



# EVN Conference Call Q. 1 2012/13 Results

February 28<sup>th</sup>, 2013

- Biomass district heating plant in Steyr supplies customers with heat and electricity
- First construction phase of the natural gas transport pipeline Westschiene completed
- EVN Netz GmbH acquired a 15%-stake in AGGM Austria Gas Grid Management AG
- Contract awarded for planning and construction of three further wastewater treatment plants in Romania
- Emission of promissory note loans of EUR 121.5m
- On-going share buyback programme extended and repurchase volume increased by further 1,000,000 shares
- Prior-year figures were adjusted due to IAS 19 (2011)
- Outlook 2012/13: results from operating activities and Group net profit are expected to be below prior-year figures

		<b>2012/13</b>	
	EURm	<b>Q. 1</b>	<b>+/- in %</b>
Revenue		794.0	-4.3
EBITDA		173.5	-0.5
EBIT		116.2	4.3
Financial results		-11.7	-
Group net profit		71.5	-21.8
Net cash flow from operating activities		54.7	-
	EUR		
Earnings per share		0.40	-21.5

## Decrease in revenue

- Energy business: Temperature and economic related drop
- Environmental Services business: Scheduled completion of large projects in prior year

## Stable EBITDA and higher EBIT

- Lower procurement costs for energy
- Higher other operating income
- Impairment charge in the prior year

## Financial results dropped

- Negative earnings contribution by EconGas

## Group net profit below prior year

# Prior year adjusted due to IAS 19 (2011)



	2011/12 (adj.)	2011/12	+/-
EURm			
Personnel expenses	-312.6	-329.1	16.5
EBITDA	474.5	458.0	16.5
EBIT	223.2	206.7	16.5
Interest expenses	-104.4	-87.9	-16.5
Financial results	36.5	53.0	-16.5
Profit after income tax	233.8	233.8	-
Group net profit	194.9	194.9	-

	2011/12 Q. 1 (adj.)	2011/12 Q. 1	+/-
EURm			
Personnel expenses	-73.8	-80.5	6.7
EBITDA	174.3	167.6	6.7
EBIT	111.4	104.7	6.7
Interest expenses	-26.4	-22.2	-4.1
Financial results	13.1	17.3	-4.1
Profit after income tax	103.8	101.9	1.9
Group net profit	91.4	89.5	1.9

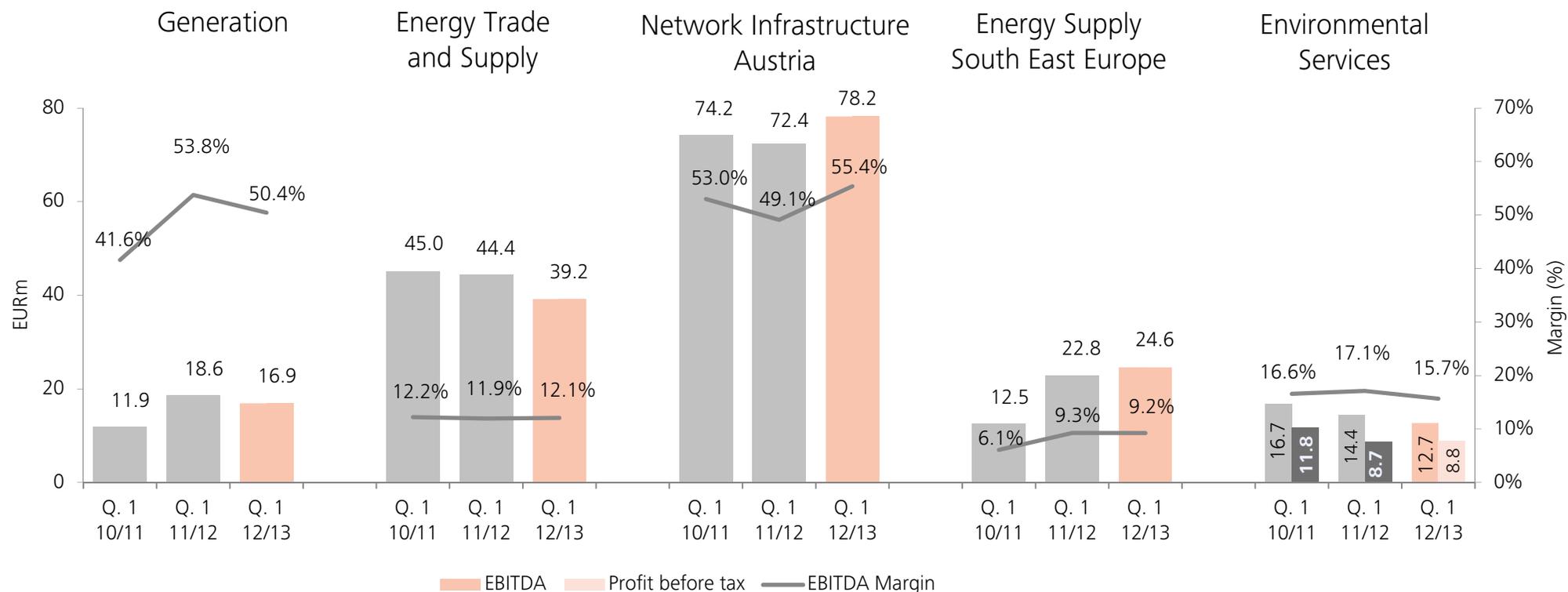
## 2011/12 (adj.): no impact on Group net profit

