



# Letter to Shareholders

Q. 1–3 2011/12

October 1<sup>st</sup>, 2011 – June 30<sup>th</sup>, 2012

Revenue +4.3%  
EBIT +6.1%  
Group net profit +7.5%

**EVN**

# Key figures

|  |      | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Sales volumes</b>                       |      |                   |                   |                |                 |                 |                |
| Electricity generation volumes             | GWh  | 2,340             | 2,655             | –11.9          | 469             | 570             | –17.7          |
| Electricity sales volumes to end customers | GWh  | 16,417            | 15,763            | 4.1            | 4,607           | 4,472           | 3.0            |
| Natural gas sales volumes to end customers | GWh  | 5,858             | 6,160             | –4.9           | 687             | 608             | 13.0           |
| Heat sales volumes to end customers        | GWh  | 1,702             | 1,640             | 3.8            | 276             | 269             | 2.6            |
| <b>Statements of operations</b>            |      |                   |                   |                |                 |                 |                |
| Revenue                                    | EURm | 2,256.8           | 2,163.6           | 4.3            | 565.9           | 533.9           | 6.0            |
| EBITDA                                     | EURm | 416.2             | 394.4             | 5.5            | 90.4            | 70.2            | 28.7           |
| EBITDA margin                              | %    | 18.4              | 18.2              | 0.2            | 16.0            | 13.2            | 2.8            |
| Results from operating activities (EBIT)   | EURm | 226.1             | 213.2             | 6.1            | 23.3            | 16.0            | 45.2           |
| EBIT margin                                | %    | 10.0              | 9.9               | 0.2            | 4.1             | 3.0             | 1.1            |
| Profit before income tax                   | EURm | 291.7             | 275.1             | 6.0            | 15.2            | 28.4            | –46.4          |
| Group net profit                           | EURm | 222.8             | 207.2             | 7.5            | 13.8            | 23.2            | –40.7          |
| <b>Statements of financial positions</b>   |      |                   |                   |                |                 |                 |                |
| Total assets                               | EURm | 6,894.7           | 7,298.6           | –5.5           | 6,894.7         | 7,298.6         | –5.5           |
| Equity                                     | EURm | 3,120.4           | 3,488.1           | –10.5          | 3,120.4         | 3,488.1         | –10.5          |
| Equity ratio                               | %    | 45.3              | 47.8              | –2.5           | 45.3            | 47.8            | –2.5           |
| Net debt                                   | EURm | 1,739.3           | 1,249.5           | 39.2           | 1,739.3         | 1,249.5         | 39.2           |
| Gearing                                    | %    | 55.7              | 35.8              | 19.9           | 55.7            | 35.8            | 19.9           |
| Return on Equity (ROE)                     | %    | 8.0               | 7.2               | 0.8            | 0.8             | 1.1             | –0.3           |
| Return on Capital Employed (ROCE)          | %    | 5.7               | 5.3               | 0.4            | 0.7             | 0.9             | –0.2           |
| <b>Cash flows and investments</b>          |      |                   |                   |                |                 |                 |                |
| Gross cash flow                            | EURm | 445.0             | 426.6             | 4.3            | 186.4           | 132.2           | 41.1           |
| Net cash flow from operating activities    | EURm | 275.3             | 465.7             | –40.9          | 226.0           | 244.6           | –7.6           |
| Investments <sup>1)</sup>                  | EURm | 184.9             | 246.5             | –25.0          | 65.2            | 101.7           | –35.8          |
| <b>Employees</b>                           |      |                   |                   |                |                 |                 |                |
| Number of employees                        | ∅    | 7,776             | 8,279             | –6.1           | 7,692           | 8,222           | –6.4           |
| thereof Austria                            | ∅    | 2,570             | 2,548             | 0.9            | 2,582           | 2,551           | 1.2            |
| thereof abroad                             | ∅    | 5,206             | 5,730             | –9.1           | 5,110           | 5,671           | –9.9           |
| <b>Share</b>                               |      |                   |                   |                |                 |                 |                |
| Earnings                                   | EUR  | 1.24              | 1.17              | 6.4            | 0.08            | 0.13            | –39.0          |

1) In intangible assets and property, plant and equipment

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## Dear shareholders!

In the first three quarters of the 2011/12 financial year, EVN generated total revenue of EUR 2,256.8m, a rise of 4.3% from the prior-year period. In the energy business, the cold winter and high end customer prices in South Eastern Europe resulted in higher revenue. Stable revenue was achieved in the environmental services business. Despite the increase in the item "Electricity purchases and primary energy expenses", which was mainly related to the higher energy sales volumes in South Eastern Europe and the allocation of a provision for the Duisburg-Walsum power plant in the previous quarter, EBITDA rose to EUR 416.2m, an increase of 5.5% compared to the previous year. In spite of a higher level of depreciation and amortisation, EBIT climbed 6.1% to EUR 226.1m.

In the financial results, which improved by 5.9% to EUR 65.6m, the higher earnings contribution from investments in equity accounted investees more than compensated for the lower interest income. On balance, the Group net profit amounted to EUR 222.8m, up 7.5% from the prior-year period.

A change in the financing of green power plants took place as a result of the Green Electricity Act 2012, which took effect in Austria as at July 1<sup>st</sup>, 2012. Against this backdrop, EnergieAllianz Austria GmbH with its regional energy sales companies (EVN Energievertrieb GmbH & Co KG) announced that it would fully pass on the cost advantages to its customers, similar to the reduction of the additional charges levied on green electricity in January 2012. In Bulgaria, the regulatory authority raised end customer prices for electricity by 13.9% as at July 1<sup>st</sup>, 2012. The natural gas procurement price was increased by 4.9%. In contrast, the tariffs for heat were reduced by 20.6%. In Macedonia, the end customer prices for electricity applying to EVN Macedonia were raised by 6.1% and the prices for procured energy by 3.8%.

In April 2012, we succeeded in putting the small-scale hydropower plant in Schaldorf at the river Mürz into operation. The facility generates 5.4 GWh per year of electricity. The wind park in Glinzendorf and a further facility of the Markgrafneusiedl wind park completed in July 2011 have been feeding electricity into the power grid since the third quarter of the 2011/12 financial year. In May 2012, EVN and the Federal Province of Lower Austria launched the first public participation model for a photovoltaic plant in Zwentendorf. Due to the extensive demand an additional public participation model is planned.

At the end of June 2012, eight wind turbines of the Kavarna wind park in Bulgaria with a total capacity of 16 MW came on stream. In Albania trial operations of the first part of the Ashta hydropower plant started in the third quarter of 2011/12. Since June 2012, natural gas has been delivered to the first gas customers in Zadar, Croatia.

In the international project business, EVN was awarded a contract in April 2012 for the planning, construction, financing and operation of a drinking water treatment plant for Zrenjanin, Serbia. The investment volume amounts to EUR 25.6m.

In June 2012, EVN AG replaced an existing syndicated revolving credit facility from September 2006 with a new syndicated line of credit amounting to EUR 500.0m. The new facility has a term to maturity of five years, will primarily serve as a liquidity reserve and comprises one cornerstone of our stable financing structure.

In May 2012, the rating agency Moody's confirmed the long-term credit rating of EVN of A3 (stable outlook). In August 2012, the rating agency Standard & Poor's downgraded the long-term credit rating of EVN in the "Investment Grade" segment from A- to BBB+. The outlook was upgraded from negative to stable.

Following the first three quarters of 2011/12, we confirm our outlook for the entire 2011/12 financial year. From today's perspective, we expect the results from operating activities for 2011/12 as a whole to match the company's previous year's performance to a large extent in spite of the difficult and continuing uncertain overall economic and energy industry situation. The financial results will be above the prior-year level due to the expected improvement in the income from investments. On balance, the Group net profit is thus expected to be at the same level as in the prior year.

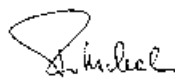
Maria Enzersdorf, August 2012



Peter Layr  
Spokesman of the Executive Board



Stefan Szyszkowitz  
Member of the Executive Board



Herbert Pöttschacher  
Member of the Executive Board



# Interim management report

## Overall business environment

| GDP growth                 | % | 2009 | 2010 | 2011e | 2012f       | 2013f   |
|----------------------------|---|------|------|-------|-------------|---------|
| EU-27 <sup>2)</sup>        |   | -4.3 | 2.0  | 1.5   | 0.0         | 1.3     |
| Austria <sup>3)4)</sup>    |   | -3.8 | 2.3  | 3.1   | 0.6-0.8     | 1.3-1.7 |
| Bulgaria <sup>1)2)4)</sup> |   | -5.5 | 0.4  | 1.7   | 0.5-1.2     | 1.5-2.7 |
| Albania <sup>1)2)</sup>    |   | 3.3  | 3.9  | 2.9   | 2.3-2.5     | 2.8-3.5 |
| Croatia <sup>1)2)4)</sup>  |   | -6.0 | 1.2  | 0.0   | -1.2-(-1.5) | 0.8-1.2 |
| Macedonia <sup>2)</sup>    |   | -0.9 | 1.8  | 3.1   | 1.0         | 2.8-3.0 |

1) Source: Raiffeisen Research "Strategie Globale Märkte 3. Quartal 2012" and "Strategie Österreich & CEE 3. Quartal 2012"

2) Source: wiiw Economic Prospects for Central, East and Southeast Europe, July 2012, and National Bank of Macedonia, July 2012

3) Source: WIFO press release, June 2012

4) Source: IHS press release, June 2012

Following the weakening of the global economy in the second half of 2011, growth of the global economy accelerated slightly in the first half of 2012, driven by developments in the USA and emerging markets. No expansion of economic output is expected in the European Union (EU) in 2012. There continue to be major differences in the economic development of the countries belonging to the eurozone. In particular, the sovereign debt crisis and the accompanying public sector spending cutbacks will continue to have a negative impact on the economic climate. Due to the expected subsiding of the crisis in confidence and the ongoing expansive monetary policies, the economy in the EU should recover in 2013, with GDP growth predicted to be 1.3%.

A slight economic upturn is already expected for Austria in the second half of 2012, with GDP growth forecast to reach a level of up to 0.8% for the entire year 2012. In 2013 restrained economic expansion is expected featuring growth of up to 1.7% as a consequence of further budgetary consolidation measures.

Economic growth outpacing the comparable outlook for Austria continues to be forecast in 2012 and 2013 for Albania, Bulgaria and Macedonia. In contrast, the Croatian economy is expected to contract in 2012 by up to 1.5%. In 2013 structural reforms and EU accession should first succeed in stimulating the economy and serve as the basis for a GDP increase of up to 1.2%. However, developments in the EU are having a negative effect on the economies of these countries.

## Energy sector development

|   |         | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|---|---------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Temperature-related energy demand<sup>1)</sup></b> | %       |                   |                   |                |                 |                 |                |
| Austria   |         | 100.1             | 102.4             | -2.3           | 109.3           | 61.5            | 47.8           |
| Bulgaria  |         | 108.2             | 91.7              | 16.5           | 57.4            | 200.4           | -143.0         |
| Macedonia   |         | 121.3             | 101.4             | 19.9           | 135.8           | 122.4           | 13.4           |
| <b>Primary energy and CO<sub>2</sub> certificates</b> |         |                   |                   |                |                 |                 |                |
| Crude oil – Brent                                     | EUR/bbl | 85.2              | 74.2              | 14.7           | 84.4            | 81.1            | 4.0            |
| Natural gas – GIMP                                    | EUR/MWh | 28.9              | 25.0              | 15.4           | 30.1            | 28.4            | 6.1            |
| Coal – API#2 <sup>2)</sup>                            | EUR/t   | 85.1              | 85.9              | -1.0           | 81.0            | 89.9            | -10.0          |
| CO <sub>2</sub> certificates (2 <sup>nd</sup> period) | EUR/t   | 8.2               | 15.6              | -47.2          | 7.0             | 16.4            | -57.0          |
| <b>Electricity – EEX forward market<sup>3)</sup></b>  |         |                   |                   |                |                 |                 |                |
| Base load   | EUR/MWh | 56.6              | 50.1              | 12.9           | 50.3            | 47.0            | 6.9            |
| Peak load   | EUR/MWh | 69.7              | 64.7              | 7.7            | 60.3            | 58.7            | 2.6            |
| <b>Electricity – EPEX spot market<sup>4)</sup></b>    |         |                   |                   |                |                 |                 |                |
| Base load   | EUR/MWh | 45.1              | 52.3              | -13.8          | 40.4            | 53.7            | -24.8          |
| Peak load   | EUR/MWh | 55.7              | 62.8              | -11.3          | 49.0            | 62.5            | -21.5          |

1) Calculated according to the heating degree total; in Austria the basis (100%) corresponds to the long-term average value 1997 – 2006; in Bulgaria it corresponds to the long-term average value 2004 – 2011 and in Macedonia to the long-term average value 2001 – 2010; changes reported in percentage points.

2) ARA notation (Amsterdam, Rotterdam, Antwerp)

3) Average prices for the respective EEX (European Energy Exchange) quarterly forward market prices, beginning one year before the respective period under review

4) EPEX spot – European Power Exchange

During the first three quarters of 2011/12, the average price in euros for crude oil Brent was 14.7% above the prior-year level, at EUR 85.2 per barrel. In Austria the natural gas prices, which are largely linked to the crude oil price, were at EUR 28.9 per MWh or 15.4% higher than in the previous year despite the natural gas price revision between Gazprom and EconGas. The price for coal at EUR 85.1 per tonne was approximately the same as in the previous year. The prices for CO<sub>2</sub> certificates were almost cut in half, amounting to EUR 8.2 per tonne during the reporting period. The valid forward prices for base load and peak load electricity during the period under review rose by 12.9% and 7.7% respectively as a consequence of the positive economic forecasts.

The European spot market prices for base load and peak load electricity were during the first three quarters of 2011/12 13.8% and 11.3% respectively below the prior-year level, in spite of the continuing high level of primary energy prices. This development is mainly attributable to the higher contribution of renewable energy sources and the cyclically-related decline in demand for electricity.

