Networked thinking

Renewable energy and supply security

EVN Full Report 2013/14

When you think of renewable energy

Renewable energy will shape the energy future. But to use it efficiently and effectively, we need intelligent networks that can meet the added technical challenges. EVN has addressed these challenges for many years with massive investments in renewable energy generation plants and the expansion of its smart grids.

Key figures

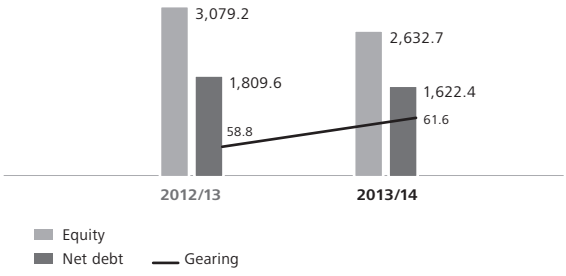
		2013/14	2012/13[1]	Change nominal	Change in %
Sales volumes					
Electricity generation volumes	GWh	4,395	3,701	694	18.7
thereof from renewable energy	GWh	1,868	1,954	–86	–4.4
Electricity sales volumes to end customers	GWh	19,317	20,209	–891	–4.4
Natural gas sales volumes to end customers	GWh	5,383	6,333	–950	–15.0
Heat sales volumes to end customers	GWh	1,991	2,062	–71	–3.4
Consolidated statement of operations					
Revenue	EURm	1,974.8	2,105.9	–131.0	–6.2
EBITDA	EURm	184.1	540.0	–356.0	–65.9
EBITDA margin[2]	%	9.3	25.6	–16.3	–
Results from operating activities (EBIT)	EURm	–341.4	242.2	–583.6	–
EBIT margin[2]	%	–17.3	11.5	–28.8	–
Result before income tax	EURm	–373.3	170.7	–544.0	–
Group net result	EURm	–299.0	109.3	–408.3	–
Consolidated statement of financial position					
Balance sheet total	EURm	6,841.8	7,283.7	–441.9	–6.1
Equity	EURm	2,632.7	3,079.2	–446.5	–14.5
Equity ratio[2]	%	38.5	42.3	–3.8	–
Net debt	EURm	1,622.4	1,809.6	–187.2	–10.3
Gearing[2]	%	61.6	58.8	2.9	–
Return on equity (ROE)[2]	%	–9.5	5.0	–14.5	–
Consolidated cash flow and investments					
Net cash flow from operating activities	EURm	546.0	570.0	–24.0	–4.2
Investments[3]	EURm	396.3	372.9	23.5	6.3
Net debt coverage (FFO)[2]	%	41.3	38.3	3.0	–
Interest cover (FFO)	x	8.1	8.8	–0.7	–
Value added					
Net operating profit after tax (NOPAT)	EURm	144.5	307.3	–162.8	–53.0
Capital employed[4]	EURm	4,900.5	5,046.6	–146.1	–2.9
Return on capital employed (ROCE)[2]	%	–3.8	3.9	–7.7	–
Operating ROCE[2]	%	2.9	6.1	–3.1	–
Weighted average cost of capital (WACC)[2]	%	6.5	6.5	0.0	–
Economic value added (EVA®)[5]	EURm	–174.1	–20.7	–153.3	–
Share					
Earnings	EUR	–1.68	0.61	–2.3	–
Dividend	EUR	0.42[6]	0.42	0.0	–
Payout ratio[2]	%	–	68.6	–	–
Dividend yield[2]	%	4.1	3.7	0.4	–
Share performance					
Share price at 30 September	EUR	10.13	11.29	–1.2	–10.3
Highest price	EUR	12.50	12.66	–0.2	–1.3
Lowest price	EUR	9.76	9.42	0.3	3.6
Market capitalisation at 30 September	EURm	1,821.0	2,031.0	–210.0	–10.3
Credit rating					
Moody's		A3, negative	A3, stable	–	–
Standard & Poor's		BBB+, stable	BBB+, stable	–	–

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).
2) Changes reported in percentage points
3) In intangible assets and property, plant and equipment
4) Average adjusted capital employed
5) As defined by Stern Stewart & Co
6) Proposal to the Annual General Meeting

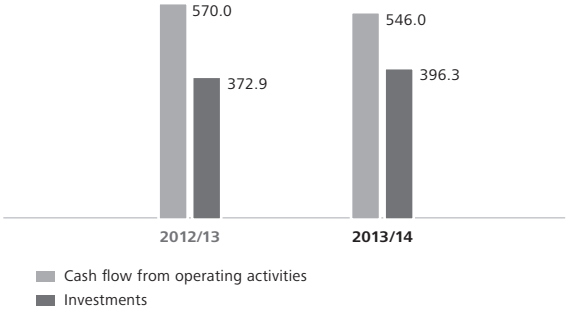
		2013/14	2012/13
Employees			
Number of employees	Ø	7,314	7,455
thereof Austria	Ø	2,407	2,407
thereof abroad	Ø	4,907	5,038
Employee fluctuation	%	2.8	3.2
Proportion of women	%	21.4	21.9
Training hours per employee	hrs.	34.9	31.3
Number of occupational accidents		98	121
Environment			
Quantity of CO_2 emissions (Scope 1)	t	2,215,563	1,677,385
NO_X emissions	t	823	1,065
Hazardous waste[1)]	t	10,703	9,266
Water consumption (drinking and process water)	m³	2,295,021	2,040,939

1) Without building residues and power station by-products

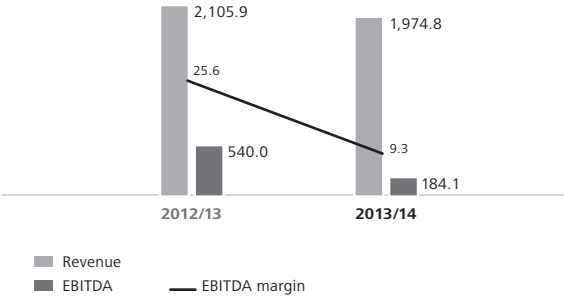
Equity, net debt in EURm
Gearing in %



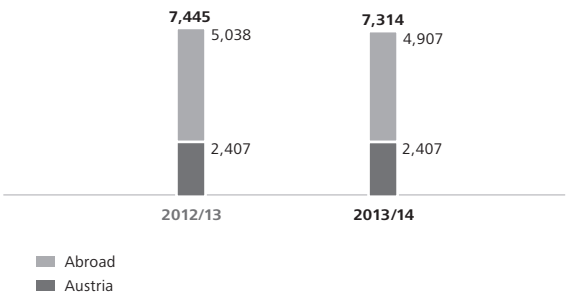
Cash flow and investments in EURm



Revenue, EBITDA in EURm
EBITDA margin in %



Employees by region



you should also
make intelligent decisions
about its distribution

When you want to have long-term success as an energy provider

you should rely on your customers

Sustainable success in the energy industry also means solid and long-lasting customer relationships. Mutual trust and good service are another important part of this success. That's why EVN's stable, broad and diversified customer base is no coincidence.

Contents

About this report

EVN has published an integrated annual and sustainability report, the so-called "full report"[1)], for each financial year since 2009/10. The equal treatment of sustainability content, including the CSR programme, with the annual report and corporate governance report reflects EVN's self-image as a responsible energy and environmental services provider. A central element of EVN's integrated business model is the well-balanced treatment of its various stakeholder groups. Their diversity and different information requirements are given equal treatment in the full report. This year's report is designed in such a way as to provide easier access to relevant information through a structure that is focused more closely on the individual stakeholder groups. This report meets the high "Advanced Level" standards defined by the UN Global Compact and also qualifies as a presentation of EVN's progress.

References

Additional information on certain topics is provided on EVN's homepage and cross-referenced in this report. The full report also includes references to the GRI standards and to other information within the report. Different reference signs are used to facilitate the reader's orientation inside and outside the report. The signs used in the 2013/14 full report are listed below:

- △ Reference to the GRI Standards
- ❑ Reference to additional information within the full report
- ○ Reference to the World Wide Web

Printing

The full report was printed according to the "Cradle-to-Cradle" principle This means that only pollutant-free and recyclable materials were used in the printing process. Thus, our high commitment to sustainability is underscored also in the production of our report.

Scope of the report

EVN's financial year begins on 1 October and ends on 30 September. This report is based on EVN's scope of consolidation as of 30 September 2014 according to consolidation regulations. IFRS 10, 11 and 12 were applied for the first time in the 2013/14 financial year and led to adjustments in the scope of consolidation. Information on the scope of consolidation is provided in the notes. Unless indicated otherwise, the comparative prior period data were also adjusted to reflect the application of these revised standards.

This report meets the requirements of the Global Reporting Initiative (GRI) Version 4 "comprehensive" and includes the additional GRI indicators for the utility industry (Electric Utility Sector Supplements). EVN's objective is to provide detailed information on the subjects that are of key importance to its stakeholders. The reporting content is based on legal requirements, the information needs of stakeholders and the most important areas of activity in EVN's materiality matrix (page 37). In developing this matrix, EVN's internal and external stakeholders identified the areas that have the greatest impact, opportunities and risks on the company and its stakeholders. The CSR materiality matrix is evaluated on a regular basis to incorporate new trends and subjects that are relevant to the various stakeholder groups. The 2013/14 survey led to an update of the materiality matrix presented in the 2012/13 full report. A detailed list of the areas of activity and the related GRI aspects used to define the reporting content can be found online under **www.evn.at/EVN-Group/responsibility/CSR-reporting.aspx.** In comparison to the prior year report there were neither material changes in the scope of the report nor in the presentation of information. In agreement with the GRI reporting standards, this report does not include information of low importance thereby maximising relevance and transparency by focusing on the most significant issues. The indicators that are not applicable to EVN are designated as such in the GRI Content Index at the end of this report.

The Environmental Protection and Controlling Department and the Accounting Department were responsible for the data collection and calculations. The data are based on the GRI indicator protocol, which was applied as completely as possible. Compliance with this reporting standard and the related criteria was reviewed and confirmed by TÜV SÜD (see page 244).

EVN also believes in equal gender treatment in its internal and external publications, including this full report. Any statements made in the male form to improve readability refer equally to both genders.

The editorial deadline for this report was 26 November 2014.

- ❑ For further information on the definition of this report's content, see page 50ff.
- ○ For information on the Global Reporting Initiative go to: **www.globalreporting.org**
- ○ The GRI Content Index can be found on page 246.

Editorial

Dear Shareholders,
Ladies and Gentlemen,

EVN faced numerous challenges during the 2013/14 financial year. The distortions on the wholesale markets continued throughout the reporting year and created constant pressure on electricity production from thermal power plants (see page 131f). The profitable use of gas-fired power plants in Europe is virtually impossible at the present time. For this reason, a growing number of companies are decommissioning their conventional power plants. These events also had an effect on EVN: in the 4th quarter of 2013/14 a reduction in the estimated long-term development of electricity prices required an impairment of the Dürnrohr coal-fired power plant. These expectations also required an impairment on the participation interest in Verbund Innkraftwerke GmbH (see page 131f).

Additional pressure was created by the recent temperature trends: the heating degree days, an important indicator for utility companies, declined further during the reporting year in Austria, Bulgaria and Macedonia after the mild winter in 2012/13. That had a negative effect on sales volumes and also reduced revenues (see page 114).

Developments in Bulgaria and Macedonia necessitated the recognition of impairment losses to goodwill and customer bases during 2013/14. In earlier years we were generally able to offset tariff reductions in both markets with improvements in the operating area: corporate processes were continuously optimised and made even more economical, and key indicators like network losses and the collection rate showed steady progress over the years. By the tariff decisions of 30 June 2014, the respective regulatory authorities have changed the conditions in such a way that from today's point of view the historic expectations are not likely to be achieved any more (see page 136ff).

In the international environmental services business, the 4th quarter of 2013/14 brought reasonable doubts concerning the realisation of the thermal waste utilisation plant no. 1 in Moscow and led to the write-down of a receivable. An impairment loss was also recognised on the sewage sludge drying plant and on components of the co-generation plant in Lyuberzy, Moscow. On the other hand, a solution for the sodium hypochlorite plant was found by selling it to the city of Moscow in October 2014 (see page 138ff).

The energy industry is currently undergoing a transformation process that will not only bring significant challenges, but also opportunities for all market participants. EVN has become one of the largest windpark operators in Austria and – with its extensive portfolio of windpower, hydropower and photovoltaic power plants – now generates 42.5% of its electricity from renewable energy sources. EVN is also the largest natural heat supplier in Austria with more than 60 plants.

The rapidly expanding use of renewable energy does, however, also represent a major challenge for supply security and, in turn, for the network infrastructure. We are therefore continuing to invest in our transmission and distribution networks, especially in our home market of Lower Austria, because an energy system in transition demands responsible and, above all, coordinated actions and sound judgment. The 2013/14 full report also shows how experts see this change and how EVN is preparing for this and even greater issues of the future (see page 16ff). As the reasonable balance between the increasing use of renewable energy and uncompromising supply security is so important, we have made it the focal point of this full report.

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

❑ Detailed information on the members of the Executive Board and their responsibilities can be found in the corporate governance report starting on page 97.

„Supply security doesn't happen automatically"

The two members of the Executive Board of EVN AG, Peter Layr and Stefan Szyszkowitz, in a discussion on the current situation on the energy markets and the development of EVN during the 2013/14 financial year.

Peter Layr

Mr. Layr, the energy industry is currently faced with significant challenges. What are the central issues from your point of view?

Layr: One of the current core problems is the low level of wholesale prices, above all on the Central European electricity exchanges. The recent price developments have led to a massive loss in the value of conventional electricity generation plants – because their cost-effective operation has become virtually impossible. As a reaction to this situation, many domestic and foreign utility companies have started to mothball not only older crude oil- and coal-fired power plants, but also state-of-the-art facilities. Decisions over the construction of new plants are also being postponed. Conversely, the question is how to balance the natural fluctuations in the production of renewable energy in order to ensure stable and reliable energy supplies in the future. The expansion of renewable energy should be supported – but it must be integrated in an overall energy sector concept.

Mr. Szyszkowitz, how would you describe an overall concept that pays special attention to electricity generation from renewable energy sources?

Szyszkowitz: By its very nature, the generation of energy from the sun and wind can only be planned up to a certain point. That means relatively high volatility, which must be cushioned with

Stefan Szyszkowitz

"We need to keep the network in good shape, so we can continue to provide energy in the same reliable way." Stefan Szyszkowitz

the help of predictable forms of generation. However, the previously mentioned mothballing of power plants reduces this reserve capacity and therefore conflicts with stable and reliable energy production that includes renewable energy. In addition, the fluctuations in energy production from renewable sources create substantial challenges for the networks and their stability. That's why we need to keep the network in good shape, so we can continue to provide energy in the same reliable way. Then again, we also need to think about the effects of subsidies and their influence on the market. In Germany, as an example, the preferential treatment given to renewable energy has forced other generation forms out of the market – even though they are the guarantee for supply security.

In other words, that also means harmonising the different interests currently prevailing on the energy market?

Layr: At times you have the impression that supply security is either generally taken for granted or not sufficiently discussed. Neither of these alternatives is good because supply security doesn't happen automatically. We only have such a high standard of supply security in Austria because the utility companies made steady, wide-ranging investments in production capacity and in the network in earlier years – of course, in good faith that they would be compensated for these investments over time. EVN has even defined supply security as its number one priority. This view is also shared by our stakeholders, as you can see on our materiality matrix which was updated again this year in an extensive process.

> **"Any attempt at a solution must combine supply security, energy efficiency and renewable generation."** Stefan Szyszkowitz

Szyszkowitz: Of course, consumers and politics are interested in the cheapest possible energy prices. As an integrated utility company, we are also working continuously to make our operations as efficient as possible at all levels of the value chain and, through these efforts, to offer our customers attractive prices. In spite of this, we must realise that energy has a value and therefore also a price. Recognising this value guarantees that sufficient energy will be generated in the future to maintain our high quality of life and to keep our industrial location competitive.

The security of energy supplies as a common goal is undisputed. In your opinion, how can we harmonise the different interests of consumers, politics and utility companies?

Layr: One important step will be to create uniform energy sector framework conditions throughout Europe. What we currently see, unfortunately, is a variety of local solutions with hardly any coordination. An important point here, as was mentioned above, is that a value must be placed on the provision of energy that balances out the volatile generation from renewable sources. Our cooperation with the Federal Network Agency in Germany has shown that this concept can work: we provided power plant capacity for energy deliveries to Germany during the past three winter half-years and will also make 785 megawatts of generation capacity available for the next two winter half-years. If and when requested, we can deliver electricity within a short period of time. We are paid for providing this reserve capacity and, in this way, can keep our power plants in operational condition.

Szyszkowitz: From my point of view, any attempt at a solution must combine supply security, energy efficiency and renewable generation. It's also important to avoid any loss of comfort for the consumer. At EVN, our work is based on these premises – and, consequently, the focus is always on the customer and his or her needs. EVN has always relied on an integrated business model that covers the entire value chain in the energy business. How would you describe this model against the backdrop of the current environment?

Layr: The comparatively stable network business forms the core of our activities. In generation, we focus on a flexible energy mix that includes both thermal and renewable components. That allows us to protect availability of capacity and output. In energy distribution, we can build on a strong brand. Our business activities are complemented and further diversified by the environmental services business. Additionally, our portfolio of strategic investments helps to strengthen the Group's vertical integration. The energy sector is currently undergoing a major transformation and, for that reason, we are proceeding with particular caution and relying on our sound judgment. Our goal is to consolidate the existing business in our core markets and realise opportunities to further improve our efficiency. In the areas of renewable energy, water supplies and the heating business, we also see substantial opportunities for the future in Lower Austria.

Moving from the current challenges to visible successes: what were the highlights of the 2013/14 financial year?

Layr: EVN performed well in spite of the major challenges faced by the energy industry. One particular achievement I am particularly pleased about: We were again successful in providing above-average high supply security for our customers. Stable energy supplies are, last but not least, a fundamental requirement for the positive development of Lower Austria as an industrial and commercial location. But they also mean high living standards for our household customers who can always depend the required energy forms and on drinking water in sufficient quantities and the necessary quality.

And how would you evaluate EVN's business performance?

Szyszkowitz: Based on the numbers, you can't be satisfied with the results for 2013/14. However, any analysis must go one step further. The warm winter in 2013/14 obviously left its mark on our

> **"One important step will be to create uniform energy sector framework conditions throughout Europe."** Peter Layr

business. We were also faced with the effects of the past year's tariff decisions in Bulgaria and Macedonia and a lower number of orders processed in the international project business. These factors prevented us from duplicating the prior year's operating results. However, the substantial decline in earnings resulted primarily from the necessary recognition of impairment losses in South Eastern Europe, in the environmental services business and in electricity generation. Since most of these impairment losses represent non-cash items, they have no influence on EVN's financial stability and also not on the expected dividend payment.

In other words, we shouldn't worry about EVN?

Szyszkowitz: No, there is really no need to worry! The strong cash flow from our operating business will still support our continued investments in projects for renewable energy and supply security.

Do these latest experiences have any effect on EVN's foreign strategy?

Layr: Yes, of course they have an effect – in the end, our consolidation course was strengthened. EVN was cautious in taking its first steps outside Austria, but the world is not the same as it was a number of years ago when the investment decisions were made. Unfortunately, you can never completely eliminate uncertainty. And here I also mean the consequences of the 2008 financial and economic crisis on the whole of South Eastern Europe. Our goal is to ensure the positive development of operating earnings over the medium and long term. Of special note here is the fact that we have created more than 100 new jobs in Lower Austria with our foreign activities and are also protecting existing jobs. Dozens of Austrian companies also benefit from orders related to our foreign business.

You have made a number of good points. What specific projects would you say were particularly outstanding in the past year?

Layr: One particularly important project for natural gas supply security was the completion of the Westschiene natural gas transport pipeline. Its commissioning gives us a direct connection of our network to the RAG natural gas storage facilities in Upper Austria. The special feature of this pipeline is that the direction of the natural gas flow can be reversed as needed. These storage facilities can be used to supply the population centres both in Lower Austria and in and around Vienna. In the electricity area, we further expanded the network to transport the increased feed-in volumes from windpower plants. This work focused, above all, on the 110-kV network. The medium- and low-voltage networks were also upgraded to deal with the feed-in from decentralised photovoltaic equipment. We strengthen our own activities in renewable energy with the construction of a windpark in Prottes-Ollersdorf, where twelve 3-megawatt generation wind turbines will be installed. Other projects involved decentralised heat supplies from biomass. We expanded several existing district heating networks and also built new plants, for example in Fischamend. With over 60 plants, we are the largest producer of natural heat in Austria.

> **"The energy sector is currently undergoing a major transformation and, for that reason, we are proceeding with particular caution and relying on our sound judgment."** Peter Layr

> **"The strong cash flow from our operating business will still support our continued investments in projects for renewable energy and supply security."** Stefan Szyszkowitz

Szyszkowitz: In the area of water supply, a number of additional communities have entrusted us with the operation of their pipeline networks or arranged for connections to EVN's cross-regional supply network. And with the construction of natural filter plants, we are creating the basis to improve the quality of the water by natural methods. It's not common knowledge, but we currently supply more than 500,000 residents in Lower Austria, directly and indirectly, with drinking water. Our international environmental services business is now working on nine projects – for example, the wastewater purification plants in Warsaw and Kotor-Tivat in Montenegro. The Mia Milia/Haspolat wastewater purification plant in the Cypriote capital of Nicosia was commissioned in April. However, I would also like to mention a different, but no less important project: our campaign "EVN for Lower Austria". In 43 individual projects, EVN's employees supported social or charitable organisations throughout Lower Austria during the past financial year. EVN

> **"We can build on a solid foundation for the future."** Stefan Szyszkowitz

gave these employees additional time-off for their activities and provided financial support for purchasing the necessary materials. A very special point for me is that, with this campaign, the company and employees were able to demonstrate their social responsibility in Lower Austria together.

What can EVN's customers expect in the coming financial year?

Layr: EVN's sales company reduced energy prices in electricity by 10% on average as of 1 October 2014 within the framework of the EnergieAllianz. With this step, we passed on the lower wholesale prices to our customers before the start of the winter season. It also proves one more thing: our customers can depend on us. We offer the full range of services provided by a modern utility company from a single hand and are also available to help our customers with advice and support when they plan and realise projects or energy efficiency measures. Our bonus point programme is also new: customers can collect points and then exchange them for energy services or energy-saving products. Together with the social experts in various institutions like Caritas or the Chamber of Labour in Lower Austria, we will also ensure that social accuracy is respected in the implementation of the bonus programme and the Austrian Energy Efficiency Act.

And what do you have in store for your shareholders?

Szyszkowitz: On the one hand, we will propose a dividend of EUR 0.42 per share to the Annual General Meeting, thus matching the previous year's distribution. Our strong cash flow gives us sufficient funds for this purpose, and there is no need to increase debt. On the other hand, we can build on a solid foundation for the future, which is also illustrated by our balance sheet, and we expect further strong cash flows in the future.

The future is a good keyword: What projects will EVN be implementing in the coming months?

Layr: In total, we want to invest one billion euros in supply security and the use of renewable energy in Lower Austria over the next four years. Here are a number of examples: We are currently constructing the already mentioned windpark in Prottes-Ollersdorf which will have a total capacity of 37 megawatts. That will lead to a substantial increase in the capacity of our windpower plants from the current level of 213 megawatts. In the area of water supplies, we are building two natural filter plants in Obersiebenbrunn and Drösing, which should be commissioned in 2015, and construction on a similar plant in Zwentendorf is scheduled to start in the near future. Natural filter plants reduce the hardness of the water by natural means. When these three plants are completed, we will be able to supply roughly 100,000 additional households with soft water in spring water quality.

Let's take a look at the more distant future: What are EVN's long-term goals, and how are they related to your stakeholders?

Layr: Our primary goal is to protect the high level of supply security expected by our customers. That can be achieved, on the one hand, through investments like the ones I just mentioned and, on the other hand, by the highly qualified employees who ensure trouble-free operations and, if difficulties arise, react quickly and efficiently to solve the technical problems. The expansion of energy production from renewable sources is another important focus – it requires high investments in strong and intelligent network infrastructure. In particular, the expansion in this area must be based on sensitive planning and include the involved communities. People play an important role in the system transformation towards renewable energy.

Szyszkowitz: We want to increase our focus on services that meet the needs and requirements of our customers and, based on these services, generate stable earnings that support the necessary investments and convince our investors of EVN's long-term orientation.

> **"We want to invest one billion euros in Lower Austria over the next four years."** Peter Layr

For EVN as a listed company, long-term stability is also the declared goal. Our shareholders should see this stability in the predictable development of dividends and in a stable investment grade rating.

Last but not least: Do you have any wishes for the 2014/15 financial year?

Layr: I have a number of wishes for EVN and our customers – but wishes alone are not enough. That's why all of us at EVN are working together consistently to carefully analyse current and future issues and to develop what we believe are the best answers. However, what I would really like to see is a transparent discussion of the value of energy and network supply security with the relevant decision-makers and public authorities. Supply security can only be protected on a lasting basis when it is given the value it really deserves.

Szyszkowitz: This wish is one I can only underscore – we need a logical, EU-wide energy policy that is focused on sustainability, but doesn't lose sight of supply security. And we need innovations that will keep us in shape for the future. An important step in this direction is the founding of the EVN future lab to develop and test new business models and products.

"I would really like to see a transparent discussion of the value of energy and network supply security." Peter Layr

Report of the Supervisory Board

Dear Ladies and Gentlemen,

The situation on the energy markets remained tense throughout the 2013/14 financial year. The volatile generation from renewable energy sources led to temporary supply overhangs, which had a significant influence on the wholesale prices for electricity. The resulting price developments were reflected in decisions by a number of energy producers to shut down power plant capacity. However, steps like these endanger the high energy supply standard. The maintenance of sufficient capacity reserves on a pan-European basis is therefore required to protect supply security. For EVN, supply security is a top priority. Power plants are held in stand-by condition to give customers the greatest possible security. The resulting strong loyalty was also reflected in customer satisfaction with EVN's set course during the past year.

The Supervisory Board actively monitored and supported EVN's strategic steps as part of its designated responsibilities. Five plenary meetings were held during the reporting year, in which the Supervisory Board fulfilled the tasks and duties required by legal regulations and the company's by-laws. The Executive Board provided the Supervisory Board with regular, timely and comprehensive reports on all relevant aspects of EVN's business development, including the risk position and risk management, as well as the development of key Group companies. This reporting allowed the Supervisory Board to continually supervise and support the Executive Board's management activities. The control functions exercised by the Supervisory Board within the framework of open discussions with the Executive Board did not lead to any objections. Recommendations by the Supervisory Board were taken up by the Executive Board.

Changes on the Supervisory Board

Following the resignation of Michaela Steinacker from the Supervisory Board, the 85th Annual General Meeting on 16 January 2014 elected Angela Stransky to serve out the remaining term of this member in accordance with the by-laws of EVN AG. Ms. Stransky's function as a member of the Supervisory Board therefore began with the end of the 85th Annual General Meeting and will end with the Annual General Meeting that votes on the release from liability for the 2014/15 financial year. The Supervisory Board would like to thank Ms. Steinacker for her many years of successful work on the Supervisory Board.

Major resolutions passed by the Supervisory Board

The most important decisions taken by the Supervisory Board in 2013/14 included the approval of the annual financial statements and the 2014/15 budget for the EVN Group as well as the approval of the EVN StrategieUpdate 2013. The approval of the budget also covered investments in heating and windpower plants, in long-distance and district heating plants, in electricity, natural gas and heating networks and in IT infrastructure. These investments are designed, above all, to protect supply security and transport renewable energy production. Investments approved for the environmental services business are directed to improving water quality. In addition, the Supervisory Board discussed international projects for water purification. The Supervisory Board also approved the renewal and extension of the syndicated credit line at a reduced volume of EUR 400m with a term of up to seven years and local financing for individual companies.

The Executive Board informed the Supervisory Board of current developments in Bulgaria, Macedonia and Moscow.

Austrian Corporate Governance Code, Supervisory Board committees

EVN, as a listed company, is committed to compliance with the Austrian Corporate Governance Code. The Supervisory Board approved the implementation of the January 2012 version of the code by EVN beginning in 2012/13. The amendment of the Austrian Corporate Governance Code to reflect the July 2012 changes in Austria's Second Stability Act is binding for EVN under this law. The Supervisory Board

strives to consistently comply with the provisions of the code that relate to its activities. EVN complies with all rules governing the cooperation between the Supervisory Board and the Executive Board as well as the internal workings of the Supervisory Board with the exception of two deviations that are explained in the corporate governance report. The Supervisory Board examined all possible conflicts of interest and did not identify any inconsistencies.

In its meeting on 11 December 2013, the Supervisory Board approved the report prepared in accordance with Rule 18a of the Austrian Corporate Governance Code on measures to prevent corruption in the company.

In line with the requirements of the Austrian Corporate Governance Code and the rules of procedure for the Supervisory Board, the Supervisory Board established the following committees: the Audit Committee, the Personnel Committee which simultaneously serves as a Remuneration and Nominating Committee, and the Working Committee.

The Personnel Committee met three times during the 2013/14 financial year and dealt with issues pertaining to relations between the company and the members of the Executive Board. The Personnel Committee approved the acceptance of a seat on the supervisory board of CEESEG Aktiengesellschaft and on the supervisory board of Wiener Börse AG by Stefan Szyszkowitz. The Working Committee did not meet during the reporting year. The Audit Committee met three times in 2013/14 and dealt primarily with six-month results, including the outlook for the full financial year, the preparation of the resolution for the approval of the annual financial statements and the appointment and work of the auditor. The Audit Committee also discussed current developments in the operating segments, in particular the initial application of the new consolidation standards IFRS 10 – 12 as well as current developments after the third budget update (status of projects in the environmental services business and the impairment testing of generation plants in connection with latest estimates for the short-, medium- and long-term development of electricity prices) and dealt extensively with the internal control, internal audit, risk and compliance management systems.

The corporate governance report provides additional information on the composition and working processes of the Supervisory Board and its committees as well as the remuneration of Supervisory Board members and guidelines defined by the Supervisory Board to ensure its independence.

Annual financial statements and consolidated financial statements

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, was appointed to audit the financial statements for the 2013/14 financial year from 1 October 2013 to 30 September 2014. This firm examined the annual financial statements of EVN AG as of 30 September 2014, which were prepared in accordance with Austrian accounting regulations, and the management report submitted by the Executive Board. KPMG presented a written audit report on the audit and issued an unqualified opinion.

Following detailed analysis and discussions by the Audit Committee and the Supervisory Board, the Supervisory Board approved the following documents that were submitted by the Executive Board: the annual financial statements as of 30 September 2014 together with the notes, management report and corporate governance report; and the recommendation for the use of profits.

The annual financial statements as of 30 September 2014 were thereby approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements were prepared in accordance with International Financial Reporting Standards (IFRS) and also audited by KPMG Austria GmbH Wirtschaftsprüfungs-und Steuerberatungsgesellschaft, Vienna, which issued an unqualified opinion.

The Supervisory Board approved the consolidated financial statements together with the respective notes and management report.

In conclusion, the Supervisory Board would like to thank the Executive Board and all employees of the EVN Group for their performance and commitment during the 2013/14 financial year. Special thanks are also directed to EVN's shareholders, customers and partners for their confidence in the company.

Maria Enzersdorf, 10 December 2014

On behalf of the Supervisory Board:

Burkhard Hofer
President

Operating highlights 2013/14

Energy business

→ **Mild winter leads to weaker demand and decline in generation**
- Heating degree total in all supply areas below previous year: by 20.6 percentage points in Lower Austria, by 7.6 percentage points in Bulgaria and by 5.7 percentage points in Macedonia
- Water flow and wind conditions negatively influenced by the weather; generation from renewable energy 4.4% lower than previous year

→ **Adjustment of network tariffs and electricity prices**
- New network tariffs in Lower Austria: 9.0% reduction in electricity tariffs, 7.7% increase in natural gas tariffs (1 January 2014)
- Energy price in electricity: average reduction of 10% for EnergieAllianz Austria household customers in Lower Austria (October 2014)

→ **Focus on power plants**
- Commissioning of the Duisburg/Walsum coal-fired power plant (December 2013)
- Marketing of power plants Theiß and Korneuburg: in total, 785 MW of reserve capacity for southern Germany (winter half-year 2013/14)

→ **Increase in supply security**
- Expansion of 110 kV network in Lower Austria (July 2014)
- Completion of 143 km Westschiene natural gas transport pipeline (May 2014)

→ **Continuous expansion of renewable energy**
- Commissioning of the Prellenkirchen windpark with a capacity of 24 MW (February 2014)
- Opening of the Schönkirchen photovoltaic plant with public participation (May 2014)
- Construction of the Prottes-Ollersdorf windpark with a capacity of 37 MW (on-going)

Environmental service business

→ **Investments in water supplies for Lower Austria**
- Takeover of operations for water supply network in the community of Göllersdorf (January 2014)
- New pipeline and pressure regulation equipment to connect the community of Litschau to EVN's cross-regional supply network (June 2014)
- Construction of natural filter plants for drinking water in Obersiebenbrunn and Drösing (on-going)

→ **Successful orders in CEE**
- Modernisation of the Pruszkow waste treatment plant in Warsaw, Poland (December 2013)
- Planning and modernisation of the Kotor-Tivat waste treatment plant in Montenegro (February 2014)
- Commissioning of the Mia Milia/Haspolat waste treatment plant in Nicosia, Cyprus (April 2014)

Financing

→ **Financing basis strengthened**
- Conclusion of a EUR 400m revolving credit line for up to seven years (July 2014)

Energy transition = Renewable energy + Strong networks

The managing director of the German Agency for Renewable Energy, Philipp Vohrer, started to celebrate several years ago: "The energy transition gives people the opportunity to take energy supplies into their own hands and join in the expansion of regenerative energy production." Photovoltaic equipment on the roof of every house. A wind turbine for every community. Everyone supplies everyone else. A nice idea. But one problem was overlooked: in order to exchange and transport energy, you need secure networks. The feed-in of energy from thousands of photovoltaic and windpower plants with their high volatility creates enormous challenges for the existing networks – which were not designed for this purpose. The challenges are so great that many experts are even warning of threatening black-outs. In short: will the energy transition make the lights go out?

We asked Eveline Steinberger-Kern, consultant and expert for renewable energy, Wolfgang Gawlik from the Institute of Energy Systems and Electrical Drives at the Vienna University of Technology, Andrea Edelmann, EVN's innovation officer, Johannes Reindl, managing director of Netz NÖ GmbH, and Franz Dinhobl, managing director of EVN Wasser, to give us their opinions.

Have the established utility companies slept through the energy transition?

Eveline Steinberger-Kern: If you analyse the entire branch – and here I mean global – you would have to answer this question with yes. The market distortions have led to impairment losses of 500 billion euros since 2008.

Andrea Edelmann: I think we need to take a closer look at the individual utility companies. If we evaluate EVN's commitment to windpower, the results are much better: in Lower Austria, EVN has made good use of the opportunities to date.

Johannes Reindl: EVN is also remarkably well positioned on the photovoltaic market in Lower Austria. One-fourth of all photovoltaic systems in Austria are connected to our network. Here we're talking about a total capacity of 160 megawatts, which after all, corresponds to the output of a small Danube River power plant. But we're also aware of one other important fact: the boom in photovoltaics and windpower has created significant challenges for EVN as a network operator.

You just mentioned one of the major points on the agendas of today's utility companies: renewable energies are, in part, highly volatile and that creates major challenges for network operators…

Reindl: That's right. The networks currently in use weren't created for these new challenges. They were designed as one-way lines from the power plant to the customer. What we now need to do is to restructure these networks into motorways that can carry two-way traffic. And there's one more difficult assignment: even if the

"The market distortions have led to impairment losses of 500 billion euros since 2008." Eveline Steinberger-Kern

expansion is successful, substantial efforts will be required to keep the networks stable.

Wolfgang Gawlik: No one could have predicted the enormous momentum that we are now seeing in the area of renewable energies. My colleagues once coined the saying: "A photovoltaic cell is good for a pocket calculator, and nothing else." Now we have solar plants with 35 gigawatts of installed capacity – for example, in Germany. Of course, network operators would love to build new networks – but they're not allowed to. Or not allowed to as quickly as they want.

Who is responsible for taking the next step?

Gawlik: What we're discussing here is a social problem. On the one side, the public acceptance of renewable energy is high. However, when energy prices increase, this acceptance drops very quickly. And when the discussion turns to the necessary network expansion, the acceptance is even lower. We need to start right here and clearly state: you can't have it all. If we want an energy transition, we must also be prepared to pay for it and cut back somewhere else.

Edelmann: I'd like to make another brief comment on the previously mentioned impairment losses. We are currently confronted with rapid changes in the value of certain power plants. Natural gas-fired power plants were the focus of intensive construction activity only a few years ago – but they can't be commissioned today. Simply because they're not profitable.

Reindl: Natural gas-fired power plants are dramatically undervalued at the moment. Because they provide key support for network stability. The wind blows when it wants to, the sun shines when it wants to and customers use electricity when they want to. Unfortunately, all these factors aren't synchronised. We need an energy source that can provide a flexible, reliable and environmentally friendly balance. And that, for example, is natural gas.

Edelmann: But right now, there's no compensation for the costs of keeping these power plants on stand-by. That, however, is exactly what we need.

Specifically: What dangers are we facing from the energy transition?

Gawlik: Many of the elements that kept the system stable for a long period of time don't work as well any more. The shift from a hierarchical, centrally managed system to a decentralised system sounds nice: the neighbours supply each other with electricity. Everybody helps everybody else. But it's not that simple. The restructuring of the networks is a huge challenge.

And financially?

Gawlik: Subsidies were real doping for renewable energies. Today we have a system on "speed" with strong side effects. In Germany, for example, the energy transformation will still trigger substantial costs in two decades and it's not clear who will pay the bill.

Edelmann: We are now also witnessing the decommissioning of windpower plants because they can't recover their operating costs without public subsidies. People are taking on the risk of very high costs for their national economy, but without a strategic plan.

Let's go back to the negative effects on the networks: Is Austria facing a black-out in the near future?

Gawlik: The danger of black-outs is also increasing in Austria. You can see that in the transmission networks. In network operations,

"If we want an energy transition, we must also be prepared to pay for it." Wolfgang Gawlik

there is a sharp rise in the number of necessary interventions. The networks are moving closer to their maximum load, which makes a major outage more likely. However, we're still able to maintain stable network operations and I don't have canned food stored at home because I'm worried about a black-out.

Mr. Reindl, do you have any emergency rations in the basement?

Reindl: No. I also believe that our networks will be stable in the future. But we shouldn't take supply security for granted. Also because we know that EVN's customers expect this supply security. But let's be honest, we have been living in a fragmented energy world since 2001. Modern approaches like "smart grids" don't work well in a fragmented world, as every participant's objective is to optimise his or her own clearly defined business. That's why I'm worried about excessive unbundling and regulation and the possible negative effects on network stability.

Mr. Dinhobl: As the managing director of EVN Wasser, how do you see the much-discussed subject of supply security in the energy industry? What is the situation with respect to water supplies?

Franz Dinhobl: One big difference between the electricity and water system is, of course, the regulatory environment. But supply security and quality are also important for water supplies. In contrast, the price is less of an issue. You can't put a price on a litre of tap water because it costs so little. The charges are manageable and a minor cost factor for households.

"We shouldn't take supply security for granted." Johannes Reindl

"Our strength is the capability to offer services that are also based on trust." Andrea Edelmann

Steinberger-Kern: In comparison with other countries, we are still privileged with respect to supply security here in Austria, aren't we?

Dinhobl: That's right. We use only three per cent of the entire water volume for drinking water, industry and agricultural applications. In comparison, Belgium uses 43 per cent. This statistic alone illustrates our enormous resources.

And how do you guarantee supply security?

Dinhobl: As a water supplier, we have invested over the past years and decades to develop wells and well fields in areas of Lower Austria that are rich in water and then connect these areas through ring pipelines. That allows us to create a balance between the different regions. From a regional point of view, there are areas where quality or volume can be a problem. For example, we transport supplies to the eastern Weinviertel region from the source areas in the Danube lowlands, where there is sufficient high-quality water.

Reindl: Here I can see a number of parallels to the energy industry. To ensure supply security in all regions, you also need intelligent pipeline planning and the right investments for electricity and natural gas.

Intelligent pipeline planning brings us back to the energy industry and to smart grids: Don't they work in Austria?

Gawlik: Of course, the smart grids work! The only problem is that we can't use their full potential in Austria. For example, a network operator is not allowed to set up a decentralised storage facility to collect electricity in peak periods and use it later when it's really needed. Regulations put a stop to some solutions.

Steinberger-Kern: We have reached a point where we're committed to carrying out the energy transition. Whether we want this transition or not ceased to be an issue a long time ago. The question now is whether and how we can get a grip on the situation. And while we're debating, new competitors are entering the market – not colleagues from the industry, but corporations we all know well from the Internet. For example, Google recently spent 3.3 billlion dollars to purchase the thermostat producer "Nest" (note: a developer of thermostats that can be controlled via the Internet) to optimally match energy generation and demand in households. That is a classical service that a utility company should and must provide. The real question is: How can a regional company like EVN offer these types of services – instead of companies that grew up in California? After all, EVN has a lot more know-how in this area than Google!

Is the industry at risk of missing the energy transition a second time?

Edelmann: Two different speeds are now colliding: the fastest branch on the planet has met a very traditional branch. Our strength is the capability to offer services that are also based on trust. We can't compete with the size and speed of companies like Google. Then again, there is also good news: we have already developed services that are moving in this direction. Our "Smart Home" product has been on the market for two years.

Reindl: I think we also have a number of things to offer when it comes to speed: we can reach our customers quickly when there are problems. We're also innovative and can develop products in a short period of time. For example, we built a device to regulate the amount of energy fed into the network by photovoltaic equipment, so that in peak periods, it limits the feed-in to the actual network capacity.

“Supply security and quality are also important for water supplies.” Franz Dinhobl

Once again on smart grids: What could they contribute to supply security?

Gawlik: You could accomplish a great deal by simply capping the peak time feed-in. That would provide substantial relief for the networks – without losing a great deal of energy or destroying value. But, of course, that’s not what the plant operators want. And especially not when they have a guarantee to sell every single kilowatt hour of electricity.

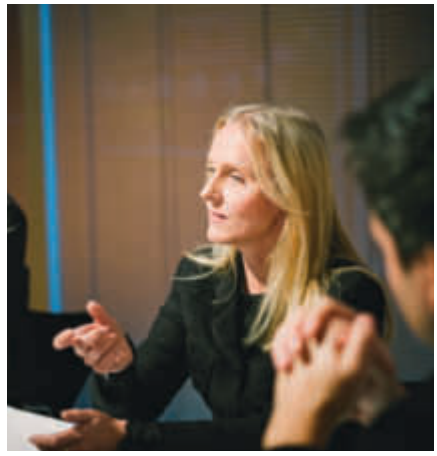
Reindl: Thank goodness, we don’t have this guarantee here! Austria was smarter than German lawmakers when the green-electricity regulations were created. In Germany, the network operators are required to purchase all of the energy.

Steinberger-Kern: The German economics minister recently spoke about a calculation which shows that the expansion of the German electricity network to transport electricity from the windy areas in the north to consumers in the south would cost about 50 billion euros. He believes these costs could easily be cut by one-third with a “smart” concept – in other words, power plant operations could be reduced when the electricity is not needed or transformers could be more efficiently controlled.

Reindl: As a network operator, we could also install batteries in the local network to improve stabilisation. However, the regulatory authority must make a clear commitment to compensate the network operator for these added costs.

“You need intelligent pipeline planning and the corresponding investments.” Johannes Reindl

"The storage of energy will pay off much more quickly than many of us expect." Eveline Steinberger-Kern



Steinberger-Kern: Perhaps we need to realise that the network operators have completely different responsibilities in our decentralised supply world. The market organisation originally created by liberalisation is now outdated.

We've been talking about the regulation and storage of energy. But where exactly will this storage take place? At a central location in a pump storage facility in the Alps or decentralised as local battery storage?

Edelmann: In both places. We will certainly see widespread local storage in battery form. But, in any case, we will also need large facilities like pump storage power plants.

Reindl: At the present time, it doesn't pay for homeowners to store surplus energy from their own photovoltaic equipment. It makes more sense to feed this energy into the network. However, that could change in the future.

Steinberger-Kern: I believe the storage of energy – even smaller volumes – will pay off much more quickly than many of us expect. The costs will suddenly become competitive. I visited MIT (note: Massachusetts Institute of Technology) at the beginning of the year and took a look at their research on this subject. Very impressive! Not only with respect to the technologies, but also the costs.

If there is a sharp drop in the cost of electricity storage: wouldn't the expansion of the networks be a bad investment?

Gawlik: The answer is simple: no! Even the most decentralised energy system needs a good network to utilise the effects from the different production and consumption periods.

Supply security is declining – that's one point we agree on. Exactly what has to happen now to avoid black-outs?

Steinberger-Kern: Three things: First, renewable energy forms must be gradually weaned from the subsidy schemes and integrated in the competitive market. For that to work – and here is the second point – the options for network operators must be adjusted. And third, in the current transition phase, we won't be able to manage without more environmentally friendly fossil energies. We need clear price incentives – for example, for natural gas, which is much more environmentally compatible than brown coal. Then we can bring together supply security and renewable energy carriers. I'm sure of that.

Reindl: From our point of view, investments in the network are absolutely necessary. EVN has decided to follow this course and strengthen its networks. Because we want to offer our customers the same high supply security also in the future.

Check of facts

The following pages contain the check of facts by EVN complementing the conversation with experts.

Renewable energy – high share of EVN's total capacity

EVN has a total capacity of 2,240 MW for electricity generation, 563 MW of which are based on renewable energy sources.

183 MW from hydropower	109 MW in Austria: 5 storage power stations and 67 run-of-river power stations (thereof 63 in Lower Austria, 9 in Styria) 74 MW in South Eastern Europe: 48 MW from 11 hydropower plants in Macedonia and 26 MW from the Ashta hydropower plant in Albania
123 MW of hydropower purchasing rights	Electricity purchasing rights rights from the Danube power plants in Melk, Greifenstein and Freudenau, the investment in the Nussdorf power plant in Vienna and the investments in 13 Verbund Inn River power plants in Germany
213 MW windpower	197 MW in Lower Austria: 105 windpower plants in 14 windparks 16 MW in South Eastern Europe: 8 windpower plants in Bulgaria
13 MW from biomass-fired combined heat and power plants	3 biomass-fired combined heat and power plants in Lower Austria
4.5 MWp solar power	1.7 MWp in Lower Austria: photovoltaic plants with a capacity of 0.6 MWp in Zwentendorf and 1.1 MWp in Schönkirchen 2.8 MWp in South Eastern Europe: 2 photovoltaic plants in Bulgaria
26 MW from other renewable sources	26 MW in Moscow: 2 sludge-fired combined heat and power plants

△ GRI indicator: Installed capacity (EU1)

Innovations for a sustainable energy future

Innovation management at EVN is organised as an interdisciplinary network. Its central responsibilities include the systematic monitoring of the environment and the detection of technologies and trends that are relevant for EVN in order to identify opportunities for innovation at an early point in time. An important step to systematise this process was taken in 2013/14 with the start of the "EVN trend monitor". Following the identification of trends and technologies by EVN's managers and experts, EVN employees were invited to register as trend scouts for various trend clusters. These trend scouts monitor current developments, locate the most important trends and provide interested employees with relevant information in the form of articles, videos, blogs etc. on an Intranet platform. EVN's employees are also invited to share their know-how, interesting media reports and other information sources over the trend monitor to enable a more comprehensive monitoring of current trends and future developments.

Another key building block for innovation management is the "EVN future lab". Various future scenarios for the company's operating environment in 2030 were developed in line with the most important trends and used to pinpoint possible new future areas of activity based on EVN's current core expertise.

Energy efficiency – demand side management

The volatility of windpower and solar power generation has created a range of new challenges for utility companies and also had an effect on EVN's innovation, development and research strategy. In this connection, EVN is working to improve energy efficiency in end customer households (among others through demand side management) and to store the surplus energy produced by renewable energy carriers during peak generation periods – not least as a means of supporting network stability.

The storage alternatives currently under evaluation by EVN involve electrochemical storage in batteries, chemical storage in the natural gas network and thermal storage in the form of heat:

- → Hydrocarbons can be used as energy carriers for electricity generation and mobility in periods of high energy demand. Based on the "GECO" feasibility study – which investigated the conditions under which the storage of surplus renewable energy in the natural gas network would generally be possible – the "wind2hydrogen" project is now testing possible operational scenarios, operating conditions and business models in real time at a pilot plant.
- → In Lichtenegg, EVN started to test the operational alternatives for battery storage during the reporting year. This "multifunctional energy storage" study involves a real local network and is part of a small windpower plant project.

The optimisation of decentralised household photovoltaic equipment also makes an important contribution to network stability and supply security. In a joint project with a research partner, EVN defined the optimal configuration for household equipment based on individual consumption behaviour. The goal was to maximise the household's own use and thereby reduce the burden on the electricity network in advance. The voltage monitor introduced by EVN in 2013/14 also helps to protect voltage quality by mounting the device on the feeder near the meter and gradually reducing the feed-in when there is an excessive voltage increase.

Sustainable energy generation and climate protection

EVN has set a goal to generate 50% of its electricity production from renewable energy sources over the medium term. In order to reach this goal, approx. EUR 140m will be invested to expand windpower generation capacity in Lower Austria over the coming years. Plans call for an increase from the current level of 213 MW on 30 September 2014 to 300 MW over the medium term. Work is also proceeding on a number of innovation projects to develop new methods for electricity generation from renewable energies and additional methods to reduce greenhouse gas emissions.

- → The research and development projects CO2SEPPL (CO_2 separation from flue gas) and CO2USE (production of bioplastics with microorganisms, CO_2 and sunlight) were successfully continued during the reporting year. Most of the projects' goals were reached together with the participating partners Andritz, the Graz University of Technology and the University of Natural Resources and Life Sciences, Vienna.

- → Sludge2energy: This process is based on the decentralised connection of sewage sludge drying with subsequent mono-combustion and electricity generation by means of a gas turbine. It guarantees the optimal reduction of the sewage sludge volume and mass. No external thermal energy is needed due to the independent (self-sufficient) combustion and drying process, and most of the residual waste material can be recycled (e.g. in construction).

Electricity: network quality – the focal point of investments

Supply security with electricity: efficient infrastructure and access to basic supplies

In order to hold supply security at the current high level, EVN has defined network quality as the focal point of its investments. The expansion and maintenance of the distribution and transmission networks therefore continued during the reporting year. This agenda will also apply in the future: plans call for the investment of approx. EUR 700m in Lower Austria's network infrastructure over the next four years. Another focus for EVN is the continuous improvement of efficiency in its power plants, above all through certifications (e. g. under EMAS). The related projects are designed to reduce both the consumption of resources and emissions from electricity generation. The CSR target discussions included the definition of concrete goals and measures to increase the efficiency of the thermal power plants, improve the coverage ratio and support further energy savings in EVN's power plants. Information on the progress made in these areas during 2013/14 can be found in the CSR programme on page 233.

For details on investment projects in the network infrastructure and power plants, see the following sections: Operating highlights on page 15 and Segment reporting on page 129

Efficiency of long-distance lines and distribution networks

EVN's focus in Lower Austria is on the expansion and stabilisation of the network infrastructure, while activities in Bulgaria and Macedonia are concentrated on the further reduction of network losses. Network losses[1] have been cut steadily from 17% to less than 11% in Bulgaria and from 24% to less than 16% in Macedonia since market entry. In Austria, network losses remain stable at a low level of slightly over 4%. The mean supply interruption – which was calculated according to the Average System Interruption Frequency Index (ASIFI) generally used in Austria – equalled 0.71 for the 2013 calendar year. That is substantially lower than the Austrian average of 1.03. An ASIFI value of 0.71 means that EVN's customers experience less than one power failure per year. The average annualised duration of unplanned power interruptions, as calculated according to the Average System Interruption Duration Index (ASIDI), equalled 31.53 minutes in 2013/14 and was thereby also below the Austrian average of 33.96 minutes (E-Control, press release, August 2014).

GRI indicators: Efficiency of long-distance lines and distribution networks (EU12); Frequency and duration of power failures (EU28 and 29)

Efficiency of EVN's power plants

The average efficiency level (fuel utilisation as a per cent of energy production) in EVN's natural gas-fired power plants in Austria and Bulgaria equalled 71.3%[2] in 2013/14. The comparable value for EVN's coal-fired power plants averaged 50.3%.

GRI indicator: Efficiency (EU11)

Availability of EVN's power plants

Regular inspection and maintenance procedures are carried out to ensure uninterrupted operations and the technical safety of EVN's power plants. These activities are connected with planned and coordinated downtime. EVN's natural gas power plants in Korneuburg and Theiß achieved 100% availability in 2013/14, with the exception of scheduled inspections. The unplanned downtimes of the coal-fired power plants in Dürnrohr and Duisburg-Walsum equalled 0.6% and 4.7%, respectively. EVN's windparks were in service roughly 96% of the time during the reporting year. These windpark statistics do not differentiate between scheduled and unscheduled downtime.

GRI indicator: Average availability of power plants (EU30)

1) A direct comparison of network losses is not possible due to the differences in the customer and network structures in EVN's various supply areas.
2) Value weighted by capacity

„Westschiene" pipeline considerably increases natural gas supply security

The completion of the Westschiene pipeline at the beginning of May 2014 marked a further decisive step by EVN to improve the supply security for natural gas. The Westschiene pipeline has a length of 143 km and links the eastern interconnection point of Netz NÖ GmbH in Auersthal with the measurement and grid hub of Energie AG (formerly OÖ Ferngas) in Kronstorf. This natural gas transport pipeline runs from east to west and has a diameter of 800 mm. A special feature is the possibility to operate the pipeline in both directions, which means the natural gas flow can be switched as needed from east to west or from west to east. In this way, the storage facilities operated by EVN's subsidiary Rohölaufsuchungs AG (RAG) in Upper Austria (Puchkirchen, Haidach and Seven Fields) can be filled during the summer months when less heating gas is normally required, while the higher winter demand can be met by transporting natural gas from the storage facilities to Lower Austria. This natural gas pipeline is therefore an important factor for the protection of supply security.

High supply security for drinking water

EVN, together with its subsidiaries EVN Wasser and WTE, is active in the provision of drinking water supplies and wastewater purification. In this way, the company plays an important role in maintaining an intact water cycle.

In the area of drinking water supplies, EVN Wasser operates a 2,483 km pipeline network in Lower Austria which is fed from 104 wells in protection zones covering 362 ha. This network supplied 503,900 persons, directly and indirectly, with 27.4 million m^3 of drinking water in 2013/14. EVN Wasser handles cross-regional and local water supplies and constructs and operates wells and transport pipelines. It also ensures the continuous functioning of the water network, for example through the operation of 148 pressure regulation stations, as well as treatment and routine repairs. Last but not least, EVN Wasser improves the water quality in its supply area through natural filter plants. EVN is planning further investments over the coming years to protect the security of drinking water supplies in a quality that reflects spring water. The EVN subsidiary WTE is also active beyond Austria's borders and provides fresh drinking water every day to more than one million people in countries like Russia, Montenegro and Germany.

IIn the area of wastewater disposal, WTE treated roughly 155.0 million m^3 of wastewater in 2013 with a mean purification performance of 89%[1)]. That represents service for roughly 1.5 million residents. The sewage sludge from this process is used for agricultural applications and compost production, deposited in a landfill or used to generate heat. WTE has planned and built 100 wastewater treatment plants since its founding, and a further nine plants for 2.6 million residents are currently under construction. This subsidiary is also responsible for operations at 22 of these plants. WTE's plants purify the wastewater from approx. 18.8 million people and return it to the water cycle.

1) Average value over the parameters for chemical oxygen requirements, biological oxygen requirements, total nitrogen and total phosphorous. The per cent value means that 89% of the pollutants were removed.

The wastewater disposal cycle

How residual products from wastewater purification are transformed into energy and how the purified water helps to maintain the drinking water cycle.

Wastewater disposal is essential not only for maintaining the water cycle, but also for protecting drinking water supplies. State-of-the-art technologies have made it possible for EVN's subsidiary WTE to develop a practical use for the previously unpopular by-products from wastewater and waste disposal. With the help of four different technologies, WTE transforms these by-products into renewable energy carriers.

Co-generation plants

The operation of wastewater treatment plants requires substantial amounts of energy. When integrated as a module in the purification plant, a co-generation aggregate allows for nearly energy-autonomous operations. The biogas from the clarification process and sludge treatment is converted into electricity through incineration and used to operate the equipment or transformed into heat and used to dry the sewage sludge.

Thermal waste utilisation

The thermal utilisation of waste has proven to be an ecologically practical solution for energy generation. EVN Umwelt uses the heat released by the incineration process for heating operations and for the preparation of warm and hot water. The resulting steam is used to drive turbines.

Sludge incineration

The sludge incineration process used by EVN's subsidiary WTE is based on the biological cleaning of wastewater. The sewage sludge is dried and then incinerated. The resulting heat can be used for energy-autonomous plant operations, to dry the sewage sludge, to generate hot water for steam-driven turbines or for long-distance heating.

Wastewater treatment

EVN's subsidiary WTE also uses energy exchangers to convert the heat released by wastewater treatment into energy. This energy is used to operate the equipment or fed into the public network. First pilot projects were already calculated.

Benchmark project: the Mia Milia/Haspolat energy-generating wastewater purification plant

One of the largest membrane bioreactors in Europe was opened in the Cypriote capital of Nicosia in April 2014. EVN's subsidiary WTE was responsible for its construction and will now take over operations for a period of 10 years. This plant, which has a capacity to clean the wastewater for roughly 270,000 residents, generates biogas through sewage sludge treatment and digesting. The biogas is then used in co-generation plants to produce energy and heat.

Corporate profile and resources

EVN is a leading, international, listed energy and environmental services company. Its headquarters are located in Lower Austria, the largest Austrian province.

EVN is currently active in 16 countries and employed an average workforce of 7,314 during the 2013/14 financial year. The company's main operating locations are Austria, Bulgaria, Macedonia and Germany, each defined by a workforce of more than 100. The major activities of the EVN Group are combined under the national and international energy business (energy generation, network operations including cable TV and telecommunications and energy supply) and the environmental services business (drinking water supply, wastewater disposal and thermal waste utilisation), which are complemented by strategic investments. EVN is divided into six segments for management purposes, which also correspond to IFRS reporting requirements: Generation, Energy Trade and Supply, Network Infrastructure Austria, Energy Supply South East Europe, Environmental Services as well as Strategic Investments and Other Business.

△ GRI indicators: Organisational profile: Overview of products (G4-4); Location of the organisation's headquarters (G4-5); Locations of significant operations (G4-6); Scale of the organisation (G4-9)

Regional coverage in the energy business

Segments

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

Regional coverage in the energy business

	Regulated grid	Electricity supply	Gas supply	Heat supply	Hydropower	Windpower	Photovoltaics	Biomass	Thermal power
Austria	●	●	●	●	●	●	●	●	●
Bulgaria	●	●		●		●	●		●
Macedonia	●	●			●				
Croatia	●		●						
Germany		●	●		● 1)				● 2)
Albania					● 3)				

1) EVN share: 13%
2) EVN share: 49%
3) EVN share: 50%

Energy business

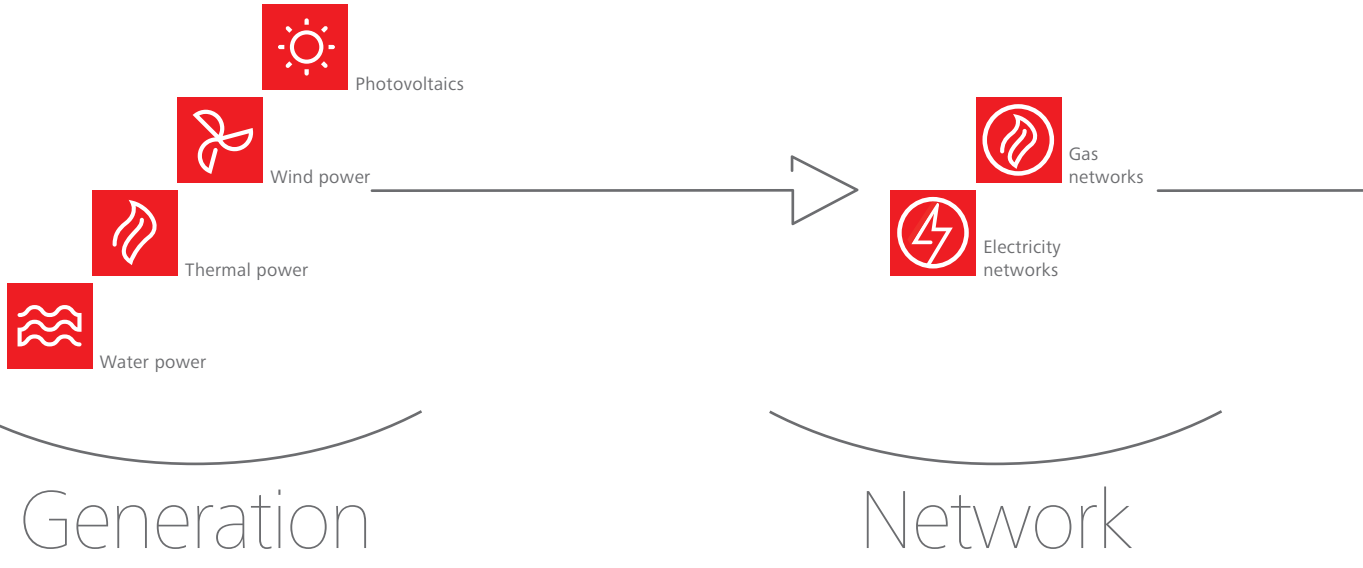
EVN follows an integrated business model that covers the entire value chain in the energy business. These activities include energy generation, the operation of energy distribution networks and the delivery of energy to end customers. The company is active in the areas of electricity, natural gas and heat – with different focal points in the individual markets. EVN provides a full range of these services in Lower Austria, while business activities in Bulgaria and Macedonia involve the operation of electricity networks and electricity supplies to end customers. Heat is also sold to end customers in Bulgaria. EVN sells natural gas to end customers in Croatia, distributes energy through EnergieAllianz in Germany and also operates a coal-fired power plant there. In Albania, EVN plays an important role in the country's energy supply through the operation of the Ashta hydropower plant.

Energy generation

EVN can rely on a balanced mix of energy generation capacity. In Austria, the company operates natural gas- and black coal-fired power plants as well as plants that use renewable sources (hydropower, windpower and solar energy) for energy generation. This combination of thermal generation plants and generation capacity from renewable sources is important to ensure reliable supplies for customers at all times. A key aspect in this regard is the ability to

EVN power generation capacities	MW	30.09.2014	30.09.2013
Renewable energy		563	550
thereof hydropower[1)]		306	307
thereof windpower		213	200
thereof photovoltaics		5	3
thereof biomass		13	13
thereof other renewables[2)]		26	26
Thermal energy[3)]		1,677	1,487
thereof natural gas		1,038	1,088
thereof coal		639	398
Total		2,240	2,037

1) Incl. purchasing rights from hydropower plants along the Danube at Melk, Greifenstein and Freudenau and from investments in the hydropower plants Nussdorf in Vienna and Ashta in Albania as well as in Verbund-Innkraftwerke GmbH
2) Contains two sludge-fired combined heat and power plants in Moscow
3) Incl. co-generation and combined heat and power plants in Austria and Bulgaria; change in presentation of thermal power plant capacities in 2013/14 from gross output to net output



supplement the volatile generation from renewable energy sources with predictable feed-in volumes that are available on short-term from conventional facilities. This supply stability is ensured, above all, by the thermal power generation plants (the gas-fired power plants in Theiss and Korneuburg, the coal-fired power plants in Dürnrohr and Duisburg-Walsum) and hydropower from EVN's five pump storage power plants. The energy generated by these plants is generally sold at market prices in Austria, while the prices in South Eastern Europe are regulated. Subsidised feed-in tariffs apply to the energy generated by windpower and photovoltaic plants in Austria for a period of 13 years in each case. In Bulgaria, EVN generates electricity in eight windpower plants and two photovoltaic plants. The windpower electricity is charged at subsidised feed-in tariffs for twelve years, and photovoltaic electricity can be fed into the network at subsidised tariffs for 20 years. In Macedonia, EVN generates electricity in eleven small hydropower plants which is sold at market prices.

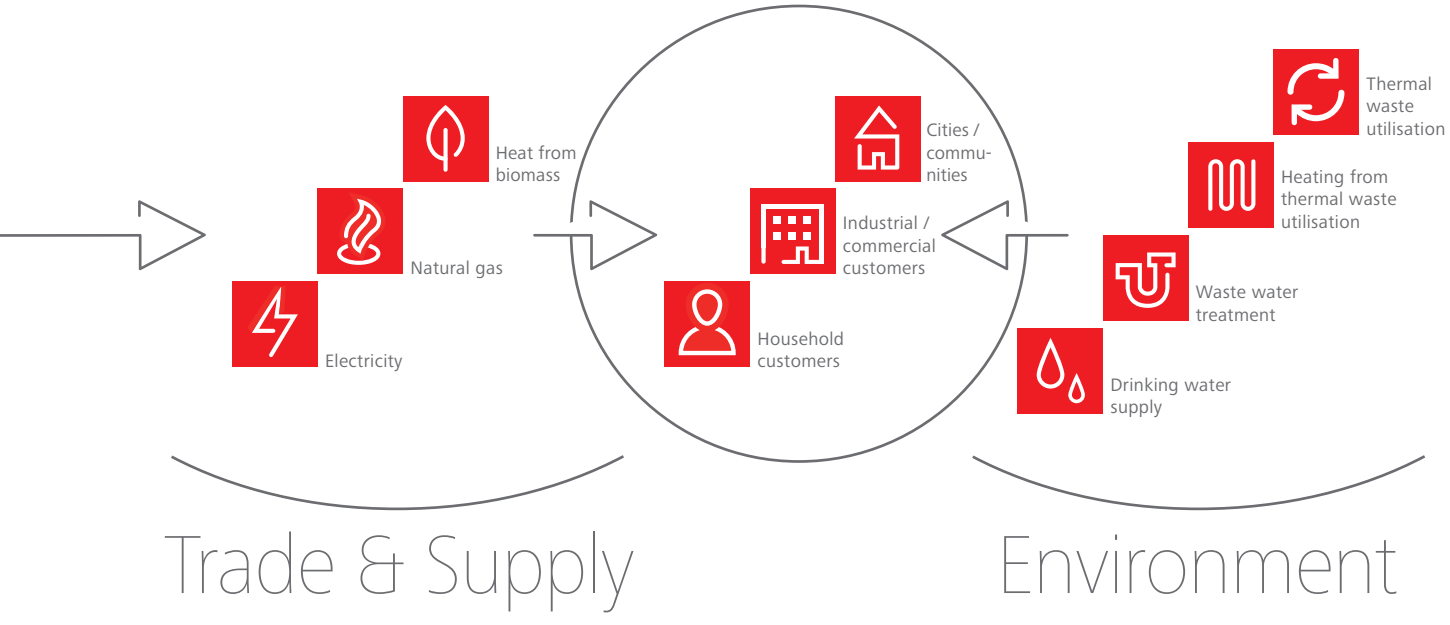
For details on the generation capacity from renewable energy see page 24

GRI indicator: Installed capacity (EU1)

Network operations

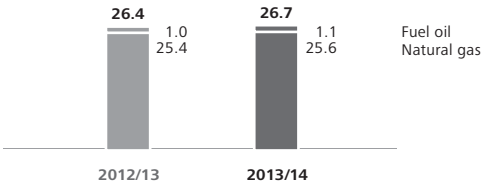
For the distribution of electricity and natural gas, EVN operates electricity networks in Lower Austria, Bulgaria and Macedonia and natural gas networks in Lower Austria and Croatia. The operation of these networks is based on a regulated business model under which the tariffs charged by the network operator for the distribution of electricity and natural gas are determined by the respective regulatory authority. The increased use of renewable energy sources, especially in windpower and photovoltaic plants, has created substantial challenges for the stability of networks due to the high volatility of the generated electricity volumes.

In addition to electricity and natural gas transmission, network operations also include cable TV, Internet and telecommunications services in Lower Austria and the neighbouring province of Burgenland.



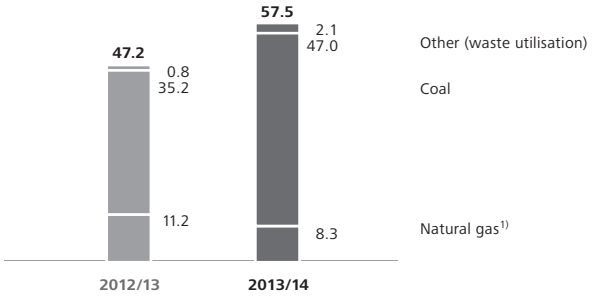
EVN heat generation by thermal energy source

in %



EVN electricity generation by thermal energy source

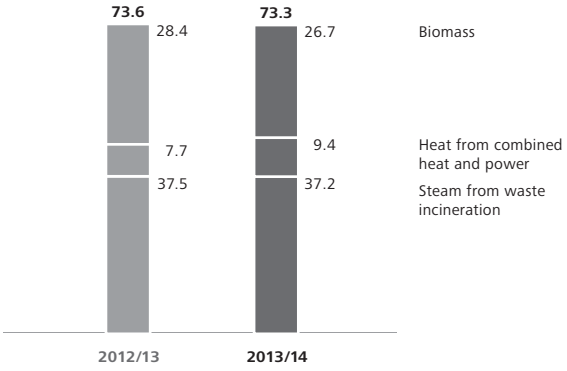
in %



1) Thereof 291,844 MWh own generation in Bulgaria (co-generation plant)

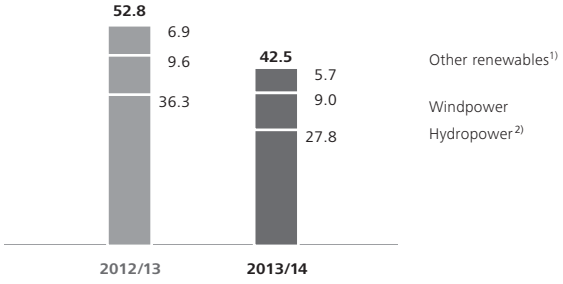
EVN heat generation by renewable energy source

in %



EVN electricity generation by renewable energy source

in %



1) Incl. electricity generation from biomass, photovoltaics and other renewable energy sources
2) Thereof 135,314 MWh own generation in Macedonia (hydropower plants)

△ GRI indicator: Energy generation (EU2)

Energy distribution/networks (EU4)	30.09.2014
Electricity networks	
Power lines	137,250 km
Customers	3,308,000
Sales volumes 2013/14	20,908 GWh
Natural gas networks[1)]	
Natural gas pipelines	13,897 km
Customers	292,400
Sales volumes 2013/14	14,143 GWh
Other[2)]	
Customer units cable TV and telecommunications	219,000

1) In Austria and Croatia
2) In Austria

Energy supply

Electricity is sold to Austrian end customers in a market that was liberalised during 2001, while the natural gas market has been liberalised since 2002. The prices are determined by supply and demand. EVN's energy offering is complemented by competitively priced heat from over 60 biomass plants, which makes the company Austria's largest supplier of natural heat. In addition to a wide range of tariff models that are designed to meet the individual needs of customers, EVN offers a wide variety of energy services from a single hand. Due to its attractive service and support portfolio the EVN brand enjoys high positive recognition, above all in its home market of Lower Austria. This forms the basis for strong customer loyalty and makes EVN the market leader in Lower Austria. In South Eastern Europe, the energy markets are moving towards liberalisation. The market for industrial customers in Bulgaria and Macedonia has already been liberalised, whereas sales to household customers are still based on regulated prices. The tariffs in Bulgaria, where EVN also sells heat

If you want to continue supplying spring-fresh drinking water tomorrow

Despite the fact that we take it for granted, clean water is a valuable good. And high-quality drinking water is impossible without the responsible use of natural water reserves. In our own interest – and in the interest of future generations.

you need to think about the entire water cycle today

from its co-generation plant in Plovdiv to customers, are set by the regulatory authority.

EVN supplies roughly one million electricity, natural gas and heat customers in Lower Austria, approx. 1.7 million electricity and heat customers in Bulgaria and nearly 800,000 electricity customers in Macedonia. The natural gas supply business along the Dalmatian Coast in Croatia is currently under development, and the first customers have already been connected to the network.

Energy supply	30.09.2014
Electricity	
Sales volumes 2013/14	19,317 GWh
Natural gas	
Sales volumes 2013/14	5,383 GWh
Heating	
Heating lines	705 km
Customers	81,900
Sales volumes 2013/14	1,991 GWh

Environmental services business

Environmental services represent the second major business for EVN and are classified in three areas: water supply, thermal waste utilisation and the international project business. In Lower Austria, EVN supplies more than 500,000 residents directly or indirectly with drinking water. A strong reputation as a reliable electricity, natural gas and heat provider has led numerous communities to entrust EVN with water networks that they can no longer operate efficiently. In this area, EVN is recording steady growth. The operation of a thermal waste utilisation plant in Dürnrohr not only relies on state-of-the-art technology to make a significant contribution to waste disposal; but the heat released by the incineration process is used to supply EVN's customers in the provincial capital of St. Pölten. Through its subsidiary WTE, EVN has realised more than 100 international projects in the areas of drinking water supply, waste water disposal and thermal waste utilisation in 18 countries across Western, Eastern and South Eastern Europe. The projects involve the design and construction of plants by EVN as well as operational management after completion if requested by the customer. Project financing is also arranged in some cases. These projects are generally commissioned by cities and communities in the above-mentioned regions, with the orders resulting from competitive international tenders.

Drinking water/wastewater	30.09.2014
Drinking water supply in Austria	
Customers	503,900
thereof directly supplied	87,000
Water pipes	2,483 km
Sales volumes 2013/14	27.4 Mio. m^3
Drinking water/wastewater in Central, Eastern and South Eastern Europe	
Drinking and wastewater projects	108
thereof completed	96
thereof installed drinking water capacity	1,183,500 PE[1)]
thereof installed wastewater capacity	16,182,000 PE[1)]

1) Population equivalent (PE): Industrial wastewater converted to household water

Waste incineration	30.09.2014
Austria	
Plant in Zwentendorf/Dürnrohr – annual capacity	500,000 t
International	
Plant in Moscow – annual capacity	360,000 t

Strategic Investments

EVN's strategic investments represent the logical vertical expansion of the value chain. The investments in Verbund AG and Burgenland Holding AG, which, in turn, holds 49% of Energie Burgenland AG, allow EVN to benefit from the companies' concentration on renewable electricity generation from water and wind. Rohöl-Aufsuchungs AG (RAG) gives EVN a valuable link to oil and gas exploration and the natural gas storage business in Austria.

Strategic investments	30.09.2014
Verbund AG (EVN WEEV Beteiligungs GmbH) – power generation, trading and transport	12.63%
Burgenland Holding Aktiengesellschaft (Energie Burgenland AG) – regional electricity and natural gas supply	73.60%
RAG-Beteiligungs-AG (Rohöl-Aufsuchungs AG) – oil and natural gas exploration and gas storage	50.03%

△ GRI indicator: Organisational profile: Brands, products and services (G4-3)

Markets in the environmental business

	Drinking water projects	Wastewater projects
Austria[1)]	●	●
Bahrain		●
Croatia		●
Cyprus		●
Czech Republic		●
Germany	●	●
Montenegro	●	●
Poland		●
Romania	●	●
Russia[2)]	●	●
Serbia	●	
Slovenia		●
Turkey		●

1) Thermal waste utilisation plant, drinking water supply
2) Thermal waste utilisation plant

△ GRI indicator: Markets (G4-8)

Strategy and values

Mission statement and values

Our long-term strategy is expressed in our vision and mission and also communicated in the corporate policy statement and values of EVN.

Our vision

As an energy and environmental services provider, EVN meets the daily needs of its customers and makes a sustainable contribution to their quality of life by providing reliable, high-quality services. We want to provide our customers with the supply security they are accustomed to, not only at the present time but also in the future. In doing so, top priority is given to actions that protect the environment and climate – because that is the only way to ensure sustainable economic success in the long run.

Our mission

In realising our vision, we respect the needs of all our stakeholders.

For our customers, we offer competitive prices and highest-quality products and services. For our shareholders, we aim to achieve a sustainable increase in value. For our employees, we create attractive working conditions. With our stakeholders, we maintain an active dialogue. This contributes to our high social acceptance, as does the focus on fairness in our supplier relationships.

Environmental and climate protection play a central role in all our activities. We rely on outstanding know-how, a high level of efficiency, state-of-the-art infrastructure and a constant willingness to innovate to ensure the responsible use of natural resources and the continuous reduction of CO_2 emissions. This forms the basis for sustainable performance in the provision of electricity, natural gas, heating, drinking water, wastewater treatment and waste incineration services.

Based in Lower Austria, EVN has expanded its business activities to the dynamically growing region of Central and South Eastern Europe. Our objective is to also realise sustainable success in these new markets based on the application of our proven principles and values.

In order to fulfil our mission, we have developed a system of values that is binding for the entire Group. The individual components of this system are described below.

