EVN

Letter to Shareholders HY. 1 2017/18

Lasting Values.

Half-year financial report
1 October 2017 – 31 March 2018

Key figures

		2017/18 HY. 1	2016/17 HY. 1	+/– %	2017/18 Q. 2	2016/17 Q. 2	+/– %	2016/17
Sales volumes								
Electricity generation volumes	GWh	3,318	4,119	–19.5	1,631	2,182	–25.3	6,059
thereof from renewable energy	GWh	1,167	1,031	13.1	590	509	15.8	2,093
Electricity sales volumes to end customers	GWh	10,155	10,425	–2.6	5,461	5,424	0.7	18,544
Natural gas sales volumes to end customers	GWh	4,413	4,622	–4.5	2,518	2,505	0.5	5,744
Heat sales volumes to end customers	GWh	1,630	1,615	1.0	902	890	1.4	2,293
Consolidated statement of operations								
Revenue	EURm	1,246.0	1,309.8	–4.9	655.0	702.4	–6.7	2,215.6
EBITDA	EURm	470.8	481.1	–2.1	239.2	261.3	–8.5	721.6
EBITDA margin[1]	%	37.8	36.7	1.1	36.5	37.2	–0.7	32.6
Results from operating activities (EBIT)	EURm	340.3	319.6	6.5	174.4	194.4	–10.3	346.9
EBIT margin[1]	%	27.3	24.4	2.9	26.6	27.7	–1.1	15.7
Result before income tax	EURm	315.3	294.3	7.1	161.1	177.7	–9.3	325.5
Group net result	EURm	229.4	233.8	–1.9	117.2	138.5	–15.4	251.0
Earnings per share	EUR	1.29	1.31	–1.9	0.66	0.78	–15.4	1.41
Statement of financial position								
Balance sheet total	EURm	6,753.9	6,550.8	3.1	6,753.9	6,550.8	3.1	6,454.9
Equity	EURm	3,428.7	2,985.0	14.9	3,428.7	2,985.0	14.9	3,150.1
Equity ratio[1]	%	50.8	45.6	5.2	50.8	45.6	5.2	48.8
Net debt[2]	EURm	1,128.2	1,296.7	–13.0	1,128.2	1,296.7	–13.0	1,213.2
Gearing[1]	%	32.9	43.4	–10.5	32.9	43.4	–10.5	38.5
Cash flow and investments								
Gross cash flow	EURm	438.4	422.5	3.8	205.3	223.5	–8.2	572.3
Net cash flow from operating activities	EURm	253.9	262.4	–3.2	138.5	237.0	–41.6	508.9
Investments[3]	EURm	136.0	109.8	23.8	74.1	50.1	47.9	303.8
Share performance								
Share price at 31 March	EUR	15.86	11.95	32.7	15.86	11.95	32.7	13.22
Value of shares traded[4]	EURm	100.9	55.2	82.8	–	–	–	97.9
Market capitalisation at 31 March	EURm	2,853.0	2,150.0	32.7	2,853.0	2,150.0	32.7	2,377.0
Employees	Ø	6,818	6,845	–0.4	6,811	6,827	–0.2	6,840

1) Changes reported in percentage points
2) Incl. non-current personnel provisions
3) In intangible assets and property, plant and equipment
4) Vienna Stock Exchange, single counting

Contents

Highlights

Solid development of business

- Improvement in EBIT (+6.5%)
- Moderate decline in EBITDA (–2.1%) and Group net result (–1.9%) due to absence of positive special effects in the previous year

Operations influenced by different factors

- Dynamic development of renewable electricity generation
- Supply of entire thermal capacity in Lower Austria (1,090 MW) to stabilise the networks in southern Germany during the winter half-year 2017/18
- Price and volume effects in the natural gas business slow earnings growth in the Networks Segment
- Significantly milder temperatures – especially in South Eastern Europe – reduce results in the energy business
- Positive earnings contribution by the environmental services business after valuation allowances to inventories in the previous year

Extensive investments based on stable earning power and solid capital structure

- Planned annual investments of up to EUR 400m
- Including roughly EUR 300m for networks, renewable generation and drinking water supplies in Lower Austria

Expansion of windpower progressing as scheduled

- New Sommerein windpark will raise installed capacity to 314 MW in the third quarter of 2017/18
- Further expansion to approximately 370 MW planned by the end of 2019/20
- 500 MW as medium-term target (subject to appropriate framework conditions)

International environmental services business

- Completion of a wastewater treatment plant in Macedonia
- Good progress on a wastewater treatment plant project in Prague
- Contract signing for wastewater treatment plant projects in Bahrain and Kuwait expected in 2018

Rating update in April 2018

- Moody's: A2 confirmed, outlook raised from stable to positive
- Standard & Poor's: A– with stable outlook confirmed
- EVN's goal for the future: maintain ratings in the A-range

Confirmation of outlook for the 2017/18 financial year

- Assuming average conditions in the energy business environment, Group net result for 2017/18 should return to a normal level that reflects the average of the 2015/16 and 2016/17 financial years.
- However, Group net result could be significantly influenced by the regulatory background, the proceedings currently in progress in Bulgaria and the remaining proceedings connected with the Walsum 10 power plant project as well as the progress on activities in Moscow.

Interim management report

Overall business and energy sector environment

GDP growth	%	2019f	2018e	2017	2016	2015
EU-28[1)2)]		1.9–2.0	2.3	2.4	2.0	2.3
Austria[2)3)]		1.9–2.2	2.8–3.2	2.9	1.5	1.0
Bulgaria[1)2)4)5)]		3.5–4.0	3.8–4.0	3.6–3.8	3.9	3.6
Croatia[1)2)4)6)]		2.5–2.8	2.3–2.8	2.8	3.2	2.3
Macedonia[5)6)]		3.0–3.9	2.8–3.2	0.0–1.5	2.4	3.8

1) Source: "European Economic Forecast, Spring 2018", EU Commission, May 2018
2) Source: "Prognose der österreichischen Wirtschaft 2018–2019", IHS, March 2018
3) Source: "Prognose für 2018 bis 2019: Österreichs Wirtschaft weiter auf Expansionskurs", WIFO, March 2018
4) Source: "Strategie Österreich & CEE 2. Quartal 2018", Raiffeisen Research, April 2018
5) Source: "Global Economic Prospects", World Bank, January 2018
6) Source: "World Economic Outlook", International Monetary Fund, April 2018

General business environment

Strong worldwide demand for capital goods led to a significant increase in global trade during the past year, and economic indicators point toward further robust growth in the global economy over the coming months. Forecasts for the European Union indicate that the 2.4% increase in 2017 should be followed by GDP growth of 2.3% in 2018 and roughly 2.0% in 2019.

The Austrian economy recorded strong growth in this positive environment. Investment activity slowed substantially, but the export sector benefited from an improvement in the international framework conditions. The solid economic recovery has driven demand on the labour market, and the resulting improvement in employment – together with increased consumer confidence – should create additional support for private consumption. In this positive scenario, economic growth is forecasted to range from 2.8% to 3.2% in 2018 and from 1.9% to 2.2% in 2019.

In Bulgaria, robust domestic demand was responsible for a real GDP increase of 3.6% to 3.8% in 2017. Further growth in consumption and investments is projected for 2018, which means domestic demand should continue to make a sound contribution to the economy. Public finances are also considered solid due to the expected positive economic development, declining

Energy sector environment – indicators		2017/18 HY. 1	2016/17 HY. 1	2017/18 Q. 2	2016/17 Q. 2
Temperature-related energy demand[1)]					
Austria	%	107.8	112.3	112.7	108.0
Bulgaria	%	95.8	108.7	99.4	107.2
Macedonia	%	99.9	109.8	98.9	107.6
Primary energy and CO_2 emission certificates					
Crude oil – Brent	EUR/bbl	53.5	47.3	54.7	50.1
Natural gas – GIMP[2)]	EUR/MWh	20.5	18.3	21.9	19.7
Hard coal – API#2[3)]	EUR/t	75.0	77.7	70.7	76.3
CO_2 emission certificates	EUR/t	8.6	5.3	9.8	5.2
Electricity – EEX forward market[4)]					
Base load	EUR/MWh	35.6	28.3	36.8	29.6
Peak load	EUR/MWh	45.7	36.4	43.7	37.5
Electricity – EPEX spot market[5)]					
Base load	EUR/MWh	34.4	39.4	35.6	41.3
Peak load	EUR/MWh	45.2	50.3	44.1	53.3

1) Calculated based on the heating degree total; the basis (100%) corresponds to the adjusted long-term average for the respective countries.
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

unemployment and the country's political stability. Current forecasts place growth at 3.8% to 4.0% in 2018 and 3.5% to 4.0% in 2019.

The initial economic indicators for Croatia also show a generally positive picture for 2018. The development of retail trade, consumer confidence and tourism point to steady growth in private consumption. Caution is called for, however, due to the decline in industrial production and high dependence of the national economy on imports. In any event, the solid growth will have a favourable influence on government revenue: a nearly balanced budget is within reach; the national debt should gradually decline; and investments, particularly by the public sector, should increase. GDP growth is projected to range from 2.3% to 2.8% in 2018 and from 2.5% to 2.8% in 2019.

In Macedonia, the export sector remains the most important driver for the economy. Private consumption has also shown positive development as a result of slight gains in real income and declining unemployment. Forecasts call for growth of 2.8% to 3.2% in 2018 and 3.0% to 3.9% in 2019.

Energy sector environment

The unusually cold winter in the previous year was followed by milder temperatures in all three of EVN's core markets during the reporting period. However, temperatures remained below the long term in Austria: the heating degree total – which shows the temperature-related energy requirements for heating purposes – was 4.5 percentage points lower than the previous year, but still 7.8 percentage points above the long-term average. The decline in the heating degree total was more pronounced in South Eastern Europe, with a decrease of 12.9 percentage points in Bulgaria and 9.9 percentage points in Macedonia.

The average EEX price for natural gas rose by 11.9% year-on-year to EUR 20.5 per MWh in the first half of 2017/18. A substantial increase – namely 61.8% to EUR 8.6 per tonne – was also recorded in the prices for CO_2 emission certificates during this same period. This sharp rise was attributable, above all, to the positive development of the economy and the resulting increase in the demand for CO_2 emission certificates by the industrial sector as well as an announcement by the European Parliament in February 2018 of a stronger reduction in emission certificates beginning in 2021.