## Business development

### Highlights

- > Revenue up 4.3% to EUR 2,256.8m
- > EBITDA rise of 5.5% to EUR 416.2m
- > EBIT increase of 6.1% to EUR 226.1m
- > Improvement in Group net profit of 7.5% to EUR 222.8m

### Statements of operations

In the first three quarters of 2011/12, EVN generated total revenue of EUR 2,256.8m, a rise of 4.3%, or EUR 93.2m, from the previous year, in spite of the persistently difficult economic conditions. In the energy business, the cold weather and the increase of end customer prices in South Eastern Europe in particular positively impacted the development of Group revenue. In the environmental services business revenue was at the same level as in the prior year.

The revenue generated outside of Austria amounted to EUR 908.5m, a rise of 12.6%, or EUR 102.0m, from the prior year, corresponding to a 40.3% share of total Group revenue (previous year: 37.3%).

Other operating income was down 8.0%, or EUR 4.8m, to EUR 54.7m, which is related to fewer changes in work in progress and lower default interest in Macedonia.

The costs for "Electricity purchases and primary energy expenses" were up 5.3%, or EUR 64.5m, to EUR 1,273.5m. This was mainly related to the higher sales volumes in South Eastern Europe as well as higher procurement costs on the domestic market and in South Eastern Europe. Moreover, a provision for impending losses relating to the Duisburg-Walsum power plant project as a consequence of the sustainable changes in electricity market conditions also had a negative effect.

The cost of materials and services fell by 1.7% compared to the prior-year period, or EUR 4.5m, to EUR 256.0m. This development is primarily attributable to the lower implemented project volumes in the environmental services business.

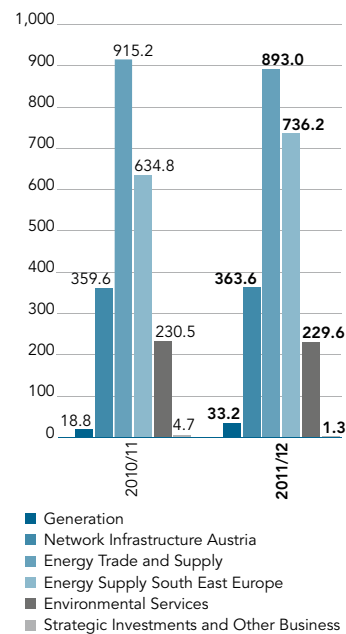
The average number of employees fell by 6.1%, or 503 people, to 7,776 employees. This was related to outsourcing activities as well as further efficiency enhancement measures abroad, which in turn led to a decrease of 524 employees. The total number of staff in Austria was up by 22 employees compared to the prior-year period. There were divergent developments affecting personnel expenses. While the premature application of changes to IAS 19 reduced costs, the contractually stipulated wage and salary increases mandated by collective wage agreements and higher costs for pensions pushed up costs. On balance, personnel expenses were up by 0.7%, or EUR 1.8m, from the previous year, to EUR 245.6m.

Other operating expenses climbed 4.2%, or EUR 4.8m, to EUR 120.3m. Lower level of legal and consulting costs could not fully compensate for the higher write-offs of receivables.

### Revenue by segments<sup>1)</sup>

#### Q. 1-3

in EURm

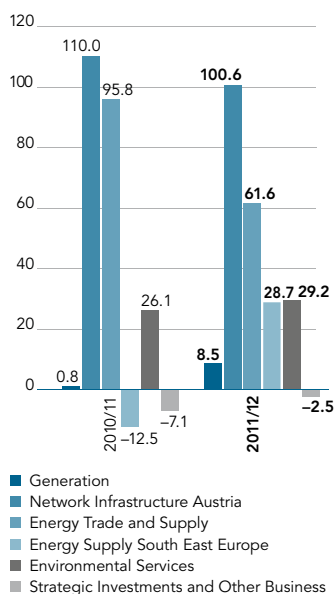


1) External revenue

## EBIT by segments

Q. 1–3

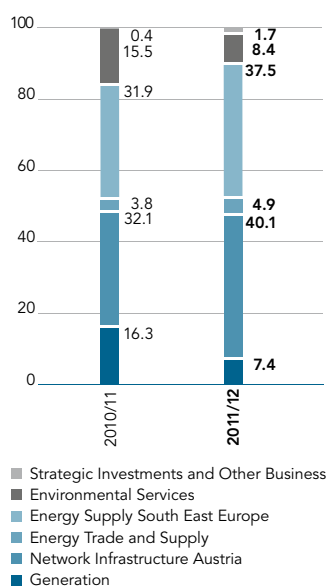
in EURm



## Structure of investments

Q. 1–3

in %



On balance, these developments led to an EBITDA increase in the period under review of 5.5%, or EUR 21.9m, to EUR 416.2m. The corresponding EBITDA margin of 18.4% was at the same level as in the previous year.

Scheduled depreciation and amortisation climbed by 2.7%, or EUR 4.5m, to EUR 167.9m. As a consequence of the total write-downs reported in the 2010/11 financial year for the gas-fired power plants in Theiß and Korneuburg and the related discontinuation of scheduled depreciation, the rise in scheduled depreciation was lower than expected due to the coming on stream of several power generation facilities, such as the wind parks in Lower Austria and the cogeneration plant in Bulgaria. The rise in extraordinary depreciation of 25.4%, or EUR 4.5m, to EUR 22.2m, includes the impairment loss taken on the biomass pilot plant in Dürnröhr to the amount of EUR 8.0m and the impairment loss of EUR 9.8m recognised for the Kavarna wind park in Bulgaria. A disadvantageous decision on tariffs for green electricity as at July 1<sup>st</sup>, 2012, as well as uncertainties concerning network access led to this impairment loss for the Kavarna wind park. All in all, total depreciation and amortisation amounted to EUR 190.1m, a decline of 4.9%, or EUR 8.9m, from the prior-year level.

On balance, the results from operating activities (EBIT) could be improved by 6.1%, or EUR 12.9m, to EUR 226.1m. The EBIT margin was 10.0%, at the same level as in the previous year.

The financial results improved by 5.9%, or EUR 3.7m, to EUR 65.6m. This is mainly due to the higher income from investments in equity accounted investees, especially from RAG, which on balance rose by 18.6%, or EUR 12.9m, to EUR 82.3m. In contrast, the higher interest expense, which rose by 8.4%, or EUR 4.9m, to EUR 62.8m, and the lower interest income, which fell by 15.8%, or EUR 4.4m, to EUR 23.4m, had a negative impact. The other financial result improved by 13.8%, or EUR 0.4m, to EUR –2.5m.

These developments led to a profit before income tax of EUR 291.7m, comprising a rise of 6.0%, or EUR 16.6m, from the previous year. Taking account of the slightly lower income tax, the profit for the period after the income tax expense totalled EUR 252.7m, up by 7.5%, or EUR 17.7m, from the previous year.

The Group net profit improved by 7.5% compared to the first three quarters of the previous financial year, or EUR 15.6m, to EUR 222.8m.

## Statements of cash flows

In the first three quarters of the 2011/12 financial year, the gross cash flow amounted to EUR 445.0m, an increase of 4.3%, or EUR 18.3m, from the prior-year period. This development reflects the higher profit before income tax. The slightly higher non-cash earnings components also had a positive effect; lower non-cash earnings contribution from at equity accounted investees and higher depreciation and amortisation were in contrast to the decrease of non-current provisions.

The net cash flow from operating activities was down by 40.9%, or EUR 190.4m, to EUR 275.3m, which can be attributed to the strong rise in working capital compared to the previous year.

The net cash flow from investing activities at EUR –233.3m was mainly impacted by the ongoing investment programme, the capital payments for investments in equity accounted investees related to the Ashta, Devoll and Duisburg-Walsum power plant projects, the acquisition of additional stakes in EVN's Bulgarian subsidiaries and the increase of lease receivables. The financing took place partly by disposing of current investments in securities, which is also reported in the net cash from investing activities.

The net cash flow from financing activities was down by EUR 54.0m to EUR –25.6m. During the reporting period EVN completed the issue of a new Eurobond in October 2011 with a volume of EUR 300.0m and also successfully concluded the issuing of two new corporate bonds within the framework of private placements in February 2012, to the amount of EUR 125.0m. This was in contrast to the redemption of the Eurobond amounting to EUR 257.4m in December 2011. The comparable period in the previous year was impacted by the capital increase of EVN AG and the related cash proceeds of EUR 175.5m. The increased dividends distributed to the shareholders of EVN AG of EUR 73.6m and to non-controlling interests of EUR 38.4m also had a slightly negative effect.

On balance, the above-mentioned developments resulted in a positive cash flow of EUR 16.5m and, as a consequence, the Group's cash and cash equivalents increased since October 2011 from EUR 112.6m to EUR 129.1m. Moreover, EVN had lines of credit amounting to EUR 675.0m at its disposal (September 30<sup>th</sup>, 2011: EUR 765.0m) as well as funds arising from current investments in securities of EUR 4.2m (September 30<sup>th</sup>, 2011: EUR 57.9m), which are not to be included in the item cash and cash equivalents pursuant to IFRS stipulations. All in all, EVN has sufficient liquidity reserves at its disposal to finance its operating activities. Thus the liquidity situation of EVN can continue to be considered as stable.

### Statements of financial positions

At EUR 6,894.7m as at the reporting date of June 30<sup>th</sup>, 2012, EVN's total assets rose by 0.4%, or EUR 24.3m, compared to the last balance sheet date at September 30<sup>th</sup>, 2011.

Non-current assets fell by 0.8%, or EUR 47.2m, to EUR 6,035.8m, in which case its share amounted to 87.5% of total assets (previous year: 88.5%). This development mainly involved the higher valuation of the investments in equity accounted investees by 5.5%, or EUR 54.7m, to EUR 1,046.7m in contrast to the decline in the valuation of other investments of 16.2%, or EUR 144.4m, to EUR 748.0m. The increased valuation of the investments in equity accounted investees was primarily based on the capital contributions on the part of EVN for the Ashta, Devoll and Duisburg-Walsum power plant projects. The lower valuation of other investments is primarily attributable to the negative market valuation of EVN's shareholding in VERBUND compared to the prior-year period.

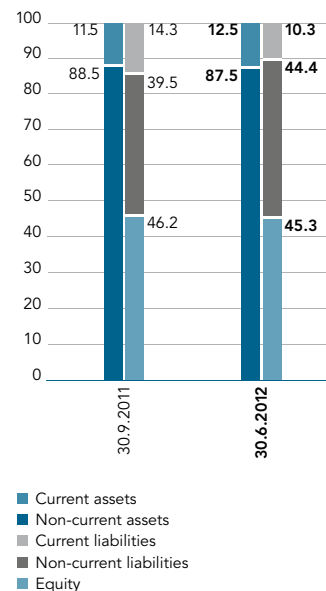
Current assets rose by 9.1%, or EUR 71.5m, to EUR 858.9m. Accordingly, their share of total assets increased from 11.5% to 12.5%. The seasonally-related rise in receivables in the energy business as well as higher cash and cash equivalents were in contrast to the reduction in current investments in securities.

Equity in the reporting period amounted to EUR 3,120.4m, a drop of 1.7%, or EUR 55.2m. In this regard, the profit for the period after the income tax expense achieved during the first three quarters of 2011/12 was in contrast to the change in the market valuation of EVN's stake in VERBUND without recognition to profit or loss and the distribution of dividends to the shareholders of EVN AG for the 2010/11 financial year of EUR 73.6m. As at the reporting date of June 30<sup>th</sup>, 2012, the equity ratio amounted to 45.3% (September 30<sup>th</sup>, 2011: 46.2%). The net debt of EUR 1,739.3m (September 30<sup>th</sup>, 2011: EUR 1,579.2m) corresponded to a gearing of 55.7%, an increase of 6.0 percentage points.

Non-current liabilities were up by 12.8%, or EUR 347.0m, to EUR 3,059.0m, which is mainly related to the higher level of non-current loans and borrowings as a result of the issuing of a Eurobond in October 2011 amounting to EUR 300.0m and the conclusion of two private placements totalling EUR 125.0m in February 2012. Higher non-current provisions and deferred income from network subsidiaries contrasted with lower deferred tax liabilities and other non-current liabilities.

On balance, current liabilities fell by 27.2%, or EUR 267.2m, to EUR 715.2m. This is primarily due to the decrease in current loans and borrowings of 79.3%, or EUR 247.0m, to EUR 64.6m. In turn, this is related to the planned redemption of the Eurobond which fell due in December 2011.