Our values

EVN's values and managerial mission statement are based on the terms "ensure, encourage, enable". With these terms, EVN clearly defines – both internally and externally – how it intends to act and how it wants to be perceived by its stakeholders. The publication of the values in German, English, Bulgarian and Macedonian

Our values

ensure
sichern
ПОДСИГУРЯВАМ
ОСИГУРУВА

We ensure quality and corporate success

- We are committed to continuity and safety.
  Our employees are willing to perform, competent, reliable and quality conscious.
- Each employee ensures that we are able to implement our strategy and provide energy and environmental services to our customers in the best possible way.
- This position of the EVN Group ensures healthy growth.

encourage
ermutigen
НАСЪРЧАВАМ
ПОТТИКНУВА

We encourage people.

- The way we think and act encourages people.
- Both good atmosphere and a positive working climate are as important to our corporate success as our employees' development.
- We are the right company for people who love to learn and who – if necessary – also offer constructive criticism.

enable
ermöglichen
ОСЪЩЕСТВЯВАМ
ОВОЗМОЖУВА

We enable the future.

- We do not only talk, we also enable things.
- We always choose the correct and solution-oriented way.
- Whatever we do, we always keep the environment from which we generate energy in mind.
- We are committed to sustainability in all fields.

underscores their binding nature across countries and throughout the Group, while also emphasising the focus on EVN's core markets.

○ The managerial mission statement is available online at **www.evn.at/EVN-Group/responsibility/employees/hrprinciples.aspx**.

EVN Code of Conduct

The Code of Conduct includes corporate principles and behavioural guidelines for all employees of the EVN Group, above and beyond legal requirements. It represents a binding foundation for day-to-day business activities and is based on reliability, transparency, trust and quality in interactions with internal and external partners. The Code of Conduct also promotes responsible, self-reliant actions.

○ The Code of Conduct is available at **www.evn.at/code-of-conduct.aspx**.

Integrity clause for suppliers

EVN uses an integrity clause for suppliers, which includes guidelines for sustainable procurement and defines suppliers' duties and responsibilities.

○ The integrity clause is available at **www.evn.at/integrity-clause**.

Environmental policy statement

EVN's environmental policy statement includes the following goals:

- Minimisation of environmental impact
- Sustainability
- Improved environmental performance
- State-of-the-art environmental engineering
- Resource conservation and climate protection
- Landscape conservation
- Waste management
- Energy consulting
- Workforce motivation

○ The environmental policy statement is available (in German only) online at **www.evn.at/EVN-Group/Verantwortung/Okologie.aspx**.

△ GRI indicator: Values, principles, standards and norms of behaviour (G4-56)

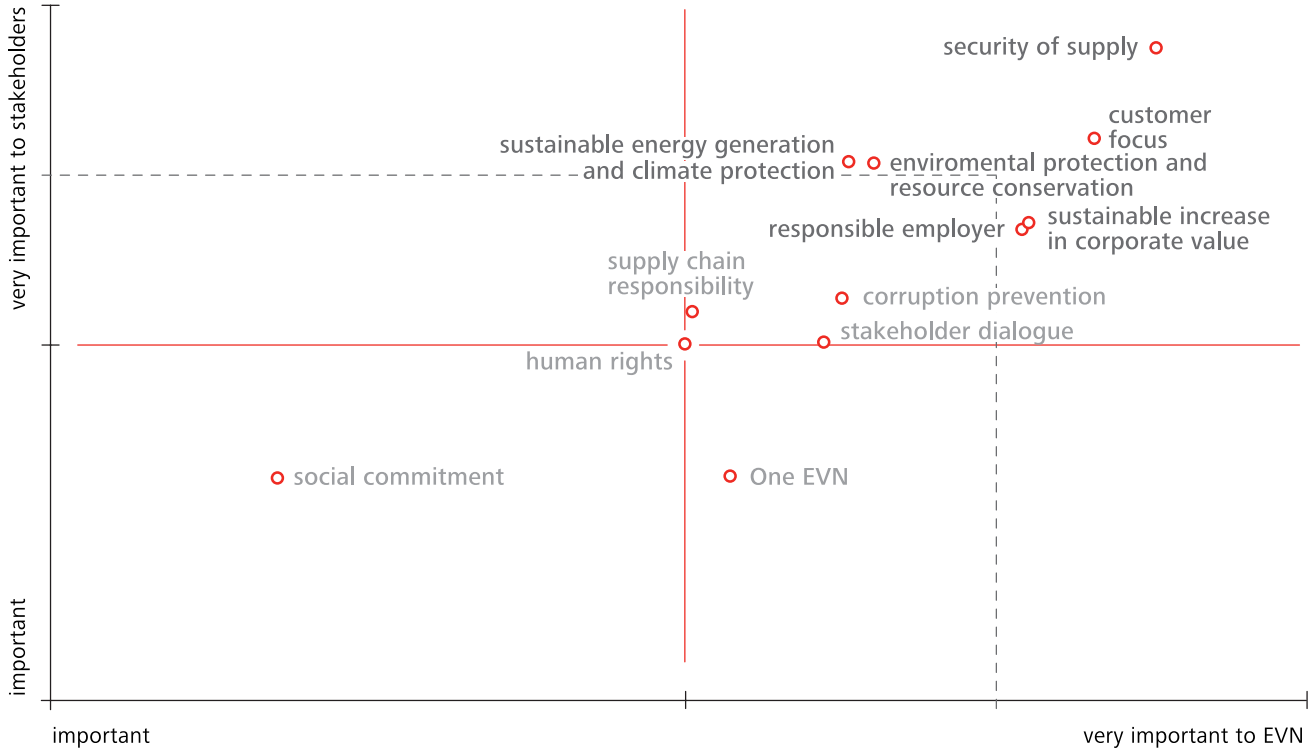
Short- and medium-term implementation of the corporate strategy: consolidation and selective growth

EVN's activities in the energy business are based on a proven integrated business model which covers generation, network operations and energy trading and sales (also see page 30ff). Against the backdrop of the current situation on the energy markets, EVN is working to consolidate the business activities in its core markets. The company has defined Austria, Bulgaria and Macedonia as its core markets – whereby the scope of the value chain is different in each country. Plans also call for optimising the timing of business activities in Croatia. Continuous efficiency improvements at all levels of the value chain are an important element of this concept. The focal point of EVN's consolidation course is the protection of supply security, which is also given high priority on the materiality matrix. The continuous expansion and improvement of its energy networks allows EVN to meet these challenges, which are also influenced by regulatory requirements and the expansion of renewable generation capacity in the company's network area.

The goal set by EVN for electricity production calls for a coverage ratio of 30%. This refers to the share of electricity sales which can be met with internal generation and/or is covered by electricity procurement rights. The current ratio equals 22.8% (previous year: 18.3%). The commissioning of the Prellenkirchen IV windpark and the Duisburg-Walsum coal-fired power plant in the reporting period made an important contribution to improving the coverage ratio. EVN's strategy also includes an increase in the generation from renewable energy sources from the present level of 42.5% to 50%. In addition to the further expansion of windpower capacity in Lower Austria, regional projects in the areas of hydropower, biomass and photovoltaic will help to meet this goal. This focus on generation from renewable energies underscores EVN's commitment to its economic and ecological responsibility and also helps to safeguard energy supplies.

△ GRI indicator: Planned capacity in relation to expected demand (EU10)

EVN materiality matrix 2014



The vertical Y axis shows the assessment of our external stakeholders, thus how important ("material") certain issues defined by external experts are evaluated. In turn, the horizontal X axis shows the internal assessment of EVN. Accordingly, for example, "security of supply" and "customer focus" are two areas of action which are considered to be very material for EVN, both internally and externally.

In the environmental services business, EVN's strategy is based on continuous growth in water supply services in Lower Austria and the sustainable operation of the thermal waste utilisation plant in Dürnrohr. International projects are realised on a selective basis and with coverage for political risks.

The consolidation measures implemented by EVN ensure steady, sustainable growth in the core markets. This supports the generation of continuous stable cash flows, which help to further optimise working capital. With this strategy, EVN protects the financing of its investments and safeguards stable dividends. The EVN Group's investment activities are concentrated in Lower Austria. The priorities include maintaining high standards in the electricity and natural gas networks, the further expansion of energy generation from renewable sources and drinking water supplies.

☐ **Details on the investment projects are provided in the section on operating highlights, see page 15.**

Continuous alignment of corporate strategy with stakeholders' interests

The topicality and relevance of EVN's strategic areas of activity are reviewed regularly through a dialogue with the company's internal and external stakeholders. EVN carries out regular stakeholder surveys to systematise and structure its stakeholder relationships. The latest survey conducted in spring 2014 led to the adjustment and further development of EVN's materiality matrix, which now includes the following six central areas of activity:

1. Supply security
stands for the reliable supply of electricity, natural gas, heat and water. The expansion of generation capacity, high technical network quality, the integration of renewable energy sources (among others by offering storage solutions), a flexible generation mix and preparations for crisis situations play an important role in this area.

2. Focus on customers
stands for high customer satisfaction based on the fair and transparent design of prices and services as well as understandable and reasonable products and services for electricity, natural gas, heat and water.

3. Sustainable increase in shareholder value
stands for economical business oriented activities, adaptation to a dynamic environment through targeted innovations, a value-oriented investment strategy, stable dividend development, fairness and transparency.

4. Responsible employer
stands for the creation and protection of jobs, the responsible development of human resources, health and workplace safety, open communication, work-family balance, training and education as well as diversity and equal opportunity.

5. Environmental protection and resource conservation
stands for the environmentally-friendly use of energy, water and waste disposal services, the systematic improvement of our impact on the environment and the efficient and responsibility use of energy and resources.

6. Sustainable energy generation and climate protection
stands for the expansion of renewable energies, the minimisation of negative effects on the environment, efficiency improvement as well as innovation, development and research activities.

△ GRI indicators: Boundaries for material aspects inside and outside the organisation (G4-20 & -21)

□ For details on the 2014 stakeholder survey and EVN's stakeholder management, see page 50ff.

○ Details on the current CSR programme can be found beginning on page 233 of this report and on the EVN website under **www.evn.at/CSR-strategy/CSR-programme**.

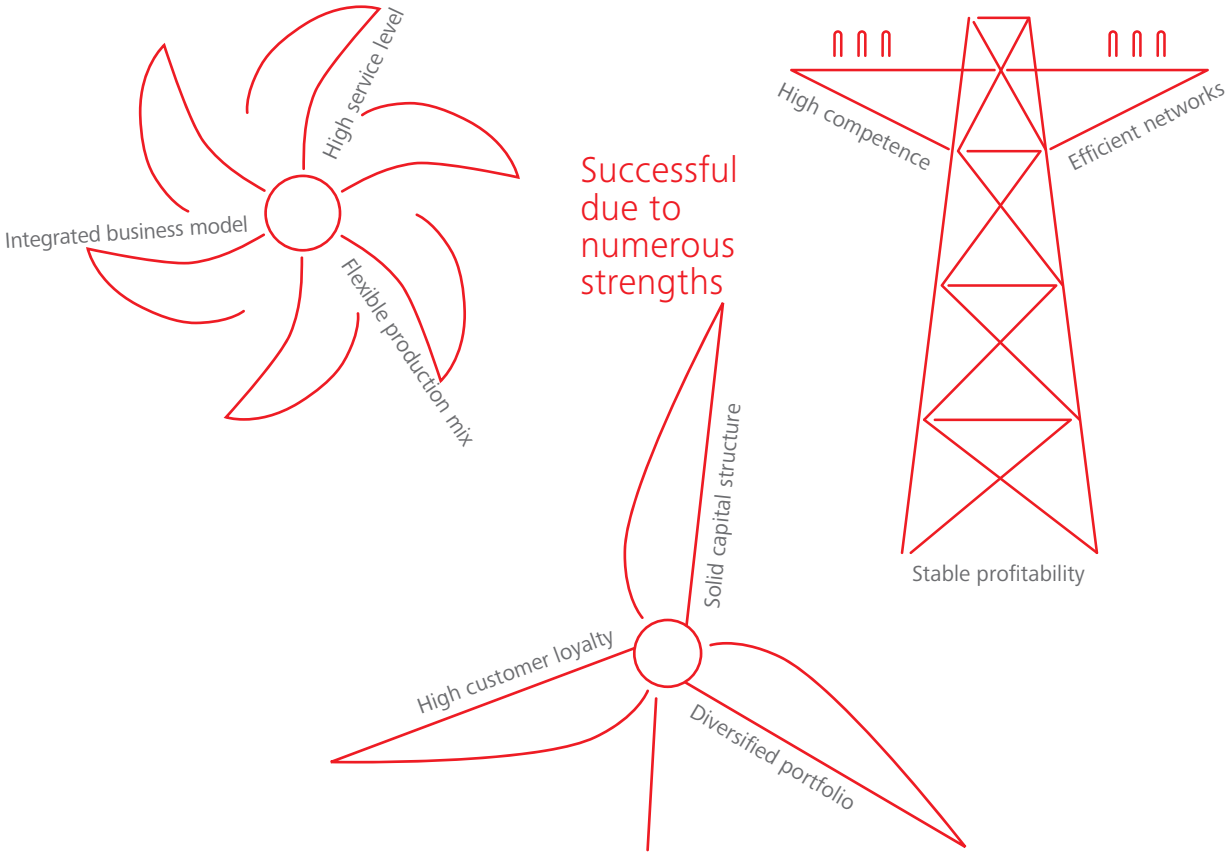
○ The EVN materiality matrix, including explanations, can be accessed under **www.evn.at/CSR-strategy/CSR-materiality-matrix**.

Success and influencing factors

The stability and efficiency of EVN's energy distribution networks are central factors for ensuring supply security – the key strategic area of activity for EVN in relation to its stakeholders – and for protecting the Group's sustainable economic success. The continuous improvement of these networks therefore represents one of the focal points of EVN's strategic investments. In South Eastern Europe, the modernisation of the networks and the implementation of measures to prevent electricity theft are sustainably reducing network losses. The development of earnings in the network business is significantly dependent on the regulatory environment and the tariff system.

In the area of energy generation, EVN ensures supply security by generating a balanced share of its energy requirements with its own facilities and by maintaining a flexible mix of generation from thermal and renewable capacities. The high importance given to two strategic areas of activity in the EVN materiality matrix – "sustainable energy generation and climate protection" and "environmental protection and resource conservation" – is reflected in the importance placed on the expansion of energy generation from renewable sources and the continuous improvement of generation and distribution efficiency. The earnings from thermal energy generation are dependent on the development of primary energy prices and selling prices on the European electricity market. Earnings from the generation and sale of renewable energy are dependent on regulated feed-in tariffs, and on water flow and wind conditions. The on-going analysis of these relevant factors allows EVN to actively utilise the optimisation potential of its own generation activities.

In the area of electricity and natural gas trading, EVN uses various hedging strategies to counter the volatility on the markets for primary energy, electricity procurement and electricity sales. The company's integrated business model – above all the flexible use of own generation capacities – creates a natural hedge for the electricity business. Earnings from the generation of heat from biomass are dependent on the cost of the purchased biogenic fuels. Selling prices are indexed by linking the related contracts to official indexes. The sales volumes of electricity, natural gas and heat are influenced by the temperature, whereby the highest sales volumes are recorded during the winter months.



In the area of environmental services, the security of fresh water supplies for drinking water is of key importance. The focus here is on the connection of wells and well fields as well as quality improvements through the construction of natural filter plants based on state-of-the-art technology and environmental standards in order to ensure a sustainable, high quality and long-term supply at fair prices. The demand for solutions in the international project business is influenced by the financing capabilities of the public sector customers. A broad international focus and the successful completion of over 100 projects have given EVN a reputation as a recognised expert for the competent realisation of projects for municipal waste water disposal, drinking water purification and thermal waste utilisation in Central, South Eastern and Eastern Europe. EVN serves as the general contractor for these projects and is therefore responsible for planning and turnkey construction as well as subsequent operation where desired. Through so-called PPP models (Public Private Partnership), EVN also arranges the financing without taking on any economic risks for the respective facility.

The strategic investments make an important and valuable contribution to EVN's vertical integration as well as to the supply security for electricity and natural gas. This is true, above all, for the investments in Verbund AG and the Inn River power plants that support electricity generation. Natural gas storage in Austria has also become an important issue, in particular due to the current international crises and the related direct threats to natural gas supplies. With the investment in Rohöl-Aufsuchungs AG (RAG) EVN holds gas storage facilities in Austria in its portfolio.

Financial strategy

As a utility company with a high sense of responsibility toward all its stakeholders, EVN is also committed to maintaining a sound financial position and minimising risk in its financing activities.

EVN's management uses the following financial indicators for evaluating the attainment of financial goals:

Financial indicators	30.09.2014	30.09.2013
Equity ratio	38.5%	43.2%
Net Debt Coverage (FFO)	41.3%	38.3%
Interest Cover (FFO)	8.1 x	8.8 x
Payout ratio	–	65.3%

EVN's debt structure is designed to maximise the long-term nature of the company's financing instruments, achieve a balanced maturity structure and diversify the financing partners while also optimising financing costs. Capital market financing plays an important role in this process because it provides access to longer maturities at attractive conditions as well as greater independence from the loan markets. Approximately 42.9% of the financial liabilities outstanding as of 30 September 2014 represented bonds, private placements and promissory note loans. The key requirements for access to the capital market are the external ratings and the framework documentation for capital market financing (debt issuance programme).

Other goals for financial management include maximising the planning ability of future debt service and minimising financial risks. Accordingly, all foreign currency financing is hedged against foreign exchange risks when the related contracts are concluded. The predictability of future debt service is allowed for by a high share of fixed interest financing.

In the lending area, EVN works together with Austrian and international banks as well as multilateral financial institutions. For example, a EUR 150.0m loan agreement with a tenor of 25 years was concluded with the European Investment Bank in November 2013 for the expansion of network infrastructure in Lower Austria.

EVN's short-term financing requirements were secured by credit commitments totalling EUR 575.0m as of 30 September 2014. These commitments serve primarily as a liquidity reserve to protect the company's financial flexibility and were not used during the 2013/14 financial year. They include bilateral commitments by six banks for a total volume of EUR 175.0m with remaining terms of up to five years as well as a syndicated, revolving credit line of EUR 400.0m. In view of the attractive market environment, EVN refinanced the syndicated credit line prematurely in July 2014 through an agreement with a consortium of twelve international banks. The new loan agreement has a five-year term with two one-year extension options. This refinancing also involved a reduction in the original loan volume from EUR 500.0m to EUR 400.0m in line with EVN's lower financing requirements.

The borrowing and investment of liquid funds is carried out centrally by EVN AG for all corporate units. Two financing subsidiaries, EVN Finanzservice GmbH and EVN Projektmanagement GmbH, serve as management companies for intragroup cash pooling and loans. Loans are also concluded directly by the Group companies in exceptional cases, for example to manage risk or improve the use of hedges against political risks, but these transactions always take place in close coordination with the Group Finance Department.

☐ A description of the financial transactions carried out during the reporting year and the balance sheet structure is provided in this full report beginning on page 115.

☐ An overview of the long-term financial liabilities can be found on page 193f of the notes.

Rating

EVN uses the services of two rating agencies, Moody's and Standard & Poor's, on a regular basis. Their ratings, which are based on objective credit ratings, give EVN flexible access to capital market financing outside the banking sector at attractive conditions and with longer terms.

The structural and economic challenges in the energy sector are also reflected in the rating agency estimates for the European utility companies. Subduing factors such as the on-going pressure on generation margins naturally have an effect on the credit standing of EVN. Conversely, the ratings are positively influenced, above all, by the stable and regulated core business in the network area of the Lower Austrian home market. The two agencies' ratings for EVN remained generally unchanged during the 2013/14 financial year: Standard & Poor's confirmed its BBB+ (stable outlook) in April and July 2014, while Moody's retained its A3 rating, but reduced the outlook from stable to negative in July.

EVN therefore met its goal to maintain a rating in the good investment grade segment during the 2013/14 financial year.

Value management

One of the most important goals for EVN's management is to realise a long-term increase in operating value added. EVN measures this performance indicator based on Economic Value Added (EVA®), which compares net profit after tax with the weighted average cost of capital employed. Since this calculation neutralises the cost of capital, it highlights the actual operating value added by a company.

EVA® is calculated by multiplying the difference between the return on capital employed (ROCE) and the weighted average cost of capital (WACC) by the average capital employed.

When you want to sustainably protect energy supplies

Evolution not revolution. Every change in our energy system requires responsible actions, an intuitive feeling and a balance between the use of new, regenerative energy and supply security. As a pioneer in this system change, EVN is well-equipped not only to step forward into a sustainable energy future, but also to ensure reliable supplies here and today. EVN's moderate, integrated approach, long-standing experience and solid capital structure form the basis for sustainable success – even in a challenging market environment.

you need an intuitive feeling
and the right tempo

Stakeholders

**EVN strives to ensure equal treatment of the interests of all its stakeholders.
The following chapter provides information on the individual stakeholder groups.**

As a responsible energy and environmental services provider, EVN is committed to balanced and equal treatment of the interests and requirements of all stakeholder groups. Based on this fundamental orientation, EVN sees the dimensions "People", "Environment" and "Economy" as three interrelated parts of a whole and works to achieve a balance between any conflicts of interest.

The publication of EVN's first environmental report in 1990 was followed by continuous improvements over the following years and subsequent development into a sustainability report in 2002. The increasing importance of sustainability aspects for EVN's business model has been reflected in the release of an integrated annual report – a so-called "full report" – since the 2009/10 financial year. The content of this report gives equal treatment to sustainability aspects, financial information and corporate governance.

The structure of the following chapters is based on the various stakeholder groups and thereby intends to enable direct access to information relevant to the individual addressees. All of the subjects relevant for EVN's various stakeholder groups are given equal treatment. The selection of the subjects and information is based on the materiality matrix (see page 37).

An overview of the GRI indicators is provided on the end-cover flap of this full report to facilitate the location of specific content. References to the GRI indicators are also included in the corresponding sections of the report. Links to additional information on the EVN website and other publications are intended to limit the scope of this report and supply detailed facts and figures on selected issues and projects.

Governance, commitment and engagement

Corporate governance and management structure

The management and organisational structure of the EVN is described in the corporate governance report starting on page 97. An overview of EVN's major investments can be found on page 232.

Involvement of management and the highest governance body in sustainability issues

The Executive Board of EVN is responsible for the continuous development of the corporate strategy and for the preparation and revision of corporate guidelines and policy statements. This work is carried out in close coordination with the Supervisory Board and is supported by steering committees and working groups that are established for specific topics. A CSR steering committee was installed to deal with questions regarding sustainability. It comprises the entire management team, including the Executive Board, and therefore reflects European best practice standards. This committee's broad composition allows for the targeted management of CSR issues and continuous coordination with the corporate strategy and operating segments' goals.

△ **GRI indicator: Role of the highest governance body in economic, ecological and social impacts, risks and opportunities (G4-42)**

Assistance to the Executive Board and Supervisory Board on sustainability issues is also provided by the Advisory Committee for Environmental and Social Responsibility. This committee consists of independent internal and external experts as well as employee representatives. For guidance on issues related to social commitment, the Executive Board can also call on the external experts who serve on the advisory board of the EVN Social Fund (details on these advisory boards can be found on page 47.). The stakeholder group "customers" has been represented by a committee since 2011, whose function is to intensify the customer dialogue. The Customer Committee has 24 members who are selected to represent the interests of consumers from Lower Austria. The committee's members serve two-year terms, whereby the last appointments were made at the beginning of 2013. The direct exchange of ideas and opinions between various stakeholders and the members of the Executive Board also takes place in a roundtable discussion as part of the regular stakeholder surveys. The needs and concerns expressed by the stakeholders flow directly into EVN's strategy in the form of the strategic areas of activity that are derived from the surveys.

△ **GRI indicator: Consultation processes between stakeholders and the highest governance body (G4-37)**

The Supervisory Board is supplied with in-depth information on current economic, ecological and social issues that are relevant for EVN at an annual closed conference. Compliance was the main subject of this conference in 2013/14. The Chief Compliance Officer reports to the Supervisory Board twice each year on critical issues and concerns at meetings of the Audit Committee. Independent of these meetings, the Supervisory Board receives additional information on any initial suspicions of violations that may represent an economic risk to the company or damage to its reputation. The Audit Committee of the Supervisory Board is informed of any initial suspicions of violations that may have material economic effects or cause damage to the company's reputation. The chairman of the Supervisory Board is notified directly if there are any suspicions of severe compliance violations involving the Executive Board members or if the Executive Board fails to take action. No critical issues were reported to the Supervisory Board during the reporting year.

△ **GRI indicators: Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics (G4-43); Process for communicating critical concerns to the highest governance body (G4-49); Nature and total number of critical concerns communicated to the highest governance body (G4-50); Anti-corruption training (SO-4)**

Stakeholders have the opportunity to express their views on management's remuneration and the remuneration scheme at the Annual General Meeting.

The remuneration scheme for key EVN managers was adjusted as of 1 October 2010. Among others, the adjustment included the following points:

- → Inclusion of value-oriented indicators
- → Inclusion of sustainable development factors for the respective areas

△ **GRI indicator: Stakeholders' views on management remuneration (G4-53)**

Ethics and integrity

EVN's dynamic international expansion in recent years was also connected with new challenges in the areas of cultural diversity, values and business ethics. In order to support the development of a shared corporate culture across language barriers and national borders, EVN issued a Code of Conduct. It explains the most important principles and rules of conduct of EVN's corporate culture to its employees and is available in German, English and the languages of the subsidiaries in Bulgaria, Macedonia and Russia. The EVN Code of Conduct is regularly adapted to reflect current developments, above all changes in legal requirements. It is based on internal management directives and the following international regulations:

- → UN Global Compact
- → Universal Declaration on Human Rights (U.N.) and the European Convention for the Protection of Human Rights and Fundamental Freedoms
- → ILO (International Labour Organisation) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy
- → ILO Declaration on Fundamental Principles and Rights at Work
- → OECD Guidelines for Multinational Enterprises
- → OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- → Austrian Corporate Governance Code

△ **GRI indicator: Values, principles, and norms of behaviour (G4-56)**

In 2011/12, EVN's compliance organisation was modified and fundamental decisions were taken concerning the implementation of a compliance management system (CMS). The Corporate Compliance Management Department (CCM), a staff department reporting directly to the Executive Board, was created to establish, operate and further develop the CMS.

△ **GRI indicator: Internal and external mechanisms for compliance and integrity (G4-57)**

□ **Additional information on the compliance organisation can be found in the corporate governance report on page 97f.**

Extensive training for employees

Following the implementation of the modified compliance organisation in 2012/13, activities in the reporting year focused on training sessions for employees as well as the introduction of internal procedures for advising and reporting concerns related to ethical and legal behaviour. The participation of managers is vital for the establishment of a sustainable compliance culture due to their functions as role models and contact partners for compliance-relevant concerns. Five-hour, interactive and dialogue-oriented workshops were therefore held in October 2013 for roughly 100 managers to create a greater awareness for this issue. Similar workshops were held for the managers in EVN's South Eastern European subsidiaries from February to April 2014.

In order to spread and anchor CMS as strongly as possible throughout the Group, the training for employees built directly on the managers' courses. The compliance officers responsible for the respective departments explained EVN's CMS and the related structures and processes to employees. The minimum standard for these courses, which were held in small groups, was 2.5 hours. The content was based on the ten subject areas defined in EVN's Code of Conduct. A previous risk analysis led to the focus on the following issues, which were discussed by means of specific examples:

- → Customers
- → Capital market and investors
- → Integrity and avoidance of corruption
- → Data protection and confidentiality

△ **GRI indicator: Total hours of employee training on human rights policies or procedures (HR2)**

The compliance box "Compliance. It's good energy." was developed for these training courses. It can be used as a collection of resources or reference work and was distributed to all participants at the start of the training course. The box is available in German, English, Bulgarian, Macedonian and Russian. This compliance training placed a special focus on the confidential, anonymous whistle-blowing system installed by EVN to facilitate the reporting of concerns related to unethical or illegal actions. The whistle-blowing system is also an important element of the compliance box. Both compliance training and the compliance box provide detailed information on reporting procedures that are available to employees in the EVN Intranet and to business partners via email under compliance@evn.at/mk/bg. The entry form for reporting in the EVN Intranet is also available in the languages mentioned above. A Group directive defines the procedure for dealing with the reported concerns and protecting the whistle-blower against reprisals.

Compliance training courses were held for roughly 6,000 employees and over 200 managers in ten different languages at more than 100 different locations in 2013/14. Plans call for the completion of these courses by the end of the 2014 calendar year.

New compliance-relevant content and issues are reviewed on a regular basis. In accordance with the risk assessment, they are processed and included in the compliance box as required. Training courses on special subjects provide additional information for areas exposed to increased risk. The EVN Intranet and e-learning tools are also available to all employees as a means of strengthening the awareness for compliance and reinforcing the course content. A specific plan sets the main points for communications on current compliance issues.

△ **GRI indicators: Anti-corruption measures trainings (SO4); Reporting concerns related to integrity (G4-58)**

○ **The EVN Code of Conduct is available under www.evn.at/Code-of-conduct.aspx.**

□ **For information on EVN's capital market communications, see page 75f, Investor Relations**

□ **See page 48 on EVN in sustainability indices**

CSR organisation

The sustainable orientation of management and the related goals represent central elements of EVN's corporate strategy. The actual integration of sustainability issues is the responsibility of the CSR steering committee which includes also members of the Executive Board. Organisational and content-related support is provided by the CSR advisory team, which serves as an interface and link between strategic decisions and operational implementation. This team supports the departments in developing goals, measures and standards, which are then approved by the CSR steering committee. It also identifies current trends and developments in the area of sustainability. The Corporate Social Responsibility Management is represented by the spokesman of the Executive Board.

The involvement of all corporate units and the identification of the CSR development opportunities in these units are ensured by the nomination of CSR network officers in all departments. These network officers ensure that previous CSR activities are regularly reviewed and current activities and opportunities for improvement are discussed and realised. The handling of CSR issues at EVN's subsidiaries in Bulgaria, Macedonia, Croatia and Germany is supported by the implementation of individual CSR organisations that are based on the Austrian model.

A stakeholder survey was carried out in 2013/14 to review the strategic areas of activity and their prioritisation. The results led to the modification and further development of EVN's materiality matrix. Within the framework of the regularly scheduled CSR target discussions, the survey results were also discussed internally with the specialist departments. The related goals and measures were adjusted where necessary and should help to further strengthen and anchor the CSR strategy in the core business and support the implementation of an annual structured process to include stakeholders. The CSR measures in the individual corporate units are also monitored annually. In addition, in the reporting period a workshop was held with the CSR network officers to define further measures to increase CSR awareness and to describe CSR examples. One result of this workshop was a project to integrate the subject of CSR in existing training programmes. A working group was also established to improve the understanding of human rights demands on EVN.

△ GRI indicators: Sustainability management process – responsibilities and process for delegation by the highest governance body (G4-35); Report of environmental, ecological and social topics to the highest governance body (G4-36)

○ Additional information on the CSR organisation can be found under **www.responsibility.evn.at**.

Advisory Committee for Environmental and Social Responsibility

EVN's Environmental Advisory Board was already established in 1992 to advise the Executive Board on environmental and sustainability issues. In 2006, the scope of its activities was expanded to include social responsibility and its name was changed to the current designation of Advisory Committee for Environmental and Social Responsibility. The 28 members meet twice each year to discuss current issues.

The meetings in 2013/14 focused on the following topics:

- → The electricity market in transition – surplus and competitio versus shortage and government intervention
- → The energy transition and the EU's energy and climate goals
- → Power to Gas – the technology of the future?
- → Innovation in the energy industry – the role of EVN

□ **The members of this committee are listed on page 243.**

○ Also available under **www.evn.at/Advisory-committee-for-environmental-and-social-responsibility**

EVN Social Fund

The EVN Social Fund was created at the end of September 2008 to bundle and increase the transparency of sponsoring activities in social areas. It provides sustainable support for youth institutions in Lower Austria and has an annual endowment of EUR 100,000. Decisions on the projects to be sponsored are made by an expert committee that meets twice each year. The committee members are Gabriela Peterschofsky-Orange, Head of the Children's and Young Persons' Advocacy for Lower Austria, Helga Preitschopf, Federal Province of Lower Austria – Department of Social Affairs, Harald Wieser, Youth Welfare Social Worker, Elisabeth Baum-Breuer, Head of the Pottenstein Youth Centre and Michael Landau, Caritas President as the chairman. Their recommendations for the use of funds are made unanimously to the Executive Board of EVN. Twenty projects were supported during the reporting year.

□ **A list of the supported projects is provided in the chapter "Society" on page 79.**

Control and assessment of sustainability performance

In addition to compliance with the provisions of the Austrian Corporate Governance Code, EVN's most effective instrument for controlling its sustainability performance – and therefore also the Executive Board – is the annual process of collecting, analysing, evaluating, summarising and publishing facts and figures for sustainability reporting according to GRI, application level "comprehensive".

EVN also commissioned TÜV SÜD, an independent testing institute, to verify its sustainability performance and the 2013/14 full report, in particular the content reported under GRI G4 and the GRI index, for the 2013/14 financial year. This verification included an interview with the members of the Executive Board on sustainability issues. TÜV SÜD issued its external evaluation of the company's sustainability performance in the form of a management letter.

Numerous sustainability indices have added the EVN share to their listings in recent years. The companies included in these indices are audited on a regular basis. EVN has been included in the FTSE4Good Index since 2002 and in the Ethibel Sustainability Index Group (ESI), which covers ESI Global and ESI Europe, since 2005. In 2005 the EVN share was included in the Austrian sustainability index VÖNIX, which represents Austria's leading listed companies for social and ecological performance. Since December 2010, the EVN share has also been part of the ECPI Index and the ECPI Ethical Index EMU.

A further method for the external evaluation of EVN's sustainability performance is the continuous extension of EMAS certification to additional power plants and heating plants. EVN took a further step in this direction during the reporting year with the auditing of the Korneuburg thermal power plant according to EMAS/ISO 14001 in March 2014.

EVN's internal audit department reports directly to the Executive Board and to the Audit Committee of the Supervisory Board. Its responsibilities include the audit of EVN's procedures and business units in Austria, while comparable functions for the subsidiaries in Bulgaria and Macedonia are carried out by separate internal audit departments. The activities of the internal audit department are based on International Standards for the Professional Practice of Internal Auditing (IIA). The problem areas identified by the internal audits in 2013/14 were reported to the responsible managers together with suggestions for improvement. The implementation of the measures defined by management will be verified in a follow-up review. No serious deficiencies were identified that could endanger the strategy or goals of the EVN Group.

△ GRI indicators: Evaluation of the highest governance body's performance with respect to sustainable development (G4-44); Highest committee or position that formally reviews the sustainability report (G4-48)

□ The report on internal audit and risk management activities as well as information on EVN's remuneration scheme can be found in the corporate governance report starting on page 97.

Support for external initiatives

EVN is part of the steering committee of the Austrian Global Compact Network since 2012. Established in 2009, the steering committee evaluates the past activities and plans the future activities of the Austrian UNGC Network.

External initiatives

OECD	OECD Guidelines for Multinational Enterprises
UNGC	UN Global Compact
respACT	austrian business council for sustainable development
ÖGUT	Austrian Society for Environment and Technology

△ GRI indicator: Support for external initiatives (G4-15)

Membership in associations and interest groups

EVN is a member of numerous industry-relevant organisations and associations.

△ GRI indicator: Memberships in associations and interest groups (G4-16)

○ A detailed list of EVN's memberships can be found under **www.evn.at/EVN-Group/responsibility/CSR-strategy/Content.aspx**.

When you venture into new territory

you need a solid basis

Stepping into new territory brings risks: this is also true for regenerative energy forms. Used on their own, they aren't yet able to cover the energy demand. What is needed is a flexible generation mix that can ensure sufficient reserve capacity. Also important is a sound balance between decentralised generation, on the one hand, and centralised management and optimisation, on the other hand. An integrated model allows EVN to leverage the valuable potential of renewable energy and ensure its successful and sustainable inclusion.
In the long term, the share of renewable energy in EVN's own production shall be raised to 50%.

Stakeholder management

EVN is actively engaged in addressing the diverse concerns of its stakeholders. Its energy and environmental services businesses are the focal point of substantial public interest and are therefore subject to more intense critical observation than companies in other industries.

EVN's steady expansion, growth and investments in recent years have also been accompanied by growing interest on the part of stakeholders. This development has led to a further increase in the transparency of communications and the number of participatory processes as well as greater weight given to the importance of a regular dialogue with stakeholders.

The dialogue carried out with the various stakeholder and interest groups helps EVN to develop, in the course of its stakeholder management, effective strategies for the company's further development and the on-going sustainability process. These activities are aimed at identifying stakeholders' expectations, recognising risks at an early stage and utilising opportunities to develop, maintain and strengthen good relations with stakeholders.

The core of EVN's stakeholder management is based on strong relationships between the managers of the various strategic business units and departments with their stakeholders: employees, customers, suppliers, partners, external organisations, associations, NGOs, interest groups, science and research.

An institutionalised dialogue with the many different stakeholder groups takes the form of working groups, committees in local communities, project mediation with regional citizens' initiatives, the EVN Advisory Board for the Environment and Social Responsibility, the EVN Customer Advisory Board, the EVN Social Fund and the EVN Art Advisory Board. EVN has also installed a complaint management system. Employee-related issues are handled through extensive communications and cooperation between management and the works council.

EVN carries out regular stakeholder surveys to systematise and structure its stakeholder relationships. These surveys help to identify the most important sustainability issues and to develop a focused, strategic orientation for sustainability activities. The results are also used to facilitate corporate communications, to identify appropriate dialogue and cooperation partners and to supply important content on economic, social and ecological issues as input for managerial strategic decisions. Based on the survey results, stakeholder management is improved and the priority ranking of the activity areas is reviewed. For example, the stakeholder survey in spring 2014 led to an adjustment of the EVN materiality matrix (see page 37). In comparison with the previous materiality matrix, "sustainable energy generation and climate protection" and "focus on customers" were added to the subjects with the highest importance, thereby increasing this group of activity areas to six.

△ GRI indicators: Restatements in the report (G4-22); Changes in the scope and aspect boundaries (G4-23)

Stakeholder survey 2014

The main CSR areas of activity for EVN were identified in 2009 during a workshop with the CSR network officers from all areas of the company. These interrelated themes formed the basis of the 2010 materiality matrix. Since then, the subjects have been discussed internally with all specialist departments within the framework of the regularly scheduled CSR target discussions and were updated to reflect the new priority ranking before the 2014 stakeholder survey took place. The updated list was then discussed and approved by the CSR steering committee, which also includes the EVN Executive Board. The 2014 survey started with a stakeholder workshop and telephone interviews, during which the major themes were limited and their relevance and scope were discussed. The previous stakeholder ranking was then reviewed and adjusted in an internal workshop.

What is important?	For whom is this subject very important?			
	Owners	EVN Supervisory Board	Interest groups/ Associations	Customers
Supply security				●
Focus on customers		●		
Sustainable increase in shareholder value	●		●	
Responsible employer		●	●	●
Environmental protection and resource conservation			●	
Sustainable energy generation and climate protection			●	

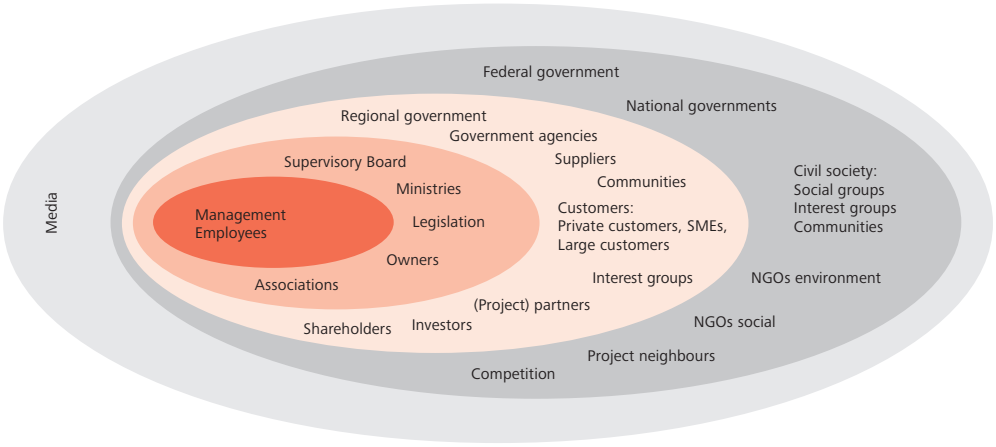


Diagram: EVN's stakeholder groups

Based on these preliminary results, 330 stakeholders were contacted from the fields of science, research, business, media, NGOs, politics and government authorities as well as suppliers, employees and customers, the members of the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility and EVN managers. The analysis of the 187 responses crystallised six areas of activity as the most important and led to their inclusion in the materiality matrix (see page 37). The results of the survey were discussed by the CSR steering committee with managers and afterwards with employees. Presentations were also made to the members of the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility. Further measures are currently being developed with the relevant corporate units as part of the CSR target discussions. In the future, an annual process will be implemented to include stakeholders at the strategic level.

△ GRI indicators: Definition of the report content (G4-18); List of stakeholder groups (G4-24); Identification of stakeholder groups (G4-25); Engagement of stakeholder groups (G4-26); Results of stakeholder engagement (G4-27)

Project-related inclusion of stakeholders and their interests

EVN is well aware of the social, ecological and economic impact of its business activities. Compliance with all relevant international guidelines and agreements and national legislation, above and beyond legal requirements, is a matter of course. A special focus is placed on the execution of environmental and social impact assessments and on proactive communications for new infrastructure projects. EVN supports the early, comprehensive and open inclusion of stakeholders in decision-making processes. From small-scale hydropower plants, pipeline projects, windparks and biomass heating plants to waste utilisation plants – all these projects are planned and realised with the active participation of neighbouring residents, citizens' groups, NGOs, political representatives, local initiatives and associations. EVN views these stakeholders as valuable planning partners and information contributors for realising projects and conducting business activities to the greatest possible satisfaction of all stakeholder groups. Early inclusion creates the basis for broad acceptance, provides valuable information on the best possible resource-conserving realisation and is a decisive factor for planning security ("licence to operate").

Suppliers	Market partners	Media	Employees	NGOs	Politics Authorities	Science Research
●	●			●		●
	●		●	●	●	
	●	●	●			
			●		●	
●				●		●
		●		●	●	●

A central role in this process is played by the "project communication", which was established several years ago as part of the information and communication department to institutionalise project-related stakeholder communications. "Project communication" forms the Group-wide competence centre for participation, project and stakeholder communications, conflict prevention and conflict management and, as such, maintains direct contact with the managers of all major infrastructure projects. With the establishment of this area, EVN was able to create a bridge between the technical, financial and legal requirements of projects and Group requirements for participation, transparency and proactive communications, on the one side, and the needs and viewpoints of relevant stakeholder groups, on the other side.

Project communication supports prevention in various ways by ensuring the close and early inclusion of stakeholders in project planning:

- Close contact with relevant stakeholders and feedback to project management allows for the early identification of project risks,
- The development of trusting working relationships with important NGOs and other stakeholders over the medium and long term creates effective communication channels that allow for mutually acceptable compromise solutions,
- Direct inclusion in project planning strengthens the expertise and awareness of the project managers in the areas of stakeholder communications and participation and thereby helps to sustainably anchor these valuable participatory skills in all relevant areas of the EVN Group.

The insight gained through stakeholder communications is considered in the extensive due diligence audits that are conducted before the start of a project. The results of these audits are used by the Executive Board and/or the Supervisory Board, depending on the size of the project, to evaluate the projects' feasibility. Instruments such as environmental impact assessments are also used to evaluate the sustainability risks and effects of new projects.

△ **GRI indicators: Engagement of stakeholders (G4-26); Role of the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities (G4-45); Operations with implemented local community engagement, impact assessments, and development programs (SO1); Operations with significant negative impacts on local communities (SO2)**

EVN's stakeholders and method of inclusion (selection)	Surveys[1]	Active and frequent contact	Working group, forum, annual meetings[2]	Advisory committees, expert groups[3]	Supervisory Board
Employees	●	●	●	●	●
Customers	●	●	●	●	●
Suppliers	●	●	●	●	●
NGOs	●	●	●	●	
Media	●	●	●		
Investors	●	●	●	●	●

1) Employees and customers at regular intervals, stakeholders survey 2010, 2014
2) Once or twice per year or more often
3) Once or twice per year or more often

When you want to be a sustainable energy provider

you should also advise your customers on how to save energy

Integral thinking means to optimise instead of only maximising. At first glance, this might not seem economical, but it certainly can make sense in the long term and can safeguard the entire system.

Customers

Customers represent the focal point of all activities for EVN. This is demonstrated, above all, by the high importance given to the strategic areas of activity "focus on customers" and "supply security" in EVN's materiality matrix.

In 2013/14, nearly four million customers placed their trust in the safe and reliable energy and environmental products and services offered by EVN from a single hand. This wide-ranging portfolio – which includes electricity, natural gas, heat and drinking water as well as wastewater disposal, cable TV and telecommunications – helps to improve the quality of life for people in 21 countries across Central and South Eastern Europe. EVN, in its role as a network operator, acknowledges its responsibility to provide the customers in its supply areas with secure access to energy. The necessary network reliability is protected by a targeted investment policy. EVN supplies 3.5 million customers with electricity, natural gas and heat. Roughly 503,900 customers in Lower Austria are supplied directly and indirectly with clean drinking water, and a further 219,000 customers use EVN's cable TV and telecommunications services. The plants built by EVN's environmental services business in recent years provide thermal waste utilisation, drinking water supplies and wastewater disposal for 17.2 million customers in 18 countries throughout Europe. EVN's broad customer base is reflected, above all, in the energy business, where households comprise roughly two-thirds of the customers. The remaining customers are commercial enterprises, industrial companies and public institutions. In the project-based environmental business, EVN works primarily with public customers like cities and municipalities.

△ GRI indicator: Number of customer accounts (EU3)

EVN's customer structure (EU3)	30.09.2014
Energy	
Electricity grid	3,308,000
Natural gas grid	292,400
Heating grid	81,900
Environmental services	
Drinking water (Austria)[1)]	503,900
International drinking/wastewater services (PE[2)])	17,235,000
Cable TV and telecommunication	219,000

1) Thereof directly supplied: 87,000
2) Population equivalents (PE): industrial wastewater adjusted for wastewater of households

"EVN is always there for me" – more than just an advertising slogan

The high importance given to the "focus on customers" as a strategic area of activity is reflected in EVN's continuous efforts to develop a fair and professional partnership and in the customer-oriented structure of the EVN customer service. Throughout the entire supply area, an extensive network of customer centres ensures easy access to EVN's services. EVN customers in Lower Austria can rely on a highly qualified staff in 26 service centres and the EVN Shop in Wiener Neustadt which opened in 2011. Telephone enquiries on EVN's products and services, invoices and energy issues are answered by employees of the customer service. This close customer orientation as well as competent personal and telephone advising are important factors to achieve and maintain high customer satisfaction. In order to ensure optimal access and to protect the health and safety of customers, the service centres can also be reached at any time of the day or night to report supply interruptions. Electricity invoices that are easy to understand and clearly organised, detailed information on the homepage, a direct dialogue and regular customer satisfaction analyses are further instruments used by EVN to justify customers' far-reaching trust and to meet their high expectations.

EVN also supports its customers through various activities in the area of energy consulting. Mobile consulting teams and the EVN Shop in Wiener Neustadt provide helpful tips and valuable information on energy savings in personal discussions and through individual services. Examples of these services include the so-called renovation advice service "SanierService", the replacement of heating equipment, the maintenance of electrical and natural gas equipment, the calculation of energy consumption for building certification and support for the construction of photovoltaic equipment. In connection with its products, EVN offers technical solutions to improve energy efficiency and reduce energy consumption. Individual and flexible energy tariffs complete this offering for customers.

EVN's customers in the international environmental services business consist primarily of cities, municipalities and the relevant administrative authorities. The size and structure of the projects in this area require in-depth exchange between EVN and its customers throughout all phases. EVN's subsidiary WTE functions as the process coordinator and realises compact facilities for smaller, outlying locations and business enterprises as well as projects for Europe's major cities and large industrial companies. As a provider of complete project-specific models (planning, construction, financing, operation), WTE also serves as a communicator between the various project participants and therefore sees not only the direct contracting entity, but also all involved organisations as its customers. The contact partners include municipal water/wastewater authorities as well as expert committees that are established for and take decisions on specific projects. These projects, which are usually

When you want to successfully serve business and industrial customers

Business customers place particularly high value on specially designed solutions. Every company is different and deserves individual service. EVN has learned to understand its business customers and provide them with the best advice – a fact that is demonstrated by numerous solid, long-standing partnerships.

you need intelligent solutions

awarded through Europe-wide tenders, are generally accompanied by engineering firms that monitor the planning and execution in accordance with international standards and maintain a continuous dialogue with WTE. Other project partners include banks and the export credit agency of the Republic of Austria or the countries which provide guarantees for these foreign investments.

Customer Advisory Board

EVN took another step to improve its dialogue with customers by founding the Customer Advisory Board in 2011. This board, which entered its second term of office during the reporting year, is designed to provide an increased understanding of the opinions, concerns and needs of customers, and thereby support the company's continuous efforts to increase customer satisfaction. The Customer Advisory Board has a key advisory function, draws attention to current trends and issues, contributes fresh ideas and recommendations and, in this way, has an important influence on the design of services, products and communication measures. The main subjects of the information exchange in 2013/14 included the EVN Journal (magazine for EVN customers), energy invoices and the EVN homepage as well as selected tariff products.

The 24 members of the Customer Advisory Board represent EVN's diverse range of customers and help the company to also see its business operations from the customers' differentiated points of view. The Customer Advisory Board is elected every two years, with the next elections scheduled for 2015. Interested EVN customers can find an invitation to apply in the EVN Journal, on the EVN homepage and in the EVN Newsletter. The board members are selected with a view to achieving a balance between various customer groups and thereby ensuring the inclusion of many different interests. The members of the Customer Advisory Board come together twice each year, when they also meet EVN staff and representatives of the Executive Board to discuss issues that are relevant to customers and to develop suggestions for improvement.

EVN Bulgaria, which first invited interested customers to apply for nomination to a Customer Advisory Board in September 2013, started its activities in this area during the first quarter of the reporting year. The meetings of the Customer Advisory Board served as a platform for the exchange of information, criticism and ideas between representatives of EVN and household customers and also resulted in recommendations to improve products, services and customer service. Plans now call for the installation of a Customer Advisory Board by EVN Macedonia in 2015. For this purpose, an underlying concept, based on the experience gained in Austria and Bulgaria, was developed in the reporting period.

Additional information on EVN's Customer Advisory Board and its activities can be found under **www.evn.at/Customer-Advisory-Board**.

Customer satisfaction

Customer satisfaction is an issue of great importance for EVN in all its markets. In order to learn from the diverse experience and know-how in dealing with customers, Group-wide Customer Relations Days were held in June 2014 at EVN Macedonia with EVN representatives from Austria, Bulgaria and Macedonia. Ideas and concepts for further improving the quality of customer service throughout the EVN Group were developed in workshops, presentations and roundtable discussions that set the stage for a wide-ranging exchange of experience.

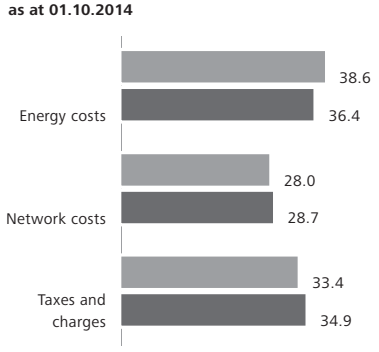
Austria

EVN's customer service in Austria received roughly 640,000 (previous year: 680,000) telephone enquiries and 115,000 (previous year: 120,000) e-mail enquiries during 2013/14. In keeping with its continuous efforts to provide the best possible service, EVN has carried out systematic surveys for many years to measure customer satisfaction. The 2013 survey covered nearly 8,000 household customers and 1,200 commercial customers in Lower Austria. These latest results, combined with long-term trends, create the basis for identifying general developments in customer satisfaction and analysing relevant business transactions and also provide valuable information on suggestions for improvement. The results are discussed with the involved departments during workshops, in which approaches for future measures are regularly defined.

The overall satisfaction of EVN's household customers remained nearly unchanged at the high prior year level (1.76) with a mean value of 1.80 in 2013 (on a five-step scale ranging from 1 = very satisfied to 5 = not at all satisfied). The price-performance ratio, an important indicator of basic customer satisfaction and loyalty, also remained high. The satisfaction of EVN's commercial customers also remained stable at a good level compared with the last survey in 2011.

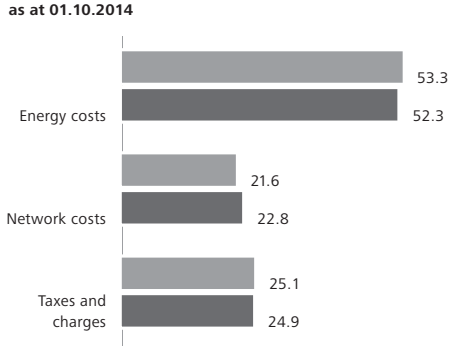
Customers view supply security and good customer service – both over the telephone and in eliminating supply disruptions – as two of EVN's greatest strengths. For commercial customers, the

Electricity price structure in Lower Austria[1)]



1) Assumptions: household with an annual consumption of 3,500 kWh

Natural gas price structure in Lower Austria[1)]



1) Assumptions: household with an annual consumption of 20,000 kWh

Energy price structure and product composition

EVN offers reliable electricity and natural gas supplies at competitive prices. In keeping with the current low level of wholesale prices, EVN's supply company reduced electricity prices for all end customers as of 1 October 2014 within the framework of EnergieAllianz Austria. This step will help a household with average electricity consumption of 3,500 kWh per year to save 10% of its energy costs.

Our product management regularly develops new tariff models that are designed to meet customer requirements and, where desired, can be based on fixed or variable energy prices and include electricity from 100% renewable energy sources or biogas. For many years, the electricity sold by EVN's supply company has not contained any nuclear energy and is generated from 100% domestic production.

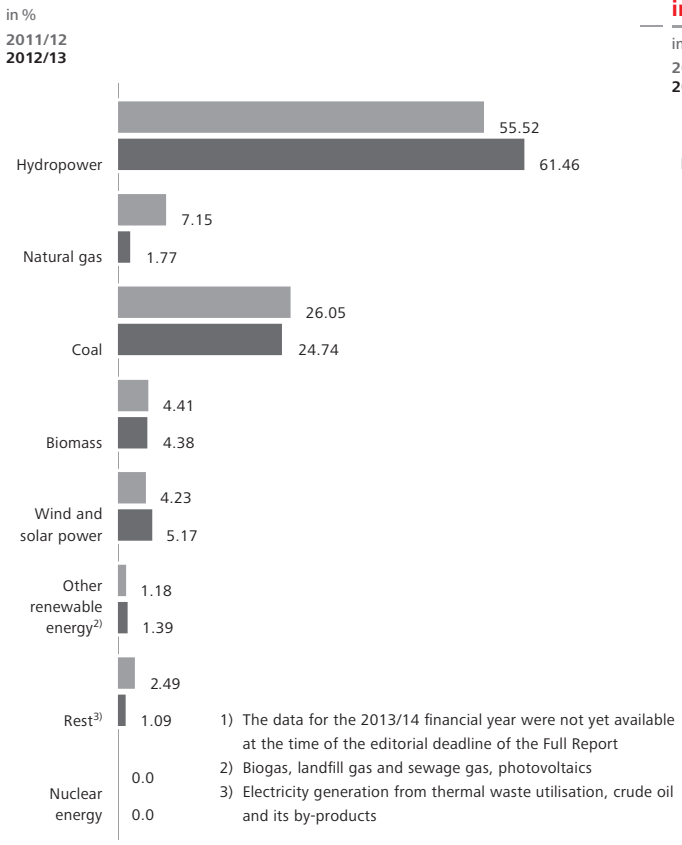
price-performance ratio was another important reason for their satisfaction with EVN.

EVN's Customer Loyalty Index, which was introduced in 2011, measures customer loyalty based on various indicators. It has become a strategic monitoring instrument and was also calculated monthly in 2013/14. The goals of the index are to promptly recognise changes in customer loyalty, identify the causes and react quickly with suitable measures. The survey results indicated that customers with an in-depth knowledge of EVN's supplementary services have a particularly strong affinity to EVN.

The EVN customer service centre has been certified under EN 15838 since 2012 based on a monitoring audit for the certification of European Call Centres. This standard sets quality requirements for customer contact centres, with customer satisfaction forming the focal point. The audit covers personnel, organisation, processes, technology and service. This certification is a strong proof of the high quality of the service hotline, which is available free of charge to EVN's customers.

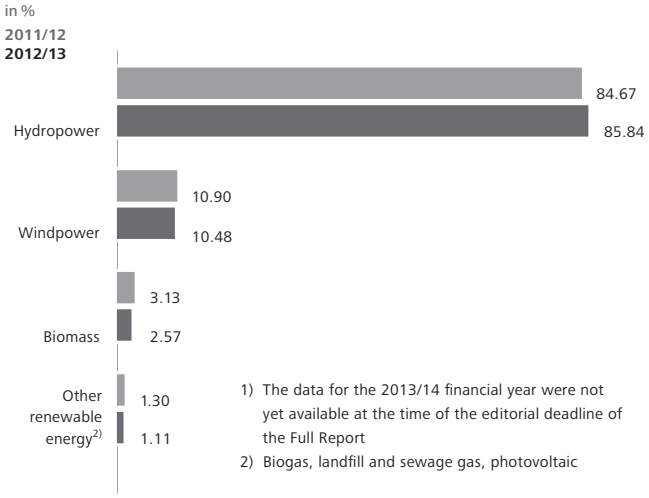
A quality improvement programme has been in place for many years to monitor compliance with internal quality standards in responding to customer enquiries and complaints. This programme asks customers to report their experiences and is designed to analyse the quality of advising under specific scenarios and to identify opportunities for improvement as the basis for the implementation of corrective measures. The quality of EVN's services was last tested from March 2013 to April 2014 in roughly 1,300 mystery shopping tests at members of the EVN customer service staff. Customer-oriented actions as well as service quality in direct customer contacts – via telephone, e-mail and personally – were evaluated by an external market research institute. The results led to the immediate implementation of important quality improvements. In order to underscore the importance of customer orientation, particularly dedicated employees were honoured at a closing event.

Composition of electricity from EVN KG in terms of primary energy sources[1)]



1) The data for the 2013/14 financial year were not yet available at the time of the editorial deadline of the Full Report
2) Biogas, landfill gas and sewage gas, photovoltaics
3) Electricity generation from thermal waste utilisation, crude oil and its by-products

Composition of electricity from the Naturkraft Energievertriebsgesellschaft m.b.H. in terms of primary energy sources[1)]



1) The data for the 2013/14 financial year were not yet available at the time of the editorial deadline of the Full Report
2) Biogas, landfill and sewage gas, photovoltaic

Bulgaria and Macedonia
The customer service staff at EVN Bulgaria responded to roughly 506,000 (previous year: 531,000) telephone enquiries and nearly 20,100 (previous year: 23,800) e-mail enquiries in 2013/14. The comparable figures for EVN Macedonia were approx. 343,700 (previous year: 340,000) telephone enquiries and almost 17,900 (previous year: 14,600) e-mail enquiries.

In Macedonia, 6,600 interviews and 1,600 mystery shopping tests were carried out during the reporting year to evaluate customer satisfaction. The results of these surveys and further internal quality analyses led directly to improvement and optimisation programmes that helped to reduce the number of complaints.

EVN Macedonia also demonstrated its commitment to the continuous improvement of customer service in 2013/14 by organising the international "Customer Service Week", which was held in Macedonia for the second time in October 2014. This event draws several thousand companies from more than 40 countries and focuses on the importance of customer satisfaction and the significance of employees in customer-related fields.

△ GRI indicator: Customer satisfaction (PR5)

EVN Bulgaria launched its "EVN next to you" customer satisfaction programme during the reporting year, which organises meetings between representatives of EVN Bulgaria and its customers in their home cities and villages. These meetings give customers a platform to discuss basic concerns and problems in their respective region with EVN contact partners. Another step to strengthen the focus on customers was the opening of an EVN customer service centre in a shopping mall, where flexible opening hours together with fast and friendly service makes the personal contacts between EVN and its customers as pleasant as possible.

△ GRI indicator: Percentage of operations with implemented local community engagement, impact assessments, and development programmes (SO1)

Product responsibility

Similar to the corporate policy statement and the environmental policy statement, the principles of product responsibility represent an integral part of EVN's central mission statements, which underscores their key importance. The EVN key values – Ensure, Encourage, Enable – also highlight the importance of the EVN brand promise, which can only be met with the commitment of all employees.

○ The individual statements can be found under **www.responsibility.evn.at**.

Combatting energy poverty

EVN places high value on energy consulting that is focused on customers and aligned with their needs. Accordingly, energy savings is one of the most important principles for these activities. While reducing energy consumption is a focal point in many households for ecological reasons, energy counselling is even more important for people at risk of poverty. The charity organisation Caritas and EVN therefore launched a joint project entitled "Households at risk of poverty", which operates according to the "train the trainer" principle. EVN's energy advisers equip the Caritas social counsellors with the necessary know-how and special technical aids to offer energy-savings tips directly in the home – in other words: helping people to help themselves. This project was implemented in six steps:

Step 1: Development of consulting tools (guideline, checklist) and selection of technical aids (energy measurement instruments, flow restrictor to reduce the use of hot water, electric kettle, etc.)
Step 2: Expert advice on-site (initial evaluation and review)
Step 3: One-day basic course on energy consulting for social counsellors with EVN energy experts
Step 4: Joint advising on-site in the involved households
Step 5: Further training session and reinforcement of energy consulting know-how for the social counsellors, feedback round
Step 6: Roll-out of energy consulting services by the social counsellors

The Caritas social counsellors carried out 200 advising sessions during the reporting year, 150 in the regional Caritas agency offices and a further 50 directly in the apartments and houses of the involved families. Since the EVN energy advisory are constantly developing new tips and tricks for energy savings, regular training programmes are held to update the Caritas staff. EVN not only provides expert know-how in the form of training for the Caritas social counsellors, but also appropriate energy solutions for concrete savings in the individual households.

For additional information on EVN's key values, see pages 35f and 62.

EVN's product and service portfolio – which includes electricity, natural gas, heat, drinking water, cable TV and telecommunications as well as environmental services – plays an important role in supplying customers with basic services and improving their quality of life. The projects for drinking water purification, wastewater disposal and thermal waste utilisation carried out by the international environmental services business make a significant contribution to the sustainability of EVN's business model through their positive influence on society and the environment. In public opinion, the production and sale of electricity from nuclear power plants is controversial. EVN's energy mix has therefore not contained any nuclear-generated or grey electricity for many years.

GRI indicator: Sale of banned or disputed products (PR6)

Protecting the high quality of EVN's products and services and compliance with the strict regulations for safeguarding customer data are given the same careful attention. EVN also places great importance on transparent and informative market, product and service communications as well as social responsibility toward disadvantaged groups and active climate protection.

The electricity and natural gas networks operated by EVN are certified for compliance with the security standards issued in the form of guidelines by "Oesterreichs Energie" and the Austrian Association for Gas and Water ("Österreichische Vereinigung für das Gas- und Wasserfach", ÖVGW). Regular reviews by an independent external auditing team ensure a high level of quality, among others in the following areas:

- Planning, construction, operation and maintenance of grids and plants
- Organisational structures, procedures and processes
- Responsibilities, specialised know-how and decision-making expertise
- Training, personnel and operating costs

GRI indicator: Customer privacy (PR8)

GRI indicator: Product and service labelling (PR3)

In planning and designing its advertising and marketing campaigns, EVN not only focuses on its own strategic goals but also on sustainability. The central aspects of energy supply, energy saving tips and energy services receive adequate treatment in all communications. EVN rejects advertising that does not conform to generally accepted ethical or cultural standards, which encroaches on privacy or which attempts to influence particularly vulnerable target groups such as children. There were no incidents of non-compliance with legal regulations or voluntary conduct rules related to advertising in the 2013/14 financial year.

GRI indicator: Total number of incidents of non-compliance with regulations and voluntary codes for advertising (PR7)

The responsible approach followed by EVN along the entire value chain minimises the potential risks associated with the impact of the company's products on health and safety. Quality management plays an important role in this process through its focus on the definition of and compliance with high standards for the (further) development of the product portfolio, innovation, research and development activities as well as processes for the certification, manufacture, production, distribution, marketing, sales promotion, use, maintenance, disposal and recycling of products. Recycling within the Group is based on Austrian standards and is considered exemplary in many areas, particularly in the foreign operations of EVN and its subsidiaries. This applies, above all, to the sustainable planning, production and distribution of electricity as well as quality assurance for the networks and electricity supplies in the regions where EVN operates. All categories of products and services are continuously monitored with respect to customer satisfaction, health and safety based on comprehensive quality assurance procedures.

GRI indicator: Effects on health and safety throughout the product life cycle (PR1)

PR2 Violation of health and safety regulations

The Executive Agency of the Bulgarian General Labour Inspectorate conducted six audits at EVN Bulgaria EP and one audit at EVN Bulgaria TP during the period from October 2013 to October 2014. These audits resulted in two directives for EVN Bulgaria TP, which were met within the required timeframe, and twelve directives for EVN Bulgaria EP, which are currently being implemented. Ten of these directives involve requirements for the buildings used by EVN Bulgaria EP, while a further directive requires an updated risk evaluation for two client energy centres ("KEC").

No fines were imposed on the member companies of the EVN Bulgaria Group by the Executive Agency of the Bulgarian General Labour Inspectorate for violations of health or safety regulations during the period from October 2013 to October 2014.

PR8 Justified data protection complaints

In January 2013 the Bulgarian Commission in charge issued directives to EVN Bulgaria TP and EVN Bulgaria EP, which require both companies to modify their internal procedures for changing customer

profiles in order to avoid possible violations of data protection regulations. EVN TP and EVN EP have already met these requirements.

In Macedonia, a special audit by the Macedonian Personal Data Protection Directorate (with minutes No.07-271 dated 29 November 2013) found that EVN Macedonia breached customers' data protection rights by sending email reminders for delayed payments containing the addresses of the customers. This led to a fine of EUR 1,000 for EVN Macedonia as a company and EUR 300 for the responsible staff member.

PR9 Fines due to violations of product and service regulations

As explained in the chapter "Society" under "Fines/sanctions as a result of illegal activities" (SO8), the Bulgarian regulatory authority imposed 50 fines on EVN Bulgaria EP as of 10 October 2014. Each of these fines equals BGN 20,000 (in total, BGN 1.0m). Most of the fines involve violations of the replacement of protocols for commercial metering devices (CMDs). The reasons for the alleged violations include missing signatures by customers, witnesses, company employees of EVN Bulgaria EP, etc. EVN Bulgaria EP has filed appeals against all of these fines with the responsible Bulgarian court, and the proceedings are currently pending.

Aspect: Customer health and safety

EU25 Injuries and fatalities of individuals (customers, neighbours, general public)

There were no injuries or fatalities involving customers, neighbouring residents or the general public in connection with EVN's facilities during 2013/14.

Energy price and information campaign by EVN Bulgaria: Winter 2013

In light of the temperature-related sharp rise in electricity consumption during the winter months, EVN Bulgaria launched the "Winter 2013" information campaign in autumn 2013 to help its customers save energy and reduce their energy costs. The most important element of the campaign was the "Winter 2013" brochure, which included answers to numerous questions on energy consumption as well as practical, easy-to-understand tips. The brochure provided detailed answers to the following questions:

- Which household appliances use the most energy?
- What factors influence energy consumption?
- How can you control energy consumption?
- What should you do before you leave home for a longer period of time?
- What do you need to know about meter reading?

The brochure was sent to roughly 508,000 customers by mail and to nearly 175,000 customers by e-mail and also distributed to 5,000 customers in the EVN customer service centres.

Aspect: Access to basic services

EU26 Population in sales area without electricity supply

Full coverage can be assumed in all countries where EVN is the electricity supplier.

EU27 Electricity disconnections due to payment arrears

EVN offers individual support and instalment payment options for customers who are unable to pay their bills on time. The past years were, however, still characterised by inconsistent payment behaviour and the frequent inability to meet scheduled payments, especially in Bulgaria and Macedonia. In 2013/14 the collection rate was 99.5% in Bulgaria and at 91.2% in Macedonia. The collection rate for heating payments in Bulgaria equalled 85.8%. In spite of its high commitment to social responsibility, EVN is forced to interrupt energy supplies when payment arrears extend over a longer period of time. The number of disconnections remained stable at a low level in Austria, but EVN was required to take this final step more frequently in Bulgaria and Macedonia – where, in contrast to Austria, meters are read and invoices are sent on a monthly basis. Supply interruptions are generally reversed within 24 hours in Austria, Bulgaria and Macedonia after the required payments are made or an extension or instalment payment agreement is concluded. EVN has introduced numerous measures in the past to help customers meet their payment obligations on time. These measures include an educational programme on energy savings (see the text box "Winter 2013", page 60) as well as a wide range of information and awareness-raising initiatives. For example, customers in Bulgaria can receive e-mail or text message reminders on the approaching end of the payment period to avoid disconnections due to unintentional late payments. EVN also places a special focus on the reliable delivery of invoices and simple payment procedures.

Employees

The central importance of employees for EVN and its stakeholders is expressed, not least, by the high priority given to the area of activity "responsible employer" in EVN's materiality matrix.

During business year 2013/14, EVN Group employed an average of 7,314 employees. The expansion of business activities in up to 21 countries over the past ten years has significantly increased cultural diversity. As a means of maintaining EVN's identity and brand promise toward its stakeholders in all countries according to the same high standards applied in Lower Austria, key values were introduced throughout the entire Group: E(V)Nsure, E(V)Ncourage, E(V)Nable. They represent an important element of the major instruments that determine the corporate culture, e.g. the managerial mission statement and the feedback and orientation sessions (FOS). These key values help employees to fill the EVN brand with life.

☐ Detailed information on EVN's key values can also be found on page 35f.

△ GRI indicator: Employment structure (G4-10)

Principles of human resources management

EVN is committed to the equal treatment of the wide-ranging interests of its stakeholders and, for that reason, also places high value on meeting the diverse needs of its employees. Numerous measures are in place to ensure that EVN not only meets its legal obligations as an employer, but also provides numerous voluntary benefits. With this continuous engagement, EVN offers its employees a positive working environment where they can develop their skills and talents. The central values of the corporate culture and the treatment of employees are defined in corporate principles.

Equal treatment and opportunity

The EVN Group is active in a large number of countries with different working conditions. This diverse operating environment led to the company's decision to comply with the principles of the International Labour Organization (ILO). Moreover, EVN joined the UN Global Compact in September 2005 and thereby confirmed its intention to act in accordance with the global principles of ethical business behaviour. Closely connected with this commitment is the challenge of eliminating all discrimination on the basis of nationality or ethnic background, gender, sexual orientation, culture, religion, age or state of health. People with the same professional and personal qualifications are given equal treatment in hiring, further training and career development, working conditions and salaries. EVN also signed a "charter on the new compatibility between parents and business" in May 2011. In addition, the "Women@EVN" programme was introduced by the Executive Board already in 2010/11.

Corporate social partnership

EVN takes major business decisions in a transparent manner in agreement with the managerial mission statement and in accordance with legal regulations. Employee representatives are, of course, integrated into the decision-making process and provided with appropriate information.

Health care, occupational safety and accident prevention

Occupational safety and accident prevention have high priority in all EVN business units. The high level of safety is ensured by training and awareness-building measures. In addition to legal regulations, EVN has issued a comprehensive internal safety set of rules with business directives and guidelines. The main section is a special "Safety Handbook" tailored to working conditions in the energy industry that is available to all employees on the Intranet.

Employee key indicators (G4-10, LA1)		2013/14	2012/13
Number of employees[1]	Number	7,314	7,497
thereof women	%	21.4	21.9
Apprentices[2]	Number	52	46
Employee fluctuation[3]	%	2.8	3.2
Average employment period	Years	16.0	16.1
Average age	Years	43.8	43.5
Revenue per employee[4]	EUR	270,007	282,858
Sick days per employee	Number	10	10
Cost of personnel in relation to revenue[4]	%	15.9	14.5

1) On full-time equivalent (FTE) basis; annual average
2) Apprentices in Austria and Germany only due to dual education system
3) Excl. departures due to Bulgarian and Macedonian redundancy programme and excluding retirement
4) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

Up-to-date and comprehensive information for employees

The magazine "EVN Intern" has provided employees with regular information on corporate developments for many years. In addition, the EVN Intranet provides a broad overview of current issues involving the company, energy supply and employee representatives as well as information on seminars and training events. In a personal section, each employee can also review his or her own flexi-time data.. In order to support the preferred internal filling of positions, job advertisements are also posted on the Intranet. These and additional measures promote the Group-wide exchange and employment of personnel.

Employee commitment to social causes

Many EVN employees not only work for the company, but also make valuable contributions to society. A large number of EVN's employees do volunteer work in organisations like the Red Cross or the local fire brigade during their free time. As an employer, EVN supports this commitment by excusing employees from work for up to half of the invested time in case of an operation. EVN also helps employees to accumulate the necessary vacation time through flexitime work models.

An example of how EVN brings the principle of voluntary commitment and volunteer work to life is provided in the text box "EVN for Lower Austria" on page 80.

Human resources activities and initiatives

The most important activities and initiatives continued or initiated by the human resources department in 2013/14 include:

- Group HR Day
- Full workforce survey on mental stress on the job in Austria
- Programme to stimulate the internal job market
- Roll-out of idea management in Macedonia
- Children's programme Holidays@EVN
- Parent-and-child office
- EVN SUN Academy (in cooperation with the Danube University Krems)
- Various trainee programmes
- EVN apprentice support programme
- Group-wide know-how transfer and dialogue
- Management support programme
- Employee survey in Macedonia

Diverse ideas from diverse employees

How many ideas does a company need to successfully manage its future? At EVN, the answer is clear: "as many as possible!" The wide-ranging diversity of backgrounds, nationalities and cultures that make up the EVN workforce represent not only a wealth of different viewpoints, but also a wealth of ideas. This potential can now be used more effectively with EVN's Intranet idea management, which was rolled out in Macedonia in the reporting period and therefore now also covers the two main business locations in South Eastern Europe. Successfully implemented ideas are rewarded with bonuses. A total of 140 ideas were submitted by more than 8% of the employees in 2013/14 – ranging from technological innovations in the electricity network to social ideas for the "EVN for Lower Austria" campaign to smaller and larger opportunities for cost savings. A special focus in South Eastern Europe was on ideas to further improve service quality.

For information on employee commitment for social causes, also see EC8 on page 78.

Employee satisfaction

Increasing employees' satisfaction with their working environment and the related conditions is a central concern for EVN. Regular surveys are carried out to collect data for relevant indicators and suggestions for continuous improvement. The first survey on employee satisfaction in Bulgaria was conducted in 2011/12 and followed by a survey at EVN Macedonia in September 2013. The high participation rate of 85% underscores the open feedback culture and the close ties between employees and the company. Over 80% of the survey participants indicated that they were satisfied or very satisfied with their employer, EVN. The employees' willingness to communicate is also reflected in the fact that roughly one-third of the respondents took the time to include individual feedback in the form of open comments. The evaluation of the survey results also served as the basis for developing concrete measures to address the employees' central concerns. Occupational safety and communications were identified as important issues, and further measures will be implemented to improve conditions in these areas.

Diversity of the workforce

As of 30 September 2014, 1,593 women (21.4%) and 5,836 men (78.6%) were employed by EVN. The average number of apprentices in the reporting period was 52. The EVN AG and Netz Niederösterreich GmbH workforces consist entirely of salaried employees. No differentiation is made between wage and salaried employees in Macedonia and Bulgaria.

Diversity of employees 2013/14 (G4-10)		Austria	Bulgaria	Macedonia	Other countries	Total
Number of employees						
thereof women	%	18.8	24.7	19.0	31.7	21.4
thereof men	%	81.2	75.3	81.0	68.3	78.6
Type of employment[1]						
Worker	%	7.4	0.0	0.0	27.8	4.0
Employee	%	92.6	100.0	100.0	72.2	96.0
Contract type						
Part-time in total	%	10.3	0.4	0.1	8.9	4.2
Part-time women	%	7.9	0.2	0.0	7.6	3.2
Individuals with special needs	%	2.1	1.5	1.1	2.3	1.6

1) In Bulgaria and Macedonia, there is no distinction between employee and worker.

The Group-wide share of wage employees equalled 4.0%. In line with EVN's international business model, the workforce includes a number of different nationalities. Men and women from more than 20 countries work for EVN, whereby most come from Austria, Bulgaria and Macedonia. Employee turnover during the reporting year equalled 2.8%. This indicator does not include transfers within the Group, retirements or departures based on the Macedonian social plan and was not analysed in detail due to its low level. A total of 87 women and 182 men joined EVN in 2013/14.

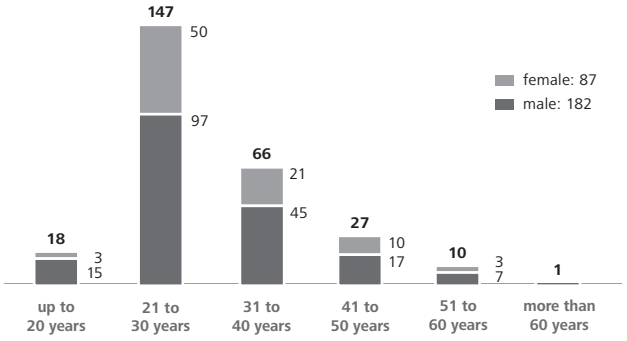
The EVN Group uses personnel leasing for three reasons: first, as a preliminary step to a conventional employment relationship (integration leasing); second, for projects covering a limited time period; and third, to handle peak work periods. A total of 184 leased employees worked for the EVN Group as of 30 September 2014.