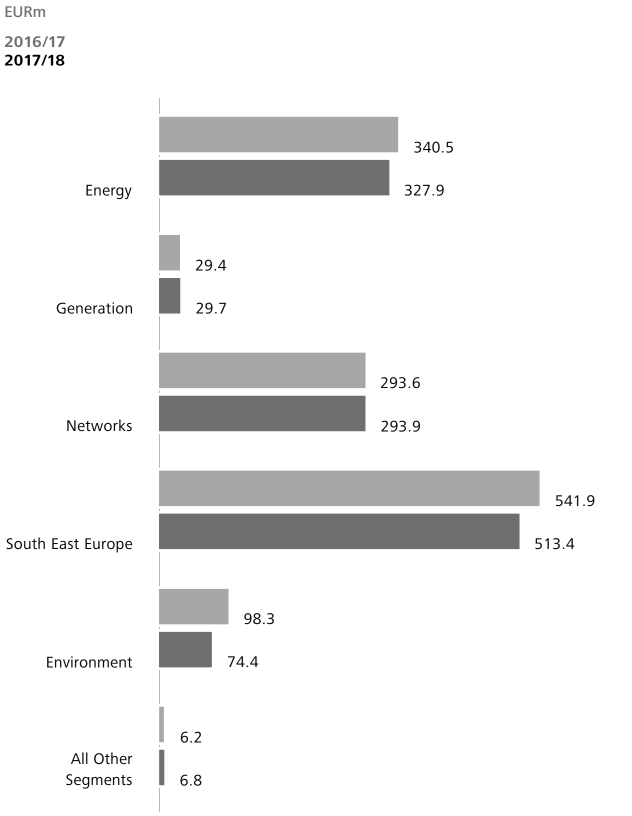
In line with the positive development of the economy and the rising prices for emission certificates, increases were also recorded in the forward prices for base load and peak load electricity applicable to the reporting period. Forward prices rose by 25.9% year-on-year to EUR 35.6 per MWh for base load electricity and by 25.3% to EUR 45.7 per MWh for peak load electricity.

In contrast, the spot market prices for base load and peak load electricity were 5.1% below the high comparable prior year levels at EUR 34.4 per MWh and EUR 45.2 per MWh, respectively, in the first half of 2017/18.

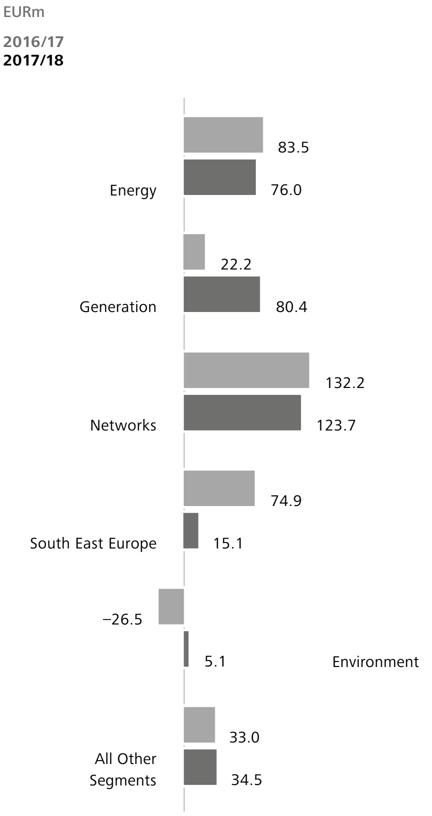
EVN's key energy business indicators GWh	**2017/18** HY. 1	2016/17 HY. 1	+/– nominal	+/– %	**2017/18** Q. 2	2016/17 Q. 2	+/– %
Electricity generation volumes	**3,318**	**4,119**	**–801**	**–19.5**	**1,631**	**2,182**	**–25.3**
Renewable energy sources	1,167	1,031	135	13.1	590	509	15.8
Thermal energy sources	2,151	3,088	–937	–30.3	1,041	1,673	–37.8
Network distribution volumes							
Electricity	12,329	12,408	–79	–0.6	6,458	6,451	0.1
Natural gas[1]	12,418	13,351	–933	–7.0	6,511	7,200	0.3
Energy sales volumes to end customers							
Electricity	**10,155**	**10,425**	**–270**	**–2.6**	**5,461**	**5,424**	**0.7**
thereof Central and Western Europe[2]	3,748	3,548	200	5.6	2,000	1,780	12.3
thereof South Eastern Europe	6,407	6,877	–469	–6.8	3,461	3,644	–5.0
Natural gas	**4,413**	**4,622**	**–209**	**–4.5**	**2,518**	**2,505**	**0.5**
Heat	**1,630**	**1,615**	**16**	**1.0**	**902**	**890**	**1.4**
thereof Central and Western Europe[2]	1,452	1,415	38	2.7	792	772	2.7
thereof South Eastern Europe	178	200	–22	–11.0	110	118	–7.4

1) Incl. network distribution volumes to EVN power plants
2) Central and Western Europe covers Austria and Germany.

External revenue by segments
HY. 1



EBIT by segments
HY. 1



Business development

Statement of operations

Highlights

- Revenue: –4.9% to EUR 1,246.0m
- EBITDA: –2.1% to EUR 470.8m
- EBIT: +6.5% to EUR 340.3m
- Financial results: +1.1% to EUR –25.1m
- Group net result: –1.9% to EUR 229.4m

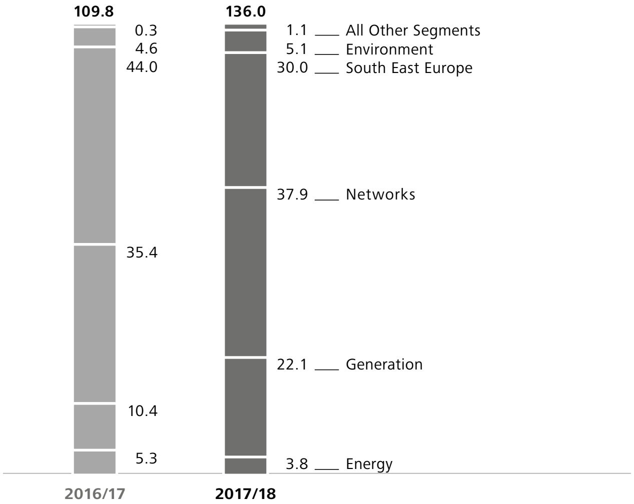
Revenue recorded by the EVN Group was 4.9% lower year-on-year at EUR 1,246.0m in the first six months of 2017/18. The primary reasons for this development were a decrease in thermal electricity generation below the high prior year level, lower revenue from natural gas trading, a weather-related drop in energy and network sales volumes in South Eastern Europe and a decline in revenue from the international project business. Contrary positive factors – above all increases in renewable electricity generation, the supply of reserve capacity to support network stability and heating sales as well as valuation effects from hedging transactions – were unable to fully offset the revenue decline.

Other operating income amounted to EUR 48.5m and was 8.6% lower than the previous year. This decline was attributable primarily to the absence of the earnings elements from the settlement between EVN's Bulgarian supply company and the state-owned Bulgarian electricity company NEK, which were included under this position in 2016/17.

The cost of electricity purchases from third parties and primary energy expenses fell by 1.0% year-on-year to EUR 591.2m in the reporting period. The main factors for this development were the reduction in thermal electricity generation, a decline in natural gas trading activities and weather-related lower energy sales volumes in South Eastern Europe. In addition, the comparative amount was reduced by a positive effect from the agreement with the state-owned Bulgarian electricity company NEK in 2016/17.

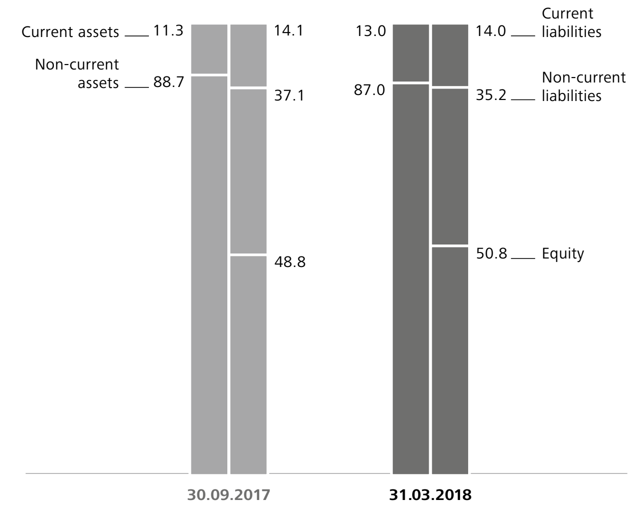
Structure of investments HY. 1

%, total in EURm



Balance sheet structure as of the balance sheet date

%



The cost of materials and services fell by 25.8% to EUR 124.7m, chiefly as the result of developments in the international project business. On the one hand, the lower volume of orders during the reporting period was automatically connected with a reduction in expenses. On the other hand, the comparable prior year value was unusually high due to the EUR 45.5m valuation allowance recognised to the remaining aggregate components from the former thermal waste utilisation plant project no. 1 in Moscow.

Personnel expenses were generally stable at EUR 155.5m in the first half of 2017/18. The average number of employees equalled 6,818 (previous year: 6,845).

Other operating expenses fell by 8.3% to EUR 63.3m, above all due to a decline in legal and consulting fees and lower receivables write-offs in South Eastern Europe.

The share of results from equity accounted investees with operational nature rose by 2.5% to EUR 111.0m. This increase reflected a slight improvement in earnings, above all from RAG, Verbund Innkraftwerke GmbH and the project company for the wastewater treatment plant in Prague. The temperature-related decline at EVN KG represented a contrasting factor.

Due to these developments EBITDA recorded by the EVN Group fell by 2.1% to EUR 470.8m. In spite of this decline, the EBITDA margin improved by 1.1 percentage points to 37.8%.

Scheduled depreciation and amortisation were slightly lower at EUR 129.9m (previous year: EUR 131.4m), and depreciation and amortisation including the effects of impairment testing declined by 19.2% to EUR 130.5m. However, the prior year value of EUR 161.5m includes an impairment loss recognised to the Gorna Arda hydropower plant project in Bulgaria. EVN generated EBIT of EUR 340.3m in the first half of 2017/18, which represents a year-on-year increase of 6.5%.

Financial results were nearly stable at EUR –25.1m (previous year: EUR –25.4m).

The result before income tax totalled EUR 315.3m and was 7.1% higher than the previous year. After the deduction of EUR 69.6m (previous year: EUR 53.8m) in income tax expense and the earnings attributable to non-controlling interests, Group net result for the period amounted to EUR 229.4m and was 1.9% lower than the first half of the previous year.

Statement of cash flows

Gross cash flow rose by 3.8% to EUR 438.4m in the first half of 2017/18, primarily due to the improvement in the result before income tax. In contrast, the changes in the non-cash components of comprehensive income generally balanced out: lower non-cash earnings contributions from equity accounted investees were offset by a decrease in depreciation and amortisation.

Cash flow from operating activities declined by 3.2% to EUR 253.9m. The development of working capital in the previous year was influenced primarily by two opposing factors: the valuation allowance included under inventories, which was recognised to the aggregate components from the former thermal waste utilisation plant project no. 1 in Moscow, was contrasted by a reduction in liabilities following the arbitration decision on the Walsum 10 power plant. Moreover, a comparison of the two half-years shows differences in working capital as of the respective balance sheet dates.

