

EVN Conference call Annual results 2012/13

12 December 2013

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- Key financials
 - Operating results close to prior-year's level
 - Group net profit down 41.2% due to negative effects in financial results
 - Strong balance sheet supports constant dividend proposal of EUR 0.42

 - Increase in generation capacity
 - Expansion in windpower in Lower Austria
 - Stronger international hydropower footprint (Ashta, Macedonia)
 - Walsum gets connected to the grid

 - 785 MW reserve capacity for Southern Germany

 - Arbitration proceedings in Bulgaria

 - No major progress in environmental projects in Moscow

	EURm	2012/13	+/- in %
Revenue		2,755.0	-3.2
EBITDA		457.6	-3.6
EBIT		218.5	-2.1
Financial results		-38.1	-
Group net profit		114.7	-41.2
Net cash flow from operating activities		561.7	21.8
	EUR		
Earnings per share		0.64	-40.8

Revenue close to prior-year's level

- Smaller number of final invoices in international project business
- Slight year-on-year increase in energy business

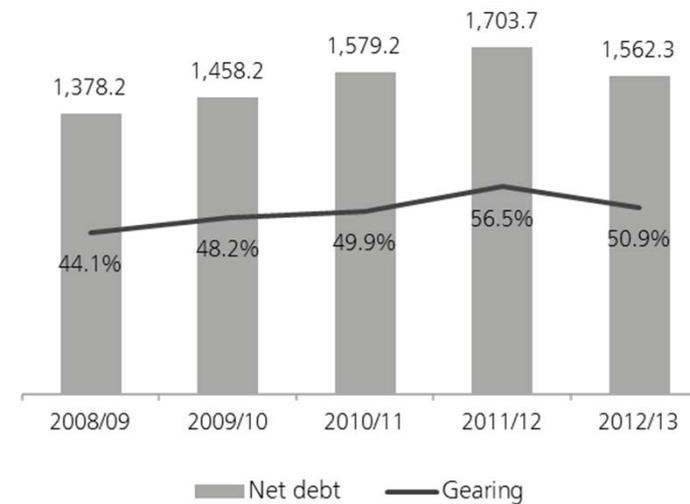
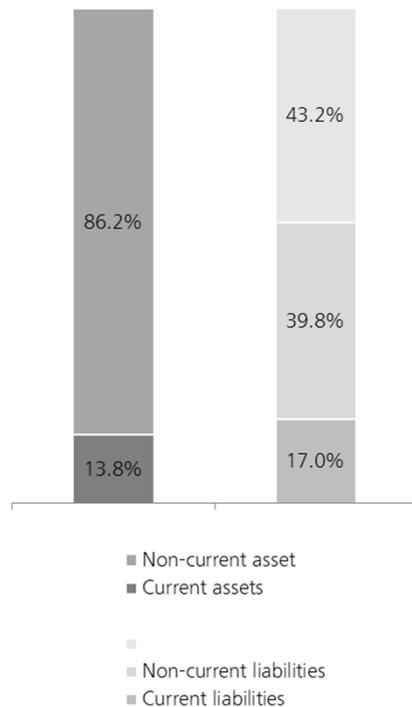
EBITDA and EBIT remain robust

- Lower cost of materials due to decline in project volume in international project business
- Lower procurement costs for energy