**Balance sheet structure**  
in %



## Segment development

### Overview

EVN's Group structure encompasses the business areas energy business, environmental services business as well as Strategic Investments and Other business. The definition of the operating segments will be exclusively based, pursuant to IFRS 8 "Operating Segments", on internal organisational and reporting structures. Contents, effects of the key energy business indicators and the operating development of the six segments are described below.

| Business areas                           | Segments                                 | Activities   |
|--|--|--|
| Energy business                          | Generation                               | Electricity generation from thermal sources and renewable energies on Austrian and international locations   |
|  | Network Infrastructure Austria           | Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks   |
|  | Energy Trade and Supply                  | Sourcing of electricity and primary energy sources, trading and selling of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sales  |
|  | Energy Supply South East Europe          | Operation of electricity networks and electricity sale in Bulgaria and Macedonia, heat generation and heat sale in Bulgaria, construction and operation of natural gas networks in Croatia, energy trading within the whole region |
| Environmental services business          | Environmental Services                   | Drinking water supply, wastewater treatment, thermal waste incineration in Austria as well as international project business   |
| Strategic Investments and Other business | Strategic Investments and Other business | Strategic and other investments, Intra-Group services  |

| Key energy business indicators                     | GWh | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|-----|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Electricity generation volumes</b>              |     | <b>2,340</b>      | <b>2,655</b>      | <b>-11.9</b>   | <b>469</b>      | <b>570</b>      | <b>-17.7</b>   |
| Thermal energy sources <sup>1)</sup>               |     | 1,224             | 1,778             | -31.1          | 70              | 304             | -77.0          |
| Renewable energy sources <sup>2)</sup>             |     | 1,116             | 878               | 27.1           | 399             | 268             | 48.9           |
| <b>Network distribution volumes</b>                |     |                   |                   |                |                 |                 |                |
| Electricity  |     | 16,709            | 16,298            | 2.5            | 4,673           | 4,669           | 0.1            |
| Natural gas <sup>3)</sup>                          |     | 13,356            | 14,264            | -6.4           | 2,453           | 2,373           | 3.4            |
| <b>Energy sales volumes to end customers</b>       |     |                   |                   |                |                 |                 |                |
| <b>Electricity</b>                                 |     | <b>16,417</b>     | <b>15,763</b>     | <b>4.1</b>     | <b>4,607</b>    | <b>4,472</b>    | <b>3.0</b>     |
| thereof Central and Western Europe <sup>4)5)</sup> |     | 5,636             | 5,507             | 2.3            | 1,721           | 1,642           | 4.8            |
| thereof South Eastern Europe                       |     | 10,781            | 10,257            | 5.1            | 2,887           | 2,831           | 2.0            |
| <b>Natural gas</b>                                 |     | <b>5,858</b>      | <b>6,160</b>      | <b>-4.9</b>    | <b>687</b>      | <b>608</b>      | <b>13.0</b>    |
| <b>Heat</b>  |     | <b>1,702</b>      | <b>1,640</b>      | <b>3.8</b>     | <b>276</b>      | <b>269</b>      | <b>2.6</b>     |
| thereof Central and Western Europe <sup>4)</sup>   |     | 1,472             | 1,422             | 3.5            | 258             | 246             | 4.9            |
| thereof South Eastern Europe                       |     | 230               | 218               | 5.3            | 18              | 23              | -21.7          |

1) Incl. cogeneration in Bulgaria in the Energy Supply South East Europe segment and in Austria in the Energy Trade and Supply segment, respectively. Revenues from such energy production are included in their respective segments.

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

3) Incl. network distribution volumes to EVN power plants

4) Central and Western Europe covers Austria and Germany.

5) Incl. energy sales to the Network Infrastructure Austria segment for network losses



## Highlights

- > Negative spreads for gas-fired power plants
- > Power requests by the Federal Network Agency in Germany
- > Generation from renewable energy sources up:
  - Coming on stream of new wind parks
  - Good water flows and wind conditions
- > Impairment losses:
  - Biomass pilot plant, Dürnrohr
  - Kavarna wind park, Bulgaria

## Generation

The Generation segment comprises the generation of electricity from thermal production capacities and renewable sources of energy in Austria, Germany and Bulgaria, as well as projects related to future power-generating plants in Austria, Germany, Bulgaria and Albania.

Segment revenue comprises Intra-Group revenue and external revenue arising mainly from the sale of electricity from renewable wind power. With regard to energy procurement rights from the power plants on the Danube and Inn rivers, the corresponding production-related market price is used to determine Intra-Group revenue, whereas the option value is applied for the thermal power genera-

tion of EVN AG and the storage power plants. The option value generally reflects the pre-defined difference between the market prices for electricity and the related fuel costs. In contrast, the marketing of the electricity which was generated and the procurement of primary energy are included in the Energy Trade and Supply segment.

| <b>Key indicators</b>                           |  | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|---|--|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Key energy business indicators</b>           |  | GWh               |                   |                |                 |                 |                |
| <b>Electricity generation volumes</b>           |  | <b>1,974</b>      | <b>2,384</b>      | <b>-17.2</b>   | <b>364</b>      | <b>509</b>      | <b>-28.5</b>   |
| thereof thermal energy sources                  |  | 983               | 1,641             | -40.1          | –               | 280             | –              |
| thereof renewable energy sources                |  | 991               | 743               | 33.4           | 364             | 228             | 59.6           |
| <b>Key financial indicators</b>                 |  | EURm              |                   |                |                 |                 |                |
| External revenue                                |  | 33.2              | 18.8              | 76.8           | 11.4            | 6.4             | 78.6           |
| Internal revenue                                |  | 68.5              | 49.4              | 38.6           | 22.8            | 13.0            | 75.4           |
| <b>Total revenue</b>                            |  | <b>101.7</b>      | <b>68.2</b>       | <b>49.1</b>    | <b>34.3</b>     | <b>19.4</b>     | <b>76.4</b>    |
| Operating expenses                              |  | -56.0             | -49.4             | -13.3          | -22.6           | -18.1           | -25.0          |
| <b>EBITDA</b>                                   |  | <b>45.8</b>       | <b>18.8</b>       | <b>–</b>       | <b>11.7</b>     | <b>1.4</b>      | <b>–</b>       |
| Depreciation and amortisation                   |  | -37.2             | -18.0             | –              | -16.3           | -6.0            | –              |
| <b>Results from operating activities (EBIT)</b> |  | <b>8.5</b>        | <b>0.8</b>        | <b>–</b>       | <b>-4.6</b>     | <b>-4.7</b>     | <b>1.6</b>     |
| <b>Financial results</b>                        |  | <b>-9.6</b>       | <b>-7.9</b>       | <b>-21.7</b>   | <b>-2.6</b>     | <b>-4.7</b>     | <b>44.8</b>    |
| <b>Profit before income tax</b>                 |  | <b>-1.1</b>       | <b>-7.1</b>       | <b>84.8</b>    | <b>-7.2</b>     | <b>-9.3</b>     | <b>23.1</b>    |
| Total assets                                    |  | 806.8             | 542.7             | 48.7           | 806.8           | 542.7           | 48.7           |
| <b>Investments<sup>1)</sup></b>                 |  | <b>14.6</b>       | <b>43.9</b>       | <b>-66.8</b>   | <b>7.0</b>      | <b>18.4</b>     | <b>-61.9</b>   |

1) In intangible assets and property, plant and equipment

EVN's total electricity generation amounted to 1,974 GWh in the first three quarters of 2011/12, a drop of 17.2%, or 410 GWh, from the previous year. Production from EVN's own thermal power plants declined by 40.1%, or 658 GWh, to 983 GWh, in particular due to the lower electricity generation from gas-fired power plants. In contrast, the volume of electricity generated by renewable energy sources increased by 33.4%, or 248 GWh, to 991 GWh. This development was mainly characterised by the coming on stream of the new wind parks in Markgrafneusiedl and Tattendorf as well as the acquisition of the Pöttelsdorf wind park. In addition, the good water flows and wind conditions compared to the previous year had a positive impact on the amount of power which was generated. The production coefficient for the run-of-river hydropower plants was 107% during the reporting period (previous year: 92%).

In the reporting period, the total coverage ratio of electricity from own production amounted to 14.3% (previous year: 16.8%) on a Group level. The coverage ratio of electricity from own production in the EVN Group totalled 41.5% (previous year: 48.2%) excluding the energy sales in the Energy Supply South East Europe segment. The share of renewable energy as a proportion of total electricity generation at EVN was about 48% in the first three quarters of 2011/12, compared to 33% in the prior-year period.

Revenue of the Generation segment increased by 49.1%, or EUR 33.5m, in the reporting period, to EUR 101.7m, especially due to the increased electricity generation from renewable energies. In addition to the reduced production from EVN's own thermal power plants, the declining market price prevailing in the period used for determining the option value of the power plants also led to a reduction in revenue from these power stations. However, the power requests on the part of the Federal Network Agency in order to support network reliability in Southern Germany and the revision in natural gas prices between Gazprom and EconGas had a positive impact on the option value of the power plants and their revenue.

The operating expense increased by 13.3%, or EUR 6.6m, in the reporting period to EUR 56.0m. This development is related to electricity purchased from the power plants at the Inn River and the coming on stream of the wind parks. On balance, EBITDA was EUR 45.8m, up EUR 27.0m from the previous year. In spite of the impairment losses taken on the biomass pilot plant at the Dürnröhr power plant site of EUR 8.0m and at the Kavarna wind park in Bulgaria of EUR 9.8m due to a disadvantageous electricity tariff decision as at July 1<sup>st</sup>, 2012, and uncertainties concerning network access for further facilities, EBIT increased significantly, rising to EUR 8.5m from EUR 0.8m in the comparable prior-year period. The financial results declined as a result of the higher interest expense related to the increased investment activities in the previous year, falling by 21.7%, or EUR 1.7m, to EUR –9.6m in the first three quarters of 2011/12. Accordingly, the profit before income tax was EUR –1.1m, a rise of 84.8%, or EUR 6.0m, from the comparable prior-year level.

Investments in the first three quarters of 2011/12 totalled EUR 14.6m, a drop of 66.8%, or EUR 29.3m. The priorities during the period under review continued to be the expansion of wind power capacities. An existing wind park in Pöttelsdorf was acquired in addition to the construction of the wind parks in Tattendorf and Glinzendorf and the expansion of the Markgrafneusiedl wind park by an output capacity of two MW. Furthermore, at the end of June, the Kavarna wind park, Bulgaria, with a total capacity of 16 MW was put into operation.

### Network Infrastructure Austria

The Network Infrastructure Austria segment encompasses the operation of the regional electricity and natural gas networks as well as the networks for cable TV and telecommunications. In addition, this segment also provides Intra-Group services – especially in connection with construction activities – that are recognised as Intra-Group revenue.

### Highlights

- > Electricity distribution volumes: stable
- > Natural gas distribution volumes: declining
  - Reduced use of EVN's own thermal power plants
  - Warmer temperatures
- > Adjustments of network tariffs as of January 1<sup>st</sup>, 2012
  - Electricity: at previous year's level
  - Natural gas: –1.9%

| Key indicators                                  |      | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|---|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Key energy business indicators</b>           | GWh  |                   |                   |                |                 |                 |                |
| <b>Network distribution volumes</b>             |      |                   |                   |                |                 |                 |                |
| Electricity                                     |      | 5,951             | 5,934             | 0.3            | 1,812           | 1,802           | 0.6            |
| Natural gas                                     |      | 13,356            | 14,264            | –6.4           | 2,453           | 2,373           | 3.4            |
| <b>Key financial indicators</b>                 | EURm |                   |                   |                |                 |                 |                |
| External revenue                                |      | 363.6             | 359.6             | 1.1            | 88.8            | 89.8            | –1.1           |
| Internal revenue                                |      | 37.5              | 34.5              | 8.7            | 12.0            | 11.4            | 5.2            |
| <b>Total revenue</b>                            |      | <b>401.1</b>      | <b>394.1</b>      | <b>1.8</b>     | <b>100.8</b>    | <b>101.2</b>    | <b>–0.4</b>    |
| Operating expenses                              |      | –227.4            | –211.7            | –7.4           | –70.1           | –71.2           | 1.5            |
| <b>EBITDA</b>                                   |      | <b>173.7</b>      | <b>182.4</b>      | <b>–4.8</b>    | <b>30.7</b>     | <b>30.0</b>     | <b>2.1</b>     |
| Depreciation and amortisation                   |      | –73.1             | –72.4             | –0.9           | –23.8           | –23.9           | 0.4            |
| <b>Results from operating activities (EBIT)</b> |      | <b>100.6</b>      | <b>110.0</b>      | <b>–8.6</b>    | <b>6.9</b>      | <b>6.1</b>      | <b>11.9</b>    |
| <b>Financial results</b>                        |      | <b>–4.3</b>       | <b>–8.2</b>       | <b>47.8</b>    | <b>–2.0</b>     | <b>–3.2</b>     | <b>37.1</b>    |
| <b>Profit before income tax</b>                 |      | <b>96.3</b>       | <b>101.8</b>      | <b>–5.4</b>    | <b>4.8</b>      | <b>2.9</b>      | <b>66.6</b>    |
| Total assets                                    |      | 1,657.7           | 1,619.6           | 2.4            | 1,657.7         | 1,619.6         | 2.4            |
| <b>Investments<sup>1)</sup></b>                 |      | <b>74.1</b>       | <b>79.1</b>       | <b>–6.3</b>    | <b>33.1</b>     | <b>40.0</b>     | <b>–17.4</b>   |

1) In intangible assets and property, plant and equipment

Network tariffs for electricity and natural gas are adjusted annually on January 1<sup>st</sup> pursuant to the incentive regulatory system by means of a resolution of the E-Control Commission. As at January 1<sup>st</sup>, 2012, the natural gas network tariffs decreased by 1.9% on average (they were increased by 10.6% as at January 1<sup>st</sup>, 2011). The electricity network tariffs remained stable on the prior-year level (compared to the increase of 1.0% effective January 1<sup>st</sup>, 2011).

Network distribution volumes in the first three quarters of 2011/12 did not develop uniformly. Whereas the network distribution volumes for electricity of 5,951 GWh was at the prior-year level, natural gas distribution volumes fell by 6.4%, or 908 GWh, to 13,356 GWh. This can be attributed to the reduced use of EVN's own thermal power plants as well as the warmer weather conditions prevailing compared to the previous year.

Revenue of the Network Infrastructure Austria segment climbed by 1.8%, or EUR 7.0m, to EUR 401.1m. This is especially related to the higher Intra-Group revenue as well as the increased revenue from EVN's cable TV and telecommunications business. Electricity and natural gas grid revenue was at the prior-year level, amounting to EUR 318.3m in the reporting period.

Total operating expenses during the first three quarters of 2011/12 rose by 7.4%, or EUR 15.7m, to EUR 227.4m, mainly as a result of higher procurement, maintenance and repair costs. On balance, EBITDA was down 4.8% from the previous year, or EUR 8.7m, to EUR 173.7m. Considering the level of depreciation of amortisation, which remained virtually stable, EBIT declined to EUR 100.6m, down 8.6%, or EUR 9.4m.

The financial results were up by 47.8%, or EUR 3.9m, to EUR –4.3m, which is mainly related to the lower interest expense as well as the higher income from investments. Profit before income tax amounted to EUR 96.3m, a drop of 5.4%, or EUR 5.5m.

#### Highlights

- > Electricity sales volumes: increase due to enhanced activities on the part of EAA
- > Natural gas sales volumes: decline due to warmer temperatures
- > Heat sales volumes: rise as a result of higher steam and heat deliveries and increased sales of district heat
- > Price effects in gas business:
  - Increase in end customer prices for natural gas as of October 1<sup>st</sup>, 2011
  - Reduced gas procurement prices passed on to end customers as a bonus payment
  - Reduction of additional charges on green electricity passed on to end customers

Investment volume totalled EUR 74.1m in the first three quarters of 2011/12, a decrease of 6.3%, or EUR 5.0m. The focal point of the investment activities continued to be the construction of the natural gas transport pipeline Westschiene.

