.2	–	–	–	–0.2	–	–0.2
Balance on 30.09.2013	330.0	253.1	2,155.7	112.1	–5.3	–20.8	2,824.8	241.7	3,066.5
Note	41	42	43	44	5	45		46	

Consolidated statement of cash flows

EURm	Note	2012/13	2011/12
Profit before income tax		**180.3**	**259.7**
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment	29	239.1	251.3
+ Non-cash share of profit of equity accounted investees	36	93.9	7.1
– Gains/+ losses from foreign exchange translations		0.1	–0.4
–/+ Other non-cash financial results		3.3	0.1
– Release of deferred income from network subsidies	26	–39.8	–35.9
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment	58	0.0*)	–1.9
+ Increase/– decrease in non-current provisions	49	76.6	0.4
Gross cash flow		**553.6**	**480.3**
+ Decrease/– increase in inventories and receivables		–27.9	–53.5
+ Increase/– decrease in current provisions		7.9	5.5
+ Increase/– decrease in trade payables and other liabilities		56.5	57.6
– Income tax paid		–28.3	–28.9
Net cash flow from operating activities		**561.7**	**461.0**
+ Proceeds from the disposal of intangible assets and property, plant and equipment	58	3.4	10.4
+ Proceeds from network subsidies		73.8	66.6
+ Proceeds from the disposal of financial assets and other non-current assets		70.8	77.2
+ Proceeds from the disposal of current securities		70.1	443.9
– Acquisition of subsidiaries, net of cash acquired	4	–	–3.2
+ Net proceeds from business disposals		–	3.7
– Acquisition of intangible assets and property, plant and equipment		–322.1	–309.6
– Acquisition of financial assets and other non-current assets		–166.1	–232.8
– Acquisition of current securities		–110.4	–390.1
Net cash flow from investing activities		**–380.5**	**–333.9**
+ Payments of nominal capital by non-controlling interests/increase in capital stock		–	3.0
– Payments for acquisition of shares in fully consolidated companies		–	–49.3
– Dividends paid to EVN AG shareholders	43	–75.0	–73.6
– Dividends paid to non-controlling interests	58	–36.7	–38.4
– Repurchase/+ sales of own shares		–10.2	–4.2
+ Increase in financial liabilities		141.6	400.6
– Decrease in financial liabilities		–110.2	–343.8
Net cash flow from financing activities		**–90.5**	**–105.6**
Net change in cash and cash equivalents		**90.7**	**21.5**
Net change in cash and cash equivalents	58		
Cash and cash equivalents at the beginning of the period		134.1	112.6
Cash and cash equivalents at the end of the period		224.8	134.1
Net change in cash and cash equivalents		**90.7**	**21.5**

*) Small amount

Consolidated notes

Basis of preparation

1. General

EVN AG, as the parent company of the EVN Group (EVN), is a leading listed Austrian energy and environmental services provider. Its headquarters are located in A-2344 Maria Enzersdorf, Austria. In addition to serving its domestic market in the province of Lower Austria, EVN has successfully established a position in the Bulgarian and Macedonian energy industry. EVN is also active in the area of environmental services through subsidiaries that provide customers in 17 countries with water supply, wastewater treatment and thermal waste incineration services.

The consolidated financial statements are prepared as of the balance sheet date of EVN AG. The financial year of EVN AG covers the period from 1 October to 30 September.

The consolidated financial statements are prepared on the basis of uniform accounting policies. In cases where the balance sheet date of a consolidated company differs from the balance sheet date of EVN AG, interim financial statements are prepared as of 30 September. Independent chartered accountants audited the interim financial statements of all consolidated companies subject to a statutory or voluntarily audit to ensure the application of uniform accounting policies in accordance with International Financial Reporting Standards (IFRSs).

Certain items on the consolidated statement of financial position and the consolidated statement of operations are summarised to achieve a more understandable and clearly structured presentation. These positions are presented individually in the notes and explained according to the principle of materiality. In order to improve clarity and comparability, the amounts in the consolidated financial statements are generally shown in millions of euros (EURm), unless otherwise noted. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates.

The consolidated statement of operations is prepared in accordance with the nature of expense method.

2. Reporting in accordance with IFRS

Pursuant to § 245a of the Austrian Commercial Code, the consolidated financial statements were prepared in accordance with the current guidelines set forth in the IFRSs issued by the International Accounting Standards Board (IASB) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that were applicable as of the balance sheet date and had been adopted by the European Union (EU).

The following standards and interpretations were applied for the first time in the 2012/13 financial year:

2. Standards and interpretations applied for the first time		Effective[1]
New Standards and Interpretations		
–	–	–
Revised Standards and Interpretations		
IAS 1	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income	01.07.2012
IAS 12	Income Taxes: Deferred Tax – Recovery of Underlying Assets	31.12.2012
IFRS 1	First-time Adoption of IFRS – Severe Hyperinflation	31.12.2012

1) In accordance with the Official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

The changes to IAS 1 are intended to improve the clarity of presentation for the increasing number of items reported under other comprehensive income. A differentiation is now made between the items of other comprehensive income that will be reclassified subsequently to profit or loss (so-called "recycling") and items that will never be reclassified. This change led to the restructuring of the statement of comprehensive income beginning with the first quarter of 2012/13.

The initial mandatory application of revised standards and interpretations had no impact on these consolidated financial statements.

The following accounting policies were changed during the reporting year:

The interest component of the provisions for pensions and similar obligations, the provisions for severance payments and the provisions for service anniversary bonuses has been reported under financial results since the first quarter of 2012/13. The previous accounting policy called for the reporting of this interest cost under personnel expenses. This change in accounting policy reflects the requirements of IAS 1 and the IFRS Framework, provides a better presentation of the earnings position and improves comparability with key benchmark companies. In accordance with IAS 8, the new accounting policy was applied retrospectively as of 1 October 2011.

This change in accounting policy led to an increase of EUR 15.5m in interest expense for 2012/13 and a decrease of the same amount in personnel expenses (2011/12: increase of EUR 16.5m in interest expense and a comparable reduction in personnel expenses). Earnings per share were not affected by this change.

The footnotes concerning the retrospective adjustment of prior year data are related to the above-mentioned change in an accounting policy.

The following standards and interpretations were issued by the IASB, adopted by the EU and published in the Official Journal of the EU prior to the preparation of the consolidated financial statements.

2. Standards and interpretations not yet effective		Effective
New Standards and Interpretations		
IFRS 10	Consolidated Financial Statements	01.01.2014[1)]
IFRS 11	Joint Arrangements	01.01.2014[1)]
IFRS 12	Disclosure of Interests in Other Entities	01.01.2014[1)]
IFRS 13	Fair Value Measurement	01.01.2013[1)]
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	01.01.2013[1)]
Revised Standards and Interpretations		
IAS 27	Consolidated and Separate Financial Statements – revised IAS 27, Separate Financial Statements	01.01.2014[1)]
IAS 28	Investments in Associates – revised IAS 29, Investments in Associates and Joint Ventures	01.01.2014[1)]
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01.01.2014[1)]
IFRS 1	First-time Adoption of IFRS – Government Loans	01.01.2013[1)]
IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	01.01.2013[1)]
IFRS 10–12	Amendments to Transition Guidance	01.01.2013[1)]
Several	Annual Improvements 2009–2011	01.01.2013[1)]

1) In accordance with the Official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

EVN regularly monitors and analyses the effects of the revised standards and interpretations on the presentation of the consolidated financial statements and the notes.

IFRS 10, IFRS 11 and IFRS 12 form the new consolidation package that was released by the IASB in May 2011. IFRS 10 includes rules for the preparation and presentation of consolidated financial statements and provides a new, standardised definition of "control". IAS 27 now only defines the rules for the preparation of IFRS individual ("separate") financial statements. IFRS 11 replaces IAS 31 and distinguishes between two forms of joint arrangements: depending on the rights and obligations of the controlling parties created by the arrangement, a differentiation is made between joint ventures and joint operations. Under IFRS 11, jointly controlled companies that meet the definition of a joint venture must be accounted for by applying the equity method. IFRS 12 regulates the disclosure requirements for interests in other companies in a single standard. The effects of the application of this new consolidation standard are currently under evaluation, but the new definition of control provided by IFRS 10 is not expected to result in any major changes for the companies included through full consolidation. However, the revised IFRS 10 could lead to a change for companies

currently included through proportionate consolidation through the possible full consolidation of EVN KG. This possible change in the consolidation method would not have any effect on the asset, financial or earnings position of the EVN Group because EVN KG is currently included at a proportionate share of 100%. In contrast, the future inclusion of the EnergieAllianz Group at equity would reduce the consolidated statement of financial position and the consolidated statement of operations, and thereby lead to the reclassification of earnings from results from operating activities to financial results. The classification of STEAG-EVN Walsum as a joint operation or joint venture (IFRS 11) is currently under evaluation, whereby the classification as a joint operation could have a significant effect on the statement of financial position.

IFRS 13 was published by the IASB in May 2011 and is the result of a joint project by the IASB and FASB to develop a standardised concept for the measurement of fair value. The measurement of fair value is based on a hypothetical transaction, whereby the sale of an asset or the transfer of a liability in the principal market for this asset or liability is assumed. If the principal market cannot be identified, measurement must take place in the most advantageous market for the asset or liability. IFRS 13 defines a three-level "fair value hierarchy", which gives the level 1 input factors the highest priority for the measurement of fair value. In connection with the transition to IFRS 13, the company's own credit risk must be consistently included in the fair value measurement of derivatives. IFRS 13 also standardises and expands the disclosures required for the notes. The effects of the application of IFRS 13 are currently under evaluation, and no statements can be made at this time concerning the impact on the asset, financial or earnings position of the EVN Group.

The following standards and interpretations were issued by the IASB, but not yet adopted by the EU prior to the preparation of the consolidated financial statements.

2. Standards and interpretations not yet effective		Effective
New Standards and Interpretations		
IFRS 9	Financial Instruments	to be determined[1)]
IFRIC 21	Levies	01.01.2014[2)]
Revised Standards and Interpretations		
IAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	01.01.2014[2)]
IAS 39	Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014[2)]
Several	Investment Entities – Amendments to IFRS 10, IFRS 12 and IAS 27	01.01.2014[2)]

1) In its meeting on 24 July 2013, the IASB passed a preliminary resolution approving the indefinite postponement of the mandatory application of IFRS 9. Prior to this decision, the standard called for application as of 1 January 2015.
2) In accordance with the Official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.

The new IFRS 9, which is part of the project to replace IAS 39, calls for the partial exchange of the previous measurement categories. This will have an influence on the classification and measurement of financial assets in EVN's consolidated financial statements. However, the effects cannot be estimated reliably at this point in time because of the on-going revision of the new standard.

EVN does not expect the future initial application of the other new standards and interpretations to have a material effect on its asset, financial or earnings position.

Basis of consolidation

3. Consolidation methods

The consolidation is carried out by offsetting the consideration transferred against the fair value of the acquired assets and assumed liabilities.

All significant companies whose financial and operating policies are directly or indirectly controlled by EVN AG (i.e. subsidiaries) are fully consolidated. This is usually the case when EVN's voting rights exceed 50.0%, but may also apply if EVN has the power of disposition over and is the primary beneficiary of any economic benefits arising from the business operations of these companies or if EVN is required to carry most of the risks. In contrast, companies in which EVN AG owns more than 50.0% of the shares are not fully consolidated if control over their financial and operating policies is barred by special contractual arrangements. Companies are initially consolidated on the acquisition date or at the time EVN gains control and are deconsolidated when control ends.

In accordance with IFRS 3, assets and liabilities (including contingent liabilities) obtained through business combinations are recognised at their full fair value, irrespective of any existing non-controlling interests. Non-controlling interests in subsidiaries are carried at the proportional share of net assets (excluding the proportional share of goodwill). Intangible assets are recognised separately from goodwill if they can be separated from the acquired company or arise from contractual or other legal rights. Restructuring provisions may not be created as part of the purchase price allocation. Any remaining positive differences which represent compensation to the seller for market opportunities or developmental potential that cannot be individually identified are recognised in local currency as goodwill and allocated to the relevant segment. Negative differences are recognised in profit or loss after a repeated measurement of the acquired company's identifiable assets and liabilities (including contingent liabilities) and measurement of the acquisition cost. The differences between fair value and the carrying amount are carried forward in accordance with the related assets and liabilities during the subsequent consolidation. A change in the investment in a fully consolidated company is accounted for directly in equity without recognition through profit or loss.

The EnergieAllianz energy distribution companies are consolidated on a proportionate basis, while companies in which EVN can directly or indirectly exert significant influence (i.e. associates) are included by applying the equity method. The principles outlined above are relevant for both cases. The annual financial statements of the companies included on a proportionate basis or at equity are based on uniform accounting policies.

Subsidiaries, joint ventures and associates are not consolidated if their influence on EVN's assets, liabilities, cash flows and profit or loss is considered to be immaterial, either individually or in total. These companies are reported at fair value, which generally corresponds to amortised cost. The materiality of an investment is assessed on the basis of the balance sheet total, non-current assets, proportional share of equity, external revenue and annual profit or loss in relation to the respective group totals.

Intragroup receivables, liabilities, income and expenses as well as intragroup profits and losses are eliminated unless they are immaterial. The consolidation procedure for profit or loss includes the effects of income taxes as well as the recognition of deferred taxes.

4. Scope of consolidation

The scope of consolidation is determined in accordance with the requirements of IAS 27. Accordingly, 26 domestic and 37 foreign companies (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2013 (previous year: 26 domestic and 36 foreign companies). A total of 31 affiliates (previous year: 33) were not consolidated due to their immaterial influence on EVN's asset, financial and earnings position.

EVN AG is the sole limited partner of EVN KG and, as such, participates to 100.0% in the assets and profit or loss of EVN KG. EnergieAllianz serves the general partner of EVN KG, but does not hold an investment in this company. Based on agreements between the EnergieAllianz shareholders for the management of EVN KG, this company is included in the consolidated financial statements through proportionate consolidation. EVN KG is consolidated at 100.0% in line with the investment and based on the special contractual rules. In accordance with these special contractual rules, the EnergieAllianz Group (EnergieAllianz and its subsidiaries) is also included on a proportionate basis at 45.0% according to the stake held in EnergieAllianz.

RBG, a fully consolidated company in which EVN AG has an unchanged interest of 50.03%, holds a 100.0% stake in RAG. RAG is consolidated at equity because contractual agreements prevent EVN from exercising control.

EconGas, in which EVN AG has an unchanged interest of 16.51%, is included at equity due to special contractual arrangements that allow EVN to exercise significant influence.

VERBUND Innkraftwerke Deutschland GmbH, in which EVN AG has an unchanged interest of 13.00%, is included at equity due to special contractual arrangements that allow EVN to exercise significant influence.

An overview of the companies included in the consolidated financial statements is provided under EVN's investments, starting on page 167. The scope of consolidation (including EVN AG as the parent company) developed as follows during the reporting year:

4. Changes in the scope of consolidation	Full consolidation	Proportionate consolidation	Equity method	Total
30.09.2011	**63**	**5**	**16**	**84**
Start-ups and first consolidation	5	–	4	9
Change of consolidation method	–	–	–	–
Mergers	–2	–	–1	–3
Deconsolidation	–4	–	–	–4
30.09.2012	**62**	**5**	**19**	**86**
Start-ups and first consolidation	2	–	–	2
Mergers	–1	–	–	–1
Deconsolidation	–	–	–1	–1
30.09.2013	**63**	**5**	**18**	**86**
thereof foreign companies	37	–	5	42

In April 2012, EVN was awarded a contract for the planning, construction, financing and operation of a drinking water preparation plant for the municipality of Zrenjanin, Serbia. WTE Projektgesellschaft Trinkwasseranlage d.o.o. was founded for this purpose in July 2012 and included through full consolidation for the first time in the first quarter of 2012/13. OOO EVN Umwelt was also added to the scope of fully consolidated companies in the first quarter of 2012/13. This company provides management services to the other EVN companies in Russia.

In August 2013, EVN Finance Service B.V. was sold by EVN Finanzmanagement und Vermietungs-GmbH to EVN Projektmanagement GmbH. EVN Finance Service B.V. was then integrated into EVN Projektmanagement GmbH through an upstream merger.

In March 2013, EVN and Statkraft A.S. concluded an agreement for the sale of EVN's 50% stake in Devoll Hydropower ShA to Statkraft A.S. The closing took place on 7 May 2013 and Devoll Hydropower ShA, which was previously included at equity, was deconsolidated as of the same date.

No business combinations as defined in IFRS 3 took place during the reporting period. The following table shows the effects at fair value of the business combinations and resulting initial consolidations that took place during 2011/12:

4. Impact of business combinations EURm	2012/13	2011/12
Non-current assets	–	10.3
Current assets	–	8.7
	–	**19.0**
Equity	–	3.6
Non-current liabilities	–	14.0
Current liabilities	–	1.4
	–	**19.0**

5. Foreign currency translation

All Group companies record their foreign currency business transactions at the average exchange rate in effect on the date of the relevant transaction. Monetary assets and liabilities denominated in a foreign currency are also translated at the average exchange rate on the balance sheet date. Any resulting foreign currency gains or losses are recognised to profit or loss.

In accordance with IAS 21, the annual financial statements of Group companies that are prepared in a foreign currency are translated into euros for inclusion in the consolidated financial statements. This translation is based on the functional currency method, under which the assets and liabilities of companies not reporting in euros are converted by applying the average exchange rate on the balance sheet date and any income and expenses are converted at the average annual rate. Unrealised currency translation differences from long-term Group loans are recorded under the currency translation reserve in equity without recognition through profit or loss. Currency translation differences directly recognised in equity resulted in a decrease of EUR 8.7m in equity during 2012/13 (previous year: increase of EUR 8.9m).

Additions and disposals are reported at the applicable average exchange rates in all tables. Changes in the average exchange rates between the balance sheet date for the reporting year and the previous year as well as differences arising from the use of average exchange rates to translate changes during the financial year are reported separately under currency translation differences in all tables.

Goodwill resulting from the acquisition of foreign subsidiaries is recorded at the exchange rate in effect on the acquisition date. This goodwill is subsequently allocated to the acquired company and translated at the exchange rate in effect on the balance sheet date. When a foreign company is deconsolidated, any related currency differences are recognised to profit or loss.

The following key exchange rates were used for foreign currency translation:

5. Foreign currency translation Currency	2012/13 Exchange rate on the balance sheet date	2012/13 Average[1]	2011/12 Exchange rate on the balance sheet date	2011/12 Average[1]
Albanian lek	139.98000	140.06538	138.29000	139.42615
Bulgarian lev[2]	1.95583	1.95583	1.95583	1.95583
Croatian kuna	7.61530	7.54795	7.44680	7.51739
Macedonian denar	61.50040	61.55754	61.50080	61.52300
Polish zloty	4.22880	4.18805	4.10380	4.26230
Russian ruble	43.82400	41.42608	40.14000	40.68757
Serbian denar	114.26060	112.96633	115.03200	110.26393

1) Average on the last day of each month
2) The exchange rate was determined by Bulgarian law.

Accounting policies

6. Intangible assets

The recognition of business combinations as defined in IFRS 3 may result in differences between the consideration transferred and the (proportional) revalued share of equity acquired. If the difference is negative, the acquisition cost and the purchase price allocation must be reviewed. If the negative difference is reconfirmed, it is recognised to profit or loss. Positive differences result in goodwill (for general information on the treatment and impairment of goodwill, see note 3. Consolidation methods, and note 21. Procedures and effects of impairment tests).

Acquired intangible assets are recognised at acquisition cost less straight-line amortisation and any impairment losses, unless their useful life is classified as indefinite. Assets with a determinable limited useful life are amortised on the basis of that expected useful life, which equals three to eight years for software and three to 40 years for rights. Customer relationships capitalised in connection with a business combination, which have a determinable useful life because of potential market liberalisation, are amortised on a straight-line basis over five to 15 years. The expected useful lives and amortisation curves are determined by estimating the timing and distribution of cash inflows from the corresponding intangible assets over time. Intangible assets with an indefinite useful life are measured at cost and tested annually for impairment (see note 21. Procedures and effects of impairment tests), but this category of assets is of minor importance at EVN.

Internally generated intangible assets must meet the requirements of IAS 38 in order to be capitalised. This standard distinguishes between research and development expenses. As in the previous year, no development expenses were capitalised in 2012/13 because the recognition criteria were not met.

Service concessions as defined IFRIC 12 are classified as intangible assets. Income and expenses are recognised at the fair value of the consideration received in accordance with the percentage-of-completion method. The stage of completion was calculated in line with the cost-to-cost method.

7. Property, plant and equipment

Property, plant and equipment are carried at acquisition or production cost less straight-line depreciation and impairment losses. The acquisition or production cost also includes the estimated expenses for demolition and disposal if there is an obligation to decommission or demolish the plant and equipment or to restore property at the end of the asset's useful life. The present value of the estimated demolition and/or disposal costs is capitalised along with the acquisition or production cost and also recognised as a liability (provision). Production costs for internally generated fixed assets include appropriate material and manufacturing overheads in addition to direct material and labour costs.

On-going maintenance and repairs to property, plant and equipment are expensed, provided this work does not change the nature of the asset or lead to additional future benefits. If these measures enhance the value of the respective asset, the related expenses must be retroactively capitalised as part of the acquisition or production cost.

If the construction of property, plant and equipment continues over an extended period of time, the assets are classified as "qualifying assets". The borrowing costs incurred during the construction period are then capitalised as a part of the production cost in accordance with IAS 23. In keeping with EVN's accounting policies, a project gives rise to a qualifying asset only if construction takes at least twelve months.

Property, plant and equipment are depreciated from the time they are available for use. Depreciation for property, plant and equipment subject to wear and tear is calculated on a straight-line basis over the expected useful life of the relevant asset or its components. The expected economic and technical life is evaluated at each balance sheet date and adjusted if necessary.

Straight-line depreciation is based on the following useful lives, which are uniform throughout the Group:

7. Expected useful life of property, plant and equipment	Years
Buildings	10–50
Transmission lines and pipelines	15–50
Machinery	10–33
Meters	5–40
Tools and equipment	3–25

Property, plant and equipment designated for sale are classified as "held for sale" when the transaction is approved and the requirements of IFRS 5 are met. The asset is written down to the selling price less any costs to sell, if necessary, but not depreciated further until the date of disposal. As in the previous year, none of the property, plant and equipment met the criteria of IFRS 5.

When property, plant and equipment are retired, the acquisition or production cost and accumulated depreciation are reported as a disposal. The difference between the net proceeds from the sale and the carrying amount are recognised in other operating income or expenses.

8. Investments in equity accounted investees

Investments in equity accounted investees are initially recognised at cost and subsequently measured at the proportional share of net assets at amortised cost plus any applicable goodwill. The carrying amounts are increased or decreased each year by the proportional share of net profit or loss, distributed dividends, other changes in equity and fair value adjustments from a preceding business combination that are carried forward. Any goodwill included in the carrying amount is not subject to scheduled amortisation in accordance with IFRS 3 and is neither reported separately in accordance with IAS 28 nor tested annually for impairment in accordance with IAS 36. An assessment is made as of each balance sheet date to determine whether there are internal or external signs of impairment. If there are any such indications, the investment in the equity accounted investee must be tested for impairment in accordance with IAS 36. Confirmation of impairment leads to the recognition of an impairment loss to the earnings of the equity accounted investee (see note 21. Procedures and effects of impairment tests and 31. Financial results).

9. Financial instruments

A financial instrument is a contract that gives rise to a financial asset in one company and a financial liability or an equity instrument in another company.

Primary financial instruments

The following measurement categories are used by EVN:

- Available-for-sale financial assets ("AFS")
- Loans and receivables ("LAR")
- Financial assets designated at fair value through profit or loss ("@FVTPL")
- Financial liabilities measured at amortised cost ("FLAC")

In accordance with the requirements of IFRS 7 for disclosures in the notes, the following table presents EVN's primary financial instruments by class together with the corresponding measurement categories:

9. Classes and measurement categories of primary financial instruments	Measurement category
Current assets	
Other investments	
Miscellaneous investments	AFS
Other non-current assets	
Securities	@FVTPL
Loans receivable	LAR
Lease receivables and accrued lease transactions	LAR
Receivables arising from derivative transactions	Hedge Accounting
Current assets	
Current receivables and other current assets	
Trade and other receivables	LAR
Receivables arising from derivative transactions	Hedge Accounting
Securities	AFS
Cash and cash equivalents	
Cash on hand and cash at banks	LAR
Non-current liabilities	
Non-current loans and borrowings	
Bonds	FLAC
Bank loans	FLAC
Other non-current liabilities	
Leases	FLAC
Accruals of financial transactions	FLAC
Other liabilities	FLAC
Liabilities arising from derivative transactions	Hedge Accounting
Current liabilities	
Current loans and borrowings	FLAC
Trade payables	FLAC
Other current liabilities	
Other financial liabilities	FLAC
Liabilities arising from derivative transactions	Hedge Accounting

Primary financial instruments are recognised in the consolidated statement of financial position when EVN is contractually entitled to receive payment or other financial assets from another party. Purchases and sales at prevailing market conditions are reported as of the settlement date.

Primary financial instruments (with the exception of the valuation category @FVTPL) are initially recognised at fair value plus transaction costs. Subsequent measurement is based on the classification to the above measurement categories and the rules applicable to the individual categories. These rules are described in the notes to the individual items on the consolidated statement of financial position.

Derivative financial instruments

The derivative financial instruments used by EVN include swaps, forwards and futures.

Derivative financial instruments are recognised at cost when the contract is concluded and at fair value in subsequent periods. The fair value of derivative financial instruments is determined on the basis of quoted market prices, information provided by banks or discounting-based valuation methods. Derivative financial instruments are reported as other (current or non-current) assets or other (current or non-current) liabilities.

The accounting treatment of the changes in the fair value of derivatives used for hedging purposes depends on the type of the hedging transaction.

The gains and losses arising from the fair value measurement of derivative financial instruments classified as cash flow hedges under IAS 39 are recorded without recognition to profit or loss in the valuation reserve according to IAS 39. The cumulative gains and losses are transferred to profit or loss when the hedge is settled.

For fair value hedges, the carrying amount of the underlying transaction is adjusted through profit or loss by the gain or loss on the hedged item that is attributable to the hedged risk. The results are generally reported on the consolidated statement of operations under the position that contains the hedged transaction. Fluctuations in the fair value of hedges are basically offset by the changes in the fair value of the hedged transactions.

The main instruments used by EVN to manage and limit existing exchange rate and interest rate risks are foreign currency and interest rate swaps.

EVN uses swaps, futures and forwards to limit energy sector risks arising from changes in commodity and product prices as well as changes related to electricity transactions.

The forward and futures contracts concluded by EVN for the purchase or sale of electricity and CO_2 emission certificates serve to hedge the purchase prices for expected electricity deliveries or CO_2 emission certificates as well as the selling prices for planned electricity production. These contracts do not constitute derivative financial instruments as defined in IAS 39 because they lead to physical deliveries, but instead represent pending purchase and sale transactions. Consequently, they must be assessed for possible impending losses in accordance with the requirements of IAS 37.

10. Other investments

Other investments include shares in associated companies which are not included in the consolidated financial statements due to immateriality as well as miscellaneous investments with a stake of less than 20.0% that are not consolidated at equity. These assets are classified in the category "AFS".

These investments are recognised in the consolidated statement of financial position at fair value based on share prices, if possible. Unrealised profits or losses are recognised directly in equity. An impairment loss is recognised if the decline in the fair value of an equity instrument held by the company is significant or lasting and falls below the acquisition cost. EVN defines a "significant, lasting decline" as a decrease of over 20% over a period of nine months. When financial assets are sold, the unrealised profits or losses previously recognised directly in equity are transferred to profit or loss.

11. Other non-current assets

Securities recorded under non-current assets are initially recognised as "@FVTPL". These assets are recorded at cost as of the acquisition date and subsequently measured at fair value as of the balance sheet date. Changes in fair value are recognised in the consolidated statement of operations.

Originated loans are classified as "LAR". Interest-bearing originated loans are recorded at amortised cost, while interest-free and low-interest originated loans are reported at their present value. All identifiable risks are taken into consideration by means of valuation adjustments.

Lease receivables and accrued lease transactions are related to the international project business of the Environmental Services Segment. They are classified as finance leases according to IAS 17 in conjunction with IFRIC 4 (see note 22. Leased and rented assets).

Receivables arising from derivative transactions are recognised at their fair values. Gains and losses arising from changes in the fair value of derivative financial instruments are either recognised to profit or loss in the consolidated statement of operations or recognised directly in equity (see note 9. Financial instruments).

The measurement of primary energy reserves and miscellaneous other non-current assets is based on acquisition or production cost or the lower net realisable value on the balance sheet date.

12. Inventories

The measurement of inventories is based on acquisition or production cost or the lower net realisable value as of the balance sheet date. For marketable inventories, these values are derived from the current market price. For other inventories, these figures are based on the expected proceeds less future production costs. If the generation of electricity from primary energy inventories does not cover the full production cost, this electricity is carried at the lower replacement cost (which represents the best available measurement basis). Primary energy inventories held for trading purposes are carried at fair value (commodity exchange price) less selling costs. Risks arising from the length of storage or reduced marketability are reflected in experience-based reductions. The moving average price method is used to determine the consumption of primary energy inventories as well as raw materials, auxiliary materials and fuels.

The CO_2 emission certificates allocated free of charge in accordance with the Austrian Emission Certificate Act are recognised at an acquisition cost of zero based on IAS 20 and IAS 38, due to the rejection of IFRIC 3 by the European Commission. Any additional purchases of CO_2 emission certificates are recognised at cost, whereby additions to provisions for shortfalls are based on the fair value as of the balance sheet date.

13. Trade and other receivables

Current receivables are generally reported at amortised cost, which equals the acquisition cost less impairment losses for the components of the receivables that are expected to be uncollectible. Possibly impaired receivables are grouped together on the basis of comparable default risk (especially the time outstanding) and tested together for impairment; any necessary impairment losses are then recognised. The impairment losses, which are recognised in the form of individual bad debt allowances by way of adjustment accounts, are sufficient to reflect the expected default risks. Specific default incidents result in derecognition of the related receivable.

Amortised costs, less any applicable impairment losses, can be considered appropriate estimates of the current value because the remaining term to maturity is generally less than one year.

Exceptions to the above procedure are derivative financial instruments, which are recognised at fair value, and foreign currency items, which are measured at the exchange rates in effect on the balance sheet date.

14. Securities

Current securities classified as "AFS" are carried at their fair value. Changes in fair value are recorded under other comprehensive income without recognition through profit or loss.

15. Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits. These items are reported at current rates. Cash balances in foreign currencies are translated at the exchange rate in effect on the balance sheet date.

16. Equity

In contrast to borrowings, equity is defined by the IFRS Framework as the "residual interest in the assets of an entity after deducting all of its liabilities". Equity is thus the residual value of a company's assets and liabilities.

Treasury shares held by EVN are not recognised as securities pursuant to IAS 32, but are instead reported at their (repurchase) acquisition cost and offset against retained earnings. Any profit or loss resulting from the resale of treasury shares relative to the acquisition cost increases or decreases retained earnings.

The items recorded under other comprehensive income include certain changes in equity that are not recognised through profit or loss as well as the related deferred taxes. For example, this position contains the currency translation reserve, unrealised gains or losses from the fair value measurement of other investments, the effective portion of changes in the fair value of cash flow hedges as well as all remeasurements according to IAS 19 (2011). This item also includes the proportional share of gains and losses recognised directly in equity accounted investees.

17. Provisions

Provisions for pensions and obligations similar to pensions

Under the terms of a company agreement, EVN AG is required to pay a supplementary pension on retirement to employees who joined the company prior to 31 December 1989. This commitment also applies to employees who, within the context of the legal unbundling agreement for the spin-off of the electricity and natural gas networks, are now employed by EVN Netz. The amount of this supplementary pension is based on performance as well as on the length of service and the amount of remuneration at retirement. EVN, in any case, and the employees, as a rule, also make contributions to the EVN-Pensionskasse pension fund and the resulting claims are fully credited toward pension payments. Therefore, EVN's obligations toward both retired employees and prospective beneficiaries are covered in part by provisions for pensions as well as by defined contribution payments on the part of EVN-Pensionskasse.

For employees who joined the company after 1 January 1990, the supplementary company pension has been replaced by a defined contribution plan that is financed through EVN-Pensionskasse. This pension fund invests its pension fund assets primarily in different investment funds in accordance with the provisions of the Austrian Pension Fund Act. Pension commitments were also made to certain employees, which require EVN to pay retirement benefits under certain conditions.

Provisions for obligations similar to pensions were recognised for liabilities arising from the vested claims of current employees and the current claims of retired personnel and their dependents to receive benefits in kind in the form of electricity and natural gas.

The projected unit credit method is used to determine the provisions for pensions and obligations similar to pensions. The expected pension payments are distributed according to the number of years of service by employees until retirement, taking expected future increases in salaries and pensions into account.

The amounts of the provisions are determined by an actuary as of each balance sheet date based on an expert opinion. The measurement principles are described in note 49. Non-current provisions. All remeasurements – at EVN AG, only gains and losses from changes in actuarial assumptions – are recognised under other comprehensive income in accordance with IAS 19 (2011).

As in the previous year, the biometric measurement principles applicable to the provisions for pensions were based on the Austrian mortality tables "Rechnungsgrundlagen AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler".

The applied interest rate is based on the market yields for first-class, fixed-interest industrial bonds as of the balance sheet date, whereby the timing of the benefits was taken into account.

The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

Provision for severance payments

Austrian corporations are required by law to make one-off severance payments to employees whose employment began before 1 January 2003 if they are dismissed or when they reach the legal retirement age. The amount of such payments is based on the number of years of service and the amount of the respective employee's remuneration at the time the severance payment is made.

Employees in Bulgaria and Macedonia are entitled to severance payments on retirement, which are based on the number of years of service. With regard to severance compensation entitlements, the other EVN employees are covered by similar social protection measures contingent on the legal, economic and tax framework of the country in which they work.

The provision for severance payments was calculated according to actuarial principles. This provision was measured using the same parameters as the provisions for pensions and obligations similar to pensions (the measurement principles are described in note 49. Non-current provisions). All remeasurements – at EVN AG, only gains and losses from changes in actuarial assumptions – are recognised under other comprehensive income in accordance with IAS 19 (2011).

The applied interest rate is based on the market yields for first-class, fixed-interest industrial bonds as of the balance sheet date, whereby the timing of the benefits was taken into account.

The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

The obligation to make one-off severance payments to employees of Austrian companies whose employment commenced after 31 December 2002 has been transferred to a defined contribution plan. The payments to this external employee fund are reported under personnel expenses.

Other provisions

The other provisions reflect all recognisable legal or factual commitments to third parties based on past events, where the amount of the commitments and/or the precise starting point was still uncertain. In these cases, a reliable estimate of the amount of the obligation is required. If a reliable estimate is not possible, a provision is not recognised. These provisions are recognised at the discounted settlement amount. They are measured based on the expected value or the amount most likely to be incurred.

The applied discount rates are pre-tax rates that reflect actual market expectations for the interest rate effect and the specific risks attributable to the respective provisions.

The provisions for service anniversary bonuses required by collective wage and company agreements are measured using the same parameters as the provisions for pensions and obligations similar to pensions. All remeasurements – at EVN AG, only gains and losses from changes in actuarial assumptions – are recognised with respect to jubilee benefits through profit or loss in accordance with IAS 19 (2011). The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

Waste disposal and land restoration requirements related to legal and perceived commitments are recorded at the present value of the expected future costs. Changes in the estimated costs or the interest rate are offset against the carrying amount of the underlying asset. If the decrease in a provision exceeds the carrying amount of the asset, the difference is recognised through profit or loss.

Provisions for onerous contracts are recognised at the amount of the unavoidable outflow of resources. This represents the lower of the amount that would result from performance of the contract and any compensatory payments to be made in the event of non-performance.

18. Liabilities

Liabilities are reported at amortised cost, with the exception of liabilities arising from derivative financial instruments or liabilities arising from hedge accounting (see note 9. Financial instruments). Costs for the procurement of funds are considered part of amortised cost. Non-current liabilities are discounted by applying the effective interest method.

With respect to financial liabilities, bullet loans and borrowings with a remaining term to maturity over one year are classified as non-current and items with a remaining term to maturity less than one year are reported under current loans and borrowings. The

current portion of loans and borrowings with regular scheduled repayments is not reclassified, but included under non-current loans and borrowings (for information on maturities see note 47. Non-current financial liabilities).

Construction subsidies and investment grants do not reduce the acquisition or production cost of the corresponding assets. They are therefore reported as liabilities in the consolidated statement of financial position in analogous application of IAS 20.

Construction subsidies – which constitute payments made by customers as part of previous investments in network construction – represent an offset to the acquisition cost of these assets. The granting of investment subsidies generally requires an operational management structure that complies with legal requirements and has been approved by the authorities. Deferred income from network subsidies is released on a straight-line basis over the average useful life of the respective assets.

19. Revenue recognition

Realisation of revenue (in general)

Revenues from the end customer business are determined as of the balance sheet date in part based on statistical procedures used in the billing systems and accrued in line with the quantities of energy and water supplied during the reporting period. Revenues are recognised when EVN has provided a billable service to the customer.

Interest income is reported pro rata temporis using the effective interest rate of the asset. Dividends are recognised when a legal entitlement to payment arises.

IFRIC 18 regulates the accounting treatment for business transactions in which a company receives from its customers an asset or cash which is then used to acquire or construct an asset to provide the customer with access to a network or with an on-going supply of goods or services. The construction subsidies received by EVN fall in part under the scope of application of IFRIC 18. The reversals of deferred income from construction subsidies are reported under other operating income.

Regulatory account

Electricity and natural gas network regulatory authorities define and evaluate appropriate "target revenue" for the individual market participants at regular intervals. Revenue above or below the target is recorded under the regulatory account and taken into consideration for future tariff adjustments.