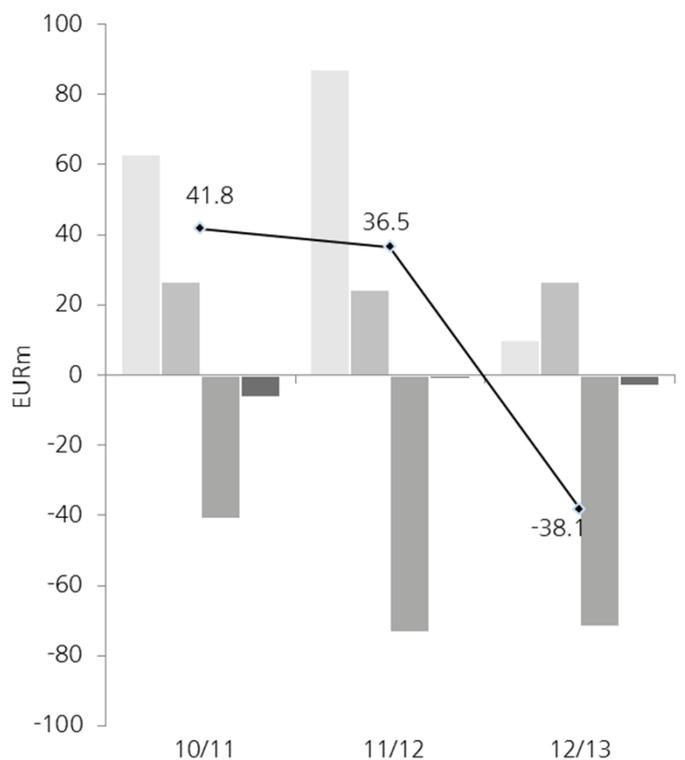
Financial results dropped

- Negative earnings contribution from at equity accounted investees

Solid balance sheet structure



- Equity ratio 43.2%
- Increased current liabilities due to reclassification of bonds which will become due in 2013/14
- Net Debt decreased by EUR 141.4m to EUR 1,562.3m
- Gearing reduced to 50.9%
- Standard & Poor's and Moody's rating confirmed (BBB+, A3) with stable outlook



Income from investments in equity accounted investees

Gain from other investments

Interest results

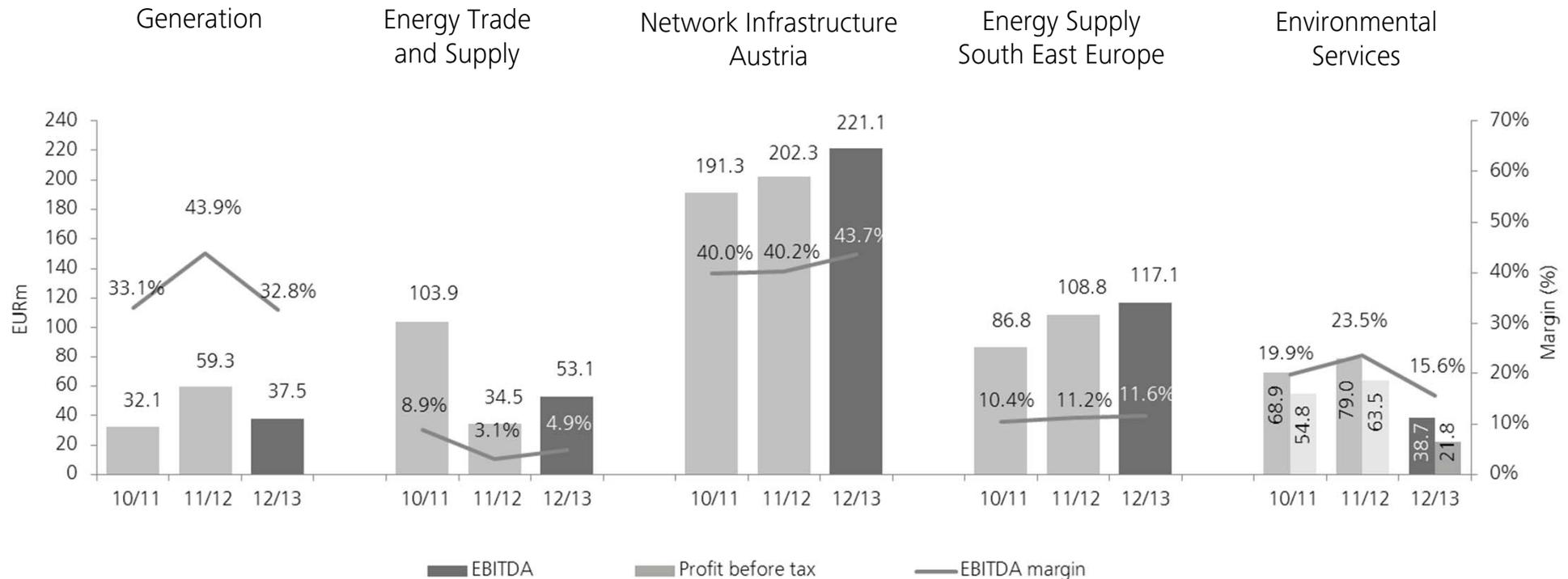
Other financial results

Financial results

Financial results dropped

- 2012/13: EUR –38.1m; 2011/12: EUR 36.5m
- Significant reduction of income from investments in equity accounted investees
 - EconGas: EUR –19.7m
 - Devoll: EUR –27.6m
 - WEEV: EUR –29.6m
 - Shkodra (Ashta): EUR –20.4m
- Income from other investments slightly improved
- Stable interest results and other financial results