- Change of disclosure of interest component of the provisions for pensions and severance payments between personnel expenses and financial results

## Q. 1 2011/12 (adj.): slight impact on Group net profit

- Change of disclosure of interest component of the provisions for pensions and severance payments between personnel expenses and financial results
- Adjustment due to corridor method

# EBITDA development by segments



- **Generation:** lower electricity production of thermal power plants due to unfavourable market price development and prior year was positively effected by the power request from Germany
- **Energy Trade and Supply:** drop in sales of marketed natural gas volumes, price reduction due to lower additional costs for renewable electricity and termination of the cooperation agreement with Begas
- **Network Infrastructure Austria:** stable earnings
- **Energy Supply SEE:** tariff adjustments

<b>Electricity generation volumes</b>		<b>2012/13 Q. 1</b>	<b>+/- in %</b>
Total	GWh	765	-4.4
Renewable energy sources		323	27.7
Thermal energy sources		442	-19.2
<b>Financial performance</b>			
Revenue	EURm	33.5	-3.1
EBITDA		16.9	-8.9
EBIT		10.0	-

## Lower generation volumes

- Production decline from thermal power plants
- Increase from renewable energy sources

## Lower revenue

- Reduction in the option value of thermal power plants
- In the prior year positive effect by the power request by the German Federal Network Agency

## EBITDA decrease and EBIT increase

- Impairment charge in the prior year

<b>End customer price adjustments<sup>1)</sup></b>			
Natural gas	4/1/2011	8.9%	
	10/1/2011	3.6%	
Electricity	1/1/2012	-1.7%	

	GWh	2012/13	+/-
		Q. 1	in %
Electricity		2,007	5.2
Natural Gas		2,185	-4.8
Heat		573	0.2

<b>Financial performance</b>			
	EURm		
Revenue		325.2	-12.6
EBITDA		39.2	-11.6
EBIT		35.6	-13.2

1) Average, household sector (source: EVN)

## Diverse sales volumes development

- Lower natural gas: economic weakness and improved energy efficiency
- Higher electricity: business extension of EAA outside of Austria

## Revenue drop

- Decrease in sales of marketed natural gas volumes
- Price reduction due to lower additional costs for renewable electricity

## EBITDA and EBIT decrease

## Financial results influenced by EconGas

<b>Tariffs adjustments<sup>1)</sup></b>			
Electricity	1/1/2012		–
Natural gas	1/1/2012		–1.9%
<b>Network distribution volumes</b>			
	GWh	<b>2012/13 Q. 1</b>	<b>+/- in %</b>
Electricity		2,079	1.4
Natural Gas		4,935	–5.4
<b>Financial performance</b>			
	EURm		
Revenue		141.2	–4.2
EBITDA		78.2	8.0
EBIT		53.8	11.3

1) Average, according to the regulator in Austria (E-Control)

2) Including network sales to EVN's power stations

## Diverse distribution volumes development

- Electricity: slight increase
- Natural gas: decline due to weaker demand from industrial customers and further reduction in use of EVN's thermal power plants

## Revenue drop

- Decrease in other revenue due to a decline in invoiced customer projects

## EBITDA and EBIT improvement

<b>End customer price adjustments<sup>1)</sup></b>			
Bulgaria	electricity	7/1/2012	13.6%
		4/1/2012	6.8%
	heat	7/1/2012	-20.6%
Macedonia		1/1/2012	4.8% <sup>2)</sup>
		8/1/2012	6.1% <sup>2)</sup>