In Austria, the amendment to the Electricity Economy and Organisational Act ("Elektrizitätswirtschafts- und -organisationsgesetzes 2010", ElWOG), which took effect on 3 March 2011, introduced a new ex-post regulation procedure for network operator revenue in the form of a regulatory account (§ 50 ElWOG). This system was also integrated into the Natural Gas Act of 2011 ("§ 71 Gaswirtschaftsgesetz 2011", GWG). The purpose of the newly established regulatory account is to provide every network operator with compensation for differences between actual revenue and the officially established revenue by means of a "virtual account". In accordance with § 50 ElWOG and § 71 GWG, these differences are taken into account in determining the cost basis for the next payment period.

Intervention by the Bulgarian regulatory authority in connection with the distribution of the costs associated with renewable electricity led to significantly higher costs for EVN during the period from 1 July 2012 to 31 July 2013 in the form of necessary interim financing. In accordance with Article 35 of the Bulgarian Energy Act, end suppliers (like the Bulgarian sales company) must be compensated for the additional costs arising from the purchase of renewable electricity. The Bulgarian regulatory authority has also confirmed that EVN should generally be compensated for these uncovered costs (see notes 37. Other non-current assets and 39. Receivables).

Legal regulations do not provide a clear definition of the accounting approach to be applied in this case. However, there is an "accounting policy choice" for the accounting treatment of the revenue surplus or shortfall. In accordance with legal regulations, EVN is entitled to the inclusion of any revenue shortfalls in the definition of the tariff structure for the next regulatory period. Any revenue surplus must be offset by EVN in the future tariff structure. Based on the IFRS Framework and the 2009 draft version of the

standard on "Rate-regulated activities", EVN recognises an asset (under other assets) or a liability (under other liabilities). Depending on the time period involved in the tariff adjustment, a distinction is also made between current and non-current for these capitalised asset or liability differences. The non-current component of the regulatory account recognised under other assets is discounted over the presumed time period.

EVN will appropriately apply any clear rules issued in the future for the accounting treatment of the regulatory account.

Contract manufacturing

Receivables from the project business (in particular, PPP projects – Public Private Partnership) and the related revenue are accounted for by applying the percentage of completion (PoC) method. Projects are subject to individual contract terms that specify fixed prices. The degree of completion is determined using the cost-to-cost method. This entails recognising revenue and profits at the ratio of the costs actually incurred to the estimated total costs for the project. Reliable estimates of the total costs, selling prices and actual costs incurred are available. Changes in the estimated contract costs and any related losses are recognised to profit or loss as incurred. The technological and financial risks that might occur during the remaining project period are estimated for each project, and a corresponding contingency fee is included in the estimated contract costs. Impending losses on the valuation of projects not yet invoiced are expensed as incurred. Impending losses are recognised when it is probable that the total contract costs will exceed the contract revenues.

20. Income taxes and deferred taxes

The income tax expense reported in the consolidated statement of operations comprises the current income tax expense for fully consolidated companies, which is based on their taxable income and the applicable income tax rate, as well as the change in deferred tax assets and deferred tax liabilities.

The following tax rates were applied in calculating current income taxes:

20. Corporate income tax rates

%	2012/13	2011/12
Headquarters		
Austria	25.0	25.0
Albania	10.0	10.0
Bulgaria	10.0	10.0
Germany[1)]	30.0	30.0
Estonia[2)]	21.0	21.0
Croatia	20.0	20.0
Lithuania	15.0	15.0
Macedonia[2) 3)]	10.0	10.0
Montenegro	9.0	9.0
Poland	19.0	19.0
Romania	16.0	16.0
Russia	20.0	20.0
Serbia	15.0	10.0
Slovenia	17.0	18.0
Czech Republic	19.0	19.0
Turkey	20.0	20.0
Cyprus	12.5	10.0

1) 15.8% corporate income tax, incl. solidarity surcharge, and 14.2% trade tax
2) Taxes on corporate profits are levied when dividends are paid to the shareholders. Retained earnings are not taxed. In Macedonia, non-deductible expenses are also subject to corporate income tax.
3) The tax on non-tax-deductible expenses is payable annually.

EVN has elected to utilise the option provided by Austrian law and maintains four (previous year: five) corporate tax groups. EVN AG is a member of a corporate tax group whose top-tier corporation is NÖ Landes-Beteiligungsholding GmbH, St. Pölten. The taxable profit of the companies belonging to these groups is assigned to the respective superior group member or top-tier corporation. As an offset for the transferred taxable results, the tax group contracts include a tax charge that is based on the stand-alone method.

Transferred tax losses are kept on record as "internal loss carryforwards" for the respective tax group member(s) and offset against future positive earnings. An exception to this procedure is the contract concluded with the group member WEEV Beteiligungs GmbH, which calls for a negative tax charge for WEEV Beteiligungs GmbH if taxable results are negative.

The transfer of losses from foreign subsidiaries leads to the recognition of a liability for the future corporate income tax obligation.

Future changes in the tax rate are taken into account if the relevant law has been enacted by the time the consolidated financial statements are prepared.

Deferred taxes are calculated according to the liability method at the tax rate expected when short-term differences are reversed. Deferred tax assets and deferred tax liabilities are calculated and recognised for all temporary differences (i.e. the differences between the carrying amounts in the consolidated financial statements and the annual financial statements prepared for tax purposes that will balance out in the future).

Deferred tax assets are recognised only if it is probable that there will be sufficient taxable income or taxable temporary differences to utilise these items. Tax loss carryforwards are recognised as deferred tax assets. Deferred tax assets and deferred tax liabilities are presented as a net amount in the consolidated financial statements if there is a legal right and intention to offset these items.

Deferred taxes are not recognised in the consolidated balance sheet for temporary differences resulting from investments in equity accounted investees.

21. Procedures and effects of impairment tests

All assets that fall under the scope of application of IAS 36 are tested as of the balance sheet date to determine whether there are sufficient internal or external signs of impairment. Property, plant and equipment and intangible assets with definite useful lives are subject to scheduled depreciation and amortisation, and must only be tested for impairment if there are clear signs of a possible lasting decline in value. In contrast, goodwill and intangible assets with indefinite lives must be tested for impairment at least once each year.

The impairment testing of goodwill and assets for which no expected future cash flows can be identified is based on an assessment of the respective cash-generating unit (CGU). The CGUs that generate separate cash flows and – in the case of impairment tests of goodwill – derive benefits from the synergies resulting from the given business combination must be identified for the purpose of assignment. Any non-assignable consolidation differences are primarily allocated to the CGUs "electricity distribution Bulgaria", "electricity distribution Macedonia" and "environmental services".

The decisive criterion for classifying property, plant and equipment to a CGU is its technical and commercial ability to generate independent revenues. In the EVN Group, this definition applies to electricity and heat generation plants, electricity and natural gas distribution systems, wind parks, data transmission lines and electricity purchasing rights.

In assessing impairment, the higher of the net selling price and the value in use of the CGU is compared to the carrying amount of the CGU and the carrying amount of the asset. The net selling price corresponds to the fair value less costs to sell.

A pre-tax weighted average cost of capital (WACC) was used as the discount rate. The equity component of the WACC reflects the risk-free interest rate for 10-year EU bonds plus a risk premium that incorporates the market risk and an appropriate beta coefficient based on peer group capital market indicators. The debt component of the WACC equals the basis interest rate plus an EVN-specific risk premium. These two components are weighted according to the targeted capital structure of 50:50 at market values (equity based on market capitalisation). Cash flows are discounted at a pre-tax WACC of 8.7% (previous year: 8.7%), which is adjusted for specific company and country risks.

The calculation of the value in use is based on the expected future cash inflows and outflows, which are basically derived from medium-term internal forecasts. Electricity prices are derived from forecasts issued by a well-known information service provider. This valuation process incorporates future expected revenues as well as operating, maintenance and repair expenses. The valuation process for property, plant and equipment and intangible assets with definite lives also includes the condition of the respective asset. The quality of the forecast data is regularly compared with actual results through a variance analysis. These findings are taken into consideration in developing the next medium-term corporate forecast.

The cash flow forecasts are based on the latest financial forecasts approved by management and cover the period for which reliable forecasts can be prepared. The detailed planning period equals five years in accordance with IAS 36, with the exception of the impairment tests in the Energy Supply South East Europe Segment.

In South Eastern Europe, the regulatory framework and the level of network losses resulting from the current economic environment lead to expectations that the transformation process will continue over a longer period of time. The use of a five-year forecast period with the subsequent extrapolation of results would therefore not correctly represent the given circumstances. This led to the extension of the detailed planning period for the CGU electricity supply Bulgaria and the CGU electricity supply Macedonia to 10 years. Regular ex-post analyses indicate that the forecasts are precise and the assumptions are reliable.

If the recoverable amount is lower than the carrying amount, the carrying amount must be reduced to this lower value and an impairment loss must be recognised. If the carrying amount of a CGU to which goodwill or any other asset has been allocated exceeds

the recoverable amount, the goodwill or the respective asset is written down by the resulting difference. Any further impairment leads to a proportional reduction of the carrying amounts of the CGU's remaining assets.

The respective assets are written up if the reason for impairment ceases to exist. The increase in the carrying amount resulting from the write-up may not exceed the amortised acquisition or depreciated production cost. In accordance with IAS 36, goodwill written down in connection with an impairment test may not be revalued, even if the reasons for impairment have ceased to exist.

The carrying amounts of goodwill are as follows:

21. Allocation of goodwill to cash-generating units	2012/13	2011/12
Electricity distribution Bulgaria	122.6	122.6
Electricity distribution Macedonia	26.3	26.3
Environmental services	54.0	54.0
Other CGUs	7.1	7.1
Total goodwill	**210.0**	**210.0**

As of 30 September 2013, the EVN Group also had customer relations in markets which are still regulated and therefore have an indefinite useful life. These customer relations had a total acquisition cost of EUR 24.5m (previous year: EUR 24.5m) and are allocated to the CGU electricity supply Macedonia.

The major assumptions used to calculate the value in use for goodwill and intangible assets with an indefinite life are the cash flow forecasts, the discount rate and the growth rate after the end of the detailed planning period.

The assumptions applied to the major cash-generating units and the related sensitivity analyses are shown in the following table:

Energy supply South East Europe

21. Electricity distribution Bulgaria	2012/13	2011/12
Assumptions		
Pre-tax WACC	8.7%	9.4%
Growth rate after the detailed planning period of 10 years	2.5%	2.5%
Sensitivities		
WACC +1%	–11.2%	–12.8%
WACC –1%	26.4%	31.9%
Growth rate +1%	16.9%	21.3%
Growth rate –1%	–4.5%	–5.4%

The carrying amount of the net assets in the CGU electricity supply Bulgaria totalled EUR 585.5m (previous year: EUR 581.7m).

An increase (decrease) of 1% in the WACC, ceteris paribus, would have led to a shortfall of 11.2% in the net assets of the CGU in 2012/13 (surplus of 26.4%).

An increase (decrease) of 1% in the growth factor, ceteris paribus, would have led to a surplus of 16.9% in the net assets of the CGU in 2012/13 (shortfall of 4.5%).

21. Electricity distribution Macedonia	2012/13	2011/12
Assumptions		
Pre-tax WACC	11.6%	12.0%
Growth rate after the detailed planning period of 10 years	2.0%	2.0%
Sensitivities		
WACC +1%	14.0%	18.9%
WACC –1%	47.4%	57.4%
Growth rate +1%	37.1%	46.4%
Growth rate –1%	22.1%	27.4%

The carrying amount of the net assets in the CGU electricity supply n Macedonia totalled EUR 316.2m (previous year: EUR 292.8m).

An increase (decrease) of 1% in the WACC, ceteris paribus, would have led to a surplus of 14.0% in the net assets of the CGU in 2012/13 (surplus of 47.4%).

An increase (decrease) of 1% in the growth factor, ceteris paribus, would have led to a surplus of 37.1% in the net assets of the CGU in 2012/13 (surplus of 22.1%).

Environmental services

The impairment testing of goodwill in the CGU environmental services was based on a pre-tax WACC of 12.0% (previous year: 10.0%). The carrying amount of the net assets in the CGU environmental services totalled EUR 262.9m. An increase (decrease) of 1% in the WACC, ceteris paribus, would have led to a shortfall of 3.1% in the net assets of the CGU in 2012/13 (surplus of 14.8%).

22. Leased and rented assets

In accordance with IAS 17, a leased asset is allocated to the lessee or lessor based on the transfer of significant risks and rewards incidental to the ownership of the asset.

Non-current lease receivables arising in connection with PPP projects carried out by the Environmental Services Segment – in which a facility is built, financed and then operated on behalf of the customer for a fixed period of time, after which the plant becomes the property of the customer – are classified as finance leases in accordance with IAS 17 in conjunction with IFRIC 4, and recognised as such in EVN's consolidated financial statements.

Assets obtained through finance leases are capitalised by the lessee at the fair value or the lower present value of the minimum lease payments, and depreciated on a straight-line basis over their expected useful life or the shorter contract period. Payment obligations resulting from future lease payments are reported as liabilities. Assets obtained through operating leases are attributed to the lessor, and the related lease payments are expensed by the lessee in equal amounts over the term of the lease.

23. Accounting estimates and forward-looking statements

The preparation of the consolidated financial statements in accordance with generally accepted IFRS accounting methods requires estimates and assumptions that have an effect on the assets, liabilities, income and expenses reported in the consolidated financial statements and on the amounts shown in the notes. The actual values may differ from these estimates. The assumptions and estimates are reviewed on a regular basis.

Impairment tests require estimates, especially for future cash surpluses. A change in the general economic, industry or company environment may reduce cash surpluses and therefore lead to signs of impairment (see note 21. Procedures and effects of impairment tests).

The measurement of regulatory assets in Bulgaria is based on current assumptions. EVN's preceding claims were recognised as receivables following a confirmation by the regulatory authority that EVN should generally be compensated for the uncovered costs. These claims are also being pursued in arbitration proceedings initiated with the International Center for the Settlement of Investment Disputes, an institution created by the World Bank. Future developments can lead to a change in this measurement (see notes 37. Other non-current assets and 39. Receivables).

The measurement and presentation of non-current receivables and accruals from leasing transactions in the environmental business are based on current assumptions and estimates. Discussions are currently in progress with the Moscow city government over the subsequent amendment of the project structure for the sodium hypochlorite plant and the waste utilisation plant no. 1. The sodium hypochlorite plant was completed on schedule, but its commercial start-up has been delayed by the City of Moscow. In addition, the building permit for the waste utilisation plant has still not been issued. Legal proceedings are pending in this connection and have been reflected in an appropriate provision for the related legal expenses. The commissioning of further subcontractors was also suspended. The above-mentioned negotiations and legal proceedings could endanger the start of operations in the sodium hypochlorite plant by EVN as well as the realisation of the investment contract for the construction and operation of the waste utilisation plant. This, in turn, could lead to changes in the presentation and/or measurement of these long-term receivables and accruals from leasing transactions in the future (see note 37. Other non-current assets).

The measurement of the existing provisions for pensions and obligations similar to pensions as well as the provisions for severance payments is based on assumptions for the discount rate, retirement age, life expectancy and future pension and salary increases that may lead to changes in measurement during future periods (see note 49. Non-current provisions).

Assumptions and estimates are also required to determine the useful life of non-current assets (see notes 6. Intangible assets and 7. Property, plant and equipment) and the provisions for legal proceedings and environmental protection (see note 17. Provisions). In addition, it is necessary to make assumptions and estimates for the valuation of receivables and inventories (see notes 12. Inventories and 13. Trade and other receivables). These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

24. Principles of segment reporting

The identification of operating segments is based on the internal organisational and reporting structure and information prepared for internal management decisions (the "management approach"). The Executive Board of the EVN Group (the chief operating decision maker as defined in IFRS 8) reviews internal management reports on each operating segment at least once each quarter. EVN's has defined the following operating segments: Generation, Energy Trade and Supply, Network Infrastructure Austria, Energy Supply South East Europe, Environmental Services and Strategic Investments and Other Business. This conforms in full to the internal reporting structure. The assessment of all segment information is consistent with IFRS. EBITDA is the primary indicator used to measure the segments' internal performance. For each segment, EBITDA represents the total net operating profit or loss before interest, taxes, amortisation of intangible assets and depreciation of fixed assets for the companies included in the segment, taking intragroup income and expenses into account (see note 57. Segment reporting).

Notes to the consolidated statement of operations

25. Revenue

Revenue recorded by the individual business segments developed as follows:

25. Revenue EURm	2012/13	2011/12
Revenue Generation	34.6	40.3
Revenue Network Infrastructure Austria	443.8	438.2
Revenue Energy Trade and Supply	1,038.8	1,082.2
Revenue Energy Supply South East Europe	1,007.3	968.6
Revenue Environmental Services	227.2	314.9
Revenue Strategic Investments and Other Business	3.3	2.3
Total	**2,755.0**	**2,846.5**

Revenue includes income of EUR 83.5m (previous year: EUR 123.9m) from contract work on international PPP projects (see note 37. Other non-current assets).

26. Other operating income

26. Other operating income EURm	2012/13	2011/12
Income from the reversal of deferred income from network subsidies	39.8	35.9
Own work capitalised	15.2	15.9
Change in work in progress	12.5	–2.2
Interest on late payments	9.8	6.8
Insurance compensation	3.6	5.8
Rental income	2.4	2.8
Income from the disposal of fully consolidated companies	0.5	3.1
Income from the disposal of intangible assets and property, plant and equipment	0.0*)	1.9
Miscellaneous operating income	11.2	11.4
Total	**95.5**	**81.3**

*) Small amount

Other operating income consists primarily of bonuses, subsidies and grants as well as the sale of goods and services that are not related to EVN's business operations.

The increase in work in process is attributable to customer projects that had not been invoiced by the balance sheet date.

27. Cost of materials and services

The expenses for the purchase of electricity from third parties and the purchase of energy carriers consist primarily of the costs for electricity, natural gas, coal and biomass. Also included here are costs of EUR 3.5m (previous year: EUR 7.2m) for the purchase of additional CO_2 emission certificates during the reporting period due to the insufficient allocation of free certificates.

Third-party services and other materials and services were related primarily to the project business in the Environmental Services Segment as well as services for the operation and maintenance of plants. This position also includes costs directly attributable to the required services.

27. Cost of materials and services EURm	2012/13	2011/12
Electricity purchases from third parties and primary energy expenses	1,612.6	1,630.6
Third-party services and other materials and services	295.8	350.0
Total	**1,908.4**	**1,980.5**

28. Personnel expenses

Personnel expenses include payments of EUR 5.7m (previous year: 8.5m) to EVN-Pensionskasse as well as contributions of EUR 0.7m (previous year: EUR 0.6m) to EVN pension funds.

28. Personnel expenses EURm	2012/13	2011/12
Salaries and wages[1)]	237.6	238.2
Severance payments[1)]	5.2	7.3
Pension costs[1)]	7.6	9.5
Compulsory social security contributions and payroll-related taxes	50.2	50.1
Other employee-related expenses	6.4	7.6
Total	**307.1**	**312.6**

1) The prior year figure was adjusted (see note 2. Reporting in accordance with IFRS)

The average number of employees was as follows:

28. Employees by business unit[1)]	2012/13	2011/12
Generation	192	198
Network Infrastructure Austria	1,299	1,281
Energy Trade and Supply	324	300
Energy Supply South East Europe	4,625	4,775
Environmental Services	591	600
Strategic Investments and Other Business	466	440
Total	**7,497**	**7,594**

1) Average for the year

The average number of employees comprised 95.9% salaried and 4.1% wage employees (previous year: 96.0% salaried and 4.0% wage employees), whereby no distinction is made between salaried and wage employees in Bulgaria and Macedonia.

Employees from proportionately consolidated companies were included in accordance with the stake held by EVN.

29. Depreciation and amortisation

The procedure used for impairment testing is described under note 21. Procedures and effects of impairment tests.

29. Depreciation and amortisation by items of the Consolidated statement of financial position

EURm	2012/13	2011/12
Amortisation of intangible assets	14.9	15.2
Depreciation of property, plant and equipment	224.2	236.2
Total	**239.1**	**251.3**

29. Depreciation and amortisation

EURm	2012/13	2011/12
Scheduled depreciation and amortisation	238.1	228.0
Impairment losses[1)]	1.0	23.3
Total	**239.1**	**251.3**

1) For details, see notes 34. Intangible assets and 35. Property, plant and equipment

30. Other operating expenses

30. Other operating expenses

EURm	2012/13	2011/12
Write-off of receivables	37.3	43.4
Legal and consulting fees, expenses related to risks of legal proceedings	35.0	24.9
Business operation taxes and duties	16.0	15.8
Telecommunications and postage	11.6	12.7
Transportation and travelling expenses, automobile expenses	11.4	11.6
Advertising expenses	10.7	13.1
Insurance	9.0	9.3
Maintenance	6.9	5.0
Rents	7.0	–0.1
Employee training	2.4	2.7
Miscellaneous other operating expenses	30.1	21.6
Total	**177.4**	**160.1**

The position "legal and consulting fees, expenses related to the risks of legal proceedings" also contains changes in the provision for legal proceedings. Rents also include the changes in the provisions for network access fees. Miscellaneous operating expenses comprise environmental protection expenses, fees for monetary transactions, licenses and membership fees as well as administrative and office expenses.

31. Financial results

31. Financial results EURm	2012/13	2011/12
Income from investments		
RAG	80.1	73.5
EconGas	–19.7	–5.4
ZOV; ZOV UIP	11.8	12.4
Energie Burgenland[1)]	9.7	1.9
Devoll Hydropower ShA	–27.6	–1.3
WEEV Beteiligungs GmbH	–29.6	0.6
Shkodra	–20.4	2.5
Other companies	5.6	2.8
Income from investments in equity accounted investees	**10.0**	**87.0**
Dividend payments	27.2	25.1
thereof Verbund AG	24.1	22.1
thereof other companies	3.1	3.1
Write-down	–0.4	–0.9
Miscellaneous	–	0.0*)
Gain from other investments	**26.8**	**24.3**
Total income from investments	**36.8**	**111.3**
Interest results		
Interest income on non-current financial assets	21.2	25.6
Other interest income	7.2	5.3
Total interest income	**28.4**	**30.9**
Interest expense on non-current financial assets	–75.2	–81.5
Interest expense personnel provisions[2)]	–15.5	–16.5
Other interest expense	–9.5	–6.4
Total interest expense	**–100.1**	**–104.4**
Total interest results	**–71.7**	**–73.5**
Other financial results		
Results of valuation gains/losses and disposals of non-current securities ("@FVTPL")	–0.1	1.4
Currency gains/losses	–0.1	0.4
Other financial results	–3.0	–3.0
Total other financial results	**–3.2**	**–1.3**
Financial results	**–38.1**	**36.5**

*) Small amount

1) A stake of 49.0% in Energie Burgenland AG is held indirectly through BUHO.

2) The prior year figure was adjusted (see note 2. Reporting in accordance with IFRS)

The income from investments in equity accounted investees consists chiefly of the proportional share of profit or loss as well as depreciation and amortisation relating to the acquisition of assets and any necessary impairment losses.

Negative earnings contributions by EconGas, Devoll Hydropower ShA, WEEV Beteiligungs GmbH and Shkodra were responsible for the sharp drop in income from investments. The negative earnings contribution from EconGas, which was recognised during the first quarter of 2012/13, resulted from the high negative spread to hub price-linked sales and from the recognition of a provision for impending losses on contractually agreed, long-term transport and LNG capacity bookings.

In addition, the sale of the stake owned by EVN AG in Devoll Hydropower ShA to Statkraft A.S. led to a non-recurring negative pre-tax effect of EUR 27.6m.

The negative earnings contribution from WEEV Beteiligungs GmbH resulted from a valuation-related impairment loss to the Verbund shares held by this company to reflect the significant and lasting decline in the price of these shares below their cost. WEEV Beteiligungs GmbH was founded together with the syndicate partner Wiener Stadtwerke Holding AG to participate in the capital increase by Verbund and was initially included in EVN's consolidated financial statements at equity during the first quarter of 2010/11. The adjustments to reflect the change in market value were previously recorded to the valuation reserve after the deduction of deferred taxes in accordance with IAS 39. However, IFRS require the recognition of an impairment charge through profit or loss when there is a significant and lasting decline in the share price. The negative contribution by WEEV Beteiligungs GmbH is a result of this impairment loss.

The negative earnings contribution from Shkodra Region Beteiligungsholding GmbH in connection with the Ashta hydropower plant in Albania resulted from several effects. The possible extension of the concession implied by representatives of the Albanian government as economic compensation for the flood damage incurred during the construction stage as well as construction delays and the related higher costs is now connected with significant uncertainty due to the change in the government. In addition, customer risk has increased due to the delayed receipt of payments. The estimated income from the sale of certified emission reductions (CERs) has also declined.

Interest income on non-current financial assets includes interest from investment funds that focus chiefly on fixed-interest securities as well as the interest component from the lease business. Other interest income generally relates to income from cash and cash equivalents and from securities recorded under current financial assets.

Interest expense on non-current financial liabilities represents regular interest payments on issued bonds and non-current bank loans. Other interest expense includes the accrued interest expense on non-current provisions, expenses for current loans as well as lease costs for biomass equipment, distribution and heating networks.

32. Income tax expense

32. Income tax expense EURm	2012/13	2011/12
Current income tax expense	32.4	29.3
thereof Austrian companies	22.0	19.4
thereof foreign companies	10.3	9.9
Deferred tax revenue	–10.3	–3.4
thereof Austrian companies	–9.4	–5.7
thereof foreign companies	–0.8	2.3
Total	**22.1**	**25.9**

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2013 (previous year: 25.0%) and the effective corporate income tax rate for the 2012/13 financial year as reported in the consolidated statement of operations:

32. Calculation of the effective tax rate	2012/13		2011/12	
	in %	EURm	in %	EURm
Profit before income tax	–	180.3	–	259.7
Income tax rate/income tax expense at nominal tax rate	25.0	45.1	25.0	64.9
+/– Different corporate income tax rates in other countries	–4.5	–8.1	–1.4	–3.7
– Tax-free income from investments	–7.6	–13.7	–12.8	–33.1
+/– Revaluation of deferred taxes	2.5	4.6	–0.7	–1.8
– Write-offs according to tax law	–8.7	–15.7	–1.9	–5.0
– Other tax free income	–0.3	–0.6	–0.2	–0.6
+ Non-deductible expenses	6.6	11.8	1.5	4.0
+/– Aperiodic tax reductions/increases	0.3	0.5	0.4	1.0
–/+ Other items	–0.9	–1.7	0.1	0.2
Effective tax rate/effective income tax expense	12.3	22.1	10.0	25.9

The write-offs according to tax law in 2012/13 are related to the impairment losses recognised to the investments in Shkodra, Devoll Hydropower, EconGas and EnergieAllianz (previous year: EVN Kavarna). EVN's effective tax rate for the reporting year equalled 12.3% of profit before tax (previous year: 10.0%). The effective tax rate represents the weighted average of the effective local corporate tax rates of all consolidated subsidiaries.

33. Earnings per share

Earnings per share were calculated by dividing Group net profit (= proportional share of profit attributable to EVN AG shareholders) by the weighted average number of ordinary shares outstanding, i.e. 178,356,673 (previous year: 179,378,364). This amount may be diluted by so-called potential shares arising from stock options or convertible bonds. Since EVN did not have any such shares, there is no difference between basic and diluted earnings per share.

Based on Group net profit of EUR 114.7m for the 2012/13 financial year (previous year: EUR 194.9m), earnings per share equalled EUR 0.64 (previous year: EUR 1.09).

Notes to the consolidated statement of financial position

Assets

Non-current assets

The net value represents the residual book value, which equals the acquisition or production cost less accumulated depreciation or amortisation.

Currency translation differences arise from the translation of foreign companies' assets using different exchange rates at the beginning and end of the 2012/13 financial year.

34. Intangible assets

Other intangible assets include, above all, electricity procurement rights, transportation rights for natural gas pipelines and other rights (primarily software licenses and the customer base of the Bulgarian and Macedonian electricity supply companies).

No impairment losses were recognised to intangible assets during the reporting year (previous year: EUR 0.5m).

The additions to goodwill from changes in the scope of consolidation amounted to EUR 2.8m in the previous year and resulted from the acquisition of FWG-Fernwärmeversorgung Hollabrunn registrierte Genossenschaft mit beschränkter Haftung.

In 2012/13, a total of EUR 1.6m (previous year: EUR 1.6m) was invested in research and development. The criteria required by IFRS to capitalise these items were not fulfilled.

34. Reconciliation of intangible assets

EURm	Goodwill	Other intangible assets	Total
2012/13 financial year			
Gross value on 30.09.2012	219.2	414.9	634.2
Currency translation differences	0.0*)	0.0*)	0.0*)
Changes in the scope of consolidation	–	–	–
Additions	–	8.6	8.6
Disposals	–	–1.3	–1.3
Transfers	–	–1.1	–1.1
Gross value on 30.09.2013	219.2	421.2	640.4
Accumulated amortisation 30.09.2012	–9.2	–221.9	–231.1
Currency translation differences	–	0.0*)	0.0*)
Scheduled amortisation	–	–14.9	–14.9
Impairment losses	–	–	–
Disposals	–	1.2	1.2
Transfers	–	1.9	1.9
Accumulated amortisation 30.09.2013	–9.2	–233.7	–242.9
Net value 30.09.2012	210.0	193.0	403.1
Net value 30.09.2013	210.0	187.5	397.6

*) Small amount

2011/12 financial year EURm	Goodwill	Other intangible assets	Total
Gross value on 30.09.2011	216.4	410.1	626.5
Currency translation differences	0.1	–	0.1
Changes in the scope of consolidation	2.8	0.1	2.9
Additions	–	6.2	6.2
Disposals	–	–3.4	–3.4
Transfers		1.9	1.9
Gross value on 30.09.2012	219.2	414.9	634.2
Accumulated amortisation 30.09.2011	–9.2	–206.8	–216.0
Scheduled amortisation	–	0.0*)	0.0*)
Impairment losses	–	–14.7	–14.7
Revaluation	–	–0.5	–0.5
Disposals	–	2.5	2.5
Transfers	–	–2.4	–2.4
Accumulated amortisation 30.09.2012	–9.2	–221.9	–231.1
Net value 30.09.2011	207.2	203.3	410.5
Net value 30.09.2012	210.0	193.0	403.1

*) Small amount

35. Property, plant and equipment

Additions to property, plant and equipment included capitalised borrowing costs of EUR 6.0m (previous year: EUR 6.1m). The interest rate used for capitalisation ranged from 3.8% – 8.5% (previous year: 1.5% – 8.5%).

Land and buildings included land with a value of EUR 67.0m (previous year: EUR 66.2m). As of the balance sheet date, EVN held a mortgage with a maximum value of EUR 1.8m as in the previous year. Own work capitalised during the 2012/13 financial year amounted to EUR 15.2m (previous year: EUR 15.9m).

The impairment testing of assets in 2012/13 in line with IAS 36 led to the recognition of impairment losses of EUR 1.0m, which were related primarily to heating equipment (previous year: impairment charges of EUR 8.0m to the biomass pilot plant at the Dürnrohr power plant due to unfavourable market conditions, EUR 9.8m to the Kavarna windpark in Bulgaria due to an unfavourable tariff decision for renewable electricity as of 1 July 2012 and EUR 5.0m to other assets).

Prepayments and equipment under construction included acquisition costs of EUR 204.0m (previous year: EUR 202.2m) relating to equipment under construction as of the balance sheet date.

For leased and rented equipment, the present value of payment obligations for the use of heating networks and heat generation plants is reported on the consolidated statement of financial position. The net value of these assets totalled EUR 13.3m as of the balance sheet date (previous year: EUR 14.7m). The related lease and rental liabilities were recognised under other non-current liabilities.

The net value of property, plant and equipment pledged as collateral reflected the prior year level and had a carrying amount of EUR 116.6m.

35. Reconciliation of property, plant and equipment

EURm

2012/13 financial year	Land and buildings	Transmission pipelines	Technical equipment	Meters	Other plant, tools and equipment	Prepayments and equipment under construction	Total
Gross value on 30.09.2012	695.9	3,319.0	2,212.0	195.6	233.0	214.1	6,869.6
Currency translation differences	0.0*)	0.0*)	–7.0	0.0*)	–0.1	–2.9	–10.0
Changes in the scope of consolidation	–	–	–	0.0*)	–	–	–
Additions	11.6	130.2	44.1	12.7	12.8	111.4	322.8
Disposals	–1.9	–8.8	–10.4	–5.8	–10.0	–2.5	–39.4
Transfers	5.9	84.9	16.3	0.1	–5.3	–101.7	0.1
Gross value on 30.09.2013	711.5	3,525.2	2,255.0	202.6	230.4	218.3	7,143.1
Accumulated amortisation 30.09.2012	–338.5	–1,774.1	–1,428.5	–128.1	–181.1	–10.1	–3,860.4
Currency translation differences	0.0*)	0.0*)	1.1	0.0*)	0.1	–	1.2
Scheduled depreciation	–20.8	–98.0	–76.4	–10.8	–17.3	–	–223.2
Impairment losses	0.0*)	–	–1.0	–	–	–	–1.0
Disposals	1.0	8.3	9.6	5.7	9.6	1.6	35.6
Transfer	–0.3	–3.9	–0.4	–	3.7	–	–0.9
Accumulated amortisation 30.09.2013	–358.7	–1,867.8	–1,495.5	–133.2	–185.1	–8.5	–4,048.7
Net value 30.09.2012	357.4	1,544.9	783.5	67.5	51.9	204.0	3,009.2
Net value 30.09.2013	352.9	1,657.4	759.5	69.5	45.3	209.8	3,094.3

*) Small amount

2011/12 financial year EURm	Land and buildings	Transmission pipelines	Technical equipment	Meters	Other plant, tools and equipment	Prepayments and equipment under construction	Total
Gross value on 30.09.2011	672.1	3,135.1	2,013.8	190.0	218.9	372.2	6,602.1
Currency translation differences	0.0*)	0.0*)	2.7	0.0*)	0.1	4.9	7.7
Changes in the scope of consolidation	1.2	0.4	5.5	0.0*)	–0.2	0.0*)	6.9
Additions	21.4	119.7	121.6	10.5	21.1	9.3	303.6
Disposals	–9.9	–17.3	–9.2	–5.0	–10.2	–0.1	–51.7
Transfers	10.8	81.1	77.6	0.0*)	3.3	–172.2	0.6
Gross value on 30.09.2012	695.6	3,319.0	2,212.0	195.6	233.0	214.1	6,869.3
Accumulated amortisation 30.09.2011	–320.4	–1,693.9	–1,345.7	–121.7	–171.3	–10.1	–3,663.1
Currency translation differences	0.0*)	0.0*)	–0.5	0.0*)	0.0*)	–	–0.5
Scheduled depreciation	–19.2	–94.2	–70.7	–11.2	–18.1	–	–213.4
Impairment losses	–3.8	–0.8	–12.1	–	–0.5	–5.6	–22.8
Disposals	5.3	15.4	4.5	4.8	9.6	–	39.7
Transfer	0.0*)	–0.7	–4.2	–	–0.8	5.6	0.0*)
Accumulated amortisation 30.09.2012	–338.2	–1,774.1	–1,428.5	–128.1	–181.1	–10.1	–3,860.1
Net value 30.09.2011	351.7	1,441.2	668.1	68.3	47.6	362.0	2,938.9
Net value 30.09.2012	357.4	1,544.9	783.5	67.5	51.9	204.0	3,009.2

*) Small amount

36. Investments in equity accounted investees and other investments

The companies included in the consolidated financial statements at equity are listed on the schedule of EVN's investments starting on page 167.

All investments in equity accounted investees were recognised at their proportional share of IFRS income or loss based on an interim or annual report with a balance sheet date that does not precede the balance sheet date of EVN AG by more than three months.

The additions to this position consist primarily of equity contributions to STEAG-EVN Walsum. The disposals include the sale of the stake owned by EVN AG in Devoll Hydropower ShA.

No impairment losses were recognised to equity accounted investees in 2012/13 (previous year: EconGas at EUR 7.8m).

The development of the net value of equity accounted investees in 2012/13 was significantly influenced by the negative earnings contributions of these companies (also see 31. Financial results).

There were no listed market prices for the investments in equity accounted investees.

The shares in ZOV were assigned to the financing banks as collateral for loans (previous year: EUR 77.3m). EVN's proportional share of equity in this company totalled EUR 78.9m as of 30 September 2013.

The other investments include holdings in affiliates and associates, which are not consolidated due to immateriality, as well as miscellaneous stakes of less than 20.0% that were not included at equity.

Miscellaneous investments include shares in listed companies with a market value of EUR 671.1m (previous year: EUR 645.8m), of which EUR 33.5m are used as collateral. The other investments included in this position amount to EUR 23.7m (previous year: EUR 23.0m) and are carried at amortised cost less impairment losses. They represent shares in companies which are not traded on an active market, i.e. which are not freely tradable. The changes in the value of miscellaneous investments that were recognised under other comprehensive income totalled EUR 25.3m (previous year: changes of EUR 223.6m) and represented adjustments to reflect amended market and stock exchange prices.

EVN AG and Wiener Stadtwerke Holding AG (WSTW) entered into an agreement on 22 September 2010 for the syndication of their directly and indirectly held shareholdings in Verbund AG. This agreement gives the two companies joint control over 26% of the voting shares in Verbund AG. In spite of the syndicate agreement, the scope of possible influence over the financial and business policies of Verbund AG is very limited. The requirements for classification as a controlling influence (IAS 28) are therefore not met and the shares in Verbund AG were therefore accounted for by applying IAS 39.

36. Reconciliation of investments in equity accounted investees and other investments

EURm	Investments in equity accounted investees	Investments in affiliates	Miscellaneous investments	Total other investments
Gross value on 30.09.2012	**1,068.4**	**14.3**	**404.2**	**418.4**
Additions	69.2	1.5	0.8	2.2
Disposals	–30.8	–2.3	0.0*)	–2.3
Gross value on 30.09.2013	**1,106.9**	**13.5**	**404.9**	**418.4**
Gross value on 30.09.2012	**–19.7**	**–6.6**	**256.8**	**250.2**
Currency translation differences	–1.0	–	–	–
Impairment losses	–	–0.1	–0.4	–0.4
Disposals	30.8	1.3	–	1.3
Proportional share of results	10.0	–	–	–
Dividends	–103.9	–	–	–
Changes in equity recognised directly in equity	24.9	–	25.3	25.3
Accumulated amortisation 30.09.2013	**–58.9**	**–5.4**	**281.7**	**276.4**
Net value on 30.09.2012	**1,048.7**	**7.7**	**661.0**	**668.7**
Net value on 30.09.2013	**1,047.9**	**8.1**	**686.7**	**694.8**

*) Small amount

37. Other non-current assets

Securities reported under other non-current assets consist mainly of shares in investment funds and serve as coverage for the provisions for pensions and obligations similar to pensions as required by Austrian tax law. The carrying amounts correspond to the fair value as of the balance sheet date. Additions and disposals resulted from the regrouping of assets during 2012/13.