The above-mentioned arbitration decision also distorts the comparison of cash flow from investing activities through the reduction of acquisition costs for the Walsum 10 power plant in the previous year. Cash flow from investing activities amounted to EUR –196.7m and was lower than the first half of 2016/17 (previous year: EUR 0.8m). The reporting period was influenced by higher investments, an increase in the share of long-term securities in the R 138 fund and a rise in short-term securities.

Cash flow from financing activities amounted to EUR –118.3m in the first half of 2017/18 (previous year: EUR –162.8m). This amount includes the dividend payment for the 2016/17 financial year as well as the scheduled repayment of financial liabilities during the reporting period.

Cash flow amounted to EUR –61.1m in the first half of 2017/18, and cash and cash equivalents totalled EUR 160.7m as of 31 March 2018. The EVN Group also had committed, undrawn credit lines of EUR 492.0m at its disposal to service potential short-term financing requirements.

Statement of financial position

EVN's balance sheet total rose by 4.6% over the level on 30 September 2017 to EUR 6,753.9m as of 31 March 2018.

Non-current assets increased by 2.6% to EUR 5,874.7m and comprised 87.0% of total assets at the end of the reporting period (30 September 2017: 88.7%). This development resulted chiefly from an increase in the carrying amount of other investments, which was based on the higher market price of the Verbund shares as of 31 March 2018. Other non-current assets were also higher in year-on-year comparison owing to a higher share of long-term securities in the R 138 fund. Contrary effects included, above all, a distribution-related decline in the carrying amount of equity accounted investees.

Current assets were 20.3% higher at EUR 879.2m, primarily due to a seasonal rise in receivables and an increase in short-term securities through the investment in cash funds.

Equity increased by 8.8% to EUR 3,428.7m in spite of the dividend payment in January 2018 for the 2016/17 financial year. This growth was supported, in particular, by earnings for the reporting period and positive measurement effects – above all from the Verbund shares – which were not recognised through profit or loss. The equity ratio equalled 50.8% as of 31 March 2018 (30 September 2017: 48.8%).

Non-current liabilities declined by 0.5% to EUR 2,380.3m in the first half of 2017/18, above all due to the reclassification of financial liabilities from non-current to current. This was contrasted by an increase in non-current tax liabilities.

The above-mentioned maturity-related reclassification of financial liabilities – in addition to higher current tax liabilities as of 31 March 2018 – was also a major factor for the 3.5% increase in current liabilities to EUR 944.9m. Trade payables and other current liabilities declined during the reporting period.

Net debt fell by EUR 85.0m below the level on 30 September 2017 to EUR 1,128.2m as of 31 March 2018. As a result, gearing declined to 32.9% (30 September 2017: 38.5%).

Risk management report

pursuant to §125 (4) of the Austrian Stock Exchange Act 2018 ("Börsegesetz 2018")

Risk profile

The risk profile of the EVN Group is influenced primarily by normal industry risks and uncertainties and, above all, by political, legal and regulatory challenges. At the present time, no future risks can be identified that could endanger the continued existence of the EVN Group.

The overall risk profile has not changed significantly since the end of the previous financial year on 30 September 2017 and is therefore applicable to the remaining six months of the 2017/18 financial year. The major risks and uncertainties to which the Group is exposed are summarised in the following section, whereby the categorisation is based on the EVN risk management process.

Market and competition risks

Energy trading and sales

EVN's revenues can be negatively affected by a decline in demand due to weather conditions or climate change, demographic, political or technological factors and/or the loss of customers and sales volumes for image-related or competitive reasons. In addition, the development of market prices and market volatility, a suboptimal procurement strategy and declining margins can lead to lower profit margins in the energy business.

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, the respective efficiencies, energy sector framework conditions and locations. Adverse developments can therefore lead to the recognition of an impairment loss. The creation of or addition to provisions for long-term (procurement) contracts may also be necessary. In spite of the measures implemented to date, these types of risks still exist for thermal generation plants, hydropower plants and generation plants that use renewable energies.

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. The project volume in this business can also be negatively affected by market saturation or limited resources for infrastructure projects as well as non-inclusion in or the failure to win tenders. 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 business.

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.

EVN holds investments in areas related to the core business (above all Verbund AG, Rohöl-Aufsuchungs Aktiengesellschaft, Burgenland Holding AG and ENERGIEALLIANZ Austria GmbH). The difficult energy policy environment creates a risk that the unfavourable development of earnings and equity in these companies can also have a substantial impact on EVN.

In connection with active management of the risks related to liquidity, interest rates, foreign currencies and market prices, the current low interest rate environment represents an increasing challenge for the short- to medium-term investment of liquid funds. This can lead to opportunity losses and have a negative effect on the valuation of employee-related provisions and on future tariffs.

Operating risks

The energy and network businesses are particularly vulnerable to operating risks such as operational disruptions and stoppages as well as IT and safety-related problems that can cause supply interruptions and lead to liability and reputation risks. 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. Risks can also arise from the suboptimal design and use of technical equipment and the assessment and implementation of technological innovations. Further operational risks are related to organisation, planning, personnel and compliance.

External risks (legal, political and macroeconomic risks)

The regulatory environment, energy and environmental protection laws and the changing political and public positions on energy and infrastructure projects are major risk drivers. A change in the subsidy system, the failure to receive anticipated subsidies or a change in the legally defined tariffs can have a negative effect on the company's future asset, financial and earnings position.

Political and economic instability, arbitrary legal and regulatory measures as well as changes in the legal framework represent challenges. EVN is exposed to the risk that necessary permits and licenses are not granted, may be withdrawn or not extended.

Contractual and legal risks can arise in connection with pending or potential court, arbitration and investment protection proceedings as well as audits by supervisory or regulatory authorities.

Segment reporting

Overview

EVN's corporate structure comprises six reportable segments. In accordance with IFRS 8 "Operating Segments", they are differentiated and defined solely on the basis of the internal organisational and reporting structure. Business activities which cannot be reported separately because they are below the quantitative thresholds are aggregated under "All Other Segments".

Business areas	Segments	Major activities
Energy business	Energy	→ Marketing of electricity produced in the Generation Segment → Procurement of electricity, natural gas and primary energy carriers → Trading with and sale of electricity and natural gas to end customers and on wholesale markets → Production and sale of heat → 45.0% investment in ENERGIEALLIANZ Austria GmbH[1)] → Investment as sole limited partner in EVN Energievertrieb GmbH & Co KG (EVN KG)[1]
	Generation	→ Generation of electricity from thermal production capacities and renewable energy sources at Austrian and international locations → 13.0% investment in Verbund Innkraftwerke GmbH (Germany)[1)] → 49.0% investment in Walsum 10 power plant (Germany)[2)] → 49.99% investment in Ashta run-of-river power plant (Albania)[1)]
	Networks	→ Operation of distribution networks and network infrastructure for electricity and natural gas in Lower Austria → Cable TV and telecommunication services in Lower Austria and Burgenland
	South East Europe	→ Operation of distribution networks and network infrastructure for electricity in Bulgaria and Macedonia → Sale of electricity to end customers in Bulgaria and Macedonia → Generation of electricity from hydropower in Macedonia → Generation, distribution and sale of heat in Bulgaria → Construction and operation of natural gas networks in Croatia → Energy trading for the entire region
Environmental services business	Environment	→ Water supply and wastewater disposal in Lower Austria → Operation of a thermal waste utilisation plant in Lower Austria → International project business: planning, construction, financing and/or operation (depending on the project) of plants for drinking water supplies, wastewater treatment and thermal waste utilisation
Other business activities	All Other Segments	→ 50.03% investment in RAG-Beteiligungs-Aktiengesellschaft, which holds 100% of the shares in Rohöl-Aufsuchungs Aktiengesellschaft (RAG)[1)] → 73.63% investment in Burgenland Holding AG, which holds a stake of 49.0% in Energie Burgenland AG[1)] → 12.63% investment in Verbund AG[3)] → Corporate services

1) The earnings contribution represents the share of results from equity accounted investees with operational nature and is included in EBITDA.
2) The investment in Steag-EVN Walsum 10 Kraftwerksgesellschaft is accounted for as a joint operation.
3) Dividends are included under financial results.

Energy

Highlights

- Increase in electricity and heat sales volumes
- Decline in natural gas sales volumes
- EBITDA, EBIT and result before income tax below previous year

Electricity sales volumes rose by 5.6% year-on-year to 3,748 GWh in the first half of 2017/18, primarily as a result of higher energy sales to industrial customers. Heat sales volumes were also higher than the previous year, with a plus of 2.7% to 1,452 GWh. This increase, which was realised in spite of the milder temperatures, was supported by the ongoing expansion of the networks and network consolidation measures and by higher demand from large customers. In contrast, natural gas sales declined by 4.8% to 4,365 GWh due to the milder temperatures.

Revenue in the Energy Segment fell by 3.6% to EUR 332.2m in the first six months of 2017/18, above all following a decline in sales of the electricity generated in EVN's thermal power plants and a reduction in natural gas trading activities. Contrary factors included the measurement of hedges as of 31 March 2018 and higher revenue from heat sales.

Operating expenses were 2.6% lower year-on-year at EUR 310.0m, chiefly due to lower primary energy costs and the decrease in natural gas sales volumes.

The share of results from equity accounted investees with operational nature declined by 4.4% to EUR 63.5m, chiefly due to temperature-related negative volume developments but also due to higher procurement costs in the natural gas business. EBITDA amounted to EUR 85.7m for the reporting period (previous year: EUR 92.9m).

Depreciation and amortisation, including the effects of impairment testing, rose by 3.2% to EUR 9.7m. EBIT totalled EUR 76.0m for the first half of 2017/18 (previous year: EUR 83.5m).

