



EVN

Annual Financial Report 2016/17

Lasting Values.

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Management report

Energy policy environment

The energy policy framework conditions in Austria are significantly influenced by European energy and climate policies, the related goals and laws and the interaction with European actors in the energy sector – for example, the Agency for the Cooperation of Energy Regulators (ACER) and the Energy Community.

European energy and climate policy

In October 2014 the European Council agreed on a framework for its climate and energy policy up to 2030. This policy includes the following three major goals, which reflect the global targets set at the UN Climate Conference in Paris during December 2015:

- A reduction of at least 40% in greenhouse gas emissions below the 1990 level
- An increase in the share of renewable energy in the total energy mix to at least 27%
- An improvement of at least 27% in energy efficiency over the 2007 level

The European Commission introduced a number of legislative proposals concerning the issue of “Clean Energy for all Europeans” in November 2016, which are intended to support the European goals and are currently under discussion by the European Parliament and Council. These proposals are expected to be enacted into law by the end of 2018. The related package of measures covers, in particular, the organisation of the electricity market, cross-border cooperation, the feed-in of electricity and heat from renewable sources, supply security for electricity, the management of the future energy union and energy efficiency.

Green electricity in Austria

The Austrian Parliament passed a so-called “limited green electricity amendment” in June 2017 which includes, among others, changes to the Green Electricity Act. The first step establishes a transitional solution that creates legal certainty for the further system conversion towards renewable generation in Austria. The measures related to windpower include a special quota of subsidies with a total volume of EUR 45m for 2017 and 2018 to reduce the waiting lists for projects previously approved by municipal authorities. The amendments cover, among others, investment incentives for small hydropower plants and photovoltaic equipment as well as a modification to the Electricity Industry and Organisation Act that allows for contractual provisions to ensure sufficient power plant output

(e. g. through multi-year agreements) as a means of preventing and eliminating network shortages.

However, current Austrian law does not yet reflect the requirements defined by the EU Guideline for state energy and environmental subsidies and the related limitation of feed-in tariffs.

German-Austrian electricity price zone

In May 2017 the Austrian and German regulatory authorities finalised a number of key points concerning the introduction of shortage management for the unlimited trading of electricity between their countries that has existed since 2002. A long-term capacity limit of 4.9 GW between these two countries will therefore take effect on 1 October 2018. The specific implementation is currently the subject of discussions between the respective transmission network operators in agreement with the regulatory authorities.

The introduction of the new shortage threshold will mark the end of the joint electricity price zone between Germany and Austria that has existed since 2002. It has also recently been reflected in differences between the – up to this announcement, identical – wholesale prices for Germany and Austria on the EEX electricity exchange in Leipzig. Then again, the significance of this development must be seen in context for the time being because a sufficiently liquid market has not yet developed for Austria. The further trend in the relationship between wholesale prices in these two countries is impossible to predict from the current point of view.

Regulatory environment

Austria

The regulatory periods for the electricity and natural gas distribution networks in Austria cover five years. The new regulatory period will begin on 1 January 2018 for the natural gas distribution networks and on 1 January 2019 for the electricity distribution networks. The regulatory method applicable in Austria compensates the distribution network operators on the basis of network tariffs which are determined each year by the E-Control Commission and covers investments and expenses for network construction, maintenance and operation. Key parameters for the determination of the network tariffs include the interest-bearing capital base (regulatory asset base) and the weighted average cost of capital, each of which are fixed for the entire regulatory period. The parameters also include an incentive in the form of productivity factors, which

serve as individual cost reduction targets for the respective company and also include inflationary adjustments. EVN's network company has received a very positive evaluation from the regulatory authority for its productivity in peer-group benchmarking.

Bulgaria

The full market liberalisation for industrial customers in Bulgaria will now be followed by gradual access to the free electricity market for commercial customers. Regulatory simplifications also create opportunities for household customers to decide in favour of participation in the liberalised market. EVN Bulgaria EC supplies household and business customers on the regulated market, acts as a "supplier of last resort" and services those customers in the liberalised market segment who do not select another supplier or cannot receive electricity from their chosen supplier through no fault of their own. The sale of energy to customers in the regulated market segment as well as the procurement of the corresponding volumes is based on regulated prices which are generally below the market level. EVN Trading SEE acts as a supplier for the remaining liberalised customers.

The last year of the current three-year regulation period for the electricity network in Bulgaria began on 1 July 2017. The regulatory method for this network defines a revenue cap which comprises the recognised operating expenses, amortisation and depreciation as well as an adequate return on the regulatory asset base. The applied method also includes the projected network distribution volumes as well as an annually defined investment factor and planned future investments. In connection with the further unbundling of the individual energy business areas, EVN Bulgaria EP, which is responsible for the operation of the electricity distribution networks, was renamed EP Yug on 19 May 2017.

The new one-year regulation period for heat and electricity began on 1 July 2017. On 7 April 2017, i. e. during the regulation period, the responsible regulatory authority raised the prices charged to end customers as compensation for higher procurement costs

(electricity: by approximately 1.0%; heat: by approximately 22.0%). These prices were again increased as of 1 July 2017 by an average of 1.7% for electricity and 1.5% for heat.

Macedonia

The unbundling of the individual business areas in utility companies in Macedonia has been in progress since 1 January 2014. EVN met the related requirements by establishing a sales company (EVN Macedonia Elektrosnabduvanje DOOEL) and a production company (EVN Macedonia Elektrani DOOEL). These two companies complement the previously founded EVN Macedonia AD, which continues to operate as a sales company for customers in the regulated market segments. In connection with the further unbundling, the newly founded EVN Elektrodistribucija DOOEL started operations on 1 January 2017 and now serves as a network operator. The liberalisation of the electricity market in Macedonia will be implemented gradually by July 2020, depending on customers' annual electricity consumption.

The last year of the current three-year regulation period for the electricity network in Macedonia began on 1 July 2017. A tariff decision on 1 July 2017 again reduced the electricity prices for end customers by an average of 0.3% (previous year: average reduction of 0.3%). Similar to Bulgaria, the regulatory method for the electricity network defines a revenue cap which comprises the recognised operating expenses, amortisation and depreciation as well as an adequate return on the regulatory asset base.

Croatia

The liberalisation of the natural gas market for household customers was originally scheduled for April 2017, but has only been realised to a very limited extent. In contrast, the market for commercial and industrial customers has been liberalised since 2012. A new law to support the further liberalisation of the natural gas market for household customers is currently in preparation. For the period from 1 April 2017 to 31 December 2017, the household tariffs in EVN Croatia's supply area were raised slightly by 0.8%.

General business environment

The global economy has been characterised by a solid upward trend since mid-2016 which, after a slightly weaker start into 2017, continued during the second quarter. Good or improved indicators were reported by nearly all major economies, with strong development also generated by the EU member states in Eastern and Central Europe. Forecasts for economic growth in the EU during 2017 range from 2.1% to 2.4% and from 2.1% to 2.2% in 2018.

The Austrian economy is also in good condition at the present time due to the upturn in the global economy and robust domestic demand. This development was supported, above all, by the construction sector, private consumption and tourism. Projections point to growth of 2.7% in 2017 and 2.1% to 2.8% in 2018, which place the outlook for Austria at the top of the Eurozone.

Expectations for the Bulgarian economy have recently improved, not least due to the favourable trends on the labour market and in public finances. The easing of political tensions and the successful formation of a government prior to the start of the EU presidency on 1 January 2018 have also had a positive effect. Private

consumption continues to rise and remains an important support for the economy. In this environment, economic growth is expected to range from 3.0% to 4.0% in 2017 and from 3.2% to 3.8% in 2018.

The economic recovery in Croatia is expected to continue during 2017 and 2018. Similar to Bulgaria, private consumption is also one of the most important drivers in this country – according to estimates by The Institute of Economics in Zagreb, the demand by private households generated roughly half the national growth in 2017. This is a direct result of the tax relief provided by the reduction of the corporate income tax and personal income tax beginning in 2017 as well as the improvement in wages and the labour market that has resulted from the general economic recovery. Tourism also played an important role in this positive development. Growth forecasts call for an increase of 2.9% to 3.2% in 2017 and 2.3% to 2.8% in 2018.

In Macedonia, the economic outlook has improved following the settlement of the months-long political blockade. Other positive impulses were provided by the strong export sector, which reported double-digit growth, and by an increase in real incomes and private consumption. The economy is expected to increase by 2.5% to 2.8% in 2017 and by 3.2% to 3.3% in 2018.

GDP growth	%	2018f	2017e	2016	2015	2014
EU-28 ^{1) 2)}		2.1–2.2	2.1–2.4	1.9	2.2	1.6
Austria ^{2) 3)}		2.1–2.8	2.6–2.8	1.5	1.0	0.4
Bulgaria ^{1) 2) 4) 5)}		3.2–3.8	3.0–4.0	3.4	3.6	1.3
Croatia ^{1) 2) 4) 6)}		2.3–2.8	2.9–3.2	3.0	2.2	–0.5
Macedonia ^{5) 6)}		3.2–3.3	2.5–2.8	2.4	3.8	3.6

1) Source: "European Economic Forecast, Autumn 2017", EU Commission, November 2017

2) Source: "Prognose der österreichischen Wirtschaft 2017–2018", IHS, September 2017

3) Source: "Prognose für 2017 und 2018: Höchstes Wirtschaftswachstum seit sechs Jahren", WIFO, September 2017

4) Source: "Strategie Österreich & CEE 4. Quartal 2017", Raiffeisen Research, October 2017

5) Source: "Global Economic Prospects", World Bank, June 2017

6) Source: "World Economic Outlook", International Monetary Fund, October 2017

Energy sector environment

The development of EVN's energy sector business is influenced to a significant degree by external factors. Energy consumption by retail customers – in the form of electricity, natural gas and heat – is influenced primarily by the weather, while the demand for energy by industrial customers is driven mainly by the general business environment.

The temperatures in EVN's relevant markets were significantly colder during 2016/17, in both year-on-year comparison and in relation to the long-term average. In Austria, the heating degree total – which defines the temperature-related demand for energy – was 18.7 percentage points higher than the previous year. The weather in Bulgaria and Macedonia was also much colder during the reporting period, with a heating degree total that was 26.6 and 16.7 percentage points, respectively, higher than in 2015/16.

The average EEX price for natural gas rose by 20.1% year-on-year to EUR 17.3 per MWh in 2016/17, not least due to the cold winter temperatures and the resulting increased demand on the spot markets. Average coal prices were 61.6% higher than the previous year at EUR 74.6 per tonne in 2016/17, primarily as a result of the very high demand in Europe during the winter. In contrast, the price of CO₂ emission certificates declined by a further 12.0% year-on-year to an average of EUR 5.3 per tonne.

The forward and spot market prices for base load and peak load electricity followed contrary trends during the reporting year. The forward price fell by 7.2% to EUR 28.2 per MWh for base load electricity and by 8.2% to EUR 35.0 per MWh for peak load electricity. However, spot market prices increased due to a temporary production standstill in France and the cold weather: the spot market price rose by an average of 26.9% year-on-year to EUR 35.3 per MWh for base load electricity and by 25.7% year-on-year to EUR 43.0 per MWh for peak load electricity.

Energy sector environment – indicators		2016/17	2015/16	2014/15
Temperature-related energy demand¹⁾				
	%			
Austria		114.7	96.0	96.0
Bulgaria		108.7	82.1	108.1
Macedonia		109.1	92.4	101.0
Primary energy and CO₂ emission certificates				
Crude oil – Brent	EUR/bbl	46.1	38.0	52.7
Natural gas – GIMP ²⁾	EUR/MWh	17.3	14.4	21.4
Hard coal – API#2 ³⁾	EUR/t	74.6	46.2	53.9
CO ₂ emission certificates	EUR/t	5.3	6.1	7.2
Electricity – EEX forward market⁴⁾				
Base load	EUR/MWh	28.2	30.4	34.9
Peak load	EUR/MWh	35.0	38.2	43.8
Electricity – EPEX spot market⁵⁾				
Base load	EUR/MWh	35.3	27.8	32.1
Peak load	EUR/MWh	43.0	34.2	39.8

1) Calculated based on the heating degree total; the basis (100%) corresponds to the adjusted long-term average for the respective countries

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

3) ARA notation (Amsterdam, Rotterdam, Antwerp)

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

5) EPEX spot – European Power Exchange

Business development

The scope of consolidation and changes in comparison with the previous year are explained in the notes.

☐ Also see page 119f

Statement of operations

Highlights 2016/17

- Favourable energy sector framework conditions
 - Higher demand for cross-regional services to stabilise the networks
 - Weather-related volume effects in energy and network distribution volumes
 - Valuation effects from hedges as of 30 September 2017
- 3.3% rise in electricity generation
 - Growth in renewable generation
 - Higher thermal generation due to the increased use of the power plants for network stabilisation
- Positive non-recurring effect through agreement with state-owned Bulgarian electricity company NEK

Results of operations

Revenue recorded by the EVN Group rose by EUR 169.1m, or 8.3%, to EUR 2,215.6m in 2016/17. The main reasons underlying this growth were the unusual weather conditions – during both the winter and summer – in all three supply areas, which led to a substantial increase in energy and network distribution volumes, as well as the marketing of the thermal power plants to stabilise the networks in Austria and southern Germany. Positive impulses were also provided by the international project business and renewable generation.

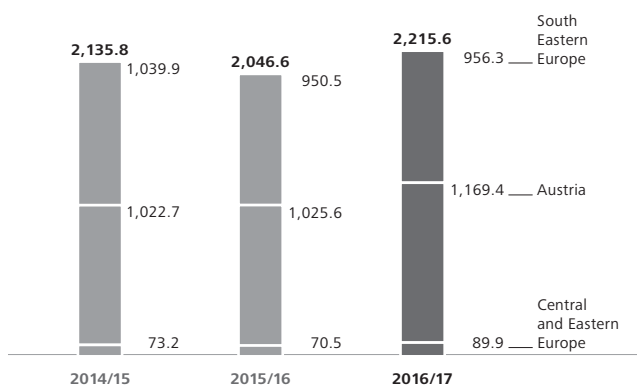
The revenue generated outside Austria amounted to EUR 1,046.3m in 2016/17 (previous year: EUR 1,021.0m). This represents a decline in the share of Group revenue from 49.9% in the previous year to 47.2% and reflects the increase in domestic revenue.

Other operating income rose by EUR 5.0m, or 5.1%, year-on-year to EUR 101.9m. This improvement reflected the earnings effects of the settlement between EVN's Bulgarian supply company and the state-owned Bulgarian electricity company NEK.

The cost of electricity purchases from third parties and primary energy expenses increased by EUR 58.4m, or 6.3%, to EUR 989.0m. This reflects the weather-related higher demand for energy and the increased use of the thermal power plants for network stabilisation.

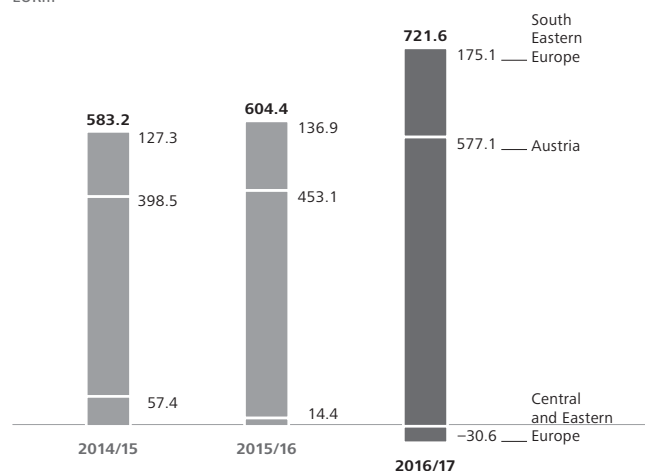
Revenue by region

EURm



EBITDA by region

EURm



Condensed consolidated statement of operations	2016/17 EURm	2015/16 EURm	+/-		2014/15 EURm
			nominal	%	
Revenue	2,215.6	2,046.6	169.1	8.3	2,135.8
Other operating income	101.9	97.0	5.0	5.1	108.4
Electricity purchases and primary energy expenses	-989.0	-930.6	-58.4	-6.3	-1,066.5
Cost of materials and services	-313.7	-246.7	-66.9	-27.1	-254.0
Personnel expenses	-316.8	-313.7	-3.1	-1.0	-313.5
Other operating expenses	-139.0	-141.6	2.5	1.8	-168.1
Share of results from equity accounted investees with operational nature	162.6	93.5	69.0	73.8	141.1
EBITDA	721.6	604.4	117.2	19.4	583.2
Depreciation and amortisation	-262.3	-266.1	3.9	1.5	-260.3
Effects from impairment tests	-112.5	-77.9	-34.6	-44.5	-54.7
Results from operating activities (EBIT)	346.9	260.4	86.4	33.2	268.2
Financial results	-21.4	-61.6	40.2	65.2	-60.3
Result before income tax	325.5	198.9	126.6	63.7	207.9
Income tax	-53.9	-16.0	-37.9	-	-17.3
Result for the period	271.5	182.8	88.7	48.5	190.7
thereof result attributable to EVN AG shareholders (Group net result)	251.0	156.4	94.5	60.4	148.1
thereof result attributable to non-controlling interests	20.5	26.4	-5.8	-22.1	42.6
Earnings per share in EUR¹⁾	1.41	0.88	0.53	60.4	0.83

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

In contrast, expenses were reduced by the agreement with the state-owned Bulgarian electricity company NEK.

The cost of materials and services was EUR 66.9m, or 27.1%, higher at EUR 313.7m. This increase is chiefly attributable to a valuation allowance recognised in the second quarter of 2016/17 to the remaining aggregate components (currently reported under inventories) from the former thermal waste utilisation plant project no. 1 in Moscow and to the positive development of revenue in the international project business.

EVN's average workforce increased slightly year-on-year to 6,840 (previous year: 6,830 employees). Personnel expenses were EUR 3.1m, or 1.0%, higher than the previous year at EUR 316.8m. Other operating expenses were EUR 2.5m, or 1.8%, lower at EUR 139.0m.

The share of results from equity accounted investees with operational nature rose by EUR 69.0m, or 73.8%, to EUR 162.6m. This increase was based primarily on improved results from EVN KG, which benefited from a positive operating development and the valuation of hedges as of the balance sheet date, and from Energie Burgenland.

These developments led to an increase of EUR 117.2m, or 19.4%, in EBITDA to EUR 721.6m. Depreciation and amortisation declined slightly to EUR 262.3m (previous year: EUR 266.1m), while the effects of impairment testing rose by EUR 34.6m, or 44.5%, to EUR 112.5m. The impairment losses were related, in particular, to the proportionate investment held by EVN in the Walsum 10 power plant (EUR 19.1m) as well as district heating equipment, electricity procurement rights, renewable and thermal generation equipment (EUR 40.5m), the Bulgarian hydropower plant project in Gorna Arda (EUR 28.9m) and the Bulgarian heating company TEZ Plovdiv (EUR 24.0m). The results from operating activities (EBIT) totalled EUR 346.9m and represent an increase of EUR 86.4m, or 33.2%, over the prior year value of EUR 260.4m.

Financial results amounted to EUR -21.4m (previous year: EUR -61.6m) and were significantly influenced by positive valuation effects from the Verbund shares. These shares were transferred by WEEV Beteiligungs GmbH, which is included at equity, to EVN AG in June 2017 within the scope of structural simplifications, whereby the valuation effects resulted from an increase in the share price over the carrying amount. The improvement in financial results was also supported by an increase in interest income and a decline in interest expense.

The result before income tax rose by EUR 126.6m, or 63.7%,

Value analysis

		2016/17	2015/16	+/- %	2014/15
Average equity	EURm	2,960.4	2,680.4	10.4	2,611.4
WACC after income tax ¹⁾²⁾	%	6.3	6.5	-0.2	6.5
Operating ROCE (OpROCE) ¹⁾³⁾	%	10.2	7.6	2.6	7.5
Average capital employed ³⁾	EURm	4,173.5	4,290.7	-2.7	4,523.1
Net operating profit after tax (NOPAT) ³⁾	EURm	425.7	327.4	30.0	341.0
EVA [®]	EURm	164.8	48.5	-	47.0

1) Changes reported in percentage points

2) The WACC given is used for the purpose of corporate management.

3) Adjusted for impairment losses and one-off effects. The market value of the investment in Verbund AG is not included in capital employed in order to consistently determine the value contribution.

year-on-year to EUR 325.5m in 2016/17. After the deduction of EUR 53.9m in income tax expense (previous year: EUR 16.0m) and the earnings attributable to non-controlling interests, the Group net result for the 2016/17 financial year equalled EUR 251.0m. This represents an increase of EUR 94.5m, or 60.4%, over the previous year.

Statement of financial position**Asset and financial position**

EVN's balance sheet total declined by EUR 101.6m, or 1.6%, to EUR 6,454.9m as of 30 September 2017.

The development of non-current assets in 2016/17 was influenced by contrary effects. Property, plant and equipment decreased following a reduction of the acquisition costs for the Walsum 10 power plant project based on an arbitration decision in favour of the project company during November 2016 and based on an increase in depreciation and amortisation. Other assets also declined due to the payment of outstanding receivables which were covered by the agreement reached in February 2017 with the state-owned Bulgarian electricity company NEK. In contrast, other investments were increased by the transfer of the Verbund shares to EVN AG and a share price-related increase in the carrying amount of the investment in Verbund AG. The shares which were transferred by WEEV Beteiligungs GmbH to EVN AG in June 2017 within the scope of structural simplifications were

previously held by the equity accounted WEEV Beteiligungs GmbH. In total, non-current assets rose by EUR 38.1m, or 0.7%, to EUR 5,723.8m.

Current assets declined by EUR 135.9m, or 15.7%, to EUR 731.0m. A key factor for this development was the valuation allowance recognised to the remaining aggregate components (currently reported under inventories) from the former thermal waste utilisation plant project no. 1 in Moscow. Other factors included a decrease in securities as well as in cash and cash equivalents, which were used to reduce current and non-current financial liabilities.

EVN's equity totalled EUR 3,150.1m as of 30 September 2017. The year-on-year increase of EUR 379.4m, or 13.7%, is attributable to the positive Group net result recorded in 2016/17 and to positive effects from valuations recorded directly in equity. The equity ratio rose to 48.8% (previous year: 42.3%).

Non-current liabilities decreased by EUR 148.5m, or 5.8%, to EUR 2,392.2m, above all due to the premature repayment of loans and the reclassification of non-current financial liabilities to the current segment. A decline was also recorded in provisions.

Current liabilities decreased by EUR 332.6m, or 26.7%, to EUR 912.6m, in particular due to the scheduled repayment of financial liabilities and a reduction in payables to suppliers which

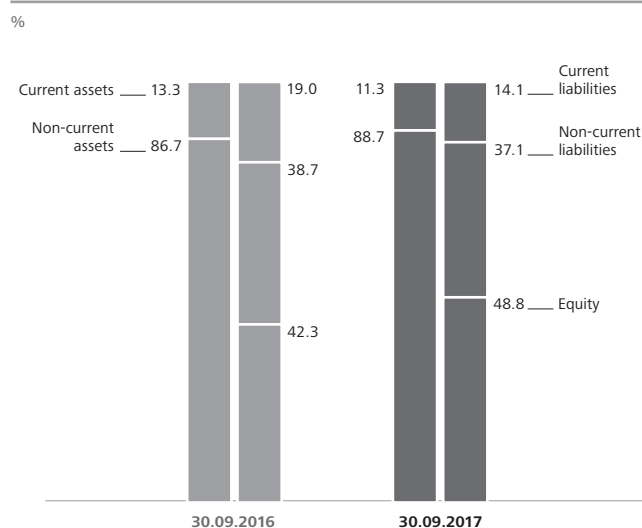
is attributable, above all, to the agreement with the state-owned Bulgarian electricity company NEK. In addition, the arbitration decision over the Walsum 10 power plant project led to the derecognition of a liability which was created in 2013 following the utilisation of the contract performance guarantee by the project company.

Value analysis

For the purpose of corporate management the weighted average cost of capital (WACC) after tax, taking into consideration EVN's specific company and country risks, was set at 6.3%. The Economic Value Added (EVA®) totalled EUR 164.8m in 2016/17 (previous year: EUR 48.5m). The operating return on capital employed (OpROCE) amounted to 10.2% for the reporting year (previous year: 7.6%).

Liquidity position

Balance sheet structure



Condensed consolidated statement of financial position	30.09.2017	30.09.2016	+/-		30.09.2015
	EURm	EURm	nominal	%	EURm
Assets					
Non-current assets					
Intangible assets and property, plant and equipment	3,560.6	3,733.7	-173.1	-4.6	3,736.6
Investments in equity accounted investees and other investments	1,873.8	1,537.8	335.9	21.8	1,397.8
Other non-current assets	289.5	414.2	-124.7	-30.1	394.9
	5,723.8	5,685.8	38.1	0.7	5,529.2
Current assets	731.0	866.9	-135.9	-15.7	959.8
Non-current assets held for sale	0.0	3.8	-3.8	-	-12.3
Total assets	6,454.9	6,556.5	-101.6	-1.6	6,501.2
Equity and liabilities					
Equity					
Issued capital and reserves attributable to shareholders of EVN AG	2,892.1	2,510.8	381.3	15.2	2,334.8
Non-controlling interests	258.0	259.8	-1.9	-0.7	255.4
	3,150.1	2,770.7	379.4	13.7	2,590.1
Non-current liabilities					
Non-current loans and borrowings	1,125.4	1,314.5	-189.1	-14.4	1,535.7
Deferred tax liabilities and non-current provisions	624.4	601.2	23.2	3.9	492.3
Deferred income from network subsidies and other non-current liabilities	642.4	625.0	17.4	2.8	583.1
	2,392.2	2,540.7	-148.5	-5.8	2,611.0
Current liabilities					
Current loans and borrowings	50.5	239.1	-188.6	-78.9	140.1
Other current liabilities	862.1	1,006.1	-144.0	-14.3	1,160.0
	912.6	1,245.1	-332.6	-26.7	1,300.0
Total equity and liabilities	6,454.9	6,556.5	-101.6	-1.6	6,501.2

Net debt	30.09.2017	30.09.2016	+/-		30.09.2015
	EURm	EURm	EURm	%	EURm
Non-current loans and borrowings	1,125.4	1,314.5	-189.1	-14.4	1,535.7
Current loans and borrowings ¹⁾	49.2	225.4	-176.2	-78.2	129.9
Cash and cash equivalents	-221.8	-223.5	1.7	0.8	-244.9
Non-current and current securities	-59.0	-158.4	99.4	62.8	-154.5
Non-current and current loans receivable	-43.9	-36.5	-7.4	-20.2	-35.3
Financial net debt	849.9	1,121.5	-271.6	-24.2	1,230.9
Net debt	1,213.2	1,523.3	-310.1	-20.4	1,601.3
Equity	3,150.1	2,770.7	379.4	13.7	2,590.1
Gearing (%)²⁾	38.5	55.0	-	-16.5	61.8

1) Excl. bank overdrafts contained in cash and cash equivalents

2) Changes reported in percentage points

The strong cash flow from operating activities allowed EVN to reduce financial net debt by EUR 271.6m, or 24.2%, to EUR 849.9m during the reporting year. Net debt which also contains non-current personnel provisions was reduced by EUR 310.1m, or 20.4%, to EUR 1,213.2m. This reduction combined with the increase in equity led to a decrease in the gearing ratio from 55.0% to 38.5%.

In order to safeguard its financial flexibility, the EVN Group holds a syndicated credit line of EUR 400.0m as well as bilateral credit commitments of EUR 97.0m that were not drawn as of 30 September 2017 and therefore were available in full. The maturity of the syndicated credit line is July 2021, and the remaining terms of the bilateral credit lines concluded with five banks range up to five years. These solid liquidity reserves underscore the EVN Group's financial stability and flexibility.

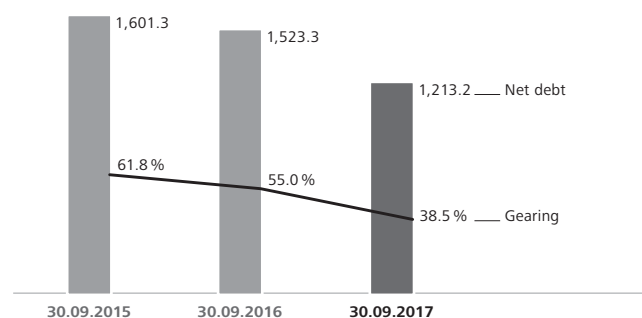
□ For additional information on the composition and terms of non-current financial liabilities, see page 154f

Statement of cash flows

Gross cash flow rose by EUR 34.4m, or 6.4%, to EUR 572.3m in 2016/17, chiefly due to the improvement in the result before income tax and also due to an increase in depreciation and amortisation. Contrary effects included the higher non-cash results from equity accounted investees and a decline in non-current provisions. Cash flow from operating activities was negatively affected by the

Net debt and gearing

EURm and %



reduction in liabilities following the arbitration decision for the Walsum 10 power plant project, while a year-on-year improvement in the remaining working capital had a positive effect. Cash flow from operating activities amounted to EUR 508.9m and was EUR 45.9m, or 9.9%, higher than the previous year.

The cash outflows included in cash flow from investing activities were substantially lower than the previous year. This decline reflected a slightly lower level of investments, but is mainly attributable to the positive arbitration decision over the Walsum 10 power plant project and the subsequent reduction in the acquisition costs for the power plant. In addition, the sale of securities from the pension coverage fund as of 30 September 2017 brought clearly positive

results and offset the contrary effect from the transfer of the Verbund shares previously held by WEEV Beteiligungs GmbH to EVN AG. Cash flow from investing activities amounted to EUR –70.6m for the reporting year (previous year: EUR –230.6m).

Cash flow from financing activities amounted to EUR –439.9m in 2016/17 (previous year: EUR –253.9m). This amount includes the dividend payment to the shareholders of EVN AG for the 2015/16 financial year and to non-controlling interests as well as the scheduled repayment of financial liabilities – and, in particular, the scheduled repayment of a EUR 150m bond.

In total, cash flow amounted to EUR –1.6m in 2016/17, and cash and cash equivalents equalled EUR 221.8m as of 30 September 2017. The EVN Group also had contractually agreed, undrawn credit lines of approximately EUR 497.0m at its disposal to service potential short-term financing requirements.

Investments

Capital expenditure was EUR 11.6m, or 3.7%, lower year-on-year at EUR 303.8m in 2016/17.

In the Generation Segment, investments continued to focus on the expansion of windpower capacity in Lower Austria. Two new windparks were under construction during the reporting year and are scheduled for commissioning in 2017/18: Oberwaltersdorf (10 MW) in October 2017 – where operations have already started as planned – and Sommerein (33 MW) scheduled for spring 2018. Investments in this segment were lower than the previous year, which was heavily influenced by the completion of the Paasdorf-Lanzendorf windpark.

Investments in the Energy Segment were directed primarily to the expansion of EVN's district heating network as well as the construction of local heating plants and biomass heating plants.

The Networks Segment continued its high pace of investment,

Condensed consolidated statement of cash flows	2016/17	2015/16	+/-		2014/15
	EURm	EURm	EURm	%	EURm
Result before income tax	325.5	198.9	126.6	63.7	207.9
Non-cash items	246.8	339.0	-92.2	-27.2	230.1
Gross cash flow	572.3	537.9	34.4	6.4	438.1
Changes in current and non-current balance sheet items	-52.8	-75.5	22.7	30.1	35.5
Income tax paid	-10.5	0.6	-11.1	-	4.6
Net cash flow from operating activities	508.9	463.0	45.9	9.9	478.3
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	-144.5	-239.1	94.6	39.6	-242.5
Changes in financial assets and other non-current assets	-1.0	2.7	-3.7	-	250.4
Changes in current securities	74.9	5.9	69.0	-	-80.5
Net cash flow from investing activities	-70.6	-230.6	160.0	69.4	-72.7
Net cash flow from financing activities	-439.9	-253.9	-186.0	-73.3	-357.3
Net change in cash and cash equivalents	-1.6	-21.5	19.9	92.4	48.3
Cash and cash equivalents at the beginning of the period	223.5	244.9	-21.4	-8.7	197.2
Currency translation differences on cash and cash equivalents	-0.1	0.1	-0.2	-	-0.6
Cash and cash equivalents at the end of the period	221.8	223.5	-1.7	-0.8	244.9

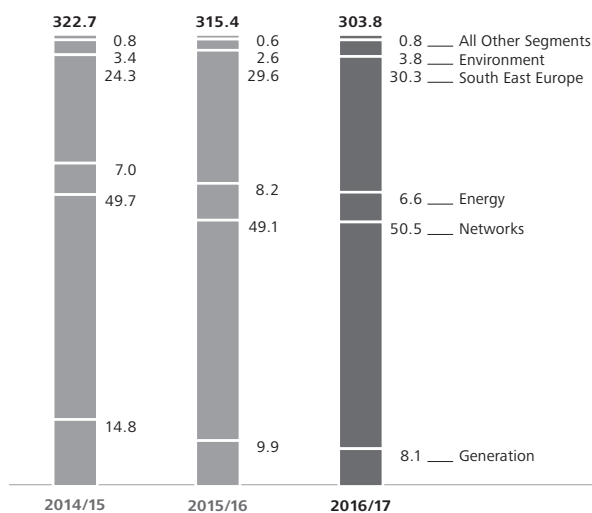
Investment priorities at EVN ¹⁾	2016/17	2015/16	+/-		2014/15
	EURm	EURm	EURm	%	EURm
Generation	24.6	31.2	-6.6	-21.1	47.8
thereof renewable energy Lower Austria	13.7	25.9	-12.2	-47.1	39.9
thereof thermal power plants	10.3	5.0	5.3	-	5.8
Energy	20.0	26.0	-6.0	-23.2	22.7
thereof district heating plants	19.9	26.0	-6.1	-23.5	22.4
Networks	153.3	154.7	-1.4	-0.9	160.2
thereof electricity networks	101.8	105.1	-3.3	-3.2	113.4
thereof natural gas networks	35.8	35.2	0.6	1.8	33.9
thereof cable TV and telecommunications networks	15.7	14.5	1.2	8.6	13.0
South East Europe	92.0	93.5	-1.4	-1.5	78.5
Environment	11.5	8.1	3.4	42.1	10.9
thereof supra-regional power lines and local networks for drinking water	8.3	7.3	1.0	13.3	9.4
All Other Segments	2.3	1.9	0.4	19.8	2.5
Total	303.8	315.4	-11.6	-3.7	322.7

1) After consolidation

△ GRI indicator: Infrastructure investments and services supported (203-1)

Structure of investments

%, total in EURm



but the overall volume was slightly lower than the previous year. The focus remained on the new construction or expansion of transformer stations and the expansion of the 110 kV power lines.

In the South East Europe Segment, EVN continued to invest in supply security.

The Environment Segment again concentrated on improving the security and quality of drinking water supplies in Lower Austria. Investments were therefore directed to increasing the performance capability of the pumping stations, the expansion of the cross-regional pipeline networks and the construction of a further natural filter plant to reduce the hardness of the water by natural means and therefore improve the quality of the drinking water in Lower Austria.

The above table provides an overview of the most important investments.

Non-financial indicators

As a responsible energy and environmental services provider, EVN considers the dimensions "Social issues", "Ecology" and "Economy" as three interrelated parts of a whole and works to achieve a balance between the requirements of the different interest groups. Sustainability aspects and the related objectives represent an integral part of the corporate strategy and play an important role in achieving and maintaining steady growth in the company's value. The basis for harmonising the corporate strategy and stakeholder interests is formed by the EVN materiality matrix with its areas of activity. EVN's internal and external reporting also includes a number of specific indicators to monitor sustainability activities. A selection of the most important non-financial indicators for EVN is presented in this section.

Supply security, environment and climate protection

Energy generation

The protection of supply security is one of EVN's most important goals. In the energy area, future-oriented procurement and the high technical quality of the networks as well as a flexible generation mix with sufficient reserve and storage capacity play an important role. The further expansion of energy generation from renewable sources – in particular windpower – therefore represents a key element of the company's strategy. Subject to appropriate framework conditions, EVN plans to increase the windpower capacity in its home market of Lower Austria from the current level of 269 MW to approximately 500 MW over the medium term. In general, EVN's goal is to sustainably raise the share of renewable energies in its total electricity production. Renewable energy sources were responsible for 34.5% of EVN's total electricity production in 2016/17.

Innovation, research and development

The most important areas in the EVN materiality matrix also define the framework for the company's innovation, research and development activities. Projects are focused primarily on safeguarding supply security, protecting the environment and resources, and strengthening EVN's competitive position. The overall goal is to

develop solutions for a low-emission future, the more efficient use of energy and a decentralised energy system based on customers' needs.

EVN spent EUR 2.6m (of which 5.9% were financed through public subsidies) on innovation, research and development projects in 2016/17. The research projects which were continued or extended during the reporting year concentrated, above all, on electricity storage. These activities are intended to address the major challenges faced by the electricity networks and current generation structures from the growing share of electricity from renewable sources. The use of battery storage facilities in the electricity networks (e.g. also in households) has become an interesting focal point, in particular, due to the high volatility of electricity generation from the wind and sun and the resulting high demands on network stability. EVN therefore tested a number of battery systems with different properties and application points within the framework of research projects during the reporting year. Included here, among others, are the following:

- **Battery storage project at the Prottes windpark:** The advantage of the battery used in this project lies in its capabilities in the millisecond range, which allow it to react much faster than a conventional power plant to changes in the network load. For example, this type of storage makes it possible to stabilise network frequency and offset voltage fluctuations.
- **Smart grid project in the Lichtenegg energy park:** This research project integrates EVN's generation plants (small wind power and photovoltaic plants), controlled devices and a battery in an independent low voltage network (micro-grid). The area of application for this electricity storage facility covers sustainable, economical and safe electricity supplies for smaller, distinct regions.
- **Power-to-gas:** This form of storage involves the conversion of surplus electricity from renewable generation into hydrogen and methane which can be used, as needed, to generate electricity in natural gas power plants.

Energy generation		2016/17	2015/16	2014/15
Share of renewable energy in the total energy generation mix	%	34.5	34.5	43.1
Generation capacity from windpower	MW	269	268	250
Coverage ratio	%	32.7	32.1	25.3

EVN also continued or started the following projects during the reporting period:

- Follow-up project “CO₂USE” involving CO₂ separation equipment at EVN’s Dürnrrohr power plant, which will use biotechnological methods to convert the CO₂ from the generation process into biodegradable plastic
- The “Joulie” project, an interactive online platform that offers customers not only specially designed product configurations for decentralised energy solutions, but also other products
- E-mobility projects

For the development and realisation of its innovation projects, EVN uses state-of-the-art methods (e.g. Business Model Canvas) which are adapted, as required, to meet the specific requirements. Research projects involve cooperation between different areas of

the company and numerous partners from science and industry, depending on the focal point and feasibility of the assignment. Since EVN concentrates on applied research and development, its know-how is complemented by the expertise of scientific cooperation partners who focus on basic research.

EVN uses systematically agile methods in its innovation process, e.g. Design Thinking, above all to strengthen its customer orientation. An internal technology radar system has also been installed for the focused screening of technologies.

EVN as a responsible employer

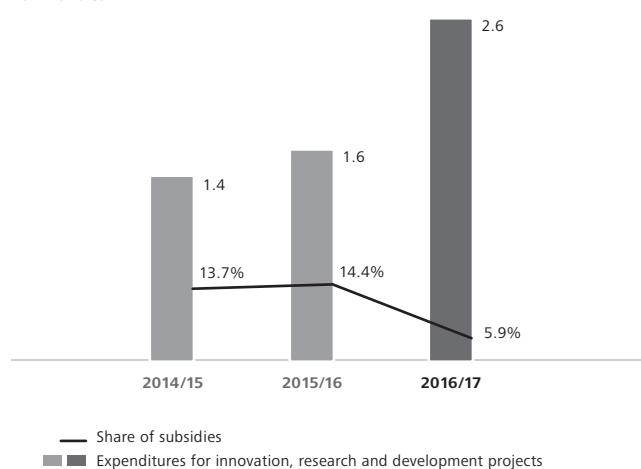
EVN is well aware of its responsibility as an employer and, in this area, not only meets the legally defined obligations. The central principles of the corporate culture and interaction with employees are defined by Group-wide principles. In addition to equal treatment and equal opportunity, these principles also cover subjects like healthcare, occupational safety and the corporate social partnership.

The EVN Group had an average of 6,840 full-time employees in 2016/17, whereby the share of women equalled 23.3% as of 30 September 2017. EVN is working to increase the percentage of women over the medium term to a level that mirrors the current education levels of women in the applicable professional groups and, as support for reaching this goal, launched the Women@EVN programme in 2010/11.

The protection and expansion of the high level of expertise in the workforce represent a focal point for human resources management. The EVN Academy is responsible for the organisation and coordination of training and professional development opportunities for the Group’s employees in Austria, Bulgaria and Macedonia. Occupational safety and accident prevention form another important focal point for all corporate units in the EVN Group. A high level of safety is guaranteed, in particular, by training and awareness-raising measures.

Expenditures for innovation, research and development projects and share of subsidies¹⁾

EURm and %



1) Share of subsidies in total expenditure for innovation, research and development projects

△ GRI indicator: Financial assistance received from government (201-4)

Working at EVN

		2016/17	2015/16	2014/15
Number of employees (on full-time equivalent (FTE) basis)	Average	6,840	6,830	6,973
Proportion of women	%	23.3	22.6	21.9
Training and educational expenses ¹⁾	EURm	2.0	1.8	1.9
Training and educational expenses per employee ¹⁾	EUR	288.6	263.4	275.7
Training hours per employee	Hours	31.3	27.2	30.7
Occupational accidents	Number	88	89	87

1) Seminar cost, trainers, e-learning

Risk management

Definition of risk

The EVN Group defines risk as the potential deviation from planned corporate targets and objectives.

Risk management process

The primary goal of risk management is to protect current and future earnings and cash flows through the active identification and control of risk. As part of the risk management process, a centrally organised corporate risk management provides the decentralised risk managers with effective methods and tools for identifying and assessing risks. The business units communicate their risk exposures to the corporate risk management, which helps to identify suitable actions to minimise these risks. The actions are then implemented by the decentralised business units. The corporate risk management department is responsible for analysing EVN's risk exposure. Risks related to sustainability and compliance issues are identified and managed by specialised organisational units and/or processes in agreement with central risk management. The risk management process includes the following steps:

- **Identification:** The survey and/or revision of risks based on the latest risk inventory (review of risk inventory) and the identification of new risk positions and appropriate risk management countermeasures
- **Assessment and analysis:** The qualitative and quantitative evaluation of the identified risks; the aggregation of risks from different points of view; and the modelling of earnings and cash flow distributions
- **Reporting:** Discussion and evaluation of the risk profile by the Risk Working Committee and the Group Risk Committee; the implementation of risk management measures where necessary; reporting on risk issues to the Audit Committee
- **Process review:** Definition of the organisational units that must submit to an explicit risk assessment as well as regular reviews; review whether the methods of identifying and assessing risks should be modified to reflect changed conditions; regular reviews by the internal audit department

Responsibilities of the Risk Working Committee

The Risk Working Committee supports the corporate risk management department in the correct implementation of the risk

management process. It evaluates and approves changes in risk assessment methods and defines the type and scope of the risk reporting. The voting members of the committee at the Group level include the heads of the following corporate functions: controlling, the general secretariat and corporate affairs, finance, accounting, internal audit and the chief compliance officer (CCO) as well as an (internal) energy industry expert.

Group Risk Committee

The results of the risk inventory and reports are presented to and discussed by the Group Risk Committee, which consists of the Executive Board of EVN AG, the heads of the strategic business units and part of the members of the Risk Working Committee. The Group Risk Committee decides on any need for action, can organise working groups and assign specified tasks, and is authorised to approve the results of the risk inventory (risk reports).

△ GRI indicator: Effectiveness of risk management processes (102-30)

Risk profile

In addition to the normal industry risks and uncertainties, EVN's risk profile is influenced primarily by political, legal and regulatory challenges and changes in the competitive environment. EVN carries out an annual risk inventory that is updated as needed to reflect ad-hoc risk reports. This inventory includes the following categorisation of risks, which are described in detail below: market and competition risks, financial risks, operating risks, external risks, strategic and planning risks and other risks.

Market and competition risks

Energy trading and sales

EVN's revenues can be negatively affected by a decline in demand due to weather conditions or climate change, demographic, political or technological factors and/or the loss of customers and sales volumes for image-related or competitive reasons. In addition, the development of market prices and market volatility, a suboptimal procurement strategy and declining margins can lead to lower profit margins in the energy business.

△ GRI indicator: Financial implications and other risks and opportunities due to climate change (201-2)

Generation/supply

Production that is increasingly decentralised and cannot be precisely planned as well as fluctuations in wind levels, water flows, sunshine hours and weather conditions can have a negative influence on earnings from the generation business (price and volume effects).

The economic viability and intrinsic value of generation equipment is dependent to a significant degree on electricity and primary energy prices, the respective efficiencies, energy sector framework conditions and locations. Adverse developments can therefore lead to the recognition of an impairment loss. The creation of or addition to provisions for long-term (procurement) contracts may also be necessary. In spite of the measures implemented to date, these types of risks still exist for thermal generation plants, hydropower plants and generation plants that use renewable energies.

Environment

EVN is exposed to risks in the environmental services business from possible fluctuations in the demand, volume and/or costs of drinking water supplies, wastewater treatment systems and thermal waste utilisation facilities. The project volume in this business can also be negatively affected by market saturation or limited resources for infrastructure projects as well as non-inclusion in or the failure to win tenders. EVN is also exposed to various risks in connection with suppliers and the realisation of projects, which include the defective fulfilment or non-fulfilment of contractually agreed performance.

Financial risks

In managing credit and default risk, EVN distinguishes between receivables due from end customers, on the one hand, and receivables from financial and energy trading transactions and major projects/plants, on the other hand. The default risk associated with end customer receivables is limited primarily by efficient receivables management, the evaluation of credit standings based on ratings and experience and the regular monitoring of payment behaviour. However, a lack of purchasing power or deteriorating payment behaviour can have a negative effect on revenue in the energy segment.

Credits risks, above all in the treasury and energy trading areas and in project and procurement management, are countered with credit monitoring and credit limit systems, hedging instruments (e.g. bank guarantees) and a targeted strategy to diversify business partners.

EVN holds investments in areas related to the core business (above all Verbund AG, Rohöl-Aufsuchungs Aktiengesellschaft, Burgenland Holding AG and ENERGIEALLIANZ Austria GmbH). The difficult energy policy environment creates a risk that the unfavourable development of earnings and equity in these companies can also have a substantial impact on EVN.