Of the originated loans totalling EUR 39.2m (previous year: EUR 36.4m), E UR 3.5m (previous year: EUR 3.5m) had a remaining term to maturity of less than one year.

Lease receivables and accrued lease transactions result from the project business within the context of PPP projects (see also note 23. Accounting estimates and forward-looking statements). Contract manufacturing resulted in receivables of EUR 503.4m (previous year: EUR 430.7m). The additions also include EUR 1.2m of capitalised borrowing costs (previous year: EUR 0.8m). The capitalisation rates ranged from 0.96% to 5.57% (previous year: 1.58% – 6.03%).

The receivables arising from derivative transactions include the positive fair values of interest and currency swaps.

The remaining other non-current assets include EUR 4.1m (previous year: EUR 5.6m) for the regulatory account that is required by Austrian law. In addition, this item consists primarily of deferred guarantee fees for non-current bank loans.

On 16 July 2012, the Bulgarian regulatory authority, State Energy and Water Regulatory Commission (SEWRC), approved a change in the method used to calculate compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants. This change was valid from 1 July 2012 to 31 July 2013. As specified in the Bulgarian energy act, utility companies are required to purchase electricity from renewable electricity producers during this period. The growing number of new contracts that include network connections to renewable energy producers has led to an increase in volumes and, in turn, to a significant increase in electricity procurement costs for EVN in Bulgaria. Bulgarian law requires the reimbursement of these added costs, principally by end customers. This procedure was amended as of 1 August 2013 and now requires the national electricity company Natsionalna Elektricheska Kompania EAD (NEK) to carry the added costs for renewable electricity and for electricity from highly efficient co-generation plants.

EVN incurred additional costs of EUR 127.1m during the period from 1 July 2012 to 31 July 2013, which require interim financing. In a letter dated 26 September 2013, SEWRC confirmed that EVN should generally be compensated for these uncovered costs. The sales company in Bulgaria therefore capitalised a regulatory asset to reflect the right to receive compensation for added costs resulting from government-regulated activities. Since this compensation is highly probable and the related costs can be reliably estimated, part of these additional costs was accrued as a regulatory asset based on management's estimates.

The regulatory assets included under miscellaneous receivables totalled EUR 86.8m as of 30 September 2013, whereby EUR 33.4m are non-current in nature (also see 39. Receivables).

The measurement of regulatory assets is based on the present value of the expected future cash flows and reflects past experience with compensation for costs by the regulatory authorities. The discount rate reflects management's estimate for the present value of money at this time as well as the specific risks associated with the regulatory asset.

The measurement of the regulatory asset is connected with uncertainty due to the dependence of the expected future performance on the actions and decisions of the Bulgarian regulatory authority. Consequently, there is a risk of a material adjustment to this asset during the next financial year.

37. Reconciliation of other non-current assets

EURm

	Other financial assets			Other non-current assets			
	Securities	Loans receivable	Lease receivables and accrued lease transactions	Receivables from derivative transactions	Non-current primary energy reserves	Remaining other non-current assets	Total
Gross value on 30.09.2012	78.2	36.4	673.0	83.1	14.6	14.9	900.1
Additions	3.7	5.8	75.0	0.0	0.6	33.1	118.2
Disposals	–23.5	–3.0	–44.3	0.0	–	–1.5	–72.4
Changes in market value	–0.2	–	–	–46.3	–	–	–46.5
Transfers	–	–	–	–36.8	–	–	–36.8
Gross value on 30.09.2013	58.2	39.2	703.6	0.0	15.1	46.5	862.7
Accumulated amortisation 30.09.2012	–1.2	–	–	–	–0.6	–	–1.8
Disposals	0.2	–	–	–	–	–	0.2
Impairment losses	0.0*)	–	–	–	–	–	0.0*)
Accumulated amortisation 30.09.2013	–1.0	–	–	–	–0.5	–	–1.6
Net value on 30.09.2012	77.0	36.4	673.0	83.1	14.0	14.9	898.4
Net value on 30.09.2013	57.1	39.2	703.6	0.0	14.6	46.5	861.1

*) Small amount

The reconciliation of the future minimum lease payments to their present value is as follows:

37. Terms to maturity of non-current lease receivables and accrued lease transactions

EURm

	Remaining term to maturity as of 30.09.2013				Remaining term to maturity as of 30.09.2012			
	< 1 year	> 1 year	> 5 years	Total	< 1 year	> 1 year	> 5 years	Total
Interest components	33.5	105.0	162.6	301.1	36.9	115.3	139.3	291.5
Principal components	63.0	230.5	410.1	703.6	66.3	235.3	371.4	673.0
Total	**96.5**	**335.6**	**572.7**	**1,004.7**	**103.2**	**350.6**	**510.7**	**964.5**

The total of the principal components corresponds to the capitalised value of the lease receivables and accrued lease transactions.

The interest components correspond to the proportionate share of the interest component of the total lease payment and do not represent discounted amounts. The interest components of the lease payments in 2012/13 were reported primarily as interest income on non-current assets.

Current assets

38. Inventories

Primary energy reserves consist mainly of coal supplies.

The CO_2 emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act, which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note 55. Current provisions).

38. Inventories

EURm

	2012/13	2011/12
Primary energy reserves	41.7	49.5
CO_2 emission certificates	0.4	1.0
Raw materials, supplies, consumables and other inventories	27.5	28.5
Customer orders not yet invoiced	38.8	27.1
Total	**108.4**	**106.1**

The inventory risk resulting from low inventory turnover and a decline in market prices was reflected in an increase of EUR 3.6m in the valuation adjustment (previous year: increase of EUR 3.7m). This was contrasted by write-ups of EUR 0.3m (previous year: EUR 2.8m). The inventories were not subject to any limitations on disposal or other encumbrances.

39. Trade and other receivables

Trade accounts receivable relate mainly to electricity, natural gas and heating customers.

The valuation adjustments to receivables are related primarily to South Eastern Europe. As a rule, receivables in this region may only be written off after a court decision has been issued. The valuation allowance therefore increases over time due to the relatively long waiting period caused by the high number of pending court cases. The valuation allowance rose by EUR 27.6m in 2012/13 (previous year: EUR 9.1m).

39. Allowances to receivables

EURm

	2012/13			2011/12		
	Gross receivables	Allowance	Net receivables	Gross receivables	Allowance	Net receivables
Austria	59.7	9.4	50.3	127.3	11.5	115.7
Germany	27.2	–	27.2	45.5	–	45.5
Bulgaria	136.1	26.3	109.8	109.7	31.2	78.5
Macedonia	247.3	160.8	86.5	218.0	126.2	91.8
Others	12.1	–	12.1	12.3	–	12.3
Total	**482.5**	**196.5**	**285.9**	**512.8**	**168.9**	**343.9**

Receivables from investments in equity accounted investees and affiliates arise primarily from intragroup transactions related to energy supplies as well as Group financing and services to non-consolidated subsidiaries. Receivables due from EnergieAllianz partners represent customer receivables that are handled by EnergieAllianz on behalf of the EnergieAllianz partners.

Receivables arising from derivatives consist mainly of the positive fair values of energy swaps and interest rate swaps.

Other receivables and assets consist mainly of assets amounting to EUR 53.4m (previous year: EUR 25.3m) that represent the right to receive compensation for the added costs associated with renewable electricity in connection with activities regulated by the Bulgarian government. This position also includes EUR 10.2m (previous year: EUR 0.0m) for the regulatory account recognised in accordance with Austrian law (also see note 37. Other non-current assets), receivables related to settlement payments for electricity futures, receivables from insurance and prepayments made. The carrying amount of trade and other receivables pledged as collateral for EVN's own liabilities reflects the prior year at EUR 23.2m.

39. Trade and other receivables

EURm

	2012/13	2011/12
Financial assets		
Trade accounts receivable	285.9	343.9
Receivables from investments in equity accounted investees	106.3	75.0
Receivables from partners within EnergieAllianz	25.7	28.9
Receivables from affiliates	9.0	4.1
Receivables from employees	5.2	1.4
Receivables arising from derivative transactions	35.1	4.0
Other receivables and assets	75.3	54.1
	542.6	**511.3**
Other receivables		
Tax receivables	22.9	26.3
	22.9	**26.3**
Total	**565.5**	**537.6**

40. Securities

The structure of the securities portfolio as of the balance sheet date is as follows:

40. Composition of securities EURm	2012/13	2011/12
Funds	43.9	3.4
Cash funds	40.0	–
Other fund products	3.9	3.4
Fixed income securities	–	–
Shares	0.0*)	0.0*)
Total	**43.9**	**3.4**

*) Small amount

In addition to a gain of EUR 0.2m (previous year: gain of EUR 0.3m) on the sale of securities, an increase of EUR 0.2m was recorded without recognition through profit or loss in 2012/13 (previous year: EUR –0.8m) to reflect the improvement in share prices.

Liabilities

Equity

The development of equity in 2012/13 and 2011/12 is shown on page 106.

41. Share capital

The share capital of EVN AG totals EUR 330.0m (previous year: EUR 330.0m) and is divided into 179,848,402 (previous year: 179,848,402) zero par value bearer shares.

42. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 195.6m (previous year: 195.6m) from capital increases and unappropriated capital reserves of EUR 57.5m (previous year: EUR 57.7m), both in accordance with Austrian stock corporation law.

43. Retained earnings

Retained earnings of EUR 2,155.7m (previous year: EUR 2,116.2m) comprise the proportional share of retained earnings attributable to EVN AG and all other consolidated companies from the date of initial consolidation as well as the proportional share of retained earnings from business combinations achieved in stages.

Dividends are based on the profit of EVN AG as reported in the annual financial statements and developed as follows:

43. Reconciliation of EVN AG's profit for the period	EURm
Reported profit for the period 2012/13	**76.0**
Retained earnings from the 2011/12 financial year	0.6
Distributable profit for the period	**76.6**
Proposed dividend	–74.8
Retained earnings for the 2013/14 financial year	1.8

Liabilities do not include the proposed dividend of EUR 0.42 per share for the 2012/13 financial year, which will be recommended to the Annual General Meeting.

The 84th Annual General Meeting on 17 January 2013 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 75.0m, or EUR 0.42 per share, to the shareholders of EVN AG for the 2011/12 financial year. The dividend payment to shareholders was made on 25 January 2013.

44. Valuation reserve

The valuation reserve contains changes in available for sales financial instruments and cash flow hedges, IAS 19 remeasurements and the proportional share of changes in the equity of investments in equity accounted investees.

44. Valuation reserve according to IAS 39	2012/13			2011/12		
EURm	Before tax	Tax	After tax	Before tax	Tax	After tax
Results recognised under other comprehensive income						
Available for sale financial instruments	282.6	–70.6	212.0	257.3	–64.3	193.0
Cash flow hedges	–16.5	4.1	–12.3	–16.0	4.0	–12.0
Remeasurements IAS 19	–80.8	20.3	–60.5	–57.2	14.4	–42.8
Investments in equity accounted investees	–27.0	–	–27.0	–62.0	–	–62.0
Total	**158.4**	**–46.2**	**112.1**	**122.1**	**–46.0**	**76.2**

The position "Investments in equity accounted investees" in the above table includes the changes recognised by WEEV Beteiligungs GmbH in connection with the shares held in Verbund (AFS financial instruments) as well as the components of cash flow hedges that are recorded directly in equity.

45. Treasury shares

A total of 1,039,000 shares, or 0.58% of share capital, were repurchased during the reporting year (30 September 2012: 554,530 shares or 0.31% of share capital) for EUR 11.3m and a market value of EUR 11.7m as of the balance sheet date (30 September 2012: purchase price of EUR 5.7m and a market price of EUR 6.0m). This share buyback was based on a programme approved by the 83rd Annual General Meeting of EVN AG on 19 January 2012. In 2012/13, 73,010 treasury shares were sold for distribution to employees in place of a special payment called for by a company agreement.

The number of shares outstanding developed as follows:

45. Reconciliation of the number of outstanding shares	Zero par value shares	Treasury shares	Outstanding shares
30.09.2011	**179,878,402**	**–398,260**	**179,480,142**
Increase in capital stock	–	–554,530	–554,530
Disposal of treasury shares	–	75,168	75,168
30.09.2012	**179,878,402**	**–877,622**	**179,000,780**
Purchase of treasury shares	–	–1,039,000	–1,039,000
Disposal of treasury shares	–	73,010	73,010
30.09.2013	**179,878,402**	**–1,843,612**	**178,034,790**

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 178,356,673 shares (previous year: 179,378,364 shares).

EVN AG is not entitled to any rights arising from treasury shares. In particular, these shares are not entitled to dividends.

46. Non-controlling interests

The item "Non-controlling interest" comprises the non-controlling interests in the equity of fully consolidated subsidiaries.

Non-current liabilities

47. Non-current loans and borrowings

Non-current loans and borrowings comprised the following as of the balance sheet date:

47. Breakdown of non-current loans and borrowings	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2013 EURm	Carrying amount 30.09.2012 EURm	Fair value 30.09.2013 EURm
Bonds	–	–	–	707.0	1,028.6	792.2
JPY bond	5.200	1994–2014	8.0bn JPY	–	81.7	–
CHF bond	3.625	2009–2014	250.0m CHF	–	206.6	–
EUR bond	5.000	2009–2016	28.5 EURm	28.4	28.4	31.1
EUR bond	5.250	2009–2017	150.0 EURm	149.1	148.9	170.1
EUR bond	5.250	2009–2019	30.0 EURm	29.6	29.5	34.8
EUR bond	4.250	2011–2022	300.0 EURm	287.1	285.6	330.0
JPY bond	3.130	2009–2024	12.0bn JPY	91.1	126.3	99.5
EUR bond	4.125	2012–2032	100.0 EURm	97.3	97.1	101.4
EUR bond	4.125	2012–2032	25.0 EURm	24.5	24.4	25.3
Bank loans (incl. promissory note loans)	0.34–7.08	until 2042	–	864.4	904.6	864.4
Total	–	–	–	**1,571.4**	**1,933.3**	**1,656.6**

The maturity structure of the non-current loans and borrowings is as follows:

47. Maturity of non-current loans and borrowings	Remaining term to maturity as of 30.09.2013			Remaining term to maturity as of 30.09.2012		
EURm	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Bonds	177.5	529.5	707.0	465.6	563.1	1,028.6
thereof fixed interest	177.5	438.5	616.0	383.8	436.7	820.6
thereof variable interest	–	91.1	91.1	81.7	126.3	208.1
Bank loans	467.8	396.6	864.4	572.6	332.1	904.7
thereof fixed interest	288.8	305.1	593.9	402.0	240.4	642.4
thereof variable interest	178.9	91.5	270.5	170.6	91.7	262.3
Total	**645.3**	**926.2**	**1,571.4**	**1,038.2**	**895.2**	**1,933.3**

Bonds

All bonds involve bullet repayment on maturity.

The JPY bond and the CHF bond, both of which mature in 2014, were reclassified to current financial liabilities.

The foreign currency bonds are hedged by means of cross currency swaps.

The bonds are carried at amortised cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. In accordance with IAS 39, hedged liabilities are adjusted to reflect the corresponding change in the fair value of the hedged risk in cases where hedge accounting is applied. The resulting change in the bond liability is largely offset by a contrary development in the fair value of the swaps.

The fair value was calculated on the basis of available market information for the respective bond price and the exchange rate as of the balance sheet date.

Bank loans

The loans consist of general borrowings from banks, which are subsidised in part by interest and redemption grants from the Austrian Environment and Water Industry Fund. This position also includes the EUR 121.5m promissory note loans that were issued in October 2012.

Accrued interest expense is included under other current liabilities.

48. Deferred tax liabilities

48. Deferred taxes EURm	2012/13	2011/12
Deferred tax assets		
Employee-related provisions	–44.3	–38.7
Tax loss carryforwards	–26.3	–20.6
Other deferred tax assets	–9.5	–14.9
Deferred tax liabilities		
Non-current assets	71.7	74.1
Financial instruments	85.6	76.9
Other deferred tax liabilities	4.8	16.6
Total	**82.1**	**93.3**
thereof deferred tax assets	–29.4	–25.9
thereof deferred tax liabilities	111.5	119.2

Deferred taxes developed as follows:

48. Changes in deferred taxes EURm	2012/13	2011/12
Deferred taxes on 01.10.2012	**93.3**	**163.8**
– Changes in deferred taxes recognised through profit and loss	–10.3	–3.4
– Changes in deferred taxes recognised directly in equity from the valuation reserve	0.3	–67.3
– Changes resulting from currency translation reserve and other changes	0.3	–67.3
Deferred taxes on 30.09.2013	**82.1**	**93.3**

Deferred tax assets of EUR 4.9m (previous year: EUR 4.6m) were not recognised for loss carryforwards that are not expected to be utilised within a foreseeable period. Of this total, EUR 3.6m will expire during the next five years (previous year: EUR 3.3m). A distribution of profit from Macedonia in the amount of EUR 20.3m (previous year: EUR 0.9m) would lead to an additional tax liability of EUR 2.0m (previous year: EUR 0.1m).

49. Non-current provisions

49. Non-current provisions EURm	2012/13	2011/12
Provisions for pensions	263.6	250.1
Provisions for obligations similar to pensions	27.3	24.9
Provisions for severance payments	90.6	83.5
Other non-current provisions	209.5	132.2
Total	**591.0**	**490.7**

The amounts reported for the provisions for pensions and for obligations similar to pensions as well as provisions for severance payments were generally calculated on the basis of the following parameters:

- Interest rate 3.50% p. a. (previous year: 4,00% p. a.)
- Remuneration increases of 2.50% p. a.; in subsequent years 3.00% p. a. (previous year: remuneration increase 3.00% p. a., in subsequent years 3.00% p. a.)
- Pension increases 2.50% p. a.; in subsequent years 3.00% p. a. (previous year: pension increase 3.00% p. a., in subsequent years 3.00%)
- Austrian mortality tables ("Rechnungsgrundlagen AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler&Pagler"), also used in the previous year

49. Reconciliation of provisions for pensions and obligations similar to pensions	EURm	2012/13	2011/12
Present value of pension obligations (DBO) on October 1		275.0	248.0
+ Service costs		1.2	1.9
+ Interest costs		8.3	12.3
– Pension payments		–14.4	–18.4
+/– Actuarial loss/gain from changes in financial assumptions		20.8	31.2
Present value of pension obligations (DBO) on September 30		290.9	275.0

As of 30 September 2013, the weighted average remaining term equalled 14.1 years for the pension obligations and 17.1 years for the obligations similar to pensions.

49. Reconciliation of the provision for severance payments	EURm	2012/13	2011/12
Present value of severance payment obligations (DBO) on October 1		83.5	76.0
+ Changes in scope of consolidation		–	–0.5
+ Service costs		2.1	2.6
+ Interest costs		2.3	3.7
– Pension payments		–2.5	–6.1
+/– Actuarial loss/gain from changes in financial assumptions		5.2	7.8
Present value of severance payment obligations (DBO) on September 30		90.6	83.5

As of 30 September 2013, the weighted average remaining term of the severance payment obligations equalled 11.3 years.

A change in the actuarial parameters (ceteris paribus) would have the following effect on the provisions for pensions and obligations similar to pensions as well as the provisions for severance payments:

49. Sensitivity analysis for provisions for pensions and obligations similar to pensions		30.09.2013		30.09.2012	
Parameters/assumptions	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50%	6.91%	–6.16%	6.65%	–5.95%
Remuneration increases	1.00%	–2.42%	2.71%	–2.30%	2.59%
Pension increases	1.00%	–9.91%	6.35%	–9.60%	11.53%
Remaining life expectancy	1 year	–4.40%	4.46%	–	–

49. Sensitivity analysis for provisions for severance payments

Parameters/assumptions	Change in assumption	30.09.2013 Decrease in assumption/ change in DBO	30.09.2013 Increase in assumption/ change in DBO	30.09.2012 Decrease in assumption/ change in DBO	30.09.2012 Increase in assumption/ change in DBO
Interest rate	0.50%	5.37%	–4.99%	5.52%	–5.12%
Remuneration increases	1.00%	–10.96%	12.57%	–11.31%	13.02%

The sensitivity analysis was carried out separately for each key actuarial parameter. Only one parameter was changed at a time during the examination, while the other variables remained constant (ceteris paribus). The calculation of the changed obligation reflected the calculation of the actual obligation. The analytical capacity of this method is limited because the interdependencies between the individual actuarial parameters are not taken into account.

With respect to the severance compensation obligations, a sensitivity analysis was not carried out for the remaining life expectancy because this parameter has only an immaterial effect on the liability.

49. Reconciliation of other non-current provisions

EURm

	Service anniversary bonuses	Onerous contracts	Rents for network access	Process costs and risks	Environmental and disposal risks	Other non-current provisions	Total
Carrying amount on 01.10.2012	20.0	66.8	9.6	4.0	28.8	2.9	132.2
Interest expense	0.4	6.2	0.1	0.1	1.0	–	7.8
Use	–0.7	–	–0.8	–2.1	–1.3	–0.3	48.8
Additions	0.4	54.0	1.6	12.8	3.7	1.5	19.9
Transfers	–	–	–	–	0.8	–	0.8
Carrying amount on 30.09.2013	20.1	127.0	10.5	14.7	33.0	4.2	209.5

*) Small amount

The provision for onerous contracts covers obligations from the marketing of EVN's own electricity production. Rents for network access involve provisions for rents to gain access to third-party facilities in Bulgaria.

Various legal proceedings and lawsuits, which for the most part arise from operating activities and are currently pending, are reported under process costs and risks. Environmental and disposal risks primarily encompass the estimated costs for demolition or disposal as well as provisions for environmental risks and risks related to contaminated sites and other obligations.

50. Deferred income from network subsidies

The following table shows the development of deferred income from network subsidies:

50. Deferred income from network subsidies

EURm

	Construction subsidies	Investment subsidies	Total
Carrying amount on 01.10.2012	425.3	44.2	469.5
Changes in the scope of consolidation	–	–	–
Additions	63.0	10.8	73.8
Reversal	–35.3	–4.5	–39.8
Carrying amount on 30.09.2013	453.0	50.5	503.5

Of the total subsidies, EUR 463.7m (previous year: EUR 433.6m) will not be recognised as income within one year.

51. Other non-current liabilities

Leases are related mainly to the long-term utilisation of heating networks and heat generation plants.

The accruals from financial transactions are related to present value advantages from lease-and-lease-back transactions in connection with electricity procurement rights from the Danube power plants.

Liabilities from derivative transactions include the negative fair values of hedging transactions, which are partially offset by contrary changes in bond liabilities.

The remaining other non-current liabilities include, among others, accrued tax liabilities related to the tax group in Austria, accrued long-term electricity delivery obligations and non-current prepayments made by customers.

51. Other non-current liabilities

EURm

	2012/13	2011/12
Leases	21.5	23.4
Accruals of financial instruments	3.9	3.4
Liabilities from derivative transactions	16.6	16.2
Remaining other non-current liabilities	9.5	6.9
Total	**51.5**	**49.9**

51. Term to maturity of other non-current liabilities

EURm

	Remaining term to maturity as of 30.09.2012			Remaining term to maturity as of 30.09.2011		
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Leases	9.2	12.3	21.5	9.6	13.8	23.4
Accruals of financial instruments	3.1	0.8	3.9	2.1	1.3	3.4
Liabilities from derivative transactions	3.2	13.4	16.6	5.5	10.8	16.2
Remaining other non-current liabilities	3.7	5.8	9.5	2.7	4.2	6.9
Total	**19.1**	**32.4**	**51.5**	**19.9**	**30.0**	**49.9**

Current liabilities

52. Current loans and borrowings

Bank overdrafts are included under cash and cash equivalents in the consolidated statement of cash flows.

52. Current loans and borrowings

EURm

	2012/13	2011/12
Bank loans	91.4	21.4
Bonds	264.5	–
Bank overdrafts and other current loans	34.4	28.0
Total	**390.3**	**49.4**

Loans totalling EUR 91.4m were reclassified to current financial liabilities because they are now due within one year.

The bond liabilities are due on 20 February 2014 (CHF bond) and 1 September 2014 (JPY bond) and were therefore reclassified from non-current to current. Based on previously fixed exchange rates, these bonds represent financial liabilities of EUR 169.1m (CHF bond) and EUR 65.6m (JPY bond) that are payable in 2014.

53. Taxes payable

Taxes payable as of the balance sheet date comprise the following:

53. Taxes payable EURm	2012/13	2011/12
Energy taxes	27.1	31.5
Value added tax	19.2	29.1
Corporate income tax	19.0	13.4
Other taxes and duties	11.4	12.9
Total	**76.8**	**87.0**

54. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 138.6m (previous year: EUR 160.2m).

The increase in trade payables resulted, above all, from the required refund of network access fees based on a supreme court decision in Bulgaria.

55. Current provisions

The provisions for personnel entitlements comprise special payments not yet due, outstanding leave and liabilities resulting from a voluntary early retirement programme for employees. The provisions for legally binding agreements totalled EUR 2.6m as of the balance sheet date (previous year: EUR 2.4m).

Onerous contracts include provisions for sales-related transactions in connection with power plants and the sale of energy.

55. Reconciliation of current provisions EURm	Personnel entitlements	Onerous contracts	Restructuring	Other current provisions	Total
Carrying amount on 01.10.2012	**61.8**	**16.3**	**1.3**	**5.7**	**84.9**
Use	–26.4	–14.0	–1.0	–17.8	–59.3
Additions	29.2	10.3	1.2	26.3	66.9
Carrying amount on 30.09.2013	**64.5**	**12.6**	**1.5**	**14.1**	**92.7**

56. Other current liabilities

The liabilities to EnergieAllianz partners result from the invoicing of customers' receivables, which is handled by EnergieAllianz on behalf of the EnergieAllianz partners.

Liabilities to investments in equity accounted investees consist primarily of amounts due to e&t for the distribution and procurement of electricity.

The liabilities to affiliates involve companies that are not included through full consolidation as well as balances with joint ventures that are included on a proportionate basis.

The other financial liabilities consist primarily of employee-related liabilities, deposits received and compensation payments for electricity futures.

Prepayments received served to cover the costs of electricity, natural gas and heating supplies as well as the installation of customer equipment.

The liabilities relating to social security contributions comprise amounts due to social insurance carriers.

56. Other current liabilities

EURm	2012/13	2011/12
Financial liabilities		
Liabilities to partners within EnergieAllianz	5.9	9.6
Liabilities to investments in equity accounted investees	22.4	21.3
Liabilities to affiliates	21.8	20.6
Deferred interest expenses	21.9	18.6
Liabilities arising from derivative transactions	6.0	4.3
Other financial liabilities	29.1	55.2
	107.1	**129.6**
Other liabilities		
Prepayments received	67.7	39.9
Liabilities relating to social security	10.2	11.9
	77.8	**51.7**
Total	**184.9**	**181.3**

Segment reporting

57. Segment reporting

EURm

	Generation		Energy Trade and Supply		Network Infrastructure Austria		Energy Supply South East Europe	
	2012/13	2011/12	**2012/13**	2011/12	**2012/13**	2011/12	**2012/13**	2011/12
External revenue	34.6	40.3	1,038.8	1,082.2	443.8	438.2	1,007.3	968.6
Internal revenue (between segments)	79.8	94.8	43.7	46.3	61.9	64.7	0.4	0.1
Total revenue	**114.3**	**135.1**	**1,082.4**	**1,128.5**	**505.7**	**502.9**	**1,007.7**	**968.7**
Operating expenses[1]	–76.8	–75.7	–1,029.4	–1,094.0	–284.6	–300.6	–890.6	–859.9
EBITDA[1]	**37.5**	**59.3**	**53.1**	**34.5**	**221.1**	**202.3**	**117.1**	**108.8**
Depreciation and amortisation	–27.9	–44.5	–16.0	–16.4	–100.7	–100.1	–65.8	–63.5
thereof impairment losses	–	–17.7	–0.6	–1.7	–0.2	–0.6	–	–2.5
thereof revaluation	–	–	–	–	–	–	–	–
Results from operating activities (EBIT)[1]	**9.6**	**14.8**	**37.1**	**18.1**	**120.4**	**102.2**	**51.2**	**45.3**
EBIT margin (%)[1]	8.4	11.0	3.4	1.6	23.8	20.3	5.1	4.7
Income from investments in equity accounted investees	–43.4	2.7	–18.7	–4.2	–	–	–	–
Interest income	0.6	0.2	0.2	0.6	0.3	0.2	0.6	0.8
Interest expense[1]	–13.9	–15.0	–9.6	–4.5	–21.2	–23.2	–27.9	–28.5
Financial results[1]	–55.9	–11.5	–28.2	–7.5	–19.0	–20.5	–27.5	–27.6
Profit before income tax[1]	**–46.3**	**3.3**	**8.9**	**10.7**	**101.4**	**81.6**	**23.7**	**17.7**
Goodwill	–	–	5.4	5.4	1.8	1.8	161.4	161.4
Carrying value of investments in equity accounted investees	389.7	372.9	26.2	45.7	–	–	–	–
Total assets	849.1	820.5	516.5	624.9	1,797.8	1,698.4	1,384.9	1,250.0
Liabilities	600.8	538.4	428.6	413.5	1,267.0	1,214.2	1,050.2	935.2
Investments[2]	29.8	16.0	30.1	30.1	176.4	144.8	82.4	90.3

1) The prior year figures were adjusted (see Reporting in accordance with IFRS on page 108)

2) In intangible assets and property, plant and equipment

57. Segment reporting

EURm

	Environmental Services		Strategic Investments and Other Business		Consolidation		Total	
	2012/13	2011/12	**2012/13**	2011/12	**2012/13**	2011/12	**2012/13**	2011/12
External revenue	227.2	314.9	3.3	2.3	–	–	2,755.0	2,846.5
Internal revenue (between segments)	21.1	20.8	64.7	63.5	–271.5	–290.2	–	–
Total revenue	**248.4**	**335.7**	**68.0**	**65.8**	**–271.6**	**–290.2**	**2,755.0**	**2,846.5**
Operating expenses[1)]	–209.7	–256.6	–75.7	–73.2	269.5	288.2	–2,297.4	–2,371.9
EBITDA[1)]	**38.7**	**79.0**	**–7.7**	**–7.4**	**–2.1**	**–2.0**	**457.6**	**474.5**
Depreciation and amortisation	–28.9	–27.2	–1.9	–1.7	2.1	2.0	–239.1	–251.3
thereof impairment losses	–0.2	–0.7	–	–	–	–	–1.0	–23.3
thereof revaluation	–	–	–	–	–	–	–	–
Results from operating activities (EBIT)[1)]	**9.8**	**51.9**	**–9.6**	**–9.1**	**–**	**–**	**218.5**	**223.2**
EBIT margin (%)[1)]	3.9	15.4	–14.1	–13.8	–	–	7.9	7.8
Income from investments in equity accounted investees	11.8	12.4	60.3	76.0	–	–	10.0	87.0
Interest income	20.1	24.9	34.8	35.6	–28.0	–31.4	28.4	30.9
Interest expense[1)]	–20.4	–26.1	–35.1	–38.5	27.9	31.3	–100.1	–104.4
Financial results[1)]	12.1	11.7	88.7	101.2	–8.3	–9.3	–38.1	36.5
Profit before income tax[1)]	**21.8**	**63.5**	**79.1**	**92.1**	**–8.3**	**–9.3**	**180.3**	**259.7**
Goodwill	41.5	41.5	–	–	–	–	210.0	210.0
Carrying value of investments in equity accounted investees	80.2	78.5	551.9	551.4	–	–	1,047.9	1,048.7
Total assets	1,468.9	1,472.4	2,887.2	2,718.8	–1,802.4	–1,721.8	7,102.1	6,863.2
Liabilities	1,059.3	1,054.0	1,342.7	1,326.8	–1,712.9	–1,632.4	4,035.6	3,849.5
Investments[2)]	12.0	22.7	3.5	4.7	–5.8	–0.3	328.4	308.3

1) The prior year figures were adjusted (see Reporting in accordance with IFRS on page 108)

2) In intangible assets and property, plant and equipment

57. Segment information by products – Revenue	EURm	2012/13	2011/12
Electricity		1,918.1	1,921.8
Natural gas		373.2	366.6
Heat		137.5	123.8
Environmental Services		227.2	314.9
Others		98.8	119.5
Total		**2,755.0**	**2,846.5**

57. Segment information by country – Revenue[1)]	EURm	2012/13	2011/12
Austria		1,602.9	1,648.7
Germany		91.2	161.4
Bulgaria		593.9	577.5
Macedonia		412.9	388.4
Others		54.2	70.4
Total		**2,755.0**	**2,846.5**

57. Segment information by country – Non-current assets[1)]	EURm	30.09.2013		30.09.2012	
		Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria		109.9	2,225.2	115.0	2,146.7
Germany		41.8	4.1	41.9	4.5
Bulgaria		190.3	490.0	189.5	476.7
Macedonia		55.6	274.8	56.7	272.0
Others		0.0*)	100.3	0.0*)	109.3
Total		**397.6**	**3,094.3**	**403.1**	**3,009.2**

*) Small amount

1) Differences to the prior year data are attributable to a change in the presentation by country.

57. Notes to segment reporting

The segments of business cover the following activities:

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 production 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 incineration in Austria, 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

Principle of segment allocation and transfer pricing

Subsidiaries are allocated directly to their respective segments. EVN AG is allocated to the segments on the basis of data from the cost accounting system.

The transfer prices for energy between the individual segments are based on comparable prices for special contract customers, and thus represent applicable market prices. For the remaining items, pricing is based on cost plus an appropriate mark-up.

Reconciliation of segment results at the Group level

Services performed between segments are eliminated in the consolidation column. The results in the "total" column reflect the amounts shown in the consolidated statement of operations.

Group disclosures

IFRS 8 requires additional segment information classified by products (external revenues from customers broken down by products and services) and countries (external revenues from customers and non-current assets broken down by countries) if this information is not provided as part of the segment reporting.

Information on transactions with major external customers is required only if these transactions amount to 10.0% or more of a company's external revenues. EVN has no transactions with customers that meet this criterion because of its large number of customers and diverse business activities.

The allocation of segment information by country is based on the headquarters of the companies.

Other information

58. Consolidated statement of cash flows

The consolidated statement of cash flows shows the changes in cash and cash equivalents during the reporting year as a result of cash inflows and outflows. The consolidated statement of cash flows is presented in accordance with the indirect method. Non-cash expenses were added to and non-cash income was subtracted from profit before tax.

Income tax payments of EUR 28.3m (previous year: EUR 28.9m) were reported separately under net cash flow from operating activities.

Dividends received, interest received and interest paid were allocated to cash flow from operating activities. Cash flows from dividend payments received for the 2012/13 financial year totalled EUR 131.1m (previous year: EUR 119.2m). Interest received amounted to EUR 26.6m (previous year: EUR 28.1m), and interest paid totalled EUR 55.4m (previous year: EUR 56.4m).

Proceeds from the disposal of intangible assets and property, plant and equipment amounted to EUR 3.4m (previous year: EUR 10.4m). These proceeds resulted in a gain of EUR 0.0m (previous year: gain of EUR 1.9m).

Dividend payments of EUR 75.0m (previous year: EUR 73.6m) to EVN AG shareholders and EUR 36.7m (previous year: EUR 38.4m) to non-controlling interests (in RBG and BUHO) were reported under net cash flow from financing activities.

The cash and cash equivalents surrendered in connection with business combinations amounted to EUR 0.0m (previous year: EUR 0.3m).

The share of cash and cash equivalents held by companies included through proportionate consolidation amounted to EUR –5.5m (previous year: EUR 2.2m).

57. Cash and cash equivalents

EURm	2012/13	2011/12
Cash	259.2	162.1
Cash on hand	0.5	0.4
Cash at banks	258.7	161.8
Bank overdrafts	–34.4	–28.0
Total	**224.8**	**134.1**

59. Risk management

Interest rate risk

EVN defines interest rate risk as the risk that fluctuations in the fair value or future cash flows of a financial instrument due to changes in the market interest rate could adversely affect interest income and expense as well as equity. This risk is minimised through the regular monitoring of interest rate risk and compliance with limits as well as hedging strategies that include the use of derivative financial instruments (also see note 9. Financial instruments). In order to manage interest rate risk, EVN works to achieve a balanced mix of fixed and variable rate financial instruments. The valuation process distinguishes between fixed interest rate and variable interest rate financial instruments.

EVN monitors interest rate risk through sensitivity analyses, among others with a daily value-at-risk (VaR) calculation. This procedure calculates the VaR with a confidence level of 99.0% for one day according to the variance-covariance method (delta-gamma approach). The interest rate VaR, including the hedging instruments used by EVN, equalled EUR 7.1m as of 30 September 2013 (previous year: EUR 9.0m). The year-on-year decline in the interest VaR as of 30 September 2013 resulted from market changes and changes in the remaining terms.

Foreign exchange risk

For EVN, the risk to profit or loss arising from fluctuations in foreign exchange rates arises from transactions carried out in currencies other than the euro.

EVN is exposed to foreign exchange risk on receivables, liabilities, and cash and cash equivalents that are not held in the Group's functional currency. The most significant drivers of foreign exchange risk for EVN are the bonds issued in Japanese yen (JPY) and Swiss francs (CHF). Foreign exchange risk is managed by way of the central compilation, analysis and management of risk positions, and by hedging the bonds denominated in foreign currencies through cross currency swaps (see notes 47. Non-current loans and borrowings and 9. Financial instruments).

The foreign exchange VaR, including the effects of hedges, totalled EUR 0.03m as of 30 September 2013 (previous year: EUR 0.02m) and is still immaterial.

Other market risks

EVN defines other market risks as the risk of price changes resulting from market fluctuations in primary energy, electricity supply and procurement, and securities.