Key indicators – Energy		2017/18 HY. 1	2016/17 HY. 1	+/– nominal	%	2017/18 Q. 2	2016/17 Q. 2	+/– %
Key energy business indicators	GWh							
Energy sales volumes to end customers								
Electricity		3,748	3,548	200	5.6	2,000	1,780	12.3
Natural gas		4,365	4,587	–222	–4.8	2,493	2,479	0.6
Heat		1,452	1,415	38	2.7	792	772	2.7
Key financial indicators	EURm							
External revenue		327.9	340.5	–12.6	–3.7	179.7	203.5	–11.7
Internal revenue		4.3	4.2	0.1	3.5	2.3	2.1	12.1
Total revenue		**332.2**	**344.7**	**–12.5**	**–3.6**	**182.0**	**205.6**	**–11.5**
Operating expenses		–310.0	–318.2	8.2	2.6	–172.0	–188.9	9.0
Share of results from equity accounted investees with operational nature		63.5	66.4	–2.9	–4.4	27.2	30.0	–9.4
EBITDA		**85.7**	**92.9**	**–7.2**	**–7.8**	**37.2**	**46.7**	**–20.4**
Depreciation and amortisation including effects from impairment tests		–9.7	–9.4	–0.3	–3.2	–4.8	–4.7	–2.7
Results from operating activities (EBIT)		**76.0**	**83.5**	**–7.5**	**–9.0**	**32.4**	**42.0**	**–23.0**
Financial results		–2.1	–1.4	–0.7	–47.4	–1.5	–0.7	–
Result before income tax		**73.9**	**82.0**	**–8.2**	**–10.0**	**30.9**	**41.3**	**–25.3**
Total assets		729.2	704.3	24.9	3.5	729.2	704.3	3.5
Total liabilities		622.8	599.7	23.1	3.9	622.8	599.7	3.9
Investments[1]		5.3	5.8	–0.5	–8.9	3.1	3.0	0.8

1) In intangible assets and property, plant and equipment

Financial results in this segment amounted to EUR –2.1m for the reporting period, compared with EUR –1.4m in the previous year. The result before income tax declined by 10.0% to EUR 73.9m.

Investments in the Energy Segment totalled EUR 5.3m in the first half of 2017/18 and were 8.9% lower year-on-year. Activities focused on the further expansion of the heating plants and networks, for example the construction of a biomass district heating plant and the expansion of the district heating network in Klosterneuburg.

Generation

Highlights

- → Increase in renewable electricity generation due to strong water flows
- → Decline in thermal electricity production
- → 430 MW of thermal power plant capacity contracted to stabilise the networks in summer 2018
- → Improvement in EBITDA, EBIT and result before income tax

Electricity generation was 20.2% lower than the previous year at 2,938 GWh in the first half of 2017/18 following a drop of 30.0% in electricity generation from the thermal power plants to 1,991 GWh. The main reasons for this decline were a special technical inspection at the Walsum 10 power plant and the reduced use of EVN's thermal power plants in Lower Austria. Additionally, in the previous year, the demand for electricity was favourably influenced by the unusually cold weather, while at the same time inspections in French power plants reduced European electricity production and led to the use of additional capacity.

The production of electricity from renewable energy rose by 12.9% to 948 GWh, supported by strong water flows and the continuous expansion of windpower capacity. The Oberwaltersdorf windpark was commissioned in October 2017, and the step-by-step commissioning of the Sommerein windpark is scheduled for the third quarter of the current financial year.

At the Group level, EVN covered 32.7% of the electricity sold during the reporting period with its own production (previous year: 39.5%). The share of renewable energy in the Group's electricity production equalled 35.2% in the first half of 2017/18 (previous year: 25.0%).

For the first time, all EVN thermal power plants in Lower Austria, which have a combined generation capacity of 1,090 MW, were under contract to serve as reserve capacity for southern Germany during the winter half-year 2017/18. Their actual use for network stabilisation within the framework of these contracts remained at a high level. For the period from May to September 2018, EVN's thermal power plants are under contract with a capacity of 430 MW to stabilise the networks in Austria.

Revenue in the Generation Segment rose by 9.7% year-on-year to EUR 157.6m, above all owing to higher revenue from the supply of reserve capacity for network stabilisation. In addition, the comparable prior year value was negatively influenced by the adjustment of internal cost allocations following the arbitration decision on the Walsum 10 power plant. Operating expenses decreased by 15.9%, to EUR 55.9m, chiefly as a result of lower primary energy costs.

The share of results from equity accounted investees with operational nature rose to EUR 2.4m (previous year: EUR –0.1m). This improvement was based primarily on the positive earnings contribution from Verbund Innkraftwerke GmbH, which resulted mainly from the good water flows.

EBITDA in the Generation Segment totalled EUR 104.2m in the first six months of 2017/18 and was 35.1% higher than the first half of the previous year. Depreciation and amortisation, including the results of impairment testing, fell by 56.7% to EUR 23.8m, whereby the previous year included an impairment loss recognised to the Gorna Arda hydropower plant project in Bulgaria.

EBIT equalled EUR 80.4m (previous year: EUR 22.2m). Financial results declined from EUR –2.2m to EUR –6.9m due to the absence of positive non-recurring effects in the prior year. The result before income tax equalled EUR 73.5m in the first half of 2017/18 (previous year: EUR 20.0m).

Key indicators – Generation		2017/18 HY. 1	2016/17 HY. 1	+/– nominal	%	2017/18 Q. 2	2016/17 Q. 2	+/– %
Key energy business indicators	GWh							
Electricity generation volumes		2,938	3,684	–746	–20.2	1,445	1,960	–26.2
thereof renewable energy sources		948	839	108	12.9	469	417	12.6
thereof thermal energy sources		1,991	2,845	–854	–30.0	976	1,543	–36.7
Key financial indicators	EURm							
External revenue		29.7	29.4	0.3	1.2	13.2	15.5	–14.5
Internal revenue		127.9	114.3	13.6	11.9	69.5	70.6	–1.4
Total revenue		**157.6**	**143.7**	**13.9**	**9.7**	**82.8**	**86.1**	**–3.8**
Operating expenses		–55.9	–66.4	10.6	15.9	–27.2	–32.3	15.7
Share of results from equity accounted investees with operational nature		2.4	–0.1	2.5	–	0.6	–0.1	–
EBITDA		**104.2**	**77.1**	**27.1**	**35.1**	**56.2**	**53.7**	**4.7**
Depreciation and amortisation including effects from impairment tests		–23.8	–54.9	31.2	56.7	–11.6	–13.4	13.6
Results from operating activities (EBIT)		**80.4**	**22.2**	**58.2**	–	**44.6**	**40.3**	**10.8**
Financial results		–6.9	–2.2	–4.7	–	–3.4	–4.2	18.9
Result before income tax		**73.5**	**20.0**	**53.5**	–	**41.2**	**36.1**	**14.2**
Total assets		945.7	994.0	–48.3	–4.9	945.7	994.0	–4.9
Total liabilities		663.5	714.8	–51.3	–7.2	663.5	714.8	–7.2
Investments[1]		33.7	11.4	22.3	–	25.2	7.6	–

1) In intangible assets and property, plant and equipment

Investments in the Generation Segment totalled EUR 33.7m for the reporting period (previous year: EUR 11.4m). This increase was largely attributable to the expansion of EVN's windpower capacity, above all through the progress of construction on the Sommerein windpark.

EVN's windpower generation capacity will increase to 314 MW in the third quarter of 2017/18 and to roughly 370 MW by the end of the 2019/20 financial year through the realisation of projects already approved by the authorities. EVN is using a special quota of subsidies for the construction of windpower plants, which was approved by the Austrian Parliament in 2017 within the framework of an amendment to the Austrian Green Electricity Act ("Kleine Ökostromnovelle"). EVN's target is to expand windpower capacity to 500 MW over the medium term through the realisation of projects which, in part, have also already been approved by the authorities. However, this will depend on appropriate framework conditions.

Networks

Highlights

- → Differing developments in network sales volumes:
  – Increase in electricity
  – Decline in natural gas
- → Revenue, EBITDA and result before income tax negatively influenced by lower network tariffs for natural gas
- → Continuing high investments in supply security

Network distribution volumes for electricity rose by 2.1% to 4,608 GWh in the first half of 2017/18, supported by the sound development of the economy. Natural gas distribution volumes

Key indicators – Networks		2017/18 HY. 1	2016/17 HY. 1	+/– nominal	%	2017/18 Q. 2	2016/17 Q. 2	+/– %
Key energy business indicators	GWh							
Network distribution volumes								
Electricity		4,608	4,511	97	2.1	2,347	2,280	2.9
Natural gas		12,320	13,288	–968	–7.3	6,456	7,158	–9.8
Key financial indicators	EURm							
External revenue		293.9	293.6	0.3	0.1	149.1	157.9	–5.6
Internal revenue		28.9	31.8	–2.9	–9.1	13.6	16.2	–16.2
Total revenue		**322.8**	**325.4**	**–2.6**	**–0.8**	**162.7**	**174.2**	**–6.6**
Operating expenses		–139.6	–135.6	–3.9	–2.9	–77.8	–71.0	–9.6
Share of results from equity accounted investees with operational nature		–	–	–	–	–	–	–
EBITDA		**183.3**	**189.7**	**–6.5**	**–3.4**	**84.9**	**103.2**	**–17.7**
Depreciation and amortisation including effects from impairment tests		–59.6	–57.5	–2.1	–3.6	–30.0	–28.9	–3.6
Results from operating activities (EBIT)		**123.7**	**132.2**	**–8.6**	**–6.5**	**54.9**	**74.2**	**–26.0**
Financial results		–8.5	–8.5	0.1	0.9	–4.2	–4.5	7.3
Result before income tax		**115.2**	**123.7**	**–8.5**	**–6.9**	**50.7**	**69.7**	**–27.2**
Total assets		1,937.9	1,921.7	16.2	0.8	1,937.9	1,921.7	0.8
Total liabilities		1,331.6	1,356.9	–25.3	–1.9	1,331.6	1,356.9	–1.9
Investments [1]		51.6	38.9	12.6	32.4	27.1	19.6	37.7

1) In intangible assets and property, plant and equipment

fell by 7.3% to 12,320 GWh, chiefly due to the reduced use of the thermal power plants in Lower Austria.

The E-Control Commission approved an average increase of 2.4% in the electricity network tariffs for household customers and an average reduction of 16.2% in natural gas network tariffs as of 1 January 2018. The reduction in natural gas tariffs resulted from the application of a lower weighted average cost of capital for the new five-year regulatory period – in spite of the fact that network sales volumes in the previous year were higher than the reference period. The increase in electricity tariffs reflects the investments and higher costs for network stabilisation.

Revenue in the Networks Segment was 0.8% lower year-on-year at EUR 322.8m owing to the above-mentioned volume and price effects. Based, above all, on the higher upstream costs for network stabilisation, operating expenses rose by 2.9% to EUR 139.6m.

These developments led to a 3.4% decline in EBITDA to EUR 183.3m. Investments were responsible for an increase of 3.6% in depreciation and amortisation to EUR 59.6m and, in turn, for a 6.5% decline in EBIT to EUR 123.7m.

Financial results totalled EUR –8.5m and were stable at the prior year level. The Networks Segment generated result before income tax of EUR 115.2m in the first half of 2017/18, which represents a year-on-year decline of 6.9%.

EVN's investments remain focused on the infrastructure in Lower Austria in order to protect and improve supply security and quality over the long term. In line with this goal, investments in the Networks Segment were increased by 32.4% to EUR 51.6m during the reporting period. The many projects currently in progress include, among others, the expansion of the 110 kV power lines and transformer stations.