In connection with active management of the risks related to liquidity, interest rates, foreign currencies and market prices, the current low interest rate environment represents an increasing challenge for the short- to medium-term investment of liquid funds. This can lead to opportunity losses and have a negative effect on the valuation of employee-related provisions and on future tariffs.

Operating risks

The energy and network businesses are particularly vulnerable to operating risks such as operational disruptions and stoppages as well as IT and safety-related problems that can cause supply interruptions and lead to liability and reputation risks. The environmental services business is also exposed to the risk of operating disruptions or interruptions in drinking water supplies, wastewater systems and thermal waste utilisation facilities. Risks can also arise from the suboptimal design and use of technical equipment and the assessment and implementation of technological innovations. Further operational risks are related to organisation, planning, personnel and compliance.

External risks (legal, political and macroeconomic risks)

The regulatory environment, energy and environmental protection laws and the changing political and public positions on energy and infrastructure projects are major risk drivers. A change in the subsidy system, the failure to receive anticipated subsidies or a change in the legally defined tariffs can have a negative effect on the company's future asset, financial and earnings position.

Political and economic instability, arbitrary legal and regulatory measures as well as changes in the legal framework represent further challenges. EVN is exposed to the risk that necessary permits and licenses are not granted, may be withdrawn or not extended.

Contractual and legal risks can arise in connection with pending or potential court, arbitration and investment protection proceedings as well as audits by supervisory or regulatory authorities.

Overall risk profile

In addition to the uncertainties connected with business areas and operations outside Austria, EVN is still confronted with a challenging environment in its home market of Lower Austria. The annual risk inventory did not identify any future risks that could endanger EVN's continued existence.

EVN's major risks and related risk management measures

Risk category	Description	Measure
Market and competition risks		
Profit margin risk (price- and volume effects)	Energy sales and production: failure to meet profit margin targets → Procurement and selling prices (especially for energy carriers) that are volatile and/or deviate from forecasts → Declining demand for EVN's products or services, decrease in own production volumes	Procurement strategy tailored to the market environment; hedging strategies; diversification of customer segments and business areas; development of a product portfolio that reflects customer demands; long-term sale of power plant capacity
Supplier risk	Cost overruns on projects; delays in the completion of contracted services	Partnerships, contractual controls wherever possible, third party expert opinions
Financial risks¹⁾		
Foreign currency risks	Transaction risks (foreign currency exchange loss) and translation risks in connection with the conversion of foreign currency amounts in the consolidated financial statements; financing for Group companies that does not reflect the respective foreign exchange situation	Monitoring, limits and hedging instruments
Liquidity, cash flow and financing risk	Failure to repay liabilities on schedule or to obtain the required liquidity/funds when needed at the expected conditions	Long-term, centrally managed financial planning, safeguarding of financing requirements (e. g. through credit lines)
Market price risks	Decline in the value of investments (e. g. funds) and listed strategic holdings (e. g. Verbund AG, Burgenland Holding AG)	Monitoring of loss potential via daily value-at-risk calculations; investment policies
Counterparty-/credit risks	Complete or partial failure by a business partner to provide the agreed performance	Contracts, credit monitoring and credit limit systems, insurances and diversification of business partners
Investment risks	Failure of a subsidiary or holding to meet profit targets	Representation on the supervisory board and/or shareholder/risk committees of the respective company
Rating changes	Higher refinancing costs due to rating downgrades	Ensuring compliance with key financial indicators
Interest rate risks	Changes in market rates, increase in interest expense	Use of hedging instruments
Impairment risks	Recognition of impairment losses to receivables, goodwill, investments and/or other assets	Monitoring via sensitivity analyses
Risk that contingent liabilities (guarantees) will be called	Financial loss due to claim of contingent liabilities	Limit volume of contingent liabilities to the extent possible; constant monitoring
Strategy and planning risks		
Technology risk	Late identification of and reaction to new technologies (delayed investments) or to changes in customer needs; investments in "wrong" technologies	Active participation in external research projects, own demonstration facilities and pilot projects, on-going adjustments to keep technologies at the latest level
Planning risk	Model risks, incorrect or incomplete assumptions, lost opportunities	Feasibility studies by experienced, highly qualified employees, monitoring of parameters and regular updates, four-eyes principle
Organisational risks	Inefficient or ineffective processes, interfaces, duplication	Process management, documentation, internal control system (ICS)

1) For information on the use of financial instruments, also see page 168ff and page 171ff

Risk category	Description	Measure
Operating risks		
Infrastructure risks	Incorrect design and use of technical facilities	Elimination of technical weaknesses, regular inspections and reviews of current and planned infrastructure
Service disruptions/network break-downs (own and third party), accidents	Supply interruptions, physical danger to persons or infrastructure through explosions/accidents	Technical upgrading at network interfaces, expansion and maintenance of network capacity
IT-/security risks (incl. cybersecurity)	System losses, (unintended) data loss transfer, hacker attacks	Strict system and risk monitoring (internal control system), backup systems, technical maintenance, external audits, occupational safety and health measures, crisis training
Workforce risks	Loss of highly qualified employees, absence due to work accidents, surplus or shortfall of personnel, communication problems, cultural barriers, fraud, intentional or unintentional misrepresentations of transactions or items in the annual financial statements	Attractive work environment, occupational health care and safety measures, flexible working time models, training, group events, internal control system (ICS)
External risks		
Legislative, regulatory and political risks	Changes in political and legal parameters and/or the regulatory environment (e. g. environmental laws, changing legal framework, regulations and market liberalisation in South Eastern Europe); network operations: non-inclusion of actual operating costs in the network tariffs established by the regulatory authority	Cooperation with interest groups, associations and government agencies on a regional, national and international level; appropriate documentation and service charges
Legal and litigation risks	Non-compliance with contracts, litigation risk from various lawsuits	Representation in local, regional, national and EU-wide interest groups, legal consulting
Social and general economic environment	Economic developments, debt/financial crisis, stagnating or declining purchasing power, rising unemployment	Best possible utilisation of (anti-)cyclical optimisation potential
Contract risks	Failure to identify legal, economic or technical problems; contract risks under financing agreements	Extensive legal due diligence, involvement of external experts/legal advisors, contract database and ongoing monitoring
Other risks		
Granting of undue advantages, non-compliance	Distribution of confidential internal information to third parties and the granting of undue advantages/corruption	Internal control systems, uniform guidelines and standards, Code of Conduct, compliance organisation
Project risk	e. g. cost overruns on the construction of new capacity	Contractual agreement on economic parameters
Co-investment risk	Risks related to the implementation of major projects jointly with a partner	Contractual safeguards, efficient project management
Sabotage	Sabotage, e. g. to natural gas lines, wastewater treatment plants or waste incineration plants	Suitable security measures, regular measurement of water quality and emissions
Image risk	Reputational damage	Transparent and proactive communications, sustainable management

△ GRI indicator: Key impacts, risks, and opportunities (102-15)

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

In accordance with § 267 (3b) and in connection with § 243a (2) of the Austrian Commercial Code (“Unternehmensgesetzbuch”, UGB), companies whose shares are admitted for trading on a regulated market are required to disclose the key features of their internal control and risk management system for corporate accounting processes. The Executive Board is responsible for establishing a suitable internal control and risk management system (ICS) for accounting processes as defined in § 82 of the Austrian Stock Corporation Act (“Aktengesetz”, AktG). The effectiveness of the ICS must be monitored by the Audit Committee in accordance with § 92 (4a) no. 4b of the Austrian Stock Corporation Act.

EVN’s ICS for accounting processes is monitored at regular intervals by auditing the processes that are considered to be exposed to risk. The results of these monitoring activities are reported to the Executive Board and the Audit Committee. The ICS ensures clear lines of responsibility and eliminates unnecessary process steps, and thereby further improves the security of processes for the preparation of financial statements. The description of the major features of the ICS covers five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The Code of Conduct issued by EVN and the underlying values apply to all Group employees.

○ EVN’s Code of Conduct is available under www.evn.at/code-of-conduct

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

have the necessary qualifications and undergo regular training. Complex actuarial opinions and valuations are prepared by external experts or specially qualified employees. The managers responsible for the specific processes – in general, the heads of the organisational units and corporate services – are responsible for compliance with these processes and the related control measures.

Risk assessment and control activities

Multi-stage control measures have been implemented to prevent material misstatements in the presentation of transactions in order to ensure that the individual financial statements of all subsidiaries are recorded correctly. These measures include automated controls that are executed by the consolidation software as well as manual controls by the involved corporate services. The corporate service departments carry out extensive plausibility checks of the individual subsidiaries’ financial statements to ensure their correct transfer to the consolidated financial statements. The review of the financial statement data includes analyses at the position, segment and Group levels, both before and after consolidation. The consolidated financial statements are not released until these quality controls are complete at all levels.

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

The ICS for financial reporting and all accounting-related processes are reviewed by the auditor at least once each year to verify compliance with the required controls, to evaluate any risk incidents that occurred during the financial year and to determine whether the controls are still suitable to deal with the existing risks. In 2016/17, a number of process adjustments and improvements were made as part of the continuous efforts to further develop the ICS for financial reporting.

Information, communication and monitoring

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

This information is also distributed to management and key personnel in the involved companies to facilitate monitoring and control activities and thereby ensure the accuracy of accounting and reporting procedures. EVN's internal audit department carries out regular reviews of the ICS for financial accounting, and their findings form the basis for the continuous improvement of this system.

△ GRI indicators: Review of economic, environmental, and social topics (102-31); Communicating critical concerns (102-33); Nature and total number of critical concerns (102-34)

Share structure and capital disclosures

Disclosures required by § 243a of the Austrian Commercial Code

1. The share capital of EVN AG totalled EUR 330,000,000 as of 30 September 2017 and was divided into 179,878,402 zero par value bearer shares, each of which represents an equal stake in share capital. Shareholders are not entitled to the issue of individual share certificates. There is only one class of shares, and all shares carry the same rights and responsibilities. EVN AG shares are traded in the Prime Market segment of the Vienna Stock Exchange.
2. There are no restrictions on voting rights or agreements limiting the transfer of shares which exceed the general requirements of the Austrian Stock Corporation Act. However, it should be noted that the transferability of the investment owned by the province of Lower Austria, which holds its shares through NÖ Landes-Beteiligungsholding GmbH, St. Pölten, is limited by Austrian federal and provincial constitutional law.
3. Based on these constitutional requirements, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51.0%. The second largest shareholder is EnBW Trust e. V., an association headquartered in Karlsruhe, which is recorded in the register of associations maintained by the district court in Mannheim under VR 3737. As of 30 September 2017 EnBW Trust holds an investment of 30.6% of the share capital in trust for EnBW Energie Baden-Württemberg AG, which is also headquartered in Karlsruhe and recorded in the commercial register of the district court in Mannheim under HRB 107956. As of 30 September 2017, EVN AG held treasury shares representing 1.1% of share capital and free float equalled 17.3%.
4. EVN AG has not issued any shares with special control rights.
5. Employees who own shares in EVN AG may exercise their voting rights personally at the Annual General Meeting. EVN AG does not have a stock option programme.
6. The Executive Board consists of at least two members. The Supervisory Board has a minimum of ten and a maximum of 15 members. Unless another majority is required by law, the Annual General Meeting passes its resolutions with a simple majority of the votes cast or with a majority of the capital represented in cases requiring a majority of capital.
7. The 87th Annual General Meeting of EVN AG on 21 January 2016 authorised the Executive Board to repurchase the company's bearer shares during a period of 30 months (i) for distribution to employees of the company or its subsidiaries and (ii) in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (acquisition with no specific purpose) at an amount equalling up to 10% of EVN's share capital. The Executive Board is not utilising this authorisation at the present time.
8. A change of control in EVN AG in the sense of § 243a (1) no. 8 of the Austrian Commercial Code is currently not possible because of the legal regulations described above under points 2. and 3. Therefore, there are no possible consequences of a change of control.
9. There are no agreements to provide compensation to the members of corporate bodies or employees in the event of a public takeover as defined in § 243a (1) no. 9 of the Austrian Commercial Code.

Outlook for the 2017/18 financial year

The broad positioning of the EVN Group along the energy sector value chain, supplemented and diversified by activities in the area of environmental services, forms a solid basis for the stable development of business. The past years have also demonstrated the validity of EVN's integrated business model in a challenging environment.

EVN will continue to focus on investments in its network infrastructure during 2017/18. Extensive investments in the electricity networks are required to adequately integrate the rising capacity from renewable generation, especially windpower and photovoltaics. The central goal for this process is to adapt the network to meet the requirements created by decentralised generation.

The increasing feed-in of renewable generation volumes, which are volatile and therefore impossible to plan, has made sufficient power plant capacity indispensable for the protection of network stability. EVN's thermal power plants have therefore been in service for many years to deliver balancing energy and manage shortages. The southern German transmission network operator and EVN have concluded a contract to again provide these services during the winter half-year 2017/18.

Expansion plans in the area of renewable generation are concentrated, above all, on wind energy. Provided the framework conditions are right, EVN sees an increase in its windpower capacity to 500 MW over the coming years as realistic.

Water supplies in Lower Austria represent another focal point for EVN's investment strategy. These projects are directed, above all,

to protecting supply security, also in low-precipitation periods, and to reducing the water hardness with natural filter plants.

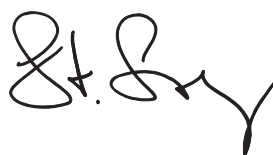
The substantial reduction of network losses in South Eastern Europe in recent years will be followed in 2017/18 by further steps in this direction. A decision by the World Bank's International Centre for the Settlement of Investment Disputes in the arbitration proceedings against the Republic of Bulgaria is also expected during the 2017/18 financial year.

The new five-year regulatory period for natural gas network operations in Austria begins on 1 January 2018. The compensation defined by the regulatory authority for capital employed will reflect the generally low level of interest rates and, in turn, will lead to a reduction in network tariffs.

In the Environment Segment, WTE Wassertechnik, which is responsible for the international project business, emerged as the best bidder in the tender for a wastewater treatment project in Kuwait. The contract has not yet been awarded and is dependent on the final examination of the offer by the Kuwaiti authorities.

The past financial year was influenced by a number of exceptional circumstances which had a positive effect on Group net result for 2016/17. Assuming average conditions in the energy business environment, Group net result for 2017/18 should return to a normal level that reflects the average of the 2015/16 and 2016/17 financial years. However, Group net result could be significantly influenced by the regulatory background, the proceedings currently in progress in Bulgaria and the remaining proceedings over the Walsum 10 power plant project as well as the progress on activities in Moscow.

Maria Enzersdorf, 20 November 2017



Stefan Szyszkowitz
Spokesman of the Executive Board



Franz Mittermayer
Member of the Executive Board

Consolidated financial statements for 2016/17

According to International Financial Reporting Standards

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Consolidated statement of operations

EURm	Note	2016/17	2015/16
Revenue	25	2,215.6	2,046.6
Other operating income	26	101.9	97.0
Cost of materials and services	27	-1,302.6	-1,177.3
Personnel expenses	28	-316.8	-313.7
Other operating expenses	29	-139.0	-141.6
Share of results from equity accounted investees with operational nature	30	162.6	93.5
EBITDA		721.6	604.4
Depreciation and amortisation	31	-262.3	-266.1
Effects from impairment tests	31	-112.5	-77.9
Results from operating activities (EBIT)		346.9	260.4
Share of results from equity accounted investees with financial nature		12.2	-8.7
Results from other investments		18.8	14.4
Interest income		19.5	16.7
Interest expense		-65.4	-77.4
Other financial results		-6.5	-6.5
Financial results	32	-21.4	-61.6
Result before income tax		325.5	198.9
Income tax	33	-53.9	-16.0
Result for the period		271.5	182.8
thereof result attributable to EVN AG shareholders (Group net result)		251.0	156.4
thereof result attributable to non-controlling interests		20.5	26.4
Earnings per share in EUR ¹⁾	34	1.41	0.88
Dividend per share in EUR		0.47 ²⁾	0.42

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

2) Proposal to the Annual General Meeting: Dividend of EUR 0.44 + one-time bonus dividend of EUR 0.03

Consolidated statement of comprehensive income

EURm	Note	2016/17	2015/16
Result for the period		271.5	182.8
Other comprehensive income from			
Items that will not be reclassified to profit or loss		12.3	-27.7
Remeasurements IAS 19	47	26.6	-39.8
Investments in equity accounted investees	47	-7.6	1.8
Thereon apportionable income tax expense	47	-6.6	10.3
Items that may be reclassified to profit or loss		190.6	121.8
Currency translation differences	5	0.9	1.0
Available for sale financial instruments	47	245.3	119.5
Cash flow hedges	47	13.8	3.2
Investments in equity accounted investees	47	-3.7	33.0
Thereon apportionable income tax expense	47	-65.7	-34.9
Total other comprehensive income after tax		203.0	94.2
Comprehensive income for the period		474.5	277.0
thereof income attributable to EVN AG shareholders		454.9	250.6
thereof income attributable to non-controlling interests		19.6	26.4

Consolidated statement of financial position

EURm	Note	30.09.2017	30.09.2016
Assets			
Non-current assets			
Intangible assets	35	177.1	221.2
Property, plant and equipment	36	3,383.6	3,512.5
Investments in equity accounted investees	37	954.8	925.8
Other investments	38	919.0	612.0
Deferred tax assets	51	79.6	100.5
Other non-current assets	39	209.9	313.7
		5,723.8	5,685.8
Current assets			
Inventories	40	98.4	140.2
Trade and other receivables	41	409.0	414.1
Securities	42	0.5	75.4
Cash and cash equivalents	61	223.1	237.2
Non-current assets held for sale	43	–	3.8
		731.0	870.8
Total assets		6,454.9	6,556.5
Equity and liabilities			
Equity			
Issued capital and reserves attributable to shareholders of EVN AG	44–48	2,892.1	2,510.8
Non-controlling interests	49	258.0	259.8
		3,150.1	2,770.7
Non-current liabilities			
Non-current loans and borrowings	50	1,125.4	1,314.5
Deferred tax liabilities	51	171.8	93.2
Non-current provisions	52	452.6	508.0
Deferred income from network subsidies	53	584.1	560.7
Other non-current liabilities	54	58.3	64.3
		2,392.2	2,540.7
Current liabilities			
Current loans and borrowings	55	50.5	239.1
Taxes payable and levies	56	67.6	55.2
Trade payables	57	314.0	399.6
Current provisions	58	91.6	97.8
Other current liabilities	59	388.9	453.4
		912.6	1,245.1
Total equity and liabilities		6,454.9	6,556.5

Consolidated statement of changes in equity

EURm	Share capital	Share premium and capital reserves	Retained earnings	Valuation reserve	Currency translation reserve	Treasury shares	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 01.10.2015	330.0	253.0	1,868.2	-69.9	-24.0	-22.5	2,334.8	255.4	2,590.1
Comprehensive income	-	-	156.4	93.1	1.0	-	250.6	26.4	277.0
Dividends 2014/15	-	-	-74.7	-	-	-	-74.7	-19.7	-94.4
Capital reduction	-	-	-	-	-	-	-	-2.2	-2.2
Change in treasury shares	-	-0.1	-	-	-	0.4	0.2	-	0.2
Other changes	-	-	-0.1	-	-	-	-0.1	-	-0.1
Balance on 30.09.2016	330.0	252.9	1,949.9	23.2	-23.0	-22.2	2,510.8	259.8	2,770.7
Comprehensive income	-	-	251.0	203.0	0.9	-	454.9	19.6	474.5
Dividends 2015/16	-	-	-74.7	-	-	-	-74.7	-21.5	-96.2
Change in treasury shares	-	0.1	-	-	-	1.0	1.1	-	1.1
Other changes	-	-	0.0 ^{*)}	-	-	-	0.0 ^{*)}	-	0.0 ^{*)}
Balance on 30.09.2017	330.0	253.0	2,126.2	226.2	-22.1	-21.2	2,892.1	258.0	3,150.1
Note	44	45	46	47	5	48		49	

*) Small amount

Consolidated statement of cash flows

EURm	Note	2016/17	2015/16
Result before income tax		325.5	198.9
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment	31	374.8	344.0
– Non-cash share of results of equity accounted investees and other investments	37, 38	–193.6	–99.1
+ Dividends from equity accounted investees and other investments		129.2	135.2
+ Interest expense		65.4	77.4
– Interest paid		–55.6	–63.6
– Interest income		–19.5	–16.7
+ Interest received		17.3	13.7
– Gains/+ losses from foreign exchange translations		–0.0 ^{*)}	2.6
+/- Other non-cash financial results		2.3	–2.0
– Release of deferred income from network subsidies	26	–45.4	–43.7
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment		1.6	0.7
+ Increase/– decrease in non-current provisions	52	–29.6	–9.5
Gross cash flow		572.3	537.9
+ Decrease/– increase in inventories and receivables		107.8	69.8
+ Increase/– decrease in current provisions		–6.3	–48.3
+ Increase/– decrease in trade payables and other liabilities		–154.3	–97.0
– Income tax paid		–10.5	0.6
Net cash flow from operating activities		508.9	463.0
+ Proceeds from the disposal of intangible assets and property, plant and equipment		98.2	4.4
+ Proceeds from network subsidies		63.7	72.4
+ Proceeds from the disposal of financial assets and other non-current assets		90.7	45.9
+ Proceeds from the disposal of current securities		135.7	10.4
– Acquisition of intangible assets and property, plant and equipment		–306.4	–315.9
– Acquisition of financial assets and other non-current assets		–91.6	–43.3
– Acquisition of current securities		–60.9	–4.5
Net cash flow from investing activities		–70.6	–230.6
– Dividends paid to EVN AG shareholders	46	–74.7	–74.7
– Dividends paid to non-controlling interests		–21.5	–19.7
– Increase/+ decrease in nominal capital		0.1	–2.2
– Repurchase/+ sales of treasury shares		1.0	0.2
– Decrease in financial liabilities		–344.8	–157.5
Net cash flow from financing activities		–439.9	–253.9
Net change in cash and cash equivalents¹⁾		–1.6	–21.5
Net change in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period ¹⁾	61	223.5	244.9
Currency translation differences on cash and cash equivalents		–0.1	0.1
Cash and cash equivalents at the end of the period ¹⁾		221.8	223.5
Net change in cash and cash equivalents²⁾		–1.6	–21.5

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

2) Additional information on the consolidated statement of cash flows can be found in note 61. Consolidated statement of cash flows.

*) Small amount

Consolidated notes

Basis of preparation

1. General

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

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

The consolidated financial statements are prepared on the basis of uniform accounting policies. In cases where the balance sheet date of a consolidated company differs from the balance sheet date of EVN AG, interim financial statements are prepared as of 30 September.

The consolidated financial statements are prepared on the basis of historical acquisition and production costs, unless indicated otherwise.

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

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

2. Reporting in accordance with IFRS

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

Standards and interpretations applied for the first time and changes in accounting policies

The following standards and interpretations were applied for the first time in the 2016/17 financial year:

Standards and interpretations applied for the first time		Effective¹⁾	Expected material effects on EVN's consolidated financial statements
New standards and interpretations			
–		–	
Revised standards and interpretations			
IFRS 10, IFRS 12 IAS 28	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception	01.01.2016	None
IFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	01.01.2016	None
IAS 1	Presentation of Financial Statements – Disclosure Initiative	01.01.2016	See below
IAS 16, IAS 38	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation	01.01.2016	None
IAS 16, IAS 41	Property, Plant and Equipment and Agriculture – Bearer Plants	01.01.2016	None
IAS 27	Separate Financial Statements – Equity Method in Separate Financial Statements	01.01.2016	None
Several	Annual Improvements 2012–2014	01.01.2016	See below

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

The so-called "Disclosure Initiative" implemented initial recommendations for changes to IAS 1 which can be realised in the near term and are related to the revision of the conceptual framework of IFRS. These changes involve materiality as it relates to disclosures in the notes, information on the aggregation and disaggregation of positions on the balance sheet and statement of comprehensive income as well as explanations on the order of specific points in the notes which could, for example, be systemised in the future depending on the relevance of this data for an understanding of the company's asset, financial and earnings position. The application of the revised standard did not result in any material effects for EVN. However, the analysis of the potential effects was used as an opportunity to generally revise and streamline the consolidated notes and thereby improve both understanding and readability.

The Annual Improvements 2012–2014 inter alia clarified in respect of IAS 19 that the high value corporate bonds used for determining the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be made. An examination of the effects of the employee-related provisions in Bulgaria and Macedonia determined that the application of the revised standard did not result in any material effects for EVN.

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

Standards and interpretations already adopted by the EU, but not yet compulsory		Effective ¹⁾	Expected material effects on EVN's consolidated financial statements
New standards and interpretations			
IFRS 9	Financial Instruments	01.01.2018	See below
IFRS 15	Revenue from Contracts with Customers	01.01.2018	See below
Revised standards and interpretations			
–			

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

IFRS 9 includes revised guidelines for the classification and measurement of financial assets, expanded rules for the recognition of impairment losses to financial assets and new rules for hedge accounting. The application of the new standard is expected to have an effect on the classification and measurement of financial assets in EVN's consolidated financial statements, whereby no statements can be made at this time concerning the effects on the asset, financial or earnings position. The rules for the recognition of impairment losses and the changeover to the expected credit loss model will tend to result in the earlier recognition of valuation allowances to receivables. From the current point of view, no material effects are expected in the area of hedge accounting and the three currently designated hedges should meet the IFRS 9 criteria. IFRS 9 is applicable retrospectively, with the exception of hedge accounting. EVN plans to apply the new standard in 2018/19, i.e. when its application becomes mandatory. Further detailed analyses will be carried out during the coming financial year.

IFRS 15 defines a five-step model for the recognition of revenue from contracts with customers and replaces all previously applicable standards and related interpretations. Under this model, a company recognises revenue at an amount equal to the consideration that can be expected in exchange for the performance obligations which cover the transfer of goods and/or services. A determination must be made when a contract is concluded as to whether the resulting revenue should be recognised at a specific point in time or over time. Revenue is realised when the customer obtains control over the goods or services. This standard also includes extensive requirements for qualitative and quantitative disclosures on the assets resulting from the capitalised costs for the acquisition and fulfilment of contracts with customers. EVN's customer contracts were analysed as part of an ongoing project to identify the contracts that could lead to a potential change in the previous method used to realise revenue. The analysed contracts primarily involve revenue from the electricity, natural gas, heat, water, waste utilisation and telecommunications business areas. Separately identifiable performance obligations were found in a number of these customer contracts. Material changes in the recognition of revenue are not expected from the current point of view because the separately identifiable performance obligations are fulfilled during the same time period. In addition, sales commissions were identified as contract acquisition costs which must be capitalised as assets in the future. Non-refundable initial payments that are distributed over the contract term will also lead to an increase in revenue in the future. Further detailed analyses will be carried out during the next financial year. EVN plans to use the modified retrospective approach and will therefore apply IFRS 15 for its outstanding contracts beginning in 2018/19.

Standards and interpretations not yet effective

The following standards and interpretations had been issued by the IASB as of 30 September 2017, but have not yet been adopted by the EU.

Standards and interpretations not yet applicable and not yet adopted by the EU		Effective¹⁾	Expected material effects on EVN's consolidated financial statements
New standards and interpretations			
IFRS 14	Regulatory Deferral Accounts	01.01.2016 ²⁾	None
IFRS 16	Leases	01.01.2019	See below
IFRS 17	Insurance Contracts	01.01.2021	None
Revised standards and interpretations			
IFRS 10, IAS 28	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01.01.2016 ³⁾	See footnote
IAS 7	Disclosure Initiative	01.01.2017	See below
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	01.01.2017	None
IFRS 2	Classification and Measurement of Share-based Payment Transactions	01.01.2018	None
IFRS 4	Applying IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts	01.01.2018	None
IFRS 15	Revenue from Contracts with Customers	01.01.2018	See above
Several	Annual Improvements 2014–2016	01.01.2018/ 01.01.2017	None
IFRIC 22	Foreign Currency Transactions and Advance Consideration	01.01.2018	None
IAS 40	Transfers of Investment Property	01.01.2018	None
IFRIC 23	Uncertainty over Income Tax Treatments	01.01.2019	None

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

2) The European Commission has decided not to launch the endorsement process of this interim standard.

3) The IASB has proposed to postpone this initial application for an indefinite period.

IFRS 16 was published by the IASB in January 2016, and will replace the previous standard on leasing arrangements IAS 17 as well as the previous interpretations. IFRS 16 contains both a changed definition of the term lease as well as changed rules on the accounting by the lessee. Under the new regulations, the previous distinction between finance leases and operating leases does not apply any more. In that sense, operating leases will be recognisable in the balance sheet like finance leases in the future. Exceptions are leases with a term of twelve months or less, or if low-value assets are concerned. The simplifications are optional. EVN currently acts as lessee in operating leases, for which reason implications are to be expected by the application of IFRS 16. A project was started during the 2016/17 financial year to survey and identify contracts that fall under the new definition of leasing. However, it is not possible to quantify the effects on EVN's asset, financial or earnings position at the present time.

IAS 7 Disclosure Initiative on Cash Flow Statements requires additional disclosures on the changes of financial liabilities. The additional disclosures concern both cash changes as well as non-cash changes. The changes will lead to more comprehensive notes to the consolidated financial statements of EVN.

Basis of consolidation

3. Consolidation methods

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

All significant companies whose financial and operating activities are directly or indirectly controlled by EVN AG (i.e. subsidiaries) are fully consolidated. EVN is considered to have a controlling interest over a company in which it holds an investment when it has a right to variable returns from the investee and can influence the amount of these returns through its control.

This is usually the case when EVN's voting rights exceed 50.0%, but may also apply if EVN has the power of disposition over and is the primary beneficiary of any economic benefits arising from the business operations of these companies or if EVN is required to carry most of the risks. Companies are initially consolidated on the acquisition date or at the time EVN gains control and are deconsolidated when control ends.

In accordance with IFRS 3, assets and liabilities (including contingent liabilities) obtained through business combinations are recognised at their full fair value, irrespective of any existing non-controlling interests. Non-controlling interests in subsidiaries are carried at the proportional share of net assets (excluding the proportional share of goodwill). Intangible assets are recognised separately from goodwill if they can be separated from the acquired company or arise from statutory, contractual or other legal rights. Any remaining positive differences which represent compensation to the seller for market opportunities or developmental potential that cannot be individually identified are recognised in local currency as goodwill and allocated to cash-generating units (CGUs) in the relevant segment (for information on the treatment and recoverability of goodwill, see notes **35. Intangible assets** and **22. Procedures and effects of impairment tests**). Negative differences are recognised in profit or loss after a repeated measurement of the acquired company's identifiable assets and liabilities (including contingent liabilities) and measurement of the acquisition cost. The differences between fair value and the carrying amount are carried forward in accordance with the related assets and liabilities during the subsequent consolidation. A change in the investment in a fully consolidated company is accounted for directly in equity without recognition through profit or loss. As in the previous financial year there was no new acquisition of companies according to IFRS 3 during the reporting period.

Joint arrangements are included in the consolidated financial statements of EVN AG depending on the rights and obligations attributed to the controlling parties by the respective agreement. If only rights to the net assets are involved, the joint arrangement is classified as a joint venture according to IFRS 11 and included at equity. If rights to the assets and obligations for the liabilities are involved, the joint arrangement is classified as a joint operation according to IFRS 11 and included in the consolidated financial statements through line-by-line consolidation.

Associates – i.e. companies in which EVN AG can directly or indirectly exercise significant influence – are included at equity.

Subsidiaries, joint ventures and associates are not consolidated if their influence on EVN's asset, financial and earnings position is considered to be immaterial, either individually or in total. These companies are reported at cost less any necessary impairment losses. The materiality of an investment is assessed on the basis of the balance sheet total, the proportional share of equity, external revenue and annual profit or loss as reported in the last available financial statements in relation to the respective Group totals.

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

4. Scope of consolidation

The scope of consolidation is determined in accordance with the requirements of IFRS 10. Accordingly, 27 domestic and 36 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2017 (previous year: 30 domestic and 37 foreign subsidiaries). A total of 19 subsidiaries (previous year: 25) were not consolidated due to their immaterial influence on EVN's asset, financial and earnings position, either individually or in total.

EVN AG is the sole limited partner of EVN KG and, as such, participates to 100.0% in profit or loss of EVN KG. EnergieAllianz serves as the general partner of EVN KG, but does not hold an investment in this company. The agreements concluded between the EnergieAllianz shareholders for the management of EVN KG result in joint control. EVN KG is therefore classified as a joint venture in the sense of IFRS 11 and consolidated at equity. Contractual agreements also lead to the classification of the EnergieAllianz Group (EnergieAllianz and its subsidiaries) as a joint venture in the sense of IFRS 11; the group is therefore included in the consolidated financial statements at equity.

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

Bioenergie Steyr, in which EVN Wärme holds a stake of 51.0%, is included in the consolidated financial statements of EVN at equity because contractual agreements exclude any possibility of control.

Verbund Innkraftwerke Deutschland, in which EVN AG has an unchanged interest of 13.0%, is included at equity due to special contractual arrangements that allow EVN AG to exercise significant influence.

For those companies in which 50.00% is held, there is no control in accordance with IFRS 10. These companies are classified as joint ventures in the sense of IFRS 11 based on the contractual agreements and are therefore included in the consolidated financial statements at equity.

An overview of the companies included in the consolidated financial statements is provided under **EVN's investments**, starting on page 182. Notes **49. Non-controlling interests** and **65. Disclosures of interests in other entities** provide detailed information on the subsidiaries with major non-controlling interests as well as joint ventures and associates that are included in the consolidated financial statements.

The scope of consolidation (including EVN AG as the parent company) developed as follows during the reporting year:

Changes in the scope of consolidation	Full consolidation	Line-by-line (joint operation)	Equity	Total
30.09.2015	68	1	19	88
First consolidation	1	–	–	1
Deconsolidation	–	–	–1	–1
Reorganisation	–2	–	–1	–3
30.09.2016	67	1	17	85
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
Reorganisation ¹⁾	–3	–	–	–3
30.09.2017	63	1	17	81
thereof foreign companies	36	1	5	42

1) Internal reorganisation

EVN Elektro distribucija DOOEL, Skopje, Macedonia, which was founded in 2015/16, was previously not included in EVN's consolidated financial statements due to immateriality. This company was initially included through full consolidation in the second quarter of 2016/17.

WTE Projektna družba Kranjska Gora d.o.o., Kranjska Gora, Slovenia, which was previously included through full consolidation, was deleted from the company register on 23 January 2017 following the conclusion of liquidation proceedings and subsequently deconsolidated during the second quarter of 2016/17.

The South-West Moscow drinking water project was settled in accordance with the contract terms at the end of December 2016. With the payment of the final instalment, the Moscow city government acquired the right to purchase the shares in OAO "WTE Süd-West", Moscow, Russia. This option was subsequently exercised by the city government. The transfer of shares to the Moscow city government which was recorded in the shareholders' register and thus the deconsolidation of OAO "WTE Süd-West" took place on 28 December 2016 and terminated the operational management of the drinking water plant by EVN after ten years.

5. Foreign currency translation

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

In accordance with IAS 21, the annual financial statements of Group companies that are prepared in a foreign currency are translated into euros for inclusion in the consolidated financial statements. This translation is based on the functional currency method, under which the assets and liabilities of companies not reporting in euros are converted by applying the average exchange rate on the balance sheet date and any income and expenses are converted at the average annual rate. Unrealised currency translation differences from long-term Group loans are recorded under the currency translation reserve in equity without recognition in profit or loss. Currency translation differences directly recognised in equity resulted in an increase of EUR 0.9m in equity during 2016/17 (previous year: increase of EUR 1.0m); furthermore, an amount of EUR 0.4m was transferred from other comprehensive income to the consolidated statement of operations in the financial year 2016/17.

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

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

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

Foreign currency translation	2016/17		2015/16	
	Exchange rate on the balance sheet date	Average ¹⁾	Exchange rate on the balance sheet date	Average ¹⁾
Albanian lek	133.50000	134.95000	137.52000	138.06308
Bulgarian lev ²⁾	1.95583	1.95583	1.95583	1.95583
Croatian kuna	7.49500	7.46918	7.52200	7.56384
Czech koruna	25.98100	26.68462	27.02100	27.05638
Hungarian forint	310.67000	308.96538	309.79000	312.61846
Macedonian denar	61.46800	61.59076	61.49400	61.63142
Polish zloty	4.30420	4.29246	4.31920	4.33474
Russian ruble	68.25190	66.16763	70.51400	74.78526
Serbian denar	119.36590	122.35314	123.29290	122.44939

1) Average on the last day of each month

2) The exchange rate was determined by Bulgarian law.

Accounting policies

6. Intangible assets

Acquired intangible assets are recognised at acquisition cost less straight-line amortisation and any impairment losses, unless their useful life is classified as indefinite. Assets with a determinable limited useful life are amortised on the basis of that expected useful life, which equals three to eight years for software and three to 40 years for rights. Customer relationships capitalised in connection with a business acquisition, which have a determinable useful life because of potential market liberalisation, are amortised on a straight-line basis over five to 15 years. The expected useful lives and amortisation curves are determined by estimating the timing and distribution of cash inflows from the corresponding intangible assets over time. Intangible assets with an indefinite useful life are measured at cost and tested annually for impairment (see note **22. Procedures and effects of impairment tests**).

Internally generated intangible assets must meet the requirements of IAS 38 in order to be capitalised. This standard distinguishes between research and development expenses.

Service concessions that meet the requirements of IFRIC 12 are classified as intangible assets. Expenses and income are recognised according to the percentage-of-completion-method at the fair value of the compensation received. The percentage of completion is assessed according to the cost-to-cost method. The requirements defined in IFRIC 12 are in particular currently met by the hydro-power plant Ashta as well as the sewage treatment plant project Zagreb, both of which are included at equity.

7. Property, plant and equipment

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

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

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

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

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

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

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

8. Investments in equity accounted investees

Investments in equity accounted investees are initially recognised at cost. In subsequent periods, the carrying amounts of these investments are adjusted by the share of profit or loss attributable to EVN, less any dividends received, and by EVN's share of other comprehensive income and any other changes in equity. Investments accounted for according to the equity method are tested for impairment in accordance with IAS 36 if there are any indications of a loss in value (see note **22. Procedures and effects of impairment tests**).

The share of results from equity accounted investees with operational nature is reported as part of results from operating activities (EBIT). The share of results from equity accounted investees with financial nature is reported as part of financial results (see notes **30. Share of results from equity accounted investees with operational nature**, **32. Financial results** and **65. Disclosures of interests in other entities**).

9. Financial instruments

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

Primary financial instruments

The following measurement categories are used by EVN:

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

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

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

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

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

The securities reported under other non-current assets are measured @FVTPL because they are managed based on fair value. The net results of financial instruments recognised as @FVTPL include interest. Nonderivative financial assets that are not classified under loans and receivables or @FVTPL are assigned to the measurement category AFS.

All financial assets that fall under the scope of application of IAS 39, with the exception of financial assets designated at fair value in profit or loss, are tested for objective signs of impairment as of each balance sheet date. For financial assets, impairment is determined in accordance with the respective measurement category in accordance with IAS 39 and recognised accordingly. For equity instruments assigned to the valuation category AFS, impairment losses are recognised when there is a significant or longer decline in fair value below the acquisition cost. EVN defines a significant or longer decline in fair value as a decline of more than 20% as of the valuation date or a permanent decline over a period of nine months.

Derivative financial instruments

The main instruments used by EVN to manage and limit existing exchange rate and interest rate risks in the financial sector are foreign currency and interest rate swaps. EVN uses swaps, futures and forwards to limit energy sector risks arising from changes in commodity and product prices as well as changes related to electricity transactions.

The forward and futures contracts concluded by EVN for the purchase or sale of electricity, natural gas and CO₂ emission certificates serve to hedge the purchase prices for expected electricity, natural gas or CO₂ emission certificates as well as the selling prices for planned electricity production. If physical delivery is effected based on the expected procurement, sale or usage requirements, the requirements of the so-called "own use exemption" under IAS 39 are met, which do not represent derivative financial instruments in terms of IAS 39, but represent pending purchase and sale transactions, which must be assessed for possible impending losses in accordance with the requirements of IAS 37. If the requirements for the own use exemption are not met – for example, by transactions for short-term optimisation – the contracts are recorded as derivatives in accordance with IAS 39.

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

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

Cash flow hedges are used to hedge interest rate risks arising from financial liabilities.

The effective portions of the gains and losses arising from the fair value measurement of derivative financial instruments classified in accordance with IAS 39 as cash flow hedges on the balance sheet are recorded under other comprehensive income under the valuation reserve without recognition in profit or loss, taking into account deferred tax liabilities/assets in accordance with IAS 39. The ineffective portion is immediately recognised in profit or loss. The cumulative amount recognised in equity remains in the other comprehensive income and is transferred as reclassification adjustment from equity to profit or loss in the same period or periods in which the hedged business transaction affects profit or loss, or the expected transaction is no longer expected to occur. The maturity of the hedging instrument is coordinated with the occurrence of the future transaction.

Fair value hedges are used to hedge currency risks.

Derivative financial instruments classified under IAS 39 as fair value hedges serve to hedge recognised assets or liabilities against the risk of a change in fair value. For fair value hedges, in addition to the fair value change of the derivative, the contrasting fair value change of the underlying transaction, as far as it represents the hedged risk, is recognised in profit or loss. The earnings are generally shown under the item in the consolidated statement of operations under which the underlying transaction is reported. The value fluctuations of the hedging transactions are essentially offset by the value fluctuations of the hedged transactions.

The derivatives used by EVN for hedging purposes constitute effective protection. The fair value changes of the derivatives are mostly offset by compensating value changes of the underlying transactions. The hedging relationship between underlying transaction and the hedging instrument as well as their effectiveness are analysed and documented at the conclusion of the relationship and subsequently at regular intervals.

10. Other investments

Other investments include shares in associated companies which are not included in the consolidated financial statements due to immateriality. These shares are recorded at cost less any necessary impairment losses. The remaining other investments are assigned to the valuation category AFS and are recognised in the consolidated statement of financial position at fair value. If fair value cannot be reliably determined, these investments are included at cost less any necessary impairment losses. Fair value is determined on the basis of share prices wherever possible. Unrealised profits or losses are recognised in other comprehensive income. An impairment loss (see note **9. Financial instruments**) is recognised in profit or loss. When financial assets are sold, the unrealised profits or losses previously recognised in other comprehensive income are transferred to profit or loss.

11. Other non-current assets

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

Originated loans are classified as LAR, whereby the carrying amount on the acquisition date corresponds to the fair value. These loans are subsequently measured at amortised cost in keeping with the effective interest rate method and also reflect any necessary impairment losses.

Lease receivables and accrued lease transactions are related to the international project business of the Environmental Segment. They are classified as finance leases according to IAS 17 in conjunction with IFRIC 4.

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

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

12. Inventories

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

13. Trade and other receivables

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

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

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

14. Securities

Current securities are classified as AFS and measured at their fair value. Changes in fair value are recorded under other comprehensive income. When the securities are sold, these gains or losses are transferred to profit or loss.

15. Cash and cash equivalents

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

16. Non-current assets held for sale

Non-current assets or groups of assets whose sale is sufficiently probable are classified as held for sale when the necessary approvals have been issued and the requirements of IFRS 5 have been met. If necessary, the carrying amount of these assets is reduced to the lower fair value less costs of disposal. Depreciation and amortisation are terminated up to the point of sale. These assets are presented separately from other assets on the balance sheet. Any gain or loss not recognised up to the date on which a non-current asset is sold is recognised on the derecognition date (see note **43. Non-current assets held for sale**).

17. Equity

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

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

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

18. Provisions

Personnel provision

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

The amounts of the provisions are determined by an actuary as of each balance sheet date based on an expert opinion. The measurement principles are described in note **52. Non-current provisions**. All remeasurements – at EVN, only gains and losses from changes in actuarial assumptions – are recognised under other comprehensive income in accordance with IAS 19.

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

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

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

Provisions for pensions and obligations similar to pensions

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

For employees who joined the company after 1 January 1990, the supplementary company pension has been replaced by a defined contribution plan that is financed through VBV. VBV is responsible for the investment of the pension plan assets. Pension commitments were also made to certain employees, which require EVN to pay retirement benefits under certain conditions.

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

Provision for severance payments

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

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

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

Other provisions

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

Risk-free, pre-tax interest rates are used for the discount rates. The risks and uncertainties related to the expected expenditures are included in the estimates for the future cash flows.

The provisions for service anniversary bonuses required by collective wage and company agreements are measured using the same parameters as the provisions for pensions and obligations similar to pensions. A new regulation in the collective agreement for salaried employees of utility companies entitles salaried employees whose employment relationship began after 31 December 2009 to a service anniversary bonus equalling one month's salary after 15, 20, 25, 30 and 35 years and to one-half month's salary after 40 years. All remeasurements – at EVN, only gains and losses from changes in actuarial assumptions – are recognised with respect to service anniversary bonuses through profit or loss in accordance with IAS 19. The service cost added to the provision is reported under personnel expenses, while the interest component of the addition is included under financial results.

Waste disposal and land restoration requirements related to legal and perceived commitments are recorded at the present value of the expected future costs. Changes in the estimated costs or the interest rate are offset against the carrying amount of the underlying asset. If the decrease in a provision exceeds the carrying amount of the asset, the difference is recognised through profit or loss. The depreciation amount is to be corrected in accordance with the residual carrying amount and depreciated over the remaining useful life. If the asset has reached the end of its useful life, all subsequent changes to the provisions shall be recognised in profit or loss.

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

19. Liabilities

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

With respect to financial liabilities, bullet loans and borrowings with a remaining term to maturity of over one year are classified as non-current and items with a remaining term to maturity of less than one year are reported under current loans and borrowings (for information on maturities see note **50. Non-current loans and borrowings**).

If the fulfilment of a liability is expected within twelve months after balance sheet date, the liability is classified as current.

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

Construction subsidies – which constitute payments made by customers as part of previous investments in network construction – represent an offset to the acquisition cost of these assets. In the electricity and natural gas network business they are related to supply obligations by EVN. The granting of investment subsidies generally requires an operational management structure that complies with legal requirements and has been approved by the authorities. Construction and investment subsidies are released on a straight-line basis over the average useful life of the respective assets.

20. Revenue recognition

Realisation of revenue (in general)

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

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

IFRIC 18 regulates the accounting treatment for business transactions in which a company receives from its customers an asset or cash which is then used to acquire or construct an asset to provide the customer with access to a network or with an ongoing supply of goods or services. The construction subsidies received by EVN fall in part under the scope of application of IFRIC 18. Construction subsidies in the electricity and natural gas network business are related to EVN's supply obligations. They are accrued as liabilities and released on a straight-line basis over the useful life of the related property, plant and equipment. The reversals of deferred income from construction subsidies are reported under other operating income.