EBITDA development by segments



- **Generation:** on-going downward movement of electricity market prices
- **Energy Trade and Supply:** temperature-related increase in sales volumes of natural gas and heat
- **Network Infrastructure Austria:** increase in electricity distribution volumes
- **Energy Supply South East Europe:** increase in tariffs, volume increase in electricity production
- **Environmental Services:** less project completions

Electricity generation volumes	GWh	2012/13	+/- in %
Total		3,021	7.7
Renewable energy sources		1,637	22.9
Thermal energy sources		1,384	-6.0
Financial performance			
	EURm		
Revenue		114.3	-15.3
EBITDA		37.5	-36.8
EBIT		9.6	-35.0

Renewable energy sources led to higher generation volumes

- Start of operations of Ashta, Albania
- Higher procurement from Inn River
- Good water flows

Decline in EBITDA and EBIT

- Lower revenue
 - Continuing pressure on electricity prices
 - Unfavourable wind conditions
 - Lower option value of thermal power plants
- Drop in depreciation and amortisation
 - Higher impairment losses last year

End customer price adjustment¹⁾			
Electricity	1.1.2012	-1.7%	

Sales volumes to end customers	GWh	2012/13	+/- in %
Electricity		7,188	-3.2
Natural Gas		6,333	2.7
Heat		1,857	8.6

Financial performance			
	EURm		
Revenue		1,082.4	-4.1
EBITDA		53.1	53.7
EBIT		37.1	-

Diverging development of sales volumes

- Lower sales volumes of electricity
- Temperature-related rise in sales volumes of natural gas and heat

Higher EBITDA and EBIT

- Year-on-year decrease of revenue
 - Lower prices for renewable energy
 - On-going pressure on electricity prices
 - Reduced volumes
- Lower operating expenses
 - Drop in electricity purchasing volumes
 - Decline in procurement costs

1) Average, household sector (source: EVN)

Tariff structures¹⁾			
Electricity	1.1.2013	-0.4%	
Natural gas	1.1.2013	-2.5%	

Network distribution volumes	GWh	2012/13	+/- in %
Electricity		7,885	1.3
Natural gas ²⁾		15,232	-1.3

Financial performance			
	EURm		
Revenue		505.7	0.6
EBITDA		221.1	9.3
EBIT		120.4	17.8

Different development of distribution volumes

- Electricity: temperature-related increase
- Natural gas: decline
 - Reduction in industrial demand
 - Lower use of gas-fired power plants

Increase in EBITDA and EBIT

- Decrease in transmission network costs
- Increase in work in progress is attributable to customer projects that had not been invoiced by the balance sheet date

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

2) Including network sales to EVN's power stations

End customer price adjustments¹⁾			
Bulgaria	electricity	1.7.2012	13.6%
		5.3.2013	-7.3%
		1.8.2013	-4.2%
	heat	1.7.2012	-20.6%
		1.1.2013	-5.9%
Macedonia	electricity	1.1.2012	7.8%
		1.8.2012	9.8%
		1.7.2013	-3.0%

Key energy business indicators	GWh	2012/13	+/- in %
Electricity generation volumes		427	66.3
Network distribution volumes ²⁾		13,031	-5.8
Heat sales volumes to end customers		205	-14.9

Financial performance	EURm		
Revenue		1,007.7	4.0
EBITDA		117.1	7.6
EBIT		51.2	13.0

Rise in electricity generation volumes

- Takeover of operations at additional hydropower plants in Macedonia
- Full-year operations at co-generation plant in Plovdiv, Bulgaria

Temperature-related decrease in sales volumes

EBITDA and EBIT increase

- Higher revenue
 - Price increases in Macedonia in 2012
 - Full-year operations at co-generation plant
- Increase in procurement costs due to additional costs related to renewables
- Higher other operating expenses
- Higher depreciation

1) Average, household sector, according to the regulators in Bulgaria (SEWRC) and Macedonia (ERC)
 2) In Bulgaria and Macedonia energy sales volumes fairly equal present network distribution volumes

Financial performance	EURm	2012/13	+/- in %
Revenue		248.4	-26.0
EBITDA		38.7	-51.1
EBIT		9.8	-81.2
Financial results		12.1	3.3
Profit before income tax		21.8	-65.6

EBITDA and EBIT decline

- Lower revenue
 - Higher project completions in prior year
- Decrease in operating expenses in line with the development of the revenue