Women comprised 21.4% of EVN's workforce during the reporting year. The Women@EVN programme was launched in 2010 /11 to increase this ratio and has improved the opportunities and perspectives for women working for the EVN Group in Austria. This programme has been supplemented by an internal women's network since 2014. The various measures to optimise working conditions are designed to help women attain skilled and /or managerial positions according to their interests and abilities.

The compatibility of work and family is also an important issue for EVN. Accordingly, the company offers flexible work models such as part-time work or flexitime without core times, individual support after parental leave, holiday child care (Holidays@EVN), information events for employees on parental leave and an extensive training programme that is also open to employees on parental leave. EVN is working to increase the share of women over the medium term to a level that mirrors the current educational levels of women in the applicable professional groups.

At EVN, women and men with comparable functions, qualifications and length of service with the company receive the same remuneration for the same work. Austrian law requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared and submitted the required report to their respective works council.

Total number of new employees 2013/14



GRI indicators: Total staff by employment type, work contract and region (G4-10); Total staff and fluctuation (LA1); Diversity of employees and leading bodies (LA12); Differences in remuneration due to gender (LA13)

Corporate social partnership at EVN

"Convince rather than force" is the principle underlying the corporate social partnership at EVN. Employee representatives are therefore informed of major business decisions on a regular basis and integrated in the transparent decision-making processes that are based on the managerial mission statement and legal regulations. This approach applies to strategic decisions as well as to changes and adjustments involving employees. Similar to EVN AG, the larger companies in the EVN Group have also designated special employee representatives.

Employees' interests are represented in the form of works councils or trade unions. Over 90% of all EVN employees are represented by such bodies and their remuneration is protected by collective bargaining agreements, tariffs or legal minimum wage regulations. In Austria, Macedonia and Bulgaria, employee-related issues are handled in workplace, health and safety committees that also include representatives of the works councils or unions. Members of the works council also serve on the Supervisory Board and the Advisory Committee for Environmental and Social Responsibility. Apprentices have also had a voice in the works council since the first youth representatives were appointed in 2008. The last election of youth representatives took place in June 2014. A European works council was founded in September 2007 to further integrate the South Eastern European subsidiaries and to improve cross-border communications. This council serves as a platform for communication and exchange and includes members from Austria, Bulgaria and Macedonia. The last conference was held from 9 to 11 September 2013 in Burgas, Bulgaria, and the last presidium meeting on 5 and 6 June 2014 in Maria Enzersdorf.

△ GRI indicators: Minimum notice periods regarding operational change (LA4); Percentage of employees in occupational safety committees (LA5); Percentage of employees under collective agreements (G4-11); Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation (EC5)

The remuneration for the members of the EVN Executive Board reflects industry standards and is disclosed in point 67 of the consolidated notes on page 215. As described above, the remuneration scheme for 90% of EVN's employees is based on the collective bargaining agreements that apply to the main business locations. These collective bargaining agreements are available for review by the general public and include salary levels as well as the definition of time-dependent salary increases. In 2013/14, the annual collective bargaining negotiations in Austria led to an average increase of 2.4% in salaries.

△ GRI indicators: Report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (G4-54); Percentage increase in annual total compensation for the organisation's highest-paid individual to the median percentage increase in annual total compensation for all employees (G4-55)

EVN also places a special focus on the needs of the following employees:

Senior Employees

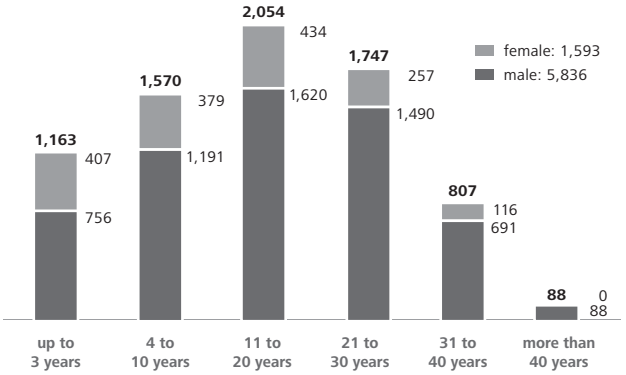
The average age of EVN employees currently equals 43.8 years, but this figure is projected to rise over the coming years due to the expected increase in the legal retirement age. EVN has therefore introduced specific personnel development measures and part-time working models within the context of a partial retirement programme. In 2013/14, 54 employees at Netz Niederösterreich GmbH, EVN AG, EVN Wasser and EVN Business Service decided in favour of a part-time working model.

Based on the current legal retirement age, approximately 7% of EVN's employees will retire during the next five years and nearly 22% in the next ten years. EVN is working to meet the resulting need for specialists and managers with specially designed programmes and measures to support the transfer of know-how between older and younger employees.

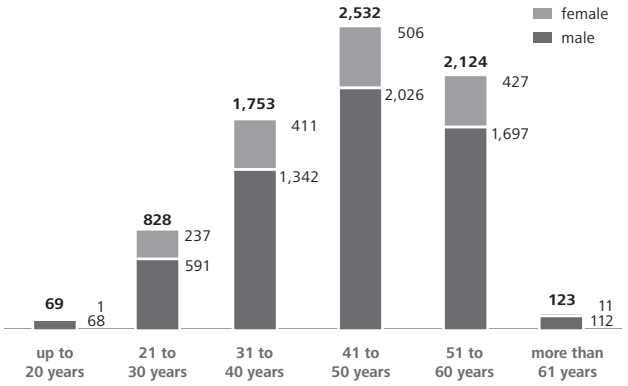
EVN also incorporates the needs of the various age groups in the development of its health programme and gives special attention to the needs of senior employees.

△ GRI indicator: Retirements in the next five and ten years (EU15)

Employment period of employees



Age structure of employees



Individuals with special needs

EVN places high value on integrating people with special needs in its workforce, not least because of its socio-political responsibility as a major employer. Particular importance is given to the individual design of workplaces and processes (e.g. using sign-language interpreters) to facilitate the integration of these employees into everyday business operations. Additional opportunities regarding working hours and locations are available if required. 21 of the 26 EVN customer centres in Lower Austria are also equipped for barrier-free access.

EVN employed 120 men and women with special needs in 2013/14, representing 1.6% of the total workforce. In addition, Netz Niederösterreich GmbH and EVN Wärme GmbH placed orders of a total value of approximately EUR 626,000 with sheltered workshops during the reporting year and, in this way, made a contribution to the employment of individuals with special needs.

Young people

EVN traditionally attaches great importance to apprentice training for young people. This not only reflects the Group's focus on social responsibility, but also helps to meet the demand for skilled professionals. An information afternoon with an emphasis on practical demonstrations was held at four customer centres in October 2013 to give interested young people, above all girls, a glimpse into the workday of an electrical technician with a utility company. EVN had a total of 52 apprentices in 2013/14, including twelve who started their training to become electrical technicians on 1 September 2014. Additional classes and seminars at EVN complement the dual programme of theoretical vocational school education and practical on-the-job training. EVN also supports double and multiple qualifications, e.g. apprentice training to qualify as natural gas and heating technicians, as a means of improving interdisciplinary qualifications.

The high quality of training is also demonstrated by the fact that the majority of apprentices remain with the company after completing their programmes. Of the 22 apprentices who started their training with Netz Niederösterreich GmbH in 2008, 21 finished successfully and have been chosen for fixed employment; as of 30 September 2014, 19 of those apprentices that started in 2008 were still employed with EVN. Experienced colleagues support the young technicians after their training is completed and thereby ensure the transfer of their know-how and experience. Every year EVN also gives more than 300 schoolchildren and students an opportunity to put their theoretical knowledge to use and gain their first practical experience in traineeships. These activities underscore EVN's goal to give young men and women opportunities at an early age and to awaken their interest for professions in the energy and environmental sector. This commitment brought EVN a second place ranking in the "Place to Perform" competition in 2013 (first place in 2011; second place in 2012), which evaluates the best traineeships among Austrian companies.

EVN also has a strong commitment to cooperation with students and young professionals in Bulgaria. In April 2012, EVN Bulgaria and the Technical University Sofia signed a cooperation agreement to promote the practical skills of students as well as the exchange of experience in areas such as information technology and electrical engineering. More than 400 students have used this opportunity to learn about EVN since that time. EVN Bulgaria also organised a "Youth with a future" internship programme in 2013/14, which gave talented young people an opportunity to develop their interests and gain experience in one of the headquarters departments in Plovdiv in the course of a traineeship.

△ GRI indicator: Notification deadlines for major changes within the company (LA-4)

Working and living with EVN

Work-family balance

EVN provides active support for its employees in their efforts to achieve the best possible work-family balance. This applies, for example, to employees who are considering taking advantage of legally entitled parental leave. Their return to work is facilitated by contacts with EVN throughout the leave period. Parents can also choose to work part-time as an alternative to full parental leave or during the subsequent re-entry period and adapt their working hours to meet their personal needs. These flexible arrangements create advantages for both sides: EVN is able to retain qualified staff and utilise its investments in training and professional development beyond the phase of intensive parental care. From the parents' point of view, close ties and regular contacts with the company facilitate re-entry and keep their professional expertise up to date.

When you take resource conservation seriously

Resource conservation requires a professional approach and maximum performance. Because minimising the impact on primary energy carriers, other raw materials, the atmosphere and landscape as well as people, flora and fauna requires experience and innovative concepts. That is why EVN works continuously on efficiency improvements and the further reduction of emissions, also in conventional energy generation.

you need to work even harder on energy production and distribution

EVN offers opportunities for parental leave that extend beyond legal entitlements and allow for time-out until the child is 36 months of age. Men are also using the available models: in 2013/14, 13 men were on parental leave. As a result of these individual solutions, nearly all mothers and fathers at EVN AG, Netz Niederösterreich GmbH, EVN Wasser GmbH, EVN Geoinfo and EVN Business Service GmbH return to the company after this leave. Two employees left the company for family reasons during the reporting year (previous year: one resignation after parental leave). Another measure to facilitate re-entry after parental leave is the parent-and-child office that was installed in 2012. It allows employees to bring their children to work, especially in times of difficult childcare situations. A comfortable atmosphere allows for concentration on both work and children. The parent-and-child office is equipped with two fully functional workstations as well as special children's furniture, toys and a bottle warmer – and provides parents as well as children with an attractive environment. For children from six to twelve years of age, the popular three-week vacation programme Holidays@EVN was repeated in summer 2014. This programme, which was started in 2011, took place at the EVN corporate headquarters and adjoining green areas and in the information centre of the Theiss power plant. It was organised together with the "Family Business" initiative. More than 60 children of EVN employees were able to enjoy a diverse programme of games and handicraft activities, excursions and art workshops.

⚠ **GRI indicator: Employees returning to work after parental leave (LA3)**

EVN pension fund

EVN provides its workforce with a supplement to legal pension insurance ("ASVG" pension) through a company-operated pension fund. The fund gives employees the opportunity to accumulate additional retirement benefits in the form of a private pension with the support of the company. In this way, EVN participates in securing the retirement income of its workforce. The EVN pension fund is a defined contribution scheme, in which the amount of the future pension is derived from the employer and employee contributions up to the date of retirement. EVN's responsibility as an employer is also illustrated by the pensions provided for its employees in Bulgaria, where voluntary pension insurance was introduced for all full and part-time employees.

⚠ **GRI indicator: Company defined benefit plan obligations (EC3)**

Supplementary health insurance
Another voluntary benefit provided by EVN for its employees is the opportunity to conclude supplementary health insurance at favourable conditions. A framework agreement with an Austrian insurance provider guarantees optimal medical care for all participating employees. Additional benefits like supplementary health insurance and the EVN pension fund are available to all employees of the contributing employers in the EVN Group – regardless of age, gender or the scope of employment.

EVN culture and sports club
The EVN culture and sports club is an employees' initiative with a long-standing tradition. The offering ranges from soccer, yoga, mountain biking, jogging, sport shooting, curling, climbing, winter and water sports to scuba diving, sailing, surfing, fishing and tennis. Other popular activities include Pilates, chess, golf, bodywork, bodybuilding and cardio training, aviation, table tennis, hiking, photography and film or culture and tourism.

EVN supports these activities, above all, in accordance with its focus on health promotion. At the same time, participation in these shared activities improves communications and strengthens social ties within the company.

The EVN culture and sports club had more than 1,800 active members during the reporting year and includes 16 individual clubs that are located in Krems, Horn, Waidhofen an der Thaya, Deutsch-Wagram, Hollabrunn, Mistelbach, St. Pölten, Waidhofen an der Ybbs, Wiener Neustadt, Korneuburg, Theiss, Dürnrohr and Maria Enzersdorf. All of the clubs have strong ties to their respective regions and generally operate autonomously.

In 2013/14, a total of EUR 15.8m was spent on employee benefits (pension contributions, other employee benefits), which represents 5.1% of personnel expenses.

△ GRI indicator: Benefits for full-time employees only (LA2)

△ GRI indicator: Employee benefits (EC3)

Human resources development

EVN's business performance is based on its highly qualified and motivated employees. Not only their know-how, but also their motivation and their continuous readiness to learn play an important role in the company's sustainable success. Maintaining and increasing employees' high levels of expertise therefore represent a focal point of human resources activities. The EVN Academy was founded to organise the training and continuing education programmes in Austria, Bulgaria and Macedonia. Each area of the company has designated specific employees to serve as training coordinators. Their function is to assess the development needs of individual employees, submit the results to the EVN Academy teams and coordinate qualification programmes.

○ For further information on the measures and priorities for training and further education, see **www.evn.at/hr-development/education-and-training**.

△ GRI indicator: Programme for knowledge management and lifelong learning (LA10)

Employee survey: Mental stress on the job

As part of its health programme, EVN carried out an extensive employee survey during the reporting year to collect data on the subject of "mental stress on the job". That made EVN one of the first companies to meet the legal requirements introduced in 2013, which require the evaluation of employees' physical as well as mental health.

The survey was carried out during March and April 2014 and had an above-average response rate of over 70%. In addition to questions on the objective stress situation, the employees' subjective priorities for improvement were also examined. The results of the survey represented a good average based on a representative norm group comparison. The employees' suggestions for improvement will now be reviewed in workshops to develop specific measures for implementation.

Continuous training and education
In 2013/14, EVN invested a total of EUR 2.3m (2012/13: EUR 2.3m), or EUR 310.4 (2012/13: EUR 314.8) per employee, in continuous training and education. Each employee spent an average of 34.9 hours on these programmes. The offering concentrated on specialist seminars, language training and seminars to strengthen social skills. The specialist seminars included an increased number of courses related to the natural gas business, whereby the initial courses were attended by roughly 250 employees and the refresher courses by roughly 420 employees.

The training centre established by EVN in Stara Zagora during 2011/12 led to a substantial improvement in training for the Bulgarian employees. The programmes held in Bulgaria and Macedonia during the reporting year focused on personal behaviour and included subjects such as time management and efficient discussions. In addition, the e-learning programmes launched by EVN Bulgaria in November 2012 have attracted 2,176 employees to date and were continued in 2013/14. They included courses on process and project manage-

ment as well as English. In Macedonia, the courses concentrated on languages and IT.

△ GRI indicator: Education and further training (LA9)

Securing skilled labour requirements

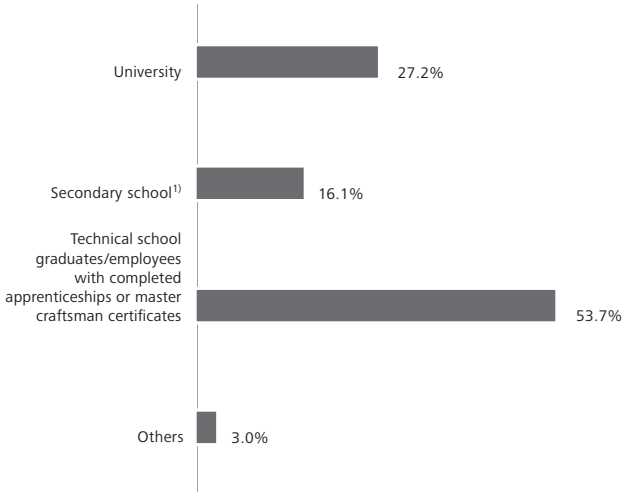
EVN has implemented various measures to meet the future demands for skilled workers and managers, among others in the areas of apprentice training (see page 66), talent management and leadership development:

→ **Talent management:** EVN supports the internal recruitment of managerial staff with training programmes to expand the qualifications and support the personal development of employees. One programme implemented to reach this goal is the EVN Summer University, "EVN SUN". This year's Summer University, which was held from 21 to 26 September 2014 in cooperation with the Danube University Krems, included international lecturers on operations management, innovation & change management, cross-cultural management and key performance indicators. The theoretical presentations were supplemented by numerous practical case studies. EVN managers were also available to discuss interesting issues. The programme included seven female employees and 13 male employees from Austria, Macedonia, Bulgaria, Croatia and Germany.

→ **Leadership development:** Leadership development is an important focal point of training and further education at the EVN Academies in Austria, Bulgaria and Macedonia. These programmes are designed to prepare selected employees to assume leadership and expert tasks over the medium term as well as to make use of internal career opportunities. In 2011/12, a specially designed, individual management training programme was introduced for employees who are designated for management positions. EVN also supports training at the university level, among others, through MBA programmes. A pilot group for the exchange of experience between team leaders was also introduced in 2013/14 as a platform for evaluating challenging situations.

△ Securing skilled labour requirements (EU14)

EVN's education structure 2013/14



1) Includes higher graduation in Macedonia because of country-specific educational structures, equivalent to secondary school graduation.

EVN introduces itself as an attractive employer at apprenticeship events and career fairs and in joint appearances with universities and universities of applied sciences. In 2013/14, EVN participated in the career fair of the Vienna University of Technology, in Career Calling, in High-Potential Day in Vienna as well as in career fairs in Bulgaria (e.g. "National Career Days" in Plovdiv) and in Macedonia (e.g. "Skopje Fair", "Job Fair" by SEEU Tetovo). EVN is also represented on information platforms like kununu, Facebook and Watchado.

○ Additional information on kununu can be found under **www.kununu.com**

Training and further education		2013/14	2012/13[1]
Expenses[2]	EURm	2.3	2.3
Average training expenses per employee	EUR	310.4	314.8
Training hours per employee	hrs.	34.9	31.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

2) Seminar cost, trainers, e-learning

The inclusion of and support for regional employees leads to an increased understanding of the unique characteristics of the local culture and creates economic benefits. In all EVN markets, almost all employees and most of the management staff are natives of the respective region. Strengthening local management capacity represents an important aspect of the corporate strategy. EVN therefore supports career planning for local employees in Bulgaria and Macedonia with specific management training and international programmes. Included here, for example, is the already mentioned EVN Summer University, a training and networking platform for future managers.

△ GRI indicator: Employment of local personnel (EC6)

Feedback and orientation sessions

Feedback and orientation sessions are held each year in all major EVN companies in Austria. These instruments allow for an appraisal by the employee's supervisor and structured feedback on work performance and quality. Additionally, development goals and measures are defined. More than 90% of all employees are covered by these sessions and therefore receive regular feedback on their performance and development plans.

△ GRI indicator: Performance evaluation and development plans for employees (LA11)

Healthcare and occupational safety

EVN places great importance on the best possible training and continuing education for employees on relevant health and safety issues. The occupational safety department established for this purpose has supplemented the legal regulations with an extensive set of internal directives and guidelines. Representatives of the works councils and trade unions are involved in all workplace, health and safety issues.The Health@EVN programme for healthcare advancement has three goals: health protection, healthier living and fitness. The many related measures include medical check-ups, vaccinations, eye and hearing tests, psychological counselling, coaching, tips on healthy nutrition and special offerings for groups of employees who are exposed to particular risks. This occupational medical care exceeds legal requirements and is well received by employees.

In 2013/14, 572 vaccinations were undertaken at EVN AG and Netz Niederösterreich GmbH in Lower and a further 47 employees underwent medical check-ups. Although EVN does not operate in countries where there is an increased risk of infectious diseases, Group guidelines like the "EVN Pandemic Prevention" are in force at all Group subsidiaries to deal with emergencies. These instructions, which deal especially with influenza pandemics, are designed to minimise the risk of infection at the workplace and thereby ensure continued smooth business operations and uninterrupted service for EVN's customers. Included here are organisational, preventative and hygienic measures aimed at minimising the spread of an influenza pandemic among the workforce. In the event of a pandemic, the Group's crisis management team is authorised to define concrete implementation measures for each organisational unit in accordance with the crisis management guideline.

The extensive range of training programmes on health protection, occupational health and safety and fire prevention was continued during the reporting year. The courses covered safety issues such as "working with voltage" and "working with anti-fall protection systems". The permanent offering also includes initial and follow-up courses on first aid. In Austria, all employees are represented by safety officers in working committees that monitor and discuss the workplace safety programmes.

Accident and lost days statistics	2013/14	2012/13
Number of occupational accidents[1)]	98	121
Number of staff sick days[2)]	2,097	3,346
LTIF[3)]	8.5	10.1

1) Number of minor accidents and of notifiable occupational accidents (excluding commuting accidents)
2) Lost days are working days only; excluding weekends resulting from work-related accidents (excluding commuting accidents)
3) Lost Time Injury Frequency Index – Frequency of occupational accidents per one million working hours

Fire statistics[1)]		2013/14	2012/13
Number		6	3
Damage	TEUR	46.0	15.5

1) Austria

△ GRI indicators: Prevention of and education in serious diseases (LA7); Occupational safety agreements with trade unions (LA8)

Occupational medical care

EVN offers its employees extensive occupational medical care, above and beyond legal requirements. Two occupational health physicians are available to answer questions on maintaining and improving workplace health and attend to employees within the framework of labour protection laws.

One example of the Group's wide-ranging health services is the "Smoke-free EVN" campaign that was launched in September 2013. This initiative included the adaptation of specially designated smokers' rooms as well as a programme for employees who want to become ex-smokers. EVN also organised impulse lectures to explain the consequences of tobacco consumption and the options for breaking the habit. The smoking behaviour of the individual participants was analysed and individual goals were defined in feedback sessions. The participants received intensive support during the withdrawal phase as well as regular feedback on their experiences.

All occupational accidents in the EVN Group are recorded and evaluated in a standardised IT system. This system supports conclusions on the safety behaviour of the involved employees as well as instructions for focal points in safety training. It also allows for the comparison of data between the individual companies and, in this way, determines the most important issues for prevention independent of industry trends.

The number of occupational accidents in the EVN Group fell by 19.0% to 98 in 2013/14. In addition, the number of days lost dropped by 37.3% to 2,097 days. There were no fatal accidents involving employees during the reporting year.

△ GRI indicator: Injuries, occupational diseases, lost days, absence and fatalities (LA6)

When your ideas for energy generation point to tomorrow

your plans for financing shouldn't depend on yesterday

Innovation doesn't stop at technology. The structure and financing of projects also provides sufficient room for new, forward-looking concepts. For example, EVN uses public participation models to develop solar energy, which give its customers an opportunity to take part in the production of renewable energy. That not only places photovoltaics on a broader base, but also increases people's awareness for sustainable energy supplies.

Shareholders and investors

The capital market is particularly important for EVN due to its stock listing and the issuance of bonds.

EVN share

Market environment and performance

Economic development in Europe fell short of expectations during the course of the year due to the Ukraine crisis and the related sanctions against Russia, while growth in the USA continued to gain momentum. This growing gap between the European and US economies was also reflected in divergent central bank policies. While the US Federal Reserve (Fed) announced its plans to gradually end the previous support measures, the European Central Bank (ECB) followed a series of three cuts in the prime lending rate from 0.50% to the current level of 0.05% at the beginning of October by announcing its intention to launch a securities purchase programme. This measure is designed primarily to provide relief for bank balance sheets and to stimulate economic growth through an increase in lending.

Developments on the international stock markets were positive, in spite of the on-going difficult environment, and included a number of new historical highs. The German benchmark index DAX rose by 10.2% from October 2013 to September 2014, while the US Dow Jones index increased 12.7%. The performance of Vienna's benchmark index ATX presented a different picture with a loss of 12.8% during this same period. The difficult market climate for utility companies also had a negative influence on the EVN share, which declined by 10.3%. In comparison, the DJ Euro Stoxx Utilities, the relevant industry index for EVN, rose by 23.2%. The EVN share closed the 2013/14 financial year at EUR 10.125, which reflects a market capitalisation of EUR 1.82bn as of 30 September 2014. The average daily turnover in EVN shares declined year-on-year to 45,167 (single counting), which represents an annual trading volume of EUR 120.4m (single counting) for EVN shares and 0.53% of the total trading volume on the Vienna Stock Exchange. EVN was weighted at 0.87% in the ATX Prime at the end of September 2014.

Share buyback programme

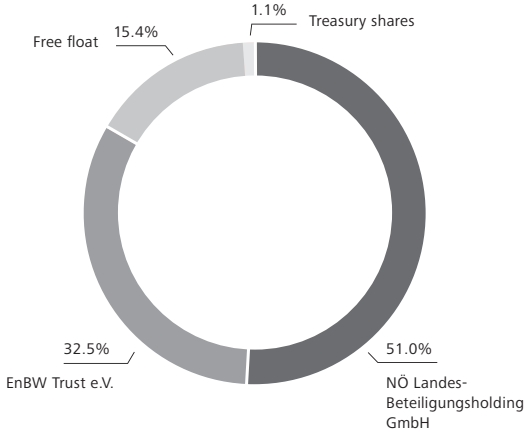
The 85th Annual General Meeting on 16 January 2014 authorised the Executive Board of EVN AG to repurchase the company's bearer shares for the purpose of distribution to employees of the company or its subsidiaries. This authorisation covers the repurchase of up to 10% of the share capital of EVN AG during a period of 30 months. At the same time, the resolution of the Annual General Meeting on 19 January 2012 authorising a share buyback by EVN AG was terminated prematurely on 16 January 2014. This resolution had resulted in the repurchase of 1,640,030 EVN shares over the Vienna Stock Exchange between 6 June 2012 and 15 January 2014, which represent 0.91% of share capital. On 16 January 2014, based on the authorisation of the 85th Annual General Meeting, the Executive Board approved a share buyback programme with a term ending on 30 September 2014; this programme was extended from 30 September 2014 to 30 June 2015 based on a resolution by the Executive Board. The new share buyback programme led to the repurchase of 117,500 shares by 30 September 2014, which equal 0.06% of share capital. EVN AG held 1,939,992 treasury shares as of 30 September 2014, including the shares repurchased in earlier years, which represent approx. 1.1% of share capital.

Strategy for the use of financial resources and dividend

EVN's strategy includes establishing a balance between current investment projects and attractive dividends for shareholders. This strategy is reflected in a targeted payout rate of 40% of Group net profit over the long term. The Executive Board will make a recommendation to the 86th Annual General Meeting on 15 January 2015, calling for the payment of a EUR 0.42 dividend per share for the 2013/14 financial year.

The 85th Annual General Meeting on 16 January 2014 approved the payment of a dividend totalling EUR 74.8m, or EUR 0.42 per eligible share, to the shareholders of EVN AG for the 2012/13 financial year. The ex-dividend day was 21 January 2014, and the payment to shareholders was made on 24 January 2014.

Shareholder structure



EVN share		2013/14	2012/13[1]
Share price at 30 September	EUR	10.13	11.29
Highest price	EUR	12.50	12.66
Lowest price	EUR	9.76	9.42
Price performance	%	–10.3	4.2
Total shareholder return	%	–6.6	8.1
ATX performance	%	–12.80	21.00
Dow Jones Euro Stoxx Utilities performance	%	23.20	0.50
Value of shares traded[2]	EURm	120	136
Average daily turnover[2]	Shares	45,167	50,544
Share of total turnover[2]	%	0.53	0.74
Market capitalisation at 30 September	EURm	1,821	2,031
ATX weighting	%	0.87	1.00
WBI (Vienna Stock Exchange Index) weighting	%	2.29	2.47
Earnings per share[3]	EUR	–1.68	0.61
Dividend per share	EUR	0.42[4]	0.42
Cash flow per share[3][5]	EUR	1.90	3.01
Book value per share[3]	EUR	14.80	17.26
Price/earnings per share	X	–	18.4
Price/cash flow per share[5]	X	5.3	3.7
Price/book value per share	X	0.8	0.7
Dividend yield	%	4.1	3.7
Payout ratio	%	–	68.6

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) Vienna Stock Exchange, counted once
3) Shares outstanding at 30 September
4) Proposal to the Annual General Meeting
5) Gross cash flow

EVN bonds	Public bonds	Private placements	
	EUR	JPY	EUR
Volume	300.0m	12.0bn	28.5m
Due date	13.04.2022	09.01.2024	11.03.2016
Maturity (yrs)	10.5	15	7
Coupon (% p.a.)	4.250	3.130	5.000
ISIN	XS0690623771	XS0406428036	XS0417260329

EVN bonds	Private placements			
	EUR	EUR	EUR	EUR
Volume	150.0m	30.0m	100.0m	25.0m
Due date	23.06.2017	18.03.2019	20.02.2032	23.02.2032
Maturity (yrs)	8	10	20	20
Coupon (% p.a.)	5.250	5.250	4.125	4.125
ISIN	XS0434384334	XF000NS4HD4	XS0744577627	XS0746091981

Details on the current Debt Issuance Programme can be found on the EVN Website under **www.evn.at/financial-strategy**.

Shareholder structure

EVN is a listed stock corporation under Austrian law whose shares are traded in the Prime Market segment of the Vienna Stock Exchange. In accordance with Austrian federal and provincial constitutional law, 51.0% of the shares are held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten, which is a subsidiary of the province of Lower Austria. On 20 December 2013 EnBW Energie Baden-Württemberg AG, Karlsruhe, Germany, concluded a trust agreement with EnBW Trust within the framework of a so-called contractual trust arrangement model. This arrangement resulted in the transfer by EnBW of its 32.5% investment in EVN AG to EnBW Trust on a fiduciary basis. Consequently, the second largest shareholder is EnBW Trust e.V., Karlsruhe, Germany, with an investment of 32.5%. As of 30 September 2014 EVN AG held treasury shares representing 1.1% of share capital and free float equalled 15.4%.

△ GRI indicator: Nature of ownership and legal form (G4-7)

Capital market financing

In the past EVN has frequently raised long-term loans by issuing public and private bonds. The currently outstanding public bond with a volume of EUR 300.0m had a term of 10.5 years when it was issued in October 2011 and will mature in April 2022. The long-term end of the spectrum in EVN's maturity profile is formed by two private placements with a combined volume of EUR 125.0m that will mature in February 2032. Foreign currency financing in the form of a JPY 12.0bn private placement was also outstanding as of 30 September 2014. The related foreign exchange risk was hedged when the instrument was issued. In addition to the capital market financing issued within the context of its debt issuance programme, EVN also used the market for promissory note loans in October 2012 to successfully issue a EUR 121.5m promissory note loan.

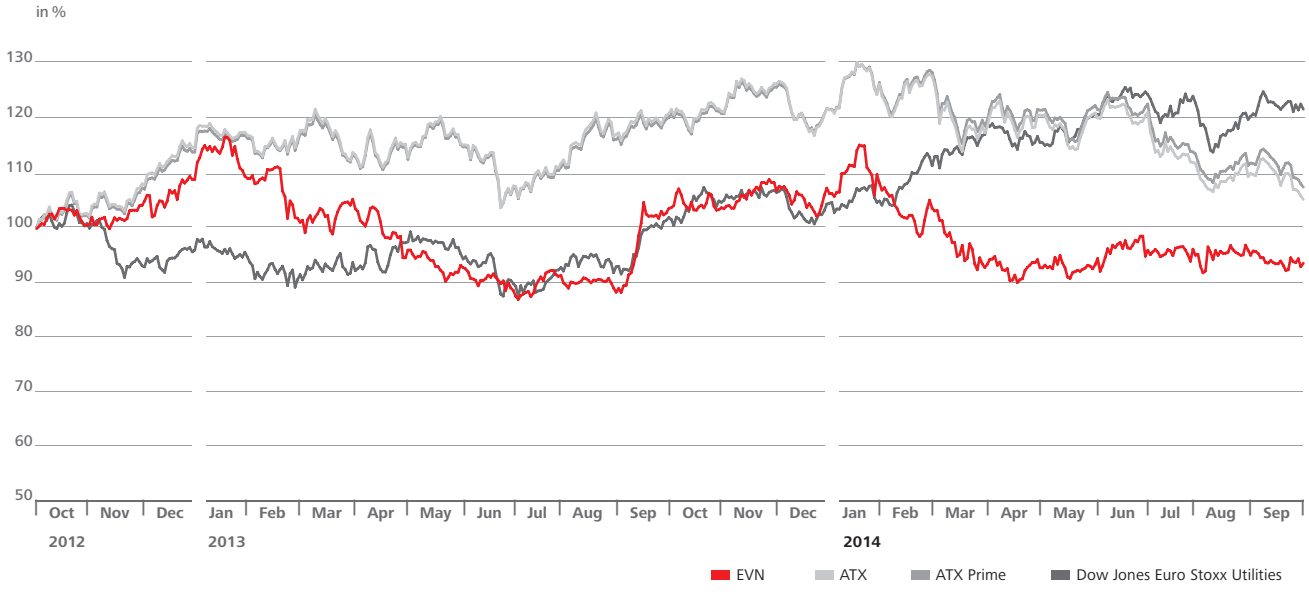
Due to the corporate strategy of consolidating and reducing net debt, there were no new capital market issues during the reporting year. EVN carried out the scheduled repayment of a CHF 250.0m bond in February 2014 and a JPY 8.0bn private placement in September 2014.

Investor relations

EVN places high priority on the provision of transparent and timely information. This commitment is designed to give all stakeholders an opportunity to form a realistic evaluation of the EVN Group's activities and economic development. The related activities are the responsibility of the Investor Relations Department, which is assigned to the Finance Department and reports directly to the Chief Financial Officer of the EVN Group. The main focus of investor relations activities is to establish and maintain a regular and active dialogue with current and potential investors, stock and bond analysts, banks and rating agencies.

The dialogue with capital market participants is based on clear principles and rules, to which EVN is explicitly committed and which form a key element of responsible communications based on mutual trust. Content that is timely, transparent, understandable and solid is

EVN share price – relative development



the benchmark for the company's information policy. Special attention is also given to sustainability-oriented investors and their information requirements, as EVN believes in tailoring its communications media to the different needs of the various stakeholder groups.

Wide-ranging information activities

In addition to participating in numerous road shows, EVN reports comprehensively on the development of business in quarterly telephone conferences for analysts, institutional investors and banks, and in semi-annual press conferences for journalists. Private shareholders receive detailed information not only at the Annual General Meeting but, for the past seven years, also at an information afternoon in connection with the presentation of half-year results by the Executive Board of EVN AG.

In 2013/14 the Chief Financial Officer and the Investor Relations team took part in international conferences and road shows in Boston, Frankfurt, Milan, New York, Paris, Toronto and Zürs. A "reverse road show" was also organised in Zwentendorf for national and international investment banks and investors.

The following institutions issue regular analyses on the development of business at EVN: Deutsche Bank, Goldman Sachs International, Kepler Cheuvreux, Macquarie Capital (Europe), Raiffeisen Centrobank and Société Générale. As of 30 September 2014 the EVN share had three "buy" and three "hold" recommendations with an average target price of EUR 11.82. Additional information on the individual recommendations can be found under **www.evn.at/analyses**.

Numerous awards

EVN also received numerous national and international awards and prizes in various categories during 2013/14:

- ARC Awards 2014 for the 2012/13 Full Report:
  - Gold in the category "Full Report"
  - Gold in the category "Content"
  - Honorary award for "Cover/Photo/Design"
- Trend Austrian Annual Reporting Awards 2014 for the 2012/13 Full Report:
  - 1st Place in the category "Graphic Presentation/Layout"
  - 2nd Place in the category "Sustainability"
  - 3rd Place in the category "Business Analysis"
- 2nd Place at the Austrian Sustainability Reporting Award (ASRA) 2014 in in the category "Integrated Annual and Sustainability Report"
- Two first places for EVN Macedonia at the National CSR Awards 2013 in the categories "Energy Efficiency Platform" and "Employee Relationships – Strategic Approach to the Professional Development of Young People"
- EVN Bulgaria received the Prometeya Prize from the Bulgarian Confederation of Independent Trade Unions in 2013 for its achievements in the area of occupational safety and employee health.

Extensive online offering

In order to improve resource conservation and sustainability also in its capital market communications, EVN is increasing the use of electronic media. One related step involves the general elimination of mass printing and mailing in connection with EVN's shareholder letters (quarterly reports). This information is available in the form of online reports or PDF documents on the EVN website under **www.investor.evn.at**. EVN shareholders can also receive these reports in hard copy via mail if requested.

EVN's Internet portals, EVN **www.investor.evn.at** and **www.responsibility.evn.at**, include the full report and quarterly reports, capital market announcements, information on the Annual General Meeting, road shows and analyst presentations as well as audio recordings of the EVN conference calls. These websites also contain analysts' assessments on the company's development, online stock exchange information and numerous services tailored to meet the needs of individual investors.

Society

As a responsible energy and environmental services provider, EVN has been committed to social responsibility for many years. The company strives to achieve a balance between economic, ecological and social viewpoints.

EVN carries shared responsibility for the social development of its markets and has an influence on local stakeholders through numerous economic connections. All new projects are therefore subject to environmental and social compatibility assessments that also include relevant social aspects. The company's management approach covers all social aspects of its business related to governance, compliance, corporate ethics, the prevention of corruption, public appearance and competitive behaviour. This management approach is defined in the EVN Code of Conduct **(www.evn.at/Code-of-conduct).**

EVN has prepared comprehensive crisis, emergency and contingency plans and implemented training programmes for major segments of its business activities, especially for risk scenarios that may affect the population. Crisis situations are simulated at all EVN locations, and internal and external training programmes on crisis management are also held in Lower Austria. Regular training is provided for the emergency staff, while annual training courses for all duty personnel and annual security training programmes for all employees are held. Crisis management systems have also been implemented in Bulgaria and Macedonia.

Human rights

EVN is committed to the unlimited protection of human rights in all areas of its activities. An important tool for this protection is the inclusion of human rights clauses in contracts. These clauses cover investment and procurement practices, equal opportunity, freedom of assembly, right of collective negotiations, the abolishment of child labour and forced labour, complaint procedures, safety measures and the rights of indigenous people. In 2005, EVN joined the UN Global Compact and thereby agreed to compliance with human rights principles at all its locations and business areas. These principles are specified in the EVN Code of Conduct; they are binding for all employees in all business units and available to the general public. Implementation throughout the EVN Group is ensured by the availability of the code in German and English as well as its translation into the languages of the subsidiaries in Bulgaria, Macedonia and Russia. The EVN Code of Conduct is regularly adapted to reflect current developments and changes in legal requirements. Since EVN requires the same strict compliance with its principles and values from suppliers and service providers, the integrity clause also applies to these firms. EVN rejects forced relocation as well as physical or economic displacement and complies with all relevant international guidelines and national laws.

△ GRI indicator: Investment agreements with human rights clauses (HR1)

○ For more information on the EVN Code of Conduct, see **www.responsibility.evn.at**

○ For the integrity clause, go to **www.evn.at/integrity-clause**

□ Details on the application of the integrity clause to suppliers and service providers can be found on page 93f

EVN supports the UN Global Compact

Principle 1: EVN supports and respects the protection of internationally proclaimed human rights.
Principle 2: EVN makes sure that it is not complicit in human rights abuses.
Principle 3: EVN upholds the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4: EVN supports the elimination of all forms of forced and compulsory labour.
Principle 5: EVN supports the effective abolition of child labour.
Principle 6: EVN supports the elimination of discrimination in respect of employment and occupation.
Principle 7: EVN supports a precautionary approach to environmental challenges.
Principle 8: EVN undertakes many national and international initiatives to promote greater environmental responsibility.
Principle 9: EVN encourages the development and diffusion of environmentally friendly technologies.
Principle 10: EVN works against corruption in all its forms.

Compliance with human rights principles is the responsibility of the Executive Board, which is supported by the EVN compliance officer. The training programme on the Code of Conduct, which covers the prevention of corruption as well as the human rights aspects relevant for company activities, involves 2.5 hours of training per employee per year.

△ GRI indicator: Number of hours of training on company-relevant human rights aspects (HR3)

□ Detailed information on EVN's compliance management can be found beginning on pages 46 and 104f.

Creation of value for society

As the employer of a workforce that totals 7,314 and a source of orders for more than 5,000 suppliers and service providers, as a listed company in which NÖ Landesbeteiligungsholding GmbH holds a stake of 51% and as a provider of energy and environmental services, EVN generates numerous direct and indirect positive effects for the society in its supply areas. EVN makes a direct financial contribution to the economies in which it operates through salaries, payments to suppliers, dividends and taxes. The most important contributions (excluding the multiplier effects for the entire economy) are outlined on the front cover flap of this report.

EVN also meets its responsibility to its various stakeholder groups through numerous initiatives outside the operating business. The EVN Social Fund, which has an annual endowment of EUR 100,000 supports institutions in Lower Austria that work with children and adolescents. EVN is also active outside Austria and provides support, above all, for day care centres, children's homes and schools in Bulgaria, Macedonia and Croatia. The Social Fund again supported a number of projects during the reporting year (see page 79).

△ **GRI indicators: Indirect economic impacts (EC8); Directly generated and distributed economic value (EC1)**

Projects to increase the awareness of children and young people for energy issues

EVN's social responsibility is also expressed in special projects for children and young people. The focus here is on interesting facts and figures related to the broad subject of energy and its responsible use. Three examples of these regularly organised projects are shown below:

EVN day care centre project – conclusion of the theatre tour

The EVN day care centre project is intended to give children an interesting look at the subject of electricity. The focal point changes each year and covered the safe handling of energy and energy savings in 2013/14. The "Joulius, the bundle of energy" project successfully ended in April 2014 after performances at nearly 250 day care centres with a specially designed theatre tour and the play "Joulius and the Light for Emil". More than 12,500 children were reached by these performances.

EVN school service in Austria, Bulgaria and Macedonia

"EVN Researchers' World – The Whole World is Energy": Discovering the subject of electricity through experimental learning

The "EVN Researchers' World – The Whole World is Energy" experiment kit was developed in cooperation with the Teachers' Training College in Lower Austria and made available to all Lower Austrian elementary and special schools starting in autumn 2014. The kit includes materials for 25 experiments, quiz cards with assignments, solutions and examples of practical applications, a personal "researchers' notebook" for every boy and girl as well as information for teachers on using the package. In the EVN Researchers' World, children can examine mysterious electrical phenomena, build electric circuits, demonstrate the conversion of various energy sources into electricity and learn about the careful use of energy. Supplementary workshops have been offered as part of the continuing education programme at the Lower Austrian Teachers' Training College in Baden since August 2014 to help teachers optimally use the materials in their classrooms. The EVN Researchers' World gives roughly 27,000 children every school year an opportunity to learn and experiment.

EVN in Bulgarian classrooms

EVN also started a school service programme in Bulgarian and Macedonia during October 2007. The programme in Bulgaria was updated in 2013/14 under the title "Ivi and Encho's Class" and the motto "Fascinating education on energy and environmental subjects". The educational materials for the second and third grades were completely revised and the programme, together with the educational materials, was expanded to include the fourth grade and a larger number of schoolchildren. Forty-four partner schools worked together with EVN Bulgaria on this project in 2013/14, and roughly 11,700 children had completed the programme by the end of the school year in June 2014.

Projects	EUR
Caritas – vacation club, play and learning days	7,000
Caritas – mobile workshop	4,500
Caritas – learning support for children and adolescents	7,500
Caritas – AusZeit 2.0 play group	6,000
Caritas – Akzept_Tanz dance programme	5,000
Caritas St. Gabriel – summer fun	5,000
Caritas – education as the motor for sustainability	10,000
Caritas – social skills training for adolescents via VIT	10,000
Caritas – school start programme	5,000
Caritas – Open bicycle workshop	5,500
Caritas – Kids 2 Future	7,500
Caritas – Young Chess Club	5,000
Diakonie – expansion of leisure time activities in the Neue Welt shared apartment	4,800
Diakonie – life support centre in Mödling	8,000
Diakonie refugee service – movement energy	4,500
Diakonie Centre Spattstrasse – sport and leisure time events, shared apartment in Strengberg	3,300
Association for the support of young people, Neunkirchen – Girls Zone coffee house	5,000
Association for social housing – social gardening	8,000
Total	111,600

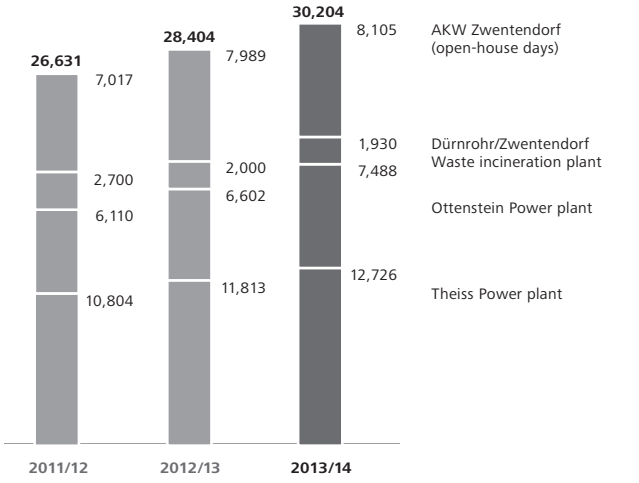
EVN invested EUR 1.2m (thereof 13.4 % from public funding) on innovation, development, and research projects during the reporting year. EVN receives no additional financial support from the public sector. In cases where individual laws allow for the utilisation of incentives, e.g. the Green-Electricity Act or research and development tax credits, EVN evaluates the related conditions and applies for financial support where possible.

△ GRI indicator: Government financial assistance (EC4)

EVN invested EUR 396.3m in the expansion and modernisation of its infrastructure and generation plants in 2013/14 (previous year: EUR 372.9m). These investments are intended to improve supply security and are therefore in the public interest. Many of the EVN power plants are open for visits by the general public and, in this way, support local tourism and education. For example, the non-operational nuclear power plant in Zwentendorf is available for tours and for educational and training purposes by private persons and companies. In connection with the construction of the pump storage power plant in Ottenstein, EVN also took over responsibility for the upkeep of Ottenstein Castle. EVN makes an attractive contribution to the region's tourism offering through the operation of the castle as an event location as well as by operating the Hotel Ottenstein, a boat rental and a restaurant on the Ottenstein reservoir.

○ For more information on EVN's tourism offering in Ottenstein, see **www.hotelottenstein.at**

Visitors to the EVN information centres



△ GRI indicator: Infrastructure investments and services primarily in the public interest (EC7)

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

EVN for Lower Austria

EVN provides its customers with reliable energy supplies to meet their daily needs and also sees its social responsibility as an important component of the corporate culture. Many of the EVN employees not only work for the company, but also demonstrate their social responsibility by participating in charitable activities. The creation of the "EVN for Lower Austria" programme demonstrates the company's commitment to society and its position as a responsible employer.

"EVN for Lower Austria" is a corporate volunteering project that is designed to encourage employees' involvement and support independent initiatives for charitable purposes. Assistance for the employees' projects is provided in the form of funding, e.g. by covering the cost of materials, and also by credits for working time. The entire programme is guided by an internal project team. Communications take place over a separate Intranet platform that shows the content and status of the individual projects and invites interested employees to participate.

Nearly 300 employees have worked on more than 40 charitable projects up to now. In addition to excursions and concerts for retirees, the activities included for example also sporting events for young refugees. The EVN employees also used their manual skills, for example by painting the rooms in social service facilities or renovating outside areas such as playgrounds or gardens. Toys, clothing, books, CDs, DVDs and various gadgets were collected for a flea market that was held during a summer festival in Maria Enzersdorf, with the net proceeds donated to a children's protection centre in Lower Austria.

With this project, EVN and its employees underscore their shared social responsibility in Lower Austria and also establish contacts with people in need of support in the region.

Aspect: Corruption

SO3 Examination of corruption risks

Corruption represents a risk factor in EVN's internal risk management system, and appropriate instructions have been issued for all Group companies based on the EVN Code of Conduct. The work by the internal audit department also includes a review of compliance-related circumstances and rules that could lead to or be related to corruption.

SO4 Employee anti-corruption training

All employees receive training on the EVN Code of Conduct and anti-corruption policies of the company. The implementation of the comprehensive compliance management system was accompanied by the preparation of a compliance manual that provides employees with information and forms the basis for all related Group-wide training programmes. Moreover, a whistle-blowing platform for the Austrian workforce was installed in the EVN Intranet during the 2012/13 year. Conventional training courses on compliance were also held for all employees. Following the conclusion of data protection audits in EVN's major foreign markets, whistle-blowing procedures will soon be introduced in these countries.

Also see Governance, commitment and engagement on page 45.

SO5 Anti-corruption measures

No corruption issues were reported during 2013/14. Infringements and violations represent a breach of the employees' responsibilities and may lead to consequences under criminal law. Any confirmed suspicions would result in prosecution under labour and/or civil law, depending on the severity of the case and the scope of the damage. Therefore, employees who unintentionally come into conflicts of interest or loyalty during the course of their work are advised to contact EVN's compliance officer directly and without delay.

Details on the compliance management system can be found on page 46 under Governance, commitment and engagement.

Aspect: Anti-competitive practice

SO7 Lawsuits in consequence of anti-competition practice, cartel or monopoly formation

The structure of the purchase contract submitted by EVN AG during December 2011 in connection with the privatisation process for the one-third stake held by the state in EVN Electrorazpredelenie AD was declared as non-compliant with the rules issued by the Bulgarian financial market authority. EVN believes it complied in full with the guidelines for the privatisation process, which were published on the website of the Sofia Stock Exchange, and therefore appealed this decision. In connection with the privatisation process, EVN AG

increased its holding in EVN Electrorazpredelenie AD (now EAD) to 97.75% and subsequently to 100% through stock exchange purchases. The responsible Bulgarian court issued a decision on the appeal by EVN Electrorazpredelenie AD on 25 June 2014, which confirmed that EVN actions during the privatisation process conformed to the applicable guidelines issued by the Bulgarian financial market authority.

The Bulgarian Commission for Protection of Competition initiated legal proceedings against EVN Bulgaria EP, EVN Bulgaria EC, EVN SEE and EVN Bulgaria to evaluate the possible infringement of legal regulations. These proceedings involve allegations of insufficient support and the obstruction of the registration process on the free market as well as the unjustified change of suppliers. A decision in this case is still pending. The Bulgarian Commission for Protection of Competition also initiated seven other proceedings against EVN Bulgaria EC and EVN Bulgaria EP, which are based on possible violations of Article 15 (unlawful agreements, resolutions and concerted practices) and Article 21 (misuse of a monopoly or controlling market position) of the Bulgarian Competitive Protection Act. Six of the proceedings are pending, and the seventh ended with the conclusion that EVN Bulgaria EC and EVN Bulgaria EP acted in agreement with all legal requirements.

In Moscow, the anti-monopoly commission (FAS) issued a legally binding directive that declared a 1 June 2010 decision by the city government to be in violation of competitive law. The original decision by the city government transferred the MPZ1 waste incineration plant to the investor EVN and also required and authorised an increase in the capacity to 700.00 tonnes per year. EVN has initiated several proceedings against the government measures to repeal this directive and the investment contract, which are currently pending in various instances.

The Moscow anti-monopoly commission (FAS) declared a 27 September 2007 decision by the city government, which defined the terms of the tender for the sodium hypochlorite plant as a PPP model, to be legally invalid. The decision involved Moswodokanal's obligations to purchase sodium hypochlorite. EVN initiated a number of legal steps in response to this decision. The dispute was terminated by a settlement agreement reached with the city of Moscow on 30 October 2014, which requires Moswodokanal to purchase all shares in the property company and therefore also acquires the sodium hypochlorite plant.

Aspect: Compliance

SO8 Fines/sanctions as a result of illegal activities

In March 2014, the Bulgarian State Energy and Water Regulatory Commission (SEWRC/the regulatory authority) started administrative proceedings to revoke EVN Bulgaria EC's licence. This action was justified by reference to EVN Bulgaria EC's offset of certain receivables due from the national electricity company Natsionalna Elektricheska Kompania EAD (NEK), which the regulatory authority claimed led to the reduction of NEK's cash reserves and impaired the company's ability to meet its legal obligations. The administrative proceedings are currently pending. The regulatory authority imposed a fine of BGN 1.0m on EVN Bulgaria EC during the administrative proceedings. EVN Bulgaria EC filed an appeal against this fine with the Plovdiv district court (PDC), which is the court of first instance. On 10 October 2014, the court ruled in favour of the SEWRC and confirmed the fine. EVN Bulgaria EC has filed an appeal against this decision with the administrative court in Plovdiv.

The SEWRC also carried out investigations at EVN Bulgaria EP, which may lead to fines for violations allegedly revealed by a recent regulatory audit. The latest audit began on 6 January 2014 and covered EVN Bulgaria EP's operations from 1 July 2008 to 30 November 2013. The regulatory authority had, however, already conducted three audits at EVN Bulgaria EP since 2010 (two audits in 2013 alone). No reasons were given for this last audit, and EVN Bulgaria EP is unaware of any specific event or alleged violation that would provide grounds for increased controls.

As a result of the audit, the regulatory authority imposed 50 fines as of 10 October 2014. Each fine equals BGN 20,000 (in total BGN 1.0m). EVN Bulgaria EP has filed appeals against all of these fines with the responsible Bulgarian court, and the related proceedings are currently pending.

Aspect: Equal treatment

HR3 Occurrences of discrimination and countermeasures taken

No incidents of discrimination on the grounds of ethnic, national or social origin, skin colour, gender, sexual orientation, religion or political orientation were reported during 2013/14. As one of the key elements of international treaties, national social legislation, social guidelines and the ILO core work norms, equal treatment is a central factor for EVN's positioning as a responsible employer. Any discrimination would be condemned and sanctioned under EVN's compliance guidelines and personnel statutes.

Aspect: Freedom of assembly and collective negotiation

HR4 Right of free assembly and collective negotiation

For EVN and its subsidiaries at all locations, the right of free assembly and collective negotiation represents a cornerstone for the implementation of the Universal Declaration of Human Rights as well as the ILO core work norms. This right also forms an integral part of the EVN integrity clause, which is the basis for all orders and contracts with suppliers and business partners by and with EVN. EVN and its subsidiaries do not conduct any business activities that

could endanger the free exercise of employee rights, in particular the freedom of assembly and collective negotiation. In Austria and all other EU countries, these rights are guaranteed by law. EVN has also established a works council in its Austrian Group companies and supported the founding of a EU works council to monitor compliance with these and other human and employee rights at EVN's facilities in the EU.

An analysis was conducted of the countries or geographical regions where these human rights could be at risk. It concluded that Russia is the only business location for EVN's subsidiaries outside the EU that could be considered a risk country for human rights. EVN's legal department therefore conducted extensive research into human rights compliance in such risk countries and intensified its own further education in this field. In the course of the internal training sessions on the EVN Code of Conduct, the department also ensured that the management of the Russian subsidiaries and facilities were made aware of the need to comply with human and employee rights, especially those mentioned above. Assessments and feedback indicated that these rights are not endangered by the business activities of EVN or its subsidiaries in Russia. As a further precautionary measure to protect human and employee rights, EVN evaluates the relevant risks prior to the start of each international project.

Aspect: Security methods

HR7 Training for security personnel on the issue of human rights

A strong emphasis is placed on the protection of human rights, especially at EVN's business locations in South Eastern Europe. Locations that use security personnel – either employed staff or external firms – are trained in the human rights aspects of the EVN Code of Conduct and the integrity clause. In addition, the integrity clause requires external firms to observe human rights. This represents an integral component of service contracts and is implemented internally by the service providers. Human rights violations by security personnel can therefore be ruled out almost completely and are strictly sanctioned.

Aspect: Assessment

HR9 Number of reviews concerning the compliance with human rights and/or impact assessments

EVN places high priority on compliance with human rights in the areas of investment and procurement practices, equal treatment, freedom of assembly, the right of collective negotiation, the abolishment of child labour and forced labour, complaints procedures, safety measures and the rights of indigenous people. These principles are specified in the EVN Code of Conduct and apply to all employees in all business units. The already mentioned procurement integrity clause requires all suppliers and subcontractors to comply with these rules. Sampling procedures are used to audit the human rights performance of suppliers in their business relations with the EVN Group. The CSR target discussions also cover possible human rights issues along the value chain and include these points in the development of targets where applicable.

Environment

As an energy and environmental services company, EVN is committed to ensuring the careful use of resources and to making an active contribution to climate protection.

EVN and its stakeholders defined "environmental protection and resource conservation" and "sustainable energy generation and climate protection" as central areas of activity. These sustainability issues are therefore given high priority in the corporate strategy and the company's daily actions. One of the primary goals is to also transfer the principles of environment-oriented management from Lower Austria to EVN's international subsidiaries.

EVN has established an environmental protection department already in 1990. It is responsible for the collection and analysis of data on the ecological impact of issues that include the use of resources, energy and water consumption, emissions, biodiversity, transportation, as well as wastewater and waste. Based on its analyses, the department assists the operating units in preventing or minimising the environmental impact of their activities. EVN's environmental policy statement defines central goals and values as well as procedures and methods. The environmental management system at all of EVN locations, which also covers occupational safety requirements, has been certified according to ISO 14001 and EMAS standards since 1995.

EVN makes an important contribution to the attainment of Austria's climate protection targets through the continuous expansion and use of renewable energy sources, efficiency improvement measures and extensive advisory services for customers on reducing energy consumption. The decisive factor here is the creation of a balanced mix between optimal supply security and a minimal impact on the environment. Climate protection management by EVN includes the following initiatives and strategic approaches:

- Increase in the use of renewable energy sources such as water, wind, sun, biomass and biogas
- Improvement in the energy efficiency of EVN's own production plants and networks
- Active participation in innovation, development and research projects (among others, carbon capture and storage (CCS) technologies)
- Information and advice for customers on reducing their energy consumption
- Increase in regional value added through the use of local energy carriers like biomass and biogas
- Active participation in the introduction of alternative mobility concepts such as electricity- or natural gas-powered cars
- Creation of a stronger awareness among the general public and employees through training courses and information events
- Internal measures such as an increased focus on environmental aspects in procurement

EVN's environmental policy statement can be found under **www.evn.at/EVN-Group/Verantwortung/Okologie.aspx**

EVN's EMAS certified plants are listed under **www.umwelt-bundesamt.at/umweltsituation/ums/emas/**

Six new EMAS certifications

EMAS, the Eco-Management and Audit Scheme, was introduced by the EU in 1993 as a voluntary environmental management system. The goal of the EMAS directive, which is seen as the most demanding and comprehensive environmental certification in the world, is to establish a continuous improvement process. In addition to the internal audit of compliance with legal regulations and the requirements of public authorities, this directive defines measures to conserve resources and reduce emissions. EVN started the certification process for its power plants in 1995. The Theiss power plant was one of the first plants in Lower Austria to be certified under EMAS, and the Dürnrohr power plant followed shortly thereafter.

The newest member of the EMAS family is the thermal power plant in Korneuburg, which was successfully audited under EMAS/ISO 14001 in March 2014. EMAS certification now covers 100% of the energy supplied by EVN's thermal power plants in Lower Austria. EVN Wärme has also used this environmental management system for 15 years: the number of certified facilities is increasing continuously from the current level of 45 to include newly built or acquired long-distance heating plants. The next external audit in spring 2015 will focus on the addition of five new plants. In 2013/14, a planning project was also started to include EVN's headquarters in the EMAS environmental management system.

Aspect: Materials

The materials used by EVN consist mainly of primary energy carriers like fossil fuels, waste and biomass. Only a limited amount of recycling material is used with these components for technical reasons. The energy generation and wastewater purification plants use various substances as secondary components.

EN1 Material utilisation for energy generation[1]		2013/14	2012/13
Fossil fuels[2]	Terajoule	24,157	18,195
Biomass	Terajoule	2,750	2,757
Waste[3]	Terajoule	4,682	4,205

1) The EVN thermal power generation and heating power plants in Austria, Germany and Bulgaria and the thermal waste utilisation plant in Dürnrohr/Zwentendorf
2) Natural gas, anthracite, heating oil
3) For incineration by the waste incineration plant in Dürnrohr/Zwentendorf

EN1 Material utilisation – network construction in Lower Austria[1]		2013/14	2012/13
Additional power lines	km	1,350	1,087
Additional natural gas pipelines	km	34	132
Additional heating lines	km	35	68

1) Includes overhead lines as well as underground cables and pipelines.

EN1 Materials employed in energy generation and wastewater purification[1]		2013/14[1]
Limestone	t	10,896
Ammonia	t	1,179
Ammonia water	t	1,331
Demineralised water	m³	136,276
Lubricating oils	t	2
Hydrochloric acid	t	163
Sodium hydroxide	t	69
Dosing media	t	13
Rock salt	t	108
Lime hydrate	t	335
Precipitants	l	1,584,076
Flocculating agents	l	336,951
Citric acid	l	4,900

1) At the EVN thermal power generation and heating power plants in Austria and Germany, at EVN Wasser and in the WTE wastewater purification plants

△ GRI indicators: Materials employed by weight or volume (EN1); Use of recycled materials (EN2)

Aspect: Energy

EVN realises efficiency improvements in many areas through the use of new technologies and continuous optimisation measures, also in connection with additional voluntary target agreements related to its EMAS certifications. These goals and measures are also described in the CSR programme beginning on page 233. The development of EVN's own energy consumption in comparison with the previous year is shown in the table on GRI indicator EN3.

EVN's energy intensity[1] for energy generation totalled 17.99 MWh of primary energy for each GWh of electricity generated. EVN uses electric vehicles for short distances wherever feasible to reduce indirect energy use. The increased use of vehicles with alternative power sources for longer distances is also a focus of activities. Business travel is reduced as far as possible through the use of video conferencing. In Bulgaria, plant windows were replaced and a solar-thermal system for independent warm water supply was installed at the headquarters to reduce the indirect use of energy.

1) Energy intensity includes EVN's own consumption of electricity, natural gas, heat and heating oil as a percentage of the total energy sales volume

EN3, EN4 Direct and indirect own energy consumption broken down by primary energy sources		2013/14[1]	2012/13[2]
Natural gas	MWh	5,258	6,229
Electricity	MWh	459,049	316,504
Heating	MWh	8,283	10,260
Heating oil[3]	MWh	179	324
Total	MWh	472,769	333,318

1) From 2013/14 incl. WTE and Duisburg-Walsum power plant (proportionally)
2) From 2012/13 incl. Bioenergie Steyr (proportionally)
3) Heating oil is used in Macedonia only.

△ GRI indicators: Energy consumption within the organisation (EN3), Energy intensity (EN5); Reduction of energy consumption (EN6)

□ For details on the EMAS certifications, see page 83.

○ Details on advising services can be found under **www.evn.at/optimising-energy**

The products and services in EVN's core businesses (energy, water, services) do not lead to any (additional) energy consumption for customers. No data is available on energy consumption by suppliers or service providers.

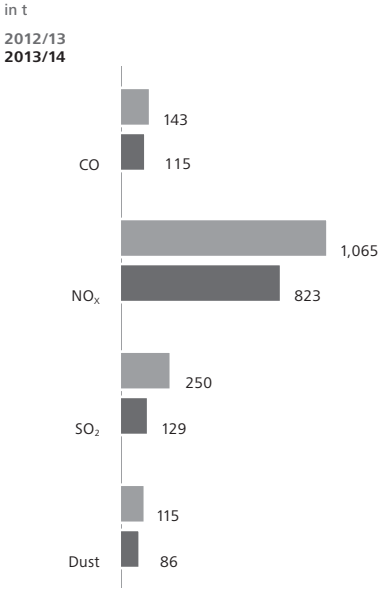
△ GRI indicator: Energy consumption outside of the organisation (EN4)

Aspect: Emissions

EN15 Direct greenhouse gas emissions (Scope 1)

EVN takes numerous steps to improve the energy efficiency of its operations and reduce the emissions from production and customer usage. Greenhouse gas emissions are calculated on the basis of the rules and factors defined in the EU Emission Trading Guideline for the individual countries and cover all CO_2 emissions. The calculation is based on the primary energy carriers used and the given emission factors. The absolute volume of emissions increased in 2013/14 due to the commissioning of the Duisburg-Walsum coal-fired power plant.

EN21 Specific emissions of the EVN thermal and district heating (power) plants



EN16 Indirect greenhouse gas emissions (Scope 2) and EN17 Other indirect greenhouse gas emissions (Scope 3)

The calculation of indirect greenhouse gas emissions is based on the factors used to determine CO_2 emissions in accordance with the EU Emission Trading Guideline.

EN15 Direct GHG emissions (Scope 1)		2013/14	2012/13	2011/12
Austria and Germany[1)]	t CO_2	2,058,900	1,513,334	1,499,640
Bulgaria	t CO_2	154,198	161,422	146,774
Macedonia	t CO_2	2,465	2,628	2,542
Total	t CO_2	**2,215,563**	**1,677,385**	**1,648,956**
	t CO_2/GWh	**336.21**	**281.54**	**292.65**

1) Commissioning of the Duisburg-Walsum power plant during business year 2013/14

EN16 Indirect GHG emissions (Scope 2)		2013/14	2012/13	2011/12
Austria and Germany[1)]	t CO_2	110,248	62,903	64,859
Bulgaria	t CO_2	53,374	56,371	60,411
Macedonia	t CO_2	4,051	4,522	5,110
Total	t CO_2	**167,674**	**123,796**	**130,380**
	t CO_2/GWh	**358.79**	**378.85**	**402.58**

1) Commissioning of the Duisburg-Walsum power plant during business year 2013/14

When you expand hydropower plants

There's a great deal to be said for expanding hydropower: it doesn't produce any emissions and is renewable in the best sense of the word. But the ecological balance is also important. EVN operates five pump storage plants and 67 hydropower plants, and is working to further strengthen its generation capacity in this area – that brings added security for customers. But in all these activities, the company never loses sight of its ecological footprint.

you also need to keep an eye on the ecological balance

EN17 Other indirect GHG emissions (Scope 3)		2013/14	2012/13	2011/12
Total	t CO_2	5,945,738	6,924,987	7,966,655
	t CO_2/GWh	226.21	254.14	286.73

EN18 Intensity of GHG emissions[1)]		2013/14	2012/13	2011/12
Total CO_2 Emissions	t CO_2/GWh	315.03	320.24	350.76

1) Specific emissions from the total of Scope 1–3 in relation to the total sales volumes of electricity and natural gas (20,901 GWh of electricity and 5,383 GWh of natural gas for 2013/14)

EN19 Initiatives for the reduction of greenhouse gas emissions and the results thereof

EVN invests continuously in projects to reduce its greenhouse gas emissions. The initiatives launched in 2013/14 increased EVN's annual savings by approx. 96,000 tonnes of CO_2. The following section provides examples of these projects.

Windpower

With a total generation capacity of 213 MW, EVN is one of the largest windpower plant operators in Austria. EVN is also investing in new projects to increase its windpower generation capacity to 300 MW over the medium term and thereby reduce CO_2 emissions:

→ The ground-breaking ceremony for a new EVN windpark in the communities of Prottes and Ollersdorf took place in November 2013. The 12 wind turbines with a capacity of 37 MW at this site will generate electricity for 24,000 households in Lower Austria. That represents a reduction of more than 55,000 tonnes of CO_2 per year. The commissioning of the windpark is scheduled for spring 2015.

→ The new Prellenkirchen IV windpark opened in March 2014. Together with Kittel-Mühle, EVN built eight further wind turbines at this location. These 3-MW class turbines will generate roughly 25.6 MW of electricity for roughly 17,000 households and save approx. 39,000 tonnes of CO_2 per year.

Biomass

EVN currently operates more than 60 biomass plants, which make it the largest supplier of natural heat in Austria. In order to ensure reliable supplies of wood chips for the biomass plants, EVN concluded an agreement with Wiener Neustädter Stadtwerke and

Kommunal Service GmbH (WNSKS) in 2013/14, which will deliver up to 300 tonnes of forestry wood chips each year to EVN's nearest long-distance heating plants. EVN uses over 1.5m loose cubic metres of wood chips in its biomass plants each year. Continuous expansion is also the maxim for this area:

- The commissioning of a 3.8 km biomass long-distance heating network in the climate alliance community of Biedermannsdorf represented a further step to reduce CO_2 emissions. The resulting heat supplies for municipal buildings, apartment complexes and private households save approx. 960 tonnes of CO_2 each year.
- A further 845 tonnes of CO_2 emissions were reduced by the commissioning of EVN's new biomass heating plants in Reichenau an der Rax and Strasshof, which opened in March and September 2014, respectively.
- EVN also completed a 4-MW long-distance cooling plant for the Mistelbach-Gänserndorf hospital during June 2014. It will save 260 tonnes of CO_2 per year.

Other projects

- In Schönkirchen, EVN built a solar power plant through a public participation model in 2013. The high demand for this project led to a second expansion stage in 2013/14 (Schönkirchen II). The Schönkirchen plant will have roughly 4,000 panels and a total capacity of nearly 1,000 kWpeak after completion. Almost 300 customers have invested in this project.
- The railway transport of most of the household waste in Lower Austria saved roughly 40,000 truckloads and nearly 4,000 tonnes of CO_2 emissions.
- EVN's new biogas processing plant in Wiener Neustadt produces biomethane in a quality equivalent to natural gas and feeds it into the network. This allows for the energetic utilisation of approx. 1.1m m³ of biomethane per year, which covers the heating needs of more than 1,000 households. It also saves roughly 2,000 tonnes of CO_2 each year.
- The 31 km district heating transport line, which runs from EVN's thermal waste utilisation plant in Dürnrohr over the Perschling canal and Traisental to St. Pölten, saves more than 40,000 tonnes of CO_2 emissions each year.

Also see "Innovations for a sustainable energy future" on page 24 and indicator EN16

EVN also helps to reduce customers' CO_2 emissions with a broad range of energy services. For example, measures in the areas of lighting, photovoltaics and household appliances as well as energy advising for households during the period from January to September 2014 saved approx. 2,000 kWh[1)] of energy and reduced CO_2 emissions by approx. 730 kg[2)].

1) Calculated on the basis of the method document published by the Austrian Energy Agency in October 2013
2) Calculated on the basis of the energy mix ENTSO-E 2013

Aspect: Water

EN8 Total water withdrawal by sources

The increase in utility water consumption during 2013/14 resulted, above all, from the initial inclusion of the Duisburg-Walsum coal-fired power plant in these statistics. In contrast, the use of cooling water declined year-on-year, above all due to the lower use of the thermal power plants.

EN9 Sources of water that are fundamentally affected by the withdrawal of water

EVN plants obtain their water from municipal providers or groundwater wells. In 2013/14, the cooling water flow rate at the thermal power stations along the Danube River totalled 155.6m m³. This corresponds to 0.26% of the average annual volume of the Danube recorded at the Korneuburg gauge[1)] (measuring point number 20724[1)], which amounted to 59,981m m³ and remains clearly below the allowed threshold of 5%.

1) Source: Austrian Hydrographical Annual 2010, Federal Ministry of Agriculture, Forestry, Environment and Water Management

EN10 Recovered and reused water

The EVN power plants reuse wastewater as process water whenever possible.

Aspect: Biodiversity

EN11 Land use in protected areas

An extensive supply network is necessary to ensure complete supply coverage. Approximately 25% of the surface territory of Lower Austria is designated as a protected area. In order to minimise the environmental impact on these areas, EVN places great importance on responsible network planning and construction.

EN8 Water withdrawal		2013/14[1)]	2012/13
Drinking water (municipal suppliers)	m³	375,890	320,877
Water use (groundwater)	m³	1,919,131	1,720,062
Cooling water (surface waters)	m³	158,617,752	237,576,241

All plants in Lower Austria, Bulgaria and Macedonia
1) From 2013/14 incl. WTE and Duisburg-Walsum power plant (proportionally)

Protected areas in Lower Austria

Protected areas in Bulgaria

- Special protected areas (SPA) by the Natura 2000 network, Directive 79/409/EEC on the conservation of wild birds (briefly: Birds Directive)
- Special areas of conversation (SAC) by the Natura 2000 network, Directive for conserving natural habitats and the animal and plant species they contain 92/43/EEC (briefly: Fauna and Flora Directive)
- EVN Bulgaria

EN12 Impact of business activities on biodiversity
EN13 Protected or restored natural habitats
EN14 Strategies and measures for the protection of biodiversity

EVN is committed to minimising the impact of its business activities on nature, in particular through a special focus on protecting the natural habitats of local flora and fauna in the areas surrounding the company's plants and projects. For example, thermal power plant operations pay special attention to the sensitive biodiversity of the surrounding water areas by complying with administrative requirements for the intake temperatures of cooling water. This helps to reduce the negative effects on the environment.

Reservoir monitoring plays an important role in protecting the biodiversity near hydropower plants. EVN therefore holds an annual conference with the public authorities and stakeholder groups at the Ottenstein reservoir to discuss relevant issues, in particular the importance of the reservoir as a habitat for fish.

A central measure to protect biodiversity at the Ottenstein reservoir was the installation of online monitoring equipment, which was developed by DWS-Hydro-Ökologie GmbH together with EVN's staff department for environmental protection and controlling. This equipment continuously records and controls the parameters required to evaluate the water quality. A probe can extend to the bottom of the lake from its base on a floating measurement station to measure the pH, temperature and oxygen content at various levels. The goal of this extensive data collection is to research the effects of return pumping operations and heavy rains on the water quality and algae development.

EVN is also working on numerous other projects to protect biodiversity:

- Fish bypasses at the small-scale hydropower plants in Hohenberg and Schaldorf and (since 2013/14) also in Erlauf
- A joint project with the association for the protection of great bustards in Austria (continuation of the LIFE+ project)
- Nest platforms for storks (endangered species of white and black storks) in Bulgaria and Macedonia
- A joint project with the Bulgarian Association for Bird Protection to protect the imperial eagle and gyrfalcons (EU LIFE+ programme)
- A project to protect the bird life at the Burgas lakes in Bulgaria
- A joint project with the Macedonian Environmental Association for the Protection of Birds in the Ovce Pole region (assessment of the impact of energy grids on birds)
- Participation in the construction of a Macedonian national environmental network MAK-NEN

EVN's properties in Austria in protected areas or adjacent to protected areas[1]	Number	Area (ha)
Properties in protected areas (>50 m²)	679	479.4
Properties in protected landscape areas (>50 m²)	410	369.9
Properties in Natura 2000 areas (>50 m²)	526	244.1
Properties directly adjacent to protected areas	19	24.2
Total	**1,634**	**1,117.6**

1) Excluding pipeline routes; multiple answers possible

As a continuing measure for the management of the impact on biodiversity, EVN works to integrate supervision based on ecological principles into its construction projects.

EU13 Biodiversity of alternative locations

In 2013/14, alternative sites totalling 77.75 ha were held for windpower plants in Lower Austria. The alternative sites for pipeline routes are published in publically accessible documents on the environment and environmental compatibility tests.

Aspect: Waste and wastewater

EN22 Total wastewater discharges

In cases where the type or quantity of a wastewater stream differs from ordinary household wastewater, EVN concludes contracts with sewage treatment plant operators based on the indirect discharge. These contracts contain detailed provisions for the allowable amount of wastewater, the main substances it may contain, required wastewater inspections, etc. Direct discharges into surface water are regulated by the wastewater emission ordinance and numerous water-related guidelines. EVN's wastewater streams are regularly tested by accredited external institutions. Possible harmful environmental effects are minimised by strict compliance with the requirements of various public authorities concerning cooling water intake temperatures.

The purification plants operated by EVN's subsidiary WTE discharged a total of 154,758,139 m³ of purified wastewater into surface water in five countries during the 2013 calendar year.

EN23 Waste by type and disposal method

The hazardous and non-hazardous waste regularly occurring in Austria is transferred to licensed disposal specialists based on framework contracts. These specialists dispose of the waste in accordance with Austrian law (thermal or material utilisation or deposition).

EVN recycles all fly ash and coarse ash. REALIT was stored in company-owned landfills up to October 2009 and has been utilised to 100% since November 2009. Roughly one-half of the biomass ash from district heat production is transferred to a disposal firm and then utilised.

EN24 Weight and volume of significant contamination

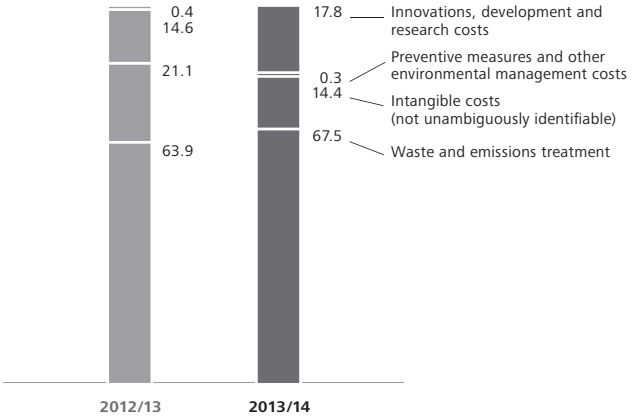
EVN records all environmentally relevant incidents in a standardised reporting system that covers the plants in Austria, Bulgaria and Macedonia. There were three significant cases of contamination at EVN's Austrian plants during the reporting year. The incidents involved oil spills which led to the pollution of 130 m³ of soil. None of the incidents involved contamination of the ground water. In all three cases, the polluted earth was disposed and the areas were restored based on consultations with the public authorities.