Contract manufacturing

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

21. Income taxes and deferred taxes

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

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

Corporate income tax rates		
%		
Country of residence	2016/17	2015/16
Austria	25.0	25.0
Albania	15.0	15.0
Bulgaria	10.0	10.0
Croatia	18.0	20.0
Cyprus	12.5	12.5
Czech Republic	19.0	19.0
Estonia ¹⁾	20.0	20.0
Germany – Environment	30.3	30.3
Germany – Generation	32.4	33.7
Lithuania	15.0	15.0
Macedonia	10.0	10.0
Montenegro	9.0	9.0
Poland	19.0	19.0
Romania	16.0	16.0
Russia	20.0	20.0
Serbia	15.0	15.0
Slovenia	19.0	17.0

1) Taxes on corporate profits are levied when dividends are paid to the shareholders. Retained earnings are not taxed.

EVN utilised the corporate tax group option through the formation of one such tax group as of 30 September 2017 (previous year: one). NÖ Landes-Beteiligungsholding GmbH, St. Pölten, serves as the head of this group, which includes EVN AG as a member. A group and tax settlement contract was concluded for this purpose. EVN AG also has the right to designate other corporate entities as members of this tax group.

The taxable profit of the companies belonging to this group is attributable to EVN AG, which calculates combined results based on the attributed taxable profit. The contract calls for the payment of a positive tax charge, which is based on the stand-alone method, when the aggregated results are positive. If the aggregated results are negative, the tax losses are kept on record and offset against future positive results. The related disclosures are reported under income taxes. The transfer of losses from foreign subsidiaries within group taxation leads to the recognition of a liability equal to the nominal amount of the future corporate income tax obligation.

As an offset for the transferred taxable results, the tax group contracts include a tax charge that is based on the stand-alone method. Transferred tax losses are kept on record as internal loss carryforwards for the respective tax group members and offset against future positive earnings. Exceptions to this procedure are the contracts concluded with the group members WEEV Beteiligungs GmbH and Burgenland Holding, which call for a negative tax charge for these two companies if their taxable results are negative and the group's total results are positive. In other cases, the loss is recorded as an internal loss carryforward and refunded in later years in the form of a negative tax charge as soon as it is covered by positive earnings.

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

Deferred taxes are calculated according to the liability method at the tax rate expected when short-term differences are reversed. Deferred tax assets and deferred tax liabilities are calculated and recognised for all temporary differences (i. e. the differences between the

carrying amounts in the consolidated financial statements and the annual financial statements prepared for tax purposes that will balance out in the future).

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

22. Procedures and effects of impairment tests

EVN carries out its impairment tests in accordance with the rules defined by IAS 36. Property, plant and equipment and intangible assets, including goodwill, are tested for impairment when there are internal or external indications of a loss in value. Intangible assets with an indefinite useful life and goodwill are tested at least once each year for signs of impairment.

The impairment testing of goodwill and assets for which no expected future cash flows can be identified is based on an assessment of the respective cash-generating unit (CGU). The decisive criterion used by EVN to classify a generation unit as a CGU is the technical and commercial ability to generate independent revenue. In the EVN Group, this definition applies to the electricity and heat generation plants, electricity, natural gas and water distribution systems, windparks, electricity procurement rights, telecommunications networks and facilities in the environmental services business.

The value in use is calculated in accordance with the rules defined by IAS 36. Due to the long-term nature of investments in generation equipment, EVN uses cash flow forecasts that reflect the economic useful life of the equipment. The impairment testing of hydropower plants generally assumes the renewal of the concession and, consequently, perpetual operation at the respective location. For generation equipment, the detailed planning period of four years is followed by a general planning period up to the end of the asset's economic useful life. However, this general planning period is limited to the availability of external forecasts for electricity prices (currently 2040).

The fair value less costs of disposal is basically calculated in accordance with the fair value measurement hierarchy defined in IFRS 13. Since it is generally not possible to derive market values for the CGUs and assets of EVN under evaluation, the assessment of the fair value is effected in accordance with the fair value hierarchy of level 3. The fair value less costs of disposal for a CGU is calculated with a WACC-based discounted cash flow method, which is conceptually similar to the value in use procedure, but includes adjustments to the parameters in the DCF model to reflect the market participant's viewpoint.

The calculation of the fair value less disposal costs and the value in use is based on the future cash inflows and outflows which are basically derived from internal medium-term forecasts. The cash flow forecasts are based on the latest financial plans approved by management. The assumptions for the future development of electricity prices are derived from the quotations on the futures market of the European Energy Exchange AG, Leipzig. For the period extending beyond this time, an average is developed (50:50) from the forecasts issued by two well-known information service providers in the energy sector. This average is intended to present a balanced picture of the future development of electricity prices. Valuation is based on the low case price forecasts by the two information service providers, and therefore fully reflects the risks that could influence electricity prices in the future.

A weighted average cost of capital which includes the deduction of income tax (WACC) is used as the discount rate. The equity component of the WACC reflects the risk-free interest rate, a country-specific premium plus a risk premium that incorporates the market risk and an appropriate beta coefficient based on peer group capital market indicators. The debt component of the WACC equals the basis interest rate plus a country-specific premium and a risk premium that reflects EVN's rating. The equity and debt components are weighted according to a capital structure that is appropriate for the CGU based on peer group data at market values. The resulting WACC is used to discount the cash flows in the respective CGU.

For the purpose of assessing the recoverable amount, EVN initially assesses the value in use. If the amount calculated falls below the carrying amount of the asset, or the CGU, the fair value less costs of disposal is calculated if necessary.

23. Accounting estimates and forward-looking statements

The preparation of the consolidated financial statements in accordance with generally accepted IFRS accounting methods requires estimates and assumptions that have an effect on the assets, liabilities, income and expenses reported in the consolidated financial statements and on the amounts shown in the notes. The actual values may differ from these estimates. The assumptions and estimates are reviewed on a regular basis.

In particular, the following assumptions and estimates can lead to significant adjustments in the carrying amounts of individual assets and liabilities in future reporting periods.

Impairment tests require estimates, especially for future cash surpluses. A change in the general economic, industry or company environment may reduce cash surpluses and therefore lead to signs of impairment. The weighted average cost of capital (WACC) is used to determine the recoverable amounts based on capital market methods. The WACC represents the weighted average interest paid by a company for equity and debt. The weighting applied to the interest on the equity and debt components – which reflects a capital structure at market values – was derived from an appropriate peer group. Given the current volatility on the financial markets, the development of the cost of capital (and above all the country risk premiums) is monitored on a regular basis (see note **22. Procedures and effects of impairment tests**).

For the valuation of the generation portfolio, the price structure beginning with the fifth year (when predictable market prices are no longer available on the electricity exchanges) was based on average forecasts from two well-known market research institutes and information service providers in the energy sector. The most recent studies, which are updated annually due to the current volatility on the electricity markets, were used in each case. The following notes show the sensitivity of these assumptions for the two largest CGU's, based on the carrying amount, which were tested for impairment: **35. Intangible assets**, **7. Property, plant and equipment** and **37. Investments in equity accounted investees**.

The most important premises and judgmental decisions used to determine the scope of consolidation are described under note **4. Scope of consolidation**.

The legal dispute between EVN Bulgaria and the state-owned Bulgarian electricity company NEK over disputed offsets was concluded through an out-of-court settlement on 13 February 2017. This settlement covers, in particular, payment for the outstanding portion of expenses incurred from 1 July 2012 to 31 July 2013 and financed in advance by EVN Bulgaria for the additional costs of renewable electricity and default interest, which will now be reimbursed by NEK to EVN Bulgaria. The settlement was carried out through the mutually agreed offset of the designated receivables held by EVN Bulgaria with receivables held by NEK from energy deliveries. Furthermore, the administrative proceedings initiated by the Bulgarian State Energy and Water Regulatory Commission in March 2014 to revoke EVN Bulgaria's license due to the above-mentioned offset of receivables were formally terminated by a decision on 4 August 2017. The arbitration proceedings initiated by EVN in July 2013 against the Republic of Bulgaria are still pending at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID). The outcome of these proceedings could lead to valuation adjustments in future reporting periods.

In Moscow, the anti-monopoly commission (FAS) issued a legally binding directive that declared a 1 June 2010 decision by the Moscow city government to be in violation of competitive law. The original decision by the city government transferred the thermal waste utilisation plant project no. 1 to the investor EVN and also required and authorised an increase in the capacity to 700,000 tonnes per year. The proceedings initiated by EVN against the government measures were unsuccessful. On the grounds of the government measures to annul the investment agreement, the project corporation for the implementation of the project of MPZ1 filed a request for arbitration as of 27 April 2016 with the London Court of International Arbitration against the corporation Tabrin OÜ (now Veealliance) with corporate seat in Tallinn, Estonia, and as of 11 October 2016 filed an action for repayment of payments made for obtaining rights from the investment

agreement with the city of Moscow. The developments related to the thermal waste utilisation plant project no. 1 in Moscow already raised considerable doubts over the realisation of this project in the financial year 2013/14 and led to the recognition of a valuation allowance on the existing leasing receivable and the reclassification of the carrying amount of the saleable aggregate components to inventories. It is assumed that the plant will not be constructed and appropriate compensation must be demanded from the customer or project seller. Negotiations have taken place, and EVN is now awaiting the arbitration court's decision. Further developments in this project, including the cancellation or annulment of delivery contracts with sub-contractors, could lead to changes in presentation and valuation adjustments in future reporting periods (see notes **39. Other non-current assets** and **40. Inventories**).

The project company Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH, in which EVN holds an investment of 49.0%, filed an arbitration claim against the general contractor consortium, Hitachi Ltd and Hitachi Power Europe GmbH, on 17 December 2013 and a lawsuit against an insurance company on 10 December 2013. The claims are based on damages incurred by the project company due to the delayed completion of the Walsum 10 power plant. They cover lump-sum compensation for the delay, delay-related added costs, pre-financed repair costs and damages arising from the inability to receive allocations of CO₂ emission certificates as well as claims against an insurance company. The Hitachi consortium filed claims against the project company in a countersuit. An arbitration decision announced by the ICC on 23 November 2016 awarded SEK compensation of approximately EUR 200m for claims. The counterclaims filed by Hitachi were rejected. In a now related lawsuit the insurer demanded repayment of already made advance payments. In the legal proceedings against the insurance company, a partial judgment on the underlying basis for the claim and a partial final judgment were issued in favour of the project company on 1 July 2015, which state that the facts of the case indicate the insurance company is required to pay compensation for the damage to the power plant in April 2011. Both the insurance company and the project company (here with regard to the acceptance of attorneys' costs) have filed appeals against these decisions. A commercial agreement has since been reached between SEK and the insurer, which requires the insurer to pay SEK compensation of EUR 60m for the two boiler damage incidents. Moreover, SEK and the insurer will withdraw their reciprocal lawsuits. Statistics from the power plant's first operating period pointed to higher specific heat consumption, and therefore lower effectiveness, than promised by the general contractor. A control measurement confirmed this conclusion. On 16 September 2015 another arbitration claim was filed against the general contractor consortium comprising Hitachi Ltd and Hitachi Power Europe GmbH Hitachi. This arbitration process is expected to end in 2019, whereby the outcome could lead to valuation adjustments in future reporting periods (see note **36. Property, plant and equipment**).

EVN holds rights for Wien Energie to purchase electricity from SEK through a contract concluded in 2007 and charges fees for the delivery of this electricity. The end price includes a so-called "performance price 1", which is based primarily on the (not yet finally determined) investment costs for the Walsum 10 power plant. Wien Energie filed an arbitration action suit against EVN on 24 May 2017 with the permanent arbitration court of the Vienna Chamber of Commerce to obtain a detailed breakdown of this "performance price 1". Wien Energie has also issued numerous instructions to EVN concerning the procedures related to SEK, in particular with regard to the enforcement of a financial clause. On 25 September 2017 EVN filed a counterclaim with the permanent arbitration court of the Vienna Chamber of Commerce, requesting a decision that Wien Energie is not entitled to issue these types of instructions. The outcome of these proceedings could lead to valuation adjustments in future reporting periods.

EVN and Verbund Thermal Power operate the Dürnröhr power plant based on a contract dated 28 April 1980 and 16 April 1980, whereby one of the two blocks was assigned to each of the contract partners for management and operation. In December 2014 Verbund Thermal Power Plant terminated the existing management contract as of 30 June 2015 and, in April 2015, stated its intention to permanently shut down its block at the joint Dürnröhr power plant. This decision subsequently led to an increase in maintenance and operating costs for EVN. EVN takes the view that this cancellation is legally invalid because the existing contract was concluded for the technical service life of the equipment in the Dürnröhr power plant and therefore remains unchanged and in force. The company has therefore filed an action for a declaratory judgment with the Commercial Court in Vienna. The outcome of these proceedings could lead to valuation adjustments in future periods (see note **36. Property, plant and equipment**).

The valuation of the provisions for pensions, obligations similar to pensions and severance payments are based on assumptions for the discount rate, retirement age and life expectancy as well as pension and salary increases. The adjustment of these parameters in future periods can lead to valuation adjustments. Moreover, future changes in electricity and natural gas tariffs can lead to valuation adjustments in the obligations similar to pensions (see note **52. Non-current provisions**).

Assumptions and estimates are also required to determine the useful life of non-current assets (see notes **6. Intangible assets** and **7. Property, plant and equipment**) and the provisions for legal proceedings and environmental protection (see note **18. Provisions**) as well as estimates for other obligations and risks (see note **66. Other obligations and risks**). In addition, it is necessary to make assumptions and estimates for the valuation of receivables and inventories (see notes **12. Inventories** and **13. Trade and other receivables**) and for the revenue recognition (see note **20. Revenue recognition**). These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

24. Principles of segment reporting

The identification of operating segments is based on the internal organisational and reporting structure and information prepared for internal management decisions (the "management approach"). The Executive Board of the EVN Group (the chief operating decision-maker as defined in IFRS 8) reviews internal management reports on each operating segment at least once each quarter. EVN has defined the following operating segments: Generation, Energy, Networks, South East Europe, Environment and All Other Segments. This conforms in full to the internal reporting structure. The assessment of all segment information is consistent with IFRS. EBITDA is used as an indicator to measure the earning power of the individual segments. For each segment, EBITDA represents the total net operating profit or loss before interest, taxes, amortisation of intangible assets and depreciation of property, plant and equipment for the companies included in the segment, taking intragroup income and expenses into account (see note **60. Notes to segment reporting**).

Notes to the consolidated statement of operations

25. Revenue

Revenue recorded by the individual business segments developed as follows:

Revenue	2016/17	2015/16
EURm		
Generation	53.7	46.0
Energy	512.0	448.5
Networks	497.9	434.2
South East Europe	957.5	949.4
Environment	181.0	158.4
All Other Segments	13.4	10.1
Total	2,215.6	2,046.6

26. Other operating income

Other operating income	2016/17	2015/16
EURm		
Income from the reversal of deferred income from network subsidies	45.4	43.7
Own work capitalised	20.7	20.9
Interest on late payments	17.6	7.5
Insurance compensation	5.8	13.0
Rental income	2.2	1.9
Income from the disposal of intangible assets and property, plant and equipment	-1.6	-0.7
Change in work in progress	-3.3	-1.2
Miscellaneous operating income	15.2	11.8
Total	101.9	97.0

The increase in the interest on late payments is attributable to the agreement reached in February 2017 between EVN Bulgaria EC and the state-owned Bulgarian electricity company NEK over the pre-financed, additional costs of renewable electricity and the related award of default interest. The decline in insurance compensation resulted primarily from insurance compensation received for winter damages in South East Europe during the 2015/16 financial year.

Miscellaneous other operating income consists, above all, of bonuses, subsidies and services that are not related to business activities.

27. Cost of materials and services

Cost of materials and services	2016/17	2015/16
EURm		
Electricity purchases from third parties and primary energy expenses	989.0	930.6
Third-party services and other materials and services	313.7	246.7
Total	1,302.6	1,177.3

The expenses for the purchase of electricity from third parties and the purchase of energy carriers consist primarily of the costs for electricity, natural gas, hard coal and biomass. Also included here are costs of EUR 15.3m (previous year: EUR 12.3m) for the purchase of additional CO₂ emission certificates during the reporting period due to the insufficient allocation of free certificates.

Third-party services and other materials and services were related primarily to the project business in the Environment Segment as well as services for the operation and maintenance of plants. This position also includes costs directly attributable to the required services.

The increase in third-party services and other materials and services resulted chiefly from a valuation adjustment of EUR 45.5m to the aggregate components (recorded under inventories) from the former thermal waste utilisation plant project no. 1 in Moscow (see note **40. Inventories**).

28. Personnel expenses

Personnel expenses	2016/17	2015/16
EURm		
Salaries and wages	241.5	240.6
Severance payments	6.3	5.5
Pension costs	10.1	9.6
Compulsory social security contributions and payroll-related taxes	52.1	51.4
Other employee-related expenses	6.8	6.6
Total	316.8	313.7

Personnel expenses included contributions of EUR 9.9m (previous year: EUR 6.2m) to VBV Pensionskasse as well as contributions of EUR 1.0m (previous year: EUR 0.9m) to employee pension funds. The increase in the contributions to VBV Pensionskasse resulted from a one-off payment of EUR 3.8m in connection with the sale of the EVN Pensionkasse. The pension contribution under the Lower Austrian Provincial and Municipal Remuneration Act was taken into account for the first time in 2016/17 and led to a reduction of EUR 2.9m in the pension costs.

The average number of employees was as follows:

Employees by segment¹⁾	2016/17	2015/16
Generation	135	143
Networks	1,218	1,227
Energy	305	292
South East Europe	4,161	4,166
Environment	501	497
All Other Segments	521	504
Total	6,840	6,830

1) Average for the year

The average number of employees comprised 97.3% salaried and 2.7% wage employees (previous year: 97.2% salaried and 2.8% wage employees), whereby no distinction is made between salaried and wage employees in Bulgaria and Macedonia. Wage employees are therefore counted together with salaried employees in these countries.

29. Other operating expenses

Other operating expenses	2016/17	2015/16
EURm		
Write-off of receivables	23.1	20.7
Legal and consulting fees, expenses related to risks of legal proceedings	18.3	22.7
Business operation taxes and duties	18.0	12.4
Advertising expenses	11.8	12.3
Transportation and travelling expenses, automobile expenses	11.2	10.0
Telecommunications and postage	9.6	9.6
Insurance	9.4	9.5
Maintenance	7.0	8.1
Rents	6.7	5.6
Employee training	2.0	1.8
Miscellaneous other operating expenses	22.1	28.8
Total	139.0	141.6

The position “legal and consulting fees, expenses related to risks of legal proceedings” also contains changes in the provision for legal proceedings. Rents also include the changes in the provisions for network access fees in Bulgaria.

Miscellaneous other operating expenses include environmental protection expenses, fees for monetary transactions, licenses, membership fees and administrative and office expenses.

30. Share of results from equity accounted investees with operational nature

Share of results from equity accounted investees with operational nature	2016/17	2015/16
EURm		
EVN KG	96.1	55.9
RAG	43.4	42.3
Energie Burgenland	17.0	9.9
ZOV; ZOV UIP	12.5	12.4
Ashta	–	–6.8
Verbund Innkraftwerke	–11.4	–27.5
Other companies	5.0	7.3
Total	162.6	93.5

The share of results from equity accounted investees with operational nature (see note **65. Disclosures of interests in other entities**) has been reported as part of the results from operating activities (EBIT).

The share of results from equity accounted investees with operational nature consists primarily of earnings contributions, impairment losses recognised to assets capitalised in connection with acquisitions and other necessary impairment losses (see note **37. Investments in equity accounted investees**).

The increase in the share of results from equity accounted investees with operational nature is attributable primarily to EVN KG, Energie Burgenland and Verbund Innkraftwerke. The year-on-year increase in the earnings contribution from EVN KG was based on a reduction in procurement costs, weather-related factors and positive valuation effects from hedges. The development of earnings at Energie Burgenland was influenced, above all, by positive non-recurring effects in income taxes.

The negative earnings contribution from Verbund Innkraftwerke resulted from a substantial decline in the estimates for the long-term development of electricity prices and an increase in the WACC. This led to the recognition of an impairment loss of EUR 13.1m to the shares in this equity accounted investment. Impairment losses totalling EUR 27.6m were also recognised in the previous year to reflect the reduced estimates for the development of electricity prices (see note **37. Investments in equity accounted investees**).

The unrecognised cumulative losses of Ashta totalled EUR 5.4m (previous year: losses of EUR 5.8m).

31. Depreciation and amortisation and effects from impairment tests

The procedure used for impairment testing is described in regard to the accounting policies under note **22. Procedures and effects of impairment tests**.

Depreciation and amortisation and effects from impairment tests by items of the consolidated statement of financial position		
EURm	2016/17	2015/16
Intangible assets	59.5	21.5
Property, plant and equipment	316.7	326.6
Write-up of property, plant and equipment	-1.4	-4.1
Total	374.8	344.0

Depreciation and amortisation and effects from impairment tests		
EURm	2016/17	2015/16
Scheduled depreciation and amortisation	262.3	266.1
Effects from impairment tests (impairment) ¹⁾	113.9	82.0
Effects from impairment tests (reversal of impairment) ¹⁾	-1.4	-4.1
Total	374.8	344.0

1) For details, see notes 35. Intangible assets and 36. Property, plant and equipment

32. Financial results

Financial results	2016/17	2015/16
EURm		
Income from investments		
WEEV Beteiligungs GmbH	12.1	-8.8
Other companies	0.0 ^{*)}	0.0 ^{*)}
Share of results from equity accounted investees with financial nature	12.2	-8.7
Dividend payments	19.0	17.6
thereof Verbund AG	11.6	14.0
thereof other companies	7.3	3.6
Write-down/Disposals	-0.1	-3.3
Results from other investments	18.8	14.4
Total income from investments	31.0	5.6
Interest results		
Interest income on financial assets	8.8	11.5
Other interest income	10.7	5.2
Total interest income	19.5	16.7
Interest expense on financial liabilities	-54.6	-60.0
Interest expense personnel provisions	-5.9	-9.6
Other interest expense	-4.9	-7.8
Total interest expense	-65.4	-77.4
Total interest results	-45.9	-60.7
Other financial results		
Results from changes in exchange rates and the disposal of non-current securities	-1.5	-1.8
Results from changes in exchange rates and the disposal of current financial assets	-0.0 ^{*)}	-0.0 ^{*)}
Currency gains/losses	0.0 ^{*)}	-2.6
Other financial results	-5.0	-2.1
Total other financial results	-6.5	-6.5
Financial results	-21.4	-61.6

*) Small amount

Share of results from equity accounted investees with financial nature (see note **65. Disclosures of interests in other entities**) is reported as part of the financial results.

WEEV Beteiligungs GmbH was founded together with the syndicate partner Wiener Stadtwerke Holding AG to participate in the capital increase by Verbund AG and was initially included in EVN's consolidated financial statements at equity during the financial year of 2010/11. The adjustments to reflect the change in market value are recorded to the valuation reserve after the deduction of deferred taxes in accordance with IAS 39. WEEV was restructured in 2016/17, and its investment in Verbund was subsequently transferred to the parent companies EVN and Wiener Stadtwerke. The price of the Verbund share equalled EUR 16.15 on the sale date (IFRS carrying amount: EUR 11.23), which represents the main component of the EUR 12.1m positive earnings contribution. The proceeds from the sale of the shares were used to repay the corresponding financing, and the surplus liquidity was distributed. The positive development of the share price recorded under other comprehensive income was reclassified through profit or loss to the consolidated statement of operations following the sale and amounted to EUR 10.2m (also see note **47. Valuation reserves**). The unrecognised losses for WEEV total EUR 4.5m.

Interest income on financial assets includes interest from investment funds that focus chiefly on fixed-interest securities as well as the interest component from the lease business. Other interest income generally relates to income from cash and cash equivalents and from

securities recorded under current financial assets. The interest income from assets that are not designated at fair value through profit or loss totalled EUR 18.3m (previous year: EUR 15.3m).

Interest expense on financial liabilities represents regular interest payments on issued bonds and bank loans. Other interest expense includes the accrued interest expense on non-current provisions, expenses for current loans as well as lease costs for biomass equipment, distribution and heating networks. The interest expense on liabilities not designated at fair value through profit or loss totalled EUR 59.5m (previous year: EUR 67.8m).

33. Income tax expense

Income tax expense	2016/17	2015/16
EURm		
Current income tax income and expense	26.9	-3.5
thereof Austrian companies	10.5	-15.0
thereof foreign companies	16.4	11.4
Deferred tax income and expense	27.0	19.6
thereof Austrian companies	34.5	8.6
thereof foreign companies	-7.5	11.0
Total	53.9	16.0

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2017 (previous year: 25.0%) and the tax expense based on the Group net result reported on the consolidated statement of operations for the 2016/17 financial year:

Calculation of the effective tax rate	2016/17		2015/16	
	%	EURm	%	EURm
Result before income tax		325.5		198.9
Income tax rate/income tax expense at nominal tax rate	25.0	81.4	25.0	49.7
- Different corporate income tax rates in other countries	-3.0	-9.6	-1.5	-3.1
- Tax-free income from investments	-8.8	-28.6	-6.5	-12.9
+ Revaluation of deferred taxes	2.9	9.3	1.8	3.6
- Tax share valuations and impairment on Group receivables	-0.7	-2.3	-11.8	-23.5
+ Non-deductible expenses	0.9	3.0	1.0	2.0
- Other tax free income	-0.1	-0.3	-0.5	-0.9
+ Aperiodic tax increases	0.1	0.2	0.7	1.4
+/- Other items	0.3	0.9	-0.2	-0.3
Effective tax rate/effective income tax expense	16.6	53.9	8.1	16.0

The valuation of investments according to tax law are related primarily to the impairment losses recognised on the investments in Hydro Power Company Gorna Arda, TEZ Plovdiv, EVN Nk BuB, EVN Bulgaria EAD, OOO EVN Umwelt Service (previous year: EVN Nk BuB, EVN UBS, OOO EVN Umwelt Service, Shkodra, TEZ Plovdiv) and the investment revaluation in EVN Macedonia and Energie Allianz.

EVN's effective tax rate for the reporting year equalled 16.6% of result before income tax (previous year: 8.1%). The effective tax rate represents the weighted average of the effective local corporate tax rates of all consolidated subsidiaries (see note **51. Deferred taxes**).

34. Earnings per share

Earnings per share were calculated by dividing Group net result (= proportional share of result attributable to EVN AG shareholders) by the weighted average number of ordinary shares outstanding in 2016/17, i.e. 177,856,536 (previous year: 177,763,333). This amount may be diluted by so-called potential shares arising from stock options or convertible bonds. Since EVN does not have any such shares, there is no difference between basic and diluted earnings per share. Based on Group net result of EUR 251.0m for the 2016/17 financial year (previous year: EUR 156.4m), earnings per share equalled EUR 1.41 (previous year: EUR 0.88).

Notes to the consolidated statement of financial position

Assets

35. Intangible assets

Goodwill is allocated to the CGUs “international project business” and “other CGUs”. Rights include electricity procurement rights, transportation rights for natural gas pipelines and other rights (primarily software licenses). In the past other intangible assets primarily included the customer bases of the Bulgarian and Macedonian electricity supply companies.

Reconciliation of intangible assets

2016/17 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2016	216.7	372.8	99.6	689.1
Additions	–	10.5	3.0	13.5
Disposals	–	–2.2	–0.0 ^{*)}	–2.2
Gross value 30.09.2017	216.7	381.2	102.4	700.3
Accumulated amortisation 30.09.2016	–160.9	–220.1	–86.9	–467.9
Scheduled amortisation	–	–12.0	–2.6	–14.5
Impairment losses	–	–44.8	–0.2	–45.0
Disposals	–	1.5	–0.0 ^{*)}	1.6
Transfers	–	2.8	–0.2	2.5
Accumulated amortisation 30.09.2017	–160.9	–272.6	–89.8	–523.3
Net value 30.09.2016	55.8	152.7	12.7	221.2
Net value 30.09.2017	55.8	108.6	12.6	177.1

2015/16 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2015	216.7	358.0	98.4	673.1
Currency translation differences	–	–	0.0 ^{*)}	0.0 ^{*)}
Changes in the scope of consolidation	–	–	0.0 ^{*)}	0.0 ^{*)}
Additions	–	20.3	1.2	21.5
Disposals	–	–6.0	–0.1	–6.1
Transfers	–	0.4	–	0.4
Gross value 30.09.2016	216.7	372.8	99.6	689.1
Accumulated amortisation 30.09.2015	–160.4	–208.7	–83.7	–452.9
Currency translation differences	–	–0.0 ^{*)}	–	–0.0 ^{*)}
Changes in the scope of consolidation	–	–	0.0 ^{*)}	0.0 ^{*)}
Scheduled amortisation	–	–13.0	–3.1	–16.1
Impairment losses	–0.5	–4.8	–0.1	–5.4
Additions	–	0.0 ^{*)}	0.0 ^{*)}	0.0 ^{*)}
Disposals	–	6.0	0.0 ^{*)}	6.0
Accumulated amortisation 30.09.2016	–160.9	–220.1	–86.9	–467.9
Net value 30.09.2015	56.3	149.3	14.7	220.2
Net value 30.09.2016	55.8	152.7	12.7	221.2

*) Small amount

The carrying amount of goodwill is allocated as follows: EUR 52.9m to the CGU “international project business” and EUR 2.9m to the “other CGUs”.

The carrying amount of the net assets in the CGU “international project business” totalled EUR 223.4m. The recoverable amount was determined on the basis of the value in use and equalled EUR 359.0m. A WACC after tax of 5.92% was used as the discount rate, which corresponds to an iteratively derived WACC before tax in the amount of 6.41%. The recoverable amount of the CGU was 60.7% higher than the carrying amount. An increase (decrease) of 1.0% in the WACC in 2016/17, ceteris paribus, would have led to a surplus cover of EUR 91.9m in the net assets of the CGU (surplus cover of EUR 195.3m). The recoverable amount would equal the carrying amount based on a WACC after tax of 10.42%.

In the financial year 2016/17, an impairment of the procurement rights from the Donaukraftwerk Freudenau in the amount of EUR 16.9m became necessary in the Generation Segment due to the significant deterioration in the estimates for the long-term development of energy prices and an increase in the WACCs. EVN holds energy procurement rights of 12.5% at the Donaukraftwerk Freudenau for the operating period of the power plant. The recoverable amount was determined on the basis of the value in use and equalled EUR 22.9m. A WACC after tax of 5.84% was used as discount rate, which corresponds to an iteratively derived WACC before tax in the amount of 6.40%. An increase (decrease) of 0.5% in the WACC in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 19.3m (impairment loss of EUR 14.0m). An increase (decrease) of 5% in the underlying assumptions for the electricity price in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 12.9m (impairment loss of EUR 20.9m)

Due to changes in the energy policy environment in Bulgaria the Gorna Arda hydropower plant project was put on hold because its realisation is not possible under the current circumstances. Impairment losses of EUR 28.9m were therefore recognised in the Generation Segment during the reporting period.

In 2016/17, a total of EUR 1.5m (previous year: EUR 1.6m) was invested in research and development; EUR 1.1m thereof were capitalised (previous year: EUR 0.2m).

36. Property, plant and equipment

Reconciliation of property, plant and equipment

2016/17 financial year							
EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2016	809.8	3,959.5	3,014.7	238.5	174.4	170.7	8,367.6
Currency translation differences	0.0 ^{y)}	0.2	2.3	0.0 ^{y)}	0.0 ^{y)}	0.0 ^{y)}	2.6
Additions	7.0	110.9	43.6	27.3	19.7	81.8	290.3
Disposals	-5.6	-13.4	-113.9	-10.6	-10.2	-1.7	-155.4
Transfers	7.2	54.5	19.4	0.1	0.8	-82.0	-0.2
Gross value 30.09.2017	818.4	4,111.6	2,966.1	255.3	184.7	168.8	8,504.9
Accumulated amortisation 30.09.2016	-447.7	-2,144.8	-1,973.4	-148.7	-133.1	-7.4	-4,855.0
Currency translation differences	-0.0 ^{y)}	-0.1	-1.6	-0.0 ^{y)}	-0.0 ^{y)}	-	-1.7
Scheduled depreciation	-20.2	-105.9	-90.4	-15.8	-15.4	-	-247.7
Impairment losses	-7.9	-13.3	-45.9	-0.1	-0.7	-1.0	-68.9
Revaluation	0.6	0.3	0.5	-	-	-	1.4
Disposals	2.3	13.3	16.1	9.0	9.9	-	50.5
Transfers	-6.1	3.5	3.2	-0.1	-0.2	0.0 ^{y)}	0.2
Accumulated amortisation 30.09.2017	-479.1	-2,247.0	-2,091.5	-155.8	-139.5	-8.3	-5,121.3
Net value 30.09.2016	362.1	1,814.8	1,041.3	89.8	41.3	163.3	3,512.5
Net value 30.09.2017	339.3	1,864.6	874.6	99.5	45.2	160.4	3,383.6
2015/16 financial year							
EURm	Land and buildings	Lines	Technical equipment	Meters	Other plants, tools and equipment	Equipment under construction	Total
Gross value 30.09.2015	790.1	3,808.8	2,972.2	224.9	200.6	167.2	8,164.0
Currency translation differences	0.4	1.0	3.2	0.1	0.1	0.2	5.0
Changes in the scope of consolidation	2.2	6.1	2.4	-	0.0 ^{y)}	-	10.7
Additions	8.1	103.2	63.6	21.7	13.7	99.8	310.1
Disposals	-10.2	-9.4	-52.1	-8.4	-43.1	-0.1	-123.2
Transfers	19.2	49.8	25.4	0.1	3.1	-96.5	1.0
Gross value 30.09.2016	809.8	3,959.5	3,014.7	238.5	174.4	170.7	8,367.6
Accumulated amortisation 30.09.2015	-433.7	-2,037.8	-1,865.3	-142.4	-161.0	-7.4	-4,647.7
Currency translation differences	-0.2	-0.5	-2.3	-0.0 ^{y)}	-0.1	-	-3.1
Changes in the scope of consolidation	-	-	-	-	-	-	-
Scheduled depreciation	-20.9	-102.7	-97.4	-14.6	-14.5	-	-250.1
Impairment losses	-4.2	-14.3	-58.1	-	-0.0 ^{y)}	-0.0 ^{y)}	-76.6
Revaluation	1.8	1.5	0.7	-	-	-	4.1
Disposals	9.4	9.2	48.7	8.3	42.7	-	118.3
Transfers	0.2	-0.3	0.3	0.0 ^{y)}	-0.2	0.0 ^{y)}	-
Accumulated amortisation 30.09.2016	-447.7	-2,144.8	-1,973.4	-148.7	-133.1	-7.4	-4,855.0
Net value 30.09.2015	356.4	1,771.0	1,106.9	82.5	39.6	159.9	3,516.3
Net value 30.09.2016	362.1	1,814.8	1,041.3	89.8	41.3	163.3	3,512.5

^{y)} Small amount

Land and buildings included land with a value of EUR 56.1m (previous year: EUR 62.9m). As of the balance sheet date, EVN held a mortgage with a maximum value of EUR 1.8m as in the previous year.

Additions to property, plant and equipment included capitalised borrowing costs of EUR 1.4m (previous year: EUR 2.3m). The interest rate used for capitalisation ranged from 1.7%–3.8% (previous year: 1.9%–3.7%).

For leased and rented equipment, the present value of payment obligations for the use of heating networks and heat generation plants is reported on the consolidated statement of financial position. The net value of these assets totalled EUR 8.3m as of the balance sheet date (previous year: EUR 9.8m). The related lease and rental liabilities were recognised under other non-current liabilities.

The net value of property, plant and equipment and intangible assets pledged as collateral had a carrying amount of EUR 0.0m (previous year: EUR 40.0m).

As announced in an ad-hoc press release on 23 November 2016, an arbitration court awarded compensation of approximately EUR 200m to the project company for the construction of the Walsum 10 power plant. EVN AG holds an indirect investment of 49% in this project company. The arbitration decision led, above all, to a reduction of the acquisition cost for the power plant.

The impairment testing of assets in accordance with IAS 36 led to the recognition of the following impairment losses in 2016/17:

Less favourable estimates for the long-term development of electricity prices and a revised estimate for the reporting period based on current discussions in Europe over changes in CO₂ regulations led to the recognition of an impairment loss of EUR 19.1m to the Walsum 10 power plant.¹⁾ This investment is classified as a joint operation and included in the consolidated financial statements through line-by-line consolidation. The recoverable amount was determined on the basis of the value in use and equalled EUR 162.3m. The applied discount rate equalled a WACC after tax of 5.25% and represents an iteratively derived WACC before tax of 6.79%. The valuation includes assumptions for the outcome of the legal proceedings currently in progress (see note **23. Accounting estimates and forward-looking statements**). An increase (decrease) of 0.5% in the WACC in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 25.8m (impairment loss of EUR 12.2m) to the Walsum 10 power plant, which is accounted for as a joint operation based on the proportional share owned. An increase (decrease) of 5% in the underlying assumptions for the electricity price in 2016/17, ceteris paribus, would have resulted in a recovery in value of EUR 5.5m (impairment loss of EUR 44.1m). An unchanged period under review of 30 years would result in an increase of EUR 1.7m in value.

1) The impairment testing of the power plant component took place solely at the Group level. At the segment level, a provision was recognised for the marketing of EVN's own electricity production. The impairment loss is therefore reported in the transition column "consolidation".

In the South East Europe Segment, an impairment loss of EUR 24.0m was recognised to the TEZ Plovdiv co-generation plant in Bulgaria to reflect the continuing adverse regulatory tariff decisions in the heating area. The recoverable amount was determined on the basis of the value in use and equalled EUR 36.9m. The applied discount rate equalled a WACC after tax of 7.40% and represents an iteratively derived WACC before tax of 8.23%. An increase (decrease) of 0.5% in the WACC in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 27.9m (impairment loss of EUR 20.7m).

Reinvestments at increasingly shorter intervals and higher maintenance costs for the energy supply centre at the Dürnröhr power plant provided substantial indications of technical obsolescence. This was reflected in the recognition of an impairment loss of EUR 3.9m in the Generation Segment. The recoverable amount was determined on the basis of the value in use and equalled EUR –1.8m. The applied discount rate equalled a WACC after tax of 5.77% and represents an iteratively derived WACC before tax of 4.65%.

In the Energy Segment, an impairment loss of EUR 3.7m was recognised to heat supplies in the greater Mödling area to reflect the lack of a follow-up tariff for co-generation equipment in the amendment to the Green Electricity Act which was passed in July 2017. The recoverable amount was determined on the basis of the value in use and equalled EUR 30.3m. The applied discount rate equalled a WACC after tax of 5.68% and represents an iteratively derived WACC before tax of 7.77%.

Impairment testing by EVN Naturkraft resulted in the recognition of impairment losses of EUR 4.5m in the Generation Segment due to less favourable estimates for the long-term development of electricity prices and an increase in the WACCs for four windparks and four small hydropower plants. The recoverable amount was determined on the basis of the value in use and equalled in total EUR 26.4m. The applied discount rate equalled a WACC after tax of 5.24% to 5.84% and represents an iteratively derived WACC before tax of 5.66% to 23.85%.

Impairment testing by EVN Wärme resulted in the recognition of impairment losses of EUR 5.4m in the Energy Segment due to a deterioration in the economic framework conditions for eleven heating plants. The recoverable amount was determined on the basis of the value in use and equalled in total EUR 17.5m. The applied discount rate equalled a WACC after tax of 5.67% and represents an iteratively derived WACC before tax of 5.67% to 6.89%.

A reversal of EUR 1.3m to previously recognised impairment losses was recorded in the Generation Segment to the CGUs "Schärding" and "Bruck/Leitha", which are attributable to EVN Wärme. The recoverable amount was determined on the basis of the value in use and equalled in total EUR 4.5m. The applied discount rate equalled a WACC after tax of 5.67% and represents an iteratively derived WACC before tax of 8.26% to 9.24%.

The following impairment losses were recognised in 2015/16: EUR 32.6m to the Walsum 10 power plant, which is accounted for as a joint operation based on the share owned, and EUR 2.3m to EVN's windpark in Kavarna to reflect less favourable estimates for the long-term development of electricity prices. Adverse regulatory changes in the heating business and less favourable estimates for the long-term development of electricity prices in Bulgaria led to the recognition of an impairment loss of EUR 31.3m to the co-generation plant at TEZ Plovdiv. Other impairment losses were related primarily to small hydropower plants and windparks operated by EVN Naturkraft.

37. Investments in equity accounted investees

The companies included in the consolidated financial statements at equity are listed in the notes under **EVN's investments** starting on page 182. Note **65. Disclosures of interests in other entities** contains financial information on joint ventures and associates that are included at equity in EVN's consolidated financial statements.

All investments in equity accounted investees were recognised at their proportional share of IFRS income or loss based on an interim or annual report with a balance sheet date that does not precede the balance sheet date of EVN AG by more than three months. There were no listed market prices for the investments in equity accounted investees.

Reconciliation of investments in equity accounted investees**2016/17 financial year**

EURm

Gross value 30.09.2016	934.7
Additions	2.7
Disposals	-26.4
Gross value 30.09.2017	911.0
Accumulated amortisation 30.09.2016	-8.9
Currency translation differences	-0.1
Impairment losses	-13.1
Proportional share of results	187.8
Dividends	-110.3
Changes recognised in other comprehensive income	-11.7
Accumulated amortisation 30.09.2017	43.8
Net value 30.09.2016	925.8
Net value 30.09.2017	954.8

2015/16 financial year

EURm

Gross value 30.09.2015	918.6
Additions	24.4
Disposals	-8.2
Gross value 30.09.2016	934.7
Accumulated amortisation 30.09.2015	-20.5
Currency translation differences	1.5
Disposals	8.2
Impairment losses	-45.7
Proportional share of results	130.4
Dividends	-117.6
Changes recognised in other comprehensive income	34.7
Accumulated amortisation 30.09.2016	-8.9
Net value 30.09.2015	898.1
Net value 30.09.2016	925.8

An impairment loss of EUR 13.1m was recognised to the investment in Verbund Innkraftwerke in 2016/17 to reflect the less favourable estimates for the development of long-term electricity prices and an increase in the WACC. The recoverable amount of EVN's participation interest in Verbund Innkraftwerke was determined on the basis of the value in use and equalled EUR 62.5m. The applied discount rate equalled a WACC after tax of 5.32% and represents an iteratively derived WACC before tax of 6.37% (also see note **30. Share of results from equity accounted investees with operational nature**). An increase (decrease) of 0.5% in the WACC in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 20.5m (impairment loss of EUR 4.0m) to the equity accounted Verbund Innkraftwerke. An increase (decrease) of 5% in the underlying assumptions for the electricity price in 2016/17, ceteris paribus, would have resulted in an impairment loss of EUR 5.5m (impairment loss of EUR 20.6m).

The shares in ZOV were assigned to the financing banks as collateral for loans. EVN's proportional share of equity in this company totalled EUR 103.1m as of 30 September 2017 (previous year: EUR 95.5m).

38. Other investments

The other investments include holdings in affiliates and associates, which are not consolidated due to immateriality, as well as miscellaneous stakes of less than 20.0% that were not included at equity.

The other investments, which are carried at cost less any necessary impairment losses, totalled EUR 7.0m in 2016/17 (previous year: EUR 6.6m). The other investments classified as AFS consist primarily of shares in Verbund AG with a value of EUR 875.2m (previous year: EUR 595.7m) and miscellaneous other investments of EUR 36.7m (previous year: EUR 9.8m).

EVN AG and Wiener Stadtwerke Holding AG (WSTW) entered into an agreement on 22 September 2010 for the syndication of their directly and indirectly held shareholdings in Verbund AG. This agreement gives the two companies joint control over approximately 26% of the voting shares in Verbund AG. In spite of the syndicate agreement, the scope of possible influence over the financial and business policies of Verbund AG is very limited. The requirements for classification as a controlling influence (IAS 28) are therefore not met and the shares in Verbund AG were therefore accounted for by applying IAS 39.

In connection with the restructuring of WEEV in 2016/17 (see note **32. Financial results**), the Verbund shares held by that company were sold to EVN AG. This transaction resulted in an addition of EUR 60.9m. The change in value which resulted from the increase in the market price of the Verbund shares equalled EUR 218.7m (previous year: EUR 119.5m) and was recorded under other comprehensive income.

Constant profit distributions in recent years and the related reduction in the risk of estimation errors led to the first-time application of a discounted cash flow method to value the investment in CEESEG AG in 2016/17. The recoverable amount was determined on the basis of fair value less costs to sell (level 3 according to IFRS 13) and equalled EUR 17.4m, which led to a write-up of EUR 9.8m. A WACC after tax of 6.16% was used as the discount rate. The present value model underlying the valuation includes forecasted distributions for the next four years as well as a perpetual yield (without a growth rate).

Constant profit distributions in recent years and the related reduction in the risk of estimation errors led to the first-time application of a discounted cash flow method to value the investment in Verbund Hydro Power AG in 2016/17. The recoverable amount was determined on the basis of fair value less costs to sell (level 3 according to IFRS 13) and equalled EUR 19.6m, which led to a write-up of EUR 17.2m. A WACC after tax of 5.66% was used as the discount rate. The present value model underlying the valuation assumes publicly available information on the annual financial statements and forecasts the next four years as well as a perpetual yield (without a growth rate), based on available data on electricity prices.

39. Other non-current assets

Other non-current assets	30.09.2017	30.09.2016
EURm		
Securities	58.4	82.9
Loans receivable	40.6	30.9
Lease receivables	86.9	104.3
Receivables arising from derivative transactions	9.0	22.5
Primary energy reserves	14.4	14.4
Remaining other non-current assets	0.5	58.6
Total	209.9	313.7

Securities reported under other non-current assets consist mainly of shares in investment funds and serve as coverage for the provisions for pensions and obligations similar to pensions as required by Austrian tax law. The carrying amounts correspond to the fair value as of the balance sheet date.

Lease receivables result from the project business within the context of PPP projects. The decline in the reporting year resulted, above all, from contractually agreed principal payments.

The receivables from derivative transactions include the positive market values of derivatives in the energy business.

The decline in other non-current assets resulted from the agreement reached between EVN Bulgaria EC and the state-owned Bulgarian electricity company NEK in February 2017. This agreement covered the outstanding receivables for renewable electricity financed in advance by EVN Bulgaria EC (plus default interest).