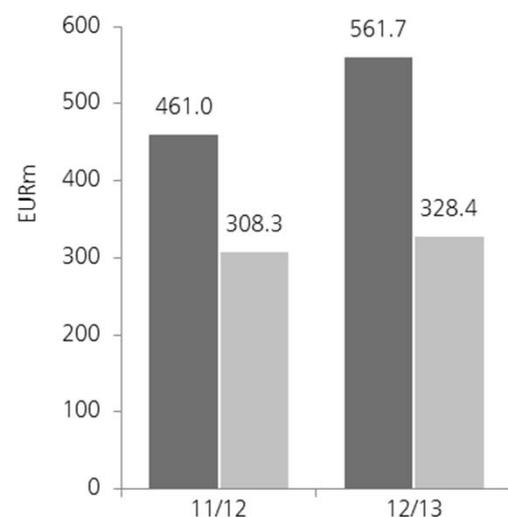
Financial results

- Interest results slightly improved

Business development

- Nine international projects currently in process
- Moscow: discussions about subsequent amendments of the structure of the projects
- Lower Austria: further activities to safeguard and improve drinking water supplies

	EURm	2012/13	+/- in %
Gross CF		553.6	15.3
Net CF from operating activities		561.7	21.8
Net CF from investing activities		-380.5	-14.0
Net CF from financing activities		-90.5	14.3
Net change in cash and cash equivalents		90.7	-



- Cash flow from operating activities
- Investments in property, plant and equipment and intangible assets

Increase of gross cash flow

→ Non-cash effects from at equity investees

Higher net cash flow from operating activities

→ Lower year-on-year growth in working capital

Drop of net cash flow from investing activities

→ Acquisition of short-term securities

Increase in net cash flow from financing activities

- Prior year affected by the purchase of additional stakes in EVN Bulgaria
- Dividend payment to EVN's shareholders
- Current share buyback programme

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- Industry outlook: Challenging environment
 - EVN's strategy: Focus on efficiency and core markets
 - Integrated business model, protection of security of supply
 - Broad, diversified and stable customer base
 - Group net profit above 2012/13, but below recent years

Appendix

Income from investments in equity accounted investees



	EURm	2012/13	2011/12	+/- nominal
EconGas		-19.7	-5.4	-14.3
Devoll Hydropower ShA		-27.6	-1.3	-26.3
WEEV Beteiligungs GmbH		-29.6	0.6	-30.2
Shkodra		-20.4	2.5	-17.9
RAG		80.1	73.5	6.6
Energie Burgenland		9.7	1.9	7.8
ZOV; ZOV UIP		11.8	12.4	-0.6
Other companies		5.6	2.8	2.8
Income from investments in equity accounted investees		10.0	87.0	-77.0

EconGas

→ Negative earnings contribution recognised in Q. 1 2012/13

Devoll

→ Sale of 50% stake in hydropower project to joint venture partner in HY. 1

WEEV

→ P&L relevant market valuation of Verbund shares acquired in 2010

Shkodra

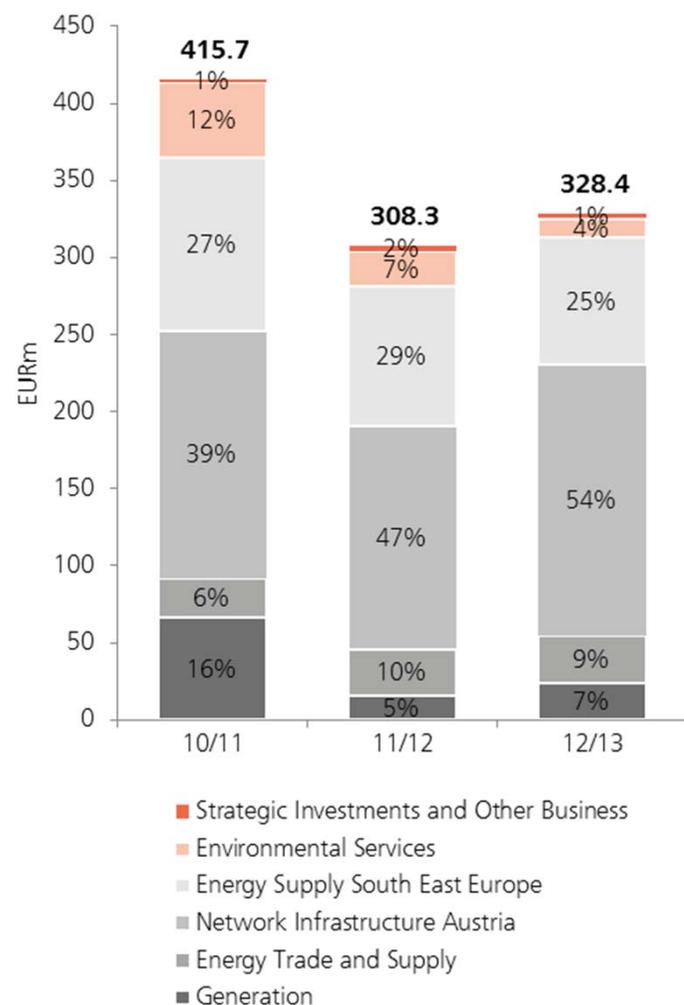
→ Negative earnings contribution from Ashta power plant of EUR 20.4m

