

EVN Conference Call Q. 1-3 2014/15 Results

27 August 2015

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- Increase in electricity generation
 - expansion of renewable energy production
 - full operations in the Duisburg-Walsum power plant
 - usage of gas power plants to ensure network stability

 - New tariffs in Bulgaria and Macedonia announced by the regulators

 - Sale of the sodium hypochlorite plant to the Moscow city water supply and wastewater disposal company

 - Operating result and group net result above prior year

 - Net debt down by 21.2% to EUR 1.29bn; Gearing at 49.1%

		2014/15	
	EURm	Q. 1-3	+/- in %
Revenue		1,664.1	11.3
EBITDA		497.2	38.8
EBIT		286.5	–
Financial results		–41.2	–
Group net profit		187.1	–
Net cash flow from operating activities		316.1	–13.9
	EUR		
Earnings per share		1.05	–

Year-on-year rise in revenue

- Increase in electricity production
- Higher contribution from South Eastern Europe
- Growth in natural gas marketing activities

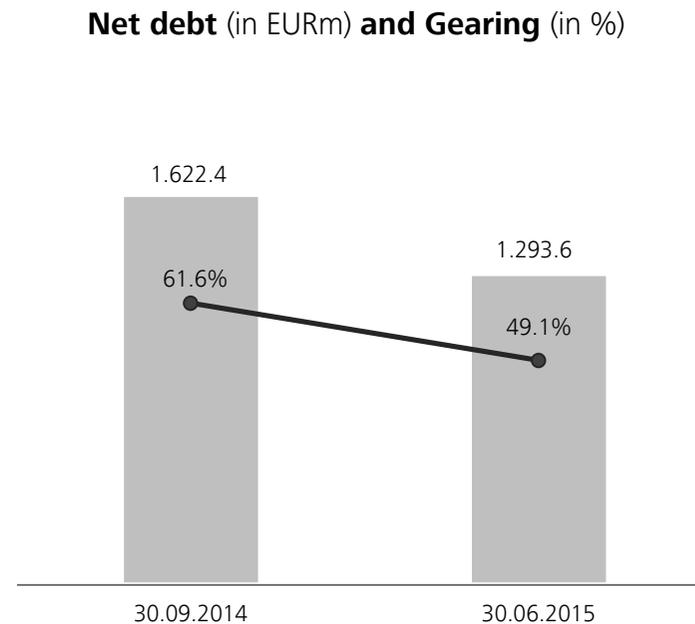
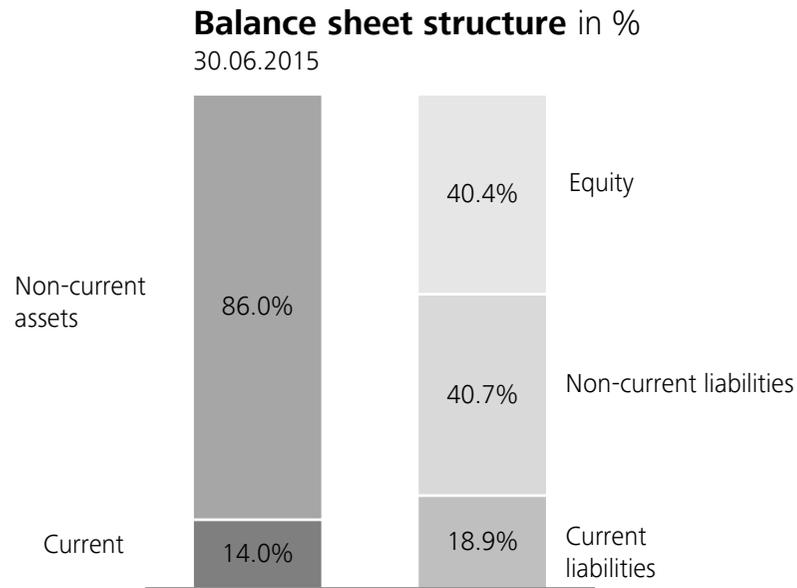
Improved EBITDA and EBIT

- Improved energy contribution margin
- Sale of sodium hypochlorite plant
- Better results from equity accounted investees with operational nature
- Absence of last year's one-off effects