The reconciliation of the future minimum lease payments to their present value is as follows:

Terms to maturity of lease receivables

EURm

	Remaining term to maturity as of 30.09.2017			Remaining term to maturity as of 30.09.2016		
	Principal components	Interest components	Total	Principal components	Interest components	Total
< 5 years	45.4	9.8	55.2	57.9	11.9	69.8
> 5 years	41.5	6.9	48.4	46.3	7.0	53.4
Total	86.9	16.7	103.7	104.3	18.9	123.2

The total of the principal components corresponds to the capitalised value of the lease receivables. The interest components correspond to the proportionate share of the interest component of the total lease payment and do not represent discounted amounts. The interest components of the lease payments in 2016/17 were reported as interest income on non-current assets.

Current assets

40. Inventories

Inventories

EURm

	30.09.2017	30.09.2016
Primary energy inventories	60.3	49.9
CO ₂ emission certificates	0.5	0.6
Raw materials, supplies, consumables and other inventories	31.1	26.9
Customer orders not yet invoiced	6.4	17.2
Aggregate components	0.2	45.6
Total	98.4	140.2

Primary energy reserves consist mainly of hard coal and natural gas supplies.

The CO₂ emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act, which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note **58. Current provisions**).

The aggregate components were part of the former project for the construction of thermal waste utilisation plant no. 1 in Moscow. Impairment losses of EUR 45.5m were recognised in 2016/17 (previous year: EUR 0.0m). This valuation adjustment was required because the planned alternative use of these aggregate components for other thermal waste utilisation projects no longer appears probable from the current point of view.

No impairment losses were required during the reporting year to reflect the inventory risk arising from low turnover or declining market prices (previous year: impairment loss of EUR 0.5m). This was contrasted by write-ups of EUR 1.2m (previous year: EUR 0.2m). The inventories are not subject to any restrictions on disposal or other encumbrances.

41. Trade and other receivables

Trade and other receivables	30.09.2017	30.09.2016
EURm		
Financial assets		
Trade accounts receivable	280.8	253.0
Receivables from investments in equity accounted investees	15.9	15.4
Receivables from non-consolidated subsidiaries	3.7	5.1
Receivables from employees	9.3	9.3
Receivables arising from derivative transactions	18.0	9.1
Lease receivables	30.6	34.7
Other receivables and assets	27.6	53.8
	385.8	380.5
Other receivables		
Taxes and levies receivable	22.4	33.4
Prepayments	0.8	0.3
	23.2	33.7
Total	409.0	414.1

Trade accounts receivable relate mainly to electricity, natural gas and heating customers.

Receivables from investments in equity accounted investees and receivables from non-consolidated subsidiaries arise primarily from intragroup transactions related to energy supplies as well as Group financing and services provided to those companies.

The receivables from derivative transactions consist chiefly of the positive market values of derivatives in the financial area and energy business.

Other receivables and assets include, among others, receivables from insurances and short-term originated loans.

The carrying amount of trade and other receivables pledged as collateral for EVN's own liabilities amounted to EUR 0.0m (previous year: EUR 0.5m).

Allowances to receivables EURm	30.09.2017			30.09.2016		
	Gross receivables	Allowance	Net receivables	Gross receivables	Allowance	Net receivables
Austria	66.8	10.6	56.2	46.3	6.9	39.4
Germany	27.2	1.4	25.8	23.8	0.4	23.4
Bulgaria	137.0	22.1	114.9	134.7	24.1	110.6
Macedonia	301.6	229.2	72.4	289.5	220.2	69.3
Others	14.0	2.6	11.4	10.4	–	10.4
Total	546.7	265.9	280.8	504.7	251.6	253.0

Maturity of receivables not impaired EURm	30.09.2017	30.09.2016
Not yet due	150.5	126.1
Past due 1–90 days	104.3	58.1
Past due 91–180 days	12.1	32.0
Past due 181–360 days	8.9	29.9
Past due > 360 days	5.0	7.0
Net receivables	280.8	253.0

The allowances to receivables are related primarily to South Eastern Europe. Since receivables in this region may only be written off for tax purposes after a court decision has been issued, collection generally takes a long time. This fact and the high number of pending court cases led to a continual increase in the valuation allowance, which rose by EUR 14.3m in 2016/17 (previous year: EUR 10.9m).

42. Securities

Composition of securities EURm	30.09.2017	30.09.2016
Funds	0.5	75.4
thereof cash funds	–	74.7
thereof other fund products	0.5	0.7
Shares	0.0 ^{*)}	0.0 ^{*)}
Total	0.5	75.4

^{*)} Small amount

The sale of the securities resulted in a loss of EUR 0.1m (previous year: EUR 0.0m). The increase in the stock market prices led to a valuation adjustment of EUR 0.2m in 2016/17, which was recorded in equity without recognition through profit or loss (previous year: EUR 0.1m).

43. Non-current assets held for sale

Assets held for sale in the financial year 2015/16 in the amount of EUR 3.8m are related to the EVN-Pensionskasse Aktiengesellschaft ("EVN-Pensionskasse"), Maria Enzersdorf. The merger of EVN-Pensionskasse Aktiengesellschaft with VBV-Pensionskasse Aktiengesellschaft, as the accepting company, was recorded in the company register on 7 July 2017. This merger transferred EVN-Pensionskasse Aktiengesellschaft to the VBV-Group.

Liabilities

Equity

The development of equity in 2016/17 and 2015/16 is shown on page 113.

44. Share capital

The share capital of EVN AG totals EUR 330.0m (previous year: EUR 330.0m) and is divided into 179,878,402 (previous year: 179,878,402) zero par value bearer shares.

45. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 204.4m (previous year: EUR 204.4m) from capital increases and unappropriated capital reserves of EUR 58.3m (previous year: EUR 58.3m), both in accordance with Austrian stock corporation law.

46. Retained earnings

Retained earnings of EUR 2,126.2m (previous year: EUR 1,949.9m) comprise the proportional share of retained earnings attributable to EVN AG and all other consolidated companies from the date of initial consolidation as well as the proportional share of retained earnings from business combinations achieved in stages.

Dividends are based on the result of EVN AG as reported in the annual financial statements and developed as follows:

Reconciliation of EVN AG's result for the period

EURm

Reported result for the period 2016/17	338.0
Retained earnings from the 2015/16 financial year	0.1
Less additions to voluntary reserves	-254.3
Distributable result for the period	83.7
Proposed dividend	-83.6
Retained earnings for the 2017/18 financial year	0.1

Liabilities do not include the dividend of EUR 0.44 per share plus a one-time bonus dividend of EUR 0.03 per share for the 2016/17 financial year which will be proposed to the Annual General Meeting.

The 88th Annual General Meeting on 19 January 2017 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 74.7m, or EUR 0.42 per share, to the shareholders of EVN AG for the 2015/16 financial year. The dividend payment to shareholders was made on 27 January 2017.

47. Valuation reserves

The valuation reserve contains changes in financial instruments available for sale and cash flow hedges, IAS 19 remeasurements and the proportional share of changes in the equity of investments in equity accounted investees.

In addition, the statement of comprehensive income includes EUR -0.9m (previous year: EUR 0.0m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see **Consolidated statement of comprehensive income**, page 111).

The part of the valuation reserve attributable to equity accounted investees consists primarily of components from cash flow hedges that were recorded under equity as well as revaluations in accordance with IAS 19 and the valuation of AFS instruments. An exception is formed by the valuation adjustments last recognised by WEEV Beteiligungs GmbH in connection with the Verbund shares originally held by WEEV (see note **32. Financial results**).

Valuation reserves EURm	30.09.2017			30.09.2016		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Items recognised under other comprehensive income from						
Available for sale financial instruments	452.5	-113.1	339.4	207.2	-51.8	155.4
Cash flow hedges	-32.0	10.5	-21.5	-45.7	14.8	-30.9
Remeasurements IAS 19	-103.9	25.8	-78.1	-130.5	32.5	-98.0
Investments in equity accounted investees	-12.3	-1.4	-13.6	-1.9	-1.4	-3.3
Total	304.4	-78.1	226.2	29.0	-5.8	23.2

In 2016/17, cash flow hedges totalling EUR 1.7m (previous year: EUR 0.5m) were transferred from other comprehensive income to the consolidated statement of operations. The ineffective part of the cash flow hedges resulted in expenses of EUR 0.0m as of the balance sheet date (previous year: EUR 0.1m).

48. Treasury shares

The 87th Annual General Meeting approved the premature termination of the share buyback programme that started on 16 January 2014 and authorised the Executive Board to carry out a new share buyback programme for up to 10% of EVN's share capital over a period of 30 months. The Executive Board made use of this authorisation and approved the repurchase of up to 1,000,000 shares, representing up to 0.556% of the current share capital. By resolution of 5 October 2016 the Executive Board prematurely terminated this share buyback programme. The Executive Board is currently not using the authorisation provided by the 87th Annual General Meeting for the purchase of treasury shares.

No treasury shares were purchased in 2016/17. In the previous year, 110,800 shares (representing 0.06% of share capital) were purchased for a total of EUR 1.1m; these shares had a market value of EUR 1.2m on the balance sheet date. A total of 85,215 treasury shares were sold during the reporting year to permit their issue as a special payment in accordance with a company agreement (previous year: 133,050 shares). EVN AG is not entitled to any rights arising from treasury shares. In particular, these shares are not entitled to dividends.

The number of shares outstanding developed as follows:

Reconciliation of the number of outstanding shares	Zero par value shares	Treasury shares	Outstanding shares
30.09.2015	179,878,402	-2,058,319	177,820,083
Purchase of treasury shares	-	-110,800	-110,800
Disposal of treasury shares	-	133,050	133,050
30.09.2016	179,878,402	-2,036,069	177,842,333
Purchase of treasury shares	-	-	-
Disposal of treasury shares	-	85,215	85,215
30.09.2017	179,878,402	-1,950,854	177,927,548

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 177,856,536 shares (previous year: 177,763,333 shares).

49. Non-controlling interests

The item "Non-controlling interests" comprises the non-controlling interests in the equity of fully consolidated subsidiaries.

The following table shows information about each fully consolidated subsidiary of EVN with material non-controlling interests before intercompany eliminations:

Financial information of subsidiaries with material non-controlling interests	30.09.2017			30.09.2016		
	RBG	BUHO	EVN Macedonia	RBG	BUHO	EVN Macedonia
EURm						
Subsidiaries						
Non-controlling interests in per cent	49.97%	26.37%	10.00%	49.97%	26.37%	10.00%
Carrying amount of non-controlling interests	198.2	39.5	20.0	197.1	36.7	17.8
Result attributable to non-controlling interests	21.7	4.5	2.1	21.1	2.7	2.7
Dividends attributable to non-controlling interests	19.0	2.5	–	17.5	2.2	–
Statement of financial position						
Non-current assets	396.2	186.3	295.7	394.0	176.6	289.9
Current assets	0.2	9.4	96.8	0.1	8.4	95.3
Non-current liabilities	–	0.5	104.8	–	–	120.4
Current liabilities	0.1	0.0 ^{*)}	89.5	0.0 ^{*)}	0.0 ^{*)}	87.9
Statement of operations						
Revenue	–	0.0 ^{*)}	345.1	–	0.0 ^{*)}	357.4
Result after income tax	43.4	17.2	21.1	42.3	10.1	26.7
Net cash flows						
Net cash flow from operating activities	38.1	10.6	45.8	35.0	9.4	58.4
Net cash flow from investing activities	–	–	–22.8	–	–	–20.2
Net cash flow from financing activities	–38.0	–9.5	–20.2	–35.1	–8.3	–23.8

*) Small amount

Non-current liabilities

50. Non-current loans and borrowings

Breakdown of non-current loans and borrowings	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2017 EURm	Carrying amount 30.09.2016 EURm	Fair value 30.09.2017 EURm
Bonds				532.0	550.3	637.1
EUR bond	5.250	2009–2019	EUR 30.0m	29.9	29.8	32.4
EUR bond	4.250	2011–2022	EUR 293.0m	286.2	284.7	341.8
JPY bond	3.130	2009–2024	JPY 12.0bn	93.5	113.5	104.3
EUR bond	4.125	2012–2032	EUR 100.0m	97.9	97.7	126.9
EUR bond	4.125	2012–2032	EUR 25.0m	24.6	24.6	31.7
Bank loans (incl. promissory note loans)	0.07–4.99	until 2047	–	593.3	764.2	651.5
Total				1,125.4	1,314.5	1,288.6

The maturity structure of the non-current loans and borrowings is as follows:

Maturity of non-current loans and borrowings	Remaining term to maturity as of 30.09.2017			Remaining term to maturity as of 30.09.2016		
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
EURm						
Bonds	316.1	216.0	532.0	29.8	520.4	550.3
thereof fixed interest	316.1	122.4	438.5	29.8	406.9	436.8
thereof variable interest	–	93.5	93.5	–	113.5	113.5
Bank loans	204.0	389.3	593.3	310.6	453.6	764.2
thereof fixed interest	199.2	381.2	580.4	226.2	431.7	657.9
thereof variable interest	4.8	8.1	12.9	84.4	21.9	106.3
Total	520.1	605.3	1,125.4	340.4	974.0	1,314.5

Bonds

All bonds involve bullet repayment on maturity. The foreign currency bond is hedged against interest and foreign exchange risk by means of cross currency swaps.

The bonds are carried at amortised cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. In accordance with IAS 39, hedged liabilities are adjusted to reflect the corresponding change in the fair value of the hedged risk in cases where hedge accounting is applied. The resulting change in the bond liability is offset by a contrary development in the fair value of the swaps. The results from the cross currency swap concluded to hedge the JPY bond totalled EUR –1.1m in 2016/17 (thereof EUR 20.5m for valuation of the bond and EUR –21.6m for the valuation of the swap; previous year: EUR 2.4m earnings effect, thereof EUR –14.1m for valuation of the bond and EUR 16.5m for the valuation of the swap). The fair value was calculated on the basis of available market information for the respective bond price and the exchange rate as of the balance sheet date.

Bank loans

The loans consist of general borrowings from banks and loans, which are subsidised in part by interest and redemption grants from the Austrian Environment and Water Industry Fund. This position also includes the EUR 121.5m promissory note loans that were issued in October 2012.

Accrued interest expense is included under other current liabilities.

51. Deferred taxes

Deferred taxes	30.09.2017	30.09.2016
EURm		
Deferred tax assets		
Employee-related provisions	-45.1	-53.2
Tax loss carryforwards	-11.8	-9.5
Investment depreciation	-51.9	-61.2
Property, plant and equipment	-37.2	-38.9
Financial instruments	-17.5	-25.3
Provisions	-6.8	-10.7
Other deferred tax assets	-0.3	-4.8
Deferred tax liabilities		
Property, plant and equipment	14.2	25.1
Intangible assets	0.1	12.8
Untaxed reserves	32.6	25.7
Financial instruments	116.6	41.2
Provisions	81.8	75.3
Other deferred tax liabilities	17.7	16.0
Total	92.2	-7.3
thereof deferred tax assets	-79.6	-100.5
thereof deferred tax liabilities	171.8	93.2

Deferred taxes developed as follows:

Changes in deferred taxes	2016/17	2015/16
EURm		
Deferred taxes on 01.10.	-7.3	-55.2
- Changes resulting from currency translation differences and other changes	0.1	3.8
- Changes in deferred taxes recognised through profit and loss	27.0	19.6
- Changes in deferred taxes recognised directly in equity from the valuation reserve	72.3	24.6
Deferred taxes on 30.09.	92.2	-7.3

Losses for which deferred tax assets were recognised can be used over the coming years based on projected tax results. Deferred tax assets of EUR 93.8m (previous year: EUR 84.8m) related to loss carryforwards were not recognised because they are not expected to be used within the foreseeable future. Of this total, EUR 2.7m will expire during the next five years (previous year: EUR 3.2m). The remaining loss carryforwards that were not capitalised can be carried forward for an indefinite period of time.

Deferred tax liabilities of EUR 97.8m (previous year: EUR 70.5m) on temporary differences of EUR 397.9m (previous year: EUR 284.4m) were not recognised because these differences will remain tax-free in the foreseeable future. These temporary differences arise from differences between the tax base of the participation interest and the proportional share of equity owned, respectively between the tax base of the participation interest and the carrying amount of the equity accounted investees (outside basis differences).

52. Non-current provisions

Non-current provisions	30.09.2017	30.09.2016
EURm		
Provisions for pensions	250.4	282.0
Provisions for obligations similar to pensions	22.8	24.8
Provisions for severance payments	90.1	95.1
Other non-current provisions	89.3	106.1
Total	452.6	508.0

The amounts reported for the provisions for pensions and for obligations similar to pensions as well as for provisions for severance payments were generally calculated on the basis of the following parameters:

- Interest rate 1.85% p. a. (previous year: 1.35% p. a.)
- Remuneration increases 2.00% p. a.; in subsequent years 2.00% p. a. (previous year: remuneration increases 2.00% p. a., in subsequent years 2.00% p. a.)
- Pension increases 2.00% p. a.; in subsequent years 2.00% p. a. (previous year: pension increases 2.00% p. a., in subsequent years 2.00% p. a.)
- Austrian mortality tables ("Rechnungsgrundlagen AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler"), also used in the previous year

Reconciliation of provisions for pensions	2016/17	2015/16
EURm		
Present value of pension obligations (DBO) as of 01.10.	282.0	259.6
+ Service costs	-0.5	2.2
+ Interest costs	3.8	6.3
- Pension payments	-14.9	-15.2
+/- Actuarial loss/gain	-20.0	29.1
thereof		
demographic assumptions	-	-
financial assumptions	-17.3	36.1
assumptions based on experience	-2.6	-7.0
Present value of pension obligations (DBO) as of 30.09.	250.4	282.0

As of 30 September 2017, the weighted average remaining term equalled 13.0 years for the pension obligations (previous year: 13.6 years). Payments for pensions are expected to total EUR 15.1m in 2017/18 (previous year: EUR 15.1m).

Reconciliation of the provision for obligations similar to pensions	2016/17	2015/16
EURm		
Present value of the provision for obligations similar to pensions (DBO) as of 01.10.	24.8	20.5
+ Service costs	0.6	0.5
+ Interest costs	0.3	0.5
- Payments	-0.8	-0.9
+/- Actuarial loss/gain	-2.0	4.2
thereof		
demographic assumptions	-	-
financial assumptions	-2.1	4.2
assumptions based on experience	0.2	0.0 ^{*)}
Present value of the provision for obligations similar to pensions (DBO) as of 30.09.	22.8	24.8

*) Small amount

As of 30 September 2017, the weighted average remaining term equalled 17.4 years for the obligations similar to pensions (previous year: 18.4 years). Payments for obligations similar to pensions are expected to total EUR 0.6m in 2017/18 (previous year: EUR 0.8m).

Reconciliation of the provision for severance payments		
EURm	2016/17	2015/16
Present value of severance payment obligations (DBO) as of 01.10.	95.1	90.3
– Currency translation differences	0.0 ^{y)}	0.0 ^{y)}
+ Service costs	3.5	3.8
+ Interest costs	1.4	2.3
– Severance payments	–6.0	–6.8
+/- Actuarial loss/gain	–4.0	5.4
thereof		
demographic assumptions	–0.0 ^{y)}	–
financial assumptions	–3.2	7.1
assumptions based on experience	–0.8	–1.7
Present value of severance payment obligations (DBO) as of 30.09.	90.1	95.1

As of 30 September 2017, the weighted average remaining term of the severance payment obligations equalled 9.1 years (previous year: 9.6 years). Severance payments are expected to total EUR 6.3m in 2017/18 (previous year: EUR 5.4m).

A change in the actuarial parameters (ceteris paribus) would have the following effect on the provisions for pensions and obligations similar to pensions as well as the provisions for severance payments:

Sensitivity analysis for provisions for pensions		30.09.2017		30.09.2016	
%	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	6.95	–6.18	7.36	–6.53
Remuneration increases	1.00	–2.68	2.88	–2.93	3.19
Pension increases	1.00	–10.20	12.42	–10.66	13.06
Remaining life expectancy	1 year	–4.79	4.89	–4.93	5.03

Sensitivity analysis for provisions for obligations similar to pensions		30.09.2017		30.09.2016	
%	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	9.40	–8.20	10.05	–8.70
Remuneration increases	1.00	–	–	–	–
Pension increases	1.00	–12.49	15.63	–13.02	16.40
Remaining life expectancy	1 year	–4.04	4.06	–4.22	4.25

Sensitivity analysis for provisions for severance payments

%	30.09.2017		30.09.2016		
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50	4.68	-4.37	5.00	-4.64
Remuneration increases	1.00	-9.38	10.62	-9.90	11.30

The sensitivity analysis was carried out separately for each key actuarial parameter. Only one parameter was changed at a time during the examination, while the other variables remained constant (*ceteris paribus*). The calculation of the changed obligation reflected the calculation of the actual obligation. The analytical capacity of this method is limited because the interdependencies between the individual actuarial parameters are not taken into account. With respect to the severance compensation obligations, a sensitivity analysis was not carried out for the remaining life expectancy because this parameter has only an immaterial effect on the liability.

Reconciliation of other non-current provisions

EURm

	Service anniversary bonuses	Rents for network access	Process costs and risks	Environmental and disposal risks	Other non-current provisions	Total
Carrying amount 01.10.2016	22.9	6.4	14.7	56.8	3.5	106.1
Currency translation differences	0.0 ^{*)}	–	–	–	0.0 ^{*)}	0.0 ^{*)}
Interest expense	0.4	0.0 ^{*)}	0.0 ^{*)}	0.7	0.0 ^{*)}	1.2
Use	-1.2	–	-3.0	-7.6	-1.1	-12.9
Release	-0.4	-0.2	-5.4	-0.8	-3.1	-10.0
Additions	0.6	0.1	2.2	0.9	4.4	8.1
Transfers	–	0.0 ^{*)}	0.1	0.0 ^{*)}	-0.2	-0.1
Reclassification	-0.1	0.0 ^{*)}	0.1	-1.3	–	-3.1
Carrying amount 30.09.2017	22.1	6.4	8.7	48.5	3.5	89.3

*) Small amount

Rents for network access involve provisions for rents to gain access to third-party facilities in Bulgaria. Various legal proceedings and lawsuits, which for the most part arise from operating activities and are currently pending, are reported under process costs and risks. Environmental and disposal risks primarily encompass the estimated costs for demolition or disposal as well as provisions for environmental risks and risks related to contaminated sites. At the present time, the use of the provisions for environmental and disposal risks is expected within a timeframe of two to 29 years.

53. Deferred income from network subsidies

The investment subsidies are related primarily to heating plants, facilities of evn wasser, small hydropower plants and windpower plants of EVN Naturkraft and facilities of Netz NÖ.

Deferred income from network subsidies

EURm

	Network subsidies	Investment subsidies	Total
Carrying amount 01.10.2016	496.3	64.4	560.7
Currency translation differences	0.0 ^{*)}	–	0.0 ^{*)}
Additions	65.0	7.7	72.7
Release	-5.3	-0.0 ^{*)}	-5.3
Transfers	-38.6	-5.4	-44.0
Carrying amount 30.09.2017	517.4	66.7	584.1

*) Small amount

54. Other non-current liabilities

Other non-current liabilities	30.09.2017	30.09.2016
EURm		
Leases	12.7	14.3
Accruals from financial transactions	1.1	1.5
Liabilities from derivative transactions	32.2	37.3
Remaining other non-current liabilities	12.4	11.2
Total	58.3	64.3

Leases are related mainly to the long-term utilisation of heating networks and heat generation plants. The accruals from financial transactions are related to present value advantages from lease-and-lease-back transactions in connection with electricity procurement rights from the Danube power plants.

The liabilities from derivative transactions include the negative fair values from hedges concluded for bonds, which are contrasted in part by the development of the bond liability, and for project financing related to the Walsum 10 power plant.

The remaining other non-current liabilities include, among others, accrued tax liabilities related to the tax group in Austria, accrued long-term electricity delivery obligations and non-current prepayments made by customers.

Term to maturity of other non-current liabilities

	Remaining term to maturity as of 30.09.2017			Remaining term to maturity as of 30.09.2016		
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Leases	6.6	6.1	12.7	7.3	7.0	14.3
Accruals from financial transactions	1.1	–	1.1	1.5	0.0 ^{*)}	1.5
Liabilities from derivative transactions	26.4	5.8	32.2	25.1	12.2	37.3
Remaining other non-current liabilities	3.8	8.6	12.4	3.7	7.6	11.2
Total	37.9	20.5	58.3	37.5	26.8	64.3

*) Small amount

Current liabilities

55. Current loans and borrowings

Bank overdrafts are included under cash and cash equivalents in the consolidated statement of cash flows.

Current loans and borrowings	30.09.2017	30.09.2016
EURm		
Bank loans	49.2	75.5
Bond liabilities	–	149.9
Bank overdrafts and other current loans	1.3	13.7
Total	50.5	239.1

Loans of EUR 49.2m were reclassified to current financial liabilities because they are now due within one year (previous year: EUR 75.5m).

56. Taxes payable and levies

Taxes payable and levies as of the balance sheet date comprise the following:

Taxes payable and levies	30.09.2017	30.09.2016
EURm		
Energy taxes	30.8	24.2
Value added tax	18.7	16.5
Corporate income tax	10.1	5.5
Other taxes and duties	8.1	9.0
Total	67.6	55.2

57. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 80.7m (previous year: EUR 84.4m).

58. Current provisions

Reconciliation of current provisions	Personnel entitlements	Onerous contracts	Rents for network access	Process risks	Other current provisions	Total
EURm						
Carrying amount 01.10.2016	76.7	5.2	2.8	4.4	8.7	97.8
Currency translation differences	0.0 ^{*)}	–	–	–0.0 ^{*)}	0.0 ^{*)}	0.0 ^{*)}
Use	–10.3	–11.3	–	–1.4	–2.2	–25.3
Release	–	–	–	–0.0 ^{*)}	–1.4	–1.4
Additions	9.2	5.4	–	0.4	2.6	17.6
Transfers	–	–	–0.0 ^{*)}	–0.1	0.4	0.3
Reclassification	–0.6	1.8	–0.0 ^{*)}	–0.1	1.5	2.5
Carrying amount 30.09.2017	75.0	1.1	2.7	3.1	9.7	91.6

^{*)} Small amount

The provisions for personnel entitlements comprise special payments not yet due, outstanding leave and liabilities resulting from a voluntary early retirement programme for employees. The provisions for legally binding agreements totalled EUR 7.8m as of the balance sheet date (previous year: EUR 8.8m).

59. Other current liabilities

Other current liabilities	30.09.2017	30.09.2016
EURm		
Financial liabilities		
Liabilities to investments in equity accounted investees	149.8	134.7
Liabilities to non-consolidated subsidiaries	2.8	10.4
Deferred interest expenses	15.5	17.6
Liabilities arising from derivative transactions	33.3	18.8
Other financial liabilities	77.2	143.7
	278.6	325.1
Other liabilities		
Prepayments received	45.5	65.4
Deferred income from network subsidies	47.8	46.4
Liabilities relating to social security	17.0	16.4
	110.3	128.3
Total	388.9	453.4

The liabilities to investments in equity accounted investees consist primarily of cash pooling balances between EVN AG and these companies as well as amounts due to EAA for the distribution and procurement of electricity.

The liabilities from derivative transactions include, in particular, the negative market values of derivatives in the energy business.

The other financial liabilities include a liability of EUR 36.2m (previous year: EUR 45.8m) related to a tariff decision in Bulgaria on 1 July 2014, which requires the repayment of revenue from previous periods. The other components of this position include accrued interest, employee-related liabilities and deposits received.

The decline in miscellaneous other financial liabilities is related to the arbitration decision on the Walsum 10 power plant project. It resulted in the derecognition of a liability amounting to EUR 60.9m, which was created in 2013 following the use of the contract performance guarantee by the project company.

Other liabilities include the following: prepayments received to cover the costs of electricity, natural gas and heating supplies; prepayments to cover the installation of customer equipment; obligations to social security carriers; and subsidies received for construction costs and investments that will be recognised to revenue within one year.

Segment reporting

Segment reporting								
EURm	Energy		Generation		Networks		South East Europe	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
External revenue	512.0	448.5	53.7	46.0	497.9	434.2	957.5	949.4
Internal revenue (between segments)	8.4	15.0	186.3	175.7	68.8	58.7	0.5	0.3
Total revenue	520.5	463.4	240.0	221.7	566.7	492.9	958.0	949.7
Operating expenses	-518.1	-553.8	-125.1	-113.5	-273.8	-272.3	-790.6	-820.2
Share of results from equity accounted investees operational	99.4	62.1	-11.1	-34.1	-	-	-	-
EBITDA	101.8	-28.3	103.7	74.1	292.9	220.6	167.3	129.5
Depreciation and amortisation	-27.9	-17.4	-110.7	-69.2	-115.2	-110.3	-86.3	-94.1
thereof impairment losses	-9.7	-2.1	-61.1	-15.9	-	-0.1	-24.0	-31.3
thereof revaluation	1.3	2.6	0.2	1.4	-	0.1	-	-
Results from operating activities (EBIT)	73.9	-45.7	-7.0	4.8	177.6	110.3	81.0	35.4
EBIT margin (%)	14.2	-9.9	-2.9	2.2	31.3	22.4	8.5	3.7
Share of results from equity accounted investees financial	-	-	-	-	-	-	-	-
Interest income	0.2	0.2	8.0	0.9	0.2	0.2	0.4	0.4
Interest expense	-2.9	-4.2	-15.8	-20.7	-16.9	-17.7	-21.6	-23.7
Financial results	-2.7	-4.7	-10.0	-22.4	-16.6	-17.5	-23.0	-23.3
Result before income tax	71.2	-50.3	-17.0	-17.6	161.0	92.8	58.0	12.1
Goodwill	-	-	-	-	1.8	1.8	-	-
Carrying value of investments in equity accounted investees	190.7	146.6	70.1	79.7	-	-	-	-
Total assets	696.3	682.0	923.4	1,094.5	1,921.3	1,883.5	1,161.1	1,184.1
Liabilities	599.2	585.1	662.6	845.0	1,317.2	1,357.1	937.6	1,006.3
Investments ¹⁾	20.0	26.0	26.3	33.8	153.3	154.7	92.0	93.5

1) In intangible assets and property, plant and equipment

Segment reporting

EURm	Environment		All Other Segments		Consolidation ²⁾		Total	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
External revenue	181.0	158.4	13.4	10.1	–	–	2,215.6	2,046.6
Internal revenue (between segments)	16.5	18.3	59.5	58.1	–340.0	–326.1	–	–
Total revenue	197.5	176.8	73.0	68.2	–340.0	–326.1	2,215.6	2,046.6
Operating expenses	–207.7	–137.0	–80.7	–74.8	339.6	436.1	–1,656.6	–1,535.6
Share of results from equity accounted investees operational	13.9	13.3	60.4	52.2	–	–	162.6	93.5
EBITDA	3.7	53.1	52.7	45.6	–0.4	109.9	721.6	604.4
Depreciation and amortisation	–24.9	–25.8	–1.4	–1.6	–8.4	–25.6	–374.8	–344.0
thereof impairment losses	–	–	–0.0 ^{*)}	–0.0 ^{*)}	–19.1	–32.6	–113.9	–82.0
thereof revaluation	–	–	–	–	–	–	1.4	4.1
Results from operating activities (EBIT)	–21.2	27.3	51.2	43.9	–8.8	84.3	346.9	260.4
EBIT margin (%)	–10.7	15.5	70.2	64.4	–0.0 ^{*)}	–	15.7	12.7
Share of results from equity accounted investees financial	–	–	12.2	–8.7	–	–	12.2	–8.7
Interest income	8.1	10.5	28.6	31.9	–25.9	–27.3	19.5	16.7
Interest expense	–9.9	–9.8	–24.2	–28.6	25.9	27.3	–65.4	–77.4
Financial results	–1.6	–2.5	45.6	22.1	–13.0	–13.4	–21.4	–61.6
Result before income tax	–22.8	24.8	96.8	66.1	–21.8	71.0	325.5	198.9
Goodwill	54.0	54.0	–	–	–	–	55.8	55.8
Carrying value of investments in equity accounted investees	106.7	97.8	587.3	601.7	–	–	954.8	925.8
Total assets	816.4	895.1	3,040.0	2,720.8	–2,103.7	–1,903.5	6,454.9	6,556.5
Liabilities	637.1	687.1	1,265.8	1,226.5	–2,114.8	–1,921.2	3,304.8	3,785.8
Investments ¹⁾	11.6	8.4	2.3	1.9	–1.7	–2.9	303.8	315.4

1) In intangible assets and property, plant and equipment

2) Explained below in the notes to segment reporting

*) Small amount

Segment information by product – revenue

EURm	2016/17	2015/16
Electricity	1,548.2	1,472.8
Natural gas	219.3	161.1
Heat	135.1	125.2
Environmental services	181.0	158.4
Others	132.0	129.0
Total	2,215.6	2,046.6

Segment information by country – revenue¹⁾

EURm	2016/17	2015/16
Austria	1,169.4	1,025.6
Germany	66.1	52.5
Bulgaria	571.4	568.2
Macedonia	384.9	382.3
Others	23.9	18.0
Total	2,215.6	2,046.6

1) The allocation of segment information by countries is based on the location of the companies.

Segment information by country – non-current assets¹⁾

EURm	30.09.2017		30.09.2016	
	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	107.1	2,381.7	124.7	2,375.9
Germany	45.1	197.0	45.2	328.7
Bulgaria	20.6	470.6	47.5	480.5
Macedonia	4.3	293.4	3.7	288.4
Others	0.0 ^{*)}	40.8	0.0 ^{*)}	39.1
Total	177.1	3,383.6	221.2	3,512.5

1) The allocation of segment information by countries is based on the location of the companies.

*) Small amount

60. Notes to segment reporting

The segments of business cover the following activities:

Business areas	Segments	Major activities
Energy business	Energy	<ul style="list-style-type: none"> → Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in ENERGIEALLIANZ Austria GmbH¹⁾ → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)¹⁾
	Generation	<ul style="list-style-type: none"> → Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations → 13.0% investment in Verbund Innkraftwerke GmbH (Germany)¹⁾ → 49.0% investment in Walsum 10 hard coal power plant (Germany)²⁾ → 49.99% investment in Ashta run-of-river power plant (Albania)¹⁾
	Networks	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	<ul style="list-style-type: none"> → Operation of distribution networks and network infrastructure for electricity in Bulgaria and Macedonia → Sale of electricity to end customers in Bulgaria and Macedonia → Generation of electricity from hydropower in Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	<ul style="list-style-type: none"> → Water supply and wastewater disposal in Lower Austria → Operation of a thermal waste utilisation plant in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation
Other business activities	All Other Segments	<ul style="list-style-type: none"> → 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in Rohöl-Aufsuchungs Aktiengesellschaft (RAG)¹⁾ → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG¹⁾ → 12.63% investment in Verbund AG³⁾ → Corporate services

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.

2) The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft is accounted for as a joint operation.

3) Dividends are included under financial results.

Principle of segment allocation and transfer pricing

Subsidiaries are allocated directly to their respective segments. EVN AG is allocated to the segments on the basis of data from the cost accounting system.

The transfer prices for energy between the individual segments are based on comparable prices for special contract customers, and thus represent applicable market prices. For the remaining items, pricing is based on cost plus an appropriate mark-up.

Reconciliation of segment results at the Group level

Services performed between segments are eliminated in the consolidation column. The results in the total column reflect the amounts shown in the consolidated statement of operations. Also included are transition amounts, which result from the difference between the viewpoints of the Generation and Energy Segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation Segment has not identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required from the Group's point of view. These circumstances led to a transition of EUR –8.8m (previous year: EUR 84.3m) from the segment total to Group EBIT.

Group disclosures

IFRS 8 requires additional segment information classified by products (external revenues from customers broken down by products and services) and countries (external revenues from customers and non-current assets broken down by countries) if this information is not provided as part of the segment reporting.

Information on transactions with major external customers is required only if these transactions amount to 10.0% or more of a company's external revenues. EVN has no transactions with customers that meet this criterion because of its large number of customers and diverse business activities.

Other information

61. Consolidated statement of cash flows

The consolidated statement of cash flows shows the changes in cash and cash equivalents during the reporting year as a result of cash inflows and outflows. The consolidated statement of cash flows is presented in accordance with the indirect method. Non-cash expenses were added to and non-cash income was subtracted from profit before income tax.

Cash and cash equivalents		
EURm	30.09.2017	30.09.2016
Cash	223.1	237.2
thereof cash on hand	0.6	0.5
thereof cash at banks	222.4	236.7
Bank overdrafts	-1.3	-13.7
Total	221.8	223.5

Of the total deposits with financial institutions, EUR 0.2m (previous year: EUR 2.5m) represent pledges.

62. Risk management

Interest rate risk

EVN defines interest rate risk as the risk that fluctuations in the fair value or future cash flows of a financial instrument due to changes in the market interest rate could adversely affect interest income and expense as well as equity. This risk is minimised through the regular monitoring of interest rate risk and compliance with limits as well as hedging strategies that include the use of derivative financial instruments (also see notes **9. Financial instruments** and **64. Reporting on financial instruments**).

EVN monitors interest rate risk through sensitivity analyses, among others with a daily value-at-risk (VaR) calculation. This procedure calculates the VaR with a confidence level of 99.0% for one day according to the variance-covariance method (delta-gamma approach). The interest VaR, including the hedging instruments used by EVN, equalled EUR 4.5m as of 30 September 2017 (previous year: EUR 6.6m). The lower volatility of interest rates during the reporting year and the premature repayment of non-current financial liabilities were reflected in a year-on-year decline in the value at risk for interest rates.

Foreign exchange risk

For EVN, the risk to profit or loss arising from fluctuations in foreign exchange rates arises from transactions carried out in currencies other than the euro. EVN is exposed to foreign exchange risk on receivables, liabilities, and cash and cash equivalents that are not held in the Group's functional currency (BGN, HRK, JPY, MKD, PLN, RUB). The most significant driver of foreign exchange risk for EVN is a bond issued in Japanese yen (JPY). Foreign exchange risk is managed by way of the central compilation, analysis and management of risk positions, and by hedging the bond denominated in foreign currencies through cross currency swaps (see notes **9. Financial instruments** and **50. Non-current loans and borrowings**).

The foreign exchange VaR, based on the major foreign currency risk drivers in the financial area, remains immaterial and amounted to TEUR 2.4 (previous year: TEUR 9.2) after the inclusion of hedging instruments.

Other market risks

EVN defines other market risks as the risk of price changes resulting from market fluctuations in primary energy, CO₂ emission certificates, electricity and securities.

In EVN's energy trading activities, energy trading contracts are entered into for the purpose of managing price risk. Price risks result from the procurement and sale of electricity, natural gas, hard coal, and CO₂ emission certificates.

For price hedging purposes in the energy sector, EVN uses both financial derivatives, which are invariably converted to cash, as well as commodity derivatives, which are generally based on physical delivery. Commodity derivatives are differentiated by contracts subject to a

possible further optimisation and contracts under the expected purchase, sale or usage requirements for the supply of customers, EVN's facilities or the marketing of energy produced in EVN facilities (own use). The table on page 173 shows the outstanding contracts from optimisation as of 30 September 2017 (also see note **64. Reporting on financial instruments**).

The price risk for securities results from fluctuations on the capital markets. The most significant securities position held by EVN is its investment in Verbund AG. The price risk VaR for the Verbund AG shares held by EVN as of the balance sheet date was EUR 28.1m (previous year: EUR 27.0m), whereby the price would be influenced by the sale of a large block of Verbund shares by EVN. The year-on-year increase in the VaR resulted essentially from the position's higher share price/market value.

Liquidity risk

Liquidity risk represents the risk of not being able to raise the required financial resources to settle liabilities on their due date as well as the inability to raise the necessary liquidity at the expected terms and conditions. EVN minimises this risk by means of short-term and medium-term financial and liquidity planning. In concluding financing agreements, special attention is paid to managing the terms to maturity in order to achieve a balanced maturity profile and thus avoid the bundling of repayment dates. The EVN Group uses cash pooling to equalise liquidity balances.

As of the balance sheet date, the liquidity reserve consisted of liquid assets in the amount of EUR 222.3m (previous year: EUR 298.9m). Moreover, EVN had EUR 400.0m of contractually agreed and unused syndicated lines of credit (previous year: unused lines of credit total-ling EUR 400.0m) and EUR 97.0m of contractually agreed and unused bilateral lines of credit (previous year: EUR 122.0m) as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 38.5% as of the balance sheet date (previous year: 55.0%) and underscores EVN's sound capital structure.

Expected occurrence of cash flows of loans and borrowings and other liabilities

2016/17 financial year					
EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	532.0	694.6	22.3	400.6	271.8
Bank loans	642.5	779.2	62.9	251.0	465.3
Lease liabilities	14.8	16.4	2.0	8.2	6.2
Liabilities arising from derivative transactions	65.5	70.5	31.2	25.1	14.2
Total	1,254.8	1,560.7	118.4	684.9	757.4
2015/16 financial year					
EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows		
			< 1 year	1–5 years	> 5 years
Bonds	700.1	896.5	180.5	117.8	598.1
Bank loans	839.7	995.3	92.9	363.3	539.2
Lease liabilities	16.5	18.4	2.2	9.7	6.5
Liabilities arising from derivative transactions	56.1	57.8	18.4	30.3	9.1
Total	1,612.4	1,968.0	294.1	521.1	1,152.9

Credit risk

Credit and default risk represents the risk of a loss when business partners fail to meet their contractual obligations. This risk is inherent to all agreements with delayed payment terms or fulfilment at a later date. To limit default risk, the company evaluates the credit standing of its business partners. External ratings (including Standard & Poor's, Moody's, Fitch and KSV 1870) are used for this purpose, and the business volume is limited in accordance with the rating and the probability of default. Sufficient collateral is required before a transaction is entered into if the partner's credit rating is inadequate.

EVN monitors credit risk and limits default risk for financial receivables and for derivatives and forward transactions which are concluded to hedge the risks connected with EVN's energy business or are related to end customers and other debtors.

In order to reduce credit risk, hedging transactions are entered into only with well-known banks that have good credit ratings. EVN also ensures that funds are deposited at banks with the best possible credit standing based on international ratings.

The default risk for customers is monitored separately at EVN and supported primarily by ratings and values derived from experience. Credit risks are taken into account through individual and general bad debt allowances. Default risk is also minimised with efficient receivables management and the continuous monitoring of customer payment behaviour.

Impairment losses by class	30.09.2017	30.09.2016
EURm		
Write-offs/value adjustments		
Non-current assets		
Loans receivable	–	0.3
	–	0.3
Current assets		
Receivables	23.1	20.7
Total	23.1	21.0

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2017 and 30 September 2016 reflect the carrying amounts shown in notes **39. Other non-current assets**, **41. Trade and other receivables** and **42. Securities**, excluding financial guarantees.

The maximum default risk for derivative financial instruments equals the positive fair value (see note **64. Reporting on financial instruments**).

The maximum risk from financial guarantees is described in note **66. Other obligations and risks**.

63. Capital management

EVN's goal in the area of capital management is to maintain a solid capital structure in order to use the resulting financial strength for value-creating investments and an attractive dividend policy. EVN has defined an equity ratio of more than 40% and net debt coverage of more than 30% as its targets. As of 30 September 2017, the equity ratio equalled 48.8% (previous year: 42.3%). Net debt coverage, which represents the ratio of funds from operations to net debt equalled 48.7% (previous year: 37.3%). Net debt is calculated as the total of current and non-current financial liabilities minus cash and cash equivalents, current and non-current securities and originated loans and plus non-current employee-related provisions.

Capital management		
EURm	30.09.2017	30.09.2016
Non-current loans and borrowings	1,125.4	1,314.5
Current loans and borrowings ¹⁾	49.2	225.4
Cash and cash equivalents	-221.8	-223.5
Non-current and current securities	-59.0	-158.4
Non-current and current loans receivable	-43.9	-36.5
Net financial debt	849.9	1,121.5
Non-current personnel provisions ²⁾	363.3	401.8
Net debt	1,213.2	1,523.3
Funds from operations	591.2	568.7
Equity	3,150.1	2,770.7
Gearing (%)	38.5	55.0
Net debt coverage (%)	48.7	37.3

1) Excluding bank overdrafts contained in cash and cash equivalents.

2) Excluding service anniversary bonuses

The EVN Group uses cash pooling to manage liquidity and optimise interest rates. EVN AG and each of the participating Group subsidiaries have concluded a corresponding contract that defines the modalities for cash pooling.

64. Reporting on financial instruments

Fair value generally reflects the listed price on the balance sheet date. If this price is not available, fair value is calculated in accordance with financial methods, e.g. by discounting the expected cash flows at the prevailing market interest rate. The input factors required for the calculations are explained below.

The fair value of shares in unlisted subsidiaries and other investments is based on discounted expected cash flows or comparable transactions. For financial instruments listed on an active market, the trading price as of the balance sheet date represents fair value. Most of the receivables, cash and cash equivalents, and current financial liabilities have short terms to maturity. Therefore, the carrying value of these instruments as of the balance sheet date approximately corresponds to fair value. The fair value of bonds is calculated as the present value of the discounted future cash flows based on prevailing market interest rates.

The following table shows the financial instruments carried at fair value and their classification in the fair value hierarchy according to IFRS 13.