In EVN's energy trading activities, energy trading contracts are entered into for the purpose of managing price risk. Price risks result from the procurement and sale of electricity, natural gas, coal, oil, biomass and CO_2 emission certificates. Forward and future contracts and swaps are used to hedge these price risks.

58. Price hedging in the Energy business

EURm

	2012/13					2011/12				
	Nominal volumes		Fair values			Nominal volumes		Fair values		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
Futures	39.8	–22.2	2.0	–0.8	1.2	46.0	–25.8	2.7	–1.9	0.7
Forwards	154.0	–43.3	6.8	–12.6	–5.9	118.2	–99.7	12.4	–14.6	–2.1

The sensitivity of measurement to market prices is discussed below. Sensitivity is calculated under the assumption that all other parameters remain unchanged. Furthermore, these derivatives serve as hedging instruments within the context of cash flow hedges. The analysis does not include derivatives that are related to the receipt or delivery of non-financial items in accordance with the company's expected purchase, sale or usage requirements (own use) and which therefore are not reported as financial instruments in accordance with IAS 39.

In the event of a 10.0% change in market prices as of the balance sheet date, the effects of the derivatives on equity would be EUR 6.6m (previous year: EUR 15.1m).

The price risk for securities results from fluctuations on the capital markets. The most significant securities position held by EVN is its investment in Verbund AG. The price risk VaR for the Verbund AG shares held by EVN as of the balance sheet date was EUR 28.4m (previous year: EUR 29.9m).

Liquidity risk

Liquidity risk represents the risk of not being able to raise the required financial resources to settle liabilities on their due date as well as the inability to raise the necessary liquidity at the expected terms and conditions. EVN minimises this risk by means of short-term and long-term financial planning. In concluding financing agreements, special attention is paid to managing the terms to maturity in order to achieve a balanced maturity profile and thus avoid the bundling of repayment dates. The EVN Group uses cash pooling to equalise liquidity balances.

As of the balance sheet date, cash and short-term securities totalling EUR 303.1m were available to cover liquidity needs (previous year: EUR 165.5m). Moreover, EVN had EUR 500.0m of contractually agreed and unused syndicated lines of credit (previous year: unused lines of credit totalling EUR 500.0m) and EUR 175.0m of contractually agreed and unused bilateral lines of credit (previous year: EUR 175.0m) as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 50.9% as of the balance sheet date (previous year: 56.5%) and underscores EVN's sound capital structure.

The nominal value of derivative financial liabilities in 2012/13 amounted to EUR 544.2m (previous year: EUR 579.4m). Cash flows of EUR –28.8m (previous year: EUR 32.8m) from interest comprise EUR –4.1m (previous year: EUR –7.7m) with a term of one year or less, EUR –10.2m (previous year: EUR 34.6m) with a term of one to five years, and EUR –14.5m (previous year: EUR 5.9m) with a term of more than five years.

59. Expected occurrence of cash flows

EURm

2012/13 financial year	Total payment flows	Contractually stipulated payment flows		
		< 1 year	1–5 years	> 5 years
Cash flows of hedged items	–387.3	–236.0	–94.8	–56.5
Cash flows from hedging instruments	15.7	24.0	–7.1	–1.1
Profit/Loss	57.9	64.8	–6.7	–0.2

2011/12 financial year	Total payment flows	Contractually stipulated payment flows		
		< 1 year	1–5 years	> 5 years
Cash flows of hedged items	–418.0	–30.6	–295.7	–91.8
Cash flows from hedging instruments	13.2	–4.4	19.7	–2.1
Profit/Loss	53.3	–4.8	60.9	–2.7

59. Terms to maturity of non-current loans and borrowings

EURm

2012/13 financial year	Carrying amount	Total payment flows	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	707.0	1,091.0	50.2	319.3	721.4
Non-current bank loans	864.4	977.5	126.5	415.4	435.5
Total	**1,571.4**	**2,068.4**	**176.7**	**734.8**	**1,157.0**

2011/12 financial year	Carrying amount	Total payment flows	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	1,028.6	1,348.5	51.8	571.1	725.6
Non-current bank loans	904.6	1,064.1	149.4	535.6	379.1
Total	**1,933.3**	**2,412.6**	**201.2**	**1,106.7**	**1,104.7**

Credit risks

Credit and default risk represents the risk of a loss when business partners fail to meet their contractual obligations. This risk is inherent to all agreements with delayed payment terms or fulfilment at a later date. To limit default risk, the company evaluates the credit standing of its business partners. External ratings (including Standard & Poor's, Moody's and KSV 1870) are used for this purpose, and the business volume is limited in accordance with the rating and the probability of default. Sufficient collateral is required before a transaction is entered into if the partner's credit rating is inadequate.

EVN monitors credit risk and limits default risk for financial receivables in the treasury area (e.g. investments, financial and interest derivatives) and for derivatives and forward transactions which are concluded to hedge the risks connected with EVN's energy business or are related to end customers and other debtors in the company's core business.

In order to reduce credit risk, hedging transactions are entered into only with well-known banks that have good credit ratings. EVN also ensures that funds are deposited at banks with the best possible credit standing based on international ratings.

The default risk for customers is monitored separately at EVN and supported primarily by ratings and values derived from experience. Credit risks are taken into account through individual and general bad debt allowances. Default risk is also minimised with efficient receivables management, the continuous monitoring of customer payment behaviour and the conclusion of appropriate default insurance.

59. Impairment losses by class

EURm	30.09.2013	30.09.2012
Write-offs/Value adjustments		
Non-current assets		
Other investments	0.4	0.9
	0.4	**0.9**
Current assets		
Receivables	37.3	43.4
Securities	–0.2	0.8
	37.1	**44.1**
Total impairment losses	**37.5**	**45.0**

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2013 and 30 September 2012 reflect the carrying amounts shown in notes 37. Other non-current assets, 39. Receivables and other current assets and 40. Securities, excluding financial guarantees.

The maximum default risk for derivative financial instruments equals the positive fair value (see note 61. Reporting of financial instruments).

The maximum risk from financial guarantees is described in note 63. Other obligations and risks.

60. Capital management

EVN's goal in the area of capital management is to maintain a solid capital structure in order to use the resulting financial strength for value-creating investments and an attractive dividend policy. One financial goal is to keep the equity ratio over 40%. As of 30 September 2013, the equity ratio equalled 43.2%. Gearing is measured as the ratio of net debt to equity, whereby net debt is calculated as current and non-current financial liabilities less cash and cash equivalents, current and non-current securities and originated loans. As of 30 September 2013, gearing equalled 50.9%.

60. Capital management

EURm	2012/13	2011/12
Non-current loans and borrowings	1,571.4	1,933.3
Current loans and borrowings	355.9	21.4
Cash and cash equivalents	–224.3	–134.1
Current securities	–43.9	–3.4
Non-current securities	–57.1	–77.0
Loans receivable	–39.2	–36.4
Net debt	**1,562.8**	**1,703.7**
Equity	**3,066.5**	**3,013.7**
Gearing (%)	**50.9**	**56.5**

61. Reporting on financial instruments

Fair value generally reflects the listed price on the balance sheet date. If this price is not available, fair value is calculated in accordance with financial methods, e.g. by discounting the expected cash flows at the prevailing market interest rate.

The fair value of shares in unlisted subsidiaries and other investments is based on discounted expected cash flows or comparable transactions. For financial instruments listed on an active market, the trading price as of the balance sheet date represents fair value. Most of the receivables, cash and cash equivalents, and current financial liabilities have short terms to maturity. Therefore, the carrying value of these instruments as of the balance sheet date approximately corresponds to fair value. The fair value of bonds is calculated as the present value of the discounted future cash flows based on prevailing market interest rates.

61. Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 7.27 A	30.09.2013 Carrying amount	30.09.2013 Fair value	30.09.2012 Carrying amount	30.09.2012 Fair value
Non-current assets						
Other investments						
Investments in affiliates	–	–	8.1	–	7.7	–
Miscellaneous investments[1)]	AFS	Level 1	686.7	686.7	661.0	661.0
			694.8		**668.7**	
Other non-current assets						
Securities	@FVTPL	Level 1	57.1	57.1	77.0	77.0
Loans receivable	LAR		39.2	39.2	36.4	36.4
Lease receivables and accrued lease transactions	LAR		703.6	703.6	673.0	673.0
Receivables arising from derivative transactions	Hedge Accounting	Level 2	–	–	83.1	83.1
Non-financial assets	–		61.1	–	28.9	–
			861.1		**898.3**	
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR		507.5	507.5	507.3	507.3
Receivables arising from derivative transactions	Hedge Accounting	Level 2	35.1	35.1	4.0	4.0
Non-financial assets	–		22.9	–	26.3	–
			565.5		**537.6**	
Securities	AFS		**43.9**	**43.9**	**3.4**	**3.4**
Cash and cash equivalents						
Cash on hand and cash at banks	LAR		259.2	259.2	162.1	162.1
			259.2		**162.1**	
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC		707.0	792.2	1,028.6	1,145.8
Bank loans	FLAC		864.4	864.4	904.6	904.6
			1,571.4		**1,933.3**	
Other non-current liabilities						
Leases	FLAC		21.5	21.5	23.4	23.4
Accruals of financial transactions	FLAC		3.9	3.9	3.4	3.4
Other liabilities	FLAC		9.5	9.5	6.9	6.9
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	16.6	16.6	16.2	16.2
			51.5		**49.9**	
Current liabilities						
Current loans and borrowings	FLAC		**390.3**	**390.3**	**49.4**	**49.4**
Trade payables	FLAC		**461.9**	**461.9**	**384.4**	**384.4**
Other current liabilities						
Other financial liabilities	FLAC		101.1	101.1	125.3	125.3
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	6.0	6.0	4.3	4.3
Non-financial liabilities	–		77.8	–	51.7	–
			184.9		**181.3**	
Aggregated to measurement categories						
Available for sale financial assets	AFS		730.6		664.4	
Loans and receivables	LAR		1,509.5		1,378.8	
Financial assets designated at fair value through profit or loss	@FVTPL		57.1		77.0	
Financial liabilities at amortised cost	FLAC		2,559.7		2,526.1	

1) Primarily listed investments that are classified as available for sale.

Derivative financial instruments

Derivative financial instruments are used primarily to hedge the company's liquidity, exchange rate, price and interest rate risks. The operative goal is to ensure the long-term continuity of the Group's earnings. All derivative financial instruments are integrated in a risk management system as soon as the respective contracts are concluded. This allows for the preparation of a daily overview of all main risk indicators. A separate staff unit has been established to monitor risk controlling and develop risk analyses based on the value-at-risk (VaR) method.

The nominal values represent the separate totals of the items classified as financial derivatives on the balance sheet date. These are reference values which do not provide a measure of the risk incurred by the company through the use of these financial instruments. In particular, potential risk factors include fluctuations in the underlying market parameters and the credit risk of the contracting parties. Derivative financial instruments are recognised at their fair value.

Derivative financial instruments comprise the following:

61. Derivative financial instruments	30.09.2013		30.09.2012	
	Nominal value[1]	Fair value[2]	Nominal value[1]	Fair value[2]
Currency swaps				
CHFm (below 1 year)[3]	250.0	35.1	–	–
CHFm (below 5 years)[3]	–	–	250.0	36.8
JPYm (below 1 year)[3]	8,000.0	–5.4	–	–
JPYm (below 5 years)[3]	–	–	8,000.0	16.2
JPYm (over 5 years)[3]	12,000.0	–5.4	12,000.0	30.1
USDm (below 5 years)[3]	–	–	3.0	0.0*)
Interest rate swaps				
EURm (below 5 years)[3]	–	–	5.7	–0.1
EURm (over 5 years)[3]	150.1	–11.1	165.5	–14.7
Energy swaps				
Purchases (natural gas, coal, oil)[3]	18.3	–1.0	31.0	–0.1

*) Small amount
1) In m nominal currency
2) In EURm
3) Used as a hedging instrument in accordance with IAS 39

Positive fair values are recognised as receivables from derivative transactions under other non-current assets or other current assets, depending on their remaining term to maturity. Negative fair values are recognised as liabilities from derivative transactions under other non-current liabilities or other current liabilities, depending on their remaining term to maturity.

62. Significant events after the balance sheet date

ENERGIEALLIANZ Austria GmbH and its regional energy distribution companies announced the start of an energy efficiency campaign (e.g. bonuses for the purchase of energy-efficient equipment, energy services) as well as an average reduction of 3.6% in the price of electricity and natural gas for household and small business customers as of 1 October 2013.

The Duisburg-Walsum coal-fired power plant started trial operations on 21 October 2013. This phase involves final tests and will represent the completion of trial operations with commercial start-up. The evaluation of possible claims showed that the legal proceedings and lawsuits, individually and as a whole, would not have a material negative effect on EVN's business, liquidity, profit or loss or financial position.

A judgment issued by a five-member senate of the Bulgarian Supreme Administrative Court (SAC) on 4 November 2013 confirmed an earlier decision by the three-member senate in favour of EVN. The ruling indicated that the previous method used to determine the compensation for the added costs of renewable electricity and electricity from highly efficient cogeneration plants is inappropriate and illegal. This method was in use from 1 July 2012 to 31 July 2013 and represented a disadvantage for EVN.

The sale of the 50% stake in ALLPLAN Gesellschaft m.b.H., which is active in the area of technical building equipment, was finalised as of 5 November 2013. This stake was previously held by Utilitas. The transaction reflects EVN's strategy to consolidate its activities and concentrate on the core business.

63. Other obligations and risks

The commitments entered into by EVN and the related risks are as follows:

63. Other obligations and risks EURm	2012/13	2011/12
Guarantees in connection with energy transactions	151.7	108.4
Guarantees in connection with construction projects in the Environmental Services segment	201.9	260.4
Guarantees related to the construction and operation of		
energy networks	9.9	7.0
power plants	421.3	491.1
Order obligations for investments in intangible assets and property, plant and equipment	107.5	94.6
Further obligations arising from guarantees or other contractual contingent liabilities	0.8	5.8
Total	**893.1**	**967.4**

Neither provisions nor liabilities were recognised for the above-mentioned items because claims to the fulfilment of obligations or the actual occurrence of specific risks were not expected at the time these consolidated financial statements were prepared. The above-mentioned obligations were contrasted by corresponding recourse claims of EUR 197.8m (previous year: EUR 217.2m).

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 91.5m as of 30 September 2013. The nominal volume of the guarantees underlying this assessment was EUR 485.5m. As of 31 October 2013, the market price risk was EUR 95.1m based on an underlying nominal volume of EUR 484.0m.

Various legal proceedings and lawsuits related to operating activities are pending or claims may be filed against EVN in the future. The attendant risks were analysed in relation to their probability of occurrence. The evaluation of possible claims showed that the legal proceedings and lawsuits, individually and as a whole, would not have a material negative effect on EVN's business, liquidity, profit or loss or financial position. Additional obligations arising from guarantees and other contractual contingent liabilities consisted chiefly of outstanding capital contributions and loan commitments to affiliates as well as liabilities for affiliates' loans.

64. Information on transactions with related parties

In accordance with IAS 24, transactions with related parties arise through direct or indirect control, significant influence or joint management. Related parties include close family members of the respective natural persons. Key management personnel and their close family members are also considered to be related parties.

EVN's related parties include all companies in the scope of consolidation, other subsidiaries and associates, the main shareholders NÖ Landes-Beteiligungsholding GmbH, St. Pölten, and their subsidiaries, EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, as well as people who are responsible for the planning, management and supervision of the Group's activities. In particular, related parties also include the members of the Executive Board and the Supervisory Board as well as their family members. A list of the Group companies can be found starting on page 167 under EVN's investments. EVN AG is integrated in the consolidated financial statements of EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, as an investment in an equity accounted investee.

Transactions with related companies

Main shareholder

A group and tax settlement agreement was concluded with NÖ Landes-Beteiligungsholding GmbH, St. Pölten, in connection with the inclusion of EVN AG in a corporate tax group as defined in § 9 of the Austrian Corporate Tax Act. EVN AG has since added further subsidiaries to the tax group based on this agreement. This resulted in a liability of EUR 7.3m as of 30 September 2013 (previous year: liability of EUR 8.8m) due to NÖ Landes-Beteiligungsholding GmbH, St. Pölten.

Investments in equity accounted investees

Within the context of its ordinary business operations, EVN has concluded supply and service contracts with numerous associates included at equity in its consolidated financial statements. Long-term agreements were concluded with e&t for the sale and sourcing of electricity, and long-term sourcing contracts were concluded with EconGas for natural gas.

The value of services provided to investments in equity accounted investees is as follows:

64. Transactions with investments in equity accounted investees

EURm	2012/13	2011/12
Revenue	156.8	155.8
Cost of services received	663.9	777.2
Trade accounts receivable	106.1	74.8
Trade accounts payable	22.4	21.3
Loans	10.4	11.7
Receivables from cash pooling	0.1	0.1
Liabilities from cash pooling	0.0*)	0.0*)
Interest income from loans	0.6	0.2
Interest balance from cash pooling	0.0*)	0.0*)

*) Small amount

Transactions with related individuals

Executive Board and Supervisory Board

The payments to members of the Executive Board and the Supervisory Board consist primarily of salaries, severance payments, pensions and Supervisory Board remuneration.

The remuneration paid to the active members of the Executive Board in 2012/13 totalled TEUR 1,404.3 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,431.4).

The following table provides detailed information on the remuneration of the Executive Board in 2012/13:

64. Remuneration of the active Executive Board

	Fixed remuneration	Variable remuneration	Compensation in kind
Peter Layr	TEUR 363.9	TEUR 118,4	TEUR 9.8
Stefan Szyszkowitz	TEUR 339.3	TEUR 110,4	TEUR 9.8
Herbert Pöttschacher	TEUR 280,4	TEUR 113.6	TEUR 7.4

Furthermore, an addition of TEUR 932.6 was made to the provision for pensions obligations on behalf of Peter Layr in 2012/13 (thereof TEUR 240.3 interest expense, including TEUR 530.0 of actuarial gains/losses). In the previous year, the addition amounted to TEUR 1,341.5 (thereof TEUR 231.6 interest expense, including TEUR 981.2 of actuarial gains/losses). For Stefan Szyszkowitz, the pension fund contributions equalled TEUR 51.2 (previous year: TEUR 49.7) and TEUR 502.3 were added to the provision for pensions (thereof TEUR 92.3 interest expense, including TEUR 294.6 of actuarial gains/losses). In 2011/12, the addition to the provision for pensions amounted to TEUR 693.5 (thereof TEUR 79.1 interest expense, including TEUR 531.1 of actuarial gains/losses).

The addition to the provisions for severance payments equalled TEUR 28.0 in 2012/13 for Peter Layr (thereof TEUR 17.7 interest expense, including TEUR –1.9 of actuarial gains/losses) and TEUR 43.2 in the previous year (thereof TEUR 19.9 interest expense, including TEUR 11.9 of actuarial gains/losses). For Stefan Szyszkowitz, TEUR 8.0 were contributed to an external employee fund (previous year: TEUR 6.8).

The year-on-year change in the remuneration of the active members of the Executive Board is attributable primarily to the retirement of Herbert Pöttschacher as of 30 June 2013, to the annual wage and salary increases mandated by collective bargaining agreements and to the change in performance-based components. The members of the Executive Board are entitled to legally defined severance compensation at the end of their functions. They are also entitled to a contractually agreed pension on retirement, whereby the pension payments under Austrian social security scheme and any payments from EVN Pensionskasse are credited against this amount.

The payments to former members of the Executive Board or their surviving dependents amounted to TEUR 1,587.3 for the reporting year (previous year: TEUR 1,028.3).

Expenses for severance payments and pensions for active members of senior management totalled TEUR 1,359.5 in 2012/13 (thereof TEUR 303.2 interest expense, including TEUR 780.5 of actuarial gains/losses) and TEUR 1,841.4 in the previous year (thereof TEUR 292.5 interest expense, including TEUR 1,160.7 of actuarial gains/losses).

The above amounts include expenses recognised in accordance with national law, as required by the Austrian Corporate Governance Code. Actuarial gains and losses are recorded under other comprehensive income without recognition through profit or loss in keeping with IAS 19.

The Supervisory Board remuneration totalled EUR 0.1m in 2012/13 (previous year: EUR 0.1m). The members of the Advisory Board for the Environment and Social Responsibility received remuneration of EUR 0.1m during the reporting year (previous year: EUR 0.1m).

The basic principles underlying the remuneration system are presented in the remuneration report (starting on page 56), which is part of the Management Report.

Transactions with other related companies

The disclosure requirements for the notes do not cover information on intragroup transactions. Therefore, business transactions between EVN and its subsidiaries or joint ventures are not reported.

Business transactions with non-consolidated affiliates and associates not included at equity are generally not reported due to their immateriality.

Related parties can also be direct customers of a company within the EVN Group, whereby these business relationships reflect prevailing market rates and conditions and are immaterial in relation to the total income recorded by the EVN Group in 2012/13. The resulting items which were outstanding as of 30 September 2013 were reported under trade accounts receivable.

65. Other disclosures

The EVN Group uses cash pooling to manage liquidity and optimise interest rates. EVN Finanzservice GmbH and each of the participating Group subsidiaries have concluded a contract that defines the modalities for cash pooling.

66. Information on management and staff

The corporate bodies of EVN AG are:

Executive Board

Peter Layr – Spokesman of the Executive Board
Stefan Szyszkowitz – Member of the Executive Board

Supervisory Board
Burkhard Hofer – Chairman
Stefan Schenker – Vice-Chairman
Willi Stiowicek – Vice-Chairman
Norbert Griesmayr
Thomas Kusterer
Dieter Lutz
Reinhard Meissl
Bernhard Müller
Edwin Rambossek
Michaela Steinacker
Monika Fraißl – employee representative
Franz Hemm – employee representative
Paul Hofer – employee representative
Otto Mayer – employee representative
Manfred Weinrichter – employee representative

67. Approval of the 2012/13 consolidated financial statements for publication

These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 11 December 2013 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

68. Auditing fees

EVN's consolidated financial statements for the 2012/13 financial year were audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. Auditing and consulting fees amounted to EUR 1.8m for the reporting year (previous year: EUR 2.1m), whereby 35.0% are attributable to auditing and audit-related services, 63.0% to tax advising and 2.0% to other consulting services.

Maria Enzersdorf, 19 November 2013

EVN AG
The Executive Board

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

Financial information on joint ventures and investments in equity accounted investees

The following overview presents the key items in the statement of financial position and the statement of operations of proportionately consolidated joint ventures:

Key figures of joint ventures EURm	2012/13	2011/12
Statement of financial position		
Non-current assets	19.8	17.1
Current assets	293.9	357.7
Non-current liabilities	1.1	1.7
Current liabilities	209.8	268.0
Statement of operations		
Revenue	1,111.7	1,146.9
Operating expenses	–1,057.8	–1,103.9
Depreciation and amortisation	–0.4	–0.4
Operating result (EBIT)	53.4	42.6
Financial results	–0.4	–0.1
Profit before income tax	53.0	42.6

The following overview presents the key items in the statement of financial position and the statement of operations in equity accounted investees:

Key figures of investments in equity accounted investees EURm	2012/13	2011/12
Statement of financial position		
Equity	2,532.5	1,630.2
Assets	7,290.1	5,829.0
Liabilities	4,757.6	4,198.8
Statement of operations		
Revenue	13,178.5	12,116.0
Profit for the period	–48.3	134.5

EVN's investments

The following table lists EVN's investments classified by segment of business. The list of companies not included in the consolidated financial statements of EVN AG for materiality reasons is based on the companies' last available local annual financial statements as of the respective balance sheet date. The data from companies that report in a foreign currency is translated into euros at the exchange rate on the balance sheet date of EVN AG.

1. EVN's investments in the Energy business ≥ 20,0% as of 30 September 2013

1.1 Included in the consolidated financial statements of EVN AG

Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2012/13
ALLPLAN Gesellschaft m.b.H., Vienna	Utilitas	50.00	31.12.2012	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2013	E
EAA Erdgas Mobil GmbH in Liquidation, Vienna	EAA	100.00	30.09.2013	Q
EconGas GmbH, ("EconGas"), Vienna[1)]	EVN	16.51	31.12.2012	E
ENERGIEALLIANZ Austria GmbH, ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2013	Q
EVN Bulgaria Electrorazpredelenie EAD, ("EVN Bulgaria EP"), Plovdiv, Bulgaria	EVN	100.00	31.12.2012	V
EVN Bulgaria Electrosnabdjavane EAD, ("EVN Bulgaria EC"), Plovdiv, Bulgaria	EVN	100.00	31.12.2012	V
EVN Bulgaria EAD, ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2012	V
EVN Bulgaria Toplofikatsia EAD, ("TEZ Plovdiv"), Plovdiv, Bulgaria	EVN	100.00	31.12.2012	V
EVN Croatia Plin d.o.o, Zagreb, Croatia	EVN	100.00	30.09.2013	V
EVN Energievertrieb GmbH & Co KG, ("EVN KG"), Maria Enzersdorf	EVN	100.00	30.09.2013	Q
EVN Gorna Arda Development EOOD, Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2012	V
EVN Geoinfo GmbH, ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2013	V
EVN Kavarna EOOD, ("EVN Kavarna"), Plovdiv, Bulgaria	evn naturkraft	100.00	31.12.2012	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH, ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2013	V
EVN Liegenschaftsverwaltung Gesellschaft m.b.H., ("EVN LV"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2013	V
EVN Macedonia AD, ("EVN Macedonia"), Skopje, Macedonia	EVN	90.00	31.12.2012	V
EVN Macedonia Elektrani DOOEL, Skopje, Macedonia	EVN Macedonia	100.00	31.12.2012	V
EVN Macedonia Holding DOOEL, Skopje, Macedonia	EVN	100.00	31.12.2012	V
evn naturkraft Beteiligungs- und Betriebs-GmbH, ("evn nk BuB"), Maria Enzersdorf	evn naturkraft	100.00	30.09.2013	V
evn naturkraft Erzeugungsgesellschaft m.b.H., ("evn naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2013	V
EVN Netz GmbH, ("EVN Netz"), Maria Enzersdorf[2)]	EVN	100.00	30.09.2013	V
EVN Projektmanagement GmbH, Maria Enzersdorf	EVN LV	100.00	30.09.2013	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2012	V
EVN Trading d.o.o. Beograd, Belgrade, Serbia	EVN SEE	100.00	31.12.2012	V
EVN Trading DOOEL, Skopje, Macedonia	EVN SEE	100.00	31.12.2012	V
EVN Trading South East Europe EAD, ("EVN SEE"), Sofia, Bulgaria	EVN	100.00	31.12.2012	V
EVN Wärme GmbH, ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2013	V
EVN-Vienna ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	evn naturkraft	50.00	30.09.2012	E
e&t Energie Handelsgesellschaft mbH, ("e&t"), Vienna	EVN	45.00	30.09.2013	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2012	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2013	E
Hydro Power Company Gorna Arda AD, Bulgaria	EVN	70.00	31.12.2012	V

Method of consolidation:

V: Fully consolidated company (subsidiary)
NV: Non-consolidated affiliate
Q: Company included on a proportionate basis (joint venture)
NQ: Company not included on a proportionate basis (joint venture)
E: Investment in equity accounted investee
NE: Investment in associate not included at equity

1.1 Included in the consolidated financial statements of EVN AG Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2012/13
kabelplus GmbH, ("kabelplus"), Maria Enzersdorf [3]	Utilitas	100.00	30.09.2013	V
Naturkraft Energievertriebsgesellschaft m.b.H., Vienna	EAA	100.00	30.09.2013	Q
Naturkraft EOOD, Plovdiv, Bulgaria	evn naturkraft	100.00	31.12.2012	V
Shkodra Region Beteiligungsholding GmbH, Vienna	EVN	49.99	31.12.2012	E
SWITCH Energievertriebsgesellschaft m.b.H., Salzburg-Aigen	EAA	100.00	30.09.2013	Q
STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH, Essen, Germany	EVN Kraftwerk	49.00	31.12.2012	E
VERBUND Innkraftwerke Germany GmbH, Töging, Germany [1]	evn nk BuB	13.00	31.12.2012	E
V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H., ("V&C"), Pressbaum	Utilitas	100.00	31.03.2013	V
Wasserkraftwerke Trieb und Krieglach GmbH, ("WTK"), Maria Enzersdorf	evn naturkraft	70.00	30.09.2013	V

1) Despite an interest of ≤ 20.0%, the shareholding is included due to its materiality.

2) Due to legal requirements, the name of the company was changed with 1 October 2013 in "Netz Niederösterreich GmbH".

3) Formerly kabelplus AG, Maria Enzersdorf

1.2 Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2012/13
Anlagenbetriebsgesellschaft Waidhofen/Ybbs GmbH	EVN Wärme	100.00	EUR	2,628	7.807	30.09.2012	NV
				(–6,652)	(–6.946)	(31.12.2011)	
Albnor Company DOO, Tetovo, Macedonia	EVN Macedonia	70.00	MKD	742	–86	31.12.2012	NV
				(327)	(27)	(31.12.2011)	
ARGE Coop Telekom, Maria Enzersdorf	EVN Geoinfo	50.00	EUR	102	41	31.12.2012	NE
				(93)	(32)	(31.12.2011)	
ARGE Digitaler Leitungskataster NÖ, Maria Enzersdorf	EVN Geoinfo	30.00	EUR	71	104	31.12.2012	NE
				(–32)	(–164)	(31.12.2011)	
ARGE GIP.nö, Maria Enzersdorf [1]	EVN Geoinfo	60.00	EUR	–	–	31.12.2013	NE
				(–)	(–)	(31.12.2012)	
B3 ENERGIE GmbH, St. Georgen an der Gusen	EVN Wärme	50.00	EUR	–957	–642	30.09.2012	NE
				(–314)	(–322)	(30.09.2011)	
B.net Hungária Távközlési Kft., Sopron, Hungary	kabelplus	100.00	HUF	–59	–39	30.09.2012	NV
				(–21)	(–57)	(30.09.2011)	
Bioenergie Wiener Neustadt GmbH	EVN Wärme	90.00	EUR	607	–28	31.12.2012	NV
				(636)	(–328)	(31.12.2011)	
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	EUR	64	–73	31.12.2012	NE
				(137)	(–20)	(31.12.2011)	
EMC Energy Consulting Trading Gesellschaft mbH München, Germany	EAA	100.00	EUR	22	–3	30.09.2013	NQ
				(25)	(–1)	(30.09.2012)	
EVN Albania SHPK, Tirana, Albania	EVN	100.00	ALL	49	–86	31.12.2012	NV
				(36)	(–106)	(31.12.2011)	
EVN GRID MANAGEMENT EOOD, Plovdiv, Bulgaria [1]	EVN Bulgaria	100.00	BGN	–	–	31.12.2013	NV
				(–)	(–)	(31.12.2012)	
EVN Macedonia Elektrosnabduvanje DOOEL, Skopje	EVN Macedonia	100.00	MKD	5	0	31.12.2012	NV
				(5)	(0)	(31.12.2011)	
Energiespeicher Sulzberg GmbH, Maria Enzersdorf	evn naturkraft	51.00		1,031	–14	30.09.2013	NV
				–5	–241	(30.09.2012)	
EVN Trading d.o.o. Podgorica, Podgoriza, Montenegro	EVN SEE	100.00	EUR	10	0	31.12.2012	NV
				(10)	(0)	(31.12.2011)	
EVN Trading SHPK, Tirana, Albania	EVN SEE	100.00	ALL	3	–12	31.12.2012	NV
				(15)	(–10)	(31.12.2011)	

1.2 Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2012/13
EVN-Vienna ENERGIE Windparkentwicklungs- und Betriebs GmbH, ("EVN-WE Wind GmbH"), Vienna	evn naturkraft	50.00	EUR	37 (36)	1 (1)	30.09.2012 (30.09.2011)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	EUR	772 (24)	–51 (–5)	31.12.2012 (31.12.2011)	NE
FWG-Fernwärmeversorgung Hollabrunn registrierte Genossenschaft mit beschränkter Haftung in Liquidation, Göllersdorf	EVN/Utilitas	100.00	EUR	377 (952)	–10 (18)	30.06.2013 (30.06.2012)	NV
IN-ER Erömü Kft., Nagykanizsa, Hungary	EVN	70.00	HUF	1.856 (1,925)	16 (10)	31.12.2012 (31.12.2011)	NV
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	evn naturkraft	33.33	EUR	48 (45)	3 (3)	31.12.2012 (31.12.2011)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	evn naturkraft	33.33	EUR	6,740 (6,036)	704 (566)	31.12.2012 (31.12.2011)	NE
MAKGAS DOOEL, Skopie, Macedonia	EVN	100.00	MKD	– (0)	– (0)	31.12.2012 (31.12.2011)	NV
Netz Niederösterreich Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf [1]	EVN Netz	100.00	EUR	1,757 (–)	0 (–)	30.09.2013 (30.09.2012)	NV
Spieth Kathodischer Korrosionsschutz GmbH Denkendorf, Germany	V&C	100.00	EUR	0 (0)	–8 (–10)	31.12.2012 (31.12.2011)	NV
VCK Betonschutz + Monitoring GmbH, Mainz, Germany	V&C	50.00	EUR	67 (65)	2 (4)	31.12.2012 (31.12.2011)	NE

1) The company was newly established during the 2012/13 financial year.

2. EVN's investments in the Environmental Services business ≥ 20% as at 30 September 2013

2.1 Included in the consolidated financial statements of EVN AG Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2012/13
AUL Abfallumladelogistik Austria GmbH, Maria Enzersdorf	EVN Abfall	50.00	30.09.2013	E
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2013	V
EVN Abfallverwertung Niederösterreich GmbH, ("EVN Abfall"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2013	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH, ("EVN MVA1") Essen, Germany	WTE Essen	100.00	30.09.2013	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH, ("EVN MVA3") Maria Enzersdorf	EVN Umwelt/ Utilitas	100.00	30.09.2013	V
EVN Umwelt Beteiligungs und Service GmbH, ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2013	V
EVN Umwelt Finanz- und Service-GmbH, ("EVN UFS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2013	V
EVN Umweltholding und Betriebs-GmbH, ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2013	V
evn wasser Gesellschaft m.b.H., ("evn wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2013	V
OAO BUDAPRO-ZAVOD No. 1, Moscow, Russia	EVN MVA1	100.00	31.12.2012	V
OAO "EVN MSZ 3", ("OAO MVA3"), Moscow, Russia	EVN MVA3	100.00	31.12.2012	V
OAO "WTE Süd-West", Moscow, Russia	Süd-West	100.00	31.12.2012	V
OAO "WTE Süd-Ost", Moscow, Russia	WTE Hyp	100.00	31.12.2012	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2012	V
OOO EVN Umwelt, Moscow, Russia [1]	EVN UBS	100.00	31.12.2013	V
Saarberg Hölter Projektgesellschaft Süd Butowo mbH, ("Süd Butowo") Essen, Germany	WTE Essen	100.00	30.09.2013	V

2.1 Included in the consolidated financial statements of EVN AG Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2012/13
SHW Hölter Projektgesellschaft Zelenograd mbH, ("Zelenograd"), Essen, Germany	WTE Essen	100.00	30.09.2013	V
sludge2energy GmbH, Berching, Germany	WTE Essen	50.00	30.09.2013	E
Storitveno podjetje Lasko d.o.o., Lasko, Slovenia	WTE Essen	100.00	30.09.2013	V
WTE Betriebsgesellschaft mbH, ("WTE Betrieb"), Hecklingen, Germany	WTE Essen	100.00	30.09.2013	V
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Essen	100.00	31.12.2012	V
WTE otpadne vode Budva DOO, Podgoriza, Montenegro	WTE Essen	100.00	31.12.2012	V
WTE Projektgesellschaft Natriumhypochlorit mbH, ("WTE Hyp"), Essen, Germany	EVN UFS/ WTE Essen	100.00	30.09.2013	V
WTE Projektgesellschaft Süd-West Wasser mbH, ("Süd-West"), Essen, Germany	WTE Essen	100.00	30.09.2013	V
WTE Projektgesellschaft Trinkwasseranlage d.o.o., Beograd-Vracar, Serbia[2)]	WTE Essen	100.00	30.09.2013	V
WTE Projektna druzba Bled d.o.o., Bled, Slovenia	WTE Essen	100.00	30.09.2013	V
WTE Projektna druzba Kranjska Gora d.o.o., Kranjska Gora, Slovenia	WTE Essen	100.00	30.09.2013	V
WTE Wassertechnik GmbH, ("WTE Essen"), Essen, Germany	EVN Umwelt	100.00	30.09.2013	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warsaw, Poland	WTE Essen	100.00	30.09.2013	V
Zagrebacke otpadne vode d.o.o., ("ZOV"), Zagreb, Croatia	WTE Essen	48.50	31.12.2012	E
Zagrebacke otpadne vode – upravljanje i pogon d.o.o., ("ZOV UIP"), Zagreb, Croatia	WTE Essen	33.00	31.12.2012	E

1) The company was newly established during the 2012/13 financial year.
2) The company was fully consolidated for the first time with the first quarter of 2012/13 financial year.