<b>Key energy business indicators</b>		<b>2012/13</b>	<b>+/-</b>
	GW/h	<b>Q. 1</b>	<b>in %</b>
Electricity net. distribution volumes <sup>3)</sup>		3,386	-8.8
Heat net. distribution volumes		71	-17.3
Electricity generation volumes		93	86.5

<b>Financial performance</b>			
	EURm		
Revenue		266.7	8.3
EBITDA		24.6	7.9
EBIT		8.9	6.9

## Higher electricity generation

– Start of production of the new co-generation plant in January 2012

## Weather-related drop in sales volumes

– Prior year: extremely cold

## Revenue increase

– Tariff adjustments

## Increase of EBITDA and EBIT

– Despite higher prices for procured electricity, especially the additional costs related to renewable energy  
 – Higher write-offs of receivables

1) Average, household sector, according to the regulators in Bulgaria (SEWRC) and Macedonia (ERC)

2) EVN Macedonia

3) In Bulgaria and Macedonia energy sales volumes fairly equal present network distribution volumes

<b>Financial performance</b>	EURm	<b>2012/13 Q. 1</b>	<b>+/- in %</b>
Revenue		81.0	-3.7
EBITDA		12.7	-12.4
EBIT		6.0	-24.3
Financial results		2.8	-
Profit before income tax		8.8	2.0