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

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

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

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

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 13)	30.09.2017		30.09.2016	
			Carrying amount	Fair value	Carrying amount	Fair value
Non-current assets						
Other investments						
Investments	AFS	Level 3	36.8	36.8	9.8	–
Miscellaneous investments	AFS	Level 1	875.2	875.2	595.7	595.7
Other non-current assets						
Securities	@FVTPL	Level 1	58.4	58.4	82.9	82.9
Loans receivable	LAR	Level 2	40.6	48.4	30.9	39.5
Lease receivables	LAR	Level 2	86.9	99.6	104.3	118.0
Receivables arising from derivative transactions	@FVTPL	Level 2	8.0	8.0	6.3	6.3
Receivables arising from derivative transactions	Hedging	Level 2	1.0	1.0	16.2	16.2
Remaining other non-current assets	LAR		0.5	0.5	58.6	58.6
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR		367.8	367.8	371.6	371.6
Receivables arising from derivative transactions	@FVTPL	Level 2	18.0	18.0	9.1	9.1
Securities	AFS	Level 1	0.5	0.5	75.4	75.4
Cash and cash equivalents						
Cash on hand and cash at banks	LAR		223.1	223.1	237.2	237.2
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC	Level 2	532.0	637.1	550.3	683.7
Bank loans	FLAC	Level 2	593.3	651.5	764.2	838.5
Other non-current liabilities						
Leases	FLAC	Level 2	12.7	14.6	14.3	16.5
Accruals of financial transactions	FLAC		1.1	1.1	1.5	1.5
Other liabilities	FLAC		12.4	12.4	11.2	11.2
Liabilities arising from derivative transactions	@FVTPL	Level 2	9.8	9.8	8.4	8.4
Liabilities arising from derivative transactions	Hedging	Level 2	22.4	22.4	28.8	28.8
Current liabilities						
Current loans and borrowings	FLAC		50.5	50.5	239.1	239.1
Trade payables	FLAC		314.0	314.0	399.6	399.6
Other current liabilities						
Other financial liabilities	FLAC		245.3	245.3	306.4	306.4
Liabilities arising from derivative transactions	@FVTPL	Level 2	25.9	25.9	12.2	12.2
Liabilities arising from derivative transactions	Hedging	Level 2	7.4	7.4	6.6	6.6
thereof aggregated to measurement categories						
Available for sale financial assets	AFS		912.5		680.8	
Loans and receivables	LAR		718.9		802.6	
Financial assets designated at fair value in profit or loss	@FVTPL		84.4		98.3	
Financial liabilities at amortised cost	FLAC		1,761.3		2,286.6	

Net results by measurement category				
EURm				
Classes	2016/17		2015/16	
	Net result	Of which impairment losses	Net result	Of which impairment losses
Available for sale financial assets (AFS)	-0.1	-	-2.8	-2.8
Loans and receivables (LAR)	-28.0	-23.1	-26.0	-21.0
Financial assets and liabilities at fair value through profit or loss (@FVTPL)	-5.8	-	-1.5	-
Financial assets and liabilities (Hedging)	-21.6	-	16.5	-
Financial liabilities at amortised cost (FLAC)	20.5	-	-14.1	-
Total	-35.0	-23.1	-27.9	-23.8

The more detailed and transparent presentation of net result by valuation category in 2016/17 also involved the separation of financial assets and liabilities into @FVTPL and hedging. In addition, the measurement results from the JPY bond are presented separately in the table in "Results from hedges" (@FVTPL) and "Results from the valuation of bonds" (FLAC).

Derivative financial instruments and hedging transactions

Derivative financial instruments are used primarily to hedge the company's liquidity, exchange rate, price and interest rate risks. The operative goal is to ensure the long-term continuity of the Group's earnings. All derivative financial instruments are integrated in a risk management system as soon as the respective contracts are concluded. This allows for the preparation of a daily overview of all main risk indicators. A separate staff unit has been established to monitor risk controlling and continuously develop risk analyses based on the value-at-risk (VaR) method.

The nominal values represent the separate totals of the items classified as financial derivatives on the balance sheet date. These are reference values which do not provide a measure of the risk incurred by the company through the use of these financial instruments. In particular, potential risk factors include fluctuations in the underlying market parameters and the credit risk of the contracting parties. Derivative financial instruments are recognised at their fair value.

Derivative financial instruments comprise the following:

Derivative financial instruments	30.09.2017					30.09.2016				
	Nominal value ¹⁾		Fair values ²⁾			Nominal value ¹⁾		Fair values ²⁾		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
Currency swaps										
JPYm (> 5 years) ³⁾	-	12,000.0	-	-5.0	-5.0	-	12,000.0	16.2	-	16.2
Interest rate swaps										
EURm (< 5 years) ³⁾	20.2	-	-	-2.4	-2.4	-	-	-	-	-
EURm (> 5 years) ³⁾	169.3	-	1.0	-22.5	-21.5	216.0	-	-	-35.5	-35.5
Derivatives energy										
Swaps	65.0	-26.8	15.0	-1.7	13.4	54.6	-15.4	9.0	-3.6	5.4
Futures	17.5	-35.5	5.0	-6.0	-1.0	9.4	-13.6	0.2	-3.4	-3.2
Forwards	34.2	-113.3	5.9	-27.9	-22.0	35.1	-142.3	6.3	-13.7	-7.3

1) In m nominal currency

2) In EURm

3) Used as a hedging instrument in accordance with IAS 39

Positive fair values are recognised as receivables from derivative transactions under other non-current assets or other current assets, depending on their remaining term to maturity. Negative fair values are recognised as liabilities from derivative transactions under other non-current liabilities or other current liabilities, depending on their remaining term to maturity. A maturity analysis of the derivative financial liabilities is provided in the table on liquidity risk (see note **62. Risk management**).

The following table shows the maturity of the interest rate swaps which are designated as cash flow hedges. The terms of the hedges correspond to the occurrence of the future transactions. The periods in which the cash flows occur represent the periods in which they are expected to have an effect on results.

Expected occurrence of cash flows from cash flow hedges

2016/17 financial year

EURm	Total payment flows	Contractually stipulated payment flows		
		< 1 year	1–5 years	> 5 years
Cash flows of hedged items	-197.0	-18.4	-85.6	-93.0
Cash flows from hedging instruments	-26.5	-6.2	-16.3	-4.1

2015/16 financial year

EURm	Total payment flows	Contractually stipulated payment flows		
		< 1 year	1–5 years	> 5 years
Cash flows of hedged items	-221.4	-19.1	-76.7	-125.6
Cash flows from hedging instruments	-37.7	-6.7	-21.9	-9.1

65. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 182 under **EVN's investments**.

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2016/17 is provided below.

The share of results from equity accounted investees with operational nature has been reported as part of the results from operating activities (EBIT).

The following overview shows the classification of the equity accounted investees based on operating and financial criteria:

Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2017 in accordance with IFRS 11	Operational nature	Financial nature
Company		
AUL Abfallumladelogistik Austria GmbH	●	
Bioenergie Steyr GmbH	●	
Degremont WTE Wassertechnik Praha v.o.s.	●	
e&i EDV Dienstleistungsgesellschaft m.b.H.		●
EnergieAllianz	●	
EVN KG	●	
EVN-WE Wind KG	●	
Fernwärme St. Pölten GmbH	●	
Fernwärme Steyr GmbH	●	
RAG	●	
Ashta	●	
sludge2energy GmbH	●	
WEEV Beteiligungs GmbH		●
ZOV	●	

Associates that were included at equity in the consolidated financial statements as of 30.09.2017 in accordance with IAS 28

Company	Operational nature	Financial nature
Energie Burgenland AG	●	
Verbund Innkraftwerke GmbH	●	
ZOV UIP	●	

The following table shows summarised financial information about each individually material joint venture included in the consolidated financial statements:

Financial information of material joint ventures

EURm

Joint venture	30.09.2017			30.09.2016		
	EVN KG	RAG	ZOV	EVN KG	RAG	ZOV
Statement of financial position						
Non-current assets	14.8	627.1	245.1	14.9	649.2	253.5
Current assets	209.4	71.4	52.4	181.9	91.8	47.1
Non-current liabilities	0.0 ^{*)}	350.7	61.2	0.0 ^{*)}	418.3	79.9
Current liabilities	77.3	109.5	24.2	92.0	93.7	24.4
Reconciliation of the carrying amount of the share of EVN in the joint venture						
Net assets	146.9	238.2	212.1	104.8	229.0	196.3
Share of EVN in net assets in per cent	100.00%	100.00%	48.50%	100.00%	100.00%	48.50%
Share of EVN in net assets	146.9	238.2	102.9	104.8	229.0	95.2
+/- Revaluations ¹⁾	–	165.7	0.2	–0.0 ^{*)}	172.7	0.3
Carrying amount of the share of EVN in the joint venture	146.9	403.9	103.1	104.8	401.7	95.5
Statement of operations						
Revenue	444.7	468.6	21.3	431.0	411.5	16.5
Scheduled depreciation and amortisation	–0.0 ^{*)}	–50.2	–0.0 ^{*)}	–0.0 ^{*)}	–52.7	–
Interest income	0.4	–	0.4	0.1	0.0 ^{*)}	0.2
Interest expense	–0.0 ^{*)}	–4.0	–6.9	–0.0 ^{*)}	–5.1	–7.8
Income tax	–	–20.3	–5.4	–	–17.3	–5.9
Result for the period	96.1	50.6	23.5	55.9	50.6	23.5
Other comprehensive income	0.1	–3.2	1.0	17.3	–0.4	1.0
Comprehensive income	96.2	47.4	24.5	73.2	50.2	24.5
Dividends received by EVN	54.1	38.0	4.7	64.0	35.0	5.0

*) Small amount

1) Corresponds to goodwill

The following table shows summarised financial information about the individually immaterial joint ventures included in the consolidated financial statements:

Financial information of individually immaterial joint ventures (EVN share)		
EURm	2016/17	2015/16
Carrying value of the joint ventures as of the balance sheet date	55.5	71.2
Result for the period	20.8	-1.0
Other comprehensive income	-10.7	16.8
Comprehensive income	10.1	15.8

The following table shows summarised financial information about each individually material associate included in the consolidated financial statements:

Financial information of material associates	30.09.2017			30.09.2016		
	Verbund IKW	ZOV UIP	Energie Burgenland	Verbund IKW	ZOV UIP	Energie Burgenland
Associate						
Statement of financial position						
Non-current assets	1,225.8	0.2	658.1	1,256.2	0.3	728.2
Current assets	22.5	3.8	195.6	27.5	4.1	152.3
Non-current liabilities	64.2	-	170.0	83.9	-	163.6
Current liabilities	6.8	1.5	362.2	11.4	1.7	409.5
Reconciliation of the carrying amount of the share of EVN in the associate						
Net assets	1,177.2	2.6	321.4	1,188.4	2.7	307.4
Share of EVN in net assets in per cent	13.00%	31.00%	36.08%	13.00%	31.00%	36.08%
Share of EVN in net assets	153.0	0.8	116.0	154.5	0.8	110.9
+/- Revaluations ¹⁾	-89.2	-	67.4	-78.2	-	64.6
Carrying amount of the share of EVN in the associate	63.8	0.8	183.3	76.3	0.8	175.5
Statement of operations						
Revenue	68.7	15.7	311.4	66.4	12.4	305.7
Result for the period	-2.1	3.4	21.1	-6.1	3.2	10.5
Other comprehensive income	-	-	2.4	-	-	1.0
Comprehensive income	-2.1	3.4	23.4	-6.1	3.2	11.6
Dividends received by EVN	1.0	1.1	10.3	2.0	1.0	9.3

1) Corresponds to goodwill

The consolidated financial statements include no associates that are individually immaterial.

66. Other obligations and risks

The commitments entered into by EVN and the related risks are as follows:

Other obligations and risks	30.09.2017	30.09.2016
EURm		
Guarantees in connection with energy transactions	77.6	75.6
Guarantees in connection with projects in the Environment Segment	52.5	59.8
Guarantees related to the construction and operation of		
energy networks	5.3	1.1
power plants	101.4	109.8
Order obligations for investments in intangible assets and property, plant and equipment	94.8	64.0
Further obligations arising from guarantees or other contractual contingent liabilities	0.3	0.3
Total	331.9	310.6
thereof in connection with equity accounted investees	120.4	122.6

Neither provisions nor liabilities were recognised for the above-mentioned items because claims to the fulfilment of obligations or the actual occurrence of specific risks were not expected at the time these consolidated financial statements were prepared. The above-mentioned obligations were contrasted by corresponding recourse claims of EUR 41.3m (previous year: EUR 65.1m).

Contingent liabilities related to guarantees for subsidiaries in connection with energy transactions are recognised on the basis of the guarantees issued by EAA at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase.

Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 47.0m as of 30 September 2017. The nominal volume of the guarantees underlying this assessment was EUR 264.0m. As of 31 October 2017, the market price risk was EUR 7.7m based on an underlying nominal volume of EUR 264.0m.

Various legal proceedings and lawsuits related to operating activities are pending or claims may be filed against EVN in the future. The attendant risks were analysed in relation to their probability of occurrence. The evaluation of possible claims showed that the legal proceedings and lawsuits, individually and as a whole, would not have a material negative effect on EVN's business, liquidity, profit or loss or financial position.

Additional obligations arising from guarantees and other contractual contingent liabilities consisted chiefly of outstanding capital contributions and loan commitments to affiliates as well as liabilities for affiliates' loans.

67. Information on transactions with related parties

In accordance with IAS 24, transactions with related parties arise through direct or indirect control, significant influence or joint management. Related parties include close family members of the respective natural persons. Key management personnel and their close family members are also considered to be related parties.

EVN's related parties include all companies in the scope of consolidation, other subsidiaries, joint ventures and associates that are not included in the consolidated financial statements, the main shareholders NÖ Landes-Beteiligungsholding GmbH, St. Pölten, and its subsidiary EnBW Trust e.V., Karlsruhe, Germany, as well as people who are responsible for the planning, management and supervision of the Group's activities. In particular, related parties also include the members of the Executive Board and the Supervisory Board as well as their family members. A list of the Group companies can be found starting on page 182 under **EVN's investments**.

The main shareholder NÖ Landes-Beteiligungsholding GmbH, St. Pölten, is a public entity which has a controlling influence over EVN AG due to its majority shareholding. EVN has elected to use the exemption provided by IAS 24.25, under which business transactions and outstanding balances with related parties must not be disclosed when the reporting company is controlled by a public entity.

On 20 December 2013, EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, concluded a trust agreement with EnBW Trust within the framework of a so-called contractual trust arrangement model. This agreement led to the transfer by EnBW of its 32.5% investment in EVN AG in trust to EnBW Trust. As of 30 September 2017, EnBW Trust held an investment of 30.6% in EVN AG.

Transactions with related companies

Main shareholder

A group and tax settlement agreement was concluded with NÖ Landes-Beteiligungsholding GmbH, St. Pölten, in connection with the inclusion of EVN AG in a corporate tax group as defined in § 9 of the Austrian Corporate Tax Act. EVN AG has since added further subsidiaries to the tax group based on this agreement.

Investments in equity accounted investees

Within the context of its ordinary business operations, EVN has concluded supply and service contracts with numerous companies included at equity in its consolidated financial statements. Long-term agreements were concluded with EAA for the sale and procurement of electricity and natural gas, and long-term procurement contracts were concluded with Verbund Innkraftwerke GmbH for electricity.

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

Transactions with joint ventures included at equity	2016/17	2015/16
EURm		
Revenue	365.7	278.1
Cost of services received	-112.9	-58.4
Trade accounts receivable	15.9	15.4
Trade accounts payable	82.5	23.6
Loans	20.5	12.8
Non-current loans and borrowings	-	9.6
Liabilities from cash pooling	67.3	111.1
Interest income from loans	0.6	0.6
Interest expense on non-current loans and borrowings	-	0.1
Transactions with associates included at equity	2016/17	2015/16
EURm		
Revenue	-	-
Cost of services received	-6.0	-42.5
Trade accounts receivable	-	-
Trade accounts payable	0.7	0.6

Transactions with related individuals

Executive Board and Supervisory Board

The payments to members of the Executive Board and the Supervisory Board consist primarily of salaries, severance payments, pensions and Supervisory Board remuneration.

The remuneration paid to the active members of the Executive Board in 2016/17 totalled TEUR 1,106.9 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,087.7).

Remuneration of the active Executive Board TEUR	2016/17			2015/16		
	Fixed remuneration	Variable remuneration	Compensation in kind	Fixed remuneration	Variable remuneration	Compensation in kind
Peter Layr	392.3	137.4	14.2	386.5	134.4	13.5
Stefan Szyszkowitz	365.8	128.1	14.2	360.4	125.3	13.5

Furthermore, a change of TEUR –1,707.7 was made to the provision for pensions obligations on behalf of Peter Layr in 2016/17 (thereof TEUR 128.9 of interest expense, including TEUR –2,069.4 of actuarial gains/losses). In the previous year, the change amounted to TEUR 1,784.0 (thereof TEUR 185.3 of interest expense, including TEUR 1,405.6 of actuarial gains/losses). For Stefan Szyszkowitz, the pension fund contributions equalled TEUR 54.8 (previous year: TEUR 54.1) and a change of TEUR –354.5 was made to the provision for pensions (thereof TEUR 58.2 of interest expense, including TEUR –592.3 of actuarial gains/losses). In 2015/16, the change to the provision for pensions amounted to TEUR 1,137.3 (thereof TEUR 75.1 of interest expense, including TEUR 928.2 of actuarial gains/losses).

The change in the provision for severance payments included TEUR 47.7 for Peter Layr in 2016/17 (thereof TEUR 7.1 of interest expense, including TEUR –536.0 of actuarial gains/losses) and TEUR 22.6 in the previous year (thereof TEUR 12.1 of interest expense, including TEUR –2.5 of actuarial gains/losses). For Stefan Szyszkowitz, TEUR 7.8 were contributed to an external employee fund (previous year: TEUR 7.6).

The year-on-year change in the remuneration of the active members of the Executive Board is attributable primarily to the change in performance-based components and the annual wage and salary increases mandated by collective bargaining agreements. The members of the Executive Board are entitled to legally defined severance compensation at the end of their functions. They are also entitled to a contractually agreed pension at retirement, whereby pension payments under the Austrian social security scheme and any payments from the VBV-Pensionskasse are credited against this amount.

The payments to former members of the Executive Board or their surviving dependents amounted to TEUR 1,201.7 in 2016/17 (previous year: TEUR 1,181.5).

Expenses for severance payments and pensions for active members of senior management totalled TEUR 18.9 in 2016/17 (thereof TEUR 157.4 of interest expense, including TEUR –1,244.8 of actuarial gains/losses) and TEUR 3,697.4 in the previous year (thereof TEUR 192.4 of interest expense, including TEUR 3,083.7 of actuarial gains/losses).

The above amounts include expenses recognised in accordance with national law, as required by the Austrian Corporate Governance Code. In accordance with IFRS, actuarial gains and losses are recorded under other comprehensive income in keeping with IAS 19.

The Supervisory Board remuneration totalled EUR 0.2m in 2016/17 (previous year: EUR 0.1m). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of TEUR 109.2 during the reporting year (previous year: TEUR 29.1).

The basic principles underlying the remuneration system are presented in the remuneration report, which is part of the corporate governance report.

Transactions with other related companies

The disclosure requirements for the notes do not cover information on intragroup transactions. Therefore, business transactions between EVN and its subsidiaries are not reported. Business transactions with non-consolidated subsidiaries and companies not included at equity are generally not reported due to their immateriality.

Related parties can also be direct customers of a company within the EVN Group, whereby these business relationships reflect prevailing market rates and conditions and are immaterial in relation to the total income recorded by the EVN Group in 2016/17. The resulting items which were outstanding as of 30 September 2017 were reported under trade accounts receivable.

68. Significant events after the balance sheet date

The draft evaluation on network tariffs by the Austrian E-Control Commission calls for an increase in electricity and a reduction in natural gas. The new network tariffs take effect each year on 1 January.

69. Information on management and staff

The corporate bodies of EVN AG are:

Executive Board

Stefan Szyszkowitz – Spokesman of the Executive Board (from 01.10.2017)

Peter Layr – Spokesman of the Executive Board (until 30.09.2017)

Stefan Szyszkowitz – Member of the Executive Board (until 30.09.2017)

Franz Mittermayer – Member of the Executive Board (from 01.10.2017)

Supervisory Board

Chairwoman

Bettina Glatz-Kremsner

Vice-Chairmen

Norbert Griesmayr

Willi Stiwicek

Members

Dieter Lutz

Angela Stransky

Friedrich Zibuschka

Philipp Gruber

Reinhard Meißl

Susanne Scharnhorst

Johannes Zügel (from 19.01.2017)

Thomas Kusterer (until 19.01.2017)

Employee representatives

Franz Hemm

Paul Hofer

Manfred Weinrichter

Monika Fraiße

Friedrich Bußlehner

70. Approval of the 2016/17 consolidated financial statements for publication

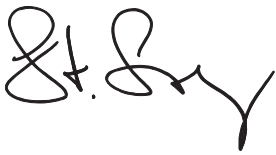
These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 13 December 2017 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

71. Auditing fees

EVN's consolidated financial statements and annual financial statements for the 2016/17 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. Auditing and consulting fees for the Group amounted to EUR 1.6m for the reporting year (previous year: EUR 2.1m), whereby 48.9% are attributable to auditing and audit-related services, 38% to tax advising and 13.1% to other consulting services. All companies in the scope of consolidation were included.

Maria Enzersdorf, 20 November 2017

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board



Franz Mittermayer
Member of the Executive Board

EVN's investments according to § 245a (1) ICW § 265 (2) UGB

The following table lists EVN's investments classified by segment of business. The list of companies not included in the consolidated financial statements of EVN AG for materiality reasons is based on the companies' last available local annual financial statements as of the respective balance sheet date. The data from companies that report in a foreign currency is translated into euros at the exchange rate on the balance sheet date of EVN AG.

1. EVN's investments in the energy business ≥ 20.0% as of 30 September 2017

1.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2016/17
Ashta Beteiligungsverwaltung GmbH, Vienna ¹⁾	EVN	49.99	31.12.2016	E
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2017	E
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2017	E
Elektrorazpredelenie Yug EAD ("EP Yug"), Plovdiv, Bulgaria	BG SN Holding	100.00	31.12.2016	V
EVN Bulgaria Elektrosnabdiavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	BG SV Holding	100.00	31.12.2016	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2016	V
EVN Bulgaria Fernwärme Holding GmbH ("BG FW Holding"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN Bulgaria RES Holding GmbH ("EVN Bulgaria RES"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2017	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	BG FW Holding	100.00	31.12.2016	V
EVN Croatia Plin d.o.o, Zagreb, Croatia	Kroatien Holding	100.00	31.12.2016	V
EVN Elektrodistribucija DOOEL, Skopje, Macedonia	EVN Macedonia	100.00	31.12.2016	V
EVN Energievertrieb GmbH & Co KG ("EVN KG"), Maria Enzersdorf	EVN	100.00	30.09.2017	E
EVN Gorna Arda Development EOOD, Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2016	V
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2017	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Bulgaria RES	100.00	31.12.2016	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN Liegenschaftsverwaltung Gesellschaft m.b.H. ("EVN LV"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2017	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, Macedonia	EVN	90.00	31.12.2016	V
EVN Macedonia Elektrani DOOEL, Skopje, Macedonia	EVN Macedonia	100.00	31.12.2016	V
EVN Macedonia Elektrosnabduvanje DOOEL, Skopje, Macedonia	EVN Macedonia	100.00	31.12.2016	V
EVN Macedonia Holding DOOEL, Skopje, Macedonia	EVN	100.00	31.12.2016	V
EVN Mazedonien GmbH ("EVN Mazedonien"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
evn naturkraft Beteiligungs- und Betriebs-GmbH ("EVN Nk BuB"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2017	V
evn naturkraft Erzeugungsgesellschaft m.b.H. ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2016	V
EVN Trading d.o.o. Beograd, Belgrad, Serbia	EVN Trading SEE	100.00	31.12.2016	V
EVN Trading DOOEL, Skopje, Macedonia	EVN Trading SEE	100.00	31.12.2016	V
EVN Trading South East Europe EAD ("EVN Trading SEE"), Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2016	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2017	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2016	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2017	E
Hydro Power Company Gorna Arda AD, Sofia, Bulgaria	EVN	70.00	31.12.2016	V
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2017	V

Method of consolidation:

V: Fully consolidated company (subsidiary)
 NV: Non-consolidated subsidiary

JO: Company included as joint operation
 NJO: Company not included as a joint operation

E: Company included at equity
 NE: Company not included at equity

1.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2016/17
Netz Niederösterreich GmbH ("Netz NÖ"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH ("SEK"), Essen, Germany	EVN Kraftwerk	49.00	31.12.2016	JO
Verbund Innkraftwerke GmbH, Töging, Germany ²⁾	EVN Nk BuB	13.00	31.12.2016	E
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2017	V

1) In 2016/17 the company was merged with Shkodra Region Beteiligungsholding GmbH, Vienna, which was previously accounted for at equity.

2) This company is included in the consolidated financial statements at equity and presented in the above table despite a participation interest $\leq 20.0\%$ because of special contractual arrangements that allow for the exercise of significant influence.

1.2. Not included in the consolidated financial statements of EVN due to immateriality

Company, registered office	Shareholder	Interest %	Currency	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2016/17
ARGE Coop Telekom, Maria Enzersdorf	EVN Geoinfo	50.00	EUR	110 (100)	49 (39)	31.12.2016 (31.12.2015)	NE
ARGE Digitaler Leitungskataster NÖ, Maria Enzersdorf	EVN Geoinfo	30.00	EUR	208 (253)	-46 (-26)	31.12.2016 (31.12.2015)	NE
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	EUR	501 (539)	-38 (-100)	31.12.2016 (31.12.2015)	NV
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	EUR	268 (223)	45 (75)	31.12.2016 (31.12.2015)	NE
Energiespeicher Sulzberg GmbH, Maria Enzersdorf	EVN Sulzberg	51.00	EUR	44 (23)	-49 (-1,533)	30.09.2017 (30.09.2016)	NV
EVN Albania SHPK in Liquidation, Tirana, Albania	EVN	100.00	ALL	42 (-)	-16 (-)	30.04.2016 (-)	NV
EVN Asset Management EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	BGN	6 (6)	0 (0)	31.12.2016 (31.12.2015)	NV
EVN Bulgaria Stromerzeugung Holding GmbH ("BG SE Holding"), Maria Enzersdorf	EVN	100.00	EUR	31 (30,707)	-26,145 (0)	30.09.2017 (30.09.2016)	NV
EVN Bulgaria Stromnetz Holding GmbH ("BG SN Holding"), Maria Enzersdorf	EVN	100.00	EUR	300,082 (300,082)	14,991 (15,000)	30.09.2017 (30.09.2016)	NV
EVN Bulgaria Stromvertrieb Holding GmbH ("BG SV Holding"), Maria Enzersdorf	EVN	100.00	EUR	71,917 (35,955)	-10 (8,868)	30.09.2017 (30.09.2016)	NV
EVN Energiespeicher Sulzberg Beteiligungs GmbH ("EVN Sulzberg"), Maria Enzersdorf	EVN Naturkraft	100.00	EUR	60 (39)	-49 (-1,897)	30.09.2017 (30.09.2016)	NV
EVN Kroatien Holding GmbH ("Kroatien Holding"), Maria Enzersdorf	EVN	100.00	EUR	14,126 (12,627)	-1 (-1)	30.09.2017 (30.09.2016)	NV
EVN TRADING L.L.C., Pristina, Kosovo	EVN Trading SEE	100.00	EUR	- (-)	- (-)	31.12.2016 (31.12.2015)	NV
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH ("EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	EUR	43 (42)	1 (1)	30.09.2016 (30.09.2015)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	EUR	66 (158)	-92 (-97)	31.12.2016 (31.12.2015)	NE
FWG-Fernwärmeversorgung Amstetten registrierte Genossenschaft mit beschränkter Haftung, Amstetten	EVN Wärme	100.00	EUR	675 (914)	28 (84)	30.06.2016 (30.06.2015)	NE
IN-ER Erömü Kft., Nagykanizsa, Hungary	EVN	70.00	HUF	389 (1,769)	-1,375 (-6)	31.12.2016 (31.12.2015)	NV

1.2. Not included in the consolidated financial statements of EVN due to immateriality

Company, registered office	Shareholder	Interest %	Currency	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2016/17
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	EUR	47 (44)	3 (3)	31.12.2016 (31.12.2015)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	EUR	7,243 (6,878)	364 (349)	31.12.2016 (31.12.2015)	NE
MAKGAS DOOEL, Skopje, Macedonia	EVN	100.00	MKD	-3 (-)	0 (-)	31.12.2016 (-)	NV
Netz Niederösterreich Beteiligung 30 GmbH ("Netz Bet. 30"), Maria Enzersdorf	Utilitas	100.00	EUR	1,786 (1,788)	-1 (0)	30.09.2017 (30.09.2016)	NV
Netz Niederösterreich Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf	Netz Bet. 30	100.00	EUR	1,783 (1,778)	5 (-1)	30.09.2017 (30.09.2016)	NV

2. EVN's investments in the environmental services business ≥ 20.0% as of 30 September 2017

2.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2016/17
AUL Abfallumladelogistik Austria GmbH, Maria Enzersdorf	EVN Abfall	50.00	30.09.2017	E
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2017	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic	WTE Wassertechnik	35.00	31.12.2016	E
EVN Abfallverwertung Niederösterreich GmbH ("EVN Abfall"), Maria Enzersdorf	EVN/EVN Bet. 52	100.00	30.09.2017	V
EVN Beteiligung 52 GmbH ("EVN Bet. 52"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2017	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/Utilitas	100.00	30.09.2017	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2017	V
EVN Umwelt Finanz- und Service-GmbH ("EVN UFS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2017	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
evn wasser Gesellschaft m.b.H. ("evn wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2017	V
OAD BUDAPRO-ZAVOD No. 1, Moscow, Russia	EVN MVA1	100.00	31.12.2016	V
OAD „EVN MSZ 3“ ("OAD MVA3"), Moscow, Russia	EVN MVA3	100.00	31.12.2016	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2016	V
OOO EVN Umwelt, Moscow, Russia	EVN UBS	100.00	31.12.2016	V
Saarberg Hölter Projektgesellschaft Süd Butowo mbH ("Süd Butowo"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2017	V
SHW Hölter Projektgesellschaft Zelenograd mbH ("Zelenograd"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2017	V
sludge2energy GmbH, Berching, Germany	WTE Wassertechnik	50.00	31.12.2016	E
Storitveno podjetje Lasko d.o.o., Lasko, Slovenia	WTE Wassertechnik	100.00	30.09.2017	V
WTE Abwicklungsgesellschaft Russland mbH ("Abwicklung"), Essen, Germany	International	100.00	30.09.2017	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany	WTE Wassertechnik	100.00	30.09.2017	V
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Wassertechnik	100.00	31.12.2016	V

2.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2016/17
WTE International GmbH ("International"), Essen, Germany	WTE Wassertechnik	100.00	30.09.2017	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE Wassertechnik	100.00	31.12.2016	V
WTE Projektgesellschaft Natriumhypochlorit mbH ("WTE Hyp"), Essen, Germany	EVN UFS/ WTE Wassertechnik	100.00	30.09.2017	V
WTE Projektgesellschaft Trinkwasseranlage d.o.o., Beograd-Vracar, Serbia	WTE Wassertechnik	100.00	30.09.2017	V
WTE Projektna druzba Bled d.o.o., Bled, Slovenia	WTE Wassertechnik	100.00	30.09.2017	V
WTE Wassertechnik GmbH ("WTE Wassertechnik"), Essen, Germany	EVN Bet. 52	100.00	30.09.2017	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warsaw, Poland	WTE Wassertechnik	100.00	30.09.2017	V
Zagrebacke otpadne vode d.o.o. ("ZOV"), Zagreb, Croatia	WTE Wassertechnik	48.50	31.12.2016	E
Zagrebacke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Croatia	WTE Wassertechnik	33.00	31.12.2016	E

2.2. Not included in the consolidated financial statements of EVN due to immateriality

Company, registered office	Shareholder	Interest %	Currency	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2016/17
ABeG Abwasserbetriebsgesellschaft mbH, Offenbach am Main, Germany	WTE Wassertechnik	49.00	EUR	644 (624)	20 (45)	30.09.2017 (30.09.2016)	NE
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	EVN Abfall	26.00	EUR	37 (37)	0 (0)	31.12.2016 (31.12.2015)	NE
OOO EVN-Ekotechprom MSZ3, Moscow, Russia	OA0 MVA3	70.00	RUB	-7,564 (325)	-7,900 (-291)	31.12.2016 (31.12.2015)	NV
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Croatia	WTE Wassertechnik	50.00	HRK	432 (432)	11 (11)	31.12.2016 (31.12.2015)	NE
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbH, Buckow, Germany	WTE Wassertechnik	49.00	EUR	546 (544)	3 (3)	31.12.2016 (31.12.2015)	NE
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	evn wasser	50.00	EUR	866 (868)	-2 (-1)	31.12.2016 (31.12.2015)	NE
WTE Abwicklungsgesellschaft Kuwait GmbH ("Kuwait"), Essen, Germany	International	100.00	EUR	23 (23)	0 (0)	30.09.2017 (30.09.2016)	NV
WTE Baltic UAB, Kaunas, Lithuania	WTE Wassertechnik	100.00	EUR	109 (161)	-52 (-30)	30.09.2017 (30.09.2016)	NV
WTE Projektgesellschaft Kurjanovo mbH ("Kurjanovo"), Essen, Germany	WTE Wassertechnik	100.00	EUR	20 (21)	-1 (-1)	30.09.2017 (30.09.2016)	NV

3. EVN's investments in other business activities ≥ 20.0% as of 30 September 2017

3.1. Included in the consolidated financial statements of EVN

Company, registered office	Shareholder	Interest %	Balance sheet date	Method of consolidation 2016/17
Burgenland Holding Aktiengesellschaft ("Burgenland Holding" respectively "BUHO"), Eisenstadt	EVN	73.63	30.09.2017	V
Energie Burgenland AG, Eisenstadt	BUHO	49.00	30.09.2017	E
EVN Business Service GmbH, Maria Enzersdorf	Utilitas	100.00	30.09.2017	V
EVN Finanzservice GmbH, Maria Enzersdorf	EVN	100.00	30.09.2017	V
EVN WEEV Beteiligungs GmbH ("EVN WEEV"), Maria Enzersdorf	EVN	100.00	31.08.2017	V
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	30.09.2017	E
R 138-Fonds, Vienna	EVN/Netz NÖ/ evn wasser	100.00	30.09.2017	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2017	V
Rohöl-Aufsuchungs Aktiengesellschaft ("RAG"), Vienna	RBG	100.00	31.12.2016	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H. ("Utilitas"), Maria Enzersdorf	EVN	100.00	30.09.2017	V
WEEV Beteiligungs GmbH, Maria Enzersdorf	EVN WEEV	50.00	30.06.2017	E

3.2. Not included in the consolidated financial statements of EVN due to immateriality

Company, registered office	Shareholder	Interest %	Currency	Shareholders' equity TEUR	Last year's profit/loss TEUR	Balance sheet date	Method of consolidation 2016/17
EVN Beteiligung 40 GmbH ("EVN Bet. 40"), Maria Enzersdorf	EVN	100.00	EUR	24 (26)	-2 (-2)	30.09.2017 (30.09.2016)	NV

Auditors' report

Report on the Consolidated Financial Statements

Audit Opinion

We have audited the **consolidated financial statements** of

**EVN AG,
Maria Enzersdorf, Austria**

and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 September 2017, the consolidated statement of operations and consolidated comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 30 September 2017, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code).

Basis for our Opinion

We conducted our audit in accordance with the EU Regulation (EU) 537/2014 ("EU Regulation") and with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISA). Our responsibilities pursuant to these rules and standards are described in the "Auditors' Responsibility" section of our report. We are independent of the audited entity within the meaning of Austrian commercial law and professional regulations, and have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements. Our audit procedures relating to these matters were designed in the context of our audit of the consolidated financial statements as a whole. Our opinion on the consolidated financial statements is not modified with respect to any of the key audit matters described below, and we do not express an opinion on these individual matters.

Impairment of property, plant and equipment

Refer to notes 22, 31 and 36 to the consolidated financial statements and chapter business development in the consolidated management report.

Risk for the Financial Statements

Property, plant and equipment (PPE) with a total carrying amount of EUR 3,383.6 million account for 52.4% of total assets of EVN AG Group as of the balance sheet date and comprise mainly lines and technical equipment.

At each reporting date, the Company assesses whether there is any indication that the recoverable amount has decreased significantly and therefore, that property, plant and equipment are impaired. For those items of PPE, for which impairment losses were recognized in prior periods, the Company assesses whether the impairment loss no longer exists and therefore needs to be reversed.

Impairment testing for items of PPE, for which separate cash inflows cannot be determined, is performed for the cash generating unit (CGU). In testing impairment, the Company first determines the value in use. If this value is below the carrying amount of the CGU or the asset, the fair value less costs of disposal is determined. The value in use as well as fair value less costs of disposal are measured by calculating the present value of the future cash flows by a discounted cash flow method.

The result of this measurement depends to a high degree on management's planning assumptions and estimates of future cash flows as well as on the discount rates used in the calculations. As such these assumptions and estimations are subject to significant estimation uncertainties and therefore, impairment of property, plant and equipment was classified as a key audit matter.

Our response

We critically questioned the assessment performed by the Company, whether there is any indication that property, plant and equipment are impaired or whether an impairment loss recognized in prior periods need to be reversed, and compared the assessment with our understanding gained during the audit of the consolidated financial statements.

In collaboration with our measurement specialists, we assessed the measurement technique, planning assumptions and measurement parameter. The assumptions used for determining the interest rates were assessed for appropriateness by comparing them to industry- and market- specific reference values. We reconciled planning data used in the measurement to medium-term planning approved by management. We assessed the appropriateness of planning estimates by comparing – on a sample basis – actual cash flows with prior period estimated cash flows and discussing deviations with management. We agreed the respective carrying amounts to the fixed assets sub ledger.

Revenue recognition from end customer business

Refer to notes 20 and 25 to the consolidated financial statements and chapter business development in the consolidated management report.

Risk for the Financial Statements

The consolidated financial statements of EVN AG report total revenue of EUR 2,215.6 million.

A significant portion of consolidated revenue relates to revenue generated from end customer business in Austria which is subject to specific risks due to the complexity of the systems required for the appropriate recognition and deferral of revenue and the influence of ongoing and continuous changes to the business, pricing and tariff models. Revenue is derived from the billings systems based on statistical methods and deferred in respect of the power or water volumes supplied. Revenue is recognized if a billable service has been provided to the customer.

Recognition and measurement of this specific and significant portion of revenue is subject to management's estimations and assumptions to a high degree and requires application of complex calculation techniques. Therefore, revenue generated from end customer business was classified as a key audit matter.

Our response

Taking into consideration the fact that there is an increased risk related to the appropriate recognition of revenue due to the complexity as well as underlying estimates and assumptions, we assessed the relevant processes and controls implemented by the Group in respect of recognition of revenue from end customer business including the respective IT systems in cooperation with our specialists from Information Risk Management (IRM).

In addition, we performed adequate analyses as well as tests of detail on the appropriate recognition of revenue and critically assessed the appropriateness of management's estimates and assumptions.

Management's Responsibility and Responsibility of the Audit Committee for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB (Austrian Commercial Code) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group's ability to continue as a going concern, and, where appropriate, to disclose matters that are relevant to the Group's ability to continue as a going concern and to apply the going concern assumption in its financial reporting, except in circumstances in which liquidation of the Group or closure of operations is planned or cases in which such measures appear unavoidable.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditors' Responsibility

Our aim is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatements, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance represents a high degree of assurance, but provides no guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered material if they could, individually or in the aggregate, reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Standards on Auditing, which require the audit to be performed in accordance with ISA, we exercise professional judgment and retain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, we plan and perform procedures to address such risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk that material misstatements due to fraud remain undetected is higher than that of material misstatements due to error, since fraud may include collusion, forgery, intentional omissions, misleading representation or override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates as well as related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. In case we conclude that there is a material uncertainty about the entity's ability to continue as a going concern, we are required to draw attention to the respective note in the financial statements in our audit report or, in case such disclosures are not appropriate, to modify our audit opinion. We conclude based on the audit evidence obtained until the date of our audit report. Future events or conditions however may result in the Company departing from the going concern assumption.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with the audit committee regarding, among other matters, the planned scope and timing of our audit as well as significant findings including any significant deficiencies in internal control that we identify in the course of our audit.

- We report to the audit committee that we have complied with the relevant professional requirements in respect of our independence and that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, related measures taken to ensure our independence.
- From the matters communicated with the audit committee we determine those matters that required significant auditor attention in performing the audit and which are therefore key audit matters. We describe these key audit matters in our audit report except in the circumstances where laws or other legal regulations forbid publication of such matter or in very rare cases, we determine that a matter should not be included in our audit report because the negative effects of such communication are reasonably expected to outweigh its benefits for the public interest.

Report on Other Legal Requirements

Group Management Report

In accordance with the Austrian Commercial Code the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it has been prepared in accordance with legal requirements.

The legal representatives of the Company are responsible for the preparation of the group management report in accordance with the Austrian Commercial Code.

We have conducted our audit in accordance with generally accepted standards on the audit of group management reports as applied in Austria.

Opinion

In our opinion, the group management report has been prepared in accordance with legal requirements and is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the consolidated financial statements and the understanding of the Group and its environment, we did not note any material misstatements in the group management report.

Other Information

The legal representatives of the Company are responsible for other information. Other information comprises all information provided in the annual report, with the exception of the consolidated financial statements, the group management report, and the auditors' report thereon.

Our opinion on the consolidated financial statements does not cover other information, and we will not provide any kind of assurance on it.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether it contains any material inconsistencies with the consolidated financial statements and our knowledge gained during our audit, or any apparent material misstatement of fact. If on the basis of our work performed, we conclude that there is a material misstatement of fact in the other information, we must report that fact. We have nothing to report with this regard.

Additional Information in accordance with Article 10 EU Regulation

In the Annual General Meeting dated 19 January 2017, we were elected as group auditors. We were appointed by the supervisory board on 26 April 2017. We have been the Group's auditors since 31 December 1992 without interruption.

We declare that our opinion expressed in the "Report on the Consolidated Financial Statements" section of our report is consistent with our additional report to the audit committee in accordance with Article 11 of the EU Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 of the EU Regulation) and that we have ensured our independence of the members of the Group throughout the course of the audit.

Engagement Partner

The engagement partner is Mr. Rainer Hassler.
Vienna, 20 November 2017

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
signed by:

Rainer Hassler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.

EVN AG

**Jahresabschluss 2016/2017
nach UGB**

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Der **vorliegende Jahresabschluss** der EVN AG für das Geschäftsjahr 2016/17 wurde nach den **österreichischen Rechnungslegungsvorschriften** erstellt.

Im **Geschäftsbericht 2016/17** der EVN wurde ein **Konzernabschluss** nach den Grundsätzen der **International Financial Reporting Standards (IFRS)** veröffentlicht. Mit dieser Form der Berichterstattung legt die EVN ihren Aktionären und der Öffentlichkeit einen Konzernabschluss vor, der international anerkannten Prinzipien der Rechnungslegung entspricht. Dieser Geschäftsbericht kann selbstverständlich jederzeit bei der EVN angefordert werden.

Lagebericht

Lagebericht EVN AG für das Geschäftsjahr 2016/17

Bericht des Vorstandes

Energiepolitisches Umfeld

Die energiepolitischen Rahmenbedingungen in Österreich sind wesentlich durch die europäische Energie- und Klimapolitik, die daraus resultierenden Ziele und Gesetze sowie die Interaktion mit den europäischen Akteuren im Bereich der Energiewirtschaft – etwa der Agentur für Zusammenarbeit der Energieregulierungsbehörden (ACER) oder der Energy Community – geprägt.

Europäische Energie- und Klimapolitik

Im Oktober 2014 einigte sich der Europäische Rat auf den Rahmen für die Klima- und Energiepolitik bis zum Jahr 2030 und definierte die folgenden drei Hauptziele, die wiederum im Einklang mit den im Dezember 2015 im Rahmen der Pariser UN-Klimakonferenz beschlossenen globalen Zielsetzungen stehen:

- Senkung der Treibhausgasemissionen um mindestens 40 % (gegenüber dem Stand des Jahres 1990)
- Erhöhung des Anteils der erneuerbaren Energie am Gesamt-Energiemix auf mindestens 27 %
- Steigerung der Energieeffizienz um mindestens 27 % (gegenüber dem Stand des Jahres 2007)

Im November 2016 legte die Europäische Kommission Gesetzgebungsvorschläge zum Thema „Saubere Energie für alle Europäer“ vor, die zur Erreichung der europäischen Zielsetzungen beitragen sollen und nunmehr vom Europäischen Parlament und vom Rat behandelt werden; die Verabschiedung wird bis Ende 2018 erwartet. Das Maßnahmenpaket umfasst insbesondere die Bereiche Gestaltung des Strommarkts, grenzüberschreitende Kooperation, Einspeisung von Strom und Wärme aus erneuerbaren Quellen, Versorgungssicherheit für Strom, Steuerung der zukünftigen Energieunion sowie Energieeffizienz.

Ökostrom in Österreich

Im Juni 2017 beschloss der österreichische Nationalrat die so genannte „Kleine Ökostromnovelle“, die unter anderem Änderungen im Ökostromgesetz beinhaltet. Dadurch wurde in einem ersten Schritt eine gesetzliche Übergangslösung geschaffen, die Rechtssicherheit für den weiteren Systemumbau in Richtung erneuerbare Erzeugung in Österreich bringt. Im Bereich Windkraft beinhalten die Maßnahmen beispielsweise ein Sonderkontingent an Förderungen im Gesamtausmaß von 45 Mio. Euro für die Jahre 2017 und 2018 zum Abbau der Wartelisten bereits behördlich genehmigter Projekte. Neben Investitionsanreizen für Kleinwasserkraftwerke und Photovoltaikanlagen wurde mit dem Novellenpaket unter anderem auch noch eine Änderung im Elektrizitätswirtschafts- und organisationsgesetz beschlossen, die eine vertragliche Vorhaltung von Kraftwerksleistung in ausreichendem Umfang (z. B. mittels mehrjähriger Vereinbarungen) zur Vermeidung und Beseitigung von Netzengpässen ermöglicht. Die Vorgaben der EU-Richtlinie für staatliche Energie- und Umweltbeihilfen, denen zufolge Einspeisetarife nicht mehr im selben Umfang zulässig sind, sind in der aktuellen österreichischen Gesetzgebung noch nicht berücksichtigt.

Deutsch-österreichische Strompreiszone

Im Mai 2017 fixierten der österreichische und der deutsche Regulator einige Eckpunkte zur Einführung eines Engpassmanagements für den seit 2002 unbegrenzten Stromhandel zwischen Deutschland und Österreich. Demnach soll ab dem 1. Oktober 2018 zwischen den beiden Ländern eine langfristige Kapazitätsgrenze von 4,9 Gigawatt gelten. An der konkreten Umsetzung wird derzeit auf Ebene der Übertragungsnetzbetreiber in Abstimmung mit den Regulatoren gearbeitet.

Im Vorfeld der Einführung der neuen Engpasskapazität, die das Ende der seit 2002 zwischen Deutschland und Österreich bestehenden gemeinsamen Strompreiszone bedeutet, entwickelten sich an der Strombörse EEX in Leipzig Differenzen zwischen den – bis zu dieser Ankündigung identen – Großhandelspreisen für Deutschland und Österreich. Deren Aussagekraft ist aber vorerst zu relativieren, da sich für Österreich bisher noch kein ausreichend liquider Markt gebildet hat. Die weitere Entwicklung des Verhältnisses der Großhandelspreise in den beiden Ländern ist daher aus heutiger Sicht noch nicht absehbar.

Wirtschaftliches Umfeld

Seit Mitte des Jahres 2016 verzeichnet die Weltwirtschaft einen soliden Aufschwung und zog auch 2017 nach einem etwas schwächeren Start im zweiten Quartal wieder merklich an. Nahezu alle großen Volkswirtschaften meldeten gute bzw. verbesserte Konjunkturzahlen, und auch in den ost- und mitteleuropäischen EU-Mitgliedsländern legte die Wirtschaftsleistung stark zu. Aktuell bewegen sich die Erwartungen für das Wirtschaftswachstum in der EU für 2017 und 2018 zwischen 1,9 % und 2,1 %.