South East Europe

Highlights

- → Temperature-related decline in network distribution and energy sales volumes
- → EBITDA, EBIT and result before income tax below previous year due to positive non-recurring effect in 2016/17

Key indicators – South East Europe

Key indicators – South East Europe		2017/18 HY. 1	2016/17 HY. 1	+/– nominal	+/– %	2017/18 Q. 2	2016/17 Q. 2	+/– %
Key energy business indicators	GWh							
Electricity generation volumes		191	266	–74	–28.0	91	138	–34.2
thereof renewable energy		74	65	9	14.5	47	28	66.7
thereof thermal power plants		117	201	–84	–41.7	44	110	–60.2
Network distribution volumes electricity		7,721	7,897	–176	–2.2	4,111	4,171	–1.4
Energy sales volumes to end customers		6,633	7,112	–479	–6.7	3,596	3,788	–5.1
thereof electricity		6,407	6,877	–469	–6.8	3,461	3,644	–5.0
thereof natural gas		48	36	12	34.0	25	26	–4.9
thereof heat		178	200	–22	–11.0	110	118	–7.4
Key financial indicators	EURm							
External revenue		513.4	541.9	–28.5	–5.3	273.6	286.4	–4.5
Internal revenue		0.4	0.2	0.3	–	0.3	0.1	–
Total revenue		513.8	542.0	–28.3	–5.2	273.8	286.5	–4.4
Operating expenses		–467.4	–435.9	–31.5	–7.2	–243.0	–204.6	–18.8
Share of results from equity accounted investees with operational nature		–	–	–	–	–	–	–
EBITDA		46.4	106.1	–59.7	–56.3	30.8	82.0	–62.4
Depreciation and amortisation including effects from impairment tests		–31.3	–31.3	0.0*)	0.0*)	–15.5	–15.8	1.5
Results from operating activities (EBIT)		15.1	74.9	–59.7	–79.8	15.3	66.2	–76.9
Financial results		–10.3	–12.5	2.2	17.8	–4.9	–6.8	28.2
Result before income tax		4.9	62.4	–57.5	–92.2	10.4	59.4	–82.5
Total assets		1,186.7	1,206.7	–20.0	–1.7	1,186.7	1,206.7	–1.7
Total liabilities		953.1	965.0	–11.9	–1.2	953.1	965.0	–1.2
Investments[1]		40.9	48.3	–7.4	–15.4	17.0	17.7	–4.3

1) In intangible assets and property, plant and equipment
*) Small amount

In the previous year, the agreement with the state-owned Bulgarian electricity company NEK had a substantial positive influence on the earnings recorded by the South East Europe Segment, while the significantly milder temperatures had a contrary effect during the reporting period. This was particularly clear in comparison with the unusually cold winter in 2016/17. Electricity sales volumes in Bulgaria and Macedonia were 2.2% lower, in total, at 7,721 GWh and electricity sales to end customers declined by 6.8% year-on-year to 6,407 GWh. Heat sales in Bulgaria fell by 11.0% to 178 GWh.

Renewable generation in South Eastern Europe rose by 14.5% to 74 GWh as a result of the above-average water flows in Macedonia. However, thermal generation fell by 41.7% to 117 GWh because the co-generation plant in Plovdiv was offline for some time during the reporting period due to a longer special technical inspection.

These energy business developments were responsible for a 5.2% decline in revenue to EUR 513.8m in the reporting period.

In contrast, operating expenses rose by 7.2% to EUR 467.4m, above all due to the lower comparable prior year value which was influenced by the agreement reached with the state-owned Bulgarian electricity company NEK. EBITDA for the reporting period totalled EUR 46.4m and was 56.3% lower than the previous year, while EBIT fell by 79.8% to EUR 15.1m based on nearly stable depreciation and amortisation.

Financial results improved by 17.8% to EUR –10.3m. In total, the South East Europe Segment recorded result before income tax of EUR 4.9m for the first half of 2017/18 (previous year: EUR 62.4m).

EVN's investments in this segment declined by 15.4% year-on-year to EUR 40.9m in the first half of 2017/18.

In the international arbitration proceedings initiated by EVN against the Republic of Bulgaria at the World Bank's International Centre for the Settlement of Investment Disputes (ICSID), the arbitration decision is still expected during 2018.

Environment

Highlights

- Decline in revenue from the international project business
- Improvement in EBITDA, EBIT and result before income tax due to absence of a negative non-recurring effect

Revenue and earnings in the Environment Segment are influenced to a significant degree by the acquisition of new contracts in the international project business and the status of project realisation as of the reporting date. As of 31 March 2018, EVN was working on six general contractor assignments for the construction of wastewater treatment plants in Croatia, Macedonia, Poland and the Czech Republic. The final awarding of the contracts for the two projects in Kuwait and Bahrain is ongoing, and a decision is still expected during 2018.

Activities in the international project business were lower than the previous year during the reporting period. This was reflected in a decline in revenue for the Environment Segment, which was not fully offset by growth in the areas of thermal waste utilisation and drinking water supplies. In total, segment revenue fell by 22.1% to EUR 82.5m.

Operating expenses fell by 41.4% to EUR 73.8m in the first half of 2017/18. A major factor for this development was the lower volume in the international project business. In addition, the comparable prior year value was unusually high due to a valuation allowance of EUR 45.5m which was recognised to the remaining aggregate components (reported under inventories) from the former thermal waste utilisation plant project no. 1 in Moscow.

The share of results from equity accounted investees with operational nature increased by 23.8% to EUR 7.9m due to the progress on the wastewater treatment plant project in Prague.

EBITDA in the Environment Segment totalled EUR 16.7m (previous year: EUR –13.5m). After the inclusion of slightly lower depreciation and amortisation of EUR 11.5m (previous year: EUR 13.0m), EBIT amounted to EUR 5.1m (previous year: EUR –26.5m).

Financial results stood at EUR –0.3m (previous year: EUR 0.1m). The result before income tax stood at EUR 4.8m, compared with EUR –26.4m in the previous year.

Investments in the Environment Segment rose by 37.4% to EUR 7.0m in the first half of 2017/18. This increase reflects EVN's strategic approach to continue its massive efforts to improve supply security and the quality of drinking water in Lower Austria.

Key financial indicators – Environment	EURm	**2017/18 HY. 1**	2016/17 HY. 1	+/– nominal	+/– %	**2017/18 Q. 2**	2016/17 Q. 2	+/– %
External revenue		74.4	98.3	–23.9	–24.3	36.2	36.5	–0.9
Internal revenue		8.1	7.6	0.5	6.9	4.5	3.5	28.3
Total revenue		**82.5**	**105.9**	**–23.4**	**–22.1**	**40.7**	**40.0**	**1.7**
Operating expenses		–73.8	–125.8	52.0	41.4	–34.6	–78.8	56.0
Share of results from equity accounted investees with operational nature		7.9	6.4	1.5	23.8	3.6	3.5	2.5
EBITDA		**16.7**	**–13.5**	**30.2**	**–**	**9.6**	**–35.3**	**–**
Depreciation and amortisation including effects from impairment tests		–11.5	–13.0	1.5	11.3	–5.7	–6.5	11.6
Results from operating activities (EBIT)		**5.1**	**–26.5**	**31.6**	**–**	**3.9**	**–41.7**	**–**
Financial results		–0.3	0.1	–0.4	–	0.0[*)]	–0.2	81.3
Result before income tax		**4.8**	**–26.4**	**31.2**	**–**	**3.9**	**–42.0**	**–**
Total assets		789.2	814.9	–25.8	–3.2	789.2	814.9	–3.2
Total liabilities		620.0	644.7	–24.7	–3.8	620.0	644.7	–3.8
Investments[1)]		7.0	5.1	1.9	37.4	4.1	1.9	–

1) In intangible assets and property, plant and equipment

*) Small amount

The expansion of the cross-regional pipeline networks represents the current focal point of work. Construction is also proceeding as planned on a further natural filter plant southeast of Vienna to reduce the hardness of the water by natural means. EVN is also steadily expanding its activities in the area of local drinking water supplies: after taking over the management of the local drinking water networks in two additional Lower Austrian communities at the beginning of January 2018, agreements were reached with two further communities for the transfer of management as of 1 July 2018. EVN currently supplies roughly 570,000 residents of Lower Austria with drinking water, including more than 110,000 directly.

All Other Segments

Highlights

- → Higher earnings contributions from RAG and Energie Burgenland
- → Improvement in EBITDA, EBIT and financial results

Revenue in this segment rose by 2.7% to EUR 36.4m in the first half of 2017/18, while operating expenses increased by 2.5% to EUR 38.3m.

Higher earnings contributions from RAG and Energie Burgenland led to an increase of 4.4% in the share of results from equity accounted investees with operational nature to EUR 37.2m.

EBITDA was 4.7% higher year-on-year at EUR 35.3m. Depreciation and amortisation were nearly stable at EUR 0.8m (previous year: EUR 0.7m), and EBIT rose by 4.6% to EUR 34.5m.

Financial results in this segment amounted to EUR 18.6m and were 51.8% higher than the previous year. This increase was supported, above all, by a reduction in net debt and the related decline in interest expense as well as higher intragroup dividend distributions. The EUR 0.42 dividend per share from Verbund AG for the 2017 financial year was paid after the end of the reporting period on 11 May 2018; it will therefore be included in financial results for this segment in the third quarter of 2017/18.

The result before income tax amounted to EUR 53.2m and exceeded the prior year period by 17.4%.