## Lower revenue

- Completion and invoicing of large projects in the prior year

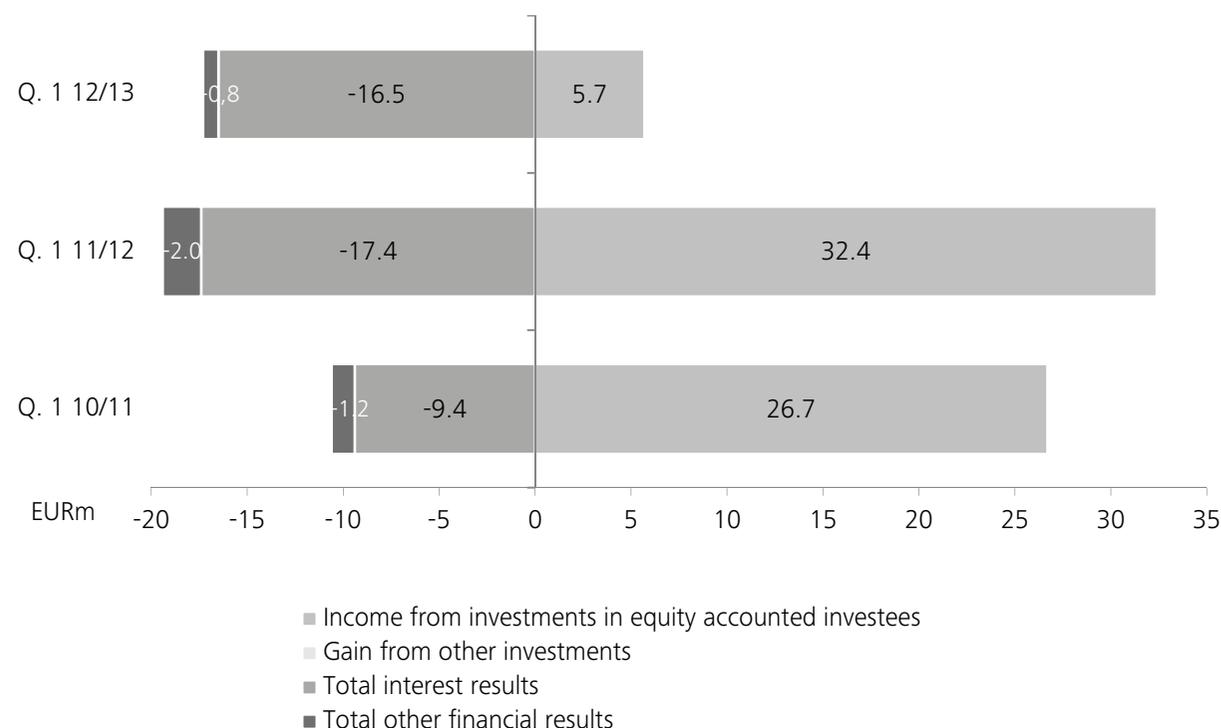
## EBITDA and EBIT decrease

## Financial results up from EUR 0.7m

- Higher income from investments ZOV and ZOV UIP, Croatia

## New contract awarded

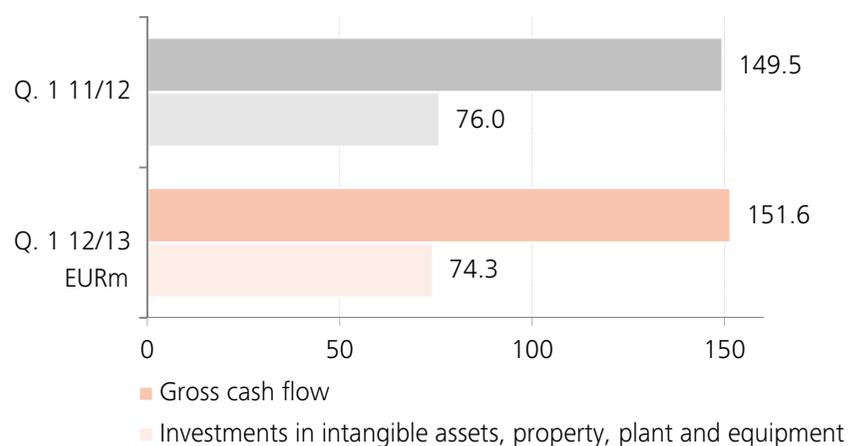
- Three wastewater treatment plants in Romania



## Financial results: EUR –11.7m

- EconGas EUR –20.4m
  - High negative spread between long-term, oil-based natural gas purchases and hub price linked sales
- Recognition of a provision for impending losses on contractually agreed, long-term transport and LNG capacity bookings

	EURm	<b>2012/13 Q. 1</b>	+/- in %
Gross cash flow		151.6	1.4
Net cash flow from operating activities		54.7	–
Net cash flow from investing activities		–135.3	–37.8
Net cash flow from financing activities		111.6	–
Net change in cash and cash items		30.9	–



## Higher gross CF

- Lower non-cash share of income of equity accounted investees

## Increase of net CF from operating activities

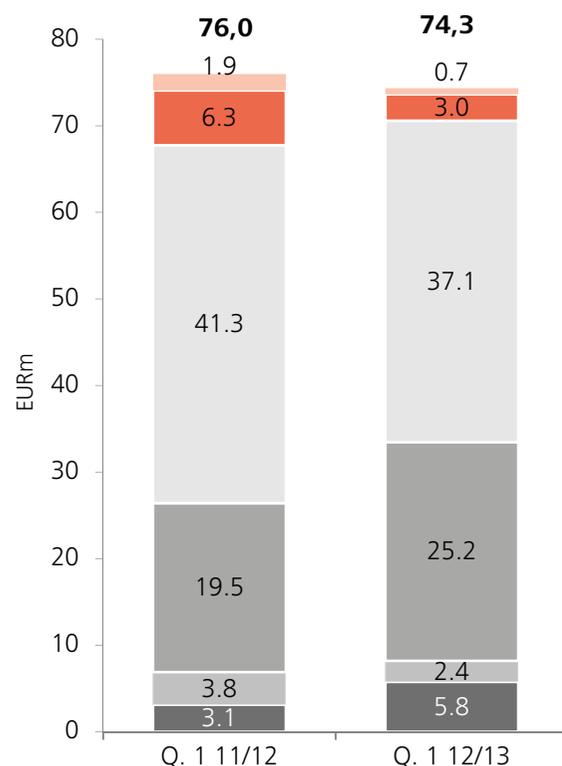
- Weather-related lower year-on-year increase in working capital

## Change of net CF from investing activities

- Investment in short-term securities
- Capital payment for investments in equity accounted investees

## Increase of net CF from financing activities

- Issue of promissory note loans



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

## Investment volume

– Roughly on prior-year level

## Investment focus

- Expansion of windpower capacity
- Expansion of district heating networks
- Construction of Westschiene
- Expansion of the network infrastructure and replacement of metres in SEE

1) In intangible assets and property, plant and equipment

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- Weak economic growth in Europe
  - Ongoing high primary energy prices and low electricity prices
  - Decrease of electricity and natural gas network tariffs in Austria
  - Mild winter mainly in South Eastern Europe
  - Challenging regulatory and politically conditions in Bulgaria

**Operating results and Group net profit are expected to be below the prior-year level**

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