Decline in financial results

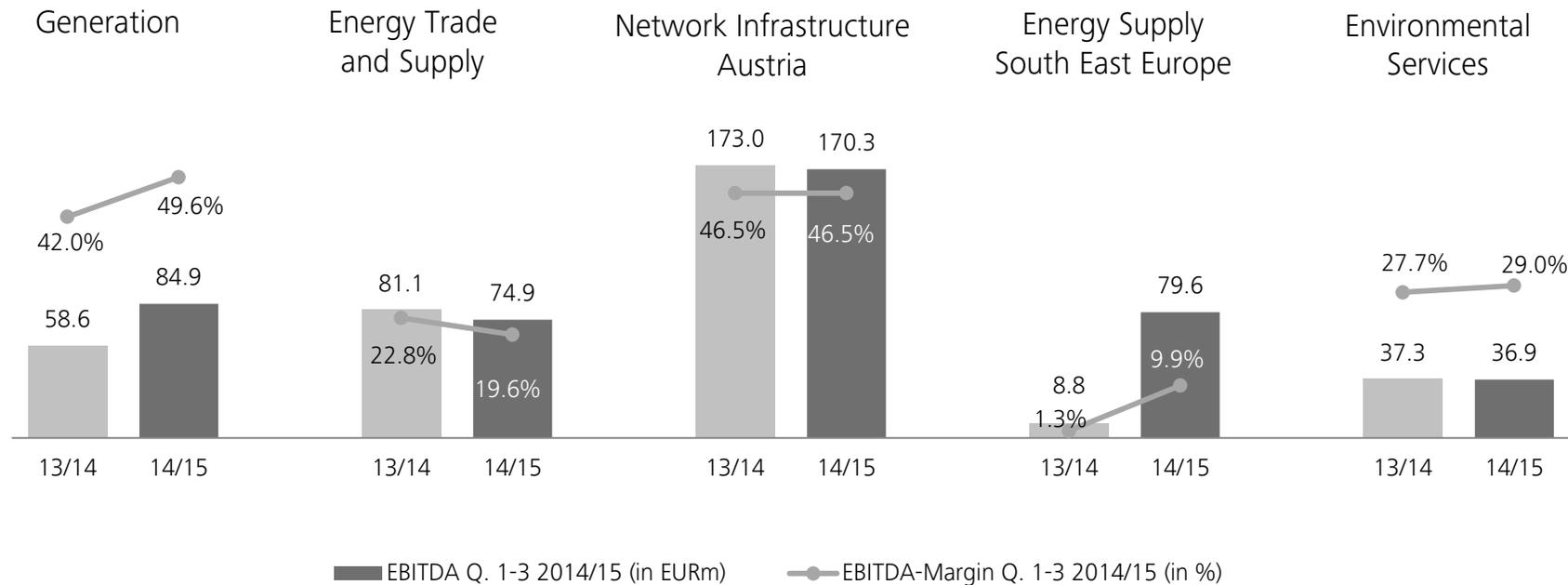
- Lower dividend payment from Verbund AG
- Termination of the hedge and investment guarantee for the sodium hypochlorite plant

Working capital related reduction of operating cash flow



- Equity ratio 40.4% in comparison to 38.5% as of 30.09.2014
- Net debt reduced by EUR 328.9m to EUR 1.293.6m (compared to 30.09.2014)
- Gearing decreased from 61.6% to 49.1% (compared to 30.09.2014)

EBITDA development by segments



- Full operations at the Duisburg-Walsum power plant
- Increase in use of natural gas power plants to ensure network stability
- Renewable production

- Demand for electricity and heating nearly unchanged
- Natural gas sales dropped

- Positive volume effects
- Decrease in electricity and natural gas network tariffs

- Positive volume and price effects
- Negative one-off effects in the previous reporting period

- Sale of sodium hypochlorite plant
- Higher revenue from thermal waste utilisation and water supply in Lower Austria

		2014/15	+/-
Electricity generation volumes	GWh	Q. 1-3	in %
Total		3,260	27.3
Renewable energy sources		1,318	17.1
Thermal energy sources		1,942	35.3
Financial performance			
	EURm		
Revenue		171.2	22.9
EBITDA		84.9	45.0
EBIT		27.0	-

Increase in thermal production

→ Full operations of Duisburg-Walsum

Rise in production from renewable energy sources

→ Full operations of the Prellenkirchen wind park

→ Commissioning of the Prottes-Ollersdorf windpark

Higher EBITDA and EBIT

→ Higher revenue

→ Increased call of EVN's natural gas power plants to ensure network stability in Austria and Germany

→ Rise in depreciation and amortisation

End customer price adjustment¹⁾

Electricity and gas	1.10.2014	-10.0%
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Sales volumes to end customers

	GWh	2014/15 Q. 1-3	+/- in %
Electricity		5,181	-0.5
Natural Gas		4,937	-2.0
Heat		1,554	0.6

Financial performance

	EURm		
Revenue		381.6	7.4
EBITDA		74.9	-7.6
EBIT		62.4	-10.0

Different development of sales volumes

- Natural gas and heating sales volumes nearly unchanged
- Decrease in natural gas sales volumes due to a decline in the household segment

Rise in revenues and operating expenses

- Marketing of the production from the Duisburg-Walsum power plant
- Increase in natural gas trading activities

Decrease in EBITDA and EBIT

- Declining energy contribution margin
- Better results from equity accounted investees with operational nature

1) Average. household sector (source: EVN)

Tariff structures¹⁾		
Electricity	01.01.2015	-1.0%
	01.01.2014	-9.0%
Natural gas	01.01.2015	-3.0%
	01.01.2014	7.7%