Development of waste quantities[1]		2013/14[2]	2012/13
Hazardous waste	t	10,703	9,266
Non-hazardous waste	t	180,512	137,663
Export of hazardous waste[3]			
Hazardous waste	t	0	0

1) With no construction residue or power plant side products
2) From 2013/14 incl. WTE and Duisburg-Walsum power plant (proportionally)
3) Oil containing PCBs from Macedonia to France for disposal

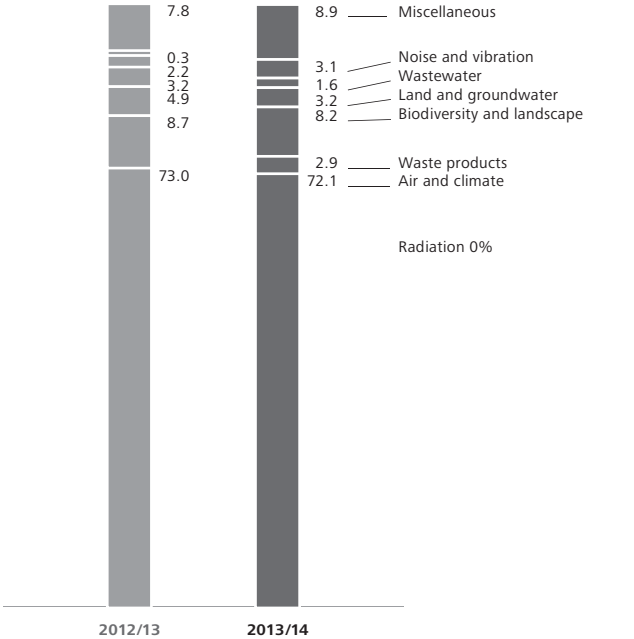
Environmental costs by cost categories

in %



Environmental costs by environment media

in %



EN25 Weight of waste categorised as dangerous

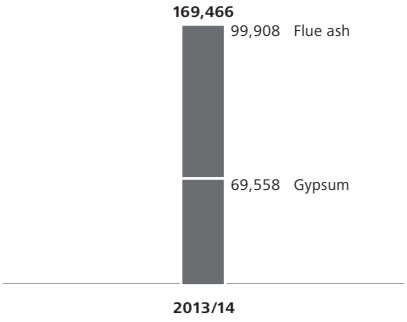
No hazardous or non-hazardous waste was disposed of across national borders in 2013/14.

EN26 Waters affected by wastewater discharges and surface run-off

A major part of the wastewater is cleaned by treatment plants before it reaches any surface water. At the power plants, quality-monitored wastewater flows that meet current environmental standards are discharged into the Danube River. This practice does not cause any relevant damage.

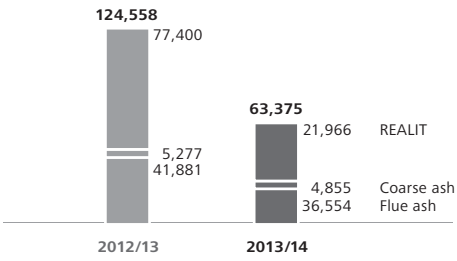
Duisburg-Walsum power plant – utilised quantities of by-products

in t/year



Austrian power plants – utilised quantities of power plant by-products

in t/year



Aspect: Products and services

EN27 Initiatives for the reduction of environmental impact caused by products and services

Due to the nature of its business activities, the environmental impact of EVN's products is related primarily to emissions. Numerous measures have been implemented to prevent and minimise these emissions, among others through innovation, development and research. Plans call for an increase in the share of renewable energy sources to 50%, and measures have also been introduced in the company and on the customer side (through advising services) to improve energy efficiency.

Aspect: Transport

EN30 Significant ecological impacts of transport

The energy supplied by EVN is delivered through power lines and, consequently, only the ecological effects from the construction of these lines are relevant. These effects are identified through nature and environmental impact assessments and can be reviewed in documents that are available to the general public (also see GRI indicator EU13 on page 89). The ecological effects of employee transportation is included in the indicators EN15 (fuel) and EN17 (flights). Data is not collected on the emissions resulting from transportation by EVN's suppliers.

Aspect: Overall

EN31 Expenses and investments for environmental protection

The environmental cost calculation includes all fully consolidated and relevant subsidiaries of the EVN Group in Austria. The environment-related expenditures is expected to amount to over EUR 10,000 in 2013/14. The collection of this data is based on the International Environmental Cost Accounting Guideline issued by the International Federation of Accountants. Environmental costs are defined as the monetised, internal costs of the impact of business activities on the environment and, in particular, the costs of damage prevention and repair.

In 2013/14 the environmental costs of the analysed business areas amounted to EUR 104.0m. They include damage repair costs (e.g. for the restoration of contaminated sites) as well as damage prevention costs (e.g. for environmental management and/or flue gas cleaning). On the charts, these expenditures are classified by environmental media and cast categories. The highest costs are found in the area of emission treatment because of the extensive amount of flue gas cleaning. Environment-related income (scrap metal sales, waste-generated steam) totalled EUR 26.5m in 2013/14.

Suppliers

For EVN as an international energy and environmental services company with a broad portfolio of products and services, cooperation with a large number of different suppliers and service providers is an important success factor.

Fair, transparent and partnership-based business relations with its suppliers – from the initial contact to payment of the invoice – represent an integral part of EVN's business practices. EVN is committed to the principles of economy in its procurement processes and to free and fair competition, the equal treatment of all bidders, confidentiality during business transactions, transparency and the documentation of results, resource conservation and social responsibility. In exchange, the company also places high demands on its suppliers to provide services that are socially, economically and ecologically responsible.

EVN's supply chain

EVN's procurement activities can be classified under two main areas: primary energy sources and electricity are purchased by the Energy Trade and Supply Segment, while the other purchasing transactions are coordinated, managed and carried out centrally by the procurement department.

Procurement of products and services

Most of the supplier relationships are not related to energy procurement and involve roughly 5,000 suppliers and service providers at EVN's main business locations (Austria, Germany, Bulgaria and Macedonia). The majority of these suppliers come from EU countries. Numerous suppliers are also located in Macedonia, EVN's only major business location outside the EU, and in Switzerland and Turkey for the international project business.

In selecting its suppliers, EVN must comply with the Austrian federal law on public procurement. EVN is the sector contractor under EU public procurement law in many areas and must therefore meet the applicable provisions. EVN also follows the principles governing competition in the EU. New bidders are regularly included in tenders, and a special focus is placed on inviting bids from local companies in tenders for the international project business. The unequal treatment of bidders, e.g. the preferential treatment of local suppliers, is prohibited. The construction of infrastructure, plants and buildings plays an important role in both the energy and environmental services business. In this connection, EVN works with a wide range of companies such as construction firms, trade contractors and planning offices, plant, pipeline and cable line builders as well as suppliers of plastic pipes, transmission/cable lines, electro-technical equipment, meters, hardware and software for the operation of plants and infrastructure and the production of work clothing.

The costs in the international environmental project business consist primarily of externally purchased materials and services (construction, machinery and electro-technical equipment). The project business is characterised by continually changing framework conditions. The successful realisation of these projects therefore demands high flexibility from the procurement department for each project, customer and technology in every branch and country.

△ GRI indicator: Proportion of spending on local suppliers at significant locations (EC9)

Electricity and natural gas procurement

Part of the energy distributed by EVN to its customers is not generated by the company's own plants, but is purchased on the market. There are a number of similarities in the structure of electricity and natural gas suppliers: in addition to concluding medium-term procurement contracts directly with producers, EVN also purchases electricity and natural gas over the wholesale market, i.e. on commodity exchanges and in off-exchange trading over so-called "over-the-counter (OTC) platforms" in bilateral transactions with individual trading partners.

Electricity

The electricity requirements of Austrian customers are covered internally by EVN's own plants as well as externally through domestic green-energy allocated in accordance with the Green-Electricity Act and through purchases over the wholesale market and medium-term purchase contracts. Purchases over the wholesale market are handled centrally for EVN and the other EnergieAllianz partners by e&t Energiehandelsgesellschaft mbH, which utilises the European Energy Exchange (EEX) and bilateral transactions with various trading partners.

EVN's electricity subsidiaries in Bulgaria and Macedonia are required by law to purchase most of their electricity requirements from state-owned producers, i.e. NEK and ELEM respectively. Since these countries have not yet implemented electricity labelling requirements, EVN cannot determine the origin of this energy. The remainder of the purchased energy comes from the wholesale markets.

Natural gas

Most of the natural gas purchases are handled by EconGas GmbH, in which EVN holds an investment of 16.5%. This company purchases natural gas directly from the producers, through intermediate sales organisations and in national and international OTC trading centres and exchanges, e.g. in Austria (CEGH), Germany (NCG) or the Netherlands (TTF). Notable import volumes – from the European point of view – come from Russia, the North Sea and the Sahara (Algeria,

Libya). One of the most important OTC natural gas trading platforms is the Central European Gas Hub, which is used by both EconGas GmbH and EVN for natural gas purchases.

Coal procurement

EVN operates two coal-fired power plants. Coal supplies for Dürnrohr are purchased directly by EVN, while the partner company Steag handles supplies for the Duisburg-Walsum plant that was commissioned during the first quarter of 2013/14. The purchases for Duisburg-Walsum are based on a coal supply contract concluded between Steag and Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH, which is responsible for the power plant operation. Consequently, the procurement of coal for the Duisburg-Walsum power plant is not directly within EVN's sphere of influence.

The coal supply chain for the Dürnrohr power plant has three tiers: purchases are made directly by EVN via coal wholesalers or trading and forwarding agents (Tier 1) which, in turn, buy the coal from processing companies or exclusive exporters (coal wholesalers) (Tier 2). These companies purchase their coal supplies directly from the mining companies (Tier 3). EVN purchased coal supplies for energy generation in the Dürnrohr power plant from two intermediate traders in 2013/14. Approximately 90% of the coal used in 2013/14 came from Europe and Russia, while the remaining 10% came from the USA.

△ GRI indicator: Description of the supply chain (G4-12)

EVN's demands on its suppliers

Aspects: Evaluation of suppliers, complaint procedures

The step-by-step implementation of sustainability criteria in the selection of suppliers and their products is a priority for EVN's CSR agenda in order to align procurement practices with sustainability goals. A continuous dialogue with suppliers plays an important role in this process.

Integrity clause and guidelines for contract partners

An integrity clause for suppliers defines the guidelines for sustainable procurement and the duties and responsibilities of suppliers in eleven points which include, among others, human rights, labour practices, protection of the environment, resource conservation and business ethics. It is binding for all suppliers (100%) of products and services ordered by the procurement department for the locations in Austria, Bulgaria and Macedonia and is available for review by all investors, investment and joint venture partners, subcontractors and stakeholders on the EVN website **(www.evn.at/integrity-clause).** The integrity clause is included with each order and tender and represents an integral part of the contract. EVN reviews compliance with the integrity clause on a regular basis and has developed a special questionnaire for this purpose. On-site evaluations were performed at the locations of major suppliers in 2012/13 and 2013/14. Additional controls are carried out via checklists as required and in connection with appointments at major suppliers' locations. The audits carried out during the reporting year did not lead to any objections. EVN, as an international company, also operates in countries with a less developed understanding for human rights or may purchase services, materials or products from such countries through central procurement. In connection with the sensitive area of textile procurement (work clothes), risk countries have already been excluded through an internal guideline. Other product groups are also being included in this type of exclusion practice, or specific criteria and measures are introduced to implement the EVN integrity clause and can even exceed this. One example involves coal procurement in Poland and Russia, where purchases are only made after EVN has conducted its own research and verified compliance with human and labour rights and examined the working and living conditions.

All EVN's tenders have included an additional checklist since 2011/12, above all when risk products are involved. This checklist asks for additional information on environmental compatibility, product recycling and packaging as well as the manufacturer's certification. It supports the uniform evaluation of suppliers' compliance with the integrity clause. EVN's most important suppliers are now covered by this type of control.

When you want to convert biomass into heat and electricity

you need reliable agriculture and forestry partners

Energy must always be available when customers need it. EVN's heating supplies based on biomass create a win-win situation in this respect. Thanks to its long-standing partnerships, the company has earned a reputation for the intelligent use of forestry wood chips – and can depend on reliable supplies of raw materials from our local forests. With more than 60 plants, EVN is the number one for biomass heat in Austria.

WTE, an EVN subsidiary, has fully integrated the "partners and suppliers" and "integrity and prevention of corruption" sections of the EVN Code of Conduct in its procurement procedures. Special attention is paid to compliance with human rights as defined in the relevant section of the Code of Conduct. The EVN integrity clause has been a part of all suppliers' contracts concluded by WTE's German branch since 2011/12. It is included when offers are requested, and reference is made to the required compliance. The integrity clause is explicitly discussed during contract negotiations and included as an attachment to all suppliers' contracts. The procurement department in Poland has not included the integrity clause in its suppliers' contracts to date, but all such contracts contain an attachment on "employer's requirements". This attachment covers suppliers' requirements for projects subsidised by the EU and requires the tendering companies to provide proof of quality assurance and, for safety and health protection, certificates of origin for all individual components. These certificates are normally issued by the suppliers and confirm the origin of the materials used. Therefore, components and materials from countries outside the EU are generally excluded. Since 2007, WTE has followed a goal to avoid the purchase of products from high-risk countries, e.g. India and China.

Certifications and on-site inspections

EVN's procurement department evaluates the major suppliers and subcontractors for selected product groups, especially those from non-EU countries, in accordance with human rights and sustainability principles. This evaluation takes place on both a sampling and a regular basis when major orders are placed with new suppliers. The majority of all deliveries to EVN originate in the EU. Suppliers that are not based in the EU are inspected on-site by EVN. Contractors, especially construction companies, are audited with regard to their payment of social insurance contributions for their employees. This review covers all Austrian contractors performing construction services with a volume above EUR 10,000. To date, EVN has not identified a single contractor that has failed to meet the obligations to make social insurance contributions.

Audits are also carried out in the area of primary energy procurement, above all as regards the coal supply chain. All coal mines that supplied coal for EVN's energy generation in 2013/14 meet wide-ranging international standards and are certified under ISO 14001 (environmental management). The US mine that supplies EVN with coal is also certified under OAHSAS 18001 (Occupational Health and Safety). Regular on-site inspections not only take place at the intermediate tiers of the supply chain – for example, in coal processing companies – but also at tier 3, i.e. directly in the mines. EVN conducted on-site inspections at one mine and one processing company during the reporting year. Any objections are immediately reported to the respective operators and improvements are requested. In the event that a satisfactory solution cannot be found, the related contracts are terminated.

△ **GRI indicators: Percentage of new suppliers that were screened using ecological criteria (EN32), using human rights criteria (HR10), using labour practices (LA14) and the related impacts on society (SO9)**

Mandatory labelling of electricity

In accordance with legal regulations, EVN's customer invoices in Austria include information on the origin of the electricity. This proof of origin shows the percentage of the electricity in the supply mix of EVN Energievertrieb GmbH & Co KG that comes from the respective primary energy carriers. The customer invoices also include information on the environmental impact (CO_2 emissions and radioactive waste). This data is reviewed by an independent auditor after the end of each financial year and reported to the regulatory authority. In 2012/13, proof of Austrian origin was provided for all electricity volumes. The comparative data for 2013/14 will only be available after editorial deadline of this report.

△ **GRI indicators: Labelling of products and services (PR4); Product information (PR3); Percentage of new suppliers that were screened using ecological criteria (EN32)**

□ **For details on the composition of electricity from primary energy sources, see page 57.**

Complaint procedures

A complaint office was established in Lower Austria for bidders in tender processes. It can be used to file complaints and obtain explanations, free of charge and without mandatory legal counsel. This independent office reflects legal requirements and, based on EVN's activities as a sector contractor, is mentioned in the prequalification/tender phase of every tender project. There were no justified objections in recent years.

Labour practices and humane employment

In order to minimise the risks associated with workplace safety, EVN only works with selected partners who are contractually required to employ trained personnel. Compliance with the directives for partner companies is reviewed by experienced, well-trained EVN employees who serve, for example, as construction coordinators or supervisors. Subcontractors and suppliers are used for tasks with a limited period of time, especially for maintenance and repairs and for the construction of new power plants and transmission networks. More than 5,000 subcontractors and suppliers worked for EVN in Austria and

other countries during the reporting year. EVN does not maintain central records on the number of workdays attributable to subcontractors and suppliers because this would not have any significance for their labour practices.

External services relevant for safety and/or health (e.g. in civil engineering and building construction) are performed by roughly 300 prequalified companies under general contracts. Point 4 of EVN's integrity clause, "Health & Safety at the Workplace", requires compliance with legal regulations for occupational health and safety protection at the workplace, free access to drinking water and sanitary facilities, appropriate fire protection, lighting, ventilation, suitable personal protective gear and training for its proper use. The companies are also required to instruct their employees in accordance with § 14 of the Occupational Health and Safety Act ("Arbeitsschutzgesetz", ASchG) and § 154 of the Construction Worker Safety Regulation ("Bauverordnung", BauV). The same rules apply to their subcontractors. Training certificates must be provided automatically. Subcontractors must also confirm that they have the required certifications and qualifications to undertake the contracted work. Comparable regulations are in force at EVN's international subsidiaries.

△ **GRI indicators: Workdays of subcontractors and suppliers for construction, servicing and maintenance (EU17); Percentage of subcontractors and suppliers who have participated in health and safety training programmes (EU18)**

Corporate governance report

EVN AG is a listed stock corporation under Austrian law whose shares are traded on the Vienna Stock Exchange. Corporate governance is therefore based on Austrian law – in particular stock corporation and capital market laws, legal regulations governing co-determination by employees and the company by-laws – as well as the Austrian Corporate Governance Code (ACGC, see **www.corporate-governance.at)** and the rules of procedure for the company's corporate bodies.

Commitment to the Austrian Corporate Governance Code

Introduction

The Executive Board and the Supervisory Board of EVN are committed to the principles of good corporate governance and thereby meet the expectations of national and international investors for responsible, transparent and sustainable management and control. On 1 October 2012, EVN announced its commitment to comply with the ACGC in the January 2012 version. The amendments to the ACGC to reflect the Second Stability Act from July 2012 are also binding for EVN.

The ACGC standards are divided into three categories. The legal requirements (L-rules) are based on binding regulations, which must be observed by all Austrian listed companies. The C-rules (Comply or Explain) require public disclosure of the reasons in the event of non-compliance. EVN provides a detailed explanation of any deviations from these rules online under **www.evn.at/Corporate-Governance-Report** and provides an overview in the following section of this report. The R-rules represent recommendations and do not require the justification of deviations.

The EVN Executive Board and Supervisory Board formally declare their commitment to fully observe all C-rules of the ACGC, with the exception of the following deviations and explanations. Furthermore, the company only deviates from a limited number of R-rules.

Deviations from C-rules

EVN does not fully comply with the following C-rules of the ACGC:

Rule 16: The Executive Board meetings must be called in accordance with legal requirements and be attended by at least two members for resolutions to be considered legally valid. Resolutions must be passed unanimously and abstention from voting is not permitted if the Executive Board has only two members. In cases where a unanimous decision is not reached, the Executive Board must review and vote again on the respective point of the agenda within ten days. The Executive Board must report to the Supervisory Board if the second round of voting does not bring a unanimous decision. A simple majority of the votes cast is required in all other cases. A spokesman will also be appointed for the Executive Board, even when there are only two members, and the direction of the meetings and representation therefore also apply in this case.

Rule 45: All members of the Supervisory Board, with one exception, complied with the provision that prohibits them from assuming functions on the boards of other enterprises which compete with EVN. The Supervisory Board member who does not meet this rule represents the interests of a specific shareholder of EVN AG.

Rule 51: The Supervisory Board remuneration is disclosed in total as well as in percentages for the chairman, the two vice-chairmen and the other members. This presentation provides adequate insight into the remuneration situation.

Corporate bodies

Executive Board

Peter Layr
Spokesman of the Executive Board

Born in 1953. Doctor of Technical Sciences. Joined EVN in 1978. Member of the EVN AG Executive Board since October 1999. Appointed spokesman of the Executive Board in January 2011. His term of office expires on 30 September 2019. Peter Layr has executive responsibility for the Generation, Network Infrastructure Austria and Environmental Services segments as well as the following corporate functions: data processing, procurement and purchasing as well as internal auditing. In accordance with the disclosure required by Rule 16 of the ACGC, he holds one supervisory board mandate in another domestic company that is not included in the consolidated financial statements of the EVN Group[1)].

1) Verbund AG, member of the Supervisory Board

Stefan Szyszkowitz
Member of the Executive Board

Born in 1964. Master of Law, Master of Business Administration. Joined EVN in 1993. Member of the EVN AG Executive Board since January 2011. His term of office expires on 19 January 2016. Stefan Szyszkowitz has executive responsibility for the Energy Trade and Supply and Energy Supply South East Europe segments as well as the following corporate functions: controlling, customer relations, finance (incl. investor relations), Group accounting, general secretary and corporate affairs, information and communications, human resources as well as administration and construction. In accordance with the disclosure required by Rule 16 of the ACGC, he holds three supervisory board mandates in other domestic companies that are not included in the consolidated financial statements of the EVN Group[2)].

2) EVN-Pensionskasse Aktiengesellschaft, chairman of the Supervisory Board
CEESEG Aktiengesellschaft, member of the Supervisory Board
Wiener Börse AG, member of the Supervisory Board

Supervisory Board

Members of the Supervisory Board

Name (year of birth)	Date of initial appointment	Function in listed companies and other important functions	Independence Rule 53[1]
Shareholder representatives			
President and Chairman Burkhard Hofer (1944)	from 20.01.2011	Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Chairman of the Supervisory Board of HYPO NOE Gruppe Bank AG	no
Stefan Schenker 1st Vice-Chairman (1946)	from 12.12.1996	Independent forestry engineer	yes
Willi Stiowicek 2nd Vice-Chairman (1956)	from 15.01.2009	Head of the Presidential Department of the Magistrate of the Provincial Capital St. Pölten	yes
Norbert Griesmayr (1957)	from 12.01.2001	Chairman of the Executive Board of VAV Versicherungs-Aktiengesellschaft	yes
Thomas Kusterer (1968)	from 17.01.2013	Member of the Executive Board of EnBW Energie Baden-Württemberg AG	yes
Dieter Lutz (1954)	from 12.01.2006	Managing Director of the BENDALUTZ-WERKE GmbH, Member of the management board of the Benda-Lutz Corporation, USA, Vice-President of the Lower Austrian Chamber of Commerce and of the association of Österreichische Industrie, Group Lower Austria	yes
Reinhard Meißl (1959)	from 12.01.2006	Head of the Finance department, Provincial Government of Lower Austria, CEO of NÖ Holding GmbH and NÖ Landes-Beteiligungsholding GmbH	yes
Bernhard Müller (1973)	from 12.01.2006	Mayor of the statutory city Wiener Neustadt	yes
Edwin Rambossek (1943)	from 20.01.2011	Management consultant	yes
Michaela Steinacker (1962)	from 12.01.2001 to 24.12.2013	Chairwoman of the advisory board of Raiffeisen Evolution project development GmbH, member of the Austrian Parliament	yes
Angela Stransky (1960)	from 16.01.2014	Authorised representative of Raiffeisenlandesbank Niederösterreich-Wien AG	yes
Employee representatives			
Franz Hemm (1955)	from 03.05.1994 unlimited term	Chairman of the Central Works Council of Netz Niederösterreich GmbH, Vice-President of the Lower Austrian Chamber of Labour	
Paul Hofer (1960)	from 01.04.2007 unlimited term	Chairman of the Central Works Council of EVN AG	
Monika Fraißl (1973)	from 01.07.2013 unlimited term	Central Works Council	
Manfred Weinrichter (1961)	from 01.01.2001 unlimited term	Vice-chairman of the Central Works Council of Netz Niederösterreich GmbH	
Otto Mayer (1959)	from 12.05.2005 unlimited term	Central Works Council	

The terms of office of all Supervisory Board members elected by the Annual General Meeting expire at the end of the Annual General Meeting that will vote on the release from liability for the 2014/15 financial year.

The employee representatives are delegated by the respective Works Council for an unlimited term, but may be recalled by their Works Council at any time.

1) Rule 53 of the ACGC: independence of the company and the Executive Board

A list of the Supervisory Board committees can be found on page 100.

Independence of the Supervisory Board

A member of the Supervisory Board is considered to be independent when he/she has no business or personal relations with the company or its management board that could lead to a material conflict of interest and therefore influence the member's behaviour. If any such conflicts of interest arise, EVN requires multi-year transition periods in accordance with the ACGC.

The guidelines to determine the independence of the elected members of the Supervisory Board stipulate that these persons

- may not have any business or personal relations with EVN AG or its Executive Board that constitute a material conflict of interest and are therefore capable of influencing the member's behaviour;
- may not have served as a member of the Executive Board or a top executive of EVN AG or any of its subsidiaries during the past five years;
- may not maintain or, in the previous year, did not maintain any business relations with EVN AG or a subsidiary of EVN AG that are considered material for that member. This also applies to business relations with companies in which the Supervisory Board member holds a significant economic interest;
- may not have acted as an auditor of EVN AG or owned a share in or worked as an employee of this firm during the past three years;
- may not serve on the management board of another company in which a member of the Executive Board of EVN AG is a member of the supervisory board; and
- may not be closely related (i.e. direct offspring, spouses, life partners, parents, uncles, aunts, brothers, sisters, nieces, nephews) to a member of the Executive Board or to persons who hold one of the above-mentioned positions.

Function and committees of the Supervisory Board

The Supervisory Board fulfils its responsibilities as a joint decision-making body in cases where individual issues are not delegated to its committees. The Supervisory Board committees are responsible for preparing negotiations and resolutions, monitoring the implementation of the Supervisory Board's decisions and taking decisions on issues delegated by the Supervisory Board. The following committees were established by the Supervisory Board of EVN AG, each of which includes at least three elected Supervisory Board members and the legally required number of employee representatives:

The responsibilities of the Audit Committee are as follows:

- monitoring the accounting process;
- monitoring the effectiveness of the internal control system and, if necessary, the company's internal audit and risk management systems;
- monitoring the audit of the annual and consolidated financial statements;
- verifying and monitoring the independence of the auditor of the annual financial statements (consolidated financial statements), especially with regard to supplementary services provided for the audited company;
- reviewing the annual financial statements and preparing the authorisation of these financial statements, reviewing the proposal for the distribution of profits, the management report and, if applicable, the corporate governance report as well as submitting a report on the results of this review to the Supervisory Board;
- examining the consolidated financial statements and the Group management report and submitting a report on the results of this examination to the Supervisory Board of the parent company; and
- preparing a proposal for the Supervisory Board on the selection of the auditor of the annual and consolidated financial statements.

The Audit Committee includes the financial expert required by law and Rule 40 of the ACGC.

The Personnel Committee is responsible for all matters involving the relationships between the company and the members of the Executive Board, in cases where the full Supervisory Board is not responsible under law. The Personnel Committee nominates replacements for vacant seats on the Executive and Supervisory Boards. As the Remuneration Committee of the Supervisory Board, the Personnel Committee has one member with knowledge and experience relating to remuneration policy (Rule 43 of the ACGC).

The Working Committee is responsible for carrying out the specified tasks assigned by the full Supervisory Board. In certain urgent cases, the Working Committee is authorised by the rules of procedure for the Supervisory Board to approve specified business transactions on behalf of this body.

The Supervisory Board held five plenary meetings during the reporting year, at which its members fulfilled the tasks and duties required by legal regulations and the company's by-laws. The Audit Committee of the Supervisory Board met three times in 2013/14. The Working Committee, which also serves as an emergency committee, did not meet during 2013/14. The Personnel Committee, which also serves as a remuneration and nominating committee, met three times during the reporting year. Average attendance at Supervisory Board meetings equalled 88% in 2013/14.

Composition of the Supervisory Board committees

Working Committee
Burkhard Hofer (Chairman)
Stefan Schenker
Willi Stiowicek
Reinhard Meißl
Franz Hemm
Paul Hofer

Personnel Committee
Burkhard Hofer (Chairman)
Stefan Schenker
Willi Stiowicek

Audit Committee
Stefan Schenker (Chairman)
Burkhard Hofer
Willi Stiowicek
Reinhard Meißl
Franz Hemm
Paul Hofer

Annual General Meeting

The shareholders of EVN exercise their legal and voting rights at the Annual General Meeting, whereby each share is granted one vote. EVN AG has no preferred shares or shares with multiple voting rights. Decisions on specific matters are reserved for the Annual General Meeting by Austrian law or the company's by-laws, among others the distribution of profits, the release of the members of the Executive Board and the Supervisory Board from liability, the selection of the auditor for the individual and consolidated financial statements, and the election of the members of the Supervisory Board. Moreover, the Annual General Meeting is entitled to make decisions pertaining to changes in the company by-laws and planned capital measures. The results of voting and the agenda for the 85th Annual General Meeting of EVN on 16 January 2014 are available on the EVN website (see **www.evn.at/AGM.aspx).**

Clear separation of management and control responsibilities

Austrian stock corporation law prescribes a dual management system and requires strict separation between management bodies (i.e. Executive Board) and controlling bodies (i.e. Supervisory Board). Parallel membership in both bodies is not permitted.

Management of the company by the Executive Board

The Executive Board of EVN has a minimum of two members. If the Supervisory Board does not appoint a chairman or spokesman for the Executive Board, the members are entitled to designate their own spokesman. The Executive Board is responsible for managing the company to support its business activities and continued success in the interests of shareholders, employees and the general public. The work of the Executive Board is based on legal requirements and the company's by-laws as well as the rules of procedure for the Executive Board that were approved by the Supervisory Board. Important rules of conduct are also defined by the ACGC.

Irrespective of the Executive Board's overall responsibility, the Supervisory Board establishes and assigns specific areas of responsibility to the individual Executive Board members based on the given requirements. Certain transactions are reserved for joint discussions and decision-making by the full Executive Board. Business transactions that require consent, based on legal regulations or a previous Supervisory Board resolution, require the Executive Board to obtain the consent of the Supervisory Board. The company by-laws contain a detailed list of such cases.

Reporting obligations of the Executive Board

Organisational regulations require the Executive Board to report to the Supervisory Board. These reporting standards also apply to the Supervisory Board committees. The reporting obligations of the Executive Board also include quarterly reports on the development of business in the Group and information on matters of importance relating to major Group subsidiaries.

Communications between the Executive Board and the Supervisory Board take place at the meetings of the Supervisory Board and its committees and in writing, as required. In addition, the Executive Board and the chairman of the Supervisory Board maintain regular contact on issues that fall under the responsibility of the Supervisory Board. In particular, this includes the preparation of meetings.

Supervisory Board

As of 30 September 2014, the Supervisory Board of EVN AG had ten shareholder representatives elected by the Annual General Meeting and five members delegated by the Works Council. The Supervisory Board is headed by a chairman and two vice-chairmen, who are chosen by the Supervisory Board from among its members. The minimum number of independent members was set at 50% in a meeting on 29 May 2006. The independent members of the EVN Supervisory Board, as defined by Rule 53 of the ACGC, are listed on page 99.

The Supervisory Board performs its duties in accordance with the provisions of stock corporation law and the company's by-laws.

Additional guidelines for its activities are provided by the rules of procedure for the Supervisory Board and by the ACGC.

One particular responsibility of the Supervisory Board is to supervise the work of the Executive Board, from which it may request a report at any time concerning the development of business. Legal regulations allow the Supervisory Board to extend the scope of business transactions requiring its formal consent as defined in § 95 (5) of the Austrian Stock Corporation Act. The rules of procedure for the Executive Board and the Supervisory Board contain a detailed list of such business transactions and measures.

The ACGC further demands an external valuation of compliance with the requirements defined in the Code (R-62). In the reporting period the evaluation of the efficiency of the Supervisory Board's activity, especially its organisation and mode of operation, was therefore undertaken by an external consulting company.

Remuneration report

Remuneration for top executives (Rule 28a): In light of the requirements defined by the latest version of the ACGC, the current variable remuneration system for top executives was amended by the company's corporate bodies as of 1 October 2010. However, the ratio of the variable remuneration to fixed salaries remained the same.

This adjustment set the following priorities:

Indicators to illustrate the company's economic situation: In line with the further development of management indicators to reflect the strategic and operating priorities of the EVN Group, the following quantitative parameters are used: increase in economic value added (EVA®) and average cash flow contribution.

Sustainability: Within the frame of the new remuneration rules one of the primary objectives of the current version of the ACGC is to strengthen the focus of the Executive Board and top managers on sustainability and a long-term orientation. The introduction of multi-annual targets and a bonus reserve further increased the solidity and stability of the variable remuneration system.

The bonus reserve is defined as a payment mechanism which is converted into an annual pro-rata bonus if the quantitative targets are met during a given period. Up to one-half of the bonus reserve is distributed after the achievement of objectives has been confirmed, while the remainder is carried forward to the next year. The introduction of a bonus reserve is designed to achieve two main goals. On the one hand, it serves to focus on a multi-annual approach that links consecutive years by carrying the unpaid bonus components from the initial reserve forward to the period similar to an opening balance. On the other hand, this scheme aims to cushion and smooth the "independent" fluctuations in the company's economic performance.

Multi-year approach: The quantitative objectives are defined in advance for a period of three years. The determination of target achievement is based on internal data and information as well as external sources, e.g. benchmarks, peer group analysis and capital market and rating evaluations. In addition to the general three-year period, the accuracy and validity of the medium-term targets is evaluated each year. These targets are only revised in exceptional cases, for example in light of unforeseeable events or changes in the company which have a significant impact on performance.

Stock options (Rule 29): EVN does not have a stock option programme for the members of the Executive Board or key managers.

Performance-based bonus programme for the Executive Board (Rules 27, 30): In 2013/14, the remuneration of the Executive Board comprised a fixed component of approx. 80% and a variable component of approx. 20%. The variable component was based on the 2012/13 financial year. The performance-based component consists of the following parts: 30% based on increase in economic value added (EVA®), 40% on the average cash flow contribution and 30% on individually agreed targets. Target corridors between 0% and 200% have been defined for the quantitative performance criteria (EVA®) and the cash flow contribution, whereas 0% to 100% of the individually agreed targets can be achieved.

In keeping with the requirements of the current ACGC, the Supervisory Board of EVN AG approved an amendment to the previous variable remuneration scheme beginning in 2010/11. However, the ratio of variable remuneration to fixed salaries remained unchanged. Additional information is provided under the remuneration system for top executives (Rule 28a).

Detailed information on the remuneration of the Executive Board is provided in the notes to the consolidated financial statements on page 215.

Directors and officers insurance (D&O insurance, Rule 30): EVN has arranged for D&O insurance to cover claims for damages by the company, shareholders, creditors, competitors and customers against the Executive Board resulting from violations of their legal obligation to exercise diligence in their capacity as managing directors. The managerial bodies of the Group's subsidiaries and certain affiliated companies are jointly insured under the prevailing terms

and conditions at the present time. The costs for this insurance are carried by the company. Since the premium applies to the Group and is not dependent on the number of insured persons, extending this insurance coverage to the members of the Supervisory Board does not increase the premium.

Contracts requiring the approval of the Supervisory Board (Rule 48): No member of the Supervisory Board has concluded a contractual agreement with EVN or one of its subsidiaries that would entitle him to more than an insignificant payment. All such contracts are subject to the approval of the Supervisory Board.

Remuneration of the Supervisory Board (Rule 51): The Supervisory Board remuneration totals TEUR 98 per year. The chairman receives 15.1% of this amount, each of the two vice-chairman 11.0% and each of the other members slightly more than 9.0%. The attendance fee equals EUR 190 per person and meeting.

Measures to support women (Rule 60): EVN is committed to offering equal opportunities to all its employees. The percentage of women in EVN's workforce amounts to 21.4%. The Women@EVN programme was developed in 2010/11 to increase this percentage by improving the opportunities and perspectives offered to women working for the EVN Group in Austria. It is designed to create operating conditions that enable women to assume qualified positions in specialised areas and at the management level in line with their inclinations and skills. There were no appointments of women to additional senior positions during the reporting year. Nine women currently serve as project managers (project manager career). The percentage of young women in the Group's management development programme was higher than the current share of women in EVN's workforce during the reporting year. EVN has long pursued measures to support the work-life balance, including flexible working time models, the provision of individualised support to women returning after maternity leave, day care during holidays, information events for staff members on parental leave as well as a comprehensive programme of vocational and professional education which is also open to men and women on parental leave. EVN's objective for the medium term is to increase the share of women to a level that mirrors the current educational levels of women in the applicable professional groups.

The Austrian Equal Opportunity Act requires companies with a workforce above a certain threshold to submit a biannual remuneration report (§ 11a of the Equal Opportunity Act). All companies in the EVN Group with a workforce above the legally defined threshold prepared the required report and submitted it to the applicable works council.

Directors' Dealings (Rule 73): No purchases of EVN AG shares by members of the corporate bodies or other persons listed in § 48 d (4) of the Austrian Stock Exchange Act were reported to the company or to the Austrian Financial Market Authority during 2013/14.

Related party: EVN AG and NÖ Landes-Beteiligungsholding GmbH concluded a group and tax settlement agreement in 2005. Additional information on related party transactions as defined in IAS 24 is provided in the notes to the consolidated financial statements (note 67).

Auditor's fees: EVN's annual and consolidated financial statements for the 2013/14 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The fees charged by KPMG in 2013/14 amounted to EUR 1.5m (previous year: EUR 1.8m) and were distributed as follows: 52.2% for auditing and audit-related services (previous year: 35.0%), 47.0% for tax consulting services (previous year: 63.0%) and 0.8% for other consulting services (previous year: 2.0%).

Internal audit and risk management at EVN

Internal audit

EVN's internal audit department reports directly to the Executive Board and to the Audit Committee of the Supervisory Board. It is responsible for auditing and controlling processes and business units throughout the EVN Group. Separate internal audit departments were also established at EVN's subsidiaries in Bulgaria and Macedonia. The internal audit departments prepare annual audit plans based on the results of risk assessments, and these plans are approved by the responsible corporate bodies before implementation. Any problem areas identified during the audits are reported to the respective business units and measures for improvement are recommended. The implementation of the measures approved by EVN's management is then evaluated in follow-up audits. No serious deficiencies were identified that could endanger the strategy and objectives of the EVN Group.

Risk management

The primary goal of risk management at EVN is to protect the Group's current and future earnings potential. Risks are recorded and analysed based on a centrally managed two-stage process that provides the responsible employees in the EVN Group with methods and tools to identify and evaluate risks. The respective business units, which are also responsible for risk management, communicate their risk exposures to the central risk management depart-

ment, which classifies, analyses and evaluates risks across the entire Group. Measures to minimise corporate risks are also identified and their implementation is monitored. The two-stage risk management process is supported by standardised guidelines and carried out throughout the Group on an on-going basis. The resulting risk analyses are presented to the Executive Board and the responsible managing directors at regular intervals by the Group Risk Committee. A detailed presentation of EVN's main risks and the measures taken to control risks can be found in the chapter Risk management in the2013/14 management report.

Issuer compliance

EVN has developed a comprehensive set of rules to prevent the misuse of insider information, which are based on the regulations defined by the Austrian Stock Corporation and Stock Exchange Acts, the Austrian Issuer Compliance Code and the Directive of the European Parliament on insider dealing and market manipulation. Twenty permanent and six ad-hoc areas of EVN's business have been designated as strictly confidential, and the involved employees undergo regular training. In line with the Austrian Stock Exchange Act, compliance and confidentiality are monitored and evaluated by a designated compliance officer who reports directly to the Executive Board. The regular controls carried out by the compliance officer in 2013 /14 did not identify any deficiencies.

EVN Code of Conduct

EVN places great importance on the integrity and legally compliant behaviour of all its employees and business partners. As an international energy and environmental services company, the management and employees of EVN have a far-reaching responsibility and role model function both in Austria and abroad.

The Code of Conduct, which was developed in a Group-wide process and updated during 2012, forms the basis for all compliance measures at EVN.

EVN's compliance organisation was revised in 2011/12, and a fundamental commitment was made to develop a compliance management system (CMS). The staff department Corporate Compliance Management (CCM) was established as of 1 October 2012 to develop, manage and improve the CMS; this department reports directly to the Executive Board. The CMS defines a standardised framework for the entire Group, which is designed to ensure honest and legally compliant behaviour in everyday business activities.

Following the installation of a Group-wide compliance organisation in 2012/2013, activities during the reporting year focused on employee training. As EVN managers play a key role and serve as role models in establishing a sustainable compliance culture, roughly 100 managers were sensitised for this subject in five-hour interactive, dialogue-oriented workshops in October. Training sessions for the managers of the strategic units in South Eastern Europe, above all in Bulgaria and Macedonia, followed during the months from February to April 2014.

In order to spread and anchor the CMS as strongly as possible throughout the Group, training sessions were consequently also organised for employees. The compliance officers responsible for the respective departments explained EVN's CMS and the related structures and processes in sessions consisting of small groups and lasting for at least 2.5 hours, whereby special focus was placed on explaining the anonymous whistle-blower system. The content of the training sessions is based on the ten subject areas defined in EVN's Code of Conduct. The following subjects were defined based on the risk analysis and discussed with the help of specific case studies: customers, capital market and investors, integrity and avoidance of corruption, data protection and confidentiality.

The compliance box "Compliance. It's good energy." was developed for these training courses. It can be used as a collection of resources or reference work and was distributed to all participants at the start of the training course. The box is available in German, English, Bulgarian, Macedonian and Russian.

Compliance training courses on the content described above were held for roughly 6,000 employees and over 200 managers in ten different languages at more than 100 different locations in 2013/14. Plans call for the completion of these courses by the end of the 2014 calendar year, which means that all employees and all managers in the EVN Group are well equipped to deal with the challenges resulting from adherence to the compliance rules.

New compliance-relevant content and issues are reviewed on a regular basis. In accordance with the risk assessment, they are processed and included in the compliance box as required. Training courses on special subjects provide additional information for areas exposed to increased risk. In order to strengthen the awareness for compliance and reinforce the course content, employees have access to the EVN Intranet as well as to e-learning tools that were especially developed and contain, among other, special functions for managers, infrastructure project managers or sales employees. A specific plan sets the main points for communications on current compliance issues.

An important element of the CMS is the whistle-blowing procedure, which provides a framework to report possible violations of EVN's Code of Conduct. This system is voluntary and anonymous, and the identity of the reporting person is never revealed.

The EVN Code of Conduct can be found under **www.evn.at/Code-of-conduct.aspx**. Its content is based on EVN's various stakeholder groups and is designed to support all employees in implementing EVN's values during their working activities.

The Supervisory Board received a report on the content, goals and status of the compliance organisation in its meeting on 11 December 2013 in accordance with Rule 18a of the ACGC.

Audit of the consideration of the Austrian Corporate Governance Code by KPMG Austria

The report by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, on their audit of the corporate governance report of EVN AG, Maria Enzersdorf, pursuant to § 96 (2) Stock Corporation Act, to evaluate compliance with the ACGC is available under **www.investor.evn.at**.

Maria Enzersdorf, 18 November 2014

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

When you build windparks

you mustn’t forget the dialogue with the neighbours

The best way to develop good sustainable solutions is through joint efforts. That also applies to windpower. EVN is a valued partner in this field for a number of reasons: its proven ability to evaluate all relevant factors, the inclusion of wide-ranging interests and reservations, respect for wildlife, the creation of reasonable models for all stakeholders and extensive experience in the construction and operation of windparks.

Management report

Energy policy environment

European energy and climate policies

European climate policy

On 23 October 2014 the Heads of State and Government of the EU agreed on new goals for their climate and energy policies. These shall result in reduced greenhouse gas emissions of at least 40% (compared to the 1990 level) by 2030, thereby expanding the mandatory reduction in greenhouse gas emissions – minus 20% by 2020 – that had been defined in the European Parliament's 2009 climate and energy package. Another target includes an increase in the share of renewable energy in the total energy mix from originally 20% in 2020 to now 27% in 2030. Furthermore, a 27% improvement in energy efficiency over the 2007 level by 2030 is intended, compared to the target for 2020 which lay at 20%.

Emission trading

The European Union reacted to the high surplus of CO_2 certificates that resulted from the general economic weakness and lower demand in 2009 and 2010 by temporarily reducing the supply in the European emission trading system. This step was designed to support a sustainable increase in the certificate price. The number of certificates for the period from 2014 to 2016 was cut by 900m and the related auction was postponed to 2019 and 2020 ("backloading").

△ GRI indicator: Allocation of CO_2 emissions allowances (EU5)

Austrian energy and climate policies

Energy efficiency act

The Energy Efficiency Act passed by the Austrian Parliament on 9 July 2014 requires utility companies to implement energy savings measures for end customers if they sell more than 25 GWh per year to this market segment. The legally defined level for these measures equals 0.6% of the previous year's energy sales volumes. If this goal is not met a compensation payment of EUR 0.20 per kWh has to be paid, which goes to a fund to finance energy savings projects and the increased use of renewable energy sources. EVN has taken major steps in this area during recent years by introducing an extensive offering of energy services. The Energy Efficiency Act also requires large companies to install an energy management system or to carry out an energy audit every four years. The measures resulting from the audit will be used to define a framework for action, but there is no immediate legal requirement for its implementation.

Electricity labelling requirement

The amendment to the Electricity Management and Organisation Act ("Elektrizitätswirtschafts- und -organisationsgesetz", ElWOG) that was published on 6 August 2013 requires the labelling of the electricity delivered to end customers (see § 79a ElWOG). Beginning on 1 April 2014, the operators of pump storage power plants are also obliged to provide proof of origin for the use of pump electricity, in accordance with the amendment of the energy labelling by-law of 2013.

The legally mandated labelling of electricity on the invoices of EVN Energievertrieb GmbH & Co KG was audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The environmental impact of the supply mix used by EVN Energievertrieb GmbH & Co KG in 2012/13 totalled 233.05 g/kWh of CO_2 emissions and 0 mg/kWh of radioactive waste.

△ GRI indicator: Legally prescribed information on products and services (PR3)

Market model

The high feed-in volumes of electricity from renewable resources and related economic factors have created increasingly shorter windows for the use of thermal generation capacity. Since the cost of the required primary energy carriers (natural gas, coal, oil) is frequently not covered by the low wholesale price for electricity, the market is now witnessing the decommissioning of thermal power plants. Older plants as well as newly constructed, highly efficient facilities have been affected by this development. The high volatility of renewable energy supplies has also reduced the scope of planning and created significant challenges for the energy industry. The resulting impact on supply security in Europe and Austria is difficult to estimate at the present time. The availability of sufficient production capacity therefore represents an important factor for protecting electricity supplies. Against this backdrop, adequate steps need to be taken in order to allow producers to provide capacity on a sound economic footing.

Regulatory environment

Austria

The new regulatory period in Austria started on 1 January 2013 for natural gas and on 1 January 2014 for electricity; both periods cover five years. A key factor in the regulatory model is the individual productivity factor, in other words: the individual cost cutting target of the company. The regulatory commission assesses EVN as an efficient company.

Bulgaria

Household and commercial customers in the low-voltage network are supplied at regulated prices, while customers in the medium-voltage network have been able to select their own supplier since 1 July 2013. Based on 2013/14 energy sales, more than 20% of the market in EVN's supply area is already liberalised. EVN is active in this customer segment through its trading subsidiary EVN Trading South East Europe EAD. EVN Bulgaria Electrosnabdjavane EAD,

Regulatory model for network usage tariffs for electricity and natural gas in Austria	Electricity (previous)	Electricity (new)	Natural gas (current)
Regulatory authority	E-Control GmbH	E-Control GmbH	E-Control GmbH
Start of the regulatory period	01.01.2010	01.01.2014	01.01.2013
Next regulatory adjustment[1)]	01.01.2014	01.01.2019	01.01.2018
Duration of the regulatory period	4 years	5 years	5 years
Regulatory method	Revenue caps	Revenue caps	Revenue caps
Weighted average cost of capital (WACC) before taxes, nominal[2)]	7.0%	6.42%	6.42%
General productivity factor[3)]	1.95%	1.25%	1.95%
Individual productivity factor	0.25%	0.36%	0.00%
Inflation[4)]	Annual adjustment	Annual adjustment	Annual adjustment

1) Adjustment of WACC and productivity factors
2) The interest-bearing asset base is defined by the regulated asset base (RAB). The annual investments are added to the RAB in the following year.
3) Electricity: 50% of the achieved productivity increases are passed on to end customers during the regulatory period.
Natural Gas: Gains from cost reductions remain with the company during the regulatory period.
4) The network operator price index consists of consumer (30%) and building price (40%) indices as well as wage increase index.

which previously supplied these customers in the regulated market, now also acts as a "supplier of last resort" and services customers in the liberalised market segment who do not select another supplier or cannot receive electricity from their chosen supplier through no fault of their own.

The Bulgarian regulatory authority reduced the day and night tariffs for household customers by roughly 1.0% and 10.0%, respectively, as of 1 January 2014. Average end customer prices were raised slightly by 0.6% as of 1 July 2014, but electricity procurement costs for the electricity provider EVN Bulgaria Elektrosnabdjavane EAD increased substantially. At the same time, the granted margin of EVN Bulgaria Electrosnabdjavane EAD was reduced from 3% to 2%. Network tariffs were also reduced at the same time. The regulatory authority justified this intervention in the network tariffs with the economic advantage created by the reduction of network losses, a development that led to the offset of revenues from previous periods. In total, these price and tariff adjustments had a generally negative effect on EVN. The previous price reductions were only partly offset by a 9.7% increase in end customer prices on 1 October 2014. Rule violations of the latest tariff decision have not been annulled.

In 2013/14 EVN was confronted with administrative proceedings that were initiated by the local regulatory authority and are aimed at withdrawing the license for the Bulgarian electricity sales subsidiary EVN Bulgaria Elektrosnabdjavane EAD. EVN is using all available means to enforce its claims in this – in its view unjustified – proceeding.

Arbitration proceedings initiated in June 2013 at the International Center for the Settlement of Investment Disputes (ICSID), an institution established by the World Bank, are being actively pursued.

Macedonia

Legal regulations applicable as of 1 January 2014 require the unbundling (i.e. break-up) of the individual areas of business areas in utility companies in Macedonia. EVN met these requirements by establishing a sales company (EVN Macedonia Elektrosnabduvanje DOOEL) and a production company (EVN Macedonia Elektrani DOOEL) in 2012 in addition to the previously founded EVN Macedonia AD, which continues to operate as a network company.

The next liberalisation step in Macedonia started on 1 April 2014. This gives all large companies in the country free choice of their energy supplier. Based on 2013/14 energy sales, more than 40% of the Macedonian market is already liberalised. This liberalisation will be continued gradually over the coming years.

A tariff decision on 1 July 2014 raised average end customer prices in Macedonia by 3.5%. The network tariff included in this price, which is the relevant component for EVN in Macedonia, was increased by only a slight amount and remained below the expected level. Other cost elements related to the planned liberalisation steps were also not included.

Croatia

In preparation for its accession to the EU on 1 July 2013, Croatia adapted its energy law and transferred regulatory and market monitoring responsibilities to a regulatory authority. Natural gas prices for

Regulatory model for network usage tariffs in Bulgaria and Macedonia	Bulgaria electricity	Bulgaria heat	Macedonia electricity
Regulatory authority	State Energy and Water Regulatory Commission (SEWRC)	State Energy and Water Regulatory Commission (SEWRC)	Energy Regulatory Commission (ERC)
Start of the regulatory period	01.08.2013	01.07.2014	01.01.2012
Next regulatory adjustment	01.08.2015	01.07.2015	01.01.2015
Duration of the regulatory period	2 years	1 year	3 years
Regulatory method[1)]	Revenue caps	Rate of return on capital	Revenue caps
Weighted average cost of capital (WACC) before taxes, nominal	7.0%	7.6%	6.7%
Recognised network losses	8.0%	20.0%	14.0%
Productivity factor	yes	yes	no
Investment factor[2)]	no	no	yes

1) The revenue caps comprise the recognised operating expenses, the amortisation and depreciation as well as the recognised return on the regulatory asset base (RAB).
2) Annual review and approval of company's investment plans by the regulatory authority

business customers have been liberalised since 2012, whereas the liberalisation of the natural gas market for household customers was postponed by lawmakers to 31 March 2017. Household customers therefore continue to purchase natural gas at regulated prices.

A new method to determine the price of new customer connections took effect on 1 August 2014. The customer's contribution to the cost of a natural gas network connection is now dependent on the connection capacity. This change allows for more precise planning and provides greater transparency for customers as well as natural gas distribution companies.

General business environment

The recent slowdown in global trade has hindered an export-driven upturn in the Eurozone. Many of the countries have still not overcome the effects of the financial market crisis and – in contrast to the USA –continue to suffer from weak domestic demand. There are clear signs of economic stabilisation in those countries which were noticeably hit by the debt crisis and that introduced early and deep-seated reforms. However, growth has recently stagnated in France, and Italy has fallen into recession. The latest forecasts point to an increase of 1.2% to 1.6% for the European Union economy in 2014, while the estimates for 2015 range from 1.6% to 2.0%.

Economic momentum in Austria has declined in recent months and remained below expectations throughout the entire year. The prospects for a notable improvement during 2015 are also low, as the uncertainty over the future development of the economy has undermined the investment climate and private consumption is also only increasing at a slow pace. In addition, the Austrian export sector has been negatively influenced by the weak international environment. These developments have been reflected in a recent downward revision to forecasts: GDP growth in 2014 is now estimated at 0.8%, and the projections for 2015 range from 1.2% to 1.6%.

Bulgaria has recently benefited from an improvement in domestic demand. However, the faltering global economy and the escalation of the Ukraine conflict, including the sanctions between Russia and the EU, have led to a reduction in the original forecasts. Growth is expected to range from 1.4% to 1.7% in 2014, but a more substantial increase of up to 3.0% is projected for 2015.

In Croatia, the economy has developed negatively again in 2014; nevertheless, first signs of a recovery can be detected. There is some encouragement from the growth in exports and the increase in industrial production. Overall, the Croatian economy is forecasted to decline by 0.5% to 0.8% in 2014, and growth of up to 0.7% is predicted for 2015.

The economy in Macedonia has profited from an increase in exports to the EU countries, above all Germany, in recent months. But the slowdown in the EU also poses a risk for the Macedonian economy. According to the latest forecasts, the GDP is expected to increase by up to 3.2% in 2014 and by up to 3.5% in 2015.

GDP growth	%	2015f	2014e	2013	2012	2011
EU-28 [1) 2)]		1.6–2.0	1.2–1.6	0.1	–0.4	1.6
Austria [2) 3)]		1.2–1.6	0.8	0.3	0.9	2.8
Bulgaria [1) 2) 4)]		2.0–3.0	1.4–1.7	0.9	0.6	1.8
Croatia [1) 2) 4) 6)]		0.0–0.7	–0.5–(–0.8)	–1.0	–1.9	0.0
Macedonia [5) 6)]		3.4–3.5	3.0–3.2	3.1	–0.4	2.8

1) Source: "European Economic Forecast, Spring 2013", EU Commission, May 2014
2) Source: "Prognose der Österreichischen Wirtschaft 2013–14", IHS, September 2014
3) Source: "Prognose für 2014 und 2015: Erste Zeichen einer Konjunkturerholung", WIFO, September 2014
4) Source: "Strategie Österreich und CEE 4. Quartal 2014", Raiffeisen Research, September 2014
5) Source: "Europe and Central Asia Economic Outlook", World Bank, June 2014
6) Source: "World Economic Outlook", International Monetary Fund, April 2014

Energy sector environment

The development of business at EVN is influenced to a significant degree by external factors. Energy consumption by end customers – in the form of electricity, natural gas and heat – is influenced primarily by the weather. In contrast, the demand for energy by industrial customers is dependent mainly on the general business environment.

The reporting year was characterised by an unusually mild winter in 2013/14 throughout EVN's entire supply region with temperatures that were substantially higher than in the previously warm winter season. Consequently, the heating degree total, which is used to determine energy requirements for comparative purposes, was lower than the prior year in all of EVN's supply markets: the year-on-year decline equalled 20.6 percentage points in Austria, 7.6 percentage points in Bulgaria and 5.7 percentage points in Macedonia.

The prices for primary energy carriers such as crude oil, natural gas and coal continued to decline in 2013/14. Higher stocks due to the mild winter in 2013/14, the fracking boom in the USA and a weaker economic outlook were the decisive factors for this development. A reduction in the auction volume for CO_2 emission certificates by the European Union stabilised prices in year-on-year comparison, but the prices for these certificates remain at a very low level. This combination of low-priced CO_2 emission certificates and the continuing decline in coal prices is making electricity generation from coal-fired plants more economical, while state-of-the-art natural gas plants in many EU countries are being decommissioned because they have become unprofitable.

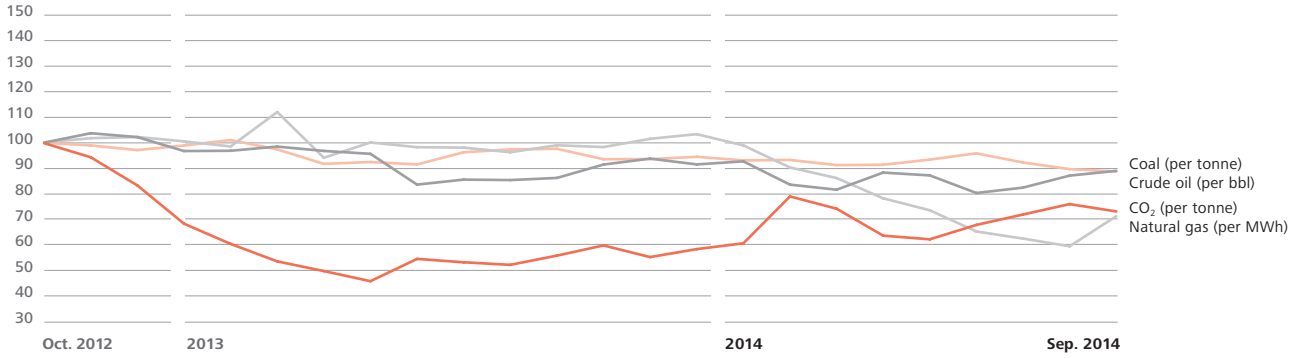
The reporting year also brought a further decline in forward and spot market prices on the European electricity exchanges. This trend is not expected to reverse over the short or medium term because of the current supply overhang, which is a direct result of the global economic stagnation and the continued expansion of electricity generation from renewable sources. Under these market conditions, the operation of conventional production facilities is frequently not profitable. The consequences include the shutdown of power plants, a trend that can already be observed on the market. A reduction in the overall supply, and a resulting possible risk to supply security, can therefore be expected over the medium term. Despite the increased use of renewable energy, the future availability of reserve capacity that can be quickly activated will be important to offset the volatility of energy generation from renewable sources, above all from solar and windpower plants. The solution of this dilemma represents the key challenge for the European energy policy in the coming years.

Energy sector environment – indicators		2013/14	2012/13	Change in %	2011/12
Temperature-related energy demand[1]	%				
Austria		86.9	107.5	–20.6	99.0
Bulgaria		80.4	88.0	–7.6	108.2
Macedonia		89.4	95.1	–5.7	120.4
Primary energy and CO_2 emission certificates					
Crude oil – Brent	EUR/bbl	79.7	82.9	–3.9	86.0
Natural gas – GIMP[2]	EUR/MWh	22.1	26.9	–17.8	24.3
Coal – API#2[3]	EUR/t	59.5	63.1	–5.8	76.3
CO_2 emission certificates (2nd/3rd period)	EUR/t	5.2	5.3	–1.5	7.9
Electricity – EEX forward market[4]					
Base load	EUR/MWh	38.6	47.5	–18.7	54.8
Peak load	EUR/MWh	49.2	58.8	–16.3	67.0
Electricity – EPEX spot market[5]					
Base load	EUR/MWh	33.5	38.8	–13.6	44.8
Peak load	EUR/MWh	42.2	49.9	–15.4	55.1

1) Calculated based on the heating degree total; in Austria the basis (100%) corresponds to the long-term average value from 1996 to 2010, in Bulgaria from 2004 to 2012 and in Macedonia from 2001 to 2010; changes reported in percentage points.
2) Net Connect Germany (NCG) – EEX (European Energy Exchange) stock exchange price for natural gas
3) ARA notation (Amsterdam, Rotterdam, Antwerp)
4) Average prices for the respective EEX quarterly forward market prices, beginning one year before the respective reporting period
5) EPEX spot – European Power Exchange

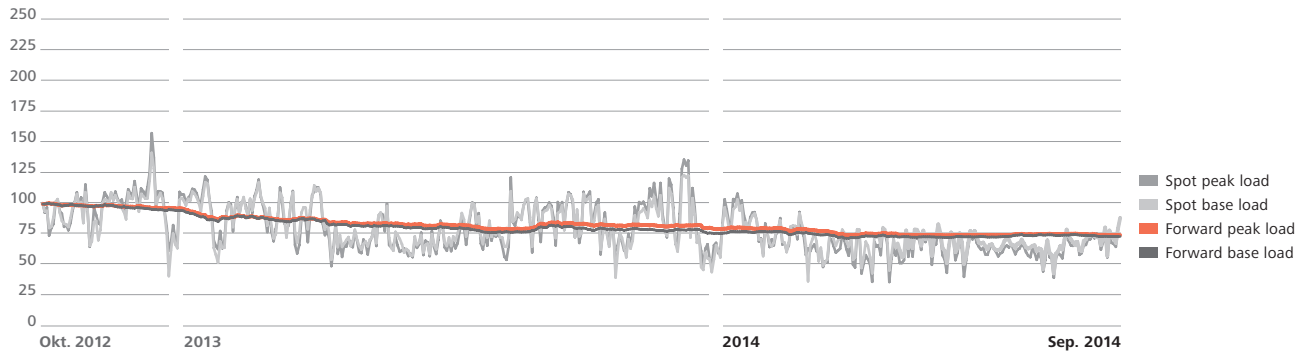
Development of primary energy prices (indexed)

in %



Development of electricity prices – spot and forward market

in %



Business development

The application of the new consolidation standards (see note 2. Reporting in accordance with IFRS, page 148ff) led to retrospective changes in the scope of consolidation as of October 2012. EVN KG, which was previously included through proportional consolidation, and the EnergieAllianz Group were consolidated at equity retrospectively as of 1 October 2012.

In comparison with the previous year, the scope of consolidation (see note 4. Scope of consolidation, page 157ff) was increased to include one additional fully consolidated company; the total number of at equity consolidated companies did not change. Including EVN AG as the parent company, the consolidated financial statements for the 2013/14 financial year include 64 fully consolidated companies (previous year: 63), one joint operation included through proportionate consolidation (previous year: 1) and 19 companies consolidated at equity (previous year: 19). EVN Macedonia Elektrosnabduvanje DOOEL was added to the scope of fully consolidated companies during the reporting year.

In 2013/14, Degremont WTE Wassertechnik Praha v.o.s. was initially consolidated at equity. The sale of the 50% stake in ALLPLAN Gesellschaft m.b.H led to the deconsolidation of this company previously included at equity.

Highlights 2013/14

- → Earnings influenced by negative effects
  - Tariff decisions in Bulgaria and Macedonia led to impairment losses and lower revenue
  - Significant doubts over the realisation of the thermal waste utilisation plant in Moscow led to a valuation allowance
  - Reduced estimates for the long-term development of electricity prices led to impairment losses in generation segment
- → Energy sales reduced by mild winter
- → Weather-related decline in generation from windpower and hydropower

Condensed consolidated statement of operations	2013/14 EURm	2012/13[1] EURm	Change nominal	Change in %
Revenue	**1,974.8**	**2,105.9**	**–131.0**	**–6.2**
Other operating income	71.1	95.2	–24.0	–25.2
Electricity purchases and primary energy expenses	–1,032.2	–979.0	–53.2	–5.4
Cost of materials and services	–251.9	–301.3	49.4	16.4
Personnel expenses	–313.0	–305.3	–7.6	–2.5
Other operating expenses	–359.0	–170.4	–188.5	–
Share of results from equity accounted investees with operational nature	94.0	95.0	–1.0	–1.0
EBITDA	**184.1**	**540.0**	**–356.0**	**–65.9**
Depreciation and amortisation	–256.0	–237.9	–18.0	–7.6
Effects from impairment tests	–269.5	–59.9	–209.6	–
Results from operating activities (EBIT)	**–341.4**	**242.2**	**–583.6**	–
Financial results	**–31.9**	**–71.5**	**39.6**	**55.3**
Result before income tax	**–373.3**	**170.7**	**–544.0**	–
Income tax	102.8	–17.9	120.7	–
Result for the period	**–270.5**	**152.8**	**–423.3**	–
thereof result attributable to EVN AG shareholders (Group net result)	–299.0	109.3	–408.3	–
thereof result attributable to non-controlling interests	28.5	43.5	–15.0	–34.6
Earnings per share in EUR[2]	**–1.68**	**0.61**	**–2.29**	–

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) There is no difference between basic and diluted earnings per share.

Statement of operations

All key figures and comparative amounts for the current and previous financial years are presented and described in accordance with the adjustments to the scope of consolidation based on IFRS 10 and 11. The results from equity accounted investees with operational nature are reported under results from operating activities (EBIT).

Results of operations

IRevenue recorded by the EVN Group fell by EUR 131.0m, or 6.2%, to EUR 1,974.8m in 2013/14. The development of revenue was negatively influenced by the mild winter weather as well as earlier tariff decisions in Bulgaria and Macedonia. A further negative effect resulted from a communication by the Bulgarian regulatory authority concerning the repayment of revenue from previous periods. In addition, a decline was recorded in orders processed in the international project business.

The revenue generated outside Austria fell by EUR 172.4m, or 15.0%, to EUR 979.8m. This represents a decline in the share of Group revenue from 54.7% in the previous year to 49.6%.

Other operating income declined by EUR 24.0m, or 25.2%, to EUR 71.1m, above all due to a decrease in work in process.

The cost of electricity purchases from third parties and primary energy expenses were EUR 53.2m, or 5.4%, higher at EUR 1,032.2m. This increase resulted from the commissioning of the Duisburg-Walsum power plant in December 2013, an increase in provisions for onerous contracts related to the marketing of EVN's own electricity production and higher procurement costs for the EVN companies in Bulgaria and Macedonia due to local tariff decisions.

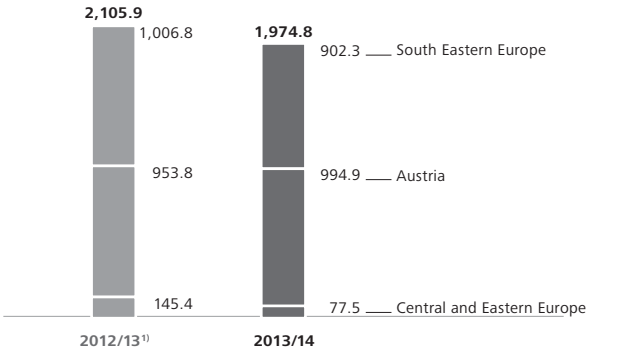
The revenue decline in the international environmental services business was accompanied by a reduction in the cost of materials and services, which fell by EUR 49.4m, or 16.4%, to EUR 251.9m.

Personnel expenses rose by EUR 7.6m, or 2.5%, to EUR 313.0m, above all due the wage and salary adjustments required by collective bargaining agreements. The average number of employees declined by 131, or 1.8%, to 7,314, whereby the reduction was related to the foreign investments and was achieved through process and organisational optimisation measures.

Other operating expenses rose by EUR 188.5m to EUR 359.0m. This development resulted, above all, from an valuation allowance of EUR 191.4m recognised on a leasing receivable in the fourth quarter of 2013/14 in connection with the thermal waste utilisation plant no. 1 in Moscow. Significant doubts over the realisation of the project made this step necessary. Positive effects included a decline in legal and consulting fees and in valuation allowances on receivables from energy sales, especially in South Eastern Europe.

Revenue by region

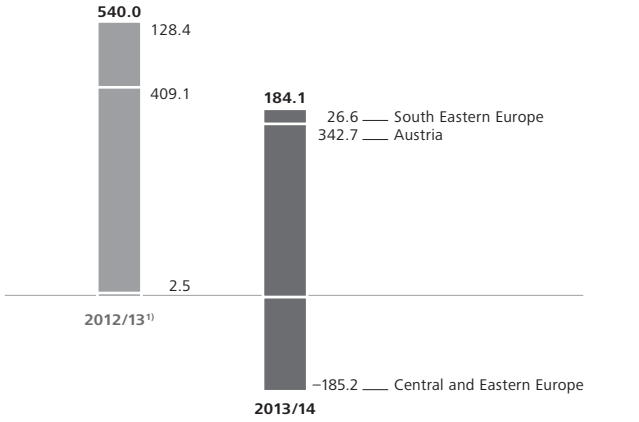
in EURm



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

EBITDA by region

in EURm



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

The share of results from equity accounted investees with operational nature totalled EUR 94.0m and, with a decline of 1.0%, nearly matched the previous year. EBITDA amounted to EUR 184.1m, which is EUR 356.0m, or 65.9%, lower than the previous year.

Depreciation and amortisation rose by EUR 18.0m, or 7.6%, to EUR 256.0m due to the high level of investments in the Lower Austrian network, the expansion of windpower and the commissioning of the Duisburg-Walsum power plant. Impairment testing led to the recognition of impairment losses totalling EUR 269.5m, which represent an increase of EUR 209.6m over the comparable prior year value. The impairment losses recognised during the previous year were related primarily to goodwill and customer bases in Bulgaria und Macedonia, to the sludge treatment plant and other components of the co-generation plant in Ljuberzy, Moscow, and to generation capacity in Austria and Bulgaria. As a result of these impairment losses, EBIT fell to EUR –341.4m.

Financial results amounted to EUR –31.9m and were therefore EUR 39.6m higher than the previous year. This improvement resulted primarily from an increase of EUR 48.0m in income from investments to EUR 45.2m, which was influenced by the absence of the negative prior year effect from the fair value measurement of the Verbund AG shares held by WEEV Beteiligungs GmbH, as well as an increased dividend from Verbund AG in 2013/14. The commissioning of the Duisburg-Walsum power plant led to higher interest expense, as a result of which interest result fell by EUR 7.8m, or 11.9%, to EUR –73.2m despite the current low level of interest rates and a decline in contributions from the international project business.

Profit before income tax for the 2013/14 financial year equalled EUR –373.3m (previous year: EUR 170.7m). Income taxes were positive at EUR 102.8m due to the tax effectiveness of the larger part of earnings. Profit after tax amounted to EUR –270.5m, compared with EUR 152.8m in the previous year.

Group net profit fell to EUR –299.0m (previous year: EUR 109.3m). Earnings per share declined to EUR –1.68 (previous year: EUR 0.61). Since the effects that led to the negative Group net profit were mainly not cash effective, the Executive Board will recommend the distribution of a stable dividend of EUR 0.42 per share for the 2013/14 financial year to the 86th Annual General Meeting (previous year: EUR 0.42). This corresponds to a dividend yield of 4.1%, (previous year: 3.7%) based on the share price of the EVN AG on 30 September 2014 (EUR 10.13).

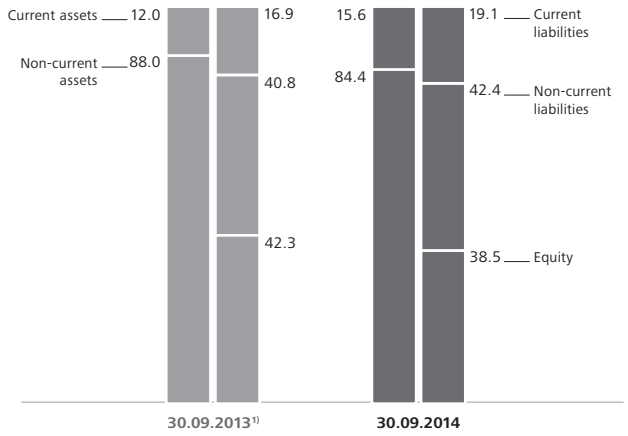
Statement of financial position

Asset and financial position

EVN's balance sheet total fell by EUR 441.9m, or 6.1%, year-on-year to EUR 6,841.8m as of 30 September 2014.

Balance sheet structure

in %



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

Non-current assets declined by EUR 629.5m, or 9.8%, to EUR 5,777.7m and represent 84.4%, (previous year: 88.0%) of total assets. Intangible assets and property, plant and equipment were EUR 129.1m, or 3.3%, lower at EUR 3,738.7m, chiefly due to the above-mentioned impairment losses and in spite of an increase in property, plant and equipment. The carrying amount of equity accounted investees and other investments was EUR 85.0m, or 5.2%, lower than the previous year and amounted to EUR 1,553.8m. This development is attributable, above all, to a decline in the market value of the Verbund shares held directly by EVN AG as of 30 September 2014 and an impairment loss on the participation interest in Verbund Innkraftwerke GmbH.

Other non-current assets declined by EUR 415.4m, or 46.1%, to EUR 485.2m. This reduction resulted primarily from the impairment loss recognised on the leasing receivable from the thermal waste utilisation plant no. 1 in Moscow and the reclassification of EUR 223.7m in leasing receivables from the sodium hypochlorite plant in Moscow to non-current assets held for sale as of 30 September 2014 (previous year: EUR 0). The sodium hypochlorite plant was sold to the city of Moscow at the end of October after the balance sheet date.

Condensed consolidated statement of financial position	30.09.2014 EURm	30.09.2013[1] EURm	Change EURm	Change in %
Assets				
Non-current assets				
Intangible assets and property, plant and equipment	3,738.7	3,867.8	–129.1	–3.3
Investments in equity accounted investees and other investments	1,553.8	1,638.8	–85.0	–5.2
Other non-current assets	485.2	900.6	–415.4	–46.1
	5,777.7	**6,407.2**	**–629.5**	**–9.8**
Current assets	**840.4**	**876.5**	**–36.0**	**–4.1**
Non current assets held for sale	**223.7**	**0.0**	**223.7**	**–**
Total assets	**6,841.8**	**7,283.7**	**–441.9**	**–6.1**
Equity and liabilities				
Equity				
Issued capital and reserves attributable to shareholders of EVN AG[1]	2,395.2	2,837.5	–442.3	–15.6
Non-controlling interests	237.5	241.7	–4.2	–1.7
	2,632.7	**3,079.2**	**–446.5**	**–14.5**
Non-current liabilities[1]				
Non-current loans and borrowings	1,747.7	1,805.7	–58.1	–3.2
Deferred tax liabilities and non-current provisions[1]	545.5	582.8	–37.3	–6.4
Deferred income from network subsidies and other non-current liabilities	609.4	583.0	26.4	4.5
	2,902.6	**2,971.5**	**–68.9**	**–2.3**
Current liabilities				
Current loans and borrowings	194.2	394.6	–200.4	–50.8
Other current liabilities	1,112.3	838.3	273.9	32.7
	1,306.5	**1,232.9**	**73.5**	**6.0**
Total equity and liabilities	**6,841.8**	**7,283.7**	**–441.9**	**–6.1**

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

Current assets declined by EUR 36.0m, or 4.1%, to EUR 840.4m. The increase in inventories was more than offset by a decline in securities as well as cash and cash equivalents.

Equity totalled EUR 2,632.7m as of 30 September 2014, which is EUR 446.5m, or 14.5%, lower than the previous year. The equity ratio fell from 42.3% in 2012/13 to 38.5% in 2013/14. The development of equity was influenced mainly by the negative Group profit recorded for 2013/14, the distribution of the dividend for the previous financial year in January 2014 and the change in the valuation reserve recorded directly in equity without recognition through profit or loss.

Non-current liabilities declined by a total of EUR 68.9m, or 2.3%, to EUR 2,902.6m, mainly due to the reclassification of non-current loans and borrowings as short-term. The reduction in deferred tax liabilities and non-current provisions was contrasted by an increase in deferred income from network subsidies and other non-current liabilities.

Current liabilities rose by EUR 73.5m, or 6.0%, to EUR 1,306.5m, whereby the major effects were offsetting. The scheduled redemption of two bonds led to a decline in current loans and borrowings. In contrast, current liabilities were increased by the EUR 60.9m contract performance guarantee for the Duisburg-Walsum project that was drawn in November 2013 and a EUR 72.4m liability recognised for the repayment of revenue from previous periods based on a tariff decision in Bulgaria on 1 July 2014.

Value analysis

The weighted average cost of capital (WACC) after tax, taking into consideration EVN's specific company and country risks, was set at 6.5%.

The return on equity (ROE) equalled –9.5% because of the negative Group net profit recorded for 2013/14. Economic Value Added (EVA®) was also negative at EUR –174.1m (previous year: EUR –20.7m). The operating return on capital employed (OpROCE) amounted to 2.9% in 2013/14 (previous year: 6.1%).

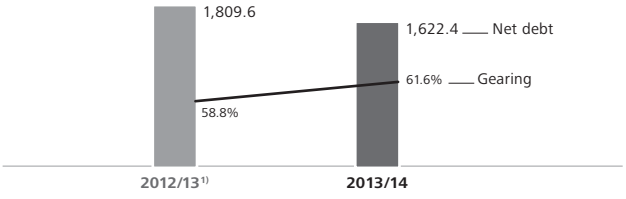
Value analysis		2013/14	2012/13[1]	Change in %
ROE	%	–9.5	5.0	–14.5
Average equity	EURm	2,856.0	3,122.5	–8.5
WACC after income tax[2]	%	6.5	6.5	0.0
Operating ROCE (OpROCE)[3]	%	2.9	6.1	–3.1
Average capital employed[3]	EURm	4,900.5	5,046.6	–2.9
Net operating profit after tax (NOPAT)[3]	EURm	144.5	307.3	–53.0
EVA®	EURm	–174.1	–20.7	–

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) The weighted cost of capital is calculated on the basis of a 9.5% cost of equity and an after tax cost of 3.1% for debt as well as an equity ratio of 50%.
3) Adjusted for impairment losses and one-off effects. The market value of the investment in Verbund AG is not included in capital employed in order to consistently determine the value contribution.