2.2 Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2012/13
ABeG Abwasserbetriebsgesellschaft mbH Offenbach am Main, Germany	WTE Essen	49.00	EUR	564 (478)	84 (22)	30.09.2013 (30.09.2012)	NE
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	WTE Essen	26.00	EUR	37 (37)	0 (0)	31.12.2012 (31.12.2011)	NE
Degremont WTE Wassertechnik Praha v.o.s. Praha, Czech Republic	WTE Essen	35.00	CZK	– (–)	– (–)	31.12.2012 (31.12.2011)	NE
EVN MVA Nr. 1 Finanzierungs- und Servicegesellschaft mbH Maria Enzersdorf	WTE Essen	100.00	EUR	31 (33)	–1 (–2)	30.09.2013 (30.09.2012)	NV
Nevawasser Projektgesellschaft mbH ("Nevawasser"), Essen, Germany[1)]	WTE Essen	100.00	EUR	24 (–)	–1 (–)	30.09.2013 (30.09.2012)	NV
OAO WTE Kurjanovo, Moscow, Russia	Kurjanovo	100.00	RUB	2 (2)	0 (0)	31.12.2012 (31.12.2011)	NV
OAO EVN Ljuberzy, Moscow, Russia	Ljuberzy	100.00	RUB	2 (2)	0 (0)	31.12.2012 (31.12.2011)	NV
OOO Eco Reagent, Moscow, Russia	OAO "WTE Süd-Ost"/EVN UBS	100.00	RUB	2 (2)	0 (0)	31.12.2012 (31.12.2011)	NV
OOO EVN-Ekotechprom MSZ3, Moscow, Russia	OAO MVA3	70.00	RUB	3,544 (2,900)	1,116 (335)	31.12.2012 (31.12.2011)	NV
OOO Nordwasserwerk, Moscow, Russia[1)]	Nevawasser	100.00	RUB	– (–)	– (–)	31.12.2013 (31.12.2012)	NV
OOO Süd-West Wasserwerk, Moscow, Russia	Süd-West	70.00	RUB	2,939 (3,769)	693 (2,099)	31.12.2012 (31.12.2011)	NV
OOO "WTE Wassertechnik West", Moscow, Russia	WTE Essen	100.00	RUB	2 (3)	0 (0)	31.12.2012 (31.12.2011)	NV
EVN Projektgesellschaft KSV Ljuberzy mbH Essen, Germany ("Ljuberzy")	WTE Essen	100.00	EUR	24 (24)	0 (–1)	30.09.2013 (30.09.2012)	NV

2.2 Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2012/13
SHW/RWE Umwelt Aqua Vodogradnja d.o.o. Zagreb, Croatia	WTE Essen	50.00	HRK	1,419	103	31.12.2012	NE
				(1,696)	(351)	(31.12.2011)	
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbh, Buckow, Germany	WTE Essen	49.00	EUR	530	8	31.12.2012	NE
				(521)	(9)	(31.12.2011)	
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	evn wasser	50.00	EUR	873	–1	31.12.2012	NE
				(874)	(–5)	(31.12.2011)	
WTE Baltic UAB, Kaunas, Lithuania	WTE Essen	100.00	LTL	185	17	30.09.2013	NV
				(169)	(13)	(30.09.2012)	
WTE Projektgesellschaft Kurjanovo mbH Essen, Germany ("Kurjanovo")	WTE Essen	100.00	EUR	23	–1	30.09.2013	NV
				(23)	(–1)	(30.09.2012)	
WTE Projektmanagement GmbH, Essen, Germany	WTE Essen	100.00	EUR	19	–1	30.09.2013	NV
				(20)	(0)	(30.09.2012)	
ZAO "STAER", Moscow, Russia	Süd Butowo	70.00	RUB	110	63	31.12.2012	NV
				(281)	(120)	(31.12.2011)	
ZAO "STAER-ZWK", Moscow, Russia	Zelenograd	70.00	RUB	610	116	31.12.2012	NV
				(713)	(173)	(31.12.2011)	

1) The company was newly established during the 2012/13 financial year.

3. EVN AG – Investments in the Strategic Investments and Other Business segment ≥ 20% as at 30 September 2013

3.1 Included in the consolidated financial statements of EVN AG Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2012/13
Burgenland Holding Aktiengesellschaft, ("BUHO"), Eisenstadt	EVN	73.63	30.09.2013	V
Energie Burgenland AG, Eisenstadt	BUHO	49.00	30.09.2012	E
EVN Business Service GmbH, Maria Enzersdorf	Utilitas	100.00	30.09.2013	V
EVN Finanzmanagement und Vermietungs-GmbH, ("EVN FM"), Maria Enzersdorf	EVN	100.00	30.09.2013	V
EVN Finanzservice GmbH, Maria Enzersdorf	EVN FM	100.00	30.09.2013	V
EVN WEEV Beteiligungs GmbH, Maria Enzersdorf	EVN	100.00	31.08.2013	V
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	30.09.2013	E
R 138-Fonds, Vienna	EVN/EVN Netz/ evn wasser	100.00	30.09.2013	V
RAG-Beteiligungs-Aktiengesellschaft, ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2013	V
Rohöl-Aufsuchungs Aktiengesellschaft, ("RAG"), Vienna	RBG	100.00	31.12.2012	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H, ("Utilitas") Maria Enzersdorf	EVN	100.00	30.09.2013	V
WEEV Beteiligungs GmbH, Maria Enzersdorf [1)]	EVN WEEV	50.00	30.06.2013	E

1) In Verbund AG, 12.63% are held, and thereof indirectly through the WEEV Beteiligungs GmbH 1.09%.

3.2 Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2012/13
EVN-Pensionskasse Aktiengesellschaft, ("EVN-Pensionskasse"), Maria Enzersdorf	EVN	100.00	EUR	3,846	176	31.12.2012	NV
				(3,675)	(175)	(31.12.2011)	
NÖTECH NÖ Energieforschungs-, -planungs-, -betriebs- und -servicegesellschaft m.b.H., Maria Enzersdorf	Utilitas	50.00	EUR	5	–195	31.12.2012	NE
				(30)	(–934)	(31.12.2011)	
Wiener Stadtwerke Management Beta Beteiligungs GmbH, Vienna	Utilitas	47.37	EUR	466	–3	30.11.2012	NE
				(470)	(–449)	(30.11.2011)	

Auditor's report

Report on the Consolidated financial statements

We have audited the accompanying **Consolidated financial statements** of

EVN AG,
Maria Enzersdorf,

for the reporting period from **1 October 2012 to 30 September 2013**. These Consolidated financial statements comprise the Statement of financial position as of 30 September 2013 and the Statement of operations, Statement of comprehensive income, Statement of cash flows and the Statement of changes in stockholders' equity for the year then ended, and the notes.

Management's responsibility for the Consolidated financial statements and accounting system

Management is responsible for the accounting system and for the preparation and fair presentation of these Consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements of Section 245a (Austrian Commercial Code) UGB. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the Statutory Audit

Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the Consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 30 September 2013 and of its financial performance and its cash flows for the year from 1 October 2012 to 30 September 2013 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the Management report for the Group

Pursuant to statutory provisions, the Management report for the Group is to be audited as to whether it is consistent with the Consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the Management report for the Group is consistent with the Consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the Management report for the Group is consistent with the Consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 19 November 2013

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed

Walter Reiffenstuhl	Heidi Schachinger
Wirtschaftsprüfer	Wirtschaftsprüferin

(Austrian Chartered Accountants)

This report is a translation of the original report in German, which is solely valid.

Corporate Social Responsibility

EVN's claim to be a responsible provider of energy and environmental services implies balanced and equal treatment for the interests and requirements of all stakeholder groups. Based on this orientation, EVN views the dimensions "People", "Environment" and "Economy" as three interrelated parts of a whole and works to develop equitable solutions whenever there are conflicts of interest.

EVN issued its first environmental report in 1990 to provide additional information for the stakeholder groups whose interest in the company goes beyond financial data. Sustainability reporting has been expanded and improved since that time, and led to the publication of the first sustainability report in 2002. The on-going establishment of internal processes in this area and the growing influence of sustainability issues on EVN's business model resulted in the publication of the first integrated full report in 2009/10, which combined the previously separate sustainability report and the annual report. Therewith, the corporate communications strategy increasingly reflects EVN's belief in maintaining an evenly balanced dialogue with all its stakeholders.

This full report gives equal treatment to all issues that are relevant for EVN's various stakeholder groups. The criteria for selecting the issues and information are provided by the EVN materiality matrix, which is shown on page 33. The discussion of sustainability issues and the CSR programme are placed on the same level as the financial and corporate governance reports. The following chapter contains the CSR content that is not integrated in the other parts of the 2012/13 full report. An overview of the placement of this content along the GRI indicators is provided in a list on the end-cover flap. References to the GRI indicators are also included in the corresponding sections of the report. Links to additional information on the EVN website and other publications are intended to limit the scope of this report and supply detailed facts and figures on selected issues and projects.

Governance, commitments and engagement

Corporate governance and management structure

The management and organisational structure of EVN is described in the corporate governance report starting on page 51; an overview of EVN's major investments can be found on page 89.

The strategic development of the EVN Group by the Executive Board, which is carried out in close coordination with the Supervisory Board, is supported by steering committees and working groups that are established for specific topics. A CSR steering committee was installed to deal with questions regarding sustainability. It was expanded in 2011/12 to reflect European best practices and now includes the entire management team together with the Executive Board. This committee's broad composition allows for the targeted management of CSR issues and coordination with the corporate strategy and goals of the operating segments.

Assistance for the Executive Board and Supervisory Board on sustainability issues is also provided by the Advisory Committee for Environmental and Social Responsibility. This committee consists of independent internal and external experts as well as employee representatives. For guidance on issues related to social commitment, the Executive Board can also draw on the know-how of the external experts who serve on the advisory board of the EVN Social Fund. (Details on these advisory boards can be found on page 176f.) The stakeholder group "customers" has also been represented by a committee since 2011, whose function is to intensify the customer dialogue. The Customer Board has 24 members who are selected to represent the interests of consumers from Lower Austria. The board's members serve two-year terms, whereby the last appointments were made in 2013.

EVN's dynamic international expansion in recent years has also created new challenges in the areas of cultural diversity, values and business ethics. In order to support the development of a shared corporate culture across language barriers and national borders, EVN issued a Code of Conduct. It explains the most important principles and rules of conduct for EVN's corporate culture and is available in German, English and the languages of the subsidiaries in Bulgaria, Macedonia and Russia. The EVN Code of Conduct is regularly adapted to reflect current developments, above all changes in legal requirements. It is based on internal management directives and the following international regulations:

- UN Global Compact
- Universal Declaration on Human Rights (U.N.) and the European Convention for the Protection of Human Rights and Fundamental Freedoms
- ILO (International Labour Organisation) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- ILO Declaration on Fundamental Principles and Rights at Work
- OECD Guidelines for Multinational Enterprises
- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- Austrian Corporate Governance Code

EVN's compliance organisation was modified in 2011/12, and fundamental decisions were taken concerning the development of a compliance management system (CMS). The Corporate Compliance Management Department (CCM), which reports directly to the Executive Board, was created to establish, operate and further develop the CMS.

The CMS includes the following functions and units:

- Chief Compliance Officer (CCO): ensures a modern, Group-wide CMS that covers all Group functions.
- Decentral/National Compliance Officer (DCO, NCO): is responsible for implementing the compliance programme in the individual segments/countries based on a risk assessment.
- Compliance Committee (CC): was established as an internal advisory committee for the CCO to monitor and evaluate compliance violations, to provide advice on basic issues and to further develop the CMS. This committee has 16 members – the CCO plus selected department heads and representatives of corporate services, the heads of all strategic business units and all DCOs.

Three workshops were held in spring 2013 to define the roles of the Compliance Committee members, to outline the future areas of responsibility and to establish a uniform understanding of compliance. Concrete measures were also developed following the completion of risk assessments in the individual areas.

The first implementation phase of the new CMS was directed to EVN's managers, since they have a key function and serve as role models for the establishment of a sustainable compliance culture. Training courses for roughly 100 managers were held during September and October 2013. The Executive Board also took part in these courses to underscore the importance and provide direct input from the very beginning. Each training unit lasted five hours, in which the various aspects of compliance were discussed in an interactive and dialogue-oriented process.

In a second step, EVN employees will be familiarised with these interrelated themes in the financial year 2013/14. The managers, together with the responsible DCOs, organise and hold training sessions for the employees in their respective areas.

This programme will have reached nearly 2,700 employees during the period from November 2013 to March 2014. Support for the managers and DCOs in this implementation is provided by CCM. Training courses for the employees in the subsidiaries in South Eastern Europe will follow during 2013/14 (approximately 5,000 employees). The minimum standard has been set at 2.5 hours per employee. All training courses across the group are based on the same standards with identical materials. Special compliance training sessions are offered for the Executive Board and Supervisory Board as needed.

→ The EVN Code of Conduct is available under **www.evn.at/Code-of-conduct.aspx**.
→ For information on EVN's capital market communications, see page 43f Investor Relations.
→ See page 177 on EVN AG in sustainability indices.

CSR organisation

Sustainability and the related goals represent a fundamental part of EVN's corporate strategy. The actual integration of sustainability issues is the responsibility of the CSR steering committee, which is supported by the CSR advisory team on matters relating to content. This team provides fresh input and impulses for new CSR measures in agreement with the relevant specialist departments. The involvement of all corporate units and the identification of the CSR development potential in all units are ensured by the nomination of CSR network officers in all specialist departments. Previous CSR activities are reviewed and current activities and opportunities for improvement are discussed twice each year at a CSR conference. The handling of CSR issues at EVN's subsidiaries in Bulgaria, Macedonia, Croatia and Germany is supported by the implementation of CSR structures that are based on the Austrian model.

Activities in 2012/13 also reflected the central importance of sustainability aspects. Discussions were held in all EVN functions to strengthen the integration of CSR goals. For example, branch-specific focal points were identified in accordance with the EVN materiality matrix as the basis for defining corporate CSR targets. The effective management of CSR activities in agreement with the corporate strategy and the operating units formed the focal point of these efforts.

The CSR measures in the individual business units are monitored annually. In 2012/13, workshops on the main CSR areas of activity were held in Macedonia and Germany. The main areas of activity were further refined in Croatia and Bulgaria, whereby discussions with external shareholders were also held in Croatia. A CSR organisation was established in Macedonia based on the Austrian structure, and CSR steering committees and advisory teams were also created in Bulgaria, Germany and Croatia.

In addition to these developments, CSR measures in 2012/13 focused on coordination with corporate functions such as risk management, compliance and internal audit. For example, CSR-relevant risks were identified and included in the annual risk inventory. Internal audit also included CSR as a review point in a pilot project and will place added emphasis on this subject in future audit processes. A workshop was held to improve the understanding of human rights requirements on EVN, which was directed by the UN Global Compact. This workshop will form the basis for the improvement of internal processes, above all in procurement, and the distribution of the acquired knowledge in the relevant specialist departments.

These measures should strengthen the understanding, credibility and transparency of CSR throughout the EVN Group and underscore the key corporate values: E(V)Nsure, E(V)Ncourage and E(V)Nable.

→ Additional information on the CSR organisation can be found under **www.responsibility.evn.at**.

Advisory Committee for Environmental and Social Responsibility

EVN's Environmental Advisory Board was established in 1992 to advise the Executive Board on environmental and sustainability issues. In 2006, the scope of its activities was expanded to include social responsibility and its name was changed to the current designation. The 28 members meet twice each year to discuss current issues. The meetings in 2012/13 focused on the following topics: "Energy Efficiency: Status and Outlook"; "The Energy Efficiency Law – an Entrepreneurial Challenge!"; "Social Issues – Central Challenges" and "Energy Poverty".

→ The members of this committee are listed on page 216 and under **www.evn.at/Advisory-committee-for-environmental-and-social-responsibility**.

EVN Social Fund

The EVN Social Fund was created at the end of September 2008 to bundle and increase the transparency of sponsoring activities in social areas. It provides sustainable support for youth institutions in Lower Austria and has an annual endowment of EUR 100,000. Decisions on the projects to be sponsored are made by an expert committee that meets twice each year. The committee members are Gabriela Peterschofsky-Orange, Helga Preitschopf, Harald Wieser, Elisabeth Baum-Breuer and the chairman, Caritas Director Michael Landau. Their recommendations for the use of funds are made unanimously to the Executive Board of EVN AG. Twenty projects were supported during the reporting year.

→ A list of the supported projects is provided under indicator EC8.

Control of sustainability performance and assessment of the Executive Board's performance on sustainability

In addition to compliance with the provisions of the Austrian Corporate Governance Code, EVN's most effective instrument for controlling its sustainability performance – and therefore also the Executive Board – is the annual process of collecting, analysing, summarising and publishing facts and figures for sustainability report according to GRI, application level A+. This process is augmented by the external GRI assessment carried out by an independent auditor. The Executive Board is also evaluated annually together with the company's performance in connection with its listing as a sustainable investment (according to the Austrian sustainability index VÖNIX, FTSE4Good, Ethibel, and ECPI) and in the context of EMAS certifications.

EVN's internal audit department reports directly to the Executive Board and to the Audit Committee of the Supervisory Board. Its responsibilities include the provision of auditing services for procedures and business units in the EVN Group. Separate internal audit departments were also established at the subsidiaries in Bulgaria and Macedonia. The technical and commercial problem areas identified in 2012/13 were reported to the responsible managers together with suggestions for improvement. The implementation of the measures defined by management was verified in a follow-up review. No serious deficiencies were identified that could endanger the strategy and goals of the EVN Group.

The remuneration scheme for top management was amended as of 1 October 2010. Among others, this adjustment introduced the following focal points:

- Inclusion of value-oriented indicators
- Inclusion of sustainable developments in the respective areas

→ The report on internal audit and risk management activities as well as information on EVN's remuneration scheme can be found in the Corporate Governance Report starting on page 51.

Support for external initiatives

EVN has been represented on the steering committee of the Austrian Global Compact Network since 2012. Established in 2009, the steering committee evaluates the past activities and plans the future activities of the Austrian UNGC Network.

External initiatives

OECD	OECD Guidelines for Multinational Enterprises
UNGC	UN Global Compact
respACT	austrian business council for sustainable development
ÖGUT	Österreichische Gesellschaft für Umwelt und Technik

Membership in associations and interest groups

EVN is a member of numerous industry-relevant organisations and associations.

Selection of memberships (in alphabetical order)	
AEA	Österreichische Energieagentur
AIA	Association for Internal Auditors of Macedonia
AmCham	American Chamber of Commerce in Macedonia
ATDB	Association of District Heating Companies in Bulgaria
ATEB	Association of traders with electricity in Bulgaria
BBCE	Bulgarian Branch Chamber of Power Engineers
BHRMDA	Bulgarian Human Resources Management and Development Association
BIA	Bulgarian Industrial Association
BPVA	Bulgarian Photovoltaic Association
Bulgarian WEC	Bulgarian National Committee to the World Energy Council
CEIBG	Confederation of the Employers and Industrialists in Bulgaria
CEWEP	Confederation of European Waste-to-Energy Plants
CIRA	Cercle Investor Relations Austria
DBIHK	Deutsch-Bulgarische Industrie- und Handelskammer
DWA	Deutsche Vereinigung für Wasserwirtschaft, Abwasser und Abfall e. V.
EBA	European Business Association
ECNWM	Economic Chamber of North-Western Macedonia
ECRM	Economic Chamber of the Republic of Macedonia
EDSO	European Distribution System Operators (for Smart Grids)
EMI	Energy Management Institute, Bulgaria
ERC	Energy Regulatory Commission of Macedonia
FGW	Fachverband der Gas- und Wärmeversorgungsunternehmen
GEC	German Economic Chamber
GWP	German Water Partnership e. V.
IV	Industriellenvereinigung Österreich
MABA	Macedonian Austrian Business Association
MAKO Cigre	Macedonian National Committee – MAKO Cigre
MCC	Macedonian Chambers of Commerce
MGEA	Macedonian-German Economic Association
MHRA	Macedonian Human Resources Association
OE	Oesterreichs Energie
ÖGUT	Österreichische Gesellschaft für Umwelt und Technik
ORM	Organization of Employers of Macedonia
OVE	Österreichischer Verband für Elektrotechnik
ÖVFA	Österreichische Vereinigung für Finanzanalyse und Asset Management
ÖVGW	Österreichische Vereinigung für das Gas- und Wasserfach
ÖWAV	Österreichischer Wasser- und Abfallwirtschaftsverband
	Plattform Thermik
respACT	austrian business council for sustainable development
UNGC	UN Global Compact
VABU	Verband für Anschlussbahnunternehmen
VÖEB	Verband Österreichischer Entsorgungsbetriebe
VGB	PowerTech e.V.
WK NÖ	Wirtschaftskammer Niederösterreich
ZEMAK	Association of Energy Department Engineers of Macedonia

Economic responsibility

Aspect: Economic performance

EC2 Financial effects of climate change

Climate change and the resulting consequences are also important factors for EVN's corporate strategy. In addition to the reduction of climate-relevant effects in its own area of operations, the approaching climate change represents a challenge that requires new business models. By focusing intensively on new technologies, EVN uses the opportunities and impulses provided by this challenge and also ensures future supply security. The fields of renewable energies, energy efficiency and sustainable energy services are particular focal points of these efforts. EVN's goal is to raise the share of renewable energy sources in electricity generation to 50% over the long-term. As a means of increasing customers' energy efficiency, EVN provides numerous services for household, industrial and business customers as well as municipalities.

→ For information on the consequences of legal parameters, such as the EU Energy Efficiency Directive or the EU Emissions Trading Scheme, on EVN's business activities see page 63.
→ For further information on EVN initiatives and projects to reduce CO_2 emissions, see page 187ff.
→ For further information on EVN's innovation, development, and research activities, see pages 80 and 180ff.

EC4 Government financial assistance

NÖ Landes-Beteiligungsholding GmbH holds a 51% stake in EVN AG. In 2012/13, EUR 1.6m (thereof 28.1% from public funding) was spent on innovation, development, and research projects. EVN receives no additional financial support from the public sector. In cases where individual laws allow for the utilisation of incentives, e.g. the Eco-Electricity Act or the research and development tax credits, EVN evaluates related conditions and applies for financial support where applicable.

Aspect: Market presence

EC6 Business policies, practices and the share of local suppliers

A cooperative partnership approach, fair business practices and an open dialogue represent integral parts of all procurement processes at EVN. Particular importance is also attached to the development of innovative energy solutions together with business partners, which ensures high service quality with maximum resource conservation. In all its procurement activities, EVN complies with the principles of efficiency, fair and free competition, equal treatment of all applicants and bidders, confidentiality during transactions, transparency and the documentation of results, the conservation of resources and social responsibility.

The step-by-step implementation of sustainability criteria in the selection of suppliers and their products is a priority for EVN's CSR agenda in order to align procurement practices with sustainability goals. A continuous dialogue with suppliers plays an important role in this process. An integrity clause for suppliers defines the guidelines for sustainable procurement and the duties and responsibilities of suppliers in eleven points. It is binding for all suppliers (100%) and available for review by all investors, investment and joint venture partners, subcontractors and stakeholders on the EVN website (see www.evn.at/integrity-clause). The integrity clause is included with each order and tender and represents an integral part of the contract.

In selecting suppliers, EVN must comply with the Austrian federal law on public procurement. EVN is the sector contractor under EU public procurement law in many areas and must therefore comply with the applicable provisions. EVN also follows the principles governing competition in the EU. The unequal treatment of bidders, e.g. the preferential treatment of local suppliers, is prohibited. The share of local suppliers amounts to more than 50% in total and to over 70% for construction projects.

Since 2011/12, each tender has included an additional checklist, above all when risk products are involved. The checklist asks for additional information on environmental compatibility, product recycling and packaging as well as the manufacturer's certification. It supports the evaluation of suppliers' compliance with the integrity clause. EVN's most important suppliers are now covered by this type of control.

EC7 Employment of local personnel

The involvement and career planning of local employees provide economic benefits for the entire Group and improve the understanding of the respective cultures. Nearly all employees and most of the managers in the EVN markets come from the respective region. The strengthening of local management capabilities represents an important element of the corporate strategy. EVN supports the career planning of local employees in Bulgaria and Macedonia through executive leadership training as well as international programmes such as the EVN Summer Academy, a training and networking platform for future managers.

Aspect: Indirect economic effects

EC8 Infrastructure investments and services, taking place primarily in the public interest

In 2012/13, EVN invested EUR 328.4m in the expansion and modernisation of infrastructure and in electricity generation. These investments are designed to improve supply security and are

Combating energy poverty

EVN places high value on efficient, customer-oriented energy consulting. Accordingly, reducing energy consumption is one of the core principles of EVN's advising activities. Caritas and EVN together developed the "Combating Poverty" project based on the train-the-trainer principle to significantly reduce energy costs for people threatened by poverty. In this context, Caritas social counsellors are equipped with the necessary know-how and special technical aids by EVN energy consultants and can offer energy saving tips directly in the home. This programme "helps people to help themselves".

The project was implemented in six steps:

Step 1: Development of consulting tools (guideline, checklist) and selection of technical aids (energy measurement instruments, flow restrictor to reduce the use of hot water)
Step 2: Expert advice on site (initial evaluations)
Step 3: One-day basics course for social counsellors with EVN energy experts
Step 4: Joint advising on site
Step 5: Further training session, feedback round
Step 6: Energy-saving consulting on site by the social counsellors

therefore in the public interest. EVN also meets its responsibility to the various stakeholder groups outside the operating business. The EVN Social Fund is endowed with EUR 100,000 each year and concentrates on support for institutions in Lower Austria that work with children and adolescents. EVN is also active outside Austria and provides support, above all, for day care centres, children's homes and schools in Bulgaria, Macedonia and Croatia.

The Social Fund supported the following projects in 2012/13:

Projects	EUR
Caritas – "Aus-Zeit"; play group for refugee children and support for young mothers	6,600
Caritas – Family Centre in Baden; psychotherapy for children with behavioural difficulties	7,000
Caritas – Family Centre in Mistelbach; psychotherapy for children between eight and twelve years of age with activity and attention deficit disorders as the result of complex traumatisation	7,000
Caritas – "Kräuter-Café" coffeehouse; creation of jobs for young people with intellectual disabilities in the Laa/Thaya region	7,000
Caritas – educational project days in Lanzendorf	2,800
Caritas – Centre for Women's Health; "Self-confident – Active – Creative" girls' group	4,000
Caritas – Holiday at the horse ranch for socially disadvantaged children, underage migrants and asylum seekers	5,000
Diakonie – shared apartment in Strengberg	5,000
SOS Kinderdorf – youth centre in Guntramsdorf	7,000
Caritas – St. Gabriel centre for the support of refugees	7,500
Caritas – Family Centre in Baden	3,500
Caritas – Centre for Women's Health in Wiener Neustadt, asylum and integration in Lower Austria	10,000
Caritas – courses for children, language development	6,500
Caritas – Lerncafé coffeehouse and coaching	10,000
Caritas – WerkStart	8,500
Diakonie Centre Spattstrasse – "Neue Welt" learning-in-residence group	8,000
Diakonie refugee service	3,200
Hin und Weg Bildungsunternehmen OG – construction of a workshop	4,950
Association for the support of young people, Neunkirchen	7,500
Provincial youth residence in Pottenstein	6,000
Total	**127,050**

EC9 Indirect economic impacts

As an employer and contractor as well as a supplier of energy and environmental services, EVN makes numerous positive contributions to the national economies in which it operates. The most important contributions are outlined on the front-cover flap of this report, whereby the multiplier effects for the entire economy are not included.

Sector Supplements – Economy

EU7 Programmes for demand side management

In 2012/13, EVN's focal points in the area of demand-side management included, among others, issues related to energy storage and energy efficiency in end customer households.

The substantial increase in equipment for the generation of electricity from renewable energy sources has created new challenges for utility companies and has had an effect on EVN's innovation, development and research strategy. One particularly important issue is the development of solutions for managing the high volatility of energy generation from windpower and solar power. The strong daily and seasonal fluctuations in renewable energy

generation lead, on the one hand, to challenges for the operation of conventional power plants because they cannot operate under a specified minimum level and their temporary shutdown is extremely expensive. On the other hand, the fluctuations in the volume of electricity generated from renewable energy sources have significant economic consequences because the resulting supply volatility leads to strong price shifts on the energy markets.

EVN therefore conducted two projects to test the storage of surplus energy at times when the availability of renewable energy carriers like sun and wind is high. GECO, the first project, was conducted in the form of a feasibility study to determine whether surplus renewable energy could be stored as methane in the natural gas grid. In periods of energy scarcity or high demand, carbohydrates could be used as energy sources both in the generation of energy and for mobility. The second project, "multi-functional energy storage", involves the testing of a battery storage system for renewable energy equipment that would cushion the substantial timing differences between energy supply and demand.

The high potential for improving the energy efficiency of end consumers is reflected in numerous other innovation, development and research projects currently in progress and in EVN's advising activities:

- **Smart Metering:** In October 2011, an E-Control regulation established the technical minimum requirements for the new smart meters. It defines the measurement and storage of meter readings, the length of the archiving period for collected data and the frequency of data output to grid operators. Each operator is required to equip a certain percentage of the meter points connected to its grid with intelligent meters according to the following schedule: at least 10% by the end of 2015, at least 70% by the end of 2017 and, if technically possible, at least 95% by the end of 2019. Smart meters allow customers to see their energy consumption on a display at any time and to analyse their energy profile with an online energy management system.

- **Energy efficiency products:** EVN offers its customers a wide range of innovative products to increase their energy efficiency. One example is the EVN SmartHome mobile, individual room heating and electricity management system, which can help to reduce heating costs by up to 20%. The temperature is lowered in rooms that are not in use, the heat flow is automatically stopped during airing and the position of the windows can be checked via smartphone.

- **Energy efficiency services:** EVN has been a competent discussion partner for all aspects of energy supply for many years and has an extensive service and information offering for households as well as industrial companies, commercial customers and municipalities. The related portfolio includes, among others, renovation service, energy certification, heat exchange and a business energy consulting programme – and new services are added on a regular basis.

EU8 Programmes to safeguard energy supplies and promote sustainable developments

In 2012/13, EVN not only concentrated on the innovation, research and development focal points listed above under indicator EU7, but also on other innovation issues with different goals. Following is a selection of these projects.

- **CO2:use:** In September 2011, the CO_2 deposition equipment at the Dürnrohr power plant started operations. This equipment was designed and built together with ANDRITZ Energy & Environment and the Vienna University of Technology. It evaluates the separation of carbon dioxide (CO_2) from the flue gas of the coal/gas power plant in Dürnrohr. The goal of this project is to reduce CO_2 emissions and, at the same time, to extract pure CO_2 for future use as a raw material, e.g. as bioplastic. The generation of bioplastic, which is also an interesting raw material for automobile production, involves the addition of the separated CO_2 to a cyanobacteria culture. These microorganisms, which are found in natural bodies of water, have particularly good CO_2 binding properties. Continuous fertilisation with CO_2 in the pilot plant's special reactors provides an optimal climate for the growth of the bacteria, which form the basis for the bioplastic. The residual materials from the extracted biomass are processed into biogas, which is returned to the production cycle through utilisation in a thermal power station and thereby creates a sustainable process without waste.

- **Solar energy project** with HELIOVIS AG and the Vienna University of Technology: The central element of this CSP (Concentrated Solar Power) demonstration plant in Dürnrohr is a so-called HELIOtube (sun concentrator). An inflatable sun concentrator made of plastic foils concentrates the sunlight with the help of a reflecting membrane and makes its use economically feasible. In the HELIOtube, which can move with the sun during the course of the day, the reflecting membrane focuses the sun's rays and produces steam in an evaporator tube. The steam can then be converted into energy. The demonstration plant will operate for roughly two years for research purposes and allow for the evaluation of its suitability for continuous operation, production capacity and control behaviour.

Multi-functional energy storage facilities

Renewable energy sources like the wind and the sun are environmentally friendly, but plants do not always generate electricity when it is needed by the customer. Solutions for the interim storage of energy are therefore required. This is true, above all, when the wind and the sun are to be used to generate larger volumes of electricity.

New type of battery storage system

The "multi-functional energy storage" research project attempts to provide information on how the electricity generated from renewable energy sources can be brought into line with consumption through the use of a battery storage system. The central element of this system is a new type of storage battery that has been combined with photovoltaic and windpower plants. It is being used in the development of systems to make volatile energy carriers like the sun and the wind easier to plan. Pump storage power plants are normally used to store large volumes of electrical energy from renewable sources. In the "multi-functional energy storage" project, the energy generated by the pilot plant is stored in a vanadium-redox-flow battery (10 kW/100 kWh). The generation plant includes 15 kWp of photovoltaic equipment, and 1.5 kW of small windpower equipment in connection with the vanadium-redox-flow battery and can produce an output of 26.5 kW.

Research goals

The goals of this project are to develop a variable renewable energy power plant – comparable to a pump storage power plant – and to produce a feasibility and profitability analysis for multi-functional energy storage systems. The research will also cover different application possibilities for renewable energy power plants by private households and power plant operators as well as their use in a system pool. Included here, for example, are peak-off-peak arbitrage, the supply of balancing energy and energy autonomy.

– **Sludge2energy:** This process presents the decentralised connection between the drying of sewage sludge with subsequent mono-combustion and electricity generation by means of a gas turbine. In this way it guarantees the optimal reduction of sewage sludge volume and mass. No external thermal energy is needed due to the independent (self-sufficient) combustion and drying process, and most of the residual waste material can be recycled (e.g. in construction).

Environmental responsibility

As an energy and environmental services company, EVN is committed to ensuring the careful use of resources and to making an active contribution to climate protection. One primary goal in this connection is to also transfer the principles of environmentally oriented management from the company's home base in Lower Austria to its international subsidiaries.

EVN established an environmental protection department in 1990 and defined its goals and values in an environmental policy statement. The environmental management system for the EVN locations, which was expanded to include occupational safety requirements, has been certified according to ISO 14001 and EMAS standards since 1995.

EVN makes an important contribution to the attainment of Austria's climate protection targets through its strong focus on renewable energy sources, efficiency improvement measures and extensive advisory services for customers on the reduction of their energy consumption. The decisive factor here is the creation of a balanced mix between optimal supply security and a minimal impact on the environment. Climate protection management by EVN includes the following initiatives and strategic approaches:

- Focusing on renewable energy sources such as water, wind, sun, biomass and biogas
- Improving the energy efficiency of the EVN's own production plants and networks
- Active participation in innovation, development and research projects (among others, CCS technologies)
- Providing information and advice to customers on reducing their energy consumption
- Increasing the added value in the region through the use of local energy carriers like biomass and biogas
- Actively participating in the introduction of alternative mobility concepts such as electricity- or natural gas-powered cars
- Raising the awareness of the general public and employees through training courses and information events
- Internal measures such as an increased focus on environmental aspects in procurement

→ EVN's environmental policy statement can be found on page 34.

→ The EMAS-certified plants in the EVN Group are listed under **www.umweltbundesamt.at/umweltsituation/ums/emas/**

EMAS certification

EMAS, the Eco-Management and Audit Scheme, was introduced by the EU in 1993 as a voluntary environmental management system. The goal of the EMAS directive, which is seen as the most demanding and comprehensive environmental certification in the world, is to establish a continuous improvement process. In addition to the internal audit of compliance with legal regulations and the requirements of public authorities, this directive defines measures to conserve resources and reduce emissions. EVN started the certification process for its power plants in 1995. The Theiss power plant was one of the first plants in Lower Austria to be certified under EMAS; the Dürnrohr power plant followed shortly thereafter; and the certification of Korneuburg is currently in progress. By the end of the first quarter of 2014, 100% of the energy supplied by EVN's thermal power plants will have been certified under EMAS. This environmental management system has also been in use by EVN Wärme for 15 years and currently covers 40 certified plants. The next step involves the certification of EVN's headquarters, with the start of this project scheduled for 2014.

Aspect: Materials

EN1 Materials employed by weight or volume

Previous surveys confirm that the EVN plants in Austria and Bulgaria do not exceed legal limits for polychlorinated biphenyls (PCB). Transformers are tested for PCBs before they are scrapped.

A comprehensive assessment was carried out in Macedonia and completed in late 2011. Within the context of a project carried out by the United Nations Framework Convention on Climate Change (UNFCCC) for the replacement of PCBs, a decontamination plant in Skopje was tested and transformers were cleaned of PCBs in summer 2012. The plant successfully started operations in 2012/13, and the first transformers operated by EVN Macedonia as the project partner have already been decontaminated.

EN2 Use of recycled materials

Only a limited amount of recycling material is used in the main components for technical reasons.

Material utilisation for energy generation[1]		2012/13	2011/12	2010/11
Fossil fuels[2]	Terajoule	18,195	18,900	22,670
Biomass	Terajoule	2,757	2,336	2,311
Waste[3]	Terajoule	4,205	4,502	4,178

1) Of the EVN thermal and combined heating and stations in Austria and Bulgaria as well as the waste incineration plant in Dürnrohr, Zwentendorf
2) Natural gas, anthracite, heating oil
3) For incineration by the waste incineration plant at Dürnrohr, Zwentendorf

Material utilisation – network construction in Lower Austria[1]		2012/13	2011/12	2010/11
Additional power lines	km	1,087	505	2,403
Additional natural gas pipelines	km	132	101	90
Additional heating lines	km	68	59	16

1) This includes overhead lines and underground cables.

Aspect: Energy

EN5 Energy savings as a result of environmentally conscious use and efficiency enhancements

Efficiency improvements have been realised in many areas through the use of new technologies and continuous optimisation measures, also in connection with additional voluntary target agreements under EMAS. For example, the environmental management system in the Dürnrohr and Theiss power plants led to an annual reduction of 350 MWh in electricity consumption for lighting and heating/cooling from 2010 to 2012. That represents the annual energy consumption of roughly 90 average households. The drinking water consumption at two EVN Wärme district heating plants was also reduced by 75,000 m³.

EN6 Initiatives for renewable energies and higher energy efficiency

In order to ensure supply security, EVN has set a goal to generate 30% of its electricity sales from its own facilities or electricity purchase rights over the long-term (2012/13: 18.3%, 2011/12: 15.5%). A flexible energy mix is decisive for EVN's future viability in this respect. Plans also call for an increase in the share of renewable energy in electricity production to 50% as part of the Austrian energy strategy 2020. This will include a special focus on the expansion of wind energy in Lower Austria, whereby the installed capacity should rise to 300 MW by 2015.

→ For additional projects to increase the share of renewable energy, see indicator EN18 beginning on page 187.
→ Details on advising services can be found under **www.evn.at/optimising-energy**.

EN7 Initiatives for reduction of indirect energy use and achieved savings

EVN uses electric vehicles for short distances wherever feasible to reduce indirect energy use. The increased use of vehicles with alternative power sources for longer distances is also a focus of activities. Business travel is reduced as far as possible through the increased use of video conferencing. In Bulgaria, the plant windows were replaced and a solar-thermal system for independent warm water supply was installed at the headquarters to reduce the indirect use of energy.

Sixty-six photovoltaic panels were installed on the south facade of the EVN headquarters during 2012/13. The aggregate covers 105.6 m² and generates approximately 10,500 kWh of electrical energy per year that is fed into an electro-fuelling station.