Prior year adjusted due to change in the accounting policy



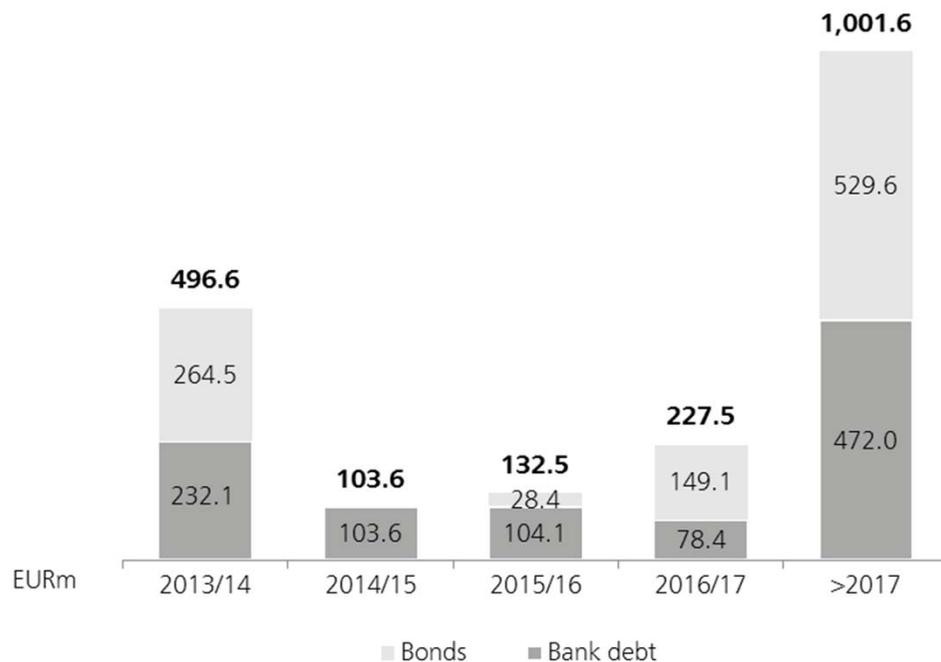
	2011/12	2011/12	+/-
	(adj.)		nominal
EURm			
Personnel expenses	-312.6	-329.1	16.5
EBITDA	474.5	458.0	16.5
EBIT	223.2	206.7	16.5
Interest expenses	-104.4	-87.9	-16.5
Financial results	36.5	53.0	-16.5
Profit before income tax	259.7	259.7	-
Group net profit	233.8	233.8	-

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



Investment volume increased by 6.5%

- Expansion of windpower capacities
- Extension of district heating network and construction of biomass heating plants
- Network expansion in Austria to ensure supply security against the backdrop of the intensive expansion of renewable energy
- Construction of the natural gas transport pipeline Westschiene
- Modernisation and expansion of network infrastructure in South Eastern Europe
- Further activities to safeguard and improve water supply in Lower Austria



- Bilateral and syndicated credit facilities at the amount of EUR 675m
- EIB contract at the amount of EUR 150m
- Financial policy going forward based on selected key ratios (unadjusted):
 - Equity ratio > 40% (30.09.2013: 43.2%)
 - Net debt coverage (FFO) \geq 30% (30.09.2013: 44.2%)
 - Interest cover (FFO) \geq 5x (30.09.2013: 8.2x)
- Dividend: EVN intends to provide a stable dividend

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The Company believes any such statements are based on reasonable assumptions and reflect the judgement of EVN’s management based on factors currently known by it.

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For additional information regarding risks, investors are referred to EVN’s latest Annual report.