#### Energy Trade and Supply

The Energy Trade and Supply segment encompasses mainly in the Austrian domestic market, the trading and selling of electricity and natural gas to end customers and in wholesale markets, the sourcing of electricity, natural gas and primary energy as well as production and sale of heating.

Intra-Group revenue basically comprises the sale of electricity to the Network Infrastructure Austria segment for purposes of compensating for network losses.

| <b>Key indicators</b>                           |  | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|---|--|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Key energy business indicators</b>           |  | GWh               |                   |                |                 |                 |                |
| <b>Energy sales volumes to end customers</b>    |  |                   |                   |                |                 |                 |                |
| Electricity                                     |  | 5,636             | 5,507             | 2.3            | 1,721           | 1,642           | 4.8            |
| Natural gas                                     |  | 5,858             | 6,160             | -4.9           | 687             | 608             | 13.0           |
| Heat  |  | 1,472             | 1,422             | 3.5            | 258             | 246             | 4.9            |
| <b>Key financial indicators</b>                 |  | EURm              |                   |                |                 |                 |                |
| External revenue                                |  | 893.0             | 915.2             | -2.4           | 191.9           | 192.5           | -0.3           |
| Internal revenue                                |  | 37.5              | 37.4              | 0.1            | 11.3            | 11.7            | -3.7           |
| <b>Total revenue</b>                            |  | <b>930.4</b>      | <b>952.6</b>      | <b>-2.3</b>    | <b>203.1</b>    | <b>204.2</b>    | <b>-0.5</b>    |
| Operating expenses                              |  | -856.5            | -846.6            | -1.2           | -203.0          | -183.0          | -10.9          |
| <b>EBITDA</b>                                   |  | <b>74.0</b>       | <b>106.0</b>      | <b>-30.2</b>   | <b>0.1</b>      | <b>21.2</b>     | <b>-99.6</b>   |
| Depreciation and amortisation                   |  | -12.4             | -10.2             | -21.7          | -5.2            | -3.4            | -52.2          |
| <b>Results from operating activities (EBIT)</b> |  | <b>61.6</b>       | <b>95.8</b>       | <b>-35.7</b>   | <b>-5.1</b>     | <b>17.8</b>     | <b>-</b>       |
| Financial results                               |  | 7.4               | 6.2               | 20.1           | -4.8            | -2.5            | -91.2          |
| <b>Profit before income tax</b>                 |  | <b>69.0</b>       | <b>102.0</b>      | <b>-32.3</b>   | <b>-9.9</b>     | <b>15.3</b>     | <b>-</b>       |
| Total assets                                    |  | 611.3             | 636.5             | -4.0           | 611.3           | 636.5           | -4.0           |
| Investments <sup>1)</sup>                       |  | 9.0               | 9.3               | -2.7           | 3.6             | 4.3             | -17.4          |

1) In intangible assets and property, plant and equipment

Energy sales to end customers in the first three quarters of 2011/12 developed heterogeneously. Whereas electricity sales volumes increased by 2.3%, or 129 GWh, to 5,636 GWh as a result of higher sales volumes generated by Energie-Allianz Austria (EAA) outside of the Austrian region supplied by EVN, natural gas sales volumes fell by 4.9%, or 302 GWh, to 5,858 GWh. This decrease was related to the warmer weather compared to the prior-year period. Heat sales volumes could be increased by 3.5%, or 50 GWh, to 1,472 GWh, which is due to higher steam and heat deliveries to large customers as well as increased sales to the St. Pölten district heating transport pipeline.

In the reporting period, revenue amounted to EUR 930.4m, corresponding to a drop of 2.4%, or EUR 22.2m, from the previous year. This development can be chiefly attributed to the decline in marketing proceeds of electricity production of EVN's own thermal power plants due to considerably lower power generation volumes, the passing on of reduced natural gas procurement costs in the form of a bonus payment to end customers and the passing on of the lower additional costs for green electricity in the form of a price reduction. This was in contrast to the demand for energy by the German Federal Network Agency and an increase in end customer prices for natural gas as of April 1<sup>st</sup>, 2011, and October 1<sup>st</sup>, 2011, by 8.9% and 3.6% respectively, the price adjustments for heat as well as higher sales volumes in Germany.

Operating expenses in the first three quarters of 2011/12 were up by 1.2%, or EUR 9.9m, to EUR 856.6m. This can be mainly attributed to the rise in electricity sourcing costs due to the higher procurement volumes as well as the increased natural gas sourcing costs in spite of the natural gas price revisions between Gazprom and EconGas. The significant drop in natural gas procurement volumes caused by the reduced use of EVN's own thermal power plants and the temperature-related decline in demand could not compensate for this development. The allocations of provisions for impending losses related to the Duisburg-Walsum power plant project necessitated by sustainably changed conditions on the electricity market also had a negative effect. In turn, the termination of the cooperation agreement with BEGAS had a positive impact on earnings.

Depreciation and amortisation in the reporting period rose by 21.7%, or EUR 2.2m, to EUR 12.4m. All in all, these developments led to a decrease in EBIT of 35.7%, or EUR 34.2m, to EUR 61.6m. The financial results improved in the first three quarters of 2011/12 by 20.1%, or EUR 1.2m, to EUR 7.4m, which is primarily attributable to the lower interest expense. On balance, the profit before income tax amounted to EUR 69.0m, a decrease of 32.3%, or EUR 33.0m, from the prior-year level.

Total investment volume during the reporting period was EUR 9.0m, at virtually the same level as in the prior year. Investment activities mainly focused on the further expansion of the district heating networks. In December 2011, EVN opened up a biomass heating plant in Hagenbrunn and also commenced construction work on the biomass plant in Amstetten.

In the fall of 2011, EVN began construction of the biomass district heating plant in Steyr in cooperation with Energie AG Oberösterreich. In addition, in March 2012, EVN opened a biomass heating plant for the Municipality of Langenlois and commenced construction work on a biomass plant in Markt Piesting. Moreover, EVN acquired the existing biomass heating plants in Hollabrunn, Waidhofen and Aschbach. On balance, EVN is currently operating more than 60 biomass plants in Lower Austria and is thus the largest producer of natural heat in Austria.

### Highlights

- > Temperature-related sales volumes increase
- > Tariff change for end customer prices in Macedonia
  - March 1<sup>st</sup>, 2011: electricity +5.5% (EVN Macedonia: +4.9%)
  - January 1<sup>st</sup>, 2012: electricity +7.8% (EVN Macedonia: +4.8%)
- > Tariff change for end customer prices in Bulgaria
  - April 1<sup>st</sup>, 2011: heat +6.8%
  - July 1<sup>st</sup>, 2011: electricity +1.9%

### Energy Supply South East Europe

The Energy Supply South East Europe segment encompasses 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 sale of natural gas to end customers in Croatia as well as energy trading throughout the region. This segment also includes the project company responsible for building the natural gas networks in Croatia, specifically Split, Zadar and Sibenik.

| Key indicators   |      | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Key energy business indicators</b>                        | GWh  |                   |                   |                |                 |                 |                |
| <b>Electricity generation volumes</b>                        |      | <b>202</b>        | <b>106</b>        | <b>90.6</b>    | <b>63</b>       | <b>15</b>       | –              |
| thereof thermal energy sources                               |      | 189               | 86                | –              | 57              | 8               | –              |
| thereof renewable energy sources                             |      | 13                | 20                | –35.0          | 8               | 7               | 14.3           |
| <b>Electricity network distribution volumes<sup>1)</sup></b> |      | <b>10,758</b>     | <b>10,363</b>     | <b>3.8</b>     | <b>2,862</b>    | <b>2,866</b>    | <b>–0.1</b>    |
| <b>Heat sales volumes to end customers</b>                   |      | <b>230</b>        | <b>218</b>        | <b>5.3</b>     | <b>18</b>       | <b>23</b>       | <b>–21.7</b>   |
| <b>Key financial indicators</b>                              | EURm |                   |                   |                |                 |                 |                |
| External revenue   |      | 736.2             | 634.8             | 16.0           | 201.5           | 177.2           | 13.7           |
| Internal revenue   |      | –                 | –                 | –              | –               | –               | –              |
| <b>Total revenue</b>   |      | <b>736.3</b>      | <b>634.8</b>      | <b>16.0</b>    | <b>201.5</b>    | <b>177.2</b>    | <b>13.7</b>    |
| Operating expenses   |      | –659.4            | –585.3            | –12.7          | –172.5          | –172.5          | –              |
| <b>EBITDA</b>  |      | <b>76.8</b>       | <b>49.6</b>       | <b>55.0</b>    | <b>29.0</b>     | <b>4.7</b>      | –              |
| Depreciation and amortisation                                |      | –48.1             | –62.1             | 22.6           | –15.4           | –14.6           | –5.5           |
| <b>Results from operating activities (EBIT)</b>              |      | <b>28.7</b>       | <b>–12.5</b>      | –              | <b>13.6</b>     | <b>–9.9</b>     | –              |
| <b>Financial results</b>                                     |      | <b>–19.4</b>      | <b>–14.0</b>      | <b>–38.0</b>   | <b>–6.7</b>     | <b>–5.8</b>     | <b>–15.6</b>   |
| <b>Profit before income tax</b>                              |      | <b>9.4</b>        | <b>–26.6</b>      | –              | <b>6.9</b>      | <b>–15.7</b>    | –              |
| Total assets   |      | 1,218.9           | 1,125.7           | 8.3            | 1,153.7         | 1,125.7         | 2.5            |
| <b>Investments<sup>2)</sup></b>                              |      | <b>69.3</b>       | <b>78.6</b>       | <b>–11.8</b>   | <b>16.5</b>     | <b>28.2</b>     | <b>–41.7</b>   |

1) In Bulgaria and Macedonia energy sales volumes to end customers fairly equal present network distribution volumes.

2) In intangible assets and property, plant and equipment

In Bulgaria, regulatory authorities increased end customer prices for electricity by 1.9% effective July 1<sup>st</sup>, 2011 (increase by 2.0% as at July 1<sup>st</sup>, 2010). The prices for procured energy as well as for transmission grid operators and the system operator remained at about the same level as in the previous year (increase of prices for procured energy, transmission grid operators and the system operator were raised by 8.0% as of July 1<sup>st</sup>, 2010). Similarly, regulatory authorities approved a 6.8% hike in end customer prices for heat, effective April 1<sup>st</sup>, 2011. In contrast, the natural gas sourcing price climbed by 4.7%. In Macedonia, the regulatory authority approved a hike in end customer prices by 5.5% effective March 1<sup>st</sup>, 2011, of which 4.9% could be assigned to EVN Macedonia, it once again raised end customer prices by 7.8% as of January 1<sup>st</sup>, 2012, of which 4.8% applies to EVN Macedonia. In addition, network losses must now be completely procured on the wholesale market (previously in part at regulated prices).

In the first three quarters of 2011/12, the volumes of electricity produced by EVN in South Eastern Europe climbed considerably due to the putting into operation of the new cogeneration plant in Plovdiv, Bulgaria, at the beginning of December 2011. Electricity production was up by 90.6%, or 96 GWh, to 202 GWh. Thus the segment's share of total electricity generated by EVN in the reporting period was already 8.1%.

The significantly colder weather in Bulgaria (where the heating degree total was 16.5 percentage points higher than in the previous year) and in Macedonia (where the heating degree total was 19.9 percentage points higher than in the previous year) led to a strong increase in electricity and heat sales volumes. Electricity sales volumes climbed by 3.8%, or 395 GWh, to 10,758 GWh, and heat sales volumes in Bulgaria were up 5.3%, or 12 GWh, to 230 GWh.

Total revenue in the first three quarters of 2011/12 climbed 16.0%, or EUR 101.4m, to EUR 736.3m. This increase is mainly due to the price increases in Bulgaria and Macedonia as well as the weather-related rise in sales volumes, mainly to household customers.

Higher prices for procured energy as well as the increased write-offs of receivables were the main reasons for the increase in operating expenses of 12.7%, or EUR 74.2m, to EUR 659.4m during the reporting period. On balance, EBITDA was up 55.0% from the prior-year level, or EUR 27.2m, to EUR 76.8m. The decline in depreciation and amortisation by 22.6%, or EUR 14.0m, to EUR 48.1m, is mainly due to the impairment loss of EUR 17.7m recognised in the previous year for TEZ Plovdiv (especially for goodwill and the power plant site). All in all, these developments resulted in an EBIT increase of EUR 41.3m, from EUR –12.5m in the previous year to EUR 28.7m in the period under review.

The financial results decreased by 38.0% in the reporting period, or EUR 5.3m, to EUR –19.4m. This development is related to the higher interest expense in connection with the increase of the stake held by EVN in its subsidiaries in Bulgaria and the higher default interest in Macedonia. On balance, the profit after income tax could be improved by EUR 35.9m, from EUR –26.6m to EUR 9.4m.

In the first three quarters of 2011/12, total investment volume declined by 11.8% from the previous year, or EUR 9.3m, to EUR 69.3m. This decline is mainly in connection with the high level in the prior year relating to construction of the new cogeneration plant in Plovdiv, which was completed in December 2011. During the reporting period the focus was on the expansion of the network infrastructure and the replacement of electricity metres as well as investments in the Croatian natural gas supply.

### Environmental Services

The Environmental Services segment encompasses drinking water supply, wastewater treatment and waste incineration activities in EVN's domestic market as well as the international project business in 18 countries of Central, Eastern and South Eastern Europe.

