INTERIM REPORT QUARTERS 1–3/2009

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DEAR SHAREHOLDERS,

The global economic crisis and its consequences for almost all industries and sectors have also left their mark on Verbund. Our business performance has been impacted by a pronounced downturn in sales to industry and a sharp drop in European wholesale prices for electricity.

Despite these developments, Verbund is reporting satisfactory results for Q1–3/2009, albeit down on the record levels recorded in the same period of the previous year. Accordingly, we expect our results for the 2009 financial year as a whole to be slightly lower than in the previous year assuming relatively stable operating performance.

As there are no signs of a sustained economic recovery at present, we are constantly adjusting our strategy to reflect changes in conditions, focusing our business model on our core markets to an even greater extent while continuing to reduce risk.

However, we remain committed to our policy of anti-cyclical investments and are looking to benefit to a substantial extent from the future economic upturn. We are focusing on the expansion of renewable energies, particularly hydro power, and the modernisation of the domestic electricity grid. We will also continue to invest in our core foreign markets of Turkey, France and Italy – albeit with delays in some projects.

POSITION IN ELECTRICITY MARKET REINFORCED

Based on this strategy, we have consolidated our strong position in the European electricity market. Following the completion of the acquisition of 13 hydro plants on the Inn river in Bavaria on 31 August 2009, we are now Europe's fourth largest hydro power producer. Our ambitious target for the coming years is to climb to third place in this sector.

In the third quarter of 2009, we increased our stake in the largest independent French energy supplier POWEO, to around 46 %, making us the largest shareholder in the listed company POWEO S.A. As part of the expansion of the joint venture between the companies, the first gas power plant to be erected by POWEO in Pont-sur-Sambre was commissioned on 26 September 2009.

We also strengthened our position as the leading electricity company in Austria. As well as concluding a four-year electricity supply contract for around 10 TWh with provincial power suppliers midway through the year, we recently extended our supply contract with the Austrian Federal Railways for a further four years.

OPERATING RESULT IMPACTED BY WEAK SPOT MARKET PRICES AND NEGATIVE NON-RECURRING EFFECTS

Verbund's figures developed as follows in the first three quarters of 2009: sales revenue declined by 7.2 % to € 2,446.7 million, the operating result fell by 9.3 % to € 802.9 million, and consolidated net profit was down 8.4 % to € 551.8 million.

As in the first two quarters, the operating result was impacted by low European spot market prices for electricity, an above-average water supply and negative non-recurring effects.

Spot market prices for electricity fell sharply in the first three quarters of 2009, declining by 40 % for base load and 41 % for peak load electricity compared with the same period of the previous year. Quarterly and monthly forwards continue to trade at a low level. This is attributable to the significant reduction in prices for primary energy sources, lower demand for electricity and falling CO_2 spot market prices. 40 % of the power generated by Verbund is sold on the basis of spot market prices and quarterly and monthly forwards. The remaining 60 % was sold one year in advance at considerably higher prices in accordance with our tried and tested hedging strategy.

GENERATION FROM WATER POWER +6,3 %

By contrast, the strong water supply from Austrian rivers had a positive impact on quarterly earnings. The hydro coefficient for the first three quarters of 2009 was 1.07, 7 % higher than the long-term average and 5 % above the figure recorded in the previous year. This allowed more electricity to be produced in the run-of-river plants. At the same time, generation at the storage power plants was also increased due to the higher reservoir levels at the beginning of the year compared to 2008 and the excellent inflow conditions as a result of the thaw. All in all, the Verbund Group's hydro power generation increased by 6.3 % or 1,272 GWh, while thermal generation was scaled back significantly as a result of the low spot market price level.

As at the end of the first half of the year, the operating result was adversely affected by negative non-recurring effects totalling around € 74 million, whereas the financial result contained positive non-recurring effects of around € 23 million.

OUTLOOK

In light of the sustained difficult economic conditions and the extremely weak spot market prices, we expect our figures for 2009 as a whole to be down slightly on the previous year. We are maintaining our dividend policy and are aiming to achieve a payout ratio of at least 45 %.

DI Wolfgang Anzengruber
(Chairman of the Managing Board)

Dr. Johann Sereinig
(Deputy Chairman of the Managing Board)

Dr. Ulrike Baumgartner-Gabitzer
(Member of the Managing Board)

Mag. Christian Kern
(Member of the Managing Board)

THE VERBUND SHARE

STOCK MARKET ENVIRONMENT

In 2007, the US real estate speculation bubble burst. This triggered the greatest financial market crisis in decades, which ultimately developed into a global crisis, leading to huge losses on the global stock markets in 2008. Negative economic data, poor economic forecasts and sustained problems in the banking sector and the automotive industry led to a continuation of this adverse development at the start of 2009, with early March seeing many stock exchanges fall below the record lows recorded in the previous year.

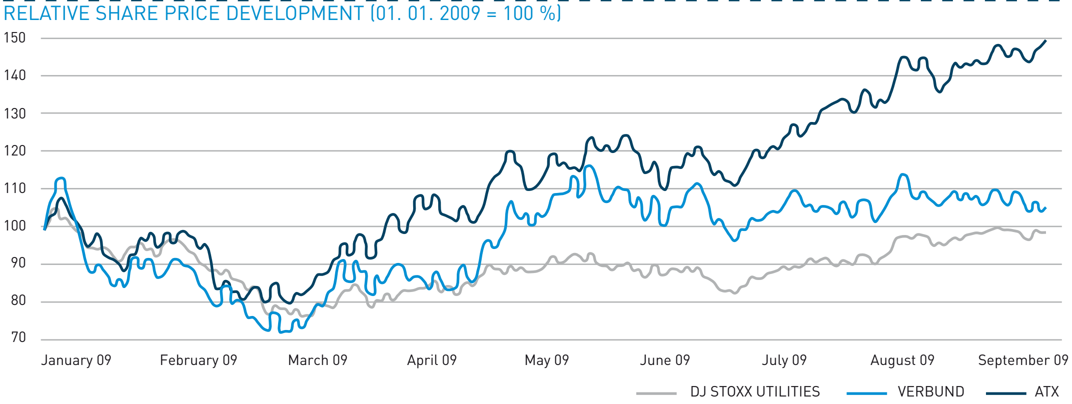
However, prices recovered strongly from mid-March onwards, with this trend continuing over large periods of the second quarter. This improvement was driven by the relatively good results in the financial sector, the strong development of technology stocks and investor confidence in the effectiveness of the monetary and fiscal policy measures adopted by governments and central banks, as well as hopes for a rapid recovery in the global economy. As a result, the international stock markets recorded double-digit growth rates in Q2/2009, largely recouping the losses recorded in the first quarter.

The positive performance of the global markets continued in the third quarter of 2009. As in the previous quarter, this development was supported by extensive government spending programmes and an expansionary policy on the part of central banks, as well as improved macroeconomic indicators and – as a result – more optimistic economic forecasts. Accordingly, all of the major stock indices recorded significant growth rates between year-end 2008 and the end of the third quarter. The US stock index Dow Jones Industrial has risen by 10.7 % since the start of the year, while the Euro Stoxx 50 and the Nikkei 225 increased by 17.2 % and 14.4 % respectively in the same period.

VIENNA STOCK EXCHANGE

The ATX, the key index of the Vienna Stock Exchange, rose by impressive 25.7 % in the third quarter of 2009 to give year-to-date growth of 50.6 %. This means that the Vienna Stock Exchange clearly outperformed most of the international stock markets. In particular, this is due to the fact that prices on

RELATIVE SHARE PRICE DEVELOPMENT (01. 01. 2009 = 100 %)



the Vienna Stock Exchange declined to a greater extent than on other exchanges during the months when the stock markets were gripped by uncertainty.

SHARE PRICE PERFORMANCE

The Verbund share closed the 2008 financial year at € 32.6, corresponding to a negative performance of 32.0 %. In line with the general trend on the global stock markets, the price of the Verbund share fell significantly at the start of the new trading year. As well as the negative stock market environment, this development was attributable in particular to the further decline in wholesale prices for electricity. Towards the end of the quarter, the Verbund share was able to recoup some of its losses to close at € 28.6 on 31 March 2009, representing a negative performance of 12.2 % in Q1/2009.

In the second quarter of 2009, the value of the Verbund share rose by an impressive 26.9 %, more than offsetting the losses recorded in the previous quarter. This significant increase is attributable to the moderate recovery and expected stabilisation of wholesale prices for electricity and the slightly more positive comments from analysts of the Verbund share and the utilities sector, as well as the positive development of the stock markets as a whole in Q2/2009. The Verbund share closed at € 36.3 on 30 June 2009, corresponding to a positive performance of 11.4 % in the first six months of the year.

The price of the Verbund share declined by 4.8 % in the third quarter of 2009, meaning that it was unable to benefit from the extremely positive international and, in particular, national stock market environment. However, it should be noted that the Verbund share price had previously declined to a far lesser extent than that of many other stocks, particularly in the difficult stock market year of 2008. The Verbund share price also continues to be affected by the relatively low wholesale prices for electricity. On 30 September 2009, the share closed at € 34.6, representing positive performance of 6.1 % in the first three quarters of 2009. Accordingly, the Verbund share did not develop as strongly as the ATX in the first nine months of the year (+50.6), but clearly outperformed the DJ STOXX Utilities index (–1.0 %).

TURNOVER AND MARKET CAPITALISATION

Stock exchange turnover in Verbund shares amounted to € 2,528.2 million. On average, 429,327 shares were traded every day. The total value of the company based on its market capitalisation was € 10,648.3 million as of 30 September 2009, while its weighting in the ATX was 7.0 %. This meant that Verbund had the highest valuation of any company on the Vienna Stock Exchange in terms of market capitalisation.