Liquidity position

Due to the strong cash flow from operating activities EVN reduced net debt by EUR 187.2m, or 10.3%, to EUR 1,622.4m in 2013/14. Combined with the decline in equity, this led to an increase in the gearing ratio from 58.8% to EUR 61.6%. In order to safeguard its financial flexibility, EVN AG has a syndicated credit line as well as bilateral credit commitments that were not drawn as of 30 September 2014 and are therefore available in full. The syndicated credit line was renewed prematurely in July 2014, whereby the volume was adjusted at EVN's request to meet its financial needs and reduced from EUR 500m to EUR 400m. The term of the credit line was also extended to five years with two one-year extension options. In addition, two of the existing bilateral credit lines were extended prematurely during 2013/14. The remaining terms of the bilateral credit lines totalling EUR 175m, which were concluded with six banks, range from two to five years. Based on these reserves, EVN's liquidity position can be regarded as stable.

Net debt in EURm, gearing in %



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

Additional information on the composition and terms of non-current financial liabilities is provided in the notes beginning on page 193.

Statement of cash flows

The impairment losses recognised during the third and fourth quarters 2013/14 in South Eastern Europe, in the environmental services business in Moscow, on the participation interest in Verbund Innkraftwerke GmbH, and on generation capacity in Austria led to a decline in profit before tax, which represents the starting point for the statement of cash flows. Most of these measures represent non-cash items, meaning the respective adjustments were made under gross cash flow or cash flow from operating activities, depending on the balance sheet classification. These measures led to a decline of EUR 199.7m, or 37.2%, in gross cash flow to EUR 337.4m; cash flow from operating activities fell by EUR 24.0m, or 4.2%, to EUR 546.0m. Working capital included an increase in trade payables, provisions and other current liabilities as of 30 September 2014.

Cash flow from investing activities totalled EUR –243.3m and was EUR 115.8m, or 32.2%, lower than the previous year. The year-on-year decline resulted, above all, from the sale of cash funds and the shift of investments from non-current to current in the pension reinsurance depository.

Cash flow from financing activities equalled EUR –335.0m in 2013/14 (previous year: EUR –113.8m) and was influenced primarily by the scheduled redemption of bonds.

The afore-mentioned developments resulted in total cash flow of EUR –32.3m for the 2013/14 financial year (previous year: EUR 97.2m). Cash and cash equivalents therefore declined to EUR 197.2m as of 30 September 2014.

Net debt	30.09.2014 EURm	30.09.2013[1] EURm	Change EURm	Change in %
Non-current loans and borrowings	1,747.7	1,805.7	–58.1	–3.2
Current loans and borrowings[2]	173.8	373.7	–199.9	–53.5
Cash and cash equivalents	–197.2	–229.5	32.3	14.1
Current securities	–0.8	–43.9	43.1	98.2
Non-current securities	–62.1	–57.1	–5.0	–8.7
Loans receivable	–38.9	–39.2	0.3	0.7
Net debt	**1,622.4**	**1,809.6**	**–187.2**	**–10.3**
Equity	**2,632.7**	**3,079.2**	**–446.5**	**–14.5**
Gearing (%)	**61.6**	**58.8**	**–**	**2.9**

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) Excl. bank overdrafts contained in cash and cash equivalents

Investments

Capital expenditure rose by EUR 23.5m, or 6.3%, to EUR 396.3m in 2013/14. Supply security represented the focal point of investments, whereby EUR 135.4 and EUR 38.6m, respectively, were invested in the electricity and natural gas networks in Lower Austria.In the electricity network the expansion of the 110 kV power lines can be highlighted, while in the natural gas network the main investments focused on the completion of the Westschiene natural gas transport pipeline.

In the Generation Segment, the focal point of investments was on the expansion of windpower capacity in Lower Austria. Most of the investments in the thermal power plants were attributable to the completion of the Duisburg-Walsum coal-fired power plant.

The volume of investments in the Energy Trade and Supply Segment was slightly higher than the previous year, chiefly due to the further expansion of the district heating network and the construction of biomass heating plants.

Investments in South Eastern Europe declined year-on-year, above all in Bulgaria. In Croatia, work continued to expand natural gas supplies along the Dalmatian coast.

Condensed consolidated statement of cash flows	2013/14 EURm	2012/13[1] EURm	Change EURm	Change in %
Profit before income tax	–373.3	170.7	–544.0	–
Non-cash items	710.8	366.5	344.3	48.4
Gross cash flow	**337.4**	**537.1**	**–199.7**	**–37.2**
Changes in current and non-current balance sheet items	228.2	61.1	167.1	–
Income tax paid	–19.6	–28.3	8.7	30.7
Net cash flow from operating activities	**546.0**	**570.0**	**–24.0**	**–4.2**
Changes in intangible assets and property, plant and equipment incl. deferred income from network subsidies	–300.5	–289.5	–11.0	–3.8
Changes in financial assets and other non-current assets	14.1	–29.2	43.2	–
Changes in current securities	43.1	–40.3	83.4	–
Net cash flow from investing activities	**–243.3**	**–359.1**	**115.8**	**32.2**
Net cash flow from financing activities	**–335.0**	**–113.8**	**–221.2**	**–**
Net change in cash and cash equivalents	**–32.3**	**97.2**	**–129.5**	**–**
Cash and cash equivalents at the beginning of the period	**229.5**	**132.3**	**97.2**	**73.4**
Cash and cash equivalents at the end of the period	**197.2**	**229.5**	**–32.3**	**–14.1**

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

Investment priorities at EVN[2]	2013/14 EURm	2012/13[1] EURm	Change EURm	Change in %
Generation	84.1	68.7	15.4	22.4
thereof thermal power stations	36.1	22.8	13.4	58.6
thereof renewable energy Lower Austria	47.6	45.0	2.5	5.6
thereof renewable energy South Eastern Europe	0.0	0.1	–0.1	–80.5
Energy Trade and Supply	32.3	30.0	2.3	7.6
thereof district heating plants	30.7	29.1	1.6	5.4
Network Infrastructure Austria	186.8	176.4	10.4	5.9
thereof electricity networks	135.4	99.5	35.9	36.1
thereof natural gas networks	38.6	65.1	–26.5	–40.7
thereof cable TV and telecommunications networks	11.8	9.9	1.9	19.1
Energy Supply South East Europe	77.5	82.4	–5.0	–6.0
Environmental Services	13.3	11.9	1.4	11.5
thereof combined cycle heat and power plants in Moscow	1.9	5.2	–3.3	–63.1
thereof supra-regional power lines, local networks and wastewater	9.4	5.3	4.2	78.6
Strategic Investments and Other Business	2.5	3.5	–1.0	–29.8
Total	396.3	372.9	23.5	6.3

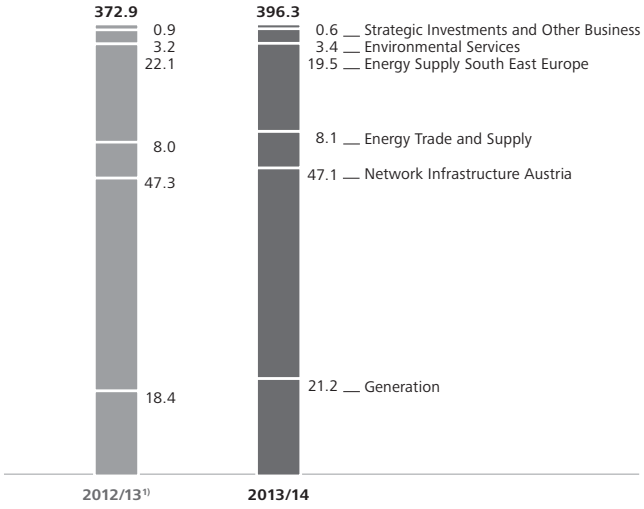
1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) After consolidation

In the Environmental Services Segment, investments focused, above all, on water supplies in Lower Austria and on wastewater disposal.

The following chart provides an overview of the most important investments.

Structure of investments

in %, Total in EURm



1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).

Non-financial indicators

As a responsible energy and environmental services provider, EVN considers the dimensions "People", "Environment" and "Economy" as three interrelated parts of a whole and works to achieve a balance between the requirements of the different interest groups. Sustainability aspects and the related objectives represent an integral part of the corporate strategy and play an important role in achieving and maintaining steady growth in the company's value.

EVN as responsible employer

The EVN Group had an average of 7,314 employees during the 2013/14 financial year. The share of women equalled 21.4% during this period. The Frauen@EVN programme, which was launched in 2010/11, is designed, in particular, to improve the conditions that traditionally have a greater negative effect on women than on men. The goals are to guarantee equal opportunities for women and men and to increase the share of women at EVN.

EVN is well aware of the high strategic importance of its qualified workforce. Consequently, the protection and expansion of this high level of expertise represent a focal point for human resources management. The training and professional development offering for employees in Austria, Bulgaria and Macedonia is coordinated by the EVN Academy. Training and educational expenses totalled EUR 2.3m in 2013/14 (previous year: EUR 2.3m), or EUR 310.4 per employee (previous year: EUR 314.8). The average time dedicated to training rose from 31.3 hours per employee in the previous year to 34.9 hours in 2013/14.

Supply security, environmental protection and resource conservation, sustainable energy generation and climate protection

A flexible generation mix is of decisive importance to ensure supply security and protect EVN's future viability. The further expansion of energy generation from renewable sources – in particular windpower and hydropower as well as biomass and photovoltaics – therefore represents a focal point of the company's strategy. In 2013/14, renewable energy sources were responsible for 42.5% of EVN's total electricity production. EVN's objective is to raise the share of renewable energies in the electricity generation mix to 50%. In the home market of Lower Austria, activities are directed, above all, to expanding windpower production to raise this generation capacity from the current level of 213 MW to approx. 300 MW over the medium term. In addition to ecological responsibility, EVN also carries an economic responsibility that is reflected in a goal to generate 30% of its electricity sales volumes from its own production or procurement rights.

EVN is involved in numerous innovation, development and research projects for an efficient, intelligent and environmentally friendly energy future. The projects in this portfolio reflect current and future demands on the core energy and environmental services businesses across all levels of the value chain. The goals of the Group's innovation, development and research activities are derived from the corporate strategy and are measured by the benefits they provide for the protection of the environment and resources, supply security and, last but not least, for EVN's competitiveness. EVN organises its research activities by combining expertise from various areas. Research projects involve – wherever feasible – cooperation between different areas of the company and numerous partners from science and industry. Since EVN concentrates on applied research and development, its know-how is complemented by the expertise of its scientific cooperation partners who focus on basic research. The exchange of experience in national and international projects not only adds to the success of EVN's projects, but also supports universities and public research institutions with up-to-date research topics and makes an important contribution to the qualified and practically oriented education of students.

In 2013/14, EVN spent EUR 1.24m (thereof 13.4% financed through public subsidies) on innovation, research and development projects. Most of this work was focused on the network integration of renewable energy sources. Examples include the initiation and realisation of projects for innovative energy storage (power-to-gas, battery storage) as well as decentralised generation (photovoltaics and small-scale windpower) and smart grids. In addition, the e-mobility model region Lower Austria with numerous offers for end customers continued under EVN's direction during the reporting year. Conventional generation projects centred on the continuous optimisation of existing power plants to increase flexibility and reduce CO_2 emissions. Biotechnological methods will be used to convert the pure CO_2 resulting from the generation process into biologically degradable plastic. The Environmental Services Segment is working on energy efficiency improvements for existing waste water treatment plants, the further optimisation of energy requirements for new waste water treatment plants and the continued development of a small sewage sludge incineration plant as well as the evaluation of the resulting residue for its possible use in further processing steps.

Risk management

Definition of risk

EVN defines risk as a danger of negative deviations from corporate goals. The evaluation and management of risk also covers the related opportunities.

Risk management process

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

The risk management process includes the following steps:

- **Identification:** A survey and/or revision of risks based on the latest risk inventory (review of risk inventory) and the identification of new risk positions
- **Assessment and analysis:** A qualitative and quantitative evaluation of the identified risks; the aggregation of risks from different points of view; and the modelling of earnings and cash flow distributions
- **Reporting:** The distribution of risk reports to EVN's risk manaers and the Executive Board; discussion and evaluation of the risk exposure by the Risk Management Working Committee and the Group Risk Committee; the implementation of risk management activities where necessary
- **Process review:** Methodical identification of the organitional units that must carry out an explicit risk assessment as well as regular reviews to determine whether the methods of identifying and assessing risks should be modified to reflect changed conditions

Responsibilities of the Risk Management Working Committee

The Risk Management Working Committee is responsible for monitoring the correct implementation of the risk management process. It approves changes in risk measurement methods and defines the type and the scope of official risk reporting. This committee includes the heads of internal audit, the general secretariat and corporate affairs and controlling as well as central risk management. Internal audit also reviews the risk management processes and the implementation of measures to minimise risk.

Group Risk Committee and Controlling

The results of the risk inventory and the reports are presented to and discussed by the Group Risk Committee, which consists of the Executive Board, the heads of the strategic business units and the Risk Management Working Committee. It decides on any need for action and may also organise working groups and assign specified tasks. The Group Risk Committee is authorised to define risk management measures aimed at changing EVN's risk exposure and, in this way, influences the company's strategic orientation.

⚠ GRI indicator: The highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics (G4-46)

Risk profile

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

Market and competitive risks

Energy trading and sales

EVN's revenues can be negatively affected by a decline in demand due to weather conditions or climate change, economic, political and technological factors or the loss of customers and sales volumes for image-related or competitive reasons. In addition, rising or more volatile market prices and declining margins can lead to lower profit margins in the energy business. There is also a risk that revenue declines may not be temporary, especially if they are the result of weather effects, energy efficiency measures or changes in customer behaviour and the churn rate.

⚠ GRI indicator: Financial implications and other risks and opportunities for the organisation's activities due to climate change (EC2)

Generation / supply

Production that is increasingly decentralised and cannot be precisely planned as well as fluctuations in wind levels, water flows, sunshine hours and weather conditions can have a negative influence on earnings from the generation business (price and volume effects). The economic viability and intrinsic value of generation equipment is dependent to a significant degree on electricity and primary energy prices as well as the respective efficiencies, and adverse developments can therefore lead to the recognition of an impair-

ment loss. In addition, the creation of or addition to provisions for long-term (procurement) contracts may also be necessary. In spite of the impairment losses recognised during 2013/14, these types of risks still exist due to the on-going difficult market environment for energy generation plants.

Environment

EVN is exposed to risks in the environmental services business from possible fluctuations in the demand, volume and/or costs of drinking water supplies, wastewater treatment systems and thermal waste utilisation facilities. Moreover, market saturation or non-inclusion in tenders can lead to a decline in the volume of projects in the environmental services business.

EVN is also exposed to various risks in connection with suppliers and the realisation of projects, which include the defective fulfilment or non-fulfilment of contractually agreed performance.

Financial risks

In managing credit and default risk, EVN distinguishes between receivables due from end customers on the one hand, and receivables from financial and energy trading transactions and major projects/plants, on the other hand.

The default risk associated with end customer receivables is limited primarily by efficient receivables management, the evaluation of credit standings based on ratings and experience and the regular monitoring of payment behaviour. However, a lack of purchasing power or deteriorating payment behaviour can have a negative effect on revenue in the energy segment.

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

Write-downs on receivables can have a significant negative effect on EVN's earnings. This also applies to the (extraordinary) depreciation as well as the recognition of impairments of assets such as investments and goodwill.

EVN holds investments in areas related to the core business, among others in Verbund AG, Rohöl-Aufsuchungs AG, Energie Burgenland AG and EconGas GmbH. The energy policy environment creates an increased risk that the unfavourable development of earnings and equity in these companies can also have a substantial impact on EVN. Furthermore, contingent liabilities could be called and result in actual payment obligations.

The measures taken to counter liquidity and (re-)financing risk include regular liquidity analyses, long-term and centrally managed financial planning, the diversification of financing sources and the protection of required financial resources. EVN is also exposed to financing risks through a possible change in its rating and to contract risks through its financing contracts.

Interest rate, foreign exchange and market price risks are managed with a comprehensive treasury strategy which, among others, includes daily risk analyses and the use of derivative hedging instruments.

Operating risks

The energy business is particularly vulnerable to operating risks like operating disruptions and stoppages as well as IT and safety-related problems that can cause supply interruptions. The environmental services business is also exposed to the risk of operating disruptions or interruptions in drinking water supplies, wastewater systems and thermal waste utilisation facilities.

Key processes in the energy and environmental services businesses are associated with specific dangers that expose EVN to a liability and reputation risk.

External risks

Changes in the regulatory environment, political pressure on major projects and changing requirements under energy and environmental protection laws are the primary drivers for political and legal risks. For example, changes in subsidy systems or the failure to receive committed or expected subsidies can have a negative effect on the company's future asset, financial and earnings position.

The current political and economic instability in a number of the markets in which EVN operates, potentially illegal or faulty legislation and regulatory measures as well as a changing legal framework represent risks that are addressed in cooperation with local, regional, national and international government agencies and interest groups. These institutions include the World Bank in Washington, where investment protection proceedings are currently in process against the Republic of Bulgaria.

EVN is exposed to the risk that necessary permits and licenses are not granted, may be withdrawn or not extended. Specific mention should be made of the license withdrawal proceedings initiated by the Bulgarian regulatory authority against EVN's electricity distribution company in Bulgaria (EVN Bulgaria Electrosnabdjavane EAD).

Legal and litigation risks can arise, above all, in connection with pending or potential regulatory, court, arbitration and investment protection proceedings as well as audits by supervisory authorities

(in particular related to power plant projects like Duisburg-Walsum and to foreign investments and business operations).

Contractual risks can arise, among others, from the failure to identify legal, economic or technical problems.

Overall risk profile

In addition to the uncertainties connected with business areas and operations outside Austria, EVN is still confronted with a challenging environment in its home market of Lower Austria. The previously implemented consolidation measures will therefore be continued.

The annual risk inventory did not identify any future risks that could endanger EVN's continued existence.

△ GRI Indicator: Description of key impacts, risks and opportunities (G4-2)

EVN's major risks and related countermeasures

Market and competitive risks

Price risk

Procurement and selling prices (especially for energy carriers) that are volatile and/or deviate from forecasts

→ Fixed price agreements, procurement strategy tailored to the market environment, hedging transactions

Profit margin risk

Energy sales and production: failure to meet profit margin targets

→ Hedging strategies: diversification of customer segments and business areas, long-term sale of power plant capacity, development of a product portfolio that reflects customer demands (incl. various floating and guarantee tariffs)

Network operations: non-inclusion of actual operating costs in the network tariffs established by the regulatory authority

→ Interest groups, appropriate documentation and service charges

Volume risk

Declining demand for EVN's products or services, decrease in own production volumes

Supplier risk

Cost overruns on projects; delays in the completion of contracted services

→ Partnerships, contractual controls wherever possible, third party expert opinions

Financial risks[1)]

Foreign currency risks

Transaction risk (foreign currency exchange loss) and translation risk in connection with the conversion of foreign currency amounts in the consolidated financial statements; financing for Group companies that does not reflect the respective foreign exchange situation

→ Monitoring, limits and hedging instruments

Liquidity and financing risks

Failure to repay liabilities on schedule or to obtain the required liquidity/funds at the expected conditions

→ Long-term, centrally managed financial planning, safeguarding of financing requirements (e.g. through credit lines)

Market price risks

Decline in the listed value of investments (e.g. funds) and listed strategic investments (e.g. Verbund AG, Burgenland Holding)

→ Monitoring of loss potential via daily value-at-risk calculations

Counterparty/credit risks

Complete or partial failure by a business partner to provide the agreed performance

→ Contracts, credit monitoring and credit limit systems, insurances and diversification of business partners

Investment risks

Failure of a subsidiary or holding to meet profit targets

→ Representation on the supervisory board and/or shareholder/risk committees of the respective company

Rating changes

Higher refinancing costs due to rating downgrades

→ Ensuring compliance with key financial indicators

Interest rate risks

Changes in market rates, increase in interest expense

→ Use of hedging instruments

Impairment risks

Recognition of impairment losses to receivables, goodwill, investments and/or assets

Inflation/deflation risk

Risk that contingent liabilities (guarantees) will be called

Operating risks

Infrastructure risks

Incorrect design and use of technical facilities

→ Elimination of technical weaknesses, regular inspections and reviews of current and planned infrastructure

Service disruptions/network breakdowns (own and third party), accidents

Supply interruptions, physical danger to persons or infrastructure through explosions/accidents

→ Technical upgrading at network interfaces, expansion and maintenance of network capacity

IT/security risks (incl. cybersecurity)

→ Strict system and risk monitoring (internal control system), e.g. through backup systems, technical maintenance, external audits, occupational safety and health measures, crisis exercises

1) On the use of financial instruments, see consolidated notes, note 62. Risk management, page 204 and 64. Financial instruments, page 208.

Workforce risks
Loss of highly qualified employees, absence due to work accidents, surplus or shortfall of personnel, communication problems, cultural barriers, fraud, intentional or unintentional misrepresentations of transactions or items in the annual financial statements
→ Attractive work environment, occupational health care and safety measures, flexible working time models, training, group events, internal control system (ICS)

External risks
Legislative, regulatory and political risks
Changes in political and legal parameters and/or the regulatory environment (e.g. environmental laws, changing legal framework, regulations and market liberalisation in South Eastern Europe)
→ Cooperation with interest groups, associations and government agencies on a regional, national and international level
Legal and litigation risks
Non-compliance with contractual obligations by several parties, or litigation risk from various lawsuits
→ Representation in local, regional, national and EU-wide interest groups, legal consulting
Social and general economic environment
Economic developments, debt/financial crisis, stagnating or declining purchasing power, rising unemployment
Contract risks
Failure to identify legal, economic or technical problems; contract risks under financing contracts
→ Extensive legal due diligence, involvement of external experts/ legal advisors, contract database and on-going monitoring

Strategic and planning risks
Technology risk
Late identification and implementation of new technologies; investments in "wrong" technologies
→ Active participation in external research projects, own demonstration facilities and pilot projects, on-going adjustments to keep technologies at the latest level
Planning risk
Model risks, incorrect or incomplete assumption, lost opportunities
→ Feasibility studies by experienced, highly qualified employees, monitoring of parameters and regular updates, four-eyes principle
Organisational risks
Inefficient or ineffective processes, interfaces; duplication
→ Process management, documentation, internal control system (ICS)
Different owner strategies in non-controlled companies

Other risks
Granting of undue advantages, non-compliance
Distribution of confidential internal information to third parties and the granting of undue advantages/corruption
→ Internal control systems, uniform guidelines and standards; reorganisation of the subsidiaries in South Eastern Europe; Code of Conduct, compliance organisation
Project risk
e.g. cost overruns on the construction of new capacity
→ Contractual agreement on economic parameters
Co-investment risk
Risks related to the implementation of major projects jointly with a partner
→ Contractual safeguards, efficient project management
Sabotage
Sabotage, e.g. to natural gas lines, waste water treatment plants or waste incinceration plants
→ Suitable security measures, regular measurement of water quality and emissions
Image risk
→ Transparent and proactive communications, high ethical standards in all areas of the business

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

Introduction

In accordance with § 267 (3b) in connection with § 243a (2) of the Austrian Commercial Code ("Unternehmensgesetzbuch", UGB) as amended by the 2008 Corporate Law Amendment Act ("Unternehmensrechts-Änderungsgesetz", URÄG), companies whose shares are admitted for trading on a regulated market are required to disclose the key features of their internal control and risk management system for corporate accounting processes.

As defined in § 82 of the Austrian Stock Corporation Act ("Aktiengesetz", AktG), the Executive Board is responsible for establishing a suitable internal control and risk management system for accounting processes.

EVN developed and implemented an internal control system (ICS) that meets the requirements of the 2008 Corporate Law Amendment Act. The ICS is monitored at regular intervals by auditing the processes that are considered to be exposed to risk. The results of these monitoring activities are reported to the Executive Board and the Supervisory Board. The ICS ensures clear lines of responsibility and eliminates unnecessary process steps, and thereby further improves the security of processes for the preparation of financial data.

The description of the major features of the ICS covers five interrelated components: control environment, risk assessment, control activities, information and communication, and monitoring.

Control environment

The Code of Conduct issued by EVN and the underlying values apply to all Group employees. EVN's Code of Conduct is available in German under **www.evn.at/verhaltenskodex** and in English under **www.evn.at/code-of-conduct.**

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

All employees involved in the accounting process have the necessary qualifications and undergo regular training. Complex actuarial opinions and valuations are prepared by external experts or specially qualified employees.

The implementation of the ICS also included the designation of processes that are considered to be relevant for the accounting area. These processes include the documentation of all steps involving risk and the creation of special control measures for their monitoring.

The managers responsible for the specific processes – in general, the heads of the strategic business units and corporate services – are responsible for compliance with these processes and the related control measures.

Risk assessment and control activities

Multi-stage control measures have been established to prevent material misstatements in the presentation of transactions in order to ensure that the individual IFRS financial statements of all subsidiaries are recorded correctly. These steps include automated controls that are executed by the consolidation software as well as manual controls by the involved corporate services.

The corporate service departments carry out extensive plausibility checks of the individual subsidiaries' financial statements to ensure correct transfer to the consolidated financial statements.

The review of the financial statement data includes analyses at the position, segment and Group levels, both before and after consolidation. The consolidated financial statements are not released until these quality controls are complete at all levels.

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

Control measures range from the review of results by the responsible employees to the reconciliation of accounts and the analysis of accounting processes.

The ICS and all accounting-related processes are reviewed by the auditor at least once each year to verify compliance with the required controls, to evaluate any risk incidents that occurred during the financial year and to determine whether the controls are still suitable to deal with the existing risks. In 2013/14, a number of process adjustments and improvements were made as part of the continuous efforts to further develop the ICS.

Information, communication and monitoring

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

△ **GRI indicator: Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities (G4-47)**

This information is also distributed to Management and key personnel in the involved companies to facilitate monitoring and control activities and thereby ensure the accuracy of accounting and reporting procedures.

EVN's internal audit department carries out regular reviews of the ICS, and their findings form the basis for the continuous improvement of this system.

Share structure and capital disclosures

Disclosures required by § 243a (1) of the Austrian Commercial Code

1. The share capital of EVN AG totalled EUR 330,000,000 as of 30 September 2014 and was divided into 179,878,402 zero par value bearer shares. An amendment to Austrian company law ("Gesellschaftsrechts-Änderungsgesetz 2011") still allows listed companies to issue bearer shares, but requires these shares to be securitised in one or more collective instruments. Consequently, previously issued individual shares (effective share certificates) held privately or in an individual securities account were replaced by a collective instrument during the period from March to June 2013; this collective instrument is deposited at Österreichische Kontrollbank. Shares that were not exchanged by the end of this period on 10 June 2013 were declared as void. This declaration resulted in the suspension of the right to dividend payments and the right to participate in the Annual General Meeting – until the shareholder presents his /her effective shares and designates a securities depository account. The shareholder status remains unchanged. The Executive Board is responsible for determining the form and content of the share certificates. Shareholders are not entitled to the issue of individual share certificates. There is only one class of shares, and all shares carry the same rights and duties.

2. There are no restrictions on voting rights above and beyond the general requirements of the Austrian Stock Corporation Act.

3. In accordance with Austrian federal and provincial constitutional law, the province of Lower Austria is the major shareholder of EVN AG with a stake of 51%. This shareholding is formally held by NÖ Landes-Beteiligungsholding GmbH, St. Pölten, which is a subsidiary of the province of Lower Austria. The second largest shareholder of EVN AG, EnBW Trust e.V., Karlsruhe, Germany, reported on 20 December 2013 in accordance with § 91 (1) of the Austrian Stock Exchange Act that it had received 58,406,180 shares of EVN AG as a transfer in trust from Energie Baden-Württemberg AG, Karlsruhe, Germany. This transfer increased the investment held by EnBW Trust e.V. to more than 30% but less than 35% of the voting rights in EVN AG.

   As of 30 September 2014, EVN AG held 1,939,992 treasury shares, which represent 1.08% of the company's share capital (previous year: 1,843,612 shares or 1.02% of share capital). The purchase of the treasury shares held as of the balance sheet date was based on the share buyback programmes approved by the 79th, 83rd and 85th Annual General Meetings of EVN AG on 17 January 2008, 19 January 2012 and 16 January 2014, respectively.

   On 16 January 2014, the Executive Board of EVN AG decided to repurchase up to 1,000,000 of the company's shares, or up to 0.56% of share capital, over the Vienna Stock Exchange. This decision was based on an authorisation of the 85th Annual General Meeting. The share buyback programme was extended on 30 September 2014 and is expected to end on 30 June 2015; the extension covers the purchase of up to an additional 1,000,000 of the company's shares. The main purpose of the share buyback is to improve the supply of and demand for EVN share on the Vienna Stock Exchange, while trading in treasury shares for profit-making purposes is excluded. On 17 June 2014, the Executive Board of EVN AG decided to reclassify up to 173,000 treasury shares (maximum 0.095% of share capital) for distribution to the employees of the company or certain subsidiaries in place of a special payment required by a works agreement. A total of 67,620 shares, or 0.04% of the share capital of EVN AG, were transferred to these employees off-market on 5 August 2014. The remaining shares represent free float. EVN AG does not have a stock option programme at the present time.

4. EVN AG has not issued any shares with special control rights.

5. Employees who own shares in EVN AG may exercise their voting rights at the Annual General Meeting.

6. The Executive Board consists of two members who are appointed and can be dismissed by the Supervisory Board. In selecting persons for appointment to the Executive Board, EVN AG must comply with the provisions of the Austrian Stock Exchange Act and, as a consequence of its ownership structure, must also meet the requirements of Austrian recruitment regulations, which call for the public tender of such positions.

7. The Executive Board has not been granted any authorisations as defined in § 243a (1) no. 7 of the Austrian Commercial Code.

8. The company is not party to any change of control agreements that would take effect in the event of a takeover.

9. There are no agreements to provide compensation to the members of corporate bodies or employees in the event of a public takeover as defined in § 243a (1) no. 9 of the Austrian Commercial Code.

Outlook for the 2014/15 financial year

The European energy markets are still challenged by numerous distortions. Electricity wholesale prices remain at a low level, which, in turn, has had a significant influence on generation. Thermal power plants, in particular, as well as new pump storage power plants are currently unable to recover their full costs.

EVN's integrated business model diversifies the earnings contributions from the various business segments and, in this way, supports the company's steady operating development. The stable components of the business model in the present environment are the regulated network business in Austria, water supplies, biomass-based heat generation and supply, thermal waste utilisation and cable TV and telecommunications services.

In the area of energy supply in Lower Austria, EVN supply company has reduced the energy price in electricity within the framework of EnergieAllianz by 10 % on average as of 1 October 2014.

The focus on the stable and regulated business areas will be strengthened by a complementary investment policy that is concentrated on the network infrastructure, the expansion of generation from renewable energies and drinking water supplies. Plans call for the investment of approximately EUR 1bn in these businesses in Lower Austria over the next four years.

The network infrastructure investments are intended to protect supply security for consumers as well as for the business and industrial customers in EVN's network area. This will guarantee the continuation of the current high service standards. The investments in renewable energy generation will shift the generation mix towards the desired equilibrium. The careful use of natural resources based on sustainability criteria will also remain a key priority for EVN in the future. The high quality and reliability of drinking water supplies in Lower Austria shall be safeguarded over the long term by investments in the replacement of pipeline networks, in natural filter plants and in the development of well fields.

Tariff decisions in Bulgaria and Macedonia during July 2014 led to the recognition of impairment losses. EVN is working to realise further efficiency improvements in these markets and, above all, to further reduce network losses. The tariff increases in Bulgaria on 1 October 2014 were only able to partly offset the earlier reductions. The investment protection proceedings currently in progress at the International Centre for the Settlement of Investment Disputes (ICSID), an institution created by the World Bank, will be pursued and should result in compensation for the disadvantages caused by previous tariff decisions.

In the environmental services business, EVN had to recognise impairment losses on leasing receivables related to the waste incineration plant no. 1 in Moscow. Negotiations over the sodium hypochlorite plant in Moscow were concluded with positive results after the end of the 2013/14 financial year and led to the acquisition of the shares in the Russian project company by the city of Moscow for EUR 250m. EVN will pursue the realisation of new environmental services projects on a selective basis.

EVN also plans to continue its consolidation course in the coming years, whereby the current segments of business will represent the focal point of activities. Continuous efficiency improvements should provide protection for earnings. Assuming average conditions in the energy environment, the EVN Group expects to record a Group net result for the business year 2014/15 that will again exceed the result of financial year 2012/13. The factors that could significantly influence earnings include the regulatory background, developments in the proceedings related to claims from the tariff decisions in Bulgaria and the Duisburg-Walsum power plant as well as the progress on the activities in Moscow.

Maria Enzersdorf, 18 November 2014

EVN AG
The Executive Board

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

Segment reporting

Overview

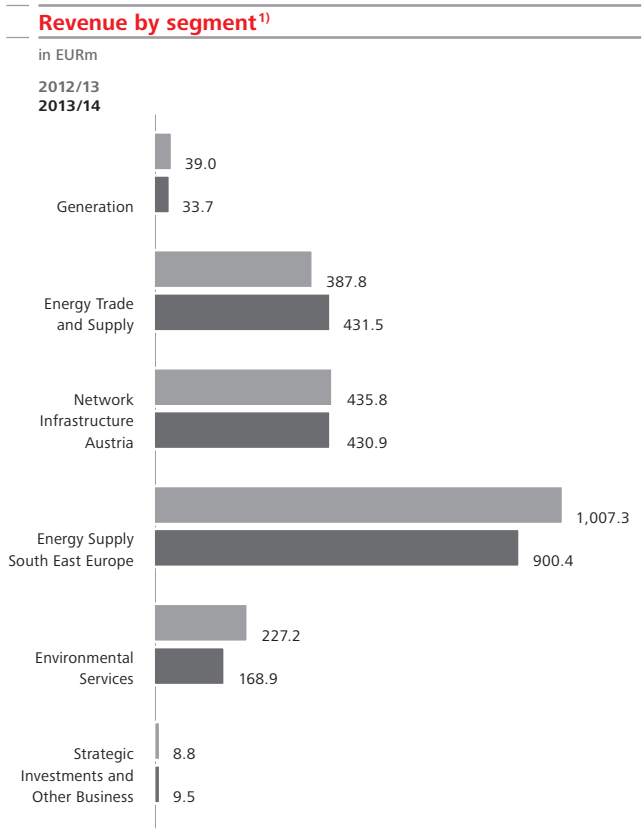
The structure of the EVN Group is based on three general categories: the energy business, the environmental services business and other business activities. The energy business covers the entire electricity and heat value chain from generation and distribution to networks and supply, while the natural gas business is concentrated on the distribution and supply. This product portfolio is supplemented by the activities of EVN subsidiaries in related are as as well as regional cable TV and telecommunication services. The environmental services business involves activities in the areas of drinking water supply, wastewater disposal and thermal waste utilisation.

The definition of the operating segment is done in accordance with the requirements of IFRS 8 "Business Segments" and is therefore based exclusively on the internal organisational and reporting structure of the EVN Group. The following section describes the operating performance of EVN's six segments and the effects of energy sector indicators on their development.

Business areas	Segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy Trade and Supply	Procurement of electricity and primary energy sources, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Network Infrastructure Austria	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
	Energy Supply South East Europe	Operation of electricity networks and electricity sales to end customers in Bulgaria and Macedonia, heat generation and sale in Bulgaria, electricity generation in Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environmental Services	Drinking water supply, wastewater disposal and thermal waste utilisation in Austria, operation of combined cycle heat and power co-generation plants in Moscow as well as international project business
Other business activities	Strategic Investments and Other Business	Strategic and other investments, corporate services

Revenue by segment[1)]

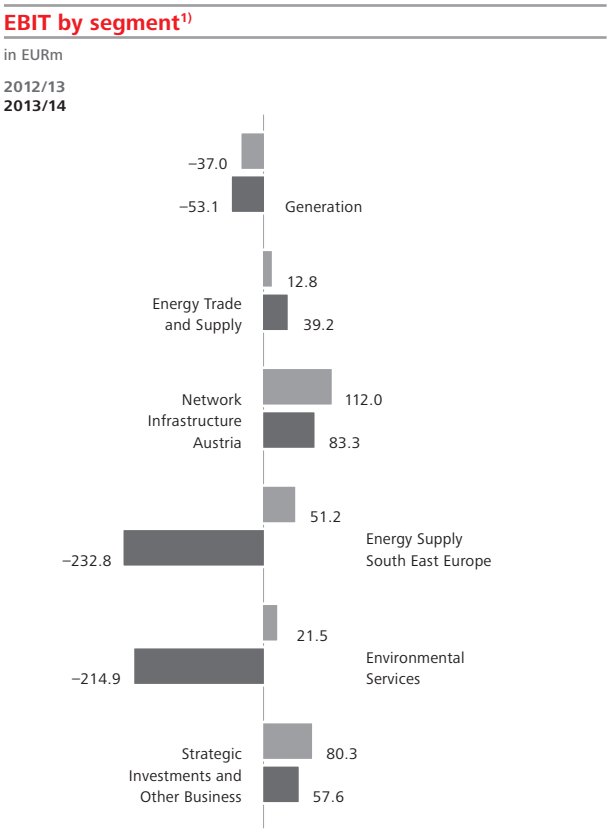
in EURm



1) External revenue

EBIT by segment[1)]

in EURm



1) The sum total of the individual segments does not correspond to the consolidated Group EBIT (see note 2. Reporting accoding to IFRS, page 148).

EVN's key energy business indicators	GWh	2013/14	2012/13[1)]	Change nominal	Change in %
Electricity generation volumes		4,395	3,701	694	18.7
Renewable energy sources		1,868	1,954	–86	–4.4
Thermal energy sources		2,527	1,747	780	44.7
Network distribution volumes					
Electricity		20,908	20,916	–8	0.0
Natural gas[2)]		14,143	15,239	–1,096	–7.2
Energy sales volumes to end customers					
Electricity		19,317	20,209	–891	–4.4
thereof Central and Western Europe[3)]		6,787	7,188	–401	–5.6
thereof South Eastern Europe		12,530	13,020	–490	–3.8
Natural gas		5,383	6,333	–950	–15.0
Heat		1,991	2,062	–71	–3.4
thereof Central and Western Europe[2)]		1,806	1,857	–51	–2.8
thereof South Eastern Europe		185	205	–20	–9.6

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) Incl. network distribution volumes to EVN power plants
3) Central and Western Europe covers Austria and Germany.

Generation

The Generation Segment covers the generation of electricity from thermal production capacities and renewable energy sources in Austria, Germany, Bulgaria and Albania as well as projects for the construction of power generation plants in Austria and Bulgaria.

The external revenue recorded by this segment is derived mainly from the sale of electricity from renewable windpower. Internal revenue from electricity generation (in particular hydropower plants as well as windpower plants that are no longer covered by subsidy schemes) is based on the market price for electricity. Revenue from thermal power generation in the Dürnrohr, Korneuburg and Theiss power plants and the storage power plants is based on the option value; the energy procurement contract with Steag-EVN Walsum 10 Kraftwerksgesellschaft is reported at full costs. The option value generally reflects the pre-defined difference between the forward prices for electricity and the related fuel costs. It also includes the allocation and use of reserve capacity to ensure network security in southern Germany. The sale of the generated electricity and the procurement of primary energy are reported under the Energy Trade and Supply Segment.

Highlights 2013/14

- → Increase of 23.2% in electricity generation
  - Commissioning of the Duisburg-Walsum power plant
  - Commissioning of the Prellenkirchen windpark
  - Full-year operations in the Deutsch-Wagram windpark
  - Decline in hydropower production due to lower water flows
- → Allocation of 785 MW of reserve capacity for southern Germany
- → Revenue increase of 64.0%
- → Earnings negatively affected by impairment losses in Austria, Germany and Bulgaria

In connection with the initial application of the new IFRS consolidation standards in the third quarter of 2013/14, the earnings contributions from the Verbund-Inn River power plants, EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG, Vienna, and Shkodra Region Beteiligungsholding GmbH were reported under the share of equity accounted investees with operational nature as part of the results from operating activities (EBIT). The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft, which was previously included at equity, is now included through proportionate consolidation.

Development of power generation

Electricity generation rose by 700 GWh, or 23.2%, to 3,720 GWh in 2013/14. The thermal production from EVN's own heating plants increased by 802 GWh, or 57.9%, to 2,186 GWh, but the generation from renewable energy fell by 102 GWh, or 6.2%, to 1,534 GWh.

As in the past two winter half-years, the Theiss and Korneuburg power plants again provided reserve capacity for southern Germany during the winter of 2013/14. These reserves were not used during the reporting year. Production in the Dürnrohr coal-fired power plant was lower than the previous year due to maintenance-related downtime in the third quarter of 2013/14 and temporary standstills resulting from market distortions. The commissioning of the Duisburg-Walsum power plant in December 2013 led to a substantial increase in thermal power generation. Weather-related factors led to a year-on-year decline in water flows and a resulting 9.9% decrease in production. The generation from windpower plants increased, above all due to the commissioning of the windparks in Prellenkirchen and Deutsch-Wagram with their total generation capacity of 39 MW.

EVN covered 22.7% of the electricity sold during the reporting year with its own production (previous year: 18.3%). The comparable value for Austria and Germany was 64.7% (previous year: 51.5%). The share of renewable energy in the Group's total production was 42.5% (previous year: 52.8%).

Revenue development

Revenue in the Generation Segment rose by EUR 73.2m, or 64.0%, to EUR 187.5m in 2013/14. This increase resulted, above all, from the commissioning of the Duisburg-Walsum power plant. Additional revenue was generated by the allocation of balancing energy and 785 MW of reserve capacity to support network security in southern Germany.

Operating expenses

Operating expenses increased by EUR 36.6m, or 46.7%, to EUR 115.1m in 2013/14 based on higher costs related to the commissioning of the Duisburg-Walsum power plant. The start of operations in December 2013 was also connected with costs for the first purchases of energy carriers.

Results from equity accounted investees

The share of results from equity accounted investees with operational nature improved by EUR 6.1m over the previous year, but remained negative at EUR –38.9m. The negative results were attributable primarily to Verbund Innkraftwerke GmbH and were based on an impairment loss recorded in the fourth quarter of 2013/14.

Key indicators – Generation		2013/14	2012/13[1]	Change nominal	Change in %
Key energy business indicators	GWh				
Electricity generation volumes		**3,720**	**3,021**	**700**	**23.2**
thereof renewable energy sources		1,534	1,637	–102	–6.2
thereof thermal energy sources		2,186	1,384	802	57.9
Key financial indicators	EURm				
External revenue		33.7	39.0	–5.3	–13.7
Internal revenue		153.8	75.3	78.5	–
Total revenue		**187.5**	**114.3**	**73.2**	**64.0**
Operating expenses		–115.1	–78.4	–36.6	–46.7
Share of results from equity accounted investees with operational nature		–38.9	–45.0	6.1	13.6
EBITDA		**33.6**	**–9.1**	**42.7**	–
Depreciation and amortisation including effects from impairment tests		–86.7	–27.9	–58.8	–
Results from operating activities (EBIT)		**–53.1**	**–37.0**	**–16.1**	**–43.6**
Financial results		–25.3	–12.5	–12.8	–
Profit before income tax		**–78.4**	**–49.5**	**–28.9**	**–58.3**
Total assets		1,218.2	1,139.9	78.3	6.9
Total liabilities		1,034.7	891.5	143.1	16.1
Investments[2]		88.9	74.4	14.5	19.4

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) In intangible assets and property, plant and equipment

Operating results

The Generation Segment recorded EBITDA of EUR 33.6m in 2013/14, which represents an increase of 42.7m over the previous year. Depreciation and amortisation, including the results of impairment tests, rose by EUR 58.8m to EUR –86.7m. Current depreciation and amortisation were higher owing to the commissioning of the Duisburg-Walsum power plant and renewable energy generation plants. In addition, impairment losses were recognised on generation capacity in Austria and Bulgaria during the reporting year. EBIT fell by EUR 16.1m, or 43.6%, to EUR –53.1m.

Financial results and profit before tax

Financial results totalled EUR –25.3m in 2013/14 and were EUR 12.8m lower than the previous year. This decline was attributable to the commissioning of the Duisburg-Walsum power plant and the related interest expense. Profit before tax fell by EUR 28.9m, or 58.3%, to EUR –78.4m.

Investments

Investments in this segment increased EUR 14.5m, or 19.4%, year-on-year to EUR 88.9m. Activities focused on the completion of the Duisburg-Walsum power plant and the expansion of windpower capacity in Lower Austria. The windpark in Prellenkirchen, which has a capacity of 24 MW, was opened in 2013/14 and increased the number of windparks operated by EVN to 14. The groundbreaking ceremony for the Prottes-Ollersdorf windpark with a total capacity of 37 MW took place in November 2013 and will save 55,000 tonnes of CO_2 each year after commissioning.

Outlook

The operating framework for thermal generation is expected to remain challenging because of the low spreads between the cost of primary energy and the market price of electricity. As a consequence, the natural gas-fired power plants in Korneuburg and Theiss will be used to support network security for southern Germany – as required by the Federal Network Agency – and for balancing energy. Based on full-year operations in the Duisburg-Walsum power plant and the Prellenkirchen windpark as well as the scheduled commissioning of the Prottes-Ollersdorf windpark, an increase in production volumes can be expected. Earnings in the Generation Segment are forecasted to exceed the prior year in 2014/15.

Energy Trade and Supply

The Energy Trade and Supply Segment is responsible for the trading and sale of electricity and natural gas to end customers, primarily in the Austrian home market and in wholesale markets. The segment's business activities also include the procurement of electricity, natural gas and other primary energy carriers as well as the production and sale of heat.

In connection with the initial application of the new IFRS consolidation standards in the third quarter of 2013/14, the accounting method used to include EnergieAllianz Austria GmbH and EVN Energievertrieb GmbH und Co KG was changed from proportionate to equity consolidation. The earnings contributions from these two companies, from EconGas, e&t Energie Handelsgesellschaft mbH, Vienna, and from the district heating plants in St. Pölten and Steyr are now reported separately under the position "the share of results from equity accounted investees with operational nature" as part of EBIT.

Highlights 2013/14

- → Energy sales to end customers
  - Mild winter 2013/14 led to decline in sales volumes of electricity, natural gas and heat
  - Decline in household segment partly offset by electricity and heat sales to industrial customers
- → Revenue increase, above all through sales of production from the Duisburg-Walsum power plant

Development of energy sales to end customers

Electricity, natural gas and heat sales to end customers declined year-on-year, primarily due to the mild winter weather in the supply area during 2013/14. Electricity sales volumes were also reduced by a decline in the volumes sold by EnergieAllianz Austria in Germany and the absence of network loss deliveries to the Network Infrastructure Austria Segment as of 1 January 2014. Higher demand in the industrial customer segment was able to partly offset the temperature-related lower demand for electricity, natural gas and heat in the household customer segment.

Key indicators – Energy Trade and Supply		2013/14	2012/13[1]	Change nominal	Change in %
Key energy business indicators	GWh				
Energy sales volumes to end customers					
Electricity		6,787	7,188	–401	–5.6
Natural gas		5,383	6,333	–950	–15.0
Heat		1,806	1,857	–51	–2.8
Key financial indicators	EURm				
External revenue		431.5	387.8	43.6	11.3
Internal revenue		17.2	17.9	–0.8	–4.4
Total revenue		**448.6**	**405.8**	**42.9**	**10.6**
Operating expenses		–448.5	–415.5	–33.0	–8.0
Share of results from equity accounted investees with operational nature		55.2	38.3	16.9	44.2
EBITDA		**55.3**	**28.6**	**26.7**	**93.5**
Depreciation and amortisation including effects from impairment tests		–16.1	–15.8	–0.3	–2.1
Results from operating activities (EBIT)		**39.2**	**12.8**	**26.4**	–
Financial results		–3.0	–3.1	0.1	3.9
Profit before income tax		**36.2**	**9.7**	**26.5**	–
Total assets		509.4	420.4	89.0	21.2
Total liabilities		409.3	332.4	76.9	23.1
Investments[2]		32.3	30.0	2.3	7.6

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) In intangible assets and property, plant and equipment

Revenue development

Revenue rose by EUR 42.9m, or 10.6%, to EUR 448.6m in 2013/14. This increase resulted primarily from the sale of generation from the Duisburg-Walsum power plant, which was commissioned in December 2013.

Operating expenses

Operating expenses rose by EUR 33.0m, or 8.0%, to EUR 448.5m in 2013/14. The main factors for this development were the first purchases of electricity produced by the Duisburg-Walsum power plant and an increase in the provisions for onerous contracts related to the marketing of EVN's own electricity production.

Results from equity accounted investees

The share of results from equity accounted investees with operational nature rose by EUR 16.9m, or 44.2%, to EUR 55.2m, chiefly due to the absence of the negative earnings contribution from EconGas in the previous year.

Operating results

EBITDA rose by EUR 26.7m, or 93.5%, to EUR 55.3m. The expansion of the district heating network led to a slight rise in segment depreciation and amortisation to EUR 16.1m. This resulted in an EBIT increase of EUR 26.4m to EUR 39.2m.

Financial results and profit before tax

Financial results were nearly unchanged and amounted to EUR –3.0m for 2013/14, compared with EUR –3.1m in the previous year. Profit before tax in the Energy Trade and Supply Segment improved by EUR 26.5m to EUR 36.2m.

Investments

Investments were slightly higher than the previous year at EUR 32.3m in 2013/14 and focused on the continued expansion of the district heating plants and network as well as the further improvement of network coverage in the heating business. With more than 60 plants, EVN is the largest supplier of natural heat in Austria. The photovoltaic plant in Schönkirchen was also commissioned as a public participation model.

Outlook

The commissioning of the Duisburg-Walsum coal-fired power plant in December 2013 and the resulting full-year effect from EVN's own production should lead to an increase in sales volumes of electricity, whereby production planning will be based on wholesale market developments. The sales volumes of electricity, natural gas and heat are dependent on the weather conditions in the supply area. The reduction in electricity prices for Lower Austrian household customers as of 1 October 2014 will have an influence on earnings from the electricity end customer business. In total, earnings in the Energy Trade and Supply Segment should reflect the previous year in 2014/15.

Network Infrastructure Austria

The Network Infrastructure Austria Segment covers the operation of the regional electricity and natural gas networks as well as the cable TV and telecommunications networks in Lower Austria and Burgenland. This segment also includes corporate services, above all in connection with construction, which are reported as internal revenue.

Income from investments includes a distribution from the R-138 fund to Netz Niederösterreich GmbH and the shares held by Netz Niederösterreich GmbH in AGGM Austrian Gas Grid Management AG.

Highlights 2013/14

- → Stable electricity distribution volumes
- → Decline in natural gas distribution volumes due to the mild winter
- → Increased investments in the Lower Austrian network infrastructure
- → Adjustment of network tariffs as of 1 January 2014
  - Electricity: –9.0%
  - Natural gas: +7.7%

Development of network distribution volumes

Network tariffs for electricity and natural gas are adjusted annually on 1 January by the E-Control Commission in accordance with the incentive regulatory system. As of 1 January 2014, the natural gas network tariffs were raised by an average of 7.7% (1 January 2013: reduction of 2.5%) and electricity network tariffs were reduced by an average of 9.0% (1 January 2013: reduction of 0.4%). Electricity network distribution volumes nearly matched the previous year at 7,874 GWh in 2013/14. The higher demand for electricity by industrial customers was able to offset the temperature-related decline in the household customer segment, but the mild winter and the resulting weaker demand for natural gas in the household customer segment led to a decline of 1,101 GWh, or 7.2%, in natural gas distribution volumes to 14,131 GWh.

Key indicators – Network Infrastructure Austria		2013/14	2012/13[1]	Change nominal	Change in %
Key energy business indicators	GWh				
Network distribution volumes					
Electricity		7,874	7,885	–11	–0.1
Natural gas		14,131	15,232	–1,101	–7.2
Key financial indicators	EURm				
External revenue		430.9	435.8	–4.8	–1.1
Internal revenue		53.7	61.9	–8.2	–13.2
Total revenue		**484.6**	**497.6**	**–13.0**	**–2.6**
Operating expenses		–297.8	–285.0	–12.8	–4.5
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	–
EBITDA		**186.8**	**212.6**	**–25.8**	**–12.1**
Depreciation and amortisation including effects from impairment tests		–103.6	–100.7	–2.9	–2.9
Results from operating activities (EBIT)		**83.3**	**112.0**	**–28.7**	**–25.6**
Financial results		–19.8	–19.1	–0.7	–3.6
Profit before income tax		**63.4**	**92.8**	**–29.4**	**–31.7**
Total assets		1,787.7	1,786.8	0.9	0.1
Total liabilities		1,298.2	1,266.2	32.0	2.5
Investments[2]		186.8	176.4	10.4	5.9

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) In intangible assets and property, plant and equipment

Revenue development

The Network Infrastructure Austria Segment generated revenue of EUR 484.6m in 2013/14, a decline of EUR 13.0m, or 2.6%, compared with the previous year. This development resulted primarily from lower electricity and natural gas network revenue, which was not fully offset by the positive development of revenue from cable TV and telecommunications services and other revenue. Electricity network distribution revenue declined as a result of the tariff reduction, while the higher temperatures led to a reduction in natural gas network distribution revenue. Other revenue increased year-on-year based on an increase in the invoiced customer projects as of 30 September 2014. Revenue development in the cable TV and telecommunications business was positive during the reporting year, with a slight year-on-year increase of EUR 1.1m, or 2.0%, to EUR 54.1m.

Operating expenses and operating results

Operating expenses rose by EUR 12.8m, or 4.5%, to EUR 297.8m. This increase resulted primarily from changes in the volume of invoiced customer projects as of the balance sheet date. This effect was only partly offset by lower procurement costs for external energy to compensate network losses. EBITDA equalled EUR 186.8m, a decline of EUR 25.8m or 12.1% below the previous year. Including the year-on-year increase of EUR 2.9m, or 2.9%, in depreciation and amortisation to EUR 103.6m which resulted from the continuous investments in the network infrastructure, results from operating activities (EBIT) amounted to EUR 83.3m. This represents a decline of EUR 28.7m, or 25.6%, in EBIT.

Financial results and profit before tax

Financial results equalled EUR –19.8m, which is EUR 0.7m, or 3.6%, lower than the previous year. Profit before tax in 2013/14 totalled EUR 63.4m, which represents a year-on-year decline of EUR 29.4m, or 31.7%.

Investments

In connection with EVN's investment focus on supply security in Lower Austria, capital expenditure was increased by EUR 10.4m, or 5.9%, to EUR 186.8m during the reporting year. Expenditures in the electricity network focused on infrastructure development to

accommodate the feed-in from the expansion of generation from renewable energy sources in the network area. The 110 kV network was also expanded in the 2013/14 financial year to transport the increased feed-in of electricity generated by windpower. Other investment projects involved the medium- and low-voltage networks and were designed to improve the feed-in from decentralised photovoltaic equipment. Investments in the natural gas network included the completion of the 143 km Westschiene natural gas transport pipeline, whereby the last section was filled with natural gas during the reporting year. This pipeline creates a direct connection to the natural gas storage facilities operated by Rohöl-Aufsuchungs AG in Upper Austria.

Outlook

Earnings in the Network Infrastructure Austria Segment are significantly influenced by the network tariffs and the weather-related demand for electricity and natural gas. The network tariff adjustments that took effect on 1 January 2014 will also be applied in the first quarter of the 2014/15 financial year. The cable TV and telecommunications business should record constant earnings. Depending on the weather, the Network Infrastructure Austria Segment is expected to generate stable results for the coming year.

Energy Supply South East Europe

The Energy Supply South East Europe Segment is responsible for the operation of electricity networks and the sale of electricity to end customers in Bulgaria and Macedonia, the production of electricity in Macedonia, the generation and sale of heat in Bulgaria, the sale of natural gas to end customers in Croatia and energy trading throughout the region.

Highlights 2013/14

- → Tariff changes for electricity in Bulgaria:
  - Slight increase as of 1 July 2014
  - Simultaneous substantial increase in procurement costs for EVN
  - Repayment of revenue from previous periods
  - Receivable for additional costs for eco-electricity due from NEK
- → Increase of 5.1% in heat tariffs as of 1 July 2014 in Bulgaria
- → Tariff decisions in Macedonia
  - Increase of 3.5% in end customer prices as of 1 July 2014
  - Additional costs for liberalisation not included

Regulatory framework

The regulatory authority in Bulgaria reduced the end customer prices for electricity by 4.2% as of 1 August 2013 and followed this step with a further reduction of roughly 1.0% and 10.0%, respectively, in the day and night tariffs for household customers as of 1 January 2014. The next change involved a slight increase of 0.6% in end customer prices as of 1 July 2014. This adjustment did not create any advantage for the EVN companies in Bulgaria because the electricity purchase prices for EVN Bulgaria Electrosnabdjavane, which is responsible for supply, were increased substantially and the allowable margin was cut from 3% to 2%. The tariff decision also included the repayment of revenue from previous periods to customers. Clarification was also received that the national electricity company NEK is the direct recipient of the claim filed by EVN Bulgaria Electrosnabdjavane in 2012/13 for the compensation of additional costs associated with eco-electricity. Accordingly, this claim is now directed against NEK.

The 5.9% reduction in the end customer prices for heat in Bulgaria as of 1 January 2013 was partially reversed by an increase of 5.1% through a tariff decision issued on 1 July 2014.

EVN is continuing its active pursuit of the arbitration proceedings started last year at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID). The proceedings

Key indicators – Energy Supply South East Europe		2013/14	2012/13[1]	Change nominal	Change in %
Key energy business indicators	GWh				
Electricity generation volumes		**400**	**427**	**–27**	**–6.4**
thereof thermal power plants		273	292	–19	–6.6
thereof renewable energy		127	135	–8	–6.1
Network distribution volumes[2]		**13,034**	**13,031**	**3**	**0.0**
Heat sales volumes to end customers		**185**	**205**	**–20**	**–9.6**
Key financial indicators	EURm				
External revenue		900.4	1,007.3	–106.9	–10.6
Internal revenue		0.4	0.4	0.0	11.4
Total revenue		**900.8**	**1,007.7**	**–106.9**	**–10.6**
Operating expenses		–880.6	–890.6	10.0	1.1
Share of results from equity accounted investees with operational nature		0.0	0.0	0.0	–
EBITDA		**20.2**	**117.1**	**–96.9**	**–82.8**
Depreciation and amortisation including effects from impairment tests		–252.9	–65.8	–187.1	–
Results from operating activities (EBIT)		**–232.8**	**51.2**	**–284.0**	–
Financial results		–29.2	–27.5	–1.7	–6.2
Profit before income tax		**–262.0**	**23.7**	**–285.7**	–
Total assets		1,251.8	1,379.4	–127.6	–9.3
Total liabilities		1,137.8	1,044.7	93.1	8.9
Investments[3]		77.5	82.4	–5.0	–6.0

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) In Bulgaria and Maeconia energy sales volumes are approximately equivalent to present network distriubtion volumes.
3) In intangible assets and property, plant and equipment

initiated in March 2014 to revoke the license of the Bulgarian electricity company EVN Bulgaria Electrosnabdjavane EAD are unjustified from EVN's point of view. However, these proceedings are still pending.

The regulatory authority in Macedonia increased end customer prices by 3.5% on average as of 1 July 2014. The network tariff included in this price, which is relevant for EVN in Macedonia, was raised by only a slight amount and remains below the expected level. The next liberalisation step in Macedonia started at the beginning of the third quarter of 2013/14 and allows large local companies to select their own energy supplier. This liberalisation process will continue on a step-by-step basis over the coming years.

In Croatia, the natural gas distribution and supply project is proceeding. The underlying gas tariffs have been based on European regulatory standards since 1 January 2014, which also reflect the position of EVN Croatia Plin as a "greenfield investor".

Energy sector development

The mild winter in 2013/14 led to a decline in the heating degree total (Bulgaria –7.6 and Macedonia –5.7 percentage points) and to a further reduction in electricity and heat sales compared with the mild winter in the previous year.

EVN's companies in South Eastern Europe generated 400 GWh of electricity in 2013/14, a year-on-year decline of 27 GWh, or 6.4%. Of the total production, 127 GWh represented generation from hydropower and windpower plants and 273 GWh from thermal generation. The low volume of precipitation during the winter was reflected in reduced water flows throughout the region. The decline in production was also related to technical downtime at the co-generation plant in Plovdiv.

Network sales volumes were stable in comparison with the previous year and totalled 13,034 GWh. A primarily temperature-related decline in energy sales volumes was partly offset by further network loss reductions in Bulgaria und Macedonia.

Revenue development

Revenue generated by the Energy Supply South East Europe Segment fell by EUR 106.9m, or 10.6%, to EUR 900.8m in 2013/14. This development resulted primarily from the mild winter in 2013/14, effects from previous price decisions and the liability that was recognised in Bulgaria in connection with the tariff decision on 1 July 2014 and the required repayment of revenue from previous periods.

Operating expenses und operating results

Operating expenses were EUR 10.0m, or 1.1%, lower at EUR 880.6m, above all due to the additional expenses for eco-electricity that were included in the previous year. This reduction only offset the decline in revenue by a slight amount, and EBITDA fell by 82.8% to EUR 20.2m. Depreciation and amortisation, including the effects of impairment testing, rose from EUR 65.8m in the previous year to EUR 252.9m in 2013/14. The increase was caused primarily by the impairment losses recognised on goodwill and customer bases in the third quarter of 2013/14 based on the respective tariff decisions from 1 July 2014 in Bulgaria und Macedonia. The above effects resulted in EBIT of EUR –232.8m for 2013/14, compared with EUR 51.2m in the previous year.

Financial results and profit before tax

Financial results declined by EUR 1.7m to EUR –29.2m. Profit before tax was lower than the previous year at EUR –262.0m in 2013/14.

Investments

Investments in the Energy Supply South East Europe Segment were EUR 5.0m, or 6.0%, lower at EUR 77.5m year-on-year in 2013/14. However, the projects continued to focus on the improvement of supply security and network infrastructure. Further investments were also made in the expansion of natural gas supplies in Croatia.

Outlook

The Energy Supply South East Europe Segment is expected to record positive operating results in 2014/15. EVN will continue its efforts to realise further efficiency improvements and reduce network losses. In Macedonia, the challenges lie in the continued liberalisation of the electricity market. EVN will only benefit in part from the 9.7% increase in end customer electricity prices that was implemented in Bulgaria on 1 October 2014 because procurement costs were raised at the same time. In Bulgaria, EVN will also continue to enforce its rights before all responsible (arbitration) courts and bodies in the proceedings currently in progress.

Environmental Services

The activities of the Environmental Services Segment cover drinking water supply, wastewater treatment and thermal waste utilisation in Austria; the international project business in 13 countries throughout Central, Eastern and South Eastern Europe; and the operation of two combined cycle heat and power co-generation plants in Moscow.

Following the initial application of the new IFRS consolidation standards in the third quarter of 2013/14, the results from the waste water purification project in Croatia are reported under the "share of results from equity accounted investees with operational nature" in EBIT.

Highlights 2013/14

- → Valuation allowance on leasing receivable related to the waste utilisation plant no. 1 in Moscow
- → Impairment loss on sludge treatment plant and components of the Ljuberzy co-generation plant in Moscow
- → Commissioning of the Mia Milia/Haspolat wastewater purification plant in Cyprus
- → New orders in the international environmental services project business
- → Higher revenue from thermal waste utilisation in Lower Austria
- → Expansion of water supplies and construction of natural filter plants in Lower Austria

Revenue development

The Environmental Services segment generated revenue of EUR 191.1m in 2013/14, which represents a decline of EUR 57.2m, or 23.0%, in comparison with the previous year. This development resulted primarily from a lower volume of orders processed in the international project business. Increases in waste and steam revenue from waste utilisation in Lower Austria were unable to offset this decline. Revenue from drinking water supplies in Lower Austria remained stable at the previous year's level.

Operating expenses and operating results

Operating expenses rose by EUR 137.8m, or 65.7%, to EUR 347.5m in 2013/14. This increase resulted, above all, from developments in the international project business during the fourth quarter of the reporting year. Significant doubts over the realisation of the thermal waste utilisation plant no. 1 in Moscow led to an valuation allowance of EUR 191.4m on a leasing receivable. EBITDA amounted to

Key indicators – Environmental Services	EURm	2013/14	2012/13[1]	Change nominal	Change in %
External revenue		168.9	227.2	–58.3	–25.7
Internal revenue		22.2	21.1	1.1	5.1
Total revenue		**191.1**	**248.4**	**–57.2**	**–23.0**
Operating expenses		–347.5	–209.7	–137.8	–65.7
Share of results from equity accounted investees with operational nature		11.7	11.8	–0.1	–0.6
EBITDA		**–144.6**	**50.5**	**–195.1**	–
Depreciation and amortisation including effects from impairment tests		–70.2	–28.9	–41.3	–
Results from operating activities (EBIT)		**–214.9**	**21.5**	**–236.4**	–
Financial results		–4.0	0.3	–4.3	–
Profit before income tax		**–218.8**	**21.8**	**–240.7**	–
Total assets		1,197.6	1,468.9	–271.3	–18.5
Total liabilities		1,004.8	1,059.3	–54.5	–5.1
Investments[2]		13.5	12.0	1.5	12.3

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) In intangible assets and property, plant and equipment

EUR –144.6m (previous year: EUR 50.5m), while the results of operating activities (EBIT) equalled EUR –214.9m (previous year: EUR 21.5m). The decline in EBIT resulted from the above-mentioned effects in EBITDA and from impairment losses of EUR 39.6m recognised on the sludge treatment plant and components of the co-generation plant at the Ljuberzy waste water purification plant in Moscow. Depreciation and amortisation totalled EUR 70.2m for the reporting year.

Financial results and profit before tax

Financial results equalled EUR –4.0m and were EUR 0.3m below the previous year. This decline reflected the lower interest margin on completed projects in the international project business and negative effects from foreign currency translation. Profit before tax equalled EUR –218.8m, compared with EUR 21.8m in the previous year.

Investments

A total of EUR 13.5m was invested in the Environmental Services Segment during 2013/14, which represents an increase of EUR 1.5m, or 12.3%, over the previous year. EVN worked on nine international projects in this business during 2013/14.

In Montenegro, a contract was signed in February 2014 for the planning and construction of a wastewater purification plant in Kotor-Tivat that will have a capacity to service 72,400 population equivalents. The Budva wastewater treatment project in Montenegro entered the commissioning phase during the reporting year, and work started on the river regulation for the second wastewater treatment plant in the Budva project.

The official commissioning of the Mia Milia/Haspolat wastewater purification plant in the Cypriote capital of Nicosia took place in April 2014. The plant has a capacity to service 270,000 population equivalents. This project also covered the construction of a sludge treatment and a biogas recovery facility. In Larnaca, Cyprus, nearly all buildings for the wastewater purification plant have been completed. This plant will have a capacity to service 100,000 population equivalents and is scheduled to be commissioned in the first half of 2014/15.

In Poland, EVN and its Polish subsidiary received a contract for the planning, modernisation and expansion of the Pruszkow wastewater purification plant in Warsaw which will have the capacity to service 256,000 population equivalents after the project is completed. The building permit for the modernisation and expansion of the Kujawy wastewater purification plant in Krakow was received and work has already started.

EVN constructed a sodium hypochlorite plant for the city of Moscow through WTE Projektgesellschaft Natriumhypochlorit mbH, a company that is headquartered in Germany. The plant was completed in February 2013 and has been operational since that time. However, the city of Moscow was not prepared to meet the payment obli-

gations due to the project company despite the issue of a legally valid operating permit.

As announced in an ad-hoc press release on 29 October 2014, EVN reached an agreement with the Moscow city government over the sale of the sodium hypochlorite plant: Mosvodokanal, the water supply and wastewater disposal company of the city of Moscow, took over the shares in the Russian property company that holds the sodium hypochlorite plant from the project company. The sale price amounted to EUR 250.0m and corresponds to the investment costs plus the expected earnings contribution for the EVN Group. The sale closed on 30 October 2014. WTE has issued a conditional guarantee for the functionality of the plant. Preparatory tests and the commissioning are currently in progress.

EVN took over the management and operation of water supplies for the Lower Austrian community of Göllersdorf in January 2014, which raised the number of end customers who are supplied by EVN with drinking water to roughly 87,000. More than 500,000 residents in Lower Austria are currently supplied by EVN. A further municipal customer, the municipality of Litschau, has been serviced by EVN's cross-regional "Waldviertel" drinking water system since mid-June 2014. Work also started on the construction of natural filter plants in the Lower Austrian communities of Drösing and Obersiebenbrunn during the reporting year. These plants will reduce the hardness of the water by natural means. The commissioning of the Obersiebenbrunn plant is scheduled for spring 2015. A further plant is planned for Zwentendorf.

Outlook

The sale of the sodium hypochlorite plant to the city of Moscow is accounted for in the business year 2014/15. The Environmental Services Segment can be expected to generate positive earnings in this financial year assuming the commissioning of the sodium hypochlorite plant as planned and based on the current level of orders in the international project business, the expansion of the drinking water supply network and the construction of natural filter plants.

Strategic Investments and Other Business

The Strategic Investments and Other Business Segment basically covers the investments in Rohöl-Aufsuchungs AG (RAG), Burgenland Holding AG and Verbund AG. This segment also includes corporate functions as well as companies outside EVN's core business which generally provide internal services.

In connection with the initial application of the new IFRS consolidation standards, the share of earnings from the investments in Rohöl-Aufsuchungs AG and Energie Burgenland is reported as the "results from equity accounted investees with operational nature" under EBIT. The earnings contributions from WEEV Beteiligungs GmbH and e&i EDV Dienstleistungs G.m.b.H. are reported under financial results, as in previous years.

Highlights 2013/14

- → Lower earnings contribution from RAG
- → Lower earnings contribution from Energie Burgenland
- → Higher dividend from Verbund AG

Revenue, EBITDA and EBIT development

Revenue rose by EUR 2.9m, or 4.3%, to EUR 71.0m in 2013/14. In contrast, EBITDA fell by EUR 22.9m, or 27.8%, to EUR 59.4m. This decline resulted primarily from the absence of positive one-off effects from RAG and the resulting lower contribution of EUR 58.0m to earnings in 2013/14 (previous year: EUR 80.1m). The earnings contribution from Energie Burgenland equalled EUR 7.6m, but was also below the previous year's contribution of EUR 9.7m. Together with a slight decline in depreciation and amortisation, this led to a reduction of EUR 22.7m, or 28.2%, in results from operating activities (EBIT) to EUR 57.6m.

Financial results and profit before tax

Financial results rose from EUR –1.2m in the previous year to EUR 61.8m in 2013/14. This improvement reflected the absence of negative one-off effects from the previous year, specifically the negative earnings contribution from WEEV Beteiligungs GmbH, as well as a higher dividend of EUR 40.1m from Verbund AG. These developments led, in total, to an increase of EUR 40.3m, or 51.0%, in profit before tax to EUR 119.4 m.

Key indicators – Strategic Investments and Other Business	EURm	2013/14	2012/13[1]	Change nominal	Change in %
External revenue		9.5	8.8	0.7	8.2
Internal revenue		61.5	59.3	2.2	3.7
Total revenue		**71.0**	**68.0**	**2.9**	**4.3**
Operating expenses		–77.5	–75.7	–1.8	–2.4
Share of results from equity accounted investees with operational nature		66.0	89.9	–24.0	–26.7
EBITDA		**59.4**	**82.2**	**–22.9**	**–27.8**
Depreciation and amortisation including effects from impairment tests		–1.7	–1.9	0.2	9.8
Results from operating activities (EBIT)		**57.6**	**80.3**	**–22.7**	**–28.2**
Financial results[2]		**61.8**	**–1.2**	**63.0**	**–**
Profit before income tax		**119.4**	**79.1**	**40.3**	**51.0**
Total assets		2,750.3	2,887.2	–136.9	–4.7
Total liabilities		1,116.5	1,342.7	–226.3	–16.9
Investments[3]		2.5	3.5	–1.0	–29.8

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting accoding to IFRS, page 148).
2) For details on the income from EVN's investments, see note 31 on page 176 and note 32. on page 178.
3) In intangible assets and property, plant and equipment

Outlook

The share of results from equity accounted investees with operational nature is determined by the investments in RAG and Energie Burgenland. Financial results are influenced significantly by the dividend from Verbund AG, and the announced reduction in this distribution by Verbund AG will be reflected in the segment's results. Consequently, earnings in the Strategic Investments and Other Business Segment are expected to decline in 2014/15.

Consolidated financial statements for 2013/14

According to International Financial Reporting Standards

Consolidated statement of operations

EURm	Note	2013/14	2012/13[1]
Revenue	25	1,974.8	2,105.9
Other operating income	26	71.1	95.2
Cost of materials and services	27	–1,284.0	–1,280.3
Personnel expenses	28	–313.0	–305.3
Other operating expenses	30	–359.0	–170.4
Share of results from equity accounted investees with operational nature	31	94.0	95.0
EBITDA		**184.1**	**540.0**
Depreciation and amortisation	29	–256.0	–237.9
Effects from impairment tests	29	–269.5	–59.9
Results from operating activities (EBIT)		**–341.4**	**242.2**
Share of results from equity accounted investees with financial nature		2.8	–29.6
Results from other investments		42.4	26.8
Interest income		23.5	28.4
Interest expense		–96.7	–93.8
Other financial results		–4.0	–3.3
Financial results	32	**–31.9**	**–71.5**
Result before income tax		**–373.3**	**170.7**
Income tax	33	102.8	–17.9
Result for the period		**–270.5**	**152.8**
thereof result attributable to EVN AG shareholders (Group net result)		–299.0	109.3
thereof result attributable to non-controlling interests		28.5	43.5
Earnings per share in EUR[2]	34	–1.68	0.61
Dividend per share in EUR		0.42[3]	0.42

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).
2) There is no difference between basic and diluted earnings per share.
3) Proposal to the Annual General Meeting

Consolidated statement of comprehensive income

EURm	Note	2013/14	2012/13[1)]
Result for the period		–270.5	152.8
Other comprehensive income from			
Items that will not be reclassified to profit or loss		–22.1	–31.0
Remeasurements IAS 19	47	–31.0	–23.7
Investments in equity accounted investees	47	1.3	–13.3
Thereon apportionable income tax expense	47	7.5	5.9
Items that may be reclassified to profit or loss		–46.5	47.7
Currency translation differences	5	–7.9	–8.7
Available for sale financial instruments	47	–31.6	25.3
Cash flow hedges	47	–10.6	16.4
Investments in equity accounted investees	47	–7.8	26.0
Thereon apportionable income tax expense	47	11.5	–11.3
Total other comprehensive income after tax		–68.6	16.7
Comprehensive income for the period		–339.0	169.5
Thereof income attributable to EVN AG shareholders		–367.0	136.0
Thereof income attributable to non-controlling interests		27.9	33.5

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

Consolidated statement of financial position

EURm	Note	30.09.2014	30.09.2013[1)]	01.10.2012[1)]
Assets				
Non-current assets				
Intangible assets	35	196.5	394.9	400.4
Property, plant and equipment	36	3,542.2	3,472.9	3,402.0
Investments in equity accounted investees	37	889.1	944.0	1,017.0
Other investments	38	664.7	694.8	668.7
Deferred tax assets	51	87.1	43.6	39.5
Other non-current assets	39	398.1	857.0	898.3
		5,777.7	**6,407.2**	**6,425.9**
Current assets				
Inventories	40	178.1	109.6	106.0
Trade and other receivables	41	443.9	472.5	434.2
Securities	42	0.8	43.9	3.4
Cash and cash equivalents	61	217.6	250.4	151.4
		840.4	**876.5**	**695.0**
Non-current assets held for sale	43	223.7	–	–
		1,064.1	**876.5**	**695.0**
Total assets		**6,841.8**	**7,283.7**	**7,120.9**
Equity and liabilities				
Equity				
Issued capital and reserves attributable to shareholders of EVN AG	44–48	2,395.2	2,837.5	2,786.5
Non-controlling interests	49	237.5	241.7	245.4
		2,632.7	**3,079.2**	**3,031.9**
Non-current liabilities				
Non-current loans and borrowings	50	1,747.7	1,805.7	2,190.8
Deferred tax liabilities	51	48.1	119.2	125.5
Non-current provisions	52	497.4	463.7	423.7
Deferred income from network subsidies	53	521.6	503.5	469.5
Other non-current liabilities	54	87.8	79.4	88.0
		2,902.6	**2,971.5**	**3,297.5**
Current liabilities				
Current loans and borrowings	55	194.2	394.6	58.2
Taxes payable	56	61.1	74.9	81.4
Trade payables	57	505.1	415.8	336.7
Current provisions	58	137.2	87.0	81.1
Other current liabilities	59	408.9	260.5	234.2
		1,306.5	**1,232.9**	**791.6**
Total equity and liabilities		**6,841.8**	**7,283.7**	**7,120.9**

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

Consolidated statement of changes in equity

EURm	Share capital	Share premium and capital reserves	Retained earnings	Valuation reserve	Currency translation reserve	Treasury shares	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2012	**330.0**	**253.3**	**2,116.2**	**76.2**	**3.4**	**–10.7**	**2,768.3**	**245.4**	**3,013.7**
Adjustments as of 01.10.2012[1)]	–	–	18.2	–	–	–	18.2	–	18.2
Balance on 01.10.2012	**330.0**	**253.3**	**2,134.4**	**76.2**	**3.4**	**–10.7**	**2,786.5**	**245.4**	**3,031.9**
Comprehensive income[1)]	–	–	109.3	36.0	–8.7	–	136.5	33.0	169.6
Dividends 2011/12	–	–	–75.0	–	–	–	–75.0	–36.7	–111.7
Change in treasury shares	–	–0.1	–	–	–	–10.1	–10.2	–	–10.2
Other changes	–	–	–0.2	–	–	–	–0.2	–	–0.2
Balance on 30.09.2013[1)]	**330.0**	**253.1**	**2,168.5**	**112.1**	**–5.3**	**–20.8**	**2,837.6**	**241.7**	**3,079.3**
Comprehensive income	–	–	–299.0	–60.1	–7.9	–	–367.0	27.9	–339.1
Dividends 2012/13	–	–	–74.8	–	–	–	–74.8	–32.1	–106.9
Change in treasury shares	–	–0.1	–	–	–	–0.7	–0.8	–	–0.8
Other changes	–	–	0.2	–	–	–	0.2	–	0.2
Balance on 30.09.2014	**330.0**	**253.1**	**1,794.9**	**52.1**	**–13.2**	**–21.6**	**2,395.2**	**237.5**	**2,632.7**
Note	44	45	46	47	5	48		49	

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

Consolidated statement of cash flows

EURm	Note	2013/14	2012/13[1)]
Result before income tax		**–373.3**	**170.7**
+ Depreciation, amortisation/– revaluation of intangible assets and property, plant and equipment and non-current leasing receivables	29, 30	716.9	297.9
+ Non-cash share of results of equity accounted investees	37	48.8	88.7
– Gains/+ losses from foreign exchange translations		2.7	0.1
–/+ Other non-cash financial results		–2.7	3.3
– Release of deferred income from network subsidies	26	–45.4	–39.8
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment	61	1.2	0.0*)
+ Increase/– decrease in non-current provisions	52	–10.7	16.3
Gross cash flow		**337.4**	**537.1**
+ Decrease/– increase in inventories and receivables		–27.7	–17.8
+ Increase/– decrease in current provisions		50.2	6.0
+ Increase/– decrease in trade payables and other liabilities		205.7	73.1
– Income tax paid		–19.6	–28.3
Net cash flow from operating activities		**546.0**	**570.0**
+ Proceeds from the disposal of intangible assets and property, plant and equipment	61	3.3	3.4
+ Proceeds from network subsidies		83.5	73.8
+ Proceeds from the disposal of financial assets and other non-current assets		46.2	70.8
+ Proceeds from the disposal of current securities		163.4	70.1
– Acquisition of intangible assets and property, plant and equipment		–387.3	–366.7
– Acquisition of financial assets and other non-current assets		–32.1	–100.1
– Acquisition of current securities		–120.3	–110.4
Net cash flow from investing activities		**–243.3**	**–359.1**
– Dividends paid to EVN AG shareholders	46	–74.8	–75.0
– Dividends paid to non-controlling interests	61	–32.1	–36.7
– Repurchase/+ sales of treasury shares		–0.8	–10.2
+ Increase in financial liabilities		182.4	141.6
– Decrease in financial liabilities		–409.7	–133.4
Net cash flow from financing activities		**–335.0**	**–113.8**
Net change in cash and cash equivalents[2)]		**–32.3**	**97.2**
Net change in cash and cash equivalents	61		
Cash and cash equivalents at the beginning of the period[3)]		229.5	132.3
Cash and cash equivalents at the end of the period[3)]		197.2	229.5
Net change in cash and cash equivalents[2)]		**–32.3**	**97.2**

*) Small amount

1) The figures for the prior year were adjusted retrospectively according to IAS 8 (see note 2. Reporting in accordance with IFRS, page 148).