EN3, EN4 Direct and indirect own energy consumption[1] broken down by primary energy sources		2012/13	2011/12	2010/11
Natural gas	MWh	6,229	6,846	7,034
Electricity	MWh	316,504	313,676	301,128
Heating	MWh	10,260	10,181	8,466
Heating oil[2]	MWh	324	246	348
Total	MWh	**333,318**	**330,949**	**316,976**

1) Since energy purchases for customers and for internal consumption ar e not broken down separately, direct and indirect primary energy consumption are not shown separately.
2) Heating oil is used in Macedonia only.

Water withdrawal		2012/13	2011/12	2010/11
Drinking water (municipal suppliers)	m³	320,877	324,143	305,671
Water use (groundwater)	m³	1,720,062	1,247,690	1,377,166
Cooling water (surface waters)	m³	237,576,241	240,537,744	293,400,737

All plants in Lower Austria, Bulgaria and Macedonia

Aspect: Water

EN8 Total water withdrawal by sources

The increase in utility water consumption during 2012/13 resulted, above all, from a change in the reporting of cooling and utility water in Bulgaria as well as the start-up of new equipment at EVN Wärme. The use of cooling water declined in year-on-year comparison, in particular due to lower use by EVN's gas-fired power plants.

EN9 Sources of water that are fundamentally affected by the withdrawal of water

EVN plants obtain their water from municipal providers or groundwater wells. In 2012/13, the cooling water flow rate at the thermal power stations along the Danube River totalled 237.5 million m³. This corresponds to 0.39% of the average annual volume of the Danube recorded at the Korneuburg gauge[1)] (measuring point number 207241), which amounted to 60,644 million m³, and remains clearly below the allowed threshold of 5%.

1) Source: Austrian Hydrographical Annual 2010, Federal Ministry of Agriculture, Forestry, Environment and Water Management

EN10 Recovered and reused water

The EVN power plants reuse wastewater as process water whenever possible.

Aspect: Biodiversity

EN11 Land use in protected areas

An extensive supply network is necessary to ensure complete supply coverage. Approximately 25% of the surface territory of Lower Austria is designated as a protected area. In order to minimise the environmental impact on these areas, EVN places great importance on responsible network planning and construction.

Protected areas in Lower Austria

Protected areas in Bulgaria

- Special protected areas (SPA) by the Natura 2000 network, Directive 79/409/EEC on the conservation of wild birds (briefly: Birds Directive)
- Special areas of conversation (SAC) by the Natura 2000 network, Directive for conserving natural habitats and the animal and plant species they contain 92/43/EEC (briefly: fauna and flora directive)
- EVN Bulgaria

EVN's properties in Austria in protected areas or adjacent to protected areas[1)]	Number	Area (ha)
Properties in protected areas (>50 m²)	666	471.2
Properties in protected landscape areas (>50 m²)	404	367.7
Properties in Natura 2000 areas (>50 m²)	515	236.9
Properties directly adjacent to protected areas	18	22.0
Total	**1,603**	**1,097.8**

1) Excluding pipeline routes; multiple answers possible

EN12 Impact of business activities on biodiversity
EN13 Protected or restored natural habitats
EN14 Strategies and measures for the protection of biodiversity

EVN is committed to minimising the impact of its business activities on nature. All projects include a special focus on protecting the natural habitats of local flora and fauna. For example, hydropower plant operations pay special attention to the sensitive biodiversity of the surrounding water areas by complying with administrative requirements for the intake temperatures of cooling water. This helps to minimise negative effects on the environment.

Reservoir monitoring plays an important role in protecting the biodiversity near hydropower plants. An annual conference is held with the public authorities and stakeholder groups at the Ottenstein reservoir to discuss issues that include the reservoir as a habitat for fish. This year's meeting focused on the problems caused by the fluctuating water level for fish that prefer to spawn in shallow water and also included a search for solutions. A project was subsequently launched by the local fishing authorities to improve conditions for these fish species, one which is also supported by EVN. In the course of the project, measures such as the creation of artificial spawning areas made of deadwood as well as the construction of shallow water biotopes and floating islands have been developed.

Another measure implemented in 2012/13 to protect biodiversity at the Ottenstein reservoir was the installation of online monitoring equipment. This equipment, which was developed by DWS-Hydro-Ökologie GmbH together with EVN's staff department for environmental controlling, will continuously record and control key parameters for the measurement of water quality. A probe can extend to the bottom of the lake from its base on a floating measurement station to measure the pH, temperature and oxygen content at various levels. The goal of this monitoring and extensive data collection is to research the effects of return pumping operations and heavy rains on the water quality and algae development.

The second stage at the Ashta hydropower plant in Albania, which is operated together with Verbund, was put into operation in the reporting year. The first stage has been in operation since September 2012. Full operations with both stages will raise the total output of the hydropower plant to 53 MW. The Ashta plant will generate 240 million kWh of electricity each year and not only supply roughly 100,000 households with renewable energy, but also save 79,000 tonnes of CO_2 annually. This project was built in accordance with the rules of the Clean Development Mechanism (CDM) defined by the United Nations Framework Convention on Climate Change (UNFCCC). The CDM calls for a wide-ranging dialogue with stakeholder groups, which was implemented in a unique form for this Albanian project. EVN is also working on numerous other projects to protect biodiversity:

- Fish bypasses at the small-scale hydropower plants in Hohenberg and Schaldorf
- A project with the association for the protection of great bustards in Austria (continuation in the LIFE+ project)
- Nest platforms for storks (endangered species of white and black storks) in Bulgaria and Macedonia
- A project with the Bulgarian Association for Bird Protection to protect the imperial eagle and gyrfalcons (EU LIFE+ programme)
- A project to protect the bird life at the Burgas lakes in Bulgaria
- A project with the Macedonian Environmental Association for the Protection of Birds in the Ovce Pole region (assessment of the impact of energy grids on birds)
- Participation in the construction of a Macedonian national environmental network MAK-NEN

As a continuing measure for the management of the impact on biodiversity, EVN works to integrate supervision based on ecological principles into its construction projects.

Aspect: Emissions, wastewater and waste

EN16 Direct and indirect greenhouse gas emissions

EVN takes numerous steps to improve the energy efficiency of its operations and reduce emissions from both production and customer usage. CO_2 emission data from the production process

are collected as required by European, Austrian and Bulgarian emission trading regulations. Based on the given emission factors, CO_2 emissions are calculated in relation to the primary energy carriers used.

Higher production volumes at the Dürnrohr power plant and the cogeneration plant in Plovdiv, Bulgaria, led to a slight year-on-year increase in CO_2 emissions.

The environmental impact of the supply mix used by EVN Energievertrieb GmbH & Co KG in 2011/12 totalled 270.64 g/kWh of CO_2 emissions and 0 g/kWh of radioactive waste. The supply mix of Naturkraft Energievertriebsgesellschaft m.b.H. resulted in 0.0 g/kWh of CO_2 emissions and 0.0 g/kWh of radioactive waste for this same period.

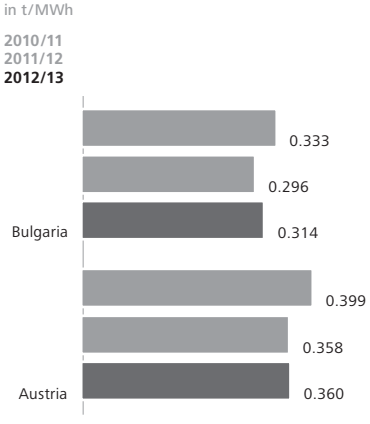
→ Also see EN20.

EN17 Other relevant greenhouse gas emissions

EVN's business trips and air travel resulted in approximately 13.700 tonnes of CO_2 emissions during the reporting year. That represents approximately 1% of the Group's total CO_2 emissions.

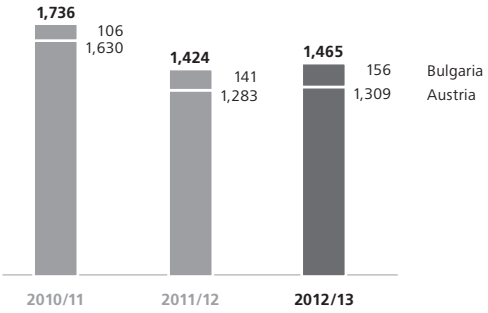
→ For details concerning initiatives to reduce indirect energy consumption, see EN7.

Specific CO_2 emissions of the EVN thermal and district heating (power) plants[1) 2)]



1) Annual average of Austrian and Bulgarian plants.
2) The use of biomass was not considered in the calculation of CO_2 emissions as biomass is considered to be CO_2 neutral.

Quantity of CO_2 emissions of the EVN thermal and district heating (power) plants



EN18 Initiatives for the reduction of greenhouse gas emissions and the results thereof

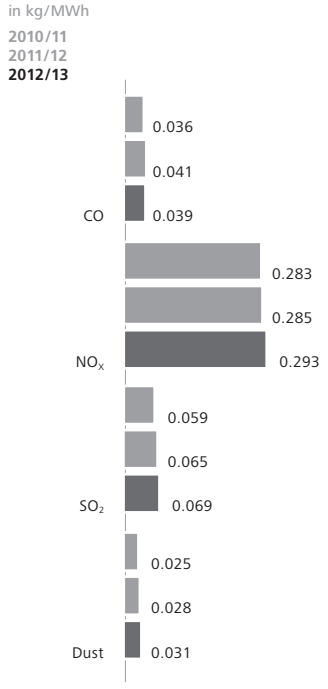
EVN is constantly working to reduce its greenhouse gas emissions. The steps taken in 2012/13 resulted in annual savings of nearly 151,000 tonnes of CO_2. Examples of these projects are provided in the following section:

The Deutsch-Wagram wind park, a joint project by W.E.B. and evn naturkraft, opened in September 2013. With an output of 15 MW, it supplies electricity to roughly 10,000 households and saves approximately 23,000 tonnes of CO_2 each year.

The community of Deutsch-Wagram not only focuses on wind energy, but also on renewable energy sources for its heat supply. The biomass neighbourhood heating plant built in 2012 serves up to 500 households, while reducing CO_2 emissions by 400 tonnes. Additionally, the opening of the new biomass plant in Gänserndorf will save 3,800 tonnes of CO_2 per year. Construction also started on a new biomass plant in Fischamend during 2012/13, which will have an annual capacity of 1,500 kW and reduce CO_2 emissions by roughly 1,000 tonnes. The largest newly constructed biomass power plant started operations during October 2012 in Steyr. This 20 MW power plant will supply heat for up to 12,000 households and save up to 43,000 tonnes of CO_2 each year.

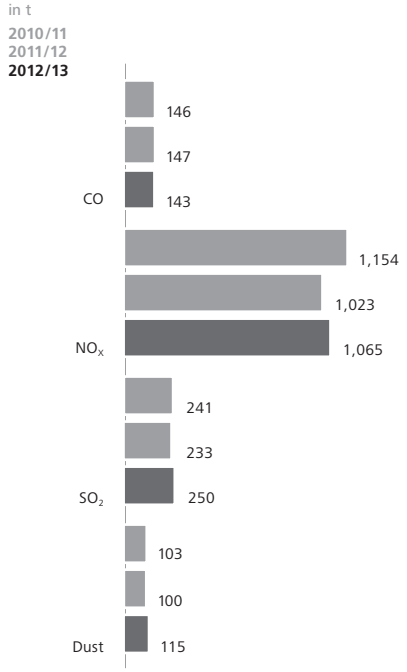
EVN currently operates more than 60 biomass plants, which makes it the largest supplier of natural heat in Austria. These plants are supplied with wood chips based on a cooperation agreement with Wiener Neustädter Stadtwerke and Kommunal Service GmbH (WNSKS), which supply up to 300 tonnes of forestry wood chips to EVN's closest district heating plants. Over 1.5 million loose cubic metres of wood chips were utilised in these plants.

Specific emissions of the EVN thermal and district heating (power) plants[1)]



1) Annual average of the Austrian plants

Quantity of emissions of the EVN thermal and district heating (power) plants[1)]



In the areas of district cooling supplies, EVN cut CO_2 emissions by 630 tonnes with the opening of a cooling plant for the provincial hospital in St. Pölten.

The second stage of the Ashta hydropower plant in Albania, which is operated together with Verbund, entered the start-up phase during 2012/13. The first stage has been in operation since September 2012. Full operations with both stages will raise the total output of the hydropower plant to 53 MW. The Ashta plant will generate 240 million kWh of electricity each year and not only supply roughly 100,000 households with renewable energy, but also save 79,000 tonnes of CO_2 annually.

There follows a list of further initiatives to reduce greenhouse gas emissions:

- "Sonnenkraftwerk Zwentendorf": EVN and the province of Lower Austria launched a new public participation model in spring 2012 for the construction of another photovoltaic plant in Zwentendorf with 1,300 panels.
- The ground-breaking ceremony for the solar power plant in Schönkirchen, which will be built as a public participation model, was held in July 2013. The high demand was reflected in the start of planning for Schönkirchen II, which will include a further 2,000 panels for investments.
- Construction of EVN's largest photovoltaic park in Trastikovo, Bulgaria – 2,000 tonnes of CO_2 saved per year
- CO_2 deposition facility at the Dürnrohr power plant – developed, built and opened in cooperation with ANDRITZ Energy & Environment and the Vienna University of Technology; this pilot plant studies the separation of CO_2 from the flue gas at the coal/natural gas plant in Dürnrohr. The goals of this project are to reduce CO_2 emissions, to research the separation process in an industrial setting and to extract pure CO_2 for future use as a valuable raw material.
- Biogas treatment plant in Wiener Neustadt: this plant produces bio-methane at a quality equivalent to natural gas. Approximately 1.1 million m³ of biomethane are fed into the grid and cover the heat consumption of more than 1,000 households. The facility saves up to 2,000 tonnes of CO_2 per year.
- 31-km district heating transport line, which runs from Dürnrohr over the Perschling canal and Traisental to St. Pölten – more than 40,000 tonnes of CO_2 emissions are saved each year
- Line 3 of the Zwentendorf/Dürnrohr thermal waste utilisation plant: with the added capacity of Line 3, more than 500,000 tonnes of household and bulk waste as well as industrial and commercial waste can be treated ecologically each year; this represents savings of 100,000 tonnes of coal and 10 million m³ of natural gas.
- 5-km district heating line from Burgenland to Lower Austria, with an annual reduction of 7,000 tonnes of CO_2 per year

→ Also see indicator EN16.

EN20 NO_x, SO_2 and other relevant atmospheric emissions

In accordance with legal requirements, the emission levels are generally determined by continuous measurement or based on reference measurements of fuel expenses.

→ Also see EN16.

EN21 Total wastewater discharges

EVN concluded a contract with sewage treatment plant operators based on the indirect discharge ordinance to cover cases where the type or quantity of a wastewater stream differs from ordinary household wastewater. This contract takes effect where there is a sewer junction and contains detailed provisions concerning the allowable amount of wastewater, the main substances it may contain, required wastewater inspections, etc. Direct discharges into surface water are regulated by numerous wastewater emission ordinances. EVN's wastewater streams are regularly tested by accredited external institutions. Possible harmful environmental effects are minimised by compliance with the requirements of various public authorities concerning cooling water intake temperatures.

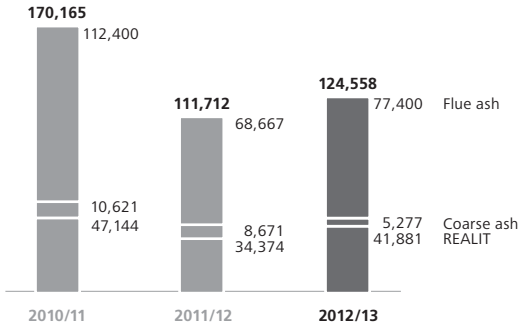
EN22 Waste by type and disposal method

The hazardous and non-hazardous waste regularly occurring in Austria is transferred to certified disposal specialists based on framework contracts. These specialists dispose of the waste in accordance with Austrian law (thermal or material utilisation or deposition).

All fly ash and coarse ash is recycled. REALIT was stored in company-owned landfills up to October 2009 and has been utilised to 100% since November 2009. Roughly one-half of the biomass ash from district heat production is transferred to a disposal firm and then utilised.

Reutilisation of power plant side products

in t/year



EN23 Environmentally relevant incidents

One minor environmentally relevant incident occurred during 2012/13 at Netz Niederösterreich GmbH, which involved a leak in the oil tank of an automobile. The contaminated earth was immediately removed and disposed of. During the same time period, a reportable threshold for carbon monoxide (daily average) was exceeded at a plant owned by EVN Wärme GmbH. This was caused by wet wood chips and a defective probe.

1) The registration system for environmentally relevant incidents covers Austria, Bulgaria and Macedonia.

EN24 Weight of waste categorised as dangerous

No hazardous or non-hazardous waste was disposed of across national borders in 2012/13.

EN25 Waters affected by wastewater discharges and surface run-off

A major part of the wastewater is cleaned by wastewater treatment plants before it reaches any surface water. At the power plants, quality-monitored wastewater flows that meet current environmental standards are discharged into the Danube River. No relevant damage results from this practice.

Development of waste quantities[1]		2012/13	2011/12	2010/11
Hazardous waste	t	9,266	10,429	9,396
Non-hazardous waste	t	137,663	139,123	127,522
Export of hazardous waste[2]				
Hazardous waste	t	0	0	5[3]

1) With no construction residue or power plant side products
2) EVN AG, EVN Netz GmbH, Bulgaria, Macedonia
3) Oil containing PCBs from Macedonia to France for disposal

Aspect: Products and services

EN26 Initiatives for the reduction of environmental impact caused by products and services

The environmental impact of EVN's products is related, above all, to air emissions due to the nature of its business activities. Numerous measures have been implemented to prevent and minimise these emissions, among others through innovation, development and research. Plans call for an increase in the share of renewable energy sources to 50% over the long-term, and measures have also been introduced in the company and on the customer side (through advising services) to increase energy efficiency.

→ Also see EVN's environmental policy statement on page 34 and management's approach to environmental responsibility on page 183.
→ Further information can also be found under indicators EN6 and EN18.

Aspect: Overall

EN30 Expenses and investments for environmental protection

The environmental cost calculation includes all fully consolidated and relevant subsidiaries of the EVN Group in Austria with expected environment-related expenditures over EUR 10,000. The collection of this data is based on the International Environmental Cost Accounting Guideline issued by the International Federation of Accountants. Environmental costs are defined as the monetised, internal costs of the impact of business activities on the environment and, in particular, the costs of damage prevention and repair.

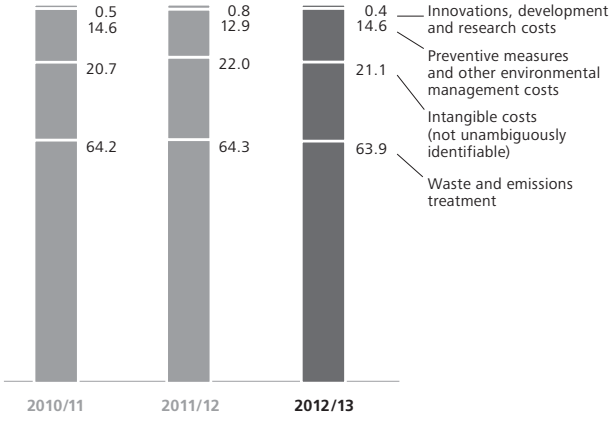
In 2012/13, the environmental costs of the analysed business areas amounted to EUR 94.0m. They include damage repair costs (e.g. for the restoration of contaminated sites) as well as damage prevention costs (e.g. for environmental management and/or flue gas cleaning). On the charts, these expenditures are classified by environmental media and cost categories. The highest costs are found in the area of emission treatment because of the extensive amount of flue gas cleaning. Environment-related income (scrap metal sales, waste-generated steam) totalled EUR 34.4m in 2012/13.

Environment-related costs and income

EURm	2012/13	2011/12	2010/11
Costs	94.0	92.6	88.3
Income	34.4	32.9	26.2

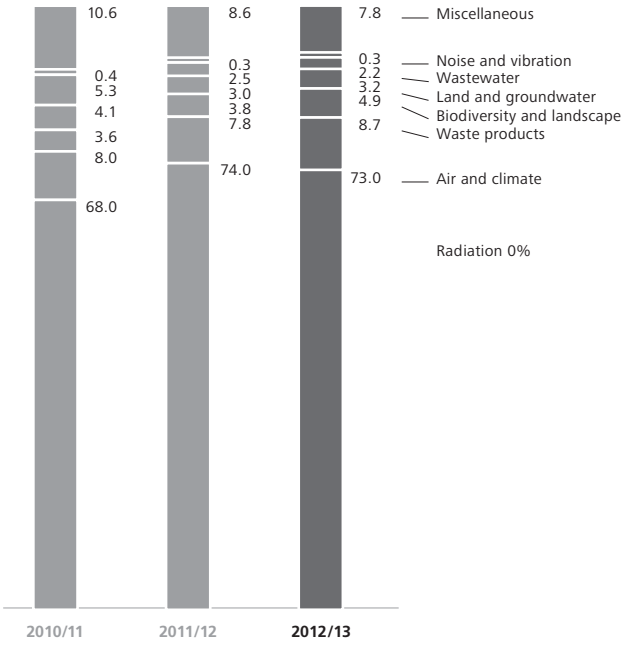
Environmental costs by cost categories

in %



Environmental costs by environment media

in %



Sector Supplements – Ecology

EU13 Biodiversity of alternative locations

EVN held alternative sites measuring 67.75 ha for windpower plants in Lower Austria during the reporting year. The alternative sites for pipeline routes may be obtained from publically accessible documents on the environment and environmental compatibility tests.

Social responsibility

EVN as a responsible employer

The EVN Group had an average of 7,497 employees in 2012/13, or more than three-times as high as roughly ten years ago. This growth is attributable chiefly to EVN's expansion in South Eastern Europe. These international activities in 21 countries have significantly increased the cultural diversity in the EVN Group. In order to equally present the EVN identity and keep the EVN brand promises toward stakeholders in all countries where EVN is active, key values were introduced: E(V)Nsure, E(V)Ncourage, E(V)Nable. These key values help employees to fill the EVN brand with life and represent an important element of all "culture" instruments used by the Group, e.g. the managerial mission statement and the feedback and orientation discussions.

→ Details on EVN's key values can be found on page 35.

Principles of human resources management

As a company that is committed to the equal treatment of all stakeholder interests, EVN also places high value on meeting the diverse needs of its employees. Numerous measures are in place to ensure that EVN not only meets its legal obligations as an employer, but also provides a range of voluntary benefits. In this way, EVN works to create a positive working environment in which its employees can develop their skills and talents. The central values of the corporate culture and the treatment of employees are defined in corporate principles.

Equal treatment and opportunity

The EVN Group operates in a growing number of countries with different working conditions. For this reason, it is committed to compliance with the principles of the International Labour Organization (ILO) and the UN Global Compact. EVN joined the UN Global Compact in September 2005 and thereby confirmed its intention to act in accordance with the global principles of ethical business behaviour. This is closely connected to the challenge of eliminating all discrimination on the basis of nationality or ethnic background, gender, culture, religion, age or state of health. People with the same professional and personal qualifications are given equal treatment in hiring, further training and career development, working conditions and salaries. EVN signed a "charter on the new compatibility between parents and business" in May 2011. In addition, the Women@EVN programme was developed and approved by the Executive Board in 2010/11.

Corporate social partnership

At EVN, major business decisions are made in a transparent manner in accordance with the managerial mission statement and legal regulations. Employee representatives are integrated into the decision-making process and provided with information as a matter of course.

Occupational safety and accident prevention

Occupational safety and accident prevention have high priority in all business units of the EVN. Training and increased awareness ensure a high level of safety. In addition to legal regulations, EVN has issued a comprehensive internal safety set of rules with business directives and guidelines. The main section is a special "Safety Handbook" tailored to working conditions in the energy industry that is available to all employees on the Intranet.

Diversity of employees 2012/13		Austria	Bulgaria	Macedonia	Other countries	Total
Number of employees[1]	Number					
thereof women	%	20.8	24.4	18.8	30.7	21.9
thereof men	%	79.2	75.6	81.2	69.3	78.1
Type of employment[2]						
Worker	%	7.3	0.0	0.0	29.0	4.1
Employee	%	92.7	100.0	100.0	71.0	95.9
Contract type						
Part-time in total	%	10.7	0.0	0.0	8.8	4.2
Part-time women	%	8.5	0.0	0.0	7.3	3.4
Individuals with special needs	%	1.8	1.5	1.1	1.5	1.5

1) On full-time equivalent basis (FTE); annual average

2) In Bulgaria and Macedonia, there is no distinction between employee and worker.

Up-to-date and comprehensive information for employees

The magazine "EVN Intern" has provided employees with regular information on corporate developments for many years. In addition, the EVN Intranet provides a broad overview of current issues involving the company, energy supply and employee representatives as well as information on seminars, training events and personal time data. Transparency also applies to job advertisements to support the preferred internal filling of posts. These and further measures also promote the Group-wide exchange and employment of personnel.

Employee commitment for social causes

Many EVN employees not only work for the company, but also make valuable contributions to society. A large number of EVN's employees do volunteer work in organisations like the Red Cross or local fire brigade during their free time. As an employer, EVN supports this commitment. These employees are excused from work for up to half of the invested time in disaster situations. EVN also helps employees to accumulate the necessary vacation time through flexitime work models.

Human resources activities and initiatives

The most important activities and initiatives continued or initiated by the human resources department in 2012/13 included:

- SMART EVN company day
- New concept for idea management
- Children's programme "Holidays@EVN"
- EVN SUN Academy (for the first time in cooperation with the Danube University Krems)
- Trainee programme in Macedonia
- EVN apprentice support programme
- Group-wide know-how transfer and dialogue
- Introduction of feedback and orientation discussions in Macedonia
- Management support programme
- Employee survey in Macedonia
- Management programme in Bulgaria

Idea Management

The wide diversity of origins, nationalities and cultures in EVN's workforce offers a wealth of different viewpoints and ideas. In order to effectively utilise this potential, EVN has revised its idea management. The EVN Intranet has provided employees with a platform to contribute their ideas – also anonymously if desired – since March 2013. Experts select the ideas to be pursued and award bonuses for proposals and suggestions that are implemented. The creative potential of employees is of special interest in areas like efficiency improvement, corporate image, quality and safety, employee satisfaction as well as new products, services and technologies. In 2012/13 approximately 2.4% of EVN's employees took part in the new idea management programme and contributed over 100 ideas and suggestions.

→ GRI indicator: Management approach labour practices and decent employment.
→ For information on employee commitment for social causes, also see EC8 on page 180.

Employee satisfaction

For EVN, the satisfaction of employees with their working environment and the related conditions is a central concern. Regular surveys are carried out to collect data for relevant indicators and suggestions for continuous improvement. The first survey on employee satisfaction in Bulgaria was conducted in 2011/12, and was followed by the first such survey at EVN Macedonia in September 2013. The high participation rate of 85% is a sign of the open feedback culture and the close ties between the employees and the company. Over 80% of the survey participants indicated that they were satisfied or very satisfied with their employer, EVN. The employees' willingness to communicate is also reflected in the fact that nearly one-third of the respondents took the time to include individual feedback in the form of open comments. The results of the surveys will provide a basis for the development of specific measures in 2013/14 to address employees' concerns. The areas of particular importance for employees where there appears to be a need for further improvement include, among others, the issues of job security and communications.

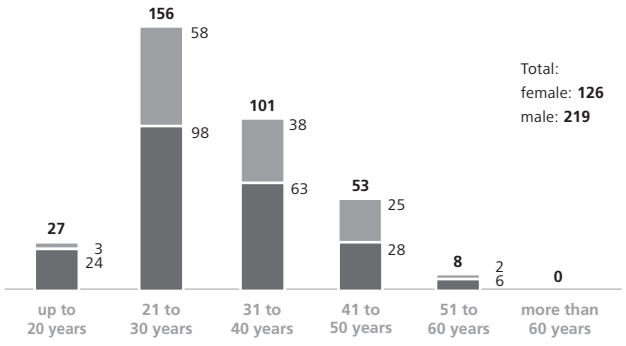
Diversity of the workforce

As of 30 September 2013, 1,696 women (21.9%) and 6,051 men (78.1%) were employed at EVN. The average number of apprentices was 46. The EVN AG and EVN Netz workforces consist entirely of salaried employees. No differentiation is made between wage and salaried employees in Macedonia and Bulgaria. The Group-wide share of wage employees therefore equals 4.1%.

In line with EVN's international business model, its employees are viewed as a single entity comprising various nationalities. Men and women from more than 20 countries work for EVN. Most of these employees come from Austria, Bulgaria and Macedonia.

Employee turnover during the reporting year equalled 3.2%. This indicator does not include reductions based on Bulgarian and Macedonian social plans, transfers within the Group or retirements and was not analysed in detail due to its low level. A total of 126 women and 219 men joined EVN in 2012/13.

Total number of new employees broken down by age group and gender 2012/13



The EVN Group uses personnel leasing for three reasons; first, as a preliminary step to a conventional employment relationship (integration leasing); second, for projects covering a limited time period; and third, to handle peak work periods. A total of 151 leased employees worked for the EVN Group as of 30 September 2013.

Women comprised 21.9% of EVN's workforce during the reporting year. The Women@EVN programme was launched in 2010/11 to increase this ratio and to improve the opportunities and perspectives for women working for the EVN Group in Austria. It includes the development of a business environment with ideal working conditions in which women have the opportunity to attain skilled and/or managerial positions according to their interests and abilities. EVN has implemented numerous measures to improve the compatibility of work and family, including the introduction of flexible work models such as part-time work or flexitime without core times, individual support after parental leave, holiday child care (Holidays@EVN), information events for employees on parental leave and an extensive training programme that is also open to employees on parental leave. EVN is working to increase the share of women to a level that mirrors the current educational levels of women of the applicable professional groups.

At EVN, women and men with a comparable function, qualifications and length of service with the company receive the same remuneration for the same work. Austrian law requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared the required report and submitted it to the applicable works council.

→ GRI indicator: Total staff according to type of employment, work contract and region (LA1)
→ GRI indicator: Employee fluctuation (LA2)
→ GRI indicator: Diversity of employees and leading bodies (LA13)
→ GRI indicator: Differences in remuneration due to gender (LA14)

Corporate social partnership at EVN

The corporate social partnership at EVN is based on the "convince rather than force" principle. Major business decisions are made in a transparent manner in accordance with the managerial mission statement and legal regulations. Employee representatives are integrated into the decision-making process and provided with information as a matter of course. This approach applies to strategic decisions as well as to changes and adjustments involving employees. Similar to EVN AG, the larger companies in the EVN Group have also designated special employee representatives.

Employees' interests are represented in the form of works councils or trade unions. Over 90% of all EVN employees are represented by such bodies and their remuneration is protected by collective bargaining agreements, tariffs or legal minimum wage regulations. In Austria, Macedonia and Bulgaria, employee-related issues are handled in workplace, health and safety committees that also include representatives of the works councils or unions.

Members of the works council also serve on the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility. Apprentices have also had a voice in the works council since the first youth representatives were appointed in 2008. The last election of youth representatives took place in May 2012.

A European works council was founded in September 2007 to further integrate the South East European subsidiaries and to improve cross-border communications. This council has members each from Austria, Bulgaria and Macedonia and serves as a platform for communication and exchange. The last conference was held from 16 to 18 September 2013 in Ohrid, Macedonia, and the last presidium meeting on 17 and 18 June 2013 in Plovdiv, Bulgaria.

EVN also places a special focus on the needs of the following employees:

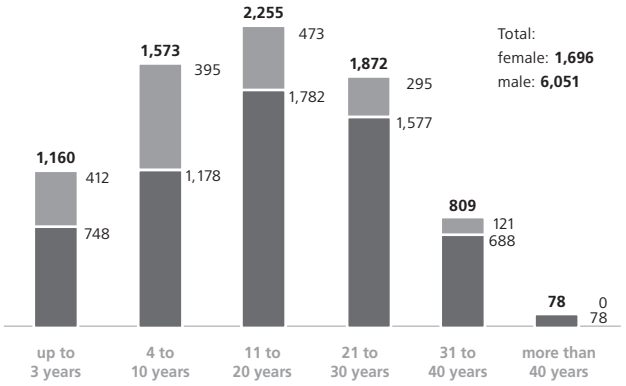
Senior employees

EVN employees have an average age of 43.5 years. This figure is projected to rise further in the future due to the expected increase in the legal retirement age. Against this backdrop, EVN has expanded its training programmes for senior employees in recent years and introduced part-time working models within the context of a partial retirement programme. In 2012/13, 47 employees at EVN Netz GmbH, EVN AG, evn wasser and EVN Business Service decided in favour of a part-time working model.

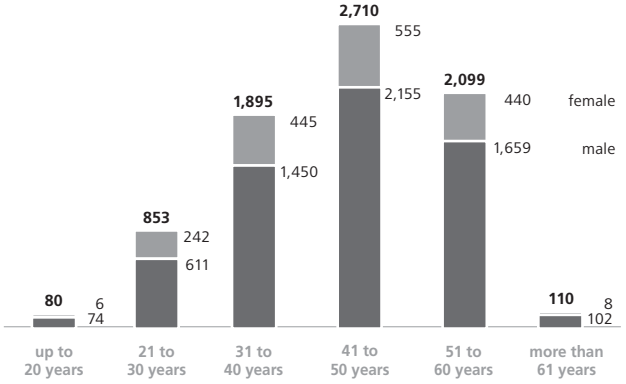
Based on the current legal retirement age, approximately 7% of EVN's employees will retire during the next five years and nearly 20% in the next ten years. This will create a need for specialists and managers, which EVN is working to meet with specific measures: on the one hand, skilled colleagues support the future experts and thereby ensure the transfer of their know-how and experience; on the other hand, EVN incorporates the needs of the various age groups in the development of its health programme.

→ GRI indicator: Retirements in the next five and ten years (EU15)

Employment period of employees



Age structure of employees



Individuals with special needs

In keeping with its socio-political responsibility, EVN places high value on integrating people with special needs in its workforce. Particular importance is given to the individual design of workplaces and processes (e.g. using sign-language interpreters) to facilitate the integration of these employees into everyday business operations. Additional opportunities are made available with respect to working hours and locations if required. Twenty-one of the 26 EVN customer centres in Lower Austria are barrier-free. EVN employed 116 men and women with special needs in 2012/13, represent 1.5% of the total workforce. In addition, EVN AG, EVN Netz GmbH and EVN Wärme GmbH placed orders of a total value of approximately EUR 660,000 with sheltered workshops during the reporting year and, in this way, made a contribution to the employment of individuals with special needs.

Young people

EVN traditionally attaches great importance to apprentice training. This not only reflects the Group's focus on corporate responsibility, but also serves to meet the demand for skilled professionals. An information afternoon with an emphasis on practical demonstrations was held in October 2012 to give interested young people, above all girls, a glimpse into the workday of an electrical technician with a utility company. On 1 September 2013, 16 apprentices started their training to become electrical technicians. The EVN Group had a total of 46 apprentices in 2012/13. Additional classes and seminars at EVN complement the dual programme of theoretical training at the vocational school and practical on-the-job training. EVN also supports double and multiple qualifications, e.g. apprentice training to qualify as natural gas and heating technicians, as a means of improving interdisciplinary qualifications.

The high quality of training is also reflected in the fact that the majority of apprentices remain with the company after completing their programmes. Of the 15 apprentices who started their training with EVN in 2007, eleven accepted permanent job offers. Experienced colleagues support the young technicians after their training is completed and thereby ensure the transfer of their know-how and experience.

Every year EVN also gives more than 300 schoolchildren and students an opportunity to put their theoretical knowledge to use and gain their first practical experience in exciting traineeships. These activities underscore EVN's goal to give young men and women opportunities at an early age and to awaken their interest for professions in the energy and environmental sector.

In November 2012, this commitment to training young people brought EVN second place (first place in 2011) in the "Place to Perform" competition, which evaluates the best traineeships among Austrian companies. EVN also has a strong commitment to cooperation with students and young professionals in Bulgaria. In April 2012, EVN Bulgaria and the Technical University Sofia signed a cooperation agreement to promote the practical skills of students as well as the exchange of experience in areas such as information technology and electrical engineering. EVN Bulgaria also organised the "Youth with a future" programme for the eighth year in succession during 2012/13, which provides talented young people with an opportunity to develop their interests and gain experience in one of the headquarters departments in Plovdiv during a three-month traineeship.

Scholarships in Macedonia

A scholarship programme was initiated by the University of Skopje and EVN during the 2010/11 academic year. In the first year, four scholarships were awarded to students in the electrical engineering and information technology department at this university. The programme has since been expanded to include the Technical University in Bitola, where one additional scholarship is granted each year. EVN currently supports nine female and five male students.

The students are selected from various technical fields on the basis of tests and interviews. The acceptance of the scholarship is connected with a number of requirements to ensure it is used appropriately. For example, the students are required to demonstrate good academic progress, to participate in seminar and project work on subjects relevant to EVN during their studies and to complete a traineeship at EVN during the summer. The initial goal is to create a bond between students in technical fields and EVN, while also giving these young men and women an opportunity to learn about EVN. The medium-term goal is the recruitment of qualified scholarship recipients for promising jobs in the EVN Group.

Integrity clause for partners

The EVN integrity clause represents an integral part of the contracts for the employees of all business partners and subcontractors. It prohibits any form of discrimination or harassment at the workplace. Working conditions are also addressed in the sections on "health protection", "labour and employment regulations", and "transparency of working time and remuneration".

→ GRI indicator: Percentage of employees under collective agreements (LA4)
→ GRI indicator: Notification deadlines for major changes within the company (LA5)
→ GRI indicator: Percentage of employees in occupational safety committees (LA6)
→ GRI indicator: Securing the requirement of skilled labour (EU14)

Working and living with EVN

Work-family balance

EVN supports the parents in its workforce in their efforts to achieve a work-family balance, including employees who are considering taking advantage of legally entitled parental leave. Their return to work is facilitated by contacts with EVN throughout the leave period. Parents can also choose to work part-time as an alternative to full parental leave or during the subsequent re-entry period and thereby adapt their working hours to meet their personal needs.

These flexible arrangements offer advantages for both sides: EVN is able to retain qualified staff and utilise its investments in training and professional development beyond the phase of intensive parental care. From the parents' point of view, close ties and regular contacts with the company facilitate re-entry and keep their professional expertise up to date.