STOCK RATIOS

		Q 1–3/2009	Q 1–3/2008
HIGH	€	38.1	59.3
LOW	€	23.7	40.5
CLOSING PRICE	€	34.6	43.2
PERFORMANCE	%	6.1	–9.9
MARKET CAPITALISATION	MILLION €	10,648.3	13,298.8
ATX WEIGHTING	%	7.0	8.0
TURNOVER	MILLION €	2,528.2	4,985.2
TURNOVER/DAY	NO. SHARES	429,327	542,946

CAPITAL MARKET CALENDAR 2009/2010

EVENT	LOCATION	DATE
INTERIM REPORT Q1–3/2009		27 OCT. 2009
ROADSHOW	ZURICH	29 OCT. 2009
CHEUVREUX INVESTOR CONFERENCE	NEW YORK	10–11 NOV. 2009
PUBLICATION OF 2009 RESULTS		2 MAR. 2010
ANNUAL GENERAL MEETING		7 APR. 2010
DIVIDEND EX-DATE		14 APR. 2010
DIVIDEND PAYMENT DATE		27 APR. 2010
INTERIM REPORT Q1/2010		27 APR. 2010
INTERIM REPORT Q1–2/2010		27 JUL. 2010
INTERIM REPORT Q1–3/2010		28 OCT. 2010

MANAGEMENT REPORT

BUSINESS DEVELOPMENT

The Verbund Group recorded a slightly declining result in quarters 1–3/2009, which was attributable primarily to negative one-off effects and lower spot market prices and which could not be offset even by above-average water supply.

Sales revenue declined by 7.2 % to € 2,446.7 million, the operating result fell by 9.3 % to € 802.9 million, and consolidated net profit was down 8.4 % at € 551.8 million.

CONSOLIDATED INCOME STATEMENT (CONDENSED VERSION)) MILLION €

	Q1–3/2007	Q1–3/2008	Q1–3/2009	CHANGE
SALES REVENUE	2,252.6	2,637.2	2,446.7	–190.5
OPERATING RESULT	685.1	885.3	802.9	–82.4
FINANCIAL RESULT	2.2	2.6	19.6	17.0
GROUP RESULT	457.9	602.5	551.8	–50.7

EARNINGS POSITION

DECREASE IN GROUP REVENUE

In quarters 1–3/2009, group revenue rose – compared to the corresponding period of the previous year – by € 190.5 million to € 2,446.7 million.

At 616 GWh, the group's own generation during quarters 1–3/2009 was 2.7 % above the level of the previous year; generation by hydro plants rose by 6.3 %. The above-average water supply from Austria's rivers significantly boosted generation at the hydro plants. Generation at the storage power plants rose 9 % above the corresponding period of the previous year on the back of the higher reservoir levels at the start of the year compared with 2008 and the excellent inflow conditions resulting from the thaw. Thermal generation, on the other hand, displayed a further decline on account of the lower spot market prices.

Despite increased production of electricity, electricity sales overall decreased by 7.4 % due to lower prices for electricity and a reduction in the electricity trading volume to € 2,211.6 million. Electricity revenue from end customers increased significantly by € 77.5 million or 17.2 %. This is due to further acquisitions in the industrial customer area and increasing sales volume to household customers in spite of the unfavourable economic conditions. The € 38.8 million or 4.2 % increase in electricity revenue from resellers mainly results from contracted forward market prices, which were higher than the previous year. The € 292.0 million or 28.7 % decrease in electricity revenue from traders resulted from the increase in trading business with standardised forward contracts and the ongoing increase in the direct marketing of own generation via wholesale and end customer channels. Foreign markets – in particular, Germany and France – accounted for 50.5 % of the electricity revenue (previous year: 60.8 %). The sales volume displayed a decrease of 4,227 GWh or 10.0 % compared to the corresponding period of the previous year.

Grid sales dropped by € 20.2 million or 9.2 % from the previous year to € 200.1 million in quarters 1–3/2009. This reduction is largely attributable to the 2009 amendment to the System Utilisation Tariff Directive 2006, under which the system utilisation tariffs in the electricity area were re-determined with effect from 1 January 2009. The decline in international revenue from auctions was not fully compensated by the rise in international ITC (Inter Transmission System Operator Compensation) sales.

Other sales revenue increased in quarters 1–3/2009 by € 5.4 million or 18.2 % to € 35.0 million. This improvement resulted, above all, from the increase in revenue from district-heating sales.

SALES REVENUE MILLION €

	Q1–3/2007	Q1–3/2008	Q1–3/2009
ELECTRICITY SALES	2,018.3	2,387.3	2,211.6
GRID SALES	204.6	220.3	200.1
EMISSION RIGHTS (SALES)	0.3	–0.3	0.0
OTHER	29.4	29.9	35.0
SALES REVENUE	**2,252.6**	**2,637.2**	**2,446.7**

DECREASE IN PURCHASES OF ELECTRICITY, GRID AND EMISSION RIGHTS (TRADE)

Expenses for electricity, grid and emission rights purchases overall fell 10.1 % to € 1,052 million. The principal reason for this was a reduction in electricity purchases, which dropped in volume from the corresponding period of the previous year by 4,843 GWh or 24.2 %. The reduction in electricity purchases is attributable to the 616 GWh or 2.7 % increase in own generation over the previous year – which in turn was due to above-average water supply (hydro coefficient: 1.07; previous year 1.02) – and to reduced trading in electricity. Grid purchases rose by € 19.0 million or 24.7 %. This is mainly due to the clear expansion of end customer business in Austria and abroad.

INCREASE IN FUEL EXPENSES

The price situation on the electricity sales markets necessitated an inventory adjustment of the existing stocks of heating oil and coal as well as an adjustment of a provision for impending losses which was created as a result of an obligation to supply district heating. These circumstances led to a € 32.5 million rise in fuel expenses. On the other hand, lower consumption of fuel and CO_2 certificates resulting from reduced power plant utilisation impacted results positively. Overall, fuel usage rose by € 4.5 million to € 105.7 million.

INCREASE IN PAYROLL EXPENSES

The collective agreement increase of 3.7 % and the recruitment of an additional 226 employees, which brought the total staff to 2,754 (30 September 2008: 2,528) – 119 of whom result from the expansion of the group of consolidated companies – increased current payroll costs by € 13.9 million (8.0 %).

The expected return on the pension fund assets, which relieves the burden of expenses for severance payments and pensions, was lowered from 4 % to 2 % at the beginning of 2009 in line with financial market trends and is primarily responsible for the € 5.0 million increase to € 42.8 million (13,2 %).

DECREASE IN OTHER OPERATING EXPENSES

Other operating expenses decreased by 17.3 % to € 142.1 million. Increased maintenance work, such as the sealing of a storage basin and dredging work, drove up costs. However, cost savings programmes for other operating expenses allowed significant reductions to be made.

DECREASED RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD

In quarters 1–3/2009, the first-time recognition of interests accounted for using the equity method with their prorated IFRS result from the interim or annual financial statements, the balance sheet date of which falls a maximum of three months prior to the balance sheet date of the parent company, resulted in a one-off positive earnings effect in the amount of € 26.4 million. On the other hand, restructuring effects and interest expenses in particular had a negative impact on foreign companies accounted for using the equity method.

DECREASE IN INTEREST RESULT

The interest result decreased by 44.2 % to € 39.2 million due to reduced interim investments. Despite increased borrowing, interest expenses remained for the most part at the same level. This is attributable to the smaller share in earnings held by limited partners in VERBUND-Austrian Thermal Power GmbH and Co KG.

OTHER FINANCIAL RESULT

The other financial result was impacted by one-off earnings effects. The international financial market crisis necessitated the recognition in profit or loss of an impairment loss by securities and investment funds in the amount of € 27.2 million. On the other hand, profits from a hedging transaction in connection with the acquisition of Baskent Elektrik Dagitim A.S. boosted earnings by € 20.2 million. Further positive profit contributions resulted from the premature termination of cross-border leasing transactions relating to Altenwörth, Wallsee/Mitterkirchen, Aschach, Abwinden/Asten, Ottensheim, Ybbs and Greifenstein, as well as valuation-related price gains from a JPY bond.

INCOME TAX EXPENSES

The effective tax rate of 22.3 % (as compared to a corporate tax rate of 25 %) was largely due to the non-tax-effective investment income from the interests accounted for using the equity method.

NET WORTH AND FINANCIAL POSITION

NON-CURRENT AND CURRENT ASSETS

Non-current assets increased by 25.4 % from € 7,326.4 million as at 31 December 2008 to € 9,188.1 million. This rise derives mainly from the acquisition of Kraftwerksgruppe Inn GmbH and the increase in participating interests accounted for using the equity method.

The acquisition of 13 hydropower plants on the Bavarian Inn increased non-current assets by € 1,430.5 million. Interests accounted for using the equity method rose by € 592.9 million or 38.7 % from 31 December 2008. This increase is primarily attributable to the first-time consolidation of Baskent Elektrik Dagitim A.S. and to capital increases carried out by the Verbund Group in Enerjisa Enerji Üretim A.S. in the amount of € 50.0 million, and in Sorgenia Holding S.p.A. in the amount of € 150 million. Moreover, a total of € 85.4 million was invested in the interest in POWEO S.A. Interests accounted for using the equity method also rose by gains or losses recognised in equity amounting to € 74.7 million; this was offset by distributions in the amount of € 32.3 million and other gains or losses recognised directly in equity of € 26.9 million (€ 14.1 million due to currency differences).

Current assets dropped by 6.3 % from € 967.4 million as at 31 December 2008 to € 906.9 million. The buildup of primary energy inventories increased total profit, but was more than offset by the change in receivables and by declining inventories of emissions certificates and cash and cash equivalents. Cash and cash equivalents were down 90.0 % at € 10.8 million.

CURRENT AND NON-CURRENT FINANCIAL OBLIGATIONS

Non-current and current financial obligations showed a 44.4 % increase from 31 December 2008 to € 4,220.6 million. The increase is attributable above all to the issue of bonds and the rise in non-current payables to banks. This was offset by repayments of financial obligations effected by means of the premature termination of cross-border leasing transactions and current payables to banks.

OTHER NON-CURRENT AND CURRENT LIABILITIES WITHOUT FINANCIAL OBLIGATIONS

Other non-current and current liabilities, excluding financial obligations, rose 13.0 % from 31 December 2008 to € 2,534.5 million. Contributing significantly to this was the increase in other liabilities arising from the obligation to supply goods (20-year electricity supply agreement), which was entered into in connection with the purchase of Kraftwerksgruppe Inn GmbH. This was compensated for in part by the partial reversal of deferred income from cross-border leasing transactions and the reduction in provisions for maintenance costs and for outstanding receipts for investments.

CASH FLOW

Operating cash flow decreased year-on-year by € 277.8 million to € 707.3 million. This essentially resulted from payments from prior periods (€ –269.8 million) in connection with energy derivatives and the change in contributions from the energy business (€ +108.4 million). Moreover, tax payments (€ –119.0 million), net interest payments (€ –29.0 million), and payments in connection with personnel (€ –20.5 million) increased year-on-year. This was offset by repayments from the provision of guarantees in electricity exchanges (€ +51.5 million).