Auch die österreichische Konjunktur befindet sich aktuell in guter Verfassung. Sie profitierte vom weltweit soliden Aufschwung ebenso wie von der robusten inländischen Nachfrage. Als Wachstumsstützen erwiesen sich insbesondere die Bauwirtschaft, der private Konsum und der Tourismus. Für das Jahr 2017 sagen die Experten ein Wachstum um die 2,7 % voraus, die Prognosen für 2018 liegen zwischen 2,1 % und 2,8 %. Damit liegen die Erwartungen für Österreich im Spitzenfeld der Eurozone.

In Bulgarien trieben positive Entwicklungen auf dem Arbeitsmarkt und bei den Staatsfinanzen die Konjunkturerwartung zuletzt nach oben. Positiv auf das Umfeld wirkten zudem die Beruhigung der politischen Lage und die erfolgreiche Regierungsbildung im Vorfeld der Übernahme der EU-Präsidentschaft ab 1. Jänner 2018. Der private Konsum legte weiter zu und blieb damit ebenfalls eine bedeutende Konjunkturstütze. In diesem Umfeld wird für 2017 mit einem Wirtschaftswachstum zwischen 3,0 % und 4,0 % und für 2018 mit einem Plus zwischen 3,2 % und 3,7 % gerechnet.

Die wirtschaftliche Erholung in Kroatien wird sich nach aktueller Einschätzung auch 2017 und 2018 fortsetzen. Ähnlich wie in Bulgarien entwickelte sich der private Konsum zu einer der wichtigsten Konjunkturstützen – Schätzungen des Wirtschaftsinstituts Zagreb zufolge macht die Nachfrage der privaten Haushalte etwa die Hälfte des Wirtschaftswachstums im Jahr 2017 aus. Dies ist zum einen der steuerlichen Entlastung durch die Senkung der Körperschaft- und der Einkommensteuer ab 2017 zu verdanken, zum anderen bewirkte der konjunkturelle Aufschwung einen Anstieg der Löhne und eine Verbesserung der Beschäftigungslage. Einen gewichtigen Beitrag zur positiven Entwicklung leistete zudem der Tourismus. Insgesamt liegen die Wachstumserwartungen für 2017 bei rund 3,0 % und für 2018 zwischen 2,3 % und 2,8 %.

In Mazedonien hellten sich die wirtschaftlichen Aussichten nach der Bereinigung der monatelangen politischen Blockade weiter auf. Für positive Impulse sorgten zudem die florierenden Exporte, die mit zweistelligen Zuwachsraten aufwarten konnten. Hand in Hand damit ging ein Anstieg der realen Einkommen und eine Zunahme des privaten Konsums. Für 2017 wird ein BIP-Wachstum zwischen 2,5 % und 2,8 %, für 2018 ein Plus zwischen 3,2 % und 3,3 % erwartet.

Energiewirtschaftliches Umfeld

		2016/17	2015/16	Veränderung	
		1.-4. Quartal	1.-4. Quartal	abs.	rel.
Temperaturbedingter Energiebedarf ¹					
NÖ	%	114,7	96,0	18,7	-
Bulgarien	%	108,7	82,1	26,6	-
Mazedonien	%	109,1	92,4	16,7	-
Rohölpreis - brent	EUR/bbl	46,1	38,0	8,1	21,4
Gaspreis – NCG ²	EUR/t	17,3	14,4	2,9	20,1
Kohle - API#2 (Notierung in ARA) ³	EUR/t	74,6	46,2	26,5	61,6
CO2 Zertifikate (2. Periode)	EUR/t	5,3	6,1	-0,8	-12,0
Strom – EEX Forwardmarkt ⁴					
Grundlaststrom	EUR/MWh	28,2	30,4	-2,2	-7,2
Spitzenstrom	EUR/MWh	35,0	38,2	-3,1	-8,4
Strom – EPEX Spotmarkt ⁵					
Grundlaststrom	EUR/MWh	35,3	27,8	7,5	27,0
Spitzenstrom	EUR/MWh	43,0	34,2	8,8	25,7

¹ Berechnet nach Heizgradsummen; die Basis (100 %) entspricht dem bereinigten langjährigen Durchschnitt der länderspezifischen Messwerte

² Net Connect Germany (NCG) – Börsepreis für Erdgas an der EEX (European Energy Exchange)

³ Notierung in ARA (Amsterdam, Rotterdam, Antwerpen)

⁴ Durchschnittspreise der jeweiligen Quartals-Forwardpreise, beginnend ein Jahr vor dem jeweiligen Zeitraum an der EEX (European Energy Exchange)

⁵ EPEX Spot – European Power Exchange

Die energiewirtschaftliche Entwicklung der EVN ist wesentlich durch externe Einflussfaktoren geprägt. Im Bereich der Haushaltskunden sind dies vor allem die Witterungsbedingungen, die für die Nachfrage nach Strom, Erdgas und Wärme ausschlaggebend sind, während die Nachfrage der Industriekunden vor allem durch die wirtschaftliche Entwicklung bestimmt wird.

Das Geschäftsjahr 2016/17 war in den für die EVN relevanten Märkten sowohl im Vergleich zum Vorjahr als auch gemessen am Mehrjahresdurchschnitt von deutlich kühleren Temperaturen geprägt. In Österreich etwa lag die Heizgradsumme – sie definiert den temperaturbedingten Energiebedarf – um 18,7 Prozentpunkte über dem Vorjahreswert. Auch in Bulgarien und Mazedonien war es in der Berichtsperiode deutlich kälter. Die Heizgradsumme lag hier um 26,6 Prozentpunkte bzw. 16,7 Prozentpunkte über dem Vorjahresniveau.

Der durchschnittliche EEX-Börsepreis für Erdgas stieg im Geschäftsjahr 2016/17 im Vergleich zur Vorjahresperiode um 20,1 % auf 17,3 Euro pro MWh. Zurückzuführen war dies nicht zuletzt auf die kalten Wintertemperaturen, die zu einem Anstieg der Nachfrage auf den Spotmärkten führten. Die Durchschnittspreise für Kohle lagen im Berichtszeitraum vor allem aufgrund der europaweit sehr hohen Nachfrage im Winter mit 74,6 Euro je Tonne um 61,5 % über dem Niveau des Vorjahres. Hingegen setzte sich die rückläufige Entwicklung der Preise für CO₂-Emissionszertifikate fort. Im Schnitt lagen diese mit 5,3 Euro je Tonne um 12,0 % unter dem Vergleichswert des Vorjahres.

Die für den Berichtszeitraum geltenden Termin- und Spotmarktpreise für Grund- bzw. Spitzenlaststrom entwickelten sich gegenläufig: Während die Terminpreise für Grundlaststrom um 7,2 % auf 28,2 Euro pro MWh und jene für Spitzenlaststrom um 8,4 % auf 35,0 Euro pro MWh sanken, verzeichneten die Spotmarktpreise aufgrund des temporären Stillstands von Produktionskapazitäten in Frankreich und der kalten Witterung einen Anstieg: Die Spotmarktpreise für Grundlaststrom stiegen im Vergleich zur Vorjahresperiode im Schnitt um 27,0 % auf 35,3 Euro pro MWh, jene für Spitzenlaststrom lagen mit 43,0 Euro pro MWh um 25,7 % über dem Wert des Vorjahres.

Wirtschaftliche Entwicklung

Kennzahlen zur Ertragslage

	2016/17	2015/16	Veränderung	
	Mio EUR	Mio EUR	Mio EUR	%
Umsatzerlöse	513,8	461,8	52,0	11,3%

Die Umsatzerlöse stiegen auf 513,8 Mio EUR und setzen sich aus Stromerlösen in Höhe von 242,8 Mio EUR (VJ: 231,3 Mio EUR), Gaserlösen in Höhe von 77,1 Mio EUR (VJ: 47,8 Mio EUR), Wärmeerlösen in Höhe von 16,9 Mio EUR (VJ: 18,1 Mio EUR) und sonstigen Umsatzerlösen in Höhe von 176,8 Mio EUR (VJ: 164,5 Mio EUR) zusammen.

Die Stromerlöse sind gegenüber dem Vorjahr um 11,5 Mio EUR und die Gaserlöse um 29,3 Mio EUR gestiegen. Die sonstigen Umsatzerlöse erhöhten sich um 12,3 Mio EUR. Die Steigerung der Umsatzerlöse beruht Großteils auf einem gegenüber dem Vergleichszeitraum des Vorjahres erhöhten Erlös aus dem Strom- sowie Gashandel.

Berechnung	2016/17	2015/16	Veränderung	
	Mio EUR	Mio EUR	Mio EUR	%
Ergebnis vor Zinsen und Steuern				
Ergebnis vor Steuern	335,5	40,5	295,0	n.a.%
+ Zinsen und ähnliche Aufwendungen gemäß § 231 (2) Z 15 UGB				

Die Aufwendungen für Primärenergie, CO₂-Kosten und Strombezug betragen im abgelaufenen Geschäftsjahr 371,0 Mio EUR (Vorjahr: 391,8 Mio EUR). Der Rückgang ist vorwiegend auf gesunkene Strombezugskosten und auf die gesunken Finanzierungskosten im Zusammenhang mit dem Kraftwerksprojekt Walsum zurückzuführen. Gegenläufig wirken höhere Gasbezugsaufwendungen.

An Materialaufwand und sonstigen bezogenen Leistungen sind 110,8 Mio EUR (Vorjahr: 88,8 Mio EUR) angefallen. Dies bedeutet gegenüber dem Vorjahr einen Anstieg von 22,0 Mio EUR.

Der Personalaufwand betrug im Geschäftsjahr 2016/17 70,0 Mio EUR (Vorjahr: 95,9 Mio EUR). Bei der EVN AG waren zum Bilanzstichtag 641 Angestellte auf Vollzeitbasis (Vorjahr: 647 Angestellte) beschäftigt. Bei der EVN AG sind derzeit keine Lehrlinge in Ausbildung (Vorjahr: 0 Lehrlinge). Daraus resultiert ein Personalaufwand pro Mitarbeiter von 0,1 Mio EUR (Vorjahr: 0,2 Mio EUR). Der Umsatz pro Mitarbeiter beträgt 0,8 Mio EUR (Vorjahr: 0,7 Mio EUR).

Die Abschreibungen betragen im Berichtszeitraum 25,9 Mio EUR und sind damit um 20,8 Mio EUR höher als im Vorjahr. Der Anstieg ist vor allem auf die außerplanmäßige Abschreibung bei den Strombezugsrechten am Donaukraftwerk Freudenau zurückzuführen.

Die sonstigen betrieblichen Aufwendungen belaufen sich auf 78,1 Mio EUR (Vorjahr 37,2 Mio EUR). Der Anstieg gegenüber dem Vorjahr beruht im Wesentlichen auf die Wertberichtigung des Darlehens gegenüber der EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH.

Aufgrund der oben angeführten Rahmenbedingungen verzeichnet die EVN AG ein negatives Betriebsergebnis in Höhe von -91,8 Mio EUR (Vorjahr -152,9 Mio EUR).

Das Finanzergebnis ist vor allem durch Beteiligungserträge, Zinsaufwendungen und -erträge, Zuschreibungen zu Finanzanlagen, Aufwendungen aus Finanzanlagen sowie durch sonstige Finanzaufwendungen und -erträge geprägt. Das Beteiligungsergebnis ist gegenüber dem Vorjahr von 213,1 Mio EUR auf 234,2 Mio EUR gestiegen. Die Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen sind um 223,8 Mio EUR gestiegen. Der Anstieg ist im Wesentlichen auf die Zuschreibungen der Beteiligungen an der Utilitas Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H., der EVN Mazedonien GmbH und der EVN WEEV Beteiligungs GmbH zurückzuführen.

Insgesamt konnte ein Finanzergebnis in Höhe von 383,8 Mio EUR erzielt werden, welches um 239,0 Mio EUR oder 165,1 % über dem Vorjahr liegt.

EVN AG, Maria Enzersdorf

Die beschriebenen Entwicklungen führten zu einem Ergebnis vor Steuern von 292,0 Mio EUR. Dies bedeutet einen Anstieg von 300,2 Mio EUR. Das Ergebnis vor Zinsen und Steuern hat sich um 295,0 Mio EUR auf 335,5 Mio EUR erhöht.

	Berechnung	2016/17	2015/16
EBIT-Marge		%	%
	<u>Betriebsergebnis</u>	n.a.	n.a.
	Umsatzerlöse		

Aufgrund des erwirtschafteten negativen Betriebsergebnisses kann für das Geschäftsjahr 2016/17 sowie für das Geschäftsjahr 2015/16 keine EBIT-Marge ermittelt werden.

	Berechnung	2016/17	2015/16
Eigenkapitalrentabilität		%	%
	<u>Ergebnis vor Steuern</u>	16,5%	n.a.%
	durchschnittliches Eigenkapital		

Die Eigenkapitalrentabilität beträgt im Geschäftsjahr 2016/17 16,5%. Im Geschäftsjahr 2015/16 konnte aufgrund des erwirtschafteten negativen Ergebnisses der gewöhnlichen Geschäftstätigkeit keine Eigenkapitalrentabilität ermittelt werden.

	Berechnung	2016/17	2015/16
Gesamtkapitalrentabilität		%	%
	<u>Ergebnis vor Zinsen und Steuern</u>	9,0%	1,2%
	durchschnittliches Gesamtkapital		

Im Geschäftsjahr 2016/17 kann eine Gesamtkapitalrentabilität von 9,0% erzielt werden. Im Geschäftsjahr 2015/16 betrug diese 1,2%.

Kennzahlen zur Vermögens- und Finanzlage

	Berechnung	30.09.2017	30.09.2016	Veränderung	
		Mio €	Mio €	Mio €	%
Nettoverschuldung	Verzinsliches Fremdkapital	648,0	960,9	-312,9	-32,6%
	- Flüssige Mittel				

Das verzinsliche Fremdkapital und die flüssigen Mittel berechnen sich dabei folgendermaßen:

	Berechnung	30.09.2017	30.09.2016	Veränderung	
		Mio €	Mio €	Mio €	%
Verzinsliches Fremdkapital	Anleihen	1.555,2	1.177,4	377,8	32,1%
	+Verbindlichkeiten gegenüber Kreditinstituten				
	+Finanzverbindlichkeiten gegenüber verbundene Unternehmen				
	+Rückstellungen für Abfertigungen				
	+Rückstellungen für Pensionen				
	+Rückstellungen für Jubiläumsgelder				

		30.09.2017	30.09.2016	Veränderung	
		Mio €	Mio €	Mio €	%
Flüssige Mittel	Ausleihungen an verbundene Unternehmen, Forderungen aus Cash Pooling, Kassenbestand, Schecks, Guthaben bei Kreditinstituten, Wertpapiere des UV sowie aus sonstigem Finanzvermögen	907,2	216,5	690,7	n.a.%

EVN AG, Maria Enzersdorf

Im Geschäftsjahr 2016/17 wurde bei der EVN zur Optimierung der Liquiditätssteuerung ein Cash Pooling implementiert. Der daraus resultierende Anstieg der flüssigen Mittel übersteigt den korrespondierenden Anstieg des verzinslichen Fremdkapitals. Im Geschäftsjahr 2016/17 ergibt sich daraus ein Rückgang der Nettoverschuldung um 32,6 % auf 648,0 Mio. Euro.

Berechnung		30.09.2017	30.09.2016	Veränderung	
		Mio €	Mio €	Mio €	%
Nettoumlaufvermögen	Umlaufvermögen	-480,0	211,9	-691,9	n.a.%
	- langfristiges Umlaufvermögen				
	=Kurzfristiges Umlaufvermögen				
	- kurzfristiges Fremdkapital				
	=Nettoumlaufvermögen				

Trotz Anstieg des Umlaufvermögens ist aufgrund des höheren kurzfristigen Fremdkapitals das Nettoumlaufvermögen insgesamt um 328,1 % auf -483,4 Mio EUR gesunken.

Berechnung		30.09.2017	30.09.2016
		%	%
Eigenkapitalquote	Eigenkapital	46,5%	48,4%
	Gesamtkapital		

Die Bilanzsumme beträgt im Geschäftsjahr 2016/17 4.096,0 Mio EUR (VJ: 3.392,2 Mio EUR) und hat sich damit gegenüber dem Vorjahr um 703,9 Mio EUR bzw. 20,8 % erhöht. Das Eigenkapital der Gesellschaft beläuft sich auf 1.904,7 Mio EUR (VJ: 1.641,2 EUR).

Die Reduktion der Eigenkapitalquote um 1,9%-Punkt ist auf den Anstieg des Gesamtkapitals zurückzuführen.

Berechnung		30.09.2017	30.09.2016
		%	%
Nettoverschuldungsgrad	Nettoverschuldung	34,0%	58,5%
	Eigenkapital		

Geldflussrechnung

Berechnung		2016/17	2015/16	Veränderung	
		Mio €	Mio €	Mio €	%
Geldflussrechnung	Geldfluss aus dem Ergebnis	157,0	216,6	-59,8	-27,5%
	Netto-Geldfluss aus der laufenden Geschäftstätigkeit	200,9	164,2	36,7	22,4%
	Netto-Geldfluss aus der Investitionstätigkeit	- 744,7	-16,8	-727,9	n.a.%
	Netto-Geldfluss aus der Finanzierungstätigkeit	322,1	-121,1	443,2	n.a. %
Zahlungswirksame Veränderung des Finanzmittelbestandes		-221,6	26,3	-247,9	n.a.%

Ausgehend von einem Jahresüberschuss in Höhe von 338,0 Mio EUR konnte ein Cashflow der laufenden Geschäftstätigkeit in Höhe von 200,9 Mio EUR erwirtschaftet werden.

Der Cashflow aus der Investitionstätigkeit belief sich auf -744,7 Mio EUR, wobei vor allem Investitionen in Finanzanlagen den Cashflow beeinflussten.

Ausgehend von der im Geschäftsjahr 2016/17 durchgeführten Ausschüttung aus dem Bilanzgewinn 2015/16 in Höhe von 74,7 Mio EUR, einer Erhöhung der kurzfristigen Finanzverbindlichkeiten sowie einer Verringerung der langfristigen Finanzverbindlichkeiten weist die EVN AG einen Cashflow aus der Finanzierungstätigkeit in Höhe von 322,1 Mio EUR aus.

Insgesamt resultierte aus dieser Entwicklung eine Reduzierung des Finanzmittelbestandes (inkl. Konzern Cashpooling) von -221,6 Mio EUR.

Zweigniederlassungen

EVN verfügt über keine Zweigniederlassungen im Sinne des § 243 Abs 3 Z 4 UGB.

Forschung- und Entwicklung

Die wesentlichsten Handlungsfelder der EVN Wesentlichkeitsmatrix geben auch den Themenrahmen für die Innovations-, Forschungs- und Entwicklungsaktivitäten der EVN vor. In diesem Sinn werden primär Projekte zur Versorgungssicherheit, zur Schonung von Umwelt und Ressourcen sowie zur Stärkung der Wettbewerbsfähigkeit des Unternehmens verfolgt. Generelle Zielsetzung ist die Entwicklung von Lösungen für eine emissionsärmere Zukunft, einen effizienteren Energieeinsatz und – basierend auf den Kundenbedürfnissen – ein dezentrales Energiesystem.

Im Geschäftsjahr 2016/17 wendete die EVN 1,0 Mio. Euro (davon 13,7 % über Förderungen) für Innovations-, Forschungs- und Entwicklungsprojekte auf. Zu den Forschungsschwerpunkten, die im Berichtsjahr fortgesetzt bzw. vertieft wurden, zählte vor allem das Thema Stromspeicher. Denn der wachsende Anteil von Strom aus erneuerbaren Quellen stellt Stromnetze und bestehende Erzeugungsstrukturen vor große Herausforderungen. Besonders die große Volatilität der Stromerzeugung aus Wind, Sonne und die hohen Anforderungen an die Netzstabilität machen hier den Einsatz von Batteriespeichern im Stromnetz (z. B. auch in Haushalten) interessant. Im abgelaufenen Geschäftsjahr hat die EVN deshalb verschiedene Batteriesysteme mit unterschiedlichen Eigenschaften und Anwendungszwecken im Rahmen von Forschungsprojekten getestet. Dazu zählt unter anderem Power-to-Gas. Diese Form der Speicherung besteht darin, dass aus überschüssigem Strom aus erneuerbarer Produktion Wasserstoff und Methan erzeugt werden, die bei Bedarf in Gaskraftwerken wieder zur Stromproduktion eingesetzt werden können.

Daneben hat die EVN im Berichtszeitraum folgende Projekte fort-gesetzt bzw. initiiert:

- Nachfolgeprojekt „CO2USE“ zur CO₂-Abscheideanlage der EVN im Kraftwerk Dürnrohr, um das abgeschiedene CO₂ -mithilfe biotechnologischer Methoden in einen biologisch -abbaubaren Kunststoff umzuwandeln
- Projekt „Joulie“, eine interaktive Online-Plattform, die Kunden maßgeschneiderte Produktkonfigurationen für dezentrale Energielösungen und weitere Produkte bietet
- Projekte im Bereich E-Mobilität

Für die Entwicklung und Durchführung ihrer Innovationsprojekte nutzt die EVN – je nach konkreten Anforderungen angepasste – State-of-the-Art-Innovationsmethoden (z. B. Business Model Canvas). Die Forschungsprojekte finden – je nach konkreter Aufgabenstellung und Sinnhaftigkeit – zumeist in Kooperation unter-schiedlicher Konzernbereiche mit zahlreichen Partnern aus Wissenschaft und Industrie statt. Da der Schwerpunkt der EVN in der anwendungsnahen Forschung und Entwicklung liegt, ergänzen sich die Kompetenzen mit den auf Grundlagenforschung ausgerichteten Profilen der wissenschaftlichen Kooperationspartner.

Im Innovationsprozess wendet die EVN systematisch agile Methoden, z. B. Design Thinking, an, um insbesondere ihre Kundenorientierung gezielt zu vertiefen. Ebenso nutzt sie ein eigenes Technologieradar als Schlüsselinstrument für das fokussierte Screening von Technologien.

Umweltschutz und Nachhaltigkeit

Die EVN sieht die Sicherstellung einer flächendeckenden und stets verlässlichen Versorgung mit ihren Produkten und Dienstleistungen als die wichtigste Verpflichtung gegenüber ihren Kunden. Gleichzeitig ist sie sich ihrer hohen Verantwortung bewusst, als bedeutender Marktteilnehmer auch einen aktiven Beitrag zum Klimaschutz zu leisten, und legt ihren Fokus hier auf den Systemumbau in Richtung einer klimaneutralen Erzeugung mit Energiespeichern als Ausgleich. Dazu investiert die EVN kontinuierlich in Anlagen zur Nutzung erneuerbarer Energieträger (Wind- und Wasserkraft, Photovoltaik sowie Biomasse) und unterstützt Aktivitäten zu deren Integration in das bestehende Energiesystem. Entsprechende Rahmenbedingungen vorausgesetzt, soll die Windkraftkapazität im Heimmarkt Niederösterreich von derzeit rund 269 MW mittelfristig auf rund 500 MW erhöht werden. Generell verfolgt die EVN das Ziel, den Anteil der erneuerbaren Energie an der Stromerzeugung nachhaltig zu steigern. Im Geschäftsjahr 2016/17 stammten 34,4 % der Gesamtstromproduktion der EVN aus erneuerbaren Quellen.

Ein zentrales strategisches Ziel bleibt dabei weiterhin der kontinuierliche Ausbau der Netzinfrastruktur in Niederösterreich. Er schafft die Voraussetzungen dafür, dass die EVN die Energiewende unterstützen und gleichzeitig Versorgungssicherheit und -qualität nachhaltig gewährleisten kann. Eine wichtige Brückenfunktion nehmen dabei die thermischen Kraftwerke der EVN ein. Darüber hinaus leisten Effizienzsteigerungsmaßnahmen und Innovationsaktivitäten in allen Bereichen wichtige Beiträge

Human Resources

Die EVN ist sich ihrer Verantwortung als Arbeitgeber bewusst und erfüllt hier nicht nur ihre gesetzlich definierten Pflichten. Die zentralen Prinzipien der Unternehmenskultur und des Umgangs mit Mitarbeitern sind dabei in Form konzernweiter Grundsätze festgeschrieben. Neben Vorgaben wie Gleichbehandlung und Chancengleichheit definieren diese auch Themen wie Gesundheitsvorsorge, Arbeitsschutz und -sicherheit sowie betriebliche Sozialpartnerschaft.

Im Geschäftsjahr 2016/17 beschäftigte die EVN durchschnittlich 641 Mitarbeiter auf Vollzeitbasis, der Frauenanteil belief sich zum Stichtag 30. September 2017 auf 24,4 %. Mittelfristig strebt die EVN eine Frauenquote an, die das aktuelle ausbildungsbezogene Geschlechterverhältnis berufsgruppenspezifisch widerspiegelt. Bereits im Geschäftsjahr 2010/11 hat sie dafür das Programm „Frauen@EVN“ initiiert.

Die Absicherung und Erweiterung des hohen Kompetenzniveaus ihrer Mitarbeiter bildet einen wichtigen Schwerpunkt im Personalmanagement der EVN. Organisiert werden die entsprechenden Aus- und Weiterbildungsangebote in Österreich, Bulgarien und -Mazedonien durch die EVN Akademie. Ebenso nehmen Arbeitssicherheit und Unfallvermeidung in allen Unternehmenseinheiten der EVN einen zentralen Stellenwert ein. Das hohe Sicherheitsniveau wird vor allem durch Schulungen und Bewusstseinsbildung gewährleistet.

Risikomanagement

Risikodefinition

Im EVN Konzern ist Risiko als die potenzielle Abweichung von geplanten Unternehmenszielen definiert.

Risikomanagementprozess

Primäres Ziel des Risikomanagements ist die gezielte Sicherung bestehender und zukünftiger Ertrags- und Cash-Flow-Potenziale durch aktive Risikosteuerung. Im Rahmen des Risikomanagementprozesses stellt ein zentral organisiertes Risikomanagement den -dezentralen Risikoverantwortlichen geeignete Methoden und Werkzeuge zur Identifikation und Bewertung von Risiken zur Verfügung. Die risikoverantwortlichen Geschäftseinheiten kommunizieren ihre Risikopositionen an das zentrale Risikomanagement. Hier werden geeignete Maßnahmen zur Risikominimierung definiert, für deren Umsetzung die dezentralen Geschäftseinheiten verantwortlich sind. Ebenso erfolgt hier die Analyse des Risikoprofils der EVN. Die Erfassung und das Management von Nachhaltigkeits- und compliance-relevanten Risiken erfolgt im Einklang mit dem zentralen Risikomanagementprozess durch darauf spezialisierte -Organisationseinheiten bzw. Prozesse. Der Risikomanagementprozess umfasst die folgenden Schritte:

- **Identifikation:** Erhebung bzw. Überarbeitung der Risiken auf Basis der letzten Risikoinventur (Review des Risikoinventars) und Identifikation von neuen Risiken und entsprechenden Risikosteuerungsmaßnahmen
- **Bewertung und Analyse:** Qualitative und quantitative Bewertung der identifizierten Risiken, Aggregation der Risiken nach unterschiedlichen Betrachtungsperspektiven und Modellierung der Ergebnis- und Cash-Flow-

Verteilungen

- **Berichterstattung:** Diskussion und Beurteilung des Risikoprofils im Risikoarbeitsausschuss sowie im Konzernrisikoausschuss und gegebenenfalls Einleitung von weiteren Risikosteuerungsmaßnahmen; Risikoberichterstattung an den Prüfungsausschuss
- **Prozess-Review:** Definition jener organisatorischen Einheiten, die einer expliziten Risikobetrachtung zu unterziehen sind; regelmäßige Überprüfung, ob die festgelegten Methoden bei geänderten Verhältnissen zu modifizieren sind; regelmäßige Prüfung durch die Interne Revision

Aufgaben des Risikoarbeitsausschusses

Der Risikoarbeitsausschuss unterstützt das zentrale Risikomanagement bei der ordnungsgemäßen Umsetzung des Risikomanagementprozesses. Er beurteilt und genehmigt Änderungen in Bezug auf die (Bewertungs-)Methodik und definiert Art und Umfang der Risikoberichterstattung. Stimmberechtigte Mitglieder des Risikoarbeitsausschusses auf Ebene des EVN Konzerns sind die Leiter der Konzernfunktionen Controlling, Generalsekretariat und Corporate Affairs, Finanzwesen, Rechnungswesen und Interne Revision, der Chief Compliance Officer (CCO) sowie ein (unternehmensinterner) energiewirtschaftlicher Experte.

Konzernrisikoausschuss und Kontrolle

Im Konzernrisikoausschuss, der aus dem Vorstand der EVN AG, den Leitern der wesentlichsten operativen Organisationseinheiten und den Mitgliedern des Risikoarbeitsausschusses besteht, werden die Ergebnisse der Risikoinventur sowie die Berichte präsentiert und diskutiert. Er entscheidet über den weiteren Handlungsbedarf, kann Arbeitsgruppen einberufen sowie Arbeitsaufträge erteilen und verabschiedet die Ergebnisse der Risikoinventur (Risikoberichte).

Risikoprofil

Neben den branchenüblichen Risiken und Ungewissheiten ist das Risikoprofil der EVN vor allem durch politische, rechtliche und regulatorische Herausforderungen und Veränderungen im Wettbewerbsumfeld geprägt. Im Rahmen der jährlich durchgeführten Risikoinventur, deren Ergebnisse im Bedarfsfall um Ad-hoc-Risikomeldungen aktualisiert werden, erfolgt eine Kategorisierung in Markt- und Wettbewerbs-, Finanz-, Betriebs-, Umfeld-, Strategie- und Planungs- sowie sonstige Risiken, auf die im Folgenden näher eingegangen wird.

Markt- und Wettbewerbsrisiken

Energie

Nachfragerückgänge aufgrund von witterungs- bzw. klimawandel-bedingten, demografischen, politischen und technologischen Einflüssen sowie reputations- bzw. wettbewerbsbedingte Kunden- und Absatzmengenverluste können negative Auswirkungen auf die Umsatzerlöse der EVN haben. Zudem können die Marktpreisentwicklung und -volatilität, eine suboptimale Beschaffungsstrategie und sinkende Margen die energiewirtschaftlichen Deckungsbeiträge der EVN negativ beeinflussen.

Erzeugung

Der Anstieg dezentraler und nicht regelbarer Produktion sowie Schwankungen bei Windaufkommen, Wasserführung, Sonnenstunden und Witterungsverhältnissen können sich nachteilig auf das Ergebnis im Erzeugungsbereich auswirken (Preis- und Mengeneffekte). Da die Wirtschaftlichkeit und die Werthaltigkeit der Erzeugungsanlagen maßgeblich von Strom- und Primärenergiepreisen, Wirkungsgraden, energiepolitischen Rahmenbedingungen und Standorten abhängig sind, können nachteilige Entwicklungen einen Wertberichtigungsbedarf auslösen. Darüber hinaus könnte die Bildung bzw. Nachdotierung von Rückstellungen für Belastungen aus langfristigen (Bezugs-)Verträgen erforderlich werden. Trotz der bereits gesetzten Maßnahmen bestehen derartige Risiken weiterhin für thermische Erzeugungsanlagen, aber auch für Wasserkraftwerke und Erzeugungsanlagen im Bereich der erneuerbaren Energie.

Umwelt

Im Umweltgeschäft sieht die EVN Risiken in möglichen Nachfrage-, Mengen- und Kostenschwankungen bei Wasserversorgungs- und Abwassersystemen sowie bei thermischen Abfallverwertungsanlagen. Aufgrund von Marktsättigung, eingeschränkten Ressourcen für Infrastrukturprojekte oder Nichtberücksichtigung bzw. Unterliegen in Ausschreibungsverfahren kann das Projektvolumen im Umweltbereich zurückgehen. Die EVN ist zudem Projektabwicklungs- und Lieferantenrisiken wie dem Risiko der mangelhaften Erfüllung oder Nichterfüllung vertraglich festgelegter Leistungen ausgesetzt.

Finanzrisiken

Im Rahmen des Managements von Kredit- bzw. Forderungsausfallrisiken unterscheidet die EVN zwischen Forderungen gegenüber Endkunden und Forderungen im Finanz- und Energiehandelsbereich sowie bei Großprojekten/-anlagen. Im Endkundenbereich dienen insbesondere ein effizientes Forderungsmanagement, die Beurteilung der Kundenbonität auf Basis von Ratings und Erfahrungswerten sowie das laufende Monitoring des Kundenzahlungsverhaltens der Begrenzung von Ausfallrisiken. Dennoch können die Energieerträge durch mangelnde Kaufkraft bzw. Zahlungsmoral der Kunden belastet werden.

Den Kreditrisiken wird insbesondere im Treasury- und im Energiehandelsbereich sowie im Projekt- und Beschaffungsmanagement mit Bonitätsmonitoring und Kreditlimitsystemen, Absicherungsinstrumenten wie Bankgarantien sowie einer gezielten Strategie der Diversifizierung von Geschäftspartnern begegnet.

Im Bereich der kerngeschäftsnahen Beteiligungen (vor allem Verbund AG, Rohöl-Aufsuchungs Aktiengesellschaft, Burgenland Holding AG, ENERGIEALLIANZ Austria GmbH) besteht aufgrund des schwierigen energiepolitischen Umfelds die Gefahr, dass nachteilige Ergebnis- und Eigenkapitalentwicklungen auf die EVN durchschlagen.

Im Rahmen der aktiven Steuerung der Liquiditäts-, Zinsänderungs-, Fremdwährungs- und Marktpreisrisiken stellt das niedrige Zinsniveau eine zunehmende Herausforderung für die kurz- bis mittelfristige Veranlagung von liquiden Mitteln dar. Dies kann zu Opportunitätsverlusten führen und negative Auswirkungen auf die Bewertung von Personalrückstellungen sowie auf künftige Tarife haben.

Betriebsrisiken

Insbesondere im Energie- und Netzgeschäft können operative Risiken wie Betriebsunterbrechungen und -störungen sowie IT und sicherheitstechnische Probleme auftreten, wodurch es zu Versorgungsunterbrechungen und zum Schlagendwerden von Haftungs- und Reputationsrisiken kommen kann. Auch im Umweltgeschäft besteht das Risiko von Betriebsstörungen bzw. -unterbrechungen bei Wasserversorgungs- und Abwassersystemen sowie bei thermischen Abfallverwertungsanlagen. Risiken bestehen auch in der suboptimalen Auslegung und Nutzung technischer Anlagen und der Einschätzung und Umsetzung von technologischen Neuerungen. Zudem bestehen operationelle Risiken in Bezug auf Organisation, Planung, Personal und Compliance.

Umfeldrisiken

Regulierung, Energie- und Umweltgesetzgebung sowie die Veränderung von politischen und öffentlichen Positionen zu Energie- und Infrastrukturprojekten sind wesentliche Risikotreiber. Eine Änderung des Förderregimes, das Ausbleiben von erwarteten Förderungen und eine Änderung der gesetzlich fixierten Tarife können die künftige Vermögens-, Finanz- und Ertragslage negativ beeinflussen.

Politische und wirtschaftliche Instabilität, willkürliche Rechtssetzungs- und Regulierungsmaßnahmen sowie Veränderungen der rechtlichen Rahmenbedingungen stellen Herausforderungen dar. Erforderliche Genehmigungen und Lizenzen könnten nicht erteilt, entzogen oder nicht verlängert werden. In diesem Zusammenhang ist das von der bulgarischen Regulierungsbehörde für den Strombereich eingeleitete und mittlerweile eingestellte Lizenzanzugsverfahren gegen die Vertriebsgesellschaft der EVN in Bulgarien zu nennen.

Vertrags- und Rechtsrisiken bestehen im Zusammenhang mit potenziellen oder bereits anhängigen (Schieds)Gerichts- und Investitionsschutzverfahren sowie regulatorischen bzw. aufsichtsrechtlichen Prüfungen.

Gesamtrisikoprofil

Neben den Ungewissheiten im Zusammenhang mit Geschäftsfeldern und -betrieben außerhalb von Österreich ist die EVN auch im Heimatmarkt Niederösterreich mit einem weiterhin herausfordernden Umfeld konfrontiert. Im Rahmen der jährlich durchgeführten Konzernrisikoinventur wurden keine Risiken für die Zukunft identifiziert, die den Fortbestand der EVN gefährden könnten.

Wesentliche Merkmale des internen Kontroll- und Risikomanagementsystems in Hinblick auf den Rechnungslegungsprozess

Gemäß §267 Abs. 3b in Verbindung mit §243a Abs. 2 UGB sind im Konzernlagebericht von Gesellschaften, deren Aktien zum Handel auf einem geregelten Markt zugelassen sind, die wichtigsten Merkmale des internen Kontroll- und Risikomanagementsystems im Hinblick auf den Konzernrechnungslegungsprozess zu beschreiben. Die Einrichtung eines angemessenen internen Kontroll- und Risikomanagementsystems (IKS) im Hinblick auf den Rechnungslegungsprozess liegt gemäß §82 AktG in der Verantwortung des Vorstands und ist gemäß § 92 Abs. 4a Z. 4b AktG vom Prüfungsausschuss auf seine Wirksamkeit hin zu überwachen.

Das IKS für den Rechnungslegungsprozess der EVN wird durch Kontrollen der identifizierten risikobehafteten Prozesse in regelmäßigen Abständen überwacht, und die Ergebnisse daraus werden dem Management und dem Prüfungsausschuss berichtet. Das IKS gewährleistet klare Zuständigkeiten und eliminiert überflüssige Prozessschritte, wodurch die Sicherheit in den Abläufen für die Erstellung der Finanzberichterstattung weiter erhöht wird. Die Beschreibung der wesentlichen Merkmale besteht aus den fünf zusammenhängenden Komponenten Kontrollumfeld, Risikobeurteilung, Kontrollmaßnahmen, Information und Kommunikation sowie Überwachung.

Kontrollumfeld

Der von der EVN festgelegte Verhaltenskodex und die darin zugrunde gelegten Wertvorstellungen gelten für alle Mitarbeiter des gesamten Konzerns.

Die Erstellung des Konzernabschlusses erfolgt durch die kaufmännischen Konzernfunktionen der EVN. Der Abschlussprozess der EVN basiert auf einer einheitlichen Bilanzierungsrichtlinie, die neben den Bilanzierungsvorschriften auch die wesentlichen Prozesse und Termine konzernweit festlegt. Für die konzern-internen Abstimmungen und die sonstigen Abschlussarbeiten bestehen verbindliche Anweisungen. Die am Rechnungslegungsprozess beteiligten Mitarbeiter erfüllen die qualitativen Anforderungen und werden regelmäßig geschult. Komplexe versicherungsmathematische Gutachten und Bewertungen werden durch darauf spezialisierte Dienstleister oder qualifizierte Mitarbeiter erstellt. Für die Einhaltung der Prozesse sowie der korrespondierenden Kontrollmaßnahmen sind die jeweiligen Prozessverantwortlichen – das sind im Wesentlichen die Leiter der operativen Organisationseinheiten sowie der Konzernfunktionen – verantwortlich.

Risikobeurteilung und Kontrollmaßnahmen

Zur Vermeidung von wesentlichen Fehldarstellungen bei der Abbildung von Transaktionen wurden mehrstufig aufgebaute Sicherungsmaßnahmen mit dem Ziel implementiert, dass die Einzelabschlüsse sämtlicher Tochtergesellschaften richtig erfasst werden. Diese Maßnahmen umfassen sowohl automatisierte Kontrollen in der Konsolidierungssoftware als auch manuelle Kontrollen in den kaufmännischen Konzernfunktionen. Auf Basis der Abschlüsse der Tochterunternehmen führen diese Fachabteilungen umfangreiche Plausibilitätsüberprüfungen durch, damit die Daten der Einzelabschlüsse ordnungsgemäß in den Konzernabschluss übernommen werden. Die Überprüfung der Abschlussdaten sieht vor, dass die Daten vor und nach der Konsolidierung zentral auf Positions-, Segment- und Konzernebene analysiert werden. Erst nach Durchführung dieser Qualitätskontrollen auf allen Stufen erfolgt die Freigabe des Konzernabschlusses.

Das Rechnungswesen der EVN AG und der wichtigsten in- und ausländischen Tochtergesellschaften wird mit dem ERP-Softwaresystem SAP, Modul FI (Finanz-/Rechnungswesen) geführt. Die Erstellung des Konzernabschlusses nach IFRS erfolgt mit der Software Hyperion Financial Management, in die die Werte der Einzelabschlüsse der konsolidierten Gesellschaften mittels Schnittstelle übernommen werden. Die Rechnungswesenssysteme sowie alle vorgelagerten Systeme sind durch Zugriffsberechtigungen und automatische sowie zwingend im Prozess vorgesehene manuelle Kontrollschritte geschützt.

Das IKS für die Finanzberichterstattung und die für das Rechnungswesen relevanten Prozesse werden mindestens einmal jährlich vom zuständigen Assessor dahingehend überprüft, ob die Kontrollen durchgeführt worden sind, ob es im Geschäftsjahr Risikovorfälle gegeben hat und ob die Kontrollen weiterhin geeignet sind, die vorhandenen Risiken abzudecken. Im Geschäftsjahr 2016/17 wurden im Sinn der kontinuierlichen Weiterentwicklung des IKS für die Finanzberichterstattung Prozessadaptionen und -verbesserungen durchgeführt.

Information, Kommunikation und Überwachung

Der Aufsichtsrat wird vom Vorstand vierteljährlich mit einem umfassenden Bericht über die Vermögens-, Finanz- und Ertragslage, der sowohl eine Bilanz als auch eine Gewinn- und -Verlust-Rechnung enthält, informiert. Darüber hinaus

ergeht zweimal jährlich eine Berichterstattung über das IKS für die Finanzberichterstattung an den Vorstand und den Prüfungsausschuss, die als Informationsgrundlage zur Beurteilung der Effizienz und Effektivität des IKS dient und die Steuerbarkeit des IKS durch die dafür vorgesehenen Gremien gewährleisten soll. Dieser Bericht erfolgt durch das IKS-Management in Zusammenarbeit mit dem IKS-Komitee auf Basis der Informationen der IKS-Bereichsverantwortlichen, der Kontrolldurchführenden und der Assessoren.

Zur Wahrnehmung der Überwachungs- und Kontrollfunktion im Hinblick auf eine ordnungsgemäße Rechnungslegung und Berichterstattung werden die relevanten Informationen zudem auch den Leitungsorganen und wesentlichen Mitarbeitern der jeweiligen Gesellschaft zur Verfügung gestellt. Die Interne Revision der EVN führt regelmäßig Prüfungen des IKS für die Finanzberichterstattung durch, deren Ergebnisse ebenfalls bei den laufenden Verbesserungen des internen Kontrollsystems Berücksichtigung finden.

EVN Aktie (Angaben nach § 243a Abs. 1 UGB)

1. Per 30. September 2017 betrug das Grundkapital der EVN AG 330.000.000 Euro und war unterteilt in 179.878.402 Stück auf Inhaber lautende nennwertlose Stückaktien, die jeweils im gleichen Umfang am Grundkapital beteiligt sind. Der Anspruch auf Einzelverbriefung der Aktien ist ausgeschlossen. Es existiert nur diese eine Aktiengattung. Alle Aktien verkörpern die gleichen Rechte und Pflichten und werden auf dem Prime Market der Wiener Börse gehandelt.
2. Es gibt keine über die Bestimmungen des Aktiengesetzes hinausgehenden Beschränkungen der Stimmrechte bzw. Vereinbarungen über die Beschränkung der Übertragbarkeit von Aktien. Hinzuweisen ist jedoch darauf, dass die Übertragbarkeit der Beteiligung des Landes Niederösterreich, das seine Anteile über die NÖ Landes-Beteiligungsholding GmbH, St. Pölten, hält, durch bundes- und landesverfassungsgesetzliche Bestimmungen eingeschränkt ist.
3. Auf Basis dieser verfassungsrechtlichen Vorschriften ist das Land Niederösterreich mit 51,0 % Mehrheitsaktionär der EVN AG. Zweitgrößter Aktionär der EVN AG ist der EnBW Trust e.V., ein im Vereinsregister des Amtsgerichts Mannheim unter VR 3737 eingetragener Verein mit Sitz in Karlsruhe, der zum 30. September 2017 Aktien im Ausmaß von 30,6 % des Grundkapitals treuhändig für die EnBW Energie Baden-Württemberg AG mit Sitz in Karlsruhe, eingetragen im Handelsregister des Amtsgerichts Mannheim unter HRB 107956, hielt. Der Anteil der von der EVN AG gehaltenen eigenen Aktien betrug zu diesem Stichtag 1,1 %; der Streubesitz belief sich somit auf 17,3 %.
4. Es wurden keine Aktien mit besonderen Kontrollrechten ausgegeben.
5. Mitarbeiter, die im Besitz von Aktien sind, üben ihr Stimmrecht unmittelbar selbst bei der Hauptversammlung aus. Es besteht in der EVN AG kein Aktienoptionsprogramm.
6. Der Vorstand besteht aus mindestens zwei Mitgliedern. Der Aufsichtsrat besteht aus mindestens zehn und höchstens fünfzehn Mitgliedern. Sofern das Gesetz nicht zwingend eine andere Mehrheit vorschreibt, beschließt die Hauptversammlung mit einfacher Mehrheit der abgegebenen Stimmen und in Fällen, in denen eine Kapitalmehrheit erforderlich ist, mit einfacher Mehrheit des bei der Beschlussfassung vertretenen Grundkapitals.
7. Mit Beschluss vom 21. Jänner 2016 ermächtigte die 87. ordentliche Hauptversammlung der EVN AG den Vorstand, während einer Geltungsdauer von 30 Monaten auf Inhaber lautende eigene Stückaktien zum Zweck (i) der Ausgabe an Arbeitnehmer der Gesellschaft oder eines mit ihr verbundenen Unternehmens sowie (ii) gemäß § 65 Abs. 1 Z. 8 AktG (zweckfreier Erwerb) im Ausmaß von insgesamt höchstens 10 % des Grundkapitals der EVN zu erwerben. Derzeit macht der Vorstand von diesem Ermächtigungsbeschluss keinen Gebrauch.
8. Aufgrund der oben in Punkt 2. und 3. erwähnten Rechtslage ist ein Kontrollwechsel im Sinn des § 243a Abs. 1 Z. 8 UGB in der EVN AG derzeit von Gesetzes wegen unzulässig. Allfällige Folgewirkungen eines Kontrollwechsels können daher nicht eintreten.
9. Entschädigungsvereinbarungen zugunsten von Organen oder Mitarbeitern für den Fall eines öffentlichen Übernahmeangebots gemäß § 243a Abs. 1 Z. 9 UGB bestehen nicht.