### Highlights

- > New contracts:
  - Wastewater purification plant in Prague
  - Drinking water treatment plant in Serbia
- > Expansion of business operations to 18 countries

| <b>Key indicators</b>                           | EURm | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|---|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| External revenue                                |      | 229.6             | 230.5             | –0.4           | 71.8            | 67.5            | 6.3            |
| Internal revenue                                |      | 14.8              | 13.2              | 12.2           | 5.2             | 4.4             | 18.9           |
| <b>Total revenue</b>                            |      | <b>244.3</b>      | <b>243.7</b>      | <b>0.3</b>     | <b>77.0</b>     | <b>71.9</b>     | <b>7.0</b>     |
| Operating expenses                              |      | –195.5            | –198.8            | 1.7            | –58.5           | –59.0           | 0.9            |
| <b>EBITDA</b>                                   |      | <b>48.9</b>       | <b>44.9</b>       | <b>8.9</b>     | <b>18.5</b>     | <b>12.9</b>     | <b>43.3</b>    |
| Depreciation and amortisation                   |      | –19.7             | –18.8             | –4.9           | –6.5            | –6.3            | –3.0           |
| <b>Results from operating activities (EBIT)</b> |      | <b>29.2</b>       | <b>26.1</b>       | <b>11.7</b>    | <b>12.0</b>     | <b>6.6</b>      | <b>82.1</b>    |
| <b>Financial results</b>                        |      | <b>7.1</b>        | <b>8.1</b>        | <b>–11.7</b>   | <b>2.0</b>      | <b>2.6</b>      | <b>–21.1</b>   |
| <b>Profit before income tax</b>                 |      | <b>36.3</b>       | <b>34.2</b>       | <b>6.1</b>     | <b>14.0</b>     | <b>9.1</b>      | <b>53.2</b>    |
| Total assets                                    |      | 1,455.6           | 1,438.6           | 1.2            | 1,455.6         | 1,438.6         | 1.2            |
| <b>Investments<sup>1)</sup></b>                 |      | <b>15.6</b>       | <b>38.3</b>       | <b>–59.3</b>   | <b>4.9</b>      | <b>10.4</b>     | <b>–52.8</b>   |

1) In intangible assets and property, plant and equipment

The revenue of the Environmental Services segment amounted to EUR 244.3m, a slight rise of 0.3%, or EUR 0.6m, from the comparable period in the previous year. The international project business generated a stable revenue contribution, and the positive revenue development from the domestic drinking water supply business compensated for the lower income from the waste incineration plant in Dürnröhr.

After taking account of the slightly lower operating expenses, EBITDA improved by 8.9%, or EUR 4.0m, to EUR 48.9m. The EBIT increase of 11.7%, or EUR 3.1m, to EUR 29.2m, can be attributed to the positive effects of the domestic waste management business as well as the contribution of evn wasser.

The financial results amounted to EUR 7.1m, down 11.7%, or EUR 1.0m. This development was due to the declining interest income related to the ongoing redemption of lease receivables of the two large projects in Moscow during the operational phase. The segment's profit before income tax was up by 6.1%, or EUR 2.1m, to EUR 36.3m.

EVN is currently realising a total of 14 large international projects in the drinking water and wastewater business. Several projects will come on stream in the near future, including the sodium hypochlorite plant in Moscow, the sludge treatment plants in Vilnius and Siauliai in Lithuania, and the Czajka-Warsaw wastewater purification installation in Poland. The Ljuberzy wastewater purification plant was put into operation in the third quarter of 2011/12. The two wastewater purification plants in Cyprus were also put into operation. Whereas the customer already took over responsibility for the wastewater treatment plant in Morphou, preparations are underway to hand over the wastewater purification plant in Famagusta to the customer. During the period under review EVN won new projects i.e. the contract for the planning, refitting, modernisation and turn-key expansion of a wastewater treatment installation in Prague signed in October 2011, and a contract for the planning, construction, financing and operation of a drinking water treatment plant for the Municipality of Zrenjanin, Serbia, concluded in April 2012.

The segment's investments declined by 59.3%, or EUR 22.7m, during the reporting period, to EUR 15.6m. Investment activity focused on the construction of a cogeneration plant with a capacity of 13.5 MW on the premises of the large Ljuberzy wastewater purification plant as well as the network expansion of evn wasser.

## Highlights

> Higher earnings contribution from RAG and BEWAG

## Strategic Investments and Other Business

The Strategic Investments and Other Business segment basically encompasses EVN's interests in RAG, BEGAS, BEWAG and VERBUND. Moreover, key Intra-Group services as well as companies operating outside EVN's core business that provide mainly Intra-Group services with EVN are also classified in this segment.

| Key indicators                           | EURm | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| External revenue                         |      | 1.3               | 4.7               | -73.0          | 0.6             | 0.4             | 37.4           |
| Internal revenue                         |      | 48.0              | 44.6              | 7.7            | 16.6            | 15.5            | 7.1            |
| Total revenue                            |      | 49.3              | 49.3              | -              | 17.2            | 15.9            | 7.9            |
| Operating expenses                       |      | -50.6             | -55.2             | 8.3            | -16.3           | -15.4           | -5.3           |
| EBITDA                                   |      | -1.3              | -5.9              | 77.6           | 0.9             | 0.5             | 84.6           |
| Depreciation and amortisation            |      | -1.2              | -1.2              | -2.8           | -0.4            | -0.4            | -2.3           |
| Results from operating activities (EBIT) |      | -2.5              | -7.1              | 64.3           | 0.5             | 0.1             | -              |
| <b>Financial results</b>                 |      | <b>93.6</b>       | <b>80.5</b>       | <b>16.3</b>    | <b>6.3</b>      | <b>26.2</b>     | <b>-76.2</b>   |
| <b>Profit before income tax</b>          |      | <b>91.1</b>       | <b>73.4</b>       | <b>24.1</b>    | <b>6.8</b>      | <b>26.4</b>     | <b>-74.2</b>   |
| Total assets                             |      | 2,721.6           | 3,276.3           | -16.9          | 2,721.6         | 3,276.3         | -16.9          |
| Investments <sup>1)</sup>                |      | 3.1               | 1.0               | -              | 0.8             | 0.3             | -              |

1) In intangible assets and property, plant and equipment

The financial results, which are of primary importance to this segment, totalled EUR 93.6m, a rise of 16.3%, or EUR 13.1m. The main reason for this improvement was the increased income from investments in equity accounted investees, in particular the higher earnings contribution from RAG, which rose by EUR 6.1m, and the higher earnings contribution of BEWAG, which increased by EUR 4.2m. The decline in the other financial results of EUR 2.0m could not be compensated by the higher interest income, which rose by 97.7%, or EUR 0.7m, to EUR 1.4m.

On balance, these developments led to a profit before income tax of EUR 91.1m, a rise of 24.1%, or EUR 17.7m, from the comparable prior-year figure.

# Consolidated interim report pursuant to IAS 34

## Consolidated statements of financial positions

|  | EURm | 6/30/2012      | 9/30/2011      | nominal       | Changes<br>in % | 9/30/2010      |
|--|------|----------------|----------------|---------------|-----------------|----------------|
| <b>Assets</b>                              |      |                |                |               |                 |                |
| <b>Non-current assets</b>                  |      |                |                |               |                 |                |
| Intangible assets                          |      | 402.8          | 410.5          | -7.7          | -1.9            | 361.0          |
| Property, plant and equipment              |      | 2,944.8        | 2,938.9        | 5.9           | 0.2             | 2,818.2        |
| Investments in equity accounted investees  |      | 1,046.7        | 992.1          | 54.7          | 5.5             | 734.0          |
| Other investments                          |      | 748.0          | 892.4          | -144.4        | -16.2           | 1,077.8        |
| Deferred tax assets                        |      | 25.5           | 9.7            | 15.8          | -               | 6.5            |
| Other non-current assets                   |      | 867.8          | 839.3          | 28.5          | 3.4             | 744.8          |
|  |      | <b>6,035.8</b> | <b>6,083.0</b> | <b>-47.2</b>  | <b>-0.8</b>     | <b>5,742.1</b> |
| <b>Current assets</b>                      |      |                |                |               |                 |                |
| Inventories                                |      | 112.0          | 106.3          | 5.7           | 5.3             | 135.7          |
| Trade and other receivables                |      | 570.8          | 479.7          | 91.1          | 19.0            | 506.0          |
| Securities                                 |      | 4.2            | 57.9           | -53.7         | -92.8           | 223.8          |
| Cash and cash equivalents                  |      | 171.9          | 143.4          | 28.5          | 19.9            | 123.5          |
|  |      | <b>858.9</b>   | <b>787.4</b>   | <b>71.5</b>   | <b>9.1</b>      | <b>989.1</b>   |
| <b>Total assets</b>                        |      | <b>6,894.7</b> | <b>6,870.4</b> | <b>24.3</b>   | <b>0.4</b>      | <b>6,731.2</b> |
| <b>Equity and liabilities</b>              |      |                |                |               |                 |                |
| <b>Equity</b>                              |      |                |                |               |                 |                |
| Share capital                              |      | 330.0          | 330.0          | -             | -               | 300.0          |
| Share premium and capital reserves         |      | 253.5          | 253.5          | -             | -               | 108.3          |
| Retained earnings                          |      | 2,142.4        | 1,925.5        | 216.9         | 11.3            | 1,808.0        |
| Valuation reserve according to IAS 39      |      | 166.4          | 316.7          | -150.3        | -47.5           | 473.8          |
| Currency translation reserve               |      | -0.5           | -5.5           | 5.0           | 91.3            | -3.5           |
| Treasury shares                            |      | -6.7           | -6.0           | -0.7          | -12.1           | -7.0           |
| Equity attributable to EVN AG shareholders |      | 2,885.2        | 2,814.3        | 70.9          | 2.5             | 2,679.5        |
| Non-controlling interests                  |      | 235.3          | 361.7          | -126.4        | -35.0           | 345.7          |
|  |      | <b>3,120.4</b> | <b>3,176.0</b> | <b>-55.5</b>  | <b>-1.7</b>     | <b>3,025.3</b> |
| <b>Non-current liabilities</b>             |      |                |                |               |                 |                |
| Non-current loans and borrowings           |      | 1,955.1        | 1,591.3        | 363.9         | 22.9            | 1,726.4        |
| Deferred tax liabilities                   |      | 138.3          | 177.0          | -38.7         | -21.8           | 227.1          |
| Non-current provisions                     |      | 447.9          | 436.9          | 11.0          | 2.5             | 450.0          |
| Deferred income from network subsidies     |      | 463.1          | 437.9          | 25.2          | 5.8             | 397.9          |
| Other non-current liabilities              |      | 54.5           | 68.9           | -14.4         | -20.9           | 63.1           |
|  |      | <b>3,059.0</b> | <b>2,712.0</b> | <b>347.0</b>  | <b>12.8</b>     | <b>2,864.5</b> |
| <b>Current liabilities</b>                 |      |                |                |               |                 |                |
| Current loans and borrowings               |      | 64.6           | 311.6          | -247.0        | -79.3           | 205.2          |
| Taxes payable                              |      | 106.9          | 82.6           | 24.3          | 29.4            | 63.0           |
| Trade payables                             |      | 324.0          | 368.0          | -44.0         | -12.0           | 339.3          |
| Current provisions                         |      | 88.5           | 80.8           | 7.7           | 9.6             | 120.6          |
| Other current liabilities                  |      | 131.2          | 139.4          | -8.2          | -5.9            | 113.2          |
|  |      | <b>715.2</b>   | <b>982.4</b>   | <b>-267.2</b> | <b>-27.2</b>    | <b>841.5</b>   |
| <b>Total equity and liabilities</b>        |      | <b>6,894.7</b> | <b>6,870.4</b> | <b>24.3</b>   | <b>0.4</b>      | <b>6,731.2</b> |



## Consolidated statements of operations

|  | EURm | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| Revenue  |      | 2,256.8           | 2,163.6           | 4.3            | 565.9           | 533.9           | 6.0            |
| Other operating income   |      | 54.7              | 59.5              | -8.0           | 22.1            | 24.3            | -9.1           |
| Electricity purchases and primary energy expenses                        |      | -1,273.5          | -1,209.0          | -5.3           | -291.8          | -278.9          | -4.6           |
| Costs of materials and services  |      | -256.0            | -260.5            | 1.7            | -85.0           | -80.5           | -5.6           |
| Personnel expenses   |      | -245.6            | -243.8            | -0.7           | -82.7           | -83.6           | 1.1            |
| Other operating expenses   |      | -120.3            | -115.5            | -4.2           | -38.2           | -45.1           | 15.3           |
| <b>EBITDA</b>  |      | <b>416.2</b>      | <b>394.4</b>      | <b>5.5</b>     | <b>90.4</b>     | <b>70.2</b>     | <b>28.7</b>    |
| Depreciation and amortisation  |      | -190.1            | -181.2            | -4.9           | -67.1           | -54.2           | -23.8          |
| <b>Results from operating activities (EBIT)</b>                          |      | <b>226.1</b>      | <b>213.2</b>      | <b>6.1</b>     | <b>23.3</b>     | <b>16.0</b>     | <b>45.2</b>    |
| Share of profit of equity accounted investees                            |      | 82.3              | 69.4              | 18.6           | 7.6             | 23.7            | -67.9          |
| Gain from other investments  |      | 25.1              | 25.5              | -1.5           | 0.3             | 0.9             | -68.3          |
| Interest income  |      | 23.4              | 27.8              | -15.8          | 7.3             | 8.8             | -17.4          |
| Interest expense   |      | -62.8             | -58.0             | -8.4           | -20.2           | -20.1           | -0.4           |
| Other financial results  |      | -2.5              | -2.9              | 13.8           | -3.0            | -0.9            | -              |
| <b>Financial results</b>   |      | <b>65.6</b>       | <b>61.9</b>       | <b>5.9</b>     | <b>-8.1</b>     | <b>12.3</b>     | <b>-</b>       |
| <b>Profit before income tax</b>  |      | <b>291.7</b>      | <b>275.1</b>      | <b>6.0</b>     | <b>15.2</b>     | <b>28.4</b>     | <b>-46.4</b>   |
| Income tax expense   |      | -38.9             | -40.1             | 2.9            | 2.0             | 5.1             | -61.8          |
| <b>Profit for the period</b>   |      | <b>252.7</b>      | <b>235.0</b>      | <b>7.5</b>     | <b>17.2</b>     | <b>33.5</b>     | <b>-48.8</b>   |
| thereof profit attributable to EVN AG shareholders<br>(Group net profit) |      | 222.8             | 207.2             | 7.5            | 13.8            | 23.2            | -40.7          |
| thereof profit attributable to non-controlling interests                 |      | 29.9              | 27.8              | 7.7            | 3.4             | 10.3            | -67.0          |
| Earnings per share in EUR <sup>1)</sup>                                  |      | 1.24              | 1.17              | 6.4            | 0.08            | 0.13            | -39.0          |