The cash flow from investing activities fell € 1,031.0 million to € –1,852.2 million. This is attributable above all to the acquisition of Kraftwerksgruppe Inn GmbH (€ 956.4 million) and Baskent Elektrik Dagitim A.S. (€ 265.7 million) and the outstanding payment for the Bruck/Hollern/Petronell-Carnuntum wind farms (€ 18.6 million). However, this also includes the investment in holdings (€ 110.8 million), which was lower than the corresponding period of the previous year, smaller loans to POWEO (€ 65.0 million) and higher inflows of cash and cash equivalents from the disposal of non-current investments (€ 26.5 million).

The cash flow from financing activities increased by € 1,237.4 million to € +1,047.9 million. Non-current borrowing from banks in the amount of € 460.0 million, the issue of two Euro bonds totalling € 1,340.0 million and current borrowing on the money market in the amount of € 92.6 million were offset by the redemption of bonds, loans and credits in the amount of € 325.1 million. The premature termination of cross-border leasing transactions led to an outflow of funds in the amount of € 145.3 million when related costs were included. Dividends amounting to € 402.8 million were distributed.

RATIOS

GEARING

Gearing increased from 80.1 % as at 31 December 2008 to 127.3 % as at 30 September 2009. This increase is attributable to the bond issues resulting from the increased investment activities and to the rise in non-current payables to banks.

EBIT MARGIN

The EBIT margin fell from 33.6 % to 32.8 % compared to the corresponding period of the previous year. This reduction is due above all to the decline in spot market prices for electricity.

RISKS AND OPPORTUNITIES

Due to the course for international growth adopted by the Verbund Group several years ago it is exposed to opportunities that must be realised and risks that must be avoided to the greatest possible extent. Accordingly, a Group-wide risk and opportunity management system covering all stages of the value chain was developed from 2000 onwards. Under this system, the risks and opportunities that are relevant for Verbund are recorded or updated and assessed at regular intervals and whenever deemed necessary. The measures aimed at controlling risks and opportunities are documented within the software-based risk management system. The potential impact of these risks and opportunities on consolidated net profit before taxes is reported to the Managing Board and the Supervisory Board as part of quarterly reporting.

VOLUME AND PRICE RISK

Volume and price risk in all areas of Verbund's energy business is one of the most important factors in the Group's results. The Verbund Group's financial performance depends to some extent on the meteorological conditions and the resulting hydrological generation. A deviation of +/–1 % from the planned generation volume for the rest of 2009 would impact earnings to the tune of € 2.1 million.

Changes in wholesale prices for energy are the second major source of risk/opportunity for Verbund. A +/–1 % change in wholesale prices for the rest of 2009 would increase/reduce earnings by € 0.4 million.

A further risk area relates to the need for primary energy sources and sufficient emission rights. Although energy prices are low at present, it is expected that the cost of fuel will increase again in the long term.

COUNTERPARTY CREDIT RISK

Although Verbund has yet to see any significant defaults among its business partners, there remains a substantial risk that customers will experience payment difficulties, and hence that the energy volumes sold or reserved for them will have to be resold. This would result in significant financial losses on account of the sharp fall in wholesale prices for electricity since the onset of the economic crisis.

PARTICIPATION RISK

The expansion of the Group's participating interests, with a particular focus on Turkey, Italy and France, will lead to greater opportunities and risks in future. Verbund's risks in this area primarily relate to fluctuations in investment income, potential changes in the carrying amount of its participating interests (including as a result of currency differences) and liabilities and guarantees assumed on a pro rata basis.

REGULATORY RISK

The Austrian Insolvency Law Reform Act (IRÄG 2009) is currently in the review phase. This legislation prescribes simplified insolvency proceedings with uniform rules of procedure. This could make it more difficult to withdraw from contracts in future, and the termination of contracts prior to the initiation of insolvency proceedings could be deemed invalid. Internationally active Austrian companies such as Verbund could be subject to competitive disadvantages as a result.

The implementation of the unbundling of the grid demanded by the EU is being prepared in an internal project on the basis of the "Interpretative Notes" to be published by the European Commission in November 2009 in the form of the "third option" that has now been approved at European level. The timeframe for implementation is limited to 30 months, including certification by E-Control.

RISKS ARISING FROM THE CRISIS ON THE FINANCIAL MARKETS

The global financial crisis and its impact on the real economy have also changed the risk profile of the Verbund Group.

LIQUIDITY RISK

Generally speaking, the crisis on the financial markets has made financing more expensive and more difficult to obtain in a number of sectors. To date, Verbund has been largely unaffected by the crisis and is well positioned in terms of liquidity development and access. Verbund has an unutilised syndicated loan in the amount of € 750 million that will remain available until 2012, as well as uncommitted credit facilities with banks totalling around € 600 million.

RISK OF RATING CHANGE

The rating agencies Moody's and Standard & Poor's placed Verbund on "credit watch" immediately following the announcement of the acquisition of the hydro plants on the Inn river from the German energy supplier E.ON. In September, Standard & Poor's downgraded Verbund's rating to "A–/negative outlook". In october Moody's downgraded Verbund's rating to "A2/negative outlook". The deterioration in Verbund's rating could lead to higher refinancing costs in the medium to long term.

INVESTMENT RISK

Verbund's investment strategy is based on a largely conservative approach within a broad-based investment portfolio at banks with good to first-class ratings. The Group also invests in money market-related securities and bonds which serve as security for its electricity trading activities. The risk that individual issuers will default has increased as a result of the crisis on the financial markets and the consequences thereof. Verbund's securities portfolio is tested for impairment on a regular basis in accordance with IFRS. Price losses/gains that are not permanent are taken directly to equity, whereas permanent price losses/gains are recognised in income.

CROSS-BORDER LEASING TRANSACTIONS

Between 1999 and 2001, Verbund conducted a number of lease and leaseback transactions in connection with hydro power plants, generating a total positive net present value effect of € 300 million. Under the terms of these extremely conservatively structured cross-border leasing agreements, there were no changes in the ownership structures of the hydro power plants. In 2009, Verbund has already resolved the early termination of 77 % of its cross-border leasing volume, thereby generating a positive effect in consolidated net profit.

BUSINESS SEGMENTS

ELECTRICITY

GENERATION AND PROCUREMENT

GENERATION AND PROCUREMENT

GWh

	Q1–3/2008	Q1–3/2009	CHANGE
HYDRO POWER	20,200	21,472	6.3 %
THERMAL POWER	2,248	1,515	–32.6 %
WIND/SOLAR		77	
OWN GENERATION	**22,448**	**23,064**	**2.7 %**
PURCHASED ELECTRICITY	19,971	15,128	–24.2 %
GROUP GENERATION/PROCUREMENT	**42,419**	**38,192**	**–10.0 %**
FORWARD CONTRACTS	26,838	43,695	62.8 %

In the first three quarters of 2009, the Verbund Group's own generation totalled 23,064 GWh, 2.7 % higher than in the same period of the previous year. This is primarily attributable to the increased water supply from Austrian rivers: the hydro coefficient for the first three quarters was 1.07, 7 % higher than the long-term average and 5 %-points above the figure recorded in the previous year.

This resulted in a 6.3 % rise in hydro power generation within the Verbund Group. There was a significant increase in electricity generation at the run-of-river plants in particular, but generation at the storage power plants also rose by 9 % on the back of the higher reservoir levels at the start of the year compared with 2008 and the excellent inflow conditions as a result of the thaw.

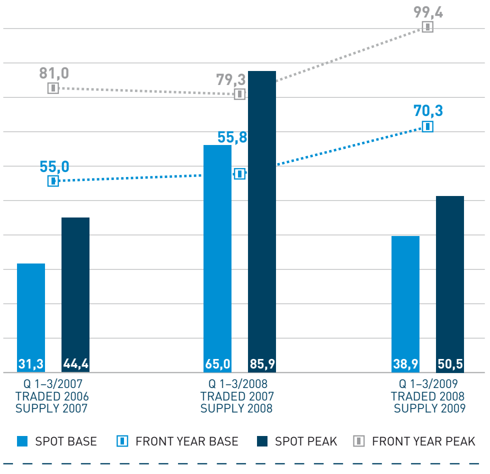
In Q1–3/2009, a total of 93 % of Verbund's own generation was attributable to hydro power plants; the corresponding figure for 2008 as a whole was 90 %. Thermal generation declined by 32.6 % as a result of the lower spot market price level. Purchased electricity fell by 24.2 % to account for 39.6 % of the total of generation and procurement.

ELECTRICITY PRICES

The average prices for year base 2009 electricity forward contracts traded in 2008 was € 70.33/MWh, almost 26 % higher than the level recorded in the previous year. However, the electricity spot market price level in the first three quarters of 2009 fell sharply by 40 % to € 38.89/MWh, reflecting the downturn in CO_2 spot market prices, the significant reduction in prices for primary energy sources and the lower level of demand for electricity.

The price of Brent crude oil increased from $ 43/bbl at the start of 2009 to $ 75/bbl in early August, since

DEVELOPMENT OF WHOLESALE PRICES



when it has moved sideways. In the third quarter of 2009, the quoted price fluctuated between $ 60/bbl and $ 75/bbl (Q3/2008: between $ 89/bbl and $ 146/bbl). Prices for CIF ARA coal supplies (6,000 kcal/kg) fell from $ 84/t in January to $ 58/t in May, followed by volatile development until the end of September 2009. Prices in the third quarter of 2009 fluctuated between $ 60/t and $ 72/t (compared with an average price of $ 177/t in September 2008).

GROUP ELECTRICITY REVENUE

The Group's electricity revenue in the first three quarters of 2009 totalled € 2,211.6 million, down slightly on the previous year (€ 2,387.3 million).

SALES

Electricity sales in Q1–3/2009 fell by 10.0 % year-on-year. The volume sold in foreign markets – excluding own consumption – amounted to just over 51 %. This is primarily attributable to the Group's international activities in the German and French electricity markets. The German market represents the focal point of these activities, accounting for 78 % of the volume sold abroad.