Strategie und Zielsetzungen

Mit ihrer Strategie zielt die EVN darauf ab, nachhaltig stabile Ergebnisse zu erwirtschaften, um weiterhin stabile Cash Flows zu generieren, mit denen die Finanzierung der Investitionen sichergestellt und eine stabile Dividendenpolitik gewährleistet bleiben kann. Dabei sorgen die Positionierung der EVN als umfassender Versorger für Strom, Erdgas, Wärme, Energiedienstleistungen, Wasser sowie Dienstleistungen im Bereich Kabel-TV und Telekommunikation sowie das bewährte integrierte Geschäftsmodell, das im Energiegeschäft die Bereiche Erzeugung, Netzbetrieb sowie Energiehandel und -vertrieb abdeckt, für Diversifikationseffekte sowohl zwischen den einzelnen Geschäftsfeldern als auch innerhalb der Wertschöpfungskette.

In der Stromproduktion hat sich die EVN das Ziel einer Eigenerzeugungsquote von 30 % gesetzt. Dies bedeutet, dass 30 % des verkauften Stroms mit eigenen Anlagen erzeugt bzw. durch Strombezugsrechte abgedeckt sein sollen. Die angestrebte Eigenerzeugungsquote soll nicht nur die Versorgungssicherheit der Kunden gewährleisten, sondern auch eine Absicherung gegen Preisschwankungen auf den volatilen Energiemärkten bringen. Aktuell beläuft sich die Eigenerzeugungsquote der EVN auf 32,7 % (Vorjahr: 32,1 %).

Die höhere Eigenerzeugungsquote soll durch eine Steigerung der Erzeugung aus erneuerbarer Energie erreicht werden. Neuinvestitionen in thermische Anlagen sind hingegen nicht angedacht. Durch den forcierten Ausbau der Erzeugung aus erneuerbarer Energie nimmt die EVN sowohl ihre ökonomische als auch ihre ökologische Verantwortung wahr und trägt zudem zur Sicherung der Energieversorgung bei.

Ausblick

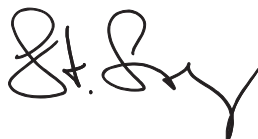
Das Geschäftsjahr 2017/18 hält mit der Preisentwicklung auf den Großhandelsmärkten, die einen tendenziellen Anstieg der Beschaffungskosten erwarten lässt, sowie dem zunehmenden Wettbewerb deutliche Herausforderungen für die EVN bereit. Zusätzlich kann der Geschäftsverlauf durch die energiewirtschaftlichen Rahmenbedingungen für die Vermarktung der eigenen Stromproduktion wesentlich beeinflusst werden.

Die thermischen Erzeugungskapazitäten der EVN werden aufgrund der geringen oder negativen Spreads weiterhin primär zur Lieferung von Ausgleichsenergie und für das Engpassmanagement eingesetzt. Für das Winterhalbjahr 2017/18 stehen die thermischen Kraftwerke der EVN dabei erneut zur Netzstabilisierung im süddeutschen Raum unter Vertrag. Vor diesem Hintergrund wird ein positives Ergebnis erwartet, das jedoch unter dem Niveau des Vorjahres liegen dürfte.

Der in den vergangenen Jahren eingeschlagene Weg der Konsolidierung soll weiter verfolgt werden. Der Fokus liegt hier auf den bestehenden Geschäftsbereichen und dort wiederum auf der laufenden Steigerung der Effizienz. Das integrierte Geschäftsmodell der EVN hat sich im aktuell herausfordernden Umfeld bewährt. So trägt schon die breite Aufstellung entlang der energiewirtschaftlichen Wertschöpfungskette zu einer stabilen Entwicklung bei.

Maria Enzersdorf,
am 20. November 2017

Der Vorstand



Mag. Stefan Szyszkowitz, MBA



Dipl.-Ing. Franz Mittermayer

Jahresabschluss

Bilanz zum 30.09.2017**Aktiva**

	30.9.2017 EUR	30.9.2016 TEUR
A. Anlagevermögen		
I. Immaterielle Vermögensgegenstände	34.645.603,90	5.306
II. Sachanlagen	41.030.043,90	41.724
III. Finanzanlagen	3.564.371.275,99	2.651.109
	3.640.046.923,79	2.698.140
B. Umlaufvermögen		
I. Vorräte		
1. Primärenergievorräte	73.365.142,23	62.593
2. Hilfs- und Betriebsstoffe	6.174.186,44	6.053
3. Waren	28.462,22	28
4. Noch nicht abrechenbare Leistungen	5.084.999,84	4.742
	84.652.790,73	73.416
II. Forderungen und sonstige Vermögensgegenstände		
1. Forderungen aus Lieferungen und Leistungen	11.301.721,77	6.693
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	33.303,60	0
2. Forderungen gegenüber verbundenen Unternehmen	111.493.719,31	291.636
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	0,00	0
3. Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	98.562.145,33	69.921
4. Sonstige Forderungen und Vermögensgegenstände	11.768.328,47	22.728
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	31.493,67	18
	233.125.914,88	390.978
III. Wertpapiere und Anteile		
Sonstige Wertpapiere und Anteile	7.537.894,76	82.288
IV. Kassenbestand, Guthaben bei Kreditinstituten	87.944.223,96	134.184
	413.260.824,33	680.866
C. Rechnungsabgrenzungsposten		
Sonstige	11.236.025,20	13.152
D. Aktive latente Steuern	31.499.965,77	0
	4.096.043.739,09	3.392.158

Passiva

	30.9.2017 EUR	30.9.2016 TEUR
A. Eigenkapital		
I. eingefordertes und einbezahltes Grundkapital		
Gezeichnetes Kapital	330.000.000,00	330.000
Eigene Anteile	-3.578.983,43	-20.068
	<u>326.421.016,57</u>	<u>309.932</u>
II. Kapitalrücklagen		
1. Gebundene	204.429.160,43	204.429
2. Nicht gebundene	58.267.709,06	58.268
	<u>262.696.869,49</u>	<u>262.697</u>
III. Gewinnrücklagen		
1. Gesetzliche Rücklage	4.723.734,22	4.724
2. Andere Rücklagen (freie Rücklagen)	1.223.542.737,42	970.853
	<u>1.228.266.471,64</u>	<u>975.577</u>
IV. Rücklagen für eigene Anteile	3.578.983,43	20.068
V. Bilanzgewinn	83.701.541,35	74.774
<i>davon Gewinnvortrag</i>	80.129,00	185
	<u>1.904.664.882,48</u>	<u>1.643.048</u>
B. Investitionszuschüsse	3.061.137,84	2.535
C. Rückstellungen		
1. Rückstellungen für Abfertigungen	29.133.897,00	31.994
2. Rückstellungen für Pensionen und pensionsähnliche Verpflichtungen	78.271.053,00	87.976
3. Steuerrückstellungen	10.725.367,67	0
<i>davon latente Steuerrückstellungen</i>	0,00	0
4. Sonstige Rückstellungen	443.432.319,69	379.009
	<u>561.562.637,36</u>	<u>498.978</u>
D. Verbindlichkeiten		
1. Anleihen	554.370.652,53	704.371
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	0,00	150.000
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	554.370.652,53	554.371
2. Verbindlichkeiten gegenüber Kreditinstituten	314.200.000,00	339.134
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	21.350.000,00	24.934
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	292.850.000,00	314.200
3. Erhaltene Anzahlungen auf Bestellungen	8.249.017,19	4.493
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	4.984.542,56	4.493
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	3.264.474,63	0
4. Verbindlichkeiten aus Lieferungen und Leistungen	23.296.376,16	18.587
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	23.296.376,16	18.587
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	0,00	0
5. Verbindlichkeiten gegenüber verbundenen Unternehmen	519.218.190,98	74.017
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	519.097.190,98	67.890
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	121.000,00	6.127
6. Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	133.758.559,31	15.883
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	133.758.559,31	15.883
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	0,00	0
7. Sonstige Verbindlichkeiten	35.942.708,26	44.785
<i>davon aus Steuern</i>	1.493.629,27	170
<i>davon im Rahmen der sozialen Sicherheit</i>	5.204.539,80	6.549
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	27.593.687,50	40.502
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	8.349.020,76	4.283
	<u>1.589.035.504,43</u>	<u>1.201.270</u>
<i>davon mit einer Restlaufzeit bis zu einem Jahr</i>	730.080.356,51	322.290
<i>davon mit einer Restlaufzeit von mehr als einem Jahr</i>	858.955.147,92	878.980
E. Rechnungsabgrenzungsposten		
1. Baukostenzuschüsse	36.248.034,51	44.558
2. Sonstige	1.471.542,47	1.769
	<u>37.719.576,98</u>	<u>46.327</u>
	<u>4.096.043.739,09</u>	<u>3.392.158</u>

Gewinn- und Verlustrechnung für das Geschäftsjahr vom 1.10.2016 bis 30.9.2017

	2016/17 EUR	2015/16 TEUR
1. Umsatzerlöse	513.839.870,01	461.799
2. Veränderung des Bestands an noch nicht abrechenbaren Leistungen	343.132,50	-863
3. Andere aktivierte Eigenleistungen	301.689,73	100
4. Sonstige betriebliche Erträge		
a) Erträge aus dem Abgang und der Zuschreibung zum Anlagevermögen mit Ausnahme der Finanzanlagen	47.254.393,83	158
b) Erträge aus der Auflösung von Rückstellungen	417.576,93	198
c) Übrige	1.879.429,62	4.518
	<u>49.551.400,38</u>	<u>4.874</u>
5. Aufwendungen für Material und sonstige bezogene Herstellungsleistungen		
a) Fremdstrombezug und Energieträger	-371.047.576,69	-391.759
b) Materialaufwand	-6.646.170,55	-7.786
c) Aufwendungen für bezogene Leistungen	-104.143.927,35	-80.610
	<u>-481.837.674,59</u>	<u>-480.156</u>
6. Personalaufwand		
a) Gehälter	-59.594.315,90	-60.555
b) Soziale Aufwendungen	-10.388.166,68	-35.392
<i>davon für Altersversorgung</i>	3.722.691,35	-17.139
<i>davon für Abfertigungen und Leistungen an betriebliche Mitarbeiterversorgungskassen</i>	162.431,14	-3.962
<i>davon für gesetzlich vorgeschriebene Sozialabgaben sowie vom Entgelt abhängige Abgaben und Pflichtbeiträge</i>	-13.528.662,45	-13.574
	<u>-69.982.482,58</u>	<u>-95.947</u>
7. Abschreibungen auf immaterielle Gegenstände des Anlagevermögens und Sachanlagen	-25.929.989,59	-5.138
<i>davon außerplanmäßige Abschreibungen</i>	-17.736.505,36	-588
	<u>-25.929.989,59</u>	<u>-5.138</u>
8. Sonstige betriebliche Aufwendungen		
a) Steuern, soweit sie nicht unter Z 18 fallen	-625.339,07	-553
b) Übrige	-77.430.716,84	-37.036
	<u>-78.056.055,91</u>	<u>-37.590</u>
9. Zwischensumme aus Z 1 bis Z 8 (Betriebsergebnis)	<u>-91.770.110,05</u>	<u>-152.920</u>
10. Erträge aus Beteiligungen	234.202.648,53	213.066
<i>davon aus verbundenen Unternehmen</i>	136.557.253,70	140.970
11. Erträge aus anderen Wertpapieren und Ausleihungen des Finanzanlagevermögens	9.774.601,72	7.976
<i>davon aus verbundenen Unternehmen</i>	9.761.873,98	7.965
12. Sonstige Zinsen und ähnliche Erträge	2.732.045,70	4.626
<i>davon aus verbundenen Unternehmen</i>	1.775.228,43	1.882
13. Erträge aus dem Abgang von und der Zuschreibung zu Finanzanlagen und Wertpapieren des Umlaufvermögens	234.597.084,86	10.783
<i>davon aus verbundenen Unternehmen</i>	197.634.184,60	10.729
14. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens	-53.616.818,33	-42.844
<i>davon Abschreibungen</i>	-473.939,16	-42.811
<i>davon Aufwendungen aus verbundenen Unternehmen</i>	-52.871.828,06	-36.063
15. Zinsen und ähnliche Aufwendungen	-43.908.494,97	-48.831
<i>davon betreffend verbundene Unternehmen</i>	427.480,26	-186
16. Zwischensumme aus Z 10 bis Z 15 (Finanzergebnis)	<u>383.781.067,51</u>	<u>144.776</u>
17. Ergebnis vor Steuern (Übertrag)	<u>292.010.957,46</u>	<u>-8.143</u>

EVN AG, Maria Enzersdorf

	2016/17 EUR	2015/16 TEUR
Übertrag	292.010.957,46	-8.143
18. Steuern vom Einkommen	45.957.233,98	53.039
<i>davon latente Steuern</i>	33.313.687,61	173
19. Ergebnis nach Steuern = Jahresüberschuss	337.968.191,44	44.895
20. Auflösung von Gewinnrücklagen	0,00	29.000
21. Zuweisung zu Gewinnrücklagen	-254.346.779,09	0
22. Gewinnvortrag aus dem Vorjahr	80.129,00	185
23. Bilanzgewinn	83.701.541,35	74.080

**ENTWICKLUNG DES ANLAGEVERMÖGENS
in EURO**

	Anschaffungs- und Herstellungskosten						Kumulierte Abschreibungen						BW 30.9.2017	BW 1.10.2016	
	Stand 1.10.2016			Stand 30.9.2017			Stand 1.10.2016			Stand 30.9.2017					
	Zugänge	Abgänge	Umbuchungen	Zugänge	Abgänge	Umbuchungen	Zugänge	Abgänge	Zuschreibungen	Umbuchungen	Umbuchungen				
I. Immaterielle Vermögensgegenstände															
Rechte	204.098.204,90	3.526,84	0,00	204.101.731,54	0,00	0,00	198.791.938,42	0,00	16.068.911,66	45.404.722,25	0,00	169.456.127,71	0,00	34.645.603,83	5.306.266,48
Baukostenzuschüsse gem. Art. II(2) EFG 1969	0,07	0,00	0,00	0,07	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,07	0,07
Summe I	204.098.204,97	3.526,84	0,00	204.101.731,61	0,00	0,00	198.791.938,42	0,00	16.068.911,66	45.404.722,25	0,00	169.456.127,71	0,00	34.645.603,90	5.306.266,55
II. Sachanlagen															
Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	172.489.047,27	510.579,59	5.280,84	173.394.449,94	400.103,96	173.394.449,94	156.785.786,65	3.281,51	1.139.143,85	55.135,22	0,00	157.866.513,77	0,00	15.527.936,17	15.703.260,62
Kraftwerks- und Erzeugungsanlagen	704.577.366,08	1.520.293,82	455.147,98	705.669.672,15	27.160,23	705.669.672,15	686.346.204,08	455.147,98	6.798.331,46	1.777.570,45	19.651,23	690.931.468,34	0,00	14.738.203,81	18.231.162,00
Andere Anlagen, Betriebs- und Geschäftsausstattung	24.741.943,21	1.735.442,98	715.777,27	25.761.608,89	0,00	25.761.608,89	17.591.997,60	588.452,29	1.923.602,62	0,00	0,00	18.927.147,93	0,00	6.834.460,96	7.149.945,61
Geleistete Anzahlungen und Anlagen in Bau	659.591,84	3.697.115,31	0,00	3.929.442,96	-427.264,19	3.929.442,96	19.651,23	0,00	0,00	0,00	-19.651,23	0,00	0,00	3.929.442,96	639.940,61
Summe II	902.467.948,40	7.463.431,69	1.176.206,09	908.755.173,94	0,00	908.755.173,94	860.743.639,56	1.046.881,78	9.861.077,93	1.832.705,67	0,00	867.725.130,04	0,00	41.030.043,90	41.724.308,84
Summe I + II	1.106.566.153,37	7.466.958,47	1.176.206,09	1.112.856.905,55	0,00	1.112.856.905,55	1.059.535.577,96	1.046.881,90	25.929.989,59	47.237.427,92	0,00	1.037.181.257,75	0,00	75.675.647,80	47.030.575,39
III. Finanzanlagen															
Anteile an verbundenen Unternehmen	2.343.284.238,28	56.263.132,99	6.997.458,23	2.332.039.294,51	60.510.638,53	2.332.039.294,51	283.303.158,40	0,00	52.871.828,06	196.139.979,64	-60.510.638,53	79.524.368,29	0,00	2.252.514.926,22	2.059.981.099,88
Ausleihungen an verbundene Unternehmen	160.000.000,00	624.047.649,18	0,00	784.047.649,18	0,00	784.047.649,18	2.958.370,02	0,00	0,00	423.906,13	0,00	2.534.463,89	0,00	781.513.185,29	157.041.629,98
Beteiligungen	500.014.259,45	60.894.576,30	0,00	560.908.835,75	0,00	560.908.835,75	83.933.488,00	0,00	305.100,00	35.241.532,42	0,00	48.997.055,58	0,00	511.911.780,17	416.080.771,45
Wertpapiere (Wertrechte)	18.068.373,67	0,00	0,00	18.068.373,67	0,00	18.068.373,67	457.072,56	0,00	0,00	457.072,56	0,00	0,00	0,00	18.068.373,67	17.611.301,08
des Anlagevermögens															
Sonstige Ausleihungen	394.420,64	4.702.952,69	4.734.362,88	363.010,64	0,00	363.010,64	0,00	0,00	0,00	0,00	0,00	0,00	0,00	363.010,64	394.420,64
Summe III	3.024.761.312,04	745.908.311,12	11.731.820,95	3.695.427.163,75	60.510.638,53	3.695.427.163,75	370.653.089,02	0,00	53.176.928,06	232.262.490,78	-60.510.638,53	131.055.887,16	0,00	3.554.371.275,99	2.651.109.223,03
Gesamtsumme Anlagevermögen	4.128.327.465,41	753.375.269,62	12.908.027,26	4.808.284.069,30	60.510.638,53	4.808.284.069,30	1.430.187.666,98	1.046.881,90	79.106.917,65	279.499.918,70	-60.510.638,53	1.168.237.145,51	0,00	3.640.046.923,79	2.698.139.798,42

**ENTWICKLUNG DER INVESTITIONSZUSCHÜSSE
nach Bilanzpositionen in EURO
UGB**

	Stand 1.10.2016	Zuführung	Verbrauch	Abgang	Umbuchung	Stand 30.9.2017
Sachanlagen						
Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich der Bauten auf fremdem Grund	747.278,12	344.897,59	81.457,10	0,00	0,00	1.010.718,61
Kraftwerks- und Erzeugungsanlagen	1.778.569,75	879.512,51	614.054,02	0,00	0,00	2.044.028,24
Andere Anlagen, Betriebs- und Geschäftsausstattung	8.947,38	0,00	2.556,39	0,00	0,00	6.390,99
Summe Investitionszuschüsse	2.534.795,25	1.224.410,10	698.067,51	0,00	0,00	3.061.137,84

Beteiligungsspiegel
EVN AG

Anteile an verbundenen Unternehmen	Anteil am Nominalkapital %	Währung	Jahres- überschuss/ -fehlbetrag	Eigenkapital	Bilanz- stichtag
Burgenland Holding Aktiengesellschaft	73,63	EUR	10.450.798,41	80.742.422,70	30.09.2017
EVN Abfallverwertung Niederösterreich GmbH	99,48	EUR	8.351.018,41	21.674.423,29	30.09.2017
EVN Albania SHPK, Tirana, Albanien (in Liquidation)	100,00	TALL	-2.078,00	5.663,00	30.04.2016
EVN Beteiligung 40 GmbH	100,00	EUR	-1.962,38	23.785,89	30.09.2017
EVN Beteiligung 52 GmbH	100,00	EUR	4.149.990,35	119.924.767,08	30.09.2017
EVN Bulgaria EAD	100,00	BGN	-10.754,00	17.175,00	31.12.2016
EVN Bulgaria Fernwärme Holding GmbH	100,00	EUR	-15.844.260,14	21.402.994,93	30.09.2017
EVN Bulgaria Stromerzeugung Holding GmbH	100,00	EUR	-26.145.648,03	30.923,14	30.09.2017
EVN Bulgaria Stromnetz Holding GmbH	100,00	EUR	14.988.932,54	300.080.403,53	30.09.2017
EVN Bulgaria Stromvertrieb Holding GmbH	100,00	EUR	-9.558,64	35.947.192,68	30.09.2017
EVN Finanzservice GmbH	100,00	EUR	9.692.269,87	127.778.507,81	30.09.2017
EVN Kraftwerks- und Beteiligungsgesellschaft mbH	100,00	EUR	-74.536,01	238.864.663,99	30.09.2017
EVN Kroatien Holding GmbH	100,00	EUR	-1.146,26	14.125.755,52	30.09.2017
EVN Liegenschaftsverwaltung Gesellschaft m.b.H.	99,99	EUR	-483.330,60	20.737.507,25	30.09.2017
EVN Macedonia AD	90,00	TMKD	1.727.249,00	10.863.420,00	31.12.2016
EVN Macedonia Holding DOOEL Skopje, Mazedonien	100,00	TMKD	5.627.000,00	-13.016.000,00	31.12.2016
EVN Mazedonien GmbH	100,00	EUR	90.606.135,48	213.590.963,54	30.09.2017
evn naturkraft Erzeugungsgesellschaft m.b.H.	100,00	EUR	30.848.861,37	102.908.230,23	30.09.2017
EVN Umweltholding und Betriebs-GmbH	100,00	EUR	-2.250.319,30	6.010.306,40	30.09.2017
EvN Wasser Gesellschaft m.b.H.	99,98	EUR	11.050.450,06	75.192.581,02	30.09.2017
EVN Wärme GmbH	100,00	EUR	13.206.475,20	90.428.986,66	30.09.2017
EVN WEEV Beteiligungs GmbH	100,00	EUR	13.672.060,35	26.891.634,81	31.08.2017
Hydro Power Company Gorna Arda AD, Bulgarien	70,00	BGN	-2.369.000,00	-363.000,00	31.12.2016
IN-ER Erömü Kft.	70,00	HUF	-427.138.000,00	120.952.000,00	31.12.2016
MAKGAS DOOEL (in Liquidation) ¹⁾	100,00	MKD	-29.736,00	-167.519,00	31.12.2016
Netz Niederösterreich GmbH	100,00	EUR	115.851.605,15	559.606.914,09	30.09.2017
RAG-Beteiligungs-Aktiengesellschaft	50,03	EUR	38.029.518,26	395.349.147,55	31.03.2017
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H.	100,00	EUR	14.200.384,66	42.300.010,53	30.09.2017

¹⁾ Die Gesellschaft ist seit dem GJ 2012/13 nicht mehr operativ tätig

Beteiligungen	Anteil am Nominalkapital %	Währung	Letztes Jahres- ergebnis	Gesamt- eigenkapital	Jahres- abschluss zum
Ashta Beteiligungsverwaltung GmbH, Wien	49,99	EUR	-12.006.987,55	35.000,00	31.12.2016
APCS Power Clearing and Settlement AG	2,52	EUR	1.036.854,31	3.701.854,31	31.12.2016
CISMO Clearing Integrated Services and Market Operations GmbH	1,26	EUR	1.914.632,51	2.714.632,51	31.12.2016
CEESEG Aktiengesellschaft	4,65	EUR	41.238.475,61	374.172.630,54	31.12.2016
e&i EDV Dienstleistungsgesellschaft m.b.H.	50,00	EUR	176.378,47	326.466,10	30.09.2017
ENERGIEALLIANZ Austria GmbH	45,00	EUR	8.113.372,12	30.341.896,69	30.09.2016
EVN Energievertrieb GmbH & Co KG	100,00	EUR	83.317.244,38	123.966.712,18	30.09.2017
Fernwärme St. Pölten GmbH	49,00	EUR	1.490.236,96	18.711.475,08	31.12.2016
VERBUND AG	12,63	EUR	143.745.000,00	2.314.269.600,00	31.12.2016
VERBUND Hydro Power GmbH	0,70	EUR	151.080.300,00	1.505.247.200,00	31.12.2016
VERBUND Thermal Power GmbH & Co KG (in Liquidation)	0,76	EUR	187.133.800,00	-273.310.500,00	31.12.2016

Bestätigungsvermerk

Bericht zum Jahresabschluss

Prüfungsurteil

Wir haben den Jahresabschluss der

**EVN AG,
Maria Enzersdorf,**

bestehend aus der Bilanz zum 30. September 2017, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 30. September 2017 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen Bestimmungen des Elektrizitätswirtschafts- und -organisationsgesetzes 2010 (ElWOG 2010) und des Gaswirtschaftsgesetzes 2011 (GWG 2011).

Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit der EU-Verordnung Nr 537/2014 (im Folgenden EU-VO) und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Besonders wichtige Prüfungssachverhalte

Besonders wichtige Prüfungssachverhalte sind solche Sachverhalte, die nach unserem pflichtgemäßen Ermessen am bedeutsamsten für unsere Prüfung des Jahresabschlusses des Geschäftsjahres waren. Diese Sachverhalte wurden im Zusammenhang mit unserer Prüfung des Jahresabschlusses als Ganzem und bei der Bildung unseres Prüfungsurteils hierzu berücksichtigt, und wir geben kein gesondertes Prüfungsurteil zu diesen Sachverhalten ab.

Werthaltigkeit der Anteile an verbundenen Unternehmen, Ausleihungen an verbundene Unternehmen, Beteiligungen sowie Forderungen gegenüber verbundenen Unternehmen

Siehe Anhang Beilage I/7, 8, 11, 12 und 20 Anlage 1 und 2 zum Anhang sowie Lagebericht Beilage II/4.

Das Risiko für den Abschluss

Die Anteile an verbundenen Unternehmen, Ausleihungen an verbundene Unternehmen, Beteiligungen sowie Finanzforderungen gegenüber verbundenen Unternehmen mit einem Buchwert von insgesamt 3.576,2 Mio EUR stellen 87,3 % des ausgewiesenen Vermögens der EVN AG zum Bilanzstichtag dar.

Im Rahmen der Aufstellung des Jahresabschlusses werden Anteile an verbundenen Unternehmen, Ausleihungen an verbundene Unternehmen, Beteiligungen sowie Finanzforderungen gegenüber verbundenen Unternehmen von der Gesellschaft einer Werthaltigkeitsüberprüfung unterzogen. Hierbei beurteilt die Gesellschaft, ob Anhaltspunkte für einen wesentlich gesunkenen beizulegenden Zeitwert

und damit für außerplanmäßige Abschreibungen vorliegen. Für jene Finanzanlagen, die in den Vorjahren außerplanmäßig abgeschrieben wurden, wird überprüft, ob die Gründe für die Abschreibung weggefallen sind und somit eine Zuschreibung erforderlich ist. Im Anlassfall wird eine Unternehmensbewertung auf Basis von diskontierten Netto-Zahlungsmittelzuflüssen, die im wesentlichen von zukünftigen Umsatz- und Margenerwartungen abhängig sind, sowie auf Basis von abgeleiteten Diskontierungszinssätzen ermittelt.

Das Ergebnis dieser Bewertung ist in hohem Maße von der Einschätzung des künftigen Umsatzwachstums und der Ergebnismargen und der daraus resultierenden Zahlungsüberschüssen sowie Annahmen zur Festlegung der verwendeten Diskontierungszinssätze abhängig und daher mit bedeutenden Schätzungsunsicherheiten behaftet.

Das Risiko für den Abschluss besteht im Wesentlichen darin, dass die Anteile an verbundenen Unternehmen, Ausleihungen an verbundene Unternehmen, Beteiligungen sowie Finanzforderungen gegenüber verbundenen Unternehmen nicht gemäß UGB bewertet sind.

Unsere Vorgehensweise in der Prüfung

Wir haben die vom Unternehmen durchgeführte Beurteilung, ob Anhaltspunkte für Wertminderungen oder Wertaufholungen von Anteilen an verbundenen Unternehmen, Ausleihungen an verbundene Unternehmen, Beteiligungen sowie Finanzforderungen gegenüber verbundenen Unternehmen vorliegen, kritisch hinterfragt und mit unseren Erkenntnissen aus der Jahresabschlussprüfung verglichen.

Das Bewertungsmodell, die Planungsannahmen und die Bewertungsparameter haben wir unter Einbeziehung unserer Bewertungsspezialisten überprüft. Dabei wurde das verwendete Bewertungsmodell nachvollzogen und beurteilt, ob es geeignet ist, den Unternehmenswert angemessen zu ermitteln. Die im Modell verwendeten Bewertungsparameter – vorrangig die Zinssatzkomponenten – wurden evaluiert und kritisch gewürdigt. Die bei der Bestimmung der Zinssätze herangezogenen Annahmen wurden durch Abgleich mit markt- und branchenspezifischen Richtwerten auf Angemessenheit beurteilt. Zur Überprüfung der Planungstreue hinsichtlich der Annahmen im Detailplanungshorizont wurde ein Backtesting in Stichproben vorgenommen. Dabei wurden die im Bewertungsmodell des Vorjahres verwendeten Cash Flows mit den Ist-Werten bzw. aktuell verwendeten Planungswerten abgeglichen und analysiert.

Bewertung der Drohverlustrückstellung aus nachteiliger Strombezugsverpflichtung

siehe Anhang Beilage I/9 und 14.

Das Risiko für den Abschluss

Im Jahresabschluss der EVN AG zum 30. September 2016 wird eine Drohverlustrückstellung aus nachteiliger Strombezugsverpflichtung in Höhe von 356,7 Mio EUR (8,7 % der Bilanzsumme) ausgewiesen. Diese wird mit dem voraussichtlichen Erfüllungsbetrag bilanziert, welcher grundsätzlich auf den Bilanzstichtag abgezinst wird.

Die gebildete Drohverlustrückstellung entspricht dem Barwert der erwarteten Nettocashflows aus dem Strombezugsvertrag. Dabei werden als Zahlungsmittelzuflüsse die erwarteten Energieerlöse aus dem Verkauf des bezogenen Stroms herangezogen. Um Schätzunsicherheiten hinsichtlich der Strompreise zu reduzieren wird für die Berechnung der Rückstellung ein Mittelwert der Strompreiskurven von zwei renommierten Informationsdienstleistern in der Energiewirtschaft herangezogen. Die Zahlungsmittelabflüsse ergeben sich aus den zukünftig erwarteten direkten und indirekten Kosten. Aufgrund des langfristigen Charakters der Rückstellung erfolgt zur Ermittlung des Barwertes eine Abzinsung des negativen Cashflows mittels des 7-Jahre-Durchschnittszinssatz entsprechend der Veröffentlichung der deutschen Bundesbank. Die Änderungen der genannten Parameter haben wesentliche Auswirkungen auf die Höhe der Rückstellung und das Periodenergebnis.

Das Risiko für den Abschluss besteht im Wesentlichen darin, dass die Drohverlustrückstellung zu hoch oder zu gering bewertet und das Periodenergebnis damit nicht zutreffend ermittelt ist.

Unsere Vorgehensweise in der Prüfung

Wir haben das Bewertungsmodell, die Planungsannahmen und die Bewertungsparameter der Berechnung der Drohverlustrückstellung unter Berücksichtigung der uns vorgelegten vertraglichen Grundlagen hinsichtlich der Angemessenheit und rechnerischen Richtigkeit überprüft. Den Abzinsungssatz haben wir durch Abgleich mit öffentlich verfügbaren Informationen auf Angemessenheit beurteilt.

Darüber hinaus haben wir die zugrundgelegten Annahmen in Gesprächen mit dem Management und den Bereichsverantwortlichen erörtert. In diesem Zuge haben wir beurteilt, wie historische Erfahrungen die Planung des Managements beeinflussen und ob eine Planungstreue gegeben ist.

Verantwortlichkeiten der gesetzlichen Vertreter und des Prüfungsausschusses für den Jahresabschluss

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen Bestimmungen des Elektrizitätswirtschafts- und –organisationsgesetzes 2010 (EIWOG 2010) und des Gaswirtschaftsgesetzes 2011 (GWG 2011) ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit – sofern einschlägig – anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen, oder haben keine realistische Alternative dazu.

Der Prüfungsausschuss ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses

Unsere Ziele sind hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen – beabsichtigten oder unbeabsichtigten – falschen Darstellungen ist und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit der EU-VO und mit den österreichischen Grundsätzen ordnungsgemäßer Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die bedeutsame Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.
- Wir tauschen uns mit dem Prüfungsausschuss unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.
- Wir geben dem Prüfungsausschuss auch eine Erklärung ab, dass wir die relevanten beruflichen Verhaltensanforderungen zur Unabhängigkeit eingehalten haben und uns mit ihm über alle Beziehungen und sonstigen Sachverhalte austauschen, von denen vernünftigerweise angenommen werden kann, dass sie sich auf unsere Unabhängigkeit und – sofern einschlägig – damit zusammenhängende Schutzmaßnahmen auswirken.
- Wir bestimmen von den Sachverhalten, über die wir uns mit dem Prüfungsausschuss ausgetauscht haben, diejenigen Sachverhalte, die am bedeutsamsten für die Prüfung des Jahresabschlusses des Geschäftsjahres waren und daher die besonders wichtigen Prüfungssachverhalte sind. Wir beschreiben diese Sachverhalte in unserem Bestätigungsvermerk, es sei denn, Gesetze oder andere Rechtsvorschriften schließen die öffentliche Angabe des Sachverhalts aus oder wir bestimmen in äußerst seltenen Fällen, dass

ein Sachverhalt nicht in unserem Bestätigungsvermerk mitgeteilt werden sollte, weil vernünftigerweise erwartet wird, dass die negativen Folgen einer solchen Mitteilung deren Vorteile für das öffentliche Interesse übersteigen würden.

Sonstige gesetzliche und andere rechtliche Anforderungen

Bericht zum Lagebericht

Der Lagebericht ist auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob er mit dem Jahresabschluss in Einklang steht und ob er nach den geltenden rechtlichen Anforderungen aufgestellt wurde.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Lageberichts in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Lageberichts durchgeführt.

Urteil

Nach unserer Beurteilung ist der Lagebericht nach den geltenden rechtlichen Anforderungen aufgestellt worden, enthält die nach § 243a UGB zutreffenden Angaben, und steht in Einklang mit dem Jahresabschluss.

Erklärung

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld haben wir keine wesentlichen fehlerhaften Angaben im Lagebericht festgestellt.

Zusätzliche Angaben nach Artikel 10 EU-VO

Wir wurden von der Hauptversammlung am 19. Jänner 2017 als Abschlussprüfer gewählt. Wir wurden am 26. April 2017 vom Aufsichtsrat beauftragt. Wir sind ununterbrochen seit 1992 Abschlussprüfer.

Wir erklären, dass das Prüfungsurteil im Abschnitt "Bericht zum Jahresabschluss" mit dem zusätzlichen Bericht an den Prüfungsausschuss nach Artikel 11 der EU-VO in Einklang steht.

Wir erklären, dass wir keine verbotenen Nichtprüfungsleistungen erbracht haben und dass wir bei der Durchführung der Abschlussprüfung unsere Unabhängigkeit von den Konzernunternehmen gewahrt haben.

Auftragsverantwortlicher Wirtschaftsprüfer

Der für die Abschlussprüfung auftragsverantwortliche Wirtschaftsprüfer ist Herr Mag. Rainer Hassler.

Wien, am 20. November 2017

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Rainer Hassler
Wirtschaftsprüfer

Anhang

**Anhang
für das Geschäftsjahr 2016/17**

1. ALLGEMEINE ANGABEN

Der vorliegende Jahresabschluss zum 30.9.2017 der EVN AG wurde vom Vorstand der Gesellschaft nach den Vorschriften des Unternehmensgesetzbuches (UGB) aufgestellt.

Die Gesellschaft ist eine große Kapitalgesellschaft gemäß § 221 UGB.

Die bisherige Form der Darstellung des Jahresabschlusses wurde grundsätzlich bei der Erstellung des vorliegenden Jahresabschlusses beibehalten. Hinsichtlich der durch das Rechnungslegungsänderungsgesetz (RÄG) 2014 ausgelösten Änderungen wird auf die nachfolgenden Darstellungen verwiesen.

Die Vorjahresbeträge wurden hinsichtlich der Gliederung in der Bilanz und Gewinn- und Verlustrechnung an die geänderten Vorgaben des RÄG 2014 angepasst; dies betrifft insbesondere die Umgliederung der un versteuerten Rücklagen nach Abzug der darauf lastenden Rückstellungen für latente Steuern in das Eigenkapital (TEUR 5.441), die Saldierung eigener Aktien vom Eigenkapital (TEUR 20.067), die Umgliederung von sonstigen Erlösen zu den Umsatzerlösen (TEUR 3.907) und die geänderte Darstellung des Anlagenspiegels.

Das Unternehmen ist Mutterunternehmen und gehört dem Konsolidierungskreis des EVN-Konzerns an. Der Konzernabschluss ist beim Firmenbuchgericht Wiener Neustadt hinterlegt.

Die Gesellschaft befindet sich beginnend mit dem Wirtschaftsjahr 2005/06 in einer Unternehmensgruppe gemäß § 9 KStG mit der NÖ Landes-Beteiligungsholding GmbH als Gruppenträger, mit der auch im Oktober 2005 ein Gruppen- und Steuerausgleichsvertrag geschlossen wurde.

Weiters befinden sich zum 30. September 2017 die EVN Wasser GmbH, die Netz Niederösterreich GmbH, die EVN Finanzmanagement und Vermietungs-GmbH, die EVN Finanzservice GmbH, die EVN Wärme GmbH, die evn naturkraft Erzeugungsgesellschaft m.b.H, die EVN Kroatien Holding, die EVN Croatia Plin d.o.o., die EVN WEEV Beteiligungs GmbH, die WEEV Beteiligungs GmbH, die Wasserkraftwerke Trieb und Krieglach GmbH, die Energiespeicher Sulzberg GmbH, die EVN Energiespeicher Sulzberg Beteiligungs GmbH, die EVN Geoinfo GmbH, die kabelplus GmbH, die Utilitas Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H, die EVN Beteiligung 51 GmbH, die EVN Abfallverwertung Niederösterreich GmbH, die Burgenland Holding AG, die RAG-Beteiligungs-Aktiengesellschaft, die Rohöl-Aufsuchungs Aktiengesellschaft, die RAG Energy Storage GmbH, die RAG Energy Drilling GmbH, die EVN Umweltholding und Betriebs-GmbH, die EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH, die EVN Umwelt Finanz- und Service-GmbH, die EVN Liegenschaftsverwaltung GmbH, die EVN Kraftwerks- und Beteiligungs-GmbH sowie die EVN Umwelt Beteiligungs und Service GmbH in dieser Unternehmensgruppe.

Mit den Gruppenmitgliedern wurden Gruppen- und Steuerumlagevereinbarungen abgeschlossen, wonach die Steuerumlagen jeweils nach der Belastungsmethode („stand-alone“-Methode) ermittelt werden.

Dabei werden bei überrechneten steuerlichen Verlusten, diese auf Seite der Gruppenmitglieder als "interne Verlustvorträge" evident gehalten und mit künftigen positiven Ergebnissen verrechnet. Ausnahmen davon bilden die Verträge mit den Gruppenmitgliedern WEEV Beteiligungs GmbH und Burgenland Holding AG, die vorsehen, dass der WEEV Beteiligungs GmbH und der Burgenland Holding AG im Falle der Zurechnung eines negativen steuerlichen Ergebnisses eine negative Steuerumlage gutgeschrieben wird, wenn das Gruppenergebnis insgesamt positiv ist.

Der Ergebnisabführungsvertrag mit EVN Wasser GmbH wurde im Geschäftsjahr 2016/17 beendet.

Mit Juni/Juli 2017 hat die EVN AG von der EVN Finanzservice GmbH die Agenden der langfristigen Konzernfinanzierung, dargestellt in der Position Finanzanlagen, zum Großteil sowie des Cash-Poolings zur Gänze übernommen.

Die Gewinn-und-Verlust-Rechnung wurde gem. § 231 Abs 1 in Verbindung mit Abs. 2 UGB nach dem Gesamtkostenverfahren erstellt.

2. BILANZIERUNGS- UND BEWERTUNGSMETHODEN

2.1. Allgemeine Grundsätze

Der Jahresabschluss wurde unter Beachtung der Grundsätze ordnungsmäßiger Buchführung und Bilanzierung erstellt und entspricht der Generalnorm für den Jahresabschluss, ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage des Unternehmens zu vermitteln.

Bei der Erstellung des Jahresabschlusses wurde der Grundsatz der Vollständigkeit eingehalten.

Bei den angewandten Bilanzierungs- und Bewertungsmethoden wird gemäß § 237 Abs 1 Z1 UGB von der Fortführung des Unternehmens ausgegangen.

Bei den Vermögensgegenständen und Schulden wurde der Grundsatz der Einzelbewertung angewandt.

Dem Vorsichtsgrundsatz wurde Rechnung getragen, indem nur die am Abschlussstichtag verwirklichten Gewinne zum Ausweis gelangten und alle erkennbaren Risiken und drohenden Verluste, die bis zum Bilanzstichtag entstanden sind, berücksichtigt wurden.

Die bisherigen angewandten Bewertungsmethoden wurden mit Ausnahme der Änderungen auf Grund der erstmaligen Anwendung des RÄG 2014 beibehalten; diese Änderungen betreffen insbesondere:

- Im Bereich der noch nicht abrechenbaren Leistungen, deren Erstellung sich über mehr als 12 Monate erstreckt, werden entgegen der bisherigen Vorgehensweise ab 1. Oktober 2016 die anteiligen allgemeinen Verwaltungskosten nicht mehr in die Herstellungskosten einbezogen.
- Die eigenen Anteile werden nicht mehr im Umlaufvermögen im Posten Wertpapiere und Anteile angesetzt, sondern es wird der rechnerische Wert der Anteile in einem eigenen Posten vom Grundkapital abgesetzt.
- Die Rücklage für eigene Anteile wird in Höhe des rechnerischen Wertes der eigenen Anteile als eigener Posten dargestellt.
- Die latenten Steuern werden gemäß den geänderten gesetzlichen Bestimmungen ab 1. Oktober 2016 erfasst.
- Langfristige Rückstellungen, das sind insbesondere Rückstellungen für Umwelt- und Altlastenrisiken, sowie für Drohverluste, werden nunmehr mit dem Erfüllungsbetrag erfasst und mit einem der Restlaufzeit entsprechenden Durchschnittszinssatz der Deutschen Bundesbank abgezinst.

2.2. Anlagevermögen

Immaterielle Vermögensgegenstände werden zu Anschaffungskosten, vermindert um lineare, planmäßige Abschreibungen bewertet. Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, soweit es erforderlich ist.

Gegenstände des Sachanlagevermögens werden zu Anschaffungs- bzw. Herstellungskosten, vermindert um lineare, planmäßige Abschreibungen bewertet. Gemäß den steuerrechtlichen Vorschriften nimmt die Gesellschaft für Zugänge im ersten Halbjahr eine volle Jahresabschreibung, für Zugänge im zweiten Halbjahr eine halbe Jahresabschreibung vor.

Außerplanmäßige Abschreibungen auf einen zum Abschlussstichtag niedrigeren beizulegenden Wert werden vorgenommen, soweit die Wertminderung voraussichtlich von Dauer ist.

Die Herstellungskosten enthalten Material- und Fertigungseinzelkosten sowie angemessene Teile der Material- und Fertigungsgemeinkosten. Aufwendungen der allgemeinen Verwaltung sowie Fremdkapitalzinsen werden nicht aktiviert. Die der Aktivierung von Eigenleistungen zugrunde liegenden Personalstundensätze berücksichtigen auch Aufwendungen für freiwillige Sozialleistungen, Abfertigungen und überbetriebliche Altersversorgung. Ein Ausscheiden überhöhter Gemeinkosten infolge offener Unterbeschäftigung war nicht erforderlich.

Der betriebsgewöhnlichen Nutzungsdauer werden branchenübliche Richtwerte zugrunde gelegt. Die Abschreibungssätze sind nachstehender Tabelle zu entnehmen.

Abschreibungen nach Anlagenkategorien	Nutzungsdauer in Jahren	Planmäßige Abschreibung in %
Rechte	4-77	1,3-25
Gebäude	10-50	2-10
Bauliche Anlagen der Kraftwerke	10-33	3-10
Maschinelle und elektrische Einrichtungen	10-33	3-10
andere Anlagen, Betriebs- und Geschäftsausstattung	3-25	4-33,3

Geringwertige Vermögensgegenstände werden im Zugangsjahr aktiviert und sofort abgeschrieben. Die Ausbuchung dieser Anlagen erfolgt nach Ablauf der Nutzungsdauern, die für die definierten Anlagengruppen grundsätzlich gelten.

Die **Finanzanlagen** werden zu Anschaffungskosten oder, falls ihnen ein niedrigerer Wert (z. B. Börsenkurs) beizulegen ist, mit diesem angesetzt, wenn die Wertminderungen voraussichtlich von Dauer sind.

Bei der Bewertung von Beteiligungen müssen vor allem in Bezug auf künftige Zahlungsmittelüberschüsse Schätzungen unter Unsicherheit vorgenommen werden. Eine Änderung der gesamtwirtschaftlichen, der Branchen- oder der Unternehmenssituation in der Zukunft kann zu einer Reduktion bzw. Erhöhung der Zahlungsmittelüberschüsse und somit zu Wertminderungen bzw. Wertaufholungen führen.

Den Bewertungen wird auf Basis der voraussichtlichen Entwicklung ein kapitalwertorientiertes Verfahren zugrunde gelegt, bei dem die gewichteten durchschnittlichen Kapitalkosten (Weighted Average Cost of Capital = WACC) verwendet werden. Diese entsprechen der durchschnittlichen gewichteten Verzinsung von Eigen- und Fremdkapital. Die Gewichtung von Eigen- und Fremdkapitalverzinsung – diese entspricht einer Kapitalstruktur zu Marktwerten – werden aus einer adäquaten Peer Group abgeleitet. Vor

dem Hintergrund des derzeit volatilen Finanzmarktumfelds stellt die Entwicklung der Kapitalkosten (und insbesondere der Länderrisikoprämien) eine Unsicherheit dar und wird laufend beobachtet.

Als Preisgerüst dienen ab dem fünften Jahr (keine aussagekräftigen Marktpreise an den Strombörsen mehr verfügbar) Prognosen zweier renommierter Marktforschungsinstitute und Informationsdienstleister in der Energiewirtschaft, welche aufgrund der derzeitigen Volatilität der Strommärkte jährlich aktualisiert werden.