Key financial indicators – All Other Segments EURm	2017/18 HY. 1	2016/17 HY. 1	+/– nominal	+/– %	2017/18 Q. 2	2016/17 Q. 2	+/– %
External revenue	6.8	6.2	0.6	9.8	3.2	2.5	30.8
Internal revenue	29.6	29.2	0.3	1.1	14.3	14.7	–2.7
Total revenue	**36.4**	**35.4**	**0.9**	**2.7**	**17.5**	**17.1**	**2.2**
Operating expenses	–38.3	–37.3	–0.9	–2.5	–18.3	–18.4	0.8
Share of results from equity accounted investees with operational nature	37.2	35.6	1.6	4.4	22.0	13.9	58.0
EBITDA	**35.3**	**33.7**	**1.6**	**4.7**	**21.2**	**12.6**	**68.0**
Depreciation and amortisation including effects from impairment tests	–0.8	–0.7	–0.1	–8.0	–0.4	–0.3	–18.7
Results from operating activities (EBIT)	**34.5**	**33.0**	**1.5**	**4.6**	**20.8**	**12.3**	**69.3**
Financial results	18.6	12.3	6.4	51.8	0.7	–0.3	–
Result before income tax	**53.2**	**45.3**	**7.9**	**17.4**	**21.6**	**12.0**	**79.6**
Total assets	3,265.5	2,820.2	445.4	15.8	3,265.5	2,820.2	15.8
Total liabilities	1,248.6	1,213.8	34.8	2.9	1,248.6	1,213.8	2.9
Investments[1]	1.4	0.3	1.1	–	1.1	0.2	–

1) In intangible assets and property, plant and equipment

Consolidated interim report

according to IAS 34

Consolidated statement of operations

EURm	2017/18 HY. 1	2016/17 HY. 1	+/– %	2017/18 Q. 2	2016/17 Q. 2	+/– %	2016/17
Revenue	1,246.0	1,309.8	–4.9	655.0	702.4	–6.7	2,215.6
Other operating income	48.5	53.1	–8.6	24.7	31.6	–21.7	101.9
Electricity purchases and primary energy expenses	–591.2	–597.2	1.0	–324.0	–308.0	–5.2	–989.0
Cost of materials and services	–124.7	–167.9	25.8	–61.8	–100.0	38.2	–313.7
Personnel expenses	–155.5	–155.9	0.2	–76.6	–76.4	–0.3	–316.8
Other operating expenses	–63.3	–69.0	8.3	–31.6	–35.6	11.2	–139.0
Share of results from equity accounted investees with operational nature	111.0	108.3	2.5	53.4	47.4	12.8	162.6
EBITDA	**470.8**	**481.1**	**–2.1**	**239.2**	**261.3**	**–8.5**	**721.6**
Depreciation and amortisation	–129.9	–131.4	1.1	–65.0	–65.7	1.1	–262.3
Effects from impairment tests	–0.6	–30.1	98.1	0.1	–1.2	–	–112.5
Results from operating activities (EBIT)	**340.3**	**319.6**	**6.5**	**174.4**	**194.4**	**–10.3**	**346.9**
Share of results from equity accounted investees with financial nature	0.1	–0.2	–	0.0*)	–0.1	–	12.2
Results from other investments	–0.9	–0.1	–	–0.8	–0.1	–	18.8
Interest income	5.3	14.1	–62.0	2.8	3.0	–8.2	19.5
Interest expense	–27.2	–34.6	21.3	–13.6	–16.8	19.0	–65.4
Other financial results	–2.4	–4.6	47.3	–1.7	–2.8	40.9	–6.5
Financial results	**–25.1**	**–25.4**	**1.1**	**–13.3**	**–16.8**	**20.7**	**–21.4**
Result before income tax	**315.3**	**294.3**	**7.1**	**161.1**	**177.7**	**–9.3**	**325.5**
Income tax expense	–69.6	–53.8	–29.2	–34.5	–32.9	–4.8	–53.9
Result for the period	**245.7**	**240.5**	**2.2**	**126.6**	**144.7**	**–12.6**	**271.5**
thereof result attributable to EVN AG shareholders (Group net result)	229.4	233.8	–1.9	117.2	138.5	–15.4	251.0
thereof result attributable to non-controlling interests	16.3	6.7	–	9.4	6.3	49.6	20.5
Earnings per share in EUR [1]	1.29	1.31	–1.9	0.66	0.78	–15.4	1.41

1) There is no difference between basic and diluted earnings per share.
*) Small amount

Consolidated statement of comprehensive income

EURm	2017/18 HY. 1	2016/17 HY. 1	+/– %	2017/18 Q. 2	2016/17 Q. 2	+/– %	2016/17
Result for the period	245.7	240.5	2.2	126.6	144.7	–12.6	271.5
Other comprehensive income from							
Items that will not be reclassified to profit or loss	–1.3	6.1	–	–2.1	5.2	–	12.3
Remeasurements IAS 19	–4.9	4.7	–	–2.4	6.9	–	26.6
Investments in equity accounted investees	2.5	2.4	2.6	–0.3	–	–	–7.6
thereon apportionable income tax expense	1.2	–1.1	–	0.6	–1.7	–	–6.6
Items that may be reclassified to profit or loss	120.7	45.0	–	114.1	23.9	–	190.6
Currency translation differences	–0.6	4.2	–	–0.1	3.0	–	0.9
Available for sale financial instruments	160.4	42.8	–	151.6	29.7	–	245.3
Cash flow hedges	3.4	8.4	–59.8	1.7	3.0	–43.6	13.8
Investments in equity accounted investees	–1.9	4.1	–	–0.7	–5.6	87.2	–3.7
thereon apportionable income tax expense	–40.5	–14.5	–	–38.3	–6.2	–	–65.7
Total other comprehensive income after tax	119.5	51.1	–	112.1	29.1	–	203.0
Comprehensive income for the period	365.2	291.5	25.3	238.6	173.8	37.3	474.5
thereof income attributable to EVN AG shareholders	347.6	284.8	22.0	229.4	167.5	36.9	454.9
thereof income attributable to non-controlling interests	17.6	6.7	–	9.2	6.3	47.2	19.6

Consolidated statement of financial position

EURm	31.03.2018	30.09.2017	+/– nominal	%
Assets				
Non-current assets				
Intangible assets	168.5	177.1	–8.5	–4.8
Property, plant and equipment	3,387.3	3,383.6	3.7	0.1
Investments in equity accounted investees	937.7	954.8	–17.1	–1.8
Other investments	1,078.2	919.0	159.2	17.3
Deferred tax assets	81.5	79.6	1.9	2.4
Other non-current assets	221.4	209.9	11.6	5.5
	5,874.7	**5,723.8**	**150.9**	**2.6**
Current assets				
Inventories	86.6	98.4	–11.8	–12.0
Trade and other receivables	527.0	409.0	118.1	28.9
Securities	94.9	0.5	94.4	–
Cash and cash equivalents	170.7	223.1	–52.4	–23.5
	879.2	**731.0**	**148.2**	**20.3**
Total assets	**6,753.9**	**6,454.9**	**299.1**	**4.6**
Equity and liabilities				
Equity				
Share capital	330.0	330.0	–	–
Share premium and capital reserves	253.0	253.0	–	–
Retained earnings	2,271.9	2,126.2	145.6	6.8
Valuation reserve	345.0	226.2	118.8	52.5
Currency translation reserve	–22.6	–22.1	–0.6	–2.6
Treasury shares	–21.3	–21.2	–0.0*)	–0.1
Issued capital and reserves attributable to shareholders of EVN AG	3,155.9	2,892.1	263.8	9.1
Non-controlling interests	272.7	258.0	14.8	5.7
	3,428.7	**3,150.1**	**278.6**	**8.8**
Non-current liabilities				
Non-current loans and borrowings	1,058.3	1,125.4	–67.1	–6.0
Deferred tax liabilities	225.3	171.8	53.5	31.1
Non-current provisions	453.8	452.6	1.1	0.3
Deferred income from network subsidies	591.8	584.1	7.7	1.3
Other non-current liabilities	51.1	58.3	–7.2	–12.3
	2,380.3	**2,392.2**	**–11.9**	**–0.5**
Current liabilities				
Current loans and borrowings	92.8	50.5	42.3	83.9
Taxes payable and levies	143.1	67.6	75.5	–
Trade payables	296.1	314.0	–17.9	–5.7
Current provisions	92.3	91.6	0.7	0.8
Other current liabilities	320.6	388.9	–68.3	–17.6
	944.9	**912.6**	**32.4**	**3.5**
Total equity and liabilities	**6,753.9**	**6,454.9**	**299.1**	**4.6**

*) Small amount

Consolidated statement of changes in equity

EURm	Issued capital and reserves of EVN AG shareholders	Non-controlling interests	Total
Balance on 30.09.2016	2,510.8	259.8	2,770.7
Comprehensive income for the period	284.8	6.7	291.5
Dividends 2015/16	–74.7	–2.5	–77.2
Other changes	0.0*)	–	0.0*)
Balance on 31.03.2017	2,721.0	264.0	2,985.0
Balance on 30.09.2017	2,892.1	258.0	3,150.1
Comprehensive income for the period	347.6	17.6	365.2
Dividends 2016/17	–83.6	–2.7	–86.4
Other changes/Changes in the scope of consolidation	–0.1	–0.1	–0.1
Balance on 31.03.2018	3,155.9	272.7	3,428.7

*) Small amount

Condensed consolidated statement of cash flows

EURm	2017/18 HY. 1	2016/17 HY. 1	+/– nominal	+/– %	2016/17
Result before income tax	315.3	294.3	21.0	7.1	325.5
+ Depreciation and amortisation of intangible assets and property, plant and equipment	130.5	161.5	–31.0	–19.2	374.8
– Non-cash share of results of equity accounted investees and other investments	–110.2	–108.1	–2.2	–2.0	–193.6
+ Dividends from equity accounted investees and other investments	128.8	92.7	36.0	38.8	129.2
+ Interest expense	27.2	34.6	–7.4	–21.3	65.4
– Interest paid	–21.2	–24.6	3.4	13.9	–55.6
– Interest income	–5.3	–14.1	8.7	62.0	–19.5
+ Interest received	4.3	13.3	–9.0	–67.8	17.3
+/– Other non-cash financial results	1.3	1.4	–0.1	–4.2	2.3
– Release of deferred income from network subsidies	–23.2	–22.3	–0.9	–4.1	–45.4
– Decrease in non-current provisions	–8.7	–6.7	–1.9	–28.2	–29.6
+/– Other non-cash expenses/gains	–0.3	0.5	–0.8	–	1.6
Gross cash flow	438.4	422.5	15.9	3.8	572.3
– Changes in assets and liabilities arising from operating activities	–185.2	–164.1	–21.2	–12.9	–52.8
+/– Income tax paid	0.7	3.9	–3.2	–81.8	–10.5
Net cash flow from operating activities	253.9	262.4	–8.4	–3.2	508.9
+/– Changes in intangible assets and property, plant and equipment	–89.3	10.5	–99.8	–	–144.5
+/– Changes in financial assets and other non-current assets	–13.1	20.7	–33.8	–	–1.0
+/– Changes in current securities	–94.4	–30.5	–63.9	–	74.9
Net cash flow from investing activities	–196.7	0.8	–197.5	–	–70.6
– Dividends paid to EVN AG shareholders	–83.6	–74.7	–8.9	–12.0	–74.7
– Dividends paid to non-controlling interests	–2.7	–2.5	–0.2	–9.5	–21.5
+/– Decrease/increase in nominal capital	–	–	–	–	0.1
+/– Sales/repurchase of treasury shares	–	–	–	–	1.0
– Changes in financial liabilities	–31.9	–85.6	53.7	62.7	–344.8
Net cash flow from financing activities	–118.3	–162.8	44.5	27.3	–439.9
Net change in cash and cash equivalents	–61.1	100.3	–161.4	–	–1.6
Cash and cash equivalents at the beginning of the period[1]	221.8	223.5	–1.7	–0.8	223.5
Cash and cash equivalents at the end of the period[1]	160.7	323.8	–163.1	–50.4	221.8

1) By adding bank overdrafts this results in cash and cash equivalents according to the consolidated statement of financial position.