SALES BY CUSTOMER GROUP GWh

	Q1–3/2008	Q1–3/2009	CHANGE
END CUSTOMERS	6,799	7,462	9.7%
RESELLERS	18,677	17,643	–5.5%
TRADERS	15,635	11,842	–24.3%
OWN CONSUMPTION	1,307	1,245	–4.8%
GROUP SALES	**42,419**	**38,192**	**–10.0 %**
FORWARD CONTRACTS	26,838	43,695	62.8 %

The share of business attributable to resellers in Austria rose by 3.0 %. This was primarily attributable to the increased supply to domestic companies under the terms of procurement rights on the back of the improved water supply. Sales to foreign resellers declined largely as a result of the trend on the part of distribution companies to purchase standardised forward contracts that are not recognised in sales.

SALES BY COUNTRY %

AUSTRIA	50.5
GERMANY	38.7
FRANCE	9.3
ITALY	0.6
OTHERS	0.9

Sales from the supply of electricity to trading companies were also lower than in the previous year. This was mainly due to the fact that these companies, too, are increasingly moving towards trading in standardised forward contracts that are not recognised in sales.

Sales to end customers in Austria improved by 5.7 % in spite of the unfavourable economic conditions, while volumes sold abroad increased by 17.7 %. Strict customer selection is still performed through the systematic implementation of credit rating assessments.

200,000 END CUSTOMERS IN AUSTRIA

In Austria, Verbund has around 200,000 end customers in the household, agricultural and commercial segment (annual consumption of up to 100,000 kWh). The prices offered by Verbund in this segment are among the most favourable on the market. Verbund is positioned as an innovation and information leader in the business and industrial customer segment. The ongoing development of its products ensures that the company has a competitive edge over the rest of the market. Although it was necessary to increase prices in the small customer segment in May 2009, the company continues to occupy a favourable price position, meaning that there were no relevant customer losses.

ACQUISITION OF HYDRO PLANTS ON THE INN

Verbund acquired a total of 13 hydro power plants on the Inn river in Bavaria from E.ON in a bidding process. The purchase price primarily consists of a cash element and a 20-year supply agreement for electricity from the Zemm/Ziller power plant group. The Inn hydro plants, which have a total capacity of 312 MW, are operated by VERBUND-Innkraftwerke GmbH, Bavaria. This acquisition served to increase Verbund's annual generation by 1.8 TWh from September 2009.

EXPANSION OF GENERATION FROM HYDRO POWER

Construction on all of Verbund's power plant projects is largely running to schedule. Work on the construction of the 480 MW Limberg II pumped storage power plant at Europe's largest power plant construction site is continuing to progress rapidly. Following the completion of the structural work in the power house cavern at the end of June, subsequent work in the areas of electrical engineering, construction and mechanical engineering is now underway.

At the 63 MW Hieflau power plant, work on connecting the new installations to the existing power plant facilities has been completed in full and the new turbine water channel was flooded in late September.

The Werfen/Pfarrwerfen power plant construction project initiated in conjunction with Salzburg AG in 2006 went operational following an opening ceremony in late July. The hydro power plant with a capacity of 16 MW is the fifth link in the power plant chain in the middle Salzach valley. With an annual generation volume of 76.5 GWh annually, the power plant will supply 22,000 households with electrical energy.

The environmental impact audit for the Reißeck II project – the expansion of the existing power plant to include a new 430 MW pumped storage power plant – was completed and submitted in early August. The hearing took place on 7 September with no major incidents. The next stage in the process is the decision by the environmental impact assessment authorities (preparation of decision).

The tender process for the constructional steelwork on the revitalisation project for the Pernegg power plant in Styria took place in the third quarter. The necessary decisions on the conversion and restructuring of the storage space were issued in mid-August.

With regard to the cross-border "Joint Power Plant Inn" project (88 MW), the EIA authorities are still working on the environmental impact audit and liaising with the Swiss authorities to finalise the content of the approval. The official submission of the audit is expected between late October and early December.

EXPANSION OF THERMAL GENERATION

POWEO's first gas/steam power plant in France went fully operational in Pont-sur-Sambre in late September. With a capacity of 412 MW and an efficiency of 57.8 %, Pont-sur-Sambre is a milestone in the realisation of POWEO's planned integrated business model. 60 % of the power generated will accrue to POWEO SA, and 40 % will be available directly to Verbund for resale.

With respect to the gas and steam turbine combination power plant at Mellach (Styria), excavation and soil compaction measures began in February and the first construction measures were carried out in May. The concrete for the foundations of the two turbine decks was poured in late September. The power plant has a total capacity of 832 MW. Commercial operations are scheduled to commence in autumn 2011.

Preliminary planning work has been conducted for the refurbishment of the Neudorf/Werndorf power plant, and work on the preparation of the documents for the EIA process has now begun.

The environmental impact declaration (EID) for a 400 MW gas and steam turbine combination power plant in Klagenfurt, a joint project with the public utility Stadtwerke Klagenfurt with the aim of replacing a heavy oil-fired district heating power plant that dates back to 1949, was submitted in March 2006. Additional documentation pertaining to the EID was submitted in March 2007 and a number of additional evaluation audits were performed within the framework of the EIA. Following the first instance hearing in July 2009, the authorities are now working on the preparation of the decision.

GRID

KEY FIGURES: GRID

	UNIT	Q1–3/2008	Q1–3/2009
ENERGY VOLUME RELEVANT FOR SETTLEMENT	GWh	13,519	11,915
EXTERNAL GRID REVENUE	MILLION €	220.3	200.1

In the first nine months of 2009, the volume of energy relevant for settlement transported via Verbund's 220/380 kV grid (excluding energy for pumped storage) fell by 11.9 % to 11,915 GWh (previous year: 13,519 GWh). The main reasons for this development were the downturn in consumption due to the economic crisis and the high level of hydraulic generation in the underlying grids in the first three quarters of the year. The fall in revenue is primarily attributable to the economic crisis (lower net volumes), the reduction in international revenue from auctions and structural changes in the new SNT-VO.

ALLOCATION OF CROSS-BORDER CAPACITIES (AUCTIONS)

In accordance with EU Directive 1228/2003, Verbund operates the congested borders with the control areas in Slovenia, the Czech Republic, Hungary, Italy and Switzerland via grid subsidiary VERBUND-Austrian Power Grid AG by way of explicit auctions. Capacities on the cross-border lines are allocated to the market participants through annual, monthly and daily auctions in accordance with clearly defined market criteria. The forecast revenue from auctions of cross-border capacities in 2009 decreased significantly in comparison to the previous year.

INTERNATIONAL REVENUE FOR TRANSIT COSTS

The ITC (Inter-TSO Compensation) agreement, which was signed in October 2007 and remains in force for 2008 and 2009, guarantees Verbund annual revenues from international transit. Within the framework of ETSO (European Transmission System Operators), a proposal for regulation at EU level has been drafted with a view to organising the future settlement of transit compensation at an international level. The European Commission has announced that the current voluntary agreement will be replaced in 2010 by a European guideline that will supplement the regulation on conditions for access to the network for cross-border exchanges in electricity (7/4/2008).

DEVELOPMENT OF REGIONAL MARKETS

With regard to the implementation of regionally coordinated, load flow-based auction systems and uniform transparency guidelines in the four market regions in which VERBUND-Austrian Power Grid AG is active, problems in international reconciliation between the regulators and the participating transmission system operators have led to extensive delays. Accordingly, the European Commission has initiated proceedings against the member states for breach of contract. VERBUND-Austrian Power Grid AG has proactively supported the integration of the four market regions. The joint auction in the Central and Eastern Europe region (AT, DE, PL, CZ, SK, HU, SI) is now expected to start in March 2010.

TARIFF REGULATION

A new tariff audit process is currently in progress and is expected to be completed in late 2009.

SECURITY OF SUPPLY, CONGESTION MANAGEMENT

In the third quarter of 2009, the situation on the north-south lines was relaxed as a result of seasonal factors and the commissioning of the Styria line, and hence was controllable using grid-related measures. However, there was acute congestion in the 220 kV lines Lienz – Soverzene (Italy) and Obersielach – Podlog (Slovenia) lines in Q3/2009, necessitating the implementation of congestion management measures at both grid and power plant level in order to ensure grid security.

380 KV STYRIA LINE OFFICIALLY COMMISSIONED

Following a construction period of around 20 months, the 380 kV Styria line was officially commissioned on 11 September 2009 at ceremonies in Rotenturm (Burgenland) and Gleisdorf (Styria) in which the local population was closely involved. Preparations for the official inspection to be carried out in late autumn 2009 are currently in progress. The outstanding work – renovating the roads and pylon access points and reforestation measures – is now being carried out.

Funding for the 380 kV Styria line in the amount of € 1.4 million was provided by the EU within the framework of the TEN-E programme. The total investment volume for the construction of the line with 340 pylons and the accompanying substations was around € 179 million.

START OF CONSTRUCTION FOR SALZACH NEU – ST. PETER SECTION

Construction on the Salzach neu – St. Peter section of the 380 kV Salzburg line began in early August 2009 with the initial excavation work. Work on the pylon foundations, the erection of pylon access points and re-routing is now taking place. The EU-wide tender for the main components has been completed.

The total investment volume for the construction of the 46-kilometre line with 150 pylons and the accompanying substations is around € 179 million. This additional phase is essential for the completion of the 380 kV Austrian ring and will make an important contribution to guaranteeing the security of supply in Salzburg state.

PARTICIPATING INTERESTS

SORGENIA: VERBUND PARTICIPATES IN CONTINUED STRONG GROWTH

Despite the difficult market environment, the Sorgenia Group remains on its successful growth path. In June, Verbund increased its equity interest from around 43 % to approximately 45 % by way of a further unilateral capital increase. This move served to expand Verbund's position in the Italian market, where it intends to participate in the growth of the Sorgenia Group to an even greater extent in future.

The 770 MW gas power plant, Modugno, in southern Italy is nearing its construction completion, although the completion date has been delayed by around 500 days until Q4/2009. This delay has allowed Sorgenia to enter into an extremely favourable agreement with Alstom, the project's contractor, this year. The benefits of this agreement include an increase in plant capacity from 770 to 815 MW and an increase in efficiency of 1 % to 57.5 %.

The construction of the thermal power plant in Lodi (770 MW), which commenced in Q2/2008, is progressing rapidly. Commissioning is scheduled for the second half of 2010.

Extensive Renewables investments will be carried out in France, Italy and Romania. The Minervino Murge (18 MW) and Castelnuovo di Conza (10 MW) wind farms in Italy were commissioned in the first half of 2009.