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

## Consolidated statements of comprehensive income

|  | EURm | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | Change<br>in % | 2011/12<br>Q. 3 | 2010/11<br>Q. 3 | Change<br>in % |
|--|------|-------------------|-------------------|----------------|-----------------|-----------------|----------------|
| <b>Profit for the period</b>   |      | <b>252.7</b>      | <b>235.0</b>      | <b>7.5</b>     | <b>17.2</b>     | <b>33.5</b>     | <b>-48.8</b>   |
| <b>Pre-tax gains (+) or losses (-)<br/>recognised directly in equity from</b>    |      |                   |                   |                |                 |                 |                |
| Currency translation differences from foreign<br>operations                      |      | 5.0               | 6.1               | -18.3          | -5.3            | 0.3             | -              |
| Net change in fair value of other investments                                    |      | -144.6            | 148.4             | -              | -190.1          | -54.2           | -              |
| Net change in fair value of cash flow hedges                                     |      | -4.5              | 19.0              | -              | -14.3           | -11.9           | -20.3          |
| Remeasurements IAS 19  |      | -32.5             | -                 | -              | -32.5           | -               | -              |
| Investments in equity accounted investees  |      | -14.1             | 27.0              | -              | -15.0           | -4.4            | -              |
| <b>Total pre-tax gains (+) or losses (-)<br/>recognised directly in equity</b>   |      | <b>-190.7</b>     | <b>200.6</b>      | <b>-</b>       | <b>-257.2</b>   | <b>-70.2</b>    | <b>-</b>       |
| Income tax expense   |      | 45.4              | -41.9             | -              | 31.9            | 16.5            | 93.3           |
| <b>Total after tax gains (+) or losses (-)<br/>recognised directly in equity</b> |      | <b>-145.3</b>     | <b>158.7</b>      | <b>-</b>       | <b>-225.3</b>   | <b>-53.6</b>    | <b>-</b>       |
| <b>Comprehensive income</b>  |      | <b>107.4</b>      | <b>393.7</b>      | <b>-72.7</b>   | <b>-208.2</b>   | <b>-20.1</b>    | <b>-</b>       |
| thereof attributable to EVN AG shareholders<br>(Group net profit)                |      | 77.6              | 365.9             | -78.8          | -211.6          | -30.4           | -              |
| thereof attributable to non-controlling interests                                |      | 29.9              | 27.8              | 7.6            | 3.4             | 10.3            | -67.0          |

## Consolidated statements of changes in equity

|  | EURm | EVN AG<br>shareholders | Non-controlling<br>interests | Total          |
|--|------|------------------------|------------------------------|----------------|
| <b>Balance 9/30/2010</b>                                 |      | <b>2,679.5</b>         | <b>345.7</b>                 | <b>3,025.2</b> |
| Comprehensive income for the period                      |      | 365.9                  | 27.8                         | 393.7          |
| Capital increase   |      | 175.5                  | –                            | 175.5          |
| Dividends 2009/10  |      | –71.8                  | –33.7                        | –105.5         |
| Changes in the scope of consolidation/Other items        |      | –0.6                   | –0.3                         | –0.9           |
| <b>Balance 6/30/2011</b>                                 |      | <b>3,148.6</b>         | <b>339.5</b>                 | <b>3,488.1</b> |
| <b>Balance 9/30/2011</b>                                 |      | <b>2,814.3</b>         | <b>361.7</b>                 | <b>3,176.0</b> |
| Comprehensive income for the period                      |      | 77.5                   | 29.9                         | 107.4          |
| Acquisition of interests in fully consolidated companies |      | 69.7                   | –118.7                       | –49.0          |
| Dividends 2010/11  |      | –73.6                  | –38.4                        | –112.0         |
| Acquisition of own shares                                |      | –0.7                   | –                            | –0.7           |
| Changes in the scope of consolidation/Other items        |      | –2.0                   | –                            | –2.0           |
| <b>Balance 6/30/2012</b>                                 |      | <b>2,885.2</b>         | <b>235.3</b>                 | <b>3,120.4</b> |

## Condensed consolidated statements of cash flows

|  | EURm | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | nominal       | Changes<br>in % | 2009/10<br>Q. 1–3 |
|--|------|-------------------|-------------------|---------------|-----------------|-------------------|
| <b>Profit before income tax</b>  |      | <b>291.7</b>      | <b>275.1</b>      | <b>16.6</b>   | <b>6.0</b>      | <b>266.2</b>      |
| + Depreciation and amortisation of intangible assets and property, plant and equipment   |      | 190.1             | 181.2             | 8.9           | 4.9             | 171.5             |
| +/- Non-cash share of income of equity accounted investees   |      | 11.8              | 4.4               | 7.4           | –               | 13.7              |
| +/- Other non-cash financial results   |      | 1.4               | 0.9               | 0.4           | 46.1            | –0.4              |
| – Release of deferred income from network subsidiaries   |      | –26.3             | –24.2             | –2.2          | –9.1            | –24.2             |
| –/+ Decrease/Increase in non-current provisions  |      | –21.5             | –9.7              | –11.7         | –               | –4.7              |
| +/- Other non-cash expenses/gains  |      | –2.1              | –1.1              | –1.1          | –98.1           | 0.5               |
| <b>Gross cash flow</b>   |      | <b>445.0</b>      | <b>426.6</b>      | <b>18.3</b>   | <b>4.3</b>      | <b>422.5</b>      |
| – Changes in assets and liabilities arising from operating activities  |      | –154.3            | 61.1              | –215.4        | –               | –81.1             |
| – Income tax paid  |      | –15.4             | –22.0             | 6.7           | 30.3            | –26.8             |
| <b>Net cash flow from operating activities</b>   |      | <b>275.3</b>      | <b>465.7</b>      | <b>–190.4</b> | <b>–40.9</b>    | <b>314.5</b>      |
| – Changes in intangible assets and property, plant and equipment as well as in the acquisition of subsidiaries, net of cash acquired |      | –128.8            | –178.3            | 49.2          | 27.7            | –217.7            |
| –/+ Changes in financial assets and other non-current assets   |      | –157.9            | –128.0            | –29.9         | –23.3           | 14.9              |
| –/+ Changes in current securities  |      | 53.4              | –120.9            | 174.3         | –               | –50.7             |
| <b>Net cash flow from investing activities</b>   |      | <b>–233.3</b>     | <b>–427.2</b>     | <b>193.9</b>  | <b>45.4</b>     | <b>–253.5</b>     |
| + Capital increase/Payments of nominal capital by non-controlling interests  |      | 0.8               | 175.5             | –174.7        | –99.6           | 0.8               |
| – Dividends paid to EVN AG shareholders  |      | –73.6             | –71.8             | –1.8          | –2.5            | –60.3             |
| – Dividends paid to non-controlling interests  |      | –38.4             | –33.7             | –4.7          | –14.0           | –22.5             |
| – Acquisition of own shares  |      | –0.7              | –                 | –0.7          | –               | –                 |
| +/- Changes in financial liabilities   |      | 86.4              | –41.6             | 128.0         | –               | 20.3              |
| <b>Net cash flow from financing activities</b>   |      | <b>–25.6</b>      | <b>28.4</b>       | <b>–54.0</b>  | <b>–</b>        | <b>–61.8</b>      |
| <b>Net change in cash and cash items</b>   |      | <b>16.5</b>       | <b>67.0</b>       | <b>–50.5</b>  | <b>–75.4</b>    | <b>–0.9</b>       |
| <b>Cash and cash items at the beginning of the period</b>  |      | <b>112.6</b>      | <b>89.1</b>       | <b>23.5</b>   | <b>26.4</b>     | <b>113.6</b>      |
| <b>Cash and cash items at the end of the period</b>  |      | <b>129.1</b>      | <b>156.0</b>      | <b>–26.9</b>  | <b>–17.3</b>    | <b>112.6</b>      |

## Segment reporting

| Segment reporting                               | EURm | Generation        |                   | Network Infrastructure Austria |                   | Energy Trade and Supply |                   | Energy Supply South East Europe |                   |
|---|------|-------------------|-------------------|--------------------------------|-------------------|-------------------------|-------------------|---------------------------------|-------------------|
|   |      | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3              | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3       | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3               | 2010/11<br>Q. 1-3 |
| External revenue                                |      | 33.2              | 18.8              | 363.6                          | 359.6             | 893.0                   | 915.2             | 736.2                           | 634.8             |
| Internal revenue                                |      | 68.5              | 49.4              | 37.5                           | 34.5              | 37.5                    | 37.4              | –                               | –                 |
| <b>Total revenue</b>                            |      | <b>101.7</b>      | <b>68.2</b>       | <b>401.1</b>                   | <b>394.1</b>      | <b>930.4</b>            | <b>952.6</b>      | <b>736.3</b>                    | <b>634.8</b>      |
| Operating expenses                              |      | –56.0             | –49.4             | –227.4                         | –211.7            | –856.5                  | –846.6            | –659.4                          | –585.3            |
| <b>EBITDA</b>                                   |      | <b>45.8</b>       | <b>18.8</b>       | <b>173.7</b>                   | <b>182.4</b>      | <b>74.0</b>             | <b>106.0</b>      | <b>76.8</b>                     | <b>49.6</b>       |
| Depreciation and amortisation                   |      | –37.2             | –18.0             | –73.1                          | –72.4             | –12.4                   | –10.2             | –48.1                           | –62.1             |
| <b>Results from operating activities (EBIT)</b> |      | <b>8.5</b>        | <b>0.8</b>        | <b>100.6</b>                   | <b>110.0</b>      | <b>61.6</b>             | <b>95.8</b>       | <b>28.7</b>                     | <b>–12.5</b>      |
| Financial results                               |      | –9.6              | –7.9              | –4.3                           | –8.2              | 7.4                     | 6.2               | –19.4                           | –14.0             |
| <b>Profit before income tax</b>                 |      | <b>–1.1</b>       | <b>–7.1</b>       | <b>96.3</b>                    | <b>101.8</b>      | <b>69.0</b>             | <b>102.0</b>      | <b>9.4</b>                      | <b>–26.6</b>      |
| Total assets                                    |      | 806.8             | 542.7             | 1,657.7                        | 1,619.6           | 611.3                   | 636.5             | 1,218.9                         | 1,125.7           |
| Investments <sup>1)</sup>                       |      | 14.6              | 43.9              | 74.1                           | 79.1              | 9.0                     | 9.3               | 69.3                            | 78.6              |

|   | Environmental Services |                   | Strategic Investments and Other Business |                   | Consolidation     |                   | Total             |                   |
|---|------------------------|-------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2011/12<br>Q. 1-3      | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3                        | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 |
| External revenue                                | 229.6                  | 230.5             | 1.3                                      | 4.7               | –                 | –                 | 2,256.8           | 2,163.6           |
| Internal revenue                                | 14.8                   | 13.2              | 48.0                                     | 44.6              | –206.3            | –179.0            | –                 | –                 |
| <b>Total revenue</b>                            | <b>244.3</b>           | <b>243.7</b>      | <b>49.3</b>                              | <b>49.3</b>       | <b>–206.3</b>     | <b>–179.1</b>     | <b>2,256.8</b>    | <b>2,163.6</b>    |
| Operating expenses                              | –195.5                 | –198.8            | –50.6                                    | –55.2             | 204.8             | 177.7             | –1,840.6          | –1,769.2          |
| <b>EBITDA</b>                                   | <b>48.9</b>            | <b>44.9</b>       | <b>–1.3</b>                              | <b>–5.9</b>       | <b>–1.5</b>       | <b>–1.4</b>       | <b>416.2</b>      | <b>394.4</b>      |
| Depreciation and amortisation                   | –19.7                  | –18.8             | –1.2                                     | –1.2              | 1.5               | 1.4               | –190.1            | –181.2            |
| <b>Results from operating activities (EBIT)</b> | <b>29.2</b>            | <b>26.1</b>       | <b>–2.5</b>                              | <b>–7.1</b>       | <b>–</b>          | <b>–</b>          | <b>226.1</b>      | <b>213.2</b>      |
| Financial results                               | 7.1                    | 8.1               | 93.6                                     | 80.5              | –9.3              | –2.7              | 65.6              | 61.9              |
| <b>Profit before income tax</b>                 | <b>36.3</b>            | <b>34.2</b>       | <b>91.1</b>                              | <b>73.4</b>       | <b>–9.3</b>       | <b>–2.7</b>       | <b>291.7</b>      | <b>275.1</b>      |
| Total assets                                    | 1,455.6                | 1,438.6           | 2,721.6                                  | 3,276.3           | –1,577.1          | –1,340.8          | 6,894.7           | 7,298.6           |
| Investments <sup>1)</sup>                       | 15.6                   | 38.3              | 3.1                                      | 1.0               | –0.8              | –3.7              | 184.9             | 246.5             |

1) In intangible assets and property, plant and equipment

# Notes to the Consolidated interim report

## Accounting and valuation methods

This Consolidated interim report of EVN AG as at June 30<sup>th</sup>, 2012, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in IFRS by the International Financial Reporting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the Consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2010/11 financial year (balance sheet date: September 30<sup>th</sup>, 2011).