Ausleihungen werden zu Anschaffungskosten, unverzinsliche bzw. niedrig verzinsliche Ausleihungen zum Barwert bilanziert. Bei nachhaltigen und wesentlichen Wertminderungen werden die niedrigeren Werte angesetzt.

Zuschreibungen zu Vermögensgegenständen des Anlagevermögens werden vorgenommen, wenn die Gründe für die außerplanmäßige Abschreibung weggefallen sind. Die Zuschreibung erfolgt auf maximal den Nettobuchwert, der sich unter Berücksichtigung der Normalabschreibungen, die inzwischen vorzunehmen gewesen wären, ergibt.

2.3. Umlaufvermögen

Die Bewertung der Vorräte erfolgt zu Anschaffungs- bzw. Herstellungskosten oder dem niedrigeren Wert aus Anschaffungskosten oder beizulegendem Wert am Bilanzstichtag. Die Anschaffungskosten werden nach dem gleitenden Durchschnittspreisverfahren ermittelt. Bestandsrisiken, die sich aus der Lagerdauer sowie geminderter Verwendbarkeit ergeben, werden durch angemessene Wertabschläge berücksichtigt.

Bei den Vorräten der Betriebsgastronomie wird gemäß § 209 Abs 1 UGB das Bewertungswahlrecht in Anspruch genommen, diese mit einem gleichbleibenden Wert anzusetzen. Begründet wird das damit, dass sie regelmäßig ersetzt werden und ihr Gesamtwert von untergeordneter Bedeutung ist. Der Bestand unterliegt in seiner Größe, seinem Wert und seiner Zusammensetzung nur geringen Veränderungen. Eine Inventur ist gemäß § 209 Abs 1 UGB alle fünf Jahre vorgesehen. Die nächste Inventur für die Vorräte der Betriebsgastronomie erfolgt am 30.09.2018.

Für notwendige Beschaffungen von CO₂-Emissionszertifikaten erfolgt die Bilanzierung zu Anschaffungskosten, für Zuführungen zu Rückstellungen aufgrund allfälliger Unterdeckungen mit dem Zeitwert zum Bilanzstichtag.

Die Bewertung der nicht abrechenbaren Leistungen erfolgt zum niedrigeren Wert aus Anschaffungs- oder Herstellungskosten oder zum beizulegenden Wert am Bilanzstichtag.

Forderungen und sonstige Vermögensgegenstände werden mit dem Nennbetrag angesetzt. Längerfristige unverzinsliche bzw. niedrig verzinsliche Forderungen werden entsprechend diskontiert. Für erkennbare Risiken werden Einzelwertberichtigungen gebildet. Für das allgemeine Kreditrisiko erfolgt eine pauschale Einzelwertberichtigung je nach Außenstandsdauer mit folgenden Wertberichtigungssätzen:

Außenstandsdauer:	Wertberichtigungsprozentsatz:
0 – 89 Tage	0 %
90 – 359 Tage	25 %
360 - 1079 Tage	40 %
> = 1080 Tage	60 %

Die Wertpapiere des Umlaufvermögens werden zu Anschaffungskosten oder dem niedrigeren beizulegenden Wert zum Bilanzstichtag bewertet.

Zuschreibungen zu Vermögensgegenständen des Umlaufvermögens werden vorgenommen, wenn die Gründe für die Abschreibung weggefallen sind.

2.4. Latente Steuern

Latente Steuern werden gemäß § 198 Abs 9 und 10 UGB nach dem bilanzorientierten Konzept und ohne Abzinsung auf Basis des aktuellen Körperschaftsteuersatzes von 25 % gebildet.

2.5. Investitionszuschüsse

Im Einklang mit der AFRAC Stellungnahme „Bilanzierung von Zuschüssen bei Betrieben und sonstigen ausgegliederten Rechtsträgern im öffentlichen Sektor“ werden Investitionszuschüsse in einem eigenen Sonderposten der Bilanz nach dem Eigenkapital ausgewiesen sowie über die Nutzungsdauer des Anlagegutes im Posten sonstiger betrieblicher Ertrag aufgelöst.

2.6. Rückstellungen

Die Ermittlung der Rückstellungen für Abfertigungen sowie für Pensionen und pensionsähnlichen Verpflichtungen erfolgt nach versicherungsmathematischen Grundsätzen unter der Anwendung der „Projected-Unit-Credit“-Methode gemäß IAS 19. Die Berechnung erfolgt mit einem Rechnungszinssatz von 1,85 % (VJ: 1,35 %) sowie unter Berücksichtigung von künftigen jährlichen Gehaltssteigerungen von 2,00 % (VJ: 2,00 %) im nächsten Jahr und einer jährlichen Gehaltssteigerung von 2,00 % für Folgejahre (VJ: 2,00 %) bzw. von Erhöhungen der Pensionen von 2,00 % (VJ: 2,00 %) im nächsten Jahr und einer jährlichen Erhöhung der Pensionen von 2,00 % für Folgejahre (VJ: 2,00 %). Das Pensionsantrittsalter wurde für Frauen mit 60 Jahren und für Männer mit 65 Jahren festgesetzt.

Der Rückstellung für Jubiläumsgeldverpflichtungen liegt eine versicherungsmathematische Berechnung nach IAS 19 zugrunde. Es werden dieselben Parameter wie bei den Berechnungen der Rückstellungen für Abfertigungs- und Pensionsverpflichtungen angewandt.

Der Rechnungszinssatz für alle Sozialkapitalrückstellungen ist ein Stichtagszinssatz basierend auf Renditen von hochwertigen, festverzinslichen Unternehmensanleihen, wobei die Fälligkeiten der zu zahlenden Leistungen entsprechend berücksichtigt werden. Die Zinsen auf die Rückstellungen für Sozialkapital sowie Auswirkungen aus einer Änderung des Zinssatzes werden im Finanzergebnis ausgewiesen.

In den sonstigen Rückstellungen werden unter Beachtung des Vorsichtsprinzips alle zum Zeitpunkt der Bilanzerstellung erkennbaren Risiken und der Höhe sowie dem Grunde nach ungewissen Verbindlichkeiten mit den Beträgen berücksichtigt, die nach vernünftiger kaufmännischer Beurteilung erforderlich sind.

Langfristige Rückstellungen werden in Abhängigkeit von ihrer erwarteten Laufzeit mit einem Zinssatz von 1,36 % (VJ: 1,66 %) bis 3,00 % (VJ: 3,66 %) abgezinst.

2.7. Verbindlichkeiten

Die Verbindlichkeiten sind mit dem Erfüllungsbetrag unter Bedachtnahme auf den Grundsatz der Vorsicht angesetzt.

2.8. Währungsumrechnung

Die Währungsumrechnung erfolgt zum Zeitpunkt des Geschäftsvorfalles mit dem aktuellen Kurs. Zum Bilanzstichtag erfolgt bei den Forderungen eine Abwertung, sofern der Stichtags-

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kurs niedriger als der Entstehungskurs ist, bei den Verbindlichkeiten eine Aufwertung sofern der Stichtagskurs höher als der Entstehungskurs ist. In Fremdwährung angeschaffte Gegenstände des Anlage- oder Umlaufvermögens werden mit dem Entstehungskurs erfasst, wobei keine weitere Umwertung erfolgt.

3. ERLÄUTERUNGEN ZUR BILANZ

3.1. Aktiva

3.1.1. Anlagevermögen

Die Aufgliederung des Anlagevermögens und seine Entwicklung im Berichtsjahr sind im Anlagenspiegel angeführt (Anlage 1).

Als immaterielle Vermögensgegenstände werden Strombezugsrechte und sonstige Rechte mit einem Stand von EUR 34.645.603,90 (VJ: TEUR 5.306) ausgewiesen. Sie enthalten EUR 1.310.974,55 (VJ: TEUR 1.470) für immaterielle Vermögensgegenstände, die von verbundenen Unternehmen erworben wurden.

Im Geschäftsjahr 2016/2017 hat eine Wertaufholung bei den immateriellen Vermögensgegenständen im Ausmaß von EUR 45.404.722,25 stattgefunden.

Der Nettowert der Grundstücke zum Bilanzstichtag beträgt EUR 2.572.919,06 (VJ: TEUR 2.575) und beinhaltet eine Wertberichtigung in Höhe von EUR 8.121.533,24 (VJ: TEUR 8.125).

Im Geschäftsjahr 2016/17 hat eine Wertaufholung im Sachanlagevermögen im Ausmaß von EUR 1.832.705,67 stattgefunden.

Die Aufgliederung der verbundenen Unternehmen und Beteiligungen ist dem Beteiligungsspiegel (Anlage 2) zu entnehmen.

Die Wertpapiere des Anlagevermögens dienen im Wesentlichen der gesetzlich vorgeschriebenen Deckung der Rückstellungen für Pensionen und pensionsähnlichen Verpflichtungen.

Im Geschäftsjahr 2016/17 hat eine Wertaufholung im Finanzanlagevermögen im Ausmaß von EUR 232.262.490,78 stattgefunden.

Von den Ausleihungen an verbundene Unternehmen ist ein Betrag von EUR 10.406.253,47 (VJ: TEUR 0) innerhalb des nächsten Jahres fällig.

Von den sonstigen Ausleihungen ist ein Betrag von EUR 59.860,00 (VJ: TEUR 64) innerhalb des nächsten Jahres fällig.

3.1.2. Umlaufvermögen

Vorräte

In Aufträgen, deren Ausführungen sich über mehr als zwölf Monate erstreckt, sind zum Bilanzstichtag angemessene Teile der Verwaltungskosten mit einem Betrag von insgesamt TEUR 390 (VJ TEUR 609) enthalten.

Bei den Primärenergievorräten handelt es sich um Öl-, Kohle und Gasvorräte sowie um CO₂-Zertifikate.

Forderungen und sonstige Vermögensgegenstände

Von den Forderungen aus Lieferungen und Leistungen wurde eine pauschale Wertberichtigung von EUR 175.896,20 (VJ: TEUR 135) sowie eine Einzelwertberichtigung von EUR 3.542.399,81 (VJ: TEUR 0) gebildet.

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Die Forderungen gegenüber verbundenen Unternehmen enthalten Forderungen aus Lieferungen und Leistungen in Höhe von EUR 17.959.469,36 (VJ: TEUR 12.921) sowie sonstige Forderungen in Höhe von EUR 93.534.249,95 (VJ: TEUR 278.715).

Die Forderungen gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht, enthalten Forderungen aus Lieferungen und Leistungen in Höhe von EUR 5.202.994,81 (VJ: TEUR 9.749) sowie sonstige Forderungen in Höhe von EUR 93.359.150,52 (VJ: TEUR 60.172).

Die sonstigen Forderungen und Vermögensgegenstände gegenüber verbundenen Unternehmen enthalten als wesentliche Positionen Steuerforderungen über EUR 31.422.369,29 (VJ: TEUR 59.806).

Im Posten Sonstige Forderungen und Vermögensgegenstände sind Erträge in Höhe von EUR 6.293.401,81 (VJ: TEUR 10.038) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

Finanzumlaufvermögen

Das Finanzumlaufvermögen enthält fremde Wertpapiere in Höhe von EUR 537.894,76 (VJ: TEUR 75.288)

Der Kassenbestand beträgt zum Bilanzstichtag EUR 8.879,19 (VJ: TEUR 8).

Zum Bilanzstichtag beträgt das Guthaben bei Kreditinstituten EUR 87.935.344,77 (VJ: TEUR 134.176).

3.1.3. Aktive Rechnungsabgrenzung

	30.09.2017	30.09.2016
	EUR	TEUR
Anleihekosten	6.607.023,47	8.114
Lohn- und Gehaltsverrechnung	4.629.001,73	4.954
Sonstige Abgrenzungen	0,00	84
	<u>11.236.025,20</u>	<u>13.152</u>

3.1.4. Aktive latente Steuern

Die aktiven latenten Steuern wurden auf Unterschiede zwischen dem steuerlichen und unternehmensrechtlichen Wertansatz zum Bilanzstichtag für folgende Posten gebildet:

	30.09.2017 EUR	30.09.2016 TEUR
Sachanlagen	-27.158.263,78	8.434
Beteiligungen	-27.485.943,68	0
Personalrückstellungen	61.633.669,94	73.611
sonstige Rückstellungen	16.581.276,69	2.093
unversteuerte Rücklagen	-3.161.627,10	-7.255
noch nicht verrechnete Beteiligungs- abschreibung gem § 12 Abs 3 Z 2 KStG	97.644.460,93	138.476
sonstige Posten	7.946.290,10	9.750
	<u>125.999.863,10</u>	<u>225.108</u>
Daraus resultieren aktive latente Steuern	45.951.424,42	58.091
abzüglich: Saldierung mit passiven latenten Steuern	-14.451.458,64	-1.814
Stand zum 30.9.	<u>31.499.965,78</u>	<u>56.277</u>

Die latenten Steuern werden gemäß den geänderten Bestimmungen ab 1. Oktober 2016 erfasst.

3.2. Passiva

3.2.1. Eigenkapital

Das Grundkapital in Höhe von EUR 330.000.000,00 (VJ: TEUR 330.000) ist in 179.878.402 Stückaktien zerlegt.

Die Gewinnrücklagen betreffen neben der gesetzlichen Rücklage in Höhe von EUR 4.723.734,22 (VJ: TEUR 4.724) freie Rücklagen in Höhe von EUR 1.223.542.737,42 (VJ: TEUR 969.040).

Gemäß § 229 Abs 1a UGB wurde für die zum Stichtag 30. September 2017 im Bestand der EVN AG befindlichen eigenen Anteile eine Rücklage durch Umwidmung freier Gewinnrücklagen gebildet. Analog zu den eigenen Anteilen weist diese Rücklage für eigene Anteile zum Bilanzstichtag einen rechnerischen Wert in Höhe von EUR 3.578.983,43 (VJ: TEUR 3.735) aus.

Zum Bilanzstichtag wurden 1.950.854 (VJ: 2.036.069) Stück eigene Anteile mit einem rechnerischen Wert von 3.578.983,43 (VJ: TEUR 3.735) ausgewiesen. Im Geschäftsjahr 2016/17 wurden 85.215 Stück eigene Aktien an Mitarbeiter übertragen.

Die 87. Hauptversammlung am 21. Jänner 2016 hat die vorzeitige Beendigung des am 16. Jänner 2014 begonnenen Aktienrückkaufprogramms beschlossen und dem Vorstand die Ermächtigung für ein neues Aktienrückkaufprogramm über höchstens 10% des Grundkapitals der EVN mit einer Geltungsdauer von 30 Monaten erteilt. Der Vorstand hat von dieser Ermächtigung Gebrauch gemacht und den Rückkauf von bis zu 1.000.000 Stück Aktien beschlossen. Dies entspricht bis zu 0,556% des derzeitigen Grundkapitals. Am 5. Oktober 2016 beschloss der Vorstand die vorzeitige Beendigung des aktuellen Aktienrückkaufprogramms. Der Ermächtigungsbeschluss der 87. ordentlichen Hauptversammlung der EVN AG bleibt davon unberührt und ist weiterhin gültig.

3.2.2. Investitionszuschüsse

Die Investitionszuschüsse haben sich im Geschäftsjahr 2016/17 wie folgt entwickelt:

	Stand 01.10.2016 EUR	Zuführung EUR	Verbrauch EUR	Abgang EUR	Stand 30.09.2017 EUR
Grundstücke, grundstücksgleiche Rechte und Bauten, einschließlich Bauten auf fremden Grund	747.278,12	344.897,59	81.457,10	0,00	1.010.718,61
Kraftwerks- und Erzeugungsanlagen	1.778.569,75	879.512,51	614.054,02	0,00	2.044.028,24
Andere Anlagen, Betriebs- und Geschäftsausstattung	8.947,38	0,00	2.556,39	0,00	6.390,99
Summe Investitionszuschüsse	2.534.795,25	1.224.410,10	698.067,51	0,00	3.061.137,84

3.2.3. Rückstellungen

Die sonstigen Rückstellungen in Höhe von EUR 443.432.319,69 (VJ: TEUR 379.009) betreffen im Wesentlichen die Vorsorgen für:

	30.09.2017 EUR	30.09.2016 TEUR
Sonstige Verpflichtungsrisiken	356.736.072,59	307.608
Strombezugs-/absatzgeschäfte	32.987.869,12	10.318
kurzfristige Personalverpflichtungen	22.710.950,78	22.394
CO2-Zertifikate	9.397.704,12	14.382
Anteilige Jubiläumsgelder	7.507.641,00	7.796
Umwelt- und Altlastenrisiken	6.728.617,19	7.074
Noch nicht fakturierte Lieferungen und Leistungen	4.019.816,72	3.289
Kohlebezugsgeschäfte	2.382.783,57	3.523
Prozessrisiken	900.000,00	500
Gasbezugs-/absatzgeschäfte	60.864,60	2.125
	443.432.319,69	379.009

3.2.4. Verbindlichkeiten

	Restlaufzeit			Bilanzwert 30.09.2017 EUR
	< 1 Jahr EUR	1-5 Jahre EUR	> 5 Jahre EUR	
1. Anleihen	0,00	330.000.000,00	224.370.652,53	554.370.652,53
Vorjahr in TEUR	150.000	30.000	524.371	704.371
2. Verbindlichkeiten gegenüber Kreditinstituten	21.350.000,00	84.618.292,72	208.231.707,28	314.200.000,00
Vorjahr in TEUR	24.934	98.651	215.549	339.134
3. Erhaltene Anzahlungen auf Bestellungen	4.984.542,56	3.264.474,63	0,00	8.249.017,19
Vorjahr in TEUR	4.493	0	0	4.493
4. Verbindlichkeiten aus Lieferungen und Leistungen	23.296.376,16	0,00	0,00	23.296.376,16
Vorjahr in TEUR	18.587	0	0	18.587
5. Verbindlichkeiten gegenüber verbundenen Unternehmen	519.097.190,98	24.000,00	97.000,00	519.218.190,98
Vorjahr in TEUR	67.890	24	6.103	74.017
6. Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht	133.758.559,31	0,00	0,00	133.758.559,31
Vorjahr in TEUR	15.883	0	0	15.883
7. Sonstige Verbindlichkeiten	27.593.687,50	0,00	8.349.020,76	35.942.708,26
Vorjahr in TEUR	40.502	521	3.762	44.785
Vorjahr in TEUR	730.080.356,51 322.289	417.906.767,35 129.196	441.048.380,57 749.785	1.589.035.504,43 1.201.270

Die Verbindlichkeiten gegenüber verbundenen Unternehmen enthalten Verbindlichkeiten aus Lieferungen und Leistungen in Höhe von EUR 10.197.326,73 (VJ: TEUR 10.878) sowie sonstige Verbindlichkeiten in Höhe von EUR 509.020.864,25 (VJ: TEUR 63.139).

Die Verbindlichkeiten gegenüber Unternehmen, mit denen ein Beteiligungsverhältnis besteht, enthalten sonstige Verbindlichkeiten in Höhe von EUR (VJ: 15.883) 133.758.559,31. In den sonstigen Verbindlichkeiten sind EUR 117.671.100,00 (VJ: TEUR 0) aus kurzfristigen Finanzverbindlichkeiten im Zusammenhang mit dem Cash Pooling und Festgeldvereinbarungen ausgewiesen.

Im Posten Sonstige Verbindlichkeiten sind Aufwendungen in Höhe von EUR 24.288.161,36 (VJ: TEUR 23.153) enthalten, die erst nach dem Bilanzstichtag zahlungswirksam werden.

3.2.5. Passive Rechnungsabgrenzung

Sonstige Abgrenzungen	30.09.2017 EUR	30.09.2016 TEUR
Refinanzierungstransaktionen	1.036.161,02	1.382
Zinsswaps	435.381,45	387
	<u>1.471.542,47</u>	<u>1.769</u>

3.2.6. Haftungsverhältnisse

	30.09.2017 EUR	30.09.2016 TEUR
Bürgschaften	10.000,00	10
Bankgarantien	23.559.374,68	10.697
Patronatserklärungen	0,00	19.583
Sonstige Haftungsverhältnisse	871.128.972,58	1.964.033
	<u>894.698.347,26</u>	<u>1.994.323</u>
davon gegenüber verbundenen Unternehmen	782.348.215,13	1.828.404
davon gegenüber assoziierten Unternehmen	112.350.132,13	112.120

Die hierunter ausgewiesenen Eventualverbindlichkeiten entfallen im Wesentlichen auf Haftungen für von Banken für die eigene Geschäftstätigkeit und jene von Tochtergesellschaften ausgestellte Garantien, auf Haftungen für Finanzierungen von Tochtergesellschaften, auf Einzahlungsverpflichtungen gegenüber verbundenen Unternehmen sowie auf übernommene Haftungen gegenüber Banken für Kundenkredite.

Für das im Eigentum der VERBUND-Austrian Hydro Power AG (vormals „Donaukraft“) stehende Kraftwerk Freudenua wurden in Vorjahren Refinanzierungstransaktionen abgeschlossen. Bei diesen Transaktionen hat sich die EVN AG verpflichtet, in bestimmten Verzugs- und Verlustfällen an die Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbund AG) Kostenersatz zu leisten.

Für die im Auftrag der EVN AG getätigten Geschäfte der ENERGIEALLIANZ Austria GmbH für den Eigenhandel sowie die Beschaffung von Elektrizität und Gas wurden gegenüber den Handelspartnern Patronatserklärungen erteilt. Die Eventualverbindlichkeiten hierfür werden in Höhe des tatsächlichen Risikos für die EVN AG angesetzt. Dieses Risiko bemisst sich an Veränderungen zwischen vereinbartem Preis und aktuellem Marktpreis, wobei sich bei Beschaffungsgeschäften ein Risiko nur bei gesunkenen Marktpreisen und bei Absatzgeschäften ein Risiko nur bei gestiegenen Marktpreisen ergibt. Dementsprechend kann sich das Risiko aufgrund von Marktpreisänderungen nach dem Stichtag entsprechend verändern. Aus dieser Risikobewertung resultierte per 30. September 2017 eine Eventualverbindlichkeit in Höhe von EUR 46.961.450,00 (VJ: TEUR 45.040). Das dieser Bewertung zugrunde liegende Nominalvolumen der Garantien betrug EUR 263.500.000,00. Zum 31. Oktober 2017 betrug das Risiko betreffend Marktpreisänderungen EUR 7.742.180 bei einem zugrunde liegenden Nominalvolumen von EUR 264.000.000,00.

Die EVN AG hat für ihre Tochtergesellschaften EVN Trading South East Europe EAD und EVN Bulgaria Toploficatsia EAD zur Sicherstellung der Unternehmensfortführung für die nächsten 12 Monate eine harte Patronatserklärung abgegeben.

3.2.7. Art, Zweck und finanzielle Auswirkungen sonstiger nicht in der Bilanz ausgewiesener oder angegebener Geschäfte

Die Gesellschaft hat im Geschäftsjahr folgende wesentliche Verträge mit Wirkung für die Folgeperioden abgeschlossen:

- Abschluss eines Vertrages zur Vorhaltung von Netzreserve im Umfang von 640 MW für den Winter 2017/2018.
- Kontrahierung von Gasspeichernutzungsmöglichkeiten im Umfang von 600 MW für den Winter 2017/2018.
- Abschluss von Großhandelskontrakten Strom mit Lieferung nach dem 30.09.2017 mit einer Netto-Verkaufsmenge von 2.330.234 MWh

- Abschluss von Großhandelskontrakten über den Bezug von CO₂-Zertifikaten mit Lieferung nach dem 30.09.2017 mit einer Liefermenge von 2.170 tsd. Tonnen.
- Abschluss von Großhandelskontrakten Erdgas mit Lieferung nach dem 30.09.2017 mit einer Netto-Verkaufsmenge von 155.595 MWh
- Abschluss von Kohlebezugsgeschäften und Transportverträgen für das Kraftwerk Dürnrohr mit einer ausstehenden Liefermenge von 96 tsd. Tonnen.
- Abschluss von derivativen Geschäften für Kohle zur Risikominderung der Stromproduktion aus Kohlekraftwerken mit einer Nettomenge von 297 tsd Tonnen.

Hinsichtlich der wertmäßigen Auswirkung der derivativen Verträge wird auf den Abschnitt zu den derivativen Finanzinstrumenten verwiesen.

3.2.8. Finanzinstrumente

Die Bilanzierungs- und Bewertungsgrundsätze sind beim jeweiligen Bilanzposten angeführt. Käufe und Verkäufe von Finanzinstrumenten werden zum Settlement-Stichtag gebucht.

Langfristige Veranlagungen dienen dem Aufbau des für das Sozialkapital erforderlichen Deckungsstocks und erfolgen im Rahmen von extern verwalteten Investmentfonds.

Das Kreditrisiko von Forderungen entspricht den in der Bilanz ausgewiesenen, um vorgenommene Wertberichtigungen reduzierten Wertansätzen.

Alle Finanzinstrumente werden sofort nach Abschluss in einem Risikomanagementsystem erfasst. Dies ermöglicht einen tagesaktuellen Überblick über alle wesentlichen Risikokennzahlen. Für das Risiko-Controlling wurde zudem eine eigene Stabsstelle eingerichtet, die laufend Risikoanalysen basierend auf der Value-at-Risk-Methode erstellt.

Derivative Finanzinstrumente dienen in erster Linie der Absicherung des Unternehmens gegen Marktpreisänderungs-, Liquiditäts-, Wechselkurs- und Zinsänderungsrisiken. Strategisches Ziel ist die Kontinuität des operativen wie des Finanzergebnisses. Darüber hinaus werden vereinzelt Möglichkeiten genutzt, die ein höheres Risiko enthalten und einen höheren Ertrag versprechen.

Die Nominalwerte sind die saldierten Summen der zu den jeweiligen Finanzderivaten gehörenden Einzelpositionen zum Bilanzstichtag. Sie entsprechen zwar den zwischen den Vertragspartnern vereinbarten Beträgen, sind jedoch kein Maßstab für das Risiko des Unternehmens aus dem Einsatz dieser Finanzinstrumente. Das Risikopotenzial umfasst insbesondere Schwankungen der zugrunde liegenden Marktparameter. Die Bewertung der Finanzinstrumente erfolgt mittels von Börsepreisen abgeleiteten Forwardpreiskurven, Wechselkursen, Zinsstrukturkurven. Das Kreditrisiko der Vertragspartner findet dabei Berücksichtigung.

Für derivative Finanzinstrumente werden die Nominalwerte sowie die aktuellen Marktwerte (Fair Values) angegeben.

Die derivativen Finanzinstrumente setzen sich zum Bilanzstichtag wie folgt zusammen und sind in den folgenden Bilanzpositionen erfasst:

Derivative Finanzinstrumente mit Sicherungsbeziehung				
	Nominalwert in Mio JPY		Marktwert in Mio EUR	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
Währungsswaps				
JPY (über 5 Jahre)	12.000,0	12.000,0	-5,0	16,2

Die in obiger Tabelle ausgewiesenen Währungsswaps sind Cross-Currency Swaps zur Absicherung der Zins- und Währungsrisiken der in fremder Währung begebenen Anleihe (JPY-Anleihe). Die Laufzeit der Währungsswaps ist ident mit der Laufzeit der Anleihe bis 2024. Die Effektivität der Sicherungsbeziehung wird zumindest quartalsweise geprüft. Retrospektiv erfolgt diese Prüfung mittels Dollar-Offset-Methode, prospektiv wird die Critical-Terms-Match-Methode angewandt. Per 30.09.2017 beträgt die auf das Zinsrisiko bezogene Effektivität 96% und die auf das Währungsrisiko bezogene Effektivität 98%.

Eine dokumentierte Widmung der Verträge wurde vollzogen, indem das abzusichernde Risiko identifiziert, der Beginn der Sicherungsbeziehung festgelegt und das Vorliegen aller materiellen Voraussetzungen nachvollziehbar begründet wurde. In materieller Hinsicht gilt hier dazu, dass die Sicherungsgeschäfte die qualitative Eignung des abgesicherten Grundgeschäfts besitzen, ein Absicherungsbedarf auf Basis des Preisänderungsrisikos aus dem Grundgeschäft vorliegt, eine bestehende Absicherungsstrategie existiert und die Derivate qualitativ geeignet als Sicherungsinstrument sind.

Für derivative Instrumente mit negativem Marktwert wird keine Drohverlustrückstellung gebildet, sofern eine Sicherungsbeziehung mit den jeweils zugrundeliegenden Geschäften besteht.

Derivative Finanzinstrumente ohne Sicherungsbeziehung	Nominalwert in Mio EUR		Marktwert in Mio EUR			
	30.09.2017	30.09.2016	30.09.2017	Anteil > 12 Monate	30.09.2016	Anteil > 12 Monate
Kohleswaps	38,3	39,2	13,4	2,7	5,2	4,9
Forwards Strom	82,2	87,1	-22,4	-6,5	-2,2	-3,2
Forwards mit Collateral / Futures physisch Strom	34,9	13,6	-5,3	-2,5	-0,6	-0,5
Forwards Gas	2,8	32,3	-0,0	0,0	-1,2	0,0
Forwards CO²-Zertifikate	5,9	12,2	0,4	0,6	-3,9	-1,5
Forwards mit Collateral / Futures physisch CO²-Zertifikate	16,9	9,4	4,3	3,8	-2,6	-1,9

Für derivative Finanzinstrumente mit negativem Marktwert, die keiner Sicherungsbeziehung zugeordnet sind, werden in Summe Drohverlustrückstellungen in Höhe von TEUR 35.624 (VJ: TEUR 20.077) über die Aufwendungen für bezogene Leistungen (Fremdstrombezug und Energieträger) gebildet.

4. ERLÄUTERUNGEN ZUR GEWINN- UND VERLUSTRECHNUNG

4.1. Umsatzerlöse

	2016/17 EUR	2015/16 TEUR
Umsatzerlöse gegliedert nach Absatzmärkten:		
Inland	481.356.319,42	449.658
Ausland	32.483.550,59	12.141
	<u>513.839.870,01</u>	<u>461.799</u>

	2016/17 EUR	2015/16 TEUR
Umsatzerlöse gegliedert nach Tätigkeitsbereichen:		
Stromerlöse	242.806.566,44	231.266
Leistungsverrechnung im Konzern	165.928.559,55	147.045
Gaserlöse	77.062.017,76	47.795
Wärmeerlöse	16.850.412,52	18.067
Lichtserviceprojekte	1.465.870,80	7.437
Kundenaufträge	5.800.575,97	6.259
Auflösung von Baukostenzuschüssen	2.984.914,02	3.250
Sonstige Erlöse	940.952,95	680
	<u>513.839.870,01</u>	<u>461.799</u>

4.2. Sonstige betriebliche Erträge

Die ausgewiesenen übrigen sonstigen betrieblichen Erträge in Höhe von EUR 1.879.429,62 (VJ: TEUR 4.518) enthalten insbesondere:

	2016/17 EUR	2015/16 TEUR
Sonstige betriebliche Erträge		
Investitionszuschüsse	698.067,51	167
Wertberichtigung	620.598,71	0
Schadensvergütungen	269.955,80	1.055
sonstige Erträge aus Vorjahren	111.781,16	2.482
Projektförderungen	14.554,33	539

4.3. Personalaufwand

In den Gehältern sind nachstehende Komponenten enthalten:

	2016/17 EUR	2015/16 TEUR
Dotierung der Rückstellung für Jubiläumsgelder in Gehältern	399.467,13	305
Dotierung der Rückstellung für Deputate in Gehältern	440.115,48	977

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Betreffend Altersversorgung ergaben sich aufgrund der Auflösung von Rückstellungen Erträge in Höhe von EUR 8.206.906,48 (VJ: Aufwendungen in Höhe von TEUR 14.271), sowie Aufwendungen in Höhe von EUR 4.484.215,13 (VJ: TEUR 2.868) betreffend leistungsorientierte Pensionsvorsorgen.

Für Abfertigungen (ohne Leistungen an Mitarbeitervorsorgekassen) ergaben sich aufgrund der Auflösung von Rückstellungen Erträge von EUR 516.107,67 (VJ: Aufwendungen in Höhe von TEUR 3.632).

4.4. Sonstige betriebliche Aufwendungen

In den übrigen sonstigen betrieblichen Aufwendungen in Höhe von EUR 78.056.055,91 (VJ: TEUR 37.182) sind im Wesentlichen enthalten:

	2016/17 EUR	2015/16 TEUR
Forderungsabschreibungen	42.758.707,04	282
Leistungsverrechnung im Konzern	9.271.459,56	9.252
Werbeaufwand	8.813.030,16	8.931
Beratungsleistungen	5.372.554,68	5.252
Reisekosten	2.643.925,19	2.611
Porto- und Fernmeldeaufwand	1.869.424,54	1.891
Weiterbildung und Tagungsaufwand	1.633.384,32	1.508
Versicherungsaufwand	1.472.288,76	1.582
Mitgliedsbeiträge und Umlagen	1.179.384,49	1.038

Die Angabe der auf das Geschäftsjahr entfallenden Aufwendungen für den Abschlussprüfer gemäß § 238 Abs 1 Z 18 unterbleibt, da eine derartige Information im Konzernabschluss der EVN AG enthalten ist.

4.5. Erträge aus Beteiligungen

Die Ergebnisse des Geschäftsjahres 2016/17 der verbundenen Unternehmen EVN Finanzservice GmbH, der EVN Bulgaria Stromnetz Holding GmbH sowie EVN Wasser Gesellschaft m.b.H. und der EVN Energievertrieb GmbH & Co KG wurden im Finanzergebnis phasenkongruent erfasst.

4.6. Aufwendungen aus Finanzanlagen und aus Wertpapieren des Umlaufvermögens

Die Aufwendungen aus verbundenen Unternehmen in Höhe von EUR 52.871.828,06 (VJ: TEUR 36.063) setzen sich zusammen aus Abschreibungen von Anteilen an verbundenen Unternehmen in Höhe von EUR 52.871.828,06 (VJ: TEUR 36.063).

4.7. Zinsen und ähnliche Aufwendungen

In diesem Posten sind Zinskomponenten aus der Abzinsung von Sozialkapitalrückstellungen in Höhe von EUR 1.765.399,83 (VJ: TEUR 2.780) enthalten.

4.8. Steuern vom Einkommen

	2016/17 EUR	2015/16 TEUR
Körperschaftsteuer Inland laufendes Jahr	40.861.825,38	2.855
Körperschaftsteuer Vorjahre	-79.256,32	226
Körperschaftsteuer Ausland laufendes Jahr	-1.125.991,49	170
Steuerertrag aus der Gruppenbesteuerung	-52.300.123,94	-56.073
Steuerergebnis aus der Gruppenbesteuerung	0,00	-217
latente Körperschaftsteuer	-33.313.687,61	-173
	<u>-45.957.233,98</u>	<u>-53.212</u>

5. Ergänzende Angaben

5.1. Mitarbeiter (im Jahresdurchschnitt)

Die durchschnittliche Zahl der Arbeitnehmer (ausschließlich Angestellte) während des Geschäftsjahres betrug 641 (VJ: 648).

5.2. Mitglieder des Vorstandes und des Aufsichtsrates

Die Gesamtbezüge der aktiven Vorstandsmitglieder betrugen im Geschäftsjahr TEUR 1.107 (VJ: TEUR 1.088), an ehemalige Vorstandsmitglieder bzw. deren Hinterbliebene wurden TEUR 1.202 (VJ: TEUR 1.182) bezahlt.

Für Abfertigungen und Pensionen ergibt sich für Vorstand und leitende Angestellte ein Ertrag aufgrund der Auflösung bzw. dem Verbrauch von Rückstellungen in Höhe von EUR -2.749.906,01 (VJ: Mehraufwand TEUR 6.335), für die übrigen Arbeitnehmer ein Ertrag in Höhe von EUR -1.135.216,48 (VJ: Mehraufwand TEUR 14.766).

Die Aufsichtsratsvergütungen betrugen im Berichtsjahr EUR 151.800 TEUR (VJ: TEUR 136).

An den Beirat für Umwelt und soziale Verantwortung wurden im Berichtszeitraum Vergütungen in Höhe von EUR 109.150,00 (VJ: TEUR 29) ausbezahlt.

Den Organen der Gesellschaft wurden keine Kredite gewährt, und es wurden keine Haftungen übernommen.

5.3. Sonstige Erläuterungen

EIWOG-Angaben

Geschäfte im Sinne des § 8 Abs 3 EIWOG bzw. § 8 Abs 3 GWG werden insbesondere mit folgenden verbundenen Elektrizitäts- bzw. Erdgasunternehmen getätigt: Netz Niederösterreich GmbH, evn naturkraft Erzeugungsgesellschaft m.b.H, EVN Wärme GmbH, EVN Energievertrieb GmbH & Co KG sowie ENERGIEALLIANZ Austria GmbH.

5.4. Wesentliche Ereignisse nach dem Bilanzstichtag

Nach dem Bilanzstichtag sind keine wesentlichen Ereignisse eingetreten.

5.5. Ergebnisverwendung

Es wird vorgeschlagen, unter Berücksichtigung der eigenen Anteile in Höhe von 1.950.854 Stück, aus dem Bilanzgewinn in Höhe von EUR 83.701.541,35 einen Betrag in Höhe von EUR 83.625.947,56, das entspricht einer Dividende von EUR 0,47 je Aktien, auszuschütten und den verbleibenden Betrag auf neue Rechnung vorzutragen.

5.6. Angaben zu Organen der Gesellschaft

Aufsichtsrat:

Präsident/-in:

Mag. Bettina Glatz-Kremsner

Vizepräsidenten:

Generaldirektor Dr. Norbert Griesmayr

Mag. Willi Stiowicek

Mitglieder:

Direktor Dieter Lutz

Votr. Hofrat Dr. Reinhard Meißl

Dipl.-Ing. Angela Stransky

Mag. Susanne Scharnhorst

Kommerzialrat Mag. Philipp Gruber

Univ.-Prof. Dipl.-Ing. Dr. Friedrich Zibuschka

Vorstandsdirektor Dkfm. Thomas Kusterer
(bis 07.02.2017)

Dr. Johannes Zügel (ab 07.02.2017)

Arbeitnehmervertreter:

Zentralbetriebsratsvorsitzender Vizepräsident

stv. Zentralbetriebsratsvorsitzender Kammerrat

Franz Hemm

Manfred Weinrichter

Zentralbetriebsratsvorsitzender Ing. Paul

Mag. Dr. Monika Fraißl

Hofer

Friedrich Bußlehner

Vorstand:

Vorstandsdirektor Dipl.-Ing. Dr. Peter Layr – Sprecher des Vorstandes (bis 30.09.2017)

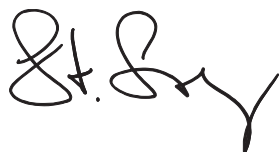
Vorstandsdirektor Mag. Stefan Szyszkowitz, MBA – Sprecher des Vorstandes (ab 01.10.2017)

Vorstandsdirektor Dipl.-Ing. Franz Mittermayer (ab 01.10.2017)

EVN AG, Maria Enzersdorf

Maria Enzersdorf, am 20. November 2017

Der Vorstand



Mag. Stefan Szyszkowitz, MBA



Dipl.-Ing. Franz Mittermayer

Anlage 1: Anlagenspiegel

Anlage 2: Beteiligungsspiegel

Bericht des Aufsichtsrats

Bericht des Aufsichtsrats

Sehr geehrte Damen und Herren,

im Geschäftsjahr 2016/17 konnte die EVN wiederum eine sehr solide Geschäftsentwicklung vorweisen. Dadurch ist gewährleistet, dass die Gruppe ihren zentralen Zielsetzungen weiterhin gerecht werden kann – dazu zählen insbesondere fokussierte Investitionen zur Aufrechterhaltung der Versorgungssicherheit, die Beibehaltung einer soliden Kapitalstruktur sowie eine stabile Dividendenpolitik. Neben dem erfreulichen operativen Geschäftsverlauf ist positiv hervorzuheben, dass im vergangenen Geschäftsjahr wichtige Rechtsangelegenheiten geklärt und damit verbundene Unsicherheiten beseitigt werden konnten. Konkret betrifft dies den Schiedsspruch zum Kraftwerksprojekt Walsum 10 zugunsten der Kraftwerksgesellschaft sowie die Einigung mit der staatlichen bulgarischen Elektrizitätsgesellschaft NEK über in der Vergangenheit von unserer bulgarischen Vertriebsgesellschaft vorfinanzierte Ökostrom-Mehrkosten.

Nachdem der bisherige Vorstandssprecher der EVN, Dipl.-Ing. Dr. Peter Layr, im Juni 2017 um vorzeitige Beendigung seines Vorstandsmandats zum 30. September 2017 ersucht hatte, musste der Aufsichtsrat die personellen Weichen im Vorstand neu stellen. Der Aufsichtsrat bestellte daher mit Wirkung vom 1. Oktober 2017 Mag. Stefan Szyszkowitz, MBA zum neuen Sprecher des Vorstands sowie Dipl.-Ing. Franz Mittermayer zum technischen Vorstand der EVN AG. Mit dem neuen Vorstandsteam wissen wir die EVN in besten Händen und für die Zukunft gut aufgestellt. Gleichzeitig bedankt sich der Aufsichtsrat an dieser Stelle bei Peter Layr ausdrücklich für seine jahrzehntelange Tätigkeit für die EVN.

Erfüllung der Aufgaben

Der Aufsichtsrat hat die strategischen Schritte der EVN im Rahmen seiner Verantwortung und Befugnis aktiv begleitet und unterstützt. Er hat im Berichtszeitraum in vier Plenarsitzungen sowie in sechs Sitzungen seiner Ausschüsse die ihm nach Gesetz und Satzung obliegenden Aufgaben und Befugnisse wahrgenommen. Durch die Berichte des Vorstands wurde der Aufsichtsrat regelmäßig, zeitnah und umfassend über alle relevanten Fragen der Geschäftsentwicklung, einschließlich der Risikolage und des Risikomanagements der Gesellschaft und wesentlicher Konzernunternehmen, informiert. Insbesondere auf Grundlage dieser Berichterstattung hat der Aufsichtsrat die Geschäftsführung des Vorstands laufend überwacht und begleitend unterstützt. Die Kontrolle, die im Rahmen einer offenen Diskussion zwischen Vorstand und Aufsichtsrat stattfand, hat zu keinen Beanstandungen Anlass gegeben. Anregungen des Aufsichtsrats wurden vom Vorstand aufgegriffen.

Corporate Governance-Bericht, Österreichischer Corporate Governance Kodex

Der Aufsichtsrat hat in seiner Sitzung vom 13. Dezember 2017 auf Basis des Berichts des Prüfungsausschusses vom 29. November 2017 gemäß § 96 AktG den Corporate Governance-Bericht gemäß der Stellungnahme des Austrian Financial Reporting and Auditing Committee geprüft; diese Prüfung hat zu keinen Beanstandungen geführt.

Als börsennotiertes Unternehmen bekennt sich die EVN zur Einhaltung des Österreichischen Corporate Governance Kodex. Der Aufsichtsrat hat den Österreichischen Corporate Governance Kodex in der Fassung Jänner 2015 für die EVN ab dem Geschäftsjahr 2015/16 in Kraft gesetzt. Der Aufsichtsrat ist bestrebt, den Bestimmungen des Kodex, die den Aufsichtsrat betreffen, konsequent zu entsprechen. In diesem Sinn werden alle Regeln, die die Zusammenarbeit des Aufsichtsrats mit dem Vorstand sowie den Aufsichtsrat selbst betreffen, bis auf zwei Abweichungen, die im Corporate Governance-Bericht dargestellt sind, eingehalten.

Jahresabschluss und Konzernabschluss

Die zum Abschlussprüfer für das Geschäftsjahr vom 1. Oktober 2016 bis zum 30. September 2017 bestellte KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, hat den nach den österreichischen Rechnungslegungsvorschriften erstellten Jahresabschluss der EVN AG zum 30. September 2017 sowie den Lagebericht des Vorstands geprüft. Sie hat über das Ergebnis der Prüfung schriftlich berichtet und den uneingeschränkten Bestätigungsvermerk erteilt.

Der Aufsichtsrat hat den Prüfbericht des Abschlussprüfers erhalten und geprüft. Der Prüfungsausschuss des Aufsichtsrats hat dem Aufsichtsrat gemäß § 92 AktG in der Fassung des Abschlussprüfungsrechts- Änderungsgesetzes 2016 über das Ergebnis der Abschlussprüfung und dessen Auswirkungen auf die Finanzberichterstattung sowie über die Zusatzberichterstattung des Abschlussprüfers gemäß Art. 11 der Verordnung (EU) Nr. 537/2014 (Abschlussprüfungsverordnung) berichtet.

Nach eingehender Prüfung und Erörterung im Prüfungsausschuss sowie im Aufsichtsrat billigte der Aufsichtsrat den vom Vorstand vorgelegten Jahresabschluss zum 30. September 2017 samt Anhang, Lagebericht und Corporate Governance-Bericht sowie den Vorschlag für die Verwendung des Bilanzgewinns. Damit ist der Jahresabschluss zum 30. September 2017 gemäß § 96 Abs. 4 AktG festgestellt.

Der Konzernabschluss wurde nach den International Financial Reporting Standards (IFRS) aufgestellt, ebenfalls von der KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien, geprüft und mit dem uneingeschränkten Bestätigungsvermerk versehen. Der Prüfungsausschuss des Aufsichtsrats hat den Konzernabschluss samt Konzernanhang und den Konzernlagebericht geprüft und dem Aufsichtsrat darüber berichtet; dieser hat den Konzernabschluss samt Konzernanhang und den Konzernlagebericht zustimmend zur Kenntnis genommen.

Abschließend dankt der Aufsichtsrat dem Vorstand und allen Mitarbeiterinnen und Mitarbeitern des EVN Konzerns für ihren Einsatz und ihr Engagement im Geschäftsjahr 2016/17. Besonderer Dank gilt auch den Aktionärinnen und Aktionären, den Kundinnen und Kunden sowie den Partnern der EVN für das entgegengebrachte Vertrauen.

Maria Enzersdorf, am 13. Dezember 2017

Für den Aufsichtsrat:

Mag. Bettina Glatz-Kremsner
Präsidentin

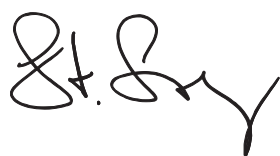
Declaration by the Executive Board pursuant to § 82 Sect. 4 (3) of the Austrian Stock Exchange Act

The Executive Board of EVN AG certifies to the best of its knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group as required by the applicable accounting standards and that the group management report gives a true and fair view of the development and performance of the business and the position of the group, together with a description of the principal risks and uncertainties the group faces.

The Executive Board of EVN AG certifies to the best of its knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Maria Enzersdorf, 20 November 2017

EVN AG
The Executive Board



Stefan Szyszkowitz
Spokesman of the Executive Board



Franz Mittermayer
Member of the Executive Board