The Sorgenia Group remains successful: despite lower sales in the first half of 2009, sales revenue increased by 9 % year-on-year, while the operating result for the first half of the year was essentially unchanged at € 64.8 million (previous year: € 65.2 million). Net profit after taxes amounted to

€ 26.5 million compared with € 25.4 million in the previous year. Sorgenia currently supplies around 520,000 customers.

ENERJISA: CONTINUOUS DEVELOPMENT OF TARGET PORTFOLIO

In June 2007, Verbund acquired 49.99% of Enerjisa's shares, the power generation company of the Sabanci Group, in Turkey. Enerjisa aims to have at least 10% market share in the Turkish electricity market by 2015, which would make it the market leader. Enerjisa's target portfolio is based on an installed capacity of 5,000 MW. The implementation of this strategy has already seen the construction of the Bandirma gas power plant and has received approval to proceed with construction of six hydro power plants (Kavsakbendi, Hacininoglu, Sarigüzel, Kandil, Köprü, Menge) with a total installed capacity of around 870 MW. As well, the Canakkale wind farm has been approved for implementation. The first expansion phase of this project is schedule for construction with a total of 30 MW, however the subsequent expansion for 60 MW is currently being considered. The Canakkale wind farm and the Bandirma gas power plant will be connected to the grid in late 2010, while the hydro plants will be connected between 2010 and 2012.

Enerjisa reported sales revenue of € 202.4 million as of 31 August 2009, down 0.3% on the previous year. In the same period, the operating result declined from € 20.8 million to € 13.5 million. Due to a significant increase in the financial result, however, net profit after taxes totalled € 12.3 million as against € 1.3 million in the same period of the previous year. A year-on-year improvement is also forecast for 2009 as a whole.

BASKENT: LEADING TURKISH DISTRIBUTION GRID COMPANY

On 28 January 2009, Verbund and its Turkish partner Sabanci acquired the Turkish distribution grid company Baskent EDAS. The purchase price was USD 1.225 billion. The Baskent region around Ankara stretches from the Black Sea to the Anatolian mountains and is one of the largest regions in Turkey, with a population of 6.3 million. Baskent EDAS supplies around 3.1 million end users in this region.

Despite a substantial slowdown in growth in Turkey, the company has largely met its revenue targets, generating sales revenue of € 490.1 million as of 31 August 2009. Verbund and Sabanci are aiming to make Baskent EDAS into one of the leading distribution grid companies in Turkey by 2012 with a particular focus on strong earnings power and customer satisfaction.

POWEO: VERBUND INCREASES EQUITY INTERESTS

Verbund increases its stake in France's alternative energy provider. Verbund is stepping up its involvement in the French electricity market. Following a € 75 million capital increase in the third quarter of 2009 and the acquisition of the shares held by Poweo founder Charles Beigbeder and POWEO co-founder Frédéric Granotier, Verbund became the largest shareholder of the POWEO Group, with an equity interest of 46.0%.

Sales revenue in the first half of 2009 amounted to € 264.9 million, up 7% year-on-year. This development was attributable to the increase in the customer base. At the end of August, POWEO had a total of 365,000 customers.

On 26 September 2009, the gas and steam power plant in Pont-sur-Sambre became France's first CCGT (Combined Cycle Gas Turbine) power plant to be commissioned. With a capacity of 412 MW and efficiency of 57.8%, the plant fits seamlessly into POWEO's strategy, as well as making an important contribution to the security of supply for customers.

Since Verbund first acquired an interest in POWEO S.A. and POWEO Production S.A.S. in April 2006, the POWEO Group has become well established as an independent integrated electricity and gas supplier. The group has achieved its aims in terms of the development of generation capacities and the expansion of its customer base.

The funding obtained from the equity capital increase will be used for the continued expansion of generation capacities. This will further develop the Group's market position in France.

On 14 September 2009, the contract for the electromechanical equipment of the Ashta hydro power plant in Albania was signed in Vienna. Verbund is using Austrian technology and expertise in this project. The contract agreement with a total volume of € 105 million was awarded to the technology group Andritz.

Each of the two phases of the plant on the Drin river in northern Albania near the city of Shkoder will be equipped with 45 HYDROMATRIX® systems.

The total capacity of the two plants is 48 MW. A total of 230 million kWh of electricity will be generated annually. Construction will commence in early 2010 and is scheduled for completion in the beginning of 2012. In the long term, the Ashta hydro plants are expected to provide up to 100,000 Albanian households with environmentally friendly energy.

RENEWABLE ENERGIES

BULGARIA: WIND FARM IS GROWING RAPIDLY

Verbund is currently erecting a wind farm with a capacity of 16 MW on the Bulgarian Black Sea coast. The wind farm is scheduled to be connected to the grid in 2010. The eight Vestas turbines are currently being installed (each with a capacity of 2 MW). Their dimensions are impressive: each turbine has a height of 150 metres from the ground to the tip of the blade, while the rotors have a diameter of 90 metres and cover an area of 6,362 m^2. The wind farm is expected to produce approx. 50 GWh of electricity per year – enough to supply 14,000 households with environmentally friendly electricity.

ROMANIA AND BULGARIA: TWO COUNTRIES, ONE REGION

A successful renewables project relies on the availability of sufficient natural resources and near-market technology. Accordingly, Verbund's strategic focus on the expansion of generation capacities in the area of alternative energies is concentrated on wind power. This underlines the security of energy production and, naturally, the profitability of the projects. Countries like Romania and Bulgaria, which receive almost 50 % more wind than Austria, offer an extremely promising basis for such projects. In Romania, Verbund is currently developing a wind farm with a total capacity of up to 200 MW. As in Bulgaria, the location of the project in Romania is close to the Black Sea coast. As well as enabling highly efficient project development, this means that it will be possible to leverage synergies in the subsequent operation phase.

GROUP INTERIM FINANCIAL STATEMENTS

ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

INCOME STATEMENT OF THE VERBUND GROUP IN ACCORDANCE WITH IFRSs

MILLION €

	NOTES	Q1–3/2009	Q1–3/2008	Q3/2009	Q3/2008
SALES REVENUE		**2,446.7**	**2,637.2**	**778.9**	**988.0**
ELECTRICITY SALES	(1)	2,211.6	2,387.3	720.3	921.6
GRID SALES		200.1	220.3	51.0	58.8
OTHERS		35.0	29.6	7.6	7.6
OTHER OPERATING INCOME		32.9	35.5	10.9	12.7
EXPENSES FOR ELECTRICITY, GRID AND EMISSION RIGHTS PURCHASES (TRADE)	(2)	–1,052.0	–1,170.1	–326.2	–452.3
USE OF FUELS AND EXPENSES FOR OTHER PURCHASED SERVICES	(3)	–105.7	–101.2	–26.9	–41.3
PAYROLL EXPENSES	(4)	–230.0	–211.1	–73.2	–67.2
AMORTISATION OF INTANGIBLE ASSETS AND DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT		–146.9	–133.2	–51.0	–44.3
OTHER OPERATING EXPENSES		–142.1	–171.8	–43.4	–74.5
OPERATING RESULT		**802.9**	**885.3**	**269.1**	**321.1**
RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	(5)	74.7	84.2	7.1	1.3
RESULT FROM PARTICIPATING INTERESTS – OTHER		6.8	4.2	0.7	0.3
INTEREST INCOME	(6)	39.2	70.2	9.7	23.2
INTEREST EXPENSES	(6)	–132.7	–133.2	–43.1	–44.2
OTHER FINANCIAL RESULT	(7)	31.7	–22.8	–64.4	–29.7
FINANCIAL RESULT		**19.6**	**2.6**	**38.8**	**–49.1**
PROFIT BEFORE TAX		**822.5**	**887.9**	**307.9**	**272.0**
TAXES ON INCOME		–183.4	–200.0	–74.3	–67.1
TOTAL PROFIT		**639.1**	**687.9**	**233.6**	**204.9**
ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT (GROUP RESULT)		551.8	602.5	191.9	173.5
ATTRIBUTABLE TO MINORITY INTERESTS		87.3	85.4	41.7	31.4
EARNINGS PER SHARE [1]		**1.79**	**1.95**	**0.62**	**0.56**

[1] Diluted = non-diluted.

STATEMENT OF COMPREHENSIVE INCOME OF THE VERBUND GROUP IN ACCORDANCE WITH IFRSs

MILLION €

	Q 1–3/2009	Q 1–3/2008	Q 3/2009	Q 3/2008
TOTAL PROFIT	639.1	687.9	233.6	204.9
OTHER COMPREHENSIVE INCOME FROM				
EXCHANGE DIFFERENCES	–14.1	–9.3	–3.6	17.0
AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS	41.5	–18.0	17.4	–6.5
CASH FLOW HEDGES [1]	–66.4	–108.0	–68.1	190.7
INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	–16.7	0.7	–19.6	0.7
OTHER COMPREHENSIVE INCOME BEFORE TAXES	**–55.6**	**–134.6**	**–73.8**	**201.9**
– TAXES RELATING TO OTHER COMPREHENSIVE INCOME [2]	11.4	32.2	17.7	–47.1
OTHER COMPREHENSIVE INCOME AFTER TAXES [3]	**–44.2**	**–102.4**	**–56.1**	**154.8**
TOTAL COMPREHENSIVE INCOME	**594.9**	**585.5**	**177.5**	**359.7**
ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	506.5	500.4	135.0	328.3
ATTRIBUTABLE TO MINORITY INTERESTS	88.4	85.1	42.5	31.4

[1] As of 1 April 2008, the disclosures in the balance sheet were adjusted in line with the modified portfolio structure of the electricity business. The value from the previous year can therefore only be compared to a limited extent.