The accounting and valuation methods are essentially the same as those applied as at September 30<sup>th</sup>, 2011, with the exception of the consequences of the first-time application of standards and interpretations described below. The preparation of a Consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

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

## Reporting according to IFRS

The following standards and interpretations were applied for the first time in the 2011/12 financial year:

### Standards and interpretations applied for the first time

Effective<sup>1)</sup>

#### New interpretations

– – –

#### Revised standards and interpretations

|          |  |          |
|----------|--|----------|
| IAS 24   | Related Party: Disclosures   | 1/1/2011 |
| IFRS 8   | Operating Segments   | 1/1/2011 |
| IFRIC 14 | The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction | 1/1/2011 |
| Several  | Annual Improvements 2009–2010  | 1/1/2011 |
| IFRS 1   | First-time Adoption of International Financial Reporting Standards                       | 7/1/2011 |
| IFRS 7   | Financial Instruments: Disclosures   | 7/1/2011 |
| IAS 19   | Employee Benefits  | 1/1/2013 |

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

The new interpretations as well as the initial obligatory application of revised standards and interpretations did not have any impact on the Consolidated interim report.

On the basis of the revisions to IAS 19 approved by IASB on June 16<sup>th</sup>, 2011, all revaluations of net debt from defined benefit plans (including actuarial gains and losses) must be directly recognised in equity. The revisions to IAS 19 were adopted in the EU in accordance with the Commission Regulation (EU) No 475/2012 dated June 5<sup>th</sup>, 2012. The change is thus to be applied beginning with the financial year that starts on or after January 1<sup>st</sup>, 2013. Early application is permitted, and EVN has exercised its right in this regard.

Due to the revisions to IAS 19 the previously permissible deferral of actuarial gains and losses according to the corridor method, in which the actuarial gains were permitted to be recognised in profit or loss only if they amounted to 10.0% of the higher amount of the defined benefit obligation and the fair value of the plan assets, is no longer possible.

Because of the early adoption of the amendments to IAS 19, the values of the provision for pensions, the provision for pension-related obligations as well as the provision for severance payments as at June 30<sup>th</sup>, 2012, are reported to be

EUR 24.8m higher than was previously the case. The adjusted figure for the reporting period is recognised to the amount of EUR 32.5m in other comprehensive income and improved earnings to the amount of EUR 7.7m in the personnel expenses. The overall effect on earnings amounts to EUR 0.03 per share.

### Seasonally-related effects on business operations

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

### Auditor's review

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

### Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IAS 27. Accordingly, including the parent company EVN AG, a total of 29 domestic and 35 foreign subsidiaries (September 30<sup>th</sup>, 2011: 28 domestic and 35 foreign subsidiaries) were fully consolidated as of June 30<sup>th</sup>, 2012. As at the balance sheet date June 30<sup>th</sup>, 2012, a total of 36 affiliated companies were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (September 30<sup>th</sup>, 2011: 35).

| Scope of consolidation            | Full consolidation | Proportionate consolidation | Equity method | Total     |
|-----------------------------------|--------------------|-----------------------------|---------------|-----------|
| <b>9/30/2011</b>                  | <b>63</b>          | <b>5</b>                    | <b>16</b>     | <b>84</b> |
| Start-ups and first consolidation | 2                  | –                           | 3             | 5         |
| Business combination              | 2                  | –                           | –             | 2         |
| Mergers                           | –2                 | –                           | –             | –2        |
| Deconsolidation                   | –2                 | –                           | –             | –2        |
| <b>6/30/2012</b>                  | <b>63</b>          | <b>5</b>                    | <b>19</b>     | <b>87</b> |
| Thereof foreign companies         | 35                 | –                           | 5             | 40        |

In the first quarter of 2011/12, the company EVN Service Center EOOD was included in the consolidated financial statements of EVN as a fully consolidated company. This company assumed responsibility for administrative activities on behalf of the Bulgarian companies since October 1<sup>st</sup>, 2011, for the purpose of the proceeding unbundling in Bulgaria.

During the period under review, EVN Gorna Arda Development EOOD joined the group of fully consolidated companies. The purpose of the new company is the planning, development and construction of power plants. In particular, the company is now operating as a service provider in connection with the hydropower plant project "Gorna Arda" in Bulgaria jointly planned by EVN and NEK.

In order to construct a new wind park in Glinzendorf, EVN and Wien Energie founded the project company EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG, which was consolidated at equity for the first time starting in the first quarter of 2011/12.

In November 2011, EVN and Energie AG Oberösterreich jointly established the two companies Bioenergie Steyr GmbH and Fernwärme Steyr GmbH for the purpose of constructing and operating a biomass heating plant and the district heating network of Steyr. EVN indirectly holds a 51.0% shareholding in Bioenergie Steyr GmbH via EVN Wärme GmbH, and a 49.0% stake in Fernwärme Steyr GmbH. Both companies are consolidated at equity in the consolidated financial statements of EVN as of the first quarter of the 2011/12 financial year.

In January 2012, EVN acquired the company Windstrom Wulkatal West GmbH with an existing wind park in Pöttelsdorf from AAG Holding GmbH. In April 2012, the company was merged with evn naturkraft Erzeugungsgesellschaft m.b.H.

In March 2012, EVN took over an existing biomass heating plant in Hollabrunn, Lower Austria. In this regard FWG-Fernwärmeversorgung Hollabrunn registrierte Genossenschaft mit beschränkter Haftung was included in the scope of consolidation as a fully consolidated company.

As at February 15<sup>th</sup>, 2012, the previously fully consolidated subsidiary B.net Burgenland Telekom GmbH was retroactively merged with Kabelsignal AG as of September 30<sup>th</sup>, 2011. Furthermore, Kabelsignal AG was renamed kabelplus AG.

The previously fully consolidated subsidiaries WTE Projektmanagement GmbH and WTE Denmark A/S were deconsolidated in the first quarter of 2011/12 due to the termination of their business activities.

The following preliminary fair value effects on the consolidated statements of financial positions resulted from the business combinations.

| <b>Impact of business combinations</b> | EURm | 6/30/2012   | 9/30/2011   |
|--|------|-------------|-------------|
| Non-current assets                     |      | 10.1        | 33.5        |
| Current assets                         |      | 0.6         | 5.8         |
| <b>Total assets</b>                    |      | <b>10.7</b> | <b>39.2</b> |
| Equity                                 |      | 3.6         | 34.6        |
| Non-current liabilities                |      | 5.8         | 4.0         |
| Current liabilities                    |      | 1.2         | 0.7         |
| <b>Total equity and liabilities</b>    |      | <b>10.7</b> | <b>39.2</b> |

Within the framework of a privatisation process, EVN acquired an additional 30.75% shareholding in EVN Bulgaria Elektro-razpredelenie AD, Plovdiv, as well as 32.73% of the shares in EVN Bulgaria Elektrosnabdiavane AD, Plovdiv, on December 21<sup>st</sup>, 2011. On the basis of further purchases carried out via the Bulgarian Stock Exchange, EVN held a 99.91% stake in EVN Bulgaria Elektro-razpredelenie AD and 99.92% of EVN Bulgaria Elektrosnabdiavane AD as of June 30<sup>th</sup>, 2012. Both companies were previously included as fully consolidated subsidiaries in the consolidated financial statements of EVN.

#### Selected notes to the Statements of financial positions

In the first three quarters of 2011/12, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 184.9m (previous year: EUR 246.5m). Property, plant and equipment with a net carrying amount (book value) of EUR 7.5m were disposed of (previous year: EUR 3.2m), with a capital gain of EUR 2.2m (previous year: EUR 1.6m).

The item investments in equity accounted investees increased by EUR 54.7m, or 5.5%, to EUR 1,046.7m. This increase can be attributed to additional investments related to the payment of equity capital for the power plant projects Ashta and Devoll in Albania and Duisburg-Walsum in Germany as well as to new additions that totally accounted for EUR 81.1m, and to ongoing earnings contribution. There were also changes related to valuation changes not recognised in profit and loss and currency translation differences.

Other investments totalling EUR 748.0m, which are assigned to the category of "available-for-sale", include the shares of listed companies with a market value of EUR 724.8m, an decrease of EUR 144.6m from the prior balance sheet date September 30<sup>th</sup>, 2011. The adjustments made to reflect changed market values were allocated to the valuation reserve in accordance with IAS 39 after taking into account the deduction of deferred taxes.

On May 30<sup>th</sup>, 2012, the Executive Board of EVN AG has decided based on an authorising resolution of the 83<sup>rd</sup> Annual General Meeting of the shareholders of the EVN AG, held on January 19<sup>th</sup>, 2012, in accordance with § 65 (1) line 8 of the Austrian Stock Corporation Act, to acquire its own non-par value bearer shares in the company. It is intended to buy back up to 1,000,000 shares, representing up to 0.556% of the current share capital, on the Vienna Stock Exchange. The share buyback programme began on June 6<sup>th</sup>, 2012, and will end on December 31<sup>st</sup>, 2012, at the latest.

As of June 30<sup>th</sup>, 2012, the number of treasury shares amounted to 471,340 (or 0.262% of the share capital) with an acquisition value of EUR 6.7m and a market value of EUR 4.8m (September 30<sup>th</sup>, 2011: EUR 4.3m). The treasury shares held by EVN AG are not entitled to any rights, and in particular, they are not entitled to dividends.

The number of EVN shares in circulation amounted to 179,407,062 as of June 30<sup>th</sup>, 2012, and developed as followed:

| <b>Development of the number of shares in circulation</b> | Number             |
|---|--------------------|
| Balance 9/30/2011   | 179,480,142        |
| Acquisition of own shares                                 | -73,080            |
| <b>Total 6/30/2012</b>                                    | <b>179,407,062</b> |

The Annual General Meeting of EVN AG held on January 19<sup>th</sup>, 2012, approved the proposal of the Executive Board and Supervisory Board to distribute a dividend of EUR 0.41 per share for the 2010/11 financial year, which comprises a total dividend payout of EUR 73.6m. Ex-dividend date was January 24<sup>th</sup>, 2012, and the dividend payment to shareholders of EVN AG took place on January 27<sup>th</sup>, 2012.

The composition of non-current loans and borrowings developed as followed:

| <b>Break-down of non-current loans and borrowings</b> | EURm | 6/30/2012      | 9/30/2011      |
|---|------|----------------|----------------|
| Bonds   |      | 1,029.1        | 609.7          |
| Bank loans  |      | 926.1          | 981.6          |
| <b>Total non-current loans and borrowings</b>         |      | <b>1,955.1</b> | <b>1,591.3</b> |

The non-current loans and borrowings rose by 22.9%, or EUR 363.9m, to EUR 1,955.1m. This was due to the issuing of a Eurobond in October 2011 amounting to EUR 300.0m as well as the two private placements of EUR 125.0m in February 2012. This was in contrast to the valuation-related decrease in the bonds as at the balance sheet date. The bank loans reflect, among other things, the ongoing, scheduled redemption amounting to EUR 60.3m as well as the drawing upon lines of credit to finance the investment programme to the amount of EUR 23.2m.

Current loans and borrowings were down by 79.3%, or EUR 247.0m, to EUR 64.6m. This was mainly due to the scheduled redemption of a Eurobond with an interest rate of 5.25% (term to maturity 2001–2011; nominal value of EUR 257.4m) in December 2011. The book value as of September 30<sup>th</sup>, 2011, amounted to EUR 257.7m.

### **Selected notes to the Statements of operations**

The composition of depreciation developed as followed:

| <b>Content of depreciation</b> | EURm | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 |
|--------------------------------|------|-------------------|-------------------|
| Scheduled depreciation         |      | -167.9            | -163.5            |
| Impairment                     |      | -22.2             | -17.7             |
| <b>Total depreciation</b>      |      | <b>-190.1</b>     | <b>-181.2</b>     |

In the first three quarters of 2011/12, the biomass pilot plant in Dürnröhr with a residual carrying amount of EUR 8.0m was subject to an impairment loss due to unfavourable market conditions as well as an impairment loss of EUR 9.8m for the Kavarna wind park in Bulgaria was recognised. A disadvantageous decision on tariffs for green electricity as at July 1<sup>st</sup>, 2012, as well as uncertainties concerning network access led to this impairment loss. On balance, depreciation, amortisation and impairment losses amounted to EUR 190.1m, a rise of 4.9%, or EUR 8.9m, from the prior-year period.

The income from investments developed as followed:

| <b>Income from investments</b>                       | EURm | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3 |
|--|------|-------------------|-------------------|
| RAG  |      | 52.8              | 46.7              |
| EconGas  |      | 7.7               | 8.2               |
| ZOV; ZOV UIP   |      | 8.7               | 8.0               |
| BEWAG; BEGAS   |      | 10.1              | 5.9               |
| Other companies                                      |      | 3.0               | 0.6               |
| <b>Share of profit of equity accounted investees</b> |      | <b>82.3</b>       | <b>69.4</b>       |
| VERBUND AG   |      | 22.1              | 22.1              |
| Other companies                                      |      | 3.0               | 3.4               |
| <b>Gain from other investments</b>                   |      | <b>25.1</b>       | <b>25.5</b>       |
| <b>Total income from investments</b>                 |      | <b>107.4</b>      | <b>94.9</b>       |

Earnings per share are calculated by dividing Group net profit (= Net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i.e. 179,472,022 as of June 30<sup>th</sup>, 2012 (June 30<sup>th</sup>, 2011: 177,594,120 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net profit amounting to EUR 222.8m (June 30<sup>th</sup>, 2011: EUR 207.2m), earnings per share at the balance sheet date June 30<sup>th</sup>, 2012, totalled EUR 1.24 (June 30<sup>th</sup>, 2011: EUR 1.17 per share).

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

Dividends received, interest income and interest expense are allocated to current business activities. Interest income amounted to EUR 21.4m (previous year: EUR 25.1m), whereas interest expense was EUR 45.2m (previous year: EUR 41.2m). The cash flows from dividend payments amounted to EUR 119.2m in the first three quarters 2011/12 (previous year: EUR 99.4m). The payments for acquisitions amounting to EUR 3.8m (previous year: EUR 7.0m) were encompassed in the net cash flow from investing activities.

#### Information on transactions with related parties

Beside the changes in consolidation range there were no major changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2010/11.