Notes to the consolidated interim report

Accounting and valuation methods

This consolidated interim report as of 31 March 2018, of EVN AG, taking into consideration § 245a Austrian Commercial Code (UGB), was prepared in accordance with the guidelines set forth in the International Financial Reporting Standards (IFRS) by the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) that were applicable at the balance sheet date and adopted by the European Union (EU).

EVN has exercised the option stipulated in IAS 34 to present condensed notes. Accordingly, the consolidated interim report contains merely condensed reporting compared to the Annual report, pursuant to IAS 34, as well as selected information and details pertaining to the period under review. For this reason, it should be read together with the Annual report of the 2016/17 financial year (balance sheet date: 30 September 2017).

The accounting and valuation methods applied in preparing the consolidated financial statements as of 30 September 2017 remain unchanged. The preparation of a consolidated interim report according to IFRS requires EVN to make assumptions and estimates which influence the reported figures. Actual results can deviate from these estimates.

In order to improve clarity and comparability, all amounts in the notes and tables are generally shown in millions of euros (EURm) unless indicated otherwise. Immaterial mathematical differences may arise from the rounding of individual items or percentage rates. The financial statements of companies included in this consolidated interim report are prepared on the basis of unified accounting and valuation methods.

Reporting in accordance with IFRS

The following standards and interpretations require mandatory application beginning with the 2017/18 financial year:

Standards and interpretations applied for the first time		Effective[1)]
New standards and interpretations		
–	–	–
Revised standards and interpretations		
IAS 7	Disclosure Initiative	01.01.2017
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	01.01.2017
Several	Annual Improvements 2014–2016	01.01.2017/ 01.01.2018[2)]

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) The adoption took effect with the announcement in the Official Journal of the EU on 8 February 2018. The changes to IFRS 12 are applicable to reporting periods beginning on or after 1 January 2017.

The initial obligatory application of the revised standards and interpretations did not have any impact on the consolidated interim report.

Seasonally-related effects on business operations

In particular, the energy business is subject to weather-related fluctuations in power generation and sales, thus lower revenue and earnings are typically achieved in the second half of the financial year. The environmental business is also subject to seasonal effects. The construction of many large projects is usually scheduled to begin in the springtime due to weather conditions. For this reason, the Environment Segment usually generates lower revenues in the first half of the financial year than in the second half. Accordingly, business in the Environment Segment serves to principally counteract the seasonable nature of the energy business. However, the volatile nature of large construction projects can result in fluctuations in revenue and earnings, which depend on the progress made in the particular projects.

Auditor's review

The consolidated interim report was neither subject to a comprehensive audit nor subject to an auditor's review by chartered accountants.

Scope of consolidation

The scope of consolidation is established in accordance with the requirements contained in IFRS 10. Accordingly, including the parent company EVN AG, a total of 31 domestic and 32 foreign subsidiaries (30 September 2017: 27 domestic and 36 foreign subsidiaries) were fully consolidated as of 31 March 2018. As of 31 March 2018, a total of 20 subsidiaries were not consolidated due to their immaterial influence on the assets, liabilities, cash flows and profit and loss, both in detail and altogether (30 September 2017: 19).

Changes in the scope of consolidation	Fully	Line-by-line (Joint Operation)	Equity	Total
30.09.2016	67	1	17	85
First consolidation	1	–	–	1
Deconsolidation	–2	–	–	–2
Reorganisation[1]	–3	–	–	–3
30.09.2017	63	1	17	81
First consolidation	–	–	–	–
Deconsolidation	–	–	–1	–1
31.03.2018	63	1	16	80
thereof foreign companies	32	1	5	38

1) Internal reorganisation

WEEV Beteiligungs GmbH was restructured in 2016/17, whereby the Verbund shares held by WEEV were transferred to the parent companies, EVN and Wiener Stadtwerke, in June 2017. In October 2017, the WEEV stake held by Wiener Stadtwerke was transferred to EVN. WEEV is currently in liquidation and was deconsolidated during the first quarter of 2017/18 due to immateriality.

During the reporting period there was no new acquisition of companies according to IFRS 3.

Selected notes to the consolidated statement of operations

The share of results from equity accounted investees with operational nature developed as follows:

Share of results from equity accounted investees with operational nature EURm	2017/18 HY. 1	2016/17 HY. 1
EVN KG	60.2	62.3
RAG	22.0	20.9
Energie Burgenland	15.2	14.7
ZOV; ZOV UIP	6.0	6.4
Verbund Innkraftwerke	1.8	–0.3
Other companies	5.9	4.3
Share of results from equity accounted investees with operational nature	111.0	108.3

The income from investments, which encompasses the share of results from equity accounted investees with financial nature and the results from other investments, developed as follows:

Income from investments EURm	2017/18 HY. 1	2016/17 HY. 1
WEEV Beteiligungs GmbH	–	–0.2
Other companies	0.1	0.0*)
Share of results of equity accounted investees with financial nature	0.1	–0.2
Verbund AG	–	–
Other companies	–0.9	–0.1
Results from other investments	–0.9	–0.1
Total income from investments	–0.8	–0.3

*) Small amount

Earnings per share are calculated by dividing the Group net result (= net profit for the period attributable to EVN AG shareholders) by the weighted average number of shares outstanding, i. e. 177,927,548 as of 31 March 2018 (31 March 2017: 177,842,333 shares). There is no difference between basic earnings per share and diluted earnings per share. Calculated on the basis of a Group net result amounting to EUR 229.4m (previous year: EUR 233.8m), earnings per share at the balance sheet date 31 March 2018 totalled EUR 1.29 (previous year: EUR 1.31 per share).

Selected notes to the consolidated statement of financial position

In the first half of 2017/18, EVN acquired intangible assets and property, plant and equipment to the sum of EUR 136.0m (previous year: EUR 109.7m). Property, plant and equipment with a net carrying amount (book value) of EUR 5.3m were disposed of (previous year: EUR 2.4m), with a capital gain of EUR 0.5m (previous year: capital loss of EUR 0.2m).

The item investments in equity accounted investees decreased by EUR 17.1m, or 1.8%, to EUR 937.7m. This decline resulted primarily from the distributions made by at equity consolidated companies, which totalled EUR 128.7m. This reduction was contrasted by current earnings contributions of EUR 111.1m and valuation changes not recognised in profit and loss that amounted to EUR 0.5m.

The other investments of EUR 1,078.2m classified as available for sale include shares in listed companies with a market value of EUR 1,035.6m, which had increased by EUR 160.4m since the last balance sheet date. In accordance with IAS 39, the adjustments to the changed market values were offset with the valuation reserve after the deduction of deferred taxes.

The number of EVN shares in circulation developed as follows:

Development of the number of shares in circulation

Number	2017/18 HY. 1
Balance 30.09.2017	177,927,548
Purchase of treasury shares	–
Total 31.03.2018	177,927,548

The 87th Annual General Meeting of EVN AG on 21 January 2016 authorised the Executive Board to repurchase the company's bearer shares during a period of 30 months (i) for distribution to employees of the company or its subsidiaries and (ii) in accordance with § 65 (1) no. 8 of the Austrian Stock Corporation Act (acquisition with no specific purpose) at an amount equalling up to 10% of EVN's share capital. The Executive Board is not utilising this authorisation at the present time.

As of 31 March 2018, the number of treasury shares amounted to 1,950,854 (or 1.08% of the share capital) with an acquisition value of EUR 21.3m. The treasury shares held by EVN are not entitled to any rights, and in particular, they are not entitled to dividends.

The 89th Annual General Meeting of EVN AG on 18 January 2018 approved the recommendation by Executive Board and Supervisory Board to distribute a dividend of EUR 0.44 per share plus a one-off bonus dividend of EUR 0.03 for the 2016/17 financial year, which comprises a total dividend payout of EUR 83.6m. Ex-dividend date was 24 January 2018, and the dividend payment to shareholders of EVN took place on 26 January 2018.

The non-current loans and borrowings are composed as follows:

Break down of non-current loans and borrowings

EURm	31.03.2018	30.09.2017
Bonds	504.8	532.0
Bank loans	553.5	593.3
Total non-current loans and borrowings	1,058.3	1,125.4

The reduction of EUR 27.2m in bonds resulted primarily from the reclassification of a bond which matures on 18 March 2019 from non-current to current financial liabilities. This reclassification was contrasted by an opposite movement in the market values of hedges.

The issue of the EUR 121.5m promissory note loans in October 2012 is also reflected in the bank loans.

Segment reporting

EURm	Energy		Generation		Networks		South East Europe	
	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1
External revenue	327.9	340.5	29.7	29.4	293.9	293.6	513.4	541.9
Internal revenue (between segments)	4.3	4.2	127.9	114.3	28.9	31.8	0.4	0.2
Total revenue	**332.2**	**344.7**	**157.6**	**143.7**	**322.8**	**325.4**	**513.8**	**542.0**
Operating expenses	–310.0	–318.2	–55.9	–66.4	–139.6	–135.6	–467.4	–435.9
Share of results from equity accounted investees operational	63.5	66.4	2.4	–0.1	–	–	–	–
EBITDA	**85.7**	**92.9**	**104.2**	**77.1**	**183.3**	**189.7**	**46.4**	**106.1**
Depreciation and amortisation	–9.7	–9.4	–23.8	–54.9	–59.6	–57.5	–31.3	–31.3
Results from operating activities (EBIT)	**76.0**	**83.5**	**80.4**	**22.2**	**123.7**	**132.2**	**15.1**	**74.9**
Financial results	–2.1	–1.4	–6.9	–2.2	–8.5	–8.5	–10.3	–12.5
Result before income tax	**73.9**	**82.0**	**73.5**	**20.0**	**115.2**	**123.7**	**4.9**	**62.4**
Total assets	729.2	704.3	945.7	994.0	1,937.9	1,921.7	1,186.7	1,206.7
Investments[1]	5.3	5.8	33.7	11.4	51.6	38.9	40.9	48.3

	Environment		All Other Segments		Consolidation		Total	
	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1	2017/18 HY. 1	2016/17 HY. 1
External revenue	74.4	98.3	6.8	6.2	–	–	1,246.0	1,309.8
Internal revenue (between segments)	8.1	7.6	29.6	29.2	–199.3	–187.3	–	–
Total revenue	**82.5**	**105.9**	**36.4**	**35.4**	**–199.3**	**–187.3**	**1,246.0**	**1,309.8**
Operating expenses	–73.8	–125.8	–38.3	–37.3	198.6	182.3	–886.2	–936.9
Share of results from equity accounted investees operational	7.9	6.4	37.2	35.6	–	–	111.0	108.3
EBITDA	**16.7**	**–13.5**	**35.3**	**33.7**	**–0.6**	**–5.0**	**470.8**	**481.1**
Depreciation and amortisation	–11.5	–13.0	–0.8	–0.7	6.2	5.4	–130.5	–161.5
Results from operating activities (EBIT)	**5.1**	**–26.5**	**34.5**	**33.0**	**5.5**	**0.4**	**340.3**	**319.6**
Financial results	–0.3	0.1	18.6	12.3	–15.7	–13.0	–25.1	–25.4
Result before income tax	**4.8**	**–26.4**	**53.2**	**45.3**	**–10.1**	**–12.6**	**315.3**	**294.3**
Total assets	789.2	814.9	3,265.5	2,820.2	–2,100.3	–1,911.1	6,753.9	6,550.8
Investments[1]	7.0	5.1	1.4	0.3	–3.8	–	136.0	109.8

1) In intangible assets and property, plant and equipment

The results shown in the total column represent the results reported on the consolidated statement of operations. The consolidation column reflects the elimination of intersegment transactions. Also included are transition amounts, which result from the difference between the viewpoints of the Energy and Generation 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 Segment has already recognised provisions for onerous contracts connected with the marketing of its electricity production. In contrast, an impairment charge is required for the Walsum 10 power plant from the Group's point of view.