[2] The components of the taxes in other comprehensive income are as follows:
Available-for-sale financial instruments: € –10.4 million (previous year: € 4.5 million)
Cash flow hedges: € 17.6 million (previous year: € 27.6 million)
Interests accounted for using the equity method: € 4.2 million (previous year: € 0.1 million)

[3] Of the other comprehensive income after taxes, minority interests account for € 1.1 million (previous year: € –0.3 million)

STATEMENT OF CHANGES IN EQUITY OF THE VERBUND GROUP

MILLION €

	EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT									
	SHARE CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY DIFFERENCES	AVAILABLE-FOR-SALE FINANCIAL INSTRUMENTS	CASH FLOW HEDGES	OTHER RESERVES	TOTAL	MINORITY INTERESTS	TOTAL SHARE-HOLDERS' EQUITY
AS OF 01.01.2008	**308.2**	**10.9**	**2,096.3**	**0.0**	**–11.6**	**1.7**	**2.0**	**2,407.5**	**267.2**	**2,674.6**
TOTAL COMPREHENSIVE INCOME	0.0	0.0	602.5	–9.3	–13.1	–80.3	0.7	500.4	85.1	585.5
DIVIDENDS	0.0	0.0	–277.4	0.0	0.0	0.0	0.0	–277.4	–110.6	–388.0
AS OF 30.09.2008	**308.2**	**10.9**	**2,421.4**	**–9.3**	**–24.7**	**–78.6**	**2.7**	**2,630.5**	**241.6**	**2,872.1**
AS OF 01.01.2009	**308.2**	**10.9**	**2,505.5**	**–52.5**	**–20.5**	**114.3**	**1.8**	**2,867.8**	**260.3**	**3,128.1**
CHANGE IN GROUP OF CONSOLIDATED COMPANIES	0.0	0.0	19.0	0.0	0.1	–0.5	0.0	18.6	1.1	19.7
TOTAL COMPREHENSIVE INCOME	0.0	0.0	551.8	–14.1	30.1	–64.9	3.6	506.5	88.4	594.9
DIVIDENDS	0.0	0.0	–323.6	0.0	0.0	0.0	0.0	–323.6	–79.2	–402.8
AS OF 30.09.2009	**308.2**	**10.9**	**2,752.6**	**–66.6**	**9.7**	**48.9**	**5.5**	**3,069.2**	**270.7**	**3,339.9**

BALANCE SHEET OF THE VERBUND GROUP IN ACCORDANCE WITH IFRSs

MILLION €

	NOTES	30. 09. 2009	31. 12. 2008
NON-CURRENT ASSETS		**9,188.1**	**7,326.4**
INTANGIBLE ASSETS	(8)	646.2	12.5
PROPERTY, PLANT AND EQUIPMENT	(9)	5,403.2	4,390.0
INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD		2,125.1	1,532.2
OTHER PARTICIPATING INTERESTS		140.4	188.7
NON-CURRENT INVESTMENTS – CROSS-BORDER LEASING		301.7	590.4
OTHER NON-CURRENT INVESTMENTS AND OTHER NON-CURRENT RECEIVABLES		571.5	612.6
CURRENT ASSETS		**906.9**	**967.4**
INVENTORIES		116.6	66.4
TRADE RECEIVABLES AND OTHER RECEIVABLES		779.5	793.2
CASH AND CASH EQUIVALENTS		10.8	107.8
TOTAL ASSETS		**10,095.0**	**8,293.8**

	NOTES	30. 09. 2009	31. 12. 2008
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT		**3,069.2**	**2,867.8**
MINORITY INTERESTS		**270.7**	**260.3**
NON-CURRENT LIABILITIES		**5,673.3**	**3,815.7**
FINANCIAL OBLIGATIONS		3,477.5	1,598.0
FINANCIAL OBLIGATIONS – CROSS-BORDER LEASING		400.1	728.6
PROVISIONS		670.4	647.9
DEFERRED TAX LIABILITIES		163.8	179.2
CONTRIBUTIONS TO BUILDING COSTS		397.8	401.9
DEFERRED INCOME – CROSS-BORDER LEASING		78.4	244.8
OTHER LIABILITIES		485.4	15.3
CURRENT LIABILITIES		**1,081.8**	**1,350.1**
FINANCIAL OBLIGATIONS		343.0	596.1
PROVISIONS		193.3	235.1
CURRENT TAX LIABILITIES		170.1	166.7
TRADE RECEIVABLES AND OTHER RECEIVABLES		375.4	352.2
TOTAL EQUITY AND LIABILITIES		**10,095.0**	**8,293.8**

CASH FLOW STATEMENT OF THE VERBUND GROUP IN ACCORDANCE WITH IFRSs (CONDENSED VERSION)

MILLION €

	NOTES	Q1–3/2009	Q1–3/2008
OPERATING CASH FLOW[1]	(11)	707.3	985.1
CASH FLOW FROM INVESTING ACTIVITIES		–1,852.2	–821.2
CASH FLOW FROM FINANCING ACTIVITIES		1,047.9	–189.5
CHANGES TO CASH AND CASH EQUIVALENTS		**–97.0**	**–25.6**
CASH AND CASH ITEMS AS OF 01. 01.		107.8	330.1
CASH AND CASH ITEMS AS OF 30. 09.		**10.8**	**304.5**

[1] Includes payments in the amount of € –159.4 million (corresponding period the previous year: € +110.4 million) primarily from electricity futures.

RATIOS OF THE VERBUND GROUP

	UNIT	Q1–3/2009	Q1–3/2008
AVERAGE NUMBER OF SHARES IN CIRCULATION[1]		308,200,000	308,200,000
GEARING	%	127.3	76.5
NET DEBT	MILLION €	4,253.3	2,201.9
ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	MILLION €	1,795.1	276.0
ADDITIONS TO PARTICIPATING INTERESTS	MILLION €	553.7	470.7
EBITDA MARGIN	%	38.8	38.6
EBIT MARGIN	%	32.8	33.6
AVERAGE NO. OF EMPLOYEES[2]		2,754	2,528
ELECTRICITY SALES	GWh	38,192	42,419
HYDRO COEFFICIENT		1.07	1.02

[1] Diluted = non-diluted.

[2] The average number of employees includes an increase of 119 persons due to the expansion of the group of consolidated companies.

SEGMENT REPORTING

MILLION €

	ELECTRICITY	GRID	PARTICI-PATING INTERESTS & SERVICES	ELIMI-NATION	TOTAL GROUP
QUARTERS 1–3/2009					
EXTERNAL SALES	2,234.4	205.3	7.0	0.0	2,446.7
INTERNAL SALES	106.4	57.8	63.8	–228.0	0.0
TOTAL SALES	2,340.8	263.1	70.8	–228.0	2,446.7
OPERATING RESULT[1]	**766.7**	**57.0**	**–21.0**	**0.2**	**802.9**
DEPRECIATION AND AMORTISATION	–98.4	–43.0	–6.2	0.7	–146.9
THEREOF IMPAIRMENT LOSSES	–0.1	0.0	0.0	0.0	–0.1
OTHER MATERIAL NON-CASH ITEMS[2]	55.7	0.8	–1.1	–0.2	55.2
RESULT FROM PARTICIPATING INTERESTS	0.0	0.0	81.5	0.0	81.5
THEREOF RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	0.0	0.0	74.7	0.0	74.7
CAPITAL EMPLOYED[3]	**4,603.2**	**779.4**	**5,976.3**	**–4,036.3**	**7,322.6**
THEREOF CARRYING AMOUNT OF THE INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	2.2	1.3	2,121.6	0.0	2,125.1
ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	1,660.2	77.2	57.7	0.0	1,795.1
ADDITIONS TO PARTICIPATING INTERESTS	0.0	0.0	553.7	0.0	553.7
QUARTERS 1–3/2008					
EXTERNAL SALES	2,404.8	224.7	7.7	0.0	2,637.2
INTERNAL SALES	96.8	33.8	59.7	–190.3	0.0
TOTAL SALES	2,501.6	258.5	67.4	–190.3	2,637.2
OPERATING RESULT[1]	**849.7**	**63.0**	**–28.0**	**0.6**	**885.3**
DEPRECIATION AND AMORTISATION	–89.1	–39.7	–5.2	0.8	–133.2
THEREOF IMPAIRMENT LOSSES	0.0	0.0	0.0	0.0	0.0
OTHER MATERIAL NON-CASH ITEMS[2]	–163.2	1.7	3.6	–0.2	–158.1
RESULT FROM PARTICIPATING INTERESTS	0.0	0.0	88.4	0.0	88.4
THEREOF RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	0.0	0.0	84.2	0.0	84.2
CAPITAL EMPLOYED[3]	**2,967.2**	**652.0**	**3,983.0**	**–2,062.7**	**5,539.5**
THEREOF CARRYING AMOUNT OF THE INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD	2.1	0.0	1,546.2	0.0	1,548.3
ADDITIONS TO INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	186.2	83.9	5.9	0.0	276.0
ADDITIONS TO PARTICIPATING INTERESTS	0.0	0.0	470.7	0.0	470.7

[1] The operating result in the Total column corresponds to the value in the Income Statement. The reconciliationwith Profit before tax (and before Discontinued operations) can therefore be taken from the Income Statement.

[2] Other material non-cash items, which are included in the operating result apart from the amortisation of intangible assets and the depreciation of property, plant and equipment, include, in particular, valuation effects from hedging transactions in the energy sector, the depreciation of primary energy inventories, and non-cash changes to provisions.

[3] Capital employed corresponds to the total capital less the parts not involved in the service provisionand utilisation process (e.g. prepayments, plants under construction and closed items on the assets and liabilities side) as well as non-interest-bearing debts.

SELECTED EXPLANATORY NOTES

GENERAL BASIS

These condensed consolidated interim financial statements of Österreichische Elektrizitätswirtschafts-Aktiengesellschaft (Verbundgesellschaft) for quarters 1–3/2009 comply with the requirements of IAS 34 Interim Financial Reporting and have been prepared in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the European Union.

In accordance with IAS 34, these condensed consolidated interim financial statements do not include all information and disclosures required in the annual financial statements and should therefore be read in conjunction with the group financial statements of Verbundgesellschaft as at 31 December 2008.