Network distribution volumes		2014/15 Q. 1-3	+/- in %
Electricity	GWh	6,152	2.3
Natural gas ²⁾		12,855	6.6

Financial performance			
Revenue	EURm	366.0	-1.5
EBITDA		170.3	-1.5
EBIT		92.9	-4.6

Increase in network distribution volumes

- Higher electricity distribution volumes driven by higher demand from industrial customers
- Rise in gas distribution volume mainly due to operation of gas-fired power plants

Decrease in EBITDA and EBIT

- Decrease in network tariffs for electricity and natural gas in January 2015
- Higher revenue in cable TV and telecommunication services
- Decline in operating expenses

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	1.8.2015	-0.4%
		1.10.2014	9.7%
	heat	1.7.2015	-7.0%
		1.7.2014	5.1%
Macedonia	electricity	1.7.2015	-0.3%
		1.7.2014	3.5%

Key energy business indicators	GWh	2014/15 Q. 1-3	+/- in %
Electricity generation volumes		414	33.8
Network distribution volumes ²⁾		10,430	4.3
Heat sales volumes to end customers		198	15.2

Financial performance	EURm		
Revenue		800.0	21.0
EBITDA		79.6	-
EBIT		33.6	-

Higher electricity generation volumes

→ Good water flows in Macedonia

Sales volumes increased

→ Temperature-related increase in electricity network distribution volumes and heat sales volumes in Bulgaria

Year-on-year EBITDA and EBIT increase

- Demand and price related increase in sales revenues
- Higher energy purchase costs due to regulatory decisions
- Continued reduction of network losses
- Absence of last year's impairment effects

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	2014/15 Q. 1-3	+/- in %
Revenue		127.6	-5.4
EBITDA		36.9	-1.0
EBIT		17.1	21.7
Financial results		-6.4	-
Profit before income tax		10.6	-11.1

Declined revenues. improvement of EBIT

- Sale of the sodium hypochlorite plant
- Positive effects from water supply and thermal waste utilisation in Lower Austria

Drop in financial results

- Termination of the hedge and investment guarantee for the sodium hypochlorite plant
- Decrease in interest income

Business development

- Takeover of the sodium hypochlorite plant by the city of Moscow successfully completed
- Participation in tenders for 10 waste water treatment plant projects

	EURm	2014/15 Q. 1-3	+/- in %
Gross CF		387.6	17.4
Net CF from operating activities		316.1	-13.9
Net CF from investing activities		45.4	-
Net CF from financing activities		-340.6	-42.8
Net change in cash and cash equivalents		20.9	-

Increase of gross cash flow

→ Increase in the result before income tax

Reduction in net cash flow from operating activities

→ Working capital effect

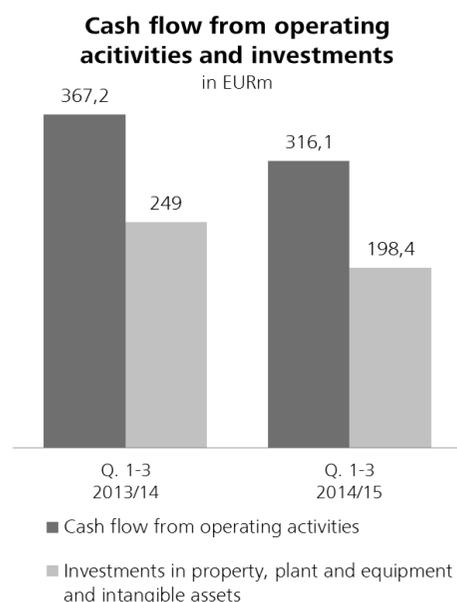
Positive cash flow from investing activities

→ Sale of the sodium hypochlorite plant

Decrease in net cash flow from financing activities

→ Repayment of the financing for the sodium hypochlorite plant

→ Scheduled repayments



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- Group net profit 2014/15 is expected to exceed 2012/13 level

 - EVN's strategy:
 - Integrated business model
 - Consolidation of existing business in core markets
 - Increase of efficiency

 - Investment focus on security of supply and expansion of renewable energy production capacities in Lower Austria

Stefan Szyszkowitz

CFO

Phone: +43 2236 200-12132

Fax: +43 2236 200-82132

E-mail: stefan.szyszkowitz@evn.at

Gerald Reidinger

Head of Controlling and Investor Relations

Phone: +43 2236 200-12698

Fax: +43 2236 200-82698

E-mail: gerald.reidinger@evn.at

Alexander Sipek

Investor Relations Officer

Phone: +43 2236 200-12360

Fax: +43 2236 200-82360

E-mail: alexander.sipek@evn.at

Investor information on the web

www.evn.at

www.investor.evn.at

www.responsibility.evn.at

E-mail: investor.relations@evn.at

EVN AG

Headquarters

EVN Platz

2344 Maria Enzersdorf

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