Selected notes on financial instruments

Information on classes and categories of financial instruments

EURm

Classes	Measurement category	Fair value hierarchy (IFRS 13)	31.03.2018 Carrying amount	31.03.2018 Fair value	30.09.2017 Carrying amount	30.09.2017 Fair value
Non-current assets						
Other investments						
Investments	AFS	Level 3	36.8	36.8	36.8	36.8
Miscellaneous investments	AFS	Level 1	1,035.6	1,035.6	875.2	875.2
Other non-current assets						
Securities	@FVTPL	Level 1	76.4	76.4	58.4	58.4
Loans receivable	LAR	Level 2	40.8	47.7	40.6	48.4
Lease receivables	LAR	Level 2	77.8	86.7	86.9	99.6
Receivables arising from derivative transactions	@FVTPL	Level 2	10.9	10.9	8.0	8.0
Receivables arising from derivative transactions	Hedging	Level 2	0.7	0.7	1.0	1.0
Remaining other non-current assets	LAR		0.5	0.5	0.5	0.5
Current assets						
Current receivables and other current assets						
Trade and other receivables	LAR		486.6	486.6	367.8	367.8
Receivables arising from derivative transactions	@FVTPL	Level 2	24.2	24.2	18.0	18.0
Securities	AFS	Level 1	94.9	94.9	0.5	0.5
Cash and cash equivalents						
Cash on hand and cash at banks	LAR		170.7	170.7	223.1	223.1
Non-current liabilities						
Non-current loans and borrowings						
Bonds	FLAC	Level 2	504.8	605.5	532.0	637.1
Bank loans	FLAC	Level 2	553.5	639.1	593.3	651.5
Other non-current liabilities						
Leases	FLAC	Level 2	10.6	11.7	12.7	14.6
Accruals of financial transactions	FLAC		0.8	0.8	1.1	1.1
Other liabilities	FLAC		12.9	12.9	12.4	12.4
Liabilities arising from derivative transactions	@FVTPL	Level 2	7.1	7.1	9.8	9.8
Liabilities arising from derivative transactions	Hedging	Level 2	19.8	19.8	22.4	22.4
Current liabilities						
Current loans and borrowings	FLAC		92.8	92.8	50.5	50.5
Trade payables	FLAC		296.1	296.1	314.0	314.0
Other current liabilities						
Other financial liabilities	FLAC		192.6	192.6	245.3	245.3
Liabilities arising from derivative transactions	@FVTPL	Level 2	25.5	25.5	25.9	25.9
Liabilities arising from derivative transactions	Hedging	Level 2	5.4	5.4	7.4	7.4
thereof aggregated to measurement categories						
Available for sale financial assets	AFS		1,167.3		912.5	
Loans and receivables	LAR		776.4		718.9	
Financial assets designated at fair value in profit or loss	@FVTPL		111.5		84.4	
Financial liabilities at amortised cost	FLAC		1,664.1		1,761.3	

The previous 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.

Information on transactions with related parties

There were no changes in the group of individuals and companies who are considered as related parties compared to the Annual report of 2016/17.

The value of services provided to investments in equity accounted investees is as follows:

Transactions with investments in equity accounted investees EURm	**2017/18** HY. 1	2016/17 HY. 1
Revenue	195.9	238.7
Cost of materials and services	50.3	82.1
Trade accounts receivable	55.8	27.4
Trade accounts payable	39.1	36.0

Other obligations and risks

Other obligations and risks decreased by EUR 46.4m to EUR 285.5m compared to 30 September 2017. This change was mainly due to the reduction in guarantees in connection with energy transactions. This reduction was in contrast to the increase in guarantees for subsidiaries in connection with construction projects in the Environment segment.

Contingent liabilities related to guarantees for subsidiaries for energy transactions are recognised on the basis of the guarantees issued by EAA 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 2.8m as of 31 March 2018. The nominal volume of the guarantees underlying this assessment was EUR 254.5m.

Significant events after the balance sheet date

The following events occurred after the balance sheet date for the quarterly financial statements on 31 March 2018 and the editorial deadline for this consolidated interim financial report on 25 May 2018:

The 71st Annual General Meeting of Verbund AG on 23 April 2018 approved a dividend of EUR 0.42 per share for the 2017 financial year (previous year: EUR 0.29 per share).

EVN prematurely refinanced its existing EUR 400m syndicated credit line in May 2018. The new facility, which is provided by a consortium of nine banks, has an unchanged volume and a term of five years with two extension options of one year each.

In May 2018, EVN's German subsidiary WTE Wassertechnik prematurely cancelled a contract concluded with the municipality of Budva, Montenegro, for the construction, financing and operation of a wastewater treatment plant and asked the municipality to take over the largely completed facility and to pay the entire amount of the receivable resulting from the termination of the contract. The step was taken in reaction to the municipality's continued failure to meet payment obligations. The claims by WTE Wassertechnik are covered in part by a guarantee from the Republic of Montenegro and in full by further guarantees provided by the municipality of Budva and by the Federal Republic of Germany. In the meantime, discussions with the municipality of Budva and the Republic of Montenegro have started.

Statement by the Executive Board

pursuant to § 125 (1) no. 3 of the Austrian Stock Exchange Act 2018 ("Börsegesetz 2018")

The Executive Board of EVN AG certifies that these condensed interim financial statements which were prepared in accordance with the decisive reporting standards present a true and fair view of the assets, liabilities, financial position and profit or loss of the EVN Group and that the half-year management report of the Group presents a true and fair view of the assets, liabilities, financial position and profit or loss of the EVN Group with regard to important events that have occurred during the first six months of the financial year and their impact on the condensed interim financial statements, with regard to the principal risks and uncertainties for the remaining six months of the financial year and to transactions with related companies and individuals to be disclosed.

Maria Enzersdorf, 25 May 2018

EVN AG
The Executive Board

Stefan Szyszkowitz	**Franz Mittermayer**
Spokesman of the Executive Board	Member of the Executive Board

EVN on the capital market

The EVN share

Market environment and performance

The international stock indexes were characterised by very different developments during the six-month period from October 2017 to March 2018. The European indexes lost the gains which were recorded between October 2017 and January 2018. The US benchmark index Dow Jones recorded a plus of 7.6% for the reporting period, while the German benchmark index DAX declined by 5.7%. In contrast to the European trend, Vienna's benchmark index ATX rose by 3.4%. The EVN share increased by roughly 20% during this same period and clearly outperformed the DJ Euro Stoxx Utilities, the relevant industry index, which fell by 3.7%. The average daily turnover in EVN shares equalled 52,253 (single counting). That represents an annual trading volume of EUR 100.9m (single counting) for EVN's shares on the Vienna Stock Exchange and 0.58% of the total trading volume during the first half of 2017/18.

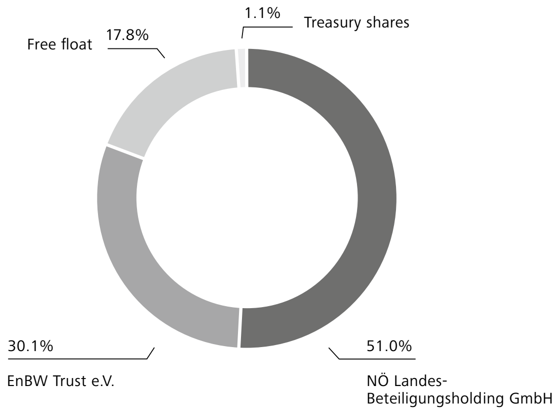
Strategy for the use of financial resources and dividend

EVN's strategy for the use of its financial resources includes establishing a balance between current investment projects and attractive dividends for its shareholders. The 89th Annual General Meeting on 18 January 2018 approved a dividend of EUR 0.44 plus a one-time bonus dividend of EUR 0.03 per eligible share to the shareholders of EVN AG for the 2016/17 financial year. The ex-dividend day was 24 January 2018, and payment was made to shareholders on 26 January 2018.

Share buyback programme

The Executive Board is currently not utilising the authorisation provided by the 87th Annual General Meeting on 21 January 2016 for the repurchase of the company's shares during a period of 30 months. This authorisation is still valid up to 21 July 2018.

Shareholder structure[1)]



1) As at 31 March 2018

External ratings

The diversification of financing instruments and partners is a key component of EVN's financing strategy. Good business relations with regional, international and multilateral banks are therefore particularly important, as is flexible access to national and international investors over the capital market. An important factor in this respect is formed by the independent evaluations issued by the international rating agencies Moody's and Standard & Poor's. EVN's objective is to achieve and maintain ratings in the A-range.

Both rating agencies updated their classification of EVN in April 2018:

- Moody's: A2 rating confirmed, outlook raised from stable to positive
- Standard & Poor's: A– rating with stable outlook confirmed

EVN share – performance		2017/18 HY. 1	2016/17 HY. 1
Share price at 31 March	EUR	15.86	11.95
Highest price	EUR	18.00	12.00
Lowest price	EUR	13.07	10.47
Value of shares traded[1)]	EURm	100.9	55.2
Average daily turnover[1)]	Shares	52,253	39,226
Share of total turnover[1)]	%	0.58	0.36
Market capitalisation at 31 March	EURm	2,853	2,150
ATX weighting at 31 March	%	1.00	0.88

1) Vienna Stock Exchange, single counting

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Financial calendar[1]	
Results Q. 1–3 2017/18	23.08.2018
Annual results 2017/18	13.12.2018

1) Preliminary

EVN share – Basic information[1]	
Share capital	EUR 330,000,000.00
Denomination	179,878,402 shares
ISIN security code number	AT0000741053
Tickers	EVNV.VI (Reuters); EVN AV (Bloomberg); EVN (Dow Jones); EVNVY (ADR)
Listing	Vienna
ADR programme; depositary	Sponsored Level I ADR programme (5 ADR = 1 share); The Bank of New York Mellon
Ratings	A2, positive (Moody's); A–, stable (Standard & Poor's)

1) As of 31 March 2018

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