ACCOUNTING POLICIES

The following new or amended IFRSs and interpretations of the IFRIC are applicable for the first time in fiscal 2009:

	TO BE APPLIED AS OF
NEW IFRSs/IFRICs	
IFRS 8 »OPERATING SEGMENTS«	01. 01. 2009
IFRIC 12 »SERVICE CONCESSION AGREEMENTS«	01. 01. 2008
IFRIC 13 »CUSTOMER LOYALTY PROGRAMMES«	01. 07. 2008
IFRIC 15 »AGREEMENTS FOR THE CONSTRUCTION OF REAL ESTATE«	01. 01. 2009
IFRIC 16 »HEDGES OF A NET INVESTMENT IN A FOREIGN OPERATION«	01. 10. 2008
AMENDED IFRSs/IFRICs	
AMENDMENTS TO IAS 1 »PRESENTATION OF FINANCIAL STATEMENTS«	01. 01. 2009
AMENDMENTS TO IAS 23 »BORROWING COSTS«	01. 01. 2009
AMENDMENTS TO IAS 32 AND IAS 1 »PUTTABLE FINANCIAL INSTRUMENTS AND OBLIGATIONS ARISING ON LIQUIDATION«	01. 01. 2009
AMENDMENTS TO IAS 39 »RECLASSIFICATION OF FINANCIAL INSTRUMENTS: EFFECTIVE DATE AND TRANSITION«	01. 07. 2008
AMENDMENTS TO IFRS 2 »VESTING CONDITIONS AND CANCELLATIONS«	01. 01. 2009

The amendments to IFRS 3 »Business Combinations« and IAS 27 »Consolidated and Separate Financial Statements« were endorsed by the EU acquis in June 2009. In September 2009, the amendments to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items were adopted by the EU. The Verbund Group decided not to effect early adoption.

As a result of IFRS 8 »Operating Segments« the contents of Segment Reporting had to be modified. The segment definition and information that is to be disclosed must be based on internal control and reporting (management approach). The segments defined within the Verbund Group, namely, »Electricity«, »Grid« and »Participating Interests & Services« correspond to the internal reporting structure with regard to the Managing Board as the chief operating decision maker. Internal performance of the segments is measured primarily on the basis of the operating result; in the »Participating Interests &

Services segment«, the result from participating interests is also relevant. Capital employed is used as the measure of segment assets. Segment information is measured in compliance with the IFRSs.

Segment reporting in the interim financial statements for quarters 13/2009 complies with the requirements of IAS 34. In comparison with the consolidated financial statements of Verbundgesellschaft as at 31 December 2008, the »Electricity« segment was extended through the inclusion of VERBUND-Photo-voltaics Ibérica S.L. (previously presented under Participating Interests & Services), VERBUND-Austrian Delta Wind GmbH, Haos Invest EAD, VERBUND-Kraftwerke Beteiligungsholding GmbH, VERBUND-Kraftwerke Beteiligungsholding GmbH & Co KG and VERBUND-Innkraftwerke GmbH. The project company Alpha Wind S.R.L., VERBUND-Tourismus GmbH and VERBUND-Umwelttechnik GmbH were presented in the »Participating Interests & Services« segment for the first time.

IFRIC 12 »Service Concession Agreements« regulates the accounting treatment of service arrangements between the public and private sector relating to the construction, operation and maintenance of infrastructures. Beneficial ownership of the assets does, however, remain with the public sector.

IFRIC 13 »Customer Loyalty Programmes«, IFRIC 15 »Agreements for the Construction of Real Estate« and IFRIC 16 »Hedges of a Net Investment in a Foreign Operation« did not necessitate any changes in the interim financial statements of the Verbund Group.

As a result of the amendments to IAS 1 »Presentation of Financial Statements«, some of the components of the financial statements were restructured and given new designations. Income and expenses recognised directly in equity – these are referred to as other comprehensive income – are no longer presented in the statement of changes in equity, but rather in a separate statement of comprehensive income. These items of other comprehensive income are presented after reclassification adjustments and before tax effects. The total amount of the tax effects is shown in the statement of comprehensive income. As a result, the disclosures in the statement of changes in equity have been condensed. This statement is now primarily used to disclose owner changes in equity and the effects of changes in accounting policies.

The revision of IAS 23 »Borrowing Costs« resulted in the termination of the option of recognising borrowing costs that can be directly allocated to the acquisition, construction or production of a qualifying asset as an expense. As group financing is controlled centrally within the Verbund Group, the amount of borrowing costs to be capitalised is determined using the weighted average of the total borrowing costs, which is calculated on a quarterly basis.

The amendments to IAS 32 and IAS 1 »Puttable Financial Instruments and Obligations Arising on Liquidation«, to IAS 39 »Reclassification of Financial Instruments: Effective Date and Transition« and to IFRS 2 »Vesting Conditions and Cancellations« do not necessitate any changes to the interim financial statements of the Verbund Group.

The other accounting policies and calculation/disclosure methods applied in the interim financial statements remain unchanged as compared to the last financial statements. Due to the utilisation of EDP devices, differences can arise in the addition of rounded totals and percentages.

CHANGES IN COMPANIES CONSOLIDATED

Effective 1 January 2009, the shares in the wind farms Bruck/Hollern/Petronell-Carnuntum (now merged with VERBUND-Austrian Delta Wind GmbH) were acquired to 100% at a purchase price of € 55.4 million. In the purchase price allocation, hidden reserves in property, plant and equipment in the amount of € 37.6 million were identified and capitalised under consideration of tax effects. The goodwill in the amount of € 25.3 million resulted from non-separable assets such as expertise in the management of wind farms and the market share following the entry into the domestic market for wind energy.

The assets and liabilities are as follows at the date of acquisition:

	MILLION €
NON-CURRENT ASSETS	71.2
CURRENT ASSETS	3.2
TOTAL ASSETS	**74.4**
SHAREHOLDERS' EQUITY	30.1
NON-CURRENT LIABILITIES	10.9
CURRENT LIABILITIES	33.4
TOTAL EQUITY AND LIABILITIES	**74.4**
SALES IN THE YEAR UNDER REVIEW	5.8
TOTAL PROFIT SINCE THE DATE OF ACQUISITION	–0.1

The 50.07 % participation in Alpha Wind S.R.L. acquired in December 2008 for € 2.0 million was consolidated on 1 January 2009. In the course of the first-time consolidation, property, plant and equipment was recognised in the amount of € 3.7 million and non-current liabilities were recognised in the amount of € 6.0 million.

Effective 7 May 2009, a 100 % share in the Bulgarian company Haos Invest EAD, which is currently constructing wind farms in Vranino and Mogilishte, was purchased for € 2.4 million. In addition, equity capital in the amount of € 9.3 million was injected into Haos Invest EAD. In the course of the first-time consolidation, hidden reserves in property, plant and equipment in the amount of € 2.5 million were identified.

Effective 31 August 2009, 100 % of the shares in Kraftwerksgruppe Inn GmbH (now VERBUND-Innkraftwerke GmbH), which operates 13 run-of-river power plants on the River Inn in Bavaria, were acquired at acquisition cost (purchase price including expenses of acquisition) of € 1,430.5 million. The purchase price was paid partially in cash, partially in the form of a 20-year electricity supply agreement from the Zemm/Ziller group of storage power plants. Acquisition costs include contractual interest and tax payments offset by the total profit earned by Kraftwerksgruppe Inn GmbH during the period from 1 January 2009 to 31 August 2009. Kraftwerksgruppe Inn GmbH, a former company of E.ON Wasserkraft GmbH, has a total installed capacity of 312 MW and an annual generation of roughly 1,850 GWh.

In the preliminary purchase price allocation, hidden reserves in property, plant and equipment in the amount of € 756.7 million were identified and capitalised under consideration of tax effects. The goodwill determined provisionally in the amount of € 590.4 million results from non-separable assets such as future earnings potential and tax amortisation benefits ineligible for recognition.

Due to the fact that the closing was recent and to the size and complexity of the acquisition, the purchase price allocation according to IFRS 3 is, to date, merely provisional. The total assets and liabilities at the date of acquisition are as follows:

	MILLION €
NON-CURRENT ASSETS	846.5
CURRENT ASSETS	55.0
TOTAL ASSETS	**901.5**
SHAREHOLDERS' EQUITY	838.4
NON-CURRENT LIABILITIES	59.6
CURRENT LIABILITIES	3.5
TOTAL EQUITY AND LIABILITIES	**901.5**
SALES IN THE YEAR UNDER REVIEW	78.6
PROFIT SINCE THE DATE OF ACQUISITION	0.2

The main components of the assets acquired are property, plant and equipment belonging to the power plants amounting to € 803.8 million. Liabilities acquired comprise primarily provisions for personnel expenses and other provisions.

Further changes in companies consolidated took place due to the first-time full consolidation of VERBUND-Umwelttechnik GmbH and VERBUND-Tourismus GmbH on 1 January 2009. Moreover, the interests in Kärntner Restmüllverwertungs GmbH, Gletscherbahnen Kaprun AG and OeMAG Abwicklungsstelle für Ökostrom AG were accounted for using the equity method for the first time with effect from 1 January 2009.

In addition, VERBUND-Kraftwerke Beteiligungsholding GmbH and VERBUND-Kraftwerke Beteiligungsholding GmbH & Co KG, which were purchased or founded in June 2009 in preparation for the acquisition of Kraftwerksgruppe Inn GmbH, were fully consolidated for the first time.

The closing on the acquisition of the Turkish, state-owned electricity supplier Baskent Elektrik Dagitim A.S. at a purchase price of $ 1.225 billion, took place on 28 January 2009. This was on the basis of the Verbund Group and Sabanci Holding A.S. bid accepted in July 2008. The shares were purchased by Enerjisa Elektrik Dagitim A.S., a joint-venture company with Sabanci Holding A.S. A capital increase in Enerjisa Elektrik Dagitim A.S. (share of Verbund Group: € 265.7 million) was carried out in January 2009 to finance the purchase price of Baskent Elektrik Dagitim A.S. The Verbund Group holds a 50 % stake in Baskent Elektrik Dagitim A.S. The prorated purchase price amounts to $ 612.5 million.

A non-proportional capital increase of € 150 million in July 2009 at the Italian company Sorgenia S.p.A. brought the stake of the Verbund Group to 44.8 %.

In quarter 3/2009 the Verbund Group increased its stake in the French company Poweo S.A. to 46.0 %. The increase was effected successively on the basis of the acquisition of blocks of shares and participation in a capital increase of Poweo S.A. by a total of € 85.4 million.