EVN also offers opportunities above and beyond legal entitlements to parental leave, allowing for time-out with a return-to-work guarantee until the child is 36 months of age. Men are also using the available models. In 2012/13, six men were on parental leave. As a result of these individually designed models, all mothers and fathers at EVN Netz GmbH, EVN Wärme GmbH, EVN Wasser GmbH and EVN Business GmbH generally return to employment after this leave. One employee left the company for family reasons during the reporting period (previous year: one resignation after parental leave).

Another measure to facilitate re-entry after parental leave is the parent-and-child office that was installed in 2012. It allows employees to bring their children to work, especially in times of difficult childcare situations. A comfortable atmosphere allows for concentration on both work and children. The parent-and-child office is equipped with two fully functional workstations as well as special children's furniture, toys, a bottle warmer and much more - and provides parents as well as children with an attractive environment.

For children from six to 12 years of age, the two-week vacation programme "Holidays@EVN" was repeated in summer 2013. This programme, which was started in 2011, took place at the EVN corporate headquarters and adjoining green areas and in the information centre of the Theiss power plant. It was organised together with the "Family Business" initiative. Over 60 children of EVN employees were able to enjoy a diverse programme of games and handicraft activities, excursions and a drumming workshop.

→ GRI indicator: Diversity of employees and leading bodies (LA13)
→ GRI indicator: Employees returning to work after parental leave (LA15)

EVN pension fund

EVN provides its workforce with a supplement to legal pension insurance ("ASVG" pension) through the EVN pension fund. This fund gives employees an opportunity to accumulate additional retirement benefits in the form of a private pension with the support of the company. In this way, EVN plays an important role in securing the retirement income of its employees. The EVN pension fund is a defined contribution scheme, in which the amount of the future pension is derived from the employer and employee contributions up to the date of retirement. Retirement benefits were intentionally not transferred to an external pension fund. A separate company pension fund was founded, which gives employees the right to share in the decision-making process through their representatives. EVN's responsibility as an employer is also illustrated by the pensions provided for its employees in Bulgaria, where voluntary pension insurance was introduced for all full and part-time employees.

Supplementary health insurance

Another voluntary benefit provided by EVN for its employees is the opportunity to conclude supplementary health insurance at favourable conditions. A framework agreement with an Austrian insurance provider guarantees optimal medical care for all participating employees.

Additional benefits like supplementary health insurance and the EVN pension fund are available to all employees of the contributing employers in the EVN Group – regardless of age, gender or the scope of employment.

EVN culture and sports club

The EVN culture and sports club is an employees' initiative with a long-standing tradition. The offering ranges from soccer, yoga, mountain biking, jogging, sport shooting, curling, climbing, winter and water sports to scuba diving, sailing, surfing, fishing and tennis. Other popular activities include Pilates, chess, golf, bodywork, bodybuilding and cardio training, aviation, table tennis, hiking, photography and film or culture and tourism.

EVN supports these activities, above all, in accordance with its focus on health promotion. At the same time, participation in these shared activities improves communications and strengthens social ties and shared values within the company.

EVN's culture and sports club had more than 1,500 members during the reporting year and includes 16 individual clubs located in Krems, Horn, Waidhofen an der Thaya, Deutsch Wagram, Hollabrunn, Mistelbach, St. Pölten, Waidhofen an der Ybbs, Wiener Neustadt, Korneuburg, Theiss, Dürnrohr and Maria Enzersdorf. All clubs have strong ties to their respective regions and generally operate autonomously.

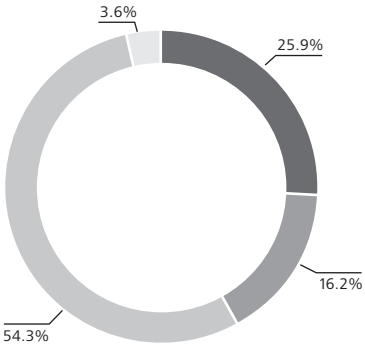
In 2012/13, a total of EUR 14.0m was spent on employee benefits (pension contributions, other employee benefits), which represents 4.6% of personnel expenses.

→ GRI indicator: Benefits for full-time employees only (LA3)
→ GRI indicator: Company defined benefit plan obligations (EC3)

Human resources development

EVN is well aware of the importance of its highly qualified and motivated employees for its business activities. Not only their know-how, but also their motivation and their continuous readiness to learn play an important role in the company's sustainable success. Maintaining and increasing employees' high level of expertise therefore represent a focal point of human resources activities. The EVN Academy was founded to organise the training and continuing education programmes in Austria, Bulgaria and Macedonia. Each area of the company has designated employees to serve as training coordinators. They coordinate qualification measures, assess the development needs of individual employees and submit their results to the EVN Academy teams.

EVN's education structure



25.9% University
16.2% Secondary school[1)]
54.3% Technical school graduates/employees with completed apprenticeships or master craftsman certificates
3.6% Others

1) Includes higher graduation in Macedonia because of country-specific educational structures, equivalent to secondary school graduation.

→ For further information on the measures and priorities for training and further education, see **www.evn.at/hr-development/education-and-training**.
→ GRI indicator: Programmes for knowledge management and lifelong learning (LA11)

Opportunities for employees of EVN's gas-fired power plants

The disturbances on the European energy markets presented EVN with a number of economic and social challenges during the reporting period. The high feed-in volumes of electricity from renewable energy sources led to excess supply which, in turn, triggered a decline in electricity prices on the commodity markets. The resulting negative margins between primary energy costs and electricity prices have made the operation of natural gas-fired power plants uneconomical at the present time and resulted in substantial reductions in capacity utilisation. The signing of a contract with the Federal Network Agency in Germany in 2012/13 for the provision of reserve capacity for a further three winter periods will only allow for the partial utilisation of plant capacity. These capacity reductions were naturally reflected in declining workloads among highly trained employees. Roughly 200 EVN employees were affected by these measures. However, EVN considers it a responsibility not to pass on the effects of the changing energy markets to its workforce. Measures that include continuing education, retraining and new development opportunities have been implemented to give these men and women new perspectives within the EVN Group. This will allow for the retention of valuable know-how and expertise in the EVN Group combined with the application of new knowledge in an alternative situation.

Continuous training and education

In 2012/13, EVN invested a total of EUR 2.4m (2011/12: EUR 2.7m), or EUR 325.5 (2011/12: EUR 359.0) per employee, in continuous training and education. The average time spent on these programmes amounted to 31.3 hours per employee.

The offering concentrated on language training, specialist courses and seminars to strengthen social skills. In Bulgaria, training focused on the seminar "Customer Communication – Standards and Directives", which has had 2,500 participants since the EVN Academy in Bulgaria was founded in 2006. A new training centre was also opened in the Bulgarian city of Stara Zagora during 2011/12, which will further optimise training for the Bulgarian employees. In Macedonia, the offering covered IT, project management, languages and "energised working" as well as behavioural training.

→ GRI indicator: Education and further training (LA10)

Securing skilled labour requirements

EVN has implemented various measures to meet the future demands for skilled labour and managers, among others in the areas of apprentice training (see page 196), talent management and leadership development.

→ **Talent management:** The internal recruitment of managerial staff is supported by training to expand the qualifications and support the personal development of employees. One programme implemented to reach this goal is the EVN Summer University, "EVN SUN". In 2012/13, eight female employees and 13 male employees from Austria, Macedonia, Bulgaria, Croatia und Germany took part in this six-day programme. The Summer University, which was held from 22 to 27 September 2013 and organised for the first time with the Danube University Krems, included international lecturers on subjects such as operations management, innovation management, cross-cultural management, corporate management and key performance indicators. The theoretical presentations were supplemented by numerous practical case studies. EVN managers were also available to discuss interesting issues.

→ **Leadership development:** Leadership development is an important focal point of training and further education at the EVN Academies in Austria, Bulgaria and Macedonia. These programmes are designed to prepare selected employees to assume leadership and expert tasks over the medium-term as well as to make use of internal career opportunities. In 2011/12, a specially designed, individual management training programme was introduced for employees who are designated for management positions. EVN also supports training at the university level, among others, through MBA programmes. EVN Bulgaria held a two-day management training course for 65 managers that covered subjects like leading and developing others, talent

Training and further education		2012/13	2011/12	2010/11
Expenses[1)]	EURm	2.4	2.7	2.6
Average training expenses per employee	EUR	325.5	359.0	313.7
Training hours per employee	hrs.	31.3	26.9	22.1

1) Seminar cost, trainers, e-learning

management and performance management systems. An electronic training platform was also introduced at the beginning of 2013, which has already been used by 1,251 employees for training in areas like Excel, project management and annual performance appraisals.

→ GRI indicator: Securing the requirements for skilled labour (EU14)

EVN introduced itself as an attractive employer at apprenticeship events and career fairs and in joint appearances with universities and universities of applied sciences. In 2012/13, EVN participated in the career fair of the Vienna University of Technology, Career Calling, YPD Challenge, High-Potential Day in Vienna as well as career fairs in Bulgaria (e.g. "National career days" in Plovdiv) and in Macedonia (e.g. BEST, Careed Days, SEEU). EVN is also represented on information platforms like kununu and Facebook.

→ Additional information on kununu can be found under: **www.kununu.com**.

EVN Bulgaria in the go-international programme

In cooperation with the Austrian Federal Economic Chamber and its export promotion initiative "go-international", EVN Bulgaria introduced the "Go International Programme". Six training subjects were handled in 35 training days, with 415 employees in attendance. The subject included time management, conflict management and effective teamwork as well as telephone and written communications.

Feedback and orientation discussions

EVN implemented annual feedback and orientation discussions in all major Austrian subsidiaries during February 2010. Employee talks are also held on a regular basis in Bulgaria, and since January 2012 in Macedonia as well. These instruments allow for an appraisal by the employee's supervisor and structured feedback on work performance and quality. Additionally, development goals and measures are defined. More than 90% of all employees are covered by these discussions and therefore receive regular feedback on their performance and development plans.

→ GRI indicator: Performance evaluation and development plans for employees (LA12)

Healthcare and occupational safety

EVN places great importance on the best possible training and continuing education for employees on all relevant health and safety issues. An occupational safety department was established to ensure compliance with legal regulations and the extensive set of internal directives and guidelines. Representatives of the works councils and trade unions are involved in the respective workplace, health and safety issues. The "Health@EVN" was also expanded in 2012/13 to intensify and strengthen health initiatives. The programme's three goals – health protection, healthier living and fitness – are supported by numerous measures that include medical check-ups, vaccinations, eye and hearing tests, psychological counselling, coaching, tips on healthy nutrition and special offerings for groups of employees who are exposed to particular risks.

The occupational medical care provided by EVN goes far beyond legal requirements and is well received by employees. At EVN AG and EVN Netz GmbH (renamed Netz Niederösterreich GmbH as of 1 October 2013) in Lower Austria, 1,087 vaccinations were given and 56 employees underwent medical check-ups in 2012/13.

EVN does not operate in countries where there is an increased risk of contagious diseases. Nevertheless, Group guidelines are in place in the event of serious events such as a pandemic. The Group guideline "EVN Pandemic Prevention" is in force at all Group subsidiaries. The goal of the company-wide pandemic prevention guideline (especially influenza pandemics) is to minimise the infection risk at the workplace to ensure that business activities are not affected and EVN's customer service is uninterrupted. This guideline covers organisational, preventative and hygienic measures aimed at minimising the risk of an influenza pandemic among the workforce. In the event of a pandemic, the Group's crisis management will define concrete implementation measures for each organisational unit in accordance with the crisis management guideline.

The extensive range of training programmes on health protection, occupational health and safety and fire prevention was continued during the reporting year. The courses covered safety issues such as "working with voltage" and "working with power saws". Special courses were also offered, for example, on the use of anti-fall protection equipment and first aid. In Austria, all employees are represented by safety officers in working committees that monitor and discuss the workplace safety programmes.

→ GRI indicator: Prevention of and education in serious diseases (LA8)

→ GRI indicator: Occupational safety agreements with trade unions (LA9)
→ GRI indicator: Health and safety regulations (EU16)

The implementation of the accident database designed in 2011/12 was postponed from the reporting year to the following year for technical reasons after the completion of a trial phase. This database will collect facts and figures on all accidents for statistical analysis and the development of prevention measures.

The number of occupational accidents in the EVN Group rose by 40.7% to 121 in 2012/13. In addition, the number of working days lost increased by 52.3% to 3,346. There were two fatal accidents during the reporting period, both within the scope of responsibility of EVN Macedonia.

→ GRI indicator: Injuries, occupational diseases, lost days, absence and fatalities according to region (LA7)

Occupational safety for subcontractors and suppliers

In order to minimise the risks associated with workplace safety, EVN only works with selected partners who are contractually required to employ trained personnel. Compliance with the directives for partner companies is reviewed by experienced, well-trained EVN employees who serve, for example, as construction coordinators or supervisors. Subcontractors and suppliers are used for tasks with a limited period of time, especially for maintenance and repairs and for the construction of new power plants and transmission networks. More than 5,000 subcontractors and suppliers worked for EVN in Austria and other countries during the reporting year. EVN does not maintain central records on the number of workdays attributable to subcontractors and suppliers because this would not have any significance for labour practices.

External services relevant for safety and/or health (e.g. in civil engineering and building construction) are performed by prequalified companies under general contracts. There are roughly 300 qualified companies working in these areas. All companies working for EVN in Austria must accept EVN's integrity clause as a contract basis. Under item 4, "Health & Safety at the Workplace", this clause requires compliance with legal regulations for occupational health and safety protection at the workplace, free access to drinking water and sanitary facilities, appropriate fire protection, lighting, ventilation, suitable personal protective gear and training for its proper use. All companies must instruct their employees in accordance with § 14 of the Occupational Health and Safety Act ("Arbeitsschutzgesetz", ASchG) and § 154 of the Construction Worker Safety Regulation ("Bauverordnung", BauV). The same rules also apply to their subcontractors. Training certificates must be provided automatically. Subcontractors must also confirm that they have the required certifications and qualifications to undertake the contracted work. Comparable regulations are in force with EVN's international subsidiaries.

→ GRI indicator: Health and safety regulations (EU16)
→ GRI indicator: Work days of subcontractors and suppliers for construction, servicing and maintenance (EU17)
→ GRI indicator: Subcontractors and suppliers who have participated in health and safety training programmes (EU18)

Accident and lost days statistics	2012/13	2011/12	2010/11
Number of occupational accidents[1]	121	86	113
Number of staff sick days[2]	3,346	2,197	3,149
LTIF[3]	10.1	6.9	8.2

1) Number of minor accidents and of notifiable occupational accidents (excluding commuting accidents)
2) Lost days are working days only; excluding weekends resulting from work-related accidents (excluding commuting accidents)
3) Lost Time Injury Frequency Index – Frequency of occupational accidents per one million working hours

Fire statistics[1]		2012/13	2011/12	2010/11
Number		3	6	4
Damage	TEUR	15.5	311.5	62.0

1) Austria

Human rights

EVN is committed to the unrestricted protection of human rights in all areas of its activities. High priority is given to the inclusion of human rights clauses in contracts relating to investments and procurement practices as well as equal treatment, freedom of assembly, right of collective negotiation, abolishment of child labour, abolishment of forced labour, complaint procedures, safety measures and the rights of indigenous peoples. In 2005, EVN joined the UN Global Compact and thereby agreed to compliance with human rights principles at all its locations. EVN is particularly opposed to any form of child or forced labour and expects the same from its contract partners and suppliers.

These principles are specified in the EVN Code of Conduct and are binding for all employees in all business units. Implementation in all EVN companies is ensured by the availability of the code in German and English as well as its translation into the languages of the subsidiaries in Bulgaria, Macedonia and Russia. The EVN Code of Conduct is regularly adapted to reflect current developments and changes in legal requirements.

The EVN integrity clause requires all suppliers and subcontractors to comply with these rules. It can be accessed by investors, investment and joint venture partners, subcontractors and stakeholders on EVN's website and is also sent out with each order and tender as part of the contract. Suppliers are controlled and monitored for compliance of EVN's integrity clause based on a specially developed questionnaire. The audits carried out since the implementation of this questionnaire did not identify any violations.

Compliance with human rights principles is the responsibility of the Executive Board, which is supported by the EVN compliance officer.

EVN, as an international company, also operates in countries with a less developed understanding for human rights or may purchase services, materials or products from such countries through central procurement. In connection with the sensitive area of textile procurement (work clothes), risk countries have already been excluded through an internal guideline. This type of exclusion practice is being expanded to include other product groups or specific criteria and measures are under implementation to improve the current situation or to implement the EVN integrity clause. One example involved coal procurement in Poland and Russia, where purchases are only made after EVN has conducted its own research and verified compliance with human and labour rights and examined the working and living conditions.

→ GRI indicator: Investment agreements with human rights clauses (HR1)
→ For more information on the EVN Code of Conduct, see **www.responsibility.evn.at.**
→ For the integrity clause, go to **www.evn.at/integrity-clause**.

EVN supports the UN Global Compact

Principle 1: EVN supports and respects the protection of internationally proclaimed human rights.
Principle 2: EVN makes sure that it is not complicit in human rights abuses.
Principle 3: EVN upholds the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: EVN supports the elimination of all forms of forced and compulsory labour.
Principle 5: EVN supports the effective abolition of child labour.
Principle 6: EVN supports the elimination of discrimination in respect of employment and occupation.
Principle 7: EVN supports a precautionary approach to environmental challenges.
Principle 8: EVN undertakes many national and international initiatives to promote greater environmental responsibility.
Principle 9: EVN encourages the development and diffusion of environmentally friendly technologies.
Principle 10: EVN works against corruption in all its forms.

Aspect: Investment and procurement practices

HR2 Supplier controls for compliance with human rights legislation

For specific product groups such as textiles or materials such as steel, major suppliers and subcontractors, especially from non-EU countries, are evaluated in accordance with human rights and sustainability principles. This evaluation takes place on a sampling basis. The majority of all deliveries to EVN originate in the EU. Suppliers that are not based in the EU are audited on site by EVN. Contractors, especially construction companies, are audited with regard to their payment of social insurance contributions for their employees. This review covers all Austrian contractors performing construction services with a volume above

EUR 5,000. To date, EVN has not identified a single contractor that has failed to meet his obligations to make social insurance contributions.

HR3 Number of hours of training on company-relevant human rights aspects

The training programme on the Code of Conduct, which covers the prevention of corruption as well as the human rights aspects relevant to company activities, involves 2.5 hours of training per employee.

→ Also see Corporate governance and management structure on page 175.

Aspect: Equal treatment

HR4 Occurrences of discrimination and countermeasures taken

No incidents of discrimination on the grounds of ethnic, national or social origin, skin colour, gender, sexual orientation, religion or political orientation were reported during 2012/13. As one of the key elements of international treaties, national social legislation, social guidelines and the ILO core work norms, equal treatment is a central factor for EVN's positioning as a responsible employer. Any discrimination would be condemned and sanctioned under EVN's compliance guidelines and personnel statutes.

Aspect: Freedom of assembly and collective negotiation

HR5 Right of free assembly and collective negotiation

For EVN and its subsidiaries, the right of free assembly and collective negotiation represents a cornerstone for the implementation of the Universal Declaration of Human Rights as well as the ILO core work norms at all locations. This right also forms an integral part of the EVN integrity clause, which is the basis for all orders and contracts by and with EVN. EVN and its subsidiaries do not conduct any business activities that could endanger the free exercise of employee rights, in particular the freedom of assembly and collective negotiation. In Austria and all other EU countries, these rights are guaranteed by law. EVN has also established a works council in its Austrian group companies and supported the founding of a European works council to monitor compliance with these and other human and employee rights at EVN's facilities in the EU.

An analysis was conducted of the countries or geographical regions where these human rights could be at risk. It concluded that Russia is the only business location for EVN's subsidiaries outside the EU that might be considered a risk country for human rights, especially the rights mentioned above.

EVN's legal department therefore conducted extensive research into human rights compliance in risk countries and intensified its own further education in this field. The department also ensured that the management of the Russian subsidiaries and facilities were made aware of the need to comply with human and employee rights, especially those mentioned above. This took place within the context of internal training on the EVN Code of Conduct. Assessments and feedback indicate that these rights are not endangered by the business activities of EVN and its subsidiaries in Russia. As a further precautionary measure to protect human and employee rights, EVN evaluates the relevant risks prior to the start of each international project.

Aspect: Child labour

HR6 Business activities with a risk of child labour

EVN's only risk of association with child labour lies in the procurement of products or materials from countries listed as being at risk. The procurement department has taken a number of steps to lower this risk to zero or near zero. One major step was the introduction of the integrity clause, which forms the basis for every contract with EVN. In addition, procurement transactions with a high potential for the involvement of child labour are examined in detail. Another measure is the requirement to only purchase textiles that were manufactured in the EU. EVN does not operate in countries with a high risk of child labour.

Aspect: Forced labour

HR7 Business activities with the risk of forced labour

EVN does not operate in countries with a high risk of forced labour, with the exception of Russia. Measures have been implemented in that country to reduce the risk of forced labour.

→ Also see HR6.

Aspect: Security methods

HR8 Training for security personnel on the issue of human rights

EVN does not operate in countries with a risk of violations by the security staff, with the exception of Russia. One security person is employed (under contract) in each of the Russian facilities. All security employees have been trained in the EVN Code of Conduct, which also deals with human rights. Violations can therefore be ruled out or are strictly sanctioned.

Aspect: Assessment

HR10 Number of checks concerning the compliance with human rights and/or impact assessments

EVN places top priority on compliance with human rights in the areas of investment and procurement practices, equal treatment, freedom of assembly, right of collective negotiation, abolishment of child labour, abolishment of forced labour, complaints procedure, safety measures and the rights of indigenous people. These principles are specified in the EVN Code of Conduct and apply to all employees in all business units. A procurement integrity clause requires all suppliers and subcontractors to comply with these rules. Sampling procedures are used to control the human rights performance of suppliers in their business relations with the EVN Group.

→ Also see HR2.

Society

As a responsible energy and environmental services provider, EVN has been committed to social responsibility, sustainable business practices and the protection of the environment and resources for many years. Achieving a balance between economic, ecological and social aspects is an important focus of its business activities. These activities are accompanied by a shared responsibility for the social development of the Group's markets and have an influence on local stakeholders through numerous economic connections.

EVN follows a clear management approach for all social aspects of its business involving governance, compliance, corporate ethics, the prevention of corruption, public appearance and competitive behaviour. This management approach is defined in the EVN Code of Conduct (www.evn.at/Code-of-conduct).

Aspect: Local communities

SO1 Effects of business activities on society

EVN safely and reliably supplies 3.7 million customers with energy. Its core business includes providing reliable coverage for the daily needs of its customers and making a major contribution to their quality of life. The responsibility for future generations is of particular importance and is reflected in a circumspect management policy. This approach applies equally to individuals and social cohesion and to the regional economy, the environment and the use of natural resources.

→ Also see EN18 and EU19.

SO9 Business activities with significant negative impact on local communities

The main principles underlying EVN's business activities are to ensure the security of energy supplies, to use natural resources in a responsible manner, to create modern infrastructure and to consistently position EVN as a provider of top quality services. All infrastructure projects – from (small-scale) hydropower plants, pipeline projects and wind parks to biomass and waste utilisation plants – have an impact on the environment and the regional population.

Despite the high public support for windpower and hydropower, it is impossible to completely rule out conflicts of interests with residents and environmentalists on specific projects. Accordingly, these potential conflicts must be identified and addressed as early as possible. EVN relies on professional communications with municipalities, residents, citizens' groups and NGOs for all its ventures and views constructive discussions with all stakeholders as the foundation for the successful realisation of windpower and hydropower projects.

SO10 Prevention and mitigation measures for business activities with negative impact on local communities

The planning and realisation of all infrastructure projects from (small-scale) hydropower plants, pipeline projects and wind parks to biomass and waste utilisation plants includes the active and timely inclusion of residents, citizen's groups, NGOs, political representatives, local initiatives and associations. EVN sees these stakeholders as valuable planning partners who provide information on the best possible resource-conserving realisation. Other important aspects are the cooperation with leading environmental and animal protection experts and use of state-of-the-art technology. EVN views the requirements of public authorities as minimum standards and gives top priority to measures that improve information, protection and prevention.

Every windpower project is subject to a strict approval procedure. In this context, a differentiation is made between individual assessments and concentrated environmental compatibility tests. The competent authority decides whether a project requires a concentrated environmental compatibility test based, among others, on the size of the planned wind park, existing turbines in the area and relevant conservation areas. Both the individual and the consolidated procedures include the assessment of all relevant factors such as noise, shadow, ornithology, the environment and the landscape appearance. The legal provisions in Lower Austria, e.g. a mandatory minimum distance of 1.2 km to the next zoned residential area, are among the strictest rules in Europe.

→ Also see SO9.

Aspect: Corruption

SO2 Examination of corruption risks

Corruption is classified as a risk factor in EVN's risk management system, and appropriate instructions have been issued for all Group companies based on the EVN Code of Conduct. The work by the internal audit department also includes a review of circumstances that could lead to or be related to corruption.

SO3 Employee anti-corruption training

All new employees receive training on the EVN Code of Conduct and anti-corruption policies. Whistle-blowing procedures and the related training programme were completed in 2010/11. After additional legal consulting, the whistle-blowing procedure was expanded in 2012/13 to include an option that allows employees in Austria to submit information on an anonymous basis via the intranet. Data protection assessments were also started in the most important foreign markets in preparation for the introduction of whistle-blowing procedures. A draft compliance manual was prepared as part of a project to implement a comprehensive compliance management system. It will form the basis for the information and training of employees throughout the Group and will be adapted to reflect business and local conditions.

→ Also see Governance, commitment and engagement from page 175.

SO4 Measures taken in response to corruption issues

No corruption issues were reported in 2012/13. Infringements and violations represent a breach of the employees' responsibilities and may lead to consequences under criminal law. Any confirmed suspicions would result in prosecution under labour and/or civil law, depending on the severity of the case and the scope of the damage. Therefore, employees who unintentionally come into conflicts of interest or loyalty during the course of their work are advised to contact EVN's compliance officer directly and without delay.

→ Details on the compliance management system on page 175 under governance, obligations and commitment.

Aspect: Public policy

SO5 Political positions, participation in the political consensus building process, lobbying

EVN expresses its opinions on climate protection and energy efficiency within the context of its memberships in business and professional associations and their committees and working groups. One of the most important organisations to which EVN belongs is "Oesterreichs Energie", which represents the interests of the Austrian electricity industry.

Aspect: Anti-competitive practice

SO7 Lawsuits in consequence of anti-competition practice, cartel or monopoly formation

The structure of the purchase contracts submitted by EVN AG in connection with the December 2011 privatisation process for the one-third stake held by the state in EVN Electrorazpredelenie AD was declared as non-compliant with the applicable rules by the Bulgarian financial market authorities. EVN believes it complied in full with the guidelines for the privatisation process (published on the website of the Sofia Stock Exchange) and has filed an appeal. In connection with the privatization process, EVN AG increased its holding in EVN Electrorazpredelenie AD (now EAD) to 97.75% and subsequently to 100% through stock exchange purchases.

In Bulgaria, legal proceedings were initiated against EVN EP, EVN EC, EVN SEE and EVN BG to evaluate the possible infringement of legal regulations based on insufficient support and the obstruction of the registration process on the free market as well as the change of suppliers. Legal proceedings are also in progress to evaluate the possible infringement of Art. 15 (unlawful agreements, resolutions and concerted practices) and Art. 21 (misuse of a monopoly or controlling market position) of the Competitive Protection Act and Art. 101 and 102 of the Treaty on the Foundation of the European Union. Legal proceedings are also on-going against EVN EP to evaluate possible unlawful acts based on the determination of prices and conditions for network access as well as the provision of masts. These proceedings are pending before the Commission for the Protection of Competition.

A lawsuit was filed against EVN Energievertrieb GmbH & Co KG by a competitor who alleged the dissemination of misleading and/or derogatory statements that imply the competitor did not make a contribution to supply security and also suggest the supply security of the competitor's customers would be endangered under unusual weather conditions. This proceeding ended with a settlement.

Sector supplements – Society

EU19 Inclusion of stakeholders in decision-making processes

EVN is well aware of the impact of its business activities on society, in Austria and in other countries. Compliance with all relevant international agreements and national legislation, above and beyond legal requirements, is a matter of course.

A special focus is placed on the preparation of environmental and social impact assessments for new major projects. EVN supports the early, comprehensive and open inclusion of stakeholders in decision-making processes. From small-scale hydropower plants, pipeline projects and wind parks to waste utilisation plants – all these projects are planned and realised with the active participation of neighbouring residents, citizens' groups, NGOs, political representatives, local initiatives and associations in planning and realisation. EVN views these stakeholders as valuable planning partners. Early inclusion creates the basis for broad acceptance, provides valuable information on the best possible resource-conserving realisation and is a decisive factor for planning security ("licence to operate").

→ Also see page 37 stakeholder management.

EU20 Involuntary relocations
EU22 Relocations during the reporting year

EVN is strictly opposed to any forced relocation and physical or economic expulsion and complies with all relevant international guidelines and national legislation. Environmental and social impact assessments that address these issues are carried out prior to the start of new projects. There were no relocations during the reporting year.

EU21 Crises, emergency and contingency plans and relevant training programmes

EVN has prepared comprehensive crisis, emergency and contingency plans and implemented training programmes for major segments of its business activities, especially for risk scenarios that may affect the population. Internal and external training programmes on crisis management are held in Lower Austria, and crisis scenarios are simulated at all EVN locations. Regular training is provided for the emergency staff, and annual training programmes are held for all duty personnel and annual security training programmes for all employees. A crisis management system has also been implemented in Bulgaria and Macedonia.

Clear principles of evn naturkraft in the field of wind energy – fair policy

Fairness for the public: Priority for community sites.
Fair practice: No planning without community consent. The mayors are the first discussion partners before contacts are made with property owners.
Fair play: Communities and property owners are never played off against each other.
Fair information: evn naturkraft plans and operates windpower plants with people and not against them. For that reason, the company provides early, honest and comprehensive information – at evening meetings and conversations with local groups and stakeholders and in roundtable discussions.
Fairness for residents: Windpower plants that create a minimum of disturbance through close cooperation with residents and state-of-the-art technology.
Fairness for flora and fauna: Minimum disturbance for animals and plants through close cooperation with leading environmental and animal protection experts.

Product responsibility

PR4 Violation of information obligations

In a ruling dated 11 January 2013, the Austrian Financial Market Authority declared the public announcement of a resolution of the Annual General Meeting on 19 January 2012 to be insufficient. This resolution, which was published on the company's website, authorised the Executive Board to purchase treasury shares during a period of 30 months. The members of the Executive Board were subsequently fined (minimum penalty) for an administrative violation pursuant to § 82 (8) and 9 of the Austrian Stock Corporation Act.

PR9 Fines due to violations of product and service regulations

In a ruling on 7 October 2013, EVN EP was fined BGN 20,000 by the Bulgarian energy regulatory authority DKEWR for the exchange of a meter without the verifiable consent of the customer and a witness.

Sector supplements – product responsibility

EU25 Injuries and fatalities of individuals (customers, neighbours, general public)

EVN reported seven incidents in 2012/13 (previous year: three) involving external persons not employed by the Group. In Austria, an electrical fitter received electric marks while working on cables. Three persons were subject to electrisation, and one person suffered contusions from a falling mast during installation work. One person fell while cleaning a concrete-filling pipe and later died as a result of his injuries. In Bulgaria, one person suffered burns when he entered a live transformer station.

EU26 Population in sales area without electricity supply

Full coverage can be assumed in all countries where EVN is the electricity supplier.

EU27 Electricity disconnections due to payment arrears

EVN offers individual support and instalment payment options for customers who are unable to pay their bills on time. The past years were, however, still characterised by fluctuating payment habits and the frequent inability to meet scheduled payments, especially in Bulgaria and Macedonia. In 2012/13 the collection rate was raised to 99% in Bulgaria and to 92% in Macedonia. In the heating area, the collection rate in Bulgaria reached only 70%. EVN Macedonia introduced a number of measures in 2012/13, to improve the collection rate and increase customer satisfaction, which focused on educating and informing customers and on quality assurance for invoice deliveries. Despite a socially considerate approach, EVN is forced to disconnect the power supply if payment of arrears is not made over a longer period of time.

CSR programme

In 2012/13, discussions on CSR goals led to the identification of specific area focal points based on the EVN materiality matrix and to the subsequent definition of Group-wide CSR targets. These targets are classified by area of activity in the following CSR programme and highlighted in grey. The programme of CSR measures was developed in an iterative process according to the individual areas of activity. In collaboration with all departments, it is expanded regularly to include new measures in all areas of the EVN Group.

→ For the EVN materiality matrix, see page 33 of this report.
→ The programme of CSR measures can also be found under **www.responsibility.evn.at**.

CSR measures by area of activity

Department target	Measures	Milestone Deadline	Status as of 30 September 2013
Area of activity: Supply security			
Sustainable, economical expansion of supply infrastructure → Status: Preparation of a joint issue/criteria catalogue			
EVN defined the following department targets and implemented the following measures to meet these corporate goals:			
Increase Group coverage ratio to 30% of electricity sales	Realisation of power plant projects in Austria and other countries. Capacity expansion will focus primarily on renewable energies, including windpower and hydropower plants in Austria and large hydropower projects in other countries	On-going	On-going measure
Arrange for the accreditation of evn wasser as a certified ÖVGW water supplier during the next two years	Accreditation of evn wasser as a certified ÖVGW water supplier during the next two years	End of 2013/14	Planned
EVN waste: increase plant availability	Step-by-step refitting of boilers with corrosion-resistant materials (cladding)	By 2015	Measure in implementation
Create a shared awareness among all involved employees for the sustainable and economical realisation of network infrastructure projects; retain current expertise and make this know-how available to new employees.	Preparation of a subject/criteria catalogue for the sustainable and economical planning and construction of pipeline projects	31.03.2014	Measure in implementation; list was developed with district managers

Area of activity: Resource conservation

Increase in energy consultations
→ Status: 6,891 energy conservation meetings were held

EVN's energy mix in Austria contains 0% nuclear-generated electricity and 0% grey electricity
→ Status: 0% nuclear-generated electricity and grey electricity in EVN's energy mix

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

Department target		Measures	Milestone Deadline	Status as of 30 September 2013
EMAS target	Improve resource conservation at the biomass facilities operated by EVN Wärme GmbH	Use of 20% of residual biomass ash each year as a valuable substitute material as a means of reducing resource consumption, greenhouse gas-relevant emissions and landfill costs	On-going	57% of biomass ash currently utilised by disposal firms (above all construction industry)
EMAS target	Continuously improve plant indicators at the district heating plants operated by EVN Wärme GmbH	Steady improvement in data quality; recording and control of data; implementation of valuation models to optimise technical controlling and resulting improvement in plant indicators such as effectiveness	Multi-year target	Basic system under development; district heating plants will be connected to the system over the next five years
EMAS target	Reduce the CO_2 footprint of the motor vehicle fleet at EVN Wärme	Replacement of 10% of diesel-driven company vehicles with natural gas-driven vehicles in 2013 and 5% of diesel-driven company vehicles with alternative-drive vehicles	2014	Measure partially completed
	Increase efficiency	Optimisation of start-up process for Korneuburg power plant; reduction of emissions and natural gas consumption at Dürnrohr power plant through optimisation of district heating transmission	On-going	On-going measure
EMAS target	Increase efficiency of the EVN steam turbine at the Dürnrohr power plant	Installation of additional system to evacuate steam seepage	On-going	Measure in implementation
EMAS target	Cut energy consumption by 50% in the flue gas desulphurisation aggregate (REA) at the Theiss power plant	Optimisation of compressed air system	On-going	Measure in implementation
	Increase safety in working with electricity in Bulgaria	Project "Energy efficiency in schools" (5th grade) – information on electricity consumption in cooperation with the Ministry of Education and school inspectors in nine regions	On-going	Approximately 8,700 school children have received information since the start of the programme; updating of educational tools; expansion to include new regions
	WTE projects: energetic utilisation of sewage sludge	Construction of sewage sludge utilisation plants	On-Going	Measure in implementation

Department Target		Measures	Milestone Deadline	Status as of 30 September 2013
	Renewable energies – services and tariffs	Proposals to customers to generate their own electricity based on renewable energies (photovoltaic, photovoltaic with investments by residents, small windpower plants, biogas product, etc.) Services to increase energy efficiency and thereby und reduce the use of fossil energy carriers Offering of CO_2-certified rates (Naturkraft, Sonnenstrom etc.)	End of 2013/14	Successfully completed
	Raise customer awareness for the best use of energy in Macedonia	Workshops, cooperations, information through energy saving campaigns and social media	On-going	Information for customers in workshops, roundtable discussions, seminars for university students, media, small and medium-sized companies, energy saving campaigns in the media, brochures and energy advice online or through the Customer Care Centre
	Raise customer awareness for energy efficiency and the safe handling of electricity in Macedonia	Energy efficiency clubs and lectures in schools on these issues; founding of a joint energy efficiency platform together with the Ministry of Economics	On-going	Founding of energy efficiency clubs in 15 schools with regular lectures; one workshop held for media representatives and one for business customers

Area of activity: Responsible employer

Expansion of internal job market and increase in internal recruiting
→ Status: 80% of management positions were filled internally

Increased share of women in new hiring (based on the current per cent by position) and higher share of women in management development programmes (based on the current per cent of women in management).
→ Status: Share of women in the company was 21.9% – share of women in new hiring equalled 36.8%; share of women in management positions was 7% – share of women in personnel development measures equalled 20%

Development and implementation of target group-specific health programmes for all employees
→ Status: 50% of the employees take part in preventive measures

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

	EVN waste: improved protective clothing for employees	Protective jackets were tested for the plant areas and made available to employees.	2013	Measure in implementation
	Improve employee satisfaction and identification with the company	Continuation of feedback and orientation discussions	On-going	Implementation completed; discussions will be held annually
	Support women in technical professions	Teenies' Day: My future with EVN: apprenticeship training at EVN	Autumn 2012	Successfully completed; Teenies' Day was held in autumn 2012

Department Target	Measures	Milestone Deadline	Status as of 30 September 2013
Integrate sustainability aspects in current training programmes	Discussions with training managers to identify opportunities for integration of CSR aspects	31.07.2014	Planned
Healthy nutrition	Stocking snack machines with healthier foods	30.04.2014	Planned
	Information on healthy on-the-job nutrition	30.12.2013	Measure in implementation
Promote health awareness among employees	Further development of health programme	01.09.2014	Measure in implementation; further development in 2013/14
	Introduction of an annual lecture on health issues	On-going	On-going measure
	First aid courses and health check-ups	On-going	On-going measure

Area of activity: Prevention of corruption

Roll-out compliance management (organisation and processes) throughout the EVN Group
→ Status: Decentralised and national compliance officers were designated in five strategic business units and four countries

Comprehensive training for all managers and employees on compliance
→ Status: 30% of managers were trained; employees were trained as required

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

Comply with national, international and corporate (Code of Conduct) rules to prevent: • Consequences under criminal law for the company and employees • Consequences under civil law for the company and employees • Risk of blackmail	Preparation and communication of Code of Conduct	On-going	Preparation completed, communication on-going measure
	Training for management and employees		Measure in implementation
	On-going advising	On-going	On-going measure
Raise employee awareness and active contribution to observance with human rights and prevention of corruption	Design and implementation of a comprehensive compliance management system for the EVN Group; communication tools for training and informing employees will be developed and implemented.	01.05.2014	Design completed, start of roll-out in September 2013
Develop a corporate governance training concept for EVN managing directors by the end of 2012	Development of a modular concept for training managing directors.	By end of 2012	Successfully completed

Department Target		Measures	Milestone Deadline	Status as of 30 September 2013
	Special training for managers on corporate governance and the legal framework for company management.	Development of a concept; preparation of comprehensive training materials; inclusion of external lecturers; organisation of test training courses; individualisation of training offering	By end of 2014	Concept and test courses developed in 2012/13, Group-wide roll-out in 2013/14
	Identify inappropriate behaviour	Introduction of whistle-blowing programmes throughout the Group	01.09.2014	Implemented in Austria; evaluation started in other countries
	Standardise Group-wide corporate governance to support the management of investments in line with the respective risks	Preparation of sample documents and instructions for action, clustering of investments for classification according to corporate governance risks; development of control mechanisms for the various risk	By end of 2015	Standardisation in implementation; clustering of investments will represent the focal point for 2013/14

Area of activity: Sustainable increase in shareholder value

Remain pioneer for sustainability in Austria; continued inclusion in sustainability indices and addition of new listings
→ Status: EVN is currently included in four sustainability indices (VÖNIX, FTSE4Good, ECPI, Ethibel)

Long-term integration of sustainability aspects in risk management
→ Status: 5% of risks based on sustainability aspects

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

	WTE: Develop further documentation and controls for financial reporting processes	Continuation of risk-oriented internal control system	On-going	Measure in implementation
		Identification of further goals based on the results of the pilot project	2013/14	Inclusion of CSR as a potential focal point in the TeamMate software used by internal audit. This will ensure that every audit evaluates the relevance of CSR and also allow for the inclusion of CSR as an audit focal point. Standardised instructions (so-called test labels) in the software will be used to achieve the intended results.
	Increase awareness for CSR in internal audit activities	Pilot project carried out in 2013 to integrate CSR aspects in internal audit activities	2013	Successfully completed; CSR was included as a separate point for the first time by internal audit in the form of "compliance with calibrating periods for electricity, natural gas, heat and water meters".