The value of services provided to investments in equity accounted investees is as follows:

| <b>Transactions with investments in equity accounted investees</b> | EURm | 2011/12<br>Q. 1-3 | 2010/11<br>Q. 1-3  |
|--|------|-------------------|--------------------|
| Revenue  |      | 124.2             | 143.6              |
| Cost of materials and services                                     |      | 622.8             | 600.6              |
| Trade accounts receivable  |      | 80.4              | 89.6 <sup>1)</sup> |
| Trade accounts payable   |      | 16.1              | 7.2 <sup>1)</sup>  |

1) Values at September 30<sup>th</sup>, 2011

#### Other obligations and risks

Other obligations and risks increased by EUR 5.0m to EUR 945.8m compared to September 30<sup>th</sup>, 2011. This change was mainly due to the decrease in the guarantees for subsidiaries in connection with the construction and operation of power plants. This decline was in contrast to the rise in scheduled orders for investments in intangible assets and property, plant and equipment as well as the increased guarantees for subsidiaries in connection with energy transactions as at the reporting date.

Contingent liabilities relating to guarantees for subsidiaries in connection with energy transactions are only recognised to the amount of the actual risk to EVN AG arising from those guarantees issued by e&t Energie Handelsgesellschaft mbH and now also for EconGas GmbH. This risk is measured by the changes between the stipulated price and the actual market price. Risks relating to procurement transactions only exist in the case of declining market prices, whereas risks concerning sales transactions exist on the basis of increased market prices. Accordingly, the risk can correspondingly change after the balance sheet date due to market price changes. The risk valuation as at June 30<sup>th</sup>, 2012, resulted in contingent liabilities of EUR 51.2m. The nominal volume of the guarantees underlying this valuation amounted to EUR 451.4m.



### Events after the balance sheet date

The following events of material importance took place between the quarterly balance sheet date of June 30<sup>th</sup>, 2012, and the publication of the Consolidated interim report on August 30<sup>th</sup>, 2012:

At the beginning of July EVN sold its subsidiary first facility GmbH to NÖ Hypo-Beteiligungsholding GmbH.

In Bulgaria, regulatory authorities increased end customer prices for electricity by 13.9% effective July 1<sup>st</sup>, 2012, whereas the prices for procured energy as well as for transmission grid operators and the system operator remained at about the same level as in the previous year. Similarly, the end customer price for heat was reduced by 20.6%. The gas sourcing price was raised by 4.9%.

Effective July 16<sup>th</sup>, 2012, regulatory authorities in Bulgaria changed the methodology relating to the compensation for the added costs involved in generating green electricity and for electricity and heat produced by highly efficient co-generation plants. As a consequence of rising sales volumes due to the large number of affiliation agreements with green electricity producers and higher feed-in tariffs for renewable energy, the electricity procurement prices for EVN Bulgaria Elektrosnabdavane AD, Plovdiv, could significantly increase.

In Macedonia, the Macedonian regulatory authority Energy Regulatory Commission (ERC) increased end customer prices for electricity by 9.83% (of which 6.06% applies to EVN Macedonia). The price increase primarily serves to cover the additional sourcing costs for the procurement of electricity on the wholesale market by EVN Macedonia AD as of October 1<sup>st</sup>, 2012, of energy consumption which is not covered by Macedonian power generating capacities (whereas previously the responsibility for procuring the electricity was borne by the state-owned company ELEM).

Due to the Green Electricity Act 2012, which took effect on July 1<sup>st</sup>, 2012, a change in the financing of green electricity facilities took place. Against this backdrop, EnergieAllianz Austria GmbH with its regional energy sales companies announced that it would fully pass on the cost advantages to its customers, similar to the reduction of the additional charges levied on green electricity in January 2012.

On July 5<sup>th</sup>, 2012, the merger of BEGAS Energie AG with Burgenländische Elektrizitätswirtschafts-Aktiengesellschaft (BEWAG) was entered into the Commercial Register. The companies were merged retroactively to September 30<sup>th</sup>, 2011. EVN AG has an indirect stake in both companies via Burgenland Holding Aktiengesellschaft, in which EVN AG owns a 73.6% shareholding.

In August 2012, the rating agency Standard & Poor's downgraded the long-term credit rating of EVN in the "Investment Grade" segment from A- to BBB+. In contrast, the outlook was upgraded from negative to stable.

On August 8<sup>th</sup>, 2012, EVN AG completed and ended the release of its own shares to employees. A total of 75,168 non-par value shares, corresponding to 0.042% of the share capital of EVN AG, were given off-market to employees of the company as well as to employees of specified subsidiaries (EVN Netz GmbH, evn wasser Gesellschaft m.b.H). The equivalent value of each of the shares transferred into the possession of employees corresponds to 90.0% of the average of the share price at the end of daily trading in the 27<sup>th</sup> to 30<sup>th</sup> calendar weeks in the year 2012, and amounts to EUR 10.10. The entire value of the transferred shares amounts to EUR 759,196.80. Within the context of the share buyback programme which has been implemented since June 6<sup>th</sup>, 2012, a total of 246,950 own non-par value bearer shares, corresponding to 0.137% of the share capital of the company, were acquired on the Vienna Stock Exchange between the reporting date of June 30<sup>th</sup>, 2012, and the editorial deadline of August 21<sup>st</sup>, 2012, for the Consolidated interim report. At the editorial deadline EVN AG had 642,122 own shares in its possession, corresponding to 0.357% of the share capital of the company.

# The EVN share

A slight economic pick-up was perceptible in the first quarter of 2012, whereas in the second quarter the economy deteriorated due to the latest developments relating to the sovereign debt crisis in the eurozone and the declining confidence of financial markets. The election results and new government in Greece did not help to diminish the prevailing uncertainty. Interest rates for government bonds in Spain and Italy continued to rise. On the basis of this development the eurozone remains in a recession.

In the first quarter the prime lending rate was kept at a level of 1.0%. In July 2012, the European Central Bank reduced the prime lending rate to 0.75% because of the enhanced risk of an economic downturn and the low risk of inflation.

Whereas the concluded agreement on a rescue package for Greece in the first quarter of 2012 and the slightly improved economic outlook reduced the volatility of stock markets and led to a positive trend on international stock exchanges since February 2012, capital markets reacted with price corrections to the spreading of the sovereign debt crisis to Spain and Italy in the second quarter of 2012. As a consequence, stock markets concluded trading as at June 30<sup>th</sup>, 2012, under the comparable level as at March 31<sup>st</sup>, 2012.

The German benchmark index DAX profited from the stable economic development and was able to gain 16.6% in value in the period October 2011 to June 2012. In comparison, the Vienna benchmark index ATX developed more moderately, and registered only a 1.4% rise in value. In contrast, the Dow Jones Euro Stoxx Utilities Index, which is relevant to EVN, proved to be very weak and had to report a decline of 11.0%.

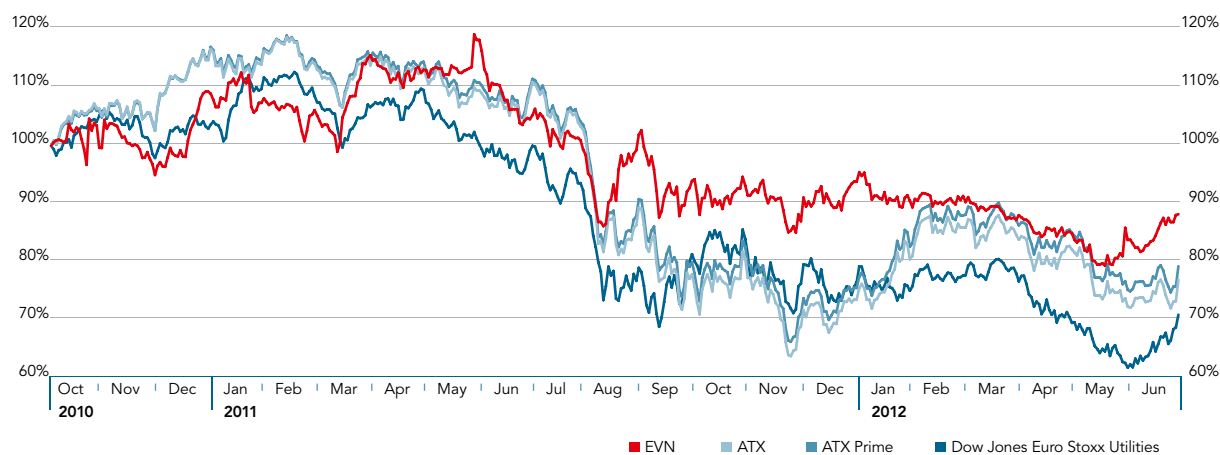
The EVN share declined by 6.2% during the reporting period and fell to EUR 10.15 as at the end of June 2012, corresponding to a market capitalization of EUR 1.83bn.

The average daily turnover in EVN shares decreased compared to the prior-year period, which featured the capital increase, and amounted to 50,422 shares (counted once). The total trading volume of EVN shares on the Vienna Stock Exchange was EUR 94.0m (counted once), which corresponds to 0.61% of total Vienna Stock Exchange trading volume.

## Highlights

- > Depressed economy due to sovereign debt crisis and economic policies
- > Prime lending rate under 1.0% for the first time
- > Negative reaction of stock markets to prime lending rate reduction in the eurozone
- > Weak performance of the utility sector

## EVN share price – relative development



**EVN share – Index weighting** 6/30/2012

ATX \_\_\_\_\_ 1.21%

WBI (Vienna Stock Exchange Index) \_\_\_\_\_ 2.68%

**EVN share – performance**

|  |        | 2011/12<br>Q. 1–3 | 2010/11<br>Q. 1–3 | 2009/10<br>Q. 1–3 |
|--|--------|-------------------|-------------------|-------------------|
| Share price at the end of June           | EUR    | 10.15             | 11.96             | 12.25             |
| Highest price                            | EUR    | 10.95             | 13.58             | 13.75             |
| Lowest price                             | EUR    | 9.00              | 10.90             | 10.61             |
| Value of shares traded <sup>1)</sup>     | EURm   | 94                | 307               | 132               |
| Average daily turnover <sup>1)</sup>     | Shares | 50,422            | 140,604           | 57,508            |
| Share of total turnover <sup>1)</sup>    | %      | 0.61              | 1.23              | 0.43              |
| Market capitalisation at the end of June | EURm   | 1,826             | 2,151             | 2,003             |

1) Vienna Stock Exchange, counted once

At the 83<sup>rd</sup> Annual General Meeting held on January 19<sup>th</sup>, 2012, it was resolved to distribute a dividend of EUR 0.41 per share totalling EUR 73.6m to the shareholders of EVN AG for the 2010/11 financial year. Ex-dividend day was January 24<sup>th</sup>, 2012, and the dividend payment to shareholders took place on January 27<sup>th</sup>, 2012. In addition, the Annual General Meeting passed a resolution authorising the Executive Board to acquire its own non-par value bearer shares in the company for the purpose of issuing them to employees of the company or a related company or to carry out a buyback without purpose amounting in total to 10.0% of the share capital of EVN AG for a period of 30 months beginning on the day the resolution was approved. For details on the Annual General Meeting see [www.evn.at/AGM.aspx](http://www.evn.at/AGM.aspx).

On May 30<sup>th</sup>, 2012, the Executive Board of EVN AG has decided based on an authorising resolution of the 83<sup>rd</sup> Annual General Meeting of the shareholders of the EVN AG to acquire its own non-par value bearer shares in the company. It is intended to buy back up to 1,000,000 shares, representing up to 0.556% of the current share capital, on the Vienna Stock Exchange. The share buyback is primarily designed to improve the supply and demand of the EVN share on the Vienna Stock Exchange, which the company considers to be undervalued. Trading with own shares for profit-making purposes is excluded. The share buyback programme began on June 6<sup>th</sup>, 2012, and will end on December 31<sup>st</sup>, 2012, at the latest. Up until June 30<sup>th</sup>, 2012, 73,080 shares of EVN AG (0.041% of the share capital) were bought back. For details see [www.evn.at/Investoren/Aktie/Aktienrueckkaufprogramm.aspx?lang=en-us](http://www.evn.at/Investoren/Aktie/Aktienrueckkaufprogramm.aspx?lang=en-us).

The Executive Board of EVN AG resolved on June 6<sup>th</sup>, 2012, to release a maximum of 190,000 of its own shares (or a maximum of 0.106% of the company's share capital) to employees of the company as well as employees of specified subsidiaries instead of the planned special payment stipulated in an agreement concluded with employee representatives. On August 8<sup>th</sup>, 2012, a total of 75,168 shares, or 0.042% of the share capital, were transferred into the possession of employees off-market. For details see [www.evn.at/press-releases.aspx](http://www.evn.at/press-releases.aspx).

In May 2012, the rating agency Moody's confirmed the long-term credit rating of A3 (stable outlook) for EVN. The credit agency Standard & Poor's lowered its long-term credit rating of EVN in the "Investment Grade" segment from A– to BBB+ and lifted the outlook from negative to stable in August 2012. For details see [www.evn.at/bonds.aspx](http://www.evn.at/bonds.aspx).

In the first three quarters of 2011/12, there was no change in the shareholder structure of EVN AG compared to September 30<sup>th</sup>, 2011. On the basis of federal and provincial constitutional law requirements, the province of Lower Austria continues to be the major shareholder of EVN AG, with a stake of 51.0%. Lower Austria's shareholding is formally held via its investment holding, NÖ Landes-Beteiligungsholding GmbH, St. Pölten. The second biggest shareholder is EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, with a stake of 32.5%. As a result, free float amounts to 16.5%.

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## Online Letter to Shareholders

<http://www.financialreport.evn.at/?report=EN2012-Q3>

## Information on the internet

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

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

|   |                                  |
|---|----------------------------------|
| Annual results 2011/12                            | December 13 <sup>th</sup> , 2012 |
| 84 <sup>th</sup> Annual General Meeting of EVN AG | January 17 <sup>th</sup> , 2013  |
| Ex-dividend day                                   | January 22 <sup>nd</sup> , 2013  |
| Dividend payment                                  | January 25 <sup>th</sup> , 2013  |
| Results Q.1 2012/13                               | February 28 <sup>th</sup> , 2013 |
| Results HY.1 2012/13                              | May 28 <sup>th</sup> , 2013      |
| Results Q.1–3 2012/13                             | August 29 <sup>th</sup> , 2013   |
| Annual results 2012/13                            | December 12 <sup>th</sup> , 2013 |

1) Preliminary

## EVN share – Basic information

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

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