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

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

Consolidated notes

Basis of preparation

1. General

EVN AG, as the parent company of the EVN Group (EVN), is a leading listed Austrian energy and environmental services provider. Its headquarters are located in A-2344 Maria Enzersdorf, Austria. In addition to serving its domestic market in the province of Lower Austria, EVN is operating in the Bulgarian, Macedonian and Croatian energy industry. EVN is also active in the area of environmental services through subsidiaries that provide customers in 16 countries with water supply, wastewater treatment and thermal waste utilisation services.

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

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

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

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

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

2. Reporting in accordance with IFRS

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

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

The following standards and interpretations were applied for the first time in the 2013/14 financial year:

2. Standards and interpretations applied for the first time		Effective[1]
New Standards and Interpretations		
IFRS 10	Consolidated Financial Statements	01.01.2014[2]
IFRS 11	Joint Arrangements	01.01.2014[2]
IFRS 12	Disclosure of Interests in Other Entities	01.01.2014[2]
IFRS 13	Fair Value Measurement	01.01.2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	01.01.2013
Revised Standards and Interpretations		
IAS 27	Consolidated and Separate Financial Statements – revised IAS 27, Separate Financial Statements	01.01.2014[2]
IAS 28	Investments in Associates – revised IAS 28, Investments in Associates and Joint Ventures	01.01.2014[2]
IAS 36	Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets	01.01.2014[2]
IAS 39	Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting	01.01.2014[2]
IFRS 1	First-time Adoption of IFRS – Government Loans	01.01.2013
IFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities	01.01.2013
IFRS 10,12 IAS 27	Investment Entities	01.01.2014[2]
IFRS 10–12	Amendments to Transition Guidance	01.01.2014[2]
Several	Annual Improvements 2009–2011	01.01.2013

1) In accordance with the Official Journal of the EU, these standards are applicable to financial years beginning on or after the effective date.
2) Early application in 2013/14

IFRS 10, IFRS 11 and IFRS 12 form the new consolidation package that was released by the IASB in May 2011. The new consolidation standards IFRS 10–12 principally require mandatory application in the EU for financial years beginning on or after 1 January 2014. Earlier application is permitted, and EVN has decided to exercise this right.

IFRS 10 includes rules for the preparation and presentation of consolidated financial statements; provides a new, standardised definition of "control"; and sets out the accounting requirements for the inclusion of companies through full consolidation in the consolidated financial statements. IAS 27 now only defines the rules for the preparation of IFRS individual ("separate") financial statements. Based on the principles of corporate governance and any additional contractual agreements, the individual companies were analysed with respect to their significant activities, related variable returns and the possibility to affect these variable returns through the relevant activities. The new definition of control provided by IFRS 10 did not lead to any changes in the scope of fully consolidated companies.

IFRS 11 replaces IAS 31, which eliminates the previous option to consolidate joint ventures according to the proportionate method. IFRS 11 distinguishes between two forms of joint arrangements: depending on the rights and obligations of the controlling parties created by the arrangement, a differentiation is made between joint ventures and joint operations. Under IFRS 11, jointly controlled companies that meet the definition of a joint venture must be accounted for by applying the equity method. Joint operations, however, are to be considered line-by-line in the consolidated financial statements. The companies classified as joint arrangements after an analysis of the corporate governance structures were subsequently evaluated to determine the applicability of the IFRS 11 criteria for classification as a joint venture or joint operation. The structure of the individual joint arrangements was analysed and, if this structure was based on an independent vehicle, the respective legal form, other contractual agreements and additional facts and accompanying circumstances were reviewed. The application of the new standard led to the following changes:

With respect to the EnergieAllianz regional sales companies previously included through proportionate consolidation, the initial application of IFRS 11 led to the inclusion of EVN Energievertrieb GmbH & Co KG ("EVN KG") and ENERGIEALLIANZ Austria ("EnergieAllianz") at equity in the consolidated financial statements. This change was required because both companies were classified as joint ventures in the sense of IFRS 11.

The interest in Steag-EVN Walsum 10 Kraftwerksgesellschaft mbH ("Steag-EVN Walsum") was classified as a joint operation in the sense of IFRS 11. In contrast to the previous inclusion at equity, Steag-EVN Walsum was included in EVN's consolidated financial statements at 49.0%.

IFRS 12 regulates the disclosure requirements for interests in other companies in a single standard. The, in part new, disclosure requirements are related primarily to the nature of the interests in other entities as well as the related risks and the effects on the asset, financial and earnings positions.

In connection with the application of the new consolidation standards, the following accounting policy was changed in 2013/14:

The share of results from equity accounted investees with operational nature now also includes among others the proportional share of results from EVN KG and EnergieAllianz, two operating companies that are attributable to EVN's core business. These results are reported as part of the results of operating activities (EBIT) beginning with the third quarter of 2013/14. Under the previous reporting method, the entire share of results of equity accounted investees was included under financial results. This change in presentation led to a shift in the major component of at equity results to the results of operating activities. The share of results from equity accounted investees with financial nature now only includes the proportional share of results from WEEV Beteiligungs GmbH and e&i EDV Dienstleistungsgesellschaft m.b.H. in financial results. The change in the disclosure of at equity results provides a more accurate presentation of earnings because it better depicts the actual ownership interests in connection with the application of the new consolidation standards. This change in accounting policy led to an increase of EUR 94.0m in results from operating activities for 2013/14 and a decrease of the same amount in financial results (previous year: increase of EUR 95.0m in results from operating activities and a comparable reduction in financial results). This change in accounting policy had no effect on earnings per share.

The following accounting policy related to the regulatory account was changed in 2013/14:

IFRS 14 was issued by the IASB on 30 January 2014 and gives first-time adopters of IFRS an option for the recognition of regulatory assets and liabilities where recognition is possible under local GAAP (see below: Standards and interpretation not yet effective). This option is not applicable to EVN because the company is not a first-time adopter. The current IASB discussion paper "Reporting the Financial Effects of Rate Regulation", which was published on 17 September 2014, again points to the regulatory gap in IFRS. However, the IASB only addresses this subject on a broad basis and describes a range of accounting policies, but does not indicate a preference for any particular alternative.

Further evaluation and on-going analysis of the latest literature and a comparison of the practices followed by other market participants in recognising regulatory deferral accounts (regulatory account, also see note 19. Revenue recognition) under IFRS did not indicate a general trend for the recognition of regulatory assets or liabilities. In the event of a regulatory gap, the definitions provided by the IFRS Framework Concept are given greater weight in accordance with IAS 8. The prevailing opinion in the latest discussions rejects any consistency with "assets" and "liabilities" as defined in the current Framework Concept.

Based on the latest developments in the accounting treatment of regulatory deferral accounts and given the non-applicability of IFRS 14 to EVN, regulatory assets and regulatory liabilities were not recognised. The effect on profit after tax for the reporting year totals EUR –18.0m. The effect on earnings equals EUR –0.10 per share.

The application of the new consolidation standards and the change in the presentation of the share of results from equity accounted investees ("CONS") as well as the change in the accounting policy applied to the regulatory account ("REG") took place retrospectively as of 1 October 2012 in accordance with IAS 8. This led to adjustments to the data reported in prior periods. All comparative data in the consolidated financial statements and the consolidated notes were adjusted accordingly.

Details on the adjusted amounts for 2012/13 can be also found on the EVN website under the following link:
https://www.evn.at/EVN-Group/Investor-Relations/Publications/2013-14.aspx

The above-mentioned effects on the positions in the 2012/13 financial statements are as follows:

2. Adjustments to items in the consolidated statement of operations

	2012/13 30.09.2013			
EURm	previous	CONS	REG	adjusted
Revenue	**2,755.0**	**–641.1**	**–8.0**	**2,105.9**
Operating expenses	95.5	–0.3	–	95.2
Cost of materials and services	–1,908.4	628.5	–0.4	–1,280.3
Personnel expenses	–307.1	1.7	–	–305.3
Other operating expenses	–177.4	6.9	–	–170.4
Share of results from equity accounted investees with operational nature	–	95.0	–	95.0
EBITDA	**457.6**	**90.9**	**–8.4**	**540.0**
Depreciation incl. effects from impairment tests	–239.1	–58.8	–	–297.9
Results from operating activities (EBIT)	**218.5**	**32.1**	**–8.4**	**242.2**
Share of results from equity accounted investees	10.0	–10.0	–	–
Share of results from equity accounted investees with financial nature	–	–29.6	–	–29.6
Results from other investments	26.8	–	–	26.8
Interest income	28.4	–	–	28.4
Interest expense	–100.1	6.3	–	–93.8
Other financial results	–3.2	–	–0.1	–3.3
Financial results	**–38.1**	**–33.2**	**–0.1**	**–71.5**
Result before income tax	**180.3**	**–1.1**	**–8.5**	**170.7**
Income tax	–22.1	2.1	2.1	–17.9
Result for the period	**158.2**	**1.0**	**–6.4**	**152.8**
thereof result attributable to EVN AG shareholders (Group net result)	114.7	1.0	–6.4	109.3
thereof result attributable to non-controlling interests	43.5	–	–	43.5
Earnings per share in EUR[1)]	0.64	0.01	–0.04	0.61

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

2. Adjustments to items in the consolidated statement of comprehensive income

	2012/13 30.09.2013			
EURm	previous	CONS	REG	adjusted
Result for the period	158.2	1.0	–6.4	152.8
Other comprehensive income from				
Items that will not be reclassified to profit or loss	–31.0	–	–	–31.0
Remeasurements IAS 19	–23.7	–	–	–23.7
Investments in equity accounted investees	–13.3	–	–	–13.3
Thereon apportionable income tax expense	5.9	–	–	5.9
Items that may be reclassified to profit or loss	47.7	–	–	47.7
Currency translation differences	–8.7	–	–	–8.7
Available for sale financial instruments	24.9	0.5	–	25.3
Cash flow hedges	–0.4	16.8	–	16.4
Investments in equity accounted investees	38.2	–12.2	–	26.0
Thereon apportionable income tax expense	–6.2	–5.0	–	–11.3
Total other comprehensive income after tax	16.7	–	–	16.7
Comprehensive income for the period	174.9	1.0	–6.4	169.5
Income attributable to EVN AG shareholders	141.9	0.5	–6.4	136.0
Income attributable to non-controlling interests	33.0	–	–	33.5

2. Adjustments to items in the consolidated statement of financial position

EURm	2012/13 30.09.2013 previous	CONS	REG	adjusted	2012/13 01.10.2012 previous	CONS	REG	adjusted
Assets								
Non-current assets								
Intangible assets	397.6	–2.7	–	394.9	403.1	–2.7	–	400.4
Property, plant and equipment	3,094.3	378.6	–	3,472.9	3,009.2	392.8	–	3,402.0
Investments in equity accounted investees	1,047.9	–103.9	–	944.0	1,048.7	–31.7	–	1,017.0
Other investments	694.8	–	–	694.8	668.7	–	–	668.7
Deferred tax assets	29.4	10.8	3.4	43.6	25.9	12.3	1.3	39.5
Other non-current assets	861.1	–	–4.1	857.0	898.3	–	–	898.3
	6,125.1	**282.7**	**–0.7**	**6,407.2**	**6,053.9**	**370.7**	**1.3**	**6,425.9**
Current assets								
Inventories	108.4	1.3	–	109.6	106.1	–0.1	–	106.0
Trade and other receivables	565.5	–82.7	–10.3	472.5	537.6	–98.4	–5.1	434.2
Securities	43.9	–	–	43.9	3.4	–	–	3.4
Cash and cash equivalents	259.2	–8.8	–	250.4	162.1	–10.8	–	151.4
	977.0	**–90.2**	**–10.3**	**876.5**	**809.3**	**–109.2**	**–5.1**	**695.0**
Total assets	**7,102.1**	**192.6**	**–11.0**	**7,283.7**	**6,863.2**	**261.5**	**–3.8**	**7,120.9**
Equity and liabilities								
Equity								
Issued capital and reserves attributable to shareholders of EVN AG	2,824.8	22.9	–10.2	2,837.5	2,768.3	22.0	–3.8	2,786.5
Non-controlling interests	241.7	–	–	241.7	245.4	–	–	245.4
	3,066.5	**22.9**	**–10.2**	**3,079.2**	**3,013.7**	**22.0**	**–3.8**	**3,031.9**
Non-current liabilities								
Non-current loans and borrowings	1,571.4	234.3	–	1,805.7	1,933.3	257.6	–	2,190.8
Deferred tax liabilities	111.5	7.7	–	119.2	119.2	6.3	–	125.5
Non-current provisions	591.0	–127.3	–	463.7	490.7	–67.0	–	423.7
Deferred income from network subsidies	503.5	–	–	503.5	469.5	–	–	469.5
Other non-current liabilities	51.5	28.8	–0.8	79.4	49.9	38.1	–	88.0
	2,829.0	**143.4**	**–0.8**	**2,971.5**	**3,062.6**	**234.9**	**–**	**3,297.5**
Current liabilities								
Current loans and borrowings	390.3	4.3	–	394.6	49.4	8.8	–	58.2
Taxes payable	76.8	–1.9	–	74.9	87.0	–5.6	–	81.4
Trade payables	461.9	–46.1	–	415.8	384.4	–47.7	–	336.7
Current provisions	92.7	–5.7	–	87.0	84.9	–3.8	–	81.1
Other current liabilities	184.9	75.6	–	260.5	181.3	52.9	–	234.2
	1,206.7	**26.3**	**–**	**1,232.9**	**786.9**	**4.7**	**–**	**791.6**
Total equity and liabilities	**7,102.1**	**192.6**	**–11.0**	**7,283.7**	**6,863.2**	**261.5**	**–3.8**	**7,120.9**

2. Adjustments to items in the consolidated statement of cash flows

EURm	2012/13 30.09.2013 previous	CONS	REG	adjusted
Result before income tax	**180.3**	**–1.1**	**–8.5**	**170.7**
+ Depreciation and amortisation of intangible assets and property, plant and equipment	239.1	58.8	–	297.9
+/– Non-cash share of results of equity accounted investees	93.9	–5.3	–	88.7
– Gains/+ losses from foreign exchange translations	0.1	–	–	0.1
+/– Other non-cash financial results	3.3	–	–	3.3
– Release of deferred income from network subsidies	–39.8	–	–	–39.8
– Gains/+ losses on the disposal of intangible assets and property, plant and equipment	0.0*)	–	–	0.0*)
+ Increase/– decrease in non-current provisions	76.6	–60.3	–	16.3
Gross cash flow	**553.6**	**–7.9**	**–8.5**	**537.1**
– Increase/– decrease in inventories and receivables	–27.9	1.5	8.5	–17.8
+ Increase/– decrease in current provisions	7.9	–1.9	–	6.0
+ Increase/– decrease in trade payables and other liabilities	56.5	16.6	–	73.1
– Income tax paid	–28.3	–	–	–28.3
Net cash flow from operating activities	**561.7**	**8.3**	**–**	**570.0**
+ Proceeds from the disposal of intangible assets and property, plant and equipment	3.4	–	–	3.4
+ Proceeds from network subsidies	73.8	–	–	73.8
+ Proceeds from the disposal of financial assets and other non-current assets	70.8	–	–	70.8
+ Proceeds from the disposal of current securities	70.1	–	–	70.1
– Acquisition of intangible assets and property, plant and equipment	–322.1	–44.5	–	–366.7
– Acquisition of financial assets and other non-current assets	–166.1	66.0	–	–100.1
– Acquisition of current securities	–110.4	–	–	–110.4
Net cash flow from investing activities	**–380.5**	**21.4**	**–**	**–359.1**
– Dividends paid to EVN AG shareholders	–75.0	–	–	–75.0
– Dividends paid to non-controlling interests	–36.7	–	–	–36.7
+ Sales/– repurchases of own shares	–10.2	–	–	–10.2
+ Increase in financial liabilities	141.6	–	–	141.6
– Decrease in financial liabilities	–110.2	–23.3	–	–133.4
Net cash flow from financing activities	**–90.5**	**–23.3**	**–**	**–113.8**
Net change in cash and cash equivalents	**90.7**	**6.5**	**–**	**97.2**
Net change in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period	134.1	–1.8	–	132.3
Cash and cash equivalents at the end of the period	224.8	4.7	–	229.5
Net change in cash and cash equivalents	**90.7**	**6.5**	**–**	**97.2**

*) Small amount

IFRS 13 was published by the IASB in May 2011 and is the result of a joint project by the IASB and Financial Accounting Standards Board (FASB) to develop a standardised concept for the measurement of fair value. The measurement of fair value is based on a hypothetical transaction. IFRS 13 defines a three-level "fair value hierarchy", which gives the level 1 input factors the highest priority for the measurement of fair value. The transition to IFRS 13 requires the inclusion of a company's own credit risk in the fair value measurement of derivatives. In addition, the disclosures in the notes are now standardised and expanded. The effects of the prospective initial application of IFRS 13 in the reporting period are reflected, above all, in additional disclosures on financial instruments in these financial statements (see note 64. Reporting on financial instruments).

The change in IAS 36 Impairment of Assets clarifies the disclosure requirements for the recoverable amount of cash-generating units. In cases where goodwill or an intangible asset with an indefinite useful life that is significant compared to the total carrying amount of good-

will or the intangible asset with an indefinite useful life that have been allocated, the recoverable amount must only be disclosed if there is impairment or an increase in value. The premature application of this clarification had no effect on the disclosures in the consolidated financial statements.

The change in IAS 39 Financial Instruments ensures that hedge accounting can be continued under circumstances where a hedge must be novated to a central counterparty as a result of legal regulations. The premature application of this change had no effect on the consolidated financial statements.

The initial obligatory application of the other revised standards and interpretations did not have any impact on the consolidated financial statements.

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

Standards and interpretations not yet effective

The following standards and interpretations have been issued as at the balance sheet date of the consolidated financial statements by the IASB, adopted by the EU and published in the Official Journal of the EU.

2. Standards and interpretations not yet effective		Effective
New Interpretations		
IFRIC 21	Levies	01.01.2014[1)]
Revised Standards		
IAS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	01.01.2014[1)]

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

EVN does not expect the future, initial application of the above-mentioned new or revised standards and interpretations to have any significant effects on the asset, financial or earnings position.

The following standards and interpretations have been issued as at the balance sheet date of the consolidated financial statements by the IASB, but not yet adopted by the EU.

2. Standards and interpretations not yet effective		Effective
New Standards and Interpretations		
IFRS 9	Financial Instruments	01.01.2018[1)]
IFRS 14	Regulatory Deferral Accounts	01.01.2016[1)]
IFRS 15	Revenue from Contracts with Customers	01.01.2017[1)]
Revised Standards and Interpretations		
IAS 16, IAS 38	Property, Plant and Equipment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation	01.01.2016[1)]
IAS 16, IAS 41	Property, Plant and Equipment and Agriculture – Bearer Plants	01.01.2016[1)]
IAS 19	Employee Benefits – Defined Benefit Plans: Employee Contributions	01.07.2014[1)]
IAS 27	Separate Financial Statements - Equity Method in Separate Financial Statements	01.01.2016[1)]
IFRS 10, IAS 28	Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01.01.2016[1)]
IFRS 11	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations	01.01.2016[1)]
Several	Annual Improvements 2010–2012	01.07.2014[1)]
Several	Annual Improvements 2011–2013	01.07.2014[1)]
Several	Annual Improvements 2012–2014	01.01.2016[1)]

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

On 24 July 2014 the IASB issued the final version of IFRS 9, which replaces the rules defined in IAS 39 for the recognition and measurement of financial instruments. This represents the conclusion of a project started in 2008 as a reaction to the financial crisis. The new rules require mandatory application for financial years beginning on or after 1 January 2018; early application is permitted, but the adoption by the EU is still outstanding. IFRS 9 includes revised guidelines for the classification and measurement of financial assets, expanded rules for the recognition of impairment losses to financial assets and new rules for hedge accounting. The application of the new standard is expected to have an effect on the classification and measurement of financial assets in EVN's consolidated financial statements, whereby no statements can be made at this time concerning the effects on the asset, financial or earnings position. Minor effects on the asset, financial and earnings position are also expected in the area of hedge accounting because the new rules are based more on risk management and are therefore likely to result in differences from previous accounting practices. The impact of the application of IFRS 9 will be evaluated in detail when this standard is adopted into European law.

The IASB issued IFRS 14 on 30 January 2014 as a so-called interim standard. IFRS 14 permits first-time adopters (i.e. companies applying International Financial Reporting Standards for the first time) to present rate-regulated transactions in agreement with their previously applied accounting rules. IFRS 14 represents an interim solution that will apply until the IASB agrees on the accounting treatment of these issues within the context of its project on "rate-regulated activities". The previously issued IFRSs do not provide any guidelines for the accounting treatment of rate-regulated transactions, but a number of countries – including Austria – have issued national rules which require the recognition of regulatory deferral accounts. According to the prevailing opinion, the recognition of a regulatory asset or a regulatory liability is currently not permitted in financial statements prepared in accordance with IFRS. EVN is not directly affected by IFRS 14 because it only applies to first-time IFRS adopters.

IFRS 15 was issued by the IASB on 28 May 2014 and regulates the recognition of revenue from contracts with customers. The goal of this multi-year joint standardisation process between the IASB and the FASB was to unify the widely diverse requirements under IFRS and US-GAAP and to define principle-based rules for all industries. For IFRS users, IFRS 15 replaces IAS 11 "Construction Contracts" and IAS 18 "Revenue" as well as a number of interpretations, including IFRIC 18 "Transfers of Assets from Customers". IFRIC 18 covers, among others, the accounting treatment of construction subsidies received by EVN from customers. The new standard is based on a five-step model that applies to all contracts with customers unless more specific rules are provided in other standards, e.g. IAS 17 "Leases". With regard to the timing of revenue recognition, IFRS 15 defines whether revenue is to be recognised at a specific point in time or over time. This determination is based, above all, on the satisfaction of the performance obligation, which is based on a general control model in IFRS 15. The transfer of control determines the timing of revenue recognition. IFRS 15 also provides new, more comprehensive requirements for the disclosures in the notes to the consolidated financial statements. The effects of the application of IFRS 15 will be evaluated after this standard is adopted into European law.

EVN does not expect the future initial application of the other revised standards and interpretations to have a material effect on the asset, financial or earnings position.

Basis of consolidation

3. Consolidation methods

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

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

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

In accordance with IFRS 3, assets and liabilities (including contingent liabilities) obtained through business combinations are recognised at their full fair value, irrespective of any existing non-controlling interests. Non-controlling interests in subsidiaries are carried at the proportional share of net assets (excluding the proportional share of goodwill). Intangible assets are recognised separately from goodwill if they can be separated from the acquired company or arise from statutory contractual or other legal rights. Restructuring provisions may not be created as part of the purchase price allocation. Any remaining positive differences which represent compensation to the seller for market opportunities or developmental potential that cannot be individually identified are recognised in local currency as goodwill and allocated to the relevant segment. Negative differences are recognised in profit or loss after a repeated measurement of the acquired company's identifiable assets and liabilities (including contingent liabilities) and measurement of the acquisition cost. The differences between fair value and the carrying amount are carried forward in accordance with the related assets and liabilities during the subsequent consolidation. A change in the investment in a fully consolidated company is accounted for directly in equity without recognition through profit or loss.

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

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

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

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

4. Scope of consolidation

The scope of consolidation is determined in accordance with the requirements of IFRS 10 (also see note 2. Reporting in accordance with IFRS). Accordingly, 26 domestic and 38 foreign subsidiaries (including the parent company EVN AG) were fully consolidated in the consolidated financial statements as of 30 September 2014 (previous year: 26 domestic and 37 foreign subsidiaries). A total of 30 subsidiaries (previous year: 31) were not consolidated due to their immaterial influence on EVN's asset, financial and earnings position.

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

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

Bioenergie Steyr GmbH, in which EVN Wärme GmbH holds a stake of 51.00%, is included in the consolidated financial statements of EVN AG at equity because contractual agreements exclude any possibility of control.

EconGas, in which EVN AG has an unchanged interest of 16.51%, is included at equity due to special contractual arrangements that allow EVN to exercise significant influence.

Verbund Innkraftwerke Deutschland GmbH, in which EVN AG has an unchanged interest of 13.00%, is included at equity due to special contractual arrangements that allow EVN to exercise significant influence.

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

An overview of the companies included in the consolidated financial statements is provided under EVN's investments, starting on page 218. Notes 49. Non-controlling interests and 65. Disclosures of interests in other entities provide detailed information on the subsidiaries with major non-controlling interests as well as joint ventures and associated companies that are included in the consolidated financial statements.

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

4. Changes in the scope of consolidation	Full consolidation	Proportionate	Line-by-line (Joint Operation)	Equity	Total
30.09.2012	**62**	**5**	**–**	**19**	**86**
Changes in the scope of consolidation due to the new consolidation standards IFRS 10–12	–	–5	1	1	–3
01.10.2012	**62**	**–**	**1**	**20**	**83**
Start-ups and first consolidation	2	–	–	–	2
Mergers	–1	–	–	–	–1
Deconsolidation	–	–	–	–1	–1
30.09.2013	**63**	**–**	**1**	**19**	**83**
First consolidation	1	–	–	1	2
Deconsolidation	–	–	–	–1	–1
30.09.2014	**64**	**–**	**1**	**19**	**84**
thereof foreign companies	38	–	1	6	45

The application of the new consolidation standards (see note 2. Reporting according to IFRS) led to the following changes retrospective as of 1 October 2012:

The EnergieAllianz regional sales companies previously included through proportionate consolidation were included in the consolidated financial statements at equity retrospectively as of 1 October 2012. This involved EVN KG as well as the EnergieAllianz Group with ENERGIEALLIANZ Austria GmbH and its subsidiaries Naturkraft Energievertriebsgesellschaft m.b.H., SWITCH Energievertriebsgesellschaft m.b.H. and EAA Erdgas Mobil GmbH.

Steag-EVN Walsum was included in EVN's consolidated financial statements at 49.0% retrospectively as of 1 October 2012. Inclusion at equity was no longer possible following the classification of this company as a joint operation in the sense of IFRS 11.

EVN Macedonia Elektrosnabduvanje DOOEL was initially included in EVN's consolidated financial statements through full consolidation in the third quarter of 2013/14. This company was founded as a sales company to supply liberalised end customers in the Macedonian electricity market and will start its operating activities from now on after the beginning of liberalisation.

On 12 October 2011, the contract was signed for the rebuilding and expansion of the sewage treatment plant in Prague. Degremont WTE Wassertechnik Praha v.o.s. was founded for this purpose and initially consolidated at equity during the first quarter of 2013/14.

The sale of the 50% stake held by Utilitas in ALLPLAN Gesellschaft m.b.H., a company active in technical building services, was finalised with the closing on 5 November 2013. This investment, which was previously included at equity, was subsequently deconsolidated.

No business combinations as defined in IFRS 3 took place in 2013/14 nor in the previous year.

5. Foreign currency translation

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

In accordance with IAS 21, the annual financial statements of Group companies that are prepared in a foreign currency are translated into euros for inclusion in the consolidated financial statements. This translation is based on the functional currency method, under which the assets and liabilities of companies not reporting in euros are converted by applying the average exchange rate on the balance sheet date and any income and expenses are converted at the average annual rate. Unrealised currency translation differences from long-term Group loans are recorded under the currency translation reserve in equity without recognition in profit or loss. Currency translation differences directly recognised in equity resulted in a decrease of EUR 7.9m in equity during 2013/14 (previous year: decrease of EUR 8.7m).

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

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

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

5. Foreign currency translation	2013/14		2012/13	
Currency	Exchange rate on the balance sheet date	Average[1]	Exchange rate on the balance sheet date	Average[1]
Albanian lek	139.44000	140.06769	139.98000	140.06538
Bulgarian lev[2]	1.95583	1.95583	1.95583	1.95583
Croatian kuna	7.64250	7.62331	7.61530	7.54795
Macedonian denar	61.65340	61.60085	61.50040	61.55754
Polish zloty	4.17760	4.17750	4.22880	4.18805
Russian ruble	49.76530	46.86468	43.82400	41.42608
Serbian denar	118.85090	115.75038	114.26060	112.96633

1) Average on the last day of each month
2) The exchange rate was determined by Bulgarian law.

Accounting policies

6. Intangible assets

The recognition of business combinations as defined in IFRS 3 may result in differences between the consideration transferred and the (proportional) revalued share of equity acquired. If the difference is negative, the acquisition cost and the purchase price allocation must be reviewed. If the negative difference is reconfirmed, it is recognised to profit in loss. Positive differences result in goodwill (for general information on the treatment and impairment of goodwill, see note 3. Consolidation methods, and note 21. Procedures and effects of impairment tests).

Acquired intangible assets are recognised at acquisition cost less straight-line amortisation and any impairment losses, unless their useful life is classified as indefinite. Assets with a determinable limited useful life are amortised on the basis of that expected useful life, which equals three to eight years for software and three to 40 years for rights. Customer relationships capitalised in connection with a business combination, which have a determinable useful life because of potential market liberalisation, are amortised on a straight-line basis over five to 15 years. The expected useful lives and amortisation curves are determined by estimating the timing and distribution of cash inflows from the corresponding intangible assets over time. Intangible assets with an indefinite useful life are measured at cost and tested annually for impairment (see note 21. Procedures and effects of impairment tests).

Internally generated intangible assets must meet the requirements of IAS 38 in order to be capitalised. This standard distinguishes between research and development expenses. As in the previous year, no development expenses were capitalised because the recognition criteria were not met. The requirements of IFRIC 12 are fulfilled only for the at equity consolidated hydropower plant Ashta as well as for the at equity included wastewater treatment project in Zagreb.

7. Property, plant and equipment

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

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

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

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

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

7. Expected useful life of property, plant and equipment	Years
Buildings	10–50
Transmission lines and pipelines	15–50
Machinery	10–33
Meters	5–40
Tools and equipment	3–25

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

8. Investments in equity accounted investees

Investments in equity accounted investees are initially recognised at cost and subsequently measured at the proportional share of net assets at amortised cost plus any applicable goodwill. The carrying amounts are increased or decreased each year by the proportional share of net profit or loss, distributed dividends, other changes in equity and fair value adjustments from a preceding business combination that are carried forward. Any goodwill included in the carrying amount is not subject to scheduled amortisation in accordance with IFRS 3 and is neither reported separately in accordance with IAS 28 nor tested annually for impairment in accordance with IAS 36. An assessment is made as of each balance sheet date in accordance with IAS 39 to determine whether there are internal or external signs of impairment. If there are any such indications, the investment in the equity accounted investee must be tested for impairment in accordance with IAS 36. Confirmation of impairment leads to the recognition of an impairment loss to the earnings of the equity accounted investee (see note 21. Procedures and effects of impairment tests).

9. Financial instruments

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

Primary financial instruments

The following measurement categories are used by EVN:

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

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

9. Classes and measurement categories of primary financial instruments	Measurement category
Non-current assets	
Other investments	
Miscellaneous investments	AFS
Other non-current assets	
Securities	@FVTPL
Loans receivable	LAR
Lease receivables and accrued lease transactions	LAR
Receivables arising from derivative transactions	Hedge Accounting, @FVTPL

Current assets	
Current receivables and other current assets	
Trade and other receivables	LAR
Receivables arising from derivative transactions	Hedge Accounting, @FVTPL
Securities	AFS
Cash and cash equivalents	
Cash on hand and cash at banks	LAR

Non-current liabilities	
Non-current loans and borrowings	
Bonds	FLAC
Bank loans	FLAC
Other non-current liabilities	
Leases	FLAC
Accruals of financial transactions	FLAC
Other liabilities	FLAC
Liabilities arising from derivative transactions	Hedge Accounting, @FVTPL

Current liabilities	
Current loans and borrowings	FLAC
Trade payables	FLAC
Other current liabilities	
Other financial liabilities	FLAC
Liabilities arising from derivative transactions	Hedge Accounting, @FVTPL

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

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

The securities reported under other non-current assets are measured @FVTPL because they are managed on a portfolio basis. Non-derivative financial assets that are not classified under loans and receivables or @FVTPL are assigned to the measurement category "AFS".

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

Derivative financial instruments

The derivative financial instruments used by EVN include swaps, forwards and futures.

Derivative financial instruments are recognised at cost when the contract is concluded and at fair value in subsequent periods. The fair value of derivative financial instruments is determined on the basis of quoted market prices, information provided by banks or discounting-based

valuation methods whereby the counterparty risk is also included. Derivative financial instruments are reported as other (current or non-current) assets or other (current or non-current) liabilities.

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

The effective portion of the gains and losses arising from the fair value measurement of derivative financial instruments classified as cash flow hedges under IAS 39 is recorded without recognition in profit or loss in the valuation reserve according to IAS 39. The cumulative gains and losses are transferred to profit or loss when the hedge is settled. The ineffective portion of the gain or loss is recognised immediately in profit or loss.

For fair value hedges, the carrying amount of the underlying transaction is adjusted through profit or loss by the gain or loss on the hedged item that is attributable to the hedged risk. The results are generally reported on the consolidated statement of operations under the position that contains the hedged transaction. Fluctuations in the fair value of hedges are basically offset by the changes in the fair value of the hedged transactions.

The main instruments used by EVN to manage and limit existing exchange rate and interest rate risks are foreign currency and interest rate swaps.

EVN uses swaps, futures and forwards to limit energy sector risks arising from changes in commodity and product prices as well as changes related to electricity transactions.

The forward and futures contracts concluded by EVN for the purchase or sale of electricity, natural gas and CO_2 emission certificates serve to hedge the purchase prices for expected electricity, natural gas or CO_2 emission certificates as well as the selling prices for planned electricity production. These contracts do not constitute derivative financial instruments as defined in IAS 39 because they lead to regular physical deliveries based on the expected procurement, sale or usage requirements and therefore normally meet the requirements for the own use exemption under IAS 39. The contracts represent pending purchase and sale transactions, which must be assessed for possible impending losses in accordance with the requirements of IAS 37. If the requirements for the own use exemption are not met – for example, by transactions for short-term optimisation – the contracts are recorded as derivatives in accordance with IAS 39.

10. Other investments

Other investments include shares in associated companies which are not included in the consolidated financial statements due to immateriality. These shares are recorded at amortised cost less any necessary impairment losses.

The remaining other investments are assigned to the valuation category AFS and are recognised in the consolidated statement of financial position at fair value based on share prices, if possible. Unrealised profits or losses are recognised in other comprehensive income. An impairment loss (see note 9. Financial instruments) is recognised in profit or loss. When financial assets are sold, the unrealised profits or losses previously recognised in other comprehensive income are transferred to profit or loss.

11. Other non-current assets

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

Originated loans are classified as "LAR". Interest-bearing originated loans are recorded at amortised cost, while interest-free and low-interest originated loans are reported at their present value. All identifiable risks are taken into consideration by means of valuation adjustments.

Lease receivables and accrued lease transactions are related to the international project business of the Environmental Services Segment. They are classified as finance leases according to IAS 17 in conjunction with IFRIC 4 (see note 22. Leased and rented assets).

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

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

Non-current assets held for sale

Non-current assets or groups of assets whose sale is sufficiently probable are classified as held for sale when the necessary approvals have been issued and the requirements of IFRS 5 have been met. If necessary, the carrying amount of these assets is reduced to the lower fair value less costs to sell. Depreciation and amortisation are terminated up to the point of sale. These assets are presented separately from other assets on the balance sheet. Any gain or loss not recognised up to the date on which a non-current asset is sold is recognised on the derecognition date. The non-current assets reported as held for sale in 2013/14 are related to the sodium hypochlorite plant in Moscow (see note 43. Non-current assets held for sale).

12. Inventories

The measurement of inventories is based on acquisition or production cost or the lower net realisable value as of the balance sheet date. For marketable inventories, these values are derived from the current market price. For other inventories, these figures are based on the expected proceeds less future production costs. If the generation of electricity from primary energy inventories does not cover the full production cost, this electricity is carried at the lower replacement cost (which represents the best available measurement basis). Primary energy inventories held for trading purposes are carried at fair value (commodity exchange price, level 1 in accordance with IFRS 13) less selling costs. Risks arising from the length of storage or reduced marketability are reflected in experience-based reductions. The moving average price method is used to determine the consumption of primary energy inventories as well as raw materials, auxiliary materials and fuels.

The CO_2 emission certificates allocated free of charge in accordance with the Austrian Emission Certificate Act are recognised at an acquisition cost of zero based on IAS 20 and IAS 38, due to the rejection of IFRIC 3 by the European Commission. Any additional purchases of CO_2 emission certificates are recognised at cost, whereby additions to provisions for shortfalls are based on the fair value as of the balance sheet date.

13. Trade and other receivables

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

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

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

14. Securities

Current securities are classified as “AFS” and measured at their fair value. Changes in fair value are recorded under other comprehensive income without recognition in profit or loss. When the securities are sold, these gains or losses are transferred to profit or loss.

15. Cash and cash equivalents

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

16. Equity

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

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

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

17. Provisions

Provisions for pensions and obligations similar to pensions

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

For employees who joined the company after 1 January 1990, the supplementary company pension has been replaced by a defined contribution plan that is financed through EVN-Pensionskasse. This pension fund invests its pension fund assets primarily in different investment funds in accordance with the provisions of the Austrian Pension Fund Act. Pension commitments were also made to certain employees, which require EVN to pay retirement benefits under certain conditions.

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

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

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

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

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

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

Provision for severance payments

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

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

The provision for severance payments was calculated according to actuarial principles. This provision was measured using the same parameters as the provisions for pensions and obligations similar to pensions (the measurement principles are described in note 52. Non-current provisions). All remeasurements – at EVN AG, only gains and losses from changes in actuarial assumptions – are recognised under other comprehensive income in accordance with IAS 19.

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

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

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

Other provisions

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

The applied discount rates are pre-tax rates that reflect actual market expectations for the interest rate effect and the specific risks attributable to the respective provisions.

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

Waste disposal and land restoration requirements related to legal and perceived commitments are recorded at the present value of the expected future costs. Changes in the estimated costs or the interest rate are offset against the carrying amount of the underlying asset. If the decrease in a provision exceeds the carrying amount of the asset, the difference is recognised through profit or loss.

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

18. Liabilities

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

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

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

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

19. Revenue recognition

Realisation of revenue (in general)

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

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

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

Regulatory account

Electricity and natural gas network regulatory authorities define and evaluate appropriate "target revenue" for the individual market participants at regular intervals. Revenue above or below the target is recorded under the regulatory account and taken into consideration for future tariff adjustments.

In Austria, the amendment to the Electricity Economy and Organisational Act ("Elektrizitätswirtschafts- und -organisationsgesetzes 2010", ElWOG), which took effect on 3 March 2011, introduced a new ex-post regulation procedure for network operator revenue in the form of a regulatory account (§ 50 ElWOG). This system was also integrated into the Natural Gas Act of 2011 ("§ 71 Gaswirtschaftsgesetz 2011", GWG). The purpose of the newly established regulatory account is to provide every network operator with compensation for differences between actual revenue and the officially established revenue by means of a "virtual account". In accordance with § 50 ElWOG and § 71 GWG, these differences are taken into account in determining the cost basis for the next payment period.

Based on the latest developments related to the accounting treatment of regulatory deferral accounts, regulatory assets and regulatory liabilities were not recognised (also see note 2. Reporting in accordance with IFRS). The accounting policy applied to the regulatory account was changed retrospectively as of 1 October 2012 during the reporting year.

A tariff decision in Bulgaria on 1 July 2014 clarified that the national electricity company Natsionalna Elektricheska Kompania EAD (NEK) is the direct legal recipient of the claim filed by EVN's Bulgarian sales company in the previous year for the compensation of additional costs associated with renewable electricity. This claim amounts to EUR 86.8m and was accrued under miscellaneous other non-current assets. It meets the recognition requirements for an asset under IFRS (see note 39. Other non-current assets).

Contract manufacturing

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

20. Income taxes and deferred taxes

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

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

20. Corporate income tax rates

%	2013/14	2012/13
Headquarters		
Austria	25.0	25.0
Albania	15.0	10.0
Bulgaria	10.0	10.0
Germany[1)]	30.3	30.3
Estonia[2)]	21.0	21.0
Croatia	20.0	20.0
Lithuania	15.0	15.0
Macedonia[3)]	10.0	10.0
Montenegro	9.0	9.0
Poland	19.0	19.0
Romania	16.0	16.0
Russia	20.0	20.0
Serbia	15.0	15.0
Slovenia	17.0	17.0
Czech Republic	19.0	19.0
Turkey	20.0	20.0
Cyprus	12.5	12.5

1) 15.83% corporate income tax, incl. solidarity surcharge, and 14.42% trade tax (refers to companies in the environmental business)
2) Taxes on corporate profits are levied when dividends are paid to the shareholders. Retained earnings are not taxed.
3) Corporate profits are taxed on the basis of earnings starting in 2014. Retained earnings were not taxed up to 2013. Taxes are charged only when the earnings are distributed to shareholders. Taxes payable in the past only involved the tax on non-deductible expenses.

EVN has elected to utilise the option provided by Austrian law and maintains two (previous year: four) corporate tax groups. EVN AG is a member of a corporate tax group whose top-tier corporation is NÖ Landes-Beteiligungsholding GmbH, St. Pölten. The taxable profit of the companies belonging to these groups is assigned to the respective superior group member or top-tier corporation. As an offset for the transferred taxable results, the tax group contracts include a tax charge that is based on the stand-alone method.

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

The transfer of losses from foreign subsidiaries leads to the recognition of a liability equalling the nominal amount for the future corporate income tax obligation.

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

Deferred taxes are calculated according to the liability method at the tax rate expected when short-term differences are reversed. Deferred tax assets and deferred tax liabilities are calculated and recognised for all temporary differences (i.e. the differences between the carrying amounts in the consolidated financial statements and the annual financial statements prepared for tax purposes that will balance out in the future).

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

Deferred taxes are not recognised in the consolidated balance sheet for temporary differences resulting from investments in equity accounted investees.

21. Procedures and effects of impairment tests

All assets that fall under the scope of application of IAS 36 are tested as of the balance sheet date to determine whether there are sufficient internal or external signs of impairment. Property, plant and equipment and intangible assets with definite useful lives are subject to scheduled depreciation and amortisation, and must only be tested for impairment if there are clear signs of a possible lasting decline in value. In contrast, goodwill and intangible assets with indefinite lives must be tested for impairment at least once each year.

The impairment testing of goodwill and assets for which no expected future cash flows can be identified is based on an assessment of the respective cash-generating unit (CGU). The CGUs that generate separate cash flows and – in the case of impairment tests of goodwill – derive benefits from the synergies resulting from the given business combination must be identified for the purpose of assignment. Any non-assignable consolidation differences are primarily allocated to the CGUs "electricity distribution Bulgaria", "electricity distribution Macedonia" and "international project business".

The decisive criterion for classifying property, plant and equipment to a CGU is its technical and commercial ability to generate independent revenues. In the EVN Group, this definition applies to electricity and heat generation plants, electricity, natural gas and water distribution systems, wind parks, electricity purchasing rights, data transmission lines and facilities in environmental business.

In assessing impairment, the higher of the net selling price and the value in use of the CGU is compared to the carrying amount of the CGU and the carrying amount of the asset. The net selling price corresponds to the fair value less costs to sell.

A pre-tax weighted average cost of capital (WACC) is used as the discount rate. The equity component of the WACC reflects the risk-free interest rate for 10-year EU bonds plus a risk premium that incorporates the market risk and an appropriate beta coefficient based on peer

group capital market indicators. The debt component of the WACC equals the basis interest rate plus an EVN-specific risk premium. These two components are weighted according to the capital structure based on peer group data of 50:50 at market values. Cash flows are discounted at a pre-tax WACC of 8.7% (previous year: 8.7%), which is adjusted for specific company and country risks.

The calculation of the value in use is based on the expected future cash inflows and outflows, which are basically derived from medium-term internal forecasts. The cash flow forecasts are based on the latest financial forecasts approved by management and cover the period for which reliable forecasts can be prepared. Future assumptions concerning electricity prices are derived from the quotations on the futures market of European Energy Exchange AG, Leipzig. The assumptions for later periods are based on an average of two forecasts by well-known information service providers in the energy sector. This valuation process incorporates future expected revenues as well as operating, maintenance and repair expenses. The valuation process for property, plant and equipment and intangible assets with definite lives also includes the condition of the respective asset. The quality of the forecast data is regularly compared with actual results through a variance analysis. These findings are taken into consideration in developing the next medium-term corporate forecast.

If the recoverable amount is lower than the carrying amount, the carrying amount must be reduced to this lower value and an impairment loss must be recognised. If the carrying amount of a CGU exceeds the recoverable amount, the goodwill is written down by the resulting difference. Any further impairment leads to a proportional reduction of the carrying amounts of the CGU's remaining assets. The respective assets are written up if the reason for impairment ceases to exist. The increase in the carrying amount resulting from the write-up may not exceed the amortised acquisition or depreciated production cost. In accordance with IAS 36, goodwill written down in connection with an impairment test may not be revalued, even if the reasons for impairment have ceased to exist.

The carrying amounts of goodwill are as follows:

21. Allocation of goodwill to cash-generating units

EURm	2013/14	2012/13
Electricity distribution Bulgaria	–	122.6
Electricity distribution Macedonia	–	26.3
International project business	53.1	53.1
Other CGUs	5.5	5.5
Total goodwill	**58.6**	**207.5**

The tariff decisions announced by the responsible regulatory authorities in Bulgaria and Macedonia together with the current economic situation and the outlook for the region led to the adjustment of medium-term expectations for the EVN Group's business activities in Bulgaria and Macedonia. These developments led to the recognition of impairment losses on goodwill and customer bases in the relevant CGUs (EUR 148.9m and EUR 43.0m). In the previous year, customer relationships with an acquisition cost of EUR 24.5m were assigned to the CGU "electricity distribution Macedonia". The involved customer relationships, which were not yet subject to market liberalisation and therefore had an indefinite useful life, were no longer existent as of 30 September 2014 (see note 35. Intangible assets).

The major assumptions used to calculate the value in use for goodwill are the cash flow forecasts, the discount rate (WACC) and the growth rate after the end of the detailed planning period.

The assumptions applied to the major cash-generating units and the related sensitivity analyses are shown in the following table:

International project business

21. International project business

in %	2013/14	2012/13
Assumptions		
Pre-tax WACC	10.60%	12.00%
Growth rate after the detailed planning period of 4 years	0.0%	0.0%
Sensitivities in the discount rate		
WACC +1%	–6.9%	–3.1%
WACC –1%	15.7%	14.8%
Change in WACC in basis points (BP) so the recoverable amount will equal the carrying amount	30 BP	60 BP

The carrying amount of net assets in the CGU "international project business" totalled EUR 252.9m (previous year: EUR 262.9m). An increase (decrease) of 1% in the WACC during 2013/14, ceteris paribus, would have led to a shortfall of 6.9% in the coverage of net assets in the CGU (previous year: surplus coverage of 15.7%). An increase (decrease) of 1% in the growth factor during 2013/14, ceteris paribus, would have led to surplus coverage of 4.1% in the net assets of the CGU (previous year: surplus coverage of 2.5%). At a growth factor of –4.0%, the recoverable amount would equal the carrying amount.

The calculations were based on the value in use.

22. Leased and rented assets

In accordance with IAS 17, a leased asset is allocated to the lessee or lessor based on the transfer of significant risks and rewards incidental to the ownership of the asset.

Non-current lease receivables arising in connection with PPP projects carried out by the Environmental Services Segment – in which a facility is built, financed and then operated on behalf of the customer for a fixed period of time, after which the plant becomes the property of the customer – are classified as finance leases in accordance with IAS 17 in conjunction with IFRIC 4, and recognised as such in EVN's consolidated financial statements.

Assets obtained through finance leases are capitalised by the lessee at the fair value or the lower present value of the minimum lease payments, and depreciated on a straight-line basis over their expected useful life or the shorter contract period. Payment obligations resulting from future lease payments are reported as liabilities. Assets obtained through operating leases are attributed to the lessor, and the related lease payments are expensed by the lessee in equal amounts over the term of the lease.

23. Accounting estimates and forward-looking statements

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

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

Impairment tests require estimates, especially for future cash surpluses. A change in the general economic, industry or company environment may reduce cash surpluses and therefore lead to signs of impairment. The weighted average cost of capital (WACC) is used to determine the recoverable amounts based on capital market methods. The WACC represents the weighted average interest paid by a company

for equity and debt. The weighting applied to the interest on the equity and debt components – which reflects a capital structure at market values – was derived from an appropriate peer group. Given the current volatility on the financial markets, the development of the cost of capital (and above all the country risk premiums) is monitored on a regular basis (see note 21. Procedures and effects of impairment tests).

For the valuation of the generation portfolio, the price structure beginning with the fifth year (when predicable market prices are no longer available on the electricity exchanges) was based on average forecasts from two well-known market research institutes and information service providers in the energy sector. The most recent studies, which are updated regularly due to the current volatility on the electricity markets, were used in each case.

The most important premises and judgmental decisions used to determine the scope of consolidation are described under note 2. Reporting in accordance with IFRS and note 4. Scope of consolidation.

In March 2014, the Bulgarian State Energy and Water Regulatory Commission (SEWRC/the regulatory authority) initiated administrative proceedings to revoke the licence of EVN Bulgaria EC. SEWRC justified this action with reference to the offset by EVN Bulgaria EC of certain receivables due from the national electricity company Natsionalna Elektricheska Kompania EAD (NEK). The regulatory authority claims this offset led to the reduction of NEK's cash reserves and impaired the company's ability to meet its legal obligations. The administrative proceedings are currently pending. The regulatory authority also imposed a fine of BGN 1m on EVN Bulgaria EC during the administrative proceedings. EVN Bulgaria EC filed an appeal against this fine with the Plovdiv district court (PDC), which is the court of first instance. In a 10 October decision, the court ruled in favour of SEWRC and confirmed the fine. EVN Bulgaria EC has filed an appeal against this decision with the administrative court in Plovdiv. The valuation of the Bulgarian assets is based on current assumptions. The investment protection proceedings currently in progress at the World Bank's International Center for the Settlement of Investment Disputes (ICSID) will be pursued, with the intention of obtaining compensation for the disadvantages of the regulatory decisions.

In Moscow, the anti-monopoly commission (FAS) issued a legally binding directive that declared a 1 June 2010 decision by the city government to be in violation of competitive law. The original decision by the city government transferred the MPZ1 thermal waste utilisation plant to the investor EVN and also required and authorised an increase in the capacity to 700,000 tonnes per year. EVN has initiated several proceedings against the government measures to repeal this directive and the investment contract, which are currently pending in various instances. These developments related to the thermal waste utilisation plant no. 1 in Moscow raised considerable doubts over the realisation of this project and led to the recognition of an impairment loss on the existing leasing receivable and the reclassification of the carrying amount of the saleable aggregate components to inventories. Further developments on this project could lead to changes in presentation and values during the coming financial years (see note 39. Other non-current assets).

The project company founded to construct the Walsum 10 power plant, in which EVN holds an investment of 49%, filed an arbitration claim against the general contractor consortium, Hitachi Ltd and Hitachi Power Europe GmbH, on 17 December 2013 and a lawsuit against an insurance company on 10 December 2013. The claims are based on damages incurred by the project company due to the delayed completion of the Walsum 10 power plant. They cover lump-sum compensation for the delay, delay-related added costs, pre-financed repair costs and damages arising from the loss of CO_2 emmission certificates allocations as well as claims against an insurance company. The Hitachi consortium filed claims against the project company in a countersuit. In a related lawsuit, the insurance company has filed a claim for repayment of previous payments on account. The outcome of these proceedings could lead to valuation adjustments in future periods.

The measurement of the existing provisions for pensions and obligations similar to pensions as well as the provisions for severance payments is based on assumptions for the discount rate, retirement age, life expectancy and future pension and salary increases that may lead to changes in measurement during future periods (see note 52. Non-current provisions).

Assumptions and estimates are also required to determine the useful life of non-current assets (see notes 6. Intangible assets and 7. Property, plant and equipment) and the provisions for legal proceedings and environmental protection (see note 17. Provisions) as well as estimates for other obligations and risks (see note 66. Other obligations and risks). In addition, it is necessary to make assumptions and estimates for the valuation of receivables and inventories (see notes 12. Inventories and 13. Trade and other receivables). These estimates are based on historical data and other assumptions considered appropriate under the given circumstances.

24. Principles of segment reporting

The identification of operating segments is based on the internal organisational and reporting structure and information prepared for internal management decisions (the "management approach"). The Executive Board of the EVN Group (the chief operating decision maker as defined in IFRS 8) reviews internal management reports on each operating segment at least once each quarter. EVN has defined the following operating segments: Generation, Energy Trade and Supply, Network Infrastructure Austria, Energy Supply South East Europe, Environmental Services and Strategic Investments and Other Business. This conforms in full to the internal reporting structure. The assessment of all segment information is consistent with IFRS. EBITDA is the primary indicator used to measure the segments' internal performance. For each segment, EBITDA represents the total net operating profit or loss before interest, taxes, amortisation of intangible assets and depreciation of property, plant and equipment for the companies included in the segment, taking intragroup income and expenses into account (see note 60. Segment reporting).

Notes to the consolidated statement of operations

25. Revenue

Revenue recorded by the individual business segments developed as follows:

25. Revenue EURm	2013/14	2012/13
Revenue Generation	33.7	39.0
Revenue Energy Trade and Supply	431.5	387.8
Revenue Network Infrastructure Austria	430.9	435.8
Revenue Energy Supply South East Europe	900.4	1.007.3
Revenue Environmental Services	168.9	227.2
Revenue Strategic Investments and Other Business	9.5	8.8
Total	**1,974.9**	**2,105.9**

Revenue includes income of EUR 23.0m (previous year: EUR 83.5m) from contract work on international PPP projects (see note 39. Other non-current assets).

The required repayment of EUR 72.4m in revenue from previous periods (previous year: EUR 0.0m), which was announced by the Bulgarian regulatory authority, was recorded under revenue (see note 59. Other current liabilities).

26. Other operating income

26. Other operating income EURm	2013/14	2012/13
Income from the reversal of deferred income from network subsidies	45.4	39.8
Own work capitalised	18.3	15.2
Change in work in progress	–18.1	12.5
Insurance compensation	8.8	3.6
Interest on late payments	7.7	9.8
Rental income	2.4	2.4
Income from the disposal of fully consolidated companies	–	0.5
Income from the disposal of intangible assets and property, plant and equipment	–1.2	0.0*)
Miscellaneous operating income	7.9	11.3
Total	**71.1**	**95.2**

*) Small amount

Other operating income consists primarily of bonuses, subsidies and grants as well as the sale of goods and services that are not related to EVN's business operations.

The year-on-year reduction in work in process is attributable to customer projects that were completed or invoiced in 2013/14.

27. Cost of materials and services

The expenses for the purchase of electricity from third parties and the purchase of energy carriers consist primarily of the costs for electricity, natural gas, coal and biomass. Also included here are costs of EUR 4.1m (previous year: EUR 3.5m) for the purchase of additional CO_2 emission certificates during the reporting period due to the insufficient allocation of free certificates.

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

27. Cost of materials and services

EURm	2013/14	2012/13
Electricity purchases from third parties and primary energy expenses	1,032.2	979.0
Third-party services and other materials and services	251.9	301.3
Total	**1,284.0**	**1,280.3**

28. Personnel expenses

Personnel expenses include payments of EUR 5.8m (previous year: 5.7m) to EVN-Pensionskasse as well as contributions of EUR 0.7m (previous year: EUR 0.7m) to EVN pension funds.

28. Personnel expenses

EURm	2013/14	2012/13
Salaries and wages	241.6	234.7
Severance payments	4.5	5.2
Pension costs	9.5	9.6
Compulsory social security contributions and payroll-related taxes	51.1	49.4
Other employee-related expenses	6.3	6.4
Total	**313.0**	**305.3**

The average number of employees was as follows:

28. Employees by business unit[1)]

	2013/14	2012/13
Generation	164	192
Network Infrastructure Austria	1,281	1,299
Energy Trade and Supply	279	272
Energy Supply South East Europe	4,532	4,625
Environmental Services	549	591
Strategic Investments and Other Business	510	466
Total	**7,314**	**7,445**

1) Average for the year

The average number of employees comprised 96.0% salaried and 4.0% wage employees (previous year: 95.9% salaried and 4.1% wage employees), whereby no distinction is made between salaried and wage employees in Bulgaria and Macedonia. Wage employees are therefore counted together with salaried employees in these countries.

29. Depreciation and amortisation and effects from impairment tests

The procedure used for impairment testing is described in regard to the accounting policies under note 21. Procedures and effects of impairment tests.

29. Depreciation and amortisation and effects from impairment tests by items of the consolidated statement of financial position

EURm	2013/14	2012/13
Intangible assets	205.9	14.8
Property, plant and equipment	319.5	283.1
Total	**525.5**	**297.9**

29. Depreciation and amortisation and effects from impairment tests

EURm	2013/14	2012/13
Scheduled depreciation and amortisation	256.0	237.9
Effects from impairment tests[1)]	269.5	59.9
Total	**525.5**	**297.9**

1) For details, see notes 34. Intangible assets and 35. Property, plant and equipment

30. Other operating expenses

30. Other operating expenses

EURm	2013/14	2012/13
Write-off of receivables	230.7	36.0
Legal and consulting fees, expenses related to risks of legal proceedings	28.8	35.5
Business operation taxes and duties	17.6	16.0
Advertising expenses	11.4	10.4
Transportation and travelling expenses, automobile expenses	10.9	11.3
Telecommunications and postage	10.2	11.5
Insurance	9.1	9.0
Rents	6.9	7.2
Maintenance	6.8	6.8
Employee training	2.3	2.3
Miscellaneous other operating expenses	24.3	24.3
Total	**359.0**	**170.4**

The write-offs of receivables in 2013/14 include an valuation allowance of EUR 191.4m on the leasing receivable from the thermal waste utilisation plant no. 1 in Moscow (see note 39. Other non-current assets).

The position "legal and consulting fees, expenses related to the risks of legal proceedings" also contains changes in the provision for legal proceedings. Rents also include the changes in the provisions for network access fees. Miscellaneous operating expenses comprise environmental protection expenses, fees for monetary transactions, licenses and membership fees as well as administrative and office expenses.

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

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

EURm	2013/14	2012/13
EVN KG	53.6	58.9
RAG	58.0	80.1
EconGas	–	–19.7
Energie Burgenland	7.6	9.7
ZOV; ZOV UIP	11.7	11.8
Devoll Hydropower ShA	–	–27.6
Shkodra	–	–20.4
Verbund Innkraftwerke	–39.2	2.8
Other companies	2.4	–0.6
Total	**94.0**	**95.0**

The share of results from equity accounted investees with operational nature has been reported as part of the results from operating activities since the third quarter of 2013/14 (see note 2. Reporting in accordance with IFRS). The share of results from equity accounted investees with operational nature consists primarily of earnings contributions, impairment losses recognised to assets capitalised in connection with acquisitions and other necessary impairment losses.

The negative earnings contribution from the Verbund Innkraftwerke GmbH reflected the substantially lower estimates for the long-term development of electricity prices as indicated by current market analyses. The revised electricity price assumptions led to the recognition of an impairment loss of EUR 41.1m at the participation in Verbund Innkraftwerke GmbH, a company consolidated at equity (see note 37. Investments in equity accounted investees).

In the same period of the previous year, the share of results from equity accounted investees with operational nature was marked by negative earnings contributions of EconGas, Devoll Hydropower ShA and Shkodra. The negative contribution of EconGas resulted from the high negative spread between long-term, oil price-linked gas procurement and hub price-linked sales and from the recognition of a provision for impending losses on contractually agreed, long-term transport and LNG capacity bookings. In addition, the sale of the stake owned by EVN AG in Devoll Hydropower ShA to Statkraft A.S. led to a non-recurring negative pre-tax effect of EUR 27.6m in the previous year.

In the previous year, the negative earnings contribution from Shkodra Region Beteiligungsholding GmbH resulted from several effects. The possible extension of the concession implied by representatives of the Albanian government as economic compensation for the flood damage incurred during the construction stage as well as construction delays and the related higher costs was connected with significant uncertainty due to the change in the government. In addition, customer risk had increased due to the delayed receipt of payments. The estimated income from the sale of certified emission reductions (CERs) had also declined. Despite a positive result in the amount of EUR 1.0m in the financial year 2013/14 this proportion remained disregarded in the share of result of Shkodra Region Beteiligungsholding GmbH because the unrecognised off balance losses were not covered by that share of results.

The unrecognised cumulative losses of Shkodra Region Beteiligungsholding GmbH totalled EUR –0.1m (previous year: EUR –0.9m), while the unrecognised cumulative losses of Econgas amounted to EUR –0.2m (previous year: EUR –4.1m).

32. Financial results

32. Financial results

EURm	2013/14	2012/13
Income from investments		
WEEV Beteiligungs GmbH	2.8	–29.6
Other companies	0.0*)	0.0*)
Share of results of equity accounted investees with financial nature	**2.8**	**–29.6**
Dividend payments	42.9	27.2
thereof Verbund AG	40.1	24.1
thereof other companies	2.8	3.1
Write-down	–0.5	–0.4
Results from other investments	42.4	26.8
Total income from investments	45.2	–2.8
Interest results		
Interest income on non-current financial assets	18.7	21.2
Other interest income	4.8	7.2
Total interest income	**23.5**	**28.4**
Interest expense on non-current financial assets	–77.5	–75.3
Interest expense personnel provisions	–14.3	–15.5
Other interest expense	–4.9	–3.1
Total interest expense	**–96.7**	**–93.8**
Total interest results	**–73.2**	**–65.4**
Other financial results		
Results of valuation gains/losses and disposals of non-current securities (@FVTPL)	1.0	–0.1
Currency gains/losses	–2.7	–0.1
Other financial results	–2.3	–3.1
Total other financial results	**–4.0**	**–3.3**
Financial results	**–31.9**	**–71.5**

*) Small amount

Share of results of equity accounted investees with financial nature is reported as part of the financial results (see note 2. Reporting in accordance with IFRS).

WEEV Beteiligungs GmbH was founded together with the syndicate partner Wiener Stadtwerke Holding AG to participate in the capital increase by Verbund AG and was initially included in EVN's consolidated financial statements at equity during the financial year of 2010/11. The adjustments to reflect the change in market value are previously recorded to the valuation reserve after the deduction of deferred taxes in accordance with IAS 39. However, IFRS require the recognition of an impairment charge through profit or loss when there is a significant and lasting decline in the share price. The previous year negative contribution by WEEV Beteiligungs GmbH was a result of this impairment loss.

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

Interest expense on non-current financial liabilities represents regular interest payments on issued bonds and non-current bank loans. Other interest expense includes the accrued interest expense on non-current provisions, expenses for current loans as well as lease costs for biomass equipment, distribution and heating networks.

33. Income tax expense

33. Income tax expense

EURm	2013/14	2012/13
Current income tax expense and income	–8.4	32.4
thereof Austrian companies	–17.7	22.0
thereof foreign companies	9.3	10.3
Deferred tax revenue	–94.4	–14.5
thereof Austrian companies	–70.2	–10.8
thereof foreign companies	–24.2	–3.7
Total	**–102.8**	**17.9**

The following table explains the reasons for the difference between the Austrian corporate income tax rate of 25.0% that applied in 2014 (previous year: 25.0%) and the tax income based on the negative profit reported on the consolidated statement of operations for the 2013/14 financial year:

33. Calculation of the effective tax rate	2013/14 in %	2013/14 EURm	2012/13 in %	2012/13 EURm
Result before income tax		**–373.3**		**170.7**
Income tax rate/income tax expense at nominal tax rate	**–25.0**	**–93.3**	**25.0**	**42.7**
+/– Different corporate income tax rates in other countries	4.6	17.3	–4.5	–8.1
– Tax-free income from investments	–6.7	–25.2	–7.6	–13.7
+/– Revaluation of deferred taxes	11.9	44.6	1.5	2.7
+ Impairment of goodwill	10.0	37.2	–	–
– Tax share depreciations	–26.1	–97.5	–8.8	–15.7
– Other tax free income	–0.5	–1.9	–0.3	–0.6
+ Non-deductible expenses	4.1	15.3	6.6	11.8
+/– Aperiodic tax increases/reductions	0.2	0.8	0.3	0.5
–/+ Other items	0.0*)	–0.1	–0.9	–1.7
Effective tax rate/effective income tax expense	**–27.5**	**–102.8**	**11.2**	**17.9**

*) Small amount

The write-offs according to tax law in 2013/14 are related to the impairment losses recognised on the investments in EVN Bulgaria EC, EVN Macedonia, EVN Kavarna, EVN Nk BuB, EVN UBS and OOO EVN Umwelt Service (previous year: Shkodra, Devoll Hydropower, EconGas and EnergieAllianz). EVN's effective tax rate for the reporting year equalled –27.5% of profit before tax (previous year: 11.2%). The effective tax rate represents the weighted average of the effective local corporate tax rates of all consolidated subsidiaries.

34. Earnings per share

Earnings per share were calculated by dividing Group net result (= proportional share of result attributable to EVN AG shareholders) by the weighted average number of ordinary shares outstanding, i.e. 177,936,810 (previous year: 178,356,673). This amount may be diluted by so-called potential shares arising from stock options or convertible bonds. Since EVN did not have any such shares, there is no difference between basic and diluted earnings per share.

Based on Group net result of EUR –299.0m for the 2013/14 financial year (previous year: EUR 109.3m), earnings per share equalled EUR –1.68 (previous year: EUR 0.61).

Notes to the consolidated statement of financial position

Assets

Non-current assets

The net value represents the residual book value, which equals the acquisition or production cost less accumulated depreciation or amortisation.

Currency translation differences arise from the translation of foreign companies' assets using different exchange rates at the beginning and end of the 2013/14 financial year.

35. Intangible assets

Rights include electricity procurement rights, transportation rights for natural gas pipelines and other rights (primarily software licenses). Other intangible assets primarily included the customer bases of the Bulgarian and Macedonian electricity supply companies.

The impairment testing of intangible assets in accordance with IAS 36 led to the recognition of impairment losses totalling EUR 191.8m in the Energy Supply South East Europe segment during the reporting year. These impairment losses were based on tariff changes in Bulgaria and Macedonia as of 1 July 2014, which were announced in an ad-hoc press release on 2 July 2014. The tariff changes led to the revaluation of business activities in these two countries and the full write-off of goodwill and customer bases.

In Bulgaria, the new tariffs call for a substantial increase in the electricity procurement price but only a slight increase in end customer prices. A further reduction was also made in the margin for the sales company EVN Bulgaria EC. The recoverable amount for the CGU "electricity distribution Bulgaria" was determined on the basis of the value in use and equalled EUR 394.7m as of 30 June 2014. The pre-tax WACC equalled 9.37% (previous year 8.68%). The recognised impairment losses were confirmed as of 30 September 2014 and totaled EUR 141.0m, whereby EUR 122.6m were attributable to goodwill.

In Macedonia, the increase in end customer prices was lower than expected and cost elements related to the planned liberalisation were not taken into account. These developments led to the recognition of an impairment loss on both goodwill and the customer base. The recoverable amount for the CGU "electricity distribution Macedonia" was determined on the basis of the value in use and equalled EUR 249.0m as of 30 June 2014. The pre-tax WACC equalled 11.61% (previous year 11.61%). The recognised impairment losses were confirmed as of 30 September 2014 and totalled EUR 50.8m, whereby EUR 26.3m were attributable to goodwill.

No impairment losses were recognised on intangible assets during the financial year 2012/13.

In 2013/14, a total of EUR 1.2m (previous year: EUR 1.6m) was invested in research and development. The criteria required by IFRS to capitalise these items were not fulfilled.

35. Reconciliation of intangible assets

2013/14 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2013	216.7	330.8	93.7	641.3
Currency translation differences	–	0.0*)	0.0*)	0.0*)
Additions	–	5.6	1.7	7.3
Disposals	–	–1.0	0.0*)	–1.1
Transfers	–	1.3	–0.1	1.2
Gross value 30.09.2014	216.7	336.7	95.3	648.7
Accumulated amortisation 30.09.2013	–9.2	–204.4	–32.8	–246.4
Currency translation differences	–	0.0*)	–	0.0*)
Scheduled amortisation	–	–9.6	–4.5	–14.1
Impairment losses	–148.9	–	–43.0	–191.8
Disposals	–	0.1	0.0*)	0.1
Accumulated amortisation 30.09.2014	–158.1	–213.9	–80.2	–452.2
Net value 30.09.2013	207.5	126.5	60.9	394.9
Net value 30.09.2014	58.6	122.8	15.1	196.5

*) Small amount

2012/13 financial year

EURm	Goodwill	Rights	Other intangible assets	Total
Gross value 30.09.2012	216.7	326.3	89.6	632.7
Currency translation differences	0.0*)	0.0*)	0.0*)	0.0*)
Additions	–	4.0	4.5	8.5
Disposals	–	–0.1	–0.6	–0.7
Transfers	–	0.6	0.3	0.8
Gross value 30.09.2013	216.7	330.8	93.7	641.3
Accumulated amortisation 30.09.2012	–9.2	–195.0	–28.1	–232.3
Currency translation differences	–	0.0*)	–	0.0*)
Scheduled amortisation	–	–9.4	–5.4	–14.8
Disposals	–	0.1	0.6	0.7
Transfers	–	0.0*)	0.0*)	0.0*)
Accumulated amortisation 30.09.2013	–9.2	–204.4	–32.8	–246.4
Net value 30.09.2012	207.5	131.3	61.6	400.4
Net value 30.09.2013	207.5	126.5	60.9	394.9

*) Small amount

36. Property, plant and equipment

Additions to property, plant and equipment included capitalised borrowing costs of EUR 7.6m (previous year: EUR 14.3m). The interest rate used for capitalisation ranged from 2.8% – 8.5% (previous year: 3.8% – 8.5%).

Land and buildings included land with a value of EUR 63.2m (previous year: EUR 67.0m). As of the balance sheet date, EVN held a mortgage with a maximum value of EUR 1.8m as in the previous year. Own work capitalised during the 2013/14 financial year amounted to EUR 18.3m (previous year: EUR 15.2m).

The impairment testing of property, plant and equipment in accordance with IAS 36 during 2013/14 led to the recognition of the following impairment losses:

A downward revision to the estimates for the long-term development of electricity prices led to the recognition of an impairment loss of EUR 27.0m on the Dürnrohr power plant. The recoverable amount for the related CGU was calculated on the basis of the value in use and equalled EUR 18.0m. The pre-tax WACC equalled 8.59% (previous year: 9.33%).

In addition, impairment testing based on the downward revision of estimates led to the recognition of an impairment loss of EUR 1.8m on a small hydropower plant and a windpark owned by EVN naturkraft. The recoverable amounts were calculated on the basis of the value in use and totalled EUR 13.3m. The pre-tax WACC equalled 8.04%. An impairment loss of EUR 7.2m was also recognised on a windpark owned by EVN Kavarna. The recoverable amount was calculated on the basis of the value in use and equalled EUR 18.5m. The pre-tax WACC applied during the subsidised tariff phase equalled 6.60%.

The temporary shutdown of the Bisamberg well field led to the recognition of a EUR 2.1m impairment loss on EVN Wasser. Impairment losses were also recognised in the Environmental Services Segment in connection with the sludge treatment plant and other components of the co-generation plant in Lyuberzy, Moscow. Since the current evaluation of developments at the sludge treatment plant in Ljuberzy lead to considerable doubts concerning the commissioning and use of the sludge treatment plant and compensation for the network infrastructure and reserve-co-generation plant, these assets were written off in full during September 2014. The impairment loss recognised on the sludge treatment plant equalled EUR 30.7m. The impairment losses recognised on the remaining assets attributable to the Ljuberzy co-generation plant totalled EUR 8.9m.

The impairment charge recognised in the finanical year 2012/13 was related to the Steag-EVN Walsum power plant, which was under construction at that time and included as a joint operation based on the proportional share owned. The impairment charge reflected the delay in the start of commercial operations at the power plant and the resulting higher costs. The impairment charge on the investment in the Duisburg-Walsum power plant amounted to EUR 92.7m as of 30 September 2014. The impairment losses of EUR 1.0m of the previous year were related primarily to heating equipment.

Prepayments and equipment under construction included acquisition costs of EUR 196.3m (previous year: EUR 587.9m) relating to equipment under construction as of the balance sheet date.

For leased and rented equipment, the present value of payment obligations for the use of heating networks and heat generation plants is reported on the consolidated statement of financial position. The net value of these assets totalled EUR 12.2m as of the balance sheet date (previous year: EUR 13.3m). The related lease and rental liabilities were recognised under other non-current liabilities.

The net value of property, plant and equipment and intangible assets pledged as collateral had a carrying amount of EUR 71.9m (previous year: EUR 116.6m).