Department Target	Measures	Milestone Deadline	Status as of 30 September 2013
Establish Group-wide CSR standards	Further development and standardisation of CSR targets, organisation and processes	2014	Inclusion of CSR in risk management inventory; start of implementation for monitoring of CSR measures
	CSR target discussions with specialist departments to complete CSR management	Dec. 2013	Successfully completed; target discussions and discussions to combine Group-wide goals held in 2012/13
	Carry out stakeholder survey on CSR materiality matrix	01.05.2014	Planned
WTE: Establish Group-wide CSR standards	Development of a CSR team	Beginning in July 2013	Measure in implementation
Anchor integrity clause Planned (incl. social, ecological and corruptions aspects) with all contractors	Preparation and on-going adjustment of integrity clause (incl. social, ecological and corruption aspects)	2012	Successfully completed; revision in 2013 with minor adjustments to questionnaire for contractors
	Integrity clause as integral part of all orders/framework agreements	2012	Successfully completed; included in all orders/contracts in 2012/13
	Preparation of an audit questionnaire to evaluate compliance with the integrity clause	2013	Successfully completed; document was prepared; revision will cover entire Group (Bulgaria, Macedonia, Croatia)
	Review of contractors for compliance with the integrity clause	2014	First audits completed; target can be expanded to include TOP 20 in 2015
	Follow-up training for failure to comply with key parts of the integrity clause	On-going	In connection with the review of compliance with the integrity clause

In addition to the five major areas of activity, EVN also worked on department targets and numerous measures in other important areas of activity during the reporting year:

Area of activity: Climate protection

Reduce NO_x emissions at the Dürnrohr power plant by an average of 25% per year below the legal threshold starting in 2010	Voluntary agreement for NO_x: this goal will remain intact over the long term, irrespective of the age of equipment, additional requirements etc.: + Catalyser washing to improve filtration efficiency + Purchase of types of coal with low nitrogen content + Primary measures, e.g. the optimisation of combustion	On-going, since 2010	On-going measure; this voluntary target was also met in 2012/13
Increase awareness for climate protection	Two campaigns each year in coordination area of activity climate protection to increase awareness	On-going/ annual	Increased awareness for EMAS through contests in the Generation Segment and at EVN Wärme
EVN Abfall: reduce emissions through better thermal utilisation	Optimisation of combustion controls	On-going	Measure in implementation

Department Target	Measures	Milestone Deadline	Status as of 30 September 2013
Area of activity: Environmental protection			
Monitor overflow areas: research/monitor/forecast development of blue-green algae	Development of a measurement system	2014	Trial operations with test probe at the Ottenstein reservoir
Bird protection in Austria	Cabling and labelling of overhead power lines to protect the great bustard in Lower Austria as part of the LIFE+ project	2015	Measure in implementation
Bird protection in Macedonia	Protection of stork nests and construction of nesting platforms in Macedonia	On-going	Measure in implementation
Bird protection in Bulgaria	Insulation of dangerous masts and power lines to support a project by the Bulgarian bird protection association (BDZP, birdlife), "Save the imperial eagle and the gyrfalcon"	2018	Installation of 260 additional nesting platforms and 217 protective insulations in 2012/13 (1,100 nesting platforms have been installed since the start of the programme)
Area of activity: Human rights			
Improve understanding of human rights requirements	Participation in a United Nations Global Compact (UNGC) corporate workshop on human rights followed by internal know-how transfer	2012/13	Successfully completed
Area of activity: Internal use of resources			
Reduce flood of emails	Project "Intranet 2.0", implementation of "Personal Excellence Programme (PEP)"	On-going	PEP implemented at EVN Austria; Implementation planned in South Eastern Europe
	Continue PEP programme	On-going	Implemented in Austria; Implementation planned in South Eastern Europe
Paper-less office	Electronic transmission of orders	2012/13	Successfully completed; Target exceeded; all orders < EUR 100,000 placed electronically
	Electronic archiving of all tender/procurement documents	2012/13	Implementation started
Increase awareness of employees in Bulgaria for the careful use of resources	Project "Code green" (cell phone recycling, disposal of printer cartridges, recycling paper, etc.)	On-going	Successfully completed; Over 29 tonnes of paper recycled
Area of activity: Stakeholder dialogue			
Continue dialogue with all stakeholders	Definition and implementation of defined stakeholder concept	On-going	Stakeholder survey on EVN materiality matrix scheduled for spring 2014
Actively communicate and cooperate with other companies; organisation of and participation in CSR events	Exchange at external CSR events, participation in UN Global Compact (UNGC) steering committee	On-going	Participation in UNGC working groups, UNGC visit from Taiwan, contribution to Austrian CSR dialogue, respACT membership meeting

Department Target	Measures	Milestone Deadline	Status as of 30 September 2013
Area of activity: Integration South Eastern Europe			
Establish Group-wide CSR standards	Development of CSR organisation (organisation and processes) similar to the structure in Austria; communication with CSR network officers in Bulgaria, Macedonia, Croatia and Germany	On-going	Workshops held in South Eastern Europe and Germany to identify and develop major areas of activity
Introduce key values in Bulgaria and increase cultural understanding	Human Resources/CSR day for integration in South Eastern Europe (2014)	2012/13	Measure in implementation
Integrate, modernise	Internal events and know-how transfer across divisions and borders	On-going	Measure in implementation
Area of activity: Social commitment			
Organise tennis weekend for children "Master your Energy! Turn it into health, knowledge and skills."	Tennis weekend held for children between five and ten years of age, where EVN not only guarantees funding for the awards, but also for training over the entire weekend	On-going	520 children have participated since the programme was started in 2010
Organise social activities in supply areas of Bulgaria	Christmas gifts	On-going	Successfully completed; renovation of the "Kalina Malina" day care centre (incl. energy efficiency measures and a new playground) in Burgas during 2012/13
WTE: organise social sponsoring activities focused on projects to help children and young people in Germany	Annual donation of EUR 10,000 from WTE Social Fund	On-going	Measure in implementation

Advisory Committee
for Environmental and Social Responsibility

Theodor Zeh (Chairman)

Erika Adensamer, President of the Lower Austrian family association, secondary school teacher

Karl Bader, Member of the Lower Austrian provincial parliament, Mayor of the municipality Rohrbach an der Gölsen, Head of secondary school

Josef Edlinger, Member of the Lower Austrian provincial parliament, farmer

Albert Hackl, Civil engineer, Lecturer at the Institute for Process Engineering, Environmental Engineering and Technical Biosciences, Vienna University of Technology

Kurt Hackl, Member of the Lower Austrian provincial parliament, self-employed

Hermann Helm, Executive President of the Education Board Lower Austria

Josef Hintermayer, Managing Municipal Council of Großweikersdorf, viniculturist

Norbert Hummel, ARGE Compost and Biogas, farmer

Klaus Kastenhofer, Environmental protection organisation GLOBAL 2000

Heinz Kaupa

Gunda Kirchner, Austrian Energy Agency, Head of Energy and Climate Policy, National Economy

Helmut Kroiss, Water Quality, Resource and Waste Management Department, Vienna University of Technology

Hermann Kühtreiber, Mayor of Zwentendorf

Walter Marschitz, Managing Director Hilfswerk Österreich

Georg Mayer, Head of the Economic Policy Department, Lower Austrian Chamber of Labour

Ernst Pucher, Institute for Powertrains and Automotive Technology, Vienna University of Technology

Gerhard Razborcan, Member of the Lower Austrian provincial parliament

Franz Rennhofer, Member of the Lower Austrian provincial parliament, engineer

Klaus Schuster EVN AG physician, Regional Manager NÖ Landeskliniken-Holding for the Mostviertel region

Matthias Stadler, Mayor of the Lower Austrian provincial capital of St. Pölten, employee

Christa Vladyka, Member of the Lower Austrian provincial parliament

Heinz Zimper, District Head, district of Baden

Employee representatives
Gerhard Felberbauer, Friedrich Bußlehner, Monika Fraißl (by 30 June 2013),
Helmut Peter, Walter Rehwald, Peter Spielauer (since 1 July 2013)

Assurance statement

related to EVN AG's Full Report 2012/13,
financial year 1st October 2012 to 30th September 2013

Terms of Engagement

This Assurance Statement has been prepared for EVN AG.

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by EVN AG (EVN) to assure its "Full Report 2012/13", sections Corporate Social Responsibility (CSR) and the GRI Content Index for the financial year 2012/13, beginning the 1st October 2012 and ending the 30th September 2013 ("the Report").

The Report relates to the CSR data and information for all activities of EVN in the areas of power production and distribution, heat production and supply, water purification and supply and waste incineration. From a geographical standpoint the Report covers EVN's main activities in Austria, Bulgaria, Macedonia and other European countries controlled from Austria.

Management Responsibility

EVN's management was responsible for preparing the Report and for maintaining effective internal controls over the data and information disclosed. LRQA's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with EVN.

Ultimately, the Report has been approved by, and remains the responsibility of EVN AG.

LRQA's Approach

The assurance was undertaken against the Global Reporting Initiative Sustainability Reporting Guidelines 2011 (GRI G3.1) and GRI's Electric Utility Sector Supplement (EUSS).

The objectives of the assurance engagement were to:

- Confirm that the Report meets the requirements of GRI's application level A and GRI's EUSS
- Validate EVN´s self-declaration for GRI G3's application level A+
- Evaluate the reliability of EVN´s specified CSR performance data and information.

To form our conclusions the assurance was undertaken as a sampling exercise and covered the following activities:

- Reviewing the stakeholder engagement process and related information
- Reviewing EVN´s CSR materiality matrix
- Evaluating EVN's material issues against our own understanding of stakeholder issues that this industry is dealing with
- Understanding how EVN determine, respond and report on their material issues
- Interviewing a selection of employees at EVN´s headquarter in Austria
- Auditing EVN´s data management processes and reviewing supporting evidence made available by EVN.
  Note 1: The verification was undertaken at EVN´s Head Quarter in Maria Enzersdorf, Austria in accordance with our contract and therefore did not include verifying data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.
  Note 2: Economic performance data was taken directly from the audited financial accounts.
- Checking the use of performance data within EVN´s business decision-making processes
- Confirming that the GRI index allows stakeholders to access CSR performance indicators.

Level of Assurance and Materiality

The opinion expressed in this Assurance Statement has been formed on the basis of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

LRQA's Recommendations

Based on LRQA's approach nothing has come to our attention that would cause us to believe that the Report does not meet GRI's application level A+ or GRI's sector supplement requirements as we found nothing that would cause us to contradict this conclusion.

It is also our opinion that EVN has not excluded any material issues and that their processes for reporting provide reliable CSR performance data and information.

LRQA's Recommendations

EVN AG should consider:

- Improving further the monitoring of the implementation of their CSR related activities by introducing a mechanism that reviews regularly the CSR performance and progress against EVN's strategies.
- Developing the understanding of human rights at all levels of operations.

LRQA Business Assurance

Harald Ketzer
LRQA Lead Verifier
On behalf of Lloyd's Register Quality Assurance
Lloyd's Register EMEA Vienna, Austria

LRQA Reference: VNA0004673/0030

Dated: 14 November 2013

Glossary

American Depositary Receipts (ADR)
Tradable certificates for non-American shares available in the US; facilitates access for non-American companies to US investors.

ARA/ARA region
The region surrounding Antwerp, Rotterdam and Amsterdam is Europe's most important reloading point for mineral oil. Trading takes place via short-term contracts. Prices are highly volatile, depending on supply and demand (also see Spot market/spot trading). The quotation of prices in Rotterdam is decisive for the oil price level in Europe.

At equity/ At equity consolidation
Accounting method for the inclusion of investments in companies which are not fully consolidated (associates). These investments are initially recognised at their acquisition cost, which is adjusted each year to reflect the change in the investor's share of profit or loss recorded by the associate. This annual share of profit or loss is reported on the investor's consolidated income statement.

Austrian Sustainability Reporting Award (ASRA)
Annual award presented by the Chamber of Fiduciaries and its cooperation partners for the best environmental and sustainability reports published by Austrian companies.

Barrel
The recognised global unit of measurement for crude oil and petrochemical products; 1 barrel of crude oil = 158.987 litres.

Base load/peak load
Base load is the constant energy consumption throughout the entire day. In contrast, peak load represents a high demand for energy in the electricity distribution network for short periods of time.

Biogas
A mixture comprised largely of methane and carbon dioxide which is created during the oxygen-free digestion of organic renewable raw materials, slurry or organic residues from the foodstuffs industry.

Biomass
The total mass of organic material (dead life forms, organic metabolic products and residues); certain quantities of biomass can be used to generate electricity and heat in combined heat and power plants.

Book value per share
Carrying amount of share capital divided by the number of shares outstanding as of the balance sheet date.

BOOT model
(Build Own Operate Tranfer) See PPP model.

Brent
The most important crude oil for European consumption, produced in the North Sea.

Capital employed
Equity plus interest-bearing loans or assets minus non-interest-bearing liabilities.

Cash flow
Balance of the inflows and outflows of cash and cash equivalents. Serves as an indicator for the assessment of the financial strength of a company and its ability to make dividend payments, repay loans and finance investments internally.

Cash-generating unit (CGU)
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The present value of future cash flows can be used to value a CGU (also see impairment test).

Certified Emission Reduction (CER):
The CERs stem from projects in the Clean Development Mechanism (CDM). Countries or companies can purchase emission credits from emission reduction projects being undertaken in the emerging or developing countries that have not yet made any commitments to reduce emissions. These credits can then be used to meet the obligations under the European Emissions Trading Scheme.
1 CER = 1 tonne CO_2

CO_2 (carbon dioxide)
Chemical compound consisting of carbon and oxygen which is largely created by the combustion of fossil fuels.

CO_2 emission certificate
CO_2 emission certificates were introduced in the European Union as of 1 January 2005 as part of the drive to implement the Kyoto Accords and allow the emission of a certain amount of greenhous gas emissions. The certificates are allocated within the framework of the "National Allotment Plan", depending on the level of a company's emissions.

CO_2 emission certificate trading/ EU emission trading
As part of the EU's emission certificate trading system, the member states distribute CO_2 emission rights to companies. Firms whose actual CO_2 emissions exceed the volume of the allocated certificates must purchase additional emission rights.

Code of Conduct
Voluntary obligation to follow or avoid certain behavioural patterns and to ensure that no one achieves an advantage through the evasion of these patterns.

Combined cycle heat and power/co-generation
Simultaneous generation of electrical energy and heat in a single facility. Combined production allows the plant to reach a high level of efficiency and, in this way, optimally use the primary energy.

Consolidation range/ scope of consolidation
The group of companies included in the consolidated financial statements; the scope of consolidation is defined in accordance with IAS 27.

Corporate Governance Code
Behavioural code for companies which defines the principles of good management and control; this is not a set of legal regulations, but a guideline that invites voluntary compliance.

Coverage ratio
Ratio of the volume of electricity produced in EVN's own power generating facilities and the Group's total sales volume of electricity.

Degree of efficiency
The efficiency of a plant represents the ratio of input to output (i.e. the quantity of electrical energy generated in relation to the primary energy employed).

Derivative financial instruments
Financial instruments which create rights and obligations derived from market developments, e.g. options, swaps and futures. These financial instruments can be used to minimise financial risks.

Directors-and-Officers (D & O) insurance
A liability insurance policy covering damage to assets which is arranged by a company to protect its corporate bodies and key employees.

Dividend yield
Ratio of the distributed dividend to the share price.

Earnings before Interest and Taxes (EBIT)
Also referred to as operating earnings; an indicator of a company's ability to generate earnings from its operating activities.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)
Earnings before interest, taxes, depreciation and amortisation of property, plant and equipment and intangible assets; is used as a simple cash flow parameter.

Earnings per share
Net profit divided by the average number of shares outstanding for the period.

Eco Management and Audit Scheme (EMAS)
European Union directive for environmental management systems.

Economic Value Added (EVA®)
Difference between the yield spread (ROCE less WACC) multiplied by average capital employed; benchmark for the shareholder value created in a company.

E-Control (ECG) / Energie-Control GmbH
The regulatory authority established by lawmakers on the basis of the Energy Liberalisation Act to monitor the implementation of the liberalisation process for the Austrian electricity and gas markets, and to intervene in the marketplace if necessary.

Electric mobility
The use of electric-powered vehicles for passenger and commercial transportation.

Eligible end customer
End-customers authorised by the Energy Act to freely select their energy suppliers in a liberalised market.

Energy units
Energy (Wh) = output x time
Kilowatt hour:
1 Watt hour (Wh) x 10^3
Megawatt hour MWH:
1 Wh x 10^6
Gigawatt hour GWh:
1 Wh x 10^9
Natural gas energy content:
1 Nm^3
1 m^3 natural gas = 11.07 kWh

Equity ratio
Equity as a per cent of total capital.

Ethibel
Independent consulting agency for environmentally and socially responsible investments that advises banks and brokers on the development of ethical savings and investment models.

European Energy Community
Energy community of the European Union whose purpose is the development of Europe's energy markets.

European Energy Exchange
(EEX) The largest energy marketplace in Continental Europe, headquartered in Leipzig.

Ex-dividend day
The day on which shares are traded without an entitlement to dividends. On this day the dividend is deducted from the price of the respective share.

Fair value
The price based on all relevant factors in an efficient market; forms the basis for transactions between willing and independent partners.

Forward market
In contrast to the spot market, the forward or futures market is characterised by a contractually stipulated time lag between the conclusion of a transaction and actual delivery. At the time a contract is concluded, the buyer is not required to have the necessary liquid funds, nor is the seller required to have the purchased goods. The price of the goods is determined at the time the contract is concluded.

FTSE4Good Index
An index that offers sustainability-oriented investors an opportunity to invest in companies that meet globally accepted standards for responsible actions in the interest of the environment and stakeholders.

Funds from Operations (FFO)
Net cash flow from operating activities minus interest expense.

Gearing
Ratio of net debt to equity.

Global Reporting Initiative (GRI)
Initiative aimed at developing globally applicable guidelines for sustainability reporting to ensure the standardised presentation of companies from an economic, ecological and social point of view.

Heating degree
total parameter showing the temperature-related energy requirements for heating purposes.

Hedge
An instrument used to manage or limit financial risk or to avoid losses resulting from negative changes in the market value of interest-, currency- or share-related transactions. A company aiming to "hedge" a particular transaction concludes another transaction linked to the underlying business.

Impairment test
The carrying amount of an asset is compared with its fair value. If the fair value falls below the carrying amount, an impairment loss must be recognised. This procedure is particularly important for goodwill, which must be tested for impairment at least once each year. Impairment testing involves the creation of cash-generating units.

Incentive regulatory model
A regulatory model that includes an incentive to improve certain parameters, e.g. special network access tariffs that are designed to increase the productivity of network operators. The regulatory authority defines a general upper limit for network tariffs for a specified regulatory period. In order to realise productivity gains, this upper limit for the individual operators is reduced by corresponding deductions.

Inhabitant equivalent value
This indicators shows the expected biological burden of wastewater treatment facilities. It is based on the population equivalent and calculated by adding the number of inhabitants and the population equivalent.

Interest cover
Ratio of FFO (funds from operations) to interest expense.

International Financial Reporting Interpretation Committee / Standard Interpretation Committee (IFRIC, formerly SIC)
This committee is responsible for interpreting and providing more precise information on the IFRSs issued by the International Accounting Standards Board (IASB).

International Financial Reporting Standards/ International Accounting Standards (IFRS, formerly IAS)

The designation IAS was changed to IFRS in 2001; the IASs issued prior to that year are still published under the earlier designation. IFRSs/IASs are issued by the International Accounting Standards Board (IASB).

International Securities Identification Number (ISIN)

Individual security identification numbers allow for the computerised recording of securities on an international basis.

Intranet

Non-public, in-house corporate computer network.

ISO 14001

International environmental management standard that defines the requirements for related systems.

Issuer Compliance Directive

Regulation issued by the Austrian Financial Market Authority in 2007. It defines principles for the flow of information in companies as well as organisational measures to prevent the misuse of insider information.

Kilowatt peak (kWp)

Maximum output of a photovoltaic module or solar plant.

Management approach

Presentation of the management and controlling aspects of a company.

National allocation plan (NAP)

In the course of the EU emission trading each country in the European Union must prepare and publish a national allocation plan (NAP) that defines an upper limit for greenhouse gas emissions as well as the procedure for the issue and distribution of CO_2 emission certificates.

Net debt coverage

Ratio of FFO (funds from operations) to interest-bearing net debt.

Net debt

Net total of interest-bearing assets and liabilities (issued bonds and liabilities to credit institutes less loans, securities and liquid funds).

Net Operating Profit after Tax (NOPAT)

Taxable profit before the deduction of financing costs.

Network access fee

This one-off payment represents compensation to the network operator for the expenses incurred in establishing a network connection or modifying a connection to accommodate increased demand by a network user.

Network loss

The difference between the electrical current fed into an electricity network and the electrical energy that is actually delivered. Network losses generally arise due to the physical characteristics of the transmission lines.

Non-Governmental Organisation (NGO)

Not-for-profit companies that result from civic and social initiatives and include public-minded persons or organisations.

Other comprehensive income

The total of all income not recognised through profit or loss minus expenses for the reporting period that are not recognised through profit or loss.

Payout ratio

Ratio of dividends to earnings per share.

Peak load

See based load/peak load.

Polychlorinated biphenyl (PCB)

Toxic chlorine compounds.

PPP model (Public Private Partnership)

PPP projects involve the construction and financing of plants for customers; after a predefined period of time, the plant becomes the property of the customer. These projects were previously designated as BOOT projects.

Primary energy

Energy obtained from natural sources. In addition to fossil fuels such as natural gas, petroleum, black and brown coal, primary energy sources also include nuclear fuels like uranium and renewable energy sources like water, sun and wind.

Promissory note loan

Large-sized, long-term loans that are similar to bonds. The loans are issued to industrial corporations and the public sector in exchange for promissory notes held by banks, insurers and other capital providers. A promissory note includes the obligation to repay the principal together with interest. It represents proof that a loan was granted. These loans are not traded on an exchange.

Proportionate consolidation

The assets, liabilities, income and expenses of the subsidiary are included in the consolidated financial statements in proportion to the stake held by the parent company.

Rating/credit rating

Evaluation of issuers and borrowers based on their financial condition; examples of well-known international rating agencies are Standard & Poor's and Moody's.

Regulatory asset base (RAB)

The interest-bearing capital base equals intangible assets plus property, plant and equipment minus recognised fees for network access and operational readiness (construction subsidies) and any goodwill arising from balance sheet items. Adjustments are made to account for the standardisation of depreciation periods and the release of construction subsidies.

Regulatory authority

Public authority responsible for monitoring the monopoly areas of the energy market (e.g. energy networks) to ensure free competition and fair pricing (also see E-Control GmbH (ECG)).

Renewable electricity

Electricity that is generated solely from renewable sources like water, wind, biogas, biomass, photovoltaic, geo-thermal, landfill gas and sewage gas.

Renewable energy

Energy that is considered to be continually available based on a human timeframe; this comes from sources such as biomass, biogas, geo-thermal, solar, hydropower and wind.

Results from operating activities (EBIT)

See earnings before interest, taxes, depreciation and amortisation.

Return on Capital Employed (ROCE)

This ratio shows the return on the capital used in a company. For the calculation, net profit for the period and interest expense less tax effects are compared with average capital employed. In order to consistently show the development of the value contribution, operating ROCE (OpROCE) is adjusted for impairment losses, one-off

effects and the market value of the investment in Verbund AG.

Return on Equity (ROE)

Return on equity is used to evaluate the creation of value by a company on the basis of equity. For calculation purposes, net profit for period is compared with average equity.

Risk management

A procedure to identify, assess, minimise and avoid potential risks (business, operational, financial and event risks) wherever possible through appropriate measures.

Smart meter/metering

An electricity meter with an additional function that allows the utility company to read the meter offsite with an online system.

Spot market/spot trading

General designation for markets in which delivery, acceptance of the goods and payment (clearing) are carried out immediately after the conclusion of the business transaction (also see ARA region).

Stakeholder

Individuals or groups who have an active interest in a company. In addition to the owners, stakeholders include employees, customers, suppliers, states, NGOs and local interest groups.

Sustainability index

In a business environment increasingly shaped by sustainability and social responsibility, this type of index helps sustainability-oriented investors to identify companies that are industry leaders in ecological and social performance and demonstrate appropriate behaviour towards the environment and their stakeholders.

Syndicated loan

A binding commitment by a banking consortium to provide a line of credit which a company can draw upon in varying amounts, terms and currencies.

Thermal waste utilisation

The controlled industrial burning of waste at temperatures exceeding 1,000 °Celsius, which leads to the destruction or reduction of harmful substances. At the same time, the energy contained in the waste materials is released and used for electricity generation or district heating.

Total shareholder return

Benchmark for measuring the value development of a stock over a certain period of time; includes dividends and the increase in the share price.

UN Global Compact

An initiative launched by United Nations to support ecological and economic interests in the areas of human rights, work, the environment and corruption.

Value at Risk (VaR)

Process to calculate the potential loss arising from changes in the price of a specific trading position based on a certain assumed level of probability.

Value chain elements

The electricity sector is generally divided into four value creation phases: generation, distribution, sale and consumption.

Value-oriented and value-generated management

Value-oriented management is focused less on traditional goals such as revenue or net profit, but on increasing stakeholder value. Included here are the interests of shareholders as well as other interest groups. All investment decisions are measured based on their contribution to sustainable value. The main indicators used to assess the value development of EVN's business operations are economic value added and the return on capital employed.

VÖNIX (VBV Austrian Sustainability Index)

Share index comprising the listed Austrian companies that have taken the lead with regard to social and ecological performance.

Weighted Average Cost of Capital (WACC)

This indicator has two components – the cost of debt and the cost of equity – which are weighted according to their share in total capital. The cost of debt equals the actual, average credit interest adjusted for tax effects, while the cost of equity equals the return on a risk-free investment plus a risk mark-up that is calculated individually for every company.

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EVN AG, EVN Platz, A-2344 Maria Enzersdorf
Phone +43 2236 200-0
Fax +43 2236 200-2030

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We have put together this full report with the greatest possible diligence, and have checked the data. Nevertheless, rounding off, compositor's or printing errors can not be excluded. In the summing up of rounded amounts and percentages, the application of automatic calculating devices could result in rounding-off differences. This full report also contains forward-looking statements, estimates and assumptions which are based on all the information available to us at the time when this document was completed. Such statements are typically made in connection with terms such as "expect", "estimate", "plan", "anticipate" etc. We would like to point out that, due to variety of different factors, the performance and results achieved by the company may differ from the expectations and forward-looking statements contained in this report. This full report is also available in German. In case of doubt, the definitive version is the German one. Editorial deadline: 27 November 2013. Disclosure: 12 December 2013.

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Photos Executive Board: Udo Titz
Concept and consulting: Mensalia Unternehmensberatungs GmbH
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Print CO_2 verified Compensation for CO_2 emissions arising in the printing process. Support and contribution to climate protection, embedding environmental awareness in our activities.
PEFC certification International forest certification system to safeguard and continually improve sustainable forestry
Austrian ecolabel Quality, product safety and high environmental standards
Environmental management system ISO 14001:2004 Optimisation of environmental processes, prudent use of natural resources

GRI G3.1 Content Index

The GRI Content Index indicates where in this report contents relating to individual indicators can be found.
The index is available on the internet at www.evn.at/GRI-Content-Index.

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EU2	Energy generation	31, 91	■
EU3	Customer numbers	45, 46	◪
EU4	Total length of long-distance and distribution lines	32, 45	◪
EU5	Quota of CO_2 emission certificates	63	◪
4	**Governance, commitments and engagement**		
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4.3	Management bodies in organisations without a Supervisory Board	because there is a Supervisory Board	n. r.
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EC9[1)]	Indirect economic effects	180	■
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EU7	Programmes for Demand Side Management	180f	◪
EU8	Research and development activities	181f, 80	■
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EU12	Efficiency of long-distance lines and distribution networks	32	■
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EN11	Land-use in protected areas	185	■
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EN13[1)]	Protected or rehabilitated natural habitats	186f	■
EN14	Strategies and measures for the protection of biodiversity	186f	■
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EN16	Direct and indirect greenhouse gas emissions	187	■
EN17	Other relevant greenhouse gas emissions	187	■
EN18	Initiatives for the reduction of greenhouse gas emissions and results	187ff	■
EN19	Emissions of ozone-degrading substances		n. r.
EN20	NO_x, SO_x and other significant atmospheric emissions	189	◪
EN21	Total wastewater discharge	189	■
EN22	Waste according to type and disposal method	189	■
EN23	Major spills of hazardous substances	189	■
EN24[1)]	Weight of waste considered hazardous	189	■
EN25[1]	Waters affected by wastewater discharges and surface run-off	189	■
EN26	Initiatives for the reduction of environmental impact of products and services	190	■

	Description	Source	Status
EN27	Packaging materials taken back	as a result of the subject of activity	n. r.
EN28	Fines incurred for infringements of environmental regulations	no relevant cases	■
EN29[1)]	Major impact on the environment through transportation	See EN16 and EN17	■
EN30[1)]	Total expenses and investment for environmental protection	190f	■
	Sector supplements – Ecology		
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	Sector supplements – Labour practices and decent employment		
EU14	Securing the requirement of skilled labour	196, 199f	■
EU15	Retirements in the next five and ten years	195	■
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EU18	Subcontractors and suppliers who have participated in health and safety training programmes	201	◪
	Human rights	202f	■
HR1	Investment agreements with human rights clauses	202	■
HR2	Supplier controls for compliance with human rights	202f	◪
HR3	Training programmes on company-relevant human rights aspects	203	■
HR4	Occurrences of discrimination and countermeasures taken	203	■
HR5	Freedom of assembly and collective negotiations	203	■
HR6	Business activities with the risk of child labour	203	■
HR7	Business activities with the risk of forced labour	203	■
HR8[1)]	Training of security personnel on the topic of human rights	203	■
HR9[1)]	Violation of the rights of indigenous peoples	because no activities in countries with indigenous people as defined by GRI	n. r.
HR10	Number of checks concerning the compliance with human rights and/or impact assessment	204	◪
HR11	Number of complaints regarding the compliance of human rights	no relevant incidents	■
	Society	204	■
SO1	Effects of business activities on society	204	■
SO9	Business activities with significant potential or actually negative impact on local communities	204	■
SO10	Prevention and mitigation measures for business activities with significant potential or actually negative impact on local communities	204	■
SO2	Examination of corruption risks	205	■
SO3	Employee training for the prevention of corruption	205	■
SO4	Anti-corruption measures	205	■
SO5	Political positions, participation in the political consensus building process, lobbying	205	■
SO6[1)]	Donations to politicians	no relevant issues	■
SO7[1)]	Lawsuits following anti-competitive behaviour	205	■
SO8	Fines/sanctions as a result of illegal activities	no relevant incidents	■
	Sector supplements – Society		
EU19	Participative decision making processes involving stakeholders	206	■
EU20	Involuntary relocations	206	■
EU21	Crisis, emergency and contingency plans	206	■
EU22	Relocations	206	■
	Product responsibility	48f	■
PR1	Health effects along the product life cycle	49	■
PR2[1)]	Violations of health and safety regulations	no relevant incidents	■
PR3	Legally required information on products and services	64	■
PR4[1)]	Violation of information requirements	206	■
PR5[1)]	Customer satisfaction	47f	■
PR6	Compliance with the law regarding advertising	49	■
PR7[1)]	Violations regarding advertising	no violations	■
PR8[1)]	Justified data protection complaints	no relevant cases	■
PR9	Fines incurred in consequence of violations of product and service conditions	206	■
	Sector supplements – Product responsibility		
EU23	Programmes to improve access to electricity and customer services	37f, 46ff, 181f	■
EU24	Safe use of energy and customer service accessibility	37f, 46ff	■
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EU26	Population in sales area without electricity supply	207	■
EU27	Electricity disconnections due to payment arrears	207	■
EU28	Frequency of power failures	for regulatory reasons no detailed data	■
EU29	Average duration of a power failure	for regulatory reasons no detailed data	■
EU30	Average availability of power stations	32	■

■ Fully reported
◪ Partially reported
□ Not reported
n. r. non-relevant

1) Additional performance indicator

The EVN Sustainability report is oriented to the requirements of application level A+ of the GRI G3 guideline, version 3.1 and additional GRI indicators for the electricity industry (Electric Utility Sector Supplements) are incorporated. Compliance with the report standards and the relevant criteria was assessed by Lloyd's Register Quality Assurance (LRQA) and officially approved.

You can find the GRI index as printed here on the website www.responsibility.evn.at > Service.
EVN continuously expands its reporting and makes every attempt to fully present all indicators.

Contact

Contact partner for questions regarding Investor Relations

Gerald Reidinger, phone +43 2236 200-12698
Doris Lohwasser, phone +43 2236 200-12473
Katrin Stehrer, phone +43 2236 200-13140

E-mail: investor.relations@evn.at

Contact partner for questions regarding Corporate Social Responsibility (CSR)

Members of the CSR advisory team

CSR representative, Gas Network Engineering: Peter Zaruba, phone +43 2236 200-12249, peter.zaruba@evn.at
CSR organisation, Human Resources: Renate Lackner-Gass, phone +43 2236 200-12799, renate.lackner-gass@evn.at
Innovation officer: Andrea Edelmann, phone +43 2236 200-12190, andrea.edelmann@evn.at
General Secretariat and Corporate Affairs: Ute Teufelberger, phone +43 2236 200-12777, ute.teufelberger@evn.at
Information and Communication: Jochen Kugler, phone +43 2236 200-12139, jochen.kugler@evn.at
Investor Relations: Doris Lohwasser, phone +43 2236 200-12473, doris.lohwasser@evn.at
Human Resources: Elvira Hammer, phone +43 2236 200-12727, elvira.hammer@evn.at
Environmental Protection and Controlling: Stefan Vadura, phone +43 2236 200-12217, stefan.vadura@evn.at

Information on the internet

www.evn.at
www.investor.evn.at
www.responsibility.evn.at

Online report

EVN online full report 2012/13
www.investor.evn.at/gb/gb2013

Financial calender 2013/14[1]			
85th Annual General Meeting	16.01.2014	Results HY. 1 2013/14	28.05.2014
Ex-dividend day	21.01.2014	Results Q. 1–3 2013/14	28.08.2014
Dividend payment	24.01.2014	Annual results 2013/14	11.12.2014
Results Q. 1 2013/14	27.02.2014		

1) Preliminary

EVN share – basic information[1]	
Share capital	330,000,000.00 EUR
Denomination	179,878,402 shares
Identification Number (ISIN)	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); AT; EVN (Dow Jones); EVNVY (ADR)
Stock exchange listing	Vienna
ADR programme; Depositary	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Sustainability index	VÖNIX, FTSE4Good, Ethibel, ECPI
Ratings	A3, stable (Moody's); BBB+, stable (Standard & Poor's)

1) As of 30 September 2013