(1) ELECTRICITY SALES

ELECTRICITY SALES — MILLION €

			CHANGE	
	Q1–3/2009	Q1–3/2008	ABSOLUTE	IN %
END CUSTOMERS	528.4	450.9	77.5	17.2
RESELLERS	957.3	918.5	38.8	4.2
TRADERS	725.9	1,017.9	–292.0	28.7
TOTAL ELECTRICITY SALES	**2,211.6**	**2,387.3**	**–175.7**	**7.4**
THEREOF DOMESTIC	1,071.5	936.0	135.5	14.5
THEREOF ABROAD	1,140.1	1,451.3	–311.2	21.4

(2) EXPENSES FOR ELECTRICITY, GRID AND EMISSION RIGHTS PURCHASES (TRADE)

EXPENSES FOR ELECTRICITY, GRID AND EMISSION RIGHTS PURCHASES (TRADE) — MILLION €

	Q1–3/2009	Q1–3/2008	CHANGE ABSOLUTE	CHANGE IN %
ELECTRICITY PURCHASES	–956.2	–1,093.3	137.1	12.5
GRID PURCHASES	–95.8	–76.8	–19.0	24.7
TOTAL	**–1,052.0**	**–1,170.1**	**–118.1**	**10.1**

(3) USE OF FUELS AND OTHER UTILISATION-DEPENDENT EXPENSES

In quarters 1–3/2009, gross generation at the thermal power plants dropped by 734 GWh (–32.6 %) compared to the corresponding period of the previous year. The price situation on the electricity sales markets necessitated a value adjustment of the existing stocks of heating oil and coal. The reduction in the additional purchase of CO_2 certificates due to the lower generation volume had a positive effect.

(4) PAYROLL EXPENSES

PAYROLL EXPENSES — MILLION €

	Q1–3/2009	Q1–3/2008	CHANGE ABSOLUT	CHANGE IN %
WAGES, SALARIES AND RELATED EXPENSES	–187.2	–173.3	–13.9	8.0
EXPENSES FOR SEVERANCE PAYMENTS AND PENSIONS	–42.8	–37.8	–5.0	13.2
TOTAL PAYROLL EXPENSES	**–230.0**	**–211.1**	**–18.9**	**9.0**

A total of € 5.1 million (quarters 1–3/2008: € 4.8 million) was paid into the defined-contribution pension fund in quarters 1–3/2009. The expected pension fund return was lowered from 4 % to 2 % p.a. at the beginning of 2009

(5) RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD

RESULT FROM INTERESTS ACCOUNTED FOR USING THE EQUITY METHOD — MILLION €

	Q1–3/2009	Q1–3/2008	CHANGE ABSOLUTE	CHANGE IN %
DOMESTIC	83.4	63.0	20.4	32.4
FOREIGN	–8.7	21.2	–29.9	n.a.
TOTAL	**74.7**	**84.2**	**–9.5**	**11.3**

All companies accounted for using the equity method are included for the first time with their prorated IFRSs result from interim or annual financial statements, the balance sheet date of which falls a maximum of three months prior to the balance sheet date of the parent company. This adjustment resulted in a one-off positive earnings effect in the amount of € 26.4 million in quarters 1–3/2009. If this had been fully applied to 31 December 2008, the result from participating interests accounted for using the equity method in fiscal 2008 would have come to € 13.4 million instead of € 34.1 million.

The negative result from the foreign participating interests accounted for using the equity method is essentially attributable to restructuring effects and interest expenses.

(6) INTEREST INCOME AND INTEREST EXPENSES

In quarters 1–3/2009, interest income decreased by € 31.0 million or 44.2 % to € 39.2 million compared to the corresponding period of the previous year. This is attributable, above all, to the decline in interim investments as a result of the progressive investment programme and to the lower non-current investments due to the premature termination of cross-border leasing transactions.

Interest expenses in quarters 1–3/2009 remained nearly unchanged from the corresponding period of the previous year. The borrowing undertaken in 2008 and 2009 resulted in increases. However, compensating for this were the lower profit/loss shares of the limited partners of VERBUND-Austrian Thermal Power GmbH & Co KG, lower interest expenses resulting from the premature terminations of cross-border leasing transactions and, in the amount of € 3.8 million, the capitalisation of borrowing costs for qualifying assets.

(7) OTHER FINANCIAL RESULT

In quarters 1–3/2009 the other financial result was € 31.7 million. This corresponds to an increase of € 54.5 million from the other financial result of the corresponding period of the previous year of € –22.8 million. Profits from a hedging transaction in connection with the acquisition of Baskent Elektrik Dagitim A.S. boosted earnings by € 20.2 million. Further positive profit contributions resulted from the premature termination of cross-border leasing transactions relating to Altenwörth, Wallsee/Mitterkirchen, Aschach, Abwinden/Asten, Ottensheim, Ybbs and Greifenstein, as well as valuation gains from a JPY bond.

The international market crisis and its effect on the investment portfolio of the Verbund Group, held to hedge the electricity business, necessitated – despite a temporary period of relief – a € 27.2 million impairment of the securities and investment funds in the quarters 1–3/2009 . This affected the other financial result adversely.

(8) INTANGIBLE ASSETS

As of 30 September 2009, the intangible assets include goodwill in the amount of € 615.7 million (31 December 2008: € 0.0 million). These derive mainly from the acquisition of Kraftwerksgruppe Inn GmbH.

(9) PURCHASE AND SALE OF PROPERTY, PLANT AND EQUIPMENT

In quarters 1–3/2009, property, plant and equipment in the amount of € 272.7 million (quarters 1–3/2008: € 274.8 million) were purchased within the Verbund Group. In quarters 1–3/2009, acquisitions of companies resulted in the addition of property, plant and equipment in the amount of € 886.3 million (quarters 1–3/2008: € 0.0. million).

On the other hand, property, plant and equipment with a net carrying amount of € 2.4 million (quarters 1–3/2008: € 1.7 million) were sold. This resulted in a gain on disposal in the amount of € 0.7 million (quarters 1–3/2008: € 0,3 Mio.).

(10) OTHER LIABILITIES

The increase in other non-current liabilities is attributable primarily to the obligation arising from a 20-year electricity supply agreement, which was entered into in partial consideration for the purchase of Kraftwerksgruppe Inn GmbH.

(11) OPERATING CASH FLOW

Operating cash flow decreased year-on-year by € 277.8 million to € 707.3 million. This essentially resulted from payments from prior periods (€ –269.8 million) in connection with energy derivatives and the change in contributions from the energy business (€ +108.4 million). Moreover, tax payments (€ –119.0 million), net interest payments (€ –29.0 million), and payments in connection with personnel (€ –20.5 million) increased year-on-year. This was offset by repayments from the provision of guarantees in electricity exchanges (€ +51.5 million).

OTHER DISCLOSURES

ISSUE OF BONDS

On 8 April and 9 July 2009, VERBUND-International Finance B.V. issued € 500 million and € 840 million bonds within the framework of the three-billion-euro EMTN (European Medium Term Note) programme. The bonds mature in 6 and 10 years, respectively. In both cases, interest is 4.75 %. Issue prices were 99.699 % and 99.145 %, respectively.

DIVIDENDS DISTRIBUTED

DIVIDENDS DISTRIBUTED — MILLION €

	TOTAL (MILLION €)	NUMBER OF SHARES (ORDINARY SHARES)	PER SHARE (€)
DIVIDENDS DISTRIBUTED IN 2009 FOR FISCAL 2008	323.6	308,200,000	1.05
DIVIDENDS DISTRIBUTED IN 2008 FOR FISCAL 2007	277.4	308,200,000	0.90

PURCHASE COMMITMENT FOR PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND OTHER SERVICES AS OF 30 SEPTEMBER 2009

PURCHASE COMMITMENT FOR PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND OTHER SERVICES — MILLION €

TOTAL OBLIGATION AS OF 30.09.2009	808.7
THEREOF DUE 2009/2010	645.2
THEREOF DUE 2011 TO 2014	163.5

OPEN PAYMENT OBLIGATIONS

As of 30 September 2009, the following open payment obligations existed in the investment area, in particular with regard to the interests in the Turkish generation company Enerjisa Enerji Üretim A.S. and the French company Poweo Production S.A.S.:

OPEN PAYMENT OBLIGATIONS — MILLION €

TOTAL OBLIGATION AS OF 30.09.2009	178.9
THEREOF DUE 2009	55.4
THEREOF DUE 2010 TO 2014	123.5

CONTINGENT LIABILITIES

The obligations resulting from the cross-border leasing transactions concluded up to the end of 2000 are fully covered by loans to financial institutions, zero coupons and medium term notes. The loans are collateral promise agreements with financial institutions of a good and high-grade credit rating. Certain obligations from cross-border leasing agreements were abandoned, as were the loans and zero coupons that served as security for those obligations. With respect to the portion of leasing liabilities not yet repaid, Verbund has a subsidiary liability as of 30 September 2009 in the amount of € 834.9 million (31 December 2008: € 3,976.2 million). As for the rights of recourse vis-à-vis the main debtors, € 730.7 million (31 December 2008: € 3,193.0 million) has been secured by way of counter-guarantees from financial institutions, companies authorised to procure electricity and regional authorities (resulting from guarantor liabilities).

There were no further changes to the contingent liabilities since the last balance sheet date.

RELATED-PARTY DISCLOSURES

Significant business transactions were carried out with associated companies accounted for using the equity method and are shown as follows:

RELATED-PARTY DISCLOSURES

MILLION €

	Q1–3/2009	Q1–3/2008
SALES REVENUE	412.1	470.7
OTHER INCOME	3.5	2.5
ELECTRICITY AND GRID PURCHASES	118.9	165.7
OTHER EXPENSES	4.6	2.8
	30.09.2009	30.09.2008
RECEIVABLES	47.5	35.5
LIABILITIES	15.8	47.7
LOANS	40.5	41.3

In quarters 1–3/2009, electricity sales to the Republic of Austria amounted to € 0.3 million (quarters 1–3/2008: € 1.4 million); electricity sales to companies controlled by the Republic of Austria came to € 65.2 million in this period (quarters 1–3/2008: € 53.1 million). In quarters 1–3/2009, these electricity sales were compensated by electricity purchases from companies controlled by the Republic of Austria in the amount of € 21.9 million (quarters 1–3/2008: € 29.1 million).

Expenses for supervision by E-Control came to € 7.0 million in quarters 1–3/2009 (quarters 1–3/2008: € 4.8 million).

EVENTS AFTER THE BALANCE SHEET DATE

No events subject to disclosure occurred between the balance sheet date of 30 September 2009 and the date of release for publication, 16 October 2009.

Vienna, 16 October 2009

The Managing Board

General Director
DI Wolfgang Anzengruber
(Chairman of the Managing Board)

Deputy General Director
Dr. Johann Sereinig
(Deputy Chairman of the Managing Board)

Managing Director
Dr. Ulrike Baumgartner-Gabitzer
(Member of the Managing Board)

Managing Director
Mag. Christian Kern
(Member of the Managing Board)

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