36. Reconciliation of property, plant and equipment

2013/14 financial year

EURm

	Land and buildings	Transmission pipelines	Technical equipment	Meters	Other plant, tools and equipment	Prepayments and equipment under construction	Total
Gross value 30.09.2013	711.5	3,525.2	2,255.0	202.6	229.9	693.4	7,617.7
Currency translation differences	–0.2	–0.6	–9.6	–0.1	–0.2	–4.0	–14.6
Additions	9.7	112.3	105.1	19.3	14.0	142.4	402.8
Disposals	–1.8	–8.2	–9.3	–5.9	–23.7	–1.3	–50.3
Transfers	43.0	67.2	476.6	0.2	2.4	–590.7	–1.4
Gross value 30.09.2014	762.1	3,695.9	2,817.8	216.1	222.4	239.9	7,954.2
Accumulated amortisation 30.09.2013	–358.6	–1,867.8	–1,495.5	–133.2	–184.7	–105.0	–4,144.8
Currency translation differences	0.1	0.3	3.0	0.0*)	0.1	1.8	5.3
Scheduled depreciation	–20.2	–100.8	–93.5	–10.8	–16.6	–	–241.9
Impairment losses	–20.8	–1.7	–23.9	–	–	–31.3	–77.7
Disposals	1.6	7.9	7.5	5.6	23.0	1.1	46.8
Transfers	–4.1	0.0*)	–92.2	–	0.0*)	96.5	0.2
Accumulated amortisation 30.09.2014	–402.0	–1,962.1	–1,694.5	–138.3	–178.2	–36.9	–4,412.0
Net value 30.09.2013	352.9	1,657.4	759.5	69.5	45.2	588.5	3,472.9
Net value 30.09.2014	360.1	1,733.8	1,123.3	77.8	44.2	203.0	3,542.2

*) Small amount

2012/13 financial year

EURm

	Land and buildings	Transmission pipelines	Technical equipment	Meters	Other plant, tools and equipment	Prepayments and equipment under construction	Total
Gross value 30.09.2012	695.9	3,319.0	2,208.0	195.6	232.5	644.4	7,295.5
Currency translation differences	0.0*)	0.0*)	–7.0	0.0*)	–0.1	–2.9	–10.0
Additions	11.6	130.2	44.1	12.7	12.8	156.0	367.4
Disposals	–1.9	–8.8	–6.5	–5.8	–10.0	–2.5	–35.4
Transfers	5.9	84.9	16.3	0.1	–5.3	–101.6	0.2
Gross value 30.09.2013	711.5	3,525.2	2,255.0	202.6	229.9	693.4	7,617.7
Accumulated amortisation 30.09.2012	–338.5	–1,774.1	–1,424.6	–128.1	–180.8	–47.5	–3,893.5
Currency translation differences	0.0*)	0.0*)	1.1	0.0*)	0.1	–	1.2
Scheduled depreciation	–20.8	–98.0	–76.4	–10.8	–17.2	–	–223.2
Impairment losses	0.0*)	–	–1.0	–	–	–58.9	–59.9
Disposals	1.0	8.3	5.6	5.7	9.6	1.5	31.7
Transfers	–0.3	–3.9	–0.4	–	3.7	–0.1	–1.1
Accumulated amortisation 30.09.2013	–358.6	–1,867.8	–1,495.5	–133.2	–184.7	–105.0	–4,144.8
Net value 30.09.2012	357.4	1,544.9	783.5	67.5	51.7	597.0	3,402.0
Net value 30.09.2013	352.9	1,657.4	759.5	69.5	45.2	588.5	3,472.9

*) Small amount

37. Investments in equity accounted investees

The companies included in the consolidated financial statements at equity are listed in the notes under EVN's investments starting on page 218. Note 65. Disclosures of interests in other entities contains financial information on joint ventures and associates that are included at equity in EVN's consolidated financial statements.

The application of the new consolidation standards led to changes involving the energy sales companies in EnergieAllianz, which were included at equity in the consolidated financial statements retrospectively as of 1 October 2012. The changes also involved Steag-EVN Walsum, which was included in the consolidated financial statements at 49% retrospectively as of 1 October 2012 and is no longer recorded at equity (see note 2. Reporting in accordance with IFRS).

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

In 2013/14 an impairment loss of EUR 41.1m was recorded on Verbund Innkraftwerke GmbH because of a substantial decline in estimates for the long-term development of electricity prices as indicated in current market analyses. The recoverable amount of the investment held by EVN in Verbund Innkraftwerke GmbH was determined on the basis of the value in use and amounted to EUR 135.1m as of 3 September 2014. The pre-tax WACC equalled 8.04%. The recognised impairment loss was confirmed as of 30 September 2014 (also see note 31. Share of results from equity accounted investees with operational nature).

The development of the net value of equity accounted investees in the previous year was significantly influenced by the negative earnings contributions of these companies (also see 31. Share of results from equity accounted investees with operational nature and 32. Financial results).

The sale of the investment owned by EVN AG in Devoll Hydropower ShA during the previous year is reflected in the disposals for 2012/13.

The shares in ZOV were assigned to the financing banks as collateral for loans (previous year: EUR 78.9m). EVN's proportional share of equity in this company totalled EUR 79.0m as of 30 September 2014.

37. Reconciliation of investments in equity accounted investees

2013/14 financial year

EURm	Investments in equity accounted investees
Gross value 30.09.2013	**918.8**
Additions	0.2
Disposals	–0.5
Gross value 30.09.2014	**918.4**
Accumulated amortisation 30.09.2013	**25.2**
Currency translation differences	0.4
Disposals	0.3
Impairment losses	–41.1
Proportional share of results	137.6
Dividends	–145.3
Changes recognised in other comprehensive income	–6.4
Accumulated amortisation 30.09.2014	**–29.3**
Net value 30.09.2013	**944.0**
Net value 30.09.2014	**889.1**

2012/13 financial year

EURm	Investments in equity accounted investees
Gross value 30.09.2012	**946.1**
Additions	3.5
Disposals	–30.8
Gross value 30.09.2013	**918.8**
Accumulated amortisation 30.09.2012	**70.9**
Currency translation differences	–1.0
Disposals	30.8
Proportional share of results	65.4
Dividends	–154.1
Changes recognised in other comprehensive income	13.2
Accumulated amortisation 30.09.2013	**25.2**
Net value 30.09.2012	**1,017.0**
Net value 30.09.2013	**944.0**

38. Other investments

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

Miscellaneous investments include shares in listed companies with a market value of EUR 639.6m (previous year: EUR 671.1m), of which EUR 23.9m (previous year: EUR 33.5m) are used as collateral. The other investments included in this position amount to EUR 25.1m (previous year: EUR 23.7m) and are carried at amortised cost less impairment losses. They represent shares in companies which are not traded on an active market, i.e. which are not freely tradable. The changes in the value of miscellaneous investments that were recognised under other comprehensive income totalled EUR –31.5m (previous year: EUR 25.3m) and represented adjustments to reflect amended market and stock exchange prices.

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

38. Reconciliation of other investments

2013/14 financial year

EURm	Investments in affiliates	Miscellaneous investments	Total other investments
Gross value 30.09.2013	13.4	404.9	418.4
Additions	2.2	–	2.2
Disposals	–0.6	–1.2	–1.7
Transfers	–0.6	0.0*)	–0.6
Gross value 30.09.2014	**14.4**	**403.7**	**418.2**
Accumulated amortisation 30.09.2013	**–5.3**	**281.7**	**276.4**
Impairment losses	–	–0.2	–0.2
Disposals	0.6	0.6	1.2
Changes recognised in other comprehensive income	–	–31.5	–31.5
Transfers	0.6	–	0.6
Accumulated amortisation 30.09.2014	**–4.2**	**250.7**	**246.5**
Net value 30.09.2013	**8.1**	**686.7**	**694.8**
Net value 30.09.2014	**10.3**	**654.4**	**664.7**

2012/13 financial year

EURm	Investments in affiliates	Miscellaneous investments	Total other investments
Gross value 30.09.2012	**14.3**	**404.2**	**418.4**
Additions	1.5	0.8	2.2
Disposals	–2.3	0.0*)	–2.3
Gross value 30.09.2013	**13.4**	**404.9**	**418.4**
Accumulated amortisation 30.09.2012	**–6.6**	**256.8**	**250.2**
Impairment losses	–0.1	–0.4	–0.4
Disposals	1.3	–	1.3
Changes recognised in other comprehensive income	–	25.3	25.3
Accumulated amortisation 30.09.2013	**–5.3**	**281.7**	**276.4**
Net value 30.09.2012	**7.7**	**661.0**	**668.7**
Net value 30.09.2013	**8.1**	**686.7**	**694.8**

*) Small amount

39. Other non-current assets

Securities reported under other non-current assets consist mainly of shares in investment funds and serve as coverage for the provisions for pensions and obligations similar to pensions as required by Austrian tax law. The carrying amounts correspond to the fair value as of the balance sheet date. Additions and disposals resulted from the regrouping of assets during 2013/14.

Of the originated loans totalling EUR 38.9m (previous year: EUR 39.2m), EUR 3.2m (previous year: EUR 3.5m) had a remaining term to maturity of less than one year.

Lease receivables and accrued lease transactions result from the project business within the context of PPP projects. Current contract manufacturing resulted in receivables of EUR 46.5m (previous year: EUR 503.4m). The additions also include EUR 1.3m of capitalised borrowing costs (previous year: EUR 1.2m). The capitalisation rates ranged from 0.96% to 5.41% (previous year: 0.96% – 5.57%).

The latest developments related to the thermal waste utilisation plant no. 1 in Moscow raised considerable doubts over the realisation of this project (also see note 23. Accounting estimates and forward-looking statements), and this scenario was consequently given the highest probability. An impairment loss of EUR 191.4m was therefore identified. The remaining EUR 60.0m from this project were reclassified to inventories and represent the aggregate components that can be sold; these components were valued in accordance with the accounting policy applied to inventories (see note 40. Inventories).

The transfers of the receivables and accruals from leasing transactions also include a reclassification of EUR 223.7m related to the sodium hypochlorite plant in Moscow (see note 43. Non-current assets held for sale).

On 16 July 2014, the Bulgarian State Energy and Water Regulatory Commission (SEWRC/the regulatory authority) approved a change, retroactive to 1 July 2012, in the method used to calculate the compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants. The Bulgarian energy act requires utility companies to purchase electricity from producers of renewable energy. The large number of new supply contracts with renewable electricity producers led to higher sales volumes, which significantly increased electricity procurement prices for EVN in Bulgaria. Bulgarian legal regulations for renewable energy require the reimbursement of these additional costs by end customers. EVN has filed an appeal against the 16 July 2012 decision and initiated proceedings to require the continuation of direct compensation by the national electricity company Natsionalna Elektricheska Kompania EAD (NEK). The revised method to determine the compensation for the additional costs of renewable electricity and for electricity from highly efficient co-generation plants was amended as of 1 August 2013, and NEK was required to carry the additional costs for electricity from renewable energy and for electricity from highly efficient co-generation plants. EVN incurred costs totalling EUR 127.1m from 1 July 2012 to 31 July 2013, which require interim financing. A tariff decision on 1 July 2014 confirmed the amount and reasons for the additional costs and clarified that they must be refunded directly by NEK.

The expected claims related to the additional costs for renewable electricity were recognised by the Bulgarian sales company as a regulatory asset in 2012/13. Based on the claim for reimbursement – which was asserted in the previous year, among others through offsets and retentions, and has been principally confirmed as a direct claim – the Bulgarian sales company now holds a receivable due from NEK. Accordingly, an adjustment to the regulatory account is not advisable given the change in accounting policy. As of 30 September 2014, this receivable equalled EUR 94.4m (previous year: EUR 86.8m), whereby EUR 70.8m (previous year: EUR 33.4m) are reported under other non-current assets and EUR 23.6m (previous year: EUR 53.4m) represent current receivables (see note 41. Trade and other receivables). The valuation of the receivable was based on the offset and retention of invoice amounts due from NEK. Consequently, an impairment loss of EUR 32.7m was recognised on the receivable.

The expected future performance is dependent on the actions and decisions of the Bulgarian regulatory authority, and the valuation of this receivable is therefore connected with uncertainty. Consequently, there is a risk of a significant adjustment in the coming financial year.

39. Reconciliation of other non-current assets

EURm

	Other financial assets					
	Securities	Loans receivable	Lease receivables and accrued lease transactions	Remaining other non-current assets	Non-current primary energy reserves	Total
Gross value 30.09.2013	58.2	39.2	703.6	82.7	15.1	898.9
Additions	3.5	5.0	20.7	4.1	–	33.3
Disposals	–1.3	–2.8	–42.1	–5.6	–	–51.8
Changes in market value	2.7	–	–	–	–	2.7
Transfers	–	–	–283.8	27.0	–	–256.8
Gross value 30.09.2014	63.2	41.4	398.4	108.2	15.1	626.3
Accumulated amortisation 30.09.2013	–1.0	–	–	–40.4	–0.5	–41.9
Impairment losses	–	–2.5	–191.4	–	–	–193.9
Revaluation	–	–	–	7.6	–	7.6
Accumulated amortisation 30.09.2014	–1.0	–2.5	–191.4	–32.7	–0.5	–228.2
Net value 30.09.2013	57.1	39.2	703.6	42.4	14.6	857.0
Net value 30.09.2014	62.1	38.9	207.0	75.5	14.6	398.1

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

39. Terms to maturity of non-current lease receivables and accrued lease transactions

EURm

	Remaining term to maturity as of 30.09.2014					
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Interest components	46.8	19.2	66.1	138.5	162.6	301.1
Principal components	150.7	56.3	207.0	293.5	410.1	703.6
Total	197.6	75.5	273.1	432.0	572.7	1,004.7

The total of the principal components corresponds to the capitalised value of the lease receivables and accrued lease transactions.

The interest components correspond to the proportionate share of the interest component of the total lease payment and do not represent discounted amounts. The interest components of the lease payments in 2013/14 were reported as interest income on non-current assets.

Current assets

40. Inventories

Primary energy reserves consist mainly of coal supplies.

The CO_2 emission certificates relate exclusively to certificates purchased to fulfil the requirements of the Austrian Emission Certificate Act, which have not yet been used. The corresponding obligation for any shortfall in the certificates is reported under current provisions (see note 58. Current provisions).

40. Inventories

EURm	30.09.2014	30.09.2013
Primary energy inventories	72.3	41.7
CO_2 emission certificates	0.2	1.9
Raw materials, supplies, consumables and other inventories	29.0	27.2
Customer orders not yet invoiced	20.0	38.8
Aggregate components	56.6	–
Total	**178.1**	**109.6**

In 2013/14, primary energy inventories include inventories of EUR 19.2m that are held for trading.

The aggregate components originate from the thermal waste utilisation plant no. 1 in Moscow and were reclassified from other non-current assets to inventories (also see note 39. Other non-current assets). The reclassification value of EUR 60.0m was reduced by write-downs of EUR 3.4m to reflect an adjustment to the lower net realisable value. The inventory risk resulting from low turnover and reduced market prices was taken into account through an additional increase of EUR 1.6m in the valuation adjustment (previous year: increase of EUR 3.6m). This was contrasted by write-ups of EUR 3.8m (previous year: EUR 0.3m). The inventories are not subject to any restrictions on disposal or other encumbrances.

41. Trade and other receivables

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

The valuation adjustments to receivables are related primarily to South Eastern Europe. As a rule, receivables in this region may only be written off after a court decision has been issued. The valuation allowance therefore increases over time due to the relatively long waiting period caused by the high number of pending court cases. The valuation allowance rose by EUR 30.8m in 2013/14 (previous year: EUR 25.1m).

41. Allowances to receivables

EURm	30.09.2014			30.09.2013		
	Gross receivables	Allowance	Net receivables	Gross receivables	Allowance	Net receivables
Austria	41.4	5.0	36.4	67.1	6.0	61.1
Germany	21.3	0.8	20.5	29.0	0.8	28.1
Bulgaria	164.0	26.1	138.0	136.1	26.3	109.8
Macedonia	276.0	192.8	83.2	247.3	160.8	86.5
Others	14.8	–	14.8	12.1	–	12.1
Total	**517.6**	**224.7**	**292.9**	**491.6**	**194.0**	**297.6**

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

Receivables arising from derivatives consist mainly of the positive fair values of derivatives in the energy business (previous year: positive fair values of foreign currency swaps relating to the CHF bond that expired in 2014).

Other receivables and assets include receivables of EUR 23.6m (previous year: EUR 53.4m) due from NEK based on compensation for the additional costs of renewable electricity (also see note 39. Other non-current assets). In addition, this position includes receivables from insurances, prepayments made and receivables due from funding bodies in connection with heating projects.

The carrying amount of trade and other receivables pledged as collateral for EVN's own liabilities amounted to EUR 0.5m (previous year: EUR 23.3m).

41. Trade and other receivables

EURm	30.09.2014	30.09.2013
Financial assets		
Trade accounts receivable	292.9	297.6
Receivables from investments in equity accounted investees	43.4	19.5
Receivables from non-consolidated subsidiaries	0.8	8.3
Receivables from employees	1.4	5.2
Receivables arising from derivative transactions	0.2	35.1
Other receivables and assets	68.1	80.5
	406.8	**446.2**
Other receivables		
Tax receivables	37.1	26.3
	37.1	**26.3**
Total	**443.9**	**472.5**

42. Securities

The structure of the securities portfolio as of the balance sheet date is as follows:

42. Composition of securities

EURm	30.09.2014	30.09.2013
Funds	0.8	43.9
thereof cash funds	–	40.0
thereof other fund products	0.8	3.9
Shares	0.0*)	0.0*)
Total	**0.8**	**43.9**

*) Small amount

In addition to a gain of EUR 0.2m (previous year: gain of EUR 0.2m) on the sale of securities, an increase of EUR 0.0m was recorded without recognition in profit or loss in 2013/14 (previous year: EUR 0.2m) to reflect the improvement in share prices.

43. Non-current assets held for sale

The non-current assets of EUR 223.7m reported as held for sale in 2013/14 are related to the sodium hypochlorite plant in Moscow.

EVN constructed a sodium hypochlorite plant for the city of Moscow through WTE Projektgesellschaft Natriumhypochlorit mbH, a company that is headquartered in Germany. The plant was completed in February 2013 and has been operational since that time. However, the city of Moscow was not prepared to meet the payment obligations due to the project company despite the issue of a legally valid operating permit.

As announced in an ad-hoc press release on 29 October 2014, EVN reached an agreement with the Moscow city government over the sale of the sodium hypochlorite plant, which is attributable to the Environmental Services Segment. Mosvodokanal, the water supply and wastewater disposal company of the city of Moscow, signed a contract with WTE to acquire the shares in the Russian project company that holds the sodium hypochlorite plant. The sale price amounted to EUR 250.0m and corresponds to the investment costs plus the expected earnings contributions for the EVN Group. The sale closed on 30 October 2014.

Liabilities

Equity

The development of equity in 2013/14 and 2012/13 is shown on page 146.

44. Share capital

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

45. Share premium and capital reserves

The share premium and capital reserves comprise appropriated capital reserves of EUR 195.6m (previous year: 195.6m) from capital increases and unappropriated capital reserves of EUR 57.4m (previous year: EUR 57.5m), both in accordance with Austrian stock corporation law.

46. Retained earnings

Retained earnings of EUR 1,794.9m (previous year: EUR 2,168.5m) comprise the proportional share of retained earnings attributable to EVN AG and all other consolidated companies from the date of initial consolidation as well as the proportional share of retained earnings from business combinations achieved in stages.

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

46. Reconciliation of EVN AG's profit for the period

EURm	
Reported loss for the period 2013/14	**–78.8**
Retained earnings from the 2012/13 financial year	1.9
Release of untaxed reserves	0.7
Release of retained earnings	151.0
Distributable profit for the period	**74.9**
Proposed dividend	–74.7
Retained earnings for the 2014/15 financial year	0.1

Liabilities do not include the proposed dividend of EUR 0.42 per share for the 2013/14 financial year, which will be recommended to the Annual General Meeting.

The 85th Annual General Meeting on 16 January 2014 approved a proposal by the Executive Board and the Supervisory Board to distribute a dividend of EUR 74.8m, or EUR 0.42 per share, to the shareholders of EVN AG for the 2012/13 financial year. The dividend payment to shareholders was made on 24 January 2014.

47. Valuation reserves

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

In addition, the statement of comprehensive income includes EUR 0.6m (previous year: EUR 10.5m) for the share of changes in the valuation reserves that are attributable to non-controlling interests (see Consolidated statement of comprehensive income, page 144).

47. Valuation reserves EURm	30.09.2014 Before tax	 Tax	 After tax	30.09.2013 Before tax	 Tax	 After tax
Items recognised under other comprehensive income from						
Available for sale financial instruments	251.1	–62.8	188.3	282.6	–70.6	212.0
Cash flow hedges	–54.3	17.1	–37.2	–43.7	13.5	–30.2
Remeasurements IAS 19	–111.8	27.8	–84.0	–80.8	20.3	–60.5
Investments in equity accounted investees	–15.1	–	–15.1	–9.1	–	–9.1
Total	**69.9**	**–17.8**	**52.1**	**149.0**	**–36.9**	**112.1**

The item "Investments in equity accounted investees" in the above table includes the changes recognised by WEEV Beteiligungs GmbH in connection with the shares held in Verbund AG (AFS financial instruments) as well as the components of cash flow hedges and remeasurements in accordance with IAS 19 that are recorded directly in equity.

In 2013/14, cash flow hedges totalling EUR 1.5m (previous year: EUR 1.0m) were transferred from other comprehensive income to the consolidated statement of operations.

48. Treasury shares

A total of 164,000 shares, or 0.09% of share capital, were repurchased during the reporting year (30 September 2013: 1,039,000 shares, or 0.58% of share capital) for EUR 1.8m and a market value of EUR 1.7m as of the balance sheet date (30 September 2013: purchase price of EUR 11.3m and a market value of EUR 11.7m). This share buyback was based on the programmes approved by the 83rd Annual General Meeting and 85th Annual General Meeting of EVN AG on 19 January 2012 and 16 January 2014. In 2013/14, 67,620 treasury shares were sold for distribution to employees in place of a special payment called for by a company agreement.

The number of shares outstanding developed as follows:

48. Reconciliation of the number of outstanding shares	Zero par value shares	Treasury shares	Outstanding shares
30.09.2012	**179,878,402**	**–877,622**	**179,000,780**
Purchase of treasury shares	–	–1,039,000	–1,039,000
Disposal of treasury shares	–	73,010	73,010
30.09.2013	**179,878,402**	**–1,843,612**	**178,034,790**
Purchase of treasury shares	–	–164,000	–164,000
Disposal of treasury shares	–	67,620	67,620
30.09.2014	**179,878,402**	**–1,939,992**	**177,938,410**

The weighted average number of shares outstanding, which is used as the basis for calculating earnings per share, equals 177,936,810 shares (previous year: 178,356,673 shares).

EVN AG is not entitled to any rights arising from treasury shares. In particular, these shares are not entitled to dividends.

49. Non-controlling interests

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

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

49. Key figures of subsidiaries with non-controlling interests

EURm	30.09.2014			30.09.2013		
Subsidiaries	**RBG**	**BUHO**	**EVN Macedonia**	**RBG**	**BUHO**	**EVN Macedonia**
Non-controlling interests in percent	49.97%	26.37%	10.00%	49.97%	26.37%	10.00%
Carrying amount of non-controlling interests	178.7	35.7	12.6	179.1	37.0	14.8
Result attributable to non-controlling interests	29.0	2.0	–2.2	40.1	2.5	1.2
Statement of financial position						
Non-current assets	357.1	174.2	280.7	357.9	179.2	303.1
Current assets	0.2	6.9	97.8	0.2	6.8	120.0
Non-current liabilities	–	–	156.6	–	–	169.8
Current liabilities	0.0*)	0.0*)	97.2	0.1	0.0*)	106.2
Statement of operations						
Revenue	–	0.0*)	380.8	–	0.0*)	411.0
Result for the period	58.1	7.4	–22.2	80.2	9.6	11.9
Net cash flows						
Net cash flow from operating activities	60.1	8.2	25.0	69.9	8.0	42.6
Net cash flow from investing activities	–	–	–16.5	–	–	–15.5
Net cash flow from financing activities	–60.0	–8.1	–5.1	–70.0	–6.5	–7.1

*) Small amount

Non-current liabilities

50. Non-current loans and borrowings

Non-current loans and borrowings comprised the following as of the balance sheet date:

50. Breakdown of non-current loans and borrowings	Nominal interest rate (%)	Term	Nominal amount	Carrying amount 30.09.2014 EURm	Carrying amount 30.09.2013 EURm	Fair value 30.09.2014 EURm
Bonds				705.7	707.0	836.2
EUR bond	5.000	2009–2016	28.5 EURm	28.4	28.4	30.3
EUR bond	5.250	2009–2017	150.0 EURm	149.4	149.1	168.3
EUR bond	5.250	2009–2019	30.0 EURm	29.7	29.6	35.6
EUR bond	4.250	2011–2022	300.0 EURm	288.6	287.1	356.3
JPY bond	3.130	2009–2024	12.0 bn JPY	87.7	91.1	99.4
EUR bond	4.125	2012–2032	100.0 EURm	97.4	97.3	116.9
EUR bond	4.125	2012–2032	25.0 EURm	24.5	24.5	29.2
Bank loans (incl. promissory note loans)	0.41–7.08	until 2042	–	1,041.9	1,098.7	1,165.1
Total				**1,747.7**	**1,805.7**	**2,001.2**

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

50. Maturity of non-current loans and borrowings

EURm	Remaining term to maturity as of 30.09.2014			Remaining term to maturity as of 30.09.2013		
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Bonds	207.5	498.3	705.7	177.5	529.5	707.0
thereof fixed interest	207.5	410.6	618.0	177.5	438.5	616.0
thereof variable interest	–	87.7	87.7	–	91.1	91.1
Bank loans	432.2	609.8	1,041.9	543.0	555.7	1,098.7
thereof fixed interest	259.2	528.7	787.9	369.6	464.2	833.8
thereof variable interest	173.0	81.1	254.0	173.4	91.5	264.9
Total	**639.7**	**1,108.0**	**1,747.7**	**720.5**	**1,085.3**	**1,805.7**

Bonds

All bonds involve bullet repayment on maturity. The foreign currency bond is hedged by means of cross currency swaps.

The bonds are carried at amortised cost. Foreign currency liabilities are translated at the exchange rate in effect on the balance sheet date. In accordance with IAS 39, hedged liabilities are adjusted to reflect the corresponding change in the fair value of the hedged risk in cases where hedge accounting is applied. The resulting change in the bond liability is largely offset by a contrary development in the fair value of the swaps. The results from the cross-currency swap concluded to hedge the JPY bond totalled EUR 0.5m in 2013/14 (previous year: EUR 0.0m). The fair value was calculated on the basis of available market information for the respective bond price and the exchange rate as of the balance sheet date.

A JPY bond and the CHF bond, which were reclassified to current financial liabilities in the previous year, were redeemed as scheduled in 2013/14.

Bank loans

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

Accrued interest expense is included under other current liabilities.

51. Deferred taxes

51. Deferred taxes

EURm	30.09.2014	30.09.2013
Deferred tax assets		
Employee-related provisions	–51.9	–44.2
Tax loss carryforwards	–87.3	–26.3
Other deferred tax assets	–17.2	–9.5
Deferred tax liabilities		
Non-current assets	56.0	65.2
Financial instruments	56.3	85.6
Other deferred tax liabilities	5.1	4.8
Total	**–39.0**	**75.6**
thereof deferred tax assets	–87.1	–43.6
thereof deferred tax liabilities	48.1	119.2

Deferred taxes developed as follows:

51. Changes in deferred taxes

EURm	30.09.2014	30.09.2013
Deferred taxes on 01.10.	75.6	93.3
– Retrospective adjustments according to IAS 8[1)]	–	6.1
– Changes in deferred taxes recognised through profit and loss	–94.4	–14.5
– Changes in deferred taxes recognised directly in equity from the valuation reserve	–19.0	0.3
– Changes resulting from currency translation reserve and other changes	–1.1	–9.6
Deferred taxes on 30.09.	–39.0	75.6

1) Adjustments because of retrospective application of new accounting policies (see note 2. Reporting in accordance with IFRS, page 148).

Losses for which deferred tax assets were recognised can be used over the coming years based on projected tax results. Deferred tax assets of EUR 64.7m (previous year: EUR 4.9m) related to loss carryforwards were not recognised because they are not expected to be used within the foreseeable future. Of this total, EUR 4.9m will expire during the next five years (previous year: EUR 3.6m).

52. Non-current provisions

52. Non-current provisions

EURm	30.09.2014	30.09.2013
Provisions for pensions	282.4	263.6
Provisions for obligations similar to pensions	31.8	27.3
Provisions for severance payments	93.6	90.3
Other non-current provisions	89.6	82.4
Total	497.4	463.7

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

- Interest rate 2.40% p. a. (previous year: 3.50% p. a.)
- Remuneration increases 2.50% p. a.; in subsequent years 2.50% p. a.
  (previous year: remuneration increases 2.50% p. a., in subsequent years 3.00% p. a.)
- Pension increases 2.50% p. a.; in subsequent years 2.50% p. a.
  (previous year: pension increases: 2.50% p. a., in subsequent years 3.00%)
- Austrian mortality tables ("Rechnungsgrundlagen AVÖ 2008-P – Rechnungsgrundlagen für die Pensionsversicherung – Pagler & Pagler"), also used in the previous year

52. Reconciliation of provisions for pensions and obligations similar to pensions

EURm	2013/14	2012/13
Present value of pension obligations (DBO) on 01.10.	290.9	275.0
+ Service costs	2.5	2.5
+ Interest costs	10.2	11.1
– Pension payments	–17.1	–17.2
+/– Actuarial loss/gain from changes in financial assumptions	27.6	19.5
Present value of pension obligations (DBO) on 30.09.	314.2	290.9

As of 30 September 2014, the weighted average remaining term equalled 14.0 years for the pension obligations (previous year: 14.1 years) and 17.3 years for the obligations similar to pensions (previous year: 17.1 years). Payments for pensions and similar obligations are expected to total EUR 17.2m in 2014/15.

52. Reconciliation of the provision for severance payments

EURm	2013/14	2012/13
Present value of severance payment obligations (DBO) on 01.10.	90.3	83.3
+ Service costs	3.3	3.2
+ Interest costs	3.4	3.5
– Severance payments	–6.9	–4.0
+/– Actuarial loss/gain from changes in financial assumptions	3.5	4.3
Present value of severance payment obligations (DBO) on 30.09.	93.6	90.3

As of 30 September 2014, the weighted average remaining term of the severance payment obligations equalled 11.2 years (previous year: 11.3 years). Severance payments are expected to total EUR 4.6m in 2014/15.

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

52. Sensitivity analysis for provisions for pensions and obligations similar to pensions

		30.09.2014		30.09.2013	
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50%	6.37%	–5.64%	6.91%	–6.16%
Remuneration increases	1.00%	–2.65%	3.00%	–2.42%	2.71%
Pension increases	1.00%	–9.60%	10.48%	–9.91%	6.35%
Remaining life expectancy	1 Jahr	–4.56%	4.62%	–4.40%	4.46%

52. Sensitivity analysis for provisions for severance payments

		30.09.2014		30.09.2013	
	Change in assumption	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO	Decrease in assumption/ change in DBO	Increase in assumption/ change in DBO
Interest rate	0.50%	5.34%	–4.97%	5.37%	–4.99%
Remuneration increases	1.00%	–10.76%	12.31%	–10.96%	12.57%

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

52. Reconciliation of other non-current provisions

EURm

	Service anniversary bonuses	Rents for network access	Process costs and risks	Environmental and disposal risks	Other non-current provisions	Total
Carrying amount 01.10.2013	**20.1**	**10.5**	**14.7**	**33.0**	**4.2**	**82.4**
Currency translation differences	0.0*)	–	0.0*)	–	–	0.0*)
Interest expense	0.4	0.0*)	0.1	0.8	0.0*)	1.4
Use	–0.7	–0.8	–9.1	–5.2	–1.9	–17.7
Additions	1.0	0.1	9.7	15.7	–	26.5
Transfers	–	–	2.0	–6.4	1.4	–3.0
Carrying amount 30.09.2014	**20.7**	**9.9**	**17.4**	**37.9**	**3.6**	**89.6**

*) Small amount

Rents for network access involve provisions for rents to gain access to third-party facilities in Bulgaria. Various legal proceedings and lawsuits, which for the most part arise from operating activities and are currently pending, are reported under process costs and risks. Environmental and disposal risks primarily encompass the estimated costs for demolition or disposal as well as provisions for environmental risks and risks related to contaminated sites.

53. Deferred income from network subsidies

The following table shows the development of deferred income from network subsidies:

53. Deferred income from network subsidies

EURm

	Construction subsidies	Investment subsidies	Total
Carrying amount 01.10.2013	**453.0**	**50.5**	**503.5**
Currency translation differences	–0.1	–	–0.1
Additions	54.6	9.0	63.6
Reversal	–39.8	–5.6	–45.4
Carrying amount 30.09.2014	**467.7**	**53.9**	**521.6**

The investment subsidies are related primarily to EVN Wasser, heating plants, the thermal waste utilisation plant in Zwentendorf and small hydropower plants operated by EVN Naturkraft.

Of the total subsidies, EUR 476.2m (previous year: EUR 463.7m) will not be recognised as income within one year.

54. Other non-current liabilities

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

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

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

54. Other non-current liabilities

EURm	30.09.2014	30.09.2013
Leases	19.8	21.5
Accruals from financial transactions	2.9	3.9
Liabilities from derivative transactions	56.9	45.6
Remaining other non-current liabilities	8.1	8.5
Total	**87.8**	**79.4**

54. Term to maturity of other non-current liabilities

EURm

	Remaining term to maturity as of 30.09.2014			Remaining term to maturity as of 30.09.2013		
	< 5 years	> 5 years	Total	< 5 years	> 5 years	Total
Leases	9.4	10.4	19.8	9.2	12.3	21.5
Accruals from financial transactions	2.3	0.6	2.9	3.0	0.8	3.9
Liabilities from derivative transactions	0.0*)	56.9	56.9	3.2	42.4	45.6
Remaining other non-current liabilities	2.6	5.5	8.1	2.7	5.8	8.5
Total	**14.4**	**73.4**	**87.8**	**18.1**	**61.3**	**79.4**

*) Small amount

Current liabilities

55. Current loans and borrowings

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

55. Current loans and borrowings

EURm	30.09.2014	30.09.2013
Bank loans	173.8	109.1
Bonds	–	264.5
Bank overdrafts and other current loans	20.4	20.9
Total	**194.2**	**394.6**

Loans of EUR 173.8m were reclassified to current financial liabilities because they are now due within one year (previous year: EUR 109.1m).

The bond liabilities matured on 20 February 2014 (CHF bond) and 1 September 2014 (JPY bond) and were redeemed as scheduled.

56. Taxes payable

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

56. Taxes payable

EURm	30.09.2014	30.09.2013
Energy taxes	31.8	27.1
Value added tax	16.9	17.2
Corporate income tax	1.8	19.0
Other taxes and duties	10.7	11.6
Total	**61.1**	**74.9**

57. Trade payables

Trade payables include obligations resulting from outstanding invoices amounting to EUR 157.9m (previous year: EUR 131.3m).

58. Current provisions

The provisions for personnel entitlements comprise special payments not yet due, outstanding leave and liabilities resulting from a voluntary early retirement programme for employees. The provisions for legally binding agreements totalled EUR 3.6m as of the balance sheet date (previous year: EUR 2.6m).

Onerous contracts include provisions for sales-related transactions in connection with power plants and the sale of energy.

58. Reconciliation of current provisions EURm	Personnel entitlements	Onerous contracts	Restructuring	Other current provisions	Total
Carrying amount 01.10.2013	**64.5**	**7.3**	**1.5**	**14.0**	**87.0**
Currency translation differences	0.0*)	–	0.0*)	0.0*)	0.0*)
Use	–58.7	–2.9	–	–8.2	–69.7
Additions	62.1	41.5	–	13.3	116.9
Transfers	–	–	–1.5	4.4	2.9
Carrying amount 30.09.2014	**67.9**	**45.9**	**–**	**23.7**	**137.2**

*) Small amount

59. Other current liabilities

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

The other financial liabilities include a liability of EUR 72.4m (previous year: EUR 0.0m) related to a tariff decision in Bulgaria on 1 July 2014, which requires the repayment of revenue from previous periods. This position also includes a liability of EUR 60.9m (previous year: EUR 0.0m) related to the contract performance guarantee for the Duisburg-Walsum power plant project that was drawn in November 2013. The other items consist primarily of employee-related liabilities, deposits received and compensation payments for electricity futures.

Prepayments received served to cover the costs of electricity, natural gas and heating supplies as well as the installation of customer equipment.

The liabilities relating to social security contributions comprise amounts due to social insurance carriers.

59. Other current liabilities EURm	30.09.2014	30.09.2013
Financial liabilities		
Liabilities to investments in equity accounted investees	127.3	82.9
Liabilities to non-consolidated subsidiaries	8.7	36.1
Deferred interest expenses	18.4	21.9
Liabilities arising from derivative transactions	11.6	14.1
Other financial liabilities	166.0	27.7
	331.9	**182.7**
Other liabilities		
Prepayments received	65.2	67.7
Liabilities relating to social security	11.8	10.1
	77.0	**77.8**
Total	**408.9**	**260.5**

Segment reporting

60. Segment reporting

EURm

	Generation		Energy Trade and Supply		Network Infrastructure Austria		Energy Supply South East Europe	
	2013/14	2012/13	**2013/14**	2012/13	**2013/14**	2012/13	**2013/14**	2012/13
External revenue	33.7	39.0	431.5	387.8	430.9	435.8	900.4	1,007.3
Internal revenue (between segments)	153.8	75.3	17.2	17.9	53.7	61.9	0.4	0.4
Total revenue	**187.5**	**114.3**	**448.6**	**405.8**	**484.6**	**497.6**	**900.8**	**1,007.7**
Operating expenses	–115.1	–78.4	–448.5	–415.5	–297.8	–285.0	–880.6	–890.6
Share of results from equity accounted investees operational	–38.9	–45.0	55.2	38.3	–	–	–	–
EBITDA	**33.6**	**–9.1**	**55.3**	**28.6**	**186.8**	**212.6**	**20.2**	**117.1**
Depreciation and amortisation	–86.7	–27.9	–16.1	–15.8	–103.6	–100.7	–252.9	–65.8
thereof impairment losses	–36.0	–	–	–0.6	–	–0.2	–191.8	–
Results from operating activities (EBIT)	**–53.1**	**–37.0**	**39.2**	**12.8**	**83.3**	**112.0**	**–232.8**	**51.2**
EBIT margin (%)	–28.3	–32.3	8.7	3.2	17.2	22.5	–25.8	5.1
Share of results from equity accounted investees financial	–	–	–	–	–	–	–	–
Interest income	0.5	0.6	0.2	0.1	0.3	0.3	0.7	0.6
Interest expense	–26.4	–13.9	–3.1	–3.1	–20.1	–21.2	–29.2	–27.9
Financial results	–25.3	–12.5	–3.0	–3.1	–19.8	–19.1	–29.2	–27.5
Result before income tax	**–78.4**	**–49.5**	**36.2**	**9.7**	**63.4**	**92.8**	**–262.0**	**23.7**
Goodwill	–	–	2.8	2.8	1.8	1.8	12.5	161.4
Carrying value of investments in equity accounted investees	138.9	182.9	123.7	129.0	–	–	–	–
Total assets	1,218.2	1,139.9	509.4	420.4	1,787.7	1,786.8	1,251.8	1,379.4
Liabilities	1,034.7	891.5	409.3	332.4	1,298.2	1,266.2	1,137.8	1,044.7
Investments[1)]	88.9	74.4	32.3	30.0	186.8	176.4	77.5	82.4

*) Small amount

1) In intangible assets and property, plant and equipment

60. Segment reporting

EURm

	Environmental Services		Strategic Investments and Other Business		Consolidation[2]		Total	
	2013/14	2012/13	**2013/14**	2012/13	**2013/14**	2012/13	**2013/14**	2012/13
External revenue	168.9	227.2	9.5	8.8	–	–	1,974.8	2,105.9
Internal revenue (between segments)	22.2	21.1	61.5	59.3	–308.8	–235.9	–	–
Total revenue	**191.1**	**248.4**	**71.0**	**68.0**	**–308.8**	**–235.9**	**1,974.8**	**2,105.9**
Operating expenses	–347.5	–209.7	–77.5	–75.7	282.2	294.1	–1,884.8	–1,660.8
Share of results from equity accounted investees operational	11.7	11.8	66.0	89.9	–	–	94.0	95.0
EBITDA	**–144.6**	**50.5**	**59.4**	**82.2**	**–26.6**	**58.1**	**184.1**	**540.0**
Depreciation and amortisation	–70.2	–28.9	–1.7	–1.9	5.8	–56.8	–525.5	–297.9
thereof impairment losses	–41.7	–0.2	–	–	–	–58.9	–269.5	–59.9
Results from operating activities (EBIT)	**–214.9**	**21.5**	**57.6**	**80.3**	**–20.8**	**1.3**	**–341.4**	**242.2**
EBIT margin (%)	–112.4	8.7	81.2	118.1	–	–	–17.3	11.5
Share of results from equity accounted investees financial	–	–	2.8	–29.6	–	–	2.8	–29.6
Interest income	16.6	20.1	33.2	34.8	–28.1	–27.9	23.5	28.4
Interest expense	–18.6	–20.4	–27.3	–35.1	28.1	27.8	–96.7	–93.8
Financial results	–4.0	0.3	61.8	–1.2	–12.4	–8.3	–31.9	–71.5
Result before income tax	**–218.8**	**21.8**	**119.4**	**79.1**	–33.1	–7.0	**–373.3**	**170.7**
Goodwill	41.5	41.5	–	–	–	–	58.6	207.5
Carrying value of investments in equity accounted investees	80.2	80.2	546.3	551.9	–	–	889.1	944.0
Total assets	1,197.6	1,468.9	2,750.3	2,887.2	–1,873.2	–1,798.8	6,841.8	7,283.7
Liabilities	1,004.8	1,059.3	1,116.5	1,342.7	–1,792.1	–1,732.3	4,209.1	4,204.5
Investments[1]	13.5	12.0	2.5	3.5	–5.0	–5.8	396.3	372.9

*) Small amount

1) In intangible assets and property, plant and equipment

2) Explained below in the notes to segment reporting.

60. Segment information by products – Revenue

EURm	2013/14	2012/13
Electricity	1,355.1	1,470.8
Natural gas	174.3	146.7
Heat	129.2	137.5
Environmental Services	168.9	227.2
Others	147.4	123.6
Total	1,974.8	2,105.9

60. Segment information by country – Revenue[1)]

EURm	2013/14	2012/13
Austria	994.9	953.8
Germany	45.3	91.2
Bulgaria	509.2	593.9
Macedonia	393.1	412.9
Others	32.2	54.2
Total	1,974.8	2,105.9

60. Segment information by country – Non-current assets[1)]

	30.09.2014		30.09.2013	
EURm	Intangible assets	Property, plant and equipment	Intangible assets	Property, plant and equipment
Austria	98.8	2,306.6	107.0	2,225.1
Germany	46.0	416.2	41.9	382.8
Bulgaria	47.6	489.5	190.3	490.0
Macedonia	4.1	277.9	55.6	274.8
Others	0.0*)	51.9	0.0*)	100.3
Total	196.5	3,542.2	394.9	3,472.9

*) Small amount

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

60. Notes to segment reporting

The segments of business cover the following activities:

Business areas	Segments	Activities
Energy business	Generation	Electricity generation from thermal sources and renewable energies at Austrian and international locations
	Energy Trade and Supply	Procurement of electricity and primary energy sources, trading and sale of electricity and natural gas to end customers and on wholesale markets as well as heat generation and sale
	Network Infrastructure Austria	Operation of regional electricity and natural gas networks as well as cable TV and telecommunications networks
	Energy Supply South East Europe	Operation of electricity networks and electricity sales to end customers in Bulgaria and Macedonia, heat generation and sale in Bulgaria, electricity production in Macedonia, construction and operation of natural gas networks in Croatia, energy trading throughout the entire region
Environmental services business	Environmental Services	Drinking water supply, wastewater disposal and thermal waste utilisation in Austria, combined cycle heat and power co-generation plants in Moscow as well as international project business
Other business activities	Strategic Investments and Other Business	Strategic and other investments, corporate services

Principle of segment allocation and transfer pricing

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

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

Reconciliation of segment results at the Group level

Services performed between segments are eliminated in the consolidation column. The results in the "total" column reflect the amounts shown in the consolidated statement of operations. Also included are transition amounts, which result from the difference between the viewpoints of the Generation and Energy Trade and Supply Segments and the Group with respect to the inclusion of Steag-EVN Walsum as a joint operation. The Generation Segment has not identified any signs of impairment to its proportional investment in the power plant resulting from the inclusion of Steag-EVN Walsum as a joint operation, and the Energy Trade and Supply Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required from the Group's point of view. These circumstances led to a transition of EUR –20.8m (previous year: EUR 1.3m) from the segment total to Group EBIT.

Group disclosures

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

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

Other information

61. Consolidated statement of cash flows

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

The non-cash valuation allowance recognised to the leasing receivable from the thermal waste utilisation plant no. 1 in Moscow is corrected under gross cash flow. The related reclassification of the saleable aggregate components to inventories (see note 39. Other non-current assets) and the change in the presentation of the sodium hypochlorite plant in Moscow (see note 43. Non-current assets held for sale) are shown as a net amount. Another correction in the consolidated statement of cash flows involved additions to intangible assets and property, plant and equipment that are related to an increase in the provisions for demolition.

Income tax payments of EUR 19.6m (previous year: EUR 28.3m) were reported separately under net cash flow from operating activities.

Dividends received, interest received and interest paid were allocated to cash flow from operating activities. Cash flows from dividend payments received for the 2013/14 financial year totalled EUR 188.2m (previous year: EUR 181.3m). Of the total interest income, EUR 21.7m (previous year: EUR 26.6m) represented cash items. Interest expense contained EUR 63.1m of cash items (previous year: EUR 63.1m).

Proceeds from the disposal of intangible assets and property, plant and equipment amounted to EUR 4.5m (previous year: EUR 3.4m). These proceeds resulted in a loss of EUR 1.2m (previous year: loss of EUR 0.0m).

Dividend payments of EUR 74.8m (previous year: EUR 75.0m) to EVN AG shareholders and EUR 32.1m (previous year: EUR 36.7m) to non-controlling interests (in RBG and BUHO) were reported under net cash flow from financing activities.

61. Cash and cash equivalents

EURm	30.09.2014	30.09.2013
Cash	217.6	250.4
thereof cash on hand	0.6	0.5
thereof cash at banks	217.0	249.9
Bank overdrafts	–20.4	–20.9
Total	**197.2**	**229.5**

Of the total deposits with financial institutions, EUR 11.1m (previous year: EUR 4.8m) represent pledges.

62. Risk management

Interest rate risk

EVN defines interest rate risk as the risk that fluctuations in the fair value or future cash flows of a financial instrument due to changes in the market interest rate could adversely affect interest income and expense as well as equity. This risk is minimised through the regular monitoring of interest rate risk and compliance with limits as well as hedging strategies that include the use of derivative financial instruments (also see note 9. Financial instruments). In order to manage interest rate risk, EVN works to achieve a balanced mix of fixed and variable rate financial instruments.

EVN monitors interest rate risk through sensitivity analyses, among others with a daily value-at-risk (VaR) calculation. This procedure calculates the VaR with a confidence level of 99.0% for one day according to the variance-covariance method (delta-gamma approach). The interest VaR, including the hedging instruments used by EVN, equalled EUR 6.6m as of 30 September 2014 (previous year: EUR 7.1m). The lower volatility of the interest environment is also reflected in a year-on-year decline in the interest VaR as of 30 September 2014.

Foreign exchange risk

For EVN, the risk to profit or loss arising from fluctuations in foreign exchange rates arises from transactions carried out in currencies other than the euro.

EVN is exposed to foreign exchange risk on receivables, liabilities, and cash and cash equivalents that are not held in the Group's functional currency. The most significant drivers of foreign exchange risk for EVN is a bond issued in Japanese yen (JPY). Foreign exchange risk is managed by way of the central compilation, analysis and management of risk positions, and by hedging the bond denominated in foreign currencies through cross currency swaps (see notes 50. Non-current loans and borrowings and 9. Financial instruments).

The foreign exchange VaR, including the effects of hedges, totalled TEUR 3.4 as of 30 September 2014 (previous year: TEUR 27.8) and is increasingly of minor importance due to the expiry of bonds in Japanese yen and the Swiss franc and the corresponding cross-currency swaps in the past financial year.

Other market risks

EVN defines other market risks as the risk of price changes resulting from market fluctuations in primary energy, CO_2 emission certificates electricity, and securities.

In EVN's energy trading activities, energy trading contracts are entered into for the purpose of managing price risk. Price risks result from the procurement and sale of electricity, natural gas, coal, oil, biomass and CO_2 emission certificates. Forward and future contracts and swaps are used to hedge these price risks.

62. Price hedging in the energy business

EURm

	2013/14					2012/13				
	Nominal volumes		Fair values			Nominal volumes		Fair values		
	Purchases	Disposals	Positive	Negative	Net	Purchases	Disposals	Positive	Negative	Net
Swaps	27.1	–	0.1	–0.6	–0.6	12.3	–3.7	0.7	–1.5	–0.8
Futures	6.1	–25.0	2.0	–0.1	1.9	–	–22.2	2.0	–0.1	1.9
Forwards	24.5	–63.5	3.5	–0.8	2.7	22.3	–41.6	4.6	–0.8	3.8

The sensitivity of measurement to market prices is discussed below. Sensitivity is calculated under the assumption that all other parameters remain unchanged. Furthermore, these derivatives serve as hedging instruments within the context of cash flow hedges. The analysis does not include derivatives that are related to the receipt or delivery of non-financial items in accordance with the company's expected purchase, sale or usage requirements (own use) and which therefore are not reported as financial instruments in accordance with IAS 39.

In the event of a 10.0% change in market prices as of the balance sheet date, the effects of the derivatives on equity would be EUR 2.6m (previous year: EUR 1.1m).

The price risk for securities results from fluctuations on the capital markets. The most significant securities position held by EVN is its investment in Verbund AG. The price risk VaR for the Verbund AG shares held by EVN as of the balance sheet date was EUR 23.4m (previous year: EUR 28.4m). The decrease compared to the last reporting date is due to a lower share price / market value of the position and to a declining price volatility of the Verbund share.

Liquidity risk

Liquidity risk represents the risk of not being able to raise the required financial resources to settle liabilities on their due date as well as the inability to raise the necessary liquidity at the expected terms and conditions. EVN minimises this risk by means of short-term and

medium-term financial planning. In concluding financing agreements, special attention is paid to managing the terms to maturity in order to achieve a balanced maturity profile and thus avoid the bundling of repayment dates. The EVN Group uses cash pooling to equalise liquidity balances.

As of the balance sheet date, cash and short-term securities totalling EUR 223.8m were available to cover liquidity needs (previous year: EUR 299.8m). Moreover, EVN had EUR 400.0m of contractually agreed and unused syndicated lines of credit (previous year: unused lines of credit totalling EUR 500.0m) and EUR 175.0m of contractually agreed and unused bilateral lines of credit (previous year: EUR 175.0m) as of the balance sheet date. The liquidity risk was therefore extremely low. The gearing ratio equalled 61.6% as of the balance sheet date (previous year: 58.8%) and underscores EVN's sound capital structure.

The nominal value of derivative financial liabilities amounted to EUR 434.03m (previous year: EUR 777.1m) as of the balance sheet date. Cash flows of EUR 78.7m (previous year: EUR 81.7m) comprise EUR 15.0m (previous year: EUR 12.8m) with a term of one year or less, EUR 30.1m (previous year: EUR 37.9m) with a term of one to five years, and EUR 33.6m (previous year: EUR 31.0m) with a term of more than five years.

62. Expected occurrence of cash flows

Business year 2013/14

EURm	Total payment flows	Contractually stipulated payment flows < 5 years	Contractually stipulated payment flows > 5 years
Cash flows of hedged items	–393.2	–218.4	–174.8
Cash flows from hedging instruments	–60.2	–45.1	–15.1
Profit/Loss	–59.7	–45.3	–14.5

Business year 2012/13

EURm	Total payment flows	Contractually stipulated payment flows < 5 years	Contractually stipulated payment flows > 5 years
Cash flows of hedged items	–644.1	–417.9	–226.2
Cash flows from hedging instruments	–37.2	–19.5	–17.6
Profit/Loss	5.2	21.8	–16.6

62. Terms to maturity of non-current loans and borrowings

Business year 2013/14

EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows < 5 years	Contractually stipulated payment flows > 5 years
Bonds	705.7	979.2	344.9	634.3
Non-current bank loans	1,041.9	1,388.9	615.7	773.3
Total	**1,747.7**	**2,368.2**	**960.6**	**1,407.6**

Business year 2012/13

EURm	Carrying amount	Total payment flows	Contractually stipulated payment flows < 5 years	Contractually stipulated payment flows > 5 years
Bonds	707.0	1,090.9	369.5	721.4
Non-current bank loans	1,098.7	1,291.1	663.2	627.9
Total	**1,805.7**	**2,382.0**	**1,032.7**	**1,349.3**

Credit risks

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

EVN monitors credit risk and limits default risk for financial receivables in the treasury area (e.g. investments, financial and interest derivatives) and for derivatives and forward transactions which are concluded to hedge the risks connected with EVN's energy business or are related to end customers and other debtors.

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

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

62. Impairment losses by class

EURm	30.09.2014	30.09.2013
Write-offs/Value adjustments		
Non-current assets		
Other investments	0.5	0.4
Lease receivables and accrued lease transactions	191.4	–
	192.0	**0.4**
Current assets		
Receivables	39.3	36.0
Securities	–	–0.2
	39.3	**35.9**
Total	**231.3**	**36.3**

The Group's maximum default risk for the items reported on the consolidated statement of financial position as of 30 September 2014 and 30 September 2013 reflect the carrying amounts shown in notes 39. Other non-current assets, 41. Receivables and other current assets and 42. Securities, excluding financial guarantees.

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

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

63. Capital management

EVN's goal in the area of capital management is to maintain a solid capital structure in order to use the resulting financial strength for value-creating investments and an attractive dividend policy. One financial goal is to keep the equity ratio over 40%. As of 30 September 2014, the equity ratio equalled 38.5%. Gearing is measured as the ratio of net debt to equity, whereby net debt is calculated as current and non-current financial liabilities less cash and cash equivalents, current and non-current securities and originated loans. As of 30 September 2014, gearing equalled 61.6%.

63. Capital management

EURm	30.09.2014	30.09.2013
Non-current loans and borrowings	1,747.7	1,805.7
Current loans and borrowings	173.8	373.7
Cash and cash equivalents	–197.2	–229.5
Current securities	–0.8	–43.9
Non-current securities	–62.1	–57.1
Loans receivable	–38.9	–39.2
Net debt	**1,622.4**	**1,809.6**
Equity	**2,632.7**	**3,079.2**
Gearing (%)	**61.6**	**58.8**

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

64. Reporting on financial instruments

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

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

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

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

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

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

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

64. Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (according to IFRS 13)	30.09.2014 Carrying amount	30.09.2014 Fair Value	30.09.2013 Carrying amount	30.09.2013 Fair Value
Non-current assets						
Other investments						
Non-financial assets	–	–	25.1	–	23.7	–
Miscellaneous investments	AFS	Level 1	639.6	639.6	671.1	671.1
			664.7		**694.8**	
Other non-current assets						
Securities	@FVTPL	Level 1	62.1	62.1	57.1	57.1
Loans receivable	LAR	Level 2	38.9	44.0	39.2	43.2
Lease receivables and accrued lease transactions	LAR	Level 2	207.0	236.1	703.6	741.7
Receivables arising from derivative transactions	Hedge Accounting	Level 2	–	–	–	–
Remaining other non-current assets	LAR		75.5	75.5	42.4	42.4
Non-financial assets (primary energy reserves)	–		14.6	–	14.6	–
			398.1		**857.0**	
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR		406.6	406.6	411.1	411.1
Receivables arising from derivative transactions	Hedge Accounting	Level 2	0.2	0.2	35.1	35.1
Non-financial assets	–		37.1	–	26.3	–
			443.9		**472.5**	
Securities	AFS	Level 1	**0.8**	**0.8**	**43.9**	**43.9**
Cash and cash equivalents						
Cash on hand and cash at banks	LAR		217.6	217.6	250.4	250.4
			217.6	**217.6**	**250.4**	**250.4**
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC	Level 1	705.7	836.2	707.0	792.2
Bank loans	FLAC	Level 2	1,041.9	1,165.1	1,098.7	1,169.7
			1,747.7		**1,805.7**	
Other non-current liabilities						
Leases	FLAC		19.8	19.8	21.5	21.5
Accruals of financial transactions	FLAC		2.9	2.9	3.9	3.9
Other liabilities	FLAC		8.1	8.1	8.5	8.5
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	56.9	56.9	45.6	45.6
			87.8		**79.4**	
Current liabilities						
Current loans and borrowings	FLAC		**194.2**	**194.2**	**394.6**	**394.6**
Trade payables	FLAC		**505.1**	**505.1**	**415.8**	**415.8**
Other current liabilities						
Other financial liabilities	FLAC		320.3	320.3	168.6	168.6
Liabilities arising from derivative transactions	Hedge Accounting	Level 2	11.6	11.6	14.1	14.1
Non-financial liabilities	–		77.0	–	77.8	–
			408.9		**260.5**	
thereof aggregated to measurement categories						
Available for sale financial assets	AFS		640.4		715.0	
Loans and receivables	LAR		870.1		1,404.4	
Financial assets designated at fair value in profit or loss	@FVTPL		62.1		57.1	
Financial liabilities at amortised cost	FLAC		2,798.2		2,818.6	

Derivative financial instruments

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

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

Derivative financial instruments comprise the following:

64. Derivative financial instruments	30.09.2014		30.09.2013	
	Nominal value[1]	Fair value[2]	Nominal value[1]	Fair value[2]
Currency swaps				
CHFm (below 1 year)[3]	–	–	250.0	35.1
JPYm (below 1 year)[3]	–	–	8,000.0	–5.4
JPYm (over 5 years)[3]	12,000.0	–9.1	12,000.0	–5.4
Interest rate swaps				
EURm (over 5 yeasrs)[3]	347.3	–58.5	383.0	–48.7
Derivatives energy				
Purchases/disposals (natural gas, coal, oil)[3]	27.1	–0.6	8.6	–0.8
Purchases/disposals (natural gas, coal, oil)	–22.2	–0.6	–	–

1) In m nominal currency
2) In EURm
3) Used as a hedging instrument in accordance with IAS 39

Positive fair values are recognised as receivables from derivative transactions under other non-current assets or other current assets, depending on their remaining term to maturity. Negative fair values are recognised as liabilities from derivative transactions under other non-current liabilities or other current liabilities, depending on their remaining term to maturity.

65. Disclosures of interests in other entities

An overview of the companies included in the consolidated financial statements is provided beginning on page 218 under EVN's investments.

Information on the joint ventures and associates that were included in EVN's consolidated financial statements at equity in 2013/14 is provided below.

The share of results from equity accounted investees with operational nature has been reported as part of the results from operating activities (EBIT) since the third quarter of 2013/14 (see note 2. Reporting in accordance with IFRS).

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

65. Joint ventures that were included at equity in the consolidated financial statements as of 30.09.2014 in accordance with IFRS 11	Operational nature	Financial nature
Company		
AUL Abfallumladelogistik Austria GmbH	●	
Bioenergie Steyr GmbH	●	
Degremont WTE Wassertechnik Praha v.o.s.	●	
e&i EDV Dienstleistungsgesellschaft m.b.H.		●
e&t	●	
EnergieAllianz	●	
EVN KG	●	
EVN-WE Wind KG	●	
Fernwärme St. Pölten GmbH	●	
Fernwärme Steyr GmbH	●	
RAG	●	
Shkodra	●	
sludge2energy GmbH	●	
WEEV Beteiligungs GmbH		●
ZOV	●	

65. Associates that were included at equity in the consolidated financial statements as of 30.09.2014 in accordance with IAS 28	Operational nature	Financial nature
Company		
EconGas	●	
Energie Burgenland AG	●	
Verbund Innkraftwerke GmbH	●	
ZOV UIP	●	

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

65. Financial information of material joint ventures

EURm

	30.09.2014			30.09.2013		
Joint Venture	**EVN KG**	**RAG**	**ZOV**	**EVN KG**	**RAG**	**ZOV**
Statement of financial position						
Non-current assets	12.9	654.7	258.4	12.2	620.2	263.7
Current assets	160.0	105.7	40.9	143.9	93.5	49.8
Non-current liabilities	0.0*)	459.0	113.3	0.0*)	400.4	132.6
Current liabilities	77.6	106.8	24.4	53.2	130.6	19.8
Reconciliation of the carrying amount of the share of EVN in the joint venture						
Net assets	95.3	194.7	161.7	102.8	182.7	161.0
Share of EVN in net assets in percent	100.00%	100.00%	48.50%	100.00%	100.00%	48.50%
Share of EVN in net assets	95.3	194.7	78.4	102.8	182.7	78.1
+/– Revaluations	–	170.0	0.6	–	182.9	0.8
Carrying amount of the share of EVN in the joint venture	95.3	364.7	79.0	102.8	365.6	78.9

	2013/14			2012/13		
Statement of operations						
Revenue	533.3	462.6	13.7	641.6	420.8	19.1
Scheduled depreciation and amortisation	0.0*)	–51.5	0.0*)	0.0*)	–49.8	0.0*)
Interest income	0.1	0.1	0.6	0.1	0.7	0.9
Interest expense	0.0*)	–6.4	–10.0	0.0*)	–8.1	–11.0
Income tax	–0.1	–23.0	–5.5	0.1	–24.8	–5.2
Result for the period	53.6	71.0	21.9	58.9	82.7	20.7
Other comprehensive income	–2.1	1.3	0.5	–3.0	–24.2	1.4
Comprehensive income for the period	51.5	72.3	22.4	55.9	58.5	22.1
Dividends received by EVN	59.0	60.0	10.6	50.1	70.0	7.6

*) Small amount

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

65. Financial information of individually immaterial joint ventures (EVN-share)

EURm

	2013/14	2012/13
Carrying value of the joint ventures as of the balance sheet date	40.9	37.2
Result for the period	4.8	–50.7
Other comprehensive income	–0.8	30.9
Comprehensive income	4.0	–19.8

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

65. Financial information of material associates

EURm

Associate	30.09.2014 EconGas	30.09.2014 Verbund IKW	30.09.2014 ZOV UIP	30.09.2014 Energie Burgenland	30.09.2013 EconGas	30.09.2013 Verbund IKW	30.09.2013 ZOV UIP	30.09.2013 Energie Burgenland
Statement of financial position								
Non-current assets	49.9	1,318.4	0.2	777.2	51.0	1,287.0	0.2	801.7
Current assets	1,018.8	14.3	3.1	118.9	1,239.2	34.8	3.6	141.0
Non-current liabilities	55.9	82.7	–	171.2	0.3	44.2	–	165.8
Current liabilities	1,013.8	12.2	0.6	414.3	1,314.7	10.6	0.7	468.9
Reconciliation of the carrying amount of the share of EVN in the asscociate								
Net assets	–1.0	1,237.7	2.6	310.6	–24.8	1,266.9	3.1	308.0
Share of EVN in net assets in percent	16.51%	13.00%	33.00%	36.08%	16.51%	13.00%	33.00%	36.08%
Share of EVN in net assets	–0.2	160.9	0.9	112.1	–4.1	164.7	1.0	111.1
+/– Revaluations	0.2	–25.4	–	61.0	4.1	15.3	–	67.0
Carrying amount of the share of EVN in the associate	–	135.5	0.9	173.1	–	180.0	1.0	178.1

	2013/14 EconGas	2013/14 Verbund IKW	2013/14 ZOV UIP	2013/14 Energie Burgenland	2012/13 EconGas	2012/13 Verbund IKW	2012/13 ZOV UIP	2012/13 Energie Burgenland
Statement of operations								
Revenue	3,409.7	86.5	10.7	312.9	7,093.8	102.5	11.5	317.7
Result for the period	18.3	12.9	3.4	19.2	–29.5	21.2	4.1	21.1
Other comprehensive income	10.0	–	–	–8.7	–10.1	–	–	23.0
Comprehensive income	28.3	–	3.4	10.5	–39.6	–	4.1	44.1
Dividends received by EVN	–	5.2	1.3	8.3	–	16.4	1.3	8.3

The consolidated financial statements include no equity accounted investees that are individually immaterial.

66. Other obligations and risks

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

66. Other obligations and risks

EURm

	2013/14	2012/13
Guarantees in connection with energy transactions	114.8	151.7
Guarantees in connection with projects in the Environmental Services Segment	161.8	201.9
Guarantees related to the construction and operation of		
energy networks	5.1	9.9
power plants	132.1	161.0
Order obligations for investments in intangible assets and property, plant and equipment	98.6	107.5
Further obligations arising from guarantees or other contractual contingent liabilities	0.6	0.8
Total	513.1	632.9
thereof in connection with equity accounted investees	173.7	215.7

Neither provisions nor liabilities were recognised for the above-mentioned items because claims to the fulfilment of obligations or the actual occurrence of specific risks were not expected at the time these consolidated financial statements were prepared. The above-mentioned obligations were contrasted by corresponding recourse claims of EUR 188.3m (previous year: EUR 197.8m).

Contingent liabilities related to guarantees for energy transactions are recognised on the basis of the guarantees issued by e&t Energie Handelsgesellschaft mbH and EconGas GmbH at an amount equalling the risk exposure of EVN AG. This risk is measured by the changes between the stipulated price and the actual market price, whereby EVN is only exposed to procurement risks when market prices decline and to selling risks when market prices increase.

Accordingly, fluctuations in market prices may lead to a change in the risk exposure after the balance sheet date. The risk assessment resulted in a contingent liability of EUR 54.6m as of 30 September 2014. The nominal volume of the guarantees underlying this assessment was EUR 375.5m. As of 31 October 2014, the market price risk was EUR 52.4m based on an underlying nominal volume of EUR 375.5m.

Various legal proceedings and lawsuits related to operating activities are pending or claims may be filed against EVN in the future. The attendant risks were analysed in relation to their probability of occurrence. The evaluation of possible claims showed that the legal proceedings and lawsuits, individually and as a whole, would not have a material negative effect on EVN's business, liquidity, profit or loss or financial position. Additional obligations arising from guarantees and other contractual contingent liabilities consisted chiefly of outstanding capital contributions and loan commitments to affiliates as well as liabilities for affiliates' loans.

67. Information on transactions with related parties

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

EVN's related parties include all companies in the scope of consolidation, other subsidiaries, joint ventures and associates that are not included in the consolidated financial statements, the main shareholders NÖ Landes-Beteiligungsholding GmbH, St. Pölten, and their subsidiaries, EnBW Trust e.V., Karlsruhe, Germany, as well as people who are responsible for the planning, management and supervision of the Group's activities. In particular, related parties also include the members of the Executive Board and the Supervisory Board as well as their family members. A list of the Group companies can be found starting on page 218 under EVN's investments.

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

Transactions with related companies

Main shareholder

A group and tax settlement agreement was concluded with NÖ Landes-Beteiligungsholding GmbH, St. Pölten, in connection with the inclusion of EVN AG in a corporate tax group as defined in § 9 of the Austrian Corporate Tax Act. EVN AG has since added further subsidiaries to the tax group based on this agreement. This resulted in a current receivable of EUR 9.7m as of 30 September 2014 (previous year: liability of EUR 7.3m) due to NÖ Landes-Beteiligungsholding GmbH, St. Pölten.

Investments in equity accounted investees

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

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

67. Transactions with joint ventures included at equity

EURm	2013/14	2012/13
Revenue	240.2	207.8
Cost of services received	–74.9	–70.4
Trade accounts receivable	35.9	16.3
Trade accounts payable	14.0	23.1
Loans	10.3	10.4
Non-current loans and borrowings	9.6	9.6
Receivables from cash pooling	0.1	0.1
Liabilities from cash pooling	113.3	68.3
Interest income from loans	0.5	0.6
Interest expense on non-current loans and borrowings	–0.1	–0.1
Interest balance from cash pooling	0.0*)	0.0*)

*) Small amount

67. Transactions with associates included at equity

EURm	2013/14	2012/13
Revenue	–	–
Cost of services received	–56.0	–48.5
Trade accounts receivable	7.4	3.1
Trade accounts payable	–	–

Transactions with related individuals

Executive Board and Supervisory Board

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

The remuneration paid to the active members of the Executive Board in 2013/14 totalled TEUR 978.4 (including compensation in kind and contributions to pension funds; previous year: TEUR 1,404.3).

The following table provides detailed information on the remuneration of the Executive Board in 2013/14:

67. Remuneration of the active Executive Board

TEUR	2013/14			2012/13		
	Fixed remuneration	Variable remuneration	Compensation in kind	Fixed remuneration	Variable remuneration	Compensation in kind
Peter Layr	372.9	95.2	10.7	363.9	118.4	9.8
Stefan Szyszkowitz	347.7	88.7	10.7	339.3	110.4	9.8
Herbert Pöttschacher	–	–	–	280.4	113.6	7.4

Furthermore, an addition of TEUR 1,023.9 was made to the provision for pensions obligations on behalf of Peter Layr in 2013/14 (thereof TEUR 243.6 interest expense, including TEUR 597.2 of actuarial gains/losses). In the previous year, the addition amounted to TEUR 932.6 (thereof TEUR 240.3 interest expense, including TEUR 530.0 of actuarial gains/losses). For Stefan Szyszkowitz, the pension fund contributions equalled TEUR 52.4 (previous year: TEUR 51.2) and TEUR 582.8 were added to the provision for pensions (thereof TEUR 99.0 interest expense, including TEUR 349.0 of actuarial gains/losses). In 2012/13, the addition to the provision for pensions amounted to TEUR 502.3 (thereof TEUR 92.3 interest expense, including TEUR 294.6 of actuarial gains/losses).

The addition to the provisions for severance payments equalled TEUR 13.6 in 2013/14 for Peter Layr (thereof TEUR 16.5 interest expense, including TEUR –15.6 of actuarial gains/losses) and TEUR 28.0 in the previous year (thereof TEUR 17.7 interest expense, including TEUR –1.9 of actuarial gains/losses). For Stefan Szyszkowitz, TEUR 6.8 were contributed to an external employee fund (previous year: TEUR 8.0).

The year-on-year change in the remuneration of the active members of the Executive Board is attributable primarily to the retirement of Herbert Pöttschacher as of 30 June 2013, to the annual wage and salary increases mandated by collective bargaining agreements and to the change in performance-based components. The members of the Executive Board are entitled to legally defined severance compensation at the end of their functions. They are also entitled to a contractually agreed pension on retirement, whereby the pension payments under Austrian social security scheme and any payments from EVN Pensionskasse are credited against this amount.

The payments to former members of the Executive Board or their surviving dependents amounted to TEUR 1,132.0 for the reporting year (previous year: TEUR 1,587.3).

Expenses for severance payments and pensions for active members of senior management totalled TEUR 1,512.0 in 2013/14 (thereof TEUR 314.1 interest expense, including TEUR 721.2 of actuarial gains/losses) and TEUR 1,520.5 in the previous year (thereof TEUR 303.2 interest expense, including TEUR 780.5 of actuarial gains/losses).

The above amounts include expenses recognised in accordance with national law, as required by the Austrian Corporate Governance Code. Actuarial gains and losses are recorded under other comprehensive income without recognition in profit or loss in keeping with IAS 19.

The Supervisory Board remuneration totalled EUR 0.1m in 2013/14 (previous year: EUR 0.1m). The members of the Advisory Committee for Environmental and Social Responsibility received remuneration of EUR 0.1m during the reporting year (previous year: EUR 0.1m).

The basic principles underlying the remuneration system are presented in the remuneration report, which is part of the Corporate Governance Report.

Transactions with other related companies

The disclosure requirements for the notes do not cover information on intragroup transactions. Therefore, business transactions between EVN and its subsidiaries are not reported.

Business transactions with non-consolidated subsidiaries and companies not included at equity are generally not reported due to their immateriality.

Related parties can also be direct customers of a company within the EVN Group, whereby these business relationships reflect prevailing market rates and conditions and are immaterial in relation to the total income recorded by the EVN Group in 2013/14. The resulting items which were outstanding as of 30 September 2014 were reported under trade accounts receivable.

68. Significant events after the balance sheet date

The EVN sales company reduced the end customer price for electricity as of 1 October 2014 within the framework of EnergieAllianz Austria.

The Bulgarian regulatory authority increased the end customer prices for electricity and procurement costs for EVN as of 1 October 2014. In Macedonia, the regulatory authority approved the implementation of measures to gradually liberalise the electricity market.

On 29 October 2014, EVN reached an agreement with the Moscow city government over the sale of the sodium hypochlorite plant in Moscow. The sale price equalled EUR 250m and corresponds to the investment costs, including expected earnings contributions. The EVN subsidiary WTE has provided a conditional guarantee for the functionality of the plant. Preparatory tests and the commissioning of the facility are currently in progress.

69. Information on management and staff

The corporate bodies of EVN AG are:

Executive Board

Peter Layr – Spokesman of the Executive Board
Stefan Szyszkowitz – Member of the Executive Board

Supervisory Board

Burkhard Hofer – Chairman
Stefan Schenker – Vice-Chairman
Willi Stiowicek – Vice-Chairman
Norbert Griesmayr
Thomas Kusterer
Dieter Lutz
Reinhard Meißl
Bernhard Müller
Edwin Rambossek
Angela Stransky
Monika Fraißl – employee representative
Franz Hemm – employee representative
Paul Hofer – employee representative
Otto Mayer – employee representative
Manfred Weinrichter – employee representative

70. Approval of the 2013/14 consolidated financial statements for publication

These consolidated financial statements were prepared by the Executive Board as of the date indicated below. The individual financial statements, which were also included in the consolidated financial statements after their adjustment to reflect International Financial Reporting Standards, and the consolidated financial statements of EVN AG will be submitted to the Supervisory Board on 10 December 2014 for examination, and the Supervisory Board will also be asked to approve the individual financial statements.

71. Auditing fees

EVN's consolidated financial statements for the 2013/14 financial year were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. Auditing and consulting fees amounted to EUR 1.5m for the reporting year (previous year: EUR 1.8m), whereby 52.2% are attributable to auditing and audit-related services, 47.0% to tax advising and 0.8% to other consulting services. All companies in the scope of consolidation were included.

Maria Enzersdorf, 18 November 2014

EVN AG
The Executive Board

Peter Layr
Spokesman of the Executive Board

Stefan Szyszkowitz
Member of the Executive Board

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

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

1. EVN's investments in the energy business ≥ 20.0 % as of 30 September 2014

1.1. Included in the consolidated financial statements of EVN AG

Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2013/14
Bioenergie Steyr GmbH, Behamberg	EVN Wärme	51.00	30.09.2014	E
EconGas GmbH ("EconGas"), Vienna[1)]	EVN	16.51	31.12.2013	E
ENERGIEALLIANZ Austria GmbH ("EnergieAllianz"), Vienna	EVN	45.00	30.09.2014	E
EVN Bulgaria Electrorazpredelenie EAD ("EVN Bulgaria EP"), Plovdiv, Bulgaria	EVN	100.00	31.12.2013	V
EVN Bulgaria Electrosnabdiavane EAD ("EVN Bulgaria EC"), Plovdiv, Bulgaria	EVN	100.00	31.12.2013	V
EVN Bulgaria EAD ("EVN Bulgaria"), Sofia, Bulgaria	EVN	100.00	31.12.2013	V
EVN Bulgaria Toplofikatsia EAD ("TEZ Plovdiv"), Plovdiv, Bulgaria	EVN	100.00	31.12.2013	V
EVN Croatia Plin d.o.o, Zagreb, Croatia	EVN	100.00	31.12.2013	V
EVN Energievertrieb GmbH & Co KG ("EVN KG"), Maria Enzersdorf	EVN	100.00	30.09.2014	E
EVN Gorna Arda Development EOOD, Sofia, Bulgaria	EVN Bulgaria	100.00	31.12.2013	V
EVN Geoinfo GmbH ("EVN Geoinfo"), Maria Enzersdorf	Utilitas	100.00	30.09.2014	V
EVN Kavarna EOOD ("EVN Kavarna"), Plovdiv, Bulgaria	EVN Naturkraft	100.00	31.12.2013	V
EVN Kraftwerks- und Beteiligungsgesellschaft mbH, ("EVN Kraftwerk"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
EVN Liegenschaftsverwaltung Gesellschaft m.b.H., ("EVN LV"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2014	V
EVN Macedonia AD ("EVN Macedonia"), Skopje, Macedonia	EVN	90.00	31.12.2013	V
EVN Macedonia Elektrani DOOEL, Skopje, Macedonia	EVN Macedonia	100.00	31.12.2013	V
EVN Macedonia Elektrosnabduvanje DOOEL, Skopje, Macedonia[2)]	EVN Macedonia	100.00	31.12.2013	V
EVN Macedonia Holding DOOEL, Skopje, Macedonia	EVN	100.00	31.12.2013	V
evn naturkraft Beteiligungs- und Betriebs-GmbH ("EVN Nk BuB"), Maria Enzersdorf	EVN Naturkraft	100.00	30.09.2014	V
evn naturkraft Erzeugungsgesellschaft m.b.H., ("EVN Naturkraft"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
EVN Projektmanagement GmbH, Maria Enzersdorf	EVN LV	100.00	30.09.2014	V
EVN Service Centre EOOD, Plovdiv, Bulgaria	EVN Bulgaria	100.00	31.12.2013	V
EVN Trading d.o.o. Beograd, Belgrad, Serbia	EVN SEE	100.00	31.12.2013	V
EVN Trading DOOEL, Skopje, Macedonia	EVN SEE	100.00	31.12.2013	V
EVN Trading South East Europe EAD ("EVN SEE"), Sofia, Bulgaria	EVN	100.00	31.12.2013	V
EVN Wärme GmbH ("EVN Wärme"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH & Co KG ("EVN-WE Wind KG"), Vienna	EVN Naturkraft	50.00	30.09.2014	E
e&t Energie Handelsgesellschaft mbH ("e&t"), Vienna	EVN	45.00	30.09.2014	E
Fernwärme St. Pölten GmbH, St. Pölten	EVN	49.00	31.12.2013	E
Fernwärme Steyr GmbH, Steyr	EVN Wärme	49.00	30.09.2014	E
Hydro Power Company Gorna Arda AD, Bulgaria	EVN	70.00	31.12.2013	V

Method of consolidation:

V: Fully consolidated company (subsidiary)
NV: Non-consolidated subsidiary
JO: Company included as joint operation
NJO: Company not included as a joint operation
E: Company included at equity
NE: Company not included at equity

1.1. Included in the consolidated financial statements of EVN AG

Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2013/14
kabelplus GmbH ("kabelplus"), Maria Enzersdorf	Utilitas	100.00	30.09.2014	V
Naturkraft EOOD, Plovdiv, Bulgaria	EVN Naturkraft	100.00	31.12.2013	V
Netz Niederösterreich GmbH ("Netz NÖ"), Maria Enzersdorf [3]	EVN	100.00	30.09.2014	V
Shkodra Region Beteiligungsholding GmbH, Vienna	EVN	49.99	31.12.2013	E
STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH, Essen, Germany	EVN Kraftwerk	49.00	31.12.2013	JO
VERBUND Innkraftwerke GmbH, Töging, Germany [1]	EVN Nk BuB	13.00	31.12.2013	E
V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H. ("V&C"), Pressbaum	Utilitas	100.00	31.03.2014	V
Wasserkraftwerke Trieb und Krieglach GmbH ("WTK"), Maria Enzersdorf	EVN Naturkraft	70.00	30.09.2014	V

1) Despite an interest of ≤ 20.0%, the shareholding is included due to its materiality.
2) The company was fully consolidated for the first time in the third quarter of 2013/14.
3) Due to legal requirements, the name of the company was changed with 1 October 2013 in "Netz Niederösterreich GmbH".

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

Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2013/14
Anlagenbetriebsgesellschaft Waidhofen/Ybbs GmbH	EVN Wärme	100.00	EUR	830	–427	30.09.2013	NV
				(2.628)	(7.807)	(30.9.2012)	
Albnor Company DOO, Tetovo, Macedonia	EVN Macedonia	70.00	MKD	640	–85	31.12.2013	NV
				(742)	(–86)	(31.12.2012)	
ARGE Coop Telekom, Maria Enzersdorf	EVN Geoinfo	50.00	EUR	96	35	31.12.2013	NE
				(102)	(41)	(31.12.2012)	
ARGE Digitaler Leitungskataster NÖ, Maria Enzersdorf	EVN Geoinfo	30.00	EUR	231	160	31.12.2013	NE
				(71)	(104)	(31.12.2012)	
ARGE GIP.nö, Maria Enzersdorf	EVN Geoinfo	60.00	EUR	–	–	31.12.2013	NE
				(–)	(–)	(31.12.2012)	
B3 ENERGIE GmbH, St. Georgen an der Gusen	EVN Wärme	100.00	EUR	–1.796	–839	30.09.2013	NV
				(–957)	(–642)	(30.09.2012)	
Bioenergie Wiener Neustadt GmbH, Wiener Neustadt	EVN Wärme	90.00	EUR	656	49	31.12.2013	NV
				(607)	(–28)	(31.12.2012)	
Biowärme Amstetten-West GmbH, Amstetten	EVN Wärme	49.00	EUR	91	27	31.12.2013	NE
				(64)	(–73)	(31.12.2012)	
EVN Albania SHPK, Tirana, Albania	EVN	100.00	ALL	63	–46	31.12.2013	NV
				(49)	(–86)	(31.12.2012)	
EVN Asset Management EOOD, Plovdiv, Bulgaria [1]	EVN Bulgaria	100.00	BGN	6	4	31.12.2013	NV
				(–)	(–)	(31.12.2012)	
Energiespeicher Sulzberg GmbH, Maria Enzersdorf	EVN Naturkraft	51.00	EUR	1.218	–14	30.09.2014	NV
				(1.031)	(–14)	(30.09.2013)	
EVN Trading d.o.o. Podgorica, Podgorica, Montenegro	EVN SEE	100.00	EUR	10	0	31.12.2013	NV
				(10)	(0)	(31.12.2012)	
EVN Trading SHPK, Tirana, Albania	EVN SEE	100.00	ALL	19	(–10)	31.12.2013	NV
				(3)	(–12)	(31.12.2012)	

1.2. Not included in the consolidated financial statements of EVN AG due to immateriality Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2013/14
EVN-WIEN ENERGIE Windparkentwicklungs- und Betriebs GmbH ("EVN-WE Wind GmbH"), Vienna	EVN Naturkraft	50.00	EUR	39 (37)	2 (1)	30.09.2013 (30.09.2012)	NE
Fernwärme Mariazellerland GmbH, Mariazell	EVN Wärme	48.86	EUR	503 (772)	–270 (–51)	31.12.2013 (31.12.2012)	NE
FWG-Fernwärmeversorgung Hollabrunn registrierte Genossenschaft mit beschränkter Haftung in Liquidation, Göllersdorf	EVN/Utilitas	100.00	EUR	375 (377)	–3 (–10)	30.06.2014 (30.06.2013)	NV
IN-ER Erömü Kft., Nagykanizsa, Hungary	EVN	70.00	HUF	1.790 (1.856)	8 (16)	31.12.2013 (31.12.2012)	NV
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH, Vienna	EVN Naturkraft	33.33	EUR	39 (48)	3 (3)	31.12.2013 (31.12.2012)	NE
Kraftwerk Nußdorf Errichtungs- und Betriebs GmbH & Co KG, Vienna	EVN Naturkraft	33.33	EUR	6.185 (6.740)	149 (704)	31.12.2013 (31.12.2012)	NE
MAKGAS DOOEL, Skopje, Macedonia[2)]	EVN	100.00	MKD	– –	– (–)	31.12.2013 (31.12.2012)	NV
Netz Niederösterreich Grundstücksverwaltung Bergern GmbH, Maria Enzersdorf[1)]	Netz NÖ	100.00	EUR	1.777 (1.790)	–13 (–2)	30.09.2014 (30.09.2013)	NV
Spieth Kathodischer Korrosionsschutz GmbH, Denkendorf, Germany	V&C	100.00	EUR	0 (0)	10 (–8)	31.12.2013 (31.12.2012)	NV
VCK Betonschutz + Monitoring GmbH, Mainz, Germany	V&C	50.00	EUR	80 (67)	13 (2)	31.12.2013 (31.12.2012)	NE

1) Formerly EVN GRID MANAGEMENT EOOD, Plovdiv, Bulgaria

2) The company does not operate.

2. EVN's investments in the environmental services business ≥ 20 % as of 30 September 2014

2.1. Included in the consolidated financial statements of EVN AG Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2013/14
AUL Abfallumladelogistik Austria GmbH, Maria Enzersdorf	EVN Abfall	50.00	30.09.2014	E
Cista Dolina – SHW Komunalno podjetje d.o.o., Kranjska Gora, Slovenia	WTE Betrieb	100.00	30.09.2014	V
Degremont WTE Wassertechnik Praha v.o.s., Prague, Czech Republic[1)]	WTE Essen	35.00	31.12.2013	E
EVN Abfallverwertung Niederösterreich GmbH ("EVN Abfall"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 1 mbH ("EVN MVA1"), Essen, Germany	WTE Essen	100.00	30.09.2014	V
EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH ("EVN MVA3"), Maria Enzersdorf	EVN Umwelt/ Utilitas	100.00	30.09.2014	V
EVN Umwelt Beteiligungs und Service GmbH ("EVN UBS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2014	V
EVN Umwelt Finanz- und Service-GmbH ("EVN UFS"), Maria Enzersdorf	EVN Umwelt	100.00	30.09.2014	V
EVN Umweltholding und Betriebs-GmbH ("EVN Umwelt"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
evn wasser Gesellschaft m.b.H. ("EVN Wasser"), Maria Enzersdorf	EVN/Utilitas	100.00	30.09.2014	V
OAO BUDAPRO-ZAVOD No. 1, Moscow, Russia	EVN MVA1	100.00	31.12.2013	V
OAO "EVN MSZ 3" ("OAO MVA3"), Moscow, Russia	EVN MVA3	100.00	31.12.2013	V
OAO "WTE Süd-West", Moscow, Russia	Süd-West	100.00	31.12.2013	V
OAO "WTE Süd-Ost" Moscow, Russia	WTE Hyp	100.00	31.12.2013	V
OOO EVN Umwelt Service, Moscow, Russia	EVN UBS	100.00	31.12.2013	V
OOO EVN Umwelt, Moscow, Russia	EVN UBS	100.00	31.12.2013	V
Saarberg Hölter Projektgesellschaft Süd Butowo mbH ("Süd Butowo"), Essen, Germany	WTE Essen	100.00	30.09.2014	V

2.1. Included in the consolidated financial statements of EVN AG

Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2013/14
SHW Hölter Projektgesellschaft Zelenograd mbH ("Zelenograd"), Essen, Germany	WTE Essen	100.00	30.09.2014	V
sludge2energy GmbH, Berching, Germany	WTE Essen	50.00	30.09.2014	E
Storitveno podjetje Lasko d.o.o., Lasko, Slovenia	WTE Essen	100.00	30.09.2014	V
WTE Betriebsgesellschaft mbH ("WTE Betrieb"), Hecklingen, Germany	WTE Essen	100.00	30.09.2014	V
WTE desalinizacija morske vode d.o.o., Budva, Montenegro	WTE Essen	100.00	31.12.2013	V
WTE otpadne vode Budva DOO, Podgorica, Montenegro	WTE Essen	100.00	31.12.2013	V
WTE Projektgesellschaft Natriumhypochlorit mbH ("WTE Hyp"), Essen, Germany	EVN UFS/ WTE Essen	100.00	30.09.2014	V
WTE Projektgesellschaft Süd-West Wasser mbH ("Süd-West"), Essen, Germany	WTE Essen	100.00	30.09.2014	V
WTE Projektgesellschaft Trinkwasseranlage d.o.o., Beograd-Vracar, Serbia	WTE Essen	100.00	30.09.2014	V
WTE Projektna druzba Bled d.o.o., Bled, Slovenia	WTE Essen	100.00	30.09.2014	V
WTE Projektna druzba Kranjska Gora d.o.o., Kranjska Gora, Slovenia	WTE Essen	100.00	30.09.2014	V
WTE Wassertechnik GmbH ("WTE Essen"), Essen, Germany	EVN Umwelt	100.00	30.09.2014	V
WTE Wassertechnik (Polska) Sp.z.o.o., Warsow, Poland	WTE Essen	100.00	30.09.2014	V
Zagrebacke otpadne vode d.o.o. ("ZOV"), Zagreb, Croatia	WTE Essen	48.50	31.12.2013	E
Zagrebacke otpadne vode – upravljanje i pogon d.o.o. ("ZOV UIP"), Zagreb, Croatia	WTE Essen	33.00	31.12.2013	E

1) The company was included for the first time at equity in the first quarter of 2013/14.

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

Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2013/14
ABeG Abwasserbetriebsgesellschaft mbH, Offenbach am Main, Germany	WTE Essen	49.00	EUR	580 (564)	31 (84)	30.09.2014 (30.09.2013)	NE
Abwasserbeseitigung Kötschach-Mauthen Errichtungs- und Betriebsgesellschaft mbH, Kötschach-Mauthen	WTE Essen	26.00	EUR	37 (37)	0 (0)	31.12.2013 (31.12.2012)	NE
EVN MVA Nr. 1 Finanzierungs- und Servicegesellschaft mbH Maria Enzersdorf	WTE Essen	100.00	EUR	31 (31)	0 (–1)	30.09.2014 (30.09.2013)	NV
Nevawasser Projektgesellschaft mbH ("Nevawasser") Essen, Germany	WTE Essen	100.00	EUR	23 (–)	–1 (–)	30.09.2014 (30.09.2013)	NV
OAO WTE Kurjanovo, Moscow, Russia	Kurjanovo	100.00	RUB	2 (2)	0 (0)	31.12.2013 (31.12.2012)	NV
OAO EVN Ljuberzy, Moscow, Russia	Ljuberzy	100.00	RUB	1 (2)	0 (0)	31.12.2013 (31.12.2012)	NV
OOO Eco Reagent, Moscow, Russia	OAO „WTE Süd-Ost"/EVN UBS	100.00	RUB	–14 (1)	–16 (0)	31.12.2013 (31.12.2012)	NV
OOO EVN-Ekotechprom MSZ3, Moscow, Russia	OAO MVA3	70.00	RUB	853 (3.544)	–1.666 (1.116)	31.12.2013 (31.12.2012)	NV
OOO Nordwasserwerk, Moscow, Russia	Nevawasser	100.00	RUB	2 (–)	0 (–)	31.12.2013 (31.12.2012)	NV
OOO Süd-West Wasserwerk, Moscow, Russia	Süd-West	70.00	RUB	2.691 (2.939)	713 (693)	31.12.2013 (31.12.2012)	NV
OOO "WTE Wassertechnik West", Moscow, Russia	WTE Essen	100.00	RUB	2 (2)	0 (0)	31.12.2013 (31.12.2012)	NV
EVN Projektgesellschaft KSV Ljuberzy mbH ("Ljuberzy"), Essen, Germany	WTE Essen	100.00	EUR	23 (24)	0 (0)	30.09.2014 (30.09.2013)	NV

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

Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2013/14
SHW/RWE Umwelt Aqua Vodogradnja d.o.o., Zagreb, Croatia	WTE Essen	50.00	HRK	1.003	84	31.12.2013	NE
				(1.419)	(103)	(31.12.2012)	
Wasserver- und Abwasserentsorgungsgesellschaft Märkische Schweiz mbh, Buckow, Germany	WTE Essen	49.00	EUR	536	6	31.12.2013	NE
				(530)	(8)	(31.12.2012)	
Wiental-Sammelkanal Gesellschaft m.b.H, Untertullnerbach	EVN Wasser	50.00	EUR	871	–2	31.12.2013	NE
				(873)	(–1)	(31.12.2012)	
WTE Baltic UAB, Kaunas, Lithuania	WTE Essen	100.00	LTL	183	17	30.09.2014	NV
				(185)	(17)	(30.09.2013)	
WTE Projektgesellschaft Kurjanovo mbH, Essen, Germany ("Kurjanovo")	WTE Essen	100.00	EUR	22	–1	30.09.2014	NV
				(23)	(–1)	(30.09.2013)	
WTE Projektmanagement GmbH, Essen, Germany	WTE Essen	100.00	EUR	18	0	30.09.2014	NV
				(19)	(–1)	(30.09.2013)	
ZAO "STAER", Moscow, Russia	Süd Butowo	70.00	RUB	–5	–43	31.12.2013	NV
				(110)	(63)	(31.12.2012)	
ZAO "STAER-ZWK", Moscow, Russia	Zelenograd	70.00	RUB	414	–97	31.12.2013	NV
				(610)	(116)	(31.12.2012)	

3. EVN AG – Investments in the Strategic Investments and Other Business segments ≥ 20 % as at 30 September 2014

3.1. Included in the consolidated financial statements of EVN AG

Company, registered office	Shareholder	Interest in %	Balance sheet date	Method of consolidation 2013/14
Burgenland Holding Aktiengesellschaft ("BUHO"), Eisenstadt	EVN	73.63	30.09.2014	V
Energie Burgenland AG, Eisenstadt	BUHO	49.00	30.09.2013	E
EVN Business Service GmbH, Maria Enzersdorf	Utilitas	100.00	30.09.2014	V
EVN Finanzmanagement und Vermietungs-GmbH ("EVN FM"), Maria Enzersdorf	EVN	100.00	30.09.2014	V
EVN Finanzservice GmbH, Maria Enzersdorf	EVN FM	100.00	30.09.2014	V
EVN WEEV Beteiligungs GmbH, Maria Enzersdorf	EVN	100.00	31.08.2014	V
e&i EDV Dienstleistungsgesellschaft m.b.H., Vienna	EVN	50.00	30.09.2014	E
R 138-Fonds, Vienna	EVN/Netz NÖ/ EVN Wasser	100.00	30.09.2014	V
RAG-Beteiligungs-Aktiengesellschaft ("RBG"), Maria Enzersdorf	EVN	50.03	31.03.2014	V
Rohöl-Aufsuchungs Aktiengesellschaft ("RAG"), Vienna	RBG	100.00	31.12.2013	E
UTILITAS Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H ("Utilitas") Maria Enzersdorf	EVN	100.00	30.09.2014	V
WEEV Beteiligungs GmbH, Maria Enzersdorf [1)]	EVN WEEV	50.00	30.06.2014	E

1) In Verbund AG, 12.63% are held, and thereof indirectly through the WEEV Beteiligungs GmbH 1.09%.

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

Company, registered office	Shareholder	Interest in %	Currency	Shareholders' equity in TEUR	Last year's profit/loss in TEUR	Balance sheet date	Method of consolidation 2013/14
EVN-Pensionskasse Aktiengesellschaft ("EVN-Pensionskasse"), Maria Enzersdorf	EVN	100.00	EUR	3.980	135	31.12.2013	NV
				(3.846)	(176)	(31.12.2012)	
Wiener Stadtwerke Management Beta Beteiligungs GmbH, Vienna	Utilitas	47.37	EUR	463	–4	30.11.2013	NE
				(466)	(–3)	(30.11.2012)	

Auditor's report

Report on the Consolidated financial statements
We have audited the accompanying **Consolidated financial statements** of

EVN AG,
Maria Enzersdorf,

for the **reporting period from 1 October 2013 to 30 September 2014**. These Consolidated financial statements comprise the Statement of financial position as of 30 September 2013 and the Statement of operations, Statement of comprehensive income, Statement of cash flows and the Statement of changes in stockholders' equity for the year then ended, and the notes.

Management's responsibility for the Consolidated financial statements and accounting system
Management is responsible for the accounting system and for the preparation and fair presentation of these Consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements of Section 245a (Austrian Commercial Code) UGB. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the Consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the Statutory Audit
Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the Consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the Consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 30 September 2014 and of its financial performance and its cash flows for the year from 1 October 2013 to 30 September 2014 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU

Report on the Management report for the Group

Pursuant to statutory provisions, the Management report for the Group is to be audited as to whether it is consistent with the Consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the Management report for the Group is consistent with the Consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the Management report for the Group is consistent with the Consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 18 November 2014

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed

Walter Reiffenstuhl
Wirtschaftsprüfer

Heidi Schachinger
Wirtschaftsprüferin

(Austrian Chartered Accountants)

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

When you think in networks

you combine innovation with reliability

Glossary

ARA/ARA region
The region surrounding Antwerp, Rotterdam and Amsterdam is Europe's most important reloading point for mineral oil. Trading takes place via short-term contracts. Prices are highly volatile, depending on supply and demand (also see Spot market/ spot trading). The quotation of prices in Rotterdam is decisive for the oil price level in Europe.

At equity/
At equity consolidation
Accounting method for the inclusion of investments in companies which are not fully consolidated (associates). These investments are initially recognised at their acquisition cost, which is adjusted each year to reflect the change in the investor's share of profit or loss recorded by the associate. This annual share of profit or loss is reported on the investor's consolidated income statement.

Austrian Sustainability Reporting Award (ASRA)
Annual award presented by the Chamber of Fiduciaries and its cooperation partners for the best environmental and sustainability reports published by Austrian companies.

Barrel
The recognised global unit of measurement for crude oil and petrochemical products; 1 barrel of crude oil = 158.987 litres.

Base load/peak load
Base load is the constant energy consumption throughout the entire day. In contrast, peak load represents a high demand for energy in the electricity distribution network for short periods of time.

Biogas
A mixture comprised largely of methane and carbon dioxide which is created during the oxygen-free digestion of organic renewable raw materials, slurry or organic residues from the foodstuffs industry.

Biomass
The total mass of organic material (dead life forms, organic metabolic products and residues); certain quantities of biomass can be used to generate electricity and heat in combined heat and power plants.

Book value per share
Carrying amount of share capital divided by the number of shares outstanding as of the balance sheet date.

BOOT model
(Build Own Operate Tranfer)
See PPP model.

Brent
The most important crude oil for European consumption, produced in the North Sea.

Capital employed
Equity plus interest-bearing loans or assets minus non-interest-bearing liabilities.

Cash flow
Balance of the inflows and outflows of cash and cash equivalents. Serves as an indicator for the assessment of the financial strength of a company and its ability to make dividend payments, repay loans and finance investments internally.

Cash-generating unit (CGU)
The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The present value of future cash flows can be used to value a CGU (also see impairment test).

Certified Emission Reduction (CER):
The CERs stem from projects in the Clean Development Mechanism (CDM). Countries or companies can purchase emission credits from emission reduction projects being undertaken in the emerging or developing countries that have not yet made any commitments to reduce emissions. These credits can then be used to meet the obligations under the European Emissions Trading Scheme.
1 CER = 1 tonne CO_2

CO_2 (carbon dioxide)
Chemical compound consisting of carbon and oxygen which is largely created by the combustion of fossil fuels.

CO_2 emission certificate
CO_2 emission certificates were introduced in the European Union as of 1 January 2005 as part of the drive to implement the Kyoto Accords and allow the emission of a certain amount of greenhous gas emissions. The certificates are allocated within the framework of the "National Allotment Plan", depending on the level of a company's emissions.

CO_2 emission certificate trading/ EU emission trading
As part of the EU's emission certificate trading system, the member states distribute CO_2 emission rights to companies. Firms whose actual CO_2 emissions exceed the volume of the allocated certificates must purchase additional emission rights.

Code of Conduct
Voluntary obligation to follow or avoid certain behavioural patterns and to ensure that no one achieves an advantage through the evasion of these patterns.

Combined cycle heat and power/co-generation
Simultaneous generation of electrical energy and heat in a single facility. Combined production allows the plant to reach a high level of efficiency and, in this way, optimally use the primary energy.

Consolidation range/ scope of consolidation
The group of companies included in the consolidated financial statements; the scope of consolidation is defined in accordance with IAS 27.

Corporate Governance Code
Behavioural code for companies which defines the principles of good management and control; this is not a set of legal regulations, but a guideline that invites voluntary compliance.

Coverage ratio
Ratio of the volume of electricity produced in EVN's own power generating facilities and the Group's total sales volume of electricity.

Cradle to Cradle
Cradle to cradle represents an innovative product process, aiming the coninuous usage of materials and initiates the next step in the sustainable use of resources: from partial recycling to eternal recycling.

Degree of efficiency
The efficiency of a plant represents the ratio of input to output (i.e. the quantity of electrical energy generated in relation to the primary energy employed).

Derivative financial instruments
Financial instruments which create rights and obligations derived from market developments, e.g. options, swaps and futures. These financial instruments can be used to minimise financial risks.

Directors-and-Officers (D & O) insurance
A liability insurance policy covering damage to assets which is arranged by a company to protect its corporate bodies and key employees.

Dividend yield
Ratio of the distributed dividend to the share price.

Earnings before Interest and Taxes (EBIT)
Also referred to as operating earnings; an indicator of a company's ability to generate earnings from its operating activities.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)
Earnings before interest, taxes, depreciation and amortisation of property, plant and equipment and intangible assets; is used as a simple cash flow parameter.

Earnings per share
Net profit divided by the average number of shares outstanding for the period.

Eco Management and Audit Scheme (EMAS)
European Union directive for environmental management systems.

Economic Value Added (EVA®)
Difference between the yield spread (ROCE less WACC) multiplied by average capital employed; benchmark for the shareholder value created in a company.

E-Control (ECG)/ Energie-Control GmbH
The regulatory authority established by lawmakers on the basis of the Energy Liberalisation Act to monitor the implementation of the liberalisation process for the Austrian electricity and natural gas markets, and to intervene in the marketplace if necessary.

Electric mobility
The use of electric-powered vehicles for passenger and commercial transportation.

Eligible end customer
End-customers authorised by the Energy Act to freely select their energy suppliers in a liberalised market.

Energy units
Energy (Wh) = output x time
Kilowatt hour:
1 Watt hour (Wh) x 10^3
Megawatt hour MWH:
1 Wh x 10^6
Gigawatt hour GWh:
1 Wh x 10^9
Natural gas energy content:
1 Nm^3
1 m^3 natural gas = 11.07 kWh

Equity ratio
Equity as a per cent of total capital.

Ethibel
Independent consulting agency for environmentally and socially responsible investments that advises banks and brokers on the development of ethical savings and investment models.

European Energy Community
Energy community of the European Union whose purpose is the development of Europe's energy markets.

European Energy Exchange
(EEX) The largest energy marketplace in Continental Europe, headquartered in Leipzig.

Ex-dividend day
The day on which shares are traded without an entitlement to dividends. On this day the dividend is deducted from the price of the respective share.

Fair value
The price based on all relevant factors in an efficient market; forms the basis for transactions between willing and independent partners.

Forward market
In contrast to the spot market, the forward or futures market is characterised by a contractually stipulated time lag between the conclusion of a transaction and actual delivery. At the time a contract is concluded, the buyer is not required to have the necessary liquid funds, nor is the seller required to have the purchased goods. The price of the goods is determined at the time the contract is concluded.

FTSE4Good Index
An index that offers sustainability-oriented investors an opportunity to invest in companies that meet globally accepted standards for responsible actions in the interest of the environment and stakeholders.

Funds from Operations (FFO)
Net cash flow from operating activities minus interest expense.

Gearing
Ratio of net debt to equity.

Global Reporting Initiative (GRI)
Initiative aimed at developing globally applicable guidelines for sustainability reporting to ensure the standardised presentation of companies from an economic, ecological and social point of view.

Heating degree
total parameter showing the temperature-related energy requirements for heating purposes.

Hedge
An instrument used to manage or limit financial risk or to avoid losses resulting from negative changes in the market value of interest-, currency- or share-related transactions. A company aiming to "hedge" a particular transaction concludes another transaction linked to the underlying business.

Impairment test
The carrying amount of an asset is compared with its fair value. If the fair value falls below the carrying amount, an impairment loss must be recognised. This procedure is particularly important for goodwill, which must be tested for impairment at least once each year. Impairment testing involves the creation of cash-generating units.

Incentive regulatory model
A regulatory model that includes an incentive to improve certain parameters, e.g. special network access tariffs that are designed to increase the productivity of network operators. The regulatory authority defines a general upper limit for network tariffs for a specified regulatory period. In order to realise productivity gains, this upper limit for the individual operators is reduced by corresponding deductions.

Inhabitant equivalent value
This indicators shows the expected biological burden of wastewater treatment facilities. It is based on the population equivalent and calculated by adding the number of inhabitants and the population equivalent.

Interest cover
Ratio of FFO (funds from operations) to interest expense.

International Financial Reporting Interpretation Committee/Standard Interpretation Committee (IFRIC, formerly SIC)
This committee is responsible for interpreting and providing more precise information on the IFRSs issued by the International Accounting Standards Board (IASB).

International Financial Reporting Standards/ International Accounting Standards (IFRS, formerly IAS)
The designation IAS was changed to IFRS in 2001; the IASs issued prior to that year are still published under the earlier designation. IFRSs/IASs are issued by the International Accounting Standards Board (IASB).

International Securities Identification Number (ISIN)
Individual security identification numbers allow for the computerised recording of securities on an international basis.

Intranet
Non-public, in-house corporate computer network.

ISO 14001
International environmental management standard that defines the requirements for related systems.

Issuer Compliance Directive
Regulation issued by the Austrian Financial Market Authority in 2007. It defines principles for the flow of information in companies as well as organisational measures to prevent the misuse of insider information.

Kilowatt peak (kWp)
Maximum output of a photovoltaic module or solar plant.

Management approach
Presentation of the management and controlling aspects of a company.

National allocation plan (NAP)
In the course of the EU emission trading each country in the European Union must prepare and publish a national allocation plan (NAP) that defines an upper limit for greenhouse gas emissions as well as the procedure for the issue and distribution of CO_2 emission certificates.

Net debt coverage
Ratio of FFO (funds from operations) to interest-bearing net debt.

Net debt
Net total of interest-bearing assets and liabilities (issued bonds and liabilities to credit institutes less loans, securities and liquid funds).

Net Operating Profit after Tax (NOPAT)
Taxable profit before the deduction of financing costs.

Network access fee
This one-off payment represents compensation to the network operator for the expenses incurred in establishing a network connection or modifying a connection to accommodate increased demand by a network user.

Network loss
The difference between the electrical current fed into an electricity network and the electrical energy that is actually delivered. Network losses generally arise due to the physical characteristics of the transmission lines.

Non-Governmental Organisation (NGO)
Not-for-profit companies that result from civic and social initiatives and include public-minded persons or organisations.

Other comprehensive income
The total of all income not recognised through profit or loss minus expenses for the reporting period that are not recognised through profit or loss.

Payout ratio
Ratio of dividends to earnings per share.

Peak load
See based load/peak load.

Polychlorinated biphenyl (PCB)
Toxic chlorine compounds.

PPP model (Public Private Partnership)
PPP projects involve the construction and financing of plants for customers; after a predefined period of time, the plant becomes the property of the customer. These projects were previously designated as BOOT projects.

Primary energy
Energy obtained from natural sources. In addition to fossil fuels such as natural gas, petroleum, black and brown coal, primary energy sources also include nuclear fuels like uranium and renewable energy sources like water, sun and wind.

Promissory note loan
Large-sized, long-term loans that are similar to bonds. The loans are issued to industrial corporations and the public sector in exchange for promissory notes held by banks, insurers and other capital providers. A promissory note includes the obligation to repay the principal together with interest. It represents proof that a loan was granted. These loans are not traded on an exchange.

Proportionate consolidation
The assets, liabilities, income and expenses of the subsidiary are included in the consolidated financial statements in proportion to the stake held by the parent company.

Rating/credit rating
Evaluation of issuers and borrowers based on their financial condition; examples of well-known international rating agencies are Standard & Poor's and Moody's.

Regulatory asset base (RAB)
The interest-bearing capital base equals intangible assets plus property, plant and equipment minus recognised fees for network access and operational readiness (construction subsidies) and any goodwill arising from balance sheet items. Adjustments are made to account for the standardisation of depreciation periods and the release of construction subsidies.

Regulatory authority
Public authority responsible for monitoring the monopoly areas of the energy market (e.g. energy networks) to ensure free competition and fair pricing (also see E-Control GmbH (ECG)).

Renewable electricity
Electricity that is generated solely from renewable sources like water, wind, biogas, biomass, photovoltaic, geo-thermal, landfill gas and sewage gas.

Renewable energy
Energy that is considered to be continually available based on a human timeframe; this comes from sources such as biomass, biogas, geo-thermal, solar, hydropower and wind.

Results from operating activities (EBIT)
See earnings before interest, taxes, depreciation and amortisation.

Return on Capital Employed (ROCE)
This ratio shows the return on the capital used in a company. For the calculation, net profit for the period and interest expense less tax effects are compared with average capital employed. In order to consistently show the development of the value contribution, operating ROCE (OpROCE) is adjusted for impairment losses, one-off effects and the market value of the investment in Verbund AG.

Return on Equity (ROE)
Return on equity is used to evaluate the creation of value by a company on the basis of equity. For calculation purposes, net

profit for period is compared with average equity.

Risk management
A procedure to identify, assess, minimise and avoid potential risks (business, operational, financial and event risks) wherever possible through appropriate measures.

Smart meter/metering
An electricity meter with an additional function that allows the utility company to read the meter offsite with an online system.

Spot market/spot trading
General designation for markets in which delivery, acceptance of the goods and payment (clearing) are carried out immediately after the conclusion of the business transaction (also see ARA region).

Stakeholder
Individuals or groups who have an active interest in a company. In addition to the owners, stakeholders include employees, customers, suppliers, states, NGOs and local interest groups.

Sustainability index
In a business environment increasingly shaped by sustainability and social responsibility, this type of index helps sustainability-oriented investors to identify companies that are industry leaders in ecological and social performance and demonstrate appropriate behaviour towards the environment and their stakeholders.

Syndicated loan
A binding commitment by a banking consortium to provide a line of credit which a company can draw upon in varying amounts, terms and currencies.

Thermal waste utilisation
The controlled industrial burning of waste at temperatures exceeding 1,000 °Celsius, which leads to the destruction or reduction of harmful substances. At the same time, the energy contained in the waste materials is released and used for electricity generation or district heating.

Total shareholder return
Benchmark for measuring the value development of a stock over a certain period of time; includes dividends and the increase in the share price.

UN Global Compact
An initiative launched by United Nations to support ecological and economic interests in the areas of human rights, work, the environment and corruption.

Value at Risk (VaR)
Process to calculate the potential loss arising from changes in the price of a specific trading position based on a certain assumed level of probability.

Value chain elements
The electricity sector is generally divided into four value creation phases: generation, distribution, sale and consumption.

Value-oriented and value-generated management
Value-oriented management is focused less on traditional goals such as revenue or net profit, but on increasing stakeholder value. Included here are the interests of shareholders as well as other interest groups. All investment decisions are measured based on their contribution to sustainable value. The main indicators used to assess the value development of EVN's business operations are economic value added and the return on capital employed.

VÖNIX (VBV Austrian Sustainability Index)
Share index comprising the listed Austrian companies that have taken the lead with regard to social and ecological performance.

Weighted Average Cost of Capital (WACC)
This indicator has two components – the cost of debt and the cost of equity – which are weighted according to their share in total capital. The cost of debt equals the actual, average credit interest adjusted for tax effects, while the cost of equity equals the return on a risk-free investment plus a risk mark-up that is calculated individually for every company.

Main EVN AG subsidiaries

Generation
100% **EVN Kraftwerks- und Beteiligungsgesellschaft mbH**
- 49% **STEAG-EVN Walsum 10 Kraftwerksgesellschaft mbH** Operation of a coal fired power plant in Duisburg, Germany

100% **evn naturkraft Erzeugungsgesellschaft m.b.H.** Electricity generation from renewable energy sources
- 100% **EVN Kavarna EOOD** Electricity generation from windpower in Bulgaria
- 100% **Naturkraft EOOD** Electricity generation from photovoltaics in Bulgaria
- 100% **evn naturkraft Beteiligungs- und Betriebs-GmbH**
  - 13% **Verbund-Innkraftwerke Deutschland GmbH** Hydroelectric power generation

100% **EVN Liegenschaftsverwaltung Gesellschaft m.b.H.** Management of elements of power plant
- 100% **EVN Projektmanagement GmbH**

49.99% **Shkodra Region Beteiligungsholding GmbH** Holding in connection with hydropower project Ashta in Albania
- 100% **Energji Ashta Sh.p.k**

Energy Trade and Supply
100% **EVN Energievertrieb GmbH & Co KG** Electricity and natural gas sales to end customers within EnergieAllianz

100% **EVN Wärme GmbH** Supply of heat, natural gas, combined cycle heat and power, biogas heat, solar energy and heat pump facilities

49% **Fernwärme St. Pölten GmbH** Joint venture with Stadtwerke St. Pölten in district heating business

45% **ENERGIEALLIANZ Austria GmbH** Joint EnergieAllianz partner sales subsidiary
- 100% **Naturkraft Energievertriebsgesellschaft m.b.H.** Electricity sales from renewable energy sources
- 100% **Switch Energievertriebsgesellschaft m.b.H.** Electricity and natural gas sales in Austria

45% **e&t Energie Handelsgesellschaft mbH** Joint EnergieAllianz partner energy trading and sourcing company

16.5% **EconGas GmbH** Joint venture of EnergieAllianz partner in natural gas business with OMV and EGBV

100% **Utilitas Dienstleistungs- und Beteiligungs Gesellschaft m.b.H**[1] Technical services

Network Infrastructure Austria
100% **Netz Niederösterreich GmbH** Operation of electricity and natural gas networks

100% **Utilitas Dienstleistungs- und Beteiligungs Gesellschaft m.b.H**[1] Technical services
- 100% **kabelplus GmbH** Cable TV and internet services
- 100% **EVN Geoinfo GmbH** Digital cartography
- 100% **V&C Kathodischer Korrosionsschutz Gesellschaft m.b.H.** Cathodic corrosion protection

Energy Supply South East Europe
100% **EVN Bulgaria Electrorazpredelenie EAD** Electricity network operating in Bulgaria

100% **EVN Bulgaria Electrosnabdjavane EAD** Electricity supply in Bulgaria

100% **EVN Trading South East Europe EAD** Electricity trading in Bulgaria
- 100% **EVN Energy Trading d.o.o. Belgrade, Serbia** Electricity trading
- 100% **EVN Energy Trading DOOEL, Skopje, Macedonia** Electricity trading

100% **EVN Bulgaria Toplofikatsia EAD** District heating company in Bulgaria

100% **EVN Bulgaria EAD** Management company in Bulgaria

90% **EVN Macedonia AD** Electricity network operating and supply in Macedonia
- 100% **EVN Macedonia Elektrani DOOEL, Skopje, Macedonia**
- 100% **EVN Macedonia Elektrosnabduvanje DOOEL, Skopje, Macedonia**

100% **EVN Macedonia Holding DOOEL** Management company in Macedonia

100% **EVN Croatia Plin d.o.o.** Building and operating natural gas network in Croatia

Environmental Services
100% **evn wasser Gesellschaft m.b.H.** Drinking water supply in Lower Austria

100% **EVN Umweltholding und Betriebs-GmbH** Holding company for drinking water supply, wastewater and waste incinerations services
- 100% **WTE Wassertechnik GmbH, Essen Germany** Drinking water supply and wastewater services as well as environmental projects in 18 countries[2]
- 100% **EVN Abfallverwertung Niederösterreich GmbH** Waste incineration in Lower Austria
- 100% **EVN Projektgesellschaft Müllverbrennungsanlage Nr. 3 mbH** Waste incineration in Moscow
- 100% **EVN Umwelt Beteiligungs und Service GmbH**
- 100% **EVN Umwelt Finanz- und Service-GmbH**

Strategic Investments and Other Business
12.6% **Verbund AG**[3] Power generation, trading and transport

100% **EVN WEEV Beteiligungs GmbH**
- 50% **WEEV Beteiligungs GmbH**

73.6% **Burgenland Holding Aktiengesellschaft**
- 49% **Energie Burgenland AG** Electricity and natural gas supply

50.03% **RAG-Beteiligungs-Aktiengesellschaft**
- 100% **Rohöl-Aufsuchungs Aktiengesellschaft** Oil and natural gas exploration and natural gas storage

100% **Utilitas Dienstleistungs- und Beteiligungs-Gesellschaft m.b.H.**[1] Technical services
- 100% **EVN Business Service GmbH**

100% **EVN Finanzmanagement und Vermietungs GmbH** Group financing
- 100% **EVN Finanzservice GmbH** Group financing

Status: 30 September 2014. The companies incorporated in the EVN Group Consolidated financial statements are shown. In the Environmental Services segment, only 1st and 2nd level subsidiaries are listed. The fully consolidated R138-Fonds is not included in this list due to the lack of operative activities. Interests in %

1) Utilitas services are integrated in the Strategic Investments and Other Business segment.
2) The investments of WTE Wassertechnik GmbH are project and operating companies in Central, Eastern and South Eastern Europe.
3) Verbund AG is neither a fully consolidated company nor an investment included at equity. EVN's direct investment in Verbund AG amounts to 11.5% and the indirect investment via EVN WEEV Beteiligungs GmbH und WEEV Beteiligungs GmbH amounts to 1.1%.

CSR programme

In 2013/14, discussions on CSR goals led to the identification of specific area focal points based on the EVN materiality matrix and to the subsequent definition of Group-wide CSR targets. These targets are classified by area of activity in the following CSR programme and highlighted in grey. The programme of CSR measures was developed in an iterative process according to the individual areas of activity. In collaboration with all departments, it is expanded regularly to include new measures in all areas of the EVN Group.

The EVN materiality matrix can be found on page 37 of this report.
The programme of CSR measures can also be found under www.responsibility.evn.at.

CSR measures by area of activity

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Area of activity: Supply security			
Increase the Group-wide coverage ratio to 30% of the electricity sales → Status: 22.7%			
Sustainable, economical expansion of supply infrastructure → Status: Preparation of a joint issue/criteria catalogue			
EVN defined the following department targets and implemented the following measures to meet these corporate goals:			
Increase the Group coverage ratio to 30% of electricity sales	Realisation of power plant projects in Austria and other countries. Capacity expansion will focus primarily on renewable energies, including windpower and hydropower plants in Austria and large hydropower projects in other countries.	On-going	On-going measure
Accreditation of EVN Wasser as a certified ÖVGW water supplier	Accreditation of EVN Wasser as a certified ÖVGW water supplier during the next two years	End of 2013/14	Measure in implementation
EVN Abfall: increase plant availability	Step-by-step refitting of boilers with corrosion-resistant materials (cladding)	By 2015	Measure in implementation
Create a shared awareness among all involved employees for the sustainable and economical realisation of network infrastructure projects; retain current expertise and make this know-how available to new employees	Preparation of a subject/criteria catalogue for the sustainable and economical planning and construction of pipeline projects	31.03.2014	Successfully completed
Kabelplus: reduce modem failure rates	Increase in the number of optical feed-in points in the network	End of 2014/15	Planned
Economic and regional expansion of supply infrastructure	Three pilot projects: expansion of glass fibre cables to reach the customer (FTTH)	End of 2013/14	Successfully completed
Increase in safety of e-operations related to smart-grids	Preparation of the concept "Safety in the new environment"	End of 2013/14	Successfully completed

Area of activity: Focus on the customer

Increase the number of energy advising discussions

→ Status: Number of energy advising discussions 6,891

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Create a greater awareness among customers for the conscious use of energy in Macedonia, also via social media	Workshops, cooperations, education through energy savings campaigns and social media	On-going	Measure in implementation
Increase the awareness for energy efficiency and for the safe handling of electricity in Macedonia	Energy efficiency clubs and education on the subject in schools, founding of a joint energy efficiency platform with the Economics Ministry	On-going	Measure in implementation
Further improve the presentability and understandability of price policies	New bonus point system to replace FreiTage. It not only rewards customer behaviour, but also supports the common goal to use energy efficiently. "EVN – Energie vernünftig nutzen."	01.10.2014	Measure in implementation
Support for households at risk of poverty	Special bonus as part of the EVN Bonus World and training for social organisations incl. efficiency start-up kit	2014/15	Planned
Renewable energies – services and tariffs	Proposals to customers to generate their own electricity based on renewable energies (photovoltaic, photovoltaic with public participation, small windpower plants, biogas product, etc.) as well as services to improve energy efficiency and thereby reduce the use of fossil energy carriers	End of 2013/14	Successfully completed
Increase the safe handling of electricity in Bulgaria	Programme "Energy efficiency in schools" (5th grade) – education on electricity consumption in cooperation with the Ministry of Education and school inspectors in nine regions	On-going	Measure in implementation

Area of activity: Sustainable increase in shareholder value

Remain pioneer for sustainability in Austria; continued inclusion in sustainability indices and addition of new listings

→ Status: EVN is currently listed in four sustainability indices (VÖNIX, FTSE4Good, ECPI, Ethibel)

Long-term integration of sustainability aspects in risk management

→ Status: 8% of risks based on sustainability aspects

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Increase awareness for CSR in internal audit activities	Development of further goals based on the results of the pilot project	2013/14	Measure in implementation: inclusion of CSR as a potential focal point in the TeamMate software used by internal audit. This will ensure that every audit evaluates the relevance of CSR and also allow for the inclusion of CSR as an audit focal point. Standardised instructions (so-called test labels) in the software will be used to achieve the intended results. Measure in implementation: further development of monitoring and Group-wide CSR goals, amplification of CSR strategy based on target discussions.
Establish Group-wide CSR standards	Further development and standardisation of CSR goals, organisations and processes	2014/15	Measure in implementation: CSR target discussions with all organisational units are planned for 2014/15 in 2013/14 based on new materiality matrix.
	CSR target discussions with specialist departments to complete CSR management	2014/15	Measure in implementation: CSR target discussions with all organisational units are planned for 2014/15 in 2013/14 based on new materiality matrix.
	Conduct stakeholder survey on CSR materiality matrix	01.05.2014	Successfully completed: new materiality matrix prepared, results presented to CSR-steering committee
WTE: establish CSR standards	Create a CSR team	Started in July 2013	Measure in implementation
WTE: further develop documentation and controls for financial reporting processes	Continuation of risk-oriented internal control system	On-going	Measure in implementation
Safe operations (automated monitoring) of IT core processes in EVN	Concept for process monitoring	Beginning of 2013/14	Successfully completed
	Partial implementation of process monitoring	2013/14	Successfully completed
Increase Group-wide coverage ratio to 30% of electricity sales	Realisation of power plant projects in Austria and other countries – the expansion of generation capacity should be based primarily on renewable energies – e.g. windpower and hydropower in Austria and major hydropower projects in other countries.	On-going	On-going measure
Accreditation of EVN Wasser as a certified ÖVGW water supplier	Accreditation of EVN Wasser as a certified ÖVGW water supplier during the next two years	End of 2013/14	Measure in implementation

Department target		Measures	Milestone Deadline	Status as of 30 September 2014
	EVN Abfall: increase in availability of equipment	Step-by-step refitting of boilers with corrosion-resistant materials (cladding)	By 2015	Measure in implementation

Area of activity: Responsible employer

Expansion of internal job market and increase in internal recruiting
→ Status: 80% of management positions were filled internally.

Increased share of women in new hiring (based on the current per cent by position) and higher share of women in management development programmes (based on the current per cent of women in management)
→ Status: Share of women in the company was 21.4% – share of women in new hiring equalled 32.3% in 2013/14; share of women in management was 7% – share of women in personnel development measures equalled 20%

Development and implementation of target group-specific health programmes for all employees
→ Status: 50 % of the employees took part in preventive measures

Continuous reduction in LTIF and accident severity to a very good comparative level for the industry
→ Status: LTIF: 8.5; accident severity: 21.4

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

	EVN Abfall: improved protective clothing for employees	Changeover of all employees' work clothing to protective clothing.	2015	Measure in implementation
	Improve employee satisfaction and identification with the company	Continuation of feedback and orientation discussions	On-going	Introduction completed; discussions are held annually
	Support women in technical professions	Event "My future at EVN: apprenticeship training at EVN"	Autumn 2013	Successfully completed; event held at four locations in Autumn 2013
	Integrate sustainability aspects in current training programmes	Discussions with training managers to identify opportunities for integration of CSR aspects	31.07.2014	Successfully completed
		Development of documentation for use in current training programmes	31.03.2015	Pilot project; measure in implementation
	Promote health awareness among employees	Further development of health programme	01.09.2014	Measure in implementation; further development in 2014/15
		Annual lecture on health issues	On-going	On-going measure
		First aid courses and health check-ups	On-going	On-going measure
	Positioning of EVN Macedonia as an attractive employer	Scholarships for students at technical universities, practical training for students and school children, trainee programme for university graduates, cooperation with universities	On-going	Measure in implementation
	Job application training in schools	Preparation of job application (CV, motivation letter, etc.) in project groups for vacation jobs at EVN.	01.12.2014	Successfully completed

Area of activity: Environmental protection and resource conservation

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
EMAS target	Implement environmental management systems in EVN headquarters and the Korneuburg power plant	By 2016	Measure in implementation: certification of the Korneuburg power plant successfully completed in March 2014; preparations completed for certification of EVN headquarters – start of implementation in first quarter of 2014/15
EMAS target	Continuously improve plant indicators at the district heating plants operated by EVN Wärme GmbH	Steady improvement in data quality; recording and control of data; implementation of valuation models to optimise technical controlling and resulting improvement in plant indicators such as effectiveness	Multi-year goal	Basic system under development; district heating plants will be connected to the system for the next five years
EMAS target	Reduce the CO_2 footprint of the motor vehicle fleet at EVN Wärme	Replacement of 10% of diesel-driven company vehicles with natural gas-driven vehicles in 2013 and 5% of diesel-driven company vehicles with alternative-drive vehicles	2014	Measure partly completed
	EVN Abfall: reduce emissions through better incineration	Optimise combustion control system	On-going	Successfully completed
	EVN Abfall: recover metal from incineration residue	Construction of sewage sludge incineration plants	On-going	Measure in implementation
	WTE: energetic utilisation of sewage sludge implementation	Construction of sewage sludge incineration plants	On-going	Measure in implementation
	Protection of the imperial eagle in Bulgaria	Project Life+: minimise risks and dangers from power lines for the imperial eagle	2018	Measure in implementation: cabling of approx. 60 km of overhead power lines; protective insulation for 2,740 masts; population monitoring. Project website: http://www.lifeforsafegrid.bg
	Create increased awareness among employees in Bulgaria for careful use of resources	Programme to recycle waste	On-going	Measure in implementation: in 2013/14 recycling of 1,083 tonnes of waste, including 29 tonnes of paper
	Bird protection in Bulgaria	Insulation of dangerous masts and power lines to support projects by the Bulgarian bird protection association (BDZP, birdlife)	2018	Measure in implementation: installation of an additional 526 nest platforms and 289 protective insulations in 2013/14
	Bird protection in Austria	Cabling and labelling of overhead power lines to protect the great bustard in Lower Austria as part of the LIFE+ project	2015	Measure in implementation
	Monitor overflow areas: research/monitor/forecast development of blue-green algae	Development of a measurement system	2014	Measure in implementation: a test run of a trial probe in reservoir Ottenstein
	Kabelplus: recycling of used modems	Implementation of necessary processes, development of testing routine	2013/14	Successfully completed
	Paper-free office	Electronic transmission of orders	2015	Measure in implementation
	Reduction of 5% per year in electricity consumption by IT		End of 2014/15	Implementation in planning
	Use of low-pollutant IT components	Introduce mandatory environmental compatibility certificates for IT procurement	End of 2012/13	Successfully completed

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Reduce flood of emails	Project "Intranet 2.0", implementation of "Personal Excellence Programme (PEP)"	On-going	Measure in implementation: PEP implemented at EVN Austria; implementation in South Eastern Europe planned

Area of activity: Sustainable energy generation and climate protection

Expansion to 300 MW windpower over the medium term

→ Status: installed windpower in MW as of 30.09.2014: 213 MW

Long-term 50% generation from renewable energies

→ Status: generated energy from renewable sources in 2013/14: 42.5%

EVN defined the following department targets and implemented the following measures to meet these corporate goals:

	Reduce NO_x emissions at the Dürnrohr power plant by an average of 25% per year below the legal threshold starting in 2010	Voluntary agreement for NO_x: this goal will remain intact over the long term, irrespective of the age of equipment, additional requirements etc., due to: - Catalyser washing to improve filtration efficiency - Purchase of types of coal with low nitrogen content - Primary measures, e.g. the optimisation of combustion.	On-going 2010	Measure in implementation
	Research and development to better utilise the energy content of the fuels used, to create innovative storage solutions and to reduce CO_2 emissions	Bioplastics made of algae, heat storage, CO_2 and sunlight	2015/16	Measure in implementation
	EVN Abfall: improve plant efficiency	Process optimisation	On-going	Measure in implementation
	Raise awareness for climate protection	Two events each year to increase awareness in agreement with climate protection (area of activity) (depending on which issues are more important)	On-going	Measure in implementation
	Increase windpower capacity to 300 MW		2017/18	Measure in implementation
		Construction of windpark in Prottes-Ollersdorf (36.6 MW)	Spring 2015	Measure in implementation
	50% of electricity generation from renewable sources	Further expansion of windpower, hydropower and photovoltaic generation plants	2020	Measure in implementatio; Current status: 42.5%
	Increase efficiency	Optimisation of start-up process for Korneuburg power plant; reduction of emissions and natural gas consumption at Dürnrohr power plant through optimisation of district heating transmission	On-going	Measure in implementation

Department target		Measures	Milestone Deadline	Status as of 30 September 2014
EMAS target	Increase efficiency of the EVN steam turbine at the Dürnrohr power plant	Installation of additional system to evacuate steam seepage	On-going	Measure in implementation
EMAS target	Cut energy consumption by 50% in the flue gas desulphurisation aggregate (REA) at the Theiss power plant	Optimisation of compressed air systems	On-going	Measure in implementation
	Renewable energies – service products and tariffs	Optima hydropower as an electricity standard product and Optima biogas as a gas standard product for EVN: new customers automatically receive renewable energy offers for these products unless other alternatives are requested	Starting on 01.10.2014	Measure in implementation: after introduction, on-going process
	Renewable energies – service products and tariffs	New photovoltaic feed-in compensation: 1:1 payment equal to energy price paid for electricity purchases from EVN	Starting in May 2014	Successfully completed: on-going process
EMAS target	Continuously improve plant indicators at the district heating plants operated by EVN Wärme	Steady improvement in data quality; recording and control of data; implementation of valuation models to optimise technical controlling and resulting improvement in plant indicators such as effectiveness		Measure in implementation: basic system under development; district heating plants will be connected to the system over the next five years

In addition to the six major areas of activity, EVN also worked on department targets and numerous measures in other important areas of activity during the reporting year:

Area of activity: Prevention of corruption

	Comply with national, international and corporate (Code of Conduct) rules to prevent: - Consequences under criminal law for the company and employees - Consequences under civil law for the company and employees - Risk of blackmail	Preparation and communication of Code of Conduct	On-going	Preparation completed, communication on-going measure
		Training for management and employees	On-going	Measure in implementation
		On-going advising	On-going	Measure in implementation
	Raise employee awareness and active contribution to observance of human rights and prevention of corruption	Design and implementation of a comprehensive compliance management system for the EVN Group; communication tools for training and informing employees will be developed and implemented	01.05.2014	Successfully completed at all EVN locations with the exception of Macedonia and Russia

Department target		Measures	Milestone Deadline	Status as of 30 September 2014
	Develop a corporate governance training concept for EVN managing directors by the end of 2012	Development of a modular concept for training managing directors	By end of 2012	Successfully completed
	Special training for managers on corporate governance and the legal framework for company management	Development of a concept; preparation of comprehensive training materials; inclusion of external lecturers; organisation of test training courses; individualisation of training offering	By end of 2014	Concept development and test courses completed in 2013/14; Group-wide roll-out in 2014/15
	Standardise Group-wide corporate governance to support the management of investments in line with the respective risks	Preparation of sample documents and instructions for action, clustering of investments for classification according to corporate governance risks; development of control mechanisms for the various risk levels	By end of 2015	Standardisation in implementation; focus for 2014/15 on clustering of investments
	Identify inappropriate behaviour	Introduction of whistle-blowing programmes throughout the Group	01.09.2014	Implemented in Austria; evaluation started in other countries; all reports in all regions are handled according to the whistle-blowing procedures

Area of activity: Stakeholder dialogue

	Continue dialogue with all stakeholders	Definition and implementation of defined stakeholder concept	On-going	2014 stakeholder survey completed; next step: development of an annual stakeholder dialogue
	Actively communicate and cooperate with other companies; organisation of and participation in CSR events	Exchange at external CSR events, participation in UN Global Compact (UNGC) steering committee	On-going	Participation in UNGC working groups, UNGC visit from Taiwan, contribution to Austrian CSR dialogue, respACT-membership meeting

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Area of activity: One EVN			
Internal branding	Introduction of key values to increase employees' motivation and establish a shared corporate culture	2014/15	Implementation in planning: Workshops and internal communication measures planned
Establish Group-wide CSR standards	Development of CSR organisation (organisation and processes) similar to the structure in Austria; communication with CSR network officers in Bulgaria, Macedonia, Croatia and Germany	On-going	Implementation in planning: Workshops and internal communication measures planned
Introduce key values in Macedonia and increase mutual cultural understanding	Human Resources Day for integration in South Eastern Europe (2014), project to implement key values	2015/16	Measure in implementation: project manager appointed
Integration, modernisation	Internal events and know-how transfer across divisions and borders	On-going	Measure in implementation
Area of activity: Human rights			
Improve understanding of human rights requirements	Participation in UNGC events, analysis of guidelines on human rights followed by internal know-how transfer	2014/15	Survey of status, analysis with CSR officers, development of a declaration of principle on human rights
Area of activity: Supply chain responsibility			
Anchor integrity clause (incl. social, ecological and corruptions aspects) with all contractors	Preparation and on-going adjustment of integrity clause (incl. social, ecological and corruption aspects)	2012	Successfully completed; revision in 2013 with minor adjustments to questionnaire for contractors
	Integrity clause as integral part of all orders/framework agreements	2012	Successfully completed: included in all orders/contracts in 2013/14
	Preparation of an audit questionnaire to evaluate compliance with the integrity clause	2013	Successfully completed: document was prepared; revision will cover entire Group (Bulgaria, Macedonia, Croatia)
	Review of contractors for compliance with the integrity clause	2014	Measure in implementation: first audits completed
	Follow-up training for failure to comply with key parts of the integrity clause	On-going	Measure in implementation: in connection with the review of compliance with the integrity clause

Area of activity: Social commitment

Department target	Measures	Milestone Deadline	Status as of 30 September 2014
Organise tennis weekend for children "Master your Energy! Turn it into health, knowledge and skills."	Tennis weekend held for children between five and ten years of age, where EVN not only guarantees funding for the awards, but also for training over the entire weekend	On-going	520 children have participated since the programme was started in 2010
Organise social activities in supply areas of Bulgaria	Christmas gifts	On-going	Measure in implementation: renovation of OP area in children's surgical ward at St. George hospital, Plovdiv in 2013/14
WTE: organise social sponsoring activities focused on projects to help children and young people	Annual donation of EUR 10,000 from WTE Social Fund	On-going	Measure in implementation
Increase interest in technical professions, improve quality of training, recruitment	Cooperation with schools, colleges and universities in Bulgaria	On-going	Measure in implementation: approx. 200 students from technical universities, colleges and secondary schools took part in the following measures during 2013/14: plant tours, advising for doctoral candidates, career days, sponsoring, lectures by management
Increase identification of employees with the company	„EVN4NÖ/EVN for Lower Austria – Corporate Volunteering Project for EVN employees who want to support a social project they have chosen themselves. Working time and financial support from EVN.	23.10.2014	Successfully completed
Introduction of a social tariff for charitable organisations	Introduction of a social tariff for families at risk of poverty (organisation with Socius association)	2013/14	Successfully completed
Social project "aktiv +"	Free Internet in new Internet cafe operated by Socius association, workshop days	2013/14	Successfully completed

Advisory Committee

for Environmental and Social Responsibility

Theodor Zeh (Chairman)

Erika Adensamer, President of Hilfswerk Baden, secondary school teacher

Karl Bader, Member of the Lower Austrian provincial parliament, Mayor of the municipality Rohrbach an der Gölsen

Josef Edlinger, Member of the Lower Austrian provincial parliament, farmer

Albert Hackl, Civil engineer, Lecturer at the Institute of Chemical Engineering, Vienna University of Technology

Kurt Hackl, Member of the Lower Austrian provincial parliament, self-employed

Hermann Helm, Executive President of the Education Board Lower Austria

Josef Hintermayer, Managing Municipal Council of Großweikersdorf, viniculturist

Norbert Hummel, ARGE Compost and Biogas, farmer

Klaus Kastenhofer

Heinz Kaupa

Gunda Kirchner, Austrian Energy Agency, Head of Energy and Climate Policy, National Economy

Helmut Kroiss, Institute for Water Quality, Resource and Waste Management, Vienna University of Technology

Hermann Kühtreiber, Mayor of Zwentendorf

Walter Marschitz, Managing Director Hilfswerk Österreich

Georg Mayer, Head of the Economic Policy Department, Lower Austrian Chamber of Labour

Ernst Pucher, Institute for Powertrains and Automotive Technology, Vienna University of Technology

Gerhard Razborcan, Member of the Lower Austrian provincial parliament

Franz Rennhofer, Member of the Lower Austrian provincial parliament, engineer

Klaus Schuster, Deputy Manager NÖGUS

Matthias Stadler, Mayor of the Lower Austrian provincial capital of St. Pölten, employee

Christa Vladyka, Member of the Lower Austrian provincial parliament

Heinz Zimper, District Head, district of Baden

Employee representatives

Gerhard Felberbauer, Friedrich Bußlehner (up to 30 June 2013)

Helmut Peter, Walter Rehwald, Peter Spielauer (since 1 July 2013)

Assurance statement

refers to EVN Full Report 2013/14,
financial year 1 October 2013 to 30 September 2014

To the readers of the sustainability part of the full report of EVN AG.

Scope and criteria of the statement
TÜV SÜD Landesgesellschaft Österreich GmbH was commissioned by EVN AG to verify and assure its Full Report 2013/14, in particular those sections contain Corporate Social Responsibility (CSR) relevant topics and the GRI Index, for the financial year 2013/14, starting 1 October 2013 and ending by 30 September 2014.

The Report relates to the CSR data and information for all activities of EVN regarding power production and distribution, heat production and supply, water purification and water supply and waste incineration.

From a geographical standpoint the Report covers EVN's main activities in Austria, Germany, Bulgaria, Macedonia and other countries controlled from Austria.

Management responsibility
EVN's management was responsible for preparing the Report and for maintaining effective internal controls of the data and information disclosed. TÜV SÜD's responsibility was to carry out an assurance engagement on the Report in accordance with our contract with EVN.

Ultimately, the Report has been approved by, and remains the responsibility of EVN AG.

Approach
The assurance was undertaken against the Global Reporting Initiative – G4 Sustainability Reporting Guidelines 2013 (GRI G4) and GRI's G4 sector disclosures „Electric Utilities" 2013.

The objectives of the assurance engagement were to:
- Confirm that the Report meets the requirements of GRI G4, option "comprehensive"
- validate EVN´s sustainability data and CSR-Information.

Our assurance is based on samples and covered the following activities:
- Reviewing the stakeholder engagement process and related information
- Reviewing EVN´s CSR materiality matrix
- Evaluating EVN's material issues
- Understanding how EVN determines, responds and reports on their material issues
- Interviewing a selection of employees at EVN in Austria and abroad
- Auditing EVN´s data management processes and reviewing supporting evidence made available by EVN.

  Note 1: The verification was undertaken at EVN´s head quarter in Maria Enzersdorf, Austria, in accordance with our contract and there fore did not include verifying data back to its original sources, nor did it assess the accuracy and completeness of the data reported by individual locations.

  Note 2: Economic performance data were taken from the audited financial accounts directly.
- Assessing the use of performance data within EVN´s business decision-making processes.
- Confirming that the GRI index allows stakeholders to access CSR performance indicators.

Level of assurance & materiality
The opinion expressed in this Assurance Statement has been derived on the base of a limited level of assurance and at the materiality of the professional judgement of the Verifier.

Audit opinion
Based on our assurance nothing has come to our attention that would cause us to believe that the Report does not meet GRI's G4 option "comprehensive" requirements or GRI's sector disclosure as we found nothing that would cause us to contradict this conclusion.

Finally we arrived at the conclusion, that EVN did not exclude material aspects in the report and the process yielded reliable CSR data.

Christof Böwing
Verifier
TÜV SÜD Landesgesellschaft Österreich GmbH

Date: 18 November 2014

GRI G4 Content Index

The GRI G4 Content Index forms the underlying structure for EVN's Full Report 2013/14. It shows the sections of the report where information on the individual indicators can be found and also indicates which aspects and/or indicators are reported or not reported based on materiality criteria. Partial omissions are designated as such in the relevant sections of the report. All significant aspects and indicators were reviewed as part of an audit by TÜV SÜD (see page 244). The GRI Index is also available in the Internet under **www.evn.at/GRI-Content-Index**.

General Standard Disclosure	Description	Reference to report page or online information	Additional notes
General Standard Disclosures			
Strategy and Analysis			
G4-1	Statement by the most senior decision-maker	35ff	
G4-2	Description of key impacts, risks and opportunities	121ff	
Organisational Profile			
G4-3	Organisational profile: brands, products, and services	29ff	
G4-4	Overview of products	29	
G4-5	Organisational profile: location of the organisation's headquarters	29	
G4-6	Overview of significant operations	29	
G4-7	Nature of ownership and legal form	75	
G4-8	Markets	29, 34	
G4-9	Organisational profile: scale of the organisation	29, 113	
G4-10	Employment structure	62	
G4-11	Percentage of employees under collective agreements	65	
G4-12	Description of the supply chain	92f	
G4-13	Changes in the shareholder structure or supply chain Significant changes in the organisation		No major changes
G4-14	Precautionary principle	35ff, 45ff, 83	
G4-15	Commitment to voluntary initiatives	48	
G4-16	Active memberships	48; www.evn.at/EVN-Group/responsibility/CSR-strategy/Content.aspx	
EU1	Installed capacity	30f, 24	
EU2	Energy generation by primary energy source	32, 130	
EU3	Number of customers	54	
EU4	Total length of transmission and distribution lines	32	
EU5	Allocation of CO_2 emission allowances	107	
Identified Material Aspects and Boundaries			
G4-17	Companies included in the consolidated financial statements	218ff	
G4-18	Definition of report content	4, 50f;	
G4-19	Material aspects	www.evn.at/EVN-Group/responsibility/CSR-reporting.aspx	
G4-20	Boundaries for all material aspects within the organisation	37f0	
G4-21	Boundaries for all material aspects outside the organisation	37f	
G4-22	Restatements of information provided in previous reports	50	
G4-23	Changes in the scope and aspect boundaries	4	
Stakeholder Engagement			
G4-24	List of stakeholders	50ff	
G4-25	Selection of stakeholders	50f	
G4-26	Stakeholder engagement	50ff	
G4-27	Results of engagement	50f	
Report Profile			
G4-28	Reporting period	4	
G4-29	Previous report	4	
G4-30	Reporting cycle	4	
G4-31	Contact for sustainability management	Back cover	
G4-32	GRI Index	246	
G4-33	External assurance	4, 244	
Governance			
G4-34	Governance structure and governance bodies, sustainability committees	97ff	
G4-35	Process for sustainability management – responsibilities and implementation process starting from the highest governance body	45ff	
G4-36	Reporting on economic, environmental and social topics to the highest governance body	47	
G4-37	Processes for consultation between stakeholders and the highest governance body	45	
G4-38	Composition of the highest governance body and its committees	97ff	
G4-39	Separation between Supervisory Board and Executive Board	97ff	
G4-40	Nomination and selection processes for the highest governance body	97ff	
G4-41	Processes to avoid conflicts of interest	97ff	
G4-42	Responsibilities of the highest governance body in defining goals, values and strategies related to economic, environmental and social impacts	45	
G4-43	Development of the highest governance body's collective knowledge in connection with sustainability	45	
G4-44	Evaluation of the highest governance body's performance with regard to sustainable development	48	
G4-45	Role of the highest governance body in the identification and management of economic, environmental and social impacts, risks, and opportunities	51f	
G4-46	Role of the highest governance body in reviewing risk management processes for economic, environmental and social risks	121	
G4-47	frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	125f	
G4-48	Highest committee or position that formally reviews and approves the sustainability report	47f	
G4-49	Process for communicating critical concerns to the highest governance body	45	
G4-50	Nature and total number of critical concerns communicated to the highest governance body	45	
G4-51	Remuneration policies for the highest governance body and senior executives	102f	
G4-52	Determination of remuneration	102f	
G4-53	Inclusion of stakeholders' views regarding remuneration	45	
G4-54	Ratio of the annual total compensation for the highest-paid individual to the median annual total compensation for all employees	65	
G4-55	Ratio of percentage increase in annual total compensation for the highest-paid individual to the median percentage increase in annual total compensation for all employees	65	
Ethics and Integrity			
G4-56	Code of Conduct	36, 45f	
G4-57	Internal and external processes for compliance and integrity	45f	
G4-58	Mechanisms for reporting concerns on integrity	45f	

Specific Standard Disclosure	Description	Reference to report page or online information	Additional notes

Specific Standard Disclosures

CATEGORY: ECONOMIC

Economic Performance		35ff, 113ff, 142ff	
G4-EC1	Direct economic value generated and distributed	78f	
G4-EC2	Financial implications and other risks and opportunities posed by the climate change and their impact on the organisation's activities	121	
G4-EC3	Coverage of the organisation's obligations from the defined benefit pension plan	68, 165f	
G4-EC4	Financial assistance received from the government	79	
Market Presence		29ff, 35ff, 54	
G4-EC5	Ratio of entry level wage by gender to minimum wage at significant locations	65	
G4-EC6	Percentage of senior management at significant locations of operation that are hired from the local community	70	
Indirect Economic Impacts			
G4-EC7	Development and impact of significant infrastructure investments and services supported	79	
G4-EC8	Type and scope of significant indirect economic impacts	78	
Procurement Practices			92ff
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	92	
Availability and Reliability		15, 23ff, 35ff	
EU10	Planned capacity in relation to expected demand	36	
Demand-Side Management		25	
Research and Development		24f, 120	
Plant Decommissioning			Not relevant; EVN does not operate any nuclear power
System Efficiency		26, 35ff	
EU11	Efficiency of thermal power generation plants	26	
EU12	Efficiency of long-distance lines and distribution networks	26	

CATEGORY: ENVIRONMENTAL

Materials		83	
G4-EN1	Materials used by weight and volume	83f	
G4-EN2	Percentage of recycled input materials in relation to total materials used	83f	
Energy		83	
G4-EN3	Energy consumption within the organisation	84	
G4-EN4	Energy consumption outside the organisation	84	
G4-EN5	Energy intensity	84f	
G4-EN6	Reduction of energy consumption	84f	
G4-EN7	Reduction in the energy requirements of products and services		N/a due to the company's business activities
Water		83	
G4-EN8	Total water withdrawal by source	87	
G4-EN9	Water sources significantly affected by withdrawal of water	87	
G4-EN10	Percentage and total volume of water recycled and reused	87	
Biodiversity		83	
G4-EN11	Locations adjacent to protected areas and areas with high biodiversity value outside protected areas	87	
G4-EN12	Description of significant impact of business activities, production and services on biodiversity	88f	
EU13	Biodiversity of replacement areas	89	
G4-EN13	Protected or restored habitats	88f	
G4-EN14	Number of IUCN red list species and national conservation list species with habitats In areas affected by business operations	88f	
Emissions		83, 35ff	
G4-EN15	Direct greenhouse gas emissions (Scope 1)	85	
G4-EN16	Indirect energy-related greenhouse gas emissions (Scope 2)	85	
G4-EN17	Other indirect greenhouse gas emissions (Scope 3)	85	
G4-EN18	Intensity of greenhouse gas emissions	85	
G4-EN19	Reduction of greenhouse gas emissions	86f	
G4-EN20	Emissions of ozone-depleting substances		All EVN plants are closed plants
G4-EN21	NO_x, SO_x and other significant air emissions	85	
Wastewater and Waste		83	
G4-EN22	Total water discharge by quality and destination	89	
G4-EN23	Waste	89	
G4-EN24	Total number and volume of significant spills	89	
G4-EN25	Exports/imports of hazardous waste	90	
G4-EN26	Identity, size, protected status and biodiversity of water bodies and related habitats significantly affected by the organisation	90	

Specific Standard Disclosure	Description	Reference to report page or online information	Additional notes
Products and Services		54f, 59	
G4-EN27	Reduction of environmental impacts of products	91	
G4-EN28	Percentage of reclaimed products sold and their packaging materials by category		N/a due to the company's business activities
Compliance			
G4-EN29	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations		No relevant incidents
Transport		83, 91	
G4-EN30	Significant environmental impacts of transportation	91	
Insgesamt		83, 91	
GN-EN31	Total expenditures and investments for environmental protection	91	
Supplier Environmental Assessment			
G4-EN32	Percentage of suppliers screened using environmental criteria	95	
G4-EN33	Environmental impacts of the supply chain	Not reported due to classification in the materiality matrix	
Environmental Grievance Mechanisms			
G4-EN34	Number of complaints about environmental impacts	Not reported due to classification in the materiality matrix	
CATEGORY: SOCIAL			
Labour Practices and Decent Work			
Employment		62f	
G4-LA1	Total number of employees and turnover	62,64	
G4-LA2	Benefits provided only to full-time employees	68	
EU15	Percentage of employees who will retire in the next five to ten years	65f	
EU17	Work days of subcontractors and suppliers for construction, servicing and maintenance	95f	
EU18	Subcontractors and suppliers who have participated in health and safety training programmes		
G4-LA3	Percentage of employees who return to work and remain after parental leave	95f	
Labour-Management Relations		65ff	
G4-LA4	Minimum notice periods regarding changes in collective agreements	65ff	
Occupational Health and Safety		62f, 70	
G4-LA5	Percentage of employees represented in occupational safety committees	65	
G4-LA6	Injuries, occupational diseases, lost days	70f	
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	70f	
G4-LA8	Health and safety topics covered in formal agreements with trade unions	70f	
Training and Education		68ff	
G4-LA9	Training per employee	69	
G4-LA10	Programmes for skills management	68	
G4-LA11	Employees receiving regular reviews	70	
Diversity and Equal Opportunity		62f	
G4-LA12	Diversity and equal opportunity	63f	
Equal Remuneration for Women and Men		62f	
G4-LA13	Remuneration differences by gender	64	
Supplier Assessment for Labour Practices			
G4-LA14	Percentage of suppliers screened using labour practices criteria	93ff	
G4-LA15	Impacts on labour practices in the supply chain	Not reported due to classification in the materiality matrix	
Labour Practices Grievance Mechanisms			
G4-LA16	Number of complaints about labour practices	Not reported due to classification in the materiality matrix	
Human Rights			
Investments		77, 45ff	
G4-HR1	Human rights in investments	77	
G4-HR2	Total number of training hours for employees devoted to human rights policies and procedures in the organisation	46	
Non-discrimination		77f	
G4-HR3	Number of incidents of discrimination and actions taken	81	
Freedom of Association and Collective Bargaining		77f, 81f	
G4-HR4	Right to association and collective bargaining	81f	
Child Labour			
G4-HR5	Business locations and suppliers with a risk of child labour	Not reported due to classification in the materiality matrix	
Forced or Compulsory Labour			
G4-HR6	Business locations and suppliers with a risk of forced or compulsory labour	Not reported due to classification in the materiality matrix	
Security Practices			
G4-HR7	Security personnel who have received training in human rights	82	

Specific Standard Disclosure	Description	Reference to report page or online information	Additional notes
Indigenous Rights			
G4-HR8	Incidents of violations involving rights of indigenous peoples	Not reported due to classification in the materiality matrix	
Human Rights Reviews			
G4-HR9	Business locations subject to human rights reviews	82	
Supplier Human Rights Assessment			
G4-HR10	Percentage of suppliers screened using human rights criteria	93f	
G4-HR11	Human rights impacts in the supply chain	Not reported due to classification in the materiality matrix	
Human Rights Grievance Mechanisms			
G4-HR12	Number of complaints regarding human rights impacts	Not reported due to classification in the materiality matrix	
Society			
Local Communities			
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments and development programmes	51f	
EU22	Relocations		No relocations during the reporting period
G4-SO2	Operations with significant negative impacts on local communities	51f	
Anti-corruption		45ff	
G4-SO3	Assessed operations	80	
G4-SO4	Training on anti-corruption	80	
G4-SO5	Incidents of corruption	80	
Public Policy			
G4-SO6	Total value of political contributions by country and recipient		No relevant incidents
Anti-competitive Behaviour			
G4-SO7	Anti-trust laws	80f	
Compliance			
G4-SO8	Significant fines	81	
Disaster and Emergency Planning		77	
Supplier Assessment for Impacts on Society			
G4-SO9	Percentage of suppliers screened using criteria for impacts on society	95	
G4-SO10	Impacts on society in the supply chain	Not reported due to classification in the materiality matrix	
Grievance Mechanisms for Impacts on Society			
G4-SO11	Number of complaints regarding impacts on society	Not reported due to classification in the materiality matrix	
Product Responsibility			
Customer Health and Safety		54f, 58ff	
G4-PR1	Products assessed for health and safety impacts	59f	
G4-PR2	Incidents of non-compliance with product safety and customer health requirements	59	
EU25	Accidents at plants with damage to external persons	60	
Product and Service Labelling		59	
G4-PR3	Product information	59, 95, 107	
G4-PR4	Incidents of non-compliance with mandatory or voluntary labelling requirements for products and services	95	
G4-PR5	Customer satisfaction surveys	55ff	
Marketing		54f, 58f	
G4-PR6	Sale of banned or disputed products	59	
G4-PR7	Total number of incidents of non-compliance with mandatory or voluntary advertising requirements	59	
Customer Privacy		59	
G4-PR8	Total number of substantiated complaints received concerning breaches of customer privacy and the loss of customer data	59f	
Compliance			
G4-PR9	Fines for non-compliance with laws and regulations concerning the provision and use of products and services	60	
Access		23ff, 35ff	
EU26	Population in sales area without electricity supply	61	
EU27	Electricity disconnections due to payment arrears	61	
EU28	Frequency of power failures for regulatory reasons	26	
EU29	Average duration of a power failure	26	
EU30	Average availability of power stations	26	
Accessibility		54ff	

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Information on the internet

www.evn.at
www.investor.evn.at
www.responsibility.evn.at

Online report

EVN online Full Report 2013/14
www.investor.evn.at/gb/gb2014

Financial calendar 2014/15[1)]

86th Annual General Meeting	15.01.2015	Results HY. 1 2014/15	28.05.2015
Ex-dividend day	22.01.2015	Results Q. 1–3 2014/15	27.08.2015
Dividend payment	28.01.2015	Annual results 2014/15	10.12.2015
Results Q. 1 2014/15	26.02.2015		

1) Preliminary

EVN share – basic information[1)]

Share capital	330,000,000.00 EUR
Denomination	179,878,402 shares
Identification Number (ISIN)	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); AT; EVN (Dow Jones); EVNVY (ADR)
Stock exchange listing	Vienna
ADR programme; depositary	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Sustainability index	VÖNIX, FTSE4Good, Ethibel, ECPI
Ratings	A3, negative (Moody's); BBB+, stable (Standard & Poor's)

1) As of 30 September 2014

You need to
change your perspective

when you want to see